

# Employers' Recognition of Pre-employment Study Abroad Experiences of Employees from the Viewpoint of the Development of Global Human Resources (A Case of Japanese Multinational Firms)

Miori MOTOMORI<sup>A</sup>

**Abstract:** The development of Global Human Resources (GHRs) has been an all-Japan agenda for more than a decade. Through an industry-academia partnership led by the government, universities have been at the forefront of the efforts to cultivate GHRs that meet the industry's needs. The promotion of study abroad among Japanese youths has been an essential part of this effort. However, assessment of whether study abroad experiences (SAE) contribute to the development of GHR attributes is scarce. This paper aims to assess whether firms recognize employees' SAE prior to employment as contributing to the development of GHR attributes. Through a questionnaire survey of 300 multinational firms in Aichi Prefecture, Japan, it was found that a large percentage of the respondents recognize employees with SAE as having strengths in all three pillars of GHR attributes; language and communication ability, cross-cultural understanding and ethnic identity, and fundamental competencies of working persons. The results also indicate that firms recognize these strengths in employees with both short-term and long-term study abroad experiences. These are welcome findings that validate the government and universities' efforts to increase study abroad among Japanese youths.

**Keywords:** global human resource development, study abroad, internationalization of universities, fundamental competencies of working persons, Japan

## 1 Introduction

Global Human Resource (GHR) development has dominated the discourse of human resource development in Japan over the last decade. Being led by government policies to develop GHRs, and by programs and competitive funding provided by the Ministry of Education, Culture, Sports Science and Technology (MEXT), the government, the industry, and the academia have been working together to foster GHRs with the skills needed to work effectively in collaboration with people with diverse backgrounds.

Increasing the number of Japanese youths studying abroad has been an essential part of this effort. With the belief that study abroad experiences (SAE) contribute to the development of foreign language skills and cross-cultural understanding, there has been great encouragement from both

the government and higher education institutions to promote study abroad programs among Japanese students. As a result, the number of students participating in study abroad programs has been on the rise.

However, research on the effectiveness of SAE in developing GHR attributes has been limited. It is also not clear whether employers recognize that SAE prior to employment contribute to the development of GHRs. For further and effective development of GHRs, it is essential to assess whether employers recognize employees with SAE as possessing GHR attributes which SAE is expected to develop.

The aim of this paper is to assess employers' recognition of pre-employment study abroad experiences of employees from the viewpoint of GHR development. It explores what attributes of GHR firms recognize employees with SAE as having, whether they recognize differences

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A: Chukyo University, Global Education Center

between employees with long-term and short-term SAE, and how employees with SAE are being utilized by firms.

## 2 Background

### 2.1 Globalization and the Need for GHRs

With a rapid decline in birth rate, soaring aging population, and shrinking domestic market, sustaining economic growth in Japan has become a challenge in the last decades. In search of cheaper labor and new markets, Japanese firms have been continuing to expand their operations overseas (Japan Business Federation, 2011; JETRO, 2019)<sup>1, 2)</sup>. In addition to the growth in the number of overseas operations, overseas operations' functions have also broadened (JETRO, 2018)<sup>3)</sup>.

Under such circumstances, strengthening international competitiveness and its human resources has become an urgent issue and a necessity in Japan (Matsumoto, 2014; Shiraki, 2014)<sup>4, 5)</sup>. The need for human resources who can collaborate with people with diverse backgrounds, work effectively, and compete in the globalized world has become essential for firms' sustained growth. As a result, a dire need arose for GHRs who can work effectively in the global arena.

Despite the urgent need for GHR, Japan has been behind compared to other Asian countries in developing human resources that can compete globally (Japan Business Federation, 2011)<sup>1)</sup>. Firms have been investing time and money in developing their Japanese employees into GHRs by offering foreign language programs, utilizing external programs, and offering overseas trainee programs to young employees (Japan Business Federation, 2015)<sup>6)</sup>. However, most firms are still struggling with the globalization of their human resources, expressing a lack of human resources who can handle overseas businesses (Iwasaki, 2015; JETRO, 2018)<sup>3, 7)</sup>. Despite the experience of long years in overseas operations, Japanese

multinational firms continue to struggle to ensure and develop globally competent human resources needed for their global operations.

Nonetheless, firms still see the development of their Japanese employees as the key to their overseas expansion efforts. While there is a shift in efforts to gain GHRs from outside instead of cultivating them within, Japanese employees who have been with the firm from the start continue to be seen by firms as the most important players who can contribute to their overseas expansion (JETRO, 2019)<sup>2)</sup>. The industry's desire to cultivate Japanese workers into GHRs has not waned.

### 2.2 Definition of GHR

GHRs refer to talents who can work effectively in collaboration with people with diverse backgrounds and compete in the globalized world (Armstrong, 2009; Oikawa *et al.*, 2017; Shiraki, 2014)<sup>5, 8, 9)</sup>. The specific skills needed may vary depending on the organization, location, and background, but some attributes are essential for all human resources regardless of the country of origin, location of deployment, and work assignment.

Based on the definition of GHR by the Japanese government which encompasses the various attributes needed for GHRs, this research defines GHRs as having the following three pillars of attributes (Council on Promotion of Human Resource for Globalization Development 2012; Global Human Resource Development Committee, 2010)<sup>10, 11)</sup>.

- (1) Language and communication ability;
- (2) Fundamental competencies of working persons (including but not limited to self-direction and activeness, drive for challenge, cooperativeness and flexibility, sense of commitment and mission); and
- (3) Cross-cultural understanding and ethnic identity.

The second pillar, fundamental competencies of working persons, is a concept promoted by the Ministry of Economy, Trade and Industry (METI) in 2006 as essential competencies required when working with people with diverse backgrounds (SME Agency, 2018)<sup>12)</sup>. It contains three areas of competencies, which are *action*, *thinking*, and *teamwork*. *Action* includes self-direction, the ability to involve others, and the ability to achieve results. *Thinking* consists of the ability to find problems, planning, and innovative skills. *Teamwork* refers to the ability to get ideas across, empathic listening, flexibility, insightfulness, discipline, and stress tolerance. GHR attributes are often rashly equated to foreign language abilities. Though foreign language ability is vital for communication with speakers of other languages, however, a much wider breadth of attributes is required of GHRs. The fundamental competencies of working persons is one of the essential attributes of GHRs, and these three pillars overlap and are intertwined with each other.

### 2.3 GHR Development: From Firms to Universities

By the late 2000s, with the strong request by the industry, the challenging mission of developing GHRs was passed on to universities (Shinmi *et al.*, 2016; Yonezawa, 2014; Yoshida, 2017)<sup>13–15)</sup>. Universities' involvement in GHR development started with the Industry-Academia Partnership for Human Resource Development in 2007, a project led by METI in collaboration with MEXT. Discussions focused on the low English proficiency of the Japanese and the drop in the number of Japanese youths studying abroad. From the start, these two areas were regarded as crucial weaknesses of the Japanese in becoming GHRs, and this view penetrated the discussion and policies which followed (Industry-Academia Partnership for Human Resource Development, 2009)<sup>16)</sup>.

The Global Human Resource Development Committee, Industry-Academia Partnership for Human Resource Development was established by 2009. It was a direct push for the cultivation of GHRs through industry-academia partnership pointing to the issue of the inward-looking attitude of Japanese youths and promoting study abroad of Japanese students. It also made a firm request to Japanese universities to become internationalized and competitive in the world (Global Human Resource Development Committee, 2010)<sup>11)</sup>. Concrete project plans and competitive funding by MEXT followed to address the two areas of challenges in developing GHRs among Japanese, the low English proficiency of the Japanese and the drop in the number of Japanese youths studying abroad (Committee on the Promotion of Developing Global Human Resources 2011)<sup>17)</sup>. The internationalization of Japanese universities and the promotion of study abroad for Japanese students were to be accelerated.

The Global 30 Project (G30) in 2009 and the Promotion of Exchange with International Students Program at the Universities supported universities' efforts to internationalize themselves, targeting to accept 300,000 international students by 2020 (MEXT, 2008)<sup>18)</sup>. The Re-Inventing Japan Project, started in 2011, aimed to strengthen the exchange framework with other Asian countries, reinforce Japanese universities' internationalization, and foster GHRs among Japanese students. The Project for Promotion of Global Human Resource Development in 2012 explicitly aimed to cultivate Japanese students into GHRs by remedying their inward-looking attitude, focusing primarily on improving foreign language ability and increasing the number of Japanese students participating in study abroad programs. The Top Global University Project, which started in 2014, supports top, innovative universities in Japan,

leading the internationalization efforts of Japanese higher education (MEXT, n.d.)<sup>19)</sup>. These various projects, with their sizeable funding available to selected universities, all urged universities to internationalize themselves and promote various exchange programs encouraging Japanese students to study abroad even for a short period.

The government also increased scholarship programs for studying abroad. In 2008, the budget for the JASSO study-abroad scholarship was increased. Under this program, students enrolled in Japanese universities were eligible to receive a scholarship by participating in one of the universities' study abroad programs. The program duration could range from eight days to one year (Shinmi and Ota, 2018)<sup>20)</sup>. In 2014, MEXT introduced a scholarship program named "Tobitate! (Leap for Tomorrow!)" Young Ambassador Program, a public-private partnership encouraging students to study abroad. Students enrolled in diploma programs at a Japanese university and with acceptance of enrolment in an educational institute abroad are eligible to apply to study abroad for 48 days to two years (MEXT, 2020)<sup>21)</sup>.

Through these efforts, the number of students who participate in study abroad programs has increased from 36,302 in 2009 to 115,146 in 2018 as shown in Figure 1 (JASSO, 2020)<sup>22)</sup>. The increase in the number of students taking part in very short-term study abroad programs of under 1 month was particularly drastic. The government and universities' efforts to increase the number of Japanese students who study abroad had paid off.

## 2.4 Gains of Study Abroad

Study abroad is expected to enhance an individual's skills in several different areas. The objective of study abroad programs may differ from program to program, but there is a

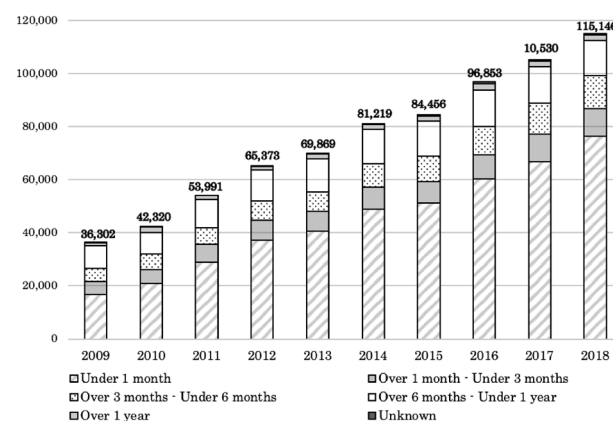


Figure 1 Japanese students in study abroad programs

consensus that SAE enhances certain skills and attributes. As it is believed that SAE enhances many of the attributes needed for GHRs, study abroad programs have become very popular among young adults before entering the workforce (Anderson *et al.*, 2005; Di Pietro, 2015)<sup>23, 24)</sup>. Despite the general belief that SAE contributes to enhancing skills needed in the globalized labor market, however, hard data on study abroad programs justifying its value is scarce. There is an abundance of studies trying to shed light on its positive impact. Still, they do not quantify the changes that happened through the study abroad experiences (Salisbury *et al.*, 2013)<sup>25)</sup>.

For instance, cross-cultural understanding is an area in which SAE is believed to bring substantial gains. However, studies in this area have tended to focus on one area of gain and their results are conflicting. Piage *et al.* (2004)<sup>26)</sup> studied students who spent a semester in French or Spanish-speaking countries and showed significant gains in their intercultural sensitivity, suggesting that a short stay of one semester had an impact on the intercultural sensitivity of participants. L. Engle and G. Engle's (2004)<sup>27)</sup> study on American students taking part in study abroad programs in France also produced similar results. They studied the change in students' intercultural sensitivity before and after a semester or a full-year study abroad program.

The results showed intercultural sensitivity increased among students for both durations and that it accelerated in the second term of their stay. However, the study in Mexico by Medina-Lopez-Portillo (2004)<sup>28)</sup> had conflicting results showing little statistically significant evidence that a short-term or long-term program improved intercultural awareness among the samples. Despite the consensus that SAE enhances intercultural awareness, valid studies with hard data in support of this are limited.

Furthermore, there is new evidence that SAE impacts areas other than language ability and cross-cultural understanding. In a study on the impact of short-term and long-term study abroad experiences, Shinmi *et al.* (2016)<sup>13)</sup> found that participants in both short-term and long-term study abroad programs saw improvement in their competencies in the area of the fundamental competencies of working persons. Progress was not limited to language ability and cross-cultural understanding but ranged in various attributes and values deemed necessary to work effectively in a global setting, such as the ability to take action, flexibility, and resilience. In another research concerning links between SAE and early career benefits to graduates, Potts (2015)<sup>29)</sup> discovered how the learning outcome of study abroad led to the development of employability skills as defined by the Australian Government including communication skills, teamwork skills, problem-solving skills, self-management skills, planning and organization skills, technology skills, life-long learning skills, and initiative and enterprise skills. These are the skills graduates, regardless of the field of study, are desired to possess upon graduation (DEST, 2002)<sup>30)</sup>.

These research findings are noteworthy as they suggest the possibility of SAE contributing to the development of broader skills and attributes than the commonly expected language skills and cross-cultural understanding. Though the gains of SAE

are often equated to the improvement in these two areas, the experience of study abroad could also be effective in cultivating the fundamental competencies of working persons.

## 2.5 Do SAE Contribute to GHR Development?

As Japanese firms started crossing borders to sustain growth, the quest for GHRs who can work effectively in the global arena had started. To find and develop GHRs needed for overseas operations, the industry sought help from the government and universities to work in partnership to foster GHRs. Through governmental policies and funding from MEXT, universities have been making great efforts to accelerate internationalization at home and to promote study abroad among students. Increasing participation in study abroad programs has been a critical element of these efforts, with the belief that it can improve foreign language ability, remedy the inward-looking attitude of Japanese youths, and contribute to the development of GHRs. These efforts have led to a drastic increase in the number of students studying abroad, especially in short-term study abroad programs of less than 1 month.

However, whether this recent increase has led to producing GHRs desired by the industry has not been assessed. The difficult nature of assessing gains in cultural understanding and fundamental competencies of working persons has also led to the discourse of GHR development leaning heavily on language proficiency measured by test scores. Has the increase in study abroad contributed to the development of GHRs among Japanese youths? Does SAE contribute to developing the three pillars of GHRs? The fact that firms continue to claim the lack of GHRs who can handle overseas businesses, after ten years since the establishment of the industry-academia partnership to develop GHRs, calls for an assessment of these measures' effectiveness.



### 3 Methodology

#### 3.1 Research Design

This research<sup>[1]</sup> aims to assess whether and to what extent employers recognize pre-employment SAE of employees as having contributed to GHR development. At the same time, it aims to evaluate whether this recognition by employers changes depending on the employee's SAE duration. The government and universities' efforts over the past decade to develop GHRs have led to a steady increase in the number of students participating in study abroad programs, most drastically in the number of students participating in short-term programs of under 1 month. This research takes into consideration this recent surge in short-term SAE and addresses the differences in results between the two durations.

The study focuses on multinational firms based in Aichi Prefecture, Japan. The research employs a qualitative approach. A questionnaire survey was used to inquire firms about their recruitment practice, assessment, deployment, and remuneration of employees with SAE.

#### 3.2 Study Area

Aichi Prefecture was chosen as the study area for its wealth in the number of multinational firms. Sample firms have headquarters in Aichi Prefecture which ranks 3rd in Japan's gross production (Cabinet Office, 2017)<sup>[31]</sup>. Many successful multinational firms have their headquarters in this area making it one of Japan's most popular prefectures among students graduating from universities with an abundance of employment opportunities. For this research, 300 firms with more than three overseas operations were selected from a directory of 796 multinational firms based in Aichi Prefecture (Aichi Industry Promotion Organization, 2019)<sup>[32]</sup>.

#### 3.3 Data Collection and Analysis

A questionnaire survey with 22 questions (Table 1) was prepared in both paper and online formats and delivered to the person in charge of recruitment at the firm's human resource department. Responses were collected between September 23 and October 9, 2020.

Out of the 300 samples selected for the research, 84 responses were returned and used for analysis. None of the questions in the questionnaire were obligatory. There were fewer responses to questions inquiring the number of employees with SAE as only one fourth of the respondents collected and kept data on the SAE of their employees.

For questions regarding the recruitment practice, assessment, deployment, and remuneration of employees with SAE, a narrative analysis approach was employed to explain the results and answer the research question.

### 4 Results

#### 4.1 Study Abroad Experiences Recognized as Contributing to the Development of GHRs

The most important finding of the questionnaire survey is that 62% of respondents with experience of hiring employees with SAE recognize that employees with SAE have strengths over employees without SAE. Out of the 74 respondents with experience of hiring employees with SAE, 46 firms (62%) answered that employees with SAE have strengths over employees without SAE.

Nonetheless, recognition of their strength is not enough to conclude that firms recognize SAE as contributing to GHR development. To determine what areas employees with SAE were seen by their firms to have an advantage in, respondents were asked to identify all attributes they see as strengths of employees with SAE. The answers for both short-term SAE (under 6 months) and long-term SAE (over 6 months) are

Table 1 Survey questions and number of responses

Question		Question type	Number of responses
I. General Information			
Q1	Company name	Open-ended	84
Q2	Industry	Multiple choice	84
Q3	Number of full-time employees in Japan and overseas	Open-ended	83
Q4	Ratio of export in gross sales in 2019 (%)	Open-ended	79
Q5	Number of overseas operations	Open-ended	84
Q6	Number and location of overseas operations with Japanese expatriates	Open-ended	83
II. Information on Employment of New Employees			
Q7	Number of employees hired in the last 10 years	Open-ended	64
Q8	Important attributes you look for in recruits	Multiple choice	84
Q9	Number of new hires in the last 10 years with study abroad experiences	Open-ended	21
Q10	Have you been increasing the number of recruits with study abroad experiences in recent years.	Yes/No	84
	If yes, what is the reason for this decision?	Open-ended	12
Q11	What is the reason for hiring candidates with study abroad experiences?	Multiple choice	58
Q12	Are there any measures or policies in place to increase recruitment of candidates with study abroad experiences?	Multiple choice	84
III. Evaluation of employees with study abroad experience			
Q13	Do employees with study abroad experiences have strengths compared to employees without study abroad experiences?	Yes/No/NA	84
	If yes, in what areas do they have strengths?	Multiple choice	46
Q14	Are employees with study abroad experiences preferentially placed in specific departments?	Yes/No	84
	If yes, which departments and for what reason?	Open-ended	29
Q15	Does having study abroad experiences affect the starting salary?	Yes/No	84
Q16	Does having study abroad experiences affect promotion and pay raise decisions?	Yes/No	84
Q17	Does having study abroad experiences affect the onboarding training new employees receive?	Yes/No	84
	If yes, indicate training programs they are exempted from or receive in addition.	Open-ended	1
Q18	Percentage of overseas assignment experience of employees with study abroad experience	Multiple choice	58
Q19	Turnover rate within 3 years of employees with study abroad experiences	Multiple choice	58
Q20	What measures or policies are in place to prevent the turnover of employees with study abroad experiences?	Multiple choice	84
Q21	What are the criteria for selection of overseas assignments?	Multiple choice	84
Q22	Do you have internal study abroad programs for employees?	Yes/No	84
	If yes, explain the programs in detail.	Open-ended	22

shown in Figure 2.

The results indicate that a large percentage of firms see employees with SAE as having strengths, especially in the first and third pillars

of GHRs, language and communication ability and cross-cultural understanding and ethnic identity. It was found that 58% (for short-term SAE) and 78% (for long-term SAE) of the

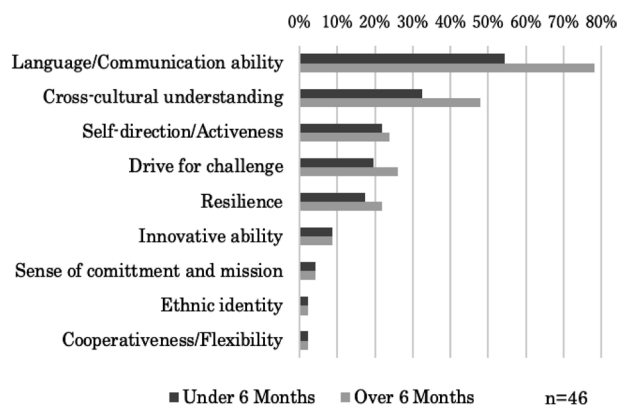


Figure 2 Strength of employees with SAE

respondents acknowledge that employees with SAE have strength in *communication and language ability*. Also, 33% (for short-term SAE) and 48% (for long-term SAE) of the firms answered *cross-cultural understanding* is a strong suit of employees with SAE. These two attributes are what the government and universities have been eagerly striving to improve to develop Japanese youths into globally competent individuals. The endeavors of the government and universities are reaping effect and acknowledged by firms.

A notable point about these results is that many firms also recognize that employees with SAE have strengths in attributes categorized in the third pillar of GHRs, fundamental competencies of working persons. 22% (for short-term SAE) and 24% (for long-term SAE) of firms recognize that employees with SAE are more *self-directed and active* than those without SAE. 20% (for short-term SAE) and 26% (for long-term SAE) of the firms also see that employees with SAE are more *challenge-driven*. 17% (for short-term SAE) and 22% (for long-term SAE) of firms recognize these employees as having more *resilience*. These responses show that firms not only recognize that employees with SAE have strengths, but that those strengths span all three pillars of GHR attributes. In other words, a significant percentage of the respondents recognize SAE as contributing to the development

of GHRs.

The efforts in developing GHRs at firms and universities have been leaning heavily towards language training and cross-cultural training (Japan Business Federation, 2015; Shiraki, 2014)<sup>5, 6)</sup>. Firms have been offering cross-cultural training and overseas trainee programs, while universities have been promoting SAE to students during their student years. However, these responses indicate that firms recognize SAE as also being effective in strengthening the fundamental competencies of working persons. It suggests that SAE's contribution is not limited to language ability and cross-cultural understanding but spreads over all areas of GHR attributes.

It should also be noted that this recognition of strength is not limited to employees with long-term SAE. Firms recognize short-term stays of under six months as also contributing to these developments. A wide gap of 20% and 13% points were observed for *language and communication ability* and *cross-cultural understanding*, respectively, between employees with short-term and long-term employees. Nevertheless, the gap was not very wide for the other attributes belonging to the fundamental competencies of working persons. A large percentage of firms consider long-term stays to be more effective in developing language and communication ability and cross-cultural understanding. However, regarding other attributes of GHRs, firms recognize short-term SAE to be almost as effective as long-term SAE.

#### 4.2 Recruitment of Candidates with SAE

All respondents run overseas operations, which entails assignments and responsibilities requiring correspondence and communication with employees, clients, and customers abroad. Firms with overseas operations need GHRs, and this is reflected in the kind of human resources they are hoping to bring into their organization. One of



the questions asked firms to select three important attributes they look for in a candidate when recruiting new employees. Figure 3 shows their responses.

Many of the attributes the firms chose overlapped with the characteristics of GHRs. *Communication ability*, one of the three pillars of GHRs, was top with 68 firms (81%) selecting it as one of the three most important attributes they look for in new recruits. *Cooperativeness and teamwork* came in second with a selection from 47 firms (56%). *Self-direction* and *drive for challenge* followed with votes from 38 firms (45%) and 27 firms (32%), respectively. These attributes belong to the third pillar of GHRs, the fundamental competencies of working persons. This shows that the key qualities of GHRs are valued and sought after by many of the firms.

If employees with SAE possess many of the attributes firms look for in new hires, this must be a good reason for firms to recruit candidates with SAE aggressively. As speculated, 69% of the questionnaire respondents answered that they had reasons for hiring candidates with SAE. Figure 4 shows the reasons the firms cited for hiring candidates with short-term and long-term SAE.

45% (for short-term SAE) and 64% (for long-term SAE) of respondents want to recruit candidates with SAE *for assignments requiring foreign language ability*. *As overseas expatriate candidates* came in second with 40% (for short-term SAE) and 55% (for long-term SAE), suggesting the potential of employees with SAE in being selected for overseas assignments in the future. Nevertheless, it is very notable that *for their competence and talent* came in third with 36% (for short-term SAE) and 48% (for long-term SAE). Firms' reasons for recruiting candidates with SAE go beyond their ability to handle assignments in a foreign language and or in another country. Many firms want to hire these

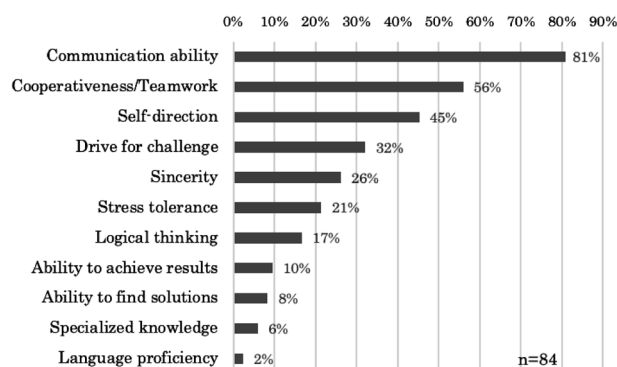


Figure 3 Important attributes for new recruits

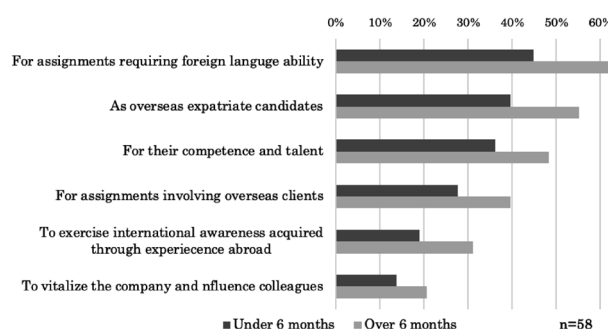


Figure 4 Reasons for hiring candidates with SAE

candidates simply because they think they are competent and talented. This is further supported by the selection of *to vitalize the company and influence colleagues* with 14% (for short-term SAE) and 21% (for long-term SAE).

Overall, all reasons cited for recruiting candidates with long-term SAE gained more percentage points than the responses for employees with short-term SAE. *For assignments requiring foreign language ability* had the widest gap with a 19% difference, *as overseas expatriate candidates* had a 15% difference, while *for their competence and talent* and *to vitalize the company* had a 12% difference. These results show that more firms want to recruit candidates with long-term SAE than those with short-term SAE. This seems natural considering that the respondents recognize employees with long-term SAEs as having more strengths in all three areas of GHR attributes. Nonetheless, it is undeniable that many of the firms recognize candidates with both long-term and short-term SAE as being highly competent and talented in areas not limited to

language ability.

Language ability and the inward-looking attitude of youths have dominated the discourse of GHRs in Japan, and as such, improvement in language ability and cross-cultural understanding are often seen as the primary fruit of SAE. However, the strengths of employees with SAE recognized by firms are not limited to language ability and cross-cultural understanding. Employees with SAE prior to employment are also seen as advantageous in other valuable attributes to the firms. Firms recognize SAE as contributing to the development of the third pillar of GHRs, fundamental competencies of working persons, and this recognition is reflected in their reasons for hiring candidates with SAE.

#### 4.3 Preferential Placement of Employees with SAE

Firms recognize that employees with SAE have certain strengths and the areas of strength they recognize cover all three pillars of GHRs. These attributes are what they seek in new recruits, and it is why they want to hire more candidates with SAE with the expectation that they may also possess the same strengths. Firms are not hiring candidates with SAE merely for their language abilities and cross-cultural understanding.

The questionnaire also asked firms whether employees with SAE are preferentially placed in specific departments and for what reasons. Twenty-nine firms (35%) answered that they practice preferential placement of employees with SAE. Figure 5 shows the reasons for preferential placement.

*Work with overseas* was the most frequently cited reason with 66%. This includes working with internal counterparts at overseas operations, business partners abroad, and foreign customers. *Foreign language ability* was cited by 55% of the respondents as the reason for preferential placement. *Expatriatism* came in third with 14%,

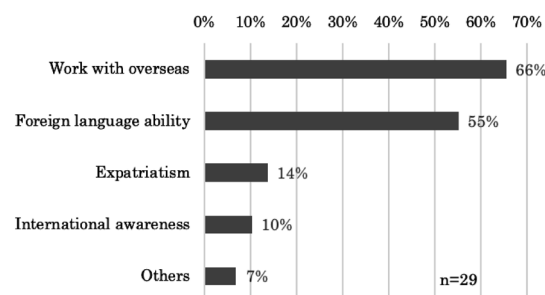


Figure 5 Reasons for preferential placement

and *international awareness* followed with 10%. Although *work with overseas* and *foreign language ability* are shown here as two separate reasons, most firms that answered this question chose both of them as reasons for preferential placement. It could be understood that firms that practice preferential placement of employees with SAE do so to fill positions requiring work with overseas, and the reason for this preferential placement is the foreign language ability of the employees with SAE.

Nevertheless, the important finding here is that 65% of respondents answered that they are not practicing preferential placement of employees with SAE for their strength in foreign language abilities. This coincides with the answer to the reasons for hiring candidates with SAE, which included broader attributes than their foreign language and cross-cultural understanding alone. Many firms are recruiting candidates with SAE for their competence and talent not limited to foreign language abilities.

## 5 Discussion and Implications

The results of the questionnaire survey show that a high percentage of firms that participated in the research recognize employees with SAE as having strengths in GHR attributes. This recognition stretches across all three pillars of GHR attributes; language and communication ability, cross-cultural understanding and ethnic identity, and fundamental competencies of working persons. Moreover, this recognition is

not limited to employees with long-term SAE. Firms also recognize short-term SAE as contributing to the development of GHR attributes. This is true, especially for attributes that belong to the fundamental competencies of working persons, namely self-direction and activeness, drive for challenge, resilience, and innovative ability. Though results showed that employees with long-term SAE are seen as possessing more strengths in these attributes, it is clear that firms recognize employees with short-term SAEs as also having strengths in this area.

In the questionnaire survey's margins and during telephone conversations, many firms expressed that they do not differentiate between employees with SAE from other employees. What they look for in a candidate is not the label "study abroad experiences" but the attributes and competence which the experience of study abroad seem to develop in those who experience it. If a candidate with SAE possesses the qualities they are looking for, they will recruit the person whether that person has SAE or not. It is not the label "study abroad experiences" firms appreciate and look for in a candidate but the attributes and skills that they recognize SAE as fostering.

The Japanese government has been working hard to develop GHRs that can work effectively with diverse people from around the world. Various policies have been put in place to support this endeavor, and a significant push to increase the study abroad of Japanese students has been a crucial part of the effort. Various universities from all over Japan have been taking part in this effort by creating programs and supporting the SAE of students to enhance their foreign language ability and cross-cultural understanding. The findings of this research are evidence of the effectiveness of their efforts. Firms recognize pre-employment SAE of employees as contributing to the development of GHRs. Though long-term SAE

were deemed more effective in developing GHR attributes, it was confirmed that firms recognize short-term SAE as also being effective in GHR development. Therefore, government policies and universities' support to increase SAE should be continued to further develop GHRs among Japanese youths.

Another significant finding of this research is that firms recognize pre-employment SAE as contributing to the development of fundamental competencies of working persons, including self-direction and activeness, drive for challenge, and a sense of commitment and mission. This second pillar is often neglected in the discourse of GHRs, mainly due to the difficulty in measuring the success of their enhancement. However, it is an area that is essential not only for GHRs but also for all working persons. This research found that firms recognize employees with both short-term and long-term SAE as being strong in these attributes. This positive finding should be incorporated into the policies and programs to further encourage study abroad among students. The benefits of studying abroad are not limited to the language skills and cross-cultural understanding needed to handle work with overseas. It effectively cultivates essential attributes desired for graduates, regardless of the field of work, location, or type of assignment. This clear message could motivate more students to take part in study abroad programs, possibly luring those who are not particularly interested in overseas work at present.

## 6 Limitations and Further Research

Further research is needed to address the limitations of this research such as the limited sample size and location firms are based. The respondents of the study were limited to 84 multinational firms in Aichi Prefecture. While Aichi Prefecture is a prominent manufacturing hub in Japan, 67% of the respondents belonged

to the manufacturing industry. Future research with a larger sample size and in other financially successful areas like Tokyo and Osaka is needed to assess whether the findings apply to a larger group of samples and in places with more diverse industries.

Another area begging for further research is what experience of study abroad enhances the attributes of GHRs. This research found that firms recognize SAE as contributing to developing all three pillars of GHR attributes and also that they recognize employees with SAE as having strengths over those without SAE. However, it did not address the specifics of the experience abroad, such as the duration of stay, study destination, living conditions, and institution of study to name a few. Further research on what kind of experiences abroad contribute to the development of these attributes, whether it happens even in a very short stay of under 1 month, and whether choices of study destination and institution of study produce different results would be beneficial to make better use of and add value to the current study abroad programs.

Such findings would also be valuable in designing courses on home campuses to produce similar development in GHR attributes as studying abroad. Firms are looking for candidates who possess fundamental competencies of working persons. Though often overlooked in the discourse of GHR development, this is an area that could be enhanced on home campuses. Japanese universities should be working harder to enhance these competencies among all students regardless of whether they go aboard or not. Furthermore, effective scales to measure these competencies need to be developed.

## Footnotes

- [1] This paper is based on research conducted for a Master's Thesis at the Graduate School of International Development at Nagoya University

which was completed in March 2021.

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