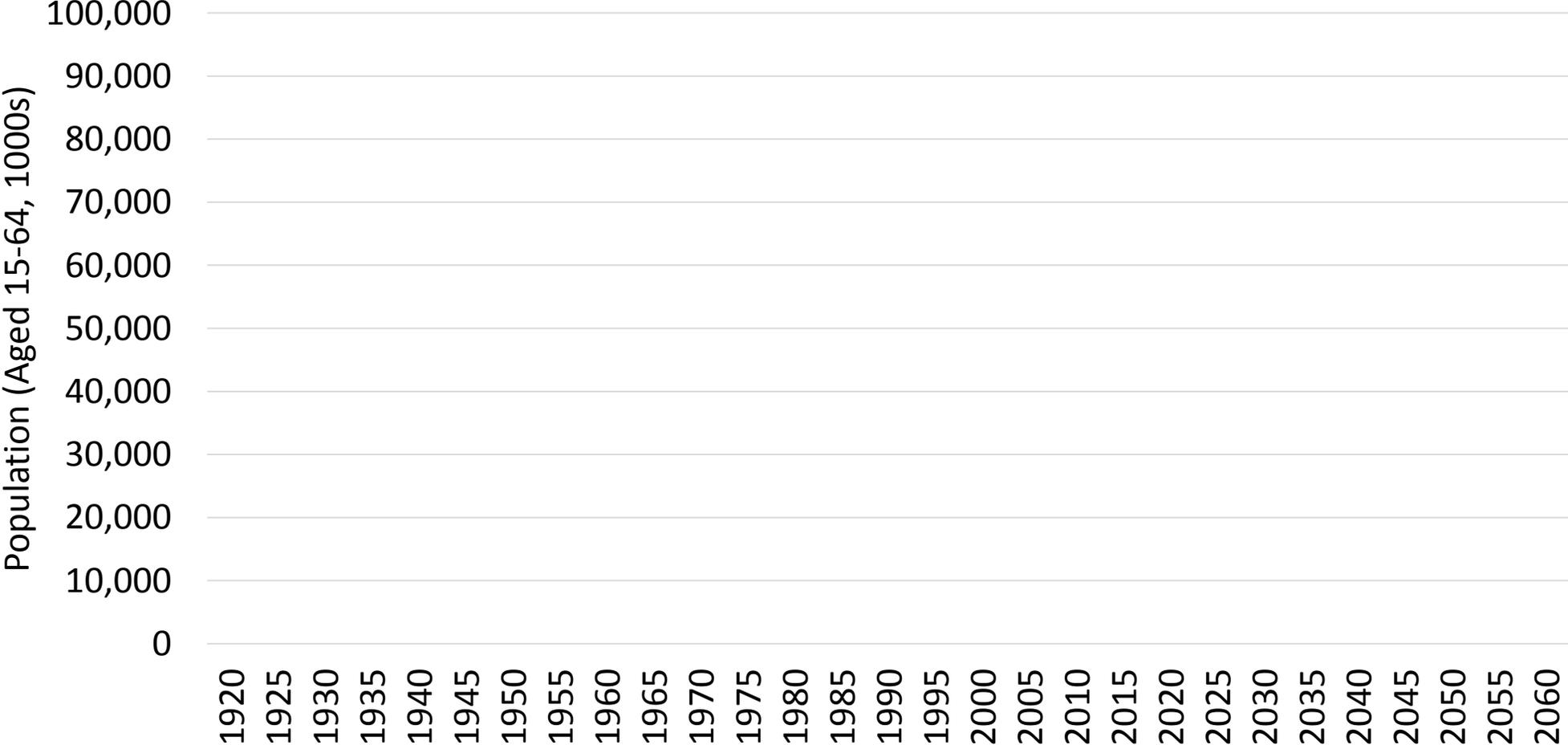


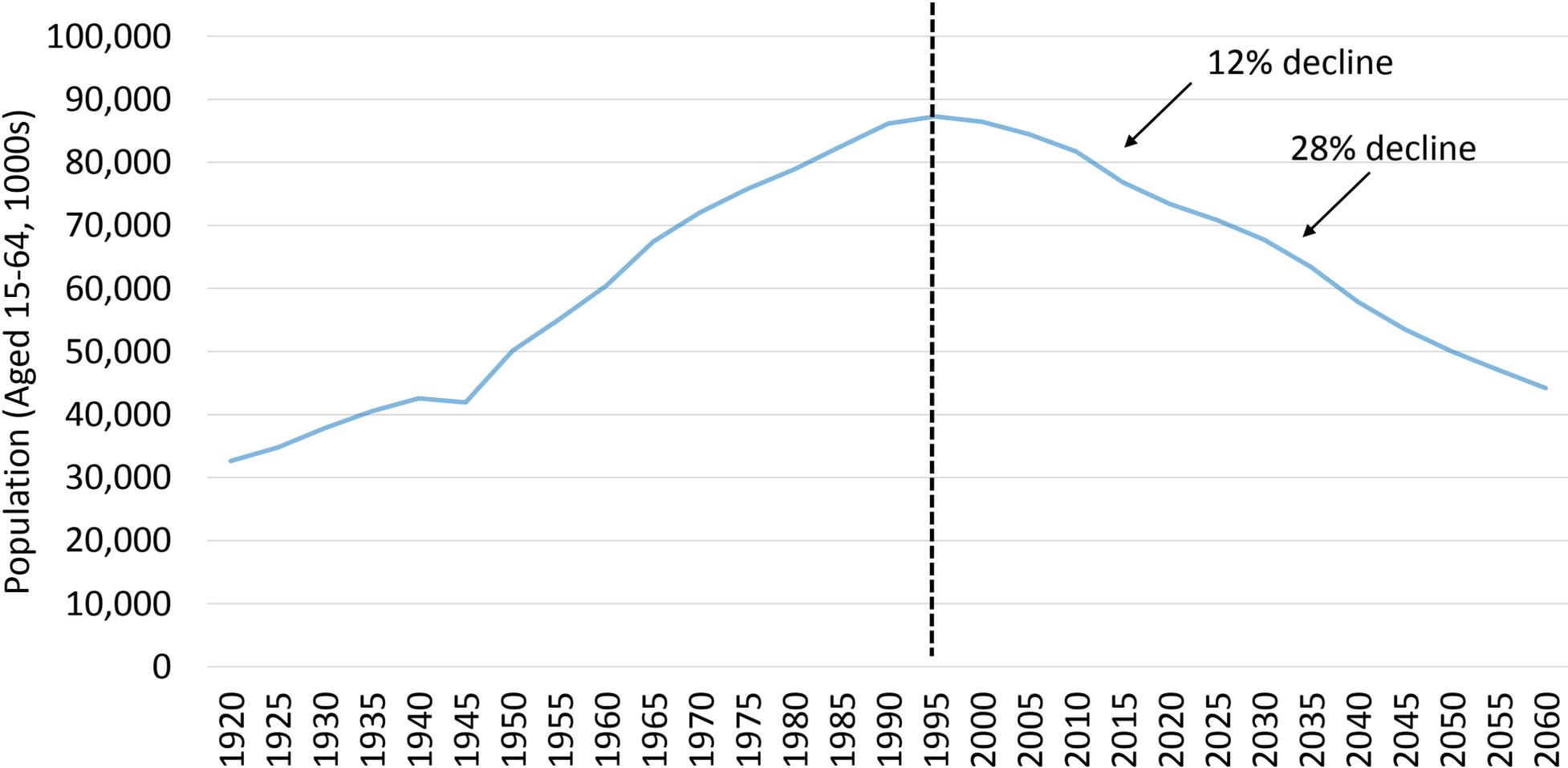
Improving the Effectiveness of Global Talent Management at Japanese Firms

Hilary J. Holbrow
November 25, 2015

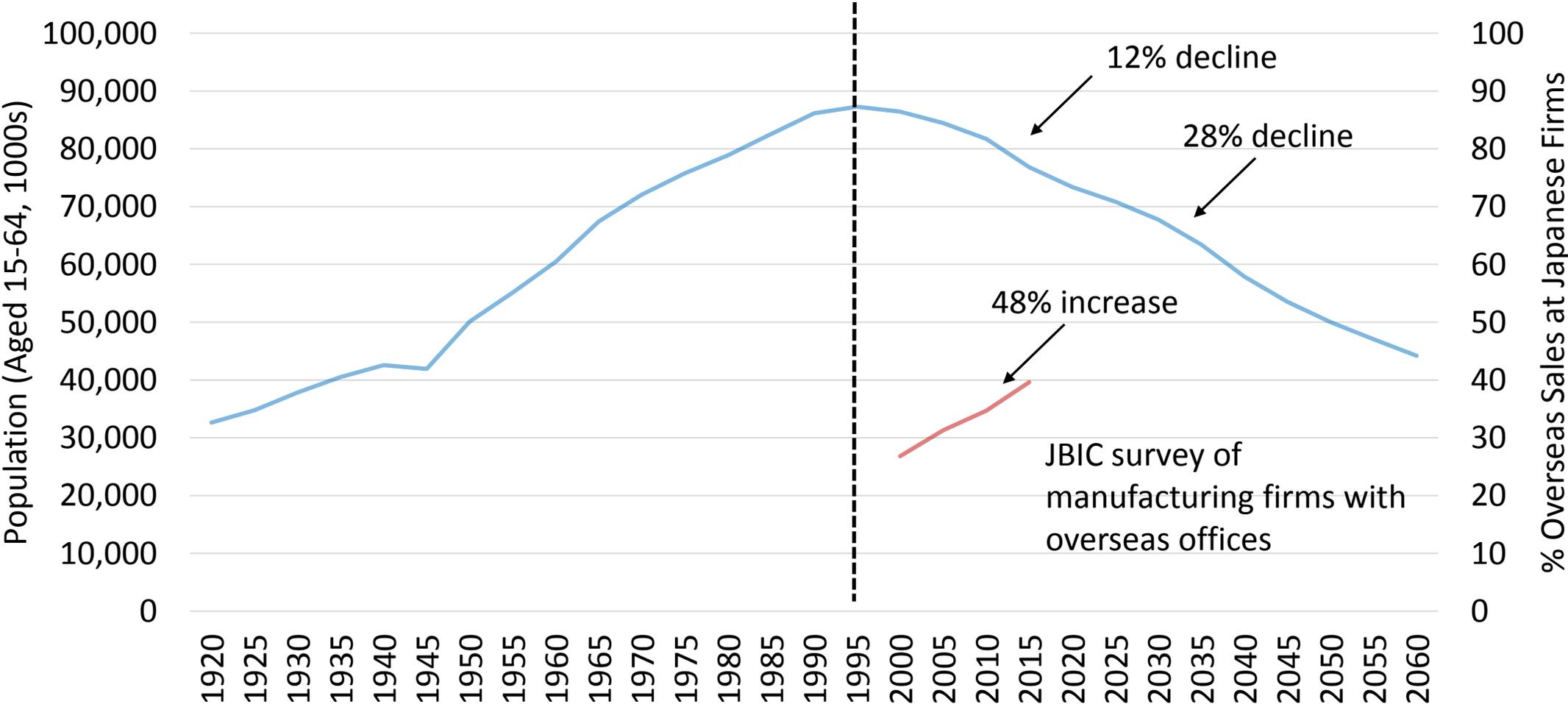
Japan's Demographic Crisis



Japan's Demographic Crisis

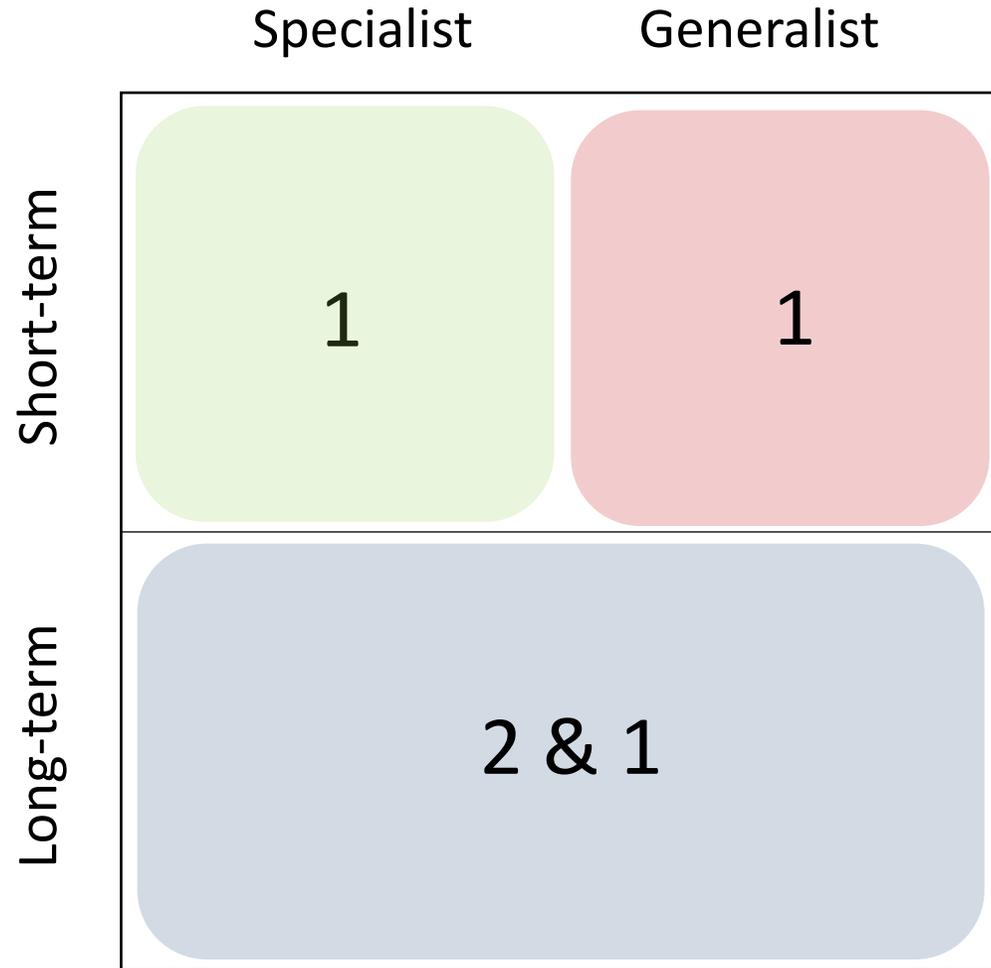


Japan's Demographic Crisis



Foreign Employees and the Demographic Crisis

1. Labor Shortage
2. Need to expand into foreign markets



Problems Incorporating Foreign Employees

Problems with performance

- difficulties with communication, cultural differences lead to less effective utilization of foreign employees, and lower productivity.

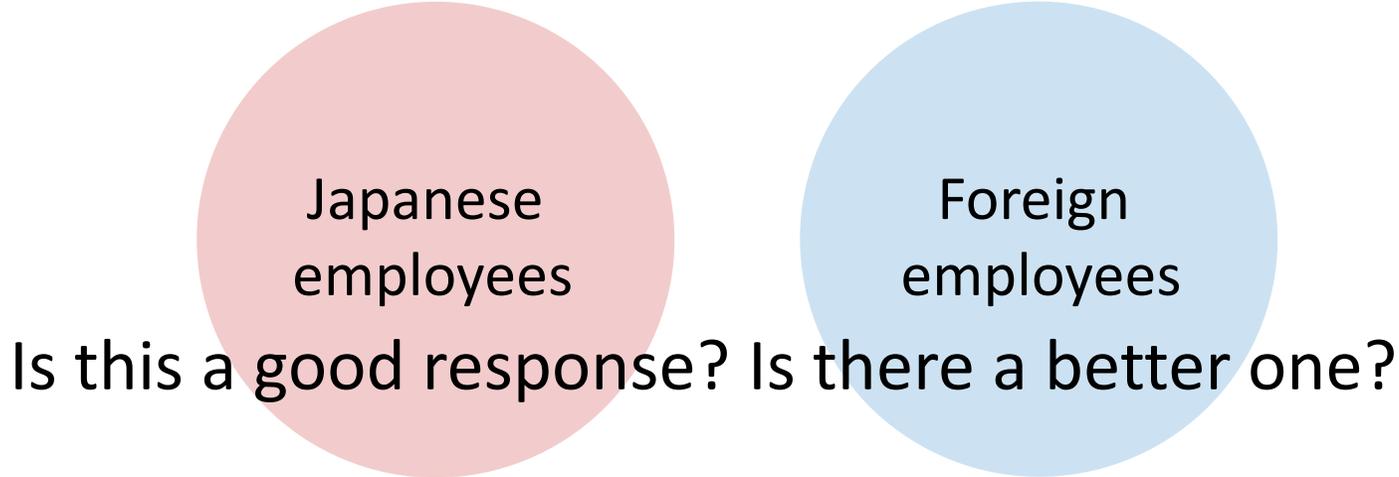
Problems with job satisfaction

- foreign employees may be more dissatisfied, leading to higher turnover. Companies report turnover among foreign employees is 2-3 times that of Japanese employees.

Possible Response

1. Labor Shortage
(short-term)

2. Need to expand into foreign markets
(long-term)



Japanese
employees

Foreign
employees

Is this a good response? Is there a better one?

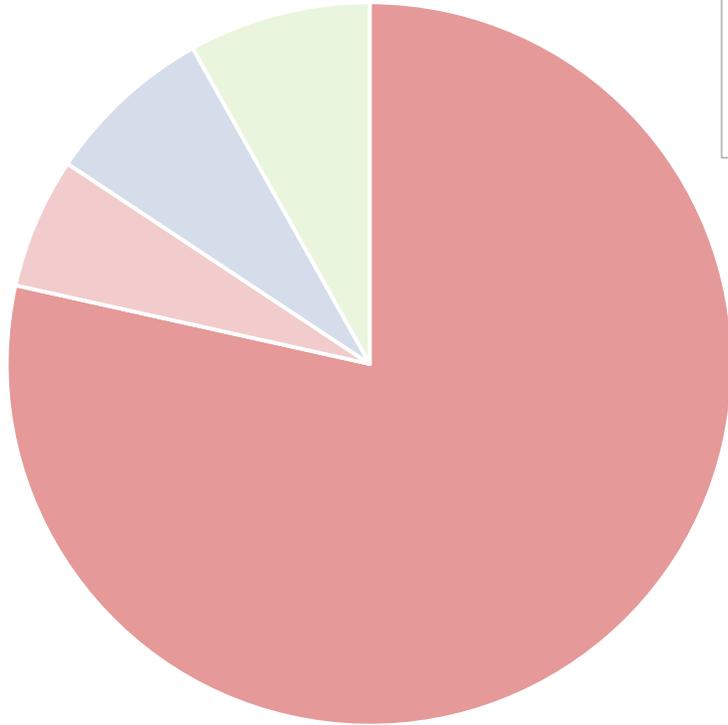
Survey Info I

Survey Target :	Foreign and Japanese white-collar employees, working in the same sections at the same firms
# of Firms :	12 (most 1000+ employees, manufacturing, wholesale)
# of Respondents:	539 (456 Japanese, 83 non-Japanese)
Survey Period :	February-April 2015
Survey Method:	Internet
Survey Languages:	Japanese, English, Mandarin Chinese

Survey Info II

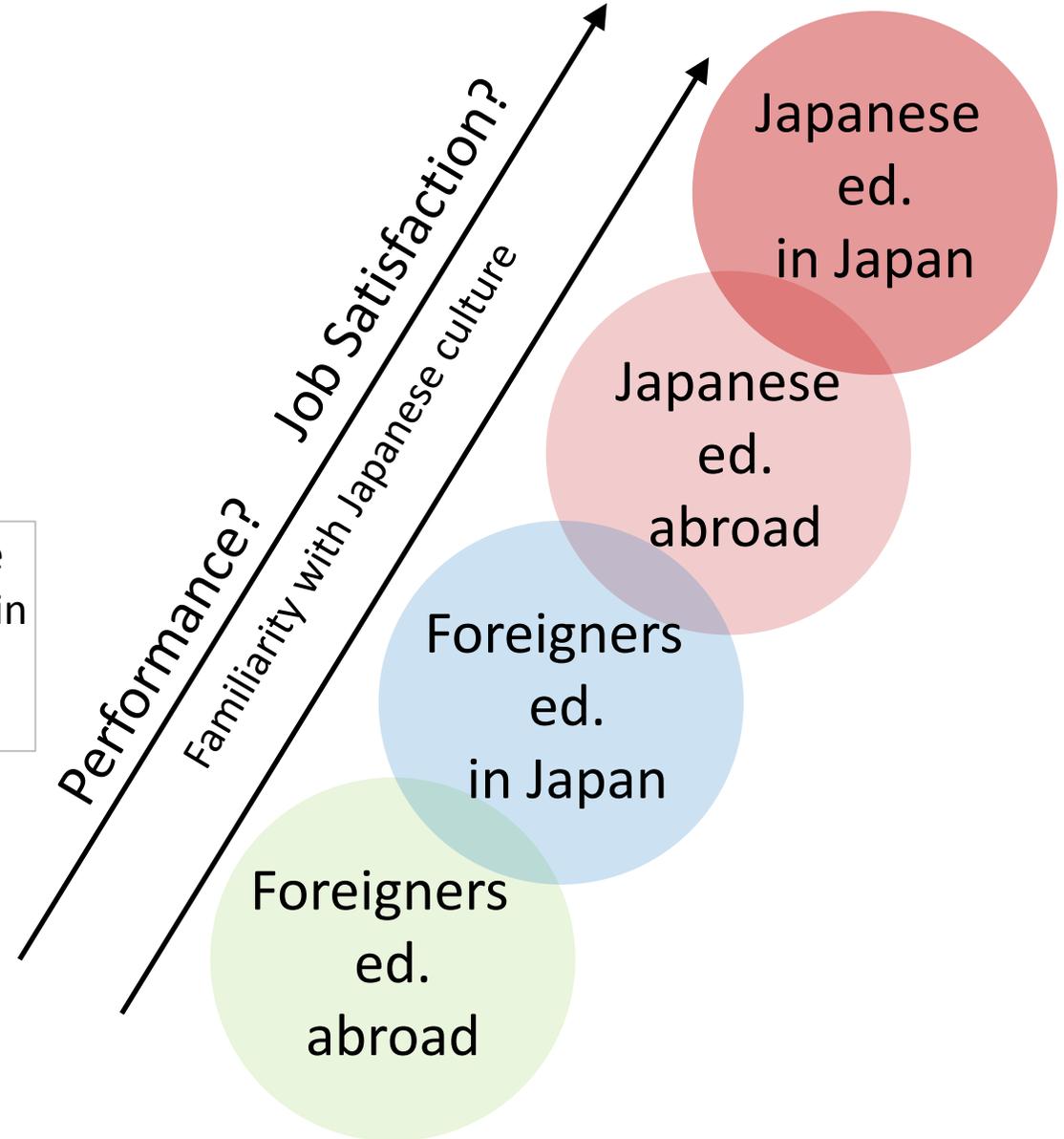
Foreigners
educated in
Japan
8%

Japanese
educated
abroad
6%



Foreigners
educated
abroad
8%

Japanese
educated in
Japan
78%



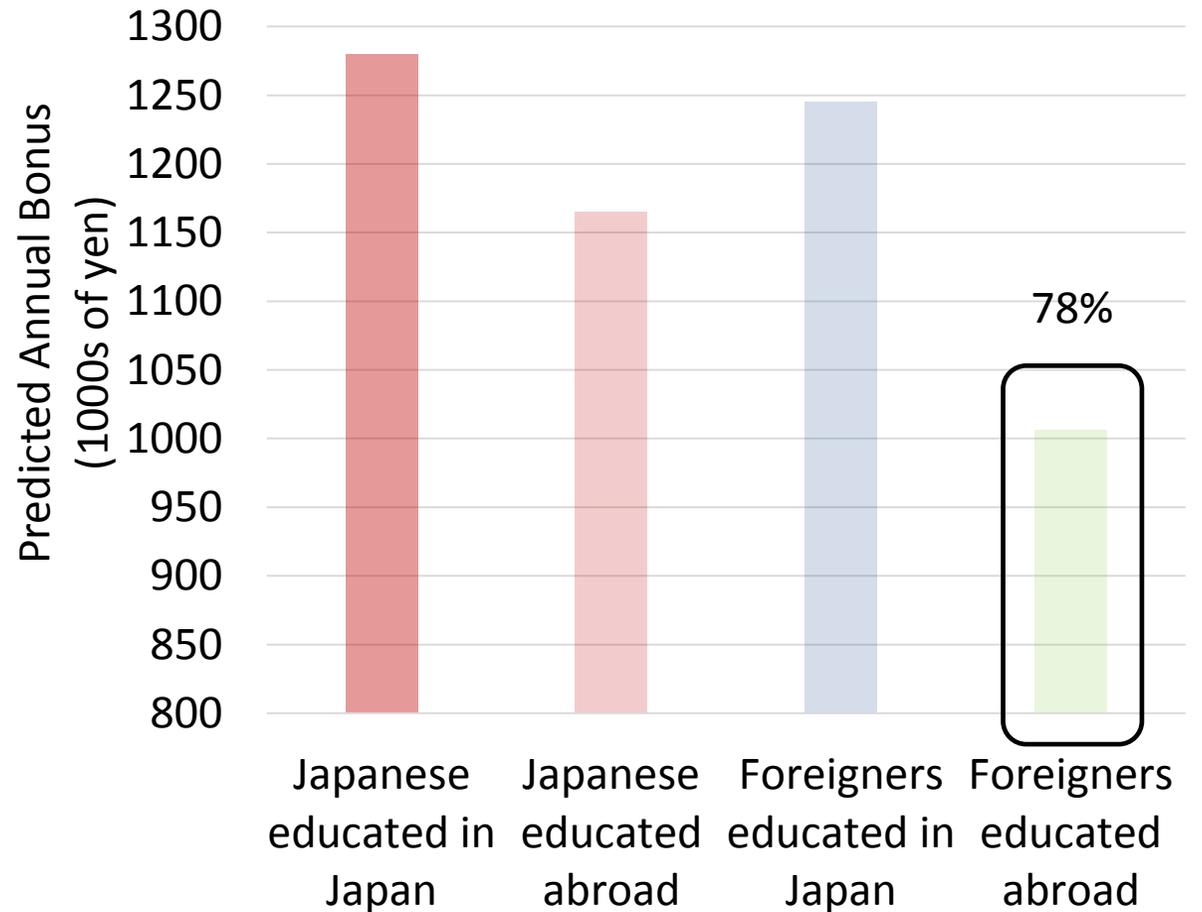
Measuring Performance

Performance can be estimated through respondents' bonuses

- bonus is the pay component most affected by performance
- doesn't objectively measure performance, but does provide an estimate of employers' *evaluations* of employees' productivity

(Perceived) Performance

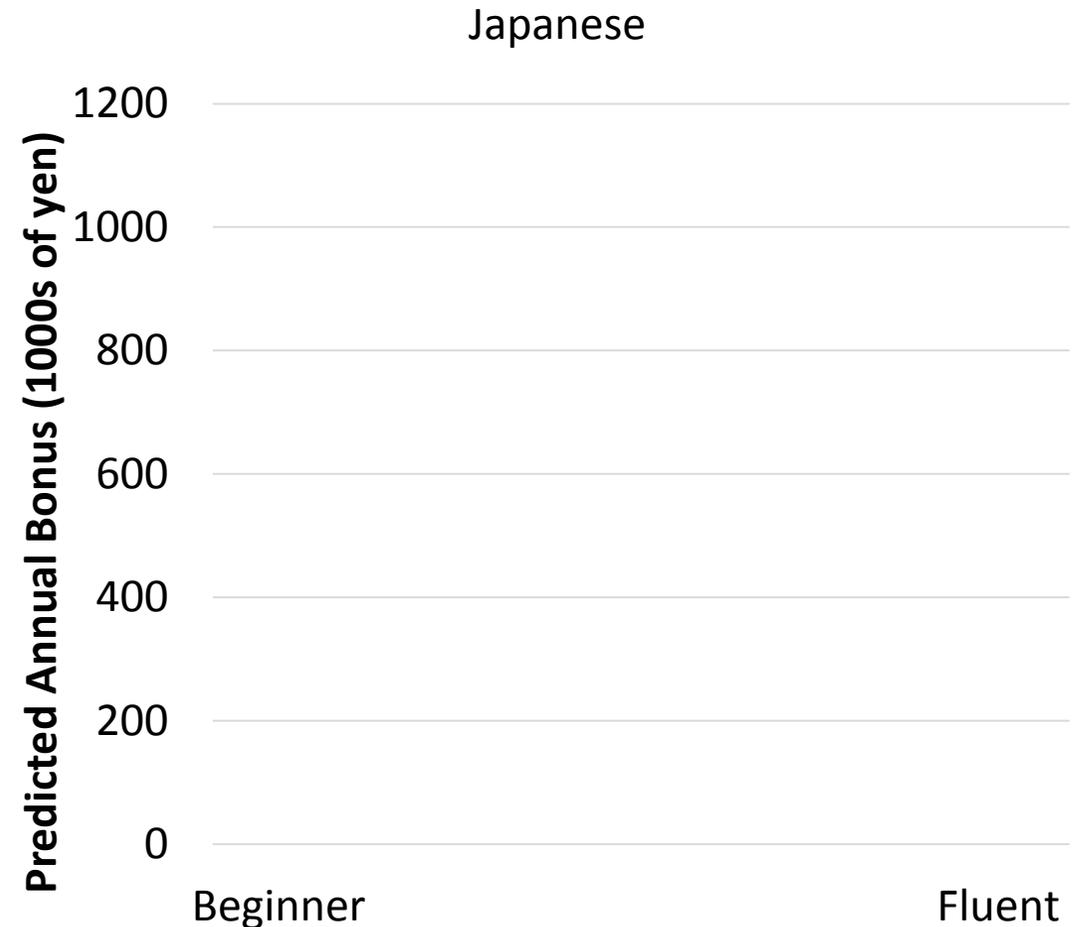
	B	SE
Monthly compensation	0.661**	0.249
Age	157.353***	32.06
Age squared	-1.635***	0.395
Male	256.280**	79.323
Education		
BA	401.783**	145.467
Above BA	413.070**	158.536
Worker Type		
Japanese educated abroad	-114.233	148.42
Foreigners ed. in Japan	-34.016	136.243
Foreigners educated abroad	-273.431*	136.553
Constant	-3,191.41	646.02
Observations	475	
Number of groups	12	



*** p<0.001, ** p<0.01, * p<0.05, + p<0.1

Japanese Ability and Performance

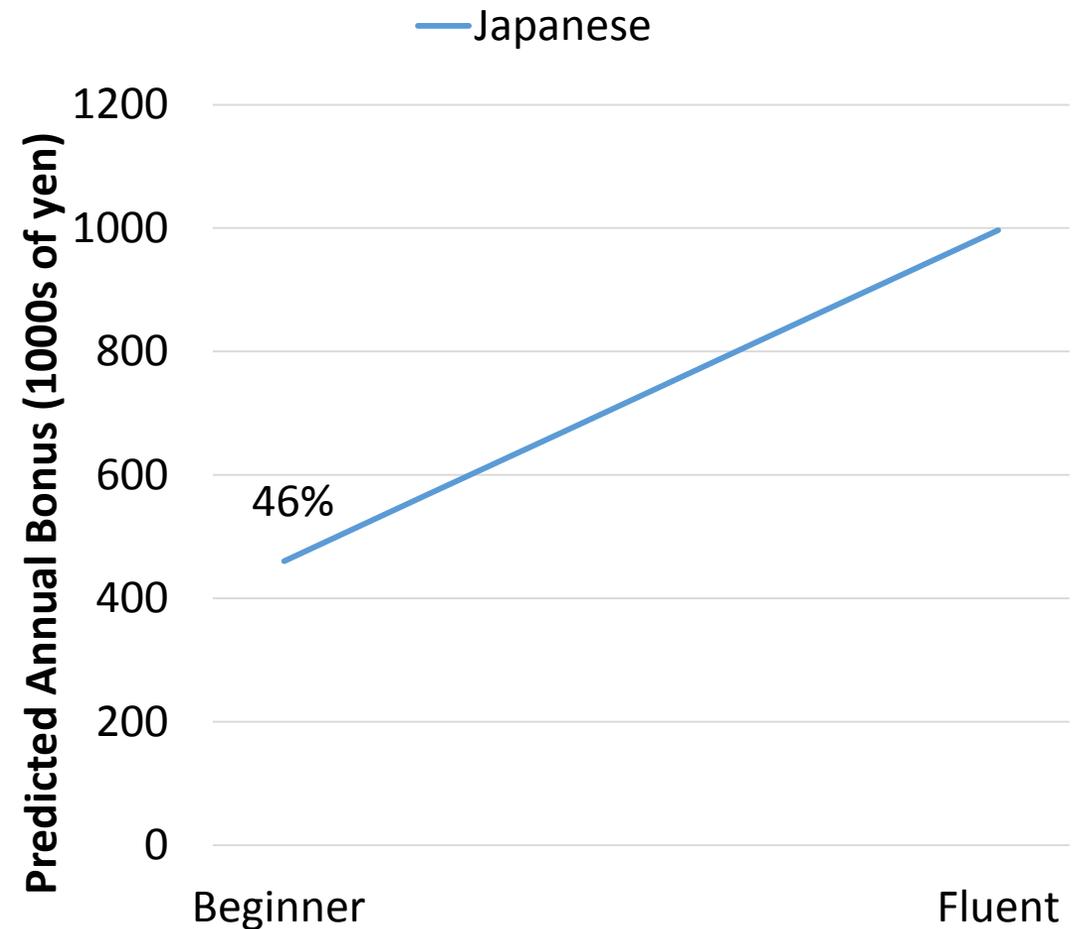
	β	SE
Monthly compensation	0.083	0.458
Age	98.882	66.029
Age squared	-0.735	0.856
Male	-31.263	124.086
Education		
BA	210.246	326.1
Above BA	220.645	319.616
English ability	107.015**	36.683
Japanese ability	26.828*	11.487
Constant	-2,719.817*	1,281.29
Observations	105	
Number of groups	12	



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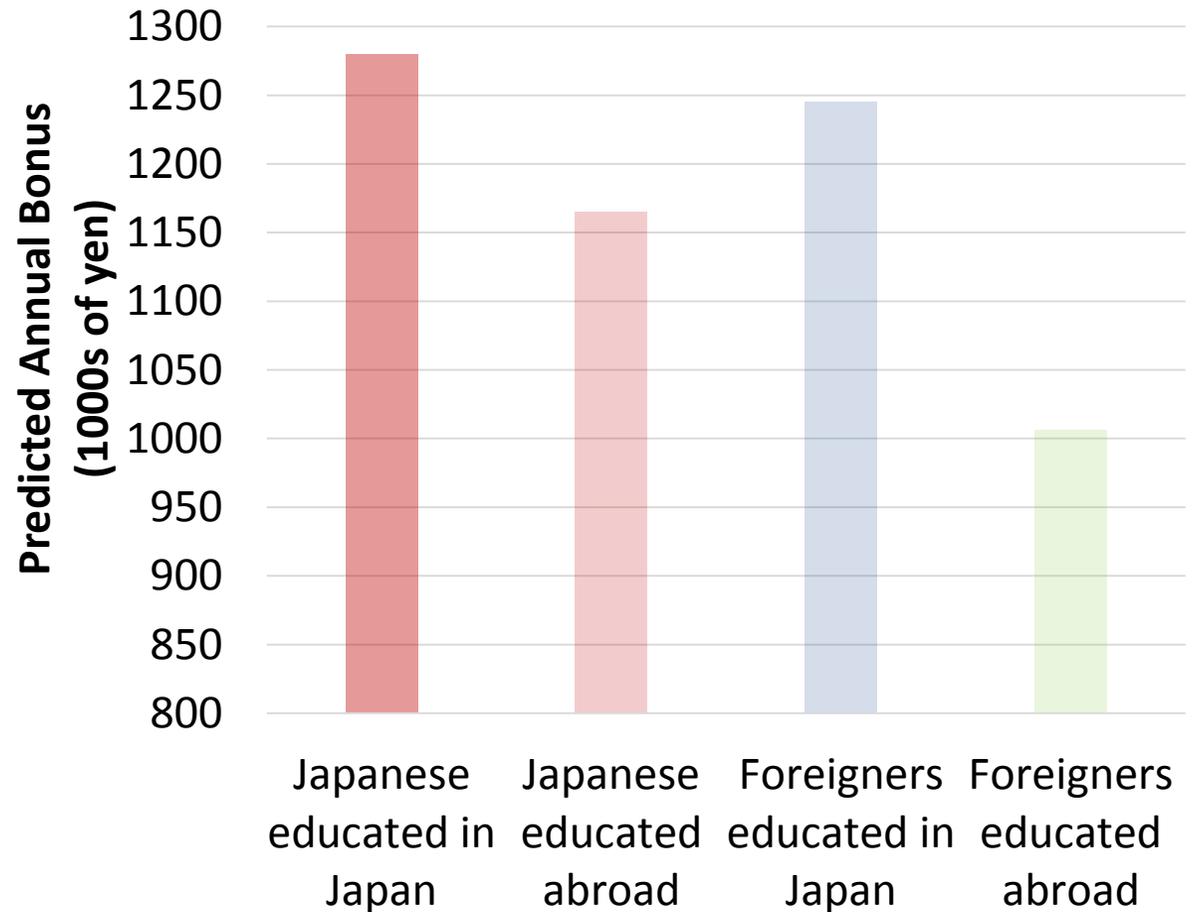
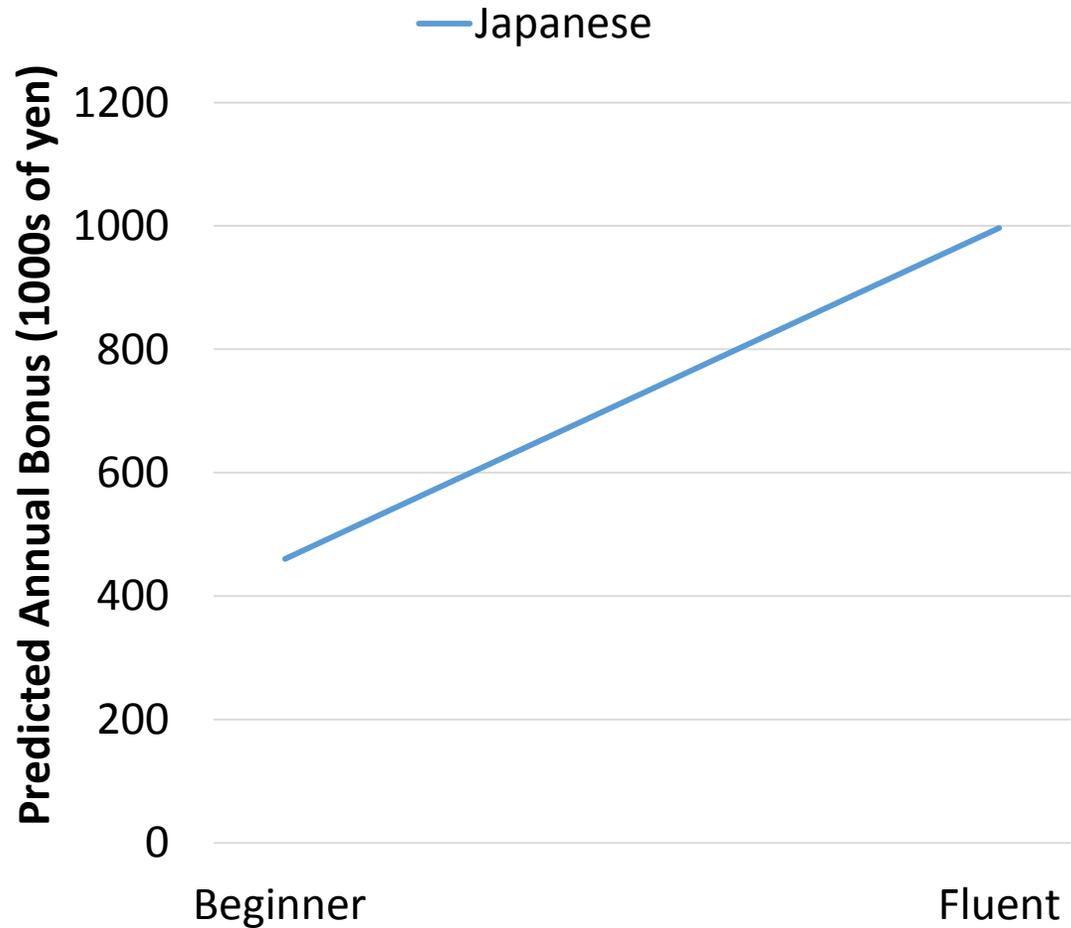
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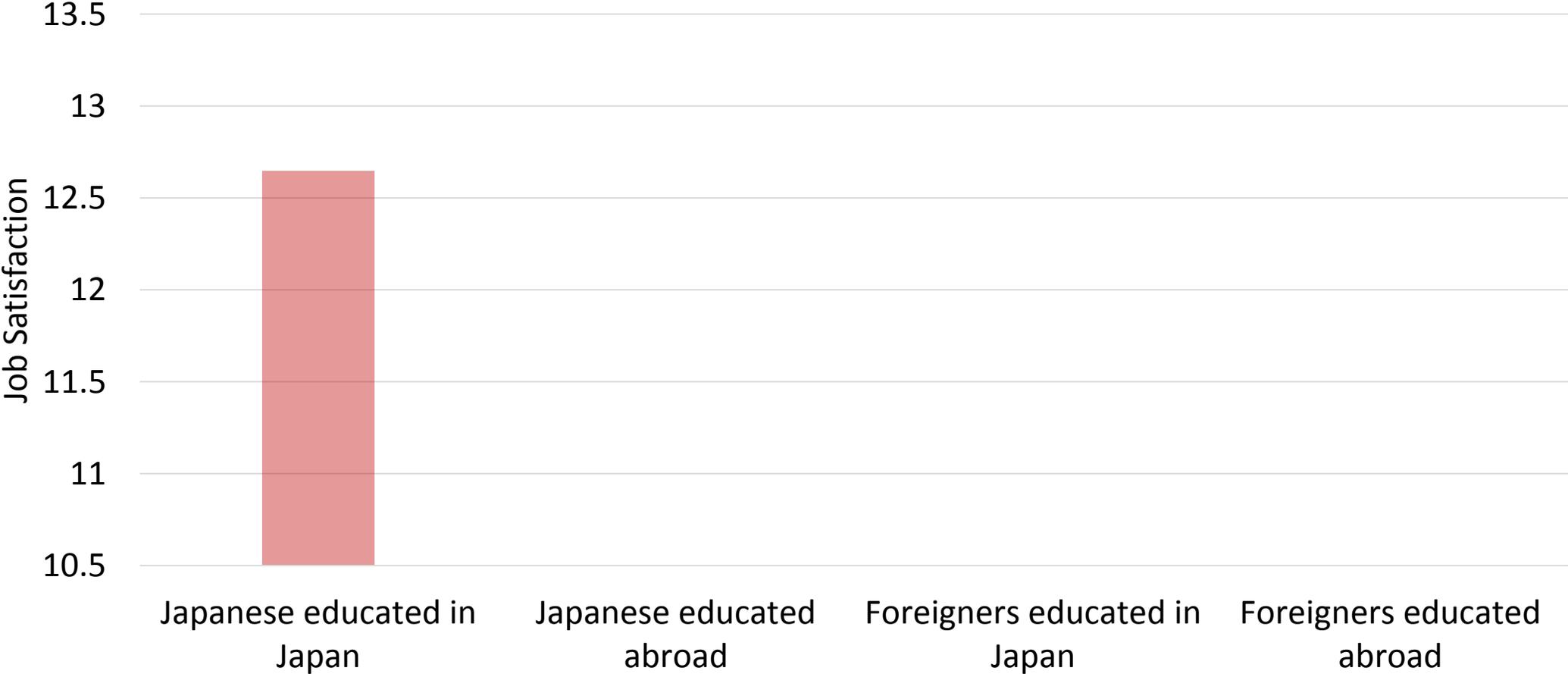


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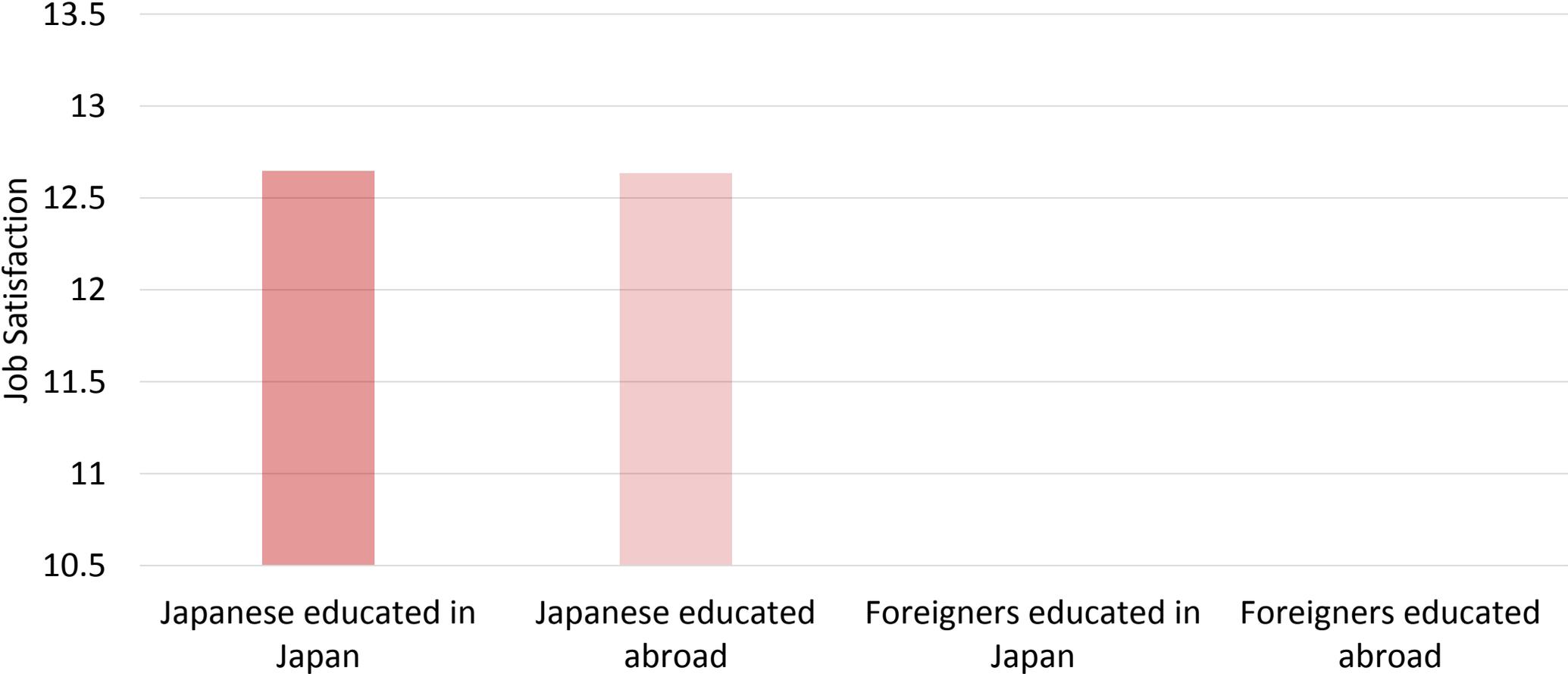
(Perceived) Performance



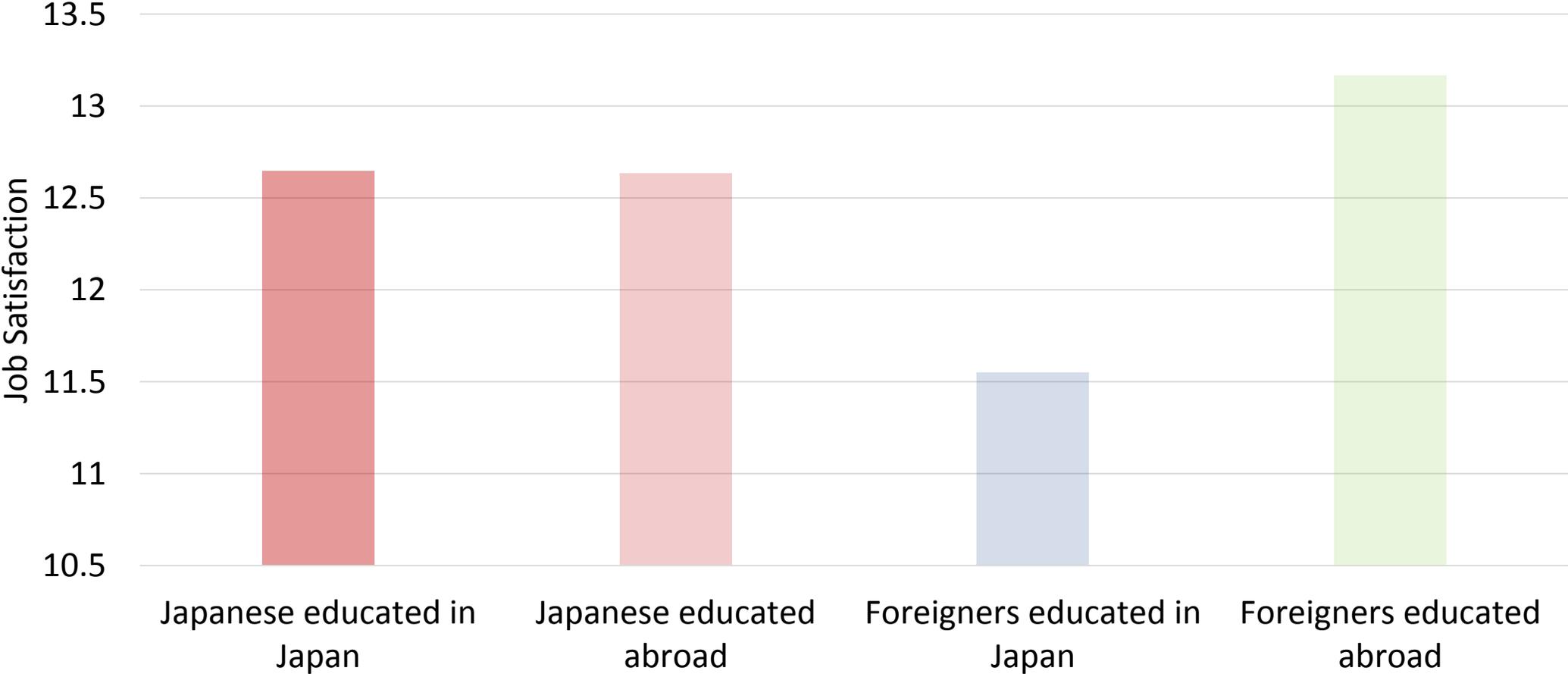
Job Satisfaction



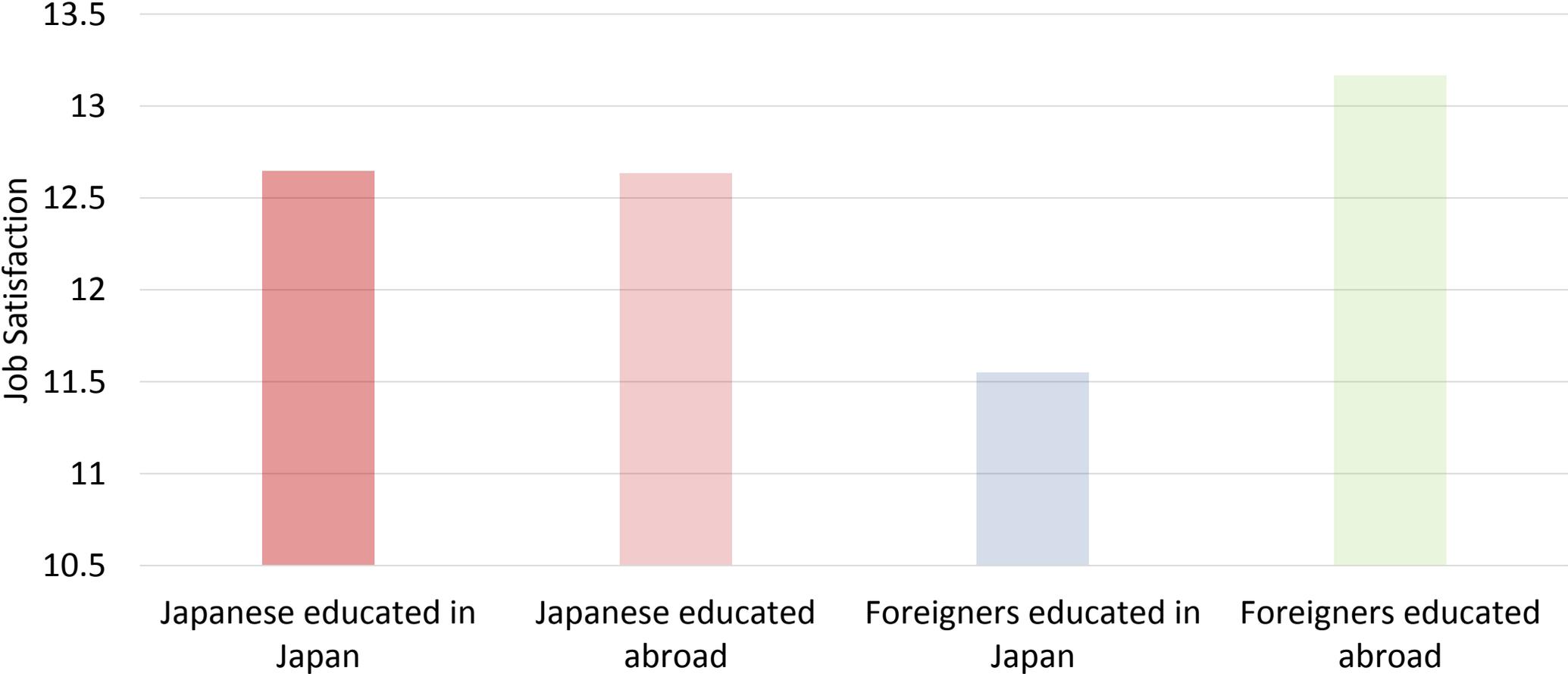
Job Satisfaction



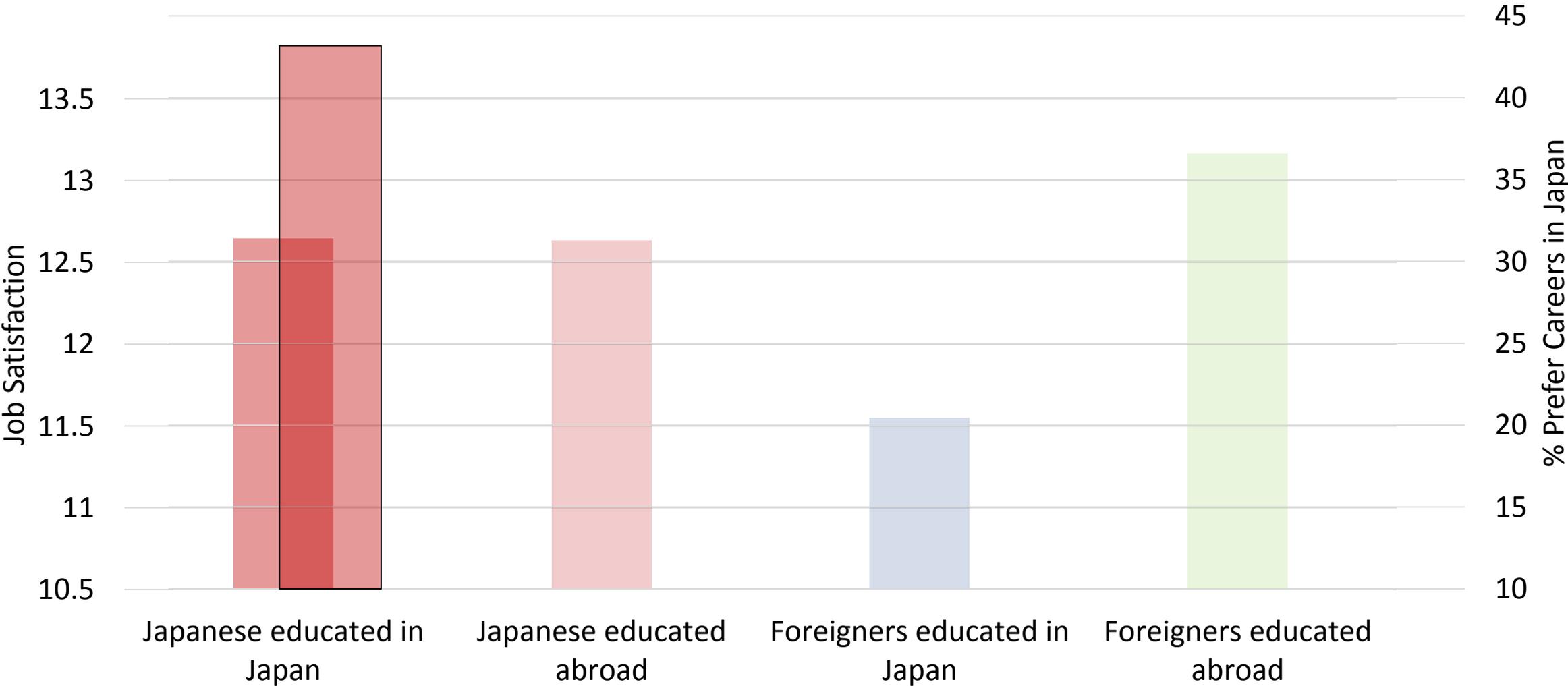
Job Satisfaction



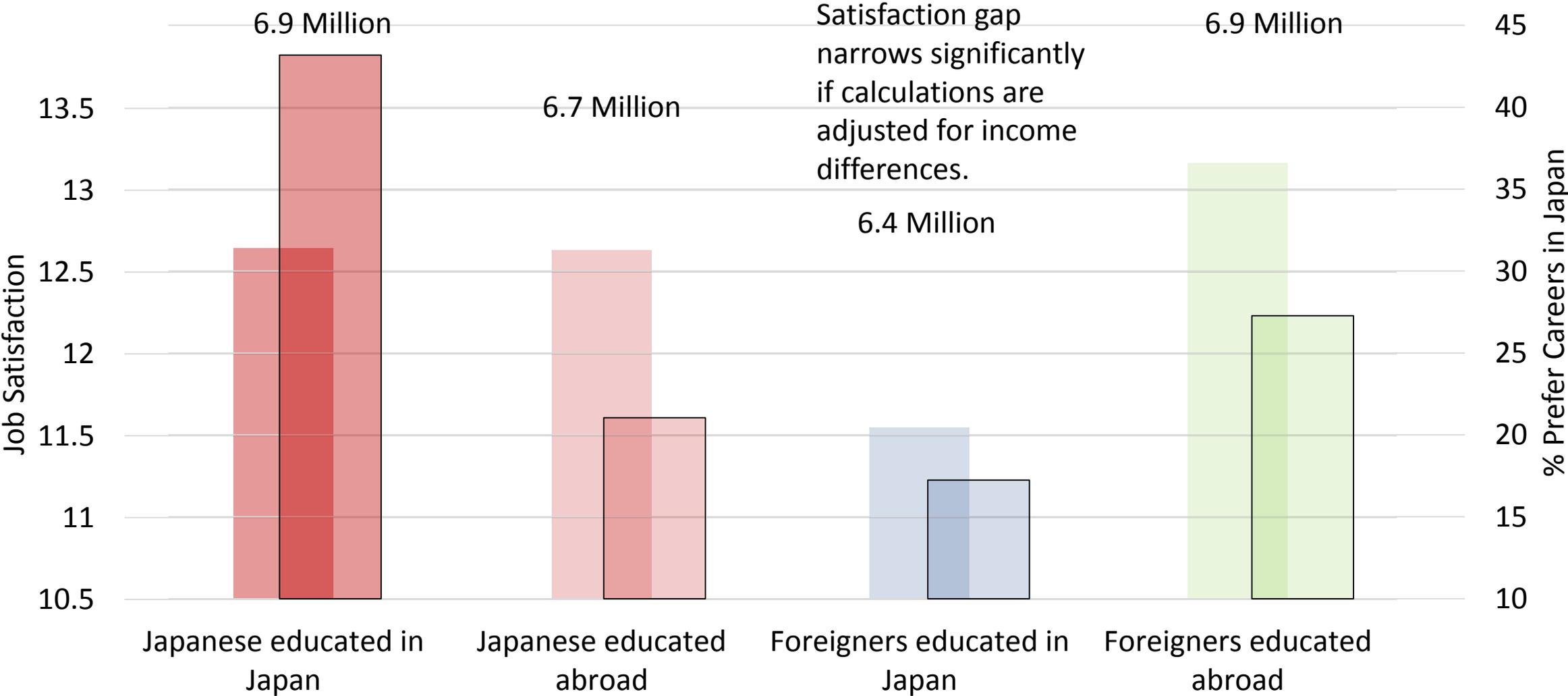
Job Satisfaction & Career Opportunities



Job Satisfaction & Career Opportunities



Job Satisfaction & Career Opportunities



Why Are Foreigners Educated in Japan Dissatisfied?

Relationship Between Income and Language Skill

	β	SE
Male	557.461+	302.566
Age	510.360**	159.182
Age squared	-4.182*	2.102
Weekly work hours	42.518+	22.149
Education		
BA	694.666	821.365
Above BA	1,013.97	804.627
Japanese ability	-364.339*	156.235
Japanese ability squar.	9.921*	4.803
English ability	202.788*	92.371
Constant	-7,463.14	3,589.47
Observations	106	
Number of groups	12	

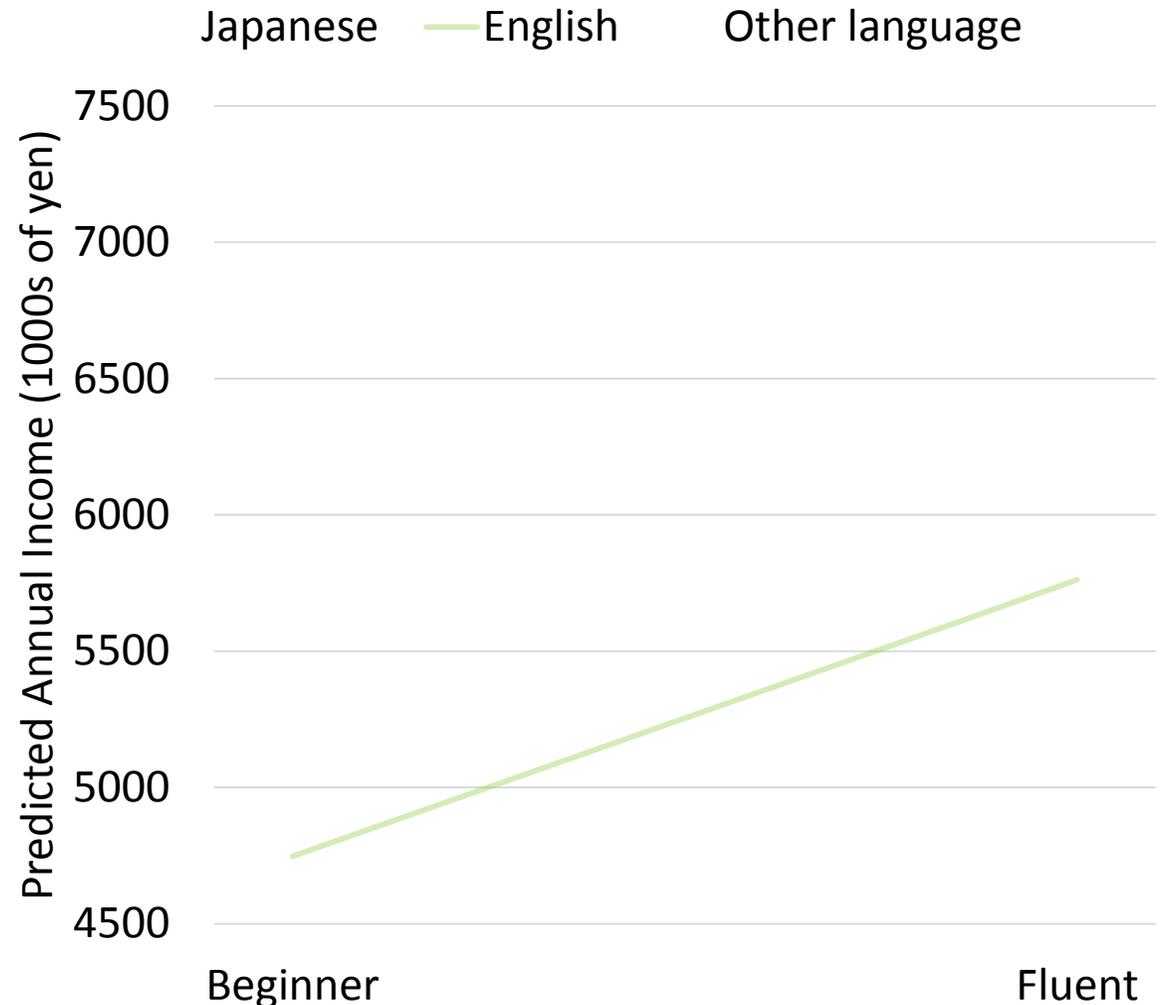


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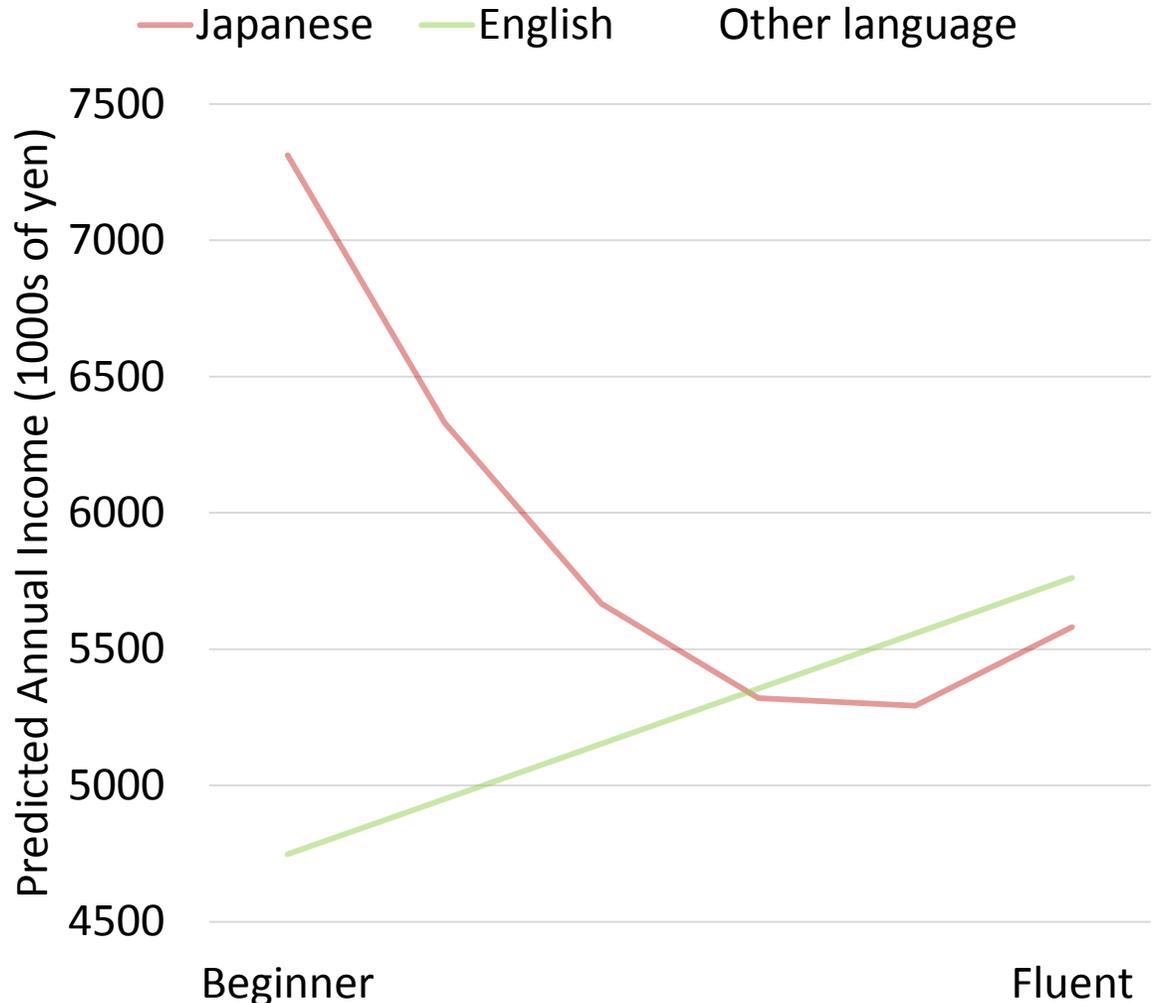


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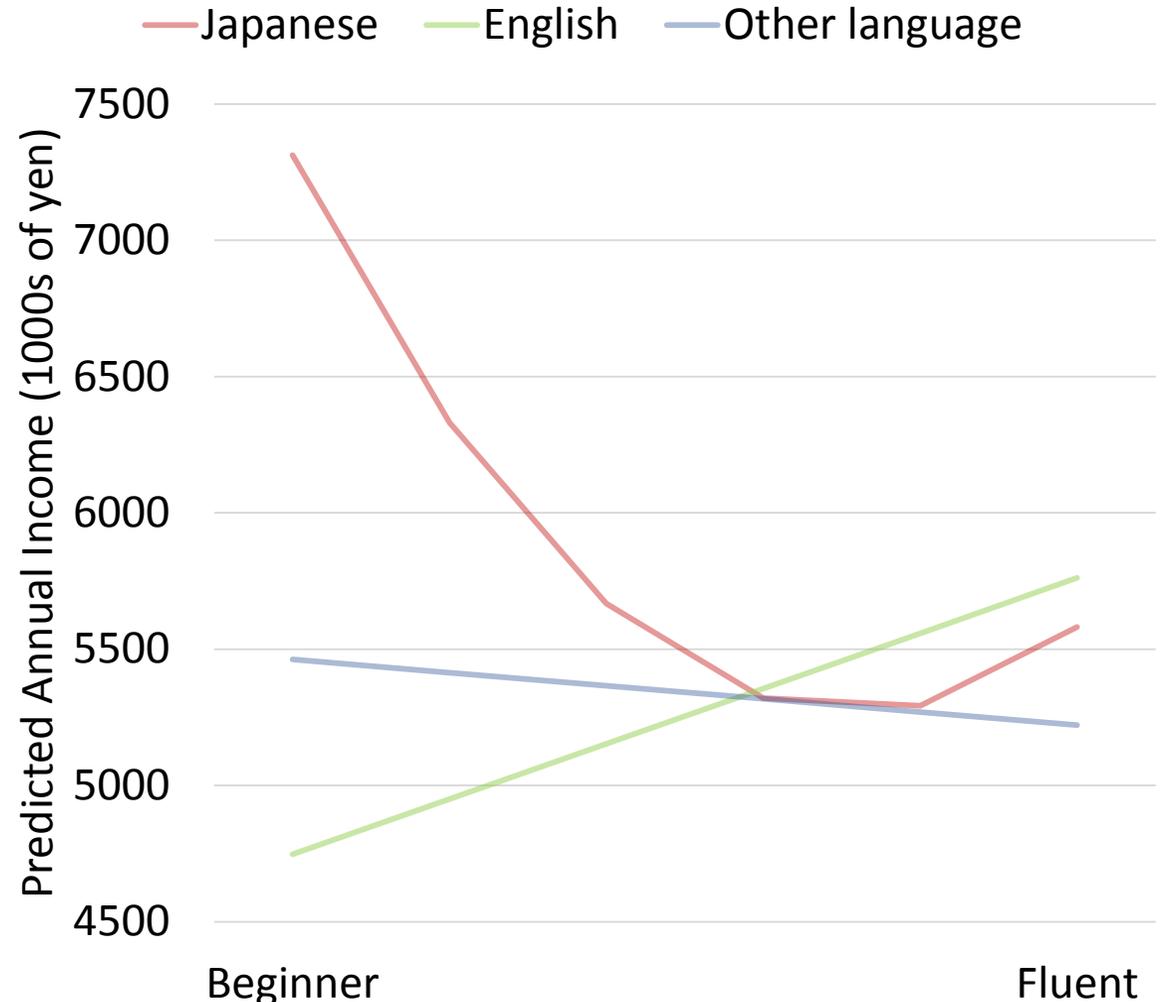


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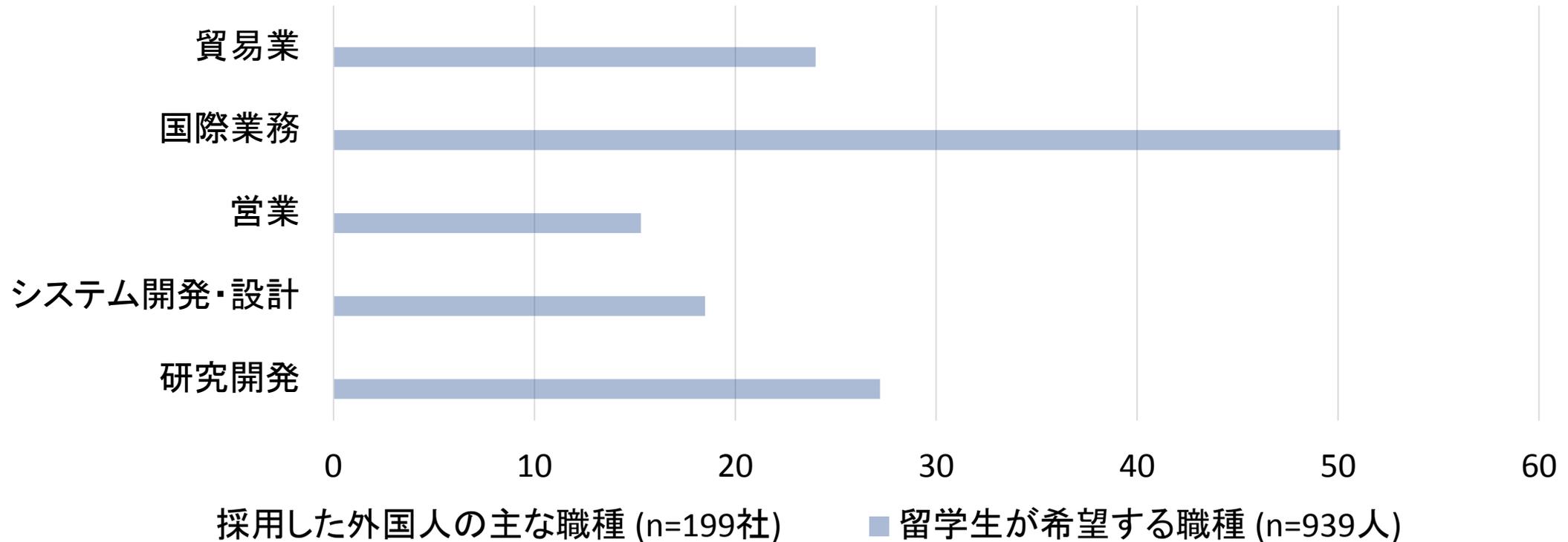


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Why Are Foreigners Educated in Japan Dissatisfied?

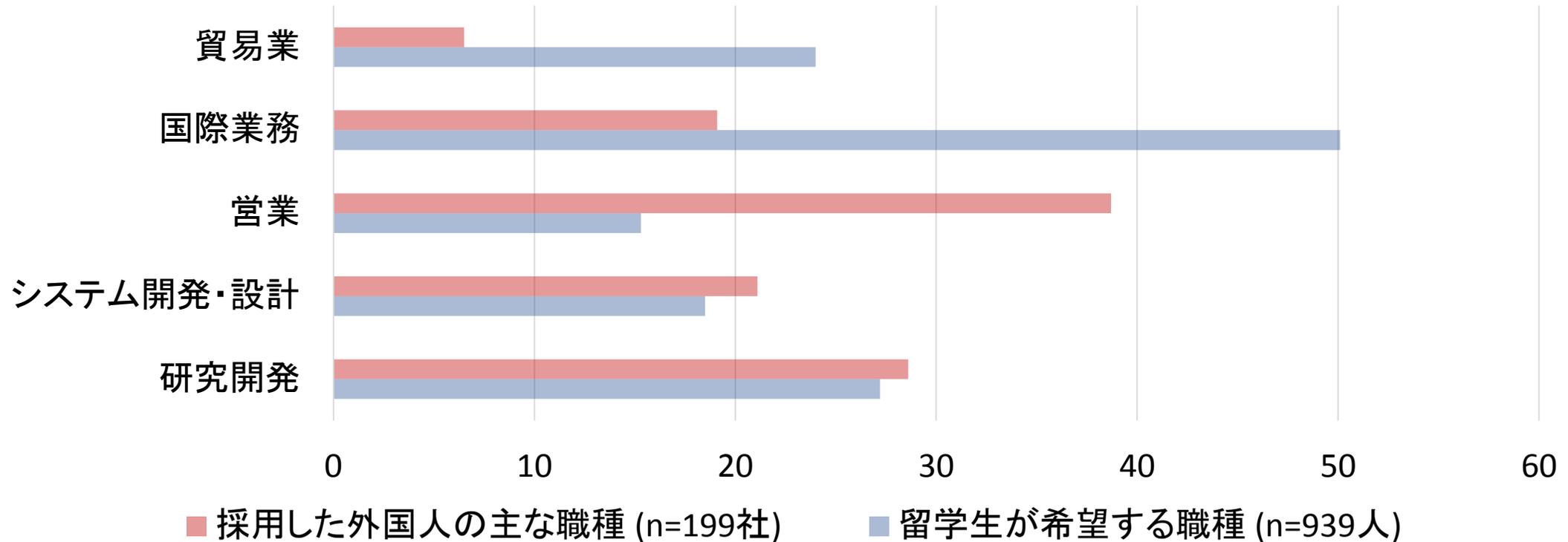
Job Placement

Foreign Students' Preferred Job Content & Actual Job Placement (Selected)



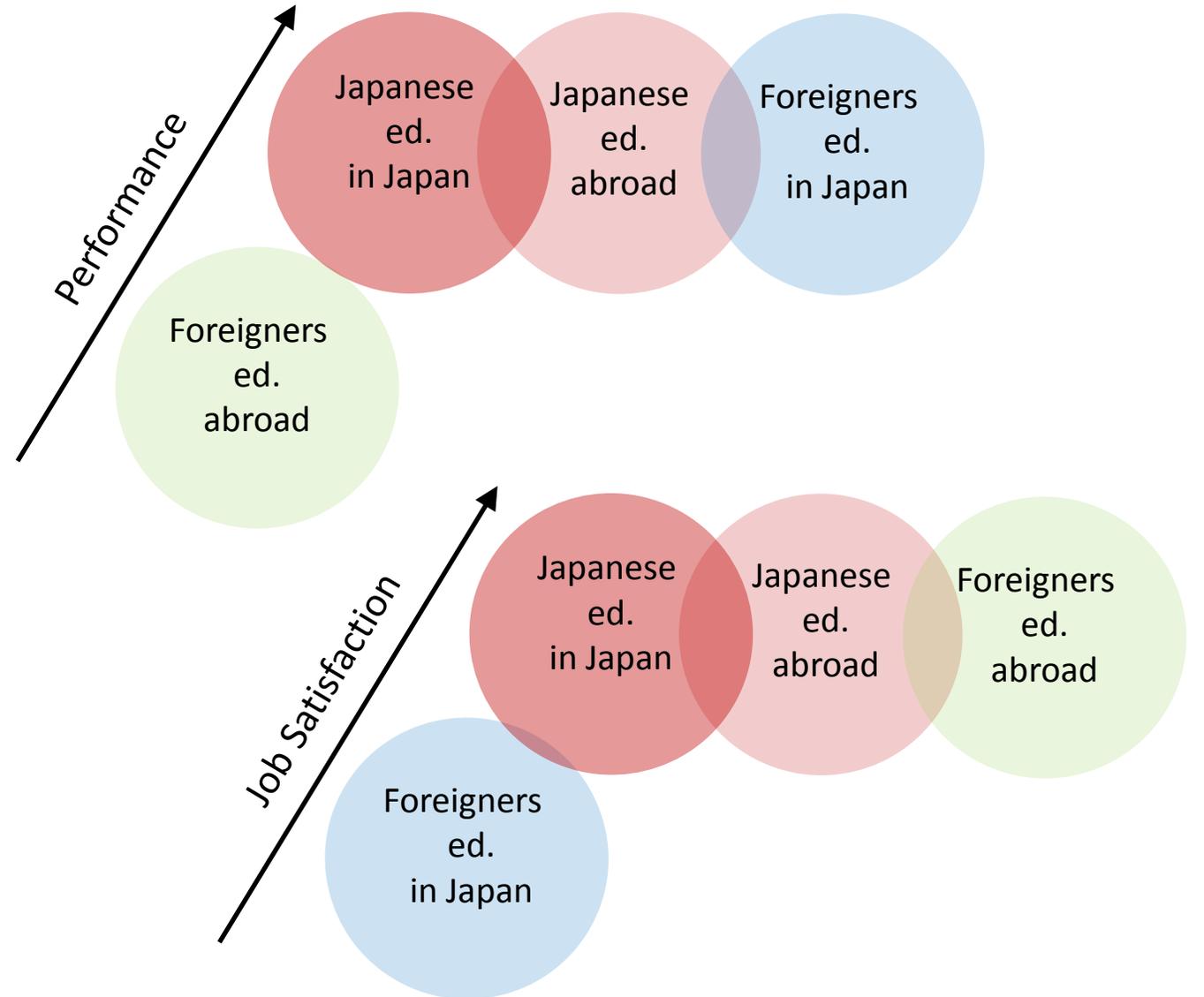
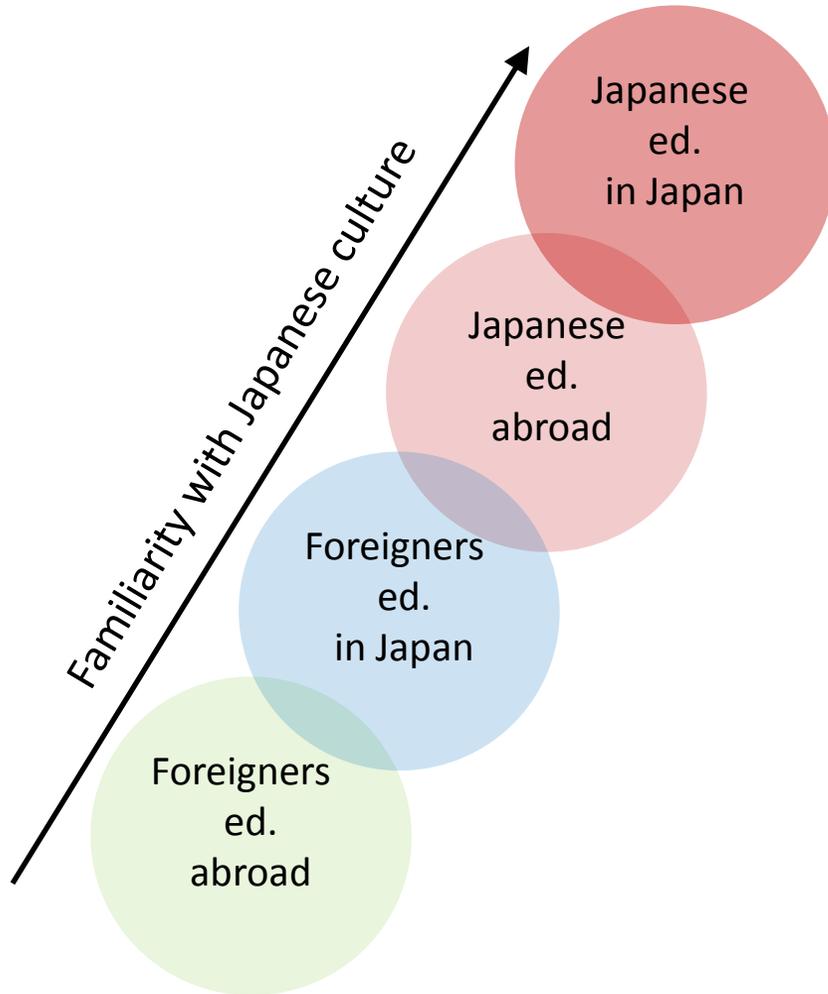
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Foreign Students' Preferred Job Content &
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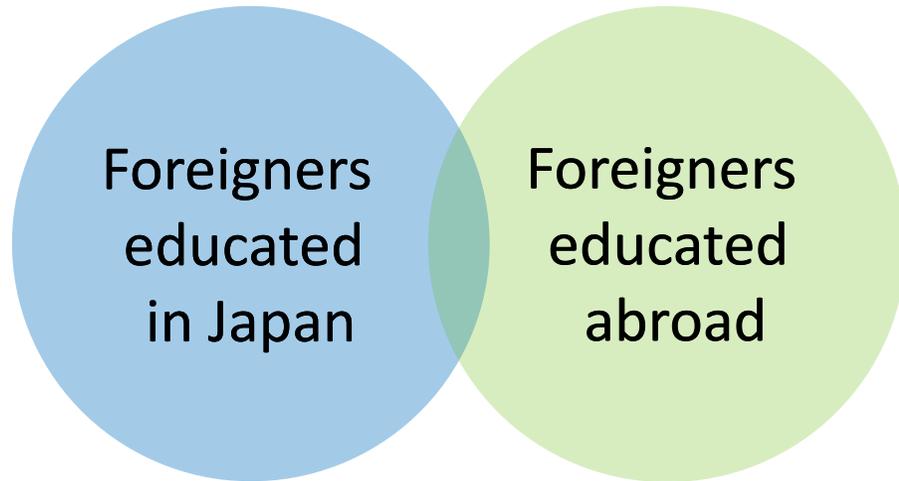
(新日本有限責任監査法人 2015)

Summary



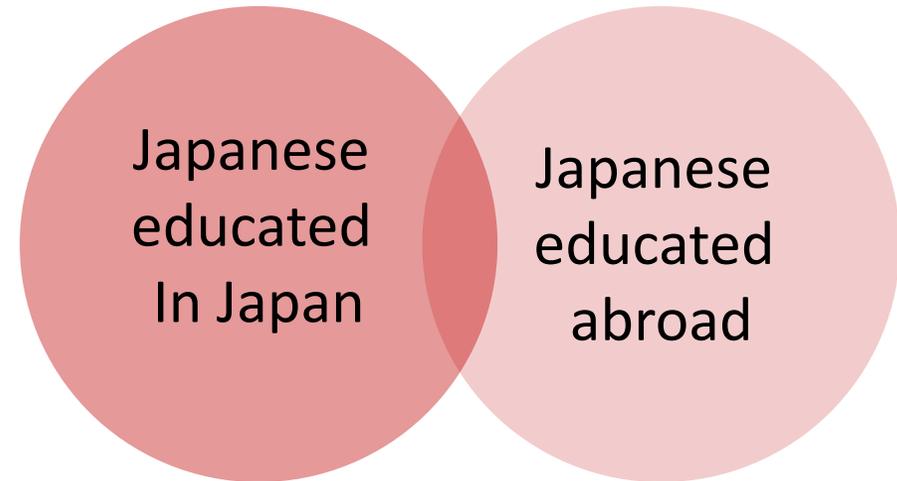
A Better Response?

1. Labor Shortage
(short-term) (long-term)



- I. Increase job satisfaction of FEJ
- II. Increase productivity of FEA

2. Need to expand into foreign markets
(long-term)



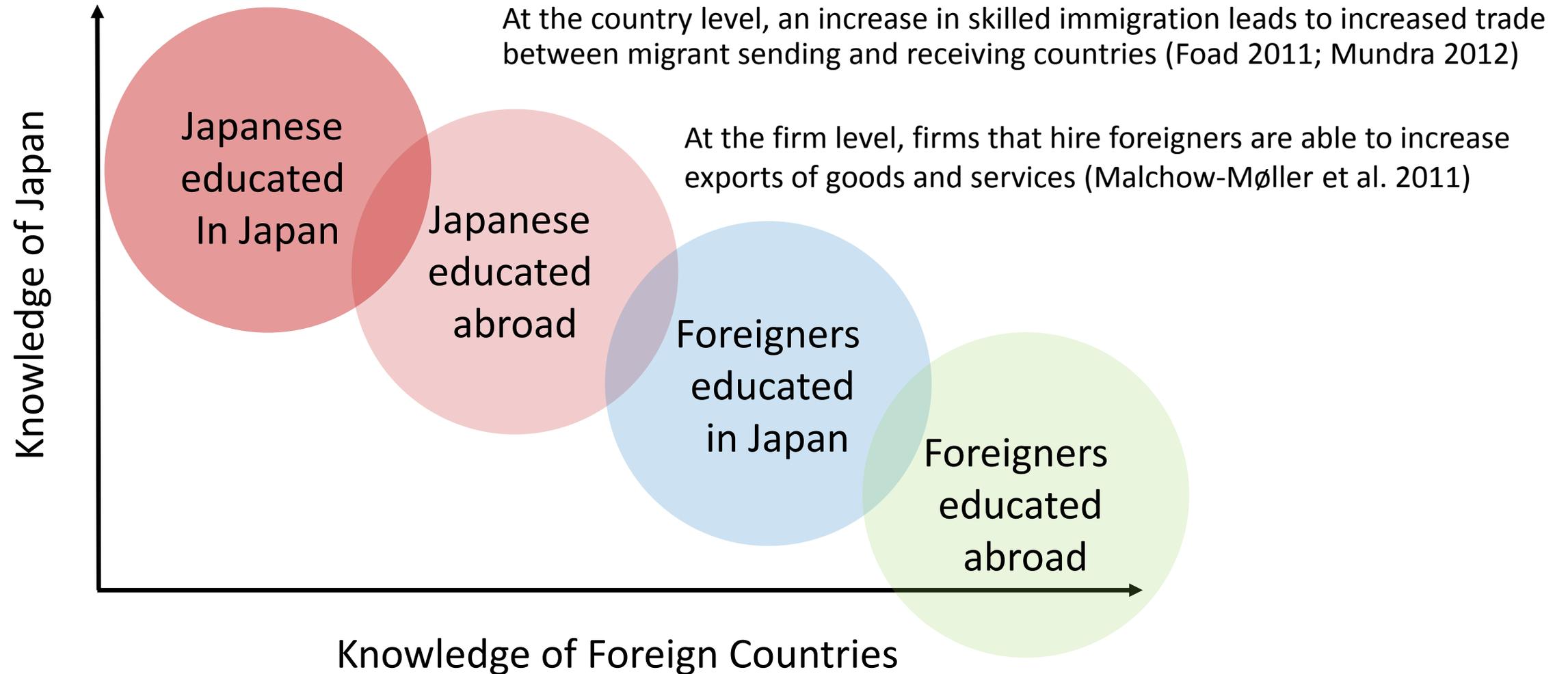
Steps to Improve Job Satisfaction & Increase Retention of Foreigners Educated in Japan (FEJ)

1. Reward foreign employees' investments in Japanese language ability.
2. Reward employees skills in other (non-English) foreign languages.
3. Improve communication about the possibility of work in international business and trade. If it's unlikely a FEJ employee will be able to work in this type of position, be clear from the start.
4. If possible, place FEJ in positions with international exposure early in their careers.

Steps to Improve Performance of Foreigners Educated Abroad (FEA)

1. Invest in Japanese language training for FEA.
2. Provide incentives for other employees to improve their foreign/English language skills.
3. Invest in English-language (or other foreign language) training for other employees.

Why Bother?



Areas for Further Research

1. Experiments at the company level to test interventions
2. Differences in performance by job content (i.e. Sales, IT, 国際業務)
3. Team composition and productivity, creativity, and innovation.