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Exploring the Effect of a Cultural Gap on the Process of Absorbing Business Knowledge

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ABSTRACT

This study explores the implications of the difference between Japanese and Anglo-American cultures when Japanese organizations try to absorb business knowledge generated in Anglo-American culture. It relies on Todorova & Durisin’s model of Absorptive Capacity (2007) which allows for multi-level, individual, group, and organizational levels of absorption in the process of incorporating external knowledge. It compares four cases of Japanese organizations, who sought to absorb business knowledge that could change conventional Japanese management style by introducing one of two alternative Anglo-American developmental learning methods. The study identifies some specific cultural impediments and enablers for Japanese people trying to absorbing Anglo-American business knowledge, and suggests how the impediments can be overcome, by making structural and leadership changes during the introduction of the learning activities. The research explores whether and how 43 participants who experienced one or the other learning method transformed from a mind-set dominated by Japanese cultural norms and values to one that can both recognise the benefits of Anglo-American management thinking and translate it into changed practice. Whilst Todorova and Durisin’s model does not capture the way cultural difference affects the absorbing process, the results show that the differences between Japanese and Anglo-American cultural values, in terms of collectivism vs individualism, high-context vs low-context cultures, and power relationships affect progress through the phases of absorption. Thus, the study discusses the gradual process how Japanese individuals and organizations absorbed the Anglo-American knowledge by overcoming cultural differences.

1. Introduction

Many global enterprises now promote DX (digital transformation), which aims to transform conventional business and deepen the relationship with a wide range of stakeholders by using digital technology. The COVID-19 pandemic has further encouraged them to launch new DX businesses to recover from the damage. In order to generate new business, many
global business leaders have implemented dialogue style of discussion in their organizations[1-4] and it can be said dialogue is now further necessary after COVID pandemic divided the various kinds of business relationships.

A great many Japanese companies have also gone into the red during the COVID-19 pandemic and are required to recover and generate new business, including DX projects. However, they have already been struggling to create new business for several decades. Business executives and experts refer to big company disease: bureaucratic structures do not consider their customers and are unable to create new ideas because they have conventional and fixed ways of thinking[5]. As Japanese traditional companies have been based on bureaucratic seniority system and young employees have tended to refrain from expressing their opinions, it took such a long time to make a decision and they have missed business chance[5,6]. Under this circumstance, they started referring to Anglo-American competitive companies which generate new business and implementing dialogue style of discussion and several organizations that provide seminars for practicing dialogue style discussion have been established in Japan.

However, Japanese companies have a hard time to effectively implement it because of their different cultural assumptions. Dialogue style of discussion assumes the conflict of opinions among participants and aims to reach a solution by equally and clearly expressing opinions regardless of status and age[4-7]. These assumptions contradict to Japanese cultural values, such as seniority mindset, high-context culture and prioritizing collective opinions rather than expressing individual opinions. This study explores the influence of these cultural differences and examines how they affect the process of learning Anglo-American knowledge for Japanese people in order to understand how to overcome the cultural differences for implementing external knowledge generated in different culture.

This study postulates the importance of considering the difference between Anglo-American and Japanese cultures in the process of absorptive capacity models. Absorptive capacity is the individual and organizational capacity to absorb and implement new external knowledge in order to be competitive[8-11]. This study focuses on two limitations of this model. The first one is that this model does not consider cultural difference between learners and external knowledge. This cultural difference may impede the process of absorbing external knowledge, and this study aims to look at how this difference affects the process, whether this difference negatively or positively affects the process, and how to overcome the impediments.

The second problem is that this model focuses on technological or scientific knowledge rather than business knowledge. As Carlile (2004) claims[12], knowledge generated in different cultural contexts, such as business knowledge, is not easily transferred between culturally different contexts. This study aims to look at this problem and examine how business knowledge can be obtained by learners who belong to different cultures.

Based on the definition of these problems, this study aims to explore the effect of Japanese culture on absorptive capacity through the transfer of Anglo-American knowledge, specifically aimed at developing the sort of exploratory dialogue style of discussion abilities, the abilities of carefully listening and asking probing questions, required to improve an organization’s capacity to innovate.

2. Literature Review
2.1 Culture, Knowledge and the Capacity to Translate It across Cultural Boundaries

Past literature has defined several cultural characteristics[13-16]. Firstly, culture is not generated by any one individual but by collective groups, such as societies, communities, and organizations[13,15,16]. As such, culture does not indicate innate personal characteristics and has been constructed by every area of a collective phenomenon. Second, culture is embedded in norms and national or organizational value statements about what is acceptable to the grouped. Culture influences people’s ways of thinking, feeling, assuming, and interpreting, along with their beliefs, values, and norms[15,16]. It also consists of tacit preferences about what groups should strive to attain and how they should do so[14]. These preferences influence the behaviour of individuals and organizations, and they are presented as the culture’s practices, rules, organizational structures, and languages[15]. As a result, culture affects people’s way of life, such as their education, role models, reward systems, and services[13]. Third, culture is taught to new members of collective groups as the correct way to perceive, feel, and think about their problems because it has worked well enough for long enough to be considered valid[16]. This means that culture is passed down from generation to generation. Based on the discussion above, culture in this study can be defined as the norms and values of a collective that are
taught as the socially valued way of thinking and are presented as behaviours, practices, rules, and ways of life.

Sveiby (2001) divides knowledge into “justified true belief” and “capacity-to-act” [17]. A justified true belief is one that creates meaning by making sense of a new situation via employing justified beliefs, so that the belief acts as a filter when making sense of a new situation. People often develop ways to justify that their beliefs are true based on the ambient cultural norms and values, rather than questioning whether those beliefs hold true for changing circumstances. A capacity-to-act is an individual competence that is shown in action and developed through experiences [17,18]. People’s capacity to act may be limited by the cultural norms and values that they have absorbed and rely on. Thus, even if they learn something new from a cognitive perspective, i.e., they understand, it may be hard to put it into practice and so not change behaviour.

Knowledge should be widely shared because a belief held by only one person would be subjective and result in just that person’s action [19]. Collective behaviour is generated when the collective tacitly accepts it as holding true for them and relies on it to guide collective behaviour [17]. Polanyi (1967) distinguishes tacit knowledge from explicit knowledge [20]. He explains that while explicit knowledge can be transferred by writing and verbal expressions between people tacit knowledge cannot, as this knowledge is produced based on human experiences associated with their contexts. Tacit knowledge is made of people’s values, beliefs, and assumptions cannot be clearly expressed so that people cannot easily obtain other’s tacit knowledge [20,21].

In the context of this research, it is important to examine the relationship between culture and knowledge, as culture can affect knowledge in the dimensions of both created meaning and action. When the collective tacitly accepts created meaning as holding true for people and relies on it, they guide collective behaviour [22]. First, the norms and values of a specific culture influence “justified true belief” of its members, as the norms and values have worked well in this culture. Second, people’s capacity to act is developed by their behaviour that cultural norms and values affirm. In other words, the culture that individual members belong to heavily affects their justified beliefs, and their capacity to act is developed by their collective norms and values.

Knowledge transfer can be defined as the process of transferring justified true beliefs and the capacity to act. Knowledge transfer cannot be just a process of putting new knowledge in the receiver’s mind. It is important for a knowledge receiver to internalize the new knowledge [23,24]. Nonaka (1994) and Carlile (2004) suggest ease of transfer depends on how tacit the knowledge is, and having the right conditions in which knowers feel able and disposed to share knowledge enables learners to understand and interpret what it means for them in their own context [12,25]. Knowledge may need to be modified through translation, when people did not understand specific terms and the language of a specialism, and also need to be transformed in order to apply it to a different context [12].

Knowledge can be seen to be effectively transferred when the performance of the knowledge receiver changes [23]. Considering the relationship between knowledge and culture, when knowledge is transferred between organizations with different cultures, the knowledge receiver should understand the new organization’s cultural norms and values and adapt to them [26]. Consequently, when the receiver learns the capacity to act, the receiver also needs to change his or her practices and rules [27].

2.2 Japanese Culture

2.2.1 Collectivism

Bhagat et al. (2002) also stress that the difference between the Anglo-American and Japanese countries is prominent in terms of individualist and collectivist dimensions [28]. The 2004 globe study also shows that Japanese score of the third highest of the 61 countries in terms of collectivism, and this means in most Japanese organizations, important decisions tend to be made by groups and avoidant, obliging, compromising behaviour, and accommodating conflict resolution is preferred [29]. Ouchi (1981) also explains that decisions would basically be made by consensus of all related members, so that responsibility would be distributed [30].

Collectivist cultures encourage people to develop interdependent selves where people are interconnected and prioritize good human relationships rather than individual goals, while Individualist culture encourages people to develop an independent sense of self where people think of themselves as relatively distinct from others and develop their own goals [31]. Inamori explains that good human relationships based on
collectivism are able to be led only by a humble leader.\[32\].

2.2.2 High-context Culture
It was Hall (1976) who at first categorized “high context culture” and “low context culture” based on difference in national cultures.\[33\]. There is less information on a verbal level than on a non-verbal level in high context of culture, including Japan, while the Anglo-American countries based on low context of culture are characterized by individualism, high verbalization, network society rather than hierarchy.\[34\]. In high context culture, people avoid saying “no” directly in order for politeness to be maintained.\[33,35-37\]. Ishi & Bruneau (1994) claim that Japanese high context culture is characterized by high acceptance of silence.\[39\]. In a high context culture, the listener is expected to be able to read “between the lines”, to understand the unsaid, based on his/her background knowledge, as internal meaning is embedded deep in the information.\[40-41\]. Davis & Ikeno (2011) claim that in Japan, people tend not to ask many questions and even value silence and vagueness.\[37\]. They claim Japanese people have been taught the spirit of “silence seldom does harm” throughout their school lives.\[37,38\].

On the other hand, in the Anglo-American countries, people often ask questions to try to make everything clear because in low context cultures clarity is considered to be an important element of knowledge and understanding. As the Anglo-American tradition is relatively negative in its attitude towards silence and ambiguity, Anglo-American culture seldom recognizes that silence has linking, affecting, judgmental and activating value in communication.\[37,38\].

The Globe study shows that Japan has a lower score of assertiveness compared to the US and UK, which means Japanese individuals in organizations or societies are less assertive, tough, dominant, and aggressive in social relationships.\[41\]. Countries of low score of assertiveness, including Japan, value indirect talking and face-saving and emphasizes tradition, seniority, experience, and value who you are more than what you do. Thus, people build trust on the basis of others’ predictability rather than their ability.\[42\].

2.2.3 Power Distance
Power distance is the degree to which organizational or society members agree that power is stratified or concentrated at higher level of an organization.\[43\]. Past literature also suggests that Japanese society is based on a hierarchical structure where senior people are entitled to respect and loyalty.\[44,45\]. On the other hand, Huselid (1995) and Nadler (1989) point instead to Japanese systems of reducing power distance, such as decentralized decision making, learning, corrective actions, and kanban system.\[46,47\]. Based on the study of Carl et al. (2004), the Japanese score (5.11) regarding power distance is a little bit stronger than the US (4.88) but mid-range compared to other countries.\[41\]. Thus, recent Japanese culture is not necessarily based on a strong hierarchical structure. However, Japanese hierarchy involves different values from the US and UK. Carl et al. (2004) stress that Confucian countries, such as Japan, emphasize a vertical hierarchy based on age and seniority.\[48\].

These values might be expected to impede the learning of the Anglo-American dialogue style of discussion, which is founded on values of individualism, low context, and power distance based on money and earned status. High-context culture makes people less specific in their communications. Power distance imposes constraints on what people are willing to say in front of senior people. Dialogue style of discussion adopts collective Anglo-American learning methods which emphasize communicating among independent learners who question each other’s experience from different perspectives and use the value of multiple perspectives to enable learning and development.\[49,50\]. Considering that new knowledge, innovation, and venture businesses focus on ideas that can disrupt accumulated conventional ideas and are generated in a low-power distance open-minded, individualistic, and competitive atmosphere which motivates people to be unique, stand out and not to conform with traditional ways of thinking, it is likely that the Japanese cultural atmosphere has made it harder to generate new ideas, which are distinctively different and stand out from the norm.

2.3 Absorptive Capacity
Absorptive capacity is the organizational capacity to absorb and implement new external knowledge to be competitive.\[8-10\]. The discussion started with Cohen and Levinthal (1989), who define absorptive capacity as a firm’s ability to identify, assimilate, and exploit knowledge from its environment.\[8\]. After that, Cohen and Levinthal (1990) develop the definition by adding the ability to recognize the value of new external knowledge.\[52\]. Past discussion on the model of absorptive capacity is rooted in learning theory and mainly focuses on how learners cognitively absorb external knowledge.\[8,10\]. As Cohen & Levinthal (1990)
0) claim that level of absorptive capacity depends on learners’ accumulated prior knowledge within an organizational context, they assume that learners’ ability to absorb external knowledge depends on how they accumulate organizational related experience and cognitively understand external knowledge. As Cohen and Levinthal (1989, 1990, 1994) use the phrase “ability to assimilate” in the definition of absorptive capacity, they stress that absorptive capacity is path-dependent because it is developed based on already-accumulated prior knowledge within an organizational cultural context. They assume that organizations have relatively similar values and cultures, so they do not pay attention to how individuals from different companies may understand specific external knowledge differently.

The first literature that uses the term “transform” in the definition of absorptive capacity is Zara and George (2002). They define absorptive capacity as: “a set of organizational routines and processes by which firms acquire, assimilate, transform, and exploit knowledge to produce a dynamic organizational capability.” Zara & George (2002) introduce “transformation” and claim that learners in different organizational context need to cognitively combine conventional knowledge assets with new external knowledge. Although they discuss transformation capacity, their definition of transformation ability still relies on how conventional knowledge assets could be combined with new external knowledge. Todorova & Durisin (2007) distinguish assimilation and transformation; while in order to absorb knowledge generated in different organizational context, learners need to transform their cognitive structure, learners simply assimilate the knowledge, when they do not challenge their conventional organizational assumptions. This distinction is also presented by Marton & Salig (1984) that classifies the level of learning. Surface learning is simply the acquisition of external knowledge, memorization and development of the capacity to repeat what is known to others, while at deeper level, learners need to understand the meaning of that knowledge in relation to context, change their perspective of the world, and as a result, change or transform the self. When absorbing culturally different knowledge, it is necessary to disrupt conventional values and ways of understanding. Todorova & Durisin (2007) use the word “transform” and claim that the transformation stage is an alternative to the assimilation stage, where learners do not transform their cognitive structure. They claim that absorption requires a shift from using old to new cognitive structures. Clearly when absorbing knowledge generated in a very different context, learners will need to transform their cognitive structures. As this study discusses the process of absorbing culturally different knowledge, this study focuses on what is involved in transforming learners’ cognitive structures and how far that translates into a capacity to act in a different way.

The past literature which mainly discusses the process of absorbing knowledge examines how human relationships, the role of agency, organizational cultures, and organizational mechanism affect the absorbing process of new knowledge. Aribi & Dupouet (2016) found that the process of absorbing knowledge includes feedback loops, they do not consider cultural aspects. This study focuses on how Japanese learners absorb this knowledge at individual level whilst holding organizational conditions constant.

The type of knowledge to be absorbed offers a dichotomy. Some studies consider technical knowledge and practice-based knowledge. The literature which focuses on assimilation instead of transformation mainly discusses technical knowledge; they discuss an organization’s ability to acquire, assimilate, and exploit new technology. This can be because technical knowledge frequently grounded in common knowledge between external and internal organizations. They do not consider how to transform learners’ cognitive structures. This study focuses on the process of absorbing external business knowledge rather than technical knowledge, and mainly discusses how to transform learners’ cognitive structure.

There are several discussions which focus on practical knowledge, such as strategic management knowledge, management knowledge, and IT management knowledge. However, they do not discuss the difference in cultural context between external and internal organizations. As the business knowledge is deeply affected by the cultural background under which the knowledge is generated, it is not easy to absorb the knowledge by simple assimilation.

Although Todorova and Durisin (2007) criticize Zahra and George (2002) for lacking the perspective
that contingent factors, such as power distance, appropriability, and social integration, may affect all of the stages of absorptive capacity, they do not discuss the relationship between these contingent factors and transformation\cite{9,11}. For example, Todorova and Durisin (2007) fail to discuss how the factor of power distance promotes learners’ transformation or whether intra-organizational power distance or the power distance from stakeholders may affect the transformation\cite{10}.

There are two reasons for choosing the model of absorptive capacity. First, while past discussion of organizational learning emphasizes organizational structure for an organization to obtain external knowledge\cite{70}, absorptive capacity model focuses on the process where external knowledge is absorbed and put into practice in an organization. In order to analyse the process of learning external knowledge generated in a totally different cultural context, it is necessary to discuss how each individual absorbs new knowledge and move it into practice while changing his or her cultural values. Thus, it is necessary to analyse each stage of the learning process in detail in relation to how Japanese learners deal with their cultural values and norms.

Cultural values can affect each component of absorptive capacity. The Absorptive Capacity model claims that a certain amount of prior knowledge strengthens the capacity to obtain external knowledge. The past discussions emphasize that absorptive capacity is path-dependent\cite{8,10} because it is developed based on already-accumulated prior knowledge within an organization. For example, they stress that absorptive capacity is stronger when people have prior knowledge, assuming that organizational capacity is path-dependent\cite{8}. However, people who emphasize collectivism may have weak prior knowledge regarding how to generate new and unique idea individually. The model also claims recognizing the value of external knowledge is an important factor to absorb it. However, as discussed in the previous section, people who assume different cultural value may not recognize the value of new “justified true belief”. When people have weak prior knowledge and do not recognize the value of new external knowledge, they will find it harder to absorb and move to practical use; they will not transform their cognitive structure from Japanese to Anglo-American mindset, because they do not understand why they need to do so.

Second, Todorova and Durisin’s (2007) model is appropriate for discussing how to learn a new capacity to act developed in a very different cultural context\cite{9}.

They develop the models by Cohen and Levinthal (1989) and Zahra and George (2002) and clarify the transformation phase, which they distinguish from the assimilation phase\cite{8,10}. In the transformation phase, people build a new cognitive structure that is incompatible with the conventional structure because their organization needs to counteract conventional competence’s tendency to undermine change\cite{9,71}. As explained in the previous section, the reason that Japanese organizations have aimed to introduce Anglo-American learning methods is that they need to change to be more like an Anglo-American innovative organization. Thus, Japanese organizations believe it is necessary to absorb particular type of Anglo-American knowledge, which will change their managerial practices, instead of focusing on their conventional way of thinking.

As the Anglo-American learning method values individualistic reasoning under non-hierarchical circumstances, while Japanese culture values collectivism, a high level of power distance, and ambiguity, Japanese need to transform their path-dependency. Thus, business knowledge cannot be simply transferred from Anglo-American organizations to Japanese organizations. It would be impossible for Japanese to learn all the contents of the new abilities at once, so Japanese organizations gradually need to change the dominant logic\cite{72,73} and learn the knowledge in the process of transforming their cognitive structure. Todorova and Durisin’s (2007) model is appropriate for considering the dynamically changing process of the knowledge receiver (Figure 1)\cite{9}

![Fig1.png](attachment:Fig1.png)

**Figure 1. Todorova & Durisin’s Model of Absorptive Capacity**

### 3. Research Method

The present study adopts a qualitative case study approach. Using template analysis, it explains how cultural factors affect Japanese learners’ capacity to acquire Anglo-American business knowledge. To satisfy the criteria for a qualitative study\cite{74,75}, it examines two learning methods that are used in a
seminar for implementing dialogue style discussion in Japanese organizations: the coaching approach and action learning (AL) They differ in terms of learning style but are similar in terms of learning contents and Anglo-American philosophy on which the methods are based. By comparing two learning methods, the study can compare the effect of each learning style on Japanese learners and show how they affect the learning process of Japanese people.

Both Coaching and AL approaches propose dialogue style of discussion. The past literature on dialogue assumes people who ask, answer, and clarify the conflict of opinions in a knowledge exchange process based on low-context culture and individualism\[1, 76, 79\]. However, there are few discussions on dialogue between people who rely on high-context culture and collectivism, which value low-assertiveness and avoid conflict of opinions. Dialogue also assumes low power distance among discussion participants, while problem solutions in Japanese organizations are generally made based on power distance with elder and senior people\[6\].

Japanese cultures, which value high-context, collectivism and power distance with senior people do not match the value of dialogue style, as dialogue encourages participants to think independently and critically and reflect on that thinking\[80\]. Collectivist cultures encourage people to develop interdependent selves where people are interconnected and prioritize good human relationships rather than individual goals\[37\], while dialogue encourages people to develop an independent sense of self and accept conflict of opinions\[80\]. High-context culture makes people less specific in their communications, and people avoid expressing disagreement in order for politeness to be maintained\[31, 33, 36, 37\]. The power relationship with the elder and senior people discourages people to ask probing questions in order to provide a new perspective because they assume senior and aged people have the right answer without the support from younger people\[48\]. As a result, Japanese people tend to believe people should not explicitly express individual opinions and ask questions, so under normal circumstances would superficially agree with others without raising any questions, even if they actually disagree, obscuring their own opinion\[37, 38\]. There are few discussions on how high-context culture, collectivism, and the power disparity affect the dialogue process, and it is necessary to consider it as global discussions increase.

In order to clarify the effect of Japanese organizational culture, the study uses two types of organizations, strong and weak Japanese culture. Two cases are traditional Japanese companies which have strong Japanese culture and adopt the Coaching approach. Their organizational structure is bureaucratic and characterized by Japanese traditional cultural values, such as high-context, power relationship, and collectivism. As most of the employees have grown up with Japanese education, in which the Japanese cultural values are embedded, their cultural values are taken over to their organizations. One case is a German-owned Japanese organization which has weak Japanese culture compared to the other cases. This case adopts the AL approach and was chosen deliberately because it offered the chance to compare a weaker Japanese culture. The fourth case is Japanese schools which have strong Japanese culture, but since they adopted the AL approach, it allowed for comparison between strong Japanese culture and a weaker culture using the same learning method. There are franchising organizations which hold the seminar and carry out training sessions for Japanese people. The four case organizations used the franchising organizations in order for Japanese people to obtain dialogue skill, particularly the ability to ask probing questions.

Table 1 shows the results regarding absorbing dialogue ability for each case.

The participants in Cases A and B did not acquire the ability to engage in dialogue, while those in Cases C and D did. Participants in Cases C and D were able to transform their cognitive structure from the conventional Japanese into the Anglo-American. Because the culture of Case D is based on traditional Japanese values, the participants were not able to implement the dialogue style of discussion at organizational level. Because they attended the AL sessions outside of their organizations, organizational factors did not affect their absorptive capacities. The study explores the factors that enabled participants in Cases C and D to transform their thinking, but not Cases A and B. This is based on King’s (2004) explanation that in order to conduct template analysis, it is necessary compare the perspectives of different groups and handle 20-30 interview data\[82\]. The study conducted semi-structured 70-90 minutes interviews to 43 Japanese people in four organizations which aimed to implement Anglo-American dialogue style of discussion, comprising of carefully listening and asking probing questions, in their daily meetings (Table 2).

<table>
<thead>
<tr>
<th>Table 1. Difference in results</th>
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<tbody>
<tr>
<td>Obtained dialogue ability by transforming their cognitive structure based on Japanese culture</td>
</tr>
</tbody>
</table>

7
Considering the difficulty in deepening and clarifying cultural background and showing Japanese cultural differences to Anglo-American-minded people, the researcher collected the data from three sources: semi-structured interviews, company documents, and observations, in each of the four case studies.

The study examines:
1) How and in which Japanese organizations, did participants successfully absorb dialogue ability?
2) What were cultural impediments for Japanese people to absorbing dialogue ability?
3) What were cultural enablers for Japanese people to absorb dialogue ability?
4) How did they overcome the cultural impediments to absorb dialogue ability?

As an analyzing tool for the process of absorbing dialogue ability, the study discuses Todorova & Durisin’s model of Absorptive Capacity (2007).

4. Findings: Cultural Effect on the Model of Absorptive Capacity

Table 3 summarizes the key findings in each stage of Todorova & Durisin (2007) model of the Absorptive Capacity[9] and presents supporting quotes from the interviews. The difference was evident in the process of absorptive capacity; while participants in Cases A and B did not have prior knowledge, recognize the value, and transform Japanese cognitive structure, participants in Cases C and D had a certain degree of prior knowledge, recognized the value, and transformed Japanese cognitive structure.

Figure 2 show how Japanese cultural factors impeded the absorbing process in Cases A and B. The figure presents three Japanese cultural factors, high-context culture, collectivism, and power relationship with seniority, impeded their absorbing process. Participants in Cases A and B did not have prior knowledge or experience. Japanese power relationship and high-context culture negatively affected holding prior knowledge of dialogue ability. The participants grew up under the Japanese educational system which encouraged students to give the answer which was expected by a teacher based on the power relationship[83,84]. They were used to teacher-student unilateral lecture and did not have prior knowledge on dialogue. Thus, participants in Cases A and B attended the seminar without clearly understanding why they need to attend the discussion seminars and how they are different from conventional Japanese seminars.

In other seminars, I am unilaterally told something new by a lecturer and do not say anything. This is usual. (A6)

General seminar unilaterally provides various kinds of knowledge, so we were used to this style. (B5)

In order to solve this problem and promote to actively participate in the discussions, the Coaching company encouraged the participants to share others’ concern among the participants, rather than explaining the value of dialogue. Although it strengthened trust relationship among the participants, it did not enable them to recognize the value of dialogue. By sharing others’ concern, they felt sympathy and stopped asking questions to avoid conflict of opinions. These factors impeded the participants transforming their cognitive structure from a Japanese into an Anglo-American way of thinking, so that they were not able to exploit dialogue ability in their daily management. Cases A and B organizations sometimes organized drinking parties, and they supported the participants to construct a trusting relationship and strengthened social integration, which promoted connectedness according to the participants. However, these occasions simply strengthen their conventional way of thinking based on collectivism and did not help their understanding be transformed. The power relationship did not strongly affect exploiting knowledge, although the executive actively recommended to attend the sessions.

I was suggested by my boss that I should think about attending this session. But did not understand the discipline and objective of the session. (B1)

None of the participants understood the objective of the Coaching session. The reason they attended was that they were suggested by their bosses or executives (A2, A3, A6, B1, B4, B10).

I thought I needed to present more detailed questions which show some guideline for their discussions, as the Japanese are prone to dislike free discussion and hesitate to talk. (A10)

His statement means that they would be able to easily follow the guideline from the top executive based on the power relationship, as well as that the concrete

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**Table 2. Number of interviewees**

<table>
<thead>
<tr>
<th>Cases</th>
<th>Number of interviewees</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>10 participants + 1 facilitator</td>
</tr>
<tr>
<td>B</td>
<td>10 participants</td>
</tr>
<tr>
<td>C</td>
<td>10 participants</td>
</tr>
<tr>
<td>D</td>
<td>12 participants</td>
</tr>
</tbody>
</table>
guideline would enable them to understand how to ask if participants in Cases A and B did not have prior questions in dialogue. Thus, it can be said that even knowledge and recognize the value regarding dialogue

Table 3. Findings in the four Japanese organizations in each stage of Absorptive capacity

<table>
<thead>
<tr>
<th>Components Of Absorptive Capacity</th>
<th>Case A</th>
<th>Case B</th>
<th>Case C</th>
<th>Case D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prior Knowledge</td>
<td>None (0/10 participants)</td>
<td>None (0/10 participants)</td>
<td>Had: by company training (8/10)</td>
<td>Had: by self-learning (11/12)</td>
</tr>
<tr>
<td>“The content of the seminar was developed overseas … I did not know the content of the seminar, so I felt very depressed.” (A3)</td>
<td>“I did not think about what was a good question. I just asked without thinking whether it was good or not” (B8).</td>
<td>“I took a training session for logical thinking. By using a logical way of thinking, I was able to participate in this style of discussion” (C7).</td>
<td>“My major in graduate school was Active Learning” (D6)</td>
<td></td>
</tr>
<tr>
<td>Recognizing the Value of questioning</td>
<td>No (0/10 participants)</td>
<td>No (0/10 participants)</td>
<td>Yes (9/10 participants)</td>
<td>Yes (11/12 participants)</td>
</tr>
<tr>
<td>“I think that this seminar tells us how to interact with our subordinates and colleagues. So it is very effective for me to speak to them.” (A7)</td>
<td>“At initial period of sessions, we were taught that we should ask good questions in this way or something like that. But I did not intend to consider how should ask good questions in some particular situations. I was just told.” (B10)</td>
<td>“I felt very uncomfortable when I was given strong orders in the past, so I have been making an effort not to do those kinds of things to my staff. I really hated those things at that time and it made me want to quit that job … Compared to veterans, new entrants ask fresh and unexpected questions which the others would never ask” (C4)</td>
<td>“The conventional class requires students to just find the right answer. I wanted to change this learning” (D6)</td>
<td></td>
</tr>
<tr>
<td>Social Integration</td>
<td>Promoted trust relationship and reflection on management style &amp; did not enable to consider questioning ability (10/10 participants)</td>
<td>Promoted reflection on management style &amp; did not enable to consider questioning ability (10/10 participants)</td>
<td>Promoted obtaining dialogue ability by strengthening mutual understanding (10/10 participants)</td>
<td>Promoted developing questioning ability by strengthening mutual understanding (11/12 participants)</td>
</tr>
<tr>
<td>“I sometimes felt relaxed when I heard that other members had the same stressful experience as me. It is like manager-level “water cooler conversation””. (A1)</td>
<td>“As sessions went on, our group composed of six members, understood each other’s faces and characteristics; then we advised them” (B3)</td>
<td>“The initial idea was just primitive, but after the discussion, we became able to ask key” questions (C3).</td>
<td>“I understood that a person who was asked question realized various kinds of things …I think this happened through the AL sessions. I mean other participants also learn various kinds of things by asking questions.” (D3)</td>
<td></td>
</tr>
<tr>
<td>Acquire/Assimilate or Transformation</td>
<td>Did not transform (0/10 participants)</td>
<td>Did not transform (0/10 participants)</td>
<td>Transformed (10/10 participants)</td>
<td>Assimilated, did not need to transform (9/12 participants)</td>
</tr>
<tr>
<td>“I just visualized the subject, and after that listened to others’ understanding and adjusted it with my understanding” (A9)</td>
<td>“I did not think about what was a good question. I just asked without thinking whether it was good or not” (B8)</td>
<td>“After six practices, we became able to ask probing questions as we got used to it.” (C3).</td>
<td>“I understood that how the way of thinking was deepened by being asked questions.” (D4)</td>
<td></td>
</tr>
</tbody>
</table>
## Exploitation

<table>
<thead>
<tr>
<th>None at both individual &amp; organizational (0/10 participants)</th>
<th>None at both individual &amp; organizational (0/10 participants)</th>
<th>Individual &amp; organizational level: Yes (10/10 participants)</th>
<th>Individual level: Yes Organizational level: None (9/12 participants)</th>
</tr>
</thead>
<tbody>
<tr>
<td>“I think I can listen to other people’s opinion now, and after listening to their opinions I was able to give them helpful advice by utilizing the contents of the sessions.” (A6)</td>
<td>“Does our company seriously change? I thought other elder managers who did not attend the sessions should have attended the sessions if they seriously wanted to change our company.” (B1)</td>
<td>“I think by introducing AL our sales performance improved a lot” (C4). “In our department, young staff didn’t say anything in our daily business meetings. AL set the ground rules like, ‘everyone needs to express more than one opinion. Because of that, young staff started to ask ‘I have a question,” in our daily business meetings (C6).</td>
<td>“I came to consider questioning ability more than before. In particular, when I talk to young teachers, I’m trying to ask questions.” (D7)</td>
</tr>
</tbody>
</table>

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## Components of Absorptive Capacity

<table>
<thead>
<tr>
<th>Components Of Absorptive Capacity</th>
<th>Case A</th>
<th>Case B</th>
<th>Case C</th>
<th>Case D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power Relationship</td>
<td>Executive leadership was strong but did not promote to absorb questioning ability. Customer requirement did not make them recognize the value. “The reason that I attended this seminar is that I was told by the executive to attend this seminar and that’s it.” (A6)</td>
<td>Executive leadership was strong but did not promote to absorb questioning ability. Customer requirement did not make them absorb the ability. “I was suggested by my boss that you should think about attending CO session. But did not understand the discipline and objective of CO session. (small laugh).” (B1)</td>
<td>Requirement from customer was strong. “We have a budget, and the reason that they are interested in understanding new knowledge is ... mmm ... our customers are medical doctors and chemists, so it’s easier for us to achieve sales results by having more knowledge.” (C4)</td>
<td>Did not work “Teachers don’t necessarily follow senior’s leadership. They decide depending on the human and trusting relationship, as we are guaranteed life-time employment.” (D11)</td>
</tr>
</tbody>
</table>

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## Figure 2. Cultural effect on the process of Absorptive Capacity: Cases A and B

![Image of Cultural effect on the process of Absorptive Capacity: Cases A and B](image-url)
ability, they decided to attend the seminar because of the power relationship and high-context culture.

Participants in Cases C and D had experience of learning prior knowledge developed in Anglo-American countries. The training for the Anglo-American way of thinking, such as logical thinking training, positively affected the accumulation of the participants’ prior knowledge (Table 3). HR division of the Case C company organized another training session regarding logical thinking. It could be prior knowledge for dialogue, as prior knowledge affects perception and openness to acquiring new knowledge, changes the speed of learning and the quality of what can be absorbed. Participants in Case C stated that in order to absorb dialogue ability, it is more efficient for learners to have the knowledge on logical thinking because it enabled them to think what to ask by themselves (C3). Participants in Case D had also learned logical ways of thinking, such as learning Active Learning methods which enabled them to think about how to ask good questions. Interviewee D12 was already aware of how difference between Japanese and Anglo-American cultures could affect each style of discussion.

The negative mindset towards the Japanese power distance enabled them to recognize the value of dialogue ability; most participants of the Case C had negative experiences based on traditional Japanese culture in Japanese organizations. The participants had a negative attitude to-wards power relationships, and this led them to realize the value of the new knowledge which challenged seniority and a top-down mindset (C4, C7). When the participants talked about the value of AL discussion, 9 out of 10 related their experience of being frustrated by Japanese values.

Although they had prior knowledge and recognized the value, some of the participants did not understand how to ask questions at the initial discussions.

Actually, I didn’t understand what was going on in the initial sessions ... I had no experience of this type of discussion. (C2)

When I was asked a lot of questions, I felt like I was being severely interrogated. (C4)

The participants’ lack of experience created a negative atmosphere. In order to transform their cognitive structure, AL ground rules, which negates the power relationship, accepts conflict of opinions, and values low-context culture, supported them to overcome the Japanese cultural impediments to absorb dialogue ability, and repeating the practices enabled them to transform their cognitive structure. Social integration enabled them to exploit dialogue ability because they started discussions on how to improve their performance by collectively asking questions to each other (C3, C4). As a result, participants in Case C were able to transform their cognitive structure to absorb dialogue ability and their sales performance improved individually. At the organizational level, Company C successfully spread dialogue style through the organization by encouraging the participants to implement it in their daily meetings and won the AL prize for their organizational change.

The difference from Case C is that participants in Case D assimilated questioning ability because most of them had already transformed their cognitive structure in the stage of prior knowledge. The teachers had a negative mindset towards the Japanese teacher-student power distance and voluntarily learned the Anglo-American way of thinking. These factors supported them to accumulate their prior knowledge and to recognize the value of dialogue. As the participants had already transformed their cognitive structure by their voluntary training, they assimilated and developed dialogue ability by repeating practices in AL sessions. Social integration among the participants, who transformed their cognition into an Anglo-American mindset, further supported them to absorb it. As a result, they exploited it at the individual level, such as in their classroom teaching (D4). On the other hand, most of other teachers of their school organizations that the participants belonged to did not have prior knowledge and not recognize the value of the ability. Thus, the school did not implement dialogue style at the organizational level.

Todorova and Durisin (2007) assume that power relationships with strong stakeholders such as customers and executive, and social integration would promote the process of absorptive capacity. Only Case C supports this claim; in Case C, the power relationship from the Company HR division promoted participants to implement the ability.

The most significant difference among four cases was whether the participants were able to eliminate the Japanese cultural value for transforming their cognitive structure. The coaching company eliminated seniority mindset by limiting participants to middle managers. However, the activity did not allow them to overcome the negative effect of the traditional Japanese teacher-student relationship on their absorptive processes. Furthermore, as they accepted high-context and Japanese collective culture, participants in Cases A and B avoided conflicts of opinion for maintaining a harmonious relationship. As a result, they did not
absorb dialogue ability because they accepted ambiguity to avoid the conflict and stop asking probing questions for clarifying problems and solutions. They thought it necessary to listen carefully and provide advice to their subordinates in daily discussion.

Participants of Cases C and D, who transformed Japanese cognitive structure, eliminated Japanese cultural values and introduced Anglo-American cultural values such as individualism and low-context culture in the discussions. Under the AL rules, the participants clearly expressed their individual opinions and accepted different opinions. As a result, instead of conventional collectivism, they implemented collective decision-making, where all members clearly understood and shared the problem and solution. During this process, they successfully absorbed dialogue ability.

5. Discussion

By virtue of studying the case of Anglo-American knowledge in Japanese organizations, the results have elaborated on the Todorova and Durisin’s (2007) model of absorptive capacity to show that assumptions of cultural difference need to be taken into consideration when applying the model to business knowledge [9]. In order to absorb external knowledge, learners needed to follow the steps they proposed and most of the steps were transferable across contexts; it was easier for learners to have a certain degree of prior knowledge in order to absorb the external knowledge; the prior knowledge encouraged the learners to recognize the value of the new knowledge.

The study shows learners needed to transform their cognitive structure instead of assimilating. If the external knowledge was created in a different cultural context and the learners stood by different cultures, it would be difficult to follow these steps without changing their cultural values. This is because the deeply held prior beliefs that come with cultural norms and values influence the capacity to act on the knowledge and absorb it in a way that changes performance. The study demonstrates that under the circumstance where conventional Japanese culture remains present, learners follow the conventional values, and assimilate new knowledge based on conventional values. On the other hand, under the circumstance which re-moves conventional Japanese cultural values, learners can transform their cognitive structure based on new justified belief.

In Cases A and B, the executive leadership was strong for the implementation of dialogue style. The executive directly talked to the participants and explained the importance of the seminar. However, learners did not necessarily recognize the value, as previously shown. This means that the power relationship that Todorova & Durisin (2007) point out had an effect but may not have had the desired effect. Rather, the findings show that the teacher-student power relationship based on seniority mindset affected the prior knowledge in Cases A and B [9]. Case C, participants ‘negative mindset for the Japanese power relationship positively affected recognizing the value of questioning ability.

Todorova & Durisin (2007) claim that social integration positively affects absorptive capacity if conventional cultural values are eliminated in the process [9]. This is supported by Cases C and D (Figure 3, Figure 4). AL promoted social integration based on the Anglo-American cultural values and it strengthened the process of absorptive capacity. This is because Case C participants were able to transform their cognitive structure to absorb some Anglo-American values. Case C showed that when learners eliminated their conventional cultural values, social integration was effective for transforming their cognitive structure. In Case C, learners were able to lessen the effect of Japanese cultural values in AL sessions by using ground rules. Thus, in order to absorb external knowledge that was created in different cultural contexts, learners need support which suspends the influence of their conventional cultural values in order to be open to the possibility of assimilating and transforming their mental structures and their capacity to act (Figure 3).

Cases A and B showed that, unless conventional cultural values were mitigated, the social integration would not support the transformation of a learner’s cognitive structure (Figure 2). Participants of Cases A and B confirmed the conventional Japanese values, such as avoiding conflict and high-context culture, through social integration, so they assimilated new knowledge based on conventional values. As a result, they were not able to obtain dialogue ability.

Based on the discussions of each case, the model can be modified to Figure 5, which focuses on the absorbing process of knowledge developed under different cultural values. Figure 5 shows that the Todorova & Durisin (2007) model needs to be developed by integrating cultural factors [9]. When leaners aim to absorb external knowledge developed in culturally different countries, they need to transform their cognitive structure by disrupting their conventional cultural values. The model also shows that each factor interactively affects each other to transform cognitive structure. For example, the findings show that learners’
prior knowledge and experience regarding overcoming cultural impediments affected the following process; participants of Cases C and D obtained a certain degree of prior knowledge by attending related training seminars or learning individually. They had also experienced the case where Japanese cultural values negatively affected business performance. As a result, they had recognized the value of the external knowledge before participating in the sessions and increased their recognition by starting the sessions. It can be said that the Todorova & Durišin (2007) model needs to consider how prior knowledge and experience regarding cultural differences affects the following process, instead of just placing prior knowledge alongside the model. The study suggests that the role of a modality is important for learners to transform their cognitive structure by integrating their prior knowledge and experiences. Before participating in AL sessions, participants of Cases C and D had already had negative experiences in Japanese cultural values. Several participants in Cases C and D had prior knowledge necessary to absorb external knowledge. By participating in AL sessions, which clarified cultural differences and set up Anglo-American cultural values, they easily understood the value of the knowledge and their learning process.

Figure 3. Absorptive Capacity: Case C

![Figure 3. Absorptive Capacity: Case C](image)

Figure 4. Absorptive Capacity: Case D

![Figure 4. Absorptive Capacity: Case D](image)
progressed. Further- more, the findings show Case C successfully implemented dialogue style of discussion at the organizational level, as the Case C organization recognized the value of the knowledge and encouraged the participants to implement this style.

6. Conclusions

The present study shows that if Japanese people aim to implement business knowledge from different cultures, they cannot simply apply Todorova and Durisin’s (2007) model of absorptive capacity. This model does not consider the cultural factors that influence business knowledge and learners’ conventional assumptions. Participants in Cases A and B, who continued to retain Japanese cultural values, were not successful in absorbing business knowledge generated by Anglo-American cultural values. Participants in Cases C and D, who eliminated conventional Japanese cultural values, were successful. At organizational level, Company C helped learners to increase their absorptive capacity because they provided prior knowledge that had been generated in different cultures. The present study demonstrates that when Japanese companies aim to implement business knowledge generated in different cultures, they have to consider cultural impediments and how to overcome them.

The present study argues that when business knowledge is generated in a different culture, learners need to challenge their conventional assumptions to absorb it. In this case, learners had difficulty in recognizing the value of this knowledge because it was not appreciated in their conventional culture. They also need to transform their cognitive structures. They do not have experience in acquiring knowledge based on different cultural values. They also find it difficult to implement because the organizations for which they work do not understand its importance. Understanding other cultures will encourage individuals and organizations to recognize this fact. Learners have to adapt their thought processes so that new knowledge can be implemented successfully.

The result of this study can be applicable to global business alliances between different cultural organizations. One of the main reasons for the failure of the Japanese global alliance is Japan’s and alliance partner’s inability to deal with different management styles and corporate cultures, including a lack of knowledge about cultural and national values. As the number of global alliances will increase from now on, it will become more important to consider cultural differences in understanding the business knowledge of alliance partners.

Conflict of Interest

There is no conflict of interest.

References


