

30% CLUB JAPAN INVESTOR GROUP INTERVIEW SERIES VOL4

Interview with Yuko Kawamoto : Diversity and Corporate Governance

GSAM Thanks for joining us today, Kawamoto-san. You started your career at the Bank of Tokyo (the present MUFG Bank, Ltd.) and are now a professor at the Graduate School of Business and Finance (Business School) of Waseda University while serving as an external director at several companies, including the SoftBank Group. Could you speak about your career path so far?

Kawamoto I majored in social psychology at university and joined the Bank of Tokyo (the present MUFG Bank, Ltd.) after graduation. I married my husband during my third year with the bank, and I accompanied him when he went to the U.K. to study. At that time, I too studied at Oxford University. Later, I joined McKinsey & Company in 1988 and worked on projects in Tokyo and Washington D.C. At that time, no other women at McKinsey Tokyo had a child, but I was lucky to have a very cooperative boss. Just around the time that my second child was born, my husband was transferred to the OECD in Paris, and I was luckily able to work at McKinsey Paris. Thereafter, I came back to Tokyo and served as a member of the committee mandated to lead the privatization of four public highway corporations. I was often referred to as a "female committee member" in meetings there, which surprised me because although I had previously been identified as an expert at a financial institution and a mother, I was never identified first as a "woman" in the workplace. Then, in 2004, when Waseda University established a business school of finance in Nihonbashi, I obtained a teaching position there. Since then, I have served as an external director at various companies.

GSAM What helped you make the transfer to other countries as you wished while working at McKinsey? Was it something that had to do with the company's culture or system?

Kawamoto When my child was born, my boss allowed me to investigate the systems in other countries since there was no precedent in Japan, so I looked into the systems of other countries and used them as a reference when developing a system for Tokyo. The environment at the company is of course important, but you must be flexible as well. I think my husband's understanding and cooperation were more important than anything else in helping me to keep working.

GSAM Were there any differences in the environment between 2013, when you were

the first female director among the three major banks and the only female director in Mitsubishi UFJ Financial Group, versus 2018, when there were three women directors at MUFG?

Kawamoto Women don't all have the same opinion, but if there is only one woman, her opinion tends to be seen as representing all other women. So it is true that when another woman was added to the board in 2014, the tension relaxed. And when we had three women directors, the specialties of each stood out more.

GSAM How is diversity in the Board of Directors important from the viewpoint of corporate governance, which is your specialty?

Kawamoto If the Board of Directors is diverse, each director perceives issues and risks differently. When directors consider things from diverse viewpoints, it is highly likely that they can come to the best decision. Since various male directors have different backgrounds and experience, they naturally have some diversity. However, I feel that there is a greater amount of pressure to fit in with everyone else, especially in Japan.

GSAM Based on your experience working at McKinsey Tokyo and Paris, what do you think Japanese companies should do to help female employees demonstrate their abilities more effectively in their workplaces?

Kawamoto First, they should free themselves from being excessively conscious about the roles of men and women. It is often said that women have life events such as marriage and childbirth, but marriage is not possible without a counterpart, and it should be considered an important life event for men as well.

GSAM Of course, childbirth is an important event for men, too. During recent conversations with portfolio companies, we have noticed some cases where a high paternity leave take-rate appeared to be linked to a high ratio of women in managerial positions.

Kawamoto I think that Japanese people have an excessively strong concept of gender roles that assumes women will become housewives. In addition, people say that men tend to be evaluated based on their potential, while women tend to be evaluated based on their performance. In fact, one academic study suggests that



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women work longer hours than men in order to be promoted. Previously, there were restrictions imposed by time and location. However, now that more work can be done online, I believe that women employees, especially those who are mothers, can work more comfortably. In this sense, the ongoing COVID-19 pandemic serves as a tailwind.

GSAM Do you have any advice to companies who are having difficulties finding excellent female directors?

Kawamoto Finding candidates outside of the company is of course important. On the other hand, many years have passed since women began participating in the workplace. The top management in particular should be aware of this—it is important to thoroughly check people in managerial positions to see whether they have discriminatory views. Top management needs to recognize that women do not want to join companies that hold discriminatory views. Since Japan is safe, there are many women from overseas who come to study in Japan. However, they rarely choose to work in Japan. Japan is

141st among 153 countries in terms of women's level of participation in the workplace. Since women in 140 other countries enjoy a higher status than women in Japan, it's no wonder that women from overseas do not come to Japan to work. Also, I want people who work in companies to check if their companies' commercials for products and services promote discriminatory gender roles. I also want them to seriously review their programs for developing female employees.

GSAM What system or structure is desirable for Boards of Directors to facilitate exchange of diverse opinions regardless of race or gender?

Kawamoto Having an environment for open, frank discussion is very important. Regardless of how diverse the directors may be; I think that they will not be able to achieve their purpose unless they can have open discussions. Diversity is probably most effective in environments that permit different work styles and views of life. It is also important for the top management to

proactively create such an atmosphere and set up a place for open discussion. At the same time, directors and participants at board meetings should improve their skills needed for these discussions. The Board of Directors is a node between the inside and outside of the company, and if they cannot persuade outside directors, they will not be able to convince the public. The ability to explain is important. To me, the word responsibility from its Latin roots refers to "the ability to respond" rather than the Japanese direct translation "責任" meaning to take liability.

出典：GSAM

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