

# **What is the “Global” Labor Market?**

## **Whether Japanese Companies Make Global Labor Markets**

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# Contents

Definition of the Global Labor Markets  
Previous Studies  
Methodological Explanation  
Summary of Case Study in Japan  
Deduction from the Case Study  
Discussion  
Conclusions and ...  
References

# Definition of the Global Labor Markets

- “the boundaries of (labor) markets depend on a writer's interests and theoretical perspective” (Althausser and Kalleberg 1981)
  
- ❑ National boundaries no longer seem to form closed labor markets.
  - Global labor markets are somehow being constructed throughout the world.

# Definition of the Global Labor Markets

□ Every worker stays in **one country** and works for **a particular company** with cultural roots in a particular country.

= Global talent remains in one country's labor market at any point in time.



□ There are **several globalized labor markets in a single country** and they somehow form the global labor markets in total?

# Definition of the Global Labor Markets

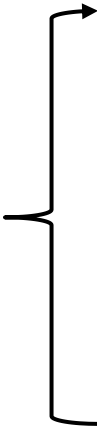
- How do these globalized labor markets in one country link to each other and form “collective” global labor markets?



- Key concept: “**Movability**”
  - Movability is defined as workers having the potential to move from the labor market in one country to the labor market in other countries.

# Definition of the Global Labor Markets

□ A globalized labor market in a country loosely connects with other globalized labor markets through movability and forms (pluralistic) global labor markets overall.

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1. What is **the condition** of making the global labor markets?
  2. What is the final boundary between “**regional**” and “**global**” labor markets?
- Consider it from the case of Japan

# Previous Studies

- ❑ Most Japanese companies are still typical in that nationality is strongly linked to the companies by the uniqueness of their language and culture.
- Traditional Japanese firms have some identifying characteristics such as long-term employment, a seniority wage system, and an enterprise-based trade union (Abegglen 1958; Dore 1971; Keeley 2001).
  - Although the labor force has become globalized, the fundamental system within Japanese companies has barely changed.

# Previous Studies

- ❑ Approximately 240,000 foreigners claimed a work visa in 2017 and worked for a Japanese company in Japan.
- ❑ It has been said that there is **a discrepancy** between the characteristics of Japanese firms and those of foreign workers
  - foreign workers are reluctant to keep working in Japanese companies due to career development concerns (Tsukazaki 2008; Oishi 2012; Osanami and Holbrow 2016).



# Previous Studies

- ❑ Not only in Japan, the acquisition and retention of global talent is problematized in various countries.
  - The difficulties of cross-cultural and diversity management in MNCs in EU (Harzing and Punnington eds. 2015; Dickmann et al. 2016).
  - Global careers in MNCs through expatriation and the repatriation management (Dickmann and Baruch 2011; Spiegel, Mense-Petermann and Bredenkötter 2017).

# Previous Studies

- The reason of using the case of Japanese company  
→ **related to the feature of internal labor market**  
(FILMs/OILMs)
  
- the features of Japanese companies are built on the  
**firm's internal labor market** (Cole 1979)
  - dealing with the current circumstances of Japanese firms and foreign workers will make FILMs part of the debate, which helps theorize GLMs.

# Methodological Explanation

- ❑ Data: Qualitative data (interview)
  - 20 highly skilled foreign workers
  - 2 Japanese managers

} in typical Japanese large companies
- ❑ Concept of “Corporate choice” and “National choice”
  - ◆ **Corporate Choice**: choose the nationality of company
  - ◆ **National Choice**: choose the country they want to stay (informants work in a Japanese company in Japan)
- This conceptual differentiation becomes very important because we can conceptionally recognize the influence of the state and firms for foreign workers' career and market formation.

# Summary of Case Study in Japan ①

- Perceptions and values of the labor market are entirely different between foreign workers and managers in Japanese companies.
- ◆ Foreign workers: **expected to work overseas as expatriates** and they believed they could move outside the Japanese labor market.
- ◆ Japanese managers: **expect them to work as a Japanese worker.** → basically hire them only to globalize some operations in Japan.

# Summary of Case Study in Japan ①

- ◆ Foreign workers: They believed a highly specialized labor market in Japan would indeed be globalized and connected with the labor market of other countries.
  - ◆ Japanese managers: require them to be accustomed to Japanese culture and language to adapt other tasks and circumstances in Japan.
- the “global labor market” supposed by Japanese companies is based on the premise of making the domestic labor market international.
- So it is **hardly supposed to be connected with GLMs from the perspective of workers’ “movability.”**

## Summary of Case Study in Japan ②

❑ **Even global talents cannot escape from the distress of their “national choice.”**



❑ Working is only a part of living, so the “life” which forced us to stay in one country and the global “work” oriented towards free movement are often inconsistent (Not only the case in Japan).

→ The fact would be a factor of making it difficult to decide their careers and, therefore, form GLMs.

# Deduction from the Case Study

- ❑ GLMs assumed by Japanese companies is hardly connected to equivalents overseas regarding the “movability.”
  - ❑ Foreign workers felt
    - the opportunity of working in other countries gradually decreased by working in Japan because of acclimatization to cultures and systems in Japanese companies.
    - the narrowness of the “global” internal labor market in Japan and the diminishment of their potential movability after they came to work in Japanese companies.
- **The assumption that human resources can flow globally may be beyond the speculation of companies forming FILMs.**

# Deduction from the Case Study

- ❑ Even foreign workers trying to work globally must live in a certain country, so another vector called “life” influences their “movability.”
- ❑ It is almost impossible to accomplish their global career in Japan because the various systems interlocking with Japanese companies are not supposed to move to others, which prevent workers from maintaining a potential connection with the GLMs.
  - Even in other countries, there might be systems that will hinder workers who wish to work globally.
- ❑ The national system is created only for its citizens, **so the movability of global workers might be narrowed by the frame of nation regardless of how aggressively companies globalize.**



# Discussion

- **Ultimately the framework of the nation still restricts movability within GLMs.**
  - Even though people with cosmopolitan mindsets work in a country, they will always be questioned as to whether they will adapt to the country's labor market or leave.
  - “crossing the country” will forever be “crossing the country” for everyone.

# Discussion

- ❑ If active movements of labor forces within GLMs are established beyond the country, this may be **accomplished only when there are few barriers for crossing the country** (language, race, and culture, etc.)
- ❑ Movability may be determined by the relationship between the state and cultural space (include language)
  - English-speaking countries (whose languages are regarded as Lingua Franca): workers can move globally in countries with broad linguistic and cultural spheres sustaining their movability.
  - Japanese and German (attracting some foreigners by its economic power and having unique language and culture): tend to decrease their movability to other labor markets.

# Conclusions and ...

1. Japanese companies, forming FILMs, do not easily make up a part of GLM because they tend to force workers to remain domestic internal labor market. (Movability may not be sustained)
  2. The framework of the nation has also constricted workers' movability and prevented its forming GLMs.
  3. Sharing culture and language across the nation may be an important factor in keeping workers' movability.
- I would like to ask your own ideas
    - a. What is **the condition** of making GLMs?
    - b. What is the boundary between “**regional**” and “**global**” labor markets?

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