



## **ANALYSIS OF EXPATRIATE CROSS-CULTURAL LEADERSHIP ON JOB SATISFACTION AND ITS IMPLICATIONS ON EMPLOYEE PERFORMANCE**

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**Abstract:** The influence of globalization brings a phenomenon, namely the ASEAN Economic Community (MEA) or the ASEAN Economic Community (AEC). Globalization has a great influence on the world of industry and organizations, namely connecting industrial and organizational activities to be without boundaries. In the company that the author will examine, namely PT. Krakatau Daedong Machinery, located in Indonesia, Cilegon, Banten, has not been able to stabilize basic sales revenue. This phenomenon indicates the low performance of employees. The high and low performance of the employee is predicted by the level of the variables that influence it, namely expatriate cross-cultural leadership and job satisfaction. This study uses a survey with the type of verificative explanation research on 96 employees. Analysis and interpretation of the results of data processing using descriptive analysis and verification analysis (Partial Least Square). The results of the analysis show that the variable cross-cultural leadership of South Korean expatriates is included in the high category while the variables of job satisfaction and performance are included in the moderate category and the strengths and weaknesses of South Korean cross-cultural leadership have a positive and significant influence on the level of job satisfaction and employee performance. The level of job satisfaction has a positive and significant influence on the level of employee performance.

**Keywords:** Expatriate Cross-Cultural Leadership; Job Satisfaction; Performance; Partial Least Square

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### **INTRODUCTION**

Globalization has a great influence on the world of industry and organizations, namely connecting industrial and organizational activities to be without boundaries. This is marked by the increasing number of industries and organizations operating in the international sphere. The increasing number of existing foreign companies also increases the number of expatriates, but these overseas assignments make expatriates generally become leaders or managers in the countries that operate and manage local employees (Puspitasari, 2014). This cross-cultural company also occurs in Indonesia, because Indonesia is involved in the global economy, so there are great opportunities for expatriates to enter Indonesia. The number of expatriates working in Indonesia is presented in Table 1.



**Table 1. Number of Expatriates in Indonesia by Country of Origin**

<b>NO</b>	<b>COUNTRY OF ORIGIN</b>	<b>AMOUNT</b>
1	RR Cina	15.341
2	Jepang	10.183
3	Korea Selatan	7.678
4	India	4.689
5	Malaysia	3.779
6	Amerika Serikat	2.497
7	Filipina	2.509
8	Australia	2.503
9	Inggris	2.092
10	Thailand	941
11	Another Country of Origin	12.401
<b>TOTAL</b>		<b>64.613</b>

Source: Dit. PPTKA - Ditjen Binapenta, processed by the author (2020)

South Korea is a country with a very fast economy. One of the factors supporting South Korea's economic revival is the industrial sector so that South Korea can quickly change from a poor country to a newly industrialized country and the Asian Tiger. South Korea also builds an image as a trusted and cooperative country in conducting international business activities (Mayangsarii, 2014). The large number of South Korean expatriates working in Indonesia, brings a different cultural background from Indonesian culture, thus influencing cross-cultural leadership styles within the organization.

Success in business management cannot be separated from how the work culture that exists in a company. Rooted in the values and behavior of employees, it becomes the habit of a good work ethic. Business management in practice cannot be separated from the influence of the local culture or the local country. The result of the interaction between humans and each other is what produces cultural diversity. Humans develop with all their potential, thus causing interactions between groups to develop as well. Likewise, with the state, the state is also developing with the flow from time to time, so the state must have something that can become a character or identity.

Globalization is characterized by the interdependence between countries and the increasingly free flow of information and communication that penetrates the territorial boundaries of the country and brings influence in various fields, including business. People's perspectives on Korean business management can be viewed from the conceptual, technical, academic, and practical dimensions (Cho. D.S., 1995). Korean business activities carried out are more oriented toward the long term than the short term, namely for business growth and stability. The author's long-term business orientation values in conducting business activities are already at the maturity stage because the goal to be achieved is the growth and stability of the company. This is not an easy thing to do for business people and requires a lot of sacrifices and hard work. Long-term orientation in doing business is a form of consistency and requires the support of high employee loyalty.

Several empirical research results have documented that organizational culture has a very strategic role in determining the direction and goals of the organization, creating and improving effective company business performance (Zehir et al., 2011), (Hartnell et al., 2011), (Gregory et al., 2009), and has a significant influence on the success of organizational performance in the long term (Shahzad et al., 2012), (Mujeeb et al., 2012).



Overall Korean business enterprises emphasize the following aspects: (1) harmony between people, unity of cooperation, devotion, perseverance, originality, creativity, and overall development; (2) honesty, trustworthiness, efficiency, quality, and responsibility. On the other hand, rationality, scientific management, and customer service are values that have received less emphasis. These values are in stark contrast to the values held by western companies which emphasize originality, development, customer service, and social responsibility as superior management ideologies. These values stem from customs, religion, norms, and rules that become beliefs that become habits in work or organizational behavior. The notion of leadership is the activity or art of influencing others to cooperate based on that person's ability to guide others in achieving the goals desired by the group. A leader has superior qualities so that he can put himself in his position effectively against all relationships that occur between fellow members or between groups.

One of the multinational companies in Indonesia is PT. Krakatau Daedong Machinery. PT. Krakatau Daedong Machinery is a subsidiary of POSCO based in South Korea which is engaged in the steel industry, this is indicated by the large number of South Korean expatriates working at PT. Krakatau Daedong Machinery. This company provides the wider community to provide job opportunities for the company. Company PT. Krakatau Daedong Machinery needs qualified human resources (HR) employees who are competent. PT. Krakatau Daedong Machinery is led by the top leadership at the position level. The leadership positions in a company, for example, CEO, Head of Branch, Director, Manager, and General Manager. The director of a company is not necessarily the owner of the company.

Based on Table 2, it can be seen that the balance of the scale from 2015 to 2019 PT. Krakatau Daedong Machinery is still inconsistent in stabilizing basic sales revenue. Principal sales can be seen in the following table:

**Table 2. Principal Sales of PT. Krakatau Daedong Machinery**

<b>YEAR</b>	<b>TOTAL SALES (in thousands of US\$)</b>
2016	1.641.337
2017	2.032.852
2018	2.287.445
2019	2.084.448

Source: Annual Report PT. Krakatau Daedong Machinery (2020)

Table 2 shows the level of sales of PT. Krakatau Daedong Machinery experienced a fluctuating increase and decrease. These indications need to be investigated whether from supervisors, company managers to employees with poor performance, or the influence of work culture in Indonesia who are already accustomed to working without a good work ethic. Based on these problems, the researcher summarizes three research questions that are considered capable of dissecting Expatriate Cross-Cultural Leadership on Job Satisfaction and Its Implications on Employee Performance. (1) How is the influence of South Korean expatriate cross-cultural leadership on the level of job satisfaction; (2) How is the influence of South Korean expatriate cross-cultural leadership on employee performance levels; and (3) How does job satisfaction affect the level of employee performance.



## METHODS

The unit of analysis in this study was employees of PT. Krakatau Daedong Machinery. This study consisted of three variables studied, namely cross-cultural leadership of South Korean expatriates, job satisfaction, and employee performance. This study uses a survey method with a quantitative approach. In this study, the scale used is the Likert scale. This research will test the truth of the hypothesis through data collection in the field.

The types of data used in this study are primary data and secondary data. The population in this study was 118 employees at PT. Krakatau Daedong Machinery. One of the techniques used to determine the size of the sample studied is using the sample formula proposed by Slovin so that the respondents who are sampled in this study are employees of PT. Krakatau Daedong Machinery has as many as 96 respondents.

This research uses a probability sampling technique with simple random sampling. Research methods provide the knowledge and skills needed to tackle problems and face challenges in an environment where decision-making must be done quickly. The decisions taken will be more scientific if done through a research process. As stated by Sugiyono (2010), states that: "The research method is a scientific way to obtain data with certain goals and uses".

The research method used is quantitative research methods, as stated by Sugiyono (2010), states that: "Quantitative research methods as research methods based on the philosophy of positivism, are used to examine certain populations or samples, sampling techniques are generally carried out manually. random, data collection using research instruments, data analysis is quantitative or statistical to test the established hypothesis".

The type of research used is descriptive and verification research. This type of descriptive research is used to describe various symptoms and facts, as well as phenomena contained in social life in depth. Arikunto (2010), states: "Descriptive research is research that only describes what is contained or occurs in a certain field, field, or area".

While the type of verification research is a type of research that aims to test the truth of the hypothesis which is carried out by collecting data in the field by testing hypotheses. The data collection technique used is by giving a closed questionnaire. The data analysis technique uses three variables, namely expatriate cross-cultural leadership (X), job satisfaction (Y), and employee performance (Z). The data analysis technique uses the Partial Least Square structural equation model.

## RESULTS AND DISCUSSION

### Description of Expatriate Cross-Cultural Leadership

Based on the results of data processing and statistical test results, it can be concluded that the level of cross-cultural leadership of South Korean expatriates at PT. Krakatau Daedong Machinery is in the moderate category (enough). This indicates that expatriate leaders do not perform pseudo-participation (false participation) as suggested by Luthans (2006) that many managers consult, but when subordinates provide input, subordinates are ignored and do not receive feedback.

### Job Satisfaction Description

Based on the results of data processing and statistical test results, it can be concluded that the level of job satisfaction of PT. Krakatau Daedong Machinery is in the moderate category (enough). In the job satisfaction variable, two indicators fall into the low category, namely promotion indicators. This is because of working at PT. Krakatau



Daedong Machinery does not have any promotions or positions for employees. This indicates that the promotion indicator is low.

### **Employee Performance Description**

Based on the results of data processing and statistical test results, it can be concluded that the level of employee performance at PT. Krakatau Daedong Machinery is in the moderate category (enough). Overall is included in the medium category. The indicator of the quality of output (quantity of output) is the lowest because employees have not been able to carry out their duties carefully, and many work results failed to produce it had an impact on the performance of employees at PT. Krakatau Daedong Machinery.

### **The Effect of Expatriate Cross-Cultural Leadership on Job Satisfaction**

Based on the research results from testing the first hypothesis, it provides information that the cross-cultural leadership of South Korean expatriates has a positive influence on job satisfaction. Based on this, it can be concluded that the cross-cultural leadership of South Korean expatriates can help increase employee job satisfaction. Given that to get good employee goals, it is necessary to have a leader in influences and motivates to do something according to common goals.

### **The Effect of Expatriate Cross-Cultural Leadership on Performance**

Among the three variables studied, the South Korean Expatriate Cross-Cultural Leadership variable on performance has the highest direct influence compared to the others. Performance is basically what workers do and don't do. For workers to carry out their work, it is necessary to have organizational support that forms an appropriate and conducive leadership style. Support from this leader needs to fulfill complete work facilities and high technology to support the performance of workers so that they produce output with maximum quantity and quality at the right time.

### **The Effect of Job Satisfaction on Performance**

A good perception of what is given by the organization makes workers give a positive perception. All perceptions given by the organization must be united because when there is one thing that is not fulfilled, it can be said that the job satisfaction of workers is not so good. Some things that need to be considered so that workers feel satisfied are the work they do must be challenging, fun, and not monotonous so that job rotation, training, and development are very important. Perceptions of the salary given even workers need to be satisfied, organizations must design workers' salaries according to what they do, as for gifts or bonuses it is necessary to pay attention to when workers work overtime this will increase positive perceptions of the salary given. There is also a need for promotions or career paths for workers so that workers feel there is a purpose for them to work hard to achieve the goals of an organization so that the performance is maximized. Superiors and co-workers need to have good relations to create a family perception so that workers feel satisfied so that superiors and co-workers can work well together and that workers can do their work as much as possible.

## **CONCLUSION**

Based on the results of the analysis of the discussion and the results of data processing obtained from the initial stage to the end of the thesis entitled analysis of expatriate cross-cultural leadership on job satisfaction and its implications for employee performance, the following conclusions can be drawn: Expatriate cross-cultural leadership has a positive effect on job satisfaction of PT. Krakatau Daedong Machinery.

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This shows that the higher the expatriate cross-cultural leadership, the higher the job satisfaction of PT. Krakatau Daedong Machinery. Expatriate cross-cultural leadership has a positive effect on employees of PT. Krakatau Daedong Machinery. This shows that the higher the expatriate cross-cultural leadership, the higher the performance of PT. Krakatau Daedong Machinery. Job satisfaction has a positive effect on the performance of employees of PT. Krakatau Daedong Machinery. This shows that the higher the job satisfaction, the higher the performance of the employees of PT. Krakatau Daedong Machinery.

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