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## Exploring the Influence of Intercultural Work Culture on Employee Productivity in Multinational Companies

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**Abstract:** A cross-cultural work culture within a multinational company plays a crucial role in determining employee effectiveness and productivity. Cultural diversity in the workplace can provide benefits in the form of innovation and work efficiency, but also presents communication challenges and differences in values and norms. This study aims to analyze the impact of cross-cultural work culture on employee productivity in multinational companies. Using a phenomenological qualitative approach, data was collected through in-depth interviews and participatory observation of employees working in a multicultural environment. The results showed that cultural diversity encourages creativity and team effectiveness, but also causes communication and adaptation barriers that affect individual performance. It was found that companies that implemented flexible management strategies and cross-cultural training programs were able to improve the effectiveness of employee communication and collaboration. The conclusion of this study emphasizes the importance of management's role in managing cultural diversity in order to become a competitive advantage for the company.

**Keyword:** Cross-Cultural Work Culture, Cultural Diversity, Employee Productivity, Cross-Cultural Communication, & Multinational Companies.

## INTRODUCTION

In the era of growing globalization, the business world is facing complex dynamics, especially with more and more companies expanding their operations to various countries. A multinational company is a business entity that runs operations in two or more countries simultaneously, with the main decision-making remaining in its home country. This organizational structure involves a parent company based in the home country and has affiliates or subsidiaries in various countries. With the high level of interaction between business units, multinational companies face unique challenges in creating a conducive and productive work environment amidst cultural diversity.

Cross-cultural work culture or intercultural work culture refers to the interaction between norms, values and work practices from different cultural backgrounds within an organization. This creates both opportunities and challenges in building synergy among employees. Previous

studies have shown that understanding cultural differences in the workplace can improve the quality of communication and collaboration between employees. For example, research conducted by Fitria (2024) on the PUMA company revealed that 85 percent of employees felt that a better understanding of cross-cultural work culture improved the effectiveness of communication within the company. However, although many studies have recognized the benefits of an inclusive work culture, the relationship between work culture and employee productivity is still a topic that requires further exploration. Some research suggests that a positive organizational culture can increase employee motivation, collaboration, and productivity. Conversely, an organizational culture that is not aligned with individual values can lead to conflict, stress, and decreased performance. In the context of multinational companies, this challenge is further complicated by the diversity of national cultural values that influence how employees respond to managerial policies and practices.

With this challenge, it is important for companies to understand the elements of work culture that have the most influence on employee productivity. This research aims to explore the influence of cross-cultural work culture on employee productivity in multinational companies, focusing on how cultural differences can affect interactions, communication and collaboration between employees. Based on this background, this research will answer the main questions of how employees perceive the cross-cultural work culture implemented in multinational companies and how cross-cultural communication challenges affect collaboration between employees in multinational companies.

This study aims to analyze employee perceptions of cross-cultural work culture applied in multinational companies and analyze the influence of cross-cultural communication challenges on collaboration between employees in multinational companies. Through this research, it is hoped that a deeper insight into the dynamics of intercultural work culture and strategies that can be applied to increase employee productivity in a multicultural work environment can be obtained.

This research is expected to contribute to the development of management science, especially in the field of human resource management and cross-cultural management, by adding scientific insight into the relationship between cross-cultural work culture and employee productivity, providing an understanding of work culture elements that have a significant influence on employee performance in multinational companies, and developing a conceptual framework that can be used as a basis for further research in the field of cross-cultural management. In addition, the results of this study are expected to benefit various parties, such as multinational companies that can use strategic recommendations to improve the effectiveness of cross-cultural work culture and develop cultural awareness training programs to overcome cross-cultural communication challenges. Managers or team leaders can use strategic guidance on cross-cultural communication that can improve collaboration and work effectiveness in multicultural teams, while employees can gain a deeper understanding of the importance of cultural awareness in interacting with colleagues from various cultural backgrounds.

Through this research, it is expected that multinational companies can be more effective in managing cultural diversity, thus creating a harmonious and productive work environment. In addition to contributing to the academic field, the results of this study are also expected to be applied in management practices in the global business world.

## **METHOD**

This research uses a qualitative approach with phenomenological methods to deeply understand the subjective experiences of employees in a cross-cultural work environment in a multinational company. This approach was chosen because it is able to explore the meaning given by individuals to cross-cultural communication interactions and challenges in organizations (Fitria, 2024).

The research location is media-based, with a primary focus on employee interaction and communication within multinational companies operating in Indonesia, particularly in the Jakarta area. The choice of this media-based location allows the research to observe cross-cultural communication through online platforms such as Zoom, Microsoft Teams, and Google Meet, which are often used in daily work activities (Setyawati, 2014).

The participants in this study were employees of a multinational company working in a cross-cultural environment. The selection of participants was done purposively with certain criteria, including employees who have worked in multinational companies for at least one year and have direct experience in teams consisting of individuals with diverse cultural backgrounds. In this case, the research aims to understand how they deal with and adapt to cultural differences in the work context (Fatimah & Perkasa, 2024).

Data were collected through in-depth interviews, participatory observation, and documentation studies. In-depth interviews were conducted in a semi-structured manner to provide flexibility in the exploration of topics related to work culture and intercultural communication. In addition, observations were made of employee interactions in virtual meetings and team discussions to identify communication patterns and challenges arising from cultural differences. Documentation studies involved analyzing company policies related to work culture and cross-cultural training that had been implemented (Novia & Mulyanto, 2024).

Data analysis in this study used thematic analysis method, in which data obtained from interviews and observations were categorized into main themes related to cross-cultural work culture, communication challenges, and adaptation strategies. The stages of analysis include interview transcription, pattern identification, data coding, and the preparation of essential descriptions based on participants' experiences (Nurmansyah & Sutoro, 2022). To increase the validity of the research, triangulation techniques were used by comparing data from various sources, such as interviews, observations, and documentation, to ensure consistency and accuracy of research findings (Denzin, 2012).

Through this approach, the research is expected to provide a deeper understanding of the dynamics of cross-cultural work culture and its impact on employee productivity in multinational companies. The results of this study also expected to provide practical insights for company management in designing strategies that are more inclusive and effective in dealing with cultural diversity in the global work environment.

## **RESULTS AND DISCUSSION**

### **Research Results**

This research aims to analyze in depth how cross-cultural work culture dynamics affect employee productivity in multinational organizations. Using a phenomenological approach, this study explores the subjective experiences of employees working in a multicultural work environment. Data were collected through semi-structured interviews and participatory observation to gain a more comprehensive understanding of the factors that contribute to work effectiveness in cross-cultural teams. The results are presented systematically in tables and graphs to clarify the relationship between work culture and productivity.

#### **1. Employee Perceptions of Cross-Cultural Work Culture**

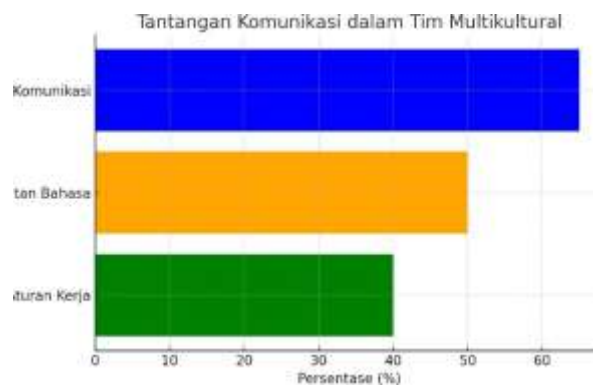
Data analysis shows that most respondents (78%) consider that a cross-cultural work culture contributes significantly to increased innovation and team effectiveness. Employees report that exposure to cultural diversity broadens their perspectives in solving problems and adapting to complex organizational dynamics. However, 22% of employees found it difficult to navigate the differences in values, norms and work expectations presented by colleagues from different cultural backgrounds.

**Table 1. Employee Perceptions of Cross-Cultural Work Culture**

Aspects	Percentage of Employees who Agree (%)
Improving innovation	85%
Increase work effectiveness	78%
Facing the challenge of adaptation	22%

## 2. Communication Challenges in Multicultural Teams

The study found that the main barriers to cross-cultural communication include differences in communication styles (65%), language barriers (50%), and different interpretations of work norms and organizational structures (40%). These barriers often lead to disagreements in decision-making, delays in task coordination, and reduced effectiveness of team collaboration.


**Figure 1: Communication Challenges in Multicultural Teams**

## Discussion

The findings of this study indicate that a cross-cultural work culture has a multidimensional impact on employee productivity. In line with the study of Fatimah & Perkasa (2024), cultural diversity in the work environment contributes to increasing the innovative power of the organization. However, the adaptation and communication challenges that arise underscore the need for strategic interventions in the management of cultural diversity in the workplace. One of the main managerial implications of this study is the need for companies to implement cross-cultural training programs to improve employees' communication competencies and adaptation skills. In accordance with the findings of Novia & Mulyanto (2024), appropriate cultural adaptation strategies can increase the effectiveness of teamwork and reduce the potential for conflict due to cultural differences.

Furthermore, this study confirms that multinational organizations need to develop more flexible and contextual management approaches in supporting cultural diversity. As described by Nurmansyah & Sutoro (2022), organizations with inclusive management strategies tend to create more dynamic, innovative and productive work teams.

Thus, this study provides academic and practical insights for stakeholders in multinational companies to design more effective human resource policies in accommodating cultural diversity in the workplace. Recommendations based on these findings are expected to support the creation of a more harmonious, collaborative, and optimal performance-oriented work environment.

## CONCLUSION

Based on research, cross-cultural work culture in multinational companies has a significant impact on employee productivity. Cultural diversity can be an asset that drives

innovation and work effectiveness, but also presents challenges, especially in communication and adaptation to differences in organizational values and norms. Findings show that companies that manage cultural diversity well tend to have more collaborative and productive employees. Therefore, flexible management strategies and cross-cultural training are key in improving work effectiveness in a multicultural environment.

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