

Panasonic's Global Recruitment Efforts

By Kentaro KAKIHANA



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Globalization at Panasonic

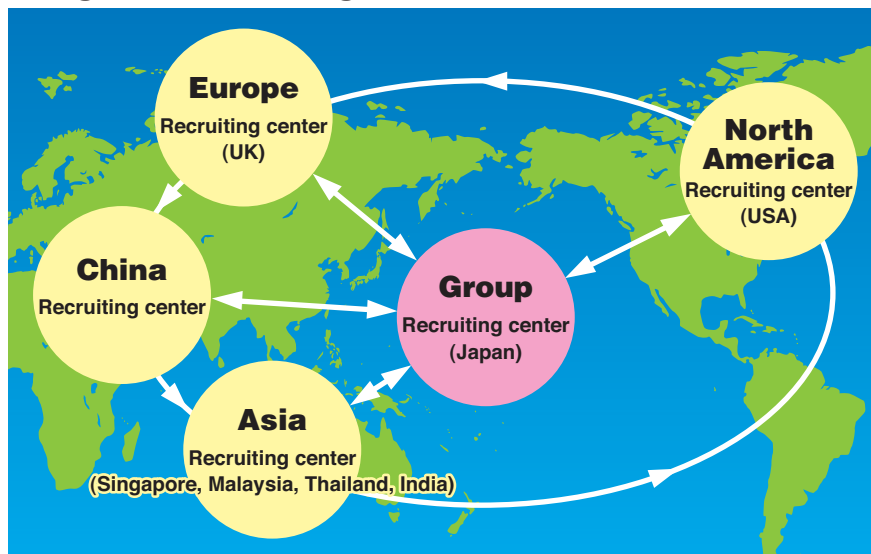
Founded in 1918, Panasonic has been expanding its business globally for more than 50 years, having begun exporting in earnest with the establishment of Matsushita Electric Corporation of America in 1959 and its first overseas manufacturing base, National Thai Company, in 1961. Today, the company has more than 360,000 employees worldwide - 220,000 of them overseas - and more than 200 subsidiaries outside Japan. Sales amount to roughly eight trillion yen, approximately half of which comes from overseas.

In order to further grow our business globally, we are working under our GT12 midterm management plan (Green Transformation 2012, covering the three years beginning in 2010) to increase our overseas sales ratio from the 48% reached in 2009 to 55% by 2012, and aim to achieve 60% by our 100th anniversary in 2018. To attain this goal, we believe it will be essential to strengthen overseas operations, particularly in the newly developing countries that now drive global economic growth. Among them we have identified the BRICs + V (Brazil, Russia, India, China, and Vietnam) and the MINTS + B (Mexico, Indonesia, Nigeria, Turkey, Saudi Arabia, and the Balkans) as priority markets, and are working to strengthen our presence there in the four areas of sales, products, infrastructure, and brand.

Panasonic's Recruitment Philosophy

Ever since our founding, we have emphasized recruitment on the principle that "good management begins by hiring good people." Our

5 regional recruiting centers



Source: Panasonic Corporation

recruitment concept, "to hire people with the skills we need, when they are needed, in the countries or regions where they are needed," is pursued through three efforts. The first, designed to further the evolution of global and group management, is hiring self-directed individuals who are strongly motivated to take on the challenges of the world stage. The second, designed to realize our strategy for business growth, is hiring individuals with talents linked to our medium- and long-term business strategies. The third, designed to create a richly diverse organization, is hiring capable individuals irrespective of gender, age, nationality, or years since graduation.

As a new Panasonic Group that includes both Panasonic Electric Works Co., Ltd. and Sanyo Electric Co., Ltd., our 100th anniversary vision is to become the "Number 1 Green Innovation Company in the Electronics Industry." To realize this goal we are currently taking a global- and group-optimal perspective in recruiting the talent we need for global business growth. Planned hiring numbers for the current fiscal year include 350 new graduates in Japan (230 at Panasonic, 70 at Panasonic Electric Works, and 50 at Sanyo Electric) and 1,100 local hires overseas for a total of 1,450 people; local hires overseas make up 75% of the total.

In the last few years, in order to accelerate the globalization of our business, we have maintained local hiring overseas at around 1,000 people annually while carefully selecting only the cream of the crop in Japan to serve as our core talent for sustaining growth. Hiring in Japan is centered on those who strengthen our technology in six key businesses* and the marketing personnel to drive increased sales overseas. Those hired locally overseas are primarily marketing personnel in newly developing countries and, to accelerate the localization of design, engineers in China and Asia.

*Growth Driven by Six Key Businesses

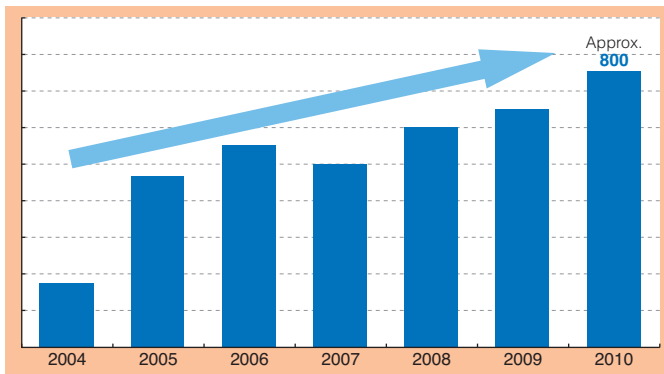
- 1) Energy systems (lithium-ion batteries, fuel cells, EVs, etc.)
- 2) Heating, Refrigeration & Air Conditioning (air conditioning, CO₂ heat pumps, air purifiers, etc.)
- 3) Network AV (TVs, digital still cameras, Blu-ray, mobile AV, etc.)
- 4) Security
- 5) Healthcare
- 6) LEDs

Efforts to Bolster Local Recruitment Overseas

Let me explain the context for our efforts to strengthen local recruitment overseas. Until now, Japanese products were dominant and

Global recruiting seminars

Number of participants



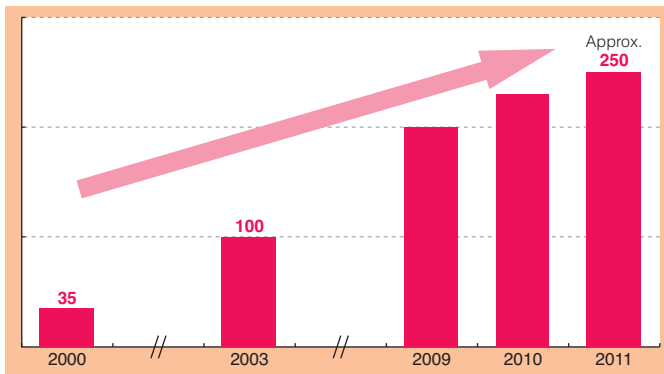
Source: Panasonic Corporation

Seminar photos



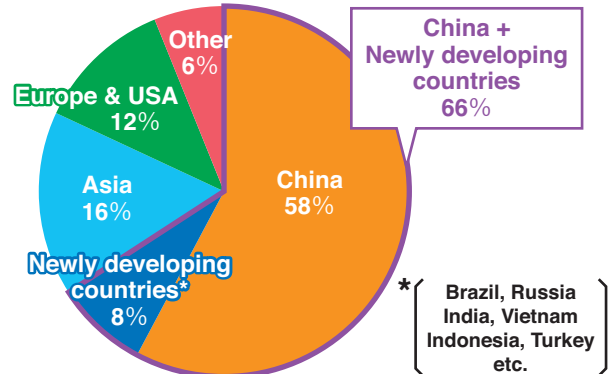
Foreign employees in Panasonic Japan

Number of foreign employees



Source: Panasonic Corporation

Nationalities



many products destined for overseas markets could be designed in Japan to the specifications of each country or region and still sell. As the global economy has developed, however, living standards overseas have risen and there is more diversity around the world in what people ask of their household appliances. In this environment, we are now actively promoting the localization of development, manufacturing, and sales because we believe local production based on a thorough understanding of each country or region's culture and customs will better generate the products that consumers really want. The growth of our company's overseas business, then, depends on whether or not we can secure outstanding local human resources. In addition to Japan, therefore, we have also established recruiting centers in North America, Europe, Asia, and China. Within this five-region structure, we are now working to bolster the recruiting ability of our overseas subsidiaries by improving our employment brand in each region, hosting joint employment seminars to create a talent pool, and conducting new employee training.

Global Recruiting Seminars are one of the specific initiatives in Japan that support local hiring overseas. These job fairs offer an opportunity for foreign students and mid-career talent who are seeking jobs in their home countries or in countries other than Japan to interview with recruiters from our overseas subsidiaries. Launched in 2004, the seminars are held three times a year: in July, October, and January. Roughly 800 applicants now attend each

seminar, together with recruiters from more than 10 overseas subsidiaries, primarily in China and Asia. To date, more than 3,000 students have taken part in the seminars, of which roughly 300 are now employed by our overseas subsidiaries. A Chinese student who had been studying in Japan was hired to work at a local white-goods development company in China and created a runaway hit by developing the country's first tilted-drum washing machine. In Malaysia, one seminar participant became sub-leader for the development of cooking appliances for the Asian, Middle Eastern, and Russian markets within just a few years of joining the company.

Encouraging talented human resources who have studied cutting-edge technology at Japanese universities and mastered the Japanese language to join our overseas subsidiaries has proven to be of great benefit to these companies, not only by enhancing their technological capability but also by improving communication with related departments in Japan. Students from overseas have also reacted favorably to the option of working in their home countries after graduation instead of in Japan.

A number of efforts adapted to each country's labor market are also underway on the ground overseas. Joint job fairs that bring together a number of local subsidiaries have been held in Singapore and Malaysia as a way to improve our employment brand in each country and create a talent pool. Promoting our business activities, technological developments and environmental efforts led to local media coverage that helped us succeed in drawing many attendees and recruiting

talented personnel. In Thailand, we have held recruiting seminars that bring together recruiters from local subsidiaries to introduce each company's efforts and share best practices.

In addition, close cooperation with universities in each country is essential to ensure ongoing access to talented personnel. In China and Vietnam, we have established Panasonic classes at partner universities in which our engineers use actual household appliances to conduct lectures about cutting-edge technology in fields like software, circuitry, and mechanical design. Particularly gifted students are given an opportunity to pursue their research in Japan. The interest in Panasonic's technology and corporate philosophy that this initiative generates now leads a number of talented students to join our overseas subsidiaries every year.

Japanese expertise in new employee training is also being applied to new hires in China. Once a year, new employees at each of the local subsidiaries gather together by region for a broad range of training that covers management philosophy and company history, business etiquette, the cultural differences between China and Japan, and teambuilding exercises. This has not only helped raise the benchmark for new employee training at local subsidiaries in China but also fostered a sense of Panasonic Group unity among new employees that transcends each individual company. This joint training framework was developed by a member of the China Recruiting Center based on what he learned in the course of an eight-month working internship in Japan.

In this way, our five regional recruiting centers work together in their efforts to bolster our recruiting ability overseas.

Globalization of Domestic Hiring

In addition to strengthening overseas recruitment, another important issue is the globalization of hiring in Japan.

Panasonic has been hiring foreign nationals in Japan since the 1980s. In the beginning, such hiring centered on Westerners, with roughly 30 such employees around the year 2000. The hiring of foreign nationals expanded steadily with business globalization and our efforts to foster a richly diverse corporate culture. We now have more than 250 foreign employees from 30 countries worldwide, including newly developing countries in Asia and China. The most difficult aspect of hiring foreign nationals is retention. Although our business is global, our workplaces in Japan are almost entirely populated by Japanese; foreign employees must be able to communicate in Japanese and understand the customs, working styles, and career advancement mechanisms that characterize Japanese corporations.

Therefore, we have adopted a system to encourage mutual understanding between foreign employees and their superiors by having them draw up a "foreign employee career development plan" to share, in writing and conversation, their thoughts on job content and career development. The Corporate Recruiting Center conducts follow-up interviews with foreign employees during their second year of employment, and then works with the employee's superior and the responsible HR department to resolve any worries or concerns. To encourage long-term retention, we also work with the department responsible for workplace diversity to create opportunities to bring together foreign employees who have been with us for a decade or more and those who have not yet reached five years to share concerns and discuss approaches. This has created an internal network of foreign employees who can now address and resolve many issues on their own.

The type of person our company is looking for is a "Global Challenger." We are actively recruiting human resources, whether foreign or Japanese, who have the drive to take on the challenges of the global stage and a passion to move the world. This is because we believe that the globalization of business demands a global approach to getting things done, not only in overseas sales and marketing, but also in a growing number of overseas touchpoints across all job categories including research and development, legal affairs, intellectual property, procurement, logistics, human resources, and accounting. This is why we make the effort to recruit talented global human resources by taking part in a recruitment forum for overseas students held every year in Boston, and hold seminars of our own in Japan for students with a strong interest in working overseas. Our summer internships accept students from both overseas and Japanese universities, and we have plans to expand them further.

Establishing Global Standards for Recruiting

At Panasonic, in order to promote management by a mix of global talent, we have developed out of the old notion of an executive class a series of new global standards, standardized across Japan and the rest of the world, for executive management development, evaluation, and promotion. In fact, two foreign employees now serve as corporate officers at headquarters. Even at the middle level and below, there are more and more cases like that of the Chinese employee hired in Japan who works in the US and the German employee now working in Japan.

In order to enable talented human resources to play an active role across national boundaries, we need to raise the quality benchmark globally from the hiring stage. Unfortunately, until now our hiring criteria have differed country by country. Therefore, we interviewed the presidents of our overseas subsidiaries, as well as the people in charge of technology, sales, and human resources, to investigate what kind of personnel our company really needs. At the same time, we also analyzed our human resources-related values - including management philosophy, leadership competency, human resources guidelines, and evaluation criteria - and have begun to discuss hiring mechanisms that could be shared globally.

At the Corporate Recruitment Center, the department charged with securing and developing the core human resources who will accelerate the globalization of Panasonic's business, we will continue to understand Japan as "one of them" as we actively pursue global-optimal recruitment.

Mixing

We believe that one of the strategies by which our company will survive in an age of global competition is generating new knowledge and technology through debate among a mix of personnel with diverse knowledge, irrespective of their gender, age, nationality, or years since graduation. This is what our president, Fumio Ohtsubo, would call *irimajiri* (mixing): red is red and blue is blue, each its own color but accepting the other, each making the most of its own strengths and personality. I am confident that the 360,000 worldwide employees of the Panasonic Group will mix their cultures and ways of thinking to generate new values that will be of use to customers around the world. **JS**

Kentaro Kakhiana is a global recruiting team leader at Panasonic Corporation's Corporate Recruiting Center, where his primary focus is support for local recruiting overseas and the globalization of domestic hiring.