(2nd semester summer 2016)

**International Business Management**

**Team project:**

**Competing for talent in MNC (Sony)**

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**Introduction**

**Multicultural companies such as Sony** appear to be well armed in the war for talent. They can tap sources of suitably qualified people around the world and attract them with stimulating jobs in different countries, the promise of powerful positions early on, and a share of the rewards earned by deploying world-class people to build global businesses. Our goal is to understand how they are doing it in order to enhance our productivity as employees in future. As an example we`ll take Sony, one of the most popular multicultural company in the world.

**Theoretical background**

**(Competing for talent)**

The war for talent is a term coined by [Steven Hankins](https://en.wikipedia.org/w/index.php?title=Steven_Hankin&action=edit&redlink=1) of [McKinsey & Company](https://en.wikipedia.org/wiki/McKinsey_%26_Company) in 1997, and [a book](http://books.google.com/books?id=simZCd_YUC4C) by [Ed Michaels](https://en.wikipedia.org/wiki/Ed_Michaels), [Helen Handfield-Jones](https://en.wikipedia.org/w/index.php?title=Helen_Handfield-Jones&action=edit&redlink=1), and [Beth Axelrod](https://en.wikipedia.org/w/index.php?title=Beth_Axelrod&action=edit&redlink=1), [Harvard Business Press](https://en.wikipedia.org/wiki/Harvard_Business_Press). The war for talent refers to an increasingly competitive landscape for [recruiting](https://en.wikipedia.org/wiki/Recruitment) and retaining talented[employees](https://en.wikipedia.org/wiki/Employees).

The war for talent is intensified by demographic shifts (primarily in the United States and Europe). This is characterized by increasing demand along with decreasing supply (demographically). There are simply fewer post-baby-boom workers to replace the baby-boom retirement in the US and Europe (though this is not the case in most of [East Asia](https://en.wikipedia.org/wiki/East_Asia),[Southeast Asia](https://en.wikipedia.org/wiki/Southeast_Asia), [Central Asia](https://en.wikipedia.org/wiki/Central_Asia), [Central America](https://en.wikipedia.org/wiki/Central_America), [South America](https://en.wikipedia.org/wiki/South_America), or the [Middle East](https://en.wikipedia.org/wiki/Middle_East); [Eastern Europe](https://en.wikipedia.org/wiki/Eastern_Europe) also tends to have similar demographics, namely an aging and/or shrinking labor force).

While [talent](https://en.wikipedia.org/wiki/Skill) is vague or ill-defined, the underlying assumption is that for knowledge-intensive industries, the [knowledge worker](https://en.wikipedia.org/wiki/Knowledge_worker) (a term coined by [Peter Drucker](https://en.wikipedia.org/wiki/Peter_Drucker)) is the key competitive resource (see the [Resource-based view of the firm](https://en.wikipedia.org/wiki/Resource-based_view)). [Knowledge-based theories](https://en.wikipedia.org/wiki/Knowledge-based_theory_of_the_firm) of organizations consistently place knowledge workers as a primary, competitive resource.

Talent is never explicitly defined in the book, though the Preface notes, "A certain part of talent elude description: You simply know it when you see it." After several further caveats, the authors go on: "We can say, however, that managerial talent is some combination of a sharp strategic mind, leadership ability, emotional maturity, communications skills, the ability to attract and inspire other talented people, [entrepreneurial](https://en.wikipedia.org/wiki/Entrepreneur) instincts, functional skills, and the ability to deliver results." The authors offer no outside support for this assertion.

A 2006 article in [The Economist](https://en.wikipedia.org/wiki/The_Economist), which mentions the book, notes that, "companies do not even know how to define “talent”, let alone how to manage it. Some use it to mean people like [Aldous Huxley's](https://en.wikipedia.org/wiki/Aldous_Huxley) alphas in “[Brave New World](https://en.wikipedia.org/wiki/Brave_New_World)”—those at the top of the bell curve. Others employ it as a synonym for the entire workforce, a definition so broad as to be meaningless."

**Competing for Talent in Every Geography**

In the late 1990s, Steven Hankin of McKinsey provoked a lot of discussion when he coined the phrase “the war for talent.” As the phrase became more popular (and was elaborated in [a book](https://hbr.org/product/the-war-for-talent/an/4592-HBK-ENG)), others used it to warn corporations of impending talent shortfalls, advocating that it be considered a strategic business challenge that required attention at the highest levels. With the dot-com burst, the recession, and other upheavals, the imperative took a backseat, but the challenge still remains.

The original thesis of the war for talent was predicated on significant [demographic shifts](http://en.wikipedia.org/wiki/The_war_for_talent#Demographics), like aging populations in the West. While still relevant, those shifts are now just part of the equation. Consider several new realities:

Many countries insist that foreign companies benefit the local community. Jobs have become a currency, and economic policymakers use them as a part of the bargain for entry.

Many foreign companies that had an edge a couple of decades ago now face competition for local talent from newly prestigious home-grown companies that are able to tune their talent strategies to that particular context.

It is increasingly difficult to send expats to some of the newer frontiers of growth. Talent is needed in Angola, Mozambique, Mongolia, and Vietnam — places where the infrastructure is different from what an expat would experience in London, Paris, Singapore, or Sydney.

Skill levels vary widely. Multinationals accustomed to attracting talent trained in the West now have to recruit locally where education levels can sometimes be inconsistent.

GE is one of many corporations now confronting these challenges. Operating in more than 170 countries, in multiple businesses that range from financial services to jet engines, and with more than 60% of our workforce based outside the United States, we must compete in every geography and get it right. Clearly, a multimodal talent strategy is required.

In the United States, and in West European markets, the challenges center around talent replenishment and knowledge transfer to assure that productivity remains high even as the Baby Boomer population starts to retire. We have a number of initiatives to address these challenges, including apprenticeships, partnerships to promote academic achievement and to assist public school students in pursuing advanced degrees, and programs to hire and train veterans of the armed forces and help recent graduates build critical leadership skills.

In Africa, where talent potential is great but education and skill levels vary and are still developing, we are starting to work with local universities and technical institutions to co-create a curriculum that will strengthen skills, particularly in technical disciplines. Further, we have appointed an advisory council consisting of eminent professors and practitioners from the continent who can help identify mutual needs and ensure long-term talent development.

In other countries where an advanced talent pool is more established, notably China and India, competition is intense. Here, training and continuing education are critical differentiators in terms of hiring and engaging employees. Our leadership-development centers in Shanghai and Bengaluru (or Bangalore) are therefore very important for us to show our commitment to our talent.

In addition to a differentiated talent strategy based on geographical needs, we are also fine-tuning our talent agenda based on other shifts. A few years ago, we invited a group of early career high-performers to advise the company on how best to factor their specific needs into GE leadership processes. One thing that stood out in their report was the question of retention. We have all heard the hypothesis that members of the Millennial generation have a greater tendency to move from company to company in the first few years after they step into the corporate world. The Global New Directions team, as it was called, advised: “Don’t try to retain us; instead inspirers to stay.” That idea prompted our businesses to connect more openly with our purpose, and the deeply embedded sense of mission that our employees share. The newer generation wants to know the “[onlyness](http://nilofermerchant.com/2013/01/17/onlyness-the-topic-and-the-talk-at-tedxhouston/)” — what is it that only your company can do to benefit the world and how that aspiration can inspire them to take up the cause.

The challenge is far from over, and we need to keep fine-tuning our approach at both global and local levels. Nevertheless, a strong workforce-planning focus that helps to size demand in different geographies and is coupled with an appropriate level of investment in learning and development are key to address this business challenge. Our leaders take this seriously. It is integral to long-term differentiation.

**Sony**

The Japanese electronics giant Sony employs 170 000 people worldwide, making and marketing the PlayStation Home Video Game Systems, television, digital and video cameras, laptop computers, personal music players and semi-conductors. Europe, Japan and North America each generate about a quarter of its sales; the remainder comes from the rest of the world. The firm has several entertainment divisions, including Epic and Sony pictures entertainment, plants in Britain, China, Japan, Malaysia, Mexico, Spain and the United States.

Sony created a rewarding corporate climate that supports the efforts of a diverserange of employees.

Since its establishment in 1946\*, Sony has sought to remain at the forefront of technological development, building continuously on its achievements to create new lifestyles for people everywhere. Sony has also fostered groundbreaking new businesses, adopting an innovative approach to this challenge that exceeds national and regional boundaries. In these efforts,

Sony recognizes its employees to be one of the most crucial aspects of its corporate foundation.

Sony acknowledges that its ongoing ability to offer dream-inspiring products and services and exciting new lifestyles around the world depends on its ability to secure and foster talented employees with a wide range of values and personalities, irrespective of nationality, culture, race, gender, age, or the presence or absence of physical limitations. Guided by the concepts of diversity and inclusion, Sony recruits individuals from various backgrounds. Sony also strives to create positive working environments and opportunities that enable individuals with diverse backgrounds to fulfill their potential by learning from one another, believing these to be essential to a rewarding corporate climate.

**Diversity in recruiting practices**

As a company with sales, manufacturing and R&D bases in a number of different countries, Sony is promoting the localization of these operations by working to secure local human resources that best respond to national, regional and location-specific needs. Additionally, with the aim of securing talented human resources crucial to growing its global business, Sony recruits university graduates overseas to work in Japan.

Early in the 21st century, Sony expanded the scope of its efforts to recruit students to work in

Japan, who were mainly from Europe and North America previously, and began to actively seek out promising university and post-graduate students in China and India. As of April 2012, Sony had recruited a cumulative total of 264 university and postgraduate students in China. In both countries, recruitment efforts benefited from the cooperation of local Sony Group companies, which ensured that Sony secured top-level human resources. To encourage acclimatization, Sony provided new recruits with a variety of training, including Japanese language lessons, both before and after they began working in Japan.

Sony has also established a Global Internship Program, which welcomes university students from Europe, North America the United States, China and India, among others. Sony is conducting recruiting presentations at universities, graduate schools and research facilities around the world, as well as for groups of overseas students studying in Japan.

**Recruiting Practices**

In its efforts to help change Japan's traditional approach to hiring new graduates, Sony has adopted new recruiting practices in the hope of attracting applications from individuals who identify with its corporate culture. To promote greater understanding of the Sony Group's various businesses, products and services, 20 Group companies got together to stage joint recruiting fairs. In these activities, Sony is striving to effect a change in the way job recruiting is done in Japan activities, Sony is striving to effect a change in the way job recruiting is done in Japan.

With the aim of encouraging young people in Japan to develop a more global perspective, in fiscal year 2011 Sony offered new domestic recruits the opportunity to polish their global skills by undertaking temporary assignments to Sony EMCS (Malaysia) SD. Bhd., the Sony Group's largest strategic production base. Interested individuals were encouraged to apply for the program through a campaign that invited them to "put their diplomas to work in the rain forest." On another front,

Sony offered internships to university students that focused on participation as support staff for its public viewing project in Tanzania. This initiative gave interns the chance to see Sony's commitment to social contribution in action. Participation in the public viewing project also enabled interns to experience firsthand both the challenges faced by many African countries and the dynamic potential of the continent's emerging economies.

**Training & Development**

The development and vitality of its employees drive Sony's dynamic growth-

Sony recognizes its people as its most important management asset and the growth of its people as a crucial aspect of its management foundation. Sony strives to further enhancemotivation and encourage personal growth for its employees through on-the-job learning, as well as through access to a variety of programs designed to enhance individual abilities and skills and tailored to local needs.

**Critical evaluation**

As we can see from this information, human resources is crucial factor of Sony`s success.

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exciting new lifestyles around the world depends on its ability to secure and foster talented

employees with a wide range of values and personalities, irrespective of nationality, culture,

race, gender, age, or the presence or absence of physical limitations. The development and vitality of its employees drive Sony's dynamic growth-Sony recognizes its people as its most important management asset and the growth of its people as a crucial aspect of its management foundation.

**Conclusion**

**Multicultural companies such as Sony** appear to be well armed in the war for talent. They can tap sources of suitably qualified people around the world and attract them with stimulating jobs in different countries, the promise of powerful positions early on, and a share of the rewards earned by deploying world-class people to build global businesses.

The Japanese electronics giant Sony employs 170 000 people worldwide, making and marketing the PlayStation Home Video Game Systems, television, digital and video cameras, laptop computers, personal music players and semi-conductors

**Key feature** of Sony is, that it concentrates on students and graduates. In our opinion, the reason is, that it`s easier to employ and teach youth instead of competing for those who have already got working experience.Sony has also fostered groundbreaking new businesses, adopting an innovativeapproach to this challenge that exceeds national and regional boundaries. In these efforts,Sony recognizes its employees to be one of the most crucial aspects of its corporate

foundation. These are steps done by Sony in talent competition:

* creates a rewarding corporate climate
* fosters groundbreaking new businesses (exceeding national and regional boundaries)
* creates positive working environments
* works overseas (recruits graduates and students which is its crucial feature)
* provides internship programs for students and graduates around the world
* conducts training and development programs (work skills) + language courses for foreigners

As we can see, Sony pays a lot of attention to its employees. It acknowledges that its ongoing ability to offer dream-inspiring products and services and exciting new lifestyles around the world depends on its ability to secure and foster talented employees. We`ve considered things Sony does in talent competition. Now we know that human resources is the most important factor which determines MNC`s success.

**References**

**Internet Links**

<http://www.mckinsey.com/business-functions/organization/our-insights/how-multinationals-can-attract-the-talent-they-need>

<https://en.wikipedia.org/wiki/The_war_for_talent>

<https://hbr.org/2014/06/competing-for-talent-in-every-geography>

**Books**

International Business: The New Realities

CSR Responding 2012

**Additional data**

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****It`s worth to pay attention to the second pie chart. It shows Sony`s geographical strategy in action (recruiting talented people from around the world + providing them with language and work development courses). The first one reminds Sony`s saying: «our ongoing ability to offer dream-inspiring products and services and exciting new lifestyles around the world depends on its ability to secure and foster talented employees» (most part of employees are concentrated in Consumer Products & Services and Professional, Device & Solutions, so such effectiveness of Sony can be reached due to high productivity of its employees)