

PRESS RELEASE



**C-Suite Challenge 2019™**

**How CEOs in Japan see the “Future-Ready Organization”  
- Transparency and diversity are keys for Japan toward 2025 -**

The Japan Productivity Center (President: Yuzaburo Mogi) and The Conference Board (President and CEO: Steve Odland) have begun working together on various business and economics topics, which include business leadership in raising global productivity.

As part of this partnership, the Japan Productivity Center (JPC) became a regional partner for the *C-Suite Challenge*, The Conference Board’s global survey of C-Suite executives. In this capacity, as a regional partner, JPC contacted C-Suite executives in Japan about participating in the survey.

The survey was conducted between September and October in 2018. It asked 1437 C-Suite executives from 59 countries including Japan for their views about the top business challenges facing their organization in both the year ahead – 2019 – and well into the future, through 2025. Executives also provided input on their strategies for meeting those challenges. Key findings include:

1. Globally, CEOs rank **a recession** as their #1 external concern for 2019. **Global political instability** and **trade threats** follow as their second and third top external concerns, respectively. Japan’s CEOs are more concerned about **the impact of climate change** than other CEOs globally. Effects of Brexit was #7 in Europe and was at the lowest rank in Japan, US and China.
2. Globally, CEOs rank **attracting and retaining top talent** as their #1 internal concern. **Creating new business models due to disruptive technology** ranks as their second biggest internal concern. CEOs in Japan place higher priority than their global peers do on **workforce diversity**.
3. Looking out to 2025, globally and for Japan’s CEOs, establishing an **open and transparent speak-up culture** is the #1 prerequisite for a truly inclusive organization that sparks innovation. **Providing all employees with opportunities for continuous learning and cross-functional diverse teams** are top priorities that follow in rank, globally. **Transparency in information sharing at all organization levels** ranks higher for Japan. **Sense of belonging** is #1 in Europe and China.
4. **Leader accountability for engaging cultures to attract and retain talent** is essential for successful human capital management in 2025. **Greater transparency and information sharing at all organization levels** and **emphasis and rewards for inclusive behavior** are keys that follow to managing future workforces in Japan.
5. Globally, CEOs have relatively high **confidence in their organizations being ready for 2025**. Confidence is, on average, lowest in Japan. CEOs in Japan have less confidence in having **the right go-to-market model**. **The right leaders** and **the right culture** as well have the largest difference against global level.

## How CEOs in Japan see the “Future-Ready Organization” - Transparency and diversity are keys for Japan toward 2025 -

### External CEO Concerns in Japan

Globally, CEOs rank a recession as their #1 external concern for 2019. Global political instability and trade threats follow as their second and third top external concerns, respectively. Japan’s CEOs are more concerned about the impact of climate change than other CEOs globally. Effects of Brexit was #7 in Europe and was at the lowest rank in Japan, US and China.

| External CEO Concerns                                | JPN<br>N=79 | ALL<br>N=795 | US<br>N=132 | EU<br>N=317 | CHN<br>N=118 |
|--|-------------|--------------|-------------|-------------|--------------|
| Recession risk                                       | 1           | 1            | 3           | 2           | 1            |
| Global Political instability                         | 1           | 3            | 6           | 1           | 3            |
| Threats to global trade systems                      | 3           | 2            | 4           | 5           | 2            |
| New competitors                                      | 4           | 4            | 2           | 4           | 7            |
| The impact of climate change                         | 5           | 11           | 9           | 13          | 12           |
| Declining Trust on political and policy institutions | 6           | 5            | 5           | 3           | 6            |
| Cyber Security                                       | 8           | 6            | 1           | 6           | 10           |
| Effects of Brexit                                    | 14          | 13           | 14          | 7           | 14           |

### Internal CEO Concerns in Japan

Globally, CEOs rank attracting and retaining top talent as their #1 internal concern. Creating new business models due to disruptive technology ranks as their second biggest internal concern. CEOs in Japan place higher priority than their global peers do on workforce diversity.

| Internal CEO Concerns  | JPN<br>N=79 | ALL<br>N=795 | US<br>N=132 | EU<br>N=318 | 中国<br>N=118 |
|--|-------------|--------------|-------------|-------------|-------------|
| Attraction and retention of top talent                           | 1           | 1            | 1           | 1           | 1           |
| Developing Next Gen leaders                                      | 2           | 3            | 3           | 3           | 5           |
| Creating new business models because of disruptive technologies  | 3           | 2            | 2           | 2           | 3           |
| Workforce diversity  | 4           | 9            | 10          | 9           | 11          |
| Reduction of baseline costs                                      | 5           | 5            | 4           | 5           | 7           |
| A more an effective performance measurement system for employees | 6           | 7            | 9           | 7           | 6           |
| Managing mergers and acquisitions                                | 7           | 8            | 5           | 4           | 8           |
| Wage increase  | 8           | 11           | 11          | 11          | 10          |

## Future Organization in 2025

Looking out to 2025, globally and for Japan's CEOs, establishing an open and transparent speak-up culture is the #1 prerequisite for a truly inclusive organization that sparks innovation. Providing all employees with opportunities for continuous learning and cross-functional diverse teams are top priorities that follow in rank, globally. Transparency in information sharing at all organization levels ranks higher for Japan. Sense of belonging is #1 in Europe and China.

| Competencies that will define truly inclusive organization in 2025 | JPN | ALL | US | EU | CHN |
|--|-----|-----|----|----|-----|
| Open and transparent speak-up culture                              | 1   | 1   | 2  | 2  | 4   |
| Transparency in information sharing                                | 2   | 8   | 7  | 8  | 9   |
| Provides all employees with opportunities for continuous learning  | 3   | 3   | 1  | 3  | 3   |
| Cross-functional and diverse innovation teams                      | 4   | 4   | 5  | 6  | 2   |
| Creates a physically and psychologically safe workplace            | 5   | 9   | 9  | 12 | 8   |
| Respects individuals   | 6   | 7   | 6  | 7  | 7   |
| Promotes a sense of personal identity in the workplace             | 7   | 10  | 12 | 9  | 15  |
| Creates a sense of belonging                                       | 10  | 2   | 3  | 1  | 1   |

## Future HR in 2025

Leader accountability for engaging cultures to attract and retain talent is essential for successful human capital management in 2025. Greater transparency and information sharing at all organization levels and emphasis and rewards for inclusive behavior are keys that follow to managing future workforces in Japan.

| Hallmarks of a successful company's approach to managing human capital                             | JPN | ALL | US | EU | CHN |
|--|-----|-----|----|----|-----|
| Holding leaders accountable for building/maintaining engaging culture to attract and retain talent | 1   | 1   | 2  | 1  | 1   |
| Greater transparency and information sharing at all organization levels                            | 2   | 3   | 5  | 3  | 5   |
| Emphasis on inclusion and rewards for inclusive behavior at all levels                             | 3   | 10  | 11 | 12 | 8   |
| Investments likely to make to develop your leaders of the future                                   | JPN | ALL | US | EU | CHN |
| Have more diverse leadership (gender, age, ethnicity)  | 1   | 3   | 5  | 1  | 2   |
| Promote cross-functional rotation experiences  | 2   | 2   | 3  | 5  | 1   |
| Invest in formal leadership development training   | 3   | 1   | 1  | 2  | 4   |

## **CEOs in Japan have less confidence in readiness toward 2025**

Globally, CEOs have relatively high confidence in their organizations being ready for 2025. Confidence is, on average, lowest in Japan. CEOs in Japan have less confidence in having the right go-to-market model. The right leaders and the right culture as well have the largest difference against global level. The Conference Board is the member-driven think tank that delivers trusted insights for what's ahead.

| Confidence on your organization currently has the right characteristics in place to succeed in 2025 (Scale: 1-10) | JPN<br>① | ①-②  | ALL<br>② | US  | EU  | CHN |
|---|----------|------|----------|-----|-----|-----|
| The right leaders   | 5.9      | -1.3 | 7.2      | 7.5 | 7.1 | 7.7 |
| The right talent  | 5.8      | -1.0 | 6.8      | 6.9 | 6.8 | 7.3 |
| The right culture   | 6.1      | -1.2 | 7.3      | 8.1 | 7.3 | 7.0 |
| The right organizational structure  | 5.8      | -1.0 | 6.8      | 7.2 | 6.7 | 7.1 |
| The right go-to-market model  | 5.5      | -1.2 | 6.7      | 6.7 | 6.9 | 7.2 |
| The right technology  | 6.1      | -0.5 | 6.6      | 6.5 | 6.6 | 7.1 |
| Average   | 5.9      | -1.0 | 6.9      | 7.1 | 6.9 | 7.2 |

### **For further information, including requests for a copy of the TCB Japan survey results, the media can contact the following:**

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Japan Productivity Center (Chiyoda-ku, Tokyo): JPC is a nonprofit, non-governmental organization established in 1955 to promote the productivity movement in Japan under its Three Guiding Principles: (i) Promotion and Maintenance of Employment, (ii) Cooperation and Discussions between Labor and Management, and (iii) Fair Distribution of the Fruits of Productivity Improvement. JPC, at the corporate level, works to implement the latest management system based on cooperation between labor and management, introduce effective management renovation, train human resources, and present public policy proposals for socio-economic reform in Japan. As the only institution of its kind and nature in Japan, JPC is committed to making a significant contribution to socio-economic development in Japan and throughout the world.  
<https://www.jpc-net.jp/eng/>

### **About the Survey:**

Conducted each year by The Conference Board, the findings from C-Suite Challenge 2019™ also show that CEOs feel particularly uneasy about issues including global political instability, leader development, and trade. The report is based on a survey of over 800 CEOs and over 600 other C-Suite executives, primarily from the United States, Asia, and Europe. Participants weighed in on the top business challenges facing their organizations in both the year ahead and well into the future, and their strategies for meeting those challenges.

Source; The Conference Board, News Release, "Survey: In 2019, CEOs are Most Concerned about Talent and a Recession",

URL: [https://www.conference-board.org/pdf\\_free/press/Press%20Release%20--%20C-Suite%20Challenge%202019.pdf](https://www.conference-board.org/pdf_free/press/Press%20Release%20--%20C-Suite%20Challenge%202019.pdf)

## **JPC Global Collaboration Activities**

JPC has launched global collaboration to tackle the productivity issue, that enhances dialogues among top business leaders from Japan, the US, and Germany, through forums, exchanges and researches. Management Forum for Productivity was established in Japan as the core organization for promotion of these activities.

The Conference Board is the first collaborating organization with JPC. Collaborating with Germany is currently undergoing discussion.

### “Management Forum for Productivity” Members’ List

[Chair]

Yuzaburo MOGI, Chairman, Japan Productivity Center

Honorary CEO and Chairman of the Board of Directors, Kikkoman Corporation

[Vice chair]

Shigeo OHYAGI, Senior Advisor and Chairman of Advisory Board, TEIJIN LIMITED.

[Members]

Hiroyuki ISHIGE, Chairman, Japan External Trade Organization (JETRO)

Naoki IZUMIYA, Chairman and Representative Director, Asahi Group Holdings, Ltd.

Shinya KATANAZAKA, President and CEO, ANA Holdings Inc.

Makoto KIGAWA, Director Chairman, Yamato Holdings Co., Ltd.

Hiromi TAGAWA, Chairman of the Board, JTB Corp.

Kazuhiko TOYAMA, Managing Partner, Industrial Growth Platform, Inc.

Osamu NAGAYAMA, Representative Director & Chairman, Chugai Pharmaceutical Co., Ltd.

Takahiro NONAKA, Chairman, National Trade Union Productivity Congress

Shinji FUKUKAWA, Senior Advisor, Global Industrial and Social Progress Research Institute

Tsutomu MIYAGAWA, Professor, Gakushuin University

Koichiro WATANABE, Chairman of the board, DAI-ICHI Life Holdings, Inc.

## **Collaborating Organization**

The Conference Board, Inc.

The Conference Board is a global, independent business membership and research association working in the public interest. TCB’s unique mission is to provide the world’s leading organizations with the practical knowledge they need to improve their performance and better serve society. TCB is a non-advocacy, New York not-for-profit entity holding 501 (c) (3) tax-exempt status under the United States Internal Revenue Code (the “Code”). In furtherance of its charitable and educational purposes, TCB promotes understanding of the economic cycles and business practices, including, without limitation, board-shareholder practices and, among other activities, convenes groups to study and exchange information on particular subjects and supports and undertakes nonpartisan analysis and research.