THE EFFECT OF EARLY INTERNATIONAL EXPERIENCE ON THE PERCEPTION OF CULTURAL DIVERSITY IN THE WORKPLACE

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Abstract

This paper aims to examine the relationship between early international experience—living abroad when young, notably while in high school or university—and the perception of the benefits and threats of cultural diversity in the workplace. The concept of cultural diversity has been receiving more attention over the past decades, as research suggests that it may lead to improved performance. This research uses a questionnaire survey that was administrated to 572 Japanese, half of whom worked with foreigners. Our results show that there is a large and significant difference in the perception of benefits between Japanese who lived outside of Japan when young and those who have never been abroad. We also found that there is no significant difference between the two groups in regard to their perception of threats associated with cultural diversity in the workplace. These findings indicate that, in the Japanese context, hiring employees who have had substantial experience abroad will increase the positive perception of multiculturality at work, therefore facilitating diversity management and fostering inclusion in the culture of the firm. Based on this growing realization of the multiplicity of perceptions of cultural diversity at work, and on the lack of academic research on the topic, this paper provides a seminal foundation for future research on the antecedents of these manifold perceptions.

I. Introduction

In contemporary society, characterized by ever-increasing globalization and complexity, the way organizational members perceive the facet of globalization that is cultural diversity in the workplace is vital, not only for their betterment but also for the organizations. Organizations must continuously transform to survive; however, change is stressful and requires employees to have the psychological capacity and time to grow and adapt. Organizations that seek to thrive in this turbulent environment must therefore care about their corporate culture and the way it affects employees, their individual performance, and, ultimately, corporate performance. With the growing stress and complexity of today’s ever-changing society, employees need a sense of security and well-being in their workplace.
Japan’s interest in cultural diversity in the workplace and its perception has been growing; not only is it a component of diversity management in organizations, but it is also related to national policymaking levels, namely governmental policies for immigration and education. A typical illustration is the *tobitate! ryōgaku JAPAN* (留学 JAPAN) campaign launched in October 2013 by the Japanese Ministry of Education, Culture, Sports, Science and Technology. Heavily sponsored by private companies, this program’s goal is to double the number of young Japanese studying abroad by 2020: from 60,000 to 120,000 for university students, and from 30,000 to 60,000 for high school students. Aimed at developing individuals who will later play important roles in both business and the government, this campaign is a reminder that, while learning organizations (Senge, 1990) struggle with promoting change at the organizational level or with influencing society, it is at the individual level that they face the most difficulties, as they cannot expect short-term results in personal development (de Anca & Vázquez, 2007) — therefore, the importance of early life experiences, which have a deep and long-lasting influence on the development of an individual’s belief systems. Because Japan is an island country with a long history of isolationism, its unique civilization tends to differ markedly from the cultures of other countries (Huntington, 1993). With the increasing globalization, the need for managers and employees capable of operating in multicultural settings is growing. While part of this need occurs outside the country, the aging and shrinking population has led to greater immigration, and therefore to the development of cultural diversity in the Japanese workplace. The internationalization of Japanese companies outside the country, in foreign subsidiaries, has been labelled external internalization and internalization within the country (notably at the companies’ headquarters) has been labelled *internal internationalization* (Sekiguchi et al., 2016). In 1988, Bartlett & Yoshihara claimed that human resource management was facing serious problems in foreign subsidiaries of Japanese firms. Wherever the internationalization occurs, organizations need to adapt to and match the variety and complexity of their environment (Ashby, 1957). In order to accomplish this goal, they need members who are both knowledgeable of and attune to this variety (including cultural variety). In other words, since Japanese firms draw an increasing share of their sales from abroad (the background of globalization, with a shrinking domestic market due to the aging population), they must have the same diversity internally as they do externally in the markets they serve; this approach goes a long way in developing products and services that suit the needs of foreign customers. Companies will then need to pay more attention to diversity management as a potentially competitive resource (Magoshi & Chang, 2009) — one that must include an understanding of the employees’ perception of the benefits and threats of a multicultural workforce. These employees are both Japanese and foreigners, and international experience among Japanese employees varies. In this paper, we build and test hypotheses concerning the potential relationship between early international experience (living abroad) and perceptions of cultural diversity in the Japanese workplace. We start by reviewing the relevant literature in the following section.
II. Literature review

1. International Experience and National Culture

Bennett (1998) distinguishes between Culture (with a big C), or objective culture, and culture (with a small c), or subjective culture. The former is a “set of institutional, political and historical circumstances that have emerged from and are maintained by a group of interacting people” (Bennett, 2009, S2). It is, for instance, a national culture. The latter, on the other hand, is an individual’s worldview, which guides the individual in his or her communication with others. Subjective culture also evaluates phenomena or behaviors as good or bad. On the other hand, objective cultures are generalizations about individuals who belong to a common group.

However, each individual group member holds his own little-c culture. International experience, or exposure to other big-C cultures, is a way to acquire linguistic and objective cultural competencies. However, it also profoundly alters the individual-level, subjective, little-c culture or worldview. Early life experiences influence the development of belief systems. Racial and ethnic identity is also developed in early life experiences and influences beliefs about diversity (Brand & Glasson, 2004). This may explain why beliefs, as opposed to knowledge, resist change. Beliefs do not easily vary with exposure to additional information but tend to maintain their suppositions even in the face of new facts (Nespor, 1987). Nevertheless, significant life events affect beliefs, and moving and living in a foreign country is such an event. Moving abroad and confronting cultural differences challenges individuals. They become more consciously aware of their preexisting beliefs and life experiences (余地, 1992; Aikenhead & Jegede, 1999). Early international exposure, for instance through exchange programs during high school, is a “lifetime experience” (马越, 2011, p. 213) with a long-lasting influence on the rest of one’s life. A parallel at the country level can be drawn with Simonton’s (1997)’s assertion that in most domains (politics, war, business, religion, medicine, philosophy, nonfiction, fiction, etc.) the number of outstanding personalities in Japan was a function of foreign influence.

In this paper, we contrast the worldviews of two Japanese groups. The NBAs are individuals who have “Never Been Abroad.” On the other hand, we define LAWYs (“Lived Abroad While Young”) as individuals who have spent more than one year abroad either in junior high, high school, university, or in their 20s. According to Bachner & Zeutschel (2009a), the longer the international experience, the greater the impact on the lives of those who spent time abroad. Such individuals acquire increased awareness of their subjective cultural worldview and develop a greater ability to interact sensitively and competently across cultural contexts (Bennett, 2009). A basic tenet of international educational exchange and study abroad is “the idea that exposure to cultural differences is ‘broadening and therefore a legitimate aspect of education in the modern world’ (Bennett, 2009, S1). Second- or multi-culture exposure, then, shapes socio-cognitive skills (Tadmor and Tetlock, 2006). Ljubica & Dulic (2014) have positioned international exposure as a predictor of international propensity. International experience has also been advocated as the primary vehicle for developing global leadership skills and cross-cultural competence (Davies & Easterby-Smith, 1984;
McCall & Hollenback, 2002; McCauley, Ruderman, Osland, 2001). Global managers themselves report the benefits of early international exposure, indicating that the opportunity to live and work abroad was the most powerful experience that had helped them develop their global leadership capabilities (Gregersen, Morrison and Black, 1998). This strain of evidence is underpinned by the fact that firms led by CEOs with higher degree of prior international exposure perform better financially (Carpenter, Sanders, Gregersen, 2001; Daily, Certo & Dalton, 2000; Sambharya, 1996). Intercultural sensitivity proposes that an individual’s proficiency in intercultural circumstances improves with his/her experience of cultural differences (Greenholtz, 2000). For instance, Olsen and Kroeger (2001) exposed the link between studying abroad and ethno-relativism—the latter having been considered a barrier to intercultural communication competence (Neuliep & McCroskey, 1997). Hammer et al. (2003) have characterized ethnocentrism as a way of “avoiding cultural difference, either by denying its existence, by raising defenses against it, or by minimizing its importance” (p. 426). Nakagawa et al. (2018) went even further by claiming that, in emerging markets, the acceptance of local culture is even required since the transfer of Japanese management practices do not contribute to improving subsidiary performance. Past research has shown that national culture mediates ethnocentrism. Specifically, both foreign and Japanese researchers have described Japanese homogeneous culture as ethnocentric (e.g., Conrad & Meyer-Ohle, 2019; Sekiguchi et al., 2016; 大木他, 2016) and parochial (Dong et al., 2008). Mentioning an adolescent, who, upon returning to Japan after five years abroad with his family, claimed that his life was “doomed because his family moved from a town that was familiar to him” (p. S40), Terashima (2003) echoed worries by Kawada (川田, 1993) that leaving their country can be traumatic for Japanese adolescents.

According to Matsuyama & Tsuchiya (松山・土屋, 2015), it is not only young Japanese but also adults who need resilience to overcome the numerous difficulties they face abroad. On the other hand, Magoshi (馬越, 2003), echoed by Ozaki (大崎, 2018) suggested that studying abroad when young, specifically in high school, widens the point of view of young Japanese and changes their values and way of thinking; through their experience abroad, they may develop both their intelligence and sensibility about foreign things. On the other hand, for Matsuyama and Tsuchiya (松山・土屋, 2015), the benefit of international exposure is, beyond gaining linguistic and business skills, to develop resilience, an ability to both recover from difficulties and to spring back into one’s original shape—what the authors described as “maintaining their own Japanese mind” (p. 232).

2. Cultural Diversity and its Perceptions

2.1. Pros and cons of cultural diversity

Past research has identified several benefits of diversity in the workplace, leading to higher profitability for firms (Stroh & Caligiuri, 1998; Tadmor & Tetlock, 2006). Several models have also been devised to assess attitudes toward cultural diversity in the workplace. The Reaction-to-Diversity (R-T-D) Inventory (Hostager & De Meuse, 2008) categorizes perceptions of diversity into
three categories: optimist, realist, and pessimist. The Attitudes toward Diversity at Work Scale (ADWS) (Nakui et al., 2011) distinguishes between the effects of diversity on productivity and on affectivity (social or affective aspects of diversity). Finally, the Benefits and Threats of Diversity Scale (BTDS) (Hofhuis et al., 2015) distinguishes the positive and negative perceptions of cultural diversity in the workplace. The positive perceptions, called "benefits," are broken down into five dimensions: (1) understanding of diverse groups in society; (2) creative potential; (3) image of social responsibility; (4) job market; and (5) social environment. The negative perceptions of cultural diversity in the workplace, called "threats," are: (1) realistic threat; (2) symbolic threat; (3) intergroup anxiety; and (4) productivity loss. We detail the meaning of these nine dimensions in our following section on hypotheses development. In this paper, we have selected this third framework, the BTDS, because it has two advantages over the first two models. First, following Hofhuis et al. (2015) and Van Knippenberg & Schippers (2007), we reckon that cultural diversity is not perceived along a single dimension but along several independent dimensions. Second, the BDTS allows for the measurement of detailed dimensions, making it more usable for both academics and practitioners. Finally, Arends-Toth and Van de Vijver (2002) emphasized that majority and minority group members do not perceive cultural diversity in the same way. In this paper, we focus on the perception by the majority group members—the Japanese.

2.2. Perceptions of cultural diversity and national culture

While in Western societies some have been claiming for more than a decade that countries have become "too diverse" (Grillo, 2007), Japan is becoming increasingly open. As exemplified by the new law on immigration that took effect in April 2019 (Yamawaki, 2019), the current Japanese government and numerous Japanese companies, encouraged by a stream of both academic and nonacademic literature (e.g., Inoue, 2018; Maekawa, 2003), seem willing to test the benefits of immigration and cultural diversity. This is despite immigration having long been a sensitive national identity issue (Strausz, 2019) and suggestions that the country will maintain long-term social exclusion for the immigrants (Kondo, 2019). Inclusion climate encompasses the shared employee perceptions of how the organization cares for the social integration of all employee groups, including cultural minorities (Nishii, 2013; Guillaume et al., 2014). Stoermer et al. (2016) claimed that national culture has a strong influence on the relationships between organizational diversity, inclusion management, and inclusion climate. In this paper, we focus on the case of Japan with the aim of isolating some national characteristics that explain how our findings are specific to the context of this nation.

III. Development of hypotheses

In this section, we develop our hypotheses about the relationships between international experience and the perception of the benefits and threats of cultural diversity in the workplace. We develop hypotheses contrasting the perceptions of the LAWYs and those of the NBAs for each of the nine subdimensions of the BTDS scale (five benefits and four threats).
1. The Perceived Benefits of Cultural Diversity in the Workplace

1.1. Understanding of Diverse Groups in Society

The Understanding of Diverse Groups in Society Benefit is defined as “the ability to gain insight about, and access to different groups within society, thus being able to better understand stakeholders and markets” (Hofhuis et al., 2015, p.195). With the number of foreigners breaking records at more than 2.8 million in the beginning of 2019 (Kyodo News, 2019), companies’ stakeholders, employees, and customers are becoming increasingly diverse. According to Ashby’s principle of requisite variety, Japanese organizations, as self-regulating systems, need to match and understand this new environment to deal with it (Ashby, 1957). By definition, LAWYs have already been deeply exposed to at least a second culture. They have experienced first-hand, as members of a minority group, how valuable a diverse workforce is for gaining knowledge about, and access to, diverse groups within society. Magoshi (馬越, 2003) stressed that, beyond the simple goal of developing language proficiency, programs sending Japanese high school students abroad also aim to develop their understanding of cultural differences by geographically relocating them to places where they are in close contact with foreigners on a daily basis. This way, young Japanese directly experience such cultural differences, thus becoming aware of how this immediate contact allows for a much deeper understanding (新倉, 2008). Johnson et al. (2006, p. 529) have defined cultural competence as “an individual’s ability to step outside his/her cultural boundary, to make the strange familiar and the familiar strange, and to act on that change of perspective.” Accordingly, we predict that:

H1a: LAWYs’ perception of cultural diversity in the workplace as a source of understanding diverse groups in society benefit is higher than that of NBAs.

1.2. Creative Potential

The Creative Potential Benefit is defined as “the notion that cultural diversity leads to more effective idea generation, increasing learning opportunities and problem-solving potential of teams.” (Hofhuis et al., 2015, p.195). Cultural literacy, improved by long stays abroad, allows for the development of personal traits such as curiosity (Johnson et al., 2006). Wan & Chiu (2002) suggested that juxtaposing apparently discordant thoughts from two cultures summonses engagement in creative conceptual growth. This line of thought is coherent with Cox and al. (1991) who estimated that cultural diversity, being a source of differences, augments creative problem-solving. Last, Magoshi (馬越, 2003) emphasized the development and appreciation of new thinking abilities through living and studying abroad when young. This development stems from the encounter with many different values. Accordingly, we predict that:

H1b: LAWYs’ perception of cultural diversity in the workplace as a source of creative potential benefit is higher than that of NBAs.
1.3. Image of Social Responsibility

The Image of Social Responsibility Benefit is defined as "the notion that cultural diversity in the workplace leads to a positive image of the organization regarding its social responsibility and attention to equal opportunities." (Hofhuis et al., 2015, p.196). For Bailey & Harindranath (2006, p. 304), multiculturalism is a "paradox in dealing with the question of how to construct a society that accommodates universal rights with the rights of minority groups." Paige et al., (2009) report that participants in a large survey perceived study abroad as having a strong influence on commitment to local civic activities, the founding of socially oriented businesses or organizations, and philanthropy. This finding is in line with the results of an AFS (AFS Intercultural Programs, originally the American Field Service) survey reported by Magoshi (馬越, 2003), showing that young Japanese living abroad develop a more socially responsible attitude. Accordingly, we predict that:

H1c: LAWYs’ perception of cultural diversity in the workplace as a source of image of social responsibility benefit is higher than that of NBAs.

1.4. Job Market

The Job Market Benefit is defined as "the benefits of cultural diversity for an organization’s position regarding recruitment and retention of employees, enabling them to choose from a larger pool of potential talents; a necessity for filling all vacancies with qualified personnel” (Hofhuis et al., 2015, p.196). Shaftel et al. (2007) note that the increasing globalization of markets suggests that international studies should be a crucial part of educational programs and that foreign experience should be highly valued (Kwok & Arpan 2002). While living abroad, LAWYs have met and learned to value foreigners with different sets of capabilities, while at the same time relating to them through things they had in common (馬越, 2003). LAWYs perceive these foreigners as both a potential new source of talent for their organizations and a talent pool worth retaining for their unique contributions. Accordingly, we predict that:

H1d: LAWYs’ perception of cultural diversity in the workplace as a source of image of job market benefit is higher than that of NBAs.

1.5. Social Environment

The Social Environment Benefit is defined as "the presence of different cultural groups in a department is ‘fun’ and leads to a more inspiring and comfortable work environment." (Hofhuis et al., 2015, p.196). Shaftel et al. (2007) have assumed the impact of international experience on the enjoyment of learning about and interacting with people from other cultures. Flexibility and openness developed when living in foreign countries has been described by Kelley & Meyers (1992) as comfort in interacting with all kinds of people. According to Magoshi (馬越, 2003), young Japanese studying abroad when in high school are able to fly the nest and feel comfortable outside their sole family and familiar environment, including with people of diverse cultural background, whom they
can appreciate. Accordingly, we predict that:

H1e: LAWYs’ perception of cultural diversity in the workplace in terms of social environment benefit is higher than that of NBAs.

2. The Perceived Threats of Cultural Diversity in the Workplace

2.1. Realistic threat

Realistic Threat is defined as “an individual’s potential loss of career perspectives, power or status within the organization.” (Hofhuis et al., 2015, p.196). While majority group members may recognize the potential benefits of immigration and multiculturalism for the economic dynamism of their country, they may also see immigrants to be challenging their superior cultural and social status (Arends-Toth & Van de Vijver, 2002). Magoshi (馬越, 2003) suggested that young Japanese who have studied abroad during high school developed assertiveness, self-confidence, and positive attitude, therefore becoming less prone to feeling threatened. She also proposed that Japanese LAWYs have developed language and cultural abilities that put them on par with foreigners. Accordingly, we predict that:

H2a: LAWYs’ perception of cultural diversity in the workplace as a source of realistic threat is lower than that of NBAs.

2.2. Symbolic threat

Symbolic Threat is defined as “the notion that established beliefs, values and symbols within the organization are threatened as a result of incorporating different cultures in the workplace.” (Hofhuis et al., 2015, p.196). Cultural diversity and its corollary, immigration, tend to be a delicate issue in Japan because of the common association of the country’s national identity and ethnicity (Strausz, 2019). Living abroad while their individual identity is still being formed, LAWYs are able to relativize and distance national identity and ethnicity. Furthermore, Johnson et al. (2006) have highlighted how cross-cultural competences developed abroad include attitudes and personal traits such as tolerance for ambiguity. Therefore, we propose that LAWYs have become less rigid in following the rules of a specific culture. Moreover, Magoshi (馬越, 2003) explained that one of the consequences of spending time abroad during high school is the tendency to emphasize common points between one’s culture and foreign cultures, therefore being less prone to think in terms of “us versus them”—thus, foreigners and their cultures become less antagonistic. Encountering different values enlarges one’s own and allows to relativize one’s way to look at life. Accordingly, we predict that:

H2b: LAWYs’ perception of cultural diversity in the workplace as a source of symbolic threat is lower than that of NBAs.
2.3. Intergroup anxiety

Intergroup Anxiety is defined as "a sense of fear or insecurity resulting from (anticipated) interaction with members of different cultures, potentially leading to miscommunication, embarrassment or conflict." (Hofhuis et al., 2015, p.197). Ethnocentrism has been described as leading to intercultural misunderstandings (Neuliep & McCroskey, 1997) and less willingness to communicate across cultures (Lin & Rancer, 2003). According to Magoshi (2003), young Japanese returning to their country from studying abroad have developed abilities enabling them to interact positively with people of different cultures; they have become willing and are able to overcome communication barriers associated with cultural differences. They have also developed skills to be easily understood in their interactions with people, including people of different cultural background. While NBAs or monocultural Japanese are expecting some "Listening to the Air" (Meyer, 2014), Japanese living abroad experience first-hand that, in certain contexts, it is more efficient (or even necessary) to be explicit to avoid miscommunication. Accordingly, we predict that:

H2c: LAWYS’ perception of cultural diversity in the workplace as a source of intergroup anxiety is lower than that of NBAs.

2.4. Productivity Loss

Productivity Loss is defined as "a threat to the quality of the work of a team or department, e.g. due to language problems, possible tension between colleagues, or the sense that culturally diverse teams are more difficult to manage." (Hofhuis et al., 2015, p.197). Yamazaki & Kayes (2004) connected expatriation experience and intercultural competence with a list of essential competencies such as stress management, flexibility, and coping with ambiguity. Magoshi (2003) stated that one of the main goals of the Japanese Ministry of Education when promoting studies abroad for high school students is to improve their fluency in foreign languages, starting with English. Among others, international exposure reveals diverse problem-solving strategies (Bennett, 2009) that have potential for being leveraged at home.

Independently from the practical transferability of these techniques across cultures, international exposure makes individuals more conscious of these potential contributions to productivity.

Last, Peng (2006) suggested that persons with higher intercultural communication sensitivity are inclined to thrive in intercultural communication settings. On the other hand, language problems, and the ensuing tension, may be caused by lesser cultural awareness on the part of NBAs. This low level of awareness has been associated with less intercultural communication sensitivity and intercultural communication competence (Chen & Starosta, 2000). Accordingly, we predict that:

H2d: LAWYS’ perception of cultural diversity in the workplace as a source of productivity loss is lower than that of NBAs.
In conclusion, all our hypotheses predict that early international experience will positively impact the perception of the benefits of cultural diversity in the workplace; however, it will negatively impact the perception of the threats associated with cultural diversity in the workplace. This line of reasoning is consistent with common wisdom and the claim of Bachner & Zeutschel (2009b) that individuals who have had international exposure through an international exchange are more likely to be involved in cooperation efforts among countries.

The hypotheses presented above make up the research model depicted in Figure 1.

IV. Methodology

1. Sample

To test the hypotheses presented above, we conducted a questionnaire survey of 572 Japanese working in Japan. The data were gathered in February 2019 using a Japanese Internet Survey service with a large database of potential respondents throughout Japan working in a wide range of industries and having different functions.

In addition to basic demographic questions (gender, age, marital status, income), the questionnaire included items inquiring into the respondent’s situation with the present company (number of years at the company, position, function, whether the respondent was working with foreigners) and the characteristics of the company (size, age, ownership nationality, percentage of foreign sales). The sample was made up of roughly equal numbers of men (50.3%) and women (49.7%) and consisted of
more young groups than the currently aging Japanese population. This over-representation was
designed to allow the identification of underlying trends among those younger respondents who are
the upcoming workforce of the country. A relative majority of respondents was in their 20s (21.7%),
living in Tokyo (22.5%), and working as salaried employees in office positions (45.1%). Nearly one in
10 of our respondents was working for a Japanese company (89.8%).

2. Measures

To evaluate their experience abroad, the respondents were asked to state both the duration of
their stay and the periods during which it may have occurred. Specifically, these periods consisted of
the time from birth until junior high; high school; university; their 20s after university; their 30s; 40s;
and their 50s and over. Durations were divided between no experience; less than one month; less
than three months; less than one year; less than three years; and three years or more. We created
two groups: the LAWYs (“Lived Abroad While Young”) are those respondents who have spent more
than one year abroad either during junior high, high school, university, or in their 20s (n=53). The
NBAs (“Never Been Abroad”) are the respondents who have never been abroad (n=55).

The perception of cultural diversity in the workplace was assessed by considering both threats
and benefits separately, following the recommendation of Hofhuis et al. (2015). Perceptions of benefits
and threats of cultural diversity in the workplace were measured using the Benefits and Threats of
Diversity Scale (BTDS) developed by Hofhuis et al. (2015). This scale consists of 36 questions. Each
of its nine dimensions (five for the benefits and four for the threats) is assessed by four questions.
Since the BTDS presented in Hofhuis et al. (2015) is in English, we first had to translate it into Japanese. The author made a first translation from English to Japanese; a native Japanese university professor then back translated this initial version. Discrepancies were then discussed and resolved. To ensure a smooth understanding of the questions by the respondents, a Japanese professional specialized in survey administration proofed the ensuing Japanese version of the questionnaire. We worded the other questions directly in Japanese, including those about the respondents’ international experience.

3. Validity and Reliability

Factor analyses were conducted with each subset of questions pertaining to each variable to ensure that the questions displayed highest loadings on the intended constructs and to assess discriminant validity. Following the recommendations of Costello and Osborne (2005), we looked for question items with excessive cross-loadings, freestanding as one-item factors, or considerably reducing factor reliability. The last question item for productivity loss (“cultural diversity reduces the overall quality of employees”) displayed similar loadings with the factor on realistic threats. This cross-loading can be explained by the fact that all those questions concern employees or members of the organization. We decided to keep that item since the question can logically be related to either factor. All factors were found to be reliable with Cronbach alpha scores well above 0.7 and with most above 0.8.

All questions on cultural diversity loaded on the intended nine constructs of Hofhuis et al. (2015). Realistic threat explained 32% of the total variance (the most), creative potential 19%, followed far behind by social responsibility (5%), understanding group diversity (3.6%), intergroup anxiety (3.3%), job market (3%), productivity loss (2.9%), social environment (2.6%), and symbolic threat (2.3%), for a total of 73% (Table 2). This suggests that realistic threat and creative potential represent most of the variance in the scale related to cultural diversity. These results confirm Hofhuis et al. (2015)’s claim that their questionnaire allows for the measurement of positive and negative attitudes on two separate scales. The factor analysis confirms Hofhuis et al. (2015)’s claim for separating threats and benefits of diversity in the workplace, since those dimensions appear to be independent.

V. Results

In order to evaluate the respondents’ levels of perception of threats and benefits, we calculated mean scores for each dimension based on the combined means of the items constituting said dimensions. Hypotheses 1 and 2 were tested using independent sample T-tests between relevant sub-groups in the sample.

The mean of respondents’ answers on the perceived threats of cultural diversity in the workplace
### Table 2 Rotated component matrix of factor analysis of questions on cultural diversity

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% of Variance

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are consistently lower than three, while those to the benefits of cultural diversity at work are all above three, albeit all are centered around three on a five-point Likert scale. This suggests that, in general, most Japanese employees do not consider cultural diversity as a threat, but rather as a
Table 3 Means and standard deviations of perceived threats and benefits of cultural diversity in the workplace

<table>
<thead>
<tr>
<th>Perception</th>
<th>Mean</th>
<th>Standard deviation</th>
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<tr>
<td>Understanding group diversity</td>
<td>3.16</td>
<td>0.85</td>
</tr>
<tr>
<td>Creative potential</td>
<td>3.32</td>
<td>0.83</td>
</tr>
<tr>
<td>Social responsibility</td>
<td>3.14</td>
<td>0.86</td>
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<td>Job Market</td>
<td>3.28</td>
<td>0.81</td>
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<td>Social environment</td>
<td>3.36</td>
<td>0.83</td>
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<tr>
<td>Realistic threat</td>
<td>2.40</td>
<td>0.85</td>
</tr>
<tr>
<td>Symbolic threat</td>
<td>2.85</td>
<td>0.75</td>
</tr>
<tr>
<td>Intergroup anxiety</td>
<td>2.59</td>
<td>0.86</td>
</tr>
<tr>
<td>Productivity loss</td>
<td>2.73</td>
<td>0.81</td>
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</table>

benefit. This is consistent with results from Hofhuis et al. (2015) on a sample of Dutch civil servants.

In addition to shifts in perception resulting from exposure to positive and negative aspects of workplace diversity, the existing research suggests that we ought to expect to find perceptual differences due to gender (Thompson, 2000; Mor Barak et al., 1998; Strauss & Connerley, 2003). Significant differences were found among men and women for two threats and two benefits.

Figure 2 Means of statistically significant differences of perceived threats and benefits of cultural diversity in the workplace for men and women (*p<0.05)
Figure 3 Means of statistically significant differences of perceived threats and benefits of cultural diversity in the workplace for respondents having lived abroad while young (LAWY) and those who have never been abroad (NBA) (*p<0.05; **p<0.001)

Compared to men, women tend to sense lower realistic threat (M=2.29, SD=0.81 vs. M=2.51, SD=0.87; t(570)=3.102, p=0.002) and lower intergroup anxiety (M=2.68, SD=0.85 vs. M=2.50, SD=0.87; t(570)=2.586, p=0.010), while feeling higher creative potential (M=3.41, SD=0.82 vs. M=3.22, SD=0.84; t(570)=2.695, p=0.007) and a higher social environment (M=3.45, SD=0.82 vs. M=3.28, SD=0.83; t(570)=2.438, p=0.015) from cultural diversity at work.

Significant differences for benefits were only uncovered between those having lived abroad while young (LAWY) and those who had never been abroad (NBA). LAWYs consistently reported higher levels of perceived benefits in the workplace (M=3.47, SD=0.64 vs. M=2.86, SD=0.88; t(106)=4.073, p=0.000; M=3.59, SD=0.69 vs. M=2.84, SD=0.92; t(106)=4.810, p=0.000; M=3.45, SD=0.84 vs. M=2.82, SD=0.87; t(106)=3.793, p=0.000; M=3.32, SD=0.72 vs. M=2.94, SD=0.92; t(106)=2.368, p=0.018; M=3.68, SD=0.74 vs. M=2.87, SD=0.92; t(106)=5.063, p=0.000), compared to NBAs. This supports hypotheses H1 (a, b, c, d, e) but not hypotheses H2 (a, b, c, d).

VI. Discussion & Conclusions

1. Discussion

In this research, we hypothesized that having lived abroad affects perceptions of multicultural diversity in the workplace. Specifically, we predicted that people who have spent more than one year abroad either during junior high, high school, university, or in their 20s (whom we called the LAWYs, for "lived abroad while young"), compared to those who have never set foot outside their country
(whom we called the NBAs, for “never been abroad”), would have more positive perceptions of the five benefits and less negative perceptions of the four threats as defined by Hofhuis et al. (2015) in their BTDS scale. The results of our analysis confirmed all the sub-hypotheses of our first hypothesis (H1), the one concerned with benefits, but none of the sub-hypotheses of our second one (H2), concerned with threats.

The reasons why early international exposure was not linked with any significant differences in the scores of the LAWYs and the NBAs when asked about their perceptions of the threats can be attributed to several factors. Even if they may have developed assertiveness and self-confidence while living abroad, Japanese may feel that these traits are of lesser worth in Japan, where national culture highly values humility (Cocroft & Ting-Toomey, 1994), especially for women (McVeigh, 1996). The same may be said about foreign language and cultural abilities acquired abroad, which indeed do not have much influence on status and career perspectives in Japanese companies, where work is done in Japanese. It can even be said that living abroad may cause lesser proficiency in the Japanese language. Language is a strong marker of social identity and tool for social interaction (Giles & Johnson, 1981). Therefore, the realistic threat for the LAWYs, rather than the foreigners, may, on the contrary, be their compatriots, especially those who have done all their schooling in Japan, such as the NBAs, and may have a better command of the corporate language (Peltokorpi & Yamao, 2017). These two aspects—humility and Japanese language proficiency—because of their intimate connection with beliefs, values, and symbols of the Japanese culture, do not only influence perceptions of realistic threats but also of symbolic threats. Even if not statistically significant, our analysis reveals that, among the four types of threats, intergroup anxiety could be perceived differently by the LAWYs and the NBAs. LAWYs, because of their experience abroad, may be more attuned to the difficulties in intercultural communication. Therefore, while not perceiving this as a threat at the individual level, they may perceive it even more than the less experienced NBAs at the organizational level. For the same reason, their perception of the amount of time needed by regular Japanese managers to deal with foreigners may surpass the out-of-touch perception of the NBAs.

2. Contributions

The major contribution of this study is that early international exposure affects perceptions of cultural diversity. By focusing on the early international exposure of majority members in an organization, we help explain the so far mixed results on the relationship between cultural diversity and the outcomes of work groups (Ely and Thomas, 2001). By focusing on a specific country (i.e., Japan), our research can also be considered an answer to Stoermer et al. (2016)’s call for multiple country comparison in the relation between national culture and inclusion climate. Our findings show that early international experience at the aggregated national level could be an antecedent of inclusion climate and the ability of a country to leverage the benefits of diversity. Our paper also makes two key contributions to the literature of diversity and inclusion. First, building on Stoermer
at al. (2016) and concentrating on the case of Japan, we endorse their suggestion that national culture does matter and affect inclusion climate. Second, we show that not all members of an organization may share inclusion climate unevenly, with the consequence that companies may need to handle the way they disseminate organizational culture on an ad hoc basis within the pool of their employees. Another contribution of this paper relates to the research on Japan’s international human resources. Our findings create a link between “external internationalization” and “internal internationalization” as described by Sekiguchi et al. (2016). Early international exposure of (potential) employees, as a pre-hiring type of “external internationalization” at the individual level, can be considered an originator of organizational “internal internationalization.” Our research also confirms the validity of Hofhuis et al. (2015)’s BTDS scale of perceived threats and benefits of cultural diversity in the workplace in the Japanese context. It contributes to showing that the respective dimensions of perceived benefits and threats are essentially independent. We went even further by discovering two groups in our sample—the LAWYs and the NBAst—which have dissimilar perceptions of the benefits, but statistically undifferentiated perceptions of the threats associated with multiculturalism at work. While the LAWYs perceive more positive effects of diversity than the NBAst do, their perception of the threats may not be different from that of the NBAst.

3. Limitations and Future Research

Firstly, our research focuses on specific characteristics of the “perceiving majority” and it does not take into consideration the characteristics of the “perceived minorities” (the people perceived), such as their (perceived) countries of origin, race, or other sources of visible differences. Neither does it take into consideration the characteristics of the interactions between majority group members, namely the Japanese, and the foreigners with whom they work. Examples of the characteristics of these interactions are the language(s) used in the communication process or the respective hierarchical positions. Further aspects not covered in this research are the reasons and the outcomes underlying the departure of the LAWYs to foreign lands. Both the reasons and outcomes can be positive and negative, and we can expect their diverse combinations to differently affect the LAWYs’ perceptions of the benefits and threats of diversity. The mindset required to be willing to go abroad may be the mediator of an underlying “challenge spirit” (fan, 2011, p. 214) that would be the primary antecedent of the relationships we described in this paper. On the contrary, young Japanese forced to go abroad by their parents (fan, 2011) may resent the experience. It is therefore necessary to inquire about the circumstances and motivations behind early international exposure. Likewise, if our survey undoubtedly shows a correlation between early international exposure and higher scores in the perceived benefits of cultural diversity in the workplace for Japanese respondents, we cannot claim a causal relationship, as a common root may explain both.

Secondly, this research indicated that it is not international exposure per se that leads to different perceptions of the benefits of multicultural diversity in the workplace among the LAWYs and the
NBAs. It seems that the relationship between international exposure and these perceptions is mediated by different constructs, such as cross-cultural competency, cultural sensitivity, and cultural empathy, but also tolerance of uncertainty or flexibility.

Thirdly, our research and our sample of respondents being specific to Japan, the national context is an obvious limitation to the possible generalization of our findings. The results of our research could have been very different if the respondents had been from another country—for instance, a country with high domestic multiculturalism. This is the case of countries with a high number of immigrants: the USA, Canada, Australia, UK, Germany, France, Spain, but also Saudi Arabia or the United Arab Emirates, all have a foreign population of more than 10 percent (United Nations, 2015) while the number was 1.76 percent for Japan in 2019 (Ebuchi & Yokota, 2019). The number of diverse minority groups and the cultural distance between those and the majority group should also be investigated; in 2017, Chinese and South Koreans represented 47 percent of foreigners in Japan (Japanese Government Statistics e-Stat, 2017). Similarly, public opinion and government policies regarding immigration ought to be taken into account in future research.

4. Implications for Public Policies and Company Practices

According to the BBC, the number of international students increased by 12% annually in the years before 2012 (Sood, 2012). Studying abroad is much more common today than it used to be (Bennett, 2009), though it is less clear whether this number is increasing for Japan. According to the Japan Times, if the number of Japanese studying abroad has been increasing, this increase is due to short or even very short (three days) stays being included in the statistics (McCrostie, 2017), while the OECD statistics are showing a decrease in the number of Japanese studying abroad for one year or more. As already mentioned earlier in this paper, the reassessing of deeply rooted beliefs takes time because it resists change (Nespor, 1987). Time is needed to build awareness of one’s preexisting beliefs (Aikenhead & Jegede, 1999). For instance, Pedersen (2009) reported that there is no statistically significant difference in intercultural sensitivity between a group that has spent two weeks abroad and a control group that has not. Therefore, competent authorities, namely the government and schools, may need to consider how to facilitate lengthy absence from the national education system for those willing to acquire experience abroad. Busy academic schedules, clubs, part-time jobs, and studying for qualifications are also competing with studies abroad for the time of young Japanese. More generally, schools could also develop diversity workshops and measure the effects of diversity learning experiences on the perceptions and behaviors of their students.

Besides government and schools, the findings of this research show that Japanese companies themselves have a role to play in encouraging early international exposure of their potential future employees if they want their workplaces to be more receptive to cultural diversity. In the first place, companies can be influential through their human resources policies, prioritizing the hiring of
candidates who have honed their skills, increased their knowledge, and developed their sensibility through early and long stays abroad. Such employees can be expected to promote a “value-in-diversity” perspective within their organization. A demonstrated benefit of such a perspective is that diversity management practices stimulate organizational commitment among employees (Magoshi & Chang, 2009).

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本論文は所定の査読制度による審査を経たものである。
採択決定日：2020年3月19日
日本大学経済学部　経済集志・研究紀要編集委員会