

Organizational Virtuousness, Subjective Well-Being, and Job Performance: Comparing Employees in France and Japan

Abstract

Purpose. Past research has convincingly shown that higher employee subjective well-being, or happiness, is a source of higher job performance and retention. This paper therefore examines the relationships between organizational virtuousness, subjective well-being, and individual job performance among French and Japanese employees.

Methodology. A questionnaire survey was conducted among Japanese and French managers and staff at Japanese and French domestic companies and structural equation modeling was employed to compare those associations.

Findings. We found that the Japanese and the French have different conceptualizations of organizational virtuousness, suggesting that firms must tailor their virtue-building activities based on the local culture. Subjective well-being is comparatively more important in Japan since it acts in complement to organizational virtuousness to positively affect job performance, while in France, only organizational virtuousness counts as a source of job performance.

Research implications.

National culture is revealed to be a new factor explaining differences in how employees consider organizational virtuousness and we provide evidence of positive associations of organizational virtuousness with positive subjective well-being and with job performance for both the Japanese and the French.

Practical implications. Organizational virtuousness cannot be construed from a universalistic perspective where virtues are conceptualized on the same basis regardless of location or region, and firms should also consider their employees' individualist or collectivist inclination when trying to influence work outcomes.

Originality. These findings point to the role of national culture on the perception of organizational virtuousness and its effect on subjective well-being and job performance.

Article Classification. Research paper

Key words. Subjective well-being, job performance, organizational virtuousness, France, Japan

1. INTRODUCTION

Companies have come to realize that employee welfare is essential for greater corporate performance and innovation. Organizations seeking competitiveness in an ever-globalizing environment with more agile players have started giving consideration to the happiness of their employees. Putting employees at ease ensures they devote their full attention and use all available intellectual capacity to the tasks and jobs they were hired to accomplish. Perceptions of security and well-being are therefore important to counterbalance

a business environment which has grown more uncertain with globalization (Engwall & Hadjikhani, 2014).

Why should companies be concerned? Because past research has convincingly shown that higher employee subjective well-being is a source of higher performance for the corporation, in the form of higher sales and/or lower costs. For instance, happiness has been found bring about a variety of measures related to health care (expenditure, hospital visits), productivity (job performance ratings, presenteeism, short-term disability leave, unscheduled absence), and retention (voluntary and involuntary turnover, intention to stay) (Sears, Shi, Coberley, and Pope, 2013). Empirical evidence demonstrates that higher well-being by 1-point on a 7-point scale doubled the likelihood for employees to stay with their firm (Wright and Bonett, 2007).

The importance of well-being is also visible through the Great Place to Work certification which assesses the perceptions of employees and managers and asserts that “a great place to work is one in which you trust the people you work for, have pride in what you do, and enjoy the people you work with” (Great Place to Work, 2018). However, it is not always clear whether the firm can nurture well-being among employees, or whether well-being acts as a mediator between the firm’s corporate virtue and employee performance. Emphasis on well-being is important for individual performance, but also for employee retention, loyalty, and corporate social responsibility. In the case of Japan, it is all the more important to keep employees happy regardless of performance benefits; the declining population in the country has led to an all-time low unemployment rate of 2.8%, sparking a labor shortage and rising wages (Nikkei, 2017). So, it is essential for Japanese companies to display an attractive image to lure fresh graduates, and ensure that they retain those they are already employing.

Given the many aforementioned benefits of well-being for organizations, what can firms do to ensure their employees are happy at work? Past research points to virtuousness or “the best of the human condition, the most ennobling behaviors and outcomes of people, the excellence and essence of humankind, and the highest aspirations of human beings” as a necessary condition for well-being (Cameron and Caza, 2013, p. 677). Virtuousness has been associated with more resilient and longer-lasting productive organizations, thanks in part to its core features related to ethical value, positive influence on individuals, and improvement of the common good (Cameron, Bright, and Caza, 2004). Consequently, virtuousness in organizations has quickly become a central concept which results in several positive outcomes such as individual well-being and job performance (Meyer, 2018). Accordingly, we investigate the relationship between organizational virtuousness and subjective well-being and both their effects on job performance in one model. In addition, we will examine the effects of national culture on this model by surveying firms in France and in Japan. Based on our analysis, we will offer pragmatic suggestions for multinational firms to support their employees’ well-being, and in turn to increase employee and ultimately firm performance.

We target firms in Japan and France for three reasons. First, past research has not considered how culture and cultural differences may affect the relationships between organizational virtuousness, subjective well-being, and job performance. Selecting two countries with distinct and well-documented cultures – Japan and France – can therefore provide evidence of the role of culture on the constructs under study. However, culture is not the central focus of this research and instead, only selected discrete cultural dimensions among the two countries are highlighted to explain differences for antecedents and outcomes of subjective well-being. Second, globalization of the world economy has increased corporate ties and cross-shareholdings between these two countries, compelling firms to evaluate and compare the antecedents of their nationally diverse workforce towards sustained performance. As of 2017, French firms accounted for 12% of inward

foreign direct investment stock in Japan or about JPY 3.5 trillion, the third highest after American and Dutch firms (JETRO, 2018). And Japanese investments represented 1.2% of inward foreign direct investment stock in France, or USD 10.5 billion, the fifth highest for firms from outside of the European Union (Bank of France, 2018). Third, previous research has shown that these two countries vary considerably in cultural dimensions that affect the relationship and ties between employees and their firms. For instance, Trompenaars and Hampden-Turner (1997) have found that these two countries are on the opposite sides of two dimensions that define national culture: the specific-diffuse and the individualism- communitarianism spectrums. The specific-diffuse dimension refers to “the degree to which we engage others in specific areas of life and single levels of personality, or diffusely in multiple areas of our lives and at several levels of personality at the same time (Trompenaars and Hampden-Turner, 1997, p. 81). That is, in specific cultures, there is a tendency to keep separate the different areas of one’s lives, such as family life, professional life and hobby life, while in diffuse cultures these areas often overlap and are less clearly defined. As such, in more specific-oriented cultures like France, we suggest that work-related issues may be compartmentalized, and would spill over less into other areas of one’s life than they would in diffuse-oriented cultures like Japan. Parsons and Shils (1954) relate the latter dimension to “the dilemma of private versus collective interest” and state that this dilemma can be resolved “by giving primacy to the interests, goals, and values shared with other members of a given collective unit of which he is a member of or by giving primacy to his personal or private interests without considering their bearing on the collective interests” (pp. 80-81). Trompenaars and Hampden-Turner (1997), who expand on this position, assert that “For the French the community is France and the family. They become individualists in other social encounters (pp. 50-51)”. Hofstede et al. (2010) have also found that French culture is strongly individualistically oriented with an individualism score of 71 (out of 100). In contrast, Japanese culture was found to be moderately collectivist with a score of 46 (out of 100). Accordingly, we predict that French employees’ sense of happiness or contentment with their lives may be less affected by happenings in their workplace than that of Japanese employees, whose sense of fulfillment may be more strongly tied to their own situation in their firms.

This research contributes to the literature in two ways. First, it shows that culture may be responsible for differences in how employees consider organizational virtuousness since we found that Japanese and French respondents conceptualized organizational virtuousness differently from each other and differently from the dimensions in the literature (Cameron, Bright, and Caza, 2004). This variance in perception of organizational virtuousness may be responsible for its differentiated effects on subjective well-being and job performance. Second, this study provides evidence of positive associations of organizational virtuousness with positive subjective well-being and with job performance for both the Japanese and French, thus confirming the importance of perceived corporate virtue established in earlier works (De Araujo and Lopes, 2014).

Section two reviews the definitions of the concepts. Section three examines their relationships and proposes hypotheses. Then, section four presents the methodology of the survey, followed in section five by results, and their discussion in section six. Last, section seven concludes this paper by looking at implications for research and practice.

2. LITERATURE REVIEW

Organizational Virtuousness

Cameron, Bright, and Caza (2004) state that “organizational virtuousness (...) includes individuals’ actions, collective activities, cultural attributes, or processes that enable dissemination and perpetuation of virtuousness in an organization,” with “virtuousness in organizations (...) referring to transcendent, elevating behavior of the organization’s members” (p. 768). Organizational virtuousness is divided into virtue in organizations and virtue through organizations, whereby the former relates to “the behavior of individuals in organizational settings that helps people flourish as human beings”, while the latter to “the enablers in organizations that foster and perpetuate virtuousness” (Bright, Cameron, and Caza, 2006, p. 252). Virtuousness is also relevant for organizations in so far as it is characterized by the three attributes of moral goodness, human impact, and social betterment (Cameron, Bright, and Caza, 2004).

Organizational virtuousness is measured by assessing five components in the organization: optimism, trust, compassion, integrity, and forgiveness (Cameron, Bright, and Caza, 2004). Optimism denotes the confidence that members have in the mission and purpose of their organization, even in hard times. Organizational trust signifies a general environment of mutual respect, courtesy, and kindness, in which members feel they can rely on each other as well as their management. Organizational compassion refers to the fact that members of the company are genuinely concerned with others’ welfare and caring acts occur frequently. Organizational integrity indicates that honor, truthfulness, and honesty permeate the organization, which always acts in good faith. Organizational forgiveness reflects the intentional acceptance of mistakes, seeing them as learning and growth opportunities (Rego, Ribeiro, Cunha, and Jesuino, 2011; Magnier-Watanabe, Uchida, Orsini, and Benton, 2017).

Organizational virtuousness can be a source of resilience and enduring success for the firm. It has been recognized as a self-perpetuating condition since “the context is more like a conductor of virtue (...), might motivate others to act and maybe even become virtuous as well” (Meyer, 2018, p. 261). More generally, virtuousness at work aims to create an environment which protects self-respect, enhances human capital, and improves well-being (Cameron and Winn, 2012).

Subjective Well-Being

Well-being refers to a positive or acceptable assessment of one’s life overall (Magnier-Watanabe, Uchida, Orsini, and Benton, 2017). But because it is inherently subjective, most scholars in the field favor using the term subjective well-being when considering an individual’s overall evaluation of one’s life (Diener, Oishi, and Lucas, 2003). Well-being is considered to be multidimensional, as demonstrated by research analyzed by Stiglitz, Sen, and Fitoussi (2010), who included elements related to the subject’s physical health, education, occupation, political voice, social relationships, environment, and economic security.

Past studies have attempted to model subjective well-being from an economic perspective (Oswald, 1997; Oswald, Proto, and Sgroi, 2015). These works acknowledge that the construct is based on satisfaction with life in general and on satisfaction with subjective sub-domains, which decompose life into basic components. For instance, Van Praag, Frijters, and Ferrer-i-Carbonell, (2003) equate subjective well-being to the level of general satisfaction obtained from job, financial, housing, health, leisure, and environmental satisfaction.

However, more recent research argues that, in addition to satisfaction with life as a whole, subjective well-being should take into account emotions rather than satisfaction with bounded sub-domains. Accordingly, Helliwell, Layard, and Sachs (2017) assert that subjective well-being should be measured along two dimensions: the first relates to emotions, both positive and negative, towards daily events; the

second involves one's evaluation of life, comprising a broad assessment of one's family, social relationships and environment. As examples of positive affect and negative affect, Olesen, Thomsen, and O'Toole (2015) cite feelings of energy and engagement, and distress and anxiety, respectively. Wright (2010) who has written extensively about well-being, defines psychological well-being very similarly to subjective well-being since he asserts that "psychological well-being is a subjective experience" (p. 14), and that it is operationalized assessing the occurrence of both positive and negative emotions, whereby "to be high on well-being is to be simultaneously high on positive and low on negative emotion" (p. 14). In addition, subjective well-being reflects an aggregate or overall assessment of one's life, and this judgement is rather stable over time and not subject to the influence of particular conditions (Wright, 2010).

Job Performance

Campbell, McCloy, Oppler, and Sager (1993) define job performance as "goal-relevant actions that are under the control of the individual, regardless of whether they are cognitive, motor, psychomotor, or interpersonal" (pp. 40-41). In other words, job performance consists of all employee activities, which support in part or in whole the achievement of organizational goals (Viswesvaran, and Ones, 2000; Magnier-Watanabe, Uchida, Orsini, and Benton, 2017). Job performance has eight dimensions: job-specific task proficiency, non-job-specific task proficiency, written and oral communication, demonstrating effort, maintaining personal discipline, facilitating peer and team performance, supervision, and management or administration (Campbell, McCloy, Oppler, and Sager, 1993).

Job-specific tasks are those related to the worker's core tasks, while non-job-specific tasks are generally expected from all members but are not specific to any position. Written and oral communication denotes how workers handle the receiving and delivering of messages on the job. Demonstrating effort measures the level of commitment in accomplishing one's job. Maintaining personal discipline refers to the extent to which workers act within established rules and the law. Facilitating peer and team performance assesses how much workers effectively engage in teamwork and support colleagues. Supervision considers the leadership abilities, whereas management or administration reflect non-supervisory work (Campbell, McCloy, Oppler, and Sager, 1993; Magnier-Watanabe, Uchida, Orsini, and Benton, 2017).

Other conceptualizations of job performance agree with these eight dimensions, which are further categorized into task performance and contextual performance. The former is associated with the performance of activities directly related to the organization's primary business. The latter denotes the performance of background tasks, such as interpersonal facilitation and job dedication, which support the organization's primary business (Borman and Motowidlo, 1997). Because job performance directly impacts organizational performance (Alessandri, Borgogni, and Latham, 2017), the firm is especially concerned with its antecedents. A recent integrative review of the factors affecting job performance found that job performance is affected by physical, cognitive, and affective demands over related individual, job, organizational, and social resources (Pandey, 2019). Although not mentioned explicitly, it is apparent that organizational virtuousness represents an organizational resource, while subjective well-being denotes an individual one.

3. MODEL DEVELOPMENT

Organizational Virtuousness and Job Performance

The literature connecting organizational virtuousness and job performance was first reviewed extensively by Cameron, Bright, and Caza (2004), who established a clear link between the two constructs and uncovered the amplifying and buffering functions of virtue in organizations. Its amplifying property denotes that positive emotions lead to more prosocial behaviors in a self-sustaining virtuous cycle, while its buffering quality limits the formation of negative behavior thus protecting against adverse effects in trying times (Cameron, Bright, and Caza, 2004). One illustration of the amplifying effect is virtuous leadership which supports stronger organizational commitment among employees, which in turn leads to higher job performance (De Araujo and Lopes, 2014). More recently, Meyer (2018) ascertained the strong link between organizational virtuousness and organizational performance in an extensive review of the literature. He observes that a wide range of positive practices grouped under the virtuousness umbrella in the firm have been tied to increased performance at work. This can be summed up as “Virtuousness pays dividends; doing good helps organizations to do well” (Caza, Barker, and Cameron, 2004, p. 174).

Each virtue fosters a climate in which employees behave in a way perceived to be desirable and conducive to positive organizational outcomes. Optimism gives employees the necessary confidence to pull through in adversity and try to reach goals that may seem unattainable. Trust among employees results in social capital and a climate of cooperation necessary to achieving complex and long-term group-level goals. Compassionate employees are more inclined to helping each other and having stronger interpersonal relationships, thus further contributing to reaching group-level objectives. Pervasive integrity among workers is more likely to have a ripple effect and to prevent the coverup of adverse behavior detrimental to corporate success. And forgiveness by the organization allows members to learn from past mistakes and to contribute their experience to future outcomes, thus avoiding the repeat of the same errors.

For-profit organizations seek returns on investment, which are expected and monitored by shareholders. As explained previously, virtue in and through organization comes from employee behavior and from firm enablers which create and support virtuous acts, respectively. However, commendable organizational goals are not sufficient; the firm must also offer working conditions which sustain virtuousness through optimism, trust, compassion, integrity, and forgiveness (Cameron, Bright, and Caza, 2004). When workers perceive the organization to have socially worthy goals and to provide a safe, just and positive environment, they work harder without restraint, exhibiting higher levels of productivity and eventually reaching greater job performance (Rego, Ribeiro, Cunha, and Jesuino, 2011).

Therefore, we anticipate that organizational virtuousness is positively related to job performance (H1).

Organizational Virtuousness and Subjective Well-Being

As stated previously, one goal of virtuousness at work is the improvement of well-being, recognizing that it can ultimately enhance human capital (Cameron and Winn, 2012). The link between virtuousness and subjective well-being is made possible thanks to the elicitation in the organizational context of positive feelings such as empathy, trust and eagerness (Rego, Ribeiro, Cunha, and Jesuino, 2011). For instance, trust has been found to be a strong predictor of well-being, whereby “those who feel to be living in a trustworthy environment have much higher levels of subjective well-being” (Helliwell and Wang, 2011, p. 56). Similarly, good relationships among employees enabled by corporate virtue have been found to result in well-being (Dutton and Heaphy, 2003). We can therefore conceive that the employees’ overall sense of well-being is greatly affected by their working environment, and that therefore a positively perceived workplace will

result in happier employees.

The physiological health benefits of organizational virtuousness at the individual level have been well documented (Meyer, 2018). These benefits can be traced back to each virtue of organizational virtuousness. Optimism renders individuals more constructive and positively affects relationships with others since it puts confidence in the future. Trust, a required condition for social capital, allows employees to relax since they no longer need to doubt their coworkers' actions and motives. Compassion results in caring acts and mutual concerns for welfare, therefore multiplying good deeds at work. Integrity ensures honesty and at the same time deters unfair behaviors, thus precluding feelings of injustice at work. And forgiveness decreases work-related stress because employees feel they can safely make mistakes towards the achievement of organizational goals. Taken together, these relationships point to a positive association between employees experiencing virtuousness at work and their subjective well-being, as they "feel recognized as valuable emotional and intellectual beings, and not just human resources" (Rego, Ribeiro, Cunha, and Jesuino, 2011, p. 526).

Consequently, we hypothesize that organizational virtuousness is positively related to subjective well-being (H2).

Subjective Well-Being and Job Performance

Past research indeed supports the existence of a positive link between employee well-being and job performance. Some scholars have called it the "happy-productive worker" thesis (Cropanzano and Wright, 2001; Wright, Cropanzano, and Bonett, 2007). Satisfied employees exhibit higher performance (Wright, 2010), higher positive affect is associated with superior performance (Hosie, Willems, and Sevastos, 2012), while workers having better days than usual attain higher job performance (Zelenski, Murphy, and Jenkins, 2008).

Subjective well-being affects job performance in three distinct ways (Bryson, Forth, and Stokes, 2017). First, it acts on individuals' cognitive abilities, enabling enhanced creativity, more effective and faster problem-solving, because the mind is relieved from stress and unburdened by negative thinking (Cropanzano and Wright, 2001; Oswald, Proto, and Sgroi, 2015). Second, employees have more positive attitudes towards their job, therefore they are more disposed to take on more tasks for cooperative and collaborative work (Organ and Ryan, 1995). Similarly, Staw, Sutton, and Pelled (1994) argue that positive emotions may increase social capital and improve relations with colleagues in the workplace, improving job performance. Third, employees with higher subjective well-being are in better health and less prone to illness, exhibit higher levels of energy, and thus demonstrate greater effort (Diener and Chan, 2011).

Despite early doubts about the directionality of the link between happiness and job performance (Fisher, 2003), past research has further confirmed the relationship between subjective well-being and job performance by isolating the effects of possible confounding variables such as exhaustion, positive and negative affect, and job satisfaction (Wright, Cropanzano, and Bonett, 2007; Wright and Huang, 2012). Thus, we expect that subjective well-being has a positive influence on job performance (H3).

In addition, while research on well-being and its organizational antecedents has gained momentum, few scholars have put established models to the test in country-specific work contexts. Two exceptions are the work of Cunha, Cunha, and Rego (2007), who explored the meaning and implications of corporate virtue in

Cuba, and that of Magnier-Watanabe, Uchida, Orsini, and Benton (2017), who studied the role of happiness in the relationship between organizational virtue and job performance in Japan. In this research, we test the aforementioned relationships and compare them among Japanese and French workers (Figure 1).

Insert Figure 1 about here

4. METHODOLOGY

Sample and Measures

A questionnaire survey was conducted among Japanese and French managers and staff at Japanese and French domestic companies to test the hypotheses presented above. The questions were first created in English, and then translated into Japanese and in French by the authors who are altogether native in all three languages. The data was collected in March 2015 and in February 2016 using an Internet Survey company with offices both in Japan and France and a large number of registered respondents fitting the requested profiles. Respondents were selected among Japanese workers employed at domestic companies in Japan and among French workers employed at domestic companies in France, both groups working in a different industries and functions. Japanese respondents consisted of 208 people, with a breakdown of 75% male and 25% female, and divided evenly between general staff without subordinates and managers with supervisory duties; French respondents numbered 273 people, consisting of 74% male and 26% female, and 60% staff workers and 40% managers.

The measurement items are all taken from prior studies such as that of Magnier-Watanabe, Uchida, Orsini, and Benton (2017) and are all on a 5-point Likert scale. Organizational virtuousness was measured using Cameron, Bright, and Caza (2004)'s 15 item-instrument assessing the respondents' perceptions of optimism, trust, compassion, integrity, and forgiveness towards their organization, with three questions for each dimension. For instance, measuring forgiveness, respondents were asked to provide their level of agreement with the following statements: "We have very high standards of performance, yet we forgive mistakes when they are acknowledged and corrected"; "we try to learn from our mistakes here, consequently, missteps are quickly forgiven"; "this is a forgiving, compassionate organization in which to work".

Subjective well-being is assessed in two ways. Five questions measured both positive and negative emotions in the past week, as previous research has found that feelings tend to vary throughout the day and respond to different interactions (Helliwell, Layard, and Sachs, 2017). Negative emotions consisted of worry, sadness, and anger, while positive emotions included smiling or laughing, and happiness. One question assessed overall life satisfaction, as recommended by the Organization for Economic Cooperation and Development in its recommendations for measuring subjective well-being (OECD, 2013).

Last, individual job performance is evaluated with Campbell, McCloy, Oppler, and Sager (1993)'s 13 questions covering the eight dimensions of job-specific task proficiency, non-job-specific task proficiency, written and oral communication, demonstrating effort, maintaining personal discipline, facilitating peer and team performance, supervision, and management or administration. For instance, the item to assess job-specific task proficiency and non-job-specific task proficiency asked for the respondents' levels of

agreement with the following statements: “You are proficient at the core tasks that are central to your job”, and “You are proficient at general tasks that are not specific to your job”, respectively.

Yoshino (2006) and others have pointed out that survey responses from Japanese, Chinese, and Korean respondents tend to be biased by a regional culture trait (but also found in other cultures, such as the Persian one): the separation between true feelings and public opinion, or *honne* and *tatemae*, respectively, in Japanese society (Bird, 2002). We believe that the level of this social desirability bias in our survey was low for the following four reasons: first, the confidentiality provided by anonymity in our survey; second, the relatively low level of sensitivity and privacy engagement required by the nature of our topic; third, the absence of preceding respondents with whom the respondent would want to align to; and fourth and last the absence of pressure from a physical interviewer to whom answers would have to be verbally stated (Kondo, Saito, Deguchi, Hirayama, and Acar, 2010).

Research Method

The model depicted in Figure 1 was examined using structural equation modeling (SEM) and carried out with AMOS 24.0 (Arbuckle, 2014). SEM is a multivariate statistical method which allows the testing of causal models with multiple hypotheses among observed and latent variables (Kline, 2011; Byrne, 2013). SEM is suitable here because it supports constructs made of several indicators, makes allowances for measurement errors, and supports the testing of complex measurement models consisting of numerous hypotheses.

SEM consists of the measurement model and the structural model (Kline, 2011), the former evaluating the measurement of hypothetical constructs in terms of observed variables, and the latter specifying the causal relationships among the latent variables (Byrne, 2012). To ensure the validity of the measurement model, all measures were assessed by confirmatory factor analysis (CFA). The covariance matrix was examined using maximum likelihood estimation. Alternative model data fits were assessed using the normed chi-square (χ^2/df), the comparative fit index (CFI), the root mean square residual (RMR), the incremental fit index (IFI) and the Tucker-Lewis index (TLI).

Common method bias, or the “variance that is attributable to the measurement method rather than to the construct of interest” (Bagozzi and Yi, 1991, p. 426). needs to be assessed before any model testing. Harman’s single factor test was conducted by fixing the number of factors to one and using maximum likelihood method and varimax rotation (Podsakoff, MacKenzie, Lee, and Podsakoff, 2003). The resulting total variance explained of 37% is much less than 50%, which indicates that the data is free of common method bias. In addition, following recent recommendations (Podsakoff, MacKenzie, Lee, and Podsakoff, 2003; Eichhorn, 2014), a common latent factor was added to all observed variables in each country model and the standardized regression weights were compared to those without the common latent factor. Gaskin and Lim (2017)’s AMOS plugin specific bias tests for each country sample confirmed there were no specific response bias affecting the two models.

5. RESULTS OF EMPIRICAL ANALYSIS

Descriptive statistics and reliability test

The descriptive statistics of the measurements of original constructs are shown in Table 1. When comparing scores obtained from culturally distinct populations, we need to first assess whether response styles are different and correct for potential response style bias (Dolnicar and Grün, 2007; Beuthner, Friedrich, Herbes, and Ramme, 2018). Harzing (2006) recommends to examine the levels of acquiescence (number of questions scored 4 or 5 divided by the total number of questions), disacquiescence (number of questions scored 1 or 2 divided by the total number of questions), extreme response styles (number of questions scored 1 or 5 divided by the total number of questions), and middle response styles (number of questions scored 3 divided by the total number of questions). All but levels of disacquiescence were found to be statistically significant ($p < 0.001$), with French respondents displaying greater acquiescence and extreme responses, and Japanese respondents more middle responses. Subsequently, a correcting method needs to be applied. Fischer (2004) advises employing within-culture centering by dividing each score by the grand mean, which is the mean across all items and individuals.

However, after grand mean-centering correction, the same statistically significant differences showed in Table 1 remain. This suggests that the differences between French and Japanese respondents are not due to response style bias. Japanese scored lower in their eight perceived job performance dimensions; this is consistent with previous findings whereby the Japanese tend to make modest assessments of themselves compared to respondents from other countries (Sedikides, Gaertner, and Toguchi, 2003). For organizational virtuousness, French workers hinted at higher levels of forgiveness and optimism, while Japanese workers pointed to higher compassion. Japanese firms are indeed said to be paternalistic and to be deeply caring for their employees (Tsutsui, 1997). This is a characteristic of the traditional system of lifetime employment and the accompanying practice of in-house human resource development.

Insert Table 1 about here

Before the measurement model was refined and optimized, Cronbach's alpha and corrected item-total correlation scores were calculated to judge the reliability and internal consistency of each construct. The minimum values for Cronbach's alpha and corrected item-total correlation are 0.7 and 0.5, respectively (Churchill and Iacobucci, 2010; Hair, Black, Babin, and Anderson, 2010). The values of our measurement model demonstrate that our results met these criteria and were thus deemed reliable, except for three dimensions of job performance among Japanese respondents. The correlation matrices in Tables 2 and 3 indicate there is no multicollinearity issue between the variables in the original model in either country sample since all coefficients are under the threshold of 0.8 (Hair, Black, Babin, and Anderson, 2010).

Insert Table 2 about here

Insert Table 3 about here

Analysis of the Measurement Models

The validity and reliability of individual measurement models were assessed using the same procedure used in recent research by Yang and Hsu (2018); they are shown in Tables 4 and 5 for Japanese and French respondents, respectively. CFAs were conducted on all of theoretical constructs to confirm the validity of the proposed measurement model, checking for significant but too low loading estimates, items with unusually large standardized residuals, and modification indices. Based on the results of the CFA, the measurement models for each country group were modified to ensure validity and higher model fit. Subsequent tables and figures show the modified models, which slightly differ from the original model.

Insert Table 4 about here

Insert Table 5 about here

The results of the CFA and the model fit indexes for the model are shown in Tables 6 and 7, and those confirm that all constructs fit the data well: the normed chi-square (χ^2/df) is below 3.0; the root mean square residual (RMR) is lower than 0.09; the root-mean square error of approximation (RMSEA) is under 0.08; the normed fit index (NFI) and the relative fit index (RFI) are both above 0.9; the incremental fit index (IFI), the Tucker-Lewis index (TLI), and the comparative fit index (CFI) are all three very near or above the recommended value of 0.95 (Hu and Bentler, 1999; Kline, 2011; Byrne, 2013).

Insert Table 6 about here

Insert Table 7 about here

Convergent validity was assessed by looking at the critical ratio (CR) values and average variance extracted (AVE). All indicators displayed factor loadings that were statistically significant and between 0.5 and 0.9 for each construct, thus denoting convergent validity (Hair, Black, Babin, and Anderson, 2010). The average variance extracted (AVE), indicating how much variance is explained by the intended construct, was found to exceed the recommended level of 0.5, thus further supporting convergent validity (Fornell and Larcker, 1981).

Next, evidence of discriminant validity was obtained by confirming that the square root of the AVE for each construct is higher than the bivariate correlations between them (Table 8) (Fornell and Larcker, 1981). Last, the internal consistency of each scale was confirmed by examining the composite reliability (CR) of their constitutive items, which were close to or exceeded the recommended threshold of 0.7 (Table 8) (Bagozzi and Yi, 1988; Hair, Black, Babin, and Anderson, 2010).

Insert Table 8 about here

Structural Equation Modeling: Hypotheses Testing (Japan)

A structural equation model was built to test the proposed research hypotheses, using the measurement models from the previous CFAs. For Japanese respondents, model-fitting results indicated that the structural equation model of organizational virtuousness, positive subjective well-being and job performance provide a good fit for the data with fit indices $\chi^2 = 120.645$ (97); CFI = 0.985, NFI = 0.928; IFI = 0.985; TLI = 0.981; RMR = 0.035; RMSEA = 0.034 (Figure 2). The results of hypotheses testing are summarized in Table 9 and show that organizational virtuousness is positively associated with job performance (H1) ($\beta = 0.426$, C.R. = 3.789) and positive subjective well-being (H2) ($\beta = 0.504$, C.R. = 5.344) in Japanese firms. Results also showed that positive subjective well-being is positively related to job performance (H3) ($\beta = 0.236$, C.R. = 2.425), albeit with a lower level of significance ($p < 0.05$).

Insert Figure 2 about here

Insert Table 9 about here

The fitted model suggests a partial mediation of positive subjective well-being exists between organizational virtuousness and job performance. A partial mediation denotes the existence of both significant direct and indirect effects (Baron and Kenny, 1986). It is alternatively called a complementary mediation since both the direct and indirect effects are of the same sign (Zhao, Lynch, Chen, 2010). The mediating effect was analyzed by testing alternative models with direct effect only and full mediation only, separately, as well as with effects on factors of job performance instead of job performance variable (Hair, Black, Babin, and Anderson, 2010). The resulting fitted model, whereby the relationship between organizational virtuousness and job performance is partially mediated by positive subjective well-being, was found to improve fit measures in every case.

Structural Equation Modeling: Hypotheses Testing (France)

For French respondents, model-fitting results suggest that the structural equation model of organizational virtuousness, positive subjective well-being and job performance provide a good fit for the data with fit indices $\chi^2 = 325.351$ (139); CFI = 0.953, NFI = 0.922; IFI = 0.954; TLI = 0.943; RMR = 0.087; RMSEA = 0.070 (Figure 3). The results of hypotheses testing are summarized in Table 10 and show that organizational virtuousness is positively related to job performance (H1) ($\beta = 0.754$, C.R. = 8.243) and positive subjective well-being (H2) ($\beta = 0.692$, C.R. = 7.796) in French firms. However, unlike with the Japanese sample, there is no association between positive subjective well-being and job performance (H3). When the model included such link, the relationship was found to be not significant, and model fit was lower, thus indicating that no such relation exists.

Insert Figure 3 about here

Insert Table 10 about here

6. DISCUSSION

In this article, we argued that firms should pay special attention to their organizational virtuousness because it can be both a source of employee subjective well-being and of job performance. We hypothesized that employees' subjective well-being would partially mediate the relationship between organizational virtuousness and job performance. Our findings were partially consistent with our hypotheses. For Japanese respondents, organizational virtuousness is positively associated with job performance and positive subjective well-being, and a partial mediation of positive subjective well-being exists between organizational virtuousness and job performance. For French respondents, organizational virtuousness is positively related to job performance and positive subjective well-being, albeit with no mediation effect of subjective well-being between organizational virtuousness and job performance. While the effects of organizational virtuousness on both subjective well-being and on job performance were substantiated, evidence of partial mediation by subjective well-being was found only for the Japanese but not the French. We then discuss the most important contributions of our findings.

Theoretical Contributions

A first contribution of this study is to establish national culture as a new factor explaining differences in how employees consider organizational virtuousness. Japanese and French respondents were found to conceptualize organizational virtuousness differently from each other and differently from the five dimensions in the literature (Cameron, Bright, and Caza, 2004). The Japanese think of organizational virtuousness in terms of forgiveness and optimism on the one hand, and the rest on the other hand; while the French conceive it as optimism and the rest. Hence, beyond showing that national culture explains differences in organizational virtuousness, we found it also affects the relationships between the factors used in the extant literature's models. The above two different national conceptualizations can be explained by looking at the two classes of virtues – tonic and phasic – previously identified by Park and Peterson (2003). Tonic virtuousness is generalized and irrespective of circumstances, and it can consist of different dimensions such as integrity, trust, and compassion; phasic virtuousness is related to an external event in relation to organizational resilience, such as forgiveness in case of failure or optimism when the outlook is bleak (Cameron, 2011). Our results suggest that both Japanese and French respondents divide organizational virtue in similar tonic virtues but different phasic virtues (forgiveness vs. optimism), which must therefore respond to distinct external events.

This is consistent with data on economic mood where the French consistently hold some of the most negative views about the economic situation in the next 12 months, 42% (versus 20% for the Japanese) in 2015 (Stokes, 2015). For the French, optimism depends more on the economy at large rather than the condition or health of their firm. For the Japanese, forgiveness is regarded as distinct from other virtues because it is a quality only relevant when mistakes are made and acknowledged. The importance of

forgiveness is reflected in the Japanese practice of *amae*, or depending on receiving indulgence from authority figures or fellow co-workers. This behavior, which Doi describes as the oil of life in Japan, represents a dependence on other people's benevolence (Doi, 1973). Similarly, De Mente states that *amae* reflects a need to "be in good favor with" and "depend on" the people around oneself (De Mente, 2004, p.11). The Japanese are also expected to hold a "central Japanese value" (Murase, 1982, p. 317), being *sunao*. Crossman and Noma (2012) explain *sunao* as a concept associating "su" or "things in their original state without any transformation" and "nao" or "right-mindedness, authenticity, and genuineness" (Murase 1982, p. 321). The components of *sunao*-ness at the individual level broadly overlap with organizational-level virtuousness. For instance, when comparing the concepts of organizational virtuousness (Cameron, Bright, and Caza, 2004) and of *sunao*-ness (Crossman and Noma, 2012), one finds in both texts virtue, trust, humility, and honesty, but not forgiveness. Being *sunao* in turns supports indulgence from authority figures.

The difference in the conceptualization of organizational virtuousness harks back to Moore (2015)'s assertion that the list of virtues is not rooted in a particular philosophy. Beyond the virtues discussed previously, some researchers have considered different ones, such as responsibility, humility, and fulfillment (Bright, Cameron, and Caza, 2006). Moreover, both these virtues and the conception of what well-being is, are rooted in national education systems. For instance, Ohmae asserts that individualism, as emphasized by Western education, may lead to "a distressing lack of concern for the well-being of the organization" (Ohmae, 1982, p. 413). Maruyama (1984) goes even further by arguing there is a fundamental misinterpretation by Western theorists of some Asian and African concepts, especially those pertaining to interpersonal relations or mental connectedness in Japanese organizations. Yoshimura and Anderson (1997) do also call attention to Japan's peculiar way of ritualizing interpersonal interactions. We can therefore expect organizational virtuousness to vary by country or culture – such as among French and Japanese employees – based on different definitions of virtuousness and distinct desirable virtues. Another consequence of the variance in perception of organizational virtuousness is its differentiated effects on subjective well-being and job performance in each country sample.

A second contribution of this study is that it offers evidence of positive associations of organizational virtuousness with positive subjective well-being and with job performance for both the Japanese and French, thus confirming the importance of perceived corporate virtue established earlier in the literature (Dutton and Heaphy, 2003; De Araujo and Lopes, 2014). These associations are stronger for the French than for the Japanese. However, the link between positive subjective well-being and job performance was only substantiated with the Japanese sample, thus confirming the partial mediation previously hypothesized. And overall, the strength of the association of job performance with only organizational virtuousness for the French and with both organizational virtuousness and positive subjective well-being for the Japanese is about the same. This highlights the relative importance of subjective well-being for the Japanese rather than for the French, since it acts in complement to organizational virtuousness to positively affect job performance.

The fact that positive well-being affected job performance in the Japanese but not in the French sample is consistent with and can be explained by key cultural differences. One of the seven cultural dimensions of Hampden-Turner and Trompenaars (1993)'s model of cultural differences is the specific-diffuse spectrum which evaluates how cultures separate their private and work lives. On this spectrum the Japanese are evaluated as being more diffuse, or being more apt to integrate their work and private lives. Accordingly, in

a diffuse society such as Japan, job performance tends to be more affected by one's overall sense of well-being. Furthermore, "In collectivist cultures, people are interdependent within their in-groups, give priority to the goals of their in-groups, shape their behavior primarily on the basis of in-group norms, and behave in a communal way" whereas "in individualist societies, people [...] give priority to their personal goals over the goals of their in-groups, and behave primarily on the basis of their attitudes rather than the norms of their in-groups [...]" (Triandis, 2001, p. 909). In group-oriented cultures such as that found in Japan, the community and the firm have therefore an influence on their member's well-being; indeed, Stone-Romero and Stone (2002) have already pointed out that "[...] this interdependence is viewed as essential to well-being" (p. 287). Furthermore, individualist members have been shown to be less susceptible to affective influences, such as well-being, compared to collectivist members (Ilies, Wagner, & Morgeson, 2007).

Practical Implications

The practical implications of this research are twofold. First, organizational virtuousness cannot be construed from a universalistic perspective where virtues are conceptualized on the same basis regardless of location or region. The firm must therefore tailor its "individuals' actions, collective activities, cultural attributes, or processes that enable dissemination and perpetuation of virtuousness in an organization" based on the country where it is located (Cameron, Bright, and Caza, 2004, p. 768). Just as research on national culture recognized long ago (Hampden-Turner and Trompenaars, 1993; Hofstede, 2003) that values – or what is important, useful, or right – differed from one society to the next, firms must consider how to foster virtuousness that matters to their local employees. Phasic virtues depend on external events or surely on local cultural characteristics which need to be first taken into account.

Second, organizational virtuousness is vital for subjective well-being and job performance in both Japanese and French contexts. However, for the Japanese, organizational virtuousness affects job performance in conjunction with subjective well-being. Employee well-being is arguably a laudable intention for any firm; but when it comes to operational superiority, it matters even more in collectivist cultures where job performance – itself the product of group cooperation (Hofstede, 2003) – depends also on subjective well-being. Conversely, for the French, only organizational virtuousness matters – and not subjective well-being – as a source of job performance.

Limitations

This study has three main limitations. First, the model only considered job performance as the focal endogenous variable assessing tangible effects of interest on corporate operations. There are possibly many more work-related outcomes firms are eager to affect, such as organizational citizenship behaviors or work engagement. Indeed, such measures or predictors of job performance have been used in previous research albeit without examining the effects of cultural differences (Rego, Ribeiro, and Cunha, 2010; Singh, David, and Mikkilineni, 2018). Second, although we advocated for the path from organizational virtuousness to subjective well-being and from there to job performance, reversed causality is possible for these relationships. It is conceivable that higher job performance positively affects one's own well-being and satisfaction, which could in turn elicit more favorable judgement about one's company's virtue. Third, the sampling method cannot account for intrinsic differences between the two country groups, although the samples were built so that gender, age, and industry distributions were comparable. Future studies should use larger pools of respondents or a sample consisting of the employees of one firm in different countries.

Moreover, differences among demographic categories may exist as subjective well-being has been found to change with aging (Ulloa, Møller, and Sousa-Poza, 2013), and a subsequent step could compare these sub-groups first within one country and second across countries. Last, the relationships between organizational virtuousness, subjective well-being, and job performance should be evaluated for specific country respondents and lead to the identification of specific cultural patterns among the constructs.

7. CONCLUSION

Employee welfare and well-being at large have received more attention as they have been shown to make a difference for job performance. In this article, we contend that firms should pay special attention to their organizational virtuousness because it can be both a source of employee subjective well-being and of job performance. We have established that corporate virtue positively affects subjective well-being and job performance for both Japanese and French respondents. However, the Japanese and the French were found to have different conceptualizations of organizational virtuousness, suggesting that firms must tailor their virtue-building activities based on location. In addition, we observed that the relationship between organizational virtuousness and job performance was partially mediated by subjective well-being for Japanese workers only. This finding indicates that firms must also consider their employees' individualist or collectivist inclination when trying to influence work outcomes. In collectivist societies like Japan, subjective well-being is comparatively more important since it acts in complement to organizational virtuousness to positively affect job performance. In individualist cultures like France, only organizational virtuousness counts as a source of job performance. In brief, these findings point to the role of national culture on the perception of organizational virtuousness and its effect on subjective well-being and job performance.

REFERENCES

- Alessandri, G., Borgogni, L., & Latham, G. P. (2017). A dynamic model of the longitudinal relationship between job satisfaction and supervisor-rated job performance. *Applied Psychology, 66*(2), 207-232.
- Arbuckle, J. L. (2014). *Amos 23.0 User's Guide*. Chicago, IL: IBM SPSS.
- Bagozzi, R. P., & Yi, Y. (1991). Multitrait-multimethod matrices in consumer research. *Journal of Consumer Research, 17*(4), 426-439.
- Bank of France. (2018). Direct investments ("Investissements directs: Series"). Banque de France. Available at: [https://www.banque-france.fr/statistiques/balance-des-paiements-et-statistiques-bancaires-internationales/les-investissements-direc.../investissements-direc...series](https://www.banque-france.fr/statistiques/balance-des-paiements-et-statistiques-bancaires-internationales/les-investissements-direc...)
- Baron, R. M., & Kenny, D. A. (1986). The moderator-mediator variable distinction in social psychological research: Conceptual, strategic, and statistical considerations. *Journal of Personality and Social Psychology, 51*(6), 1173-1182.
- Beuthner, C., Friedrich, M., Herbes, C., & Ramme, I. (2018). Examining survey response styles in cross-cultural marketing research: A comparison between Mexican and South Korean respondents. *International Journal of Market Research, 60*(3), 257-267.
- Bird, A. (2002). *Encyclopedia of Japanese business and management*. London: Routledge.
- Borman, W. C., & Motowidlo, S. J. (1997). Task performance and contextual performance: The meaning for personnel selection research. *Human Performance, 10*(2), 99-109.

- Bright, D.S., Cameron, K.S., & Caza, A. (2006). The amplifying and buffering effects of virtuousness in downsized organizations. *Journal of Business Ethics*, 64(3), 249-269.
- Bryson, A., Forth, J., & Stokes, L. (2017). Does employees' subjective well-being affect workplace performance? *Human Relations*, 70(8), 1017-1037.
- Byrne, B. M. (2013). *Structural equation modeling with Mplus: Basic concepts, applications, and programming*. New York, NY: Routledge.
- Cameron, K. (2011). Responsible leadership as virtuous leadership. *Journal of Business Ethics*, 98(1), 25-35.
- Cameron, K. S., & Caza, A. (2013). Virtuousness as a source of happiness in organizations. In S. A. David, I. Boniwell, & A. C. Ayers (Eds.), *The Oxford Handbook of Happiness* (pp. 676–692). Oxford: Oxford University Press.
- Cameron, K. S., & Winn, B. (2012). Virtuousness in organizations. In K. S. Cameron & G. M. Spreitzer (Eds.), *The Oxford Handbook of Positive Organizational Scholarship* (pp. 231–244). New York, NY: Oxford University Press.
- Cameron, K.S., Bright, D., & Caza, A. (2004). Exploring the relationships between organizational virtuousness and performance. *American Behavioral Scientist*, 47(6), 766-790.
- Campbell, J.P., McCloy, R.A., Oppler, S.H., & Sager, C.E. (1993). A theory of performance: In N. Schmitt & WC Borman (Eds.), *Personnel Selection in Organizations* (pp. 35-70).
- Caza, A., Barker, B. A., & Cameron, K. S. (2004). Ethics and ethos: The buffering and amplifying effects of ethical behavior and virtuousness. *Journal of Business Ethics*, 52(2), 169-178.
- Churchill, D. A., & Iacobucci, D. (2010). *Market research. Methodological Foundations*.
- Cropanzano, R., & Wright, T.A. (2001). When a “happy” worker is really a “productive” worker: A review and further refinement of the happy-productive worker thesis. *Consulting Psychology Journal: Practice and Research*, 53(3), 182.
- Crossman, J., & Noma, H. (2013). Sunao as character: Its implications for trust and intercultural communication within subsidiaries of Japanese multinationals in Australia. *Journal of Business Ethics*, 113(3), 543-555.
- Cunha, M.P., Cunha, R.C., & Rego, A. (2007). Toward a cross - cultural theory of “exemplary organizations”: Evidence from Cuba. *Thunderbird International Business Review*, 49(5), 545-565.
- De Araujo, M.S.G., & Lopes, P.M.P.R. (2014). Virtuous leadership, organizational commitment and individual performance. *Tékhné*, 12(S1), 3-10.
- DeMente, B. L. (2004). *Japanese etiquette & ethics in business*. New York, NY: McGraw Hill.
- Diener, E., & Chan, M. Y. (2011). Happy people live longer: Subjective well-being contributes to health and longevity. *Applied Psychology: Health and Well-Being*, 3(1), 1-43.
- Diener, E., Oishi, S., & Lucas, R.E. (2003). Personality, culture, and subjective well-being: Emotional and cognitive evaluations of life. *Annual Review of Psychology*, 54(1), 403-425.
- Doi, T. (1981). *The anatomy of dependence: The key analysis of Japanese behaviors*. New York, NY: Kodansha International.
- Dolnicar, S., & Grün, B. (2007). Cross-cultural differences in survey response patterns. *International Marketing Review*, 24(2), 127-143.
- Dutton, J. E., & Heaphy, E. D. (2003). The power of high-quality connections. In K.S. Cameron, J.E. Dutton, R.E. Quinn (Eds.), *Positive organizational scholarship: Foundations of a new discipline* (pp. 264-278).

San Francisco, CA: Berrett Koehler.

- Engwall, L., & Hadjikhani, A. (2014). Internationalization of financial services in turbulent markets. *International Business Review*, 23(6), 1035-1039.
- Fischer, R. (2004). Standardization to account for cross-cultural response bias: A classification of score adjustment procedures and review of research in JCCP. *Journal of Cross-Cultural Psychology*, 35(3), 263-282.
- Fisher, C.D. (2003). Why do lay people believe that satisfaction and performance are correlated? Possible sources of a commonsense theory. *Journal of Organizational Behavior*, 24(6), 753-777.
- Fornell, C., & Larcker, D. F. (1981). Structural equation models with unobservable variables and measurement error: Algebra and statistics. *Journal of Marketing Research*, 18(3), 382-388.
- Gaskin, J., & Lim, J. (2017.) CFA Tool, AMOS Plugin. Gaskination's StatWiki. Available at: <http://statwiki.kolobkcreations.com>
- Great Place to Work (2018). <https://www.greatplacetowork.com/index.php>
- Hair, J. F., Black, W. C., Babin, B. J., & Anderson, R. E. (2010). *Multivariate data analysis*, 7th ed. Upper Saddle River, NJ: Prentice Hall.
- Hampden-Turner, C., & Trompenaars, A. (1993). *The seven cultures of capitalism: Value systems for creating wealth in the United States, Japan, Germany, France, Britain, Sweden, and the Netherlands*. New York, NY: Doubleday.
- Harzing, A. W. (2006). Response styles in cross-national survey research: A 26-country study. *International Journal of Cross-Cultural Management*, 6(2), 243-266.
- Helliwell, J., Layard, R., & Sachs, J. (2017). *World Happiness Report 2017*, New York, NY: Sustainable Development Solutions Network.
- Helliwell, J. F., & Wang, S. (2011). Trust and wellbeing. *International Journal of Wellbeing*, 1(1), 42-78.
- Hofstede, G. (2003). *Culture's consequences: Comparing values, behaviors, institutions and organizations across nations*. Thousand Oaks, CA: Sage Publications.
- Hofstede, G., Hofstede, G. J., & Minkov, M. (2010). *Cultures and organizations: Software of the mind*. New York, NY: McGraw-Hill.
- Hosie, P., Willemys, M., & Sevastos, P. (2012). The impact of happiness on managers' contextual and task performance. *Asia Pacific Journal of Human Resources*, 50(3), 268-287.
- Hu, L. T., & Bentler, P. M. (1999). Cutoff criteria for fit indexes in covariance structure analysis: Conventional criteria versus new alternatives. *Structural Equation Modeling: A Multidisciplinary Journal*, 6(1), 1-55.
- Ilies, R., Wagner, D. T., & Morgeson, F. P. (2007). Explaining affective linkages in teams: individual differences in susceptibility to contagion and individualism-collectivism. *Journal of Applied Psychology*, 92(4), 1140-1148.
- JETRO. (2018). *JETRO Invest Japan Report 2018*. Japan External Trade Organization. Available at: https://www.jetro.go.jp/ext_images/invest/ijre/report2018/pdf/jetro_invest_japan_report_2018en.pdf
- Kline, R. B. (2011). *Principles and Practice of Structural Equation Modeling* New York, NY: Guilford Press.
- Kondo, C., Saito, C., Deguchi, A., Hirayama, M., & Acar, A. (2010). Social conformity and response bias revisited: The influence of "others" on Japanese respondents. *Human Affairs*, 20(4), 356-363.
- Magnier-Watanabe, R., Uchida, T., Orsini, P., & Benton, C. (2017). Organizational virtuousness and job performance in Japan: Does happiness matter? *International Journal of Organizational Analysis*, 25(4),

628-646.

- Maruyama, M. (1984). Alternative concepts of management: Insights from Asia and Africa. *Asia Pacific Journal of Management*, 1(2), 100-111.
- Meyer, M. (2018). The evolution and challenges of the concept of organizational virtuousness in positive organizational scholarship. *Journal of Business Ethics*, 153(1), 245-264.
- Moore, G. (2015). Corporate character, corporate virtues. *Business Ethics: A European Review*, 24(S2), 99-114.
- Murase, T. (1982). Sunao: A central value in Japanese psychotherapy. In A.J. Marcella & G.M. White (Eds.), *Cultural conception of mental health and therapy* (pp. 317-329). Boston, MA: Dordrecht.
- Nikkei (2017). Tight Japanese labor market constricting growth, April 1, 2017. Available at: <https://asia.nikkei.com/Politics-Economy/Economy/Tight-Japanese-labor-market-constricting-growth>
- OECD (2013). *OECD Guidelines on Measuring Subjective Well-being*. OECD Publishing. Retrieved from: <http://dx.doi.org/10.1787/9789264191655-en>
- Ohmae, K. (1982). Japan: Myths and realities. In Hickson, D. J. (1997). *Exploring management across the world: Selected readings* (pp. 404-421). London: Penguin Books.
- Olesen, M.H., Thomsen, D.K., & O'Toole, M.S. (2015). Subjective well-being: Above neuroticism and extraversion, autonomy motivation matters. *Personality and Individual Differences*, 77, 45-49.
- Organ, D. W., & Ryan, K. (1995). A meta-analytic review of attitudinal and dispositional predictors of organizational citizenship behavior. *Personnel Psychology*, 48(4), 775-802.
- Oswald, A. J. (1997). Happiness and economic performance. *The Economic Journal*, 107(445), 1815-1831.
- Oswald, A. J., Proto, E., & Sgroi, D. (2015). Happiness and productivity. *Journal of Labor Economics*, 33(4), 789-822.
- Pandey, J. (2019). Factors affecting job performance: an integrative review of literature. *Management Research Review*, 42(2), 263-289.
- Park, N., & Peterson, C. (2003). Virtues and organizations. In K.S. Cameron, J.E. Dutton, R.E. Quinn (Eds.), *Positive organizational scholarship: Foundations of a new discipline* (pp. 33-47). San Francisco, CA: Berrett Koehler.
- Parsons, T., & Shils, E. A. (1954). *Towards a General Theory of Action*. Cambridge, MA: Harvard University Press.
- Podsakoff, P. M., MacKenzie, S. B., Lee, J.-Y., & Podsakoff, N. P. (2003). Common method biases in behavioral research: A critical review of the literature and recommended remedies. *Journal of Applied Psychology*, 88(5), 879-903.
- Rego, A., Ribeiro, N., & Cunha, M. P. (2010). Perceptions of organizational virtuousness and happiness as predictors of organizational citizenship behaviors. *Journal of Business Ethics*, 93(2), 215-235.
- Rego, A., Ribeiro, N., Cunha, M.P., & Jesuino, J.C. (2011). How happiness mediates the organizational virtuousness and affective commitment relationship. *Journal of Business Research*, 64(5), 524-532.
- Sears, L.E., Shi, Y., Coberley, C.R., & Pope, J.E. (2013). Overall well-being as a predictor of health care, productivity, and retention outcomes in a large employer. *Population Health Management*, 16(6), 397-405.
- Sedikides, C., Gaertner, L., & Toguchi, Y. (2003). Pancultural self-enhancement. *Journal of Personality and Social Psychology*, 84(1), 60-79.
- Singh, S., David, R., & Mikkilineni, S. (2018). *Organizational Virtuousness and Work Engagement:*

- Mediating Role of Happiness in India. *Advances in Developing Human Resources*, 20(1), 88-102.
- Staw, B.M., Sutton, R.I., & Pelled, L.H. (1994). Employee positive emotion and favorable outcomes at the workplace. *Organization Science*, 5(1), 51-71.
- Stiglitz, J.E., Sen, A., & Fitoussi, J.P. (2010). Report by the commission on the measurement of economic performance and social progress. Paris: Commission on the Measurement of Economic Performance and Social Progress.
- Stokes, B. (2015). *Global Publics: Economic Conditions Are Bad*. Pew Research Center.
- Stone-Romero, E. F., & Stone, D. L. (2002). Cross-cultural differences in responses to feedback: Implications for individual, group, and organizational effectiveness. In G. Ferris & J. Martocchio (Eds.), *Research in Personnel and Human Resources Management* (pp. 275-331). Emerald Group Publishing Limited.
- Triandis, H.C. (2001). Individualism - collectivism and personality. *Journal of personality*, 69(6), 907-924.
- Trompenaars, F., & Hampden-Turner, C. (1997). *Riding the waves of culture: Understanding diversity in global business*. London: Nicholas Brealey Publishing.
- Tsutsui, W. (1997). Rethinking the Paternalist Paradigm in Japanese Industrial Management. *Business and Economic History*, 26(2), 561-572.
- Ulloa, B. F. L., Møller, V., & Sousa-Poza, A. (2013). How does subjective well-being evolve with age? A literature review. *Journal of Population Ageing*, 6(3), 227-246.
- Van Praag, B. M., Frijters, P., & Ferrer-i-Carbonell, A. (2003). The anatomy of subjective well-being. *Journal of Economic Behavior & Organization*, 51(1), 29-49.
- Viswesvaran, C., & Ones, D. S. (2000). Perspectives on models of job performance. *International Journal of Selection and Assessment*, 8(4), 216-226.
- Wright, T. A., & Bonett, D. G. (2007). Job satisfaction and psychological well-being as nonadditive predictors of workplace turnover. *Journal of Management*, 33(2), 141-160.
- Wright, T. A., & Huang, C. C. (2012). The many benefits of employee well - being in organizational research. *Journal of Organizational Behavior*, 33(8), 1188-1192.
- Wright, T. A., Cropanzano, R., & Bonett, D. G. (2007). The moderating role of employee positive well-being on the relation between job satisfaction and job performance. *Journal of Occupational Health Psychology*, 12(2), 93-104.
- Wright, T. A. (2006). To be or not to be [happy]: The role of employee well-being. *The Academy of Management Perspectives*, 20(3), 118-120.
- Wright, T. A. (2010). Much More than Meets the Eye: The Role of Psychological Well-being in Job Performance, Employee Retention and Cardiovascular Health. *Organizational Dynamics*, 39(1), 13-23.
- Yang, C. C., & Hsu, W. L. (2018). Evaluating the impact of security management practices on resilience capability in maritime firms—a relational perspective. *Transportation Research Part A: Policy and Practice*, 110(C), 220-233.
- Yoshimura, N., & Anderson, P. (1997). *Inside the Kaisha: Demystifying Japanese Business Behavior*. Boston, MA: Harvard Business School Press.
- Yoshino, R. (2006). A social value survey of China: On the change and stability in the Chinese globalization. *Behaviormetrika*, 33(2), 111-130.
- Zelenski, J. M., Murphy, S. A., & Jenkins, D. A. (2008). The happy-productive worker thesis revisited. *Journal of Happiness Studies*, 9(4), 521-537.

Zhao, X., Lynch Jr, J. G., & Chen, Q. (2010). Reconsidering Baron and Kenny: Myths and truths about mediation analysis. *Journal of Consumer Research*, 37(2), 197-206.

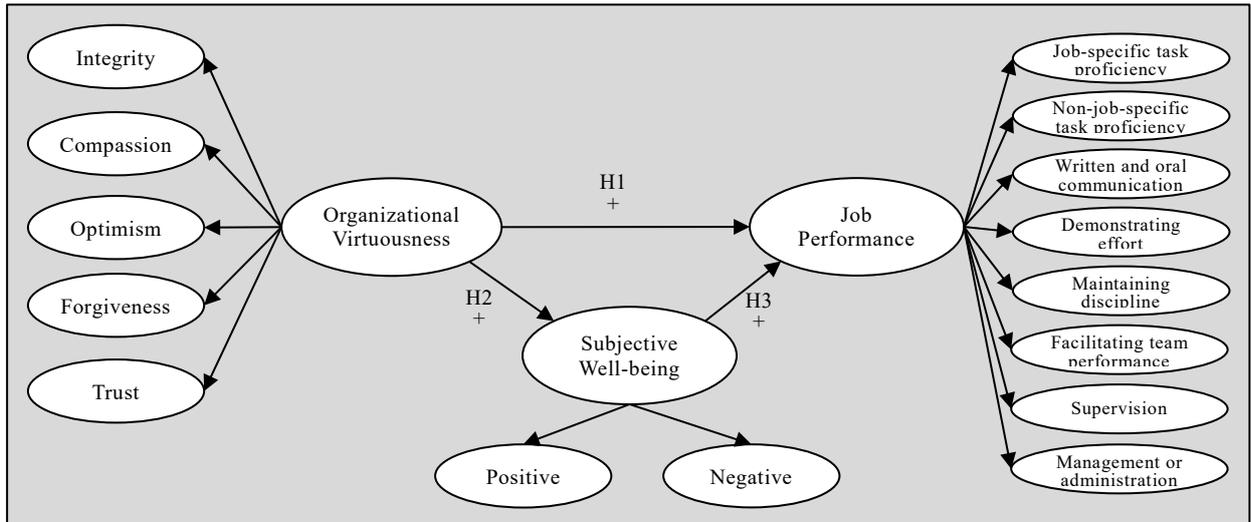


FIGURE 1. Conceptual research model

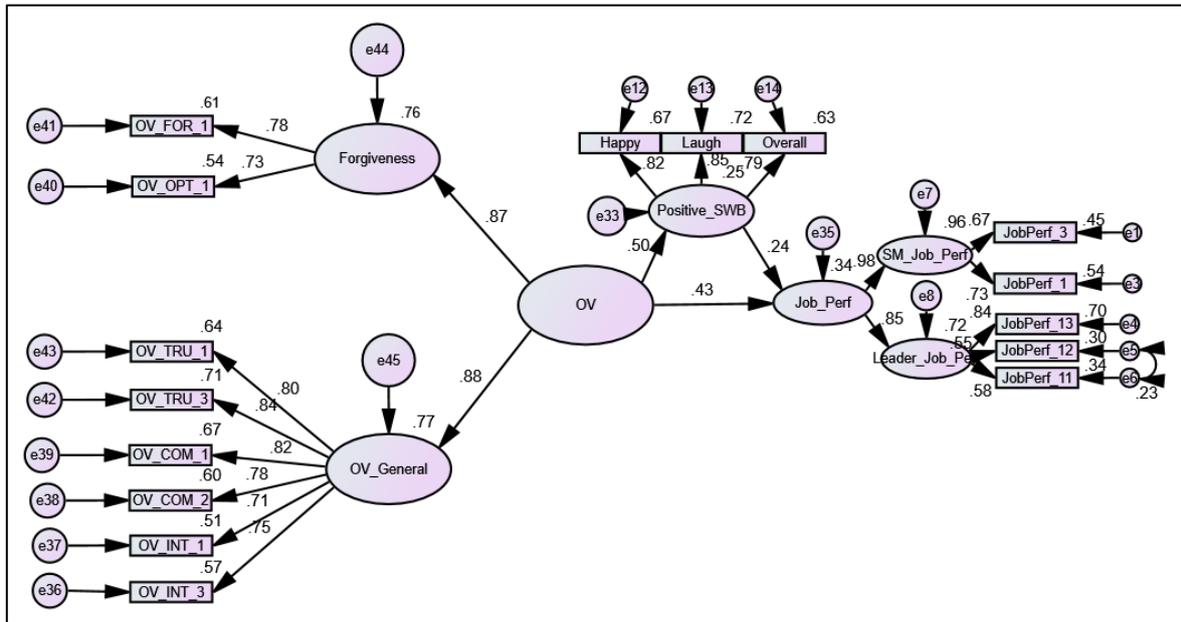


FIGURE 2. Maximum likelihood estimates for the model in Japan (modified)

Note. N = 208. All factor loadings and path coefficients significant at $p < 0.05$ or $p < 0.001$ level.

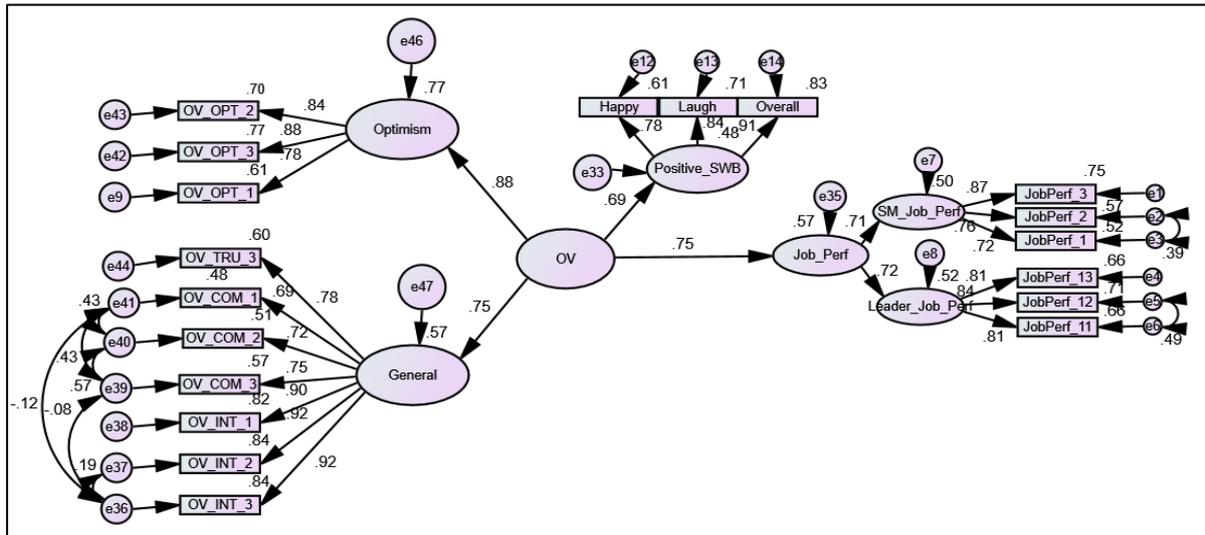


FIGURE 3. Maximum likelihood estimates for the model in France (modified)

Note. N = 273. All factor loadings and path coefficients significant at $p < 0.001$ level.

Table 1. Descriptive statistics and reliability test for original constructs

Construct	Significance of difference	Country	N	No. of items	Mean	S.D.	Alpha	Range of corrected item-total correlation
OV_Int		FRA	273	3	3.167	0.976	0.912	0.860-0.895
		JPN	208		3.171	0.753	0.818	0.646-0.691
OV_Com	**	FRA	273	3	2.912	0.936	0.898	0.757-0.826
		JPN	208		3.191	0.811	0.846	0.688-0.762
OV_Opt	*	FRA	273	3	3.476	0.849	0.868	0.702-0.792
		JPN	208		3.250	0.702	0.753	0.510-0.649
OV_For		FRA	273	3	3.208	0.908	0.890	0.757-0.830
		JPN	208		3.146	0.723	0.746	0.545-0.601
OV_Tru		FRA	273	3	3.253	0.964	0.858	0.648-0.817
		JPN	208		3.280	0.805	0.847	0.689-0.753
WB_Pos		FRA	273	3	3.250	0.963	0.878	0.704-0.819
		JPN	208		3.123	0.856	0.856	0.713-0.753
WB_Neg		FRA	273	3	2.894	0.911	0.805	0.563-0.711
		JPN	208		2.806	0.879	0.742	0.514-0.685
Job_JSTP	**	FRA	273	1	4.169	0.772	N/A	N/A
		JPN	208		3.361	0.804	N/A	N/A
Job_NJSTP	**	FRA	273	1	3.927	0.773	N/A	N/A
		JPN	208		3.067	0.706	N/A	N/A
Job_WOC	**	FRA	273	2	3.883	0.759	0.748	0.607
		JPN	208		3.063	0.690	0.347	0.211
Job_DE	**	FRA	273	2	3.826	0.703	0.660	0.493
		JPN	208		3.498	0.721	0.698	0.537
Job_PD	**	FRA	273	2	3.901	0.747	0.732	0.582
		JPN	208		3.519	0.684	0.355	0.217
Job_FPTP	**	FRA	273	1	3.894	0.752	N/A	N/A
		JPN	208		3.380	0.814	N/A	N/A
Job_SupLea	**	FRA	273	2	3.419	0.901	0.874	0.777
		JPN	208		3.075	0.685	0.637	0.468
Job_Manag	**	FRA	273	2	3.526	0.875	0.827	0.710
		JPN	208		3.005	0.677	0.629	0.459

OV_Int: OV integrity; OV_Com: OV compassion; OV_Opt: OV optimism; OV_For: OV forgiveness; OV_Tru: OV trust; WB_Pos: Positive SWB; WB_Neg: Negative SWB; Job_JSTP: job-specific task proficiency; Job_NJSTP: non-job-specific task proficiency; Job_WOC: written and oral communication; Job_DE: demonstrating effort; Job_PD: maintaining personal discipline; Job_FPTP: facilitating peer and team performance; Job_SupLea: Supervision; Job_Manag: management or administration

Table 2. Correlation table for original constructs (France)

Construct	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1. OV_Int	1														
2. OV_Com	0.037	1													
3. OV_Opt	-0.084	-0.068	1												
4. OV_For	0.014	0.123*	0.054	1											
5. OV_Tru	0.07	-0.163**	0.003	0.268**	1										
6. WB_Pos	0.285**	0.249**	0.283**	0.212**	0.244**	1									
7. WB_Neg	-0.193**	-0.031	-0.077	-0.116	-0.221**	-0.131*	1								
8. Job_JSTP	0.034	-0.130*	0.364**	0.008	0.024	0.154*	-0.112	1							
9. Job_NJSTP	-0.009	-0.101	0.356**	0.031	-0.044	0.206**	-0.084	0.710**	1						
10. Job_WOC	0.134*	0	0.345**	0.105	0.038	0.324**	-0.137*	0.586**	0.634**	1					
11. Job_DE	0.114	-0.021	0.481**	0.146*	0.089	0.354**	-0.06	0.474**	0.484**	0.537**	1				
12. JobPD	0.147*	-0.024	0.385**	0.177**	0.119*	0.334**	-0.228**	0.571**	0.544**	0.547**	0.522**	1			
13. Job_FPTP	0.128*	0.023	0.386**	0.127*	0.05	0.290**	-0.148*	0.518**	0.461**	0.426**	0.490**	0.544**	1		
14. Job_SupLea	0.012	-0.130*	0.420**	0.032	0.002	0.242**	-0.118	0.779**	0.731**	0.640**	0.659**	0.789**	0.607**	1	
15. Job_Manag	0.270**	0.171**	0.240**	0.266**	0.164**	0.335**	-0.134*	0.170**	0.248**	0.430**	0.364**	0.241**	0.294**	-0.062	1

*p<0.05; **p<0.001

Table 3. Correlation table for original constructs (Japan)

Construct	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1. OV_Int	1														
2. OV_Com	-0.01	1													
3. OV_Opt	0.141*	0.317**	1												
4. OV_For	-0.06	-0.071	-0.179**	1											
5. OV_Tru	-0.076	0.105	0.108	-0.253**	1										
6. WB_Pos	0.291**	0.156*	0.158*	0.170*	0.062	1									
7. WB_Neg	-0.032	-0.157*	0.004	0.184**	-0.246**	0.164*	1								
8. Job_JSTP	0.175*	0.089	0.246**	-0.02	0.159*	0.323**	-0.064	1							
9. Job_NJSTP	0.166*	0.003	-0.006	-0.021	0.116	0.170*	-0.12	0.366**	1						
10. Job_WOC	0.268**	0.181**	0.203**	-0.037	0.104	0.283**	-0.054	0.472**	0.363**	1					
11. Job_DE	0.141*	0.233**	0.262**	0.106	0.160*	0.352**	-0.015	0.592**	0.332**	0.471**	1				
12. JobPD	0.129	0.204**	0.312**	-0.058	0.153*	0.327**	-0.099	0.356**	0.167*	0.210**	0.494**	1			
13. Job_FPTP	0.102	0.224**	0.192**	-0.016	0.119	0.117	-0.12	0.321**	0.182**	0.194**	0.224**	0.160*	1		
14. Job_SupLea	0.107	0.160*	0.265**	-0.015	0.202**	0.350**	-0.083	0.685**	0.480**	0.369**	0.765**	0.770**	0.374**	1	
15. Job_Manag	0.283**	0.201**	0.139*	0.022	0.034	0.152*	-0.051	0.239**	0.157*	0.674**	0.218**	-0.166*	0.181**	-0.157*	1

*p<0.05; **p<0.001

Table 4. Constructs and reflective indicators (Japan)

Constructs and reflective indicators	Loadings
Organizational Virtuousness (OV) ($\chi^2 = 30.581$, $df = 19$; CFI = 0.987; RMR = 0.022; IFI = 0.987; TLI = 0.981)	
OV General (OVG) (Cronbach's $\alpha = 0.905$; CR = 0.906; AVE = 0.617)	
OV_Trust1: Employees trust one another in this organization	0.799
OV_Trust3: People trust the leadership of this organization	0.841
OV_Comp1: Acts of compassion are common here	0.822
OV_Comp2: This organization is characterized by many acts of concern and caring for other people	0.776
OV_Int1: This organization demonstrates the highest levels of integrity	0.714
OV_Int3: Honesty and trustworthiness are hallmarks of this organization	0.754
OV Forgiveness (OVF) (Cronbach's $\alpha = 0.730$; CR = 0.731; AVE = 0.577)	
OV_Forg1: We have very high standards of performance, yet we forgive mistakes when they are acknowledged and corrected	0.784
OV_Opt1: We are optimistic that we will succeed, even when faced with major challenges	0.734
Subjective Well-Being (SWB) ($\chi^2 = N/A$, $df = N/A$; CFI = N/A; RMR = N/A; IFI = N/A; TLI = N/A)	
SWB Positive (SWB_P) (Cronbach's $\alpha = 0.856$; CR = 0.859; AVE = 0.671)	
SWB_Overall: Overall, how satisfied are you with life as a whole these days?	0.794
SWB_Laugh: Did you smile and laugh a lot yesterday?	0.846
SWB_Happy: Did you experience the following feelings a lot of the day yesterday? How about happiness?	0.816
Job Performance (JP) ($\chi^2 = 5.696$, $df = 3$; CFI = 0.990; RMR = 0.018; IFI = 0.990; TLI = 0.967)	
JP Self-Management (JP_SM) (Cronbach's $\alpha = 0.661$; CR = 0.661; AVE = 0.494)	
JP_1: You are proficient at the core tasks that are central to your job	0.734
JP_3: You are proficient at preparing written materials for your job	0.670
JP Leadership (JP_Lead) (Cronbach's $\alpha = 0.730$; CR = 0.701; AVE = 0.448)	
JP_11: You are proficient at setting goals and motivating others	0.584
JP_12: You are proficient at organizing people and resources	0.547
JP_13: You are proficient at solving problems at work	0.839

Table 5. Constructs and reflective indicators (France)

Constructs and reflective indicators	Loadings
Organizational Virtuousness (OV) ($\chi^2 = 44.948$, $df = 28$; CFI = 0.992; RMR = 0.027; IFI = 0.993; TLI = 0.988)	
OV General (OVG) (Cronbach's $\alpha = 0.938$; CR = 0.932; AVE = 0.666)	
OV_Trust3: People trust the leadership of this organization	0.776
OV_Comp1: Acts of compassion are common here	0.692
OV_Comp2: This organization is characterized by many acts of concern and caring for other people	0.716
OV_Comp3: Many stories of compassion and concern circulate among organization members	0.755
OV_Int1: This organization demonstrates the highest levels of integrity	0.904
OV_Int2: This organization would be described as virtuous and honorable	0.916
OV_Int3: Honesty and trustworthiness are hallmarks of this organization	0.916
OV Optimism (OVO) (Cronbach's $\alpha = 0.868$; CR = 0.871; AVE = 0.693)	
OV_Opt1: We are optimistic that we will succeed, even when faced with major challenges	0.781
OV_Opt2: In this organization we are dedicated to doing good in addition to doing well	0.837
OV_Opt3: A sense of profound purpose is associated with what we do here	0.877
Subjective Well-Being (SWB) ($\chi^2 = N/A$, $df = N/A$; CFI = N/A; RMR = N/A; IFI = N/A; TLI = N/A;	
SWB Positive (SWB_P) (Cronbach's $\alpha = 0.878$; CR = 0.883; AVE = 0.717)	
SWB_Overall: Overall, how satisfied are you with life as a whole these days?	0.909
SWB_Laugh: Did you smile and laugh a lot yesterday?	0.843
SWB_Happy: Did you experience the following feelings a lot of the day yesterday? How about happiness?	0.783
Job Performance (JP) ($\chi^2 = 9.830$, $df = 6$; CFI = 0.996; RMR = 0.011; IFI = 0.996; TLI = 0.990)	
JP Self-Management (JP_SM) (Cronbach's $\alpha = 0.846$; CR = 0.826; AVE = 0.615)	
JP_1: You are proficient at the core tasks that are central to your job	0.721
JP_2: You are proficient at general tasks that are not specific to your job	0.757
JP_3: You are proficient at preparing written materials for your job	0.867
JP Leadership (JP_Lead) (Cronbach's $\alpha = 0.899$; CR = 0.862; AVE = 0.675)	
JP_11: You are proficient at setting goals and motivating others	0.810
JP_12: You are proficient at organizing people and resources	0.842
JP_13: You are proficient at solving problems at work	0.813

Table 6. Results of CFA analyses (Japan)

Latent variables	Factors	Standardized factor loading	S.E.	Critical ratio	R ²	AVE
OV	OV General	0.877	0.199	6.260	0.769	0.765
	OV Forgiveness	0.872	–	–	0.760	
JP	JP Self-Management	0.977	–	–	0.955	0.837
	JP Leadership	0.848	–	–	0.719	

Note: OV: Organizational Virtuousness; JP: Job Performance; Fit indices: $\chi^2 = 120.645$, $df = 97$, $\chi^2/df = 1.244$,
RMR = 0.035, RMSEA = 0.034, NFI = 0.928, RFI = 0.910, IFI = 0.985, TLI = 0.981, CFI = 0.985.

Table 7. Results of CFA analyses (France)

Latent variables	Factors	Standardized factor loading	S.E.	Critical ratio	R ²	AVE
OV	OV General	0.752	0.097	9.139	0.565	0.669
	OV Optimism	0.879	–	–	0.773	
JP	JP Self-Management	0.705	–	–	0.497	0.511
	JP Leadership	0.724	–	–	0.524	

Note: OV: Organizational Virtuousness; JP: Job Performance; Fit indices: $\chi^2 = 325.351$, $df = 139$, $\chi^2/df = 2.341$,
RMR = 0.087, RMSEA = 0.070, NFI = 0.922, RFI = 0.904, IFI = 0.954, TLI = 0.943, CFI = 0.953.

Table 8. Discriminant validity and composite reliability

Constructs	Japan			France		
	CR(a)	OV	JP	CR(a)	OV	JP
Organizational Virtuousness (OV)	0.867	0.875 (b)		0.867	0.875 (b)	
Job Performance (JP)	0.911	0.545**	0.915 (b)	0.911	0.545**	0.915 (b)

(a) Composite reliability. (b) Square root of AVE on the diagonal and exceeding bivariate correlation.

** Correlation is significant at the 0.001 level (two-tailed).

Table 9. Results of structural equation modeling (Japan)

Relationships	Estimate	S. E.	C.R.	P	Sign
OV → Job Perf (H1)	0.426	0.109	3.789	0.000	+
OV → Pos_SWB (H2)	0.504	0.143	5.344	0.000	+
Pos SWB → Job Perf (H3)	0.236	0.063	2.425	0.015	+

Fit indices: $\chi^2 = 120.645$, $df = 97$, $\chi^2/df = 1.244$, $RMR = 0.035$, $RMSEA = 0.034$, $NFI = 0.928$, $RFI = 0.910$, $IFI = 0.985$,

$TLI = 0.981$, $CFI = 0.985$. All critical ratios exceed 1.96 at the 0.05 or 0.001 level significance.

Table 10. Results of structural equation modeling (France)

Relationships	Estimate	S. E.	C.R.	P	Sign
OV → Job Perf (H1)	0.754	0.062	8.243	0.000	+
OV → Pos_SWB (H2)	0.692	0.100	7.796	0.000	+

Fit indices: $\chi^2 = 325.351$, $df = 139$, $\chi^2/df = 2.341$, $RMR = 0.087$, $RMSEA = 0.070$, $NFI = 0.922$, $RFI = 0.904$, $IFI = 0.954$,

$TLI = 0.943$, $CFI = 0.953$. All critical ratios exceed 1.96 at the 0.001 level significance.