

Japanese Women & Their Role in Innovation

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Managing Innovation Vital to Sustain Competitive Advantages

Many Japanese multinational corporations operate in the consumer goods industry. As global competition becomes fiercer, companies' abilities to develop innovative products and bring them to market faster than their rivals are crucial factors to keep and sustain competitive advantages. Leveraging creative talent and managing new product development efficiently have therefore become a major aspect for multinational firms over the past years.

And women are a major factor when developing innovative products. They not only have great powers as consumers and purchase decision-makers; they are also influencing an economy's innovative power as role models for future generations. It is not surprising that they are taking an increasingly important role in evolving innovation as well.

Not so in Japan, where even if the majority of Japanese consumers are women, innovation and products are still mainly developed by men. Japanese women are still confined to a traditional role as full-time mothers and wives and, despite the fact that Japan is the second richest economy in the world, the prospects of women wishing for a successful career and having a family at the same time are very dim. The main reason for this is Japan's very traditional company structure (see *Japan SPOTLIGHT, September-October 2009, pp.46-47*). On top of this, there is still strong public pressure on Japanese women to abandon their career dreams to become housewives.

Since there are fewer women in full-time positions in Japanese firms, their ability to influence innovation is limited as well. For Japanese firms and the Japanese economy, the damage is obvious; not only do they face a major labor shortage in the future, but also they are missing out on the talent and creativity of women. Considering all this, it is surprising that Japanese firms are not supporting women for their greater participation in managerial positions and consequently also in new product development processes. So far, Japanese women could only contribute to this process as consumers.

How Does Innovation Develop in Japan?

Japanese corporations develop less radical innovations than US firms, which are leading in this field. One reason is traditional Japanese decision-making, which is very group-oriented. Japanese product development teams consist of very many members and usually integrate a lot of employees into the process. Another important aspect when developing new ideas is the use of slogans, models or metaphors to get all team members inspired. Usually Japanese development teams have more autonomy than Western teams in this field.

During the idea-finding process, members make their individual ideas group ideas right from the beginning. In contrast, employees at Western firms prefer to keep ownership of their ideas.

In the development process, the idea is then discussed by all group members. The discussion style differs from the West too – the idea is circulated among group members who spin it further by looking at it from all angles and integrate all group members' opinions on the topic. By doing so, the group members develop their ideas together as a unit and transform the original idea into a new idea based on group consensus. The results of these processes can be found in most shops around the world: customer-oriented quality products.

Western corporations, on the other hand, prefer a more linear discussion style in which different ideas about the original idea confront each other. In a Western context, an idea does not become a group idea from the start. In many cases, the owner of the idea is developing it by him- or herself and only presents it to other members of the organization at a later stage. In doing so, the ownership of the idea is protected. In Western economies, innovations are often developed by individual entrepreneurs who follow their own ideas and push them to market. Western firms show a higher rate of radical innovations, and it is easier for a Western entrepreneur or developer to insist on a "crazy" idea, especially if he or she is really convinced of the idea. There are many examples of famous entrepreneurs such as Bill Gates who had a long-lasting impact on many industries. Entrepreneurs, therefore, play a major role in the innovative abilities of many economies.

Challenges for Traditional Japanese Innovation Management

In Japan, on the other hand, innovation is a group-oriented process in which all team members develop and improve an idea. Innovation in Japan has so far been a task performed by larger corporations. Innovations also tend to be more customer-oriented since they are mended and improved by a group of people. This process makes the idea marketable, but does not support radical or "crazy" ideas. Japanese firms have, however, been very successful over the past decade in developing products adapted to consumer tastes all over the world.

But the Japanese model of innovation management is challenged by recent changes in the Japanese patent law. According to the current Japanese patent law, the property rights to an invention belong to an employee who is entitled to receive "appropriate remuneration" for the transfer of their right to patent their job-related inventions to employers. Since the law did not provide clear guidelines, there were several court cases over the past years in which employees sued famous companies such as Nichia or Ajinomoto for fair compensations on their inventions. In his article, "*Innovation and the Patenting of Knowledge in Japanese Corporations*," John Clarry argues that these lawsuits may have a long-lasting impact on how innovation develops in Japan. They indicate an entrepreneurial style of innovation development is also on the rise in Japan and may challenge the ability of Japanese multinationals to stay ahead of the game.



Female Entrepreneurship on Rise in Japan

These changes may also improve the role of women as innovators in the Japanese economy and companies. Since group-oriented innovations are increasingly challenged by the new patent law in Japanese firms, the Western model of developing innovation may also lead to a stronger influence and relevance of Japanese entrepreneurs.

Entrepreneurs are a major force for innovation in most economies. In Japan, entrepreneurship is being promoted and supported by the Japanese government. And women play a major role in these developments. Over the past years, an increasing number of Japanese women have started businesses. The reason for this is – ironically – the traditional mindset that has banned women from careers in companies in the first place.

In their report titled *“Women Entrepreneurship”* published in 2007 from Pepperdine University, Carla Griffy-Brown and Noriko Oakland identified the following reasons that support Japanese female entrepreneurship: Japanese women are not responsible in their families to provide the main income, so they have more freedom to develop ideas as entrepreneurs and can take more risk. Since they are the majority of consumers in Japan, they have greater knowledge of con-

sumer wishes and expectations and can derive business ideas from their daily lives. And finally, they benefit from the advances in technology which make it easier to combine business and family.

Despite the fact that women are still not fully recognized as equal contributors to a company’s outcome, there may be a chance that they can take a more active role in developing innovative and profitable ideas as entrepreneurs. There are signs that conditions for them are improving. For example, women entrepreneurs can find support at numerous governmental and nongovernmental organizations which have recognized their impact on the Japanese economy and help them set up their businesses.

The future will show if Japanese female entrepreneurs have the same innovative power as their Western counterparts. We can only hope that Japanese women, who so far had little opportunity to participate in new product development in traditional Japanese firms, will show their creativity and enthusiasm as entrepreneurs and support the Japanese economy by keeping a leading role in innovation development. **JS**

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