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## Diversity key to corporate growth

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Diversity management is not just about promoting women in the workplace but about facilitating corporate reform and raising profitability in rapidly changing global markets, speakers at a Tokyo forum on diversity and inclusion said last week.

They advised that diversity and inclusion initiatives must be fully incorporated into management strategy and implemented in a practical manner, especially in Japanese organizations, where "a clay layer" of male executives and managers dominate the decision-making process.

Some 200 mostly female Japanese and American corporate executives, human resources managers, educators and leaders of nonprofit organizations attended the forum. The event was cohosted by the Los Angeles-based NPO Global Organization for Leadership and Diversity (GOLD) and its Japanese sister group, Global Enhancement of Women's Executive Leadership (GEWEL).

Keynote speakers and panelists included Howard Ross, a well-known U.S. diversity and cultural competency consultant; Atsutoshi Nishida, president of Toshiba Corp.; and Maria Contreras-Sweet, founder and chairwoman of Promerica Bank, the first Latino-founded business bank in downtown Los Angeles.

Diversity and inclusion are the key for struggling corporations to successfully revive their fortunes, Yukako Uchinaga, vice chairwoman of Benesse Corp. and chief executive officer of Berlitz International Inc., told the audience at one of the sessions.

Uchinaga, a former executive of IBM Japan, referred to the introduction of a diversity program by IBM's former CEO Louis Gerstner that was credited with turning around the embattled company in the 1990s.



Diversity: Izumi Kobayashi, president of Merrill Lynch Japan Securities Co., is shown on a big screen during a panel discussion at a symposium on diversity initiatives in Tokyo on Oct. 21. YOSHIAKI MIURA PHOTO

"Today, changes in the marketplace, especially due to technology innovations, are the principal driving force prodding businesses to transform their corporate cultures. Key to the success of this process is diversity, which aims at fully utilizing the potential of workers with different perspectives," Uchinaga said.

Uchinaga's observation was endorsed by Renee Fraser, CEO of Fraser Communications, an advertising agency in Los Angeles. Fraser referred to the findings of a survey of the largest U.S. companies ranked in the annual Fortune 1,000 list.

The survey showed that the firms that appoint women to upper management positions are 53 percent more profitable than those with male-dominated management.

This is a natural consequence of the fact that more than 80 percent of purchasing decisions in the overall U.S. market are made by women, Fraser said.

However, an ideological approach does not suffice to effectively implement diversity initiatives, Itaru Koeda, honorary chairman of Nissan Motor Co., told the audience.

"Management should offer women employees more challenging tasks. But only a few women dare to take such an opportunity," he said.

Japanese female employees' relative hesitancy to take on challenging assignments can be attributed to the absence of role models in Japanese corporate society, Michiko Achilles, managing executive officer and chief human resources officer at Aozora Bank, said at another session.

The gender gap still remains the biggest issue in promoting diversity initiatives in Japanese organizations, Achilles said, recalling her past experiences as a human resources manager at global companies.

"Yet, we are now in an advantageous position in that we can learn from the history and experiences of diversity programs in the United States," she said.

Achilles, who currently supervises six men at Aozora's human resources section, said that at first her subordinates seemed uneasy about working under a new woman manager.

"They have eventually come to realize the importance of experiencing a different sort of management style (by women)," she smiled.

Haruko Watanabe, another panelist at the session, had the rare experience for a woman of working at the Bank of Japan for 15 years, before becoming managing director at Goldman Sachs Japan Co.

A diversity program was introduced in the Japanese operations of the giant U.S. investment bank seven years ago.

"Today, no male managers at the middle and top levels doubt the relevancy of the diversity program. It's great progress," Watanabe said.

She said she is confident that diversity initiatives benefit all the stakeholders of corporations — employees, customers and shareholders — because they enhance corporate value and boost the corporate brand image.

"The top management's undaunted engagement, coupled with persistent grassroots activities at the rank-and-file level, is imperative to successfully promote diversity," she advised.

Top management is held accountable for convincing managers and employees of the strategic importance of diversity initiatives, agreed Anthony P. Carter, a vice president and chief diversity officer at Johnson & Johnson, a global American pharmaceutical and medical devices manufacturer.

A diversity strategy is crucial for companies like Johnson & Johnson that operate in diverse global markets and try to meet the various needs of diverse consumers in each market, Carter stressed.

Japanese businesses are lagging far behind their U.S. counterparts in introducing diversity initiatives, Hiroko Tatebe, founder and executive director of forum organizer GOLD, told The Japan Times in summing up.

"We must expand the trans-Pacific network of people, both men and women, who are aware of the significance of diversity," Tatebe said.

She added that she hopes Japanese corporations, especially giant multinationals, will eventually realize the close correlation between diversity management and business opportunities.