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## **Off-Ramped Women May be the Answer to Japan's Demographic Crisis Finds New Study from the Center for Work-Life Policy**

### **Many Japanese Women Prefer Jobs at Multinationals over Domestic Employers**

**Tokyo, Japan; November 11, 2011** – A new study on Japan by the Center for Work-Life Policy (CWLP) which focuses on the career pathways of highly-qualified women finds a potential solution to this country's talent crunch and demographic crisis.

The CWLP report, entitled "Off-Ramps and On-Ramps Japan: Keeping Talented Women on the Road to Success," was launched today at Goldman Sachs in Tokyo.

The study finds that the vast majority (74%) of highly-qualified women in Japan take an off-ramp or voluntarily quit their jobs. The scale of this female exodus is massive, especially when compared to the U.S. (where 31% of highly-qualified women off-ramp) and Germany (where the number is 35%).

An important thread of good news in this research: off-ramps are short (2.4 years) and fully three-quarters (77%) of Japanese women want to rejoin the workforce, a finding that contradicts the commonly held view in Japan that women who quit do so for the long-haul.

However, despite the widespread desire to get back to work, on-ramps in Japan are few and far between. Of those Japanese women attempting to rejoin their careers, only 43% succeed in finding a job. This is a great pity, since these highly-qualified women could help solve the country's looming talent shortage.

One surprising finding is that despite powerful "pull" factors centered in the traditional Japanese family, highly qualified women in Japan find push factors (centered in the workplace) even more important in forcing them out. Rigid workdays, a paucity of career development opportunities, and gender bias are just some of the factors that "push" women off the career track.

Many accomplished Japanese women prefer working for U.S.- or Europe-headquartered multinational corporations which they feel are more sensitive to the needs of women than private sector Japanese companies.

## **Key findings**

- Fully 74 percent of highly qualified Japanese women (college grads) off-ramp—more than twice the number in the U.S. (31%) and Germany (35%).
- Only 32 percent of Japanese women off-ramp for childcare-related reasons, compared to 74 percent in the U.S. and 82 percent in Germany. Instead, 49 percent of working women in Japan quit because they feel stymied and stalled at work.
- While three-quarters (77%) of off-ramped women want to get back on track, only 43 percent succeed in getting a job, compared to 73 percent in the U.S. and 68 percent in Germany.
- Even those lucky enough to find a job face serious penalties in terms of earning power and progression. Forty-four percent are forced to take a pay cut, and many others face fewer management responsibilities and promotional prospects going forward.
- Career-minded and ambitious Japanese women prefer to work at multinational companies. Sixty-eight percent believe that U.S.- or EU-headquartered companies are more woman-friendly than Japanese firms.
- What would keep highly qualified Japanese women on the career track? The majority (66%) say they would not have quit their jobs if flexible work arrangements had been available.

In addition to exploring the career paths of highly-qualified Japanese, this study also details the policies and practices used by leading edge multinational corporations to attract, retain and accelerate female talent in Japan. These best practices benefit the private sector (allowing companies to leverage Japan's impressive pool of female talent) and the country at large, since better utilization of highly-qualified women goes some distance towards alleviating Japan's looming demographic crisis.

### At the event to launch the study, remarks were made by:

- **Sylvia Ann Hewlett**, President, Center for Work-Life Policy
- **Laura Sherbin**, Senior Vice President, Center for Work-Life Policy
- **Reiko Hayashi**, Managing Director, Merrill Lynch Japan Securities Co., Ltd.
- **Kathy Matsui**, Managing Director, Global Investment Research, Goldman Sachs Japan Co., Ltd.
- **Yumiko Ono**, Managing Editor, The Wall Street Journal Japan
- **Nikki Ozawa**, Senior Manager, Executive Communications, Cisco Japan
- **Katsunori Sago**, Deputy President, Goldman Sachs Japan Co., Ltd.

## **Methodology**

Spearheaded by Bank of America Merrill Lynch, Cisco, and Goldman Sachs, research for the study comprised focus groups, one-on-one interviews, and a national survey among Japanese residents ages 21-62 with the equivalent of a U.S. bachelors' degree. Data were weighted to accurately reflect the Japanese population (age, sex, and region). The survey was conducted by Knowledge Networks under the auspices of the Center for Work-Life Policy, a nonprofit research organization and comprised 1,582 respondents (438 women and 1,144 men).

## **Research Sponsors**

Bank of America Merrill Lynch, Cisco, Goldman Sachs

### **About the Authors**

**Sylvia Ann Hewlett** is an economist and the founding President of the Center for Work-Life Policy, a non-profit think tank where she chairs the “Hidden Brain Drain,” a task force of 68 global companies committed to global talent innovation. She also directs the Gender and Policy Program at the School of International and Public Affairs, Columbia University. Dr. Hewlett is a member of the Council on Foreign Relations and the World Economic Forum Council on Women’s Empowerment. She is the author of 10 *Harvard Business Review* articles and 11 critically acclaimed nonfiction books including *Off-Ramps and On-Ramps* and *Winning the War for Talent in Emerging Markets* (Harvard Business Press). Her writings have appeared in the *New York Times*, the *Financial Times*, *Foreign Affairs*, and the *International Herald Tribune*, and she is a featured blogger on Harvard Business Online and Forbes. In 2011 she received the Isabel Benham Award from the Women’s Bond Club and Woman of the Year Award from the Financial Women’s Association. She is a frequent guest on television, appearing on Oprah, Newshour with Jim Lehrer, Charlie Rose, the Today Show and CNN headline News. Hewlett has taught at Cambridge, Columbia and Princeton universities. A Kennedy Scholar and graduate of Cambridge University, she earned her PhD in economics at London University.

**Laura Sherbin** is Senior Vice President, Director of Research at the Center for Work-Life Policy where she heads up CWLP’s survey research. She is an economist specializing in work-life issues and gender. She is also an adjunct professor at the School of International and Public Affairs at Columbia University teaching “Women and Globalization.” She is coauthor of *Harvard Business Review* articles “How Gen Y & Boomers Will Reshape Your Agenda,” “Off-Ramps and On-Ramps Revisited” and *Harvard Business Manager* article “Letzte Ausfahrt Babypause” as well as Harvard Business Review Research Reports *The Athena Factor: Reversing the Brain Drain in Science, Engineering and Technology* and *The Sponsor Effect: Breaking Through the Last Glass Ceiling*. She is a graduate of the University of Delaware and earned her PhD in economics from American University.

**Catherine Fredman** is Managing Editor at the Center for Work-Life Policy. She has collaborated on five best-selling business books, including *Direct from Dell* with Michael Dell, *Only the Paranoid Survive* with Andy Grove, and *Use the News* with Maria Bartiromo, and has written memoirs with Andy Grove (*Swimming Across*) and for the Dell family. She is an award-winning magazine editor for consumer and corporate publications. Fredman is a graduate of Bryn Mawr College.

**Claire Ho** is a Research Associate at the Center for Work-Life Policy. She is a co-author of CWLP report “Asians in America: Unleashing the Potential of the ‘Model Minority.’” She has served as a statistical analyst at the Baha’i World Centre, research intern at the United Nations Development Programme, and management consultant to the New York City Mayor’s Office. She holds a BA from Barnard College and an MPA from Columbia University’s School of International and Public Affairs.

**Karen Sumberg** is Senior Vice President at the Center for Work-Life Policy and a Director with the CWLP’s advisory services practice Sylvia Ann Hewlett Associates. She is an expert in gender, career-pathing and communications and leads research projects for the CWLP including “The Sponsor Effect,” “The Power of ‘Out:’ LGBT in the Workplace,” “Bookend Generations: Leveraging Talent and Finding Common Ground.” She is coauthor of *Harvard Business Review* articles, as well as Harvard Business Review Research Reports. Earlier in her career, Sumberg taught English in Japan and worked in media. She received her BA from the University of Maryland and her MBA from Fordham University.

### **The Center for Work Life Policy**

The Center for Work-Life Policy (CWLP), a non-profit “think tank” based in New York City, has emerged as a thought leader in diversity and talent management, driving ground breaking research and seeding programs and practices that attract, retain and accelerate the new streams of talent around the world. CWLP’s flagship project is the Hidden Brain Drain Task Force—a private-sector task force focused on talent innovation. The 68 global corporations and organizations that constitute the Task Force—representing 4 million employees and operating in 190 countries around the world—are united by understanding that the full utilization of the talent pool is at the heart of competitive advantage and economic success.