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# Cross-Cultural Competence and Neuroticism Characters to Manage Ethnocentrism with Global-Oriented Leadership as Moderating Variable

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**Abstract.** In a constantly changing global business environment, multiculturalism and diversity are becoming important discussion topics for ASEAN Economic Community. The purpose of this research was to know how to reduce ethnocentrism expatriates residing in Indonesia. This research presents findings of study of the influences of cross-cultural competence, cross cultural experiences, neuroticism characters, and global-oriented leadership to manage the ethnocentrism of expatriates in Indonesia. Global-oriented leadership moderates the influences of cross-cultural competency, and neuroticism as well with the organization development program that will improve the capability of work and decrease the ethnocentrism level of expatriates. Additionally, a multicultural environment encourages diversity and employee involvement as well as creates a sense of ownership and responsibility which are important for managerial to create successful, diverse, and happy workplace. This study concludes that cross cultural competence and neuroticism characters have a negative and significant impact on ethnocentrism, with global oriented leadership as a moderating variable to reduce ethnocentrism.

**Keywords:** ethnocentrism, cross-cultural competence, neuroticism characters, global-oriented leadership

**Abstrak.** Dalam lingkungan bisnis global yang terus berubah, multikulturalisme dan keragaman menjadi topik diskusi penting era Asean Economic Community. Penelitian ini bertujuan untuk mengevaluasi kegagalan para ekspatriat dalam sebuah organisasi. Tujuan penelitian ini adalah untuk mengetahui bagaimana cara untuk mengurangi ethnocentrisme para ekspatriat yang tinggal di Indonesia. Penelitian ini menyajikan temuan studi tentang pengaruh kompetensi lintas budaya, pengalaman lintas budaya, karakter neuroticism, dan kepemimpinan berorientasi global untuk mengelola ethnocentrisme para ekspatriat di Indonesia. Kepemimpinan berorientasi global memoderasi pengaruh kompetensi lintas budaya, dan karakter neuroticism serta dengan program pengembangan organisasi yang akan meningkatkan kemampuan kerja dan menurunkan tingkat etnocentrisme para ekspatriat. Selain itu, lingkungan multikultural mendorong keragaman dan keterlibatan karyawan serta menciptakan rasa memiliki dan bertanggung jawab untuk menciptakan tempat kerja yang sukses, beragam, dan menyenangkan. Penelitian ini menyimpulkan bahwa kompetensi lintas budaya dan karakter neuroticisme berdampak negatif dan signifikan terhadap ethnocentrisme, dengan kepemimpinan berorientasi global sebagai variabel yang memoderasi dalam mengurangi ethnocentrisme.

**Kata kunci:** etnocentrisme, kompetensi lintas budaya, karakter neuroticisme, kepemimpinan berorientasi global

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## INTRODUCTION

In the first of January 2016, ASEAN Economic Community has been accomplished in order to improve welfare of Southeast Asian countries. Applicability of this free trade will give a positive impact to Indonesian economy through the increased number of exports and imports with tariff-free system and freeway. ASEAN Economic Community is not only about good or services, but also about foreign worker market in Indonesia. The Ministry of Labour noted that the number of expatriates in Indonesia at the end of February 2016 are more than 5,000 peoples and will be increased per years. The entry of expatriates to Indonesia is a consequence of implementation of Asean Economic Community (AEC). The existing of expatriates remind us toward the US problem in 1980. There are much of expatriates return home early because they cannot survive to working in

other countries.

Many of reseach and reports suggest that the failures of expatriates causing by ethnocentrism of themselves. For example, a research shows failure of expatriates on overseas assignments, the proportion of US managers who return home early are higher than managers from Europe and Japan, so the literature of international business continues to indicate the phenomenon of expatriate failure. More than 10,000 expatriates send each year (Baruch & Altman, 2002) but the failure rate of expats is estimated between 40 to 55% (Black, Gregerson, Mendenhall, & Stroh, 1999), such failure will reduce the cost of additional significant for the company, inhibits opportunities and productivity, and damage the relationship in the long term (Storti, 2001). In addition research by (Neulip, Hintz, & McCroskey, 2005) found that the failure is caused by ethnocentrism that will damage social relationships, including the

relationship between individuals, groups and working environment. Moreover, research by (Delancey, 2013) on multinational companies in Singapore indicated that employees succeeded in creating a harmonious multicultural environment and influences their productivities. Most of employees believed that multiculturalism is a strategic asset for organization. Cultural diversity is a reality of today's business world. The emergence of supranational company is a response to globalization that has been posing a big challenge of culture and public administration state (Bhasa, 2004). Based on this problem authors offer solutions for expatriates and companies through cross cultural competence and experience, supported by a global oriented leadership.

According to Matsumoto (2007), ethnocentrism is a tendency to see the world only by their own cultures. This means that the beliefs, behaviors, and values of their own group more positively than out group. For example, (Baruch & Altman, 2002; Li & Karakowsky, 2001; Neulip et al., 2005) noted that ethnocentrism is cause of the failures of expatriates. (Bruning, Bebenroth, & Pascha, 2011) noted that managers ethnocentric suggested that subordinate out-group is not attractive and subordinate ethnocentric assume that managers have no credibility. Certainly all of employees (local and foreign) must have a good communication and relationship in order to achieve the goal of companies.

Neuroticism is a tendency orientation to obtain security guarantees and maximum protection (Chaplin, Fahy, Sinha & Mayes, 2009).

Horney, (1950) divided four indicators of neuroticism, there are compliant, aggressive, detached and anxiety. As a compliant, they are trying to make people happy and keep an affection of others but as an aggressive person, they are trying to get recognition from other, also avoid emotional problem and conflict between interpersonal relationship. Several researchs suggest that neuroticism has contibute effects on the job performances and social relationship.

The higher level of neuroticism will decrease the level of ethnocentrism, so that will improve performance. Characteristic of neuroticism persons give a more attention to their task of job because they are worry to did a problem or mistakes in their duties (Studer-Luethi, Jaengi, Buschkuehl, & Perrig, 2012). (Peltokorpi & Froese, 2014) stated that neuroticism character has positive impact on expatriate job satisfaction. (Schiefer, Mollering, & Daniel, 2012) shows that the ability of adaptation of expatriates to the destination country with regard to values, beliefs, and personality characteristics improves the individual well-being. In empirical research, (Caligiuri, 2000) neuroticism positively affect the performance on the work of expatriates.

Based on the above framework, we expect that global-oriented leadership will moderate to reduce ethnocentrism through crosscultural competencies, and neuroiticism to controland eliminate ethnocentrism on expatriate.

Summer (1906) describes that ethnocentrism is a personal thinking that in most intergroup contexts, one's group is the center of everything and all other things are depended on it. In addition, (Neulip, Chaudoir & McCroskey, 2001) suggest that ethnocentrism give a negative impact to intercultural communication. Similarl, (Guan, 1995) argue that ethnocentrism leads to "self-centered dialouge" where interacts use their own cultural standards to evaluate and communicate with others. (Bennett, 2005) describes ethnocentrism as an attitude or mind set which presumes the superiority of one's own worldview, sometimes without even acknowledging the existence others. The indicator of ethnocentrism are (1) deny the existence of cultural differences, (2) recognize the existence of other cultures, but not valid, (3) still threatened by cultural differences and try to minimize by telling themselves that people are more similar than dissimilar.

The effects of ethnocentrism are manifest in any social context, including interpersonal, group, and organizational environments where persons with different cultural backgrounds interact, largely because of immigration trends, cultural, and ethnic diversity in the USA is a fact of life (Neuliep, Hintz, & McCroskey, 2005). Based on the explanation, it can be concluded that ethnocentric thinking can disrupt business activities, for example it can hinder rational strategic planning because it distorts key aspects of strategic thinking (Booth, 2000) and also create relationship conflicts when managers promote their own country's value-based management systems within other countries and ignore the different local country customs and norms (Begley & Boyd, 2000).

According to Nehrt (1993), "it is the responsibility of education to prepare people for the world in which they will be living." Consequently, expatriates have to know impacts of ethnocentrism toward their career or the success of their employers. Reduced ethnocentrism is one of the requirement to success in the global business career. The climate of global business is changes too fast and follows the movement businesses is the result to reach the company goals.

Cross cultural competence have been defined and used in the international business literature. Cross cultural competence is an essential skill for expatriates to deal with different organizational structure and policies. Flexibility culture, another dynamic competence, defined as "the capacity to enjoy activities in the country of origin and different activity in the host country" (Shaffer et al, 2006). Cross cultural competencies is expected to reduce ethnocentrism, facilitate the adaptation process and increased the tolerance level, so as to improve the effectiveness while living and working internationally for a long time.

The three unique competences for leadership in a global or multicultural context are: (1) reduced ethnocentrism or valuing cultural differences, (2) cultural flexibility or adaptation, and (3) tolerance of ambiguity (Caligiuri, 2012). Cross cultural competence is the result

of behavioral adaptation that individuals know how to interact with new environment and peoples especially foreign colleagues, so it will help individuals to working with anyone. Competencies have been defined as “a dimension of overt, manifest behaviour that allows a person to perform competently” (Woodruffe, 1992). The indicator of cross culture competencies are: (1) Cross cultural communication and demonstrating sensitivity for language problems among colleagues, (2) Anticipating consequences of one’s own behaviour, (3) Dealing with unfamiliar situations and life-style changes, (4) Dealing well with different organizational structures and policies (Harris & Moran, 2000).

The result of study of (Caligiuri, 2012) is cross cultural competences are positively related to global-oriented leaders and helps expatriates to reduce ethnocentrism. In order to support the cross-culture competencies, individual should have knowledge of and maintain active social relations within the cultural groups through communicate clearly in the language of host countries and shows the sensitivity of acculturation processes.

According to (Goldberg, 1999), personality characteristics which are: (1) extraversion, (2) openness, (3) conscientiousness, (4) neuroticism, (5) agreeable shows that four of this five characters except neuroticism are give a positively affects the effectiveness of leaders in a global environment (Gupta & Govindarajan, 2002; Morrison, 2000). Reducing ethnocentrism of expatriates is not only about social skills, but also about the ability to work.

(Leiba-O’Sullivan, 1999) has examined extraversion, agreeableness, openness to experience and conscientiousness in relation to expatriate adjustment. These variables contribute the developing competence of cross-cultural management performance and it influences the attitude of global leaders. Caligiuri’s, (2000) result shows that the high scores of extraversion, agreeableness, neuroticism characters, conscientiousness and openness to experience or intellect are negatively related to ethnocentrism of expatriates.

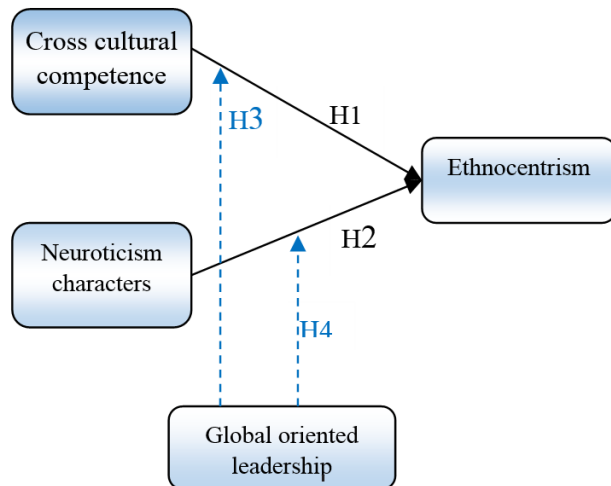
Accordingly neuroticism persons avoid an evaluate and problem in their job. Similarly with the adaptation process, neuroticism persons tend to worry and insecure. Their characteristic make them to more careful toward their behavior in order to avoid a problem in new environment.

The expansions of multidimensional companies around world make a complexity of business and increased requirement of global leaders who able to operate effectively across a variety of context. Predicting performance on global leadership tasks (e.g., interacting with external clients from other countries, developing a strategic business plan on a worldwide basis,

managing a budget on a worldwide basis, managing foreign suppliers or vendors) is the ultimate goals for this study of global leadership development. The study of (Caligiuri, 2012) agreed that the combination of cross- cultural competences, cross-cultural experiences, and neuroticism are contributes the global oriented leadership capabilities. Global-oriented leadership expected to manage the multicultural employees in anywhere and make it as a power of companies. The development of leadership theory showing the increased of global leader requirements in order to follows the economy development and the trend of business force company to finding the global-oriented leader who able to achieve the company objectives and reduce the ethnocentrism.

Many global leadership development programs, such as talent management and leadership succession programs, include talent variety of developmental experiences (Beechler & Javidan, 2007; Evans, Pucik, & Barsoux, 2002; Gupta & Govindarajan, 2002; Kaynak & Kara, 2002). These organization-initiated developmental experiences included involvement in global teams (Maznevski & DiStefano, 2002), global travel that encourages learning from colleagues in different countries (Birkinshaw, Brannen, Tung, & Tung, 2011; Oddou, Mendenhall, & Ritchie, 2000), in-country training or coaching (Mendenhall & Stahl, 2000; Nakanjako et al., 2015) cross-national mentors (Mezias & Scandura, 2005), formal instructional programs (American Management Association, 2010), and international assignments (Dickmann & Doherty, 2010; Kreng & Huang, 2009; Yan, Guorong, & Hall, 2002). (AMA, 2010) study half of the 939 firm surveyed agree that their global leadership development programs are highly effective and improve leadership skills in participants. Global oriented leadership expected to manage the multicultural employees in anywhere and make it as a power of companies.

Research of Ko (2015) found cross-cultural leadership or global leadership is influenced personality characters, such as personality characteristics, leadership strategies and core competences. Personality characteristics, will encourage self-learning efforts to understand the culture of the destination country in order to more easily adjust themselves in the running of their works. Core competences for example of communication ability, cultural intelligence and professional knowledge and skill can reduce ethnocentrism to increase global leadership effectiveness. (Caligiuri & Tarique, 2009) shows that personality characteristics such as neuroticism characters can reduce ethnocentrism and have positive impact to global leadership effectiveness.



**Figure 1. Empirical Model**

Source: adapted from Caligiuri (2000, 2015) and Studer-Luethi et al. (2012)

**RESEARCH METHOD**

In this study, the population are expatriates who works in Semarang, Central Java Indonesia. The sample is a portion of the examination and characteristics possessed by that population. Because of the large

population, it does not allow taken as a whole, so that should be restrictions in determining the number of samples. In order to provide accurate results (Cooper & Emory, 1995) noted that for the population that are not identified with certainty amount, set directly sample of 100 respondents. The sampling technique in this research is purposives accidental that based on chance, that anyone met with researchers can be used as a sample (Krejcie & Morgan, 1970). The purposive technique used in this study are expatriates who have been working in Semarang over one year. Criteria of respondents are determined by gender, age, origin country,

length of stay and type of industry. Method of collecting data by using questionnaire. Researchers spread 100 questionnaires to the expatriates, the number of returns is 70 questionnaires.

All variable were measured by participant responses to questions on a five-point Likert-type scale ranging from “strongly disagree” to “strongly agree.” The specific measures are described below, along with the results of calculation of Cronbach alpha coefficients for the various measures. All item variable of this research are valid and reliable (table 1). When a measure is described as having dimentions, the dimensions (items averaged) were used as indicators for their construct in structural equation modeling. Otherwise, items were averaged into overall scale score. Measures were completed by expatriats as our respondents.

**Table 1. Validity and Reliabilty test**

Variable	Indica tor	r counts	r tables	R Alpha Value	Std Value	Info	Info
<i>Cross Cultural Competencies</i>	CCC1	0,949		0,937	0,7	Valid	Reliable
	CCC2	0,926	0,2480				
	CCC3	0,940					
<i>Neuroticism Characters</i>	NC1	0,936		0,927	0,7	Valid	Reliable
	NC2	0,924	0,2480				
	NC3	0,944					
	NC4	0,816					
<i>Global Oriented Leadership</i>	GOL1	0,939		0,903	0,7	Valid	Reliable
	GOL2	0,932	0,2480				
	GOL3	0,874					
<i>Ethnocentrism</i>	E1	0,961		0,951	0,7	Valid	Reliable
	E2	0,937	0,2480				
	E3	0,967					

Source: data analysed (2016)

Cross-cultural competence is defined as a set of congruent behaviors, attitudes, and policies that come together in a system or agency or amongs professionals and enable the system, agency, or those professions to work effectively in cross-cultural situations (Herre, 2010). We use thee indicators: (1) have a cross cultural knowledge base, (2) understand social diversities, (3) understand the local People’s behavior. The mean average for this variable was 3.89 ( $\alpha = 0.931$ ).

Neuroticism characters defined as individual’s

tolerance for and ability to manage potential stressful conditions, and the feelings of anxiety, insecurity, and nervousness (Chaplin, Fahy, Sinha, & Mayes, 2009). We use four indicators which are compliant, aggressive, detached, and anxiety. The mean average was 3.82 ( $\alpha = 0.927$ ).

Ethnocentrism is defined as an attitude or mindset which presumes the superiority of one’s own worldview, sometimes without even acknowledging the existence of others (Bennett, 2005) We use three indicators which

are (1) deny the existence of cultural differences, (2) recognize the existence of other cultures, but not valid, (3) threatened by cultural differences. The mean average was 3.69 ( $\alpha = 0.951$ ).

Global-oriented leadership is defined as being capable of operating effectively in a global environment while being respectful of cultural diversity. We use three indicators which are self-authored identity, cultural sensitivity, and develop a global mindset. The mean average was 3.84 ( $\alpha = 0.903$ ).

**RESULT AND DISCUSSION**

The majority of respondents in this study were male (59%), the largers of expatriates was 30 to 40 years old (38%), based on the origin of the country there were 54 percent of respondents came from the Middle East, length of stay respondents was 2 into 4 years, and most of the respondents working in education and manufacture industries (Table 2).

**Table 2 Respondent Characteristics**

	No	Type	Number of respondent	Percentage (%)
Gender	1.	Male	41	59
	2.	Female	29	41
	Total		70	100
Age	No	Age	Number of respondent	Percentage (%)
	1.	<30	9	13
	2.	30<40	27	38
	3.	40<50	13	19
	4.	50<60	19	27
	5.	>60	2	3
Total		70	100	
Origin Country	No	Country	Number of Respondent	Percentage (%)
	1.	Asia	20	29
	2.	Europe	4	6
	3.	Australia	7	10
	4.	Middle East	39	55
Total		70	100	
Length of Stay	No	Length of Stay (Year)	Number of respondent	Percentage (%)
	1.	1 – 2	7	10
	2.	2 – 3	19	27
	3.	3 – 4	17	24
	4.	4 – 5	18	26
	5.	> 5	9	13
Total		70	100	
Type of Industry	No	Type of Industry	Number of respondent	Percentage (%)
	1.	Construction	3	4
	2.	Education	38	54
	3.	Finance	2	3
	4.	Manufacture	11	16
	5.	Real Estate	5	7
	6.	Trade and Service	11	16
Total		70	100	

Source: results of data analysis (2016)

Regression analysis uses normality test, classical assumption test, multicollinearity test, heterocedasticity test, and coefecient analysis of determination. The

classical assumption test used in this study consisted of normality, multicollinearity and heterocedasticity test. Normality test results with klomogorof sminorf,

showed significant value  $0.798 > 0.05$ , it means that the data is normally distributed and can be tested further. Multicollinearity test results show VIF value  $< 10$  and tolerance value  $> 0.1$  means that the regression model does not occur multicollinearity. This means no relationship between independent variables in this study. From the test results heterocedasticity also shows the significance value  $> 0.05$ , means that there is no problem of heterocedasticity so it can proceed to the next test. The result of determination coefficient determination of this research shows adjusted R square value equal to 0.763, meaning that cross cultural competence, neuroticism characters and global oriented leadership variable can explain ethnocentrism variable equal to 76.3 percent.

To test the hypothesis in this research we use f test and t test. The result of F test shows the significance value of  $0.000 < 0.05$ . It can be conclude that between cross cultural competence, neuroticism characters and global oriented leadership simultaneously have an effect on ethnocentrism. The t test results stated that all hypotheses in this study were accepted.

Hypothesis 1 states that cross cultural competence has a negative and significant effect on ethnocentrism. Our result shows that the significance value  $0.006 < 0.05$ , and coefficient value  $-0.440$ . It means that cross cultural competence has a negative and significant effect to ethnocentrism. This shows that the increased level of cross cultural competence will reduce ethnocentrism

level. It can be concluded that cross cultural competence can reduce ethnocentrism.

Hypothesis 2 states that neuroticism has a negative and significant effect on ethnocentrism. Our result shows that the coefficient value of neuroticism characters  $-0.199$  with a level of significance  $0.044 < 0.05$ . It means that there is a negative and significant impact between neuroticism characters against ethnocentrism. In the other words, the higher the level of neuroticism characters of expatriates will have an impact on decreasing of ethnocentrism. Based on the test results it can be concluded that the test is able to accept the second hypothesis, so the alleged of neuroticism characters reducing ethnocentrism of expatriates is proven or acceptable

Hypothesis 3 states that global oriented leadership will moderate the effect of cross cultural competence to ethnocentrism. Our results shows that coefficient value  $-0.017$ , with a significance level of  $0.035 < 0.05$ . It shows that global oriented leadership able to moderate the relationship between cross cultural competencies and ethnocentrism. Hypothesis 4 states that global oriented leadership will moderate the effect of neuroticism characters to ethnocentrism of expatriates. Our results shows that coefficient value  $-0.016$ , with level of significance  $0.044 < 0.05$ . It means that global oriented leadership moderates the relationship between neuroticism characters and ethnocentrism.

**Table 3** Hipoteses test

Coeffi-cient	Sign	Alpha sign	Result	
-0.316	0.006	0.05	Ha accepted	CCC has a negative and significant impact on ethnocentrism
-0.201	0.044	0.05	Ha accepted	NC has a negative and significant impact on ethnocentrism
-0.283	0.035	0.05	Ha accepted	GOL mediates the impact of CCC on ethnocentrism
-0.355	0.44	0.05	Ha accepted	GOL mediates the impact of NC on ethnocentrism

Source: results of data analysis (2016)

The test results between cross cultural competences toward ethnocentrism shows the number regression coefficient as much as  $-0.316$  with a significance of  $0.006$ , which means that cross-cultural competencies has a negative effect on ethnocentrism. The higher level of cross cultural competences will support expatriates to make a good communication, improve their work ethic, and controlling their behavior in new environment. (Neuliep et al., 2005) suggested that the competence of cross-cultural in international business is an illustration of individual effectivity to working with peoples from another background through a set of knowledge, skills and personal that will respect the different cultures and reduce ethnocentrism.

The evidence of these study results encourage the expatriates to do good communication with local

and international colleagues. The longer duration of communication between expatriates and colleagues make a good social and business relation, increase knowledge of each other and certainly reduce ethnocentrism. Cross-cultural knowledge is another factor to reduce ethnocentrism and appreciate the work ethic of each other employees.

Missunderstanding is one problem that faced by multicultural companies, because local and foreign worker have a different perception and languages. In order to eliminating these problem, both of employees need a good interaction in the work activities through a companies program that will support the relation of each other. This study supports research (Caligiuri, 2012) that cross cultural competencies negatively affect ethnocentrism because it helps to build a good work environment in the multicultural organization through a

set of congruent behavior and policies system.

The second hypothesis testing results shows regression coefficient of -0.201 with a significance of 0.044, indicating that there is a negative and significant impact between neuroticism characters toward ethnocentrism. It suggests that the higher the neuroticism will make expatriates to easily working in a new cultural environment and reducing ethnocentrism. This results are in line with (Caligiuri, 2000) that personality characteristics including neuroticism characters have an effect on individual behavior under certain conditions such as cross-cultural interaction. (Naquin & Holton, 2002) found that the level of individual neuroticism affects performance. Characteristic of neuroticism persons give more attention to their task of job because they worry that did a problem or mistakes in their duties (Studer-Luethi et al., 2012).

In order to reduce ethnocentrism, expatriates need to learn the culture of workplace, that is by getting a lot of local friends in various activities especially in working environment. The large number of expatriates friend will improve the tolerance of social environment that will make them to understanding the host country cultures and reduce ethnocentrism. Their characters make them to more careful toward their behavior in order to avoid a problem in new environment.

Personality characteristics of expatriates influences in reducing ethnocentrism. For expatriates that often socialize and seek cross-cultural social activities certainly will make employment opportunities in being able to adjust well to the cross-cultural. This is because expatriates will get the convenience to socialize in multicultural work. But for expatriates who are less sociable and looking for social activities, then the characteristics of his personality will make high number of ethnocentrism. A cross cultural will make expatriates to able the enhance leadership skills through a multicultural environment. It is a form of responsibility and the successfully of expatriates to stayed for along times in another countries.

Results of testing the third hypothesis that global oriented leadership as a moderate variable between cross culture competencies and ethnocentrism with a regression coefficient of -0.283 with a significance of 0.035, means that the global oriented leadership moderates the relationship between cross cultural competencies and ethnocentrism. It can be interpret that global oriented leadership program is effectively supported cross-cultural competencies to make an ability to interact with the new environment and societies, so it will help expatriates to reduce ethnocentrism. Dynamic competencies have been identified as some of the competencies related to cross-cultural absorption of knowledge in reducing ethnocentrism (Kayes, Kayes, & Yamazaki, 2005).

Cross-cultural competence is the result of behavioral adaptations of interaction with the new environment, especially foreign colleagues, so that will help individual to work with anyone. Ethnocentrism will be reduced if expatriates supported by high competence in cross-cultural understanding and global oriented leadership

program. Expatriates should have knowledge of and maintain social relationships that are active in cultural groups through communicate clearly in the language of the host country and demonstrate the sensitivity of the process of acculturation. Ethnocentrism will succes to reduce reduced by cultural competencies of expatriates and supported by global oriented leadership. The research result of (Caligiuri, 2012) noted that cross-cultural competence is positively associated with a global oriented leader that can help expatriates to eliminate ethnocentrism.

The test results of influences of global-oriented leadership toward neuroticism and ethnocentrism characters with regression coefficient values of -0.355 with a significance of 0.044 means that the global oriented leadership is able to moderate the relationship between neuroticism characters and ethnocentrism. The data suggested that global-oriented leadership program is effectively make an expatriate conform to working in a new cultural environment and reducing ethnocentrism. Boundless, (2015) stated that the effectiveness of global oriented leadership determined some intrinsic leadership character in which one of them is neuroticism characters.

Personality characters easily to support an expatriat to adapt in a new environment because pleasant person more likely to have a high social adaptability and will easily support the expatriates to adapt with a new environment, avoid conflict and have a tendency to follow others (Caligiuri, 2012; Colquitt & Simmering, 1998; Cron, Slocum, Vandewalle, & Fu, 2005). Expatriates with high level of neuroticism needed a global oriented leadership to manage their emotional, depressed, and insecure as well.

This research model also has implications for managers. First of all, development of host country languages by sustainable training to facilitate the communication between expatriates and local employees and societies is needed before starting international assignment. Second, a family gathering in certain period can be used to build a better relationships between employees and introduce the natural wealth of Indonesia. Some suggestions for increasing the success of expatriates include; first, prepare training or predeparture training to improve readiness to adjust to the culture, systems and policies of the destination country (host-country). Second, improve and develop competence, skill and ability (managerial skills, related skills, adaptability, cross-cultural openness or open attitudes towards other cultures). Third, enhance and build interpersonal relationships, social interaction with destination countries. Last, balancing between personal interests, corporate interests, and interests related to host country.

## CONCLUSION

We concluded that there are several ways to reduced the ethnocentrism. First, cross cultural competence reduce ethnocentrism by knowledge and maintain social relation through communicate clearly in host country languages and shows the sensitivity of acculturation



processes. Second, the several ways to reduced ethnocentrism by neuroticism are increase efforts to respect and obey the values, norms, rules, culture and policies of the destination country, and promote social interaction in the destination country.

Third, global-oriented leadership will moderate the cross cultural competence to reduce/decrease ethnocentrism through managing the differences such as cultural training and professional development of employees. As a global leader, the ability to operating and managing effectively the global environment while being respectful of cultural diversities is very important. Fourth, global oriented leadership will moderate the cross cultural competence and ethnocentrism by predicting the need of employees, give an opportunity to employees to follows the international event and divided the task of each other in other in order to support reducing the ethnocentrism. Last, global oriented leadership moderates the neuroticism and ethnocentrism by giving motivation and operational program of companies. Global oriented leader make an expatriates conform to stay for a long time in the host countries.

Our recommendation for future research are; first, data collection techniques used in this study only used a questionnaire so that conclusions can be made only based on data collected through the questionnaire. The data analyzed is the perception of respondents that can cause problems if the respondent's answer does not correspond to the real situation, so in future studies coupled with interviewing techniques will further strengthen the accuracy of data. Second, the authors recommend the following study further expand the research object, like all government agencies so that it can reflect the varieties of study results.

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