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

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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 ⇐ 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!