

Japanese entities try to go global -making English official language?

Facts, movements, proofs and visions.
Intuitions for future developments and for
educations

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□ Who?



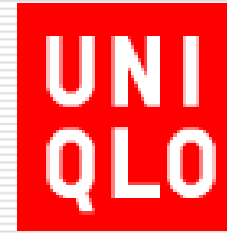
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Rakuten (2010)

- ❑ IT commerce company
- ❑ CEO Mr. Mikitani says 'English should be the common language across the board w.e.f 2012. Directors who cannot speak English well shall leave the company in 2 years.' 'Rakuten quit Japanese and become global. H/O function will move overseas' said he.
- ❑ 3800 employees, turnover: ¥1,800bn (overseas 1%) in 2009.
- ❑ Target global t/o in 2019: ¥ 20,000bn (overseas 70%)



UNIQLO (2010)

- UNIQLO (Fashion) CEO Mr. Yanai declared English shall be the common official language w.e.f. March 2012. Meetings and documents involving foreign participants shall be communicated in English. 1000 shop-masters shall be annually trained to work globally...



Quick review

- ITOCHU (sogo-shosha) CEO Mr.Kobayashi declared 'Frontier 2008' aiming at global entity. Overseas investments will be 70% of all. English is already the common official language (the way within 4 y after joining, 4 months stay overseas for all staff w.e.f. 1999/English Only practice for particular inner meetings for Japanese works.)
- Nissan(Motor)'s managerial meeting is held in English after CEO Mr. Carlos Ghosn Bichara took the lead.
- Mitsubishi.....(Failure?)

Japan industrial overview



- ❑ Ministry of Economy, Trade and Industry (METI)
- ❑ Field survey on Human Resource management about globalization of 470 Japanese entities took place.
- ❑ **Challenging agenda No.1**: English training for **staff level**. (implemented)
 - English training 37.2%
 - Staff training overseas 48.4%
 - TOEIC score for qualification of promotion 15.5%
 - English capability/global business knowhow maintained enough to keep overseas operation 20.9%
 - Training program is available for overseas employee at the same level as the domestic people 14.6%
 - Overseas staff movement to Japan or any other places is available 32.7%

No specific English level bar for recruitment entry is implemented : **Difference from EU + Korean global industry**

Japan industrial overview

- **Challenging agenda No.2**: Training of **Executive class** for global business / Globalization of Human resource employed in Japan (Japanese/foreign)
 - **Critical weak-point : 45%**
 - **The most important agenda : 67%**
 - Executive MBA training for global leader : 17.9%
 - In-house global leader training : 35.0%
 - Systematic career paths including global career : 10.8%
 - Promotion of executives subject to overseas exposure : 4.5%

Japanese entities recognize themselves that Local **Executives** lack global know-how and English-speaking-well capability.

Japan industrial overview

- ❑ **Challenging agenda No.3**: Promotion/ career path of the foreign executives to the managing directors at Japan head-office: 23.9%
- ❑ **Challenging agenda No.4**: Sharing (roll-out) the corporate vision and strategy in writing among all managers/staff including overseas : 26.8%

Japanese entities' head-office is still located in Japan.

Japanese entities have big gap in rolling out the corporate vision and strategy between local and overseas operation.

Why they urge to make English the common language?

- ITOCHU's concept: Creating global 'Value Chain' for sustainable growth. HR will be exhausted soon enough in Japan where population becomes less. **HR value chain with mobility** is necessary as a result. "Global HR development center": 4 locations - NY, LDN, Shanghai, Singapore with nationality-gender-age free where English is 'must' language for all to communicate with one another.

Why they urge to make English the common language?

- ❑ Rakuten's market analysis: ¥ 7,000,000bn in this planet E-commerce. 8% is for Japan.
- ❑ Current turnover: ¥1,800bn (overseas 1%) in 2009.
- ❑ Target global t/o in 2019: ¥ 20,000bn (overseas 70%)
- ❑ **“Stretched Target” management**
- ❑ **“INNVATION” makes it different.**
- ❑ Innovation through HR is KFS. (Mr. Higuchi, Executive Director responsible both of Service Development and Human Resource.)
- ❑ Common official language of English across the board is the leverage to make it happen.



Yomiuri's Debate



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Voice of argument (for)

- ❑ It is the corporate agenda where paranoia mindsets are needed inevitably. It is a matter of freedom of each company and Yes/No is meaningless.
- ❑ Condensed, concise and strong communication is supposed to be established where English conversation protocol is used whilst the Japanese high-context protocol ('sasshi') and 'meetings are toxic'.
- ❑ More attentive collection of global information enables all level of staff more capable (for IT engineering, Science, Toyota recall case...) It is useful even to get rid of Galapagos phenomena.
- ❑ High-salary English-speaking Japanese business person would be replaced by someone else overseas. (annual ¥5M more on average Rakuten employee's ¥5.5M would have been paid if such high-spec Japanese person was hired.)

Voice of argument (against)

- ❑ 'English speaking well' person does not equal to 'high performance' person. In English-zation, 'English Only' person with less performance is supposed to be promoted. This will undermine entity's competitiveness.
- ❑ When Japanese to Japanese communication is made in English, communication quality is lost and it will be insufficient and ineffective.
- ❑ Only overseas department requires English and all others do not need English at all. Pan-company English-zation is meaningless.

What do you think?

- Your opinion to 'For' and 'Against' side on this topic?
- What do **you** think?
- How do you **feel**?

- By the way. survey report of Foreign investments in Japan says.....

English is extraordinary-useful for “risk management”

- ❑ English causing “reputational risk” – Toyota CEO case
- ❑ Global corporate relationships – ownership of crisis management
- ❑ Case of sudden ‘Dealer’s resignation
- ❑ Diversity management (multi-language policy and/or ‘China-First’ strategy)

Thank you very much.

- If you want to discuss further, call freely to: Yoshi

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