

AGENTS OF CHANGE: WOMEN CEOs OF U.S.-BASED JAPANESE
SUBSIDIARIES

CENTER ON JAPANESE ECONOMY AND BUSINESS

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Although many Japan observers are quick to say that change comes relatively slow in Japan, the cumulative changes over the past fifteen years in the business arena have been profound, and are still evolving. One noticeable feature is the complex set of changes in behavior in the corporate world towards women. Although there are many females entering—and still exiting—the workforce, and only serving tea and doing other minor clerical tasks, there are now many others who have transcended such old-school, social norms and are paving the way for future generations to hope for success in the Japanese business world. With a declining population, within a few years labor will become in short supply as the economy achieves and maintains sustained growth. It will be increasingly important that Japan utilize its women in the labor market far more efficiently and effectively.

*Few women achieve management positions, particularly in large Japanese companies, and even fewer become CEOs. It is both noteworthy and particularly interesting that there are some cases of women serving as CEOs of Japanese subsidiaries in the United States. To shed some insight about running a Japanese subsidiary in the United States, the Center on Japanese Economy and Business invited two female CEOs—one American and the other Japanese—to talk about their personal experiences of running a major company, of being female, and of what has or has not empowered them to climb the corporate ladder so successfully. The speakers were **Melanie Hart**, President of the TASUS Corporation, a subsidiary of Nagoya-based auto parts manufacturer Tsuchiya, and **Yuki Hattori**, President of Dentsu Communications Inc., a U.S. unit of advertisement giant Dentsu Corporation. The two were joined by Columbia Business School Associate Professor **Schon Beechler**.*

This report highlights the speeches and following discussion with audience members. The program, sponsored by the Mitsui USA Foundation, was the seventh annual Mitsui USA Symposium, which kicked off the 20th anniversary celebration of the Center on Japanese Economy and Business at Columbia Business School. A pdf of this report may be downloaded at www.gsb.columbia.edu/cjeb.



HUGH PATRICK

Director, Center on Japanese Economy and Business, Columbia Business School

Welcome to the Seventh Annual Mitsui USA Symposium, titled “Agents of Change: Women CEOs of U.S.-Based Japanese Subsidiaries.”

This is the first event of the year for the Center on Japanese Economy and Business, which is celebrating its 20th anniversary after being formally established in the spring of 1986.

One does not have to be a specialist on gender discrimination to realize that women face workplace barriers everywhere in the world, certainly in the United States and in Japan. Fortunately it is improving in both countries, although how much is something we will be discussing. Even so, it’s still really difficult for female executives to become CEOs anywhere. I think many challenges are ahead, yet, on the whole, I’m optimistic that in the coming years and decades, things will improve.

I note one statistic: some 5.6 percent of all the companies in Japan have women as CEOs. It turns out that almost all of them are in small, family-owned companies in which the wife has either inherited the

position because the husband died, or because they divided the responsibilities in their very small organization. So the wife is the president and the husband is something else, whatever it may be.

But now we have several cases in Japan where women have become CEOs of big companies. I note one in particular, a woman who has been publicized a lot here in the United States: Fumiko Hayashi, CEO of Daiei. She is responsible for carrying out the turnaround of this major distressed retailer.

Perhaps at least as important as women CEOs is the theme of the major expansion of the number of Japanese subsidiaries in the United States. This is a phenomenon that has been insufficiently studied and researched. I’m not sure, but my guess is that Mitsui & Co., the giant trading company, has probably half of its capital in the United States and half of its profits coming from nontrading activities of its huge range of subsidiaries. I think that is also true of the other trading companies. And it is noteworthy that a number of different industries, including automobiles, have been very successful in expanding here.

So, in a sense, we have two stories today. One is about women who became CEOs of Japanese subsidiaries, and the other is the expansion of Japanese subsidiaries as an investment strategy by the head company to expand globally.

Our speakers today include Melanie Hart, who runs the North American operations of the highly specialized automobile components group, Tsuchiya, a family-owned company based in Nagoya that sells globally, especially to Toyota. Tsuchiya’s CEO is Yasuyuki Ohara, who received his M.B.A. from Columbia in 1970. It was through him that I met Melanie. He explained how Melanie was promoted and given increasing responsibilities simply because she performed so well, obviously a very rational decision.

Our other speaker is Yuki Hattori, CEO of a subsidiary of Dentsu, which many of you know is one of the largest advertising agencies in the world. Dentsu is very dominant domestically, but little known outside Japan. Yuki is a Barnard College graduate, and I came to know her a few years ago when she was a speaker at an earlier Center event.

After Melanie and Yuki speak, we will hear comments from Schon Beechler, a Columbia professor who is a specialist on Japanese management and human resource management issues.

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—Hugh Patrick



MELANIE HART
President, TASUS Corporation

I want to talk a little bit today about cultural differences. Looking at this audience and understanding where I am, I'm not sure that any of you really need an education in the cultural differences between Japan and the United States, but I did want to set a base for what I'm going to talk about today. So bear with me as I walk through some fundamentals here.

One of the analogies that I've always liked to use when I talk about the cultural differences between the two countries is that it's impossible to use an American appliance with a European outlet unless you have an adapter. You can't plug it in because the prongs are flat on one and round on the other. The voltage is also different. As you look at various cultures and the differences in how we view them, we all look at life through different windows. We see things differently from where we stand. We work differently. We eat differently. We think differently. But we all work, eat, and think. So, while we may do all those things differently, we all do them and there are some real common threads.

The Japanese have done a wonderful job of developing a culture that I love. There's endurance through decades, centuries of hardship, and they believe that strength comes from enduring and yielding. They say they yield before the wind like bamboo. They let it bow a little bit, and that's how they handle a crisis. When you compare that to North Americans, we're more like the mighty British Oak. We stand firm in front of that wind. We don't bend. We don't bow. Unfortunately though, we need to remember that sometimes a really strong wind will break that British Oak when the bamboo might have just simply bowed in that wind. I think that's another good analogy of the differences between the two cultures, and that's the challenge of working for a Japanese-owned business in North America. The challenge is to marry the cultural differences, and it comes very much into play in how we run our businesses.

Life in Japan is about balance, and honestly, in the United States, it's pretty much about conflict. We tackle business here very head on, very straightforward, and we don't spend as much time working on relationships and developing a rapport with the people that we're going to do business with. We hit things straight on.

In the United States, things are like a metronome. Things are good or bad, right or wrong, black or white. Generally

speaking, we have some pretty strong opinions. I think there's a lot more flexibility in opinion in Japan, and again, if you think of the bamboo analogy, it fits here.

I think the differences between the two countries complement, not conflict, with each other. I think they're an advantage, not a disadvantage; a joiner, not a divider. You can marry these two cultures and have real success, whether it's on a personal or a business level.

I haven't had any bad experiences as a woman leading a Japanese-owned company. I've had some interesting experiences, but none that were so challenging that I didn't feel that I could make my way through them. These experiences did not offend or hurt me, so you may be a little disappointed as I talk today, because I don't have any gender horror stories or cross-cultural calamities. I'm also not going to give a "power-to-women" speech, because I really think that the differences in the cultures are beautiful differences, and if you take them and use them, they're an advantage.

I'll go ahead and talk a little bit about my history. I'm the President of four companies in North America and the CEO of Tsuchiya North America. These companies are in four different locations. Our first company, or plant, is in Bloomington, Indiana. We've been there since 1989. The second is in Ontario, Canada, and we purchased a

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—Melanie Hart

company there in 1995. The third is in Mexico City, Mexico. Then the fourth is in what I call a whole other country, and that's Texas. It's a huge land and it really does have a culture all of its own. We're just opening our operation there.

These four companies primarily serve the automotive industry. We do business with marine, RV, appliance, point-of-purchase, and other industrial markets. But the automotive industry is our largest base, and Toyota is the largest customer in that sector.

Our products are highly complex, injection-molded products. This is something that's kind of interesting in my world because they are pretty much just black and white parts. There's nothing very glamorous about my business. We mold parts, including reservoirs, fender apron seals, and headlights. It's not particularly glamorous, wonderful, or beautiful, but it's manufacturing and it's profitable, so I'm okay with it. On the other spectrum or product base, we do make a more glamorous product such as dimensional graphics for the automotive appliance and marine industries. So if you see a General Electric (GE) refrigerator, the GE badge may be ours.

As I mentioned before, our largest customer is Toyota. We've had nothing less than ten percent growth each year. Our four companies in North America cull about \$45 million in sales. We expect in five years that we'll be around the \$80

million mark with the addition of our new facility in Texas. We have 350 employees in North America.

As Hugh mentioned, Tsuchiya is a global company. They have facilities in Vietnam, Thailand, China, Canada, the United States, Mexico, and then several throughout Japan. They have 2,000 employees in eight countries and \$850 million in sales. They have been a primary Toyota auto parts supplier for 56 years. So there's a wonderful history and relationship there that we've been able to build on in North America with Toyota. It's been very good for our companies here.

I am often asked two questions. The first one is why me, or why was I asked to be the President of TASUS and the North American companies. There are a couple of reasons for this. One is that Mr. Ohara, our chairman, felt that he could trust me. When you're running a huge corporation and most of your facilities and investments are in Japan, you have to be able to lay responsibility and not be overly concerned about your operations in other countries. We had worked together for about five years before he named me as President, which is what I think was the foundation of his decision. The other is that he has a very strong belief that wherever the company is located, it should be run by a native of where that company is located. So if the company is here in the United States, there should be a U.S.

citizen as the President. If it's in Vietnam, a Vietnamese citizen is the President. So initially he'll have a Japanese executive there for a couple of years, and then he switches it over to someone from the local area. That's very different from most Japanese companies.

But it's interesting because the founder of Toyota has used, in an analogy that a castle should be run by a king from that local area. He felt very strongly about that, and that's an important trend, an important model to set. So our chairman embraced it and moved forward with it very quickly. Again, in a matter of five years, he had an American President in his U.S. subsidiary.

The other thing I wanted to mention is that I became President eleven years ago, and as we talk today, I think we're going to discover that there are other women in positions similar to mine, which is a wonderful thing. When I became President, I was interviewed by the *Wall Street Journal*. At that time, they said that I broke the glass ceiling. During the interview, they asked me when women would finally make it in the business world. And the answer to that is when I would no longer be the story. I find it interesting that eleven years later, I'm still here talking about it, although, honestly, I have felt that the glass ceiling is really disappearing and that there are a lot of women who have shattered it.

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but I don't think men have all gotten to the positions where they want to be either. So I don't see this so much as this huge gender issue, or that men have shattered the glass ceiling and women haven't. I think that part of our economy and culture indicates that we're all progressing and moving forward, and some of us make it further than others. Some of us reach our goal and some don't. That's really a part of life more than anything else.

This may rattle a few cages, but I don't see things as women and men making it or not making it. When I see a woman succeed, I honestly celebrate that as much as when I see a man succeed. I think it's wonderful when women have achieved their dream. I think it's great because there are more barriers, but I like to see everybody reach the point where they feel that they have met their goal and achieve what they want to achieve. So I don't notice it. To me, it's like nationality or race. I see it as there being a lot of barriers for everybody, men included, and we usually all find a way to break through them.

To tell you a little bit about my work and what life has been like for me for the last eleven years, I am incredibly spoiled. I work for the most kind, forward-thinking Japanese gentleman that I have ever met, and I have met a lot of them. He was not at all uncomfortable in having a woman run his companies. He thought it was

ground breaking. He felt like it was making a real statement to the Japanese community and to the Japanese businessmen that he works with in Nagoya. Yes, it is unusual, but it is also wonderful and we should all be doing this. In my mind, he's a really wonderful, unique person.

The other extraordinary thing is that he has insisted, at every turn, that my son and family take priority in my life, which is really contrary to the Japanese work culture. His first concern is my family. When he calls me, which is a couple of times a month, we chat about my son and about his family. There may be a business question, or there may not be. He just wants to be sure that my life is settled and okay, and that I'm not working too hard. He always asks if I'm too busy and doesn't want me working too hard. He's very concerned about my well-being and about my family. Again, I think that's unique and I'm extremely lucky and spoiled.

I have full reign of the companies 99.9 percent of the time. I don't have to have much discussion about finances, where we invest, how we invest, how I manage the businesses, whom we hire, or whom we don't. There's very little discussion or criticism that comes from our parent company or from our chairman. Again, I think that goes back to the fact that he trusts me, recognizing that I can run the businesses. And as long as he gets a general sense that things are going well, I can

keep moving forward and not have any real significant input from him unless I request help or advice.

The other beauty of working for a successful Japanese-owned company is that you don't have cash flow issues. If I need new equipment, I just pick up the phone and ask Mr. Ohara, not the bank.

The other thing is our employee environment. Remember, my background is in human resources. One of the things that Tsuchiya has emphasized from the beginning is that your employees better enjoy what they're doing since they spend an incredible number of hours with you every day. I mean it's a choice, but we need to take those hours and make them worthwhile, make people feel like they're really contributing and doing what they want to do. We spend a tremendous amount of time with our employees, creating an environment that is exceptional. I can give more information about this later, but we do some really unique things. Our turnover is very, very low and our seniority is high. For example, eight employees in Canada have a combined 240 years of service at our company. That's an incredible statistic and shows that people are very, very loyal and dedicated.

I'm also very spoiled because we've been on this huge growth curve. We haven't been in a cost-cutting mode. We haven't had to reconfigure or reorganize or do anything

that was detrimental to our work force. It's been just growth, buying new companies, and establishing new companies. It's just been a real treat. So I really, in every way, have the dream job.

I'm sure if I didn't talk about some of the challenges of being a female in a Japanese-owned business, you would think I was looking through jaded glasses. So I dug and found a few. The first, real significant challenge that I had was trying to marry the two cultures. There are advantages to both cultures, but I could have chosen to run the company in a typical, American fashion and put profitability as the primary focus and do everything necessary to achieve it in the first two years. The other option was to use the Japanese method, which was to gain profitability in five to seven years and look at things in longer terms, spending more money on equipment, training, and employee relations up front for greater success later. I chose the Japanese model and we implemented the Toyota production system. But I also married in much of the beauty of the U.S. model. In Japan, the employees wear uniforms and bells ding when it's time to do certain things, including their calisthenics. We don't do that because our employees would think we were nuts for one thing, but for another, they want to wear their own clothing, like T-shirts.

The reason for most of our success is that we were really able to successfully marry the two cultures. I really think that that's been the greatest contributor. If I ran the company as if it were wholly Japanese owned, or if it were purely an American company, I don't think we would have been as successful. But we are able to take the best from both worlds and blend them.

I have a funny story about the other challenge I had early on. I walked into a meeting with a new customer when I had just been named the President. I walked into the room with our Vice President of Sales, who is a man, and I was introduced to the Japanese customers as the *shacho*, which is Japanese for *president*. In return, I got this complete look of shock, and if that's a challenge, I guess it's a challenge, but I just chuckled. I thought it was really funny. The beauty of it was that we sat down and started talking, and the customer realized why I was the President. There wasn't an issue there. There was no barrier. He realized, "okay, I understand this decision, and she's the *shacho* and it's different, but it's okay." Mind you, at that time I was 34 years old and didn't look the part at all.

I think that the only other comment I can offer is that when I travel to Japan, I'm an oddity. If I were blonde, I'm sure it would be even more so, but I'm not. I'm tall and I'm usually the only woman at the boardroom table, and it makes

for a really interesting time. All of the directors treat me like I'm gold. In fact, sometimes I feel like they're treating me better than they treat others. That might be to compensate for some things, but it's always been nothing but pleasant times for me when I'm in Japan.

So those are the only challenges that I could dig up. It doesn't make for much of a speech, but let me go back to my first analogy about the European outlet and American appliance. I see myself as the adapter. I took the two and made them work together and it's been nothing but success and really good experiences. I think this can happen in many Japanese companies with many women and men. I see it as an opportunity to keep that appliance plugged in, keep it humming for a successful company.



YUKI HATTORI
President, Dentsu Communications Inc.

I think you'll find an interesting difference between me and Melanie. Melanie is an American running a Japanese corporation, and I'm Japanese running a Japanese corporation. Melanie is in manufacturing, whereas I'm in the service

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business. My company is about 30 people, whereas Melanie oversees something like 350 employees. So we come from very different perspectives.

I'm going to start by talking a little bit about my company. Dentsu is a large advertising firm, but its contact with consumers is strictly business-to-business. The President of Dentsu doesn't even like to describe the company as an advertising agency anymore, since we're shifting the company's focus. We are an agent, however, since we buy advertising and commercial space. Dentsu started as an advertisement firm more than 100 years ago, but now the company doesn't do projects on behalf of clients. We take our own initiatives, make our own investments, and take our own risks. For example, we actually go out and buy the rights for Major League Baseball games to be broadcast in Japan. I personally handle buying the rights. This is a risk Dentsu takes, because we put hundreds of millions of dollars on the table to buy these rights, and then we sell them in Japan to TV stations. Then we also try to work with the TV stations to broadcast them, while also working with advertisers to create promotions. So we're very much part of building and investing in a brand with the client. We also invest in movies, including *The Lord of the Rings*, which was a hit in Japan. Dentsu bought the rights to distribute *The Lord of the Rings*. There's only one other advertis-

ing agency in America that does that. So we're a lot more than an advertising agency, and I think it's important to explain that, because that's also where my company comes from. Dentsu Communications is one of the four subsidiaries of Dentsu in the United States and was started as a public relations (PR) agency.

I think the reason we've been successful is because we do many things other than advertising and PR. Our business model is now becoming cutting edge in the industry, in that we do many things that are very niche, like grassroots and niche marketing. They may be things that are really not very profitable, but I think advertising agencies make the most money when they're able to just buy media and run commercials. PR agencies make the most money when they write press releases and pitch them. We offer those services, of course, but what we try to do is really understand the issues of the marketer and try to figure out what's missing. We ask what the PR and advertising agencies aren't offering—and usually it's the unprofitable stuff like getting out to the market and really talking to people, like going around to schools or doing lectures at retail outlets.

So what we try to do is really think about Dentsu's heritage and try to offer our clients things that other agencies here don't typically offer.

I was thinking about something as I was listening to

Melanie. My company doesn't pretend or not say that we're Japanese. We have a Japanese brand but our discipline, or everything we offer, is really completely American. We just steal some of the heritage from Dentsu. I think the work place is very positive, although we still have difficulty recruiting good American employees, because when they hear the name Dentsu, it's just a foreign name for a communication company and it doesn't sink in really well. However, relatively speaking, I think we've done fairly well.

I thought I'd begin by talking about how I started, which relates to being a successful woman in a Japanese company. I started at Dentsu right out of college, and when I was hired, I was a receptionist. Initially, they gave me the title project coordinator, and I was handling different projects, but I sat at the reception desk and picked up the phones and had to make tea. I had just graduated from Barnard, proud that I graduated from a good school and that my future was in front of me. Yet, all of a sudden, I was sitting at a reception desk having to make tea. That did not really go well with my ego, and it didn't help that I haven't liked to be told what to do since I was three or four years old.

So I decided that I had to do something to climb up that corporate ladder. I told myself that I was going to pretend that this place was my home and that any guest that walks through

that door was my guest. So I welcomed them, showed them into the guest room, offered them tea, and made sure that they were comfortable. If the door was open during the meeting, I'd go back and make sure that the coffee was fresh and that they were comfortable. Even when I was making copies or serving tea, as long as I took the initiative to do these tasks, I was happy since I wasn't being told to do anything. So I think that worked for me. Later on, I was picked by the Executive Vice President of Dentsu—a person I had never met—to run this company. So how did that happen?

The first time I met this guy, I sat down with him and said that he was taking a tremendous risk by hiring a person he had never met to run a company. I asked him how he decided to let me run this company. He said he went around to a lot of the directors and top executives at Dentsu to see who would be suitable in running this company. He said that I had an impeccable reputation, and this came from people I had probably not seen in fifteen years since I was sitting at that reception desk. So that tells me that trust really comes from not just one person but from a collective group of people through lasting impressions. No matter what job you're doing, it seems people remember their negative and positive impressions. So I think it helped me to have that attitude starting out.

Like Melanie, I really haven't found any challenges because

I am a woman. Once I got married after college, I never saw the world as male or female. I deal with a lot of people and sometimes after I meet them, I don't even remember if they were male or female. I don't think both of us are treated like women, and perhaps we're both lucky to be in that situation.

I think it's easier for women to be successful in a Japanese company rather than in an American firm, because there are traits that women have that I think are very suitable to a Japanese company. One of them, I think, is teamwork. I'm sure you've heard of the scandal with the Internet company LiveDoor and its former President, Takafumi Horie. Everybody was waiting for this to happen. The media is having a party. Why? Because he stuck out like a sore thumb. So everybody is trying to pound him down. In a Japanese company, teamwork is very important, and I think teamwork is more of a female trait. So from that standpoint, I think women actually have a better chance at being successful in a Japanese corporation.

The second issue, which Melanie also mentioned, is about loyalty. Japanese companies are into loyalty. They look for people who are loyal to you more than anything else. Even if you're not the brightest person they know, they would rather know that you are loyal, because if something happens they want to know that you're not jumping ship.

Lastly, I think women are hard workers. I think they've learned that they have to work harder than men. I'm very jealous of Melanie, because I was never told not to work hard, nor was I ever asked about my family. I think part of the reason why I made it is because I have no life. When executives come into town, unfortunately, they're here on the weekends for a Monday meeting. So I'm always there when they arrive, to make sure they're comfortable and they have everything that they need to go into the meeting. As far as hard work, I've never met anybody who puts in longer hours than I do, and I think women are used to hard work because they've had to do that all their lives. Until I met Melanie, I would have said you have to be willing to give up your life.

I think Melanie raised a really good point about avoiding conflict. Japanese people hate conflict. They're so afraid of arguments, of someone saying no to your face. I think women have had to endure many things so far, but I think we're getting our way without saying no. We say yes and we do what we want anyway, but in a nice way. And that's another trait that will help females in a Japanese corporation.

I must admit, it's easier to earn trust from a Japanese man when you're a man, and even easier if you're Japanese, but I think it's easiest to trust your own kind. So if you're a Japanese man, you have the best

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—Yuki Hattori

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There was a famous basketball coach, John Wooden, from UCLA. He always said, "don't let what you can't do interfere with what you can do." I've always believed that. So my belief was always to do what I can do best and that will get me somewhere. Like Melanie, I'm very lucky in that management allows me to mold the company in the direction that I want, as long as I'm successful. Unfortunately, I had to turn a profit from the very first year. So there was some really hard thinking that needed to go into turning a profit from the first year, but that was great training because, since that first year, I've always turned a profit. You automatically think in terms of the project turning a profit or not. When you're able to find a project that is fun and profitable, that's when I take on the project. So I think we found a good way to make a company that's small, successful, and cutting edge.

I think women really have a good chance at Japanese corporations. I hope some of the people in the audience will give Japanese corporations a chance. You might have to endure certain things, but there will be some light at the end of the tunnel.



SCHON BEECHLER

*Associate Professor,
Columbia Business School*

When I first started my teaching career at Columbia University, I had already spent about six years living in Japan and doing a lot of work on Japanese companies—looking at Japanese companies in general. I would have a number of my female B.A. students come and ask me if I thought it was good career advice to work for a Japanese company, and I would answer, "absolutely not." I must say that while I'm not sure I would endorse the idea 100 percent, my answer today would not be quite so unequivocal as it was back then. So there's certainly been a lot of progress made in the last fifteen years or so.

When I was asked by Hugh Patrick and the CJEB to be part of this session, I immediately said yes, and it's not just because I happen to be a woman. I've done a lot of research over the last number of years about the competitiveness of multinational firms, and in particular Japanese firms, to try and figure out how management policies and practices can really unleash the talent so the companies can be successful globally. That's the

frame of mind that I bring to our session today, because you have two women who are incredibly successful in companies where their talent has been unleashed in an environment where it often either goes unrecognized, or in fact, becomes so discouraged that it leaves the door forever and goes and does something else.

I was also really interested in being a discussant for this session because my first real research project when I was an undergraduate was looking at the evolving roles of women in Japan, and I, in fact, spent about a year interviewing Japanese women way back in 1979. So I've always had a curiosity about what really is happening with women and their changing roles. But the thing that really clinched it was that I have working experience in an injection plastic molding company, so I could hardly turn down the opportunity to work with someone from Tsuchiya.

I hadn't done any real systematic work in terms of looking at what's going on with women in Japan in the last number of years. So as part of my preparation, I said, let's go out and take a look at some statistics. So I just want to tell you a couple of things that I discovered.

In 2003, the last year for which I could find a statistic, fewer than 9 percent of corporate executives in Japan were female. In the United States, the figure was more than 44

percent. In places like Norway it was 30 percent; Germany, almost 30 percent. In terms of division chiefs, in 1985, only 1 percent of those positions were held by women. In 2004, it skyrocketed to 2.7 percent, a huge increase. You'll hear things like a 300 percent increase in the last ten years, but when you're going from 1 percent to 2 percent, that's not a very large figure.

Hugh Patrick mentioned earlier that 5.6 percent of Japanese companies currently have female CEOs. Unfortunately, among those companies listed on the stock market in Japan, 0.8 percent of those CEOs are women. In terms of boards of directors, only 3 percent of Japanese companies have any women on their boards, versus 86 percent in the United States. Among the Fortune Global 200, there were only three female directors among the 27 Japanese companies listed.

In 2005, the World Economic Forum ranked opportunities for women in 58 countries and looked at two aspects: economic opportunity and political empowerment. Denmark had top marks for economic opportunity, followed by Norway and Hungary. The United States disappointingly ranked 46, but Japan was 52 out of 58. In terms of political empowerment, it's even a little bit worse. New Zealand was number one, Iceland number two, Norway number three; the United States came in at 19, China at 40, and unfortunately, Japan was 54 out of the 58 countries.

So, while there have been some dramatic changes, some of which you've heard about today in terms of women's representation and participation in Japanese firms, there are still many, many barriers for change for Japanese companies and society.

Some of the things that have gotten in the way, which are fairly well documented, are that many women still are not encouraged to go into positions of power. Being put into a position to serve tea is not exactly an empowering environment to begin with. Many women are faced with a very disempowering environment, one where the social norm pushes women to get married, have children, leave the work force, and take care of the husband and kids for the next 30 years or so. So there are a lot of social issues that provide barriers for change, not only in Japan, but in many countries, including the United States.

Another barrier is that Japanese women, in particular, don't have many role models. In the United States, there are more and more women that have moved into the political and business arenas. While the percentages are still quite low, there are a lot of role models out there for young men and women to emulate. Those role models are still few and far between in Japan, although this will likely change if we continue to see trends that we're seeing now and see people moving into these positions we've been talking about.

Some of the things that are enabling change—in Japan, the United States, and other countries—are the fact that companies need women. There's a declining fertility rate in Japan; it's 1.29 (per 1,000 people per year) and far below the replacement rate. There's an aging population. There's a shrinking work force, and if we begin to see the expansion of business through economic prosperity again, there's going to be tremendous strain on already strained resources. You have men completely tapped out in many organizations. There are fabulous opportunities for women to come in and to fill those positions.

There's also a lot more focus on merit-based pay, which helps women who are extremely competent to get ahead. There are a lot of short-term work contracts, and very flexible working arrangements in both countries, that are providing new opportunities for women so that they can manage these demands between having kids and going to work. In the last ten years, there are also many opportunities for women working for foreign companies in Japan that don't necessarily have access to the male talent pool that the large Japanese companies in Japan have access to.

Another enabler of change, and one that I think we heard about from both Yuki and Melanie today, is that there are an increasing number of men who are providing incredibly

Among the Fortune Global 200, there were only three female directors among the 27 Japanese companies listed.

—Schon Beechler

Japan is an in-group versus out-group oriented society. There's very much a culture of trust for those people who are in the in-group, however they're defined.

—*Schon Beechler*

needed support and leadership for women to excel in their organizations. To me, this is a very critical element that is really helping women to get the positions that they deserve. As I said, having more and more women in high-profile positions provides a momentum, as well as role models, for an increasing number of women to move up in these organizations.

One thing that I think is both an enabler and a barrier to change is an issue that Yuki and Melanie spoke about, and that is establishing trust. There's been a lot of work done in Japan, not only about men and women, but also about in-groups and out-groups. Japan is an in-group versus out-group-oriented society. There's very much a culture of trust for those people who are in the in-group, however they're defined. When I was doing my research on Japanese multinationals, the in-group members were the Japanese. They were also the Japanese employees stationed overseas, because back at headquarters, they knew the Japanese management would do what the company wanted them to do. They weren't sure about the Mexicans or the Americans. So there's this incredible need to be able to become part of the in-group. As Yuki mentioned, I think it probably was the hardest for Melanie, because not only is she a woman, one characteristic of an out-group in a very male-dominated business society, but also she is an

American, and Americans are, in the beginning, not as trusted as people from your own culture. We trust those people we know, who have the same values, who grew up in the same cultures that we did.

So I see this as a real catalyst and opportunity, as we figure out how we can use this establishment of trust to enhance the opportunity for women and for the non-Japanese to move into higher positions in Japanese companies.

I think the situation is incredibly complex, and there are really three major elements that will come to play a role for more women becoming agents of change, as well as enabling them to facilitate change, of Japanese organizations and business in general. The first—and this is something that we've seen here today—is that we've got to have competent women. The good news is they are all around us. There is no shortage of competent women, but we've got to have competent women who have a lot of courage and endurance. I think neither of these women would be here, and they wouldn't be in the positions they're in, unless they had an incredible amount of courage to move forward, to think that they could be successful, and to endure many of the challenges that were put in their way.

But let's not make a mistake about it, because I think that anybody who wants to succeed in business today needs those traits, not just women.

Second, male leadership has got to support women in their endeavor to move up the organization; identifying competent women, promoting them, and giving them opportunities to excel. There is also the need to really publicize the fact that there are women in key positions in Japanese companies here in the United States, as well as in Japan, to provide very visible role models for young women and for girls to say: "You know what, I can do that too. I can be like Yuki or I could be like Melanie."

I also think we need to think creatively. We've been stuck for many years by only looking at the tension between the sexes and talking about sex in regards to what it represents and what it doesn't. I think it's really time to look creatively at some solutions, solutions that will help women but also help their companies. I think we've come to an age where that's really possible.

Creativity is one of the five pillars at Dentsu and it's also something that's very important at Tsuchiya. In fact, President Ohara of Tsuchiya says on their website that he thinks that the keys to great progress in vigorous business enterprises today are creativity and the spirit of challenge. So as we open this up to discussion and questions, I really urge us to think creatively, and also take that spirit of challenge with us, as we move forward.

DISCUSSION

SCHON BEECHLER

The title of this session is “Agents of Change,” and I’m wondering how women CEOs like yourselves can be effective agents of change. I don’t just mean for other women, but in more general terms. What can you do to really be agents of change, what are the critical things that you do, and that you think that you need to do? Also, what are other key factors that could enable more women in the United States and in Japan to move up in their organizations?

MELANIE HART

I’m seeing a trend that actually scares me a little bit about women in business. I have several acquaintances and friends who are female CEOs of some very large, successful companies. They’re U.S.-based, not Japanese, but the trend I’m seeing is that they seem to think that they need to take on what are typically male traits in order to be successful. The beauty of what a woman brings to a business is what Yuki alluded to earlier, and I think it’s right on. Where women come in is when they nurture, build, have a team, are honest, and develop trust. Generally speaking, that’s a different approach than what men take to business. I think there are many similarities, and I think the goals might be the same. I just think the style and the way to get there is different. I think it’s a shame that women

are moving away from that basic nature that we nurture the people around us.

So I would just encourage all the women in this room to hold onto that. There’s nothing wrong with it. Don’t become the guy who sits at the desk next to you. Be yourself. Be a woman.

YUKI HATTORI

I would say that the answer to both of Schon’s questions is the same, and it’s about earning the trust and confidence of management. It would be to do a good job and to show them that women can do just as well, if not better, than the men. If management starts to think a woman can handle things, then they’ll be more open to letting other women have a chance.

QUESTION

My question is for Ms. Hattori. You said that your company is different in a way that you do more grass roots marketing. I want to know if you can expand on that and the kind of cutting edge things your firm does that other PR advertising companies do not do.

YUKI HATTORI

I don’t know if cutting edge is the right word, but I think that’s the direction the industry is going inevitably. With regards to PR, instead of just writing and releasing a press release, we pitch, pitch, and pitch it until we go blue in the face,

so every possible story makes it into the newspapers and magazines. Every approach is taken. We make sure that the news cannot be cooked in any other way, so that it can make it into print.

For clients like Olympus, we do market research. The company has their own agency that makes their commercials and handles their PR. When they have a new product that comes out, what we do is to figure out how they can sell that product and to whom over the long term.

For example, we’ll take the camera and a group of photographers, and we’ll hit all the universities. This is to ensure that Olympus is cultivating their customer base three to four years from now. For the short term, we go into a lot of the retail stores like the big camera manufacturers and make sure that Olympus is getting to be known with the consumers when they’re making purchase decisions. So we try to get our photographers to make a lot of appointments to go into these stores and hold lectures and events. We also deal with customer relations. Every time a customer buys something, we try to send them a card with a photo taken by a photographer that says thanks for buying this product and to give us a call with any questions. We try to help any which way we can, or with anything the advertising or PR agency is not providing the client.

*Don’t become the
guy who sits at the
desk next to you.
Be yourself.
Be a woman.*

—Melanie Hart



that are really trying to recruit female talent at the executive level, and do you see any progress in that?

YUKI HATTORI

I think the biggest barrier still is social psychology, or what is expected of a woman. And that is especially so if you're influenced or affected by what society thinks. If you have your individual way of thinking, who cares, then? So I think it's really up to the individual.

MELANIE HART

There are no other female managers in our parent company that I would be able to interact with or watch their development. So I think that's obviously an indicator of the availability or acceptance of Japanese women moving up in the Japanese parent company. Now, many of the women I know personally who work there, and they do what's very typical in the Japanese culture. They stop working after they marry or as soon as they're pregnant, and don't go back into the work force. So it's not unusual that there wouldn't be any senior level women at our parent company. There is no, to my knowledge, recruiting specifically for women. It's always been a goal in my businesses here in North America to have female managers in the manufacturing environment, particularly in automotive. However, the industry is not really attractive. So, as much

QUESTION

I noticed that you both have B.A. degrees from very prestigious universities. I'm wondering what you think about women going into the business world today with just a B.A., or are times now calling for a master's degree and above?

YUKI HATTORI

It's a different market now, so having an M.B.A. is a really critical component to being successful in business. My case is one of being in the right place at the right time and having the right qualities. But I don't carry that master's degree, and I think if I didn't have the experience behind me and I was going out to look for work now, I'd have some problems.

MELANIE HART

Maybe so in the service industry, but I think the qualities you need to get ahead are being able to buy the trust

and doing the hard work.

Anybody can do that. You don't need a higher degree. The degree may help in the beginning, but it's not the key to ultimately making it.

QUESTION

There seems to be a bit of an inherent contradiction between what both of you said at the beginning of your speech, where you were talking about how you were not treated very differently for being a woman. On the other hand, the notion of being a woman and having some of these characteristics were actually quite important in how you attained these positions. So I'm wondering if you could comment a little bit about that. Also, dovetailing on the dire statistics we got from Professor Beechler, I'm wondering if you have contact with female managers at your parent companies and whether you see any sort of improvements. Also, do your companies have programs

It's a different market now, so having an M.B.A. is a really critical component to being successful in business.

—Yuki Hattori



as I try, we only have a few. There's not one female in our plant in Indiana, but we seem to have better success in Mexico and Canada.

I actually think I was offered the job because I'm a woman. I think our chairman saw it as an opportunity to make a statement with somebody that he trusted and knew who could run this company. I mean, you ought to see this man brag about me. Wherever we go, the President introduces me as Melanie, my president. He's extremely proud of it. I do think I got the job because I was a woman, and I think that my female traits are incredibly important, but I'm not sure that they've created any disadvantages at all.

QUESTION

Although the glass ceiling is very low in Japan, isn't it a generational thing as well?

YUKI HATTORI

I never looked at it that way, but I had this conversation with a friend who is a CEO of a global, multi-million dollar company in the United States. He always stresses that we're making it, beating the competition. I always disagree, since this is not a competition to me. It's a game. It's really a game of trying to figure out how to win it, and how to get ahead of other people. It's about creating results that count, or impressing your seniors and clients that what you do is more valuable than perhaps what someone else does. To me it's just a matter of how you look at it. You don't work hard to break the ceiling. I don't think that's ever an objective. I think you do what you can the best that you can and try to do it better than anybody else. And make sure that somebody actually sees what you're doing.

HUGH PATRICK

What was your next job after you served tea? How did you move up?

YUKI HATTORI

When I first got hired, I said I wanted to do advertising, but they only offered me the receptionist position. It was an opening, so I took it. Then I moved over to account services, and I was an account executive for six or seven years. We worked 24 hours a day back then. Then I quit and went to work on Wall Street for two years. I was always a numbers person rather than a language person. My father was a banker and he always wanted me to work in finance.

But Dentsu always left the door open for me and said to come back whenever I wanted. So I went back to Dentsu, but this time to their PR department. I think my background in advertising, PR, and finance really helped me get this opportunity to run a company. I had the goods to manage it, but more than that, I think it's really about endurance.

第七回米国三井物産財団シンポジウム
変化を触発する女性たち:在米日系企業子会社の女性 CEO

2006年1月30日、米国三井物産財団、コロンビア大学ビジネス・スクール日本経済経営研究所が共催し、コロンビア大学ビジネス・スクール日本経済経営研究所の創立20周年記念の冒頭行事として第七回米国三井物産財団シンポジウムが行われた。以下は本シンポジウムの抄訳である。

日本では変化は比較的緩慢なものであるというのは、多くの日本研究者らが真っ先に指摘する点だが、過去15年間に累積した企業を取り巻く変化は深遠なものであり、しかも変化は現在も続行中である。この変化の顕著な特徴は、女性に対する企業行動の複雑な変化に見られる。入社してもお茶汲みやその他の雑務に終止し、いまだに辞めていく女性は数多いが、最近はこのような旧式の社会的約束事を乗り越えて、次の世代が日本の企業のなかで成功できるよう道を切り開きつつある女性もまた増えている。人口減少を背景に、経済が持続的な成長を維持すれば数年内にも労働力不足が危惧されている。労働市場でより能率的かつ効率的に女性を活用することが、日本にとって重要な課題となりつつある。

管理職に就く女性は、特に日本の大企業においてはほとんど見られず、まして社長となる女性はさらに稀である。在米日系企業子会社のCEOに女性が就いている今回のケースは、その意味で注目すべき、非常に興味深いものと言えよう。在米日系企業子会社の経営の内側に光を当てることを目的に、日本経済経営研究所では二人の女性CEO——ひとは米国人、かたやもうひとは日本人——を招き、大企業を経営すること、女性であること、そして昇進を目指す原動力となったもの、ならなかったものについて、個人的な体験を語って貰った。講演者は、名古屋の自動車部品メーカー、株式会社榎屋の米国子会社であるターサスコーポレーション(TASUS Corporation)社長メラニー・ハート氏と、大手広告企業である電通の米国子会社、電通コミュニケーションズ(Dentsu Communications Inc.)のCEOである服部由紀氏。司会はコロンビア大学ビジネス・スクールのショーン・ビーチラー助教授が務めた。

米国で日系企業の子会社を経営する際に最も重要な点は、米国と日本の文化をうまく融合する能力だといえる。ひとつの手法だけにこだわる理由はない、とハート氏が述べた。ハート氏は、木にたとえて、日本は風を受けてたわむ竹だと評する。反対に、米国のビジネス文化は檜の木のごとく、たわむことはせず問題に正面から対処すると指摘した。自社内に女性管理職がほとんどいないと認めながらも、ハート氏は女性であることは榎屋で昇進していく際の障害にはならなかったと述べた。実際、ハート氏は女性だったからこそ榎屋の米国子会社ターサスの社長に任命されたのだと思う、と言う。女性や現地従業員を起用することは重要であり時代の趨勢であるとのメッセージを打ち出すための、本社社長の決断だったという。そして、成功のもうひとつの鍵は信頼だった。ハート氏は、雇用主と自身の間の信頼関係がなかったら、会社に前進も繁栄もありえないだろうと述べた。

服部氏の日本企業内でのスタート地点は、お茶汲みもする受付担当というごく典型的なものだった。どのようにして、コピー取りから電通の米国子会社経営に到達することができるのか。服部氏は、努力するこ

(前頁へ)

と、そしてどのポジションにおいても常にベストを尽くすことだと述べた。女性は男性以上には言わないまでも努力するべき、と服部氏は強調した。そうすることで、女性も安定した評価を得て企業内で昇進していくことができる。また、チーム内で働く能力があり忠誠心があるという女性的な側面が企業内で成功する一助にもなると言う。多くの日本企業で「出た杭は打たれる」ことから、服部氏は日本企業のなかで最も重要とされるのはチームワークだろうと述べた。加えて、日本企業において従業員の忠誠心は、仕事を遂行する能力も含めたその他多くに優先して重要視されるという。

女性であることが昇進の妨げにはならないとの点で、両氏の意見は一致した。両氏ともに、自らも従業員を男性、女性ではなく個人として見ているという。また、講演に参加している女性に対し両氏は、どこで働こうともビジネスで成功するためには自らの女性的側面を受け入れ、それを生かすべきと強調した。

ピーチラー教授は、女性が企業内で変化の担い手となるにはいくつかの重要な要素があると指摘した。第一に、有能な女性が仕事を持つこと。働く女性が増えれば、若い世代に働き方の手本を示せる女性も増えるからだ。加えて、企業を率いる男性も女性の昇進を支援し育成する必要がある。ピーチラー教授は、女性の昇進を妨げる職場内の障害を取り除くためには創造的な解決法がこれまでも、そしてこれからも必要になるだろう、と述べた。

このレポートは本シンポジウムの講演・討議を完全収録。日本経済経営研究所(CJEB)発行のレポートはCJEBウェブサイト www.gsb.columbia.edu/cjeb にてご覧いただけます。

米国三井物産財団・日本経済経営研究所共催
米国三井物産財団シンポジウム

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