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SWCC's Hasegawa on tackling unconscious bias on the way to reform

Fidelity What first got you thinking about a leadership position or made you want to take on such a role?

Hasegawa When I joined SWCC, the Act on Equal Opportunity in Employment did not exist, and there were almost no posts available for female engineers with a master's degree. I joined SWCC through an alumni connection and was assigned to Technology Development as I had hoped, thus beginning my career. I was assigned to the development of insulation and coating materials for electric wires and cables, which was different from my area of study, and I worked hard to fill the gap. A few years later, cuprate superconductor was discovered, and I was transferred to the internal research facility that was established to focus its development.

> **"I think the biggest factor… was having been given the opportunity early."**

Then suddenly, in my tenth year, my boss said, "I want you to become a division manager." At the time, there was no precedence for someone with just ten years of experience to become a division manager with direct reports, let alone a woman. Too often, I'd been told, "You can probably become a team lead at best." My work was just getting interesting, and my honest thought was, "Why should I have to leave the field and become a manager?" Yet, once I became a division manager with a dozen direct reports, I felt very strongly responsible for them and about the survival of the division. With barely a proper handover, I thought hard about what a division manager role entails, speaking with various people, and shaped it as I went. Despite taking on a leadership position with no training, the position makes the person so to speak, and I felt compelled to act now that I was in the seat. I think the biggest factor that contributed to becoming a leader, was having been given the opportunity early.

Fidelity Many, regardless of gender, would likely hesitate at such a sudden opportunity, but it is amazing that you grabbed it and took on the challenge.

Hasegawa I accept anything that comes my way and if I try and fail, I simply tell myself that they shouldn't have picked me (laughs). So, any time someone asks if I want to try, I will give it my best shot. When the offers to be a director at an affiliate or SWCC cropped up, I took the opportunity without fail.

Fidelity Some may be surprised by your quick career ascension. What do you think is the reason?

Hasegawa I wonder too (laughs). Honestly, it might be luck. When I was made division manager, there were not many peers with a strong track record. Also, SWCC's culture has always tended to view things objectively, like their hiring of female engineers even before the Equal Opportunity Act.

Fidelity Alongside opportunities, there must have been many challenges too. What was the most memorable?

Hasegawa There was a time when I oversaw the research and development for high-temperature superconductivity, an ever-elusive realm. As a company, when business is good, budget is allocated to technology with future potential, but when business slows, it is the first to go. Yet, this theory captivated students at the time, and many joined SWCC wanting to work on this specifically. There was a drive to solve any difficult problem and a passion for research and development, and I felt it my responsibility as a leader to protect them.

In fact, when the business really did start to slow, we were asked on two occasions to halt the research. When talking internally failed, I secured funds externally or asked clients to convince our management to think again and we somehow managed to negotiate a way to continue the research.

Ms. Takayo Hasegawa

SWCC Corporation
Executive President and
Representative Director (CEO) Chair
of the Board of Directors

Joined Showa Electric Wire and Cable (now SWCC Corporation) in 1984. Nominated by external directors in 2018, rises to representative director and CEO. Since then, has introduced fundamental structural reforms such as the introduction of ROIC-based mgmt. and strengthened governance. In Feb. 2024, SWCC was selected by the TSE as a good example for "cost of capital conscious management".

A diversity promotion project called "SWCCarat" was launched in 2021, reporting directly to the CEO, implementing measures for female employees to play to their individuality and strengths. SWCC has set an ambitious target to double the number of female managers by 2026 (vs. 2020) and to increase seven-fold the number of division managers.

Fidelity And I suppose that drive has not changed since becoming CEO?

Hasegawa That's right. Back then, I led a team of about a dozen staff, and now, the number has changed to 4,000 but my motivation is unchanged. As the last one standing, I must protect this company. Since the time we were a small division, we faced and overcame many adversaries in our own ways. Today, the methods may differ, but the driving force is the same.

Fidelity I heard that external directors of the board were the ones to nominate you for the CEO position. I believe your ability to execute was highly regarded, but did they share what the thinking was behind this decision?

Hasegawa The thinking seemed to be that I would be someone to "manage the company in a completely different way". In 2015, SWCC fell into the reds due to a large extraordinary loss. The next year, we were back in profit, but this repeated several times, and the external directors were concerned about SWCC's future which compelled them to speak up to the management at the time. However, they were not listened to at all, leading them to look for someone who could manage the company in a completely different way. I think I was chosen because they hoped I would be someone who would face these problems head on, shaking up the way of management.

Fidelity In the process of reforming SWCC's governance since your appointment, you must have ruffled some feathers internally, but how did you go about it?

Hasegawa I tapped into an advantage I had as a woman (laughs). In one-on-one meetings, I smiled and requested, "Would you please step down?" Of course, there were complaints. Some talks would take half an hour, while others spanned days. I spoke to a dozen people, explained my position, and in the end, I was able to get them to understand and accept that it could not be helped. If it had been men, I believe it might have been more difficult due to factions and indebtedness to those that vouched for you, perhaps.

Fidelity You really did not hold back.

Hasegawa Without such drastic measures, I did not believe a meaningful reform is possible. There had been attempts at management reforms in the past, but unless those who really believe in it are in command, no amount of talks of reform will resonate with the employees. When I was an executive myself, I heard people say, "The CEO says so, but don't worry about it." So, for true management reform, I believed a change in governance is needed, meaning the board and executive officers all had to be strong supporters of the CEO's reform. Later, as the outside directors who had nominated me were retiring, it made me very happy to hear them say, "You exceeded all expectations."

"… the need for the promotion of paternity leave uptake and not just the promotion of women for real diversity to take hold."

Fidelity How does SWCC's diversity promotion project "SWCCarat" seek to enhance hiring and the career development for female employees?

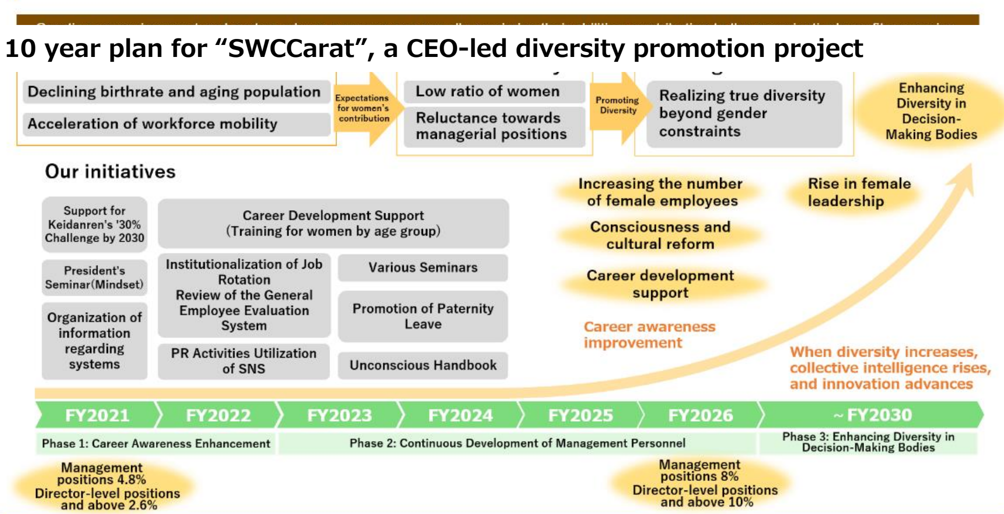
Hasegawa Just because the CEO is a woman does not mean that we attract more female employees, and the current female ratio is very low at around 15%. Given that I am CEO, the image that we are "a company where women can thrive" has taken hold, and there has been an increase in mid-career hires, but female graduates are still few. Especially since the corporate name change to SWCC, I have been proactively communicating at every opportunity that the culture is inclusive to women and fairness is ensured. While we have the systems in place, I feel that alone is still insufficient to properly convey the appeal of the company. SWCCarat launched in 2021 and we had a roadmap to success over several years. I feel that we are on track to achieving that goal. What once started with just female members, now has four men and ten women. The name has also changed from 'Female Empowerment Project' to 'Diversity Promotion Project'. For women to thrive, the understanding and cooperation of men is key, and the initial members shared that they would like to add men as support staff. However, I found that those speaking out against gender biases should not be marginalizing men and told them that our male colleagues should join as official members, not support. On top of the day job, everyone is effectively balancing their project roles too.

Fidelity 2024 sits right in the middle of this roadmap. What initiatives stand out in particular for you?

Hasegawa Last year, we held a lecture on "Men's Studies", basically concluding that men also do not have it easy all the time either. This shed light on the need for the promotion of paternity leave uptake and not just the promotion of women for real diversity to take hold. At SWCC, paternity leave uptake lasting more than one month is still low at around 24%.

Fidelity 24% taking leaves longer than a month seems higher than the average.

Diversity Promotion Project Roadmap



Now in its fourth year since its launch in 2021. Members span various departments and locations, including affiliated companies. The ultimate goal is for true diversity that fosters innovation, and initiatives are extend beyond increasing female participation. While female mid-career hires have increased, female grads still lag. Hasegawa herself speaks to the younger generation, including at events for female science and engineering students.

Hasegawa It needs to be much, much higher. Each year, the Diversity Promotion Project draws up improvement proposals based on surveys and interviews, which are reported to HR and directors. By facing these issues seriously, I believe that we are gradually moving in a positive direction.

The other initiative is dealing with unconscious bias. Just last week, we published the "Unconscious Bias Handbook", which strongly reflects the members' thoughts and provides concrete examples from within SWCC. The members say they want to mark this year as "The Uncon-Year" and hold activities to raise awareness by having everyone pause and reflect on their unconscious tendencies.

Fidelity You describe yourself as the type to grab opportunities but oftentimes women are portrayed as being too critical of themselves, finding reasons why they fall short, while conversely, men will focus on what they can bring to the table. Do you consider it possible to change such mindset through education and effort?

Hasegawa I do. When SWCCarat first began, we surveyed all female employees, and very few said they wanted to become a leader. Yet there were quite a few who said they want to be a 'sub-leader', basically a support role to a leader, but I wondered if this was their real desire.

Over the past three or four years, I have been saying in roundtable discussions and lectures, "seize every chance and give it your all." And when you do, "someone will judge your efforts fairly." I think those who heard this dared to think, "I also have a chance at becoming a leader." Currently, we have two career tracks, 'jimu-shoku' (administrative) and 'sogo-shoku' (general). While we plan to get rid of the distinction, last year, we formalized a system to switch into 'sogo-shoku'. As a result, three people changed tracks. The fact that more people are challenging themselves to transition into 'sogo-shoku', I believe indicates that the way of thinking on seizing opportunities is also taking hold. That being said, the hesitation to challenge oneself stems less from gender and is more generational, in my opinion. I think that if role models within the company increase, more will be able to picture themselves in a similar role, allowing themselves to try in a more light-hearted manner, rather than agonizing over it.

Fidelity In Japan, the reality is that the promotion of female participation in society is very slow, but should resolving this be a goal from a corporate management view? Or is promoting female participation merely a lever to enhance corporate value? Of course, both approaches will eventually connect in some way, but when it comes to the theme of women's participation, where lies the primary goal for you?

"…if role models within the company increase, more will be able to picture themselves in a similar role…"

Hasegawa Ideally, it should not be about such things as female participation or actively promoting women. The position of a "CEO" exists but not one for "female CEO". In a similar way, there should be no jobs in a company that must be filled by a woman or a man, and the best suited person for the role should be chosen regardless of gender.

So, management had filled roles with the best people regardless of gender or age, in alignment with a vision they held, but upon lifting the hood, they find that there are too few women. When attending a meeting, there is a difference between an all-male meeting and a diverse one, in terms of whether a lively exchange of opinions is possible. It is healthy for women to be included in meetings where directions are being discussed or decided, as men are more likely to change their silently accepted thinking of the status quo as "normal and natural". I do not intend to give preferential treatment to women, but I think that it is sometimes necessary to give female employees who might think "certainly not me," an extra push into a role. I am beginning to understand more recently, that I am where I am because I too was also supported in this way, when selected as a division manager or nominated as a director by others.

Fidelity Lastly, I'm sure you speak often with investors, but can you give a final word to investors?

Hasegawa Recently, I have had more opportunities to speak with investors, including those overseas, and have received a variety of opinions. These are often very helpful for management, and I believe there is much to learn from their perspectives. I would like to continue to fully communicate to investors on the progress of our reforms and our thoughts on future growth. I was able to solidify our foundations through the reforms, but this is not the end, and I hope investors will look forward as we enter the growth stage.

Fidelity We expect that, gradually, as unconscious bias is addressed and as SWCC enters the growth stage, the active participation by all employees will lead to innovation at SWCC.

Hasegawa I hope that will be the case. Imagine how much things could change if internal meetings of team and department leads comprised of 30% women or more? I have been proactively instilling change through reforms up to this point, but from here, I would like to shape a company where the mentality to change is strongly embedded in the corporate culture, change is a given, where trialing something different to be better than last year is completely normal.

Fidelity That sounds fantastic. We look forward to the future of SWCC.

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