



ADVANCED INTERNATIONAL JOURNAL OF BUSINESS, ENTREPRENEURSHIP AND SMES (AIJBES)

www.aijbbs.com



EFFECTS OF HUMAN RESOURCE PRACTICES ON TURNOVER INTENTION OF MULTINATIONAL CORPORATIONS: THE MEDIATING ROLE OF INDIVIDUALISM/COLLECTIVISM

Li Qin^{1*}, Rosmah Mohamed², Anuar Mahomed³, Hanna Khan⁴

¹ School of Economics and Business, Universiti Putra Malaysia, Malaysia
Email: li19890703@126.com

² School of Economics and Business, Universiti Putra Malaysia, Malaysia
Email: m_rosmah@upm.edu.my

³ School of Economics and Business, Universiti Putra Malaysia, Malaysia
Email: anuar@upm.edu.my

⁴ School of Economics and Business, Universiti Putra Malaysia, Malaysia
Email: hanna@upm.edu.my

* Corresponding Author

Article Info:

Article history:

Received date: 25.04.2022

Revised date: 20.05.2022

Accepted date: 21.06.2022

Published date: 30.06.2022

To cite this document:

Li, Q., Mohamed, R., Mahomed, A., & Khan, H. (2022). Effects Of Human Resource Practices On Turnover Intention Of Multinational Corporations: The Mediating Role Of Individualism/Collectivism. *Advanced International Journal of Business, Entrepreneurship and SMEs*, 4 (12), 01-14.

DOI: 10.35631/AIJBS.412001.

Abstract:

The global gradual economic recovery has restored the voluntary turnover rate to the level before the outbreak of the epidemic. Cultural differences are considered to be an additional reason for the brain drain of foreign multinational enterprises. A survey was conducted to collect responses from 202 millennial in selected foreign multinational corporations in China. Therefore, the purpose of this study is to explore the relationship between human resource practice (HRPs) mediated by individualism/collectivism (IC) and turnover intention (TI) by adopting the recognized and well-established social exchange theory, so as to provide new academic ideas for the Millennium employee management of multinational corporations in China. This study was utilized a cross-sectional study as a tools for data collection. For data analysis, this study implemented a Partial-Least Square (PLS) as tools of data analysis. The results highlight the mediating role of individualism/collectivism, reduce Millennium employee turnover intention. In addition, the results verify the negative effect of human resource practice on turnover intention. Therefore, it is important for the management of multinational enterprises in China to develop human resources practices that meet the cultural cognitive of Chinese employees. This study is the first to measure the mediating effect of individualism/collectivism, which defines the theoretical and practical significance and the direction of future research. In addition, more cultural factors will be added to the future research.

This work is licensed under [CC BY 4.0](https://creativecommons.org/licenses/by/4.0/)

**Keywords:**

Human Resource Practices, Individualism/Collectivism, Turnover Intention, Social Exchange Theory

Introduction

With the universal vaccination of vaccines, human lives are no longer threatened by the COVID-19. The global gradual economic recovery has restored the voluntary turnover rate to the level before the outbreak of the epidemic (Jung, Jung & Yoon, 2021; Alfawaz et al., 2021; Kapoor et al., 2021). According to the survey report on resignation and salary adjustment in 2022 released by 51job, the voluntary turnover rate of enterprise employees nationwide in 2021 was 18.8%. The specific proportion of each industry shows that the manufacturing industry is still a high incidence area of voluntary resignation. According to the age distribution data, the proportion of 23-33 years old is as high as 78%.

Voluntary turnover of employees will bring huge losses to the enterprise (Dysvik & Kuvaas, 2013). Young employees, in particular, have become the main labor force generating income (Meng et al., 2018; He et al., 2019). Once an employee leaves the company, it will cause huge losses to the enterprise and cannot be compensated by the employee in the short term. After all, new employee training is time-consuming and expensive for enterprises, and it takes time to observe the results (Qin et al., 2008; Wang et al., 2020). Therefore, for managers, how to retain talents is the primary task.

This study takes the overseas multinational enterprises operating in China as the research object. This is because China's the Belt and Road policy continues to attract more foreign enterprises to China (Cheng, 2020; Liu et al., 2020). Although multinational enterprises continue to explore the best localization management strategy in China, they still do not escape the dilemma of voluntary resignation of employees (Singh et al., 2018). A large number of literatures believe that cultural differences are the main causes of management failure (Knein, 2020; Kim et al., 2016). Hofstede's cultural dimension is often used by scholars in cross-cultural academic discussions.

However, the literature always roughly takes all the dimensions mentioned in Hofstede's cultural theory as a whole for comparative analysis between different countries or cultures, and lacks research on the relationship between internal management and employees' work behavior. Secondly, the previous literature mostly measured the moderating effect of cultural dimension and lacked the path analysis of taking culture as the mediators to join the framework. Review the psychological communication among stakeholders mentioned in the social exchange theory, as well as many precedents of scholars applying the social exchange theory to the study the internal management of organizations (Karatepe et al., 2020; Kilroy et al., 2020; Liu et al., 2020). Therefore, this study designs the path of cross-cultural communication between supervisors and subordinates in multinational corporations. Additionally, this paper also will study the relationship between human resource practice and employee turnover intention, and measure it with individualism/collectivism as mediator.

Literature Review

Human Resource Practices

Compared with the early practice of human resource management, which emphasizes how the systematic effect of human resource management affects organizational effectiveness (Ferris et al., 1998; Sun et al., 2007), scholars in recent years believe that human resource practices is a series of activities related to the strategic operation of human resources, which is the way to connect and assess organizational goal transfer and personal value realization (Tordera et al., 2020). Turner et al. (2021) defines the function of the organization practice of the human resource management system, which is the specific methods and procedures adopted by the organization to implement the organization's principles and policies. In combination with previous literatures, the scope of human resource practice has been planned and defined. This study focuses on the description of Fahim (2018) and Bamberger and Meshoulam (2000), which believes that human resource practice should include four functions, which are recruitment and selection, training and development, performance appraisal, compensation and reward (Brougham & Haar, 2020; Callanan et al., 2017; Chen et al., 2018; Chen et al., 2019; Holland et al., 2019). The practices of well-designed human resource management strategy will create a good knowledge sharing and practice guidance environment in the organization, which is the driving force for employees to obtain a sense of achievement (Wang et al., 2019).

Turnover Intention

Shareef and Atan (2019) determined that turnover intention is the attempt and willingness of involuntary resignation, and is the pioneer of real turnover behavior (Chen et al., 2018). Zakariya et al. (2020) believes that individuals with the result of voluntary turnover will have the behavior of moral deficiency, behavior stagnation and termination of economic contribution, which is consistent with the psychology, cognition and behavior of individuals with the intention of turnover. In view of the fact that voluntary turnover has become a frequent social situation, the idea of understanding employees' intention to resign and improving management has been widely recognized by scholars. Huang et al. (2017) believed that the establishment of alternative positions and support policies within the organization can effectively reduce employees' willingness to leave voluntarily. Holland et al. (2019) believe that when the organization emphasizes the human resources practice of employees' work life balance, it will reduce employees' willingness to leave. Stamolampros et al., (2019) believe that work guidance of leaders and attention to employees' career development can improve employees' satisfaction, which is an effective way to reduce employees' turnover intention. In a word, it has become a consensus in the academic circles to restrain the employees' turnover intention by improving the internal management of the organization.

The relationship of Human Resource Practices and Turnover Intention

Human resource management strategy requires the company to have long-term management awareness and ability (Holland et al., 2019). The evaluation of the implementation of the strategy needs to be completed through the continuous improvement of human resources practice for a long time. The focus of previous literature mostly focuses on encouraging employees' performance and output through human resource practice. The early studies focused on the impact of human resource management and practice on employee behavior and output. Common dependent variables include productivity, efficiency, personal performance and creativity. On the other hand, recent literature attributed this process of stimulation to the process of psychological exchange believed that it was a process of emotional exchange between managers and employees before specific employee performance occurred. Sobaih

(2020) and Latorre (2019) pointed out that the benign psychological contract is the premise to get employees' job satisfaction and security, which has been tested as the core of good HR practices. As described in the social exchange theory, the involved interest parties are based on the economic exchange theory and the reciprocity theory, adding "love, respect, knowledge, information, status, honor, and friendship" (Blau, 1964; Emerson, 1981; Liao, 2008). Therefore, scholars have repeatedly used employees' emotions and psychological states such as mental stress, emotional exhaustion, job satisfaction, turnover intention, as the basis for judging the quality of organizational human resources practice. Considering the current situation that the turnover rate of employees increases after the economic restart in the late epidemic period, this study explores the relationship between human resource practice and turnover intention.

Hypothesis 1: Human Resource Practices have negative relationship with Turnover Intention.

The Mediating Effect of Individualism/Collectivism

Individualism - collectivism tends to measure whether a person has values. A person who is more concerned about his own success and development in the organization rather than the group-based assessment is an individualist (MacDonald, Sulski, Spencer and Brown, 2013; Oyserman & Lee, 2008; Wagner and Moher, 1986). At the same time, collectivism describes individuals as organizational effectiveness and takes collective interests as priority (Chen & West, 2008; Hofstede, 1980; Hui & Triandis, 1986; Shulruf et al., 2011; Triandis, 1989, 1995). Individualism/collectivism as one cultural dimension is called the power of Confucian works, which originated from Hofstede's works in 1990; It mainly discusses the factors of eastern culture and identifies the values of Chinese traditional culture as non Western culture. Kapiyangoda and Gooneratne (2018) believes that different cultural backgrounds can infect personal cognition and values, which will be reflected in personal standards and habits at work. Knein (2020) believes that the existence of cultural differences within the organization will lead to management conflicts. Latukha (2020) states the occurrence of cultural differences will lead to with greater bias will bring negative work results. Compared with other cultural dimensions mentioned in Hofstede's theory, individualism/collectivism is outstanding in the comparison of eastern and Western cultures (Barkema et al., 2015). O'Neill et al. (2015) reported that in the survey on cultural orientation, up to 88% of the effect size focused on the measurement of individualism and collectivism. In addition, Gil et al. (2019) confirmed after collecting data from 25 countries that in a highly personalized national culture, the relationship between the work of senior managers based on teams and company performance is negative, while it is positive in a collectivist national culture. Therefore, there is more evidence that individual work habits and preferences are affected by their cultural background.

Previous literature on the management of multinational enterprises mostly used localization to solve the existence of cultural differences. Nana (2017) believes that it is necessary for the organization to build and try to transfer and modify the conventions and norms related to personnel management, so as to build a "best match" human resource management practice. Foroutan et al. (2018) explained that the focus of human resource management localization is the matching between individuals and organizations. Localization identifies a positive impact on employee retention and adds additional performance. The existing literature mostly takes localized human resource management as a variable to explore the relationship between it and employee behavior. Foroutan et al. (2018) and Hitotsuyanagi-Hansel et al. (2022) have proved that localized HR practices are conducive to improving employee retention, additional performance and organizational commitment in subsidiaries of multinational enterprises. Kim and Kim (2017) emphasized the importance of employee localization policy to multinational

enterprises. On the other hand, individualism/collectivism has also been proved to be a significant dimension of the cultural conflict between China and the west, and the cultural conflict existing in the organization has also been verified (Alkhadher et al., 2020; Hofstede, 2011). However, these literatures does not take into account the cultural contradictions that affect the actual occurrence of the organization. In view of the fact that the contradiction between individualism and collectivism mentioned above is more prominent in practical work. This paper puts individualism/collectivism as an mediator in the path of human resource practice and turnover intention, this will enable individualism/collectivism to directly participate in the process of human resources practice, and whether its participation will affect the behavior of employees will be more obvious. According to the social exchange theory, this study assumes that the perfect human resource practice will have a positive significance for individualism/collectivism in the organization. In addition, the hypothesis that individualism/collectivism will be negatively correlated with turnover intention will also be tested (Figure 1). Therefore, the following assumptions are made:

Hypothesis 2: Human Resource Practices have positive relationship with individualism/collectivism.

Hypothesis 3: Individualism/collectivism have negative relationship with Turnover Intention.

Hypothesis 4: individualism/collectivism has mediating effects between human resource practices and turnover intention.

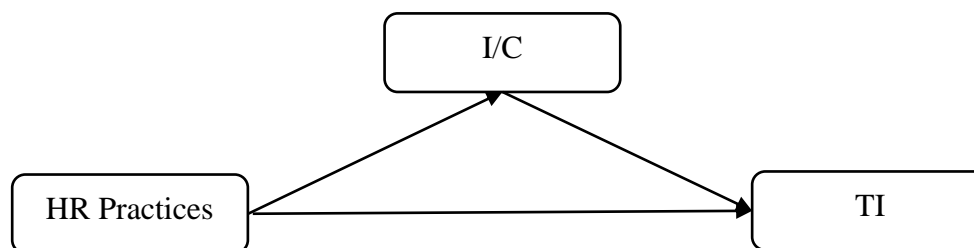


Figure 1. Conceptual framework

Methodology

Sample and Procedure

The Millennium employees in the administrative departments of multinational enterprises in manufacturing industry from Guangzhou, Shanghai, Beijing and Zhengzhou were considered in this study. The reason for selecting the sample is that the turnover rate of the manufacturing industry ranks first in all industries. At the same time, relevant data prove that Millennium employees are the main turnover group, which has been mentioned above, and Millennium employees have become the main performance output of the organization (Kong et al., 2015). Secondly, considering that the measurement of intermediaries involved in this paper mainly comes from the work communication within the organization, the management department is locked. This paper uses purposeful sampling because it is applicable to similar situations with a limited number of respondents, but it can show the personality characteristics of the whole population (Asghar et al., 2021; Campbell et al., 2020; Sharma, 2017). The anonymity of the questionnaire collection process is guaranteed, and the participation is voluntary. The

questionnaire was provided to the participants who agreed to accept the survey by e-mail, and the data were collected from mid-May to mid-June 2022.

A total of 253 questionnaires had been distributed to respondents in all six multinational corporations, of which 202 had been returned and the remaining 166 could be used for analysis. The response rate was 65.6%.

Of the 166 respondents, 41% are the males, while 59% are females. In terms of level of education, 49.4% held a bachelor's degree, 50.9% had a master's degree or above. About 43.4% of the respondents has organizational tenure of 1-5 years, 47% of respondents had 6-10 years of work experience, then the groups with 11-15 years' experience and more than 16 years' experience respectively account for 4.8%. More respondents (50.6%) came from management positions and 49.4% from non-management positions.

Measures

Human Resource Practices. The scale proposed by Fahim (2018) and De Witte (2005) was used for measuring human resource practices by five departments: Recruitment and Selection, Training and Development, Performance Appraisal, Compensation and Reward. Employees responded to the items by using a 5-point Likert scale which ranged from 1 (strongly disagree) to 5 (strongly agree). the items include "My organization sets fixed and explicit requirements and specifications for different positions". The reliability score (Cronbach's alpha) of human resource practices was 0.910.

Individualism/Collectivism. Individualism/Collectivism was evaluated with a seven-item scale developed by O'Neill et al. (2015). The items included, "I feel confident about the collective capability of my group to perform the tasks very well". This study reported a coefficient alpha of 0.932.

Turnover Intention. This study examined TI by adapting a four-item scale developed by Baker (1992). the scale ranged from 1 (strongly disagree) to 5 (strongly agree). The sample item included "I sometimes feel compelled to quit my job in my current workplace". The reliability coefficient was 0.882.

Data Analysis

The study model was evaluated using the partial least squares (PLS) path modeling tool. PLS path modeling is a variance based structural equation technique (Haenlein & Kaplan, 2004; Hair et al., 2011), which is combines measurement and model to test the subliminal relationship between indicators and potential structures (Hu & Bentler, 1999; Clogg & Bollen, 1989). The current conceptual model was analyzed by two phases. Firstly, the reliability and effectiveness of the measurement model are verified. Secondly, measure the significance of the hypothetical relationship in the structural model. In addition, this study used SPSS to preliminary screen the measurement items. According to Hair et al., (2006), the Cronbach's alpha (> 0.7) is considered to have good acceptability, and Cronbach α Values between 0.60 and 0.70 are also acceptable as lower limits. Therefore, the measurement items RS1 and TD2 are removed because their reliability is lower than 0.6.

Measurement Model

The measurement model analysis is mainly reflected by the measured values of structural reliability, convergence effectiveness and discriminant validity (Hair et al., 2010; Hair et al., 2014). The table 1 shows the composite reliability of each individual constructs. This measures the internal consistency of each individual item of the variables in the model. The composite reliability values for human resource management (0.925), individualism/collectivism (0.945), turnover intention (0.918) illustrated that all the constructs have high degree of internal consistency. On the other hand, a common method to evaluate the effectiveness of convergence is from the extracted mean variance and factor load (Hair et al., 2010). According to hair at al. (2014), "the average extracted variance (AVE) value is 0.5 or greater, and the average of a variable can explain half or more of its indicator variance", and the external load of the index should be higher than 0.708. Therefore, as shown in Table 1, the required values of all structures in this study are above the standard values, indicating high convergence efficiency.

In addition, there is another criterion under the measurement model to determine that all structures in the established model are empirically different from each other. Common measurement methods for obtaining discriminant validity include Cross-Loading of Construct, Fornell-larker criterion and Heterogeneity Heterotrait Monotrait criterion (Sarsted et al., 2017). As one of the methods to judge the effectiveness, Table 2 is achieved by comparing the cross loads between structures. It requires that each index should have a higher weight on its own variables and a lower weight on other variables. As shown in Table 3, the discriminant validity under the Fornell-Lacker criterion produced better results. At the same time, it can be found that the square root of the average variance extracted value of each structure is greater than other values below the boldeddiagonal value. Therefore, inconsistent effectiveness is achieved. The latest coefficient of HTMT proposed by Henseler et al. (2014) required no more than 0.85 also was included in discriminate validity (Table 4).

Table 1: Assessment of the Measurement Model

Construct/ Variables	Loads	Alpha	CR	AVE
Human Resource Practices		0.910	0.925	0.554
My organization sets fixed and explicit requirements and specifications for different positions.	0.728			
My organization conducts impartial tests and personal interviews to assess the potential of candidates and their qualifications to choose the best.	0.672			
My organization offers systematic training to develop the attitudes, skills and performance of employees and to enhance the quality and standards of the services provided.	0.711			
My organization encourages staff career development through job enrichment and periodical job rotation, in addition to the commitment to promote capable employees into higher positions.	0.772			
My organization practices regular assessments to ensure effective performance.	0.714			
My organization sets accurate and realistic measures to evaluate the employees' job performance.	0.825			

My organization uses the performance appraisal reviews to take timely and corrective actions.	0.759			
My organization offers attractive/competitive compensation packages and relatively high incentives to the staff for motivation.	0.707			
The reward system of My organization is fair and basically based on performance.	0.733			
The responsibilities and performance expectations of the management are clear to all employees at My organization.	0.807			
Individualism/Collectivism		0.932	0.945	0.710
I feel confident about the collective capability of my group to perform the tasks very well.	0.801			
I believe my group is able to solve difficult tasks if it invests the necessary effort.	0.842			
I feel confident that my group will be able to manage effectively unexpected troubles.	0.843			
I think my group as a whole is totally competent to perform the tasks.	0.858			
I think my group as a whole is very effective.	0.859			
In my opinion, members of my group can do their job well.	0.804			
I feel confident that my group as a whole is able to allocate and integrate available resources to perform the task well.	0.887			
Turnover Intention		0.882	0.918	0.736
I sometimes feel compelled to quit my job in my current workplace.	0.820			
I will quit my job at my current organization in 1 year or less.	0.896			
I am currently seriously considering leaving my current job to work at another company.	0.916			
I will quit this company if the given condition gets even a little worse than now.	0.794			

* Loads=Factor Loading, Alpha=Cronbach's Alpha, CR=Composite Reliability, AVE= Average Variance Extracted. *Criteria: Composite Reliability> 0.708, Average Variance Extracted> 0.5, (Hair et al., 2010, Hair et al., 2014).

Table 2: Assessing Discriminant Validity using Cross Loading of Constructs

Indicators	HRPs	IC	TI
RS 2	0.825	0.460	-0.189
RS 3	0.672	0.543	-0.215
TD1	0.711	0.438	-0.394
TD3	0.772	0.437	-0.401
PA1	0.709	0.386	-0.447

PA2	0.816	0.522	-0.477
PA3	0.764	0.510	-0.573
CR1	0.707	0.380	-0.474
CR2	0.733	0.378	-0.412
CR3	0.807	0.354	-0.321
IC1	0.586	0.801	-0.556
IC2	0.518	0.842	-0.545
IC3	0.406	0.844	-0.392
IC4	0.494	0.857	-0.527
IC5	0.659	0.859	-0.468
IC6	0.355	0.806	-0.355
IC7	0.686	0.886	-0.422
TI1	-0.428	-0.356	0.820
TI2	-0.446	-0.504	0.896
TI3	-0.505	-0.618	0.916
TI4	-0.482	-0.415	0.794

Note: HRP: Human Resource Practices, IC: Individualism & Collectivism, TI: Turnover Intention

Table 3. Assessing Discriminant Validity using Fornell-Larcker Criterion of Constructs

	HRPs	IC	TI
HRPs	0.744		
IC	0.599	0.843	
TI	-0.544	0.598	

Note: HRP: Human Resource Practices, IC: Individualism & Collectivism, TI: Turnover Intention

Table 4. Assessing Discriminant Validity using Heterotrait-Monotrait ratio (HTMT)

	HRPs	IC	TI
HRPs			
IC	0.670		
TI	0.631	0.598	

Note: HRP: Human Resource Practices, IC: Individualism & Collectivism, TI: Turnover Intention

Structural Model

In this part, the evaluation of path co-efficient is related to the evaluation of the relationship between the importance and structure of the effect in the hypothesis. The path coefficient results of each hypothetical relationship are shown in Table 4. In general, the hypothetical relationship needs to be significant under the 95% confidence interval (p-value < 0.05), and the t-value is greater than 1.96. Human Resource Practices is shown to have a positive and

significant impact on Individualism/Collectivism with co-efficient parameter (HRPs → IC $\beta=0.599$ $t=12.741$ $p=0.000$), HRPs has a negative and significant effect on Turnover Intention (HRP → TI $\beta=-0.320$ $t=4.990$ $p=0.000$). Individualism/Collectivism has a significant negative correlation with turnover intention (IC → TI $\beta=-0.373$ $t=5.844$ $p=0.000$). In addition, the evaluation of the structural model also relies on several indicators, which are the level of R^2 , the effect size f^2 and the predictive relevance Q^2 .

R^2 is the determined coefficient. This is determined by the variance of endogenous variables explained by all independent variables related to it in the model (Hair et al., 2014). In this study, the R^2 value of the dependent variable is shown in Table 5. The R^2 value is 0.411, indicating that the independent variable explains the 41.4% variance of turnover intention. R^2 values was 0.419, indicating that external variables explained 41.9% of the variances of individualism/collectivism. When f^2 reaches 0.15, which represents a medium level, 0.02 represents the low interpretation ability (Lachenbruch & Cohen, 1989). The analysis shows the value of $f^2=0.558$ (HRPs → IC), 0.107 (HRP → TI), 0.145 (IC → TI). Besides, the Q^2 value requires that the redundancy of cross-validation must be greater than zero to be meaningful in the prediction accuracy of the PLS path model (Chin, 2010; Hair et al., 2019; Henseler et al., 2009; Tenenhaus et al., 2005). In addition, standardized root means square residual (SRMR) values below 0.8 show good fitting coefficients (Hu & Hentler, 1999). All data meet the requirements and are shown in Table 5.

There are one mediating variables in this study, including three indirect paths, which is Human Resource Practices → Individualism/Collectivism → Turnover Intention. According to the test result Table 6, the path with Individualism/Collectivism as intermediary variable meets the numerical requirements of various indicators, including $\beta=-0.223$, t -value=5.514, p -value=0.000. Whereas the human resource practices mentioned above are directly related to turnover intention. Therefore, the partial mediation of Individualism/Collectivism is established.

Table 5: Fitness of the Research Model

	R Square	$Q^2 (=1-SSE/SSO)$	SRMR
IC	0.358	0.238	0.113
TI	0.385	0.275	

Note: HRPs: Human Resource Practices, IC: Individualism & Collectivism, TI: Turnover Intention, SRMR: Standardized root mean square residual

Table 6: Assessment of Path Co-efficient and Indirect Effect Analysis

Hypothesis	β	t	p-values	95% CI	Conclusion
HRPs → IC	0.599	12.741	0.000	(0.493, 0.681)	Supported
HRPs → TI	-0.320	4.990	0.000	(-0.442, -0.205)	Supported
IC → TI	-0.373	5.844	0.000	(-0.488, -0.246)	Supported
Paths	—	—	—	Mediation Result	—
HRPs → IC → TI	-0.223	5.514	0.000	Partial Mediation	Supported

Note: HRPs: Human Resource Practices, IC: Individualism & Collectivism, TI: Turnover Intention, CI: Confidence interval

Discussion

This paper studies the mediating role of cultural individualism/collectivism in the human resource practice and turnover intention path of multinational enterprises. According to the research scope of previous literature, this study determine that human resources practice includes four aspects: selection and recruitment, training and development, performance evaluation, welfare, and reward. Therefore, this paper determines the path: human resources practice - individualism/collectivism - turnover intention. Through the analysis of 166 valid questionnaire data, this study get the relevant results: there is a positive correlation between human resource practice and intermediary variables, and a negative correlation with employees' turnover intention. individualism/collectivism is negatively correlated with turnover intention. On the other hand, in the indirect path, Human Resources Practice → Individualism → Turnover Intention is established. Combined with the research purpose of the original topic, it can be seen that the human resources practice tends to be a localized culture, which will be conducive to employee management. On the one hand, it can prove the effectiveness of localization management of foreign enterprises. On the other hand, it also proves that good management can optimize the working atmosphere. In addition, perfect human resource practice is of great significance to reduce employees' turnover intention.

Theoretical Implication

First, this study focuses on a major research gap. The previous literature mostly studies cultural differences as a whole, lacking pertinence. What this study mentioned in the literature review is that some articles directly add cultural differences to the discussion as variables, or use all the cultural factors proposed in Hofstede's cultural theory to compare the differences between China and the West. After comparing the previous literature and evidence, this study chose the representative dimension of individualism/collectivism to measure employee behavior. Secondly, this topic is the first time to measure the mediating effect of the cultural dimension, rather than the moderating effect that scholars have paid attention to as before. In addition, for the first time, this study compared the cultural differences of specific work behaviors in the workplace, rather than simply analyzing the demographic differences.

Practical Implication

The internal personnel management of multinational enterprises in China based on culture is the main idea of this study. Previous literature has repeatedly raised the importance of localization management for overseas branches of international enterprises (Hitotsuyanagi-Hansel et al., 2016; Kim & Kim, 2017). Some scholars focus on external strategies, such as paying attention to the uniqueness of the local market, the choice of branch locations or the adjustment of business hours. On the other hand, scholars also pay attention to the localization and adjustment of internal management, Timur and Abubakar (2018) and Li et al. (2018) verified the positive significance of localized human resource management on talent retention and beyond position performance. However, according to the current literature, less internal management is focused on human resource management. In fact, due to the management of the Chinese government and the cost control of foreign enterprises, it is common to employ a large number of local employees. Therefore, how to solve the problem of internal cultural differences is worth pondering by managers. Hence, the first practical significance this study can get is to help foreign enterprise managers better understand that cultural differences are also included in the causes that trigger employees' negative behaviors. Secondly, this topic focuses on the employees in the millennium.

Limitation

Although this study provides some contributions, there are still research limitations. First of all, one of the limitations of this study is that the purpose of this study is only to study the relationship between human resource practice and employee turnover intention. Turnover intention is one of the most extreme negative working states of employees, because the existence of turnover intention has already increased the possibility of real turnover behavior, and the management behavior of the organization is likely to be no longer effective. Therefore, in the future research, the negative state of employees will be extended to a wider range, such as emotional exhaustion, job burnout and so on.

Secondly, longitudinal analysis should be carried out. In fact, one of the purposes of this study is to understand millennial employees' perceptions and preferences about the workplace. Therefore, this study should not be limited to multinational enterprises. In order to obtain more information about the characteristics and behavior orientation of this group in the workplace, a comprehensive enterprise type should be included.

Last, this study will explore more mediating effects or regulatory effects that may affect the internal management of enterprises and the work behavior of personnel.

Future Research Direction

Future studies could adopt longitudinal research design and offer more qualitative insights into "cultural difference". In addition to the individualism / collectivism mentioned in this article, more cultural variables will be added to future research. For example, power distance, leader-member exchange, etc.

References

- Clogg, C., & Bollen, K. (1991). Structural Equations with Latent Variables. *Contemporary Sociology*, 20(1), 156. <https://doi.org/10.2307/2072165>
- Chen, F. F., & West, S. G. (2008). Measuring individualism and collectivism: The importance of considering differential components, reference groups, and measurement invariance. *Journal of Research in Personality*, 42, 259–294. doi:10.1016/j.jrp.2007.05.006
- Foroutan, T., Timur, A., & Abubakar, A. (2018). HR localization impacts on HCNs' work attitudes. *International Journal Of Manpower*, 39(7), 913-928. <https://doi.org/10.1108/ijm-03-2017-0049>
- Gil, A., Brouthers, L., & Keig, D. (2019). Top management team diversity, individualism–collectivism, and MNE performance. *International Journal Of Cross Cultural Management*, 19(3), 273-290. doi: 10.1177/1470595819870819
- F. Hair Jr, J., Sarstedt, M., Hopkins, L., & G. Kuppelwieser, V. (2014). Partial least squares structural equation modeling (PLS-SEM). *European Business Review*, 26(2), 106-121. <https://doi.org/10.1108/eb-10-2013-0128>
- Hair, J., Risher, J., Sarstedt, M., & Ringle, C. (2019). When to use and how to report the results of PLS-SEM. *European Business Review*, 31(1), 2-24. doi: 10.1108/eb-11-2018-0203
- Henseler, J., Ringle, C. & Sarstedt, M. (2014). A new criterion for assessing discriminant validity in variance-based structural equation modeling. *Journal of the Academy of Marketing Science*, 43(1), 115-135.
- Henseler, J., Ringle, C., & Sinkovics, R. (2009). The Use of Partial Least Squares Path Modeling in International Marketing. *Advance in International Marketing*, 20, 277-319. [http://dx.doi.org/10.1108/S1474-7979\(2009\)0000020014](http://dx.doi.org/10.1108/S1474-7979(2009)0000020014)

- Hitotsuyanagi-Hansel, A., Froese, F., & Pak, Y. (2016). Lessening the divide in foreign subsidiaries: The influence of localization on the organizational commitment and turnover intention of host country nationals. *International Business Review*, 25(2), 569-578. <https://doi.org/10.1016/j.ibusrev.2015.09.011>
- Hitotsuyanagi-Hansel, A., Froese, F., & Pak, Y. (2022). Lessening the divide in foreign subsidiaries: The influence of localization on the organizational commitment and turnover intention of host country nationals. *International Business Review*, 25, 569-578. <http://dx.doi.org/10.1016/j.ibusrev.2015.09.011>
- Hu, L., & Bentler, P. (1999). Cutoff criteria for fit indexes in covariance structure analysis: Conventional criteria versus new alternatives. *Structural Equation Modeling: A Multidisciplinary Journal*, 6(1), 1-55. doi: 10.1080/10705519909540118
- Hui, C. H., & Triandis, H. C. (1986). Individualism-collectivism: A study of cross-cultural researchers. *Journal of Cross-Cultural Psychology*, 17, 222-248. doi:10.1177/0022002186017002006
- He, J., Morrison, A., & Zhang, H. (2019). Improving Millennial Employee Well-Being and Task Performance in the Hospitality Industry: The Interactive Effects of HRM and Responsible Leadership. *Sustainability*, 11(16), 4410. <https://doi.org/10.3390/su11164410>
- Jin, J., & Tang, J. (2021). Exploring the effect of perceived organizational support and resilience on Chinese pharmacists' engagement in stressful and competitive pharmaceutical work at hospitals. *Saudi Pharmaceutical Journal*, 29(9), 931-938. <https://doi.org/10.1016/j.jsps.2021.08.003>
- Kapoor, V., Yadav, J., Bajpai, L., & Srivastava, S. (2021). Perceived stress and psychological well-being of working mothers during COVID-19: a mediated moderated roles of teleworking and resilience. *Employee Relations: The International Journal*, 43(6), 1290-1309. <https://doi.org/10.1108/er-05-2020-0244>
- Karatepe, O., Rezapouraghdam, H., & Hassannia, R. (2020). Job insecurity, work engagement and their effects on hotel employees' non-green and nonattendance behaviors. *International Journal Of Hospitality Management*, 87, 102472. doi: 10.1016/j.ijhm.2020.102472
- Kim, B., & Kim, G. (2017). Determinants of the level of foreign subsidiaries' localization of Korean MNCs and performance in China. *Journal Of Korea Trade*, 21(1), 2-21. <https://doi.org/10.1108/jkt-01-2017-0006>
- Kim, K., Yoon, K., Cho, B., Li, L., & Choi, B. (2016). Do all Chinese employees have the same cultural values? An exploratory investigation on differences in Chinese cultural values among state-, privately-, and US-owned firms. *Personnel Review*, 45(5), 827-849. <https://doi.org/10.1108/pr-10-2014-0246>
- Knein, E., Greven, A., Bendig, D., & Brettel, M. (2020). Culture and cross-functional coopetition: The interplay of organizational and national culture. *Journal Of International Management*, 26(2), 100731. doi: 10.1016/j.intman.2019.100731
- Lachenbruch, P., & Cohen, J. (1989). Statistical Power Analysis for the Behavioral Sciences (2nd ed.). *Journal Of The American Statistical Association*, 84(408), 1096. <https://doi.org/10.2307/2290095>
- Li, C., Lee, P., & Liou, J. (2018). Exploring the staff localization of Taiwanese MNC subsidiaries in China: Effects of size, operation time, location, and local-market focus. *Journal Of Business Research*, 88, 20-27. <https://doi.org/10.1016/j.jbusres.2018.02.037>
- Liu, C., Wang, N., & Liang, H. (2020). Motivating information security policy compliance: The critical role of supervisor-subordinate guanxi and organizational

- commitment. *International Journal Of Information Management*, 54, 102152. doi: 10.1016/j.ijinfomgt.2020.102152
- MacDonald, H. A., Sulsky, L. M., Spence, J. R., & Brown, D. J. (2013). Cultural differences in the motivation to seek performance feedback: A comparative policy-capturing study. *Human Performance*, 26, 211–235. doi:10.1080/08959285.2013.795572
- O'Neill, T., McLarnon, M., Xiu, L., & Law, S. (2015). Core self-evaluations, perceptions of group potency, and job performance: The moderating role of individualism and collectivism cultural profiles. *Journal Of Occupational And Organizational Psychology*, 89(3), 447-473. <https://doi.org/10.1111/joop.12135>
- Oyserman, D., & Lee, S. W. S. (2008). Does culture influence what and how we think? Effects of priming individualism and collectivism. *Psychological Bulletin*, 134, 311–342. doi:10.1037/0033-2909.134.2.311
- Qin, C., Ramburuth, P., & Wang, Y. (2008). Cultural distance and subsidiary roles in knowledge transfer in MNCs in China. *Chinese Management Studies*, 2(4), 260-280. <https://doi.org/10.1108/17506140810910926>
- Shulruf, B., Alesi, M., Ciochin!a, L., Faria, L., Hattie, J., Hong, F., . . . Watkins, D. (2011). Measuring collectivism and individualism in the third millennium. *Social Behavior and Personality*, 39, 173–187. doi:10.2224/sbp.2011.39.2.173
- Singh, D., Pattnaik, C., Lee, J., & Gaur, A. (2019). Subsidiary Staffing, Cultural Friction, and Subsidiary Performance: Evidence from Korean Subsidiaries in 63 Countries. SSRN Electronic Journal. <https://doi.org/10.2139/ssrn.3317573>
- Kilroy, S., Bosak, J., Flood, P., & Peccei, R. (2020). Time to recover: The moderating role of psychological detachment in the link between perceptions of high-involvement work practices and burnout. *Journal Of Business Research*, 108, 52-61. <https://doi.org/10.1016/j.jbusres.2019.10.012>
- Tenenhaus, M., Vinzi, V., Chatelin, Y., & Lauro, C. (2005). PLS path modeling. *Computational Statistics & Data Analysis*, 48(1), 159-205. <https://doi.org/10.1016/j.csda.2004.03.005>
- Tordera, N., Peiró, J., Ayala, Y., Villajos, E., & Truxillo, D. (2020). The lagged influence of organizations' human resources practices on employees' career sustainability: The moderating role of age. *Journal Of Vocational Behavior*, 120, 103444. doi: 10.1016/j.jvb.2020.103444
- Triandis, H. C. (1989). The self and social behavior in differing cultural contexts. *Psychological Review*, 96, 506–520. doi:10.1037/0033-295X.96.3.506
- Triandis, H. C. (1995). Individualism and collectivism. *Boulder, CO: Westview Press*.
- Wagner, J. A., & Moch, M. K. (1986). Individualism-collectivism: Concept and measure. *Group & Organization Management*, 11, 280–304. doi: 10.1177/1059601100309
- Wang, L., Jiang, W., Zhang, H., & Lin, H. (2020). Leader information seeking, team performance and team innovation: Examining the roles of team reflexivity and cooperative outcome interdependence. *Information Processing & Management*, 57(6), 102343. doi: 10.1016/j.ipm.2020.102343
- Wong, K., & Cheng, C. (2019). The Turnover Intention–Behaviour Link: A Culture-Moderated Meta-Analysis. *Journal Of Management Studies*, 57(6), 1174-1216. doi: 10.1111/joms.12520