

# Distinguished Lecture Series



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## The Marketable Global Executive



**SAKIE FUKUSHIMA**  
*Senior Client Partner and  
Regional Managing Director of  
Japan, Korn/Ferry International*

*On September 26, 2002, the Center on Japanese Economy and Business, together with the student-run Columbia Women in Business Association and Japan Business Association, cosponsored a distinguished lecture featuring Ms. Sakie Fukushima. Ms. Fukushima is Senior Client Partner and Regional Managing Director of Japan at Korn/Ferry International. Ms. Fukushima presented an overview of Korn/Ferry International's Japan operations, and recent changes and trends in the Japanese labor market. She identified what global executives are and why they are important as "agents of change" in the Japanese and global market place, what it takes to become a marketable global executive, and the roles global executives and leadership teams play in successful mergers and acquisitions. Hugh Patrick, Director of the Center on Japanese Economy and Business, moderated the discussion. This report is a summary of Ms. Fukushima's presentation.*

*Many Japanese companies are currently at the maturation stage of their corporate lifecycle, requiring experts and change agents as leaders.*



PROFESSOR HUGH PATRICK  
*Director,  
Center on Japanese Economy and Business*

### Korn/Ferry International-Japan

Korn/Ferry International is one of the largest retainer-based executive search firms in the world—and the largest in Japan. It has been in the market for 33 years, and in Japan for nearly 30 years. It has over 74 offices in 36 countries with 1,700 employees around the world. The Firm offers three main services: Executive Search, which is the mainstay of its business; Futurestep, an Internet-based mid-level recruiting service; and Strategic Management Assessment and Executive Coaching, which consists of a leadership team assessment and coaching service. The Japanese operation of Korn/Ferry was established in 1973 and, interestingly, was the second office Korn/Ferry established outside the United States. Korn/Ferry International-Japan has six specialty practices: Finance; Advanced Technology/Professional Services; Consumer/Retail; Industrial; Entertainment/Media; and Life Sciences (Health Care). Advanced Technology/Professional Services and Finance represent almost 50 percent of Korn/Ferry's clients by industry in Japan.

### The Japanese Labor Market

The increase in inward foreign direct investment (including mergers and acquisitions) has changed the Japanese labor market in both demand and supply. On the demand side, multinational companies are competing intensely to hire global executives globally, including in Japan. For the last three years, more Japanese companies are joining this “war for talent.” Japanese companies have traditionally not hired senior executives from outside but, recently, first section-listed companies on the Tokyo Stock Exchange have begun using Korn/Ferry International to recruit senior executives from outside, which is a very new trend. This trend is due to the “gaishi-ization” of Japanese companies, which has caused them, in turn, to reevaluate their success model of Japanese management practices, including corporate governance, lifetime employment, and the seniority-based promotion and pay system.

Many Japanese companies are currently at the maturation stage of their corporate lifecycle, requiring experts and change agents as leaders. While helping both Japanese and foreign-affiliated companies in Japan over the last twelve years, I have realized that the type of leadership required during different stages of the corporate life cycle varies. During the start-up stage, a company needs an entrepreneur who can roll up his/her sleeves and manage a small team of focused,

creative people. After a company recruits approximately 100 employees, it is necessary to hire someone who can bring in and install systems, such as a human resource and finance system, and manage an organization. As the company continues to grow and stabilize, it becomes necessary to hire an innovator or “change agent.” The requirements of this person are different from those of an entrepreneur because they must be able to change the organization. They need to be skilled in process change management. After some time, the company may spin off into smaller units, and an entrepreneur is needed again. Currently, many major Japanese companies are at the stage in their corporate life cycle that requires innovation, and they come to Korn/Ferry seeking change agents. As a result, Japanese companies have begun to hire outside change agents to introduce new ideas and systems. Korn/Ferry has for many years helped Japanese companies operating outside of Japan to recruit local executives, but in recent years we have seen a new trend in Japan of recruiting from outside. Some of the positions we have helped fill include marketing directors, chief executives, and financial and technology officers in Japan who are non-Japanese.

On the supply side, the mindset of Japanese executives is changing. It was very difficult for us to recruit capable Japanese from major Japanese companies in the past. For example, when I started working at Korn/Ferry in 1991, when I would make a “cold call” to a prospective candidate working in a major Japanese company, only one or two out of ten executives would be willing to meet with us—even though many of them had received MBAs from abroad or had worked in the overseas operation of their company. Recently, eight or nine out of ten potential candidates I call indicate interest in meeting with us and thinking about the opportunity to move to another organization. This means that the image of changing jobs is improving, as is the image of gaishi (foreign-affiliated companies). In the past, Japanese executives were not interested in moving to gaishi because of the negative image connected to these companies. These include kaiko (firing), kitsui (demanding), and kyoso (competition). However, the image of changing jobs is becoming less negative due to the lower opportunity costs associated with leaving a major Japanese company. Gaishi are now considered to be attractive job opportunities in part because of faster promotion and higher performance-based pay.

Most importantly, the definition of a successful career path in Japan is changing. The traditional career path included going to a major Japanese university and then joining a government agency or a major Japanese company like Mitsubishi or Mitsui, where one moves up gradually in the organization. The diversification of job opportunities is now very much a part of the changing mindset of many young Japanese employees. Approximately 70 percent of new college graduates joining Japanese companies say that they may change companies in the future. This is a significant change compared to five or ten years ago. Another interesting trend is that younger Japanese prefer merit-based pay to set salary so they can be rewarded based on their performance.

Journalists often ask me whether my job is becoming easier because of these changes and new trends in Japan. The answer is “no.” We still face major challenges. While the demand (companies and clients) for global change agent executives keeps increasing, the supply side (employees, candidates, job seekers) still comprises very domestic, traditional executives. So there is a huge mismatch between demand and supply. The number of truly global Japanese executives, who can function well anywhere in the world, is small.

#### Global Executives as Agents of Change

Global change agent executives are individuals, regardless of nationality and gender, who can work effectively across country borders, who possess professional skills that transcend their specific organization, and who are problem solvers and change agents. It is very difficult to find such individuals, particularly among Japanese. When we meet with clients we discuss the position and the requirements for the position. I usually divide the requirements into professional and personal attributes. Professional attributes include professional experience and professional skills. I also divide personal attributes into two categories: basic competencies and personality. Based on my experience with companies trying to recruit executives, it is important for the global executive to be multi-lingual, multi-cultural, and have good crisis-management abilities. To help close the current gap between supply and demand, Korn/Ferry takes into consideration candidates who are foreign nationals with Japan expertise (including fluency in the Japanese language), overseas returnees, women, management consultants, and candidates from other industries (for example, recruiting consumer

marketing professionals from EMCG companies to join retail companies).

There are several ways for organizations to develop marketable global executives. First, they can develop an executive’s core skills and competencies, such as expertise in finance, human resources, marketing, etc. Second, they can give their executives training overseas, including language training. Third, they can train executives to become entrepreneurial by encouraging them to think like a company president. This simulation is very good preparation to move into a more senior role and to think strategically. Fourth, they can encourage executives to become familiar with Western logic by making presentations and attending international conferences. Fifth, they can foster the executives to think creatively and develop their problem solving skills. Sixth, they need to be aware of the executive’s market value and provide challenging career opportunities on that basis.

I encourage individuals, as well as corporations, to consider outside opportunities every five years as a way to assess what the company is lacking and how much an executive is worth in the market. To become a marketable global executive individual executives should envision where they would like to be in three to five years, identify and make a list of the skills required to be in that position, reevaluate their skills inventory, and make their own program to acquire the necessary skills.

#### M&A and FDI in Japan: Agents of Change

One of the main driving forces of change in Japan is the recent increase in foreign direct investment (FDI) and mergers and acquisitions (M&A). A key factor for a successful M&A in Japan is selecting the right leader or leadership team as the “change agent(s).” Some of the factors influencing the selection of the appropriate leadership team/change agent are the following: (1) the type of M&A and whether the share of ownership is equal or unequal; (2) the cultural and political context in which the M&A is being done; and (3) the brand hierarchy (i.e., if a company with low brand positioning in the Japanese market acquires a high-end branded goods company, the best team to manage the new company may be the leader from the acquired, i.e., the high-end branded goods company. In the end, the leader/ leadership team should be the best team to accomplish the mission of the M&A.

*The definition  
of a successful  
career path in  
Japan is changing.*



DEB ARNOLD  
President,  
Columbia Women in Business Association

## 財界著名人講演シリーズ

### 求められるグローバルな人材—経営幹部のキャリア事情— 日本コーン・フェリー・インターナショナル・マネージングディレクター 橋・フクシマ・映江

2002年9月26日、コロンビア大学ビジネススクールの日本経済経営研究所は、同スクールの学生団体であるコロンビア女性ビジネス協会と日本ビジネス協会との共催で、世界最大手のヘッドハンティング会社「コーン・フェリー・インターナショナル」の日本代表フクシマ社長の講演会を開催しました。講演に続く質疑応答では当研究所のヒュー・パトリック所長がモデレーターを務めました。以下は講演の抄訳です。

#### 日本コーン・フェリー・インターナショナル

1969年米国内で設立されたコーン・フェリー・インターナショナルは世界最大手のエグゼクティブサーチ会社であり、36か国に74のオフィスを構える。東京オフィスは本社にとっては第二の海外拠点、日本にとっては国内初の大手エグゼクティブサーチファームとして1973年に設立され、現在は日本最大の地位を誇る。ファームの業務内容は、(1)エグゼクティブサーチ(2)Futurestepと呼ばれるインターネット中間管理職リクルーティングサービス(3)戦略的経営査定と管理職向けのコーチングサービス、に大別される。日本コーン・フェリーが扱う業種は、金融、テクノロジー、小売り業、工業、メディア、医療、の6つに大別され、テクノロジーと金融がクライアントの半数を占めている。

#### 日本の労働市場

日本企業の合併・買収を含む外国からの直接投資の増加により、日本の労働市場は変化している。需要サイドにとっては、多国籍企業による世界をまたにかけたグローバル・エグゼクティブ獲得競争が激化しており、日本も例外ではない。一部上場の日本企業も役員クラスの人材を外部から登用し始めており、過去3年間で、より多くの日本企業が「才能をめぐる競争」に加わるようになったと言える。日本企業の「外資化」の波は、終身雇用、年功序列など日本の経営モデルの見直しを促した。過去12年に渡るエグゼクティブ・サーチの経験を通じて言えるのは、必要とされるリーダーシップというのは組織の発展段階によって異なるということである。企業立ち上げ時には起業家資質に長けた人物、企業が100人以上の従業員を抱えるようになった時点ではマネージメントに長けた人物、そして企業が成長・安定期に入ると、変革が起こせる人物が「リーダー」として必要とされる。現在、多くの日本企業は成熟期を迎え変革を必要としており、新しいアイデアとシステムを導入するためのチェンジ・エージェントを私どもの会社に求めてくる。過去には日本の大企業から優秀な人材をリクルートすることは非常に難しかった。しかし日本人の間で「解雇、キツイ、競争」の3Kで知られた外資系企業は、能力に応じた給与と昇進のシステムを持った魅力的な就職先へと変化している。一流大学を卒業し官僚になるか一流企業に就職し組織の中で上りつめる、という成功のキャリアの定義が特に若い世代で変化してきている。もっとも、クライアントの需要はグローバルな人材だが、供給側の求職者及び潜在的候補者は依然として国内派(ドメスティック)の人材であり、需要と供給のバランスが取れていないのが現状である。

#### チェンジ・エージェントとしてのグローバルエグゼクティブ

チェンジ・エージェントとしてのグローバルエグゼクティブとは、国籍・性別に関係なく、国境を越え活躍できる、組織に限定されない汎用性の高いプロフェッショナルスキルと変革のための問題解決能力を持つ人材である。グローバルな人材に必要な資質を考える際、専門的資質(職務経験と職務能力)と個人的資質(基礎的能力と性格)に分けて考えられる。グローバルエグゼクティブは、多言語・多文化に精通し、危機管理能力を備えている。クライアントの需要と供給とのギャップを縮めるため、コーン・フェリーでは、日本語能力など日本に関する専門知識をもつ外国人、海外よりの帰国者、女性、経営コンサルタント、異業種からの候補者等を考慮している。求められるグローバルな人材育成のために組織ができることは、第一に幹部の専門知識、中核となる能力の養成、第二に語学研修など海外企業幹部研修の充実、第三に自分が社長ならどうするかシミュレーションを通じての戦略的思考と企業家精神の養成、第四にプレゼンテーションや国際会議への参加を通じての西洋的ロジックへの精通、第五に創造的に考え問題解決スキルを養うことの奨励、第六に経営幹部の市場価値を把握、それに見合ったキャリア機会の提供である。私は、個人と企業に、5年ごとに企業に欠けているものと企業幹部の市場価値の2点を査定することを推奨している。グローバルな人材になるには、幹部一人一人が3-5年後にどうなりたいかを想定し、そのようなポジションを獲得するために必要とされるスキルを把握し、自らのスキルを再評価し、足りない部分を補うようにして行く必要がある。最後に、昨今の日本における変化の原動力となっているものの一つであるM&A(合併・買収)とFDI(外国直接投資)において、グローバルエグゼクティブが大きな役割を担っていることに触れておきたい。日本におけるM&A成功は、チェンジエージェントとしてのリーダーの選択にかかっていると見える。

EDITED BY

Joshua Safier  
Associate Director  
Center on  
Japanese Economy and Business

ASSOCIATE EDITOR

Yoko Mochizuki  
Program Officer  
Center on  
Japanese Economy and Business

PHOTOGRAPHY

Columbia Photo Bureau

DESIGN/PRODUCTION

Melanie Conty

CENTER ON JAPANESE  
ECONOMY AND BUSINESS

Columbia Business School  
321 Uris Hall  
Mail Code 9155  
3022 Broadway  
New York, NY 10027  
Phone: (212) 854-3976  
Fax: (212) 678-6958  
Email: cjb@columbia.edu  
<http://www.gsb.columbia.edu/japan>