

Diversity confab in LA stresses role of women

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LOS ANGELES – Diversity is not just a nice thing to have but “will be imperative in the future” for companies to stay relevant in the changing global business environment, the leader of an international nonprofit organization told a recent symposium in Los Angeles.

“Looking at the share of global GDP projection, it is clear that the center of gravity is shifting to non-OECD (Organization for Economic Cooperation and Development) countries,” and companies “need to work in these diverse environments,” said Toshihiro Nakamura, cofounder and CEO of Kopernik, an online marketplace of simple innovative technologies designed especially for developing countries.

Nakamura was among the people invited to speak at the symposium held March 22 by the Global Organization for Leadership and Diversity. It was the fifth symposium alternately held in the city and in Tokyo by the NPO, established by former banking executive Hiroko Tatebe to help foster women as leaders and bring diversity to business and professional circles.



A former United Nations worker who was frustrated that no real changes were being made to people’s lives despite the large amount of financial aid being provided to developing countries, Nakamura said he founded his NPO to take a different approach: working closely with those facing challenging lives, mainly women who are holding

households together, and always getting feedback on whether the solutions really worked.

As an example, Nakamura spoke of a highly efficient cooking stove that he felt sure would be a hit product.

However, the stove only received modest reviews by users because it required firewood to be chopped smaller, further increasing the already heavy workloads of women.

Consequently, another type of stove that did not require more chopping was designed and got a positive review, he said.

With his experience of providing small items that “make a big difference in people’s lives,” mainly in developing countries, such as solar-powered lamps for households that reduce fuel costs and cut emissions of harmful substances, Nakamura stressed the importance of diversity and “understanding the unique environment” surrounding the challenges in each country.

On the issue of female corporate leaders, Elizabeth Stephenson, an executive of McKinsey & Co., gave some numbers that she said reflects the current situation of women in the U.S. workforce.

While women account for 53 percent of people who start at entry-level positions in large American corporations, only 3 percent of CEOs at U.S. companies on the Fortune 500 list are female, she told the audience.

“Why does it matter?” Stephenson asked, noting that 25 percent of U.S. economic growth is attributable to women entering the workforce since the 1970s.

Over the past 10 years, 85 percent of jobs created on a net basis were high-skilled jobs, and if the female ratio in the workforce continues at the same dropout ratio, there will be a gap of 40 million high-skilled jobs that are not going to be filled globally, she warned.

As such, having women in key corporate positions provides “prosperity and opportunity for the whole economy,” Stephenson said,

adding that there needs to be a good program to help bring more women to the top of the corporate ladder.

Aida M. Alvarez, former administrator of the U.S. Small Business Administration under President Bill Clinton, referred to the example of such a program by Walmart, of which she has been a board member for about seven years.

The retailer's female executive leadership council tries to identify high-potential women worldwide, she said, adding that Walmart's CEO meets with the council every month and the board talks about different talents out there.

Hiromi Kunii, general manager of the Diversity and Inclusion Office at Bank of Tokyo-Mitsubishi UFJ's human resources division, spoke of a program introduced at the lender to train women for higher-level jobs.

With women making up as much as 60 percent of the workforce in the banking industry, BTMU realized that utilizing female talent is critical and initiated the training program in 2006.

The project includes having female role models from within and outside the bank come talk to inspire women, Kunii said.

Today, thanks to the program, "a lot of women are in middle management but not yet senior management," said Kunii, who expects that to happen within several years.

At least the bank has come a long way from the days when, as a young employee, she was told by a customer, "I cannot give you confidential information because you are a woman," Kunii said.

The importance of diversity in business was also stressed by Renee White Fraser, president and CEO of Los Angeles-based ad agency Fraser Communications, who called attention to the \$650 billion spending power of minorities in the United States alone.

Businesses would be "remiss not to try to figure out the best way to get to the marketplace," she said, emphasizing that "a diverse employer, especially at the executive level, is effective."