

# Organizational Commitment-Rewards Relationship and Its Change in Japanese Companies in China

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Received: May 25, 2017

Accepted: June 19, 2017

Online Published: June 26, 2017

doi:10.5539/ibr.v10n7p155

URL: <https://doi.org/10.5539/ibr.v10n7p155>

## Abstract

This study investigates a transition of the relationship between rewards and the organizational commitment of total 1,005 university graduates who work for 4 Japanese companies in China. Hierarchical regression analysis revealed that supervisor support had stronger influence on organizational commitment in 2013 than it did in 2007, showing that the employees became to require more support from supervisors than before due to a growing anxiety under economic slowdown since the global financial crises of 2008. This result indicates that employees may become more collectivistic during a period of economic growth stagnation. Discussions and implications concerning human resource management of Japanese companies in China are offered.

**Keywords:** change, China, exploratory factor analysis, Japanese companies, organizational commitment, rewards, university graduates

## 1. Introduction

Among developing countries, China is the largest recipient of foreign direct investment (FDI) and has the largest number of employees who work for foreign companies (United Nations Conference on Trade and Development, 2010). Indeed, approximately 24 million employees (3% of China's total employment) were employed by foreign companies in China (United Nations Conference on Trade and Development, 2004). Among them, Japanese companies continue to benefit from China's growth and remain one of the leading investors in China, which accounted for 6.0% of the total effective FDI in 2013 and became China's third largest source of foreign capital, following Hong Kong and Singapore (Japan External Trade Organization, 2016). The number of Japanese companies located in China in the end of 2012 was 23,094, which accounted for the highest share 7.9% of total foreign companies in China (The Japanese Chamber of Commerce and Industry in China, 2016). The number of employees who work for Japanese companies in China in 2015 was 1.62 million, which accounted for 40.5 percent of total employees of Japanese companies in Asia (Ministry of Economy, Trade and Industry of Japan, 2016).

However, the major economic crisis that originated in the United States in 2008 also affected China and it is said that tens of thousands of foreign-invested companies in the eastern provinces collapsed with millions of people losing their jobs (Zhou & Lin, 2009). The number of Japanese companies also decreased by more than 2,500 in 2009 after increase by more than 11,000 between 2000 and 2008. Although the number started to increase again in 2010, the growth rate has been lower than before (Shibata, 2015). Meanwhile, real GDP growth rate has decreased remarkably: Before the crises, it was 10.0 (2003), 10.1 (2004), 11.3 (2005), 12.7 (2006) and 14.2 (2007) percent; After the crises, it changed to 9.6 (2008), 9.2 (2009), 10.6 (2010), 9.5 (2011), 7.9 (2012), 7.8 (2013), 7.3 (2014), 6.9 (2015) and 6.7 (2016) percent annually (International Monetary Fund, 2017). Besides, with an alarming rise in the number of unemployed and under-employed graduates, a large group of educated young people are becoming alienated and unable to become part of the growing middle class (Sharma, 2014). The unemployment rate of graduates was higher than 30 percent in 2008 and still around 30 percent in 2014 (Sharma, 2014; Zhou & Lin, 2009).

In this long-standing social unrest, it is necessary to determine how the nature of university graduates has been changed over time for the management of Japanese companies to obtain useful hints to utilize their abilities or to retain them in the present company for the maintenance or further improvement of their competitiveness in China and the world. So, this study analyzes the transition of relationship between organizational commitment

(OC) and its antecedents of university graduates who are employed by Japanese firms between 2007 and 2013. OC is defined as the employees' state of being committed to assist in the achievement of the organization's goals, and involves the employees' levels of identification, involvement, and loyalty (Caught & Shadur, 2000). The reason why the researcher focuses on the antecedents of OC is because OC is seen as a prime explanation for why some desire to remain employed while others do not (Allen & Meyer, 1990; Mowday, Porter, & Steers, 1982; Peyyer, Jordan, Firms, & Travaglione, 2010; Steers, 1977) or why some have a high work performance while others do not (Meyer, Stanley, Herscovitch, & Topolnytsky, 2002; Phipps, Prieto, & Ndinguri, 2013). OC is also known to be related with the corporate innovation and creativity (Hou, Gao, Wang, & Yu, 2011; Jafri, 2010).

## 2. Literature Review

### 2.1 Organizational Rewards in China

The achievement of an organization does not only rely on how the organization utilizes its human capitals and competencies but also on how it incites commitment to the organization (Beukhof, De Jong, & Nijhof, 1998). Barrett and O'Connell (2001) argue that employees may view some human resource practices as a reward. The result of this reward is that employees have a greater sense of debt, feel like insiders and are more committed to the organization.

Several studies conducted in China also show that OC is strongly related to the employee's intention to leave or stay with the organization and it plays a vital role to strengthen the organization growth (Nazir, Shafi, Qun, Nazir, & Tran, 2016). In addition, another study has indicated a strong link between OC and organizational innovation (Ming & Zhao ying, 2010). The antecedents significantly correlated with OC in previous study in Chinese setting were: support from supervisors/colleagues (He, Lai, & Lu, 2011; Lam & O'Higgins, 2011; Miao, Newman, Sun, & Xu, 2013; Nazir, et al., 2016; Newman & Sheikh, 2012; Wang, 2008); financial compensation (Chiu, Luk & Tang, 2002; Nazir, et al., 2016; Newman & Sheikh, 2012); stress (Jamal, 2005); autonomy or discretionary power (Chen & Aryee, 2007; Froese & Xiao, 2012; Miao et al., 2013; Nazir, et al., 2016; Newman & Sheikh, 2012); training or skill/ ability provision (Nazir, et al., 2016; Newman, Thanacoody, & Hui, 2011); role clarity (Newman & Sheikh, 2012), etc. Following these pieces of research, this paper supposes seven rewards as the antecedents of OC. They are: supervisor support; co-worker support; benefit satisfaction; fatigue; autonomy; training provision; and role clarity.

These rewards are sometimes classified into three groups: i.e. intrinsic rewards, extrinsic rewards and social rewards. In previous research, intrinsic rewards comprised autonomy, training provision and role clarity; extrinsic rewards included benefit satisfaction and fatigue; social rewards contained supervisor support and co-worker support (e.g., Kokubun, 2017a). Porter and Lawler (1968) defined intrinsic rewards as the satisfaction that a person derives from doing the job and extrinsic rewards as tangible benefits obtained as a result of doing the job, such as pay and promotions. On the other hand, according to Mottaz (1985), social rewards refer to those that are derived from interpersonal relationships with colleagues and supervisors. Previous works suggest that: (i) intrinsic rewards have a greater impact on OC of employees in the West than extrinsic or social rewards (Eby, Freeman, Rush, & Lance, 1999; Malhotra, Budhwar, & Prowse, 2007; O'Reilly & Caldwell, 1980); and (ii) extrinsic and social rewards have a greater impact on OC of Chinese employees than intrinsic rewards (Miao, et al., 2013; Newman & Sheikh, 2012).

As it was found by Hofstede (1980) that culture of a country changes as its economy develops, difference between '(i)' and '(ii)' might be attributed not only to geographical features such as the West and the East but also to economic stages on which each country is placed. Furthermore, Boyacigiller and Adler (1991) argue that the commitment of employees with collectivist values may arise from ties with managers, owners, and co-workers, whereas the commitment of employees with an individualist orientation may be due to the job itself or the compensation system. If these assertions are true, the reason of '(i)' might be attributed as follows: as Western countries are overall more developed than others, employees are more individualistic and intrinsic rewards are accordingly more important for OC. On the other hand, for '(ii)', it may be assumed that: as China is less developed than Western countries, employees are less individualistic and social rewards are accordingly more important for OC. The reason why extrinsic rewards are important for OC of employees in China in spite of its collectivistic culture will be that economy of China is still in transition and most employees have to work for resources for subsisting.

Although these studies much contributed to understanding of OC in China, it is unclear how the association between these rewards and OC change over time, especially in economically good times or bad times. The present study is the first to research changes in the relationship between OC and rewards in China using the

sample of employees who work for four Japanese affiliates. The survey was conducted in 2007 and 2013, which permits us to see the changes before and after the financial crisis in 2008. The author expects that this study enable us to advise corporate managers in China as to what strategies may be effective to foster high levels of OC amongst university graduates when it is under a circumstance of economic slowdown.

### *2.2 Moderating Role of Year*

Previous research suggests that individualism could be increasing in China (Yan, 2009), and that such a trend is likely to be most evident in more economically developed parts of the country (Gamble & Tian, 2015; Ralston, Holt, Terpstra, & Kai-Cheng, 2008). If we could apply these findings to this research, we might be able to expect that individualism is strengthened during the boom while collectivism is strengthened during the bust. As the survey period in this paper corresponds to the latter, it is considerable that Chinese employees may have become more collectivistic reflecting the long lasting economic slowdown. This leads us to the following hypotheses:

Hypothesis 1: Relationship between supervisor support and OC is positively stronger in 2013 than in 2007.

Hypothesis 2: Relationship between co-worker support and OC is positively stronger in 2013 than in 2007.

Both supervisor support and co-worker support are classified as 'social rewards' in the previous research and are said to be stronger in relation with OC in collectivistic society (Boyacigiller & Adler, 1991). Especially, supervisors are said to have a greater influence on the work activities of their subordinates in Chinese organizations than is the case in the West due to a cultural context in which there is respect for seniority, strict hierarchies in the workplace and limited subordinate participation in decision-making (Chan, Feng, Redman, & Snape, 2006; Cheng, Jiang & Riley, 2003; Chen, Tsui & Farth, 2002). If it is true that such collectivistic culture was more typical in the past and has become weaker as the society has developed economically, it may not be unreasonable to consider that people become more collectivistic and require more support from peers in a period of economic stagnation. Then, what about other rewards? If we expect that individualism is weakened during the economic slowdown, the relations of extrinsic and intrinsic rewards with OC may also become weaker as they are known to be stronger in individualistic societies (Boyacigiller & Adler, 1991). However, the researcher is reluctant to accept such assertion because individualism is not the antonym of collectivism (Triandis, Bontempo, Villareal, Asai, & Lucca, 1988). Indeed, Asian countries have adopted market economic perspectives and become more individualistic without substantially forsaking their collectivistic Confucian roots. Accordingly, developing economies have created their own unique hybrid version of a market economy, integrating traditional cultures with new economic ideology (Ralston, Nguyen, & Napier, 1999). Furthermore, it may also be possible to consider that the relations of these rewards with OC become stronger as laborers face more difficulties to find a workplace of reasonable treatments and work fulfillments during hard times. Anyway, the fact that the study regarding the change of OC and its rewards is quite limited tentatively leads us to the following hypotheses:

Hypothesis 3: Relationship between benefit satisfaction and OC is equally strong (weak) in 2007 and in 2013.

Hypothesis 4: Relationship between fatigue and OC is equally strong (weak) in 2007 and in 2013.

Hypothesis 5: Relationship between autonomy and OC is equally strong (weak) in 2007 and in 2013.

Hypothesis 6: Relationship between training provision and OC is equally strong (weak) in 2007 and in 2013.

Hypothesis 7: Relationship between role clarity and OC is equally strong (weak) in 2007 and in 2013.

Totally, we suppose the support from supervisors and co-workers became more correlated with OC during the period of stagnation between 2007 and 2013 leaving the relations of other rewards and OC unchanged based on an understanding that collectivism became stronger leaving individualism unchanged.

### *2.3 Japanese Companies' HRM Performance in China*

As we suppose that the supervisor support becomes more related with OC during hard times, let us review what local employees think about Japanese companies before proceeding analyses. The Japanese manufacturing workplace has been characterized by commitment, loyalty and lower rates of turnover, absenteeism and industrial conflict along with high levels of productivity and product quality (Colignon, Usui, & Kerbo, 2007). Besides, it has been argued that elements of Japanese management, such as secure employment or an emphasis on seniority, are still strongly present in Japanese overseas subsidiaries, and that such practices may even be more appropriate for countries that are developing economically (Wasti, 1998). However, in contrast, previous survey conducted in China has indicated that Japanese companies do not rank among the most popular employers, and are even frequently named as those that people would least want to work for (Zhang, 2003). Likewise, Yu and Meyer-Ohle (2008) revealed that employees who worked for Japanese companies had more complaints than those who worked for Western companies by interview surveys to employees who worked for

Japanese and Western companies in China.

Actually, Japanese companies face great numbers of employees resigning from their positions: i.e., the separation rate for regular workers and university graduates were 11.5 and 12.4 percent respectively (Japan-China Investment Promotion Organization, 2005). Another study reveals that separation rates in Japanese companies and the Western companies in Shang Hai were 15.2 and 6.3 percent respectively, where the former is more than the double of the latter. Especially, the score is high, around 30 percent, for special and technical staffs (Recruit Management Solutions, 2012). Such a high separation rate in Japanese affiliates is sometimes attributed to its inadequate localization and insufficient communication between Chinese staffs and Japanese expatriates who are replaced in 3 to 4 years (Wan, 2009). Actually, previous survey revealed that Japanese managers in China received poorer evaluations from their subordinates than local managers do especially for job performing ability, leadership and capability for managing subordinates (Shiraki, 2012). From these findings, HRM of Japanese companies may not be fully effective for enhancing OC of employees at least in particular groups who have confidence on their skills and have more opportunities to work directly with Japanese expatriates such as university graduates, although might be effective to some extent for general employees in China. If these assertions are true, supervisors in Japanese companies in China may face some barriers to provide university-graduate employees appropriate support which could be perceived as the rewards worth reciprocating. Off course, supervisors are not only Japanese expatriates but in most cases Chinese managers, but even the latter may be influenced by the former and vary in its quality if a company couldn't educate the latter appropriately or couldn't hire the latter with high management skills.

### **3. Methods**

#### *3.1 Participants*

We sent questionnaires to employees in 4 Japanese manufacturing companies in China from April to November 2007. We purposely selected Japanese companies in China instead of other kinds, such as state-owned or other private companies as the latter has a different set of HRM practices and many organizational variables would not be eligible for legitimate comparison with Japanese counterparts (Warner, 2004). 700 questionnaires were distributed via the HR department of participant companies. The participation was basically compulsory. With a promise to present the summary results, the HR department of each firm administered the questionnaires by distributing and collecting completed questionnaires. Each respondent was requested to put the completed questionnaire into an envelope that the researcher provided along with the questionnaire and seal it for him/her self to guarantee complete anonymity. Overall, 613 surveys were collected, reflecting a response rate of 87.6%. We eliminated 184 surveys due to missing values or inappropriate participants for this research (e.g. contract employees, foreign workers, Japanese expatriates, etc.). Consequently, the final samples comprised 429 Chinese participants.

Again, we sent the same questionnaires to employees in the same 4 Japanese companies between May 2013 and February 2014. 800 questionnaires were distributed and 698 surveys were collected, reflecting a response rate of 87.3%. We eliminated 122 surveys due to the same reason above and consequently the final samples comprised 576 Chinese participants. In this research, we use these data sets to calculate how the nature of employees has changed in terms of the rewards-organizational commitment between 2007 and 2013. Among 4 companies, three were electrical and another was automobile makers. Geographically, two were in Dalian city (Liaoning province), one was in Wuxi city (Jiangsu province) and another was in Dongguan city (Guangdong province). For reference, the numbers of major Japanese companies located in these provinces were 288, 629 and 614, which accounted for 7.0, 15.3 and 14.9 percent of the total in China, respectively (Yan, 2010). The sample four companies are all subsidiaries of well known big Japanese companies listed on the first section of the Tokyo Stock Exchange. The total number of employees who work for these four companies was more than 6,000 in 2013. So, the researcher considers that the sample appropriately reflects the entire tendencies of university graduates in Japanese companies in China. Other demographic information of the participants is shown in tables of appendix. We controlled for all the demographic variables in order to attenuate any concern about sample compatibility.

#### *3.2 Measures*

The questions are obtained from Kokubun (2006), in which OC was correlated with various rewards in Malaysian setting. Recent research by Kokubun (2017a; 2017b) confirmed such correlations in setting of Thailand and Malaysia using the same questions, too. Accordingly, the researcher expects the similar association between the variables of reward and OC described below because these countries and China share similarities in geographical and cultural spheres (e.g., collectivism, high-power distance, etc. Cf. Hofstede, 1980). They are measured on a five-point scale. The original questionnaire was developed in English and then translated into

Chinese. To ensure the accuracy of the translation, the questionnaire was then translated back.

### 3.2.1 Supervisor Support

Supervisor support was measured on a five-item scale. The alpha reliability was 0.863 for the 2007 and 0.898 for the 2013.

### 3.2.2 Co-worker Support

Co-worker support was measured on a four-item scale. The alpha reliability was 0.804 for the 2007 and 0.859 for the 2013.

### 3.2.3 Benefit Satisfaction

Benefit satisfaction was measured on a three-item scale. The alpha reliability was 0.759 for the 2007 and 0.826 for the 2013.

### 3.2.4 Fatigue

Fatigue was measured on a three-item scale. The alpha reliability was 0.777 for the 2007 and 0.854 for the 2013.

### 3.2.5 Autonomy

Autonomy was measured on a three-item scale. The alpha reliability was 0.548 for the 2007 and 0.625 for the 2013.

### 3.2.6 Training Provision

Training provision was measured on a three-item scale. The alpha reliability was 0.632 for the 2007 and 0.792 for the 2013.

### 3.2.7 Role Clarity

Role clarity was measured on a two-item scale. The alpha reliability was 0.674 for the 2007 and 0.772 for the 2013.

### 3.2.8 Organizational Commitment

Six items were used to measure OC. The alpha reliability was 0.818 for the 2007 and 0.881 for the 2013.

### 3.2.9 Control Variables

Several demographic variables were included to control for individual differences. Answered figures without any conversion were used for age and organizational tenure. Sample dummy shows the survey year whether 2007 or 2013. Gender, turnover experience, marital status, indirect/direct department, managerial/non-managerial position were also measured. Three dummy variables were created to control for the four different companies.

## 4. Results

We conducted an exploratory factor analysis of all items (except control variables) to examine measurement invariance between the samples of 2007 and 2013. The results of the factor analysis with varimax rotation are presented in Table 1, confirming a eight-factor solution for all the items of supervisor support, co-worker support, benefit satisfaction, fatigue, autonomy, training provision, role clarity and OC. The factor structure was the same for the 2007 and the 2013; therefore, we are convinced that both employees in 2007 and those in 2013 ascribed the same meanings to the scale items used in the current study (Milfont & Fischer, 2010).

Descriptive statistics for both the 2007 and the 2013 samples are presented in Table 2. We tested our hypotheses using hierarchical regression analysis. We entered the control variables in Step 1 and main effects of supervisor support, co-workers support, benefit satisfaction, fatigue, autonomy, training provision and role clarity in Step 2. In Step 3, we entered the sample variable (1 for the 2013 and 0 for the 2007) and its interaction terms with main effects for the entire sample to test the moderation. Variables forming the interaction term were entered to minimize multicollinearity among the interaction terms and their components (Aiken & West, 1991). In addition, we conducted separate regression analysis using the 2007 and the 2013 data. All regression results are presented in Table 3.

Step 1 presents the results when only the control variables are included in the regression to predict OC. Out of seven demographic variables, only one variable, gender, was found to influence OC negatively ( $\beta = -0.11$ ,  $p < 0.01$ ). That means that female employees tend to have higher OC than male ones.

Step 2 presents the results when all the seven reward variables are added to the regression. Fatigue is negatively and the other six reward variables are positively associated to the regression significantly ( $p < 0.01$ ). Observing adjusted R<sup>2</sup>, these rewards explained 41% of additional variance in OC. This implies that all of rewards are

important for OC.

At step 3, the relationship between supervisor support and OC was moderated by the sample, showing that their relationship was stronger in 2013 than in 2007 ( $\beta=0.30, p < 0.05$ ). In other words, university graduates' OC in 2013 was more affected by supervisor support than it was in 2007. On the other hand, the relationships of other variables with OC showed no significant difference between 2007 and 2013. The significant results of these moderation tests are consistent with the Hypotheses 1 and 3 to 7 but inconsistent with the Hypothesis 2.

Table 1. Results of Exploratory Factor Analysis

Items	2007								2013							
	Benefit satisfaction	Fatigue	Supervisor support	Co-workers support	Autonomy	Training provision	Role clarity	Organizational commitment	Benefit satisfaction	Fatigue	Supervisor support	Co-workers support	Autonomy	Training provision	Role clarity	Organizational commitment
Possibility of my promotion.	<b>0.60</b>	-0.07	0.25	0.10	0.13	0.25	0.04	0.17	<b>0.74</b>	0.10	0.23	0.21	0.05	0.16	0.05	0.24
Amount of my salary or wage.	<b>0.60</b>	-0.08	0.15	0.09	-0.14	0.07	0.04	0.22	<b>0.63</b>	0.16	0.16	0.09	-0.06	0.12	0.06	0.27
My position or rank at the working place.	<b>0.69</b>	-0.11	0.18	0.22	-0.03	0.14	0.12	0.19	<b>0.59</b>	0.13	0.22	0.26	-0.11	0.24	0.11	0.29
I often feel exhausted.	-0.05	<b>0.88</b>	-0.03	-0.15	0.01	-0.04	-0.03	-0.13	-0.07	<b>-0.94</b>	-0.09	-0.13	-0.01	-0.02	-0.08	-0.11
After finishing my work, I feel exhausted.	-0.07	<b>0.71</b>	0.02	0.05	0.02	-0.03	-0.07	-0.09	-0.11	<b>-0.75</b>	-0.09	-0.10	0.03	-0.07	-0.08	-0.06
I feel exhausted when I wake up in the morning.	-0.07	<b>0.60</b>	-0.10	-0.14	-0.04	-0.11	-0.01	-0.09	-0.09	<b>-0.69</b>	-0.12	-0.02	-0.09	-0.06	-0.04	-0.19
My boss/supervisor is trustful.	0.07	-0.02	<b>0.84</b>	0.09	0.01	0.06	0.11	0.21	0.16	0.09	<b>0.80</b>	0.17	0.07	0.07	0.07	0.24
My boss/supervisor treats employees fairly.	0.21	-0.05	<b>0.70</b>	0.10	0.09	0.09	0.09	0.24	0.25	0.08	<b>0.77</b>	0.19	0.07	0.15	0.16	0.21
My boss/supervisor deals with employees' complaints effectively.	0.26	-0.05	<b>0.65</b>	0.16	0.05	0.13	0.08	0.13	0.18	0.09	<b>0.69</b>	0.17	0.11	0.21	0.11	0.24
My boss/supervisor trusts workers.	0.08	-0.03	<b>0.76</b>	0.10	0.14	0.05	0.10	0.08	0.12	0.15	<b>0.65</b>	0.17	0.04	0.11	0.11	0.17
My boss/supervisor is willing to instruct the employees what they do not know about their work.	0.06	-0.01	<b>0.54</b>	0.15	-0.02	0.17	0.11	0.03	0.01	0.06	<b>0.63</b>	0.22	0.03	0.17	0.09	0.20
Relationship with my co-workers and subordinates.	0.02	-0.07	0.14	<b>0.71</b>	0.13	0.09	0.02	0.13	0.06	0.07	0.25	<b>0.77</b>	0.18	0.13	0.11	0.12
Evaluation by my co-workers and subordinates.	0.03	-0.09	0.11	<b>0.71</b>	0.16	0.17	0.02	0.12	0.22	0.06	0.16	<b>0.72</b>	0.18	0.09	0.09	0.17
Ability of my co-workers and subordinates.	0.19	-0.04	0.16	<b>0.63</b>	-0.03	0.08	0.07	0.11	0.15	0.10	0.18	<b>0.64</b>	-0.03	0.19	0.11	0.19
Human relationship at my working place.	0.16	-0.07	0.11	<b>0.66</b>	0.15	-0.03	-0.02	0.16	0.07	0.12	0.26	<b>0.62</b>	0.01	0.19	0.14	0.21
I can mostly solve the problems that arise in my work.	-0.01	-0.04	0.08	0.16	<b>0.61</b>	0.03	0.09	0.11	-0.01	0.03	0.03	0.14	<b>0.70</b>	0.04	0.11	0.13
The level of my skill in the company is higher than the average.	-0.07	0.09	0.01	0.08	<b>0.54</b>	0.01	-0.06	0.05	-0.07	-0.01	0.02	0.00	<b>0.57</b>	-0.04	-0.04	0.03
I carry out my work by observing and planning it by myself.	0.08	-0.11	0.08	0.06	<b>0.42</b>	0.00	0.22	0.24	0.13	0.07	0.23	0.14	<b>0.50</b>	0.11	0.20	0.25
For the past one year, I was given useful training to develop ability and achieve my target.	0.29	-0.07	0.13	0.05	-0.07	<b>0.53</b>	0.05	0.15	0.23	0.06	0.17	0.18	-0.01	<b>0.72</b>	0.11	0.21
In my work, I can master new skills and develop my ability.	0.14	-0.17	0.18	0.14	0.06	<b>0.50</b>	0.08	0.25	0.15	0.09	0.22	0.25	0.07	<b>0.62</b>	0.08	0.22
At work, the bosses/supervisors and the seniors are training their subordinates.	0.08	-0.05	0.28	0.20	0.11	<b>0.43</b>	0.00	0.21	0.08	0.05	0.33	0.23	0.01	<b>0.52</b>	0.15	0.25
The work division that I have to do is clearly identified.	0.07	-0.02	0.17	0.04	-0.03	-0.01	<b>0.68</b>	0.14	0.06	0.07	0.18	0.15	0.15	0.11	<b>0.84</b>	0.09
The division of labor between my co-workers and I is clear.	0.07	-0.09	0.17	0.00	0.16	0.11	<b>0.69</b>	0.10	0.09	0.12	0.16	0.16	0.01	0.11	<b>0.63</b>	0.19
I am willing to contribute to development of this company.	0.08	-0.12	0.04	0.14	0.11	0.09	0.08	<b>0.65</b>	0.10	0.11	0.30	0.21	0.15	0.18	-0.02	<b>0.69</b>
I have dreams about the future of my company and its work.	0.15	-0.06	0.18	0.06	0.10	0.09	0.07	<b>0.70</b>	0.24	0.16	0.17	0.15	0.07	0.13	0.16	<b>0.69</b>
I have strong will to work hard in this company.	0.05	-0.05	0.14	0.07	0.06	0.10	0.06	<b>0.67</b>	0.17	0.09	0.29	0.15	0.06	0.16	0.05	<b>0.69</b>
I want to be employed by this company as long as possible.	0.31	-0.04	0.16	0.11	0.12	0.14	0.14	<b>0.51</b>	0.27	0.08	0.29	0.12	0.06	0.14	0.16	<b>0.59</b>
My company makes very meaningful contributions to this society.	0.01	-0.05	0.14	0.14	0.18	0.21	0.03	<b>0.48</b>	0.08	0.08	0.11	0.23	0.19	0.06	0.07	<b>0.57</b>
I am attracted to the slogan of the company and the strategies to achieve it.	0.21	-0.10	0.06	0.12	-0.03	0.01	0.06	<b>0.59</b>	0.23	0.18	0.20	0.02	0.09	0.27	0.18	<b>0.54</b>

Table 2. Descriptive Statistics and Correlations.

	Mean		SD		2013\2007																
	2007	2013	2007	2013	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15		
1 Gender	0.583	0.568	0.494	0.496																	
2 Age	27.825	30.729	4.459	5.612	0.144**																
3 Tenure	2.895	5.625	3.428	5.062	0.823**	0.805**															
4 Turnover experience	0.527	0.455	0.500	0.498	-0.005	0.317**	0.150**														
5 Marital status	0.375	0.623	0.485	0.485	0.038	0.566**	0.518**	0.250**													
6 Indirect department	0.683	0.698	0.466	0.460	-0.124**	-0.045	-0.044	-0.022	-0.075												
7 Position	0.077	0.118	0.267	0.323	0.059	0.644**	0.579**	0.109**	0.240**	0.042											
8 Supervisor support	3.897	4.110	0.891	0.839	-0.033	0.034	0.084*	-0.052	0.045	-0.013	0.157**										
9 Co-worker support	3.970	4.109	0.628	0.592	-0.016	-0.031	0.040	-0.075	0.012	0.035	0.107**	0.529**									
10 Benefit satisfaction	2.865	3.329	0.921	0.938	-0.064	-0.008	0.015	-0.049	-0.047	-0.029	0.136**	0.440**	0.351**								
11 Fatigue	3.402	3.150	1.157	1.139	0.126**	-0.116**	-0.105*	-0.026	-0.061	-0.015	-0.156**	-0.142**	-0.208**	-0.319**							
12 Autonomy	3.901	3.898	0.805	0.686	0.041	0.345**	0.350**	0.061	0.275**	-0.090*	0.269**	0.265**	0.267**	0.115**	-0.122**						
13 Training provision	3.396	3.935	0.982	0.858	0.003	-0.095*	-0.024	-0.115**	-0.130**	-0.028	0.084*	0.532**	0.522**	0.513**	-0.228**	0.188**					
14 Role clarity	3.744	4.030	1.157	0.933	-0.019	-0.007	0.050	-0.039	0.025	-0.031	0.078	0.385**	0.379**	0.293**	-0.231**	0.236**	0.362**				
15 Organizational commitment	3.828	3.942	0.804	0.744	-0.182**	0.118**	0.162**	0.019	0.058	0.005	0.176**	0.593**	0.500**	0.595**	-0.345**	0.334**	0.555**	0.382**			

Note. n=429(2007), 576(2013). \*\*p<0.01, \*p<0.05.

Correlations for the 2007 samples appear above diagonal and the 2013 samples below diagonal.

Table 3. Results of Hierarchical Regression Analyses.

Variables	Organizational commitment (2007 and 2013, n=1,005)			Organizational commitment (2007, n=429)				Organizational commitment (2013, n=576)			
	Step 1	Step 2	Step 3	Step 1	Step 2	Step 3	Step 4	Step 1	Step 2	Step 3	Step 4
Gender	-0.11 **	-0.10 **	-0.09 **	-0.02	-0.05	-0.04	-0.05	-0.16 **	-0.15 **	-0.13 **	-0.13 **
Age	0.00	0.07	0.10 *	0.05	0.07	0.11	0.11	-0.07	0.05	0.07	0.08
Tenure	0.08	-0.01	0.01	0.08	0.04	0.01	0.00	0.08	0.03	0.01	0.01
Turnover experience	0.01	0.03	0.02	0.01	-0.02	-0.04	-0.05	0.02	0.04	0.07 *	0.06 *
Marital status	0.05	-0.02	0.00	0.09	0.07	0.01	0.02	0.02	-0.03	0.00	-0.01
Indirect department	-0.02	0.02	0.02	0.02	0.06	0.06	0.07	-0.05	-0.03	-0.01	-0.01
Position	0.06	-0.03	-0.07 *	-0.04	-0.03	-0.08	-0.07	0.15 **	0.02	-0.05	-0.06
Company 1 (dummy)	-0.16 **	-0.10 **	-0.09 **	-0.17 *	-0.09	-0.06	-0.05	-0.16 **	-0.11 *	-0.12 **	-0.11 **
Company 2 (dummy)	-0.10 **	-0.06 *	-0.04	-0.03	0.02	0.01	0.02	-0.14 **	-0.12 **	-0.07 *	-0.07 *
Company 3 (dummy)	-0.06	0.00	-0.01	-0.13	-0.10	-0.05	-0.05	-0.01	-0.01	0.04	0.04
<i>Social rewards</i>											
Supervisor support		0.16 **	0.09 *		0.38 **		0.10 *		0.57 **		0.21 **
Co-worker support		0.09 **	0.10 **			0.11 *	0.09 *			0.11 **	0.07 *
<i>Extrinsic rewards</i>											
Benefit satisfaction		0.26 **	0.25 **			0.27 **	0.24 **			0.34 **	0.30 **
Fatigue		-0.07 **	-0.05			-0.05	-0.06			-0.09 **	-0.07 *
<i>Intrinsic rewards</i>											
Autonomy		0.16 **	0.14 **			0.15 **	0.15 **			0.17 **	0.15 **
Training provision		0.18 **	0.22 **			0.23 **	0.21 **			0.23 **	0.18 **
Role clarity		0.07 **	0.08 *			0.10 *	0.08			0.10 **	0.08 *
Sample			-0.30								
Sample x Supervisor support			0.30 *								
Sample x Co-worker support			-0.11								
Sample x Benefit satisfaction			0.07								
Sample x Fatigue			-0.04								
Sample x Autonomy			0.02								
Sample x Training provision			-0.04								
Sample x Role Clarity			0.00								
R <sup>2</sup>	0.07	0.48	0.49	0.06	0.20	0.37	0.38	0.10	0.41	0.57	0.60
Adjusted R <sup>2</sup>	0.06	0.47	0.48	0.04	0.17	0.35	0.35	0.08	0.40	0.56	0.58
F	7.62 **	52.70 **	37.72 **	2.76 **	9.20 **	15.31 **	14.78 **	6.33 **	35.48 **	46.78 **	48.45 **

Note. \*Significance at the 5% level; \*\*Significance at the 1% level.

In separate regression analysis using the 2007 and the 2013 data, we entered the control variables in Step 1, and main effects of supervisor support, co-worker support, benefit satisfaction, fatigue, autonomy, training provision and role clarity in Step 4. In Step 2 to 3, main effects were separately entered by supervisor support in Step 2 and other rewards in Step 3 to test their comparative importance. All the five reward variables, except fatigue of the 2007, were significantly associated with OC when they were entered separately in Step 2 to 3 ( $p < 0.05$ ). Observing adjusted R<sup>2</sup>, supervisor support and other rewards explained 13% and 31% of additional variances in OC respectively in the 2007 data. On the other hand, these figures were 32% and 48% in the 2013 data. These imply that both supervisor support and other rewards were important for OC in both years but the former is more important comparatively and absolutely in 2013 than in 2007, confirming Hypotheses 1.

### 5. Discussion and Implications for Theory and Practice

The objective of the present study was to investigate the change between 2007 and 2013 in antecedents of the organizational commitment (OC) of university-graduate employees working in the Japanese companies in China. Our findings demonstrate that seven rewards (i.e. supervisor support, co-worker support, benefit satisfaction, autonomy, training provision, role clarity and lower fatigue) engendered higher levels of OC. This is in line with the previous research (e.g. Nazir, 2016) and indicates there are many rewards to enhance OC of Chinese university graduates. However, we found a difference in the significance of correlation between supervisor support and OC between the samples of 2007 and 2013. The result indicates that university graduates in Japanese companies had become to require more support from supervisors in 2013 than they did in 2007.

This finding was consistent with the hypothesis and in line with the indication of previous research regarding Chinese society as it has been argued that Chinese culture is largely collectivistic (Triandis, 1995) and employees' OC in such a society may arise from ties with supervisors and surrounding people (Boyacigiller & Adler, 1991). However, empirical evidence suggests that individualism in China could be increasing in the long run (Yan, 2009) because culture in a society tends to shift to individualism as it develops economically (Triandis, 1995; Hofstede, 2001). Supposing such a correlation between economic condition and individualism, we can reasonably expect that a society may advance backward intensifying its collectivistic feature when it is under economic slowdown. Accordingly, it is considered that the economic crisis in 2008 and the following long-lasting hard times had made

the university graduates feel more anxious, become more collectivistic and seek for more support from the bosses than they did before. Such a retrograde movement may possibly have been intensified by Chinese past-oriented culture where they tend to be high in uncertainty avoidance and more uncomfortable with change than Western people (Rarick, 2007).

However, the result that co-worker support, which is another fragment of social rewards, showed no significant change in relation with OC contradicts our hypothesis. What is the reason of such difference? To obtain a hint for answering this question, we may have to remember another cultural feature of this country in which there is respect for seniority, strict hierarchies in the workplace and limited subordinate participation in decision-making (Chan, et al., 2006; Cheng, et al., 2003; Chen, et al., 2002). As people had much accounted of seniority in their human relations due mainly to traditional Confucian culture, they may have come to more rely on such relations when they became anxious under economic slowdown because relations with the bosses are not merely related with collectivism but also with the Confucian ethical view which has taken root in general in this society. On the other hand, relations with co-workers are considered to be less related with such tradition and may not change its importance as a factor of OC even in the hard time.

This result is full of interesting suggestion for considering the future of management in China. Although recent empirical studies highlight the growing importance of participative leadership in various enterprises in exchange of abandoning traditional authoritarian and command-based styles (Huang, Iun, Liu, & Gong, 2010), there has been limited focus on its relevance in the period of slowdown. Based on the finding in this research and taking account the Chinese past-oriented features, more flexible HRM which allows some adjustments depending on economic conditions might be more acceptable for Chinese graduate employees than those which require selecting one style from two alternatives irrespective the situations which confront them. However, at the same time, we may not have to exaggerate the necessity of going back to the past because this research indicates that employees' response to the most rewards including intrinsic and extrinsic rewards which are said to be stronger in individualistic culture (Boyacigiller & Adler, 1991) do not change over time. This result may be understood that individualism is not weakened even during the economic slowdown because individualism is not the polar opposite of collectivism (Triandis, et al., 1988) and Chinese society has adopted market economic principles and become more individualistic without substantially forsaking their collectivistic Confucian culture (Ralston, Nguyen, & Napier, 1999). In other words, they may need to be more collectivistic to soften anxiety in the depression but may not need to be less individualistic as individualism may coexist with collectivism. Accordingly, building good teamwork with supervisors and co-workers, removing irrational quantities from treatments, enriching opportunities of self-enhancement, clarifying job scope and enhancing a sense of autonomy by delegation of organizational authority (an area in which Japanese companies are weak. Cf. Yu & Meyer-Ohle, 2008) are all important and should be considered comprehensively anytime irrespective of economic conditions.

Additionally, we could examine local adaptability of the management of Japanese companies in a time of recession. Japanese companies is sometimes considered to be a second family which encourages intensive socialization (Jackson & Tomioka, 2004) and require managers closely involved with a work group (Whitney, 1994, p.100), even though nowadays Japanese management changes and parts from such family-like style due to economic stagnation and the influence of globalization (Haghirian, 2010). In this sense, Japanese companies may possibly adapt themselves to Chinese work conditions especially when the latter is under a circumstance of economic stagnation and becomes more collectivistic than usual. However, we may not take an optimistic view remembering the fact that Japanese managers are typically less trusted from their subordinates than Chinese counterparts especially for job performing ability, leadership and capability for managing subordinates (Shiraki, 2012). Accordingly, collectivistic culture of Japanese companies may not be attractive for the employees even in the hard time, rather, could become harmful to soundness of the management through the channel of strengthened effect of supervisor support towards OC in the economic slowdown. Of course, the supervisors in Japanese companies are not only Japanese but also Chinese, but the latter may also be inferior to those of other kind of companies in their skills of managing subordinates as Japanese companies are known not to be selected by university graduates as the workplaces they primarily want to work for (Zhang, 2003) and as the result not a few Chinese managers there may be the ones who couldn't enter other kind of companies. Accordingly, Japanese companies may need to improve the HRM in China to attract better managers and to enhance the employees' OC even in a depression by strengthening the support from supervisors to subordinates through enriched education to the former, localization of the management by transferring authority from Japanese expatriates to local staffs, etc.

## 6. Study Limitations and Suggestions for Future Research

There are three significant limitations on this research. The first one is about target. The sample in this research



targeted only four Japanese manufacturing companies. If the sample includes larger number of companies of diverse industries of various origins, the results may perhaps be altered.

The second limitation is applicability. The incident which occurred and influenced the nature of employees between 2007 and 2013 may not only the economic slowdown but also a product of many other occurrences unmentioned in this paper. So, to further consider the change of rewards-OC relationship over time, future research is recommended to take account more various possibilities.

The third limitation of this research is about reliability. This study used self-report data from single respondents, which may have resulted in common method bias. Future research might consider the inclusion of supervisor-rated scales to reduce common method bias and remedy the weakness of the present study design.

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Appendix. Demographic Information.

	Gender			Total	Age					Total
	Male	Female			Below 20 years old	20-29	30-39	40-49	50 years old and above	
2007	250 58.3%	179 41.7%	429 100.0%	1 0.2%	322 75.1%	91 21.2%	15 3.5%	0 0.0%	429 100.0%	
2013	327 56.8%	249 43.2%	576 100.0%	0 0.0%	265 46.0%	265 46.0%	41 7.1%	5 0.9%	576 100.0%	
Total	577 57.4%	428 42.6%	1,005 100.0%	1 0.1%	587 58.4%	356 35.4%	56 5.6%	5 0.5%	1,005 100.0%	

	Working experience					Total	Experience of changing your jobs		Total
	Below 1 year	1 year	2-4 years	5-9 years	10 years and above		Have experience	Have no experience	
2007	102 23.8%	110 25.6%	124 28.9%	59 13.8%	34 7.9%	429 100.0%	226 52.7%	203 47.3%	429 100.0%
2013	66 11.5%	73 12.7%	138 24.0%	192 33.3%	107 18.6%	576 100.0%	262 45.5%	314 54.5%	576 100.0%
Total	168 16.7%	183 18.2%	262 26.1%	251 25.0%	141 14.0%	1,005 100.0%	488 48.6%	517 51.4%	1,005 100.0%

	Educational background								Total
	Lower Secondary School	Upper Secondary School	Specialized College	College/Vocational	University	Graduate School	In the middle of school years		
							Others		
2007	0 0.0%	0 0.0%	0 0.0%	0 0.0%	418 97.4%	11 2.6%	0 0.0%	0 0.0%	429 100.0%
2013	0 0.0%	0 0.0%	0 0.0%	0 0.0%	551 95.7%	25 4.3%	0 0.0%	0 0.0%	576 100.0%
Total	0 0.0%	0 0.0%	0 0.0%	0 0.0%	969 96.4%	36 3.6%	0 0.0%	0 0.0%	1,005 100.0%

	Marriage			Total	Department		Total	Position		Total
	Single	Married	Others		Direct department	Indirect department		Managerial position	Non-managerial position	
2007	265 61.8%	161 37.5%	3 0.7%	429 100.0%	136 31.7%	293 68.3%	429 100.0%	33 7.7%	396 92.3%	429 100.0%
2013	210 36.5%	359 62.3%	7 1.2%	576 100.0%	174 30.2%	402 69.8%	576 100.0%	68 11.8%	508 88.2%	576 100.0%
Total	475 47.3%	520 51.7%	10 1.0%	1,005 100.0%	310 30.8%	695 69.2%	1,005 100.0%	101 10.0%	904 90.0%	1,005 100.0%

	Industry		Total	City			Total
	Automobile	Electrical		Dalian	Wuxi	Dongguan	
2007	5 1.2%	424 98.8%	429 100.0%	152 35.4%	272 63.4%	5 1.2%	429 100.0%
2013	24 4.2%	552 95.8%	576 100.0%	195 33.9%	357 62.0%	24 4.2%	576 100.0%
Total	29 2.9%	976 97.1%	1,005 100.0%	347 34.5%	629 62.6%	29 2.9%	1,005 100.0%

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