

Ten Actions Japan can take to promote women's leadership

Referred to as the Womenomics policy, gender equality and woman's empowerment in the workplace are receiving renewed political attention in Japan. Given the nation's aging population and declining productivity, harnessing women in the workforce has become irreplaceable in Abe Administration's economic growth strategy, Abenomics, initiated four years ago. In his keynote speech at the 2014 World Economic Forum Annual Meeting, Prime Minister Shinzo Abe asserted that the female labor force was the "most underutilized resource" and has since declared a commitment to increasing the number of women in leadership positions to 30% throughout Japanese society by 2020.

This political pledge has yielded significant momentum. On December 25th, 2015, the Japanese Cabinet approved the Fourth Basic Plan for Gender Equality, which set forth a comprehensive policy direction. Five months later in April 2016, the Diet passed the Female Employment Promotion Legislation, requiring large corporations in private and public sectors to disclose gender diversity targets. Despite these much-publicized efforts, however, progress has been slow. Japan slipped in the Global Gender Gap Index from 104th (2014) to 111th (2016) under the current administration, now ranking in the bottom 20% of the world. Women in Japan are still far behind their male counterparts in earned income, leadership positions, and professional achievement.

With the support from the United States-Japan Foundation and the Japan Society for the Promotion of Science, the Shorenstein Asia Pacific Research Center (APARC) and the Clayman Institute for Gender Research at Stanford University co-organized a program on November 4th and 5th, 2016, to discuss workplace gender equality and empowerment of women. Guest speakers from both Japan and the U.S. (Washington, D.C., and Silicon Valley) gathered at Stanford University to tackle the common challenges women face in these two societies. The diverse group of researchers and policymakers, entrepreneurs and scientists, corporate leaders and diversity officers, and human right specialist and labor economists exchanged their views. The Japanese panelists learned about the specific progress and persistent constraints of their counterparts in the U.S., particularly in the Silicon Valley, while the American panelists learned about Prime Minister Abe's Womenomics policy and its impact on the Japanese society. The conference uncovered the institutional and normative impediments for women's advancement and explored specific programs to achieve gender equality in the workplace on both sides of the Pacific.

The two-day dialogue resulted in a set of concrete actions that will further promote women's empowerment in Japan. These actions are divided into four groups according to who would initiate those: government, large corporations, start-ups, and educational institutions. Many of the actions will go beyond the simple removal of barriers for women and contribute to revitalizing the Japanese economy.

Government:

The Japanese government should establish concrete measures to achieve targets stipulated in the Fourth Basic Plan for Gender Equality, which was approved by the Japanese Cabinet on December 25th, 2015, and went into effect in April 2016. The following reforms will help promote this process and distribute benefits to all workers equally. A special emphasis was placed on ensuring versatility across many sectors.

1. Abolish the income tax deduction and social security premium exemption for dependent spouses and increase family care allowance. The spousal exemptions that allow income tax breaks and social security premiums discourage many married women from seeking full-time employment. The Japanese government has recently proposed to scale back the spousal tax break by raising the annual threshold from ¥1.03 to ¥1.5 million or less starting in 2018. However, this incremental measure will act only as a short-term solution. Japan needs a conclusive solution to best utilize women as the workforce. By completely eliminating the spousal exemption and providing family care allowance, more women will be incentivized to take on full-time and leadership positions in the workplace. Families with young children and aging parents will be compensated with family care allowance.

2. Expand the scope of corporate disclosure on gender equality and establish a “Women’s Empowerment Index.” The public database on gender equality, launched by the Cabinet Office in 2014 and administered by the Ministry of Health, Labor and Welfare since 2016, remains limited in its scope and scale. The government should add more substantial measures in the rubric such as hours of overtime work and “re-entry/on-ramping” rate of women, and mandate the reporting requirement. Based on the expanded database, the government should calculate a Women’s Empowerment Index and issue certifications to people with high ratings. The index would be embedded in the parameters for stakeholder decision-making and provide financial incentives for corporations to sustain a more diverse work environment.

Large Corporations:

To increase women’s participation in the workplace, companies need to eliminate gender-based stereotypes in hiring and promotion practices, encourage more women to pursue full-time positions, and support women who seek to re-enter the labor force after temporary leave. Large corporations in Japan can take the following actions to lead these changes:

3. Scrutinize the yardsticks used for recruitment and promotion, and eliminate evaluation criteria that systematically sorts out certain candidates. Companies need to provide training to mid-career managers and top leaders to address unconscious biases in the workplace. It is critical to ensure a level-playing field for women and men.

4. Introduce a legal ceiling and penalties for overtime work and lift compulsory job transfers that disrupt family life. This will help change the prevailing work culture of devotion and self-sacrifice. Companies should consider decentralizing personnel administration so local offices will more closely monitor individual needs and preferences of employees’ and reflect them into their career trajectories. Such reforms will encourage more women to apply for full-

time employment and leadership opportunities while reducing premature resignations of women with families.

5. Create a mandate for departments to establish and provide clear job descriptions for each position to ensure consistency across departments. This would allow employees to better articulate their skill sets when seeking new job opportunities within organizations or when they re-enter the labor market after taking breaks in their careers. In the long term, this will help Japan develop a more robust external labor market that promotes mobility between organizations and across sectors, not just within companies.

6. Create a clear evaluation criteria for women with specialized careers and raise their visibility within and outside the organization. Visibility of an employee's technical skills is known to influence her or his prospect for advancement. When women propose ideas based on their specialization, they should employ "amplification" techniques, where they repeat each other's ideas to increase their credibility during meetings and brainstorming sessions. Corporate leaders should also make a point of acknowledging their expertise and vouch for their competence. Large corporations should facilitate their promotion to manager and board member positions.

Start-ups:

Although women are still underrepresented in entrepreneurial leadership positions, the gender gap is less severe in the startup sector than in large corporations. Thus, promotion of entrepreneurship in general will increase the chances for women's empowerment and leadership.

7. Create platforms to catalyze startups led by women and raise the visibility of successful female entrepreneurs. There should be a platform where novice and experienced entrepreneurs can interact. Routine exchange among successful female founders and aspiring entrepreneurs will help build a community that catalyzes women-led startups as they try to turn ideas into full-time businesses. Similarly, there should be a platform where female leaders in small startups and large corporations meet regularly to provide mutual mentorship. Corporate executives could learn the latest business trends while female entrepreneurs expand their professional networks.

8. Expand policies to encourage a culture of entrepreneurship with specific incentives for female entrepreneurs. The government should consider increasing the public funding for startups led by women and provide robust legal support for female entrepreneurs. Increased assistance to incubators and accelerators, specializing in supporting female founders, would also contribute to women's empowerment.

Educational Institutions:

Educational institutions play a key role in creating knowledge to ensure gender equality, promoting awareness and nurturing a bias-free mindset among young people. Furthermore, women's advancement in education generally yields greater participation in the economy and society. Recent advancements have created a reversal among the OECD countries. More than half of all students graduating from secondary and higher education are female; however, Japan

is still behind. The following two initiatives will help close the gap:

9. Strengthen gender equality promotion office at educational institutions. This includes hiring a dedicated diversity officer, who will help universities conduct gender analyses of leadership posts and monitor women in academic leadership positions. Furthermore, universities should introduce family friendly policies to support young faculty members. When faculty members take parental leave, universities should provide funding for temporary staff to lay the groundwork for their return. In addition, academic conferences held at universities should provide childcare services for out-of-town participants.

10. Create continuing education centers to offer certificate programs to provide skills and training for women and men looking to re-enter the workforce. The programs could provide specialized knowledge as well as skill development including self-assessment, counseling, resume-building, practice interviewing, and unconscious bias training. This will allow workers access to education and support throughout their onboarding process and transition into the workplace. These centers should also provide career services to match qualified workers with potential employers.

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