

# HUMAN RESOURCE STRATEGY

**Our goal is to be a flexible and diverse global company where all members can work with confidence.**

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In our 2018 Medium-Term Business Plan announced in May 2018, we established two core HR-related strategies. Going forward, we aim to cultivate a vibrant and diverse corporate culture and to develop the human resources needed to drive sustained growth into the future.

## **Promoting Group Members' Engagement and Enhancement of Organizational Strength**

As the driving force that will enable our sustained growth and development, MHI must become a company where the diverse people who support our Group activities all work with confidence, and to achieve that goal we will focus on promoting Group member engagement and enhancing our organizational strength. Specifically, we will concentrate on 1) internal sharing of strategies, visions, and goals, 2) reform of work practices, including more flexible delegation of authority (subsidiarity), review of rules, and improvement of work processes and content, and 3) review of our HR systems and their operation. Making active use of employee awareness surveys, we will implement these measures throughout the Company on a continuous basis.

In conjunction with our pursuit of greater diversity in management, today we are vigorously promoting active participation by female employees. In July 2014 we set a target of expanding our ranks of women in management positions—i.e. Section Manager and higher—threefold by 2020. We are focusing on four areas: 1) expansion of the total number of female employees, 2) support of female employees who are raising children or caring for relatives by introducing mechanisms to enable them to continue their career, 3) planned development of female managers, and 4) nurturing of an open and diverse corporate culture. In pursuit of flexible workstyles that will

enable employees who have given birth or who are raising children to return to their jobs as early as feasible, we are enhancing our systems enabling shorter work hours or telecommuting. We are also creating an environment and mechanisms that will enable female employees to advance further in their career, through informal gatherings of employees on leave for childrearing, seminars on providing nursing care, and training programs starting with young employees.

## Acquisition and Retention of Global and Regional Managerial Talent

To achieve sustainable business development well into the future, MHI is pursuing the establishment of a flexible and diverse global management system. In order to continuously produce and secure global and regional managerial talent at every level to serve as the driving force of our corporate growth, HR will accelerate the following initiatives in carrying out the 2018 Medium-Term Business Plan:

- ✓ Redefine criteria such as experience, qualifications, etc. required in management positions
- ✓ For Section Manager and higher, select candidates for future executive positions under a new framework based on the redefined requirements cited above
- ✓ For the candidates selected above, introduce a development process focused on younger employees that will provide them the experience needed as executives and enable them to proceed along the evaluation cycle

Going forward, we will also take steps to achieve earlier appointments and expand diversity in officers and executives, striving to produce and thereby ensure managerial talent in various ways; for example, by creating and applying more flexible compensation systems with incentives suited to global management and global mobility policies affecting international assignments.

In addition, as a cross-regional measure, we are now implementing a development program targeted at expanding horizons through acquisition of management literacy and HR exchanges with other regions. Under this program, outstanding middle managers recommended from Japan, the Americas, Europe, and Asia gather together in India. The program is effective in energizing our Group members from every region and nurturing a sense of unity among them.

Furthermore, to secure outstanding human resources irrespective of nationality, we are implementing the following measures making use of the special traits of each region:

- ✓ U.S. / Europe: Acquisition of superior personnel through introduction of talent acquisition platforms and active use of social media
- ✓ Asia: Reinforcement of HR development functions through provision of development programs common to the Asia region

Through these measures, we are seeking to promote active use of diverse human resources as never before, hopeful that doing so will lead to a stronger global management system.