

**A Strategy for Diversity Management:
Women's Leadership and Work-Life Balance in Japan**

by

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Bachelor of Arts in Psychology, Kyoto University, 1999

SUBMITTED TO THE MIT SLOAN SCHOOL OF MANAGEMENT
IN PARTIAL FULFILLMENT OF THE REQUIREMENTS
FOR THE DEGREE OF

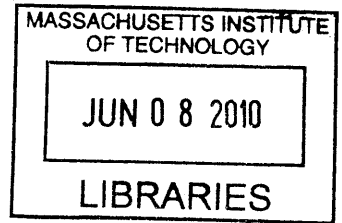
MASTER OF BUSINESS ADMINISTRATION

at the

MASSACHUSETTS INSTITUTE OF TECHNOLOGY

June 2010

ARCHIVES



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YOSHIKO SEGAWA

Submitted to the MIT Sloan School of Management on May 7, 2010
in partial fulfillment of the requirements for the Degree of
Master of Business Administration

ABSTRACT

Faced with a volatile global economy, a rapidly shrinking population and a declining birthrate, Japan needs to find ways to revamp its economic engine. One solution is to increase the participation of Japanese women in the workforce.

Over the past decade Japanese society, its government and companies have started this process. "Diversity Management" and "Work-Life Balance" are focus areas for executives in Japanese companies with the combined goals of increasing women's participation and leadership in the workforce and improving work-life balance for all employees. However, there are significant obstacles to be overcome: lack of gender equality in the corporate culture, lack of support for work-life balance, barriers to promotion opportunities for women, and lack of motivation on the part of women themselves. Under these constraints, it is necessary that each organization, including my employer NTT West, re-consider what it has already done for diversity management, and what it can do to improve the results.

In this thesis, I will describe the diversity management strategies of several large Japanese companies. Much of this information comes from the interviews I did in Tokyo in January 2010. I compare the Japanese situations and strategies to those found among U.S. companies and analyze the challenges faced by the Japanese firms.

Based on that material, I propose some recommendations for Japanese individuals, organizations, and the government. Some recommendations are learned from U.S. best practices and some are hybrid solutions that take into account Japanese cultural/organizational customs. I believe that these recommendations will be helpful not only for my employer, NTT West, but also for all Japanese companies struggling with "Diversity Management" and Japanese employees struggling with their own "Work-Life Balance".

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ACKNOWLEDGEMENTS

I would like to express my sincere gratitude to all those who have given me advice and encouragement as I've worked on this thesis.

First, I give my special thanks to my thesis advisor, Professor Pat Bentley. She always gave me thoughtful advice based on her rich experience. One of my most precious memories is of the time spent in her office working on the material that became this thesis.

I would like to thank my thesis reader, Professor John Van Maanen. His insightful feedback was extremely helpful and he always encouraged me. His classroom lectures helped me reflect on organizational strategy and leadership styles.

I also express my grateful thanks to Professor Barbara Kellerman. Her class on "Women and Leadership" has broadened my viewpoint and provided timely information for this thesis.

I am particularly grateful for the work done by my editor, Ms. Cherie Potts. Without her careful attention to detail and ability to craft graceful prose, I would not have been able to finish this thesis.

I send my thanks to my wonderful classmates, Sloan Fellows 2010. They helped me by sharing their experiences, expanding my business network to learn key information for this thesis, and encouraging me to survive one of the most challenging and memorable times in my life.

I am thankful to the Sloan Fellows Program staff: Stephen J. Sacca, Marc O'Mansky, Marsha Warren, and Mary E. Marshall who supported us with much kindness.

I am greatly indebted to Nippon Telegraph and Telephone West Company for giving me this tremendous opportunity to take part in the MIT Sloan Fellows Program in Innovation and Global Leadership.

Special thanks to all those people who spoke with me about their companies and the challenges and opportunities around women's participation in the workforce. This thesis would not exist except for their willingness to share their ideas and their time.

Finally, I would like to express my deepest thanks to my family, the Segawas and the Nishimuras, who encouraged me to study abroad. And my most whole-hearted thanks especially to my husband Koichi and my daughter Sara, who pushed me to start this journey, so I could follow the path of women's leadership and work life balance in my own life.

Yoshiko Segawa
Cambridge, Massachusetts
May 7, 2010

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CHAPTER 1

INTRODUCTION

In today's volatile economic times, Japan needs the power of its women employees in order to revamp its economy. Japan is struggling with what many believe are "two lost decades." In the third quarter of 2009, nominal GDP sank below 1992 levels, which gives the impression of not one but two lost decades—and continuing (Economist, 2010: 52). In addition, the combination of an aging workforce and a more skill-dependent economy means that many countries, including Japan, must make better use of their female populations. Goldman Sachs calculates that, all other things being equal, increasing the participation of women in the workforce to levels already enjoyed by men will boost Japan's GDP by 16% (Economist, 2010: 49).

1.1 PURPOSE OF THESIS

Japanese society, its government, companies, and individuals are changing gradually. This includes more women in the workforce. However, the level of women's participation is lower than men compared to other developed countries (Economist, 2010: 49). In this thesis, I will discuss constraints facing Japanese companies and business women, and possible solutions for improving women's leadership and their participation in work and business. I will focus on specific programs offered by companies and how these programs influence the employment and retention of women employees. Some programs are already in place, but their implementation is slow. Overall, I will focus on why Japanese society needs the participation of women in its workforce, and what the Japanese companies have done and are doing now to bolster participation.

1.2 METHODOLOGY

Research materials used in this thesis include personal interviews, official corporate information (brochures, websites, etc.), articles from newspapers and magazines, and scholarly books and research papers.

All personal interviews – the foundation for Chapters 3 and 4 – were conducted with the director, manager or team leader in charge of diversity management in each company studied. Questions included the following:

- Are there specific company strategies and policies targeting equality and career development for women, foreigners, and minorities?
- What development programs does the company offer at different points in its women employees' careers? I segment women's career progression in three steps:

First step: Entry-level

Second step: Working for 10 years (or more)

Third step: Moving into management

- What programs does the company offer to improve its corporate culture?
- What programs does the company offer to improve and equalize its performance evaluations for both men and women?
- What are some of the issues currently facing the company in regard to further program implementation?

Among these questions, some do not apply to every company. However, my goal was to spotlight characteristic programs of each company.

1.3 THESIS STRUCTURE

Chapter 2 provides an overview of Japanese demographic trends and recent challenges to the economy, setting the context for this thesis. Chapter 3 provides an overview and factual information about typical Japanese companies. Chapter 4 offers similar information about U.S. companies, which I propose as benchmarks for changes Japanese companies can consider. Chapter 5 presents my analysis of Japanese companies and draws comparisons with U.S. institutions. Finally, in Chapter 6, recommendations are suggested for Japanese companies based on the theories I have reviewed and the best practices being used in the U.S.

CHAPTER 2

TRENDS IN POPULATION AND WORKFORCE DEMOGRAPHICS

2.1 SHRINKING POPULATION

The Japanese population is shrinking rapidly due to a declining birth rate. This creates fear for the future among many Japanese people, who worry about possible economic decline and an inability to sustain Japan's social security system. However, these effects are occurring gradually, so any countermeasures must take a long-term view. Japan needs to implement appropriate policies in a timely manner to mitigate this demographic challenge to the economy.

Based on population forecasts from the Japanese Cabinet Office (see Figure 2.1), the productive-age population (age 15-64) is forecast to decrease from 81.64 million in 2009 to 45.95 million in 2055. This will reduce the productive-age population ratio from 64.1% in 2009 to 51.1% in 2055. On the other hand, the post-productive-age population is forecast to increase from 28.99 million in 2009 to 36.46 million in 2055, which would increase the post-productive-age population ratio from 22.8% in 2009 to 40.5% in 2055. In other words, Japan is aging rapidly.

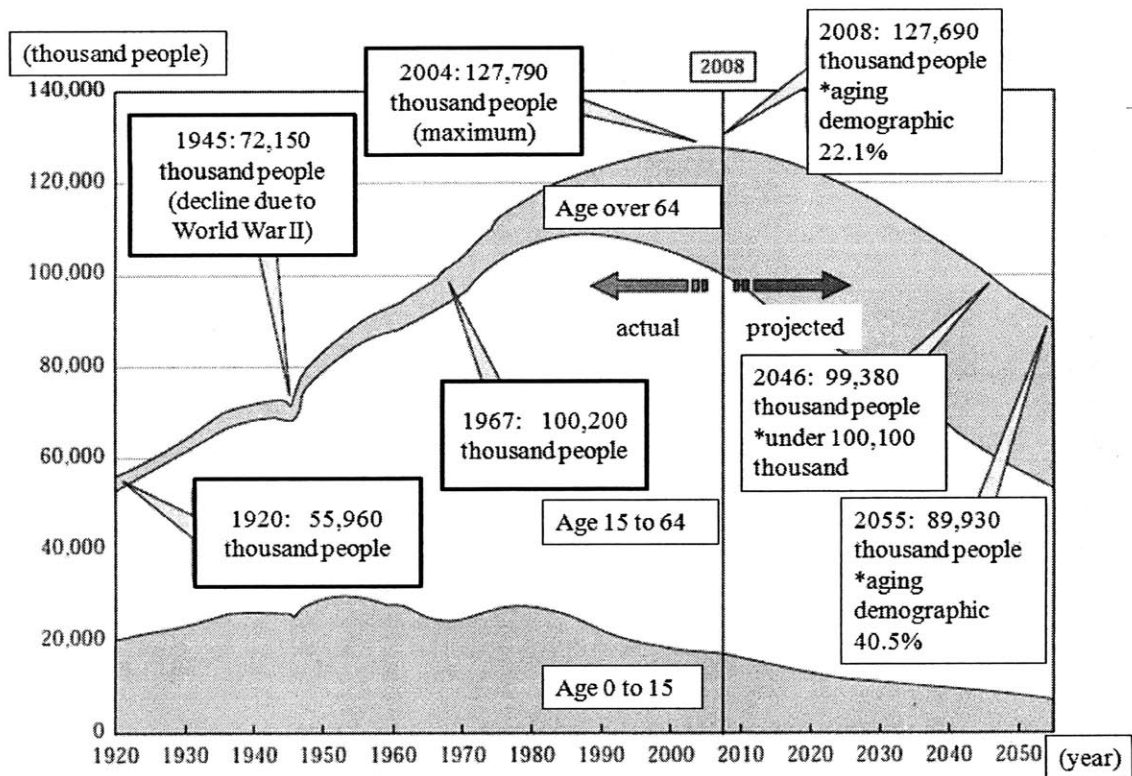


Fig. 2.1. Estimated population in Japan

Source: Cabinet Office 2009, 17

2.2 POSSIBLE SOLUTIONS

Clearly, some countermeasures are necessary to stem this rising imbalance. Two key solutions have been proposed: (1) increase the size of the workforce by diversifying the working population; and (2) increase the birth rate by providing incentives and supports for young families.

In Japan, “diversifying” the workforce has a very specific meaning. Firms diversify when they hire or give special preference to women, the disabled and/or foreigners. This is unlike definitions of diversity in other countries where that concept often includes a much wider array of characteristics such as sexual orientation, socioeconomic background, age,

religion and language. The narrower definition of diversity used in Japan reflects a homogeneous culture, originally just one “race” with no strong religions and limited immigration of foreigners. For most Japanese companies, “diversity strategy” means “hire and promote more women.”

2.2.1 Solution 1: Increase Workforce Size by Diversifying the Working Population

Currently, the workforce is growing smaller because of a decline in the productive population and the falling birth rate. In addition, the working population is aging and will continue to decrease as more older workers retire. Therefore, Japan must try to increase productivity and identify methods for increasing participation in the workforce by young people, elderly people, and women. The Japanese Cabinet Office estimates that a result of diversifying the workforce could slow the decline of the working population by 61.80 million in 2030, as shown in Figure 2.2.

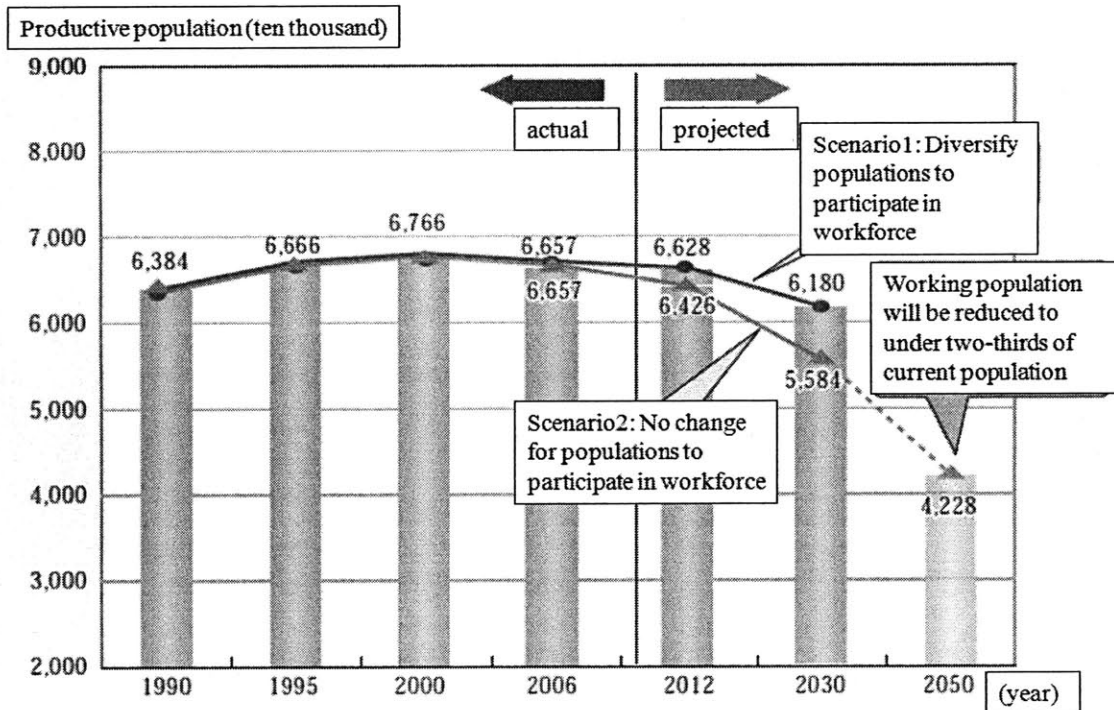


Fig. 2.2. Future population scenario

Source: Cabinet Office 2009, 20

At present, Japanese women with children generally do not work outside the home. Figure 2.3 shows that women's participation in the workforce declines significantly during their child-raising years (ages 30-45). The difficulties of raising children and working at the same time need to be resolved in order to increase the workforce by enabling more women to work outside the home while raising families.

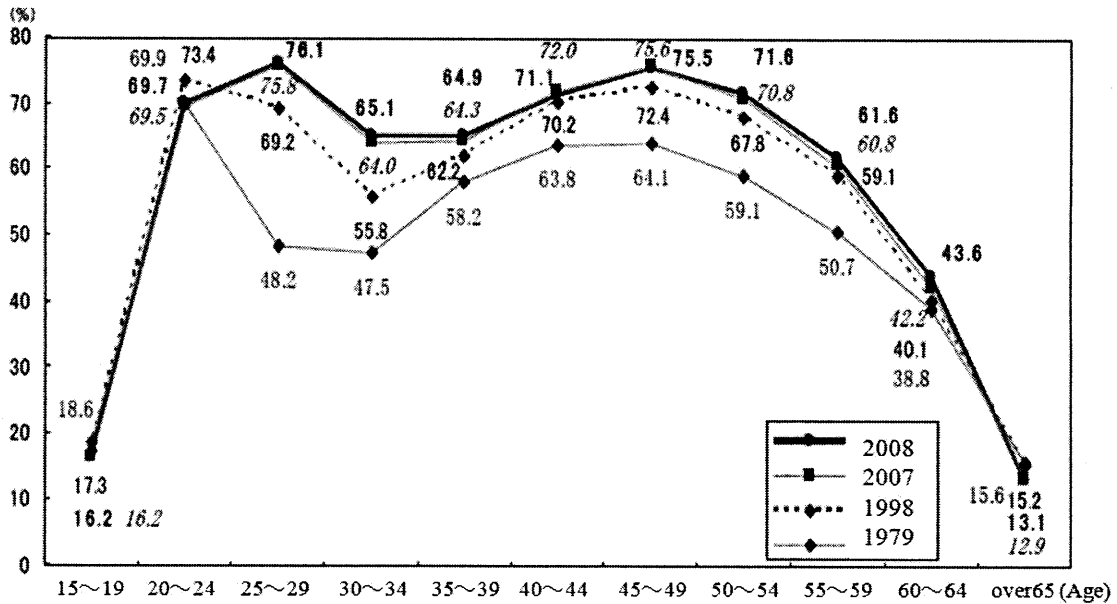


Fig. 2.3. Women's work participation

Source: Ministry of Health, Labor, and Welfare 2009a, Ch1, 3

2.2.2 Solution 2: Increase the Birth Rate by Providing Support for Families

It is estimated that the birth rate in Japan will remain close to 1.25 for the next 50 years (see Figure 2.4). This is significantly lower than a birthrate of 2.1, which is the necessary level for a society to maintain its population. In order to improve the birth rate upward toward 2.1, the Japanese government needs to create an environment that supports having children. In Japan today, although people say they are willing to get married, have and raise children, there is a gap between their willingness and reality. For example, people in Japan may hesitate to get married due to uncertainties regarding the economy, employment, future prospects, and career stability. Moreover, Japanese people may believe it is difficult to raise children and work at the same time. If couples, for example, plan to have two or more children, they have to seriously consider the challenges of child rearing, household chores, and the costs of child-raising and education. Although these are personal

decisions, corporations and the Japanese government could implement policies that would encourage and support young couples to have several children (Cabinet Office 2009, 35).

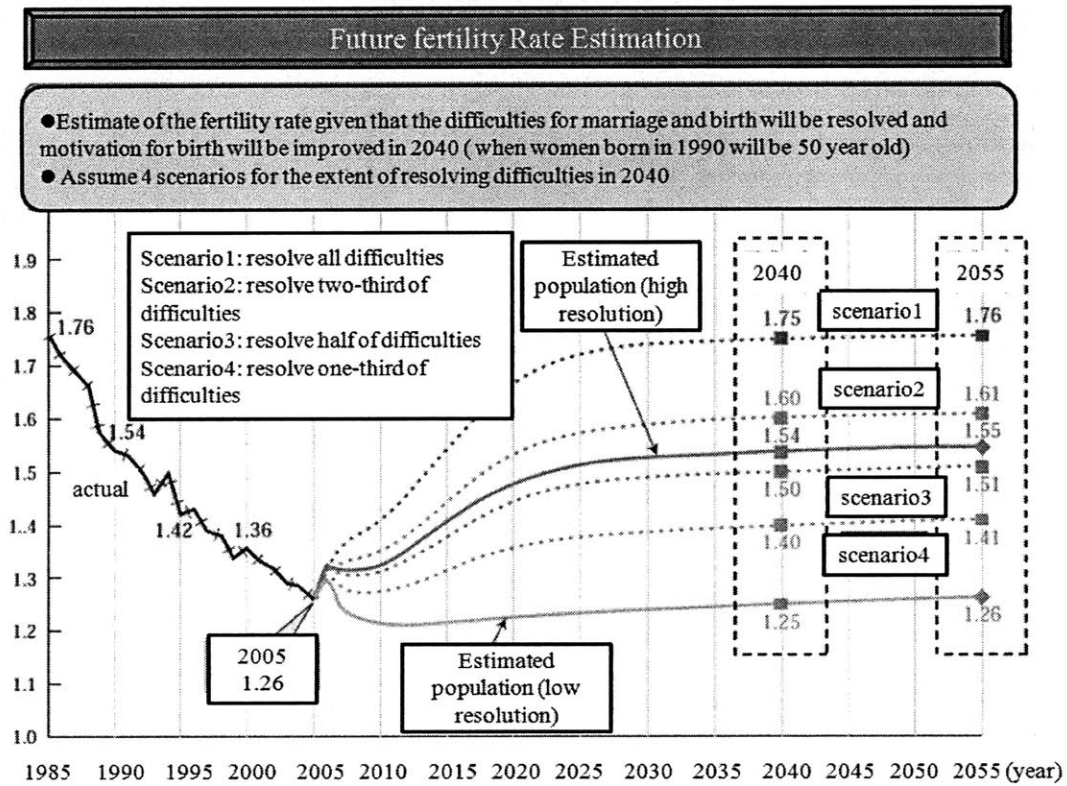


Fig. 2.4. Future fertility rate estimates

Source: Cabinet Office 2009, 22

As mentioned earlier, in order to respond to the declining birthrate and aging society, it is important to encourage women to enter and stay in the workforce. If women continue to work while raising their children, they can help bolster the Japanese economy. And if women can raise children while holding onto a job, they may well decide to have more children.

2.3 GOVERNMENT SUPPORT POLICIES

The Japanese government has made some effort to support working women and work-family balance. Prior to 1986, however, those efforts were minimal. After 1986, the government actively sought to improve equality between men and women in the workplace. After 1999, partly because of the population decline, the Japanese government shifted its primary aim to supporting work-family balance.

The first legal provision concerning working mothers was introduced as a part of the Labor Standards Law and prohibits an employer from forcing female employees to return to work before eight weeks after childbirth. In 1975, a similar law concerning parental leave was passed but its scope was limited to female workers in public organizations such as schools and hospitals (Suzuki, Tanimoto, and Atsumi 2008, 297).

In 1986, the Law for Equal Employment Opportunity for Men and Women was established. This requires Japanese companies to hire, assign, and promote men and women equally. The law had recommendations; they were not mandatory. In terms of education, benefits, retirement, and layoffs, Japanese companies were prohibited from discriminating against women. As a result, the door for women opened some, supporting their efforts to obtain “comprehensive” jobs and to become managers (Komuro 2006, 28).

In 1992, both men and women were allowed to take parental leave. In addition, the government required Japanese companies to create flexible working arrangements to prevent overtime work for parents who had children under three years of age.

In 2000, the Basic Law for a Gender Equal Society was passed, and the government promoted policies to realize gender equality and required organizations to take positive actions. In 2003, the Basic Law on Measures for the Society with a Declining Birthrate (the Basic Law) and the Law for Measures to Support the Development of the Next-Generation

(the Next-Generation Law) were issued, in response to the population decline and a need for countermeasures. The Basic Law stipulates the measures to be taken in a society with fewer children and the responsibilities of the government. The Next-Generation Law prescribes guidelines for formulating action plans by the government and companies to develop the environment necessary to bring up healthy children (Cabinet Office 2003).

In 2005, the Law of Promotion of Next Generation was established requiring all Japanese companies with more than 300 employees to implement policies that support work-family balance for working parents. In 2007 the government began giving certificates to those companies that were complying. Certified companies are permitted to use the mark *Kurumin* (see Figure 2.5). Companies use this certification mark on reports and recruitment brochures to indicate that they have implemented diversity management practices (Recruit Co Ltd. 2008, 31).



Fig. 2.5. *Kurumin* Certification Mark

Source: Ministry of Health, Labor, and Welfare, 2007

In April 2010, the government started an additional benefit: providing a childcare allowance for every family. The current ruling party, the Democratic Party of Japan (DPJ), won the August 2009 election, beating the Liberal Democratic Party (LDP) which had been in power for 15 years. Child-rearing support was a focal issue in the campaign for both parties. The DPJ promised to increase the child allowance, distribute it regardless of parental income, and planned to set up more child care centers. The LDP vowed to make infant education free by 2012 and also promised to eliminate the long waiting lists for child care facilities by increasing the number of centers (Kato 2009).

Having won the election, the DPJ planned to offer a monthly ¥26,000 allowance (about \$275 USD) for each child up to the ninth grade, superseding the existing monthly allowance of ¥5,000 to ¥10,000 covering children up to the sixth grade, and abolishing any income cap imposed on households' eligibility for the allowance.

HHHowever, with the current economic downturn, a child allowance law, giving parents ¥13,000 per child per month (about \$130 USD), took effect took on April 1, 2010. The DPJ aims to double the amount to ¥26,000 per child in the next fiscal year (Matsutani 2010). What is clear from the election results is that both the government and the people of Japan are aware of the challenges facing working parents.

2.4 WOMEN'S WORKPLACE PARTICIPATION

2.4.1 Number of Women Employees

The role of women in the Japanese workplace has changed considerably over the past 30 years. The percentage of women employees and the number of years of continuous employment are increasing. The percentage of women employees has increased continuously for the past six years, reaching an all-time high of 42.0% in 2009 (see Figure 2.6).

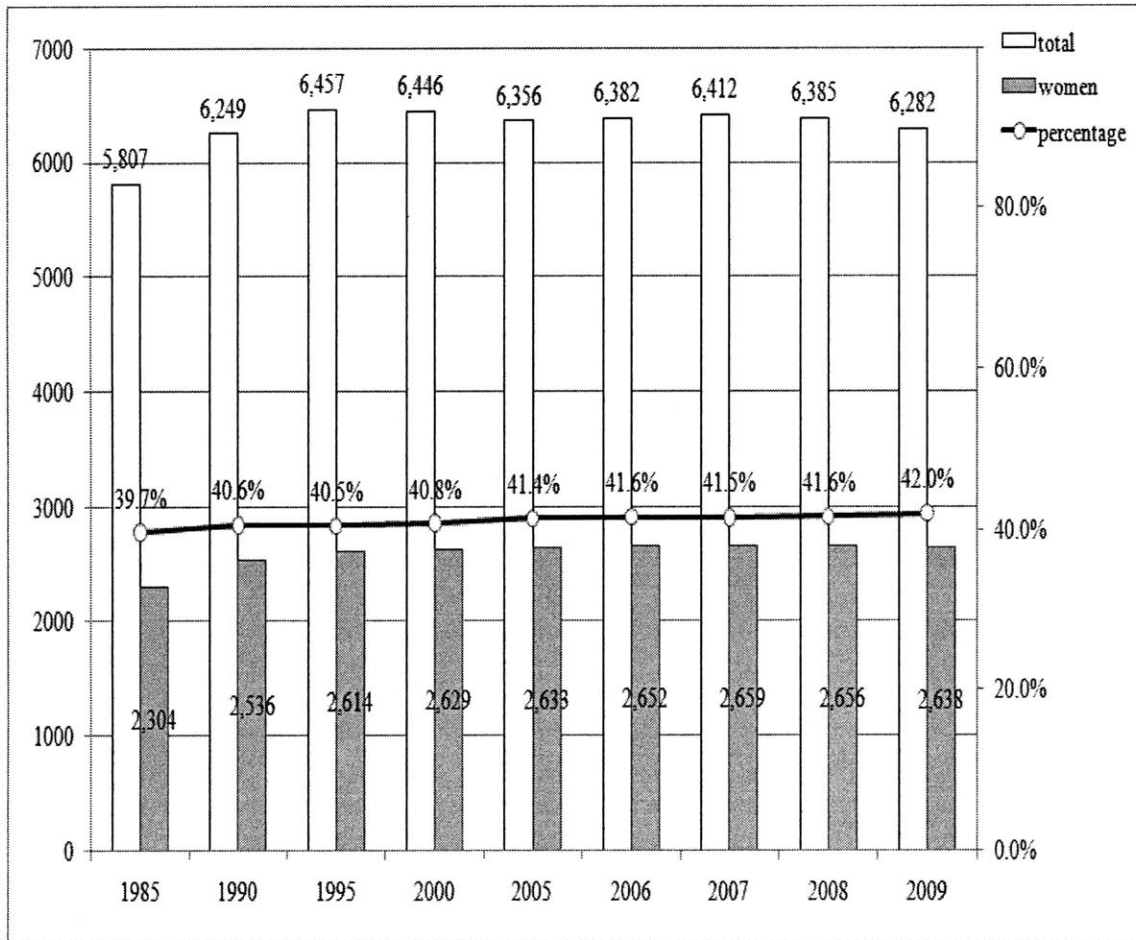


Fig. 2.6. Number/percentage of women in the Japanese employees (in ten thousands of people)

Source: Ministry of Internal Affairs and Communication, 2010

2.4.2 Women in Managerial Roles

The number of women in managerial positions in Japan is low in relation to other developed countries. The percentage of men at the level of assistant manager or above is 25.1%, but there are only 5.0% of women in similar roles (see Figure 2.7). Put another way, 95% of women working in firms with at least 100 employees do not hold a managerial role (Ministry of Health, Labor, and Welfare, 2009a, Ch2, 56).

	director+		manager		assistant manager		non-manager/ administrative level		total
women	10,320	0.5%	35,080	1.7%	57,790	2.8%	1,963,690	95.0%	2,066,880
men	341,020	5.1%	749,300	11.3%	575,890	8.7%	4,975,550	74.9%	6,641,760

Fig. 2.7. Difference in percentage of managers
(100+ employees companies)

Source: Ministry of Health, Labor, and Welfare 2009a, Ch2, 56

2.4.3 Social Changes

Aoyama (2007), in her book *Women's Career Design –the choice of work and life*, describes evolving changes in the career design and focus of Japanese women. For instance, a Japanese woman's ideal of "happiness in life" is changing. Until the 1980s, most women believed that marriage was the most important goal in their lives. However, this has changed gradually. Today, marriage is just one of the options in women's lives.

At the same time, the decision about when to get married is also changing. In earlier decades, most Japanese believed that if a woman was not married by age 25, the likelihood that she would ever marry declined dramatically. However, it has now become socially acceptable for women to get married even in their early thirties.

Requirements for a suitable marriage partner have also changed. Years ago, prime candidates for marriage had what was called "3high": "high education", "high height" and "high salary." Today those descriptors have been replaced with "3C": "comfortable", "communicative" and "cooperative." In general, fewer Japanese women aspire to be full-time housewives than ever before (Aoyama 2007, 15-45).

2.4.4 Changing Workplace Roles

As women's views about their lives are changing, their role in the workplace and their willingness to work are also changing. In the past, Japanese women's work role used to be called "Office Lady." This label referred to women who did so-called "white-collar" work in the office, including filing, copying, tea serving, answering telephones, and so on. The name Office Lady was chosen by readers of magazines targeting young working women as part of a naming contest in 1964. Even today, office ladies usually do "administrative work" compared to the "comprehensive work" done by men and a very few women managers. Office ladies are permanent employees, but they do not have management responsibility nor are they likely to be promoted to managerial positions. They do not need expert knowledge because they do only subordinate jobs as administrative workers. Office ladies are not decision makers; they do not make their own schedules. The expectation is that they will work for a short period (around three years) then leave when they get married. They are not selected to be managers. Therefore, they are not evaluated based on their performance. Their salary is low compared to men (Ogasawara 1998, 23-28).

However, the label "office lady" has been disappearing. When the Equal Opportunity Law was introduced in 1986, it encouraged companies to stop hiring based on gender. It was not mandatory. In response, Japanese companies changed their hiring policy from gender-based to responsibility-based. People were hired for "administrative jobs" or "general jobs." Unfortunately, this was the same as hiring people based on gender, because women were hired for "administrative jobs" not "general jobs." After 13 years, the Japanese government amended the Law in 1999 and mandated that companies not hire based on gender. After that, Japanese companies started to hire men into "administrative jobs" as well, even though the number was low. The "office lady" was no longer always a "lady". Even so, the "office

lady” still exists – the label has changed to “administrative job” but the job is the same (Aoyama 2007, 86-97).

In the last 20 years, the type of work women choose after university graduation has changed. In 2008, women were less likely to be teachers and more likely to work in retail or healthcare than in 1985. In 1985 27.4% of women went into education; in 2008 only 5.9% did so (see Figures 2.8 and 2.9). And the percentage of women in white collar jobs has more than doubled since 1985. They are the focus of this thesis.

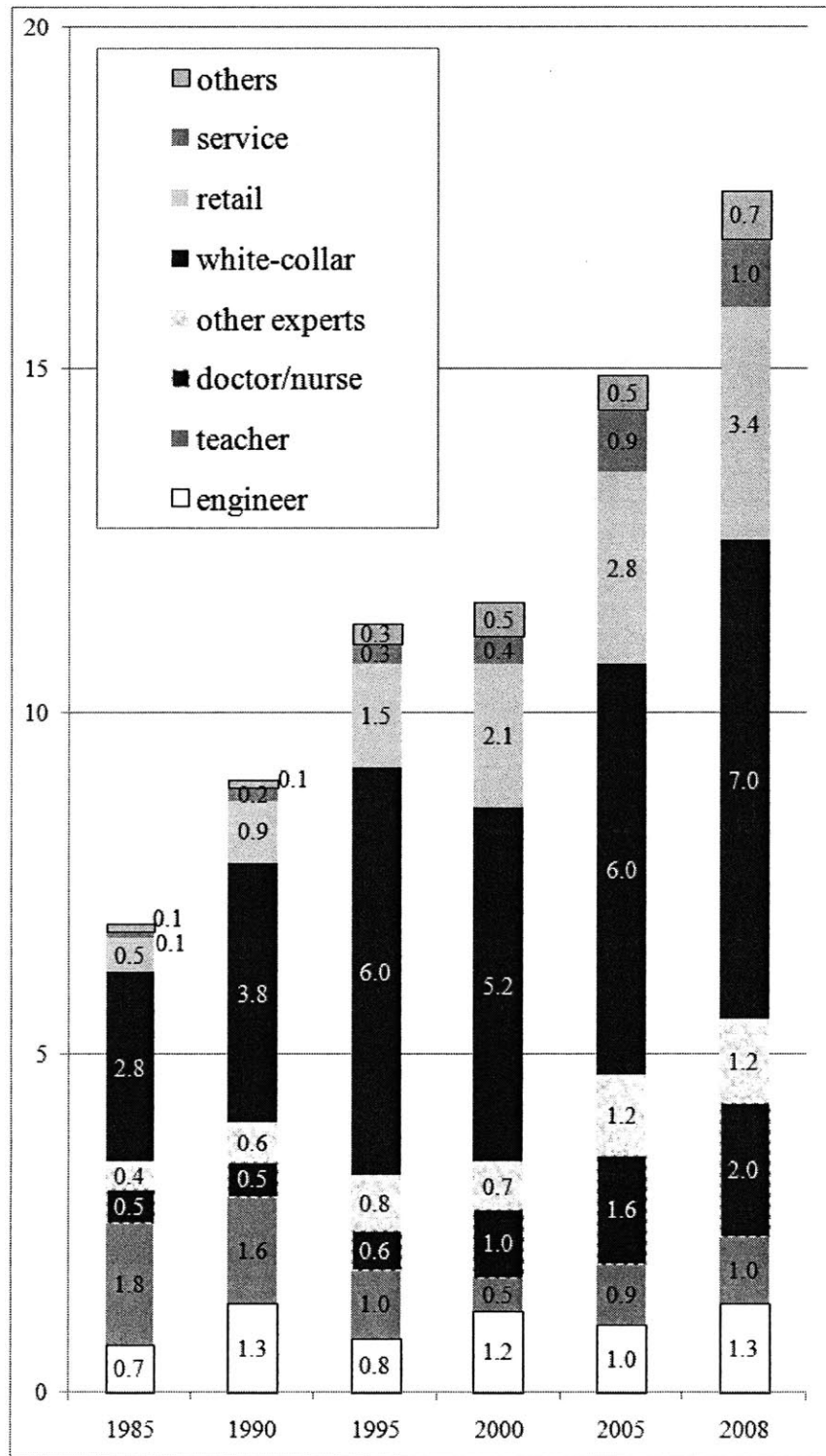


Fig. 2.8. Job choice of women university graduates
(in ten thousands of people)

Sources: Ministry of Health, Labor, and Welfare 2009a, Ch2, 44.

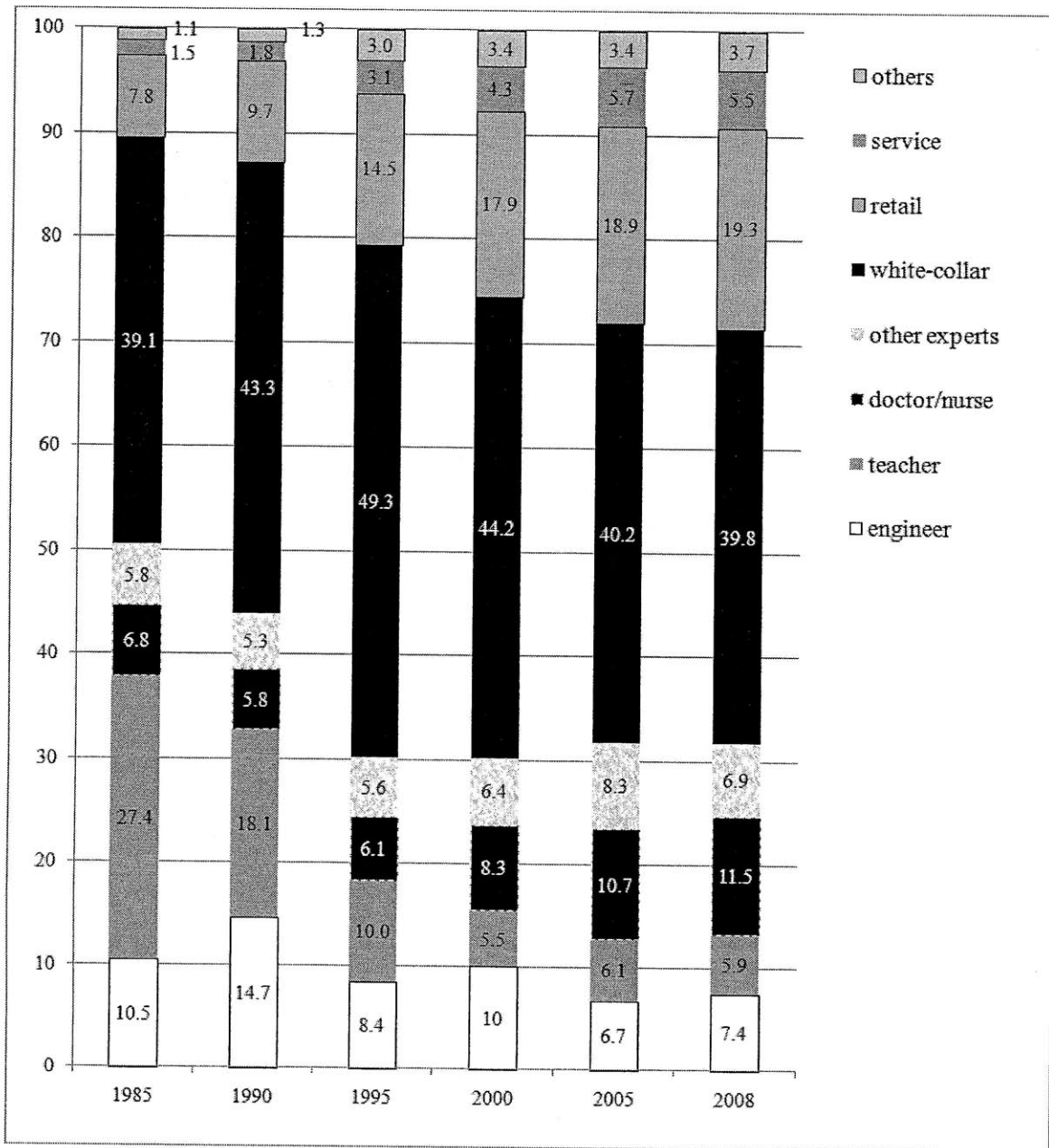


Fig. 2.9. Work choice of women university graduates (%)

Source: Ministry of Health, Labor, and Welfare 2009a, Ch2, 44.

With the introduction of various equal opportunity laws and policies, companies have made some efforts to equalize their workplaces. Nevertheless, the number of women leaders remains low. Whereas working women in the U.S. have encountered a “glass ceiling,” by comparison, Japanese women must deal with a “concrete wall.” Women leaders are still very much in the minority.

The scarcity of women board members is due partly to the structure of corporate boards. Unlike many overseas companies whose boards include outside directors, most of the directors at Japanese companies have been promoted from within (Fukue 2009). However, senior managers in virtually all Japanese companies believe there are no suitable “within firm” women candidates. Why? At some point, most career-minded Japanese women disappear from the career ladder.

Women in Japan face a “double bind” when they marry and again when they have children (Jamieson 1995, 3-21; Hewlett 2004, 134-147; Eagly and Carli 2007, 49-65). They may be highly educated and want to succeed in their careers but, when they have children, they usually take maternity leave for about a year. At that point, they change their work schedule from full-time to part-time, or they simply quit their jobs. This often happens because they believe they cannot return to their original career path under current Japanese corporate structural constraints. Mariko Bando, president of Showa Women’s University, described this situation: “It’s not even a glass ceiling, it’s a bamboo barrier,” meaning Japanese women are not even included in the core workforce but remain on the outside (Fukue 2009).

2.5 LEADERSHIP ROLES FOR WOMEN IN JAPAN

The road to leadership positions is still long and full of obstacles for Japanese women. This is true in the U.S. as well, where progress has been slow and there are still many constraints facing women despite the fact that the number of women CEO's has doubled over the past few decades (Kellerman and Rhode 2004). While American women have overcome some barriers, Japanese women have many more to overcome.

2.5.1 Directors on Japanese Corporate Boards

The Japanese top 100 companies run far behind the rest of the world in terms of appointing women to their boards of directors. According to a recent study (Corporate Women Directors International 2009), women hold only 17 seats (1.4%) on the boards of the top 100 Japanese companies—out of a total of 1,198 positions. Japan places near the bottom when compared to other countries: Sweden (21.9%), Finland (16.8%), and the U.S. (15.2%). Sixteen Japanese companies have at least one woman on their board—an increase over 1998 when only two companies had women board members. Today those companies that have female directors on their boards include Sony, Shiseido, Asahi Breweries, Hitachi, and Mitsui. However, the majority of Japan's boards remain dominated by men—84% of Japan's top companies do not have a single woman on their boards. In addition, of the 17 board seats held by women, only one is an “inside” (executive) directorship. The other 16 positions are “outside” (non-executive) directorships.

2.5.2 Women Executives of Japanese Companies

Not only are there few women on the boards of directors of Japanese companies, there are only a few female CEOs. In July 2009, among all companies listed on 6 Japanese stock exchanges (3,767 companies on Tokyo, Osaka, Nagoya, Sapporo and Fukuoka), there were only 43 female representative executives¹, compared to 6,157 male representative executives. Among these 43 female executives, 28 are founders or related to the founder. Six female executives were recruited from “outside” the company. Only four female executives were promoted from “within” the company. The remaining five female executives are significant investors in their firms (Toyo Keizai 2010). Only 10 of 6200 representative executives are women brought in (or promoted into) the role -- that’s less than 1/5 of 1 percent.

2.6 ORGANIZATIONAL CONSTRAINTS IN JAPANESE CORPORATIONS

There are deep-rooted organizational constraints found in Japanese corporations compared to their U.S. counterparts.

2.6.1 Lifelong Employment and Seniority

Most Japanese companies promote their employees based on seniority. Even if working mothers could re-enter the workplace as full-time workers, under the lifelong employment system, their non-work periods affect their total length of work time. When I conducted interviews inside companies in Tokyo in January 2010, many diversity management team leaders mentioned that women are evaluated using the same length-of-

¹ Publicly listed Japanese companies identify their “representative executives.” This role includes the CEO and usually at least one board member who can represent the firm, if needed. I was not able to find a breakdown of just the CEO role by gender.

service parameters as men. Since most women will not have as many years in their jobs, their promotions must come later (Segawa 2010a, Segawa 2010c). In the higher managerial ranks, there are fewer positions for men and women. As a result, women's presence in managerial positions is low.

2.6.2 High Expectations

Even if a mother overcomes the seniority issue by, for example, returning to full-time work within the minimum maternity leave (i.e., the eight weeks required under the law), she will encounter yet another problem: all employees are evaluated on and expected to work very long hours. Managers are expected to give full attention to their jobs. Long hours are expected (Kellerman and Rhode 2007, 13-14). Most Japanese managers evaluate performance mainly on attendance in the workplace (i.e., how many hours they are at work) and the number of hours in work-related recreation (i.e., happy hours and golf). This means, like their male counterparts, women are expected to work 15 hours per day, spend time with their colleagues during happy hours at night, and spend the weekend golfing. If they have children, such unspoken "requirements" mean most women will not stay on the managerial career track (Fackler 2007).

Furthermore, working mothers often lack mobility (Hewlett 2004). If offered relocation assignments (like their male peers), they often reject such offers for promotion because of their families. And, in Japan, once they reject such an offer, there is no chance for another one. The system expects workers to perform "anytime/anywhere" and thus remains predominantly male-oriented.

2.7 IS WOMEN'S LEADERSHIP NECESSARY IN JAPAN?

One key to revamping the Japanese economy is the power of women. A McKinsey & Co. study (2007) suggests that the few companies where women are most strongly represented on boards or in top management position are also the companies that perform best. To adapt to changing social and consumer trends, companies increasingly need to integrate women into their decision-making process because women have a major influence on purchase decisions. For example, the secret for future success in the automotive industry could be to design and build vehicles that appeal to women, since women directly make or influence two-thirds of car purchases in Japan (Mouangue 2008).

The rapid population decline is slowly forcing changes to the Japanese culture and corporate system. The Japanese government now encourages Japanese companies to develop work-life balance programs. It is hoped that these change will increase the number of women in the workforce and help retain female business talent to bolster Japan's competitive advantage. Japanese companies are slowly taking steps to hire women as career-track employees, to retain them, and to increase the number of women managers as future candidates for top executive positions and boards of directors (Fackler 2007).

CHAPTER 3
DIVERSITY MANAGEMENT STRATEGIES AND PROGRAMS
IN JAPANESE COMPANIES

3.1 INTRODUCTION

In this chapter, I examine the diversity management strategies and programs in several Japanese companies. The information I gathered comes primarily from personal, face-to-face interviews conducted with each company's manager responsible for diversity management, and a few team leaders reporting to that manager. I conducted 10 interviews across the companies.

I chose eight large, well-established companies that have each been in existence for more than 50 years. I chose these companies because they have a major impact on Japanese society and their culture and organizational structures reflect the typical Japanese business firm. For some companies, the management style changed when, for example, the company shifted from a government-owned company to a private company; in those cases the history appears to be shorter than 50 years. All companies reported on here have more than 5,000 employees; all are part of larger entities each of which has over 10,000 employees. The companies represent diverse industry types ranging from trading to manufacturing.

3.2 TELECOM A²

3.2.1 Corporate Overview

Telecom A was established in July 1999, as one of the operating companies within Telecom Holdings Group. Its business is providing regional telecommunication services to western Japan. Its main service offering is land lines, including fiber optic, DSL, and fixed lines. Headquartered in Osaka, the company has 33 branches and 43 subsidiaries. Telecom A has 5,800 employees; the Telecom A Group has over 60,000 employees (Telecom A, 2009a).

Many employees have been with Telecom Holdings for their entire career. The rate of employee turnover is quite low. The average age of all 60,000 employees is around 50 years for both men and women. Most senior employees work in regional subsidiaries, not at the head office or in one of the 33 branches.

The present ratio of women in the company is decidedly low. The percentage of women in entry-level positions is 25%, but the overall percentage of women in the company is only 10% (Telecom A 2009b). The percentage of women in management roles is only 2%.

3.2.2 Diversity Management Overview

Telecom Holdings Group has offered education programs for women for many years, albeit sporadically. In Telecom A, the focus on women began in 2002; a virtual team was organized in 2004. In 2007, Telecom A decided to diversify its workforce, creating hiring targets for the number of women and disabled employees. In April 2008 Telecom A organized a diversity management team within the Human Resource Department. The team's charter is to promote a corporate culture that considers diversity highly important and

² For reasons of confidentiality, the names of companies included in this research have been masked by using the names Telecom A, Trading B., etc.

identifies ways to improve the work environment. The focus is on hiring, retaining, and promoting women and disabled people. Telecom A is a local or community-based business with no foreign employees. In addition, Telecom A says publicly that it wants to improve the work environment and corporate culture (Telecom A 2009c).

Telecom A has two aims for its diversity management program. First, faced with a rapidly shrinking workforce, the company wants to improve productivity using a limited workforce and controlling labor costs. Second, the company seeks to improve its profile with the government and the public by meeting the government's target levels for women in the workforce.

3.2.3 Programs Supporting Women's Career Life

Telecom A has several programs for women employees depending on their career and life stages. There two kinds of programs: "care" programs and "fair" programs. *Care* programs focus on work/life balance and cover such things as maternity leave and parental leave. These programs are aimed at improving employee retention. *Fair* programs are designed to increase the ability of women to be promoted to managerial roles and often include focused education programs (Segawa 2009a). Some of these programs are available for both women and men.

3.2.3.1 First Stage: Entry-level

Telecom A does not do mid-career recruitment but hires only new university graduates. Telecom A's entry-level program focuses on attracting young women to the company. Beginning in 2002, the following programs were introduced:

- Telecom A uses its website to attract new graduates into its hiring pool. Then candidates come to an information session run at the firm. Finally the company does hiring interviews.
- To attract female graduates, the website has a focus on the company's work/life balance programs (Telecom A 2010). In addition, messages from current women employees are highlighted on the website.
- At information sessions, women from various departments answer questions from female graduates. During the hiring interviews, female graduates are interviewed at least once by women managers.

These tactics are said to be effective for mitigating the apprehension and concerns of female graduates. They are said to gain some sense of what it will be like to work at Telecom A and how they can balance their work and personal lives. As a result, the percentage of women in entry-level positions at Telecom A has increased from less than 20% in 2000 to 25% in 2009.

3.2.3.2 Second Stage: Retention for 10+ Years

Telecom A has a number of retention, or "care" programs. Almost every program goes beyond the minimum levels required by law. Most of the programs are available to both men and women. The programs include (Segawa 2009a):

- Maternity leave: Before childbirth, 6 weeks; after childbirth, 8 weeks; administrative leave with pay; only for women.
- Childcare leave: Maximum 3 years (before the child is 3 years old); unpaid leave.
- Flex hours: Limited to employees in the R&D center.

- Abbreviated hours: Until the child is in third grade (around 8 years old). Options are 4 hours, 5 hours, or 6 hours of work per day (a regular work day is 7.5 hours).
- Limited overtime hours: Until the child is in third grade; 24 hours per month; 150 hours per year.
- Limited late-night shift work: Until the child is in third grade. The parent is not allowed to work from 10 pm to 5 am.
- Re-employment program: Re-hires people who quit their jobs to raise their child(ren).

While both men and women use these care programs, maternity leave and childcare leave are very popular for women employees. Almost all women employees who have children take them. The interviewee explained that over 90 percent of women who return to work after childbirth take both maternity leave and some amount of childcare leave (Segawa 2009a). She did not disclose the current retention rates.

3.2.3.3 Third Stage: Entering Management

In 2008, to support women who are ready for promotion, the diversity management program offered (Segawa 2009a):

- Outside seminars for skill cultivation
- Education forums to introduce role models
- Membership in the Women Managers Forum of Telecom Holdings Group.

There is also a support structure for each department. This includes:

- A database that tracks each woman's family and career history
- A mechanism for working with each woman to outline her career plan
- Individual interviews to motivate each woman.

In 2009, the percentage of women in management had risen to 1.9% from 1.7% in 2005 (Segawa 2009a). Additional programs are slated to begin in 2010 and are expected to motivate returning employees and increase the number of women candidates for managerial positions.

- Special interviews with managers before leaving, during leave, and after returning to the workplace
- A special “recovery program” during childcare leave to encourage women to earn MBA degrees from Japanese universities.

3.2.4 Programs to Improve the Corporate Culture

When the diversity management team was organized, the word *diversity* was not popular in the company. To improve the quality of employees’ work and life balance, regardless of gender, the team established several programs to manage the image diversity programs had inside the firm. In 2008, the diversity management team took the following actions (Segawa 2009a).

- Organized forums and dialog sessions and invited outside speakers to communicate the importance of diversity to the company
- Created a website to promote diversity management programs, i.e., introduction of work/life balance programs, posted profiles of employees who benefited from the programs
- Publicized the programs inside and outside the company, via newspapers and company news

To encourage greater understanding of diversity, in 2009 the diversity management team:

- Started an online study program to help employees understand the purpose and content of its diversity program
- Showcased its diversity management programs in its sustainability reports.

3.2.5 Issues of Concern

Those interviewed at Telecom A expressed concern that despite a variety of care programs, there had been only slight improvements in the percentage of women managers. The critical issues for Telecom A are learning how to motivate women to be managers and how to cultivate a corporate culture that supports women managers.

3.3 TRADING B

Large Japanese trading companies historically have divided their jobs by gender. Men are expected to work as generalists who rotate through sales, management, and so on. Women are expected to support men as administrative staff. However, after the government issued the law for Equal Employment Opportunities for Men and Women in 1986 trading companies were required to hire women as generalists as well as administrators. During the depressed Japanese economy of the mid-1990's, many trading companies stopped hiring administrative staff in order to reduce personnel costs. Today Japanese trading companies are again hiring administrative staff (Asahi, 2009). Both men and women apply for such positions but more women than men. For purposes of this thesis, however, I focus on women generalists.

3.3.1 Corporate Overview

Trading B was established in 1950 and is the largest trading company in Japan with over 200 locations in more than 80 countries. The Trading B Group consists of more than 500 companies and has over 60,000 employees. The head office is in Tokyo and employs about 6,000 employees. Its businesses include energy, metal, machinery, chemicals, and food (Trading B 2010).

3.3.2 Diversity Management Overview

Trading companies were somewhat slower to consider diversity management programs than other industrial companies. Trading B began reviewing the impact of work/family balance more recently as the company workforce began to include many more women. Trading B established a Work Environment Support Team in 2007 to manage its diversity programs and strategy (Segawa 2010a, Trading B 2009, 36-37).

3.3.3 Programs Supporting Women's Career Life

3.3.3.1 First Stage: Entry Level

Trading B began hiring women in 1987 just after the Law for Equal Employment Opportunity of Men and Women was put in place. There was no target for the number of entry-level women that were to be hired. Originally, the company divided women applicants between potential managerial candidates and administrative workers. Before 2001, only 5 women graduates had been hired each year by the company. The number of entry-level university-graduate women increased in 2001 to around 10 per year, 10% of the yearly new entry-level hires. By 2005, the number had increased to 30 and it comprised 20% of all new

entry-level hires. (Segawa 2010a, Trading B 2009, 36-37). Of all graduates hired in 2009 20% are women.

3.3.3.2 Second Stage: Retention for 10+ years

Trading B has gradually changed its work-family program over the past three years. Today the program reflects demands from employees as well as meeting the legal requirements that the firm faces. The current programs are (Segawa 2010a):

- Childcare leave: Maximum 2 years (before the child is 2 years old); unpaid leave
- Abbreviated hours: Until the child is in third grade (around 8 years old). Must work at least 6 hours per day; paid until the child is 3 years old, unpaid after that
- Flexible hours
- Leave to care for sick children
- Re-employment program for those who leave the company because of their partner's relocation. It does not include people who leave the company because of childcare and elder care.

3.3.3.3 Third Stage: Entering Management

There are no specific steps or special considerations for getting women into management. Those interviewed said “promotion opportunities into managerial roles are open equally to men and women.” The number of women managers is still low but has increased from 1.1% in 2004 to 3.1% in 2009 (see Figure 3.1). There are no women directors and no women have been with the company long enough to have the experience required of them at the board level.

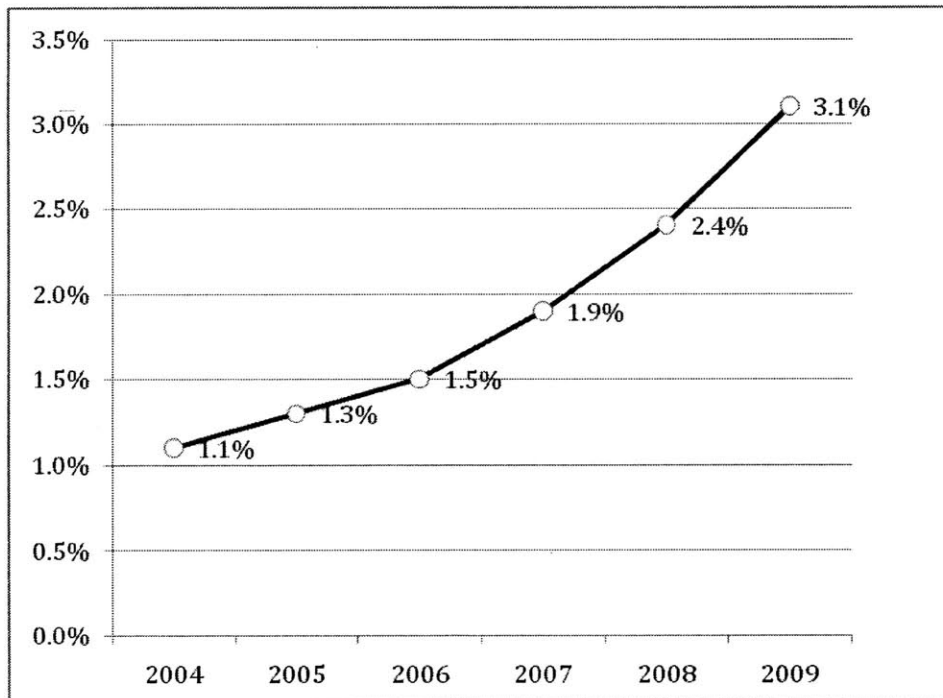


Fig.3.1. Percentages of female managers

Source: Trading B 2009, 36-37

3.3.4 Issues of Concern

Those interviewed at Trading B say the dominant problem they face is the lack of managerial role models for women. Also, I was told that to gain a managerial position in the company, it is preferred to have job experience abroad (Segawa 2010a).

To better understand the needs of women, the company sent out questionnaires and conducted interviews in-house. The next step will be to integrate what they have learned and perhaps change current processes and programs to meet the needs of would-be women managers.

3.4 TRANSPORTATION C

3.4.1 Corporate Overview

Transportation C is the biggest railroad and transportation company in Japan, doing business in the eastern portion of Japan. It was established as a private business in 1987 after having been government-owned. Transportation C has around 61,000 employees (Transportation C 2010a).

Its main business areas are: Railroad and transportation; life service business (e.g., shops in train stations); IC payment business (Transportation C uses an E-payment system for ticketing, which has improved the IT business by fostering IC payment) (Transportation C 2008, 22-25).

3.4.2 Diversity Management Overview

In the transportation portion of Transportation C, diversity management became a special focus in 2004. Interviewees said that at that time, the CEO was part of a group of CEOs discussing the declining birth rates in the countries comprising the Federation of Economic Organizations (called “Keidanren”). As a result of these discussions, the CEO and Transportation C board members initiated actions to improve the careers of women in their companies. Their actions became known as the “F Program” (female program). The purpose of this program was to improve productivity by increasing the number of women in the company. The target was to increase women in entry-level roles by 20%, to expand work life balance programs and to improve the corporate culture to better support women. When the F Program began in 2004, no team was assigned to it. To accelerate the program, in 2007, a special team was created. Before the inception of the F Program, the percentage of women

employees was around 15%. After the program, the percentage grew to 20% (Transportation C 2010b; Transportation C 2009, 78-80; Segawa 2010b).

3.4.3 Programs Supporting Women's Career Life

3.4.3.1 First stage: Entry Level

All new entry-level employees are assigned to one of three departments: IT service, life service, or rail service. I was told that women are most often assigned to the life service department because jobs there, such as planning retail shops in train stations, are regarded as a better fit for women than for men.

3.4.3.2 Second stage: Retention for 10+ Years

Transportation C offers several programs that support work and family balance (Segawa 2010b).

- Parental leave for 1-2 years
- Payment for e-learning through an outside company to maintain and improve skills during parental leave
- After completing e-learning, a diploma serves as the equivalent of three months on the job in the seniority system of the company
- Assistance with funding for childcare
- Cafeteria plan (a type of benefit plan offered by the company where the employee can choose items from a "menu" of benefits) for babysitter service and daycare service
- Re-employment system which allow employees to be re-hired within 10 years of leaving the firm for those leaving the company for child care.

- Newly opened on-site childcare centers in corporate hospitals and near the head office.

One result of the F program is that the turnover rate among women who have worked for the company for more than 10 years has dropped from 50 % in 2003 to 25% in 2009 (Segawa 2010b).

3.4.3.3 Third step: Entering Management

There are no special programs for education and recruitment that focus on increasing the number of women managers. However, in each department, I was told that women are encouraged to move into the managerial level after starting the F Program. The number of women managers has increased (see Figure 3.2), from 38 in 2004 to 102 in 2009.

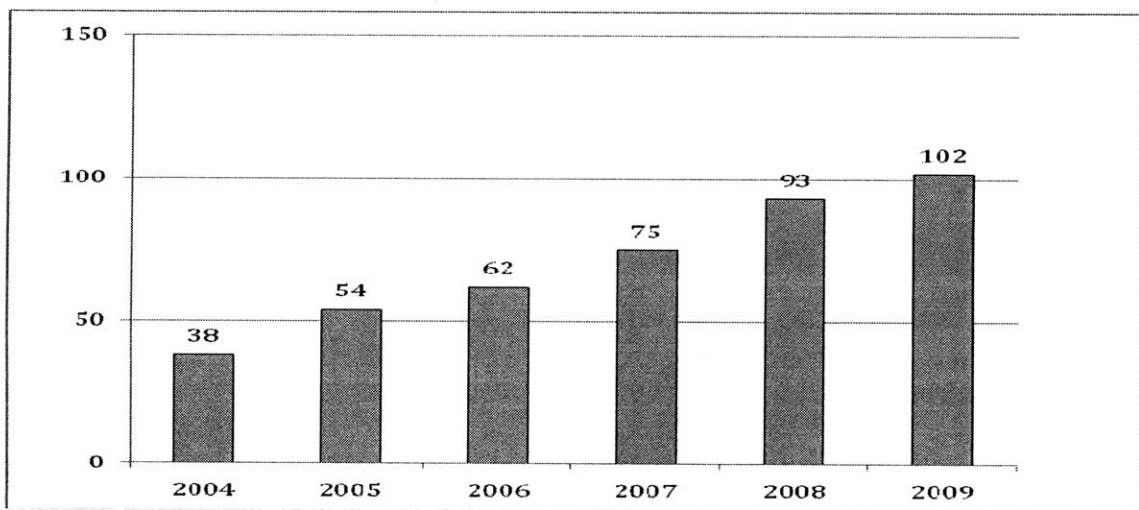


Fig. 3.2. Trends in the number of women managers

Source: Segawa 2010b

3.4.4 Programs to Improve Corporate Culture

To improve the company's culture, guidebooks explaining the basic concepts of gender equality, work/life balance, and diversity management are provided to all employees. In addition, the firm offers educational forums for managers, and guest speakers who talk

about how to improve women's opportunities at work and support work/life balance. Also, the company opened a special portal on its intranet site that provides additional information.

3.4.5 Issues of Concern

To increase the number of women managers, women employees need to rotate across jobs in the company. Some women (and men) are reluctant to take promotions because of relocation both in job and in region. At present, interviewees said that Transportation C does not encourage job rotation for women (Segawa 2010b).

3.5 TRADING D

3.5.1 Corporate Overview

Trading D Corporation is a global trading company established in 1947. It now has 152 locations worldwide. Trading D Group has about 40,000 employees. The head office is in Tokyo and has around 6,000 employees. Its businesses include metals, automobiles, food, financial services, and so on (Trading D 2010).

3.5.2 Diversity Management Overview

Trading D began hiring women as generalists in 1987 but only a few. In 1995, the number was 10 per year. In 2001, the number exceeded 10. Some of these women had worked at the company for 10+ years and were thinking of having children. Trading D Board members wanted to retain these women, so they began to consider how to improve women's careers at the company and how to improve the work/life balance for all

employees. In 2007, board members ordered improvements in work conditions for women (Segawa 2010b).

3.5.3 Programs Supporting Women's Career Life

3.5.3.1 First stage: Entry-level

In the 20 years since Trading D began to hire women generalists, recruitment of women has gradually increased. Today, the percentage of women generalists is 20% (Segawa 2010c, Trading D 2009, 33-36).

3.5.3.2 Second stage: Retention for 10+ Years

As part of its program to improve work conditions, Trading D created the following programs (Segawa 2010c).

- Expanded childcare leave to 2 years, no pay
- Flex hours for family care (90 minutes per day)
- On-site childcare center
- Interviews before and after parental leave with HR staff and managers
- Loan of a PC during parental leave to give access the company's intranet
- Re-employment programs which allow employees who leave the firm due to partners' relocation to re-enter the company within 5 years
- Cafeteria plan (a type of benefit plan offered by the company where the employee can choose items from a "menu" of benefits) that includes coupons for off-site childcare or shopping coupons for childcare goods
- Consultation services for women's health

- Consultation service for women's issues
- Individual career planning

3.5.3.3 Third stage: Entering Management

There are no special programs for increasing the number of women managers. Women who work for 10 or more years at Trading D are offered the same opportunity to become managers as men. However, the actual number of women managers is only 20 because the number of women with 10+ years of experience is small. Positions for women managers tend to be in the corporate staff department. Those I interviewed believe that the retention programs currently offered will increase the number of women managers. They do not have guidelines to address the lack of experience during childcare leave and the company's refusal to transfer women to overseas posts.

3.5.4 Programs to Improve Corporate Culture

Trading D, like other Japanese trading companies, has a male-dominated culture. Women did only administrative tasks prior to 1986 when the Law for Equal Employment Opportunity of Men and Women was passed. I was told that in Trading D, employees who work long hours are respected more.

Trading D's diversity management team is working to change this corporate culture. They are doing the following things (Segawa 2010c):

- Maintain a website to "open employees' eyes" to the issue of equal partnership and work/family balance
- Present women role models on this site

- Have a data book about work/family balance and post it on the site
- Hold seminars, workshops, and speaker sessions about work/family balance

3.5.5 Programs to Improve Equal Evaluation

The diversity management team has provided e-learning content on the website to educate managers not only about equal evaluation but also about diversity itself.

3.5.6 Issues of Concern

Trading D has just begun to provide programs that address work/family balance. The results of these programs will become clearer in the next several years. However, because of the small number of women managers, the following problems are apparent:

- The company does not track the careers of current women manager candidates
- Women are currently disadvantaged because of the company's policies on relocation, long business trips, overtime hours, and physical capability.
- There are few if any role models for would-be female managers

3.6 MANUFACTURING E

3.6.1 Corporate Overview

Manufacturing E is a manufacturing company established in 1920. The top three business areas are power and industrial systems, information and telecommunication systems, and high-functioning materials and components. Forty percent of the company's revenues are generated outside of Japan. It has approximately 40,000 employees, with more

than 400,000 employees in Manufacturing E Group (Manufacturing E 2010; Manufacturing E 2009a, 15).

3.6.2 Diversity Management Overview

In 1999, Manufacturing E introduced childcare leave for women and, in 2000, it began to offer expanded work/family programs to improve women's opportunities and help promote an image of the company as family-friendly. Today, the focus is on improvement for women.

In 2006, Manufacturing E launched its Diversity Development Project to encourage diversity awareness at all group companies. It also insisted that this activity was not limited to women. In 2008, Manufacturing E expanded its diversity management focus to promote work/life balance, enhanced productivity, improved physical and mental health, and improved workplace communication. Manufacturing E is now expanding its diversity activities to include all international group companies (Segawa 2010d; Manufacturing E 2009b, 30-31; Nippon Keidanren 2008, 175-193).

3.6.3 Programs Supporting Women's Career Life

3.6.3.1 First stage: Entry-level

There is no focus on increasing the number of women employees at the entry level. Manufacturing E representatives say the company evaluates and recruits men and women equally. However, Manufacturing E's business is based on technology and it recruits a disproportion of employees with a strong science background. The percentage of women

recruits is around 20% (Segawa 2010d; Manufacturing E 2009b: 30-31; Nippon Keidanren 2008, 175-193).

3.6.3.2 Second stage: Retention for 10+ Years

In 1999, Manufacturing E expanded its retention programs because, as those interviewed said, of employee demand. It offers the following programs (Segawa 2010d):

- Childcare leave: For 3 years; employees can take the leave in short segments; available until the child finishes 1st grade, for women and men
- Abbreviated hours: 7, 6, 5, or 4 hours per day, available until the child enters 3rd grade, for women and men
- Children's sick leave for 5 days, for women and men
- Fertility treatment leave, for men and women
- Gynecological checkup leave for women
- Limits on overtime work hours for men and women
- Limits on late-night shifts for men and women
- Flexible hours for men and women
- Re-employment program which allows people who left to have children to re-enter the company
- On-site childcare center

3.6.3.3 Third stage: Entering Management

As part of its HR policies, Manufacturing E unofficially sets target numbers to increase the number of women managers. Each branch and department is supposed to pay attention to the education and motivation of women manager candidates. I was told that managers have to create career growth plans for these women.

The diversity management team also hosts a Women’s Forum for managerial candidates. This forum offers career-related seminars with topics for women candidates such as career tips from female senior managers. As a result, the number of women managers has increased by four times since 2000 (see Figure 3.3). Interviewees reported that 60% of women managers at Manufacturing E have families.

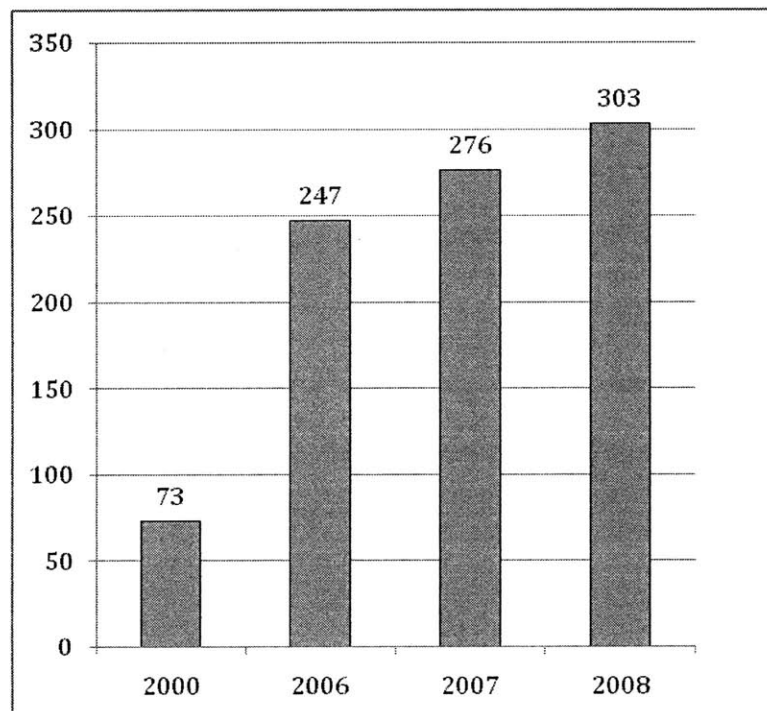


Fig. 3.3 Trend in the number of female managers at Manufacturing E

Source: Manufacturing E. 2009b, 30-31

3.6.4 Programs to Improve Corporate Culture

To improve its corporate culture, Manufacturing E’s diversity management team has provided the following (Segawa 2010d):

- Hosted forums with its union members on the topic of enhancing work/family balance

- Developed a guidebook to inform its workforce about work/family programs
- Provided information about diversity management projects via its intranet
- Created social networking services on its intranet where employees can talk to one another about childcare issues

3.6.5 Programs for Improving Equal Evaluation

Manufacturing E has not created a specific program for managers setting guidelines for equal evaluations for both men and women. Instead, the diversity management team conducted a seminar for top executives that covered a variety of topics, including awareness of work/life balance and the importance of equal evaluations.

3.6.6 Issues of Concern

While Manufacturing E has seen some success in its diversity management programs, it has the following issues:

- Unequal allocation of women among departments. Among the corporate staff and in the R&D center, there are many women. But there are few women at sales sites.
- Managers are inexperienced at evaluating and managing female subordinates
- Lack of role models for women

3.7 BANK F (a commercial bank)

The Japanese banking industry has been and continues to be male-dominated. Most domestic commercial banks separate jobs into those they believe are suitable for men and

others for women. For example, branch managers and loan officers are male roles; bank teller positions are female roles.

3.7.1 Corporate Overview

Bank F was established in 2001 after three banks merged. Today Bank F Group consists of three banks with approximately 14,000 employees (Bank F Group 2010).

3.7.3 Diversity Management Overview

Those interviewed said that Bank F has a strong need to improve its diversity management strategy. Bank F watched many of its talented employees leave when the bank went bankrupt. But the Japanese government rebuilt Bank F and brought in a new CEO from outside the banking industry. He has made major changes including increased efforts to attract female customers and attract and retain female employees (Segawa 2010e; Bank F Group 2009: 21-24).

According to the CEO, over 50% of Bank F's customers are women. It is his goal that Bank F be the number one bank for women, believing that the essential work of the bank is well-suited for women. The bank also strives to create a work environment where the careers of women can thrive, which will in turn result in improving the bank's corporate value (Segawa 2010e; Bank F Group 2009:21-24). Those beliefs have strengthened its diversity management program. The program has the following goals (Segawa 2010e):

- Improve productivity and see that all employees are evaluated fairly
- Break away from male and female stereotypes and reduce the separation between full-

time workers and part-time workers

- Create open opportunity for all regardless of age, sex, and/or job
- Change perceptions about the role of women

Partly as a result of these efforts, Bank F has become well-known for promoting women, and in 2008, became the first bank to elect women board members (Tamura 2008).

3.7.4 Programs Supporting Women's Career Life

3.7.4.1 First stage: Entry-level

Approximately 50-60% of entry-level new hires at Bank F are women. Women tend to be assigned to retail banking and operations (teller and back office positions) (Segawa 2010e).

3.7.4.2 Second stage: Retention for 10+ Years

In 2005, Bank F began offering the following programs (Segawa 2010e):

- Childcare leave for women and men up to 13 months, reflecting demand from those women employees who want to stay at home in order to celebrate their child's first birthday
- Exchange programs from full-time to part-time work; employees can change status anytime they want; hourly pay is equal for men and women. The main difference between full-time and part-time is whether or not the employee gets benefits such as a retirement package, pension, and overtime pay.
- Abbreviated hours until children are 3 years old; work time can be shortened from 8 hours to 6.5 hours per day

- Flexible hours; ability to decide their work shift every month
- Re-employment program; need re-entry exam, can return at any age (no upper limit)

After introducing these programs, the turnover rate for women decreased from 8% to 3% per year. In addition, the number of employees taking parental leave or an abbreviated work day increased five-fold. The percentage of working mothers increased from 5% to 14%. (Segawa 2010e; Bank F Group 2009, 21-24).

3.7.4.3 Third stage: Entering Management

In 2005 Bank F began increasing its focus on hiring women into management positions. The bank held special education programs for women and, by 2008, the programs were opened for both men and women. In 2008, Bank F improved its personnel system and promised to achieve equal and fair opportunity for everyone. The title “branch officer” was discarded because being a branch officer meant a person had to work in different cities and rotate through different jobs. Now individuals can be promoted within a job area (such as bank teller) without having to re-locate. Therefore, now many women are managers. Women lead the operations department and manage bank tellers. The improvement to the personnel system has opened up opportunities for women to be promoted and shortened the time it takes to become a manager (Segawa 2010e).

3.7.5 Programs to Improve the Corporate Culture

The current CEO at Bank F is committed to improving the corporate culture. The program for new product development has increased its focus on women customers. Team members for this effort have established new financial services such as mortgage loans for

women, loans for spa and aesthetic services, and a luxury brands investment fund. The success of these products has improved the corporate culture by considering women's creative power as important for the success of a financial services firm.

3.7.6 Programs to Improve Equal Evaluation

My interviewees explained that Bank F has programs that encourage managers to evaluate their employees equally. These guidelines point out that men and women should be evaluated using the same criteria. Bank F Bank goes one step further and also recommends that managers use the same evaluation guidelines whether an employee is a full-time or part-time employee.

3.7.7 Issues of Concern

Even though Bank F has established what seems to be an equal and transparent personnel system, the bank plans additional improvements (Segawa 2010e):

- Improve managers' evaluation skills
- Educate managers to evaluate men and women equally
- Increase the number of women managers. Currently, women hold more than 50% of the entry-level positions, but only 25% of the managerial positions and only 10% of the director level jobs. The challenge is increasing the percentage of women managers and directors at all levels to 50% (Segawa 2010e).

3.8 MANUFACTURING G

3.8.1 Corporate Overview

Manufacturing G is an electronics manufacturing company established in 1875. It has 34,000 employees. Manufacturing G Group has 239 companies in Japan and 298 overseas. The percentage of revenue generated overseas is over 50% of the company's income (Manufacturing G 2009a, 36-48).

3.8.2 Diversity Management Overview

In 2001, Manufacturing G suffered a deep slump in revenues which prompted the company to make some strategic changes. As part of the restructuring, Board members surveyed employees and discovered the need not only for structural changes but for improving career opportunities for women (Segawa 2010d). In 2004, Manufacturing G created a special department for women's career improvement. As the department expanded it became a diversity management team. Today, the team's main purposes are to change work styles in the company to improve productivity and to lead global diversity management (Segawa 2010f; Tamura 2006; Manufacturing G 2010; Manufacturing G 2009b, 27-29).

3.8.3 Programs Supporting Women's Careers

3.8.3.1 First stage: Entry-level

In order to increase the percentage of entry-level women at Manufacturing G, the company set quotas looking for 80% of entry-level new hires to have a humanities background and 20% to have a science background. Women are targeted to be 50% of those

with humanities backgrounds and 20% of those with a science background. As a result, entry-level women with a humanities background rose from 34% in 2004 to 50% in 2006, and entry-level women with a science background has moved from 10% in 2004 to around 20% in 2006 (see Figure 3.4) (Segawa 2010f; Tamura 2006; Manufacturing G 2010; Manufacturing G 2009b, 27-29).

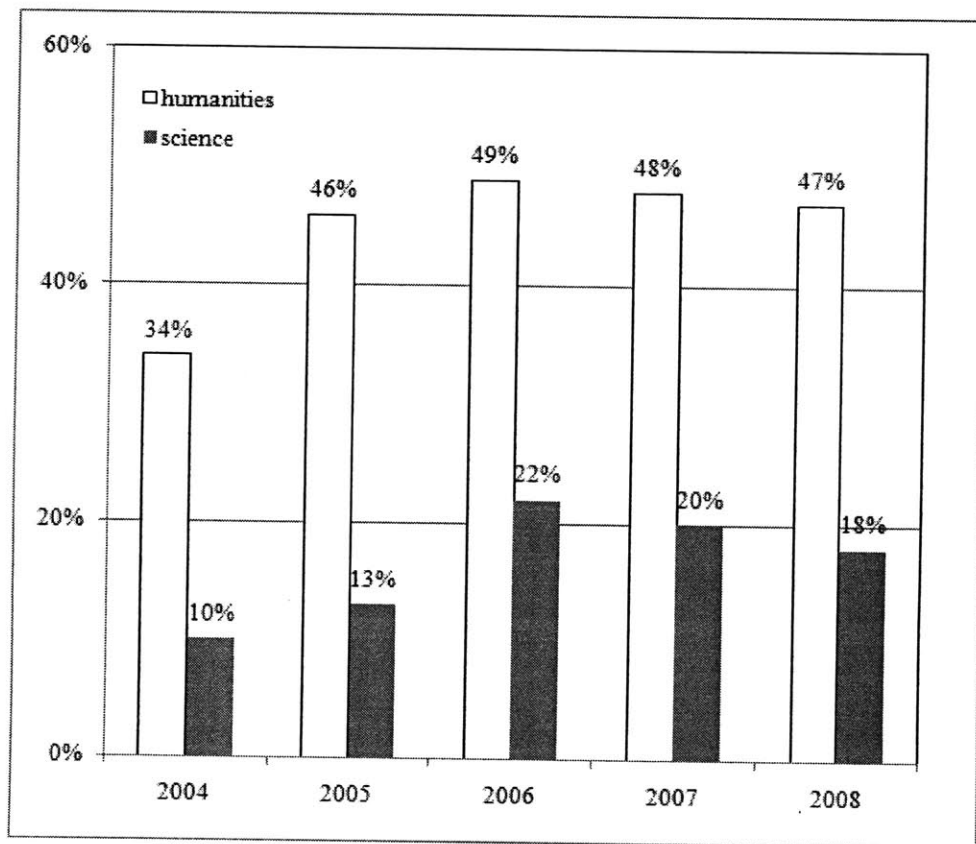


Fig. 3.4 Percentage of women among all entry-level employees, based on science vs. humanities backgrounds

Source: Segawa 2010f

3.8.4.2 Second stage: Retention for 10+ years

After conducting surveys, Manufacturing G revised its work/family programs in 2005 and 2006. The firm continues to do so each year. As of 2005, the available programs included (Segawa 2010f):

- Extended childcare leave before the child becomes 3 years old; without pay; an employee can divide this into three sequences. Available to men and women
- Increased the period for choosing abbreviated hours from the time when children will be 3 years old to the time when children will be in third grade; can be combined with flexible hours
- Introduced a 5 day leave to care for sick children
- Re-employment program for people who leave their job because of partner's transfer (5 years) or elder care (3 years)

The following programs were revised and offered in 2006:

- Flexible breaks; parents can leave for one hour at a time, several times, instead of needing to take a whole day off
- Fertility treatment leave
- Re-employment for those who left their job because of childbirth or childcare (3 years)
- Interview program with managers and HR staff, to help employees' transitions before and after parental leave
- "Cafeteria plan" that provides off-site childcare center, babysitter, and shopping for childcare goods (Segawa 2010f).

3.8.4.3 Third stage: Entering Management

Manufacturing G has conducted special education programs for women for the past two years:

- Program to increase the number of female managers. This program was in place from 2005 to 2007 for women who did not have previous opportunities to go into management

even though they had enough experience and needed more skills and training. It was open to all women in the company and taught management, leadership, and financial skills.

- Program to increase the number of female manager candidates. This program was in place from 2005 to 2007 for women who sought management roles. It was open for all women who had achieved a certain level skill and job experience. Participants designed their own career plans and after one year they received feedback from HR and their managers as to their suitability for management positions.

Partly as a result of these two programs, the percentage of women managers in the company increased from 1% to 3% from 2004 to 2008 (see Figure 3.5). Those interviewed explained that these program ended in 2007 because Manufacturing G thought it had met its goals.

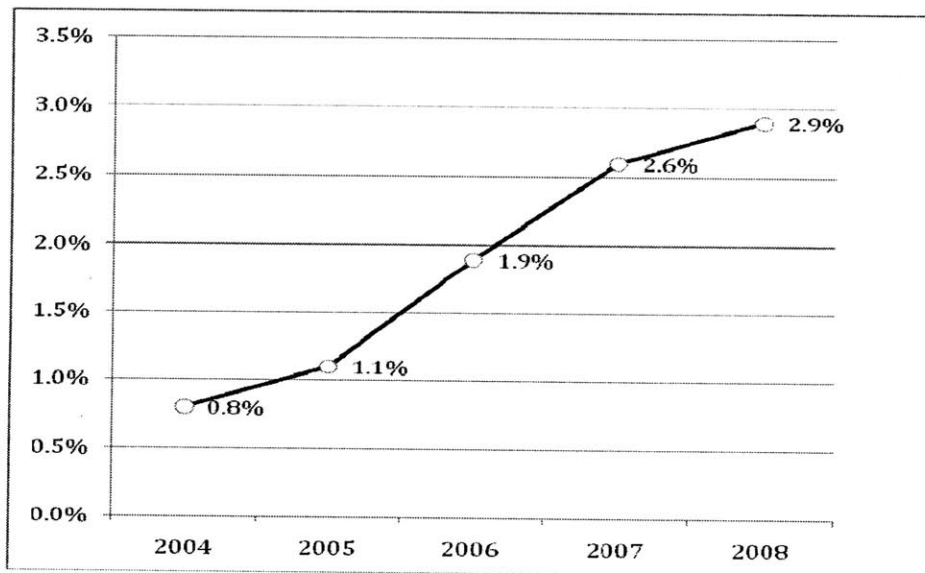


Fig. 3.5 Increase in percentage of women managers

Source: Segawa 2010f

3.8.5 Programs to Improve the Corporate Culture

Manufacturing G established the following procedures (Segawa 2010f) to improve its corporate culture:

- Developed a booklet to describe new programs and to tell success stories (all focusing on diversity management)
- Created a booklet explaining new diversity policies and suggesting how managers can better work with their female employees
- Developed a corporate newsletter featuring work/life balance programs and certain employees as role models. The newsletters were delivered to all group companies (including those overseas) and were translated in English
- Opened a website on Manufacturing G's intranet to inform employees about the diversity management programs and encourage higher productivity
- Held seminars with well-known speakers and CEOs
- Offered consulting services via e-mail on work/life balance and career planning
- Expanded diversity management to all departments and subsidiary companies

3.8.6 Issues of Concern

Manufacturing G continues to work on improving women's roles and recruiting foreigners. The company stopped its special programs for women in 2007. Now women employees are offered the same educational programs as men as part of regular job training. Nevertheless, according to my interviewees, the departments to which women are assigned are not equal in status with the departments that hire mostly men. For example, women

managers are usually allocated positions as corporate staff department managers but not offered positions such as sales department managers (Segawa 2010f).

3.9 MANUFACTURING H

3.9.1 Corporate Overview

Manufacturing H is a manufacturing company established in 1918. Manufacturing H started its business in textiles but expanded into chemical-related areas such as pharmaceuticals. It has approximately 19,500 employees (Manufacturing H 2010a).

3.9.2 Diversity Management Overview

At Manufacturing H, diversity management is based on the belief that every person can be respected for his or her value, and every person can have his or her unique and sustainable way of working. The ultimate goal of diversity management is to improve the company's image and its business performance. Improved productivity comes by offering employees ideal work conditions (Segawa 2009b; Manufacturing H 2010b; Manufacturing H 2009a: 49-53; Manufacturing H 2009b).

Those I interviewed said that in the 1990s, through an alliance with a U.S. company, Manufacturing H's CEO realized that global companies leveraged women's contributions more effectively than his own company and he wanted Manufacturing H to become such a global company. In 1999, after the Law for Equal Employment Opportunity of Men and Women went into effect, the company created a diversity management team. Since that time, many programs for women have been initiated. In 2007, the mission was broadened to include not only women but also foreigners and those with disabilities.

The CEO wants to leverage women’s contributions but not to “cater to women’s unique needs” (Segawa 2009b). A manager whom I interviewed insisted that to cater to women’s unique needs actually was a form of discrimination against women as women. The company promotes diversity management as equal opportunity, not as a way to discriminate—either positively or negatively—against one particular group.

3.9.3 Programs Supporting Women’s Career Life

3.9.3.1 First stage: Entry-level

In 1999, only 17% of entry-level employees were women. At that time, Manufacturing H set a target of hiring 30% women each year. Since 2001, Manufacturing H has maintained that higher level (see Figure 3.6).

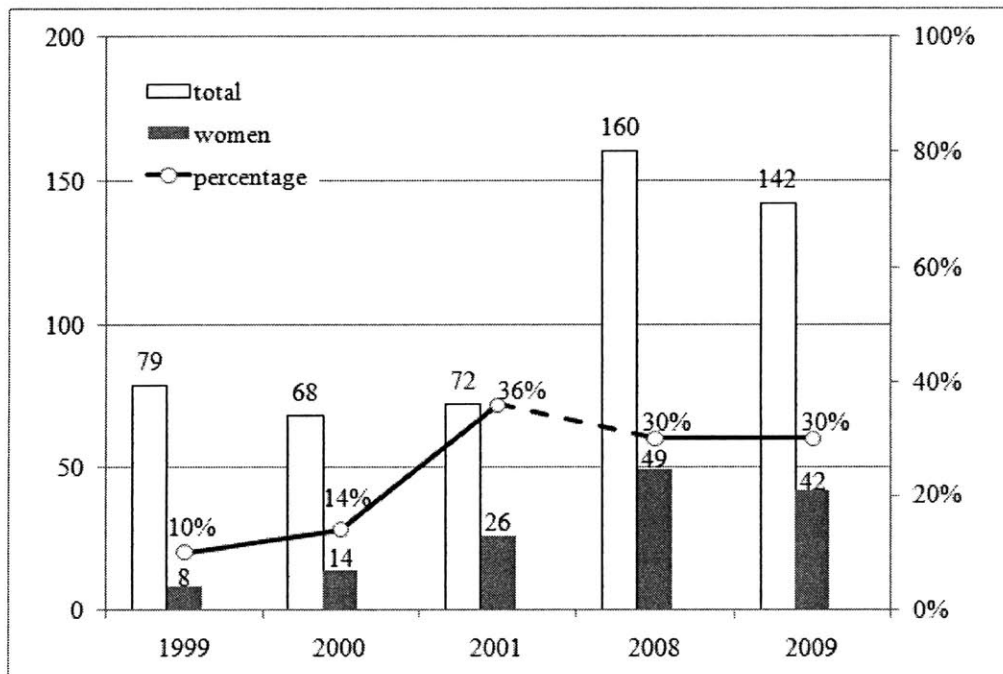


Fig.3.6 Number and percentage of women among all entry-level general employees

Source: Manufacturing H 2009b

3.9.3.2 Second stage: Retention for 10+ years

Manufacturing H started the following work/life balance programs to increase Manufacturing H's attractiveness to employees (Segawa 2009b):

- Re-employment program: rehire people who quit their job because of family issues such as marriage, childbirth, childcare, elder care, relocation of partner. This is for both men and women. In addition, if relocation issue happens for partner, Manufacturing H tries to find a job for the other partner in the same location.
- Extend childcare leave until the child is 18 months old. For women
- Financial support to hire babysitters and utilize childcare centers. For women
- Flexible work options for women: Abbreviated work day, flextime, staggered hours, limits on overtime
- Parental leave for men: Maximum 2 weeks with pay, after birth of child; the company gives each father a small gift to encourage taking this leave. The company provides an easy application form to request this leave from a manager.
- Tele-work: Maximum 2 days per week. Only for people raising children or caring for elders. Started in April 2008.

Partly as a result of these programs, the retention of women employees has improved. For example, before 1999, the percentage of women employees who worked more than 10 years at Manufacturing H was around 30%. Since 2001, the percentage has stayed close to 50% (see Figure 3.7).

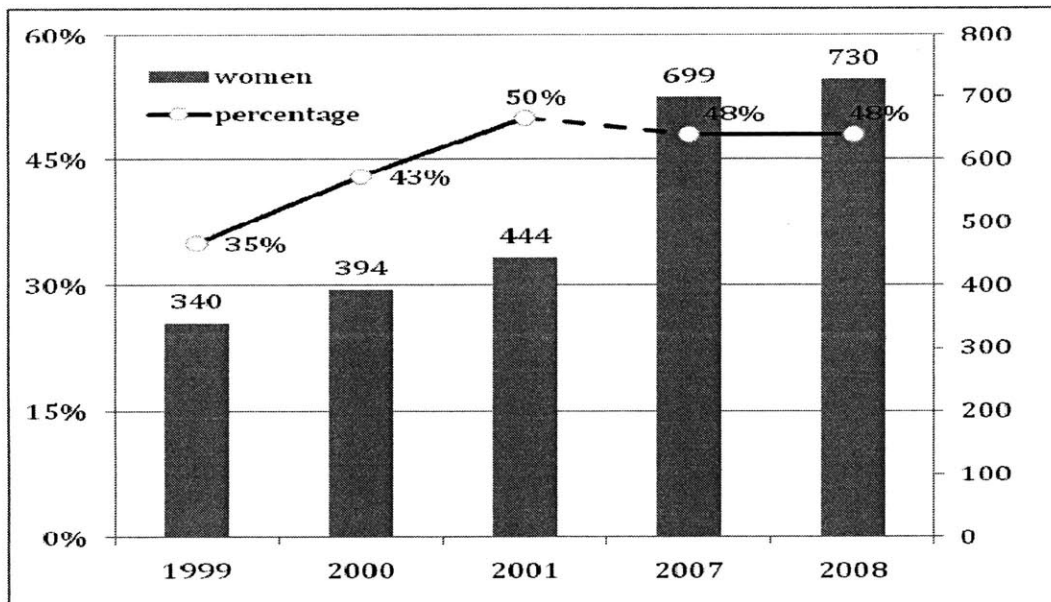


Fig. 3.7 Number and percentage of women working 10+ years, among all employees

Source: Manufacturing H 2009b

3.9.3.3 Third stage: Entering Management

Starting in 2002, the company implemented two strategies in order to triple the number of women managers within three years: hiring outside candidates and promoting women from within. For the first strategy, several positions were identified as appropriate for outside candidates. The women candidates who were interviewed faced strict scrutiny but several were hired (Segawa 2009b). For the second strategy, a special program for women's education was developed and utilized from 2003 to 2005. The goal was to develop and train women for management roles. Each woman in this special program was carefully selected and then coached to create a strategic career plan for moving into top positions. The CEO and Board members mentored them and the women were encouraged to study women managers in other companies. They also spent time networking with other women both inside and outside the company (Segawa 2009b). As a result, the number of women managers

increased dramatically from 8 in 1999 to 64 in 2008 (see Figure 3.8). These managers include 20 working mothers.

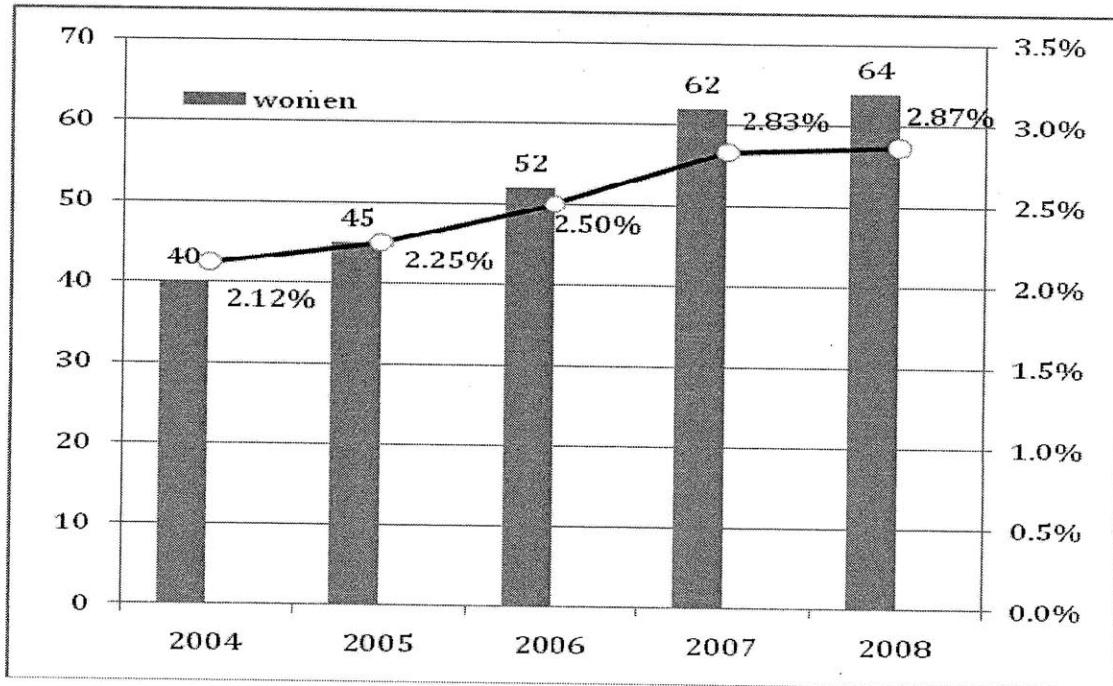


Fig.3.8 Number and percentage of women among all managers

Source: Manufacturing H 2009a, 49-53

3.9.4 Programs to Improve Corporate Culture

In order to improve and change its corporate culture, Manufacturing H implemented the following programs:

- Education programs for managers, including instructions on how to communicate with women subordinates
- Periodic diversity forums with guest speakers
- Education programs for women employees, aiming to help them move up from administrative or secretarial roles

- Publicity inside and outside the company (i.e., Corporate Social Responsibility reports, a recruitment website, an in-house diversity magazine, lectures, and company news) (Segawa 2009b).

3.9.5 Programs for Improving Equal Evaluation

Manufacturing H has changed its evaluation processes only slightly. The recent changes include:

- Adding a formal process to report discrimination to the HR Department
- Adding an “equal evaluation topic” for the 360 assessment for managers. The question asks managers whether they evaluate men and women equally and give promotion opportunities equally.
- Revised requirements for promotion: Childcare leave of less than one year is not counted as a “loss” in the allowance for current managers

3.9.6 Issues of Concern

The people I interviewed at Manufacturing H say they are pleased with the company’s diversity management strategies. At the same time they would like to add to the existing programs in order to increase men’s awareness of the need for more women managers and to help further increase the percentage of women managers.

3.10 SUMMARY

As a result of my interviews with these eight companies, it is apparent that each one is making some efforts to improve the careers and work lives of women. The companies that have accomplished the most appear to me to be Manufacturing H, Bank F, and Manufacturing G. Each has received an award from a government or public association for improvements in their work/life balance policies and outcomes. These companies also have the longest history for diversity management among the nine companies. Therefore, it seems clear that the longer programs are in place, the more impact they have on women's opportunities in the workplace. However, even among these three companies, there is room for improvement.

In the next chapter I will discuss my research and interview results for U.S. companies.

CHAPTER 4

WOMEN'S LEADERSHIP AND WORK-LIFE BALANCE IN U.S. COMPANIES

4.1 INTRODUCTION

In this chapter, I focus on women's leadership and work-life balance in the U.S. In Japan, several companies headquartered in the U.S. are identified as offering an excellent work environment for women. For example, Procter and Gamble (P&G) and IBM are famous in Japan for their support of women in the workplace (Nippon Keidanren 2008, 148-161: 223-231). To understand why these companies do so well at women's leadership and work-life balance, I examined programs offered for women in U.S. companies and the impact of these programs.

In my research, I wanted to understand the practices of U.S. companies offering specific programs designed to increase the retention of working mothers. For the face-to-face interviews, I selected P&G and MIT. I picked P&G because it is seen as one of the best companies for women's leadership both in Japan and the U.S. P&G was identified as one of the top 10 companies for women by the National Association for Female Executives in 2009 (National Association for Female Executives 2009) and in 2008 was chosen as the "Number 1" women's leadership company by *Nikkei Woman* in Japan (Kitayuguchi 2008). In 2007 P&G Japan pointed out that in P&G, 26.4% of directors and 24.9% of managers are women, while in average Japanese companies 3.7% of directors and 5.8% of managers are women (P&G Japan 2008). I chose MIT as a representative U.S. academic institution with many working women. I interviewed personnel in both organizations using the same questions I

used for Japanese companies. I believe Japanese companies can learn from the best practices used by U.S. companies.

4.2 KEY U.S. WORK-LIFE BALANCE PROGRAMS

In the U.S., women account for about one-third of students in MBA classes, but only 3% of Fortune 500 CEOs, 6% of top earners, 8% of top leadership positions, and 16% of board members and corporate officers (Catalyst 2010; Kellerman and Rhode, 2007,2). While these numbers seem low, the percentages are still much higher than comparable figures in Japan. Further, in 2009 women made up 47.3% of the U.S. labor force and 51.4% of managerial, professional, and related positions (Bureau of Labor Statistics 2010; Catalyst 2010). In comparison, in 2009 women made up 42.0% of the Japanese workforce and yet—looking only at Japanese companies with at least 100 employees—held only 5% of assistant manager positions and higher (Ministry of Health, Labor, and Welfare, 2009a, Ch2, 56). Clearly, in the U.S. women hold far more managerial positions than their Japanese counterparts.

Although the U.S. percentages are higher than in Japan, women in both countries face similar obstacles. Catalyst's study, "The Next Generation: Today's Professionals, Tomorrow's Leaders" surveyed women and men born between 1964 and 1974, i.e., people who in 2008 were ages 33-44. That study found that 68% of women in the U.S. cited a commitment to personal and family responsibilities as a barrier to women's advancement, while only 38% of men agreed with that statement (Catalyst 2009). As in Japan, work-life balance is one of the biggest concerns for women.

There are four areas where U.S. companies offer programs that target work-life balance, especially for women and for people with family responsibilities: maternity leave and family leave, flexible work time, on-site childcare, and other systemic supports.

4.2.1 Maternity Leave and Family Leave

Like Japan, there are U.S. government mandates that impact work-life balance for women. In case of childbirth, the U.S. government requires that firms offer at least 12 weeks maternity leave. There is no stipulation as to whether or not that leave is paid or unpaid. In Japan, the government requires that firms offer 14 weeks maternity leave with 60% payment (World Economic Forum 2009). As in Japan, U.S. companies can create policies that offer more support to women who are starting families than the minimum mandated by the government. For example, according to the 2008 Benefits Survey from the Society for Human Resource Management, 15% of U.S. organizations offered paid maternity leave and 25% offer a lactation program or designated area for feeding in the workplace (Society for Human Resource Management 2009).

Another U.S. government regulation is the Family and Medical Leave Act of 1993 (U.S. Department of Labor 1993). This Act entitles employees at firms with at least 50 employees to take up to 12 weeks of unpaid leave to care for a newborn; a newly adopted child; a spouse, parent, or child with a serious health condition; or to take medical leave for themselves. Over and above the minimum requirements set by this Act, some 33% of firms offer employees paid “family leave” and 21% offer a greater benefit (Society for Human Resource Management 2009).

4.2.2 Flexible Work Time

According to the 2006 Catalyst Member Benchmarking Report (Catalyst 2006), high percentages of Catalyst Award-winning organizations³ offered flexible work arrangements:

- 100% offered reduced work weeks and adoption leave/assistance
- 96% offered flexible arrival and departure times and telecommuting
- 89% offered compressed work weeks and job sharing

While there is no way to generalize these findings to all U.S. organizations, it does suggest a benchmark for best practices.

The 2008 Benefits Survey from the Society for Human Resource Management reported what HR professionals said were the percentages of particular benefits offered at their organizations:

- Flextime: 59%
- Telecommuting on an ad-hoc basis: 47%
- Compressed workweek: 37%
- Telecommuting on a part-time basis: 35%

4.2.3 On-site Childcare

The Families and Work Institute's 2008 National Study of Employers (Galinsky, Bond, and Sakai 2008) looked at childcare:

³ The Benchmarking survey was administered online. In Spring 2006, Catalyst sent electronic surveys to 340 member organizations, and received completed responses from 134 organizations, for a 39 percent response rate. Examples of organizations that agreed to be recognized publicly are 3M, Accenture, Citigroup, eBay, IBM, P&G, and Unilever.

- 21% of large employers (1,000+ employees) offered childcare at or near the worksite, as did 7% of small employers (50-99 employees)
- 57% of large employers offer access to information to help locate community childcare, as did 30% of small employers
- 76% of large employers offered Dependent Care Assistance Plans (help employees pay for childcare with pre-tax dollars) as did 37% of small employers
- 5% of large employers reimbursed childcare costs when employees travel for business as did 6% of small employers
- 10% of large employees offer back-up or emergency childcare as did 6% of small employers

4.2.4 Other Supports: Culture, Resources, Training, and Accountability

According to the Families and Work Institute's 2008 National Study of Employers U.S. companies offer a variety of additional supports for working families (Galinsky, Bond, and Sakai 2008):

- 50% train supervisors to respond to work-family needs of employees
- 63% consider how well supervisors/managers manage flexible work arrangement when making performance appraisals and compensation decisions

In looking for a culture of flexibility, 60% of employers said it was "very true" that supervisors are encouraged to be supportive of employees with family needs; 71% said it was "very true" that supervisors are encouraged to assess employees' performance by what they accomplish and not just "face time." 21% of employers said it was "very true" that the organization makes a real and ongoing effort to inform employees of available assistance for

managing work and family responsibilities; 20% said it was “very true” that management rewards those who support effective flexible work arrangements (Galinsky, Bond, and Sakai 2008).

4.2.5 Benefits to Organizations from These Programs

When companies address these key factors, they find a measurable impact that not only improves the work environment for all employees but adds value directly to the bottom line by reducing costly turnover. One study (Galinsky, Bond, and Hill 2004) compared organizations with high and low levels of flexibility and found that:

- 66% of employees at organizations with high flexibility report strong job engagement and commitment, compared to 56% of employees at organizations with low flexibility.
- 72% percent of employees at organizations with high flexibility plan to remain with their employers for the next year, compared to 49% of employees at organizations with low flexibility.
- 67% of employees at organizations with high flexibility report strong job satisfaction, compared to 23% of employees at organizations with low flexibility.

Many companies that make use of employee surveys found that flexible work arrangements and work-life balance is extremely important among their employees:

- IBM found that 94% of its managers reported a positive impact from flexible work options on the company’s “ability to retain talented professionals”.
- 96% of AstraZeneca’s R&D employees say that flexibility influences their decision to stay at the company.

- Using turnover calculations, Deloitte determined that it saved an estimated \$41.5 million in turnover-related costs in 2003 by virtue of its flex-time policies (Corporate Voices for Working Families 2005).

In response to these benefits and family-friendly work environments, working mothers tend to return to their jobs within one year after having a baby. Researchers have found that most working mothers return to work within a year after childbirth because no large differences appear in employment status between women with children who were at least one year old and women who had no children in the household (although there was some variability by occupation when women returned to work) (Aaronson et al. 2006).

In addition, among mothers returning to work, those who move to a different employer often do so for higher pay and/or reduced work hours. Between 2000 and 2002, 17% of women who worked during pregnancy and returned to work within a year of childbirth did so at a different employer. Of those who went to a different employer, 33.2% reported that they worked fewer hours than before their first childbirth and 35.2% reported that they received higher pay at a new employer after their first childbirth (Aaronson et al. 2006).

As a whole, 73% of executive women surveyed in Catalyst's Women in U.S. Corporate Leadership study said they were comfortable with the tradeoffs they have made between career and personal goals (Catalyst 2003).

In summary, from the employer side, creating a family-friendly environment brings companies attractive results such as retaining good talent, reducing turnover rates, and reducing hiring costs due to turnover. Retaining good talent is critical for companies. Therefore, a family-friendly policy is important.

From the employee side, women can be motivated by a family-friendly policy because it increases expectations for promotions and job security after having a family. Higher motivation results in greater productivity and achievement.

4.3 PROCTER AND GAMBLE

Procter and Gamble (P&G) is one of the leading global companies for consumer products and service. P&G had 135,000 employees worldwide in 2009 (Procter & Gamble 2010). P&G is also recognized as being committed to creating a diverse workplace. For example, *Fortune* ranked P&G as No. 6 among the “World’s Most Admired Companies” (Fortune 2009). P&G is recognized by the National Association for Female Executives as one of the Top 10 Companies for Executive Women (The National Association for Female Executives 2009), one of the 100 Best Companies for Working Mothers (Owens 2009, 59), and one of the Top 50 Companies for Diversity (Diversity Inc 2010).

4.3.1 Diversity Management Strategy

P&G’s mission statement supports its program for diversity and inclusion: “Everyone valued, everyone included, everyone performing at their peak” (Procter & Gamble 2010). The focus on diversity and inclusion is considered a competitive advantage for P&G’s continued growth. It is implicit in the company’s Purpose and Values statement and explicit in the company’s business strategy for success. Below are P&G’s key concepts for diversity and inclusion:

The Practice of Diversity

(a) It enables P&G to be the “employer of choice,” enabling us to hire, engage, and retain the best talent from around the world, reflecting the markets and consumers we serve.

(b) It is at the core of being “in touch” so that we create brands and products to improve the lives of the world’s consumers now, and for generations to come.

(c) Through our focus on understanding each individual’s skills and passions, and our fundamental commonalities, we enable behaviors that lead to a culture of innovation.

(d) P&G is dedicated to a supportive and encouraging environment that celebrates and values individuality in order to inspire each employee to bring his and her personal best (Procter & Gamble 2010) .

Diversity management at P&G goes beyond a singular focus on women. After many years of supporting the promotion of women into senior roles, P&G can boast the following numbers:

- Women managers/executives: 40%
- Women on board of directors: 25%
- Women participating in management or leadership training in the past year:75%
- Women participating in formalized executive succession planning last year:32%
- Women promoted last year who utilized a formal flexible work arrangement: 4%
- Formal compensation policies reward managers who help women advance: yes (Owens 2009, 59).

4.3.2 Programs for Work-Life Balance

To learn more about P&G programs that support diversity, I interviewed a marketing manager who founded one of the women's networks at P&G. She described five programs (both official and unofficial) that are available in her U.S. office of about 1,500 people. She believes these programs are particularly helpful for P&G employees in her office who seek to balance work and family. She did not know if they were available globally, across all P&G offices.

Maternity leave for one year. Maternity leave in the U.S. for P&G female employees can last up to one year (8 weeks paid). My interviewee was not sure what the P&G policies were for offices outside the U.S. Nevertheless, a one-year maternity leave is longer than what is offered by most U.S. companies. Most P&G mentors advise mothers-to-be to take as much of this leave as possible because it offers a rare opportunity to spend time with their family. For this reason, in this particular office, women generally take more than two months for maternity leave (Segawa 2010g).

During the leave, women can use their computers and remain up-to-date on email. Some women choose to meet with their mentors during their leave. Having lunch with their new babies at the workplace is also common, at least in this one office. These lunches keep women abreast of current issues in the company. And by maintaining some contact with others in the company, the women are able to catch up with their assignments more quickly when they do return to work. In addition, from the interviewee's point of view, taking childcare leave does not have a negative impact on the likelihood of being promoted (Segawa 2010g).

Mentors. In P&G, there are over 40 women's networks, most based on location or profession. Through these networks, women can find mentors and come to know their role models on a personal level. These mentors are helpful for answering questions about work, career, and work-family issues.

On-site Childcare Center. Some P&G facilities in the U.S. have full-time, on-site childcare centers located in or near the office building. In my interviewee's office, it is accepted practice that at 18:00, employees who must pick up their children will stop their work assignments, return home with their children, and finish their assignments at home, if necessary (Segawa 2010g).

Flexible Work (formal and informal). P&G provides an official flexible work program that includes tele-work and abbreviated work time. The percentage of women who are promoted and use these programs is only 4% (Owens 2009, 59). During my interview I learned that the informal and more widely used alternative is to take a break from work at the office for a few hours, then return to the workplace and work later to make up those absent hours. For example, if a mother went to her child's school for lunch, she might take off 3 hours, then work 3 hours later than usual to make up for the lost time. This informal flexible work program is popular at this particular P&G office. Employees negotiate individual arrangements with managers and colleagues (Segawa 2010g).

Partner's Relocation. In some situation, if both husband and wife work for P&G and one of them is relocated, P&G will try to find a job for the spouse in the same new location (Segawa 2010g).

4.3.3 Leadership Education

At P&G, there are no special leadership programs for women. All P&G leadership programs include both men and women. The programs are well known and highly regarded, and everyone who wants to take them can do so. While employees are enrolled in the leadership programs, their managers rearrange their work obligations so the employees can get as much as possible from the program. For example, it is common to postpone deadlines or to decrease task allocations so that an employee can take part in a leadership program (Segawa 2010g).

4.3.4 Challenges for the Future

Because of these strategies and programs in place and P&G's overall corporate culture, the percentage of women managers at P&G is growing annually. There are seven manager levels. The percentage of women managers decreases as the levels increase. However, at each level, the percentage of women is increasing annually. Also, the percentage of women managers varies by department. For example, the percentage is higher in marketing than in finance (Segawa 2010g).

4.4 MASSACHUSETTS INSTITUTE OF TECHNOLOGY

The Massachusetts Institute of Technology (MIT) is a private research university located in Cambridge, Massachusetts. MIT has five schools and one college, with a total of 32 academic departments, and a strong emphasis on scientific and technological research. MIT was founded by William Barton Rogers in 1861 in response to the increasing industrialization of the United States. In the past 60 years, MIT's educational disciplines have

expanded beyond the physical sciences and engineering into fields such as biology, cognitive science, economics, philosophy, linguistics, political science, anthropology and management.

MIT enrolled 4,232 undergraduates and 6,152 graduate students for the Fall 2009–2010 term. It employs about 1,025 faculty members (professors of all ranks), including 213 women, and 10,500 research, library, and administrative staff on campus (as of October 2009).

MIT's endowment and annual research expenditures are among the largest of any American university. 73 Nobel Laureates, 33 National Medal of Science recipients, and 31 MacArthur Fellows are currently or have previously been affiliated with the university. The aggregated revenues of companies founded by MIT alumni would be comparable to the 17th largest economy in the world (Massachusetts Institute of Technology 2010).

4.4.1 Diversity Management Strategy

MIT understands that diversity spans the whole array of human characteristics that differentiate and shape people, including, but certainly not limited to race, gender, culture, sex orientation, disability, socioeconomic background, age, religion, and language. Therefore, MIT has reenergized its efforts to create a culture of inclusion, so MIT can actively capitalize on its community's diverse skills and perspectives.

The HR department at MIT supports three categories of people: faculty, staff, and students. Women in staff roles face challenges similar to those in corporate jobs. The HR manager I interviewed focused on those roles as she described current programs at MIT designed to attract and retain women.

4.4.2 Programs for Women's Career Life

4.4.2.1 First step: Entry-level

MIT already has more than 50% entry-level women on its staff. There is no special program for increasing the percentage of entry-level women (Segawa 2010h).

4.4.2.2 Second step: Retention for 10 + years

While MIT offers a variety of programs designed to retain both men and women employees, there are three programs that the HR manager felt were particularly important.

1. *Flexible schedule*: There are different ways to create a flexible schedule: different hours (e.g., starting earlier and finishing earlier, 4 long days and one day at home), tele-work or job sharing. At MIT, some departments use flexible schedules, others do not use it. The decision is up to each departmental manager. Employees who want to use flexible scheduling negotiate with their managers to reach agreement in terms of fairness and productivity.

At first, the flexible schedule program was not successful. No one used it. Apparently managers were afraid about issues of fairness, and/or unsure about how to manage their people and control their work. However, with increasing budget pressures, managers began to support flexible scheduling because it is not full-time and so reduces their annual costs.

2. *Counseling*: HR staff provides counseling to help employees overcome the stresses that prevent them from concentrating on their jobs. Stress can include childcare problems, elder care, and financial problems, among others.

3. *Making communities*: MIT actively creates communities based on common hobbies and interests. For example, there is a community called “Artist Beyond the Desk.” The members of this community offer concerts during lunchtime or display their art work in departmental venues. These communities increase employee retention, because employees who feel part of a community generally want to stay in the community and at MIT. Such communities have a direct impact on retention. Indeed, the HR interviewee said that MIT’s staff employees remain longer than those at other institutions (Segawa 2010h).

4.4.2.3 Third Step: Entering Management

The HR manager at MIT felt there were two key programs that support women who want to move into management positions:

1. *Training for professional development*: Training is available to all staff employees. They learn how to lead, teach, and supervise others. This training is led by other employee volunteers.
2. *Hiring role models*: The HR manager pointed out that it is difficult to move up when employees do not see anybody like themselves in senior positions. MIT is conscious of the profiles of its senior managers, so it identifies where there are role models for women and other potentially under-represented groups. When appropriate, MIT will hire from the outside to ensure that there are role models in senior positions. The important thing is that there should be more than one role model. Having only one role model in a category is not role model; it is simply an exception (Segawa 2010h).

4.5 CHALLENGES FACING U.S. COMPANIES

Even though the percentages of women in entry level, managerial level and board positions are higher in the U.S. than in Japan, U.S. companies continue to look for ways to increase women's leadership in the workplace.

Family responsibilities related to childbirth and childcare are the most commonly cited challenges, but there are others. For example, there are gender stereotypes, such as traditional expectations about the value of a "strong male" leadership style, that create an automatic bias against female candidates for leadership positions (Eagly and Carli 2007, 88-89). Additionally, some researchers continue to insist (despite evidence to the contrary) that women are not interested in leadership positions and are not motivated to seek them (Pinker 2009, 62-91).

4.6 CONCLUSION

It is clear that many programs are similar between the two countries. Nevertheless, there are certainly programs and supports that have worked in the U.S. that may be useful for Japanese companies looking to increase their retention and promotion of women. Some modifications may be necessary because of cultural differences. However, the challenges women face in taking on leadership roles are similar in the two countries. One challenge is the entrenched bias against women taking leadership roles that exists in both countries but is much stronger in Japan than in the U.S. The other challenge has logistical components overlaid with social expectations. In both cultures, women are seen as the primary caretakers of children. Taking on a time-consuming leadership role is often at odds with family

responsibilities. Thus, finding systemic and social supports for work-life balance is a challenge that is common to both countries.

In the next chapter, I will summarize my interviews from a broader perspective, analyze the companies' accomplishments, and highlight common problems that need to be addressed.

CHAPTER 5

ANALYSIS

5.1 CURRENT SITUATION IN JAPANESE COMPANIES

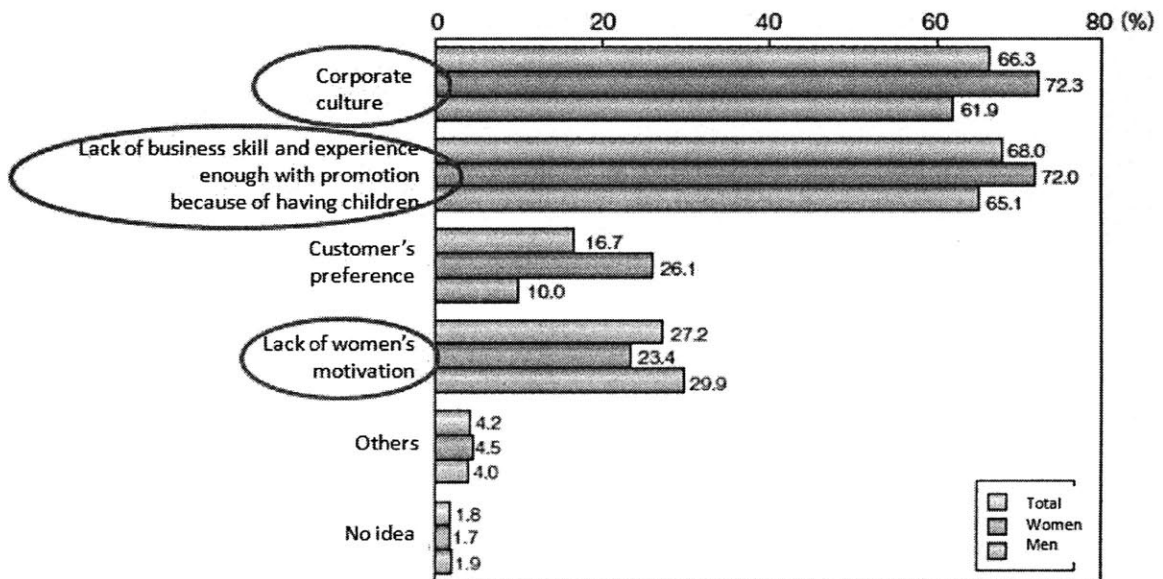
Japanese companies are making some efforts to increase women's participation in the workplace. However, it will take time to achieve substantial results, because even in the United States, where affirmative action began 20 years ago, women still struggle with workplace issues. While the metaphor of a "glass ceiling"—describing situations where women cannot reach top levels of management (Hymowitz & Schellhardt 1986)—has been in use for some time, the current situation can more aptly be described as a "labyrinth" (Eagly and Carli 2007, 5-7). Although there are a few examples of women who have reached the top positions in U.S. organizations (Carly Fiorina at Hewlett-Packard; Meg Whitman, former CEO of e-Bay),⁴ most women still face many obstacles trying to pursue paths to the top of organizations.

In Japan, where the culture is more conservative than in the U.S., it will take much more time to achieve similar results. One could say, "It is only a matter of time. Changes will surely be made in the long run." Such a stance is too optimistic, however. Women in Japan face many more obstacles than women in the U.S. as they try to move into leadership roles. Japan will need to make a concerted effort to overcome these obstacles.

Research conducted by the Japanese government (Gender Equality Bureau 2009) shows that there are obstacles at the corporate level and at the individual level. Potential obstacles are (a) lack of equality in the corporate culture; (b) lack of support for work-life

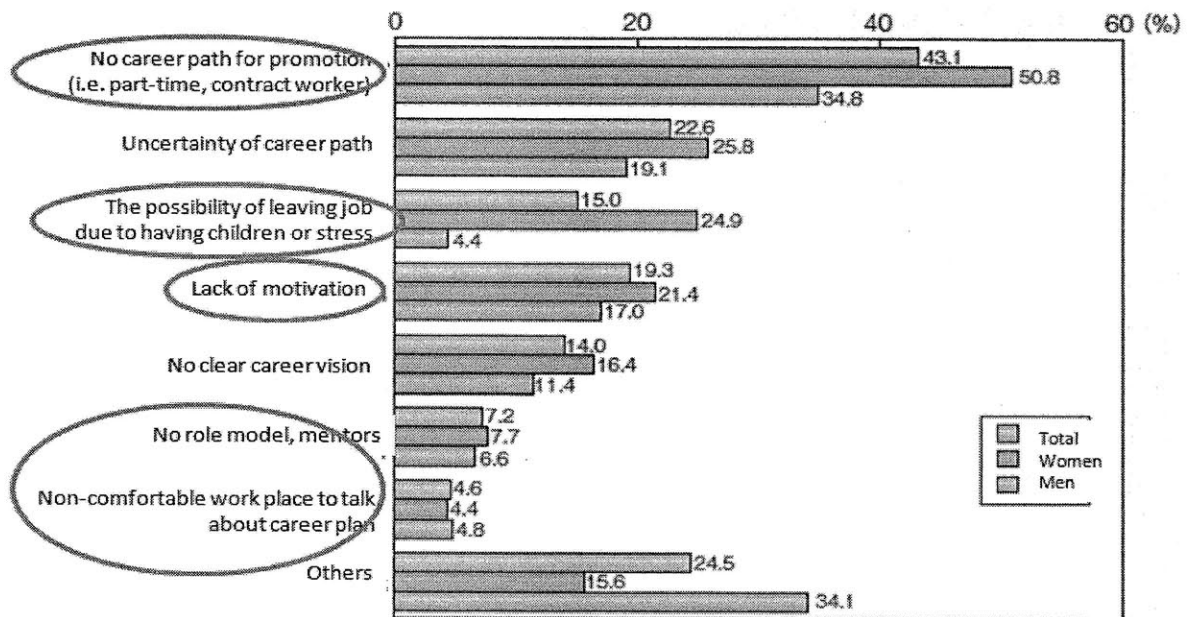
⁴ For a list of the 12 female CEOs of *Fortune 500* companies, and 25 CEOs of *Fortune 1000* companies, see: <<http://www.infoplease.com/spot/womenceo1.html>>.

balance; (c) barriers to promotion opportunities based on job status or lack of support from the HR system; and (d) lack of motivation on the part of women themselves (see Figure 5-1 and 5-2).



Source: (Gender Equality Bureau, 2009)

Figure 5-1. The perception of the reasons why women do not have enough promotion opportunities compared with men (multiple answers allowed)



Source: (Gender Equality Bureau, 2009)

Figure 5-2. The reasons why women believe their career paths are limited (multiple answers allowed)

My assessment of the current situation in Japan comes from the interviews I conducted with management personnel in eight Japanese companies. Since this is a small sample, I realize that my information is not representative of all Japanese firms. Nevertheless, the corporate policies cited in these interviews provide a window into the existing supports and current obstacles women find as they seek leadership opportunities in Japanese companies.

5.2 OPPORTUNITIES FOR WOMEN IN JAPANESE COMPANIES

All of the Japanese companies where I conducted interviews have taken a variety of steps to increase the participation and leadership of women in their workforce. All companies have a diversity management team, often focused on opportunities for women. All have

implemented programs in two key areas: hiring into entry-level positions and retaining women. Some companies have implemented programs for promoting women. Table 5.1 summarizes results from the companies I surveyed. It also includes an overview of the programs in place to support women in each company. All but one have been allowed to use the *Kurumin* mark, having been certified as supporting work-family balance by the Japanese government.

What is clear from Table 5.1, as I mentioned before, is that the companies that created their diversity management teams early now have more programs in place to support women. For example, Manufacturing H created its diversity team in 1999, five years before any other company in my sample. Manufacturing H already can point to significant results in the numbers of entry-level women employees, retention of women, and women in managerial positions. Some companies achieved measurable results in a few years, while others do not have the data to determine results.

Table 5.1(a) Summary of Interviews with Companies A-E

			Telecom A	Trading B	Transportation C	Trading D	Manufacturing E	
Industry			telecom	trading	transportation	trading	manufacturing	
Established			1999	1950	1987	1947	1920	
Number of employees			5,800	5,832	61,040	5,886	40,549	
Created diversity management team			2008	2007	2007	2006	2006	
Received government "family-friendly" certificate			2008	2008	2008	2008	N/A	
Family friendly, Women improvement award ¹			No	No	No	No	Yes	
P r o g r a m s	For entry-level	Quota	No	No	No	No	No	
		PR at recruiting website	Yes	No	Yes	Yes	Yes	
	For retention and work family balance	Child care leave	3 years	2 years	2 years	2 years	3 years	
		Flexible hours	Yes	Yes	Yes	Yes	Yes	
		Abbreviated hours	Yes	Yes	Yes	Yes	Yes	
		Cafeteria plan for benefits	Yes	Yes	Yes	Yes	Yes	
		On-site child care center	No	No	Yes	Yes	Yes	
		Tele-working	No	N/A	No	No	Yes	
		Re-employment program	Yes	No	Yes	Yes	Yes	
	For promotion	Quota	No	No	No	No	Yes	
		Special program for promotion	No	No	No	No	Yes	
		General seminar and forum	Yes	No	Yes	No	Yes	
	R e s u l t s	Ranking ²	Attractiveness	-	11	10	12	24
Attractiveness for women			-	36	19	39	29	
Best work place			-	-	-	48	4	
percentage of women		entry-level	before	20%	N/A	15%	N/A	N/A
			after	25%	20%	20%	20%	20%
			change	+5%	N/A	+5%	N/A	N/A
		10+ years	before	N/A	N/A	50% ³	N/A	N/A
			after	10%	N/A	70% ³	N/A	N/A
			change	N/A	N/A	+25%	N/A	N/A
		manager	before	1.7%	1.1%	38ppl	N/A	73ppl
			after	1.9%	3.1%	102ppl	20ppl	303ppl
			change	+0.2%	+2%	doubled	N/A	four times

Footnote

¹ Family friendly or women's improvement award is conducted by Japanese government or other private organizations

² All rankings are conducted by the Nikkei Shimbun in 2009

Table 5.1(b) Summary of Interviews with Companies F-H, P&G, and MIT

			Bank F	Manufacturing G	Manufacturing H	P&G(US)	MIT(US)	
Industry			bank	manufacturing	manufacturing	manufacturing	university	
Established			2001	1875	1918	1837	1861	
Number of employees			8,277	33,520	19,453	135,000	11,525	
Created diversity management team			2005	2004	1999			
Received government "family-friendly" certificate			2008	2007	2007			
Family friendly, Women improvement award ¹			Yes	Yes	Yes			
P r o g r a m s	For entry-level	Quota	No	No	Yes	No	No	
		PR at recruiting website	Yes	Yes	Yes	Yes	No	
	For retention and work family balance	Child care leave	13 months	3 years	18 months	1 year	3 months	
		Flexible hours	Yes	Yes	Yes	Yes	Yes	
		Abbreviated hours	Yes	Yes	Yes	Yes	Yes	
		Cafeteria plan for benefits	N/A	Yes	Yes	Yes	Yes	
		On-site child care center	No	No	No	Yes	Yes	
		Tele-working	No	Yes	Yes	Yes	Yes	
		Re-employment program	Yes	Yes	Yes	Yes	Yes	
	For promotion	Quota	Yes	No	Yes	No	No	
		Special program for promotion	Yes	Yes	Yes	Yes	N/A	
		General seminar and forum	Yes	Yes	Yes	Yes	N/A	
	R e s u l t s	Ranking ²	Attractiveness	74	45	-		
Attractiveness for women			-	-	-			
Best work place			34	18	17			
percentage of women		entry-level	before	N/A	22%	10%		
			after	50-60%	32%	30%		
			change	N/A	+10%	+20%		
		10+ years	before	92% ³	N/A	35%		
			after	97% ³	N/A	48%		
			change	+5%	N/A	+13%		
		manager	before	N/A	0.8%	1%		
			after	N/A	2.9%	3%		
			change	N/A	+2%	+2%		

Footnote

³ calculated as 100% - turnover rate of 10+ years women

It is my contention that additional programs exist that would enable Japanese firms to increase the participation and leadership of their women employees. Some of these programs have been effective in both the U.S. and Japan; some only in Japan. In Section 5.3, I describe existing programs used by the Japanese companies I interviewed. In Section 5.4, I discuss some remaining obstacles and challenges.

5.3 EXISTING PROGRAMS THAT SUPPORT WOMEN

5.3.1 Basic hiring and retention programs are in place in most Japanese companies

All eight companies I studied have diversity management strategies and diversity management teams. The strategies began in these companies during the period 1999 to 2005 -- before or at the same time that the Japanese government began to treat the low birth rate as a serious problem. All eight companies have achieved some positive results in increasing the number of entry-level women employees and women managers, and in improving their work-life balance programs.

Manufacturing H created its diversity management team in 1999, the earliest to do so among the companies I interviewed. Two companies created their teams in 2004 and 2005 -- about the same time the Japanese government enhanced its work-life balance policy in 2005. These government changes were the catalyst for many Japanese companies to improve and expand their programs for retention and work-family balance. From 2006 to 2008, the remainder of the eight companies created their diversity management teams. Seven of the eight companies, as noted earlier, received a certificate from the Japanese government in 2007 or 2008 recognizing them as being “family friendly.”

Entry-level Women Employees

Although seeking to increase the number of entry-level women employees, seven of the eight companies do not set a quota. However, all companies but one told me that the percentage of entry-level women employees increased about 25 to 30% after they became conscious of hiring more women. Although the percentage varies from department to department, all eight companies hire women for entry-level positions at the same rate as apply. For example, in the sales and marketing department, women students are almost 50% of all applicants; they are hired in almost the same percentage. In the R&D department, women students are about 10% of all applicants and represent about 10% of new hires.

At this time, the people I interviewed feel that their companies are satisfied with their recruiting programs. They feel they have as many women applicants as is appropriate. They do not feel that further programs are necessary.

Retention Programs

In terms of retention programs, there is little difference among the eight companies. Almost all offer childcare leave, flexible hours, abbreviated hours, and cafeteria plans as benefits. Only half of the companies have introduced on-site childcare centers and a tele-work option. They have not yet been introduced mainly because of the costs involved although some have specific situational problems.

Promotion of Women

The companies that created their diversity management teams early also started earlier with special programs aimed at promoting women, such as education programs. These companies have achieved higher increases in the number and percentage of women managers.

In comparison, the companies that created their diversity management teams later do not have special educational programs to support women who hope to move into management. It appears that it takes time to create effective educational programs.

It is important to recognize the impact the entry-level hiring and retention programs have had in Japanese companies. In the past 10 years, many companies have begun to offer support for women to move into entry-level positions and to remain employed while starting a family. I believe the recent increase in women's participation in the workforce is directly related to these supports. Note, however, that this increased support was, in many instances, driven by the Japanese government's mandate for change.

5.3.2 Companies with strong leadership can set milestones and achieve results.

Among the eight companies, those that started diversity management programs earlier than the others also had strong leadership support for increasing the number of women in the firm. While all eight companies indicated that it was a CEO-level decision to focus on diversity management, the strongest statements came from Manufacturing H and Bank F. For example, Manufacturing H's former CEO, in a newspaper interview not related to diversity management, described his passion for improving women's opportunities (Nikkei 2009). He said he learned about the importance of women's participation in the workforce from his business experiences outside of Japan.

When the former Manufacturing H CEO created the company's diversity management team, there were specific targets for the team. The first goal was to increase women in entry-level positions by 30%. The second goal was to increase women managers three-fold within three years. The first milestone was achieved after only one year. Even

though the second milestone was not achieved within three years, the policies were making a difference. Managers did not promote women merely because they were women. Instead, women were educated and trained sufficiently so they were qualified for managerial roles. The company achieved the second milestone within five years (Nippon Keidanren 2007, 153-170).

My research suggests that both in Japan and in the U.S., strong leadership from the CEO level makes a difference in generating urgency for organizational change. In turn, this enables programs that support women to be put in place more quickly and with more impact.

5.3.3 Companies facing challenges can increase women's opportunities

When confronted with a serious situation, such as bankruptcy, a company may actually increase the number of opportunities available to women. For example, Bank F faced bankruptcy, and most of its male employees left the company. However, female employees had few options to seek jobs elsewhere, or they did not have the skills to move to a different firm. Out of necessity, Bank F offered leadership roles to women, including training to help them acquire the needed skills.

Some might say this was not a good opportunity but rather a last-ditch effort to rescue a sinking ship. In my opinion, this was actually a good opportunity for women. In an urgent situation, sometimes transformative organizational changes become possible. In more moderate times, companies may try to change the organization in an incremental way that takes time. In this instance, the crisis gave women a chance to quickly take on top positions.

Existing supports for women's participation and leadership in Japanese companies are particularly effective for entry-level hiring and retention in terms of changing the demographics of organizations.

5.4 OBSTACLES TO IMPLEMENTATION

Several obstacles confront women who wish to move into management positions in Japanese companies, or who—at a minimum—hope to benefit from supportive work-family programs. These obstacles represent opportunities for companies to increase their efforts to support women. What follows are four obstacles that were repeatedly cited in my interviews.

5.4.1 Obstacle 1: Lack of equality in corporate culture

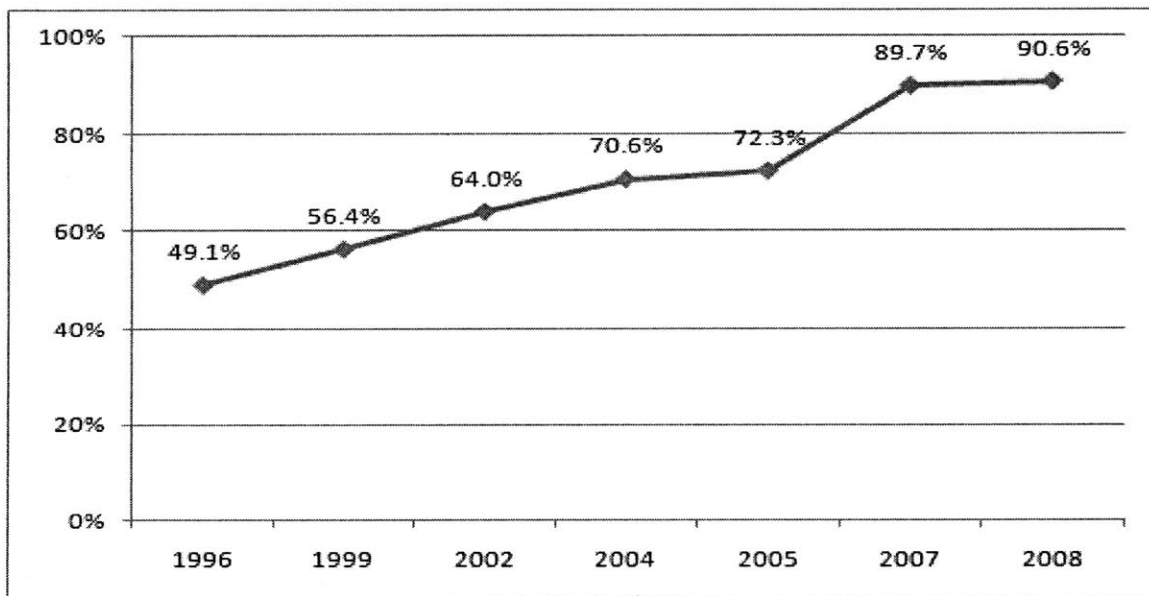
All the companies where I had my interviews have a lack of gender equality to some degree. The percentages of women in entry level positions, remaining with the company at least 10 years and in management positions are low. Although diversity management teams are promoting programs to increase the number of women in the workplace, their results have often been small. Only a few companies make public the results of their efforts to retain women and to move women into management positions. Some of the figures cited in Table 5.1 were taken from public sources, such as the firm's corporate social responsibility report or the company's website. I gathered other figures from personal interviews. Most interviewees said they have not measured the results. Of the eight companies I studied, only one informant could offer precise information about the impact of the programs it had implemented. This company set quotas for entry-level women and measured the results. It also measured effects and changes in women's retention.

In addition, gender allocation is unbalanced across departments. For example, Manufacturing G and Manufacturing E have mostly women managers in corporate staff departments, but few in sales. In most firms diversity management is seen as “women's work.” In each company where I conducted interviews, the person in charge of the diversity management team was a woman. Most teams are made up of two specialists and a few

additional members—and the two specialists are women. Perhaps it is reasonable to allocate women to this position because the team’s main focus relates to women. At present the diversity management team itself seems to be on the “Mommy track.”

5.4.2 Obstacle 2: Lack of support for work life balance

Working women face many demands on their time. The challenge is how to provide for their families while contributing to their workplaces. As mentioned in Chapter 3, almost all companies offer maternity leave, childcare leave, flexible hours, abbreviated hours, and cafeteria plans as benefits. Of these, maternity leave and childcare leave are quite popular for Japanese working mothers. Over 90% of Japanese mothers whose companies have childcare leave programs and who do not leave their jobs will first take maternity leave followed by childcare leave (see Figure 5-1).



Source: Ministry of Health, Labor, and Welfare, 2009

Figure 5-1. The rising trend of women who take childcare leave

Some Japanese companies offer tele-work and flexible hours as an incentive. Both of these options offer employees the ability to spend more time at home while still working full-time.

Tele-work

Tele-work uses the latest information technology such as e-mail, VPN access, and the Internet to enable working mothers to work from home and spend their time with their families as well. One key advantage is removing the time spent commuting, enabling the employee to fulfill additional obligations to the firm or to family commitments. However, only half of the Japanese companies I interviewed have introduced tele-work. In addition, few employees have opted to use tele-work in the companies that have introduced it. One reason for this may be that tele-work does not fit well within the Japanese work culture where face-to-face communication is important. The traditional Japanese office layout looks like a small island where boss, senior employee, and junior employees all face each other, and each person can see every other person's face. There is no privacy. At the same time, this island makes it is easy to maintain strong communication channels. Everyone can hear what is being said. The challenge with tele-work is that it greatly reduces the amount of communication.

Furthermore, Japanese companies evaluate employee performance more by ascription than achievement⁵ (Trompenaars and Turner 1998, 106-119). The wage system is traditionally based on seniority, not on performance; on being in the office and visible. With less communication and a lack of visibility in the workplace, tele-work is challenging for

⁵ Achievement refers to someone's accomplishments and ascription refers to status from gender, age, family, network, and schooling.

Japanese companies and employees to adopt.

Flexible Hours

Programs that offer flexible hours also have low usage. Most companies offer flexible hours only to researchers in R&D centers. Across the company as a whole, use of flexible hours is low. Those I spoke with in Japanese companies say that flexible hours are not considered suitable for other departments because such a program would make it harder for people to work together. Some U.S. companies that offer flexible hours specify core working hours as well and employees have their meetings during that core time.

Despite the variety of programs provided to support working women, the retention rate for first-time mothers is around 25% and has been so for many years (Gender Equality Bureau, Cabinet Office 2009). The current trend is for more women to take childcare leave, not for more to remain in the workforce. The challenge facing Japanese companies is how to encourage women to return to the company full-time after taking childcare leave.

5.4.3 Obstacle 3: Barriers to promotion opportunities

The Gender Equity Bureau research (Figures 5-1 and 5-2) identified three barriers to promotions for women: (1) Lack of skills and experience (because of staying home with children), (2) Lack of career path (due to part-time status or being a contract worker), (3) Lack of career guidance. These barriers were also identified in some of the companies where I had my interviews.

Lack of skills and experience is a barrier at Trading B and Trading D. Those I interviewed explained that overseas assignments are criteria for promotion and yet some,

otherwise qualified, women are not promoted because they did not take those assignments. The diversity management team has not found a solution for that as yet. Transportation C and Telecom A also face this barrier, but those firms, in order to compensate for lack of experience during childcare leave, have started "Recovery Programs." These programs include subsidies for e-learning (education via internet) programs and support for earning MBAs. In addition, these companies created new evaluation systems that equate the value of a diploma gained from a recovery program to job experience. Going a step further, Bank F changed their HR system drastically so that women could be promoted within one job area (such as bank teller) without needing to move across departments in one branch or geographically to other branches.

One company addressed the situation where a woman's career path was considered blocked because of her part-time status. Bank F introduced exchange programs for full-time and part-time work. Women can change their work status whenever they want. To create this exchange program, Bank F bank increased the hourly wage for part-time workers to the same level as full time workers.

Half of the eight companies have introduced special educational programs to support women who wish to be promoted. These programs have a variety of components. Career guidance and career planning are often included.

Thus, across the companies where I interviewed, there are examples of how to address all three barriers, some just recently implemented. I was unable to learn the results from any of these interventions. Nevertheless, what is important here is that these barriers for promotion have been identified across the firms where I interviewed as significant enough to require a thoughtful, concerted response.

5.4.4 Obstacle 4: Lack of motivation

– Unlike the previous three that are organizational issues, the fourth obstacle, lack of motivation, is formed at the intersection of the company and the women who work there. I was told during my interview at Telecom A that there were challenges to motivating women. In particular, the interviewee said that “care” programs are not enough to increase women’s motivation. The diversity management team plans to offer additional personal mentoring and coaching. As in Telecom A, the interviewee at Transportation C said that there are some women (and men) who are reluctant to seek promotions because they worry about relocation.

Four of the eight companies mentioned that the lack of role models had a direct, negative impact on women’s motivations. Across all eight companies, the percentage of women managers is never more than 3%. It is obvious that women employees rarely see women managers in the work place, so those women cannot watch and possibly experience what it would be like to be a manager. Without those role models it is also difficult for women to get feedback about their career from female managers or from male managers who know female managers well.

5.5 OPPORTUNITIES FOR WOMEN IN U.S. COMPANIES

Diversity management is an important issue in U.S. It includes not only gender but other factors such as race, religion, and sexual preference. Looking specifically at women’s leadership and work-life balance, U.S. companies have already spent a number of years making substantial efforts towards improvement. They have achieved some significant results.

In terms of retention or work-life balance programs, it is impressive that there are many mentoring services, on-site childcare services, and flexible working options. Japanese

companies lack these programs. Furthermore, in terms of promotion, even though there are a large number of women managers in the U.S., companies still offer additional education programs to women supplementing hard and soft personal skills.

5.6 CONCLUSION

Japanese companies have begun to increase the number of women in the workforce and in leadership positions by introducing a variety of programs. However, there are a number of obstacles which could perhaps be overcome by emulating U.S. best practices. In the following and final chapter, I will offer recommendations for increasing Japanese women's leadership and work-life balance.

CHAPTER 6

RECOMMENDATIONS

6.1 INTRODUCTION

As noted in Chapter 1, current Japanese demographic trends forecast a significant decrease in the Japanese population. This may well result in far fewer workers in the country and lead to serious economic decline and instability. Therefore, prompt and strong action needs to be taken to prevent such a situation from occurring.

As I discussed in Chapter 5, Japanese companies need to overcome several obstacles. This thesis focused on two key actions: first, to increase women's participation and leadership in the workforce so as to increase the number of people working; and second, to increase support to families that desire to raise children while both parents participate fully in the workforce. This may have the effect of increasing the birthrate even as the workforce grows.

In order to undertake these two actions, Japan can learn from other countries to identify and implement solutions. Some best practices can be adopted from the U.S. without modification (see Figure 6-1), other practices may require modification to fit into the Japanese culture and traditions. Some practices should not be adopted at all.

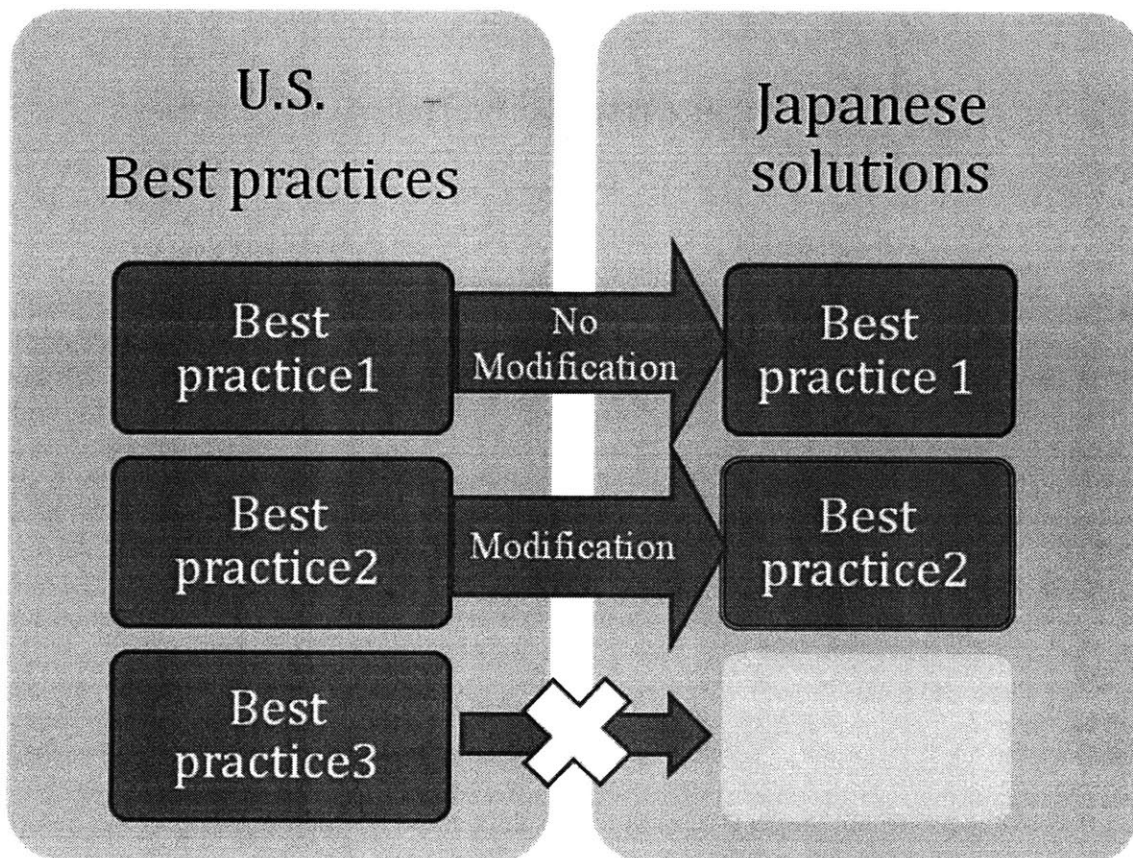


Figure 6-1. Possible Japanese solutions

There are three groups that need to work in concert to bring these solutions to Japan:

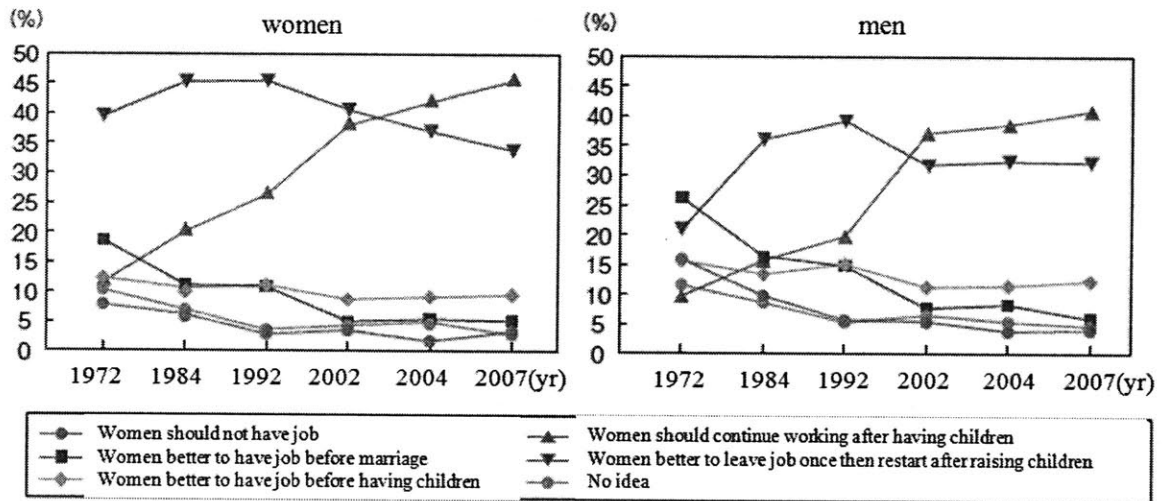
- The *Japanese government* needs to accelerate change by introducing laws and setting standards that promote women’s work participation and leadership. It should also set minimum guidelines to support families with children.
- *Japanese companies* need to focus more on supporting women’s participation and leadership. What has been done so far has been effective and yet so much more can be done. These programs need to fit with each company, however, and not be formulaic “off the shelf” offerings.

- Finally, *Japanese women and men* need to change their mindsets. Women and men need to be aware of and support the women's desires to be successful and lead in the workplace.

In this chapter, I offer some recommendations for the Japanese government, Japanese companies, and Japanese people to increase the number of women in leadership positions and to increase their overall participation in the workplace as well as provide support for families raising children. I will focus primarily on what Japanese companies can do, because the actions companies take can create lasting and systemic change. In presenting my recommendations I will start from the individual, build to the organization, and then move to the government.

6.2 INDIVIDUAL STRATEGIES

Based on public opinion research conducted by the Japanese government, the career view for women is changing. Almost 50% of Japanese women and men believe that women should continue working after they have children, in contrast to earlier beliefs that women should leave their jobs, and then start working again only after raising their children (see Figure 6-2).



Footnote: participants are all Japanese who live in 47 prefectures. Around 3,000 people replied among 5,000 random sampling.

Source: (Gender Equality Bureau, Cabinet Office 2009)

Figure 6-2. Changing public view of careers for women

Clearly, there is support for working women to continue their careers while raising children. However, in order to make this a reality, individuals need to take certain actions. Change will not happen quickly if only companies and the government implement initiatives. Individuals must also change. A consideration of how they must change follows.

6.2.1 Self-Motivation for Women

Traditionally, Japanese women have been taught by their families to be good wives and mothers and, while waiting to get married, women have taken administrative jobs. Women were not encouraged or expected to continue their careers or to move up the corporate career ladder. In order to break with that tradition, Japanese women will need to change their own attitudes and motivations. They will need to change their own expectations and aspire to life-long careers. They will need to plan their own

self-development. Self-development builds self-confidence, which in turn will enable them to be resilient when overcoming obstacles.

6.2.2 Greater Support from Men

As women increase their career aspirations, men need provide more support in the ways they think about the role of women in business. In the workplace, their attitudes affect women's work participation and improvement. Male managers should encourage their female direct reports and colleagues and explicitly support opportunities for women. In the office, men can support women's careers and refrain from blocking women who seek advancement just because they are women. Similarly, at home, men's attitudes affect women's family responsibilities. Male partners should participate more in family responsibilities and encourage their female partners to take more time to focus on their business careers. At home men can specifically devote more time to participating in their families.

6.2.2 Personal Networking

In general, the Japanese business culture is described as family style compared to U.S. (Hampden-Turner, 1998, 162-170). It implies that Japanese business women (and men) usually have tight relationships with their colleagues, their bosses, and their families but they do not have close relationships with others beyond their immediate colleagues. However, in the U.S. and in some Japanese companies, having role models, mentors, and a wide-ranging network may make a difference for those who want to advance their careers.

The issue is how to encourage networking in the Japanese culture. For men, there are many entrenched customs around networking after business hours, such as happy hours drinking, Karaoke, and golfing. However, if a business woman has to balance work and

family, there is not enough time for her to join these networking customs. Creating different networking opportunities after business hours does not work either. A solution must be found during business hours or in the few instances when the family understands that business needs require the woman to meet with work colleagues outside working hours.

For solutions during business hours, organizations can provide opportunities that support networking. In addition, women can use their lunch time, which is recognized as their free time. Women can also meet other working women at business meetings, even reunions and community meetings.

Of course, a few face-to-face opportunities are not enough. One possibility to enlarge networking opportunities for women is the Internet; in particular social networking services such as Mixi. Started in 2006, Mixi is the biggest social networking service in Japan. In Mixi, people use a nickname to hide their true identity while meeting others. If you know someone's nickname, you can contact him/her. Mixi users get to know each other by reviewing each other's web diaries, music choices, and book recommendations. In addition, Mixi is useful for networking. Like Facebook in the U.S., Mixi connects friends to friends' friends. These connections encourage people to seek out others, which enables people to develop a wider network from which to find role models and/or mentors. Social networking services make it possible to enhance relationships between those who have limited time for face-to-face communication. Women who want to be leaders and need role models and mentors may need to go beyond their company boundaries and utilize these social networks.

6.2.3 Communication and Negotiation

Japanese women need to be more proactive in their communications and negotiations with their managers and families. This will be hard to do. The Japanese culture

values seniority and hierarchy. Men have the positions of power. These cultural standards make it hard for Japanese women to communicate their preferences and negotiate for what they want. Yet, without communication and negotiation, women will not achieve their goals. To achieve leadership positions, women and men have to change their customs. And to do this, they need to be free to exchange opinions and ideas.

Japanese women must be willing to learn the communication and negotiation styles that fit their circumstances. If Japanese women tried to use the tougher negotiating style prevalent in the U.S., I do not believe they would be successful. I recommend that women prepare for negotiations by quietly laying the foundation in advance (called *nemawashi* in Japanese). In this process women would explain their desires, concerns or next steps informally, one-on-one, to all parties involved. In this way women could influence outcomes before the decisions are made.

As stated above, to improve their leadership and work-life balance, women should prepare individual strategies for improving self-motivation, personal networking, and communication (negotiation). Also, men should actively support those women who aspire to remain on the career ladder. Men's support is key to enabling changes in the organization, in society, and in the Japanese culture.

6.3 ORGANIZATIONAL STRATEGIES

In this section, I recommend some organizational strategies to increase women's participation and leadership in the workforce. As I have shown, Japanese companies do have some programs in place that have increased the percentage of entry-level women. While some companies have yet to address this issue, there are some "best practices" established in

Japanese companies that do increase the percentage of entry-level women. These practices need to be implemented in other companies.

As pointed out in Chapter 5, companies have to overcome four obstacles: Obstacle 1: Lack of equality in corporate culture, Obstacle 2: Lack of supports for work life balance, Obstacle 3: Barriers to promotion opportunities and Obstacle 4: Lack of motivation. These obstacles can be overcome by introducing some U.S. “best practices” and learnings that have been developed over the past 20 years. I have ten recommendations to help resolve these obstacles.

(1) Executives’ commitment

As mentioned in Chapter 5, a company that has effective leadership support for women in the workforce can achieve positive results. The executives’ commitment should be so strong that all employees are convinced of the necessity of increasing women’s leadership and improving work-life balance. The executives can remind employees of the shared goal. They can show the positive effects on the organization from the programs already in place and reiterate the expected results from future programs. In addition, they can publicly encourage the diversity management teams to continue their efforts. They also need to be patient for good results take time.

(2) Accountability of all participants

All participants should be held accountable for the success of these programs. The diversity management team should show how the company’s action plans have progressed and provide guidance and training to managers and other employees. The team should expand its responsibility from headquarters level to branch level. In addition, managers who

are in charge of recruitment, retention, and promotion should make sure that they offer their female employees opportunities for education, training, support and promotion.

(3) Measuring and monitoring

Measuring and monitoring are critical processes. My research found that companies that measured and monitored results achieved more success in increasing the number of women in senior positions and in the workforce overall than those companies that did not measure or monitor results. Measuring and monitoring also helps managers and executives review the effectiveness of their programs and suggest next steps.

Companies should go beyond the usual measurements such as the number of women managers. For example, they might measure how many women managers have families and children, how many years did the women work before becoming managers, how many women are willing to be board members, and how many women quit their jobs after becoming managers and for what reasons. Based on these figures, companies can identify problems that need to be resolved to increase their success in promoting and retaining women.

(4) Education

Organizations should provide education and training programs for both women and men, but the characteristics are slightly different.

Education for women. Women need to improve their self-motivation, communication and negotiation ability, and networking. Companies can offer education programs to expand and improve business skills, such as financial acumen and operations

management and “soft skills” such as assertiveness and communication as well as offering career planning and guidance.

Education for men. Men’s involvement in encouraging women is also critical. Many male managers simply do not know how to manage female direct reports. In addition, women managers may encounter problems with male direct reports who have negative images of female managers. To reduce these problems, organizations can offer training for men. This is particularly effective when combined with commitment from top leadership.

(5) Reduce gender imbalance

Gender allocation is not balanced across departments. For example, as mentioned in Chapter 5, the work of the diversity management team is seen as “women’s work”. Hiring and promotion guidelines should encourage managers to move women into departments where they are currently under represented. Men must be involved into order to bring about changes in the traditionally male-dominated Japanese culture. Unless senior men are involved in creating more leadership opportunities for women, the situation will not change.

(6) Continue and extend current programs

Japanese companies have put many programs in place to support women in the workplace. These programs have been helpful; they should be continued. And yet more should be done. The challenge facing Japanese companies is how to encourage women to return to the company full-time after taking childcare leave and how to ensure that these women get the training and experience they need so they can continue to be promoted. To help mitigate the demands on working women’s time, companies should always be open to trying new programs. As an example, I recommend more adoption of flexible hours. A

program offering flexible hours could be used in any department. The department specifies a core working time where all employees must be present; employees have their meetings during that core time. While tele-work may be appropriate for some situations, it is less appropriate in the Japanese culture. Tele-work limits face-to-face communication, while flexible hours offers more concentrated face-to-face communication during defined core time periods.

(7) Customization

While various programs exist, not all women can take advantage of them. Managers should be encouraged to customize the various programs to allow each woman employee to resolve issues regarding work and family. For example, one woman might be able to accept relocation away from her family but another woman could not accept such an offer. Organizations should create flexible policies with guidelines around customization, rather than utilize one-size-fits-all policies.

(8) Breaking Tokenism

Any organization that wants to increase the number of women in leadership roles should avoid tokenism. Advancing just one woman is dangerous. Creating a critical mass of women in leadership positions is the key to avoiding tokenism. The number, however, depends on the organization. Sometimes it means more than one (perhaps, at least, three) in the same department. Sometimes it means allocating women to key positions in different departments. The important thing is to allocate women into multiple leadership positions and then fostering support and encouragement for them.

(9) Role models

Organizations should encourage women to find role models. One useful way is for the organization to create opportunities in the workplace for women to get together across departmental lines and across levels of seniority. Female board members are particularly important role models. Women who achieve those positions -- not as tokens -- but as full contributing members of the board demonstrate visibly and powerfully that the firm supports true gender equality. If a company's goal is to have women board members, it should begin increasing the number of women managers and also educating women managers to prepare themselves for board member responsibilities.

(10) Mentoring programs

Whether official or unofficial, mentoring programs are important because networking enhances women's personal development. Companies should support women by providing mentoring programs. As is true for men, it is important for women to have someone beyond their manager with whom to discuss their career plans and challenges. The challenge women face is that in an organization with few women in senior positions it is often hard for a woman to find an appropriate female mentor. Therefore, a mentoring program for women needs to include training for men to enable them to be supportive and effective mentors.

6.4 SYNERGIES BETWEEN INDIVIDUAL STRATEGIES AND ORGANIZATIONAL STRATEGIES

There are synergies across the three recommendations for individuals and the ten recommendations for organizations. For example, company education can affect individual self-awareness. Introducing role models will result in expanded individual personal networks. Individual communication and negotiation skills will enhance communication with managers, which will make customization easier. Within the organization, commitment and accountability can drive improved measuring and monitoring and reduce tokenism.

As each organization achieves improved business results through these strategies, other organizations will follow. A critical mass of organizations supporting women's workforce participation and leadership will have a large impact on Japanese society, altering the way Japanese people view women's leadership and work life balance (see Figure 6-4).

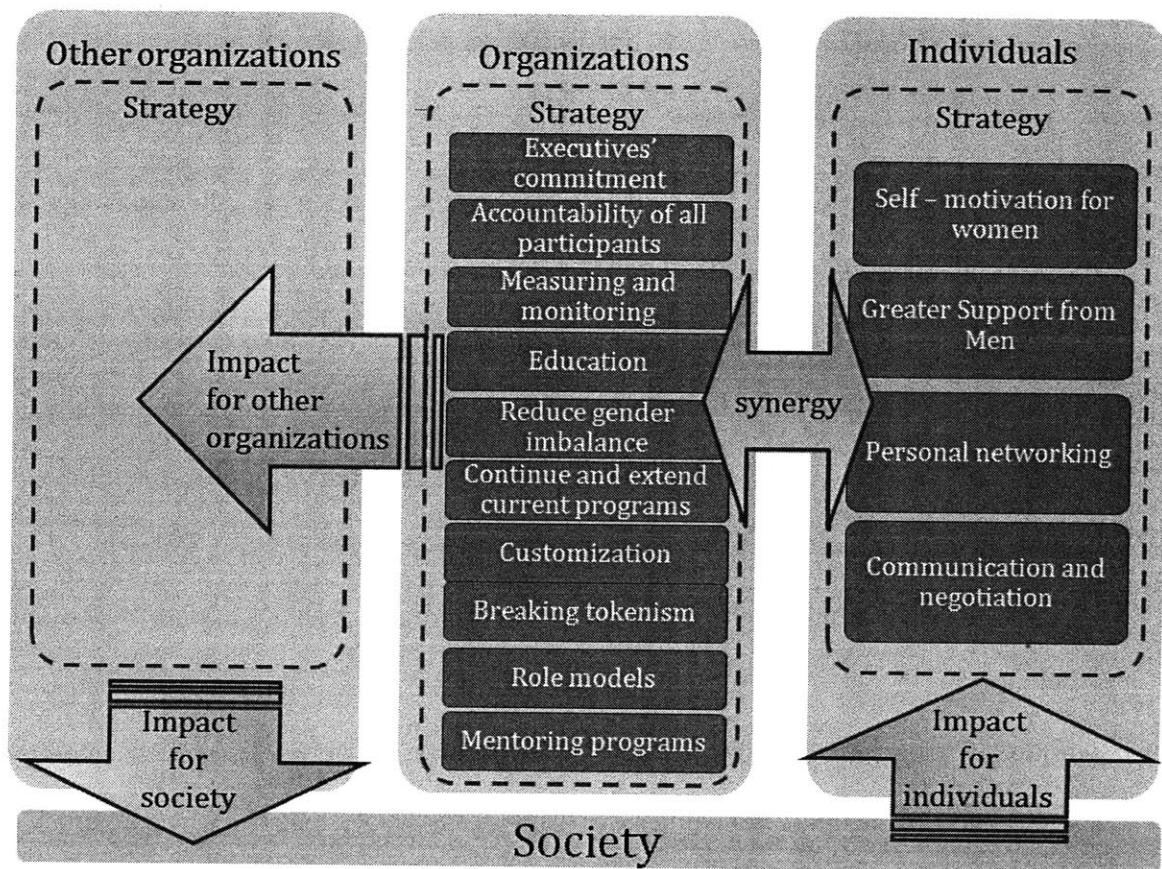


Figure 6-4. The synergy between individual strategies and organizational strategies

6.5 ORGANIZATIONAL STRATEGY BASED ON SITUATION

Each organization presents a unique situation. Some organizations started their diversity management strategy earlier than other companies. Some have achieved success in hiring and retaining women. Some have few women candidates for leadership roles, others already have many. In this section, I provide recommendations (Figures 6-5, 6-6, and 6-7) for companies based on their specific situations.

The first factor to consider is the number of women who have 10+ years of experience. If the company has a number of women who have more than ten years' experience, the company should consider promoting these women. If the women are judged

not ready for promotion, the company should investigate the reason(s). If the reason is “corporate culture,” the recommended solution is to change the culture and motivate women by educating men and women. On the other hand, if the company does not have enough women candidates who have over 10 years’ experience, then it should consider how urgent the demand is for women managers. Sometimes a company needs to increase the number of women managers during a crisis, sometimes in response to customer needs, sometimes in response to government mandates. If demand is urgent, the company should hire from outside. If not urgent, the company’s should assess its retention rate. If the rate is high, then company can wait for the women candidates to become ready (Figure 6-5).

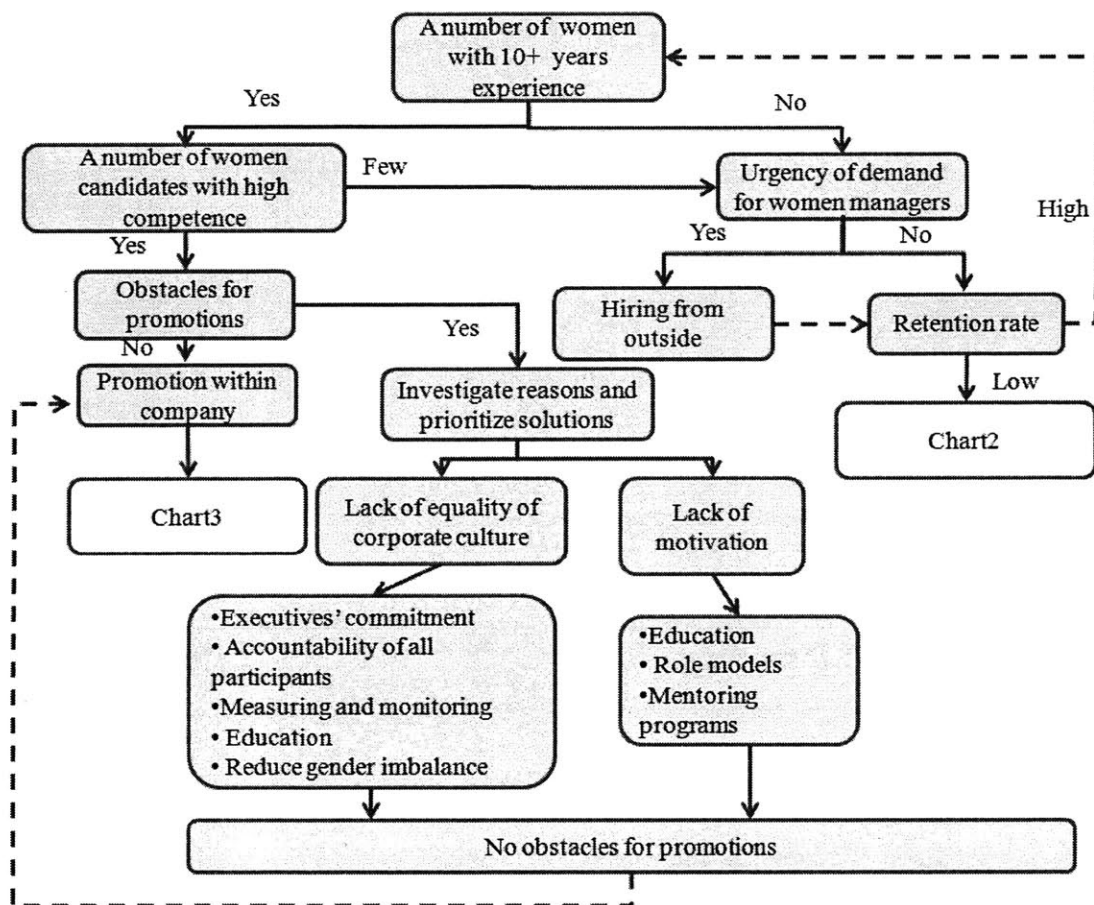


Figure 6-5. Recommendation chart 1

Second, if the retention rate is low, companies should investigate why women leave the company. Based on the results of the investigation, I have a variety of recommendations as detailed in Figure 6.6. For example, to increase the company's support for work life balance, the first step is to provide more education, then continue and extend programs such as flexible hours and tele-work. If already in place, then customization is the key. To get rid of barriers for promotion opportunities, breaking tokenism and reducing gender imbalance are recommended solutions.

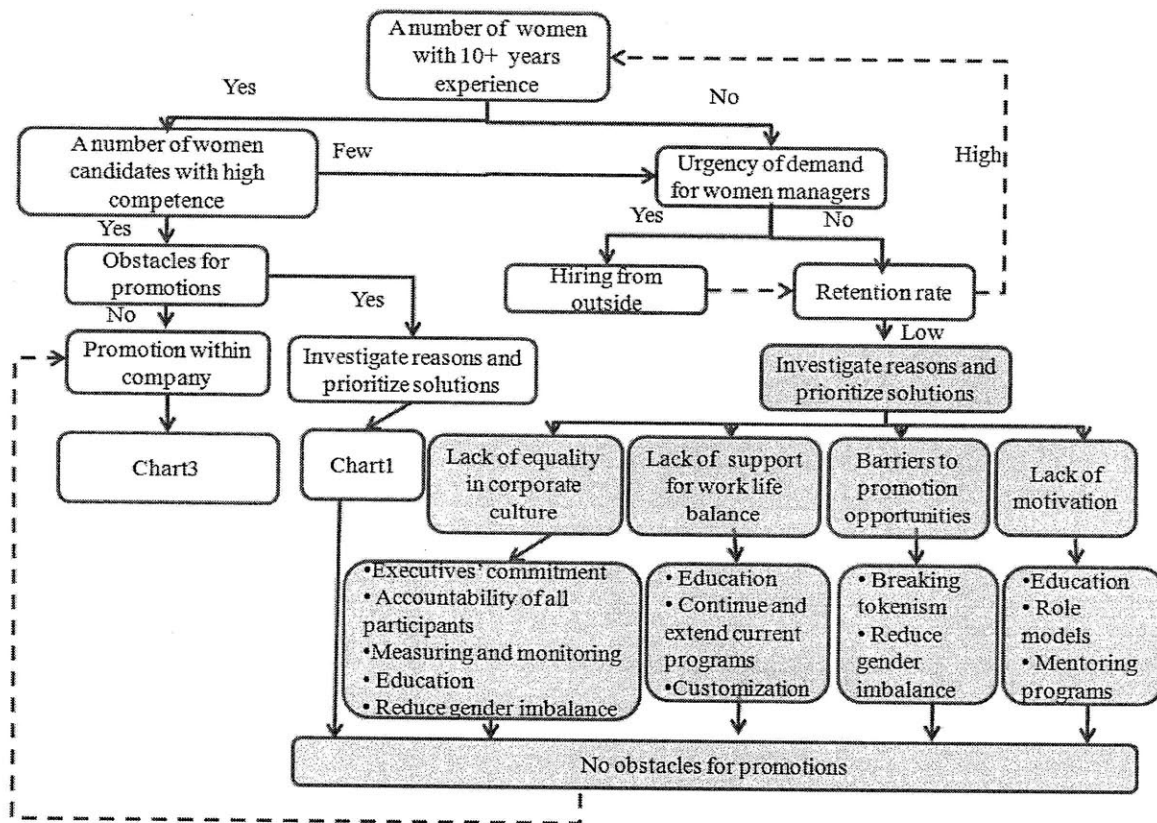


Figure 6-6. Recommendation chart 2

Third, once the number of candidates has increased and women are being promoted, the next step is to provide role models that create a reinforcing loop for decreasing gender imbalance and breaking tokenism within the corporate culture (Figure 6-7). As Figure 6-4

shows, good results in one company can cause other companies to make similar changes.

–Many firms supporting women’s workforce participation and leadership can result in social change.

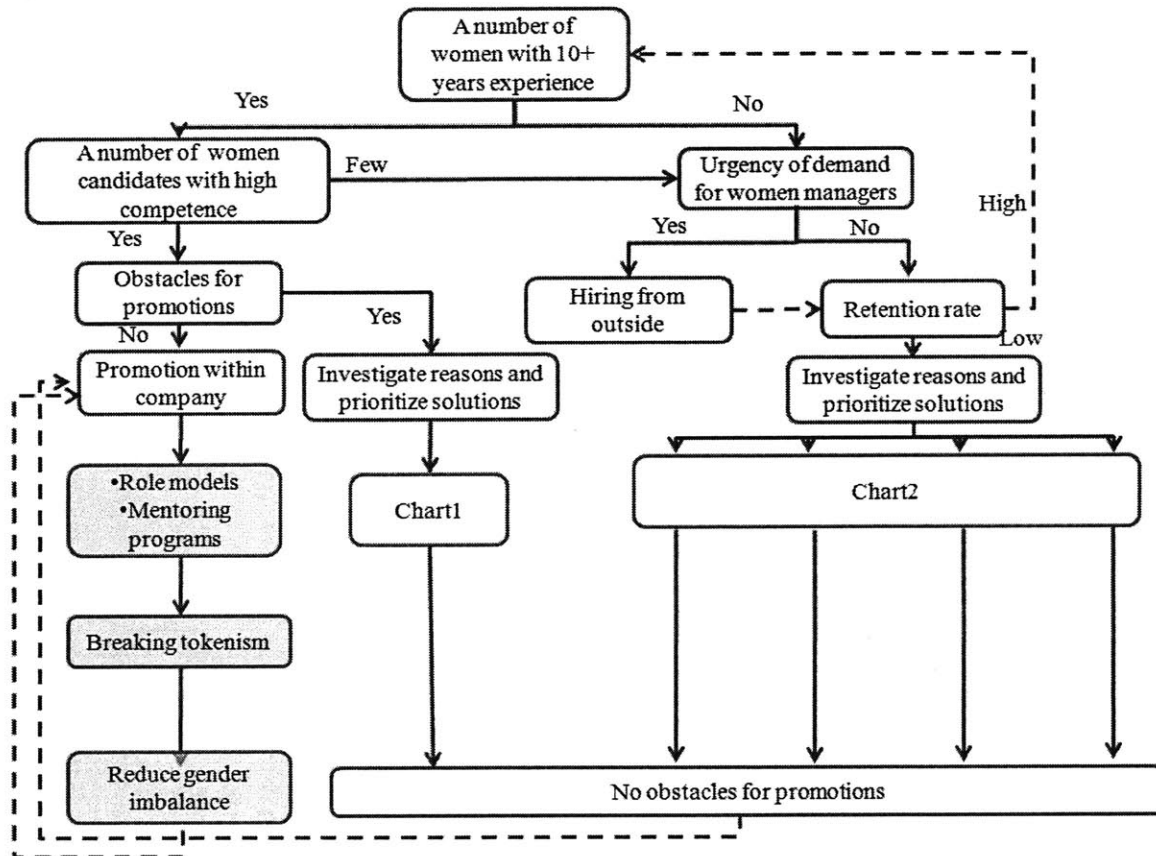


Figure 6-7. Recommendation chart 3

As described above, every company with a diversity management strategy should determine where the company is situated along the success continuum. Depending on the process and positioning, solutions will differ from company to company. Understanding the company itself is an important step toward achieving success with diversity management.

6.6 SUPPORT FROM THE JAPANESE GOVERNMENT

Currently, the Japanese government encourages companies to retain and promote women through specific laws and by offering certifications (see Chapter 2). Also, the Japanese government encourages families to have children by providing public childcare centers, and increasing subsidies for each family. I have recommendations for other programs and strategies that support women's retention and promotion that could be implemented by the Japanese government.

6.6.1 Supports for Women's Retention

Supporting Work-Life Balance

As a strategy for supporting women's work-life balance, the Japanese government should support women's time management by promoting flexible hours and providing support for childcare services. In terms of promoting flexible hours, the government should set targets and offer subsidies for companies that create an environment that is suitable for flexible work hours. In terms of supporting childcare services, the Japanese government should help local governments build more childcare centers. The government should also help working mothers by offering subsidies. In addition to childcare centers, the Japanese government should provide a "babysitter service." Since most Japanese public childcare centers do not provide evening service, such a babysitting service would help many working mothers.

Encourage Women to Return to Work

The Japanese government should encourage companies to hire more women who want to return to the workforce. Some companies already have reemployment programs in

place but these programs usually have restrictive entrance requirements. For example, some programs require the women to return to their companies within five years. In addition, some companies require that those women who wish to return to work demonstrate newly acquired business skills or pass an employment test. The utilization of most current reemployment programs is low (Segawa 2010d, 2010f).

In my opinion, developing re-employment programs for mothers wishing to return to the workforce requires a drastic change in corporate HR strategy and such changes will probably need to be led by the government. The Japanese government should pass laws setting standards for re-employment of mothers. This law will drive change much faster than companies would do voluntarily.

6.6.2 Supports for Women's Promotion

To encourage companies to promote more women, I provide here four recommendations for the Japanese government:

- (1) Set an official quota or target for a specified percentage of women managers and/or board members;
- (2) Create incentives that encourage companies to achieve the quota;
- (3) Give support to companies seeking to provide general educational programs and networking opportunities;
- (4) Provide role models of women in top government positions.

6.7 CONCLUSION

Women's leadership and participation in business are necessary to revitalize the Japanese economy and take action against impending demographic changes. Japanese companies are now trying to increase women's leadership and encourage work-life balance. To maximize the results from these efforts and to change Japanese society to support women's leadership, stronger actions are needed. Japan should adopt some of the known best practices developed elsewhere. For example, from the U.S., Japanese companies can learn the importance of individual strategies such as self-motivation, personal networking, and negotiation. Japanese companies should adopt organizational strategies such as commitment, accountability, education, measuring, monitoring, role models, mentoring, and customization. Adopting these best practices can help accelerate the speed of change if enough Japanese companies embrace them.

Therefore, Japanese companies should not stop nor slow down their efforts to manage diversity. The key is to continue and accelerate their efforts. The Japanese government must support these efforts as well. The Japanese government should set guidelines for Japanese companies. At the same time, the government should help families by providing additional programs, such as childcare centers, which might not otherwise be provided by companies. Finally, Japanese women must learn from and be motivated by various company supports and government efforts. To revitalize the Japanese economy during a time of changing demographics requires the concerted effort of the Japanese government, Japanese corporations, and Japanese workers, women and men alike.

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