

Comments on:
Managing Global Talent at Japan Inc.
Challenges and Strategies



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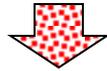
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The Problem (1)

“Japanese companies must embrace **globalization** and **diversity**.”

Q: What does this mean exactly?

Non-Japanese workers must adapt to Japanese companies
and business practices.



NO! It's the other way around!



Japanese companies must adapt to
diversifying, non-Japanese labor force.

Normative pressures to assimilate

Strong expectations towards assimilation in Japanese society

- Japanese schools – Overseas returning students 帰国子女
 - They have a lot to contribute to Japanese society.
 - But they are expected to conform to Japanese school and culture.
 - Schools have no intention of accommodating diversity.
 - Schools have little interest in learning from the returning students.
- Japanese companies
 - Started “accepting” foreign workers into the labor force.
 - But Japanese companies are not looking for global talent.
 - They seek foreign workers that have become Japanese 日本人化した外国人
- Recruiting requirements – High hurdles
 - Japanese proficiency
 - Email, report writing
 - Presentations, communications
 - Japanese business etiquette
- Foreign workers are more concerned about mastering Japanese than finding the right job.

The irony

Normalization and assimilation defeats the purpose of globalization

Benefits of global talent (Holbrow etc.)

- ❑ Bring unique, complementary skills to the economy
- ❑ Increase opportunities for international business and scientific collaboration
- ❑ In-depth knowledge of home-country language and culture

Competing values and the disconnect between global and local

- ❑ Most (if not all) Japanese companies claim that they embrace diversity
- ❑ But they do not practice it.
 - Global level: Lofty goals and ideology
 - Local level: Actual practice does not match global goals

The Problem (2)

Mismatch between supply and demand for foreign workers.

- Supply = Foreign workers (* in this case, foreign students [Moriya 2012])
 - Expect to be assigned to foreign branches/ posts
 - Desire to work in assignments with foreign clients
- Demand = Japanese companies
 - No differentiation in assignments between Japanese and foreign workers
 - Expect foreign workers to take on assignments just like Japanese workers

Mismatch leads to higher turnover among foreign workers in Japan

- Higher turnover lowers demand for foreign workers
- Bad cycle

Diversity and social capital

Foreign workers bring with them diversity of human capital AND social capital

- Social capital = Social/ professional networks, social resources

Pitfalls of homogeneity \Leftarrow Opposite of heterogeneity

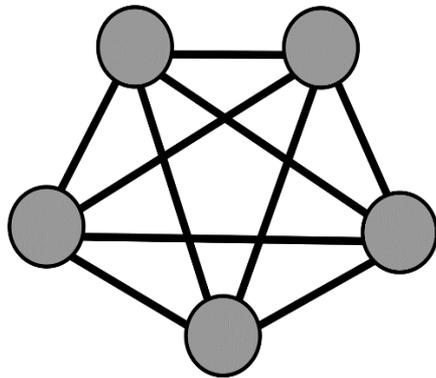
- Homogeneity can foster harmony and strength. BUT...
- **Homogeneity (= lack of diversity) can also breed mediocrity.**
- Individuals who are connected to diverse social networks gain access to different sources of information.
 - Strength of weak ties (Granovetter)
 - Example: Finding a job
- Innovation evolves from diverse and loosely connected groups.

Examples

- Clubs
- University of Tokyo faculty
- Jazz musicians

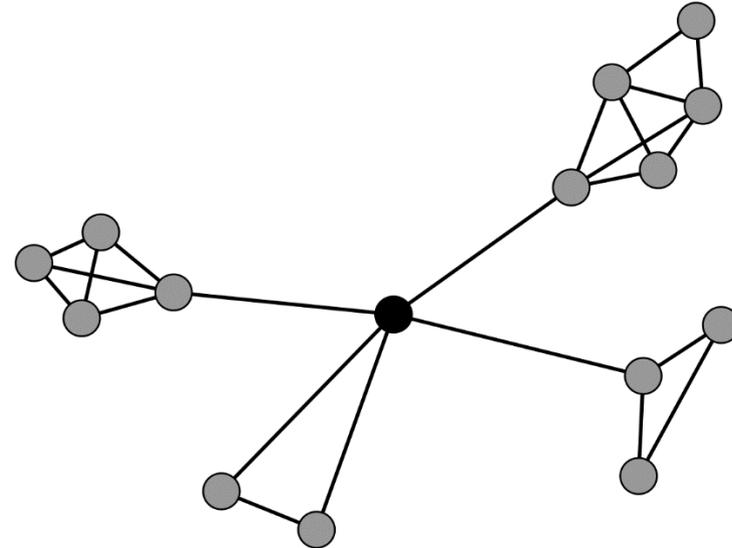
Closure or Brokerage?

(Burt 2005, Hannibal 2015 and others)



Closure

- Fosters harmony and strength.
- May be isolated.



Brokerage
(Structural hole model)

- Brokers are connected to diverse social groups.
- Brokers gain access to heterogeneous information.
- Better suited for innovation.

Final remarks

- Japanese companies realize that globalization is important.
 - But they are not actually practicing it at the HR level.
- Diversity management = Talent management

“Nothing is more vital to the **long-term growth** of JP Morgan Chase than our ability to **attract and retain talented and dedicated employees.**”

Jamie Dimon, Chairman and CEO, JP Morgan Chase

- Must prioritize long-term growth over short-term gains.
 - Japanese companies should be good at building long-term growth!