

ENABLING THE NEXT GENERATION TO LEAD IN A VUCA WORLD

With the world in the midst of radical transition, Japan is boosting efforts to nurture future leaders to take to the world stage and supporting startup businesses for the new era. Professor TAKEUCHI Hirotaka of Harvard Business School has been actively endeavoring, in Japan and the U.S., to develop globally minded human resources. He explains the qualities needed for the coming times, and details Japan's possibilities.

“We are living in an era of VUCA,” says TAKEUCHI Hirotaka, management scholar and professor at Harvard Business School (HBS). VUCA (volatility, uncertainty, complexity, and ambiguity) is the perfect way to describe the world of recent years, with Russia invading Ukraine and COVID-19 developing into a global pandemic. These are times that require human resources capable of dealing with social issues across national borders and opening doors to new development. Digital technology enables us to maintain close ties with the rest of the world regardless of time or location, but “a multi-cultural mindset” is

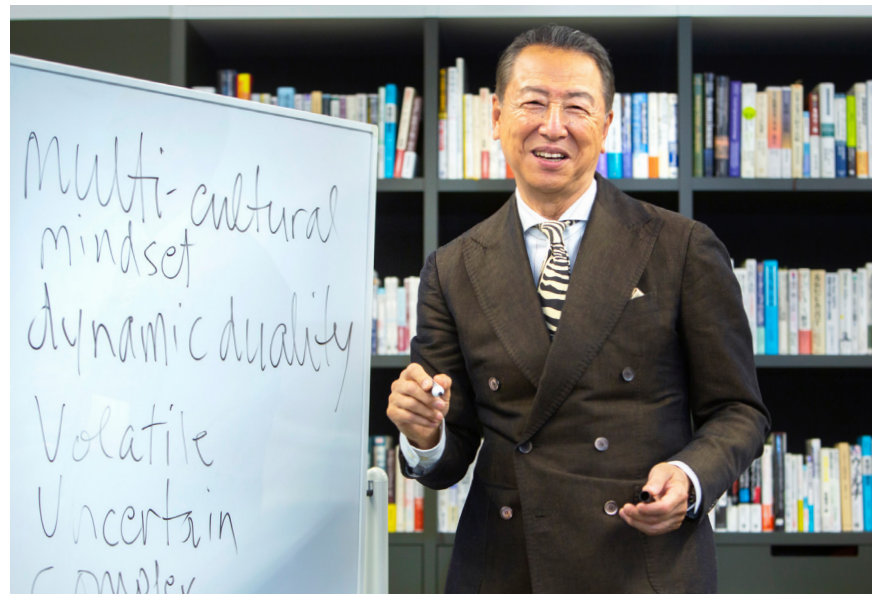
still indispensable even if we no longer need to physically travel abroad, Takeuchi explains. “The important thing is to understand this ‘dynamic duality’ between analog and digital and be capable of adapting to both.”

Investment in human capital is at the heart of the Kishida administration's growth strategy, and Japan is actively cultivating people who can act on the global stage in the new age. From early on, as a private-sector actor Takeuchi has been engaged in efforts toward those ends, creating a platform that will

produce large numbers of global leaders from Japan.

“Agility is important in a VUCA world,” Takeuchi maintains. Agility was part of the strength of renowned Japanese companies such as Sony and Honda—both established soon after World War II—as they became major players in the world. “Present-day startups are following in the footsteps of these firms that were founded after the war. Many young people today, possessing a strong sense of social responsibility, are seeking to become involved in startups. At HBS, roughly 70%

Professor TAKEUCHI Hirotaka graduated from International Christian University (ICU) in 1969 and went on to earn an MBA and PhD at the University of California, Berkeley. He became an assistant professor at Harvard Business School (HBS) and subsequently a professor at Hitotsubashi University in Japan in 1987. He accepted a position as professor at HBS in 2010 and has also chaired the Board of Trustees at ICU since 2019. His field of expertise encompasses competitive strategy, knowledge management, marketing, and international business. He has authored numerous books and articles that provide detailed analyses of Japanese businesses.



Left: HONDA Soichiro (center) established Honda Motor Co., Ltd. shortly after World War II ended. Takeuchi, along with management scholar NONAKA Ikujiro, described the new product development process of Japanese manufacturers like Honda as being analogous to that of a rugby scrum, based on the image of a rugby team working as a single unit to move the ball forward. “Scrum” became a major concept in agile development in Silicon Valley and has exerted great influence on software development. Takeuchi and Nonaka are referred to as the “Grandfathers of Scrum” in the U.S. BERNARD CAHIER/GETTY IMAGES

Right: Takeuchi points to MLB player OHTANI Shohei as a role model who possesses “dynamic duality.” He admires the way that Ohtani has not only achieved superb results as both pitcher and batter, but has also succeeded in smoothly assimilating the mindset and values of American culture while maintaining the traditional courtesy and morals of Japanese society. REUTERS/AFLO

of the graduates launch their own businesses or go to work for NPOs or relatively small companies. A small but growing tendency to do the same can be found among talented recruits in Japan.”

One region in Japan that has lured such people is Tohoku, which was devastated by the Great East Japan Earthquake in 2011 and is still rebuilding. “Young people are taking on leadership roles because they feel truly compelled to do something about the situation in which many have lost everything owing to the disaster.”

In 2012, Takeuchi launched a second-year field study program called the Japan Immersive Field Course (known until 2015 as the Japan Immersive Experience Program). During the first six years of the program, students carried out hands-on projects, such as clearing debris in Tohoku, while helping to find solutions for local business problems. In their first-year strategy course, HBS students are rigorously trained to adopt an “outside-in” approach that begins with an objective analysis of the industry and competition. In Tohoku, on the other hand, they encountered social entrepreneurs

who followed a diametrically opposed “inside-out” approach to strategy that put one's mission and beliefs at the core. “What our students learned was an integration of the two approaches to strategy,” says Takeuchi.

Takeuchi regards the goal of the program to be more than just “Knowing”—that is, going beyond the acquisition of knowledge. Also to be considered and learned are “Doing”—namely, practicing that knowledge through action—and “Being”—which is learning the values and convictions needed to become a business leader. Leadership in today's world

requires that both organizations and individuals be socially responsible, and that demands a progression from “Knowing” and “Doing” to “Being.” “The ultimate goal in educating leaders who make a difference in the world is to enable them to reach the state of ‘Being.’ And ‘Being’ is attained through the act of ‘Doing,’” he concludes.

The Japanese government aims to increase the number of startups tenfold over the next five years. If that is achieved, the number of entrepreneurs who can grapple with social issues on the global stage may also multiply significantly. “Many talented young Japanese students who study abroad on scholarships are choosing to start their own businesses instead of finding employment with blue-chip companies. Amazing things are already happening,” Takeuchi observes. “Enabling Japan to compete again—that's what we aspire to. I hope to see these students break the mold in these VUCA times.” ●

Japan Immersive Field Course (Japan IFC) was launched in Tohoku when the region was still devastated by the earthquake and tsunami, and Takeuchi (photo: second from right) joined student volunteers in clearing debris. “It was a moving experience for the students, who have a strong sense of social responsibility,” he says. Since 2016, Tokyo has been the locus for Japan IFC, which is presently focusing on the fusion of digital and analog. KENICHI NONOMURA

