



Executive Webinar Series

Leading from the Living Room: Microsoft Japan

Full transcript

Moderator

Sarah Liu, Founder & Managing Director, The Dream Collective

Guest

Katsuyoshi Sugita, Head of HR, Microsoft Japan

Sarah: Alright, it is now officially 12pm Japan time, 1pm Thursday here in Australia on 23rd April. Welcome, everyone to The Dream Collective *Leading from the Living Room* live webinar series. Today, we're really excited and super thrilled to be having a special guest with us, Head of HR Katsuyoshi Sugita-san. Hi Kats!

Katsuyoshi: Hello.

Sarah: Good to see you.

Katsuyoshi: Thank you for having me.

Sarah: Thank you so much. To everyone who might be tuning in for the first time, we are The Dream Collective. My name is Sarah, I'm the Managing Director for The Dream Collective. So what we do here at The Dream Collective, really, is very simple; we are a diversity and inclusion global consultancy, and our mission is to work with businesses to help them attract, retain, or advance female talent in particular. And so, over the years, and particularly in the recent months and weeks, when we are faced with such uncertain

times, a lot of our clients and partners are sharing with us that they really long for knowledge exchange and information sharing, to hear about what other businesses and how other business leaders are managing through this unprecedented time.

So I'm really excited to be having Kats with us today. We actually have, I think, over 170 participants on the webinar today, dialing in from eight different countries and locations, but I think no matter where you are, probably since late last year and early this year, you would have seen in the news about the four days working week introduced by Microsoft Japan. So we're very thrilled to be having Kats with us to share firsthand what that experience was like.

So, I will be the moderator today, and I'll be having the conversation with Kats today. For the first half of this webinar, we have prepared some questions, we will go into a bit of an in-depth dialogue with Kats to get him to share his experiences leading the team and leading HR in Microsoft Japan during this time, learn from his experience, and we will be opening up the webinar for live questions from the audience. So in the bottom right-hand corner, you will be able to submit your questions by clicking on the Q&A button, and we have a team who will be reviewing and looking at those questions so that we can ask Kats-san in real-time as well, to make sure that all your questions are answered.

So, without further ado, I would love to kick off Kats, to hear a little bit about your career journey so far. Kats, if you can tell us a little bit of your professional journey that's brought you to this leadership position so that the audience, everyone who's dialed in today can start to get to know a little bit about you. That would be fantastic.

Katsuyoshi: Thank you very much. And before starting this, I've got to say, Microsoft is not perfect, and also, I'm not best-practice something. So I just want to share my experience and also my failings – a lot of mistakes. So let me start. I'm kind of a hybrid of Japanese company HR and also international HR and, in my case, my HR foundation was really developed by my first employer, a Japanese manufacturing company. And then after that, I moved to international companies. And luckily also, I got a lot of international assignments and project participation, project leading opportunities. All those things actually developed me a lot.

And, especially, I want to talk about one thing. My first supervisor, he was a very tough guy (my supervisor in the Japanese company), and he really provided me with the approach of fact-based and business-based HR. At that time, actually, we didn't have such a business partner type of work, and also we didn't have fact-based or maybe data-driven HR types of things, but he already had some of those concepts. And now, I'm more interested in their business contribution than creating something cool, nice recruiting programs, or development workshops. And in any occupational psychological survey, usually, I get some results like, my best role is sales director. So I'm very much result-driven.

And I want to add one more thing, and that's my experience in international companies. After moving to international companies, I always got 360-degrees feedback, and also executive coaching. The combination really helped me a lot. I made a lot of mistakes and I always received tough feedback and also getting back to the challenge with some support of executive coaches. So I have been really working on my leadership development that way for the past 12 years, intensively, and still, I have a lot of opportunities to develop, I guess. By the way, I also have had many great mentors, locally and also internationally. And after this crisis happened, more than before, I'm contacting those people – my executive coaches and my mentors, locally and internationally. I'm having more chats with all of them. All those things really helped me a lot. Thank you.

Sarah: Fantastic. I'm really curious, what was the toughest feedback you have received? And how has that changed you in your leadership journey?

Katsuyoshi: I'm very open and honest. One time, I received very tough feedback from some of my peers. "This guy, Kats, seems to be very much business-driven and result-driven and the guy delivers results always in a very, very quick manner. That's great. But I don't like working together with him. I feel sometimes he is trying to manipulate me, manipulate things." Something like that. I really didn't have such intention of manipulating things, so I was surprised and also I was disappointed. I was really discouraged. And then at that time, I also started to work together with an executive coach and he really helped me and provided me also another painful feedback, suggestions, and

challenges. I really made a lot of leadership changes. Still, every day, I'm trying to be better, but that one was, for me, the most difficult and the toughest feedback in my career.

Sarah: Wow, I love that. And I appreciate you being so open and honest, as well. That's very much the spirit of this live webinar series. It's about really genuine, honest conversations that actually helps leaders progress and lead better. And I think our individual experiences, the feedback that we receive, really builds us to be who we are today. So what do you feel, maybe that's happened in your career or maybe advice from mentors, has prepared you to lead better during this uncertain time and during this crisis?

Katsuyoshi: Thank you. Actually, I want to go back to the same guy, my first supervisor. He always told me, "prepare for the worst" from my day one. And also, the same person provided me a strong instruction that fact-based decision is really everything. So, when I faced any sort of crisis or maybe difficulties, I was not in a panic. I just always felt I needed to collect more information and facts, then I can make some scenarios between the best case and worst case. And, especially, thinking about the worst case is really important. When I get a sense that I can manage things, even in the worst case, then I can be relaxed, then I can sleep well. Actually now, I'm working very hard, but also I can sleep very, very well. I feel that I'm controlling the situation. Even though things can get worse, but still, I feel I can manage things by myself, together with my peers and my supervisors, my team members.

By the way, the interesting thing was, he really didn't give me the first part "hope for the best". But I'd like to be more well balanced between the two – hope for the best and also prepare for the worst.

Sarah: Yeah. I think it is really important to have a balanced approach to it. And so can you give us an example of how you have prepared for the worst?

Katsuyoshi: For the worst? Here, especially, in this case, I think the worst case can be some real panic reaction. I do believe, at least here in Japan, we have a very good healthcare system, so in reality, I think things will not get worse. But people's panic reactions can create another panic. I think that's the worst case. And also, without collecting real data and facts, people can start some actions. That type of behavior can

create more and more negative and chaotic reactions. Those things, for me, are the worst case.

And also, the situation will be uncontrollable. So at this time, for me, the most important part is how to make things controllable, and how to collect all the information and data quite quickly. And also, getting more information, more practices from other companies or maybe other organizations. Microsoft Global already provided us with a lot of instructions and data and facts, but local information, local data are also important. And, sometimes, people hesitate to share things, but I think when we have some difficulties, we should share more than before – how we are doing, what's the pain point, everything we can share, and then we can find some better practices or maybe some good know-hows.

Sarah: Thank you for that. I think it's been a number of weeks since the Coronavirus situation really started to affect the workplace. As the Head of HR for Microsoft Japan, what have been some of the most challenging things for you during this time?

Katsuyoshi: Actually, quite similar to the previous question, for me, the most difficult part is to be afraid of COVID things appropriately. I mean, people sometimes are too scared and people sometimes do not recognize the risk. In Japan, people tend to react too much, and people do not understand the risk accurately. So some people, and I want to say, even in Microsoft, some people, even senior ones wanted to take some drastic actions such as office closure almost immediately after we got the news, but that reaction was actually too much, in my opinion. And when we start with such a reaction, then people can take another action. The key is how to understand the facts objectively and how to make the best decisions with others quickly. Sometimes, I get to be a bit tough to others and have to say no to others, but communication is really the key. Here, people tend to think about the other side too much, and then maybe we do not have clear communication. So clear communication is the key in this situation/crisis.

Sarah: Yeah, absolutely. And I think everyone who's tuning in today probably has the same burning question around the infamous four-days working week that Microsoft Japan introduced. And as the Head of HR, of course, you played a really pivotal role in the planning and the execution of this four-day week and in Japan for Microsoft since

August/ September 2019. So can you share with us a little bit more of the experience – how it started, what did you learn, what were some of the challenges, and where it is now?

Katsuyoshi: Thank you very much. Actually, last year, we did it and then not immediately after that, but after we made some external communication, many, many people came to us, and we received tons of questions and many people wanted to understand what happened and what the key was, something like that. Anyway, the starting point was the upcoming Tokyo Olympic Games. Actually, it was postponed, but last year, we didn't expect this, so we planned. At that time, actually, Tokyo local government and also the Japanese government requested us, companies and organizations, to reduce the commuting volume for this coming Tokyo Olympic Games. Then we wanted to make it by ourselves – so how to reduce the commuting to the office. That's the first part of the initiative. And also, we really believe Microsoft is the top runner in work style innovation in Japan, I do believe so, and we wanted to challenge something big, something new, something fresh. Then our country president wanted to make it a four-day workweek.

Honestly speaking, at the beginning, we received lots of objections. But somehow, actually casually, we made the decision locally. And then after that, I got the approval from headquarters. Of course, this is really needed headquarters' approval. The objective is not just enjoying one more day vacation/day off per week, no. Our objective is how to keep or how to increase productivity with this time. That's the starting point. And we really wanted to show, that, okay, we can work much more productively. That's our objective.

Our employees reacted to the initiative negatively at first. They told us, it's really impossible. The reason is clear; they have tons of things to do already. "We are busy, so how can we do it?" That's the fast reaction. They told us they need five days a week. We made the announcement in April and asked all team members to start thinking about how to be well prepared for 4 day work. So we had some enough preparation time, then in August, everything went well. I can say everything went well – no significant issues. Employee satisfaction level can be something like 97-98%, almost perfect.

Sarah: Wow!

Katsuyoshi: Employees really experience very packed four days, very busy four days a week. But they are also more relaxed three days a week. And, again, I want to repeat one thing; our approach was really to increase productivity. Our approach was to measure the changes with numbers. Microsoft always wants to make tracking with numbers. We have also technologies where we make full tracking of individual work style. So we have some facts. One thing is, for example, before, we had many 60-minute meetings, but all those 60-minute meetings went down to 30 minutes. Because we've got to finish a lot of meetings but we cannot spend 60 minutes so the meeting length became shorter. And it means also that productivity went up and meeting participant numbers became smaller. Sometimes, multiple people (from the same team) participated in the same meeting together, but now, there's only one person/one representative from one team. That's a good change.

And customer visiting time, no change. We really need to visit customers, we need to prioritize customer time. So no change. Sales numbers were okay. Employee satisfaction went up significantly and we really showed good productivity in August.

In September, an interesting thing happened. Many people came back to me and they said to me, they cannot work five days a week anymore. And that's so funny, before, they said, "I cannot do four-day work", but now they said, "I cannot work five days a week". I told them, "this is not my official comment, but I can say it's up to you. We don't control your time, we expect you to deliver your outcome as promised. So how to do it is up to you". That's actually my policy and also the company policy. My personal opinion is that providing one more vacation day, but more strongly, asking why they work from home every day in August could be more interesting. So maybe this year, if this current COVID crisis has gone away, then maybe this summer, we can tell them something different, like five days at home, almost no office work in August, something like that. Still, I'm sure we can keep our productivity or maybe we can increase the productivity.

So anyway, I don't find any significant issues doing this four-day work. And also after this COVID crisis, I really want to see some big changes in our work style. I want to really see this, not just for Microsoft, but for the society.

Sarah: Yeah, that's excellent. I was actually really surprised when you told me that the biggest challenge came from the employees not actually wanting to work four days, and I think it just goes to show that so much of it is actually in the mindset. Now that they've done it, they're coming back to you and saying that "hey, you know, I can't do five days anymore". So, when you are trying to implement change, how do you take people on the journey? How do you change that perception? Do you think it's just leadership making a decision, and just like run with it, or is there any change in management mechanisms that need to be applied to make sure that the employees shift their mindset at the same time?

Katsuyoshi: I want to say that we have a great change management plan and we make great change management, but the reality is not that way. It was, "we already made a decision, okay, do it". And, at least senior leaders, they were so excited, they really wanted to test this approach. So with this commitment, with this passion, we just made the decision. This is non-negotiable, do it. And then people started thinking about how to prepare for the coming change.

Sarah: I love that because we work with a lot of clients and, a lot of times, the biggest question that we receive is, "how do we manage this change etc?". But I think this COVID experience actually taught everybody a really valuable lesson, which is, it's actually a decision. You decide to work from home, boom, you did that. You decide to remote work, boom, people follow. So it's actually about making that leadership decision, and then build your workforce to prepare for it. So thank you so much for that.

I think you talked about what could happen to the way we work after COVID, and we've got actually a number of questions that are coming through already from the audience. Katie is asking that during this time of COVID, obviously everyone is in shock a little bit with like the commute and everything, so this has brought to light Japan's hierarchical work culture and technical inability to work from home. So, in your opinion, do you think COVID will accelerate Japan's shift towards a more modern remote working style, or do you think, after this, it will go back to the way it was?

Katsuyoshi: That's a good question. First of all, I think with this COVID thing. By the way, I think this is also our new normal. Also sometimes kids, dogs, or cats, they can also disturb us, but that's our new normal.

Sarah: Absolutely.

Katsuyoshi: Anyway, back to your question. I think, first of all, I really believe we didn't change. We didn't change our work style, it's just that some of the best companies, they are more aggressive at this point, but still, the grip of those companies is very small. There are, I think, plenty of companies which have huge opportunities, and many companies can make some small mistakes when they see work style innovation or remote work. So I think people... I am sorry, but I probably missed your point. Could you repeat the question once again?

Sarah: Yes. I think it was, do you see COVID-19 as an opportunity for Japan's workplace to accelerate the change to remote working and a more modern style of work, or do you think people will go back to the old normal?

Katsuyoshi: I'm sure if we don't take any clear actions now, I think that people will go back to the old normal. And I think this new normal is still not yet in practice in many companies. Now, people are actually just forced to stay at home but we really need to change some of the corporate culture or maybe HR policies and practices much more. Otherwise, I think nothing will be sustainable. Right now, in many companies, I think productivity clearly went down. Sorry, my dog probably...

Sarah: No worries, we love it. And that's why we've titled this webinar series to be "leading from the living room" because that's the reality that we're working with now. So we've got another question from the audience, which is linked to what you mentioned about, that in order to drive change, you need to be very intentional. So, how can leaders best influence the culture in Japan surrounding this inactiveness of accepting flexibility and inclusion policies? For example, maybe leaders don't feel they need to take parental leave or worry about promotion as a result of that. I think Microsoft actually has a lot of experience in that field. So it would be great to hear your experience on this.

Katsuyoshi: That's also another great question. I think Microsoft is also not perfect, and I want to share some experience here, for example, about diversity and inclusion. I'm a big fan of diversity and inclusion and I've actually made a lot of changes in this area. But at the beginning of my time, some senior leaders came to me and asked me, like, "where is the special headcount to hire females? Or where is the special headcount to assign

female managers?" Of course, there is no such headcount. And it was just two/three/four years ago, not 10 years ago. So today, I think those leaders are not in Microsoft Japan anymore. I think leadership mindset change is really needed, not just in Japan, but in Japan especially. Leadership mindset change/ leadership behavior change is so much important, especially because Japanese culture is much more hierarchical than other countries' culture. So that's also my belief.

And also, I want to talk about one more point. I have a very strong personal belief that if we really want to change something, we need to measure it continuously. And so, always, my approach is to set a target clearly and to make monthly tracking. I think only a one by one change can bring us something significant, something big in future. Many times, I see, especially in HR, we really do not make a lot of tracking. We just talk a lot, mostly conceptual things. But all those things will not change the situation many times.

And one more point I want to touch on is, sometimes people say like, if the topic is D&I or maybe workstyle innovation, then setting a target or making tracking is not an inclusive approach. Theoretically, I do agree. Okay, this is not so inclusive. But if we don't take this approach, I think nothing will happen. I'm always pushing all business leaders strongly, always and anytime. I think some push is really needed to change the current status. Also, I mentioned that Microsoft has a very much data-driven culture, so I'm sending monthly report type of thing to all senior leaders, especially on work style and also D&I status, with my strong recommendation and comments. So that's what I wanted to say.

Sarah: Yeah. I think, Kats, you mentioned about fact-based and data-driven decisions a number of times, and I think that absolutely is something that business leaders need to do. But usually, it takes time to collect data, it takes time to analyze it, and then form a decision as a result of that. So how do you balance a sense of urgency, if a faster decision is needed, and combine that with making the right decision with the data?

Katsuyoshi: Thank you very much. Good question. I usually don't want to say Microsoft is special or maybe Microsoft is good, but at this point, I have to say Microsoft is special. And this is one reason I joined the company. The company has super great technologies to make all the tracking and to make much more data-driven HR. We have everything. So, at this point, I don't need to spend time to collect numbers, data, facts, what I need to

do is go to the site, and I can get all the data very quickly. And also, visually, we can show everything to business leaders. So in my case, when I have a one-on-one with the country president, I always prepare some data/numbers for him.

I really learned that if we have some concrete numbers, business leaders are much more interested in our discussion, our topics, our priorities. And if we just provide some conceptual topics, or maybe the person has some developmental issues, "people say blah, blah, blah", business leaders can lose their interest very quickly. Numbers and some facts are really important. So at this point, I have to say, Microsoft is a bit special. But I really think, in future, many companies will have similar data-driven HR platforms and it will help HR people's everyday life, and also, it will help business leaders' decision making and especially quick decision making.

Sarah: Thank you so much for that. I think on, like, numbers and measurable outcomes, Microsoft has actually seen an increase of 8% year on year over the past four years for senior-level female leaders. And that's a core area of focus for many Japanese companies. Can you share a little bit of your experience in driving that, and what's worked and what's not worked?

Katsuyoshi: Thank you. Let me share some of my experience and also some numbers. So, actually, we will show another 2% increase of the diverse population in Japan. So, in total, in the past four years, we increased the diverse population by 8%. So, roughly speaking, every year 2%/2%/2%. That's what we have done. Right now, we are really focusing on how to increase senior-level female leaders. Originally, our focus was to increase the total population, but it's not enough. We really need to have a much more diverse population on our decision-making platform, decision-making meetings, otherwise, some decisions are always made by, in this case, males only.

So, sometimes, I hear, "okay, the lady seems to be really great, but the promotion is a bit too early or maybe this is not the timing...", something like that. "What are you talking about? So, when would be the best timing for you, for her?" So, all those things can happen. But when we have many more female leaders in decision-making meetings, things will be totally different. That's really important. And also, for business, I think

having a much more diverse population at the senior level is really important to make better decisions.

Also, I want to touch on one other point. First of all, I think D&I is not the goal. For me, D&I is a process on your way to become a better and more capable and more creative organization. So D&I is actually one of Microsoft's five cultural attributes. We do believe that a diverse and inclusive organization will be more capable and competent in the long run. The point is, in the long run. And also, Microsoft is in the tech industry, so I think creativity and innovation are really the key to be successful. In short, D&I is our business strategy. My message to some organizations is to please think about what is really needed for you guys to be successful as an organization. And if the answer is not D&I, then I think it can't be their answer. Maybe D&I is not the priority for them. So, why do you need to do it is really important. I think it's not just a D&I, but also work style innovation, remote work, everything. Many times, I see, without the question, many companies or many senior leaders, they just automatically started some initiatives, but it will not continue.

Sarah: I think you've mentioned a really important point of starting an initiative versus actually sustaining it/continuing it and seeing great results from it. So, once again, I love the realness about your suggestions and your insight, which is, ask yourself the question of why you are doing it, get clear about the outcome that you want to see, and then commit to D&I initiatives if it's actually the right solution for you at that point in time. So thank you so much for that.

We are continuing to get a lot of questions from the audience, I love it. So we just got a couple of people asking you specifically. You talked about, once again, how data-driven decisions are really important, what actions are needed to transform HR into a data-driven decision making way of working? How do you shift your HR from non-data-driven into a more analytical mindset?

Katsuyoshi: I think there are some key points. One thing is, of course, we need technology. And before, all those technologies were super expensive. Before joining Microsoft, I also really wanted to be more data-driven, fact-based, but at that time, I couldn't make it because we really didn't have such super expensive HR technologies at that time. But now, it is more feasible. I mean, it's possible to introduce some

technologies. And technologically also, it's not so difficult. It's more user-friendly now, so it's okay. That's one thing. So technology is one of the key points.

The other point is really interesting. In Microsoft, we have such great technology. So for me, it was, "wow, this is great... so this is enough". So I expected everybody, all my team members, that they would start some data-driven approach to their business leaders. I really expected it. Naively, I expected it. But nothing really happened at first. So why? You have these great tools, why don't you do anything? Then one lady came to me and she asked me, "can you spend an hour together with me, and can you show how to use the data in front of business leaders?" So I really showed what I did to business leaders, in front of all my team members. "I used this, this, this data, then I proposed these, these, these things. And then I made some comparison with, say, the UK or maybe Canada, and then I proposed maybe, maybe, maybe our business difficulty comes from this part. Maybe we do not have tech area capabilities here, or maybe we don't have a senior-level account executive. That's the reason". So, like this, I showed what I was doing to our business leaders in front of all my team members. And then they understood, "okay, this is the way to propose things with data". So this part, I actually underestimated it at this point and I automatically believed they could do it. But no, no, no, no. How to use it is really important.

Sarah: Great. So I think not making assumptions about people's capability or understanding around what a data-driven decision looks like is really key. And Kats, I would love to ask you this, there's currently a lot of fear and uncertainty in the workplace right now about this situation, but I think the important thing for us is to make sure that business can continue to evolve and pivot during this time. Usually, when there's uncertainty, people are not in the headspace to be creative and to come up with new ideas to evolve the business. So what's your suggestion, to everyone who's tuning in, to manage some of that uncertainty and innovative thinking at the same time?

Katsuyoshi: Okay, that's also a big question for us. One thing I'm so happy about here in Microsoft is, many people already started some initiatives by themselves. So it means, based on our corporate culture, already, people are thinking about some other people and also customers and societies immediately, and they want to do something which can help

them. Also, people sense that they are allowed to take those actions by themselves without asking their supervisors' approval – if it is okay or not okay. So the foundation is already here. Making mistakes is fine here and learning from those challenges is critical.

So, I especially want to share some practices like digital coffee time, digital lunch, digital dinner, digital drink, probably not yet digital karaoke.... probably. I already I saw digital workouts in Microsoft Japan, learning sessions for working parents, and also digital networks to share remote work practices internally and also with customers. And some people did some actions like approaching central/local government or consulting firms to discuss how to make remote work more real and sustainable in Japan.

So I'm so happy to see all those great innovative actions, thinking, behaviors in my colleagues. I think everything actually came from all the experiences before COVID. Already, people had the experience that, “okay, Microsoft culture is like this, and at Microsoft, I can do it without any approvals... the company trusts me and the company allows me to do something good for the society, for the customers”. I think all those things are important. Without this level of trust, I think people will not take any innovative actions.

Sarah: Absolutely. I love those creative ideas that are coming through as well. I think, even for our team as well, we've seen a lot of creativity and new ways of engagement coming through this time. So I think it's definitely a really interesting point in time where we can use this to actually get ahead and to evolve and to pivot.

So for the last ten minutes of the discussion, we've got a lot of questions coming from the audience as well, which is fantastic. So I'll try to get through as many of them as possible. We've got one asking around, as we start to work from home, this audience is getting the impression from senior business leaders that what is HR doing to keep people motivated? And they feel that this is not exactly just the role of HR, this should be the role of everybody. So, what's your idea on this, and how do we manage conversations like that?

Katsuyoshi: That's good. And still, of course, it's a big topic for us. Every day, we are discussing how to keep people's motivation. And by the way, I think now, two things are really important. The first one is clarity. And the second one is energy. Clarity means people really need to understand what is important now, what's the priority, what they

have to deliver. When we had time together with other colleagues in person, it was relatively okay. I mean, people can discuss things in person, and people can check each other, so, clarity is not so important. We can check each other continuously. But now, maybe every day for only 30 minutes or maybe 30 minutes a week, we can make some catchup. Other than these 30 minutes, actually, we have to trust the team members. Actually, I trust my team members. So, for me, I think to provide clarity is very important.

And the other point is energy. So I have already shared such things as digital coffee or maybe digital beer time or digital workout. I think any way to provide some more fun time is really important to keep them energized. And at this point also, I really learned one thing; before starting any meetings, I think we really need to make check-ins. Check-in means, how are you doing? What's on your mind? What's the problem? What are the issues? All those things. So in short, I think we really need to show much more empathy to the other side, more than before. For me, right now, I really feel that to provide clarity and to provide energy, those two things are really the key to run the business, to run the organization. Without clarity and without energy, I think any organization can be in trouble under this COVID situation.

Sarah: Fantastic. Clarity and energy. There's a lot of clarity in that answer you've just provided. So that's really practical, thank you. We've got two questions specifically around the four-days working week Microsoft has introduced. One is, how did the management team decide on how to split the working days? Is it Monday and Friday are the most popular days to take off? Or is there any specific arrangement around that?

Katsuyoshi: That's an interesting question. Microsoft Japan is basically a sales and marketing organization. So sales and marketing people automatically felt no Monday. Monday is important. Monday is a key day for sales. So not Monday. Then it means, almost automatically, it went to Friday. Friday, Saturday, Sunday – three consecutive days off. And then we made the announcement. Whoa, we forgot the engineering team! They started coming to us and, for them, they really wanted to make it on Monday. There is a reason; because our Monday is still US people's Sunday, always, so it means they will not receive a lot of the emails or maybe phone calls from the US side if we make it on Monday.

So we actually provided some flexibility to the teams. Almost all teams went to Friday, only the engineering team went to Monday. So we were a bit flexible at this point. But also, it was a big learning point for me – I need to be more fact-based, I need to check the other side, all the members much more carefully.

Sarah: Great. And just a quick question from the audience. Were staff paid less – so were they paid four days or paid still at five days?

Katsuyoshi: No pay cut.

Sarah: No pay cut. Fantastic. And yet employees still didn't want it! It's really curious, isn't it?

Katsuyoshi: It's a curious point. Japanese employees are like this. They are not so money-driven. For them, working time is so precious, and they really also want to keep the same status quo and practice. So they didn't want to change but they had to. That's also one reason, I guess.

Sarah: Yeah, fantastic. And so we've got the last five minutes left with you, and we've got two questions from the audience around D&I and female leadership, specifically. One question, wondering how Microsoft convinced senior leaders that D&I can actually impact business success? And then another question on when it comes to senior female leadership, they've experienced that a lot of women actually didn't want to take up promotional opportunities. Have you experienced that? And how did you overcome that challenge?

Katsuyoshi: Can I respond to the second question first?

Sarah: Yes, please.

Katsuyoshi: It's my favorite question and I have my answer here. I have received the same question so many times, not just in Microsoft, everywhere. Everywhere, people say, "I asked my female employees, but they don't say they want to be managers". They always say, "it's not now, maybe timing doesn't work now", something like that. Always, senior male leaders, they say so. First of all, I really don't believe this. I think when senior leaders ask things to somebody male, those people ask this way: "Do you want to be a manager?"

And to female employees: "Do you really want to be a manager, now?" Something like that. Can you see the difference? Some nuance. Everybody is so smart and they can sense what types of answers are really expected by the supervisors. So it's very easy to respond to supervisors, "Yes, but not now, maybe in future", something like that. So, at this point, I think that we really need to encourage our female employees to show their career aspirations much more clearly, much more openly.

Yesterday, we just finished an almost one-day female leadership development session, and we invited a very senior female executive from another company, and the person really made a very impactful presentation and speech, Q&A, and everything. So, using those great cases, we can encourage our female employees, that "okay, it's not a dream, it's something real. You can be like this, you learn a lot from this person. This person is not somebody super special – maybe a bit special, but they're not super special." So, we need to show some role models or maybe some examples to our female employees more, then people can be more confident. That's my line. Sorry, the first question is how to convince senior leaders, correct?

Sarah: That's right. I think you probably already answered that with the data you talked about earlier, about bringing to leaders numbers and data-driven decisions. And I really love your answer to the second question, because we hear that all the time as well. It's actually reflecting on how we are asking the question. Are we empowering people or are we bringing our own bias into the question that we ask when it comes to promoting women into leadership roles?

So, that brings us to 1pm, Japan time, and 2pm, Australia time. Thank you so much, Kats, thank you. That was so insightful, so practical, and I just love the sort of realness and the honesty that you really bring to the discussion as well. So, thank you once again so much for being with us today. And, I think, just looking through the number of questions that's being submitted as well, it's probably one of the most engaging conversations that we've had.

So, for everyone who might be tuning in for the first time, and who are not yet connected across the different platforms that we have, make sure you sign up onto our newsletter or connect with us via social channels so you can keep up to date on everything that's

happening because we've got a very exciting next webinar organized for you already, with the Vice President of Adobe Japan, Natsumi-san, who will actually be sharing with us her personal journey, as well as using COVID-19 as an opportunity to pivot your business and to innovate with your leadership team as well. So once again, thank you to every single person who has tuned in today. And once again, thank you so much, Sugita-san, for spending your time with us. We appreciate your knowledge, insight, and wisdom. Thank you so much.

Katsuyoshi: Thank you very much. Bye, all.

Sarah: Bye.