

Ownership and Board Diversity, Innovation: Evidence from Japan

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Date: 22.02.2019, Venue: C21 @ 3PM

Abstract

Japanese corporate governance has recently experienced a major reform characterized by corporate governance code and the revision of corporate law. The trend toward corporate governance reform is inclined to make board composition diverse. It aims for corporations to take risks and embark on innovative business. A board with a diverse composition may contribute to ensuring that different opinions and perspectives flow into the boardroom, which leads to stimulating discussions and prevents the board from falling into groupthink.

This study examines the effect of ownership and board diversity on R&D and innovation in Japanese corporations. This study divides board diversity into board demographic diversity and board task-related diversity. The findings are that the interaction between institutional investor ownership and board task-related diversity have a positive effect on the patent application as a surrogate of innovation. The implication of this study is that by introducing diversity in the boardroom without caring ownership and a positive corporate situation, corporate governance practice may become ostensible.

Speaker Profile



Dr. Takahiro NISHI is an associate professor of school of commerce in Meiji university, Tokyo, Japan. His main research field is corporate governance which he has been studying for many years. He has examined the relationship between the institutional context and corporate governance structure. Especially he is studying the behavioural aspects of corporate boards or top management in involving strategic decisions of top management in the social context. As a sub major, he is studying fashion business and consumer behaviour, which is the educational area of interest in the School of Commerce, Meiji University. He is analysing the psychological aspects of Japanese consumers' preference for fashion brands, while exploring the strategic issues involved in luxury brand apparel and to compare luxury brands with fast fashion brands,

Prior to being a full-time position of Meiji University, he was an adjunct faculty at different universities in Tokyo. He is also principal (head) of fashion business research centre in Meiji University. He conducts students' international study and promote students' immersion in international society. He carries out the students' short study programme in National University of Singapore and California State University, Long Beach for business study. Also, He was a visiting researcher at Queensland university of technology in Australia.

He is currently active in corporate governance research. His main publications are Takahiro NISHI (2015), "DIFFERENT BOARD STRUCTURES AND R&D: EVIDENCE FROM JAPANESE CORPORATION", CORPORATE BOARD: ROLE, DUTIES AND COMPOSITION, Vol.11, Issue 2, Virtus Interpress, pp.171-182. (ISSN: 1810-8601), Takahiro NISHI (2015), "CORPORATE DIVERSIFICATION AND BOARD COMPOSITION IN JAPANESE ELECTRONICS CORPORATIONS", International Journal of Business & Management, The International Institute of Social and Economic Sciences, Vol.3, No.2, pp.27-44 (ISSN: 1804-9796).