

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



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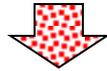
# The Problem (1)

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“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

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## 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

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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)

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## **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

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

- Social capital = Social/ professional networks, social resources

Pitfalls of homogeneity ⇐ 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.

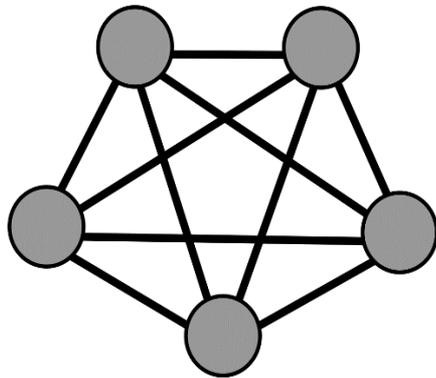
*Examples*

- Clubs
- University of Tokyo faculty
- Jazz musicians

# Closure or Brokerage?

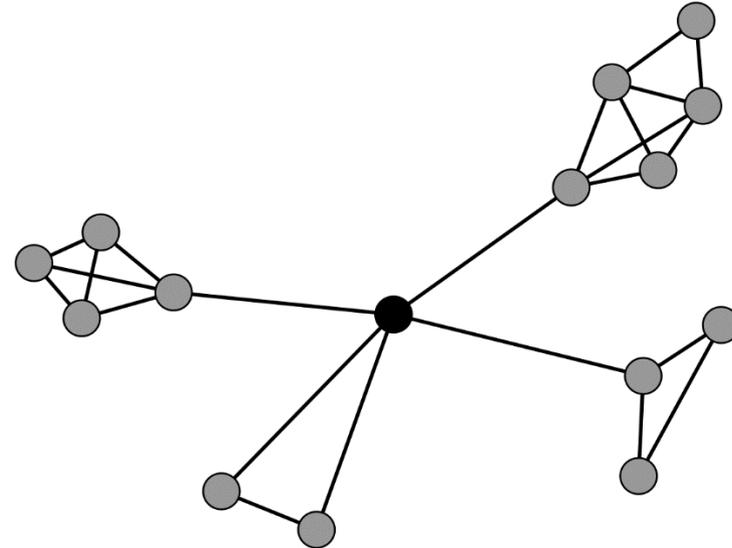
(Burt 2005, Hannibal 2015 and others)

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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

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- 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!