

## THE GLOBAL WORLD AFTER CRISIS TOWARD NEW ECONOMIC AND ENTREPRENEURSHIP MODELS. KYUDO - KEY CONCEPT OF GROWTH STRATEGY IN JAPANESE SOCIETY

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### ABSTRACT

*Today it is too early to know precisely how much the post-COVID-19 world will be different from what it was in the past, but some important lessons have already become apparent. First, the pandemic has reminded us how much we need to address persistent structural problems facing the entire world. Second, today's pandemic crisis has shown that we must build back better. The 2021 can be the year of transition, and individuals, businesses, and society need to start shaping their futures rather than just grinding through the present. Enterprises have spent much of the past nine months struggling to adapt to extraordinary circumstances, but the next normal is likely to be different. It will not imply going back to the conditions that prevailed in 2019. Indeed, just as the terms "pre-war" and "post-war" are commonly used to describe the 20th century, generations to come will likely discuss the pre-COVID-19 and post-COVID-19 eras.*

*This paper discusses some business and leadership trends that will shape the next normal by using KYUDO (Japanese archery) as a key concept of growth strategy. The authors attempt to synthesize how society changed forever due to the COVID-19 crisis from a social point of view and why Kyudo can be considered a new successful business strategy.*

**KEYWORDS :** COVID-19, economic challenges, global context, new normal.

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### 1. INTRODUCTION: WHY WE NEED A NEW ECONOMIC AND BUSINESS APPROACH?

In the words of Simon Sinek, "whether you are an entrepreneur, an employee, a leader of a team, or are looking to find clarity on your next move, your WHY is the one constant that will guide you toward fulfillment in your work and life" (Sinek, 2017). Developing this assumption, Dudeck (2021), in one of his business articles, argues that articulating how your products or services exist in the world and how you add value to people's lives is critical to becoming a leader in your industry. Providing the "why" of your business story gives your employees and your customers a way to connect with you on a personal level and view your business as a living, breathing entity. But what is the purpose of business today and why we need a new economic approach? The world today faces profound economic challenges. An accelerating pandemic crisis is, without a doubt, the most urgent. In March 2020, Rabbi Jonathan Sacks, an influential figure in British intellectual life, described the COVID-19 catastrophe as "the nearest we have to a revelation for atheists" (Susskind et al. 1, 2020). At the same time, the International Monetary Fund (IMF) is naming the coronavirus-induced economic crisis "the Great Lockdown" (International Monetary Fund, 2020).

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Today it is too early to know precisely how much the post-COVID-19 world will be different from what it was in the past, but some important lessons have already become apparent. First, the pandemic has reminded us how much we need to address persistent structural problems facing the entire world. Second, today's pandemic crisis has shown that we must better build our business, leadership models, organizational culture, and market. 2021 can be the year of transition, and individuals, businesses, and society need to start shaping their futures rather than just grinding through the present. Enterprises have spent much of the past nine months struggling to adapt to extraordinary circumstances, but the next normal is likely to be different. And in this new normal, we need a new conception of economic, business, and leadership progress - a deeper understanding of these three components, a more prosperous basis of performance and evidence on how economies work, and new tools and techniques to help leaders to draw new models and new business approach (OECD, 2019). We are during an asymmetrical recovery. According to the same OECD assumption, the COVID-19 pandemic is transforming how we think about our economies, business landscape, organizational architecture, talent, and our societies. The policy choices governments and business leaders make today will determine their success in building a transition to a greener, more inclusive, and more resilient tomorrow. It is an opportunity to chart a path that empowers everyone to face the future with confidence.

The purpose of business is to contribute to society. The way to do this is through building sustainable and healthy growth. In today's business environment, keeping up with financial pressures, the pace of change, and globalization can be major challenges for shareholders, the leaders, and the employees. In these turbulent times, everything is moving around us so fast that we need a principle that is superior to these changes, one that can guide our actions (Chouchan, 2018). From a longer-term perspective, more than ever today, companies must be agile, able to predict variations and changes in the market, socio-economic and political environment, and adapt and change following these conditions. IBM Institute for Business Value (2020) research suggests that in the midst of the COVID19 epidemic, the reality for businesses has radically shifted. Whether reflecting on current conditions or future plans, business leaders' needs for speed and flexibility have been amplified dramatically. Old barriers are being brushed aside under the pressure of unrelenting disruption, rapidly evolving customer expectations and an unprecedented pace of change. Agility is not aspirational – it has become existential. Moreover, according to Kuroda Haruhiko, the Governor of the Bank of Japan (2020), the global spread of COVID-19 has significantly restrained economic activity worldwide, but at the same time the recent pandemic has prompted us to rethink our views and actions. Now it is the time to face with the challenge of identifying those of our views and actions that should not change and those that should adapt to the new environment.

In conclusion, the questions that arise are specific business and leadership trends that will shape the next normal and what correlation could exist between Kyudo and business. More specifically, Kyudo (the Japanese martial art) can serve as a critical concept of growth strategy. In addition, using qualitative research methods (participatory observation, focus group interview, and literature review analysis), authors will address these aspects and determine whether society changed forever due to the COVID-19 crisis from a social and business point of view and find out how the 'new normal' will look.

## **2. KYUDO – THE CONCEPT OF GROWTH STRATEGY IN JAPANESE SOCIETY**

Is the secret to our success the involvement of employees, entrepreneurial skills, passion, the right business mindset, or technical tools? In some ways yes, but Jérôme Chouchan the president of Godiva Chocolatier Japan, in his book *"Target. Business wisdom from the ancient Japanese martial art of Kyudo"* (2019), mentioned that the secret to success in business lies in the archery's principle: "right shooting always results in a hit." How the author is explaining, this means that you

do not need to worry or think about hitting your target. Instead, you should focus your energy and willpower on a suitable mindset and form and, because of "correct shooting" at the target, this approach will naturally result in a hit. At first glance, archery and business seems to be worlds apart. However according to the author and different research in this area, surprisingly, learning the spirit and wisdom of traditional Japanese archery helps the modern businessman navigate through today's challenges. For a better understanding we all know that in business the reason of target existence is to be hit. Now try to image that the relationship between the target and the archery is similar to the relationship that exist between the customer and the company: the customer is the "target", the company become the "archer", the product is the "arrow", and the recourse act as the "bow" (Ibid.4).

We are born with an irrepressible desire to hit the target we are aiming for. In archery, this means hitting your target with your arrow. Western archery has grown into a sport where accuracy is the sole measure of performance. Japanese archery, in contrast, has developed into a martial art where the spirit, the form and the accuracy all contribute to the criteria involved in assessing performance (Chouchan, 2019). In this increasingly volatile, uncertain, complex, and ambiguous time and considering a flat market, many have asked what type of business strategy and leadership could make it possible to achieve profitable results again. This research suggests that the answer is not coming from a business theory. It can come from an unexpected inspiration that finds its source in Kyudo's ancient Japanese martial art, which in English means "the Way of the Bow" (Ibid. 2019). Interfering Jérôme Chouchan's archery strategy with real case studies, we suggest three fundamental discoveries for the post-pandemic business landscape that could contribute to strategic business growth, offer new perspectives on digital transformation, the future of work, transparency, and sustainability, and build a better world.

As the highway to a new business reality permits no U-turns to the old normal, risks and opportunities are too great, the stakes too high - agile businesses are on the leading edge of a self-reinforcing process, promising even greater acceleration ahead. This should present an enticing opportunity for executives to manage complexity and drive competitiveness by tying digital and social transformation to business priorities (IBM Institute for Business Value, 2020).

### **3. KYUDO AND THREE FUNDAMENTAL DISCOVERIES FOR THE POST-PANDEMIC BUSINESS LANDSCAPE**

Amid the COVID19 epidemic, the reality for businesses has radically shifted. Whether reflecting on current conditions or future, business leaders' needs for speed and flexibility have been amplified dramatically. Old barriers are being brushed aside under the pressure of unrelenting disruption, rapidly evolving customer expectations, and an unprecedented pace of change. Agility is not aspirational – it has become existential (IBM, 2020). But how to become agile and, more importantly, stay competitive in this new business and economic environment?

What strategies and practices are required? This research suggests technology's strategic importance as a critical component of the business, not just a source of cost efficiencies offering new perspectives on digital transformation, the future of work, transparency, and sustainability. According to Chouchan (2018), whether you are a boss or subordinate, people will respect you for your ability to decide at the proper time without wavering.

And Kyudo teaches about the importance and the quality of the moment. From the theoretical point of view, it is a somewhat mysterious practice method. Still, in a fast-moving, globalized, and digitalized world, inspiration from ancient pearls of wisdom and arts has relevance to business now more than ever. It is essential not to miss the moment. Because in business, as in archery, there is only one result: we either hit or miss the target. In Kyudo, proper shooting always results in a hit. In business, good management always results in sustainable and profitable growth. The essential questions are why and how we face the target today. In business, there will always be two paths to

reach the target: financial performance as the sole measure of everything, or financial performance because of doing first and foremost the right thing for the consumer, the employee, and society (Ibid.).

### **3.1 Digital transformation was never just about the technology**

As the COVID-19 crisis, with its unpredictability and turbulence, has disrupted the way companies build their business strategies, the industry executives must accelerate their transformation plan. Leaders who aim to enhance organizational performance through digital technologies often have a specific tool in mind. "The organization needs a machine learning strategy," perhaps. But digital transformation should be guided by the broader business strategy (Tabrizi *et al.*, 2019). In the words of Chouhan (2018), the present age is unique because time and innovation have never moved so fast at any point in history. Before the pandemic, many organizations seemed to distrust their technological capabilities and questioned the qualifications of their employees. However, despite the uncertainty about the reactions triggered by the pandemic this year, these fears have proven largely unfounded. The COVID-19 lockdown quickly increased the demand for digital services as everyone tried to minimize human contact (McKinsey & Company, 2021) and the benefits long extolled by technophiles have gained wider acceptance among organizational leaders. But to form the foundation for success, organizations need to make sure that their people are as capable, resilient, and adaptable as their technology over the long term.

According to the results of corporate transformation surveys conducted regularly by McKinsey, in Japan the success rate of digital transformations is lower than that of traditional organizational changes, representing approximately 16%. In this case, the main issues are not technical or low consumer-side demand, but ones associated with people and organizations; it highlights the insufficient scaling and development of digital services by most Japanese companies. (McKinsey & Company, 2021). Entrenched corporate culture, lack of digital talent and IT infrastructure, insufficient understanding of digital technologies, organizational issues, commitment, and understanding among executive managers, clashes between digital and conventional technologies, lack of data, lack of support from senior employees are significant barriers to digital transformation. As we can find, today's Japanese leaders understand that digital is the next promising opportunity. However, they do not feel that they are sufficiently prepared for digital transformations. Their reluctance keeps them from undertaking bold changes that would provide competitive advantages.

Without a strong commitment from senior management, it is nearly impossible to mobilize the organization and transform the core of the business to succeed in the new normal. They cannot do it on their own. As a result, today's leaders must be firmly committed to transformation. Because these efforts are transforming the foundation of business models and require changes in the allocation of resources, including people, goods, and capital, they are fundamentally different from traditional technological investments. These shifts must occur to create a competitive advantage, address the risks, and increase their organizational strength.

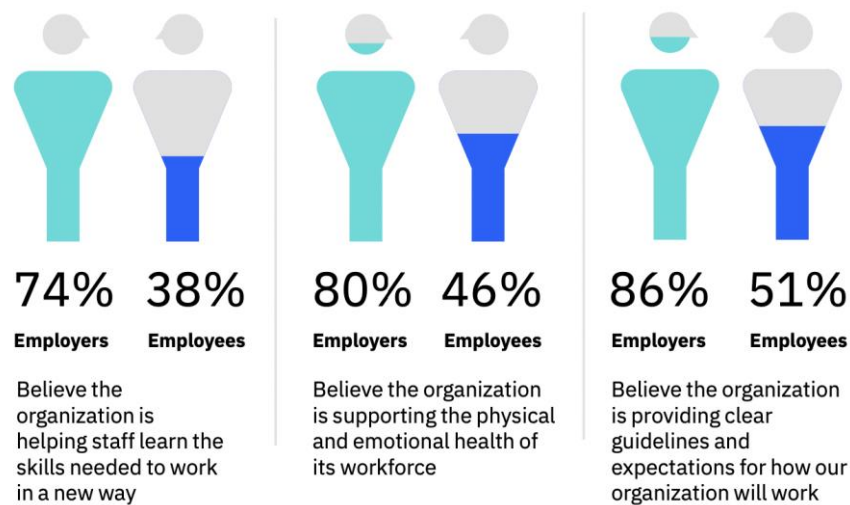
Digitization is accelerating in all industries (banking, retail, oil and gas, aerospace, advanced industries, healthcare providers). These trends are already becoming the "new normal," and companies' survival will depend on whether they can adapt to them faster than their competitors. To accomplish this, they must use digital. Consumer and customer behaviors are already digitized. The next one is expertise. Rapidly replacing experienced employee knowledge, intuition, and momentum, with AI can enhance agility and resilience.

### **3.2 The human element is the most important business resource**

What is the secret to producing a hit? According to the IBM 2020 survey, while executives plan to expand almost all tech competencies during their future digital transformations, the secret to success lies in human resources. Leaders need to recognize that people are one of an organization's most valuable resources because technology is not designed to replace people. Technology is best used



when it enables individuals to perform their job better. But of course, especially today in the pandemic crisis, the view from the top is very different from what workers see on the ground.



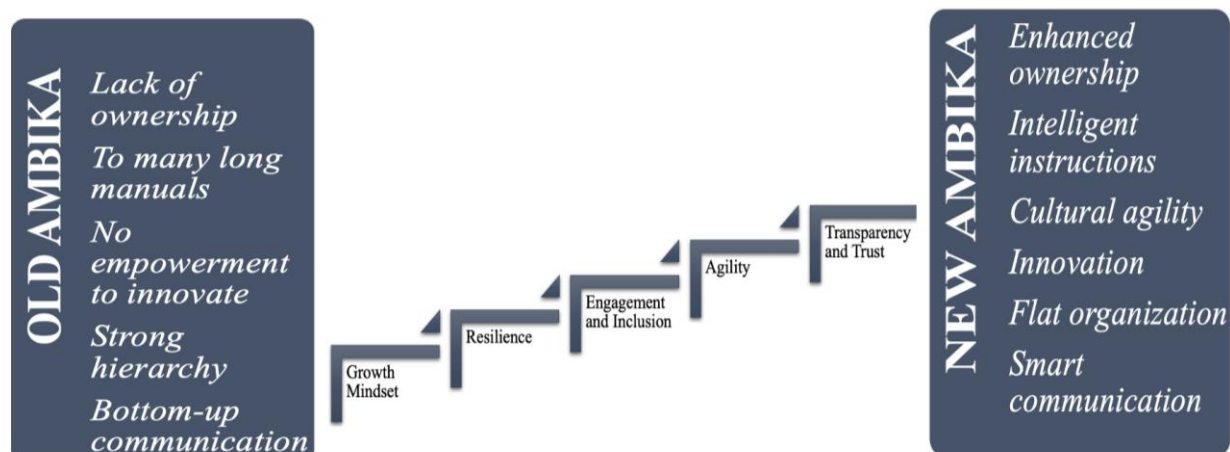
**Figure 1. The trust gap between employers and employees during COVID-19**

*Source: IBM Institute for Business Value, 2020*

A good example that demonstrates how focusing on human resources can hit your target and face challenges has been shown by Ambika. Ambika Trading Company is the Largest Indian Foods Importer and Supplier in Japan. Still, the company's core purpose is to value diversity and gather wisdom from everyone: employees, customers, partners, and community - to serve better.

To accomplish this purpose, the company created a three-phase process. Phase 1- Jam Session (4 sessions with communication, HR, operations, marketing, and sales departments), phase 2 – Escalation. Discussions with key decision makers (CEO, CHRO, head of communications, COO, CFO) and phase 3- Implementation, by using technology as communication enabler, to understand, identify and overcome organizational problems-the cause for failure. However, to move forward, it is essential to analyze and research the cause of the disappointment to make solid improvements. Figure 2 shows that the Ambika company transformed its organizational architecture by identifying the correct problems and using the “Engineering Trust” Model. One of Kyudo principle say, study where your arrow lands. As business improves not only through a "hit" or "miss", but also by studying the case, by creating an atmosphere where the employees feel encouraged to seek out the cause of the difficulties and freely share their own opinions and analysis without worrying about the pressure and possible punishment for doing so made it possible to propose relevant results. Chouchan (2018) summarized that this element it's essential, as in a corporate organization, the power of hierarchy often create an atmosphere where employees at lower levels may sometimes feel or think that they cannot freely express themselves. Owing to lack of time and power, and other organizational restraints, they tend to simply listen to those higher up.

To align and share organizational values, integrate organizational communications, develop, and deploy corporate culture/cognitive value penetration. Efficient employee involvement in culture development and technology adoption and build an organizational architecture generating innovative ideas propelled by the diversity of thought agile communications. Also, it is essential not to forget that the customers outside your company are the ones who evaluate your business. We need the consumer to reveal the strength and weaknesses of the company. It is only when the customer purchases our products and services that we learn how they rate us and see the outcome of our actions.



**Figure 2. Ambika's action-orientation process**

Source: Author's own conception

In Japanese archery, hitting a target is a result of proper form, not a goal. In business, sales are the result of the actions of all the staff. It is a result of doing the right things, and it is not a purpose. If you focus solely on the outcome, you will lose sight of the goal (Chouchan, *ibid.*). Leaders must be strong and flexible, need to make an effort to listen to direct inputs from different sources, and encourage everyone to do their best to improve the business and identify the metrics to work on- the proper posture for business as the right hit in Kyudo.

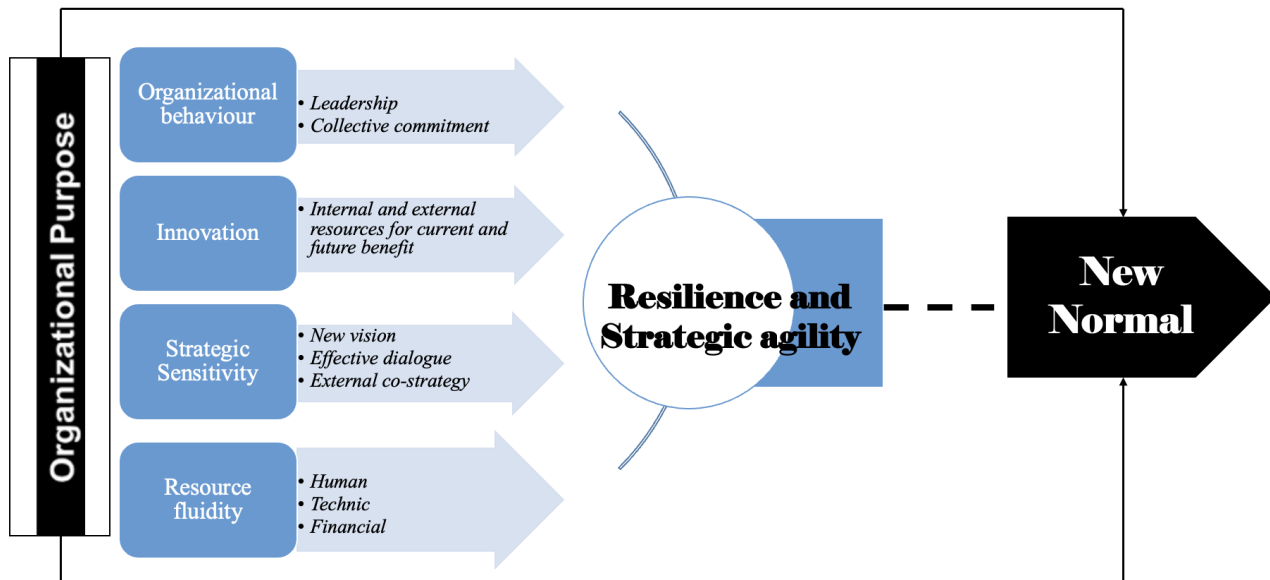
### 3.3 Agility and resilience are the keys to sustainable growth

In Kyudo there is a saying, "The bow is understood through personal experience and understanding". What is meant by personal experiences is that the understanding should be with the whole being. In the word of Kyudo, the correct approach entails a fight against yourself. It has nothing to do with your competitors or the circumstances you are in. The focus is simply upon you and the target, and everything is committed into your own hands. You are fully responsible for the outcome.

Wajeih (2021), in her research, explain that today, many business leaders see the necessity of reinventing organizations, both business and non-business enterprises alike, by adopting new operational modalities and engineering structural changes that facilitate proactive, dynamic organizational demarches in terms of speed and flexibility of decision-making, that leverage the challenges brought about by globalization, and the Covid-19 pandemic into enterprise opportunities. She discovered that among the most critical sources of dynamism powering resilience and strategic agility rank acceleration of creativity and innovation, integration of Artificial intelligence (AI) into decision-making platforms, creation of a collegial environment promoting cooperation and empowerment, based on the value of the ideas generated by the group, irrespective of ranks in hierarchies, encouragement of a culture of creativity that overcomes risk aversion.

Resilience and strategic agility are relatively new management concepts that have emerged as evolving management paradigm in specialized literature over the past few years. In essence, they reflect the extent to which an organization's senior management evinces a capacity to adapt, be flexible and creative and foresee unexpected shocks inside and outside the business environment in which it operates and respond to them proactively, quickly, and effectively- threats are transformed into opportunities (Denning, 2018; Al Shehab, 2020). IBM Institute for Business Value (IBV) report conducted from April through August 2020 shows that post-COVID-19, the reality for businesses has radically shifted, and the business leaders' needs for speed and flexibility have been amplified dramatically. Old barriers have been brushed aside under the pressure of unrelenting disruption, rapidly evolving customer expectations and an unprecedented pace of change. To

achieve strategic agility, business organizations must possess the "right mix" of resources and leadership capabilities (flexibility, proactivity, and competitiveness) that are both substantial and scarce (Wajeeh 2021).



**Figure 3. Organizational Purpose concept for the new normal**

*Source:* Author's own conception correlated with existing literature review

Based on the theoretical approach elaborated by Wajeeh *et al.* (2021) and our practical interpretation, we created a conceptual model that can define the importance of resilience and agility for sustainable business growth and relate to new entrepreneurship and business model in a post-COVID era. As shown in Figure 3, organizational behavior or leadership and organizational learning that improves individual, group, and organizational capacity, reflects the decision-making cooperation process between agile and knowledgeable work teams and gives them broad powers to solve problems and make decisions. In this new era, the need for leadership expands as organizational contexts become more complex and unforeseen events have multiple impacts. Leaders should look beyond their current role and responsibilities to cope with unexpected situations and inspire those around them to do the same. Innovation or distributed innovation that draws on widespread knowledge within the organization and beyond is a precondition for an efficient organizational and societal transformation. Today's competitive settings require the rapid development of new ideas. Well-organized internal structures for generating innovations should remain essential but are increasingly complimented by contributions from other sources. Strategic sensitivity reflects the organization's ability to understand and perceive its external environment and its internal environment and the changes occurring through openness, sensing, insight, and seizing opportunities faster than competitors. Resource fluidity refers to encapsulating the ability to attract and move flexibly to the resources, skills, and expertise necessary for sustainable growth and competitive advantage. Such strategic sensitivity is precisely the kind of behavior that goes along with the words of Kyudo mentioned at the beginning of this clause, "The bow is understood through personal experience and understanding." Personal experience is that the understanding should be with the whole being.

## 4. CONCLUSIONS

The pandemic has become a wake-up call that the unexpected and the unlikely are more palpable and believable than anyone previously expected. For many, it was a bitter reality: painful, costly, and still unresolved. This has brought unexpected luck to a few lucky ones, and some organizations are still trying to capitalize on it.

Throughout this research, we intended to synthesize how society changed forever due to the COVID-19 crisis from a social and business point of view and find how the 'new normal' will look. Our research also discusses why business and leadership trends such as digital transformation, human resources, resilience, and strategic agility are the critical elements for sustainable business growth in the post-pandemic time, also why Kyudo can be considered a new successful business strategy.

In this new business age, the proper approach of established business should respond to the changing circumstances while preserving its resilience and agility. Here is a relevant correlation between Kyudo and today's business. Kyudo art in business can be an excellent source for generating new ideas, creating an innovative result, and prioritizing the importance and the quality of the moment. Chouchan (2018) explains that the managers of our times should focus their discernment and decision on the 'now,' as the Kyudo archer does during his shooting. In business, as in archery, there is only one result: hit or miss the target. The essential difference is that in Kyudo, right-shooting always results in a hit. At the time when in business, proper leadership always results in sustainable and profitable growth.

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