

## Keio University Business School

## Sony Corp.

## Recruiting and Human Resource Development Strategy

Sony Corp. (hereinafter "Sony"), in keeping with its innovative corporate image, introduced an "open entry" hiring system in 1991 (adopted in April 1992). This is a new hiring format which has caused a stir among the hiring practices of Japanese companies. The main features of this system are a disregard for the names of schools of graduation, hiring by occupation, and open testing. To improve the functioning of this new system, which was introduced on the basis of Sony's philosophy, the corporation's human resource staff have continued to make minor adjustments in the system year by year. As this is the fifth year for this hiring system, they believe that the time has come for an overall evaluation of the system, including its effectiveness.

## **Company Overview**

Sony was established in 1946 as Tokyo Communications Industrial Co., Ltd.

The company grew smoothly in the 1950s, making use of its technological capabilities to release Japan's first tape recorder, Japan's first transistor radio, and other products. It became listed on the Tokyo Stock Exchange in 1958 and took on its current name, "Sony Corp." Thereafter, it continued to release a succession of hit products based on its technological strengths, including the Walkman and Handycam, and sales continued to grow smoothly (See Appendix 1). Sony also became a global enterprise at a pace that is exceptional for a Japanese company, and its corporate image and brand image have continued to enjoy a top ranking. Sony's "Company" system, which was launched in April 1994, is drawing attention as a new format for organizational structure (See Appendix 2).

Sony is one of Japan's major general electronics companies, with total annual sales of 3.6 trillion yen, operating revenues of 100 billion yen, and 23,245 employees as of March 1994.

This case study was prepared by Shojiro Takao, Assistant Professor at Graduate School of Business Administration, KEIO

University, as a basic course material for class discussions. The descriptions in this case study are not intended to illustrate business management performance. Also, some personal names have been changed.

(Prepared in November 1995)

5

10

15

20

25