



# Multi-Stakeholder Perspective Enabling Challenges into Unexplored Realms



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## The Great Potential of a Management Model Based on a Multi-Stakeholder Perspective

**Tomita:** I feel that MARUI GROUP's idea of co-creation management matches my concept of sustainability. I understand that you define corporate value as being born out of the harmony between the interests and the happiness of all of our stakeholders, which is most intriguing. It is likely that people will come to view this sentiment as part of an ideal company in the future. Taken to its extreme, the belief that companies are for shareholders can lead companies to reduce the income of employees and the profits of suppliers in order to improve corporate earnings and make greater returns to shareholders. Company representatives often ask me what perspective they should take in management. My answer is to adopt a multi-stakeholder perspective.

**Aoi:** The idea of a multi-stakeholder perspective is very easy to understand.

**Tomita:** Company workers prioritize their company at work, but when they go home, they become members of

the community, or maybe even shareholders of their company. They also pay taxes and vote, giving them a role in supporting the government. Moreover, some engage in volunteer activities. In this manner, each stakeholder does not fall into a single stakeholder category. If employees adopt the perspective of a customer, for example, they may see areas needing to be changed. I have always thought that it was important to find a way to reconcile the differing perspectives of all stakeholders. MARUI GROUP's idea of corporate value seems to exemplify what I was thinking. This concept lends itself to a management model focused on expanding the intersection between stakeholder interests, an approach that I think has great potential.

## Sustainability as Key to Shifting Focus from Growth to Evolution

**Aoi:** The timelines people use to view matters seem to be getting shorter, and this is not just limited to managers.



However, a short timeline makes it difficult to perceive the possibilities that can be realized far into the future. Having a longer timeline can be crucial.

**Tomita:** Employees are generally evaluated on a yearly basis, meaning that they need to create results within a single year. Managers are the same. However, if results are expected to be created on such a short timeline, I fear that the final destination companies find themselves at may be quite bleak. Achieving harmony between the interests and the happiness of all of our stakeholders is essential for a company to continue developing over the long term.

**Aoi:** The question then becomes: How should a company grow over the long term? However, I feel that the word "growth" is not ideal. "Evolution" may be more appropriate. When thinking about how a company should evolve, corporate value and sustainability seem to be key to a company's evolution. It is not enough for one to profit at another's expense. Rather, the ideal form of evolution is for something new, a great and unprecedented type of value, to be born out of harmony, out of reconciling inconsistencies between stakeholder interests.

**Tomita:** The word "evolution" is truly amazing. While some advocate sustainable growth, others go further to claim that, given environmental and other restrictions, simple economic growth is unrealistic, and that we should instead be working to maintain stable performance that is sustainable, or even reduce performance. The word "evolution," however, has a strong nuance of change, whether in form or in thinking. Environmental restrictions are thrusting us into an era in which we will need to change prior conceptions of economic growth and reexamine what true value is.

#### Spaces for Driving Evolution Arising from Empathy

**Tomita:** When people speak of the shift from consumption of goods to consumption of experiences, they are talking about one type of change. We must next think about a change that is not purely monetary, a change that will truly create a new world.

**Aoi:** Looking at the example of music, some music fans now buy 10 or even 20 copies of the same CD. This is not because they want the CDs themselves, but rather because they want to display their support for their

favorite artist. I envision a world in which this desire to support something can be fully expressed via money or virtual currency and in which participation in this economy eventually contributes to the happiness of participants and society as a whole. In this world, consumption will become more like a form of self-expression.

**Tomita:** You speak of creating spaces, correct? I believe that your stores function by providing a space in which customers and business partners can play a leading role in creating vibrant new worlds. It seems to me that this is the model MARUI GROUP is trying to create.

**Aoi:** I think you really summed up our model well. In our concept of corporate value, we are not present. This concept is more based on interests and happiness, making it similar to the multi-stakeholder perspective you mentioned previously. We remove ourselves and the Company from the picture; what remains is a space. In other words, it is the job of a company to operate this space. Companies are places for supporting the growth of people. You could even look at companies as a box packed full of people and objects. If the box is emptied,



and if its sides and top collapse, all that remains is the space of the box. This is how I see our role as a company.

**Tomita:** I think that MARUI GROUP is creating such a space through its co-creation activities. Empathy, I believe, is of utmost importance in this undertaking.

**Aoi:** Empathy is indeed very important. Harmony, I believe, is built through dialogue, and empathy is crucial to effective dialogue as it opens lines of communication and prevents people from becoming locked in their own one-sided thinking. From dialogue, we can make many new discoveries. Creating spaces in which this dialogue can flourish will likely supply a strong driving force for our evolution.

#### Going Beyond Governance for Shareholders to Governance for Stakeholders

**Aoi:** If we were to redefine the concept of corporate governance based on our view of corporate value, the result would be governance for the sake of all stakeholders

that goes beyond traditional governance for the benefit of shareholders. Practicing this type of governance would entail stepping into the unexplored realm of stakeholder inclusion. This realm echoes the idea of a multi-stakeholder perspective you spoke of, Mr. Tomita. In the past, customers that have participated in planning meetings have ended up joining the Company or being employed by business partners. I want to have individuals such as these participate in management. In addition, by offering customers that participate in planning meetings shares of MARUI GROUP's stock as a form of thanks, we can make them into shareholders. In this way, it is possible for a customer to hold three perspectives, supporting us as a customer as well as from their shareholder and other perspectives.

**Tomita:** I think you could also offer employees bonuses in the form of stocks. Such an initiative would increase the number of shareholders supporting MARUI GROUP and also create a situation where it would not be strange to see employee or customer representatives at Board of Directors' meetings. This is one step you might take in expanding the intersection between the interests of stakeholders.

**Aoi:** At MARUI GROUP, we strive to always be at the forefront of all of our pursuits, and we thus aim to work together with our stakeholders to create the society of tomorrow.

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Mr. Tomita served as head of the Corporate Social Responsibility Department at Sony Corporation for roughly a decade following the establishment of this department. He later participated in the establishment of the ISO 26000 social responsibility standard and the ISO 20400 sustainable procurement standard as a representative of Japan. He was also involved in formulating the new GRI Standards as a member of the Global Reporting Initiative's Global Sustainability Standards Board. Furthermore, Mr. Tomita has been a member of committees on similar topics at the Ministry of Economy, Trade and Industry; Ministry of the Environment; Cabinet Office; and The Tokyo Organising Committee of the Olympic and Paralympic Games.