

Transformation-Oriented Human Resources Strategy



Message from the Corporate Officer Supervising HR Management

Diverse individuals
collaborating to create
new value

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Reforming human resources systems to increase our global competitive edge

The MCHC Group believes that human resources are a key management resource for value creation. We drive transformation and sustainable growth at the Group by promoting challenge, creativity and self-actualization through work, and by making the most of the skills brought to the table by a diverse array of individuals.

Under our medium- to long-term basic management strategy KAITEKI Vision 30, we have embarked upon HR reforms that are founded on the five pillars shown below and are aiming to create highly accommodating human resources systems that embrace the diversity, expertise, and mobility of our people. One area targeted for reform is the HR system at MCC (see P. 49). Leveraging the concept of creating a corporate culture of continuous mutual growth based on the Company and its employees actively choosing and benefiting each other, we have put forward the three measures of self-directed career development, transparent working conditions and remuneration, and promotion and support for diversity. MCC will support employees to take on new challenges through ongoing communication between supervisors and their subordinates. We have also introduced a job-based setup where employee remuneration is determined according to job descriptions and outcomes. This way of working is considered mainstream in Europe and North America, but represents a significant change for a Japanese company. We think these are vital reforms if we are to provide fulfilling work for our employees and increase our global competitive edge.

Five pillars that form the foundation for highly accommodating human resources systems

1. Ensuring pay for job/performance
2. Human resources systems designed according to each type of operation/job
3. Strengthening functions to create skills and minds that can meet global needs
4. The right jobs for the right people globally by using a common platform of talent management
5. Cluster-type organizations that enable complex problem solving

Enhancing diversity

Diversity is a source of innovation. I believe companies that lack diversity are not capable of growth. There is room for improvement at the MCHC Group when compared with highly competitive global companies. The new MOS Indices

now include diversity among management as a KPI at the main Group companies. We will initially promote diversity in a top-down fashion to foster a corporate culture that respects diverse values and backgrounds, allows individuals to make the most of their skills and promotes collaboration toward a common goal.

Embrace new world of work

For some time, we have promoted the KAITEKI Health and Productivity Management initiative that aims to support employee health and implement work style reforms to create fulfilling workplace environments (see P. 48). We are working to change work processes to fit with the New Normal, including switching to paperless procedures, using digital tools and improving administrative processes for greater efficiency, in order to embrace remote working and various other approaches thrust upon us during the pandemic (see P. 48 for details of actual initiatives). We are also reviewing our office setups. Refurbishments have been implemented for our Tokyo and Osaka head office buildings and our Yokohama Research Laboratories, and we are expanding our satellite office network with the goal of improving creativity and productivity. We are also looking at fostering cross-organization communication and collaboration and promoting innovation by consolidating MCC, MTPC, and other Group company offices scattered around the Tokyo metropolitan area into our Tokyo Head Office building.

Transformation through communication

Mindsets and behavior also need to change if we are to successfully transform HR systems and workplaces. Implementing these changes can have an enormous impact on individual motivation, and it can be difficult to get every single employee on board. As someone responsible for managing these changes, I believe I have to be aware of these issues and confront them head-on. I need to think through how the changes will be seen by those affected and how I can be inventive and build up expectations for the changes, and then communicate proactively with our employees while we implement the reforms. Through these changes, the MCHC Group will evolve into a company where people with the aspiration to create new value can take on the challenge of transformation and find fulfillment.