### Message from the CHRO

# The IHI Group's Human Talent Strategy: **Creating an Interactive and Creative Culture** for All to Realize the Lives They Aspire



## What defines an "Ideal Company"

If you were asked, "What kind of company do you want to work for?", how would you answer?

I have asked this question to the employees prior to the announcement of Group Human Capital Strategy 2023, and received were a variety of answers -

"A company where free and flexible ideas are accepted and proactive employees are respected "

"A company with fluidity, as in a project-based organization, where people are placed according to the situation "

"A company where you can lead a well-balanced life that allows you to enrich your private life and improve the quality of your work."

Listening to these voices, I see a tendency toward diversification in employees' views, in line with the current trends of the times. What is common is that many employees regard companies as a place to enrich their lives. For a company to turn into a place to make that happen, the it must go through a transformation. What's important in creating such a place? Traditional long-term guarantees made by companies, such as stable employment and salary, are no longer a requirement, and all the attributes of employees must be taken into account in a holistic manner. Furthermore, a person's performance varies greatly depending on who they works with and what kind of work they are entrusted with. In other words, it is important to consider multiple layers—look at an employee from as many angles as possible without being bound by his or her attributes is vital to take into account.

#### **Basis of Human Capital Strategy: Balancing** a "Good-standing + Resilient" Company and Individual "Growth + Happiness"

The IHI Group has started a new human talent strategy from this fiscal year. As I mentioned in the beginning, it will be important to diversify the attributes of employees and how companies can expand the range of proactive choices for diverse employees. We strive to contribute to the development of society and to enrich people's lives by solving complex social problems that may arise. To this end, the most important capital is our employees. I believe that companies should serve as a place for the growth and happiness of each and every employee with diverse personalities and abilities, and this is my responsibility. Only when such a relationship between the company and the individual can be established, will flexible ideas be generated that can respond to the fast-moving changes in the world, which will ultimately lead to new partnerships and collaborations with various stakeholders. Balancing a good and strong company and the growth and happiness of individuals—this is the basis of our new human talent strategy.

For more: Human Talent Strategy P55-56

#### **Autonomous Work Style Integrated With** Company Policy In the interview with the employees, some responded that a

company with ideas and objectives that can be shared by all employees is the definition of an ideal company, and I completely agree. Without employees' proper understanding of the management philosophies and company policies, it is impossible to achieve a relationship in which individuals and their company respect and contribute to the growth of each other. A company policy that leaves the true feelings of employees behind is not a sustainable one with which employees can identify. The IHI Group currently holds workshops to communicate the new management policy and the human talent strategy. In May this year, we also the 1st STEP Conference geared towards promoting the new employees' understanding of company policies and helping them with guidelines for their own career. Ide (CEO) and I participated in the Conference to deliver the management policy and strategy in our own words and to directly listen to the voices of the employees. The purpose of these opportunities for dialogue is to clarify the meaning of their work and to increase the motivation of each and every employee. Furthermore, we believe that this will lead to an autonomous work style in which employees work proactively and think and act on their own initiative.

1st STEP Conference held in May 2023 for new employees. From left of the screen: Ide (CEO) and Seo (CHRO)

#### Values Generated from Human Capital, the Single Most Valuable Asset

I realize that there is definitely a desire to create some kind of value from one's own work. Although employees have different desires, we have a full range of systems in place, such as childcare leave for male employees, to expand the range of work options for their daily lives to fulfill their desires. Furthermore, we focus efforts on creating systems that provide opportunities for new discoveries and fun at work, which spice up one's career. These efforts include the introduction of a system to support concurrent positions inside IHI and a second job system to gain diverse experience and perspectives that are difficult to acquire only through the work of one's own division, and the establishment of IHI Academy to develop human capital who can take charge of management reform through digital transformation (DX).

Working autonomously, with a firm understanding of company policy, is closely related to creating value in one's own work. The variety of opportunities (stimulations) that we can provide to employees who are willing to seize opportunities on their own is also an important element in creating systems.

#### Mission Statement as CHRO

In a rapidly changing business environment, society and people's values are also diversifying. It is not easy to find an answer telling us what would be sufficient.

Nevertheless, in order to seek answers and move forward, the company must draw out and unite the individual strengths of its employees, who are the true driving force behind value creation. My mission is to maximize the potential of each employee and create an interactive and creative culture where that potential can flourish.