Work values of the next generation of business leaders in Shanghai, Tokyo, and Seoul

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Abstract Understanding the work values of the current and future workforce is essential for designing a human resource management system that attracts, motivates, and retains talent. This study provides an updated, in-depth analysis of the work values of the next generation of business leaders in the commercial centers of China, Japan, and Korea. Although previous research has often clustered these countries together and labeled them Confucian Asia, survey results from more than 700 respondents reveal striking differences in work values across countries. The Chinese are more individualistic and career oriented, whereas the Japanese are more risk averse and work oriented, and the Koreans are often somewhere in-between. We argue that the value differences can be largely explained by different economic influences in these three countries. This study enhances our understanding of crossvergence theory by distinguishing economic influence in the economic development stage, economic growth, and inward foreign direct investments. While these economic indicators might be related, their influences on work values could be conflicting. The findings suggest that each economic indicator has a unique effect on the development of work values.

Keywords Work values · Crossvergence theory · China · Japan · South Korea

Underlying work values have led to superior economic development in China, Japan, and Korea (Inglehart, 1998). China has enjoyed annual economic growth...
rates of around 10% during the past 20 years (World Bank). This development seems unstoppable, even amid worldwide recession, and is expected to continue for years (Yew, 2010). Japan was the first Asian country to industrialize, and plays an important economic and political role in Asia and beyond (Bunker & Cicchantell, 2007). Recently, South Korea (henceforth Korea) has emerged as a leader in the high-technology industries, focusing on mobile technology, flat-screen TVs, and semiconductors (Lee, 2010). Based on more than 400,000 surveys across more than 40 countries, Inglehart (1998) demonstrated that China, Japan, and Korea have achieved superior economic growth because of underlying human values.

Lured by Northeast Asia’s economic growth, multinational corporations (MNCs) have invested heavily in this region (UNCTAD, 2005). However, recruiting and managing a local workforce in Asia is a major challenge for MNCs (Björkman & Lu, 1999; Han & Froese, 2010; Robinson, 2003; Zheng & Lamond, 2011; Zoogah & Peng 2011). An understanding of work values can help MNCs to attract, motivate, and retain talent because work values are related to job choice decisions (Cable & Judge, 1994, 1996; Turban, Lau, Ngo, Chow, & Si, 2001) and work attitudes (Kalleberg, 1977; Kanunga, 1982; Kirkman & Shapiro, 2001). Thus, based on an improved understanding of work values, managers of MNCs can design better-aligned human resource management systems.

Previous empirical studies on work values show that work values in China, Japan, and Korea were relatively similar and scholars defined these countries as belonging to the Confucian Asia cluster (House, Hanges, Javidan, Dorfman, & Gupta, 2004; Inglehart, 1998). These countries are characterized by collectivism and high uncertainty avoidance. However, prior large-scale survey research was conducted in the 1970s, 1980s, and 1990s (Hofstede, 2001; House et al., 2004; Inglehart, 1998). Since most Asian cultures are so dynamic, those findings may be of little value now (Jöns, Froese, & Pak, 2007; Ralston, Egri, Stewart, Terpstra, & Kaicheng, 1999). Thus, it is necessary to create an updated examination of values. This study intends to shed light on the question of whether the work values of China, Japan, and Korea still form a Confucian Asia cluster. If people from different countries have similar work values, then MNCs can attract and manage them in a similar way; however, if they differ, a higher degree of localization may be necessary (Ralston, Holt, Terpstra, & Kai-Chen, 1997).

Another weakness of prior research on work values is that most studies are limited to a narrow set of work values (Tsui, Nifadkar, & Ou, 2007). For instance, House et al. (2004) focused on leadership values, while Ralston et al. (1997) focused only on individualism. The majority of studies tend to limit their analysis to individualism (Kirkman, Lowe, & Gibson, 2006). We provide an in-depth analysis comparing the work values of the next generation of business leaders in the commercial centers of China, Japan, and Korea. To achieve a higher level of understanding, this study employs an interdisciplinary triangulation-from-within approach, which simultaneously investigates various work value measures from different disciplines.

The remainder of this study is organized in the following manner. First, this study provides an interdisciplinary review of the literature on work values, drawing from the sociology, psychology, and business administration literature. The following sections briefly review the convergence-divergence-crossvergence debate, and
present our hypotheses. Then, we describe our methodology and results. The paper ends with a discussion of the findings, practical implications, and limitations of this study.

Work values

Despite an increasing awareness of the importance of work values, no commonly accepted definition has been established (Smola & Sutton, 2002). Researchers from various disciplines have discussed work values from different angles: some researchers refer to the same constructs, and some researchers have slightly different connotations. In fact, in her seminal work, Dose (1997) discovered more than ten major conceptualizations and measures of work values. These conceptualizations range from cultural values (Hofstede, 1983) to the “Meaning of Working” study (MOW, 1987). Nevertheless, most scholars agree that work values refer to evaluative standards that are relevant in a work context (Dose, 1997). This paper intends to further simplify the definition and classify the work values into two distinct categories: general values relevant in a work context and work centrality. These concepts are discussed further in the following two subsections.

General values

General values have broad implications that are relevant in both the business context and in a more general setting. For instance, individualism, the degree to which people are individualistic or group oriented (Hofstede, 2001), is often investigated in a work context; however, individualism may also be related to other social phenomena, such as peer pressure and criminal behavior. Scholars have shown important relationships between these general values and various macro- and micro-level work and business-related outcomes, and they have justified the use of the term “work values” (for reviews, see Kirkman et al., 2006; Taras, Kirkman, & Steel, 2010). For instance, collectivism is associated with organizational commitment (Fischer & Mansell, 2009), uncertainty avoidance is associated with stable employment relationships and promotion based on seniority (Schuler & Rogovsky, 1998), and individualism is associated with national wealth (Taras et al., 2010).

Other researchers avoid using the term “general values” but essentially use a relatively similar construct. These researchers have examined basic individual values (Ros, Schwartz, & Surkiss, 1999), cultural values (Hofstede, 2001), human values (Rockeach, 1968; Schwartz & Bilsky, 1987), and leadership values (House et al., 2004). Even though the labels may be different, these studies identify largely overlapping and highly correlated values (Hofstede, 2001; Javidan, House, Dorfman, Hanges, & Sully de Luque, 2006; Jaw, Ling, Wang, & Chang, 2007).

However, while various values are identified, only certain value dimensions relate to specific work-related variables depending on the domain and context (Kirkman et al., 2006). Some researchers refer to the same constructs, but have developed their own scales that are more relevant to the domain and context of interest. For instance, when Turban et al. (2001) analyzed the values of Chinese university students in relation to their job choice decisions, they incorporated a measure of uncertainty
avoidance or willingness to take risks. Instead of using Hofstede’s (2001) measures, Turban et al. (2001) selected the measures developed by Gomez-Mejia and Balkin (1989); this is an existing HRM metric, which is more closely related to the topic of their study, and they modified it slightly to fit the Chinese context. Since our study is designed to help company managers attract and motivate talent, we carefully selected general values relevant to this specific context rather than simply assessing all of the mainstream general values. In the context of organizational attractiveness, work motivation, and work attitudes, the dimensions of individualism and collectivism, uncertainty avoidance/willingness to take risks, money orientation, and work orientation seem to be highly relevant (Froese & Xiao, 2012; Hofstede, 1983; Inglehart, 1998; Kirkman et al., 2006; Turban et al., 2001).

Work centrality

Sociologists have explored the meaning of work and its relationship to other life domains (Morse & Weiss, 1955; Regan & Roland, 1982). Later, the same concept was investigated by the Meaning of Work (MOW, 1987) International Research Team in the domain of business administration, and the concept was labeled “work centrality.” Work centrality refers to the importance or value individuals attach to work as a major aspect of life and how individuals compare the importance of work with other areas of life such as family, leisure, community, and religion.

The MOW (1987) International Research Team contributed to research by providing a comparative analysis of work centrality across countries. Their first study surveyed eight countries in Europe, America, and Asia. They asked respondents to rank work, family, leisure, community, and religion according to their importance. People in Japan and Yugoslavia rank work as the most important aspect in life, while people in Belgium, Germany, Israel, the Netherlands, Great Britain, and the United States rank family first and work second. Subsequent cross-country studies find relatively similar patterns (Harpaz, Honig, & Coetsier, 2002; Hattrup, Ghorpion, & Lackritz, 2007). All of these studies confirm the importance of work in people’s lives.

Harpaz et al. (2002) and Hattrup et al. (2007) found that work centrality is related to general values. For instance, work centrality is correlated with collectivism (Hattrup et al., 2007). Moreover, several studies demonstrate that work centrality has important effects on various work-related outcomes. High work centrality is found to positively influence work attitudes, such as job satisfaction and participation (Kanungo, 1982) and job pride (Hattrup et al., 2007); it also determines occupational choices (Easterlin & Crimmins, 1991). Together, these studies confirm the importance of work centrality in a work context.

Hypotheses development

Convergence, divergence, and crossvergence theories are commonly used to explain value changes across time and across countries (Chia et al., 2007; Egri & Ralston, 2004; Inglehart, 1998; Ralston et al., 1997, 1999). According to convergence theory, also called modernization theory, socio-economic development is closely related to
value changes (Inglehart, 1998). In contrast, divergence theory claims that, despite changes in the economic environment, values persist because they are so deeply rooted in the culture and social norms of a country (DiMaggio, 1994; Hofstede, 2001). In an attempt to reconcile these two opposing theories, Ralston, Gustafson, Cheun, and Terpstra (1993) offered crossvergence theory. According to crossvergence theory (Ralston, 2008; Ralston et al., 1997), both economic development and cultural heritage shape the development of values.

China, Japan, and Korea are all Confucian-based countries that share a similar cultural heritage (Hofstede, 2001; Ralston et al., 1997). Indeed, prior studies conducted in the 1970s, 1980s, and 1990s describe the values of these countries as relatively similar and cluster these countries together (Hofstede, 2001; House et al., 2004; Inglehart, 1998). Thus, we assume that cultural heritage differences are less relevant. Instead, this study focuses on the different economic factors that might have affected the development of work values in these countries in recent years. Previous research did not distinguish between different economic indicators. However, recent research from related areas suggests that various economic indicators might execute different effects on work values (Kim, Kim, Park, & Kawachi, 2008; Jaw et al., 2007; Selmer & De Leon, 1996).

While crossvergence emphasizes that “sociocultural and business ideology influences may be in conflict with one another” (Ralston, 2008: 28), our study proposes that conflicting forces can also be at play within each of these components. Specifically, we break down economic influences (part of business ideology) into (1) the economic development stage, (2) economic growth, and (3) inward foreign direct investment (FDI), and argue how these factors influence the work values of people in China, Japan, and Korea in different ways. In the following paragraphs, we provide an overview of the economic background of China, Japan, and Korea, and develop our corresponding hypotheses (see Table 1).

**Economic development stage**

Prior research consistently emphasizes the importance of the economic development stage in the development of general values (e.g., Hofstede, 2001; Inglehart, 1998; Ralston et al., 1997). Inglehart (1998) demonstrated that people who live in developing countries hold more survival values and are more group-oriented because they have to cooperate to earn sufficient income for living. Inglehart and Welzel (2005) argued that changes in individualism are most pervasive in transitioning economies. In contrast, people in highly developed countries are more individualistic.

**Table 1** Different economic convergence factors.

|                | Economic stage | Economic growth | Inward FDI |
|----------------|----------------|-----------------|------------|
| China          | Low            | High            | High       |
| Korea          | Medium         | Medium          | Medium     |
| Japan          | High           | Low             | Low        |
and emphasize self-expression and quality of life (Inglehart, 1998), because a certain standard of living is taken for granted. Hofstede (2001) also observed that individualism increased with a stage of increased economic development.

The economic development stage varies greatly between China, Japan, and Korea. Japan has been an industrialized country since the 1980s, while Korea has only recently emerged as a country with a high economic development stage. Japan reached a GDP per capita of USD20,000 in 1988, whereas Korea did not reach the same level until 2007 (World Bank). China’s GDP per capita has been much lower; it was around USD1,000 in 2001, and it is still below USD10,000. In summary, Japan ranks number one in the economic development stage, followed by Korea, a recently industrialized country, and China, an emerging economy.

Corresponding to the lower economic stage, we would expect that the next generation of Chinese business leaders would be less individualistic, more risk averse, money oriented, work oriented, and more focused on work centrality. For instance, Tang and Chiu (2003) found that money is an important motivator in China. Han and Froese (2010) described the career-hungry spirit of the new generation of Chinese managers. In contrast, corresponding to the state of high economic development of Japan, we would expect the new generation of Japanese business leaders to be more individualistic, less risk averse, more money oriented, more work oriented, and less likely to focus on work centrality. In fact, prior studies indicate that Japanese workers have become more individualistic and less performance oriented (House et al., 2004). Corresponding to the in-between economic development stage, we would expect Koreans to hold work values somewhere in-between the Chinese and Japanese workers. This leads us to the following set of hypotheses:

**Hypothesis 1a** The next generation of Japanese business leaders will tend to value individualism more highly than Koreans, and Koreans will tend to value individualism more highly than the Chinese (J > K > C).

**Hypothesis 1b, c, d** The next generation of Chinese business leaders will tend to value (b) risk aversion, (c) money orientation, and (d) work orientation more highly than Koreans, and Koreans will tend to value these more highly than the Japanese (C > K > J).

**Hypothesis 1e** The next generation of Chinese business leaders will tend to value work centrality more highly than Koreans, and Koreans will tend to value work centrality more highly than the Japanese (C > K > J).

**Economic growth rates**

Previous studies have found that economic growth rates have profound influences on career choice, career opportunities, job mobility, and work attitudes (Feldman & Ng, 2007; Kim et al., 2008). In times of economic growth, jobs are abundant so job seekers might receive multiple job offers and are offered various incentives. Employees do not need to worry about their job security because they can easily find employment at a different organization.
China, Japan, and Korea differ greatly in terms of their economic growth rates. During the past 20 years (1990–2009), China experienced tremendous annual economic growth rates of around 10% (World Bank). Korea’s economic growth took a major hit during the Asian financial crisis in 1998, but this rate still averaged around 5% during the same period (World Bank). Japan’s economy fell into a recession in the 1990s and its economic growth rates have averaged around 1% during the past 20 years (Bunker & Ciccottell, 2007; World Bank).

In line with China’s tremendous growth rates during the past 20 years, job seekers and employees in China enjoy a tight labor market. Qualified job candidates are courted by foreign firms and offered salary increases of up to 100% if they are prepared to switch jobs (Han & Froese, 2010). The situation during low economic growth rates and a recession can be very different. During these times, firms need to reduce their costs and often do so by reducing their workforce. In Japan, Japanese firms had no other choice but to reduce their workforce (Ahmadjian & Robinson, 2001). Korea also experienced negative economic growth in 1997, but was able to recover more quickly than Japan. Recession, precarious employment relationships, and the experience of job loss have detrimental effects on people’s perceived job security, depression, and health (Kim et al., 2008; Waters, 2007). In such situations, it is likely that people come to value job security more highly and try to avoid any job-related risks. In more general terms, it is likely that survival and material values become more important in times of uncertainty (Inglehart, 1998). To protect their jobs, employees may be willing to work longer hours. Furthermore, to buffer the potential risks of job loss, people may emphasize monetary rewards. We propose the following hypothesis:

**Hypothesis 2a, b, c** The next generation of Japanese business leaders will tend to value (a) risk aversion, (b) money orientation, and (c) work orientation, more highly than Koreans, and Koreans will tend to value these more highly than the Chinese (J > K > C).

**Inward FDI**

Inward FDI in a given host country can have profound impacts on the domestic economy. Inward FDI leads to numerous spillover effects such as increased productivity and adoption of foreign business practices (Björkman, Smale, Sumelius, Suutari, & Luc, 2008; Blomström & Kokko, 1998). When foreign companies establish or buy firms overseas, they tend to transfer their management practices to their overseas subsidiaries (Björkman & Lu, 1999; Froese, Pak, & Chong, 2008). Furthermore, local competitors often imitate those practices. Björkman et al. (2008) showed that human resource management practices of foreign companies in China largely resemble their business practices in their home countries and that Chinese companies have increasingly adopted these practices. Unlike traditional Japanese companies that emphasize long-term employment relationships and group work, foreign and domestic companies in China have aggressively adopted individual-based performance-oriented promotion and compensation systems (Björkman & Lu, 1999; Björkman et al., 2008).

The importance of inward FDI varies greatly between China, Japan, and Korea (Baek, 2005). China has received much more FDI than Japan both in relative and
absolute terms. Even though China’s economy was only a fraction of Japan’s economy in 1990, China has received more than double the volume of FDI compared with Japan over the past few decades (see Table 2). Inward FDI stocks averaged around 10% of GDP during the past two decades in China, underlining the influential role of FDI. FDI played no major role in the economic development of Japan (Baek, 2005). In Korea, inward FDI has become more important since the Asian crisis in 1997. Japan has substantial FDI in Korea and China, and Korea too has become a significant investor in China in recent years. However, the individual FDI contributions of Japan or Korea in China have been limited in relative terms (usually less than 5% of total inward FDI; http://www.fdi.gov.cn).

As foreign investment has various spillover effects on management, we argue that it may also have spillover effects on the work values of local employees and job seekers. On a more abstract level, Ralston et al. (1993) argued that exposure to Western influence might influence work values. Western influence might exert a particularly strong influence on individualism (Ralston et al., 1997). Individualism has also been found to be the general value that is most easily influenced by outside factors (Hofstede, 2001). Exposure to foreign influence, foreign companies, and management practices may result in an increase in individualism. Selmer and De Leon (1996) showed that Singaporeans working in Swedish subsidiaries developed a higher degree of individualism. In a related area, Jaw et al. (2007) found that Chinese workers who experienced living overseas were more individualistic. These studies suggest that foreign investment may lead to an increase in individualism. Considering the different foreign investment in China, Japan, and Korea, we would expect the following:

**Hypothesis 3** The next generation of Chinese business leaders will tend to value individualism more highly than Koreans and Koreans will value individualism more highly than Japanese (C > K > J).

**Methodology**

**Subjects**

This study used a student sample to test the hypotheses. This student sample is in line with previous studies on work values (Gahan & Abeysekera, 2009; Ng & Burke, 2006) and allows us to focus on the next generation of business leaders. Data were

| Country | Total value in USD million | Percentage of GDP |
|---------|---------------------------|-------------------|
|         | 1990 | 2000 | 2010 | 1990 | 2000 | 2010 |
| China   | 20,691 | 193,348 | 578,818 | 5.12 | 16.21 | 9.86 |
| Japan   | 9,850 | 50,322 | 214,880 | 0.32 | 1.08 | 3.91 |
| Korea   | 5,186 | 43,738 | 127,047 | 1.92 | 8.20 | 12.61 |

Source: UNCTAD STAT database.
collected from university students from Fudan University in Shanghai, Waseda University in Tokyo, and Yonsei University in Seoul. These universities are considered to be among the most prestigious in their respective countries. Graduates from these prestigious universities will often later assume influential, managerial roles because employment discrimination based on university names—due to the power of strong alumni networks—is especially prevalent in these Asian countries (Chang & Chang, 1994; Chen, 1995). By the time young people reach college age, most have already developed their values, which will then remain relatively stable over the course of their lives (Clausen & Jones, 1998; Inglehart, 1998). Thus, the work values of current university students can be interpreted as the work values of the next generation of business leaders.

This study analyzed the responses of 243 undergraduate students in Tokyo, 163 in Seoul, and 300 in Shanghai. The average age of the respondents was 21.5 (SD = 1.89) in Korea, 20.5 in Japan (SD = 1.58), and 19.6 (SD = 1.43) in China. Correspondingly, on average, the Korean students were enrolled in the university for slightly longer (mean = 2.62, SD = 1.06) than Japanese (mean = 2.30, SD = 1.05) and Chinese students (mean = 2.16, SD = 1.06). Slightly more male students participated in Korea (53.7%) and Japan (51.4%), and slightly more female students participated in China (56.9%). In summary, the three country sub-samples are relatively similar and relatively equally distributed across age, gender, and academic year.

Procedures

This study was part of a major research project jointly conducted by Waseda, Fudan, and Yonsei universities dealing with values and value transmission (see Froese, 2009). Data were collected from undergraduate students who were studying at an urban campus. All participating universities agreed to collect data from students who were evenly distributed across various departments, different academic years, and genders. All participating universities distributed a paper-based set of questionnaires; students returned the questionnaires to their instructors or sent them to the organizing research institute of the university. The response rates were 75% in China, 29.3% in Japan, and 20.4% in Korea.

Measures

The question items are based on established measures, and most of them are validated in an Asian context. We used different types of questions to increase the predictive validity of our findings so they would correspond to the idea of triangulation from within. We used multiple-item measures for general values and a categorical variable to measure work centrality. In a recent study, Harzing et al. (2009) found that categorical variables may be superior to Likert-type questions in cross-cultural research since they reduce culturally induced response biases. The master questionnaire was developed in English and translated into Chinese, Japanese, and Korean and then translated back into English (Brislin, 1980).

The general values relevant to the work context were measured along four multiple-item scales: individualism, risk aversion, money orientation, and work
orientation. Each item was measured on a five-point Likert scale (1 = strongly disagree, 5 = strongly agree). The variables were coded so higher values would express higher degrees of individualism, risk aversion, money orientation, and work orientation, respectively. The individualism scale comprised of five items derived from Earley (1989) and Singelis (1994). Risk aversion was measured through three items taken from Gomez-Mejia and Balkin (1989). Money orientation was measured through the four-item money motivation scale of the Love for Money scale (Tang & Chiu, 2003). Work orientation was measured through three items taken from Inglehart (1998).

Work centrality was measured through a question which reads, “Which things or activities in life would give you the most satisfaction?” To that question, respondents had to choose one of seven answers: career and occupation, having lots of money, family relationships, recreational activities, living abroad, religious beliefs, and participation in activities directed toward national or international betterment. These question-and-answer options are taken from Regan and Roland (1982) and Easterlin and Crimmins (1991).

In addition to these main variables (dependent variables), we also used several control variables to rule out the possibility that other factors could bias the results. We included the following control variables: gender, age, education, academic year, social class identification, and household income.

Results

Before testing the differences in work values, we standardized all Likert-type items (i.e., general values) to alleviate any potential response style biases across countries (House et al., 2004). All studentized residuals were well below the threshold value of 2.0; these values indicate that the response style biases were of little concern (House et al. 2004). We used standardized values to test for value differences across countries.

In a next step, we tested the psychometric properties and cross-cultural measurement equivalence of the general values. To validate the scales, we used the split-half approach. We randomly selected half of the total sample; then we ran an exploratory factor analysis with Varimax rotation on this group. Four factors emerged and all items loaded highly (> .50) on their respective factors without any critical cross-loadings. Then we conducted a confirmatory factor analysis on the other half of the total sample. The model fit was satisfactory (CMIN = 157.98, df = 47, p < .01, GFI = .92, CFI = .89, RMSEA = .078). However, when we conducted separate confirmatory factor analyses for each of the three countries, one risk aversion item caused serious problems for the Korean sample and one work orientation item caused serious problems for the Chinese sample. After deleting these two items, all separate confirmatory factor analyses showed satisfactory model fits (see Table 3).

In addition, we conducted a multi-group confirmatory factor analysis. The unconstrained and constrained measurement weights model were significantly different (CMIN = 128.935, df = 76 vs. CMIN = 140, df = 81), but when the constraints of one item of the individualism scale were released, the difference
became statistically insignificant (the improved model fit was CMIN = 133.036, df = 80, GFI = .947, CFI = .928). Thus, the measures were partially invariant allowing cross-country comparisons (Byrne, 2006). Most of the reliabilities were at an acceptable level; however, a few scales appeared at the lower end of acceptability (Table 2). Since all factor loadings were above .40, had good fitting models, and had acceptable total sample reliability scores, we retained all the remaining items.

The correlations of general values and work centrality for the whole sample are depicted in Table 4. There were several significant correlations but all at a low level ($r < .15$) suggesting that variables are distinct. For instance, risk aversion was positively correlated with work centrality ($r = .136$, $p < .01$).

Differences in general values

To test whether general values differed across countries we conducted MANCOVA followed by ANCOVA tests to account for potential effects of control variables. The MANCOVA tests revealed that the general values differed significantly across countries (Pillai’s Trace = .32, F = 32.05, df = 8, $p < .001$). Among the control

### Table 3 Cronbach’s reliabilities and confirmatory factor analysis indices.

|                | China | Japan | Korea | Total |
|----------------|-------|-------|-------|-------|
| **Scales (Cronbach’s alphas)** |       |       |       |       |
| Individualism | .55   | .60   | .67   | .65   |
| Money orientation | .77   | .82   | .85   | .79   |
| Risk aversion | .76   | .79   | .70   | .73   |
| Work orientation | .61   | .64   | .57   | .61   |
| **CFA fit indices** |       |       |       |       |
| CMIN | 58.6  | 65    | 76.2  | 135.8 |
| Degree of freedom | 37    | 37    | 37    | 37    |
| $p$ | <.05  | <.01  | <.01  | <.01  |
| GFI | .966  | .956  | .929  | .966  |
| CFI | .97   | .946  | .933  | .930  |
| RMSEA | .044  | .054  | .060  | .061  |

### Table 4 Correlations of work values.

|  | 1  | 2  | 3  | 4  | 5  |
|---|----|----|----|----|----|
| 1 | Individualism | 1  |    |    |    |
| 2 | Risk aversion  | −.109** | 1 |    |    |
| 3 | Money orientation | .115** | .064 | 1 |    |
| 4 | Work orientation | .078* | .019 | .063 | 1 |
| 5 | Work centrality  | −.144** | .136** | −.088* | −.046 | 1 |

$N = 707$; *$p < .05$, **$p < .01$.
variables, only gender (Pillai’s Trace = .03, F = 4.87, df = 4, p < .01) had a statistically significant effect. Parameter estimates show that gender significantly impacts individualism (β = −0.12, t = −4.03, p < .001), implying that female students were less individualistic.

As sample sizes differed in the three countries, we computed four separate Bonferroni-adjusted ANCOVA tests for each of the general values. The results reveal that the differences in all general values across the countries are statistically significant (see Table 5). Chinese students were the most individualistic, suggesting that FDI in China had an influence on individualism. Thus, Hypothesis 3 finds partial support but Hypothesis 1a, which is related to the state of economic development, needs to be rejected.

In line with the economic growth hypothesis, Japanese students who grew up in difficult economic times were significantly more risk averse than Korean students, and Koreans were significantly more risk averse than Chinese. These results support Hypothesis 2a but refute the economic development stage (Hypothesis 1b). That Japanese were more work oriented than Chinese students provided further support for economic growth (Hypothesis 2b). However, Chinese students were more money oriented than Japanese students, in line with the economic development stage (Hypothesis 1c).

Differences in work centrality

To test whether work centrality (life goals) differed across countries, we computed a Chi square test. Table 6 shows a descriptive overview where life goals were most important for respondents. Because only very few students chose living abroad, religious beliefs, or national betterment as their most important life goals, these categories were combined into a new category labeled “other.” Overall, life goals differed significantly across countries (Pearson Chi-Square = 175.975, df = 8, p < .001).

Among the different life goals, we were primarily interested in “career and occupation” vis-à-vis other life goals when comparing work centrality. A much higher percentage of Chinese students than Japanese students (46.7% vs. 18.9%; adjusted residual = −6.4 vs. 5.7) chose career and occupation as their primary life goal. This provides support for Hypothesis 1c. The investigation of the other life goals may provide additional relevant information. Korean students emphasized lots

Table 5: Comparisons of general values.

|                      | China (N = 300) | Japan (N = 243) | Korea (N = 163) | F     | Sig. | Pair-wise comparisonsa |
|----------------------|----------------|----------------|----------------|-------|-----|------------------------|
|                      | Rank | Mean | SD | Rank | Mean | SD | Rank | Mean | SD |                |                        |
| Individualism        | 1    | 4.12 | .35 | 2    | 3.68 | .42 | 1    | 3.75 | .42 | 72.58           | .000 C > J, K          |
| Risk aversion        | 3    | 3.21 | .72 | 1    | 3.68 | .70 | 3    | 3.30 | .81 | 27.80           | .000 J > K > C         |
| Money orientation    | 2    | 3.67 | .73 | 3    | 3.46 | .70 | 2    | 3.53 | .75 | 8.65            | .000 C > J             |
| Work orientation     | 4    | 2.33 | .65 | 4    | 2.56 | .64 | 4    | 2.43 | .68 | 10.67           | .000 J > C             |

C China, J Japan, K Korea; a Pair-wise comparisons are significant at the p = .05 level.
of money (adjusted residual = 3.6 vs. −2.1) and family relationships (adjusted residual = 2.1 vs. −2.1) more than Japanese students. Japanese students valued leisure more highly than their Korean and Chinese counterparts did (adjusted residual = 12.1, −3.3, −8.8, respectively).

### Discussion

Studies that used data from the 1970s to 1980s often show that the values of China, Japan, and Korea were relatively similar and were clustered together (Hofstede, 2001; Inglehart, 1998). However, this updated investigation reveals pronounced differences in work values across the three different samples of Chinese, Japanese, and Korean university students—the next generation of business leaders. Thus, these findings are neither consistent with classical convergence theory (i.e., values become similar; Inglehart, 1998), nor with divergence theory (i.e., values remain stable; DiMaggio, 1994; Hofstede, 2001). Rather, our findings seem to provide tentative
support for deviating crossvergence theory (Egri et al., 2012; Ralston, 2008). According to deviating crossvergence theory, values are influenced by socio-cultural and business ideology; and differences in values can increase over time (Ralston, 2008). Although values were relatively similar in the 1970s and 1980s, our findings suggest economic factors have resulted in differences in today’s work values in China, Japan, and Korea.

This study further enhances our understanding of crossvergence theory by distinguishing economic/business influence in the economic development stage, economic growth, and inward FDI. While these economic indicators might be related, their influences on work values could be conflicting (Kim et al., 2008; Jaw et al., 2007; Selmer & De Leon, 1996). Our findings suggest that each economic indicator has a unique effect on the development of work values. Corresponding to the economic development stages of these countries, Chinese students were more money oriented and pursued their career and occupation as their primary life goals. Economic growth seemed to have a strong impact on risk aversion and work orientation. Low economic growth rates have confronted Japanese workers with the risks of unemployment and uncertainties (Ahmadjian & Robinson, 2001). As a consequence, Japanese university students might have become more risk averse and work oriented. In contrast, Chinese students enjoying bullish economies and tight labor markets worried little about taking risks and working hours (Han & Froese, 2010). Despite their lower economic development stage, Chinese university students were more individualistic than the Japanese and Koreans. This suggests that foreign investment-induced economic development in China might have affected individualism. In contrast to Japan and Korea, China’s economic growth was fueled by inward FDI (Baek, 2005). Confronted with more foreign influence and foreign management practices (Björkman et al., 2008), the Chinese workers may have developed a higher degree of individualism (Jaw et al., 2007; Selmer & De Leon, 1996). Recent related research also supports the notion that the Chinese have become highly individualistic (Egri & Ralston, 2004; Ralston et al., 2006). Korean students, whose economy lies somewhere in-between Japan and China, often hold work values that fall somewhere in-between these two extremes.

Practical implications

To better attract, motivate, and retain talent, MNCs should design a human resource management system that corresponds to the work values of the current and future workforce (Ralston et al., 1997). Due to the cross-cultural differences observed in this study, MNCs may need to select different strategies for each country. In particular, MNCs should take into account the major differences between Japan and China.

The Chinese are found to be more individualistic than Koreans and Japanese. That may partly explain the higher employee turnover rates in China, since individualistic people tend to show less loyalty to employers (Cohen & Keren, 2008). More individualistic people prefer rewards that are based on effort (Leung & Iwawaki, 1988), individual-based performance appraisals, and job autonomy (Froese & Xiao, 2012). This suggests that while MNCs may assign more teamwork tasks and team- or company-based performance rewards to their Japanese employees, MNCs in China
should emphasize individual assignments, job autonomy, and rewards based on individual performance.

Japanese students are more risk averse than their Chinese counterparts. People who are more risk averse are less likely to join foreign companies (Turban et al., 2001), because foreign companies might be less well known and entail more uncertainties. In fact, foreign companies are not particularly popular in Japan (Robinson, 2003), while they are among the most preferred employers in China (http://edu.sina.com). If foreign companies hope to attract more Japanese employees, they should improve their image to counter such uncertainty and offer better job security because images have strong effects on applicants (Froese et al., 2010). Furthermore, since Chinese employees are more willing to take risks, MNCs could offer more performance-based rewards and appraisals in China (Froese & Xiao, 2012).

Almost 50% of Chinese respondents chose career and occupation as their primary life goal. In contrast, almost 50% of Japanese respondents chose leisure as their primary life goal even though they were willing to work long hours if necessary. While flexible time arrangements and more holidays might appeal to Japanese, such incentives might be of little relevance in China. Instead, MNCs might better motivate Chinese employees by offering better career advancement opportunities. In fact, several companies seem to have recognized the career-hungry spirit of their Chinese workforce and offer fast-track career development for talented staff (Han & Froese, 2010).

In this study, the next generation of Chinese business leaders is found to be more money oriented than Japanese business leaders. However, when we investigate the results of life goals we receive a different picture. More than 10% of the Koreans chose lots of money as their primary life goal. In contrast, almost no Japanese or Chinese chose money as their primary life goal. Overall, these findings send mixed signals. Monetary rewards seem to be more attractive to Koreans and Chinese than to Japanese.

Limitations and avenues for future research

We must address the limitations of this study to better understand our findings. The sample analyzed in this study might not be representative for China, Japan, and Korea for two reasons. First, we only analyze the responses of people living in Shanghai, Tokyo, and Seoul. The terms “Shanghai and China,” “Tokyo and Japan,” and “Seoul and Korea,” are used almost interchangeably, but we do not claim that the observations based on people living in Shanghai, Tokyo, and Seoul are representative of their respective countries. Quite the contrary; we are aware that significant differences exist even within single countries (Kwon, 2012). Rather, these words are used interchangeably simply to ensure simplicity and a better understanding. Nevertheless, we do assume that work values might be relatively similar in major commercial centers compared with rural areas (i.e., people in Shanghai and Beijing might hold values that are relatively similar compared with those who live in the Western hinterlands). Future studies may look specifically into regional differences. Second, as outlined in the introduction, our goal is to present the work values of a very specific target group—the next generation of business leaders in Shanghai, Tokyo, and Seoul. The participants in this study are from
prestigious universities and are the prime target of MNCs’ recruiting efforts. Since this study is designed to develop managerial recommendations, the focused investigation of this very specific segment of society may be superior to national averages.

Data were collected from university students during a single time period. Longitudinal data crossing different life stages and including more countries would offer better grounds to sharpen our understanding of the convergence-divergence-crossvergence debate (Ralston, 2008). We only investigated data from three countries. Given the limited number of countries, findings and conclusions are only tentative. To provide more substantial evidence, future research should include at least 30 countries, so as to test simultaneously for individual-, regional-, and country-level effects in a multilevel analysis. In such an analysis, future research may investigate the direct and interactive effects of economic indicators.

Even though measures used in this study are taken from established measures that were previously used in Asia, several measures only reach the lower levels of reliability. Future scholars are encouraged to develop indigenous measures. In conclusion, our study provided some insights into the work values of the next generation of business leaders in Asia and we hope that our study provided further stimulus to engage in the convergence-divergence-crossvergence debate.

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