

Company name

Information and communications

Large companies

Nihon Rikagaku Industry Co., Ltd.

By employing people with intellectual disabilities as key players in the production department and taking advantage of their unique abilities, the company has reduced the defective rate as low as 1% and realized sales increase.

Points

- ▶ The company regularly, almost every year, recruits persons with disabilities.
- ▶ People with disabilities account for 70% of the total workforce and all of them are regular employees.
- ▶ Work schedule with several break times a day helps maintain concentration of the staff.
- ▶ The staff with disabilities, key players in the production department, takes the initiative in improvement activities.
- ▶ Leaders who work for improvement activities are rewarded with a managerial position allowance.
- ▶ The system has been established where a person with disabilities make self-assessment. It will be reflected on his or her bonus.
- ▶ "6S campaign", an improvement activity, has lowered the defective rate and increased the production capabilities.
- ▶ Working with people with disabilities has led to thinking from a different angle and development of universal design products.

Data

◎ Corporate outline

Year of company foundation	1937	Capital	20 million yen
Location of HQ	2-15-10 Kuji, Takatsu-ku, Kawasaki-shi, Kanagawa		
Description of business	Production and sales of stationery and office supplies, molding of plastic parts		
Sales	610 million yen (Fiscal year which ended in March 2013)		

◎ State of employment (non-consolidated)

Total number of employees	77 (Among them, none is a non-regular employee.)
Number of employees by attribute	[People with disabilities] 57 (Among them, none is a non-regular employee.)
Average length of continuous employment of regular employees	Overall 18 years (men: 18 years, women 17 years)

Background and aim of diversity management

Employment of people with disabilities began from the staff's desire to "work with them".

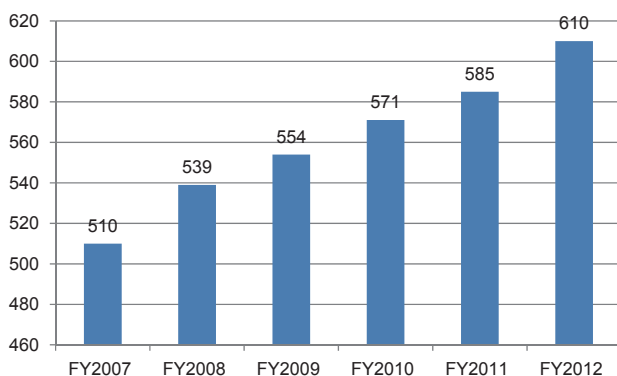
It was 1960 when Nihon Rikagaku Industry employed people with disabilities for the first time. It all started when the company received a request from a teacher of a school for disabled children located near the headquarters that "we would like your company to offer our disabled children the opportunity to gain social experiences". The company accepted the request and provided two girls with intellectual disabilities (15 years old and 17 years old) with opportunities for work experience.

This initially started as mere a work experience program. However, some employees who watched the two girls make an earnest effort for their work submitted a request to the company that "we want to continue working with them", which resulted in the company's decision of hiring them as regular employees after their graduation from their school for disabled children. Since then, the company has continued to recruit people with disabilities almost every year and as of November 2013, 57 employees are disabled (almost half of them seriously disabled), accounting for about 70% of the total 77 employees. The company's employment rate for people with disabilities stands at 106.5% as of June 2013.

With the request from the company, the first two women with disabilities continued to work after the retirement age of 60 as temporary workers until they resigned when they were 65 years old (after 48 years of service) and 68 years old (after 53 years of service) respectively. Employees are so strongly attached to the company that they use the word "graduation" not "resignation".

At the company, all of the employees with disabilities are regularly employed and most of them hope to continue to serve the company until the retirement age, which coincides with the company's expectations.

Change in sales (million yen)



With development of new products and a reliable production system in place, sales have steadily grown in recent years. As intellectually disabled employees perform the central role in production, good publicity is helping sales activities as well.

Employees with intellectual disabilities as key players in the production department help sales.

The company has conducted business as a manufacturer of stationery and office supplies, especially chalk, since its foundation in 1937. In September 1975, its Kawasaki Factory was established as Japan's first model-factory for hiring multiple mentally and physically challenged employees, which was followed by the establishment of another model-factory of the same type in Bibai, Hokkaido in May 1981. The company developed chalk made from recycled shells of scallops in 2005, and later Kitpas, which allows use on glass and in humid places including bathrooms. Sales of these products have steadily grown.

Employees with disabilities currently work in the production department of chalk and Kitpas in the Kawasaki Factory and the Bibai Factory, Hokkaido. Their average age is 45 in Kawasaki and 48 in Bibai. Today, in the production department, employees with disabilities are playing the central role.

Kitpas was exhibited in MAISON&OBJET in France in January 2012.



Specific activities for promotion of diversity

Creativity necessary to bring out abilities of intellectually disabled people

A problem faced by people with disabilities in the production site was that they were not able to perform well by following the conventional manual. For example, chalk is made by mixing calcium carbonate powder and adhesive paste. If the combination ratio was quantified as a certain number of grams, people with intellectual disabilities would have hard time understanding. This is true in the case of combination ratio of dyes when making colored chalk. Those days, Chairman Oyama

was distressed. "We do not seem able to tap into the abilities of employees with disabilities. What should we do?" Then, he wondered. "It may be true that people with disabilities cannot fully function by following the manuals or methods which were developed for a person without any disability. But they might be able to perform well by employing other measures." After many trials and errors, methods and tools which persons with disabilities can understand and use were developed successfully.

It has become possible for them to accurately weigh raw materials by placing them in a color-coded bucket and using a designated weight which is coded in the same color in a pair of scales. As well, employees with disabilities have been able to measure time correctly by using a variety of color-coded hourglasses.

When an employee with disabilities in charge of mixing and kneading raw materials fulfilled his task successfully for the first time by using these tools, he said delightedly. "Can I measure more?" Through this experience, the company realized that if you contrive work methods in the production process so that workers with disabilities could understand, they would be motivated and utilize their abilities, which would lead to higher productivity.

Establishing a unique system to develop employees with intellectual disabilities into key players in the production department

With regard to recruitment of persons with disabilities, most of them are hired fresh out of school for disabled children. They have some prior knowledge because they worked in the company's production department as a student during a work experience program of their school. Moreover, before they join the company, two-week on-site training is provided, where they roughly experience each operation in the production process and the company assesses abilities of each individual, consider their preference and assign them for an appropriate section. Since they join the company after they have tried out actual work, very few leave the company once they get on board.

Although work hours are from 8:30 to 17:30, they are somewhat different from those of ordinary companies as seen in the following: 8:30 - 10:00, 15 minute break, 10:15 - 12:00, 50 minute lunch break + 10 minute cleaning (counted in as work), 13:00 - 15:00, 15 minute break, 15:15 - 17:30. This is how work is scheduled every day in the company and actual working hours are 7 hours and 40 minutes. The company breaks up work hours as above because that way employees with or without disabilities can keep their concentration better.

Effect of promotion of diversity on performance

Make use of abilities to "be particular about something"

According to the Japanese Industrial Standards, there is a strict rule for chalk size, which states 11.2mm in diameter, 63mm (with an accuracy of 0.3mm) in length. This necessitates experience and skills in the production process. Apart from such demanding standards on thickness and length, products which are awkwardly shaped or those which fall short of the standards of a scratch or a crack are unacceptable. To ensure quality, the company has to carry out defect inspection at each production process and this is where the talent of disabled employees which is "being particular about something" makes a significant contribution. They can detect and remove defects from products in which even the President would not be able to find any problems. Moreover, they have different points to be particular about depending on the person; for example, some of them are sticklers for products being straight, some can detect partial difference of thickness of products, etc. For this reason, the company has adopted a system where inspection is made not only by specific employees but also in the process as a whole through optimal personnel allocation. This has realized reliable production with very few defects.

Make effort aiming specifically to improve the defective rate.

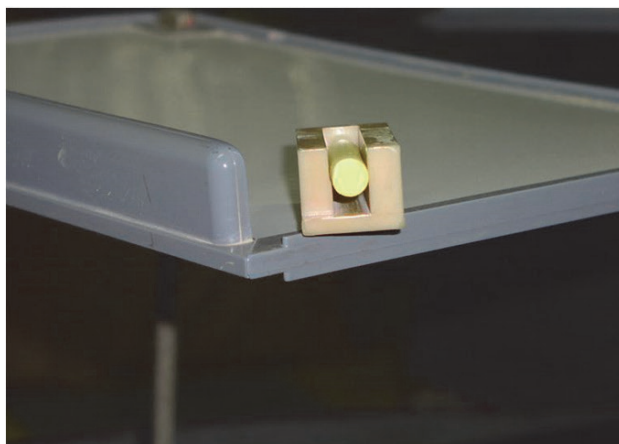
Another characteristic of the company is that employees with disabilities, who are the key players in the production department, take the initiative in streamlining the production process and increasing production. As improvement activities of the company, which started 17 years ago, have taken up a specific goal of improving the defective rate since 2010, employees with disabilities have voluntarily implemented the "6S campaign" (Seiri (sorting), Seiton (arrangement), Seiso (cleaning), Seiketsu (sanitation), Shitsuke (discipline), and Anzen (safety)) as part of the program. This initiative is fulfilled by three teams of "chalk", "Kitpas", and "shipment/ plastics molding", each of which has a 6S member who organizes the team's 6S activities, and a group leader and a group sub leader as team leaders. Of course, all these positions come with allowance but most importantly they have successfully heightened motivation of disabled people as a manager. As a result of these efforts, the defective rate for the chalk production process has improved from 2 - 4% to 0.5 - 1%.

On another note, the 6S campaign, when started 17 years ago, was "5S campaign". It changed into "6S campaign" only after 5S members of disabled employees

submitted a request to the company that “we want to add Anzen (safety)”.

It is true that one of the reasons for the high defective rate in the past was the disabled employees’ talent of being particular about something which resulted in rejection of products within the acceptable margin of error. This is why the company came up with a jig through which anybody could easily inspect products, which solved the problem of rejecting acceptable products.

A jig to measure the diameter of chalk



The photo above shows a jig developed to measure the thickness of chalk. If chalk sticks out, it is too thick and if it touches the base, it is too thin. Now, thanks to the development of this jig, anybody can inspect whether the thickness of chalk falls within the standards.

As well, the company has established a production target of 1,200 pieces of chalk a day (from production to packing) since 2011. To achieve this target, all the disabled people got involved and pitched ideas as part of “6S campaign”. For example, disabled persons in charge of final packing watch the progress status of each process and deliver materials as needed. This way, the process as a whole has become more efficient and people have become more concentrated, which has led to more days of achieving the daily target.

“6S campaign” has heightened the motivation for work.

The result of “6S campaign” has caused changes in thinking of people with disabilities towards work. Every day they set their own goal individually and make self-assessment of whether they have been able to achieve it after work. Each sits together with his or her site manager and records the meeting in a notebook. This has helped enhance abilities and maintain motivation of each employee. Performance review is made by managers and executives, which will be reflected on a semiannual bonus. As well, some of the employees have developed more consideration for others after having

assumed the role of a leader of “6S campaign”.

Thinking from a different angle has led to the development of universal design products.

While it is healthy employees who are taking charge of sales for users, they proudly talk about how their coworkers with a challenge account for the large part of staff in the production site, which tends to impress the trading partners favorably and has brought to the company a huge advantage in terms of sales.

Moreover, in terms of improvement activities, it has become clear that developing a new way of communication while reviewing conventional ideas from the bottom up makes it possible to have flexible ideas. In fact, “Dustless Eye Chalk”, a universal design product, was developed from such flexible ideas. This is a product with well-devised colors which makes it easier for even color-blind children to discern a variety of colors on blackboard. It won the “Prime Minister’s Prize for Promotion of Barrier Free Universal Design” in December 2010.

The company’s efforts have been appreciated by the community.

The company values social activities as well. It is aiming to let the local residents know about the company’s efforts in terms of diversity management by setting up a graffiti space in community events where people can use Kitpas to draw. For business in the long run, the company considers it important to be appreciated by the community as well.

In community events with a “graffiti space” installed, you could see parents and children enjoy drawing using a “Kitpas”.

“Graffiti space” in a community event



Company name

Information and communications

Large companies

Kato MFG. Co., Ltd.

By employing the elderly 60 or older in the community, the company has increased the number of new customers and sales with them.

Points

- ▶ From April 2002, the company started running its factories on Saturdays, Sundays, and holidays by employing the workforce mainly seniors, which lasted until prior to Lehman crash.
- ▶ The company hired local seniors at the age of 60 or older to run its factories on Saturdays, Sundays, and holidays.
- ▶ While many seniors had no experience in the manufacturing industry, the company made efforts to transfer and enhance skills.
- ▶ The company improved its existing facilities and introduced new facilities to provide environment where seniors would find it easy to work.
- ▶ As part of management method, it is ensured that safety, quality, and courtesy are highly respected on site, for which even seniors are no exceptions.
- ▶ Production capacity of the factories increased thanks to the employment of seniors. By increasing order volume through incorporating new accounts, the company saw its sales grow.

Data

◎ Corporate outline

Year of company foundation	1888	Capital	20 million yen
Location of HQ	447-5 Komanba, Nakatsugawa-shi, Gifu		
Description of business	Sheet metal stamping		
Sales	1,325 million yen		

◎ State of employment (non-consolidated)

Total number of employees	106 (Among them, 61 are non-regular employees.)
Number of employees by attribute	[Seniors] 54 (Among them, 52 are non-regular employees.)
Average length of continuous employment of regular employees	11 years (men: 13 years, women 9 years)

Background and aim of diversity management

Employment of seniors for expanding business and securing profits

Kato MFG. was founded as a blacksmith in 1888 in the area which is currently called Nakatsugawa-shi, Gifu. The current President is the fourth in this long-established business. Since the foundation, the company has conducted business in Nakatsugawa. Before and during the war, railway companies, hydroelectric power plants, paper manufacturing companies, etc. were the main customers and provided them with metal working services. After the war, the company has had a wider variety of customers including manufacturers related to automobiles, environment, distribution, aviation, etc. mainly for its sheet metal stamping business.

Around 2002 when the economy was in the expansion phase and its business was also steadily growing, the company, in order to expand business and ensure profits, explored the possibility of running factory facilities on Saturdays, Sundays, and holidays when they had conventionally been closed. However, it turned out that the company would be too short-handed to operate the factories on weekends and holidays. So, the company once made a plan to recruit new employees, mainly youths, as have been done in the past. But it soon became clear that this would not be a practical option because, for one thing, few college new graduates wanted a job in Nakatsugawa. Another reason is that weekday operation of the factories could be managed by the existing employees. In other words, the company only needed part-time workers who could work mainly on Saturdays, Sundays, and holidays – conditions which young people would not best meet.

The company, then, deliberated on the employment possibility limited to senior citizens. This was because, first of all, more seniors were available than the youths who would soon graduate from universities. As well, according to a survey targeted senior residents in

Nakatsugawa, there were many elderly people in the city who wanted to work but could not find employment.

“Saturdays and Sundays are our weekdays.” “Wanted: highly motivated individuals. Anybody is welcome but there is age requirement. Age of 60 or older only.” Catchphrases like these were used for job advertisement for seniors. It turned out that 100 people applied which was more than expected and the company hired 15 of them. Since then, the company has continued to recruit seniors every year. At the time of interview, the company was going to give preference to those candidates with experience in the manufacturing industry. In the end, however, the company valued personality not skills when making a hiring decision, as discussed later.

Promotion of transfer of skills

Apart from the reasons previously discussed, followings also contributed to employing seniors. When the year 2000 arrived, people began to be more aware of the “Year 2007 problem” that could set in in 2007 when mass retirement of the baby boom generation would start, which would make it hard for manufacturing companies to transfer skills.

This was true to Kato MFG. as well and many technical employees would be resigning the company in and around 2007. For this reason, the company changed its work regulations so that all the existing employees could continue to be employed after having reached retirement age of 60 if they wished. The company did not set a new mandatory retirement age after 60 years old either, which effectively set an employment period of “until employees want to leave the company”. However, even with these efforts, the company could retain only so many people. Thus, it was clear that newly recruiting seniors with experience in the manufacturing industry would be beneficial to the company especially in terms of promotion of skill transfer.

Specific activities for promotion of diversity

Arranging tasks for seniors

One of the aims to employ seniors was transfer of skills. However, most of over 100 applications quickly received for the recruitment of people of the age of 60 or older came from people with no experience in the manufacturing industry. For this reason, selection was made based on personality and the company trained the newly employed seniors from the basics of manufacturing including how to clean the factories, wear the protective gear to prevent injury, etc.

However, there are many kinds of operations in the production division and not all the tasks need advanced decision making abilities or knowhow; or have to be

Flyer with classified advertisement for seniors



We are looking for enthusiastic people regardless of gender. But there is an age limit. Those who are 60 years or older can apply.

• Work day: Saturdays, Sundays, and national holidays (except New Year and Bon season)
• Work hours: Those who can work for 4 hours or more from 8:00 a.m. to 5:00 p.m.
• Hourly wage: 800 yen minimum
• Content of work: Simple assembly work, NC machine operation, etc. (No special qualification is needed. Most of those who are working now are part-timers.)
We are a company that gives consideration to safety and work a price for excellence from the chief of the Gifu prefectural labor standards bureau for our safety in 1990, and a service price from the same bureau chief in 1997. Call us first. Fill in the application form at the back to apply. Further details at interview.

KATO MFG. Co., Ltd.

447-5 Komaba, Nakatsugawa-shi, Gifu, 508-0011, Japan
TEL: 0573-65-4175 FAX: 0573-65-4177 Contact: Kato or Kasugaki

In 2050, one young person will have to support four aged persons. Each time I see such statistics, we wonder. Indeed, an aging society will inevitably arrive. But shouldn't we change the idea how many young persons are needed to support how many old persons, by now? Everyone, totally regardless of age, generation, sex, should participate in and support a society. Hasn't our society forced the aged who have willingness to work to feel ashamed just because they are old? Has our society actually provided sufficient employment opportunities to the aged? We, at Kato Seisakusho, have workers 60 years or older who, accounting for 25% of our employees, are in active for a service and contributing to our company. From the experience cultivated in this way, we are planning on introducing a new system starting from this April. That is a concept, "Wouldn't the aged play a central role in our work on Saturdays and Sundays? If our workers work as usual on Monday through Friday?" Of course, you can receive your pension as in the past. If this concept gradually takes a root in our society, more ways of earning income and purposes of life must be able to be supplied to the old people, and we will appreciate because the operation rate of our factory will rise. Moreover, exchanges between the old people and people in various generations can lead to learning precious experiences from one another, which must be beneficial to both our company and our society. Manpower shortage due to the expected declining birthrate in Japan will be definitely made up for by enthusiastic older generation. Dreaming of realization of such a society, Kato MFG. Co., Ltd. wants to be a trailblazer. We believe that, no matter how IT revolution changes the world, there must be no future in a society that does not respect the aged.

Saturdays and Sundays are our weekdays.

handled by people with long experience. Thus, when seniors were employed, tasks which would need judgment or special skills were initially carried out by experienced employees and work that was routine but could not be automated was separated for seniors. At the same time, because it would be difficult for some seniors to keep pace with young employees who worked in the same assembly-line production, they were assigned to handle a machine which was supposed to be operated by one person. It then became clear that senior women in particular were able to conduct light or fine work carefully and quickly.

As just described, seniors initially engage in routine tasks arranged for them. At the same time they take part in initiatives such as “Kajiya Gakko (Blacksmith School)”, discussed later, where they can learn skills. This way, elderly employees can acquire experience at their own pace and some of them absorb skills which bear comparison with those of employees experienced in the production department. As a result, environment has been created where seniors and young people can work together, which has heightened motivation of existing employees as well. Today, the company has the best mix of senior and young staff.

As well, some seniors who used to work in the non-manufacturing industry are working for a department other than production. As seen in the case of an ex-postmaster with excellent interpersonal skills who is playing an active part in the general affairs department, seniors are flourishing in a variety of fields.

Seniors playing an active part in the production department



Efforts for development of human resources

“Kajiya Gakko (Blacksmith School)” has been established with an aim to bring skills of employees, including the seniors with no experience in the manufacturing industry as described above, up to the company’s standards for satisfying product quality through transfer of skills between employees and improvement of individual skills.

Here, “artisans” (seasoned employees with 20 to 30 years of continuous service), each of whom is an expert of a particular area of the production department (die, press, welding, painting, packing, etc.), provide technical guidance to relevant employees through lecture and practical training for an hour or so, once or twice a month, apart from the OJT program.

While the areas of “die”, “press”, and “welding” existed before the company recruited seniors, those of “assembly” and “packing” where seniors often work were

newly added after their employment.

In this “Kajiya Gakko”, employees are recognized in four grades according to their level of proficiency, which is used for their performance evaluation as well.

As well, the company offers a “course for accreditation” which qualifies employees for in-house certification and at the same time provides assistance to those who aim for qualification recognized outside the company.

Preparation of senior-friendly facilities

The company promotes work environment where seniors find it easy to work with regards to facilities as well.

With the aid such as “Subsidy for barrier free workplace for seniors”, one by one, the company is improving on things which seniors feel are inconvenient while they are working. Followings are specific examples of improvement.

- ▶ Ensuring that all the tasks are complete by pressing a buzzer after going through each process.
- ▶ Setting a unique tone on a buzzer for each employee for clear distinction.
- ▶ Using a larger font in a notice or work instructions.
- ▶ Using more photos or illustration in a notice or work instructions for easy understanding of a process.
- ▶ Making a magnifying glass available.

The company has established an “improvement suggestion” system where all the employees have to submit at least one request for improvement in workplace every month. Through this initiative as well, the company has improved the work environment. For examples, following opinions have been put into practice.

- ▶ Setting the light brighter so that seniors could see easily.
- ▶ Introducing air conditioning
- ▶ Introducing senior-friendly machine tools.
- ▶ Changing location of the air hose which was running on the floor.

As well, the company also seeks advice from the in-house safety commission, employees who patrol the workplace, and industrial physicians.

Results of development of human resources and preparation of facilities

When first seniors were employed, one employee was needed every two seniors for their support. However, as a result of arrangement of their work, the establishment of “Kajiya Gakko”, and efforts for better work environment, one employee is enough to support 15 seniors in recent years. This, in fact, illustrates the improvement of skills, faster than the management expected, and it is the result of efforts made by both ones that taught and ones that learned.

Growing a sense of unity as a company

Just as in the case of acquiring production skills, the company considers it important to nurture a sense of community as a company irrespective of difference in

attributes such as age, gender, etc. Based on this idea, “Komanba-mura juku (Komanba village school)” is run. This meeting is held for one day or two days and one night every month and uses the company’s “business plan” of more than 100 pages as a textbook which has been distributed to all the employees. Apart from this, “presentation of business plan” is held at the beginning of the year, attended by the branch manager of the main bank, and accounting and legal advisors, in order to show the company’s future direction.

What is especially viewed important is understanding of the followings;

- ▶ Management vision: To become an exemplar of Japanese manufacturing excellence
- ▶ Management philosophy: Create joy from joy.
- ▶ Basic management policy: 1. Human resource development (HRD), 2. Preparation of environment, 3. Sophisticated skills and high-quality products

The company also promotes awareness as business people and self-development among employees as well as communicates to them what is expected of each different rank because the company aims to have the entire staff share the same sense of value.

Management vision, management philosophy, and basic management policy of Kato MFG. Co., Ltd.

Management vision
(what we share with customers)
“To become an exemplar of Japanese manufacturing excellence”
Management philosophy (aspiration – what the entire workforce shares)
“Create joy from joy.”
Companies exist to make people happy. There are two kinds of happiness; happiness pleasing to oneself and happiness pleasing to others. Let us create a company where we find our joy in joy of employees, their families, business partners, customers and many other people through our work.
Administration Policy
1. Human resource development (HRD).
Making skilled workers comes before making material things. We value education and aim to be a group of people with pride.
2. Preparation of environment
We aim for a company with comfortable and safe working conditions by attending to environment.
3. Sophisticated skills and high-quality products
We aim to produce and provide thoughtful products by raising our technical and developmental capabilities.

How to interact with seniors

The employees, especially those in the managerial positions, who started before 2002 when the company first recruited seniors, had no idea how to interact with seniors over 60 years old who had no experience in the manufacturing industry. Although in the beginning the managers tended not to speak up their mind to the newly employed elderly, they gradually started to think that they had to say what they had to say with regard to safety, quality, and courtesy even if the person they were speaking to was older.

In terms of working pace, young employees are naturally faster than the elderly. Today, however, seniors share the same uncompromising stance regarding safety and quality. As well, younger employees do not tolerate the elderly’s misbehavior which they otherwise would not want to point out to seniors, for example, not having responsibility for one’s own work, or not practicing courtesy and good manners which are minimum requirement as an adult. As seniors do not object to instructions of this kind either, such open interaction is considered working out well for the coexistence of seniors and other employees.

Effect of promotion of diversity on performance

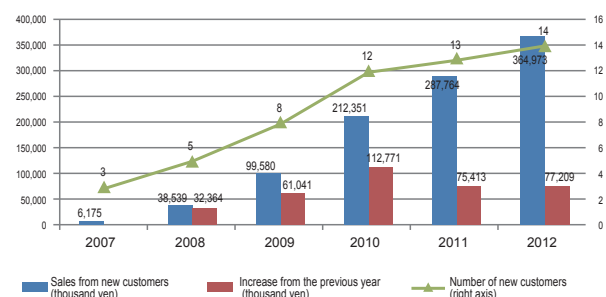
Increase of new customers and sales due to employment of seniors

Until prior to Lehman crash, output capacity of the factories had increased because they could be run on Saturdays, Sundays, and holidays thanks to hiring of seniors.

And then, the Lehman crash happened. Recession triggered by it and decrease in sales of existing customers has not justified operation of factories on Saturdays, Sundays, and holidays until today. Seniors have switched to work on weekdays, serving 3 to 4 days a week or 6 hours a day and the company continues to tap into their skills which has been acquired previously.

Employment of elderly workers contributed to meeting the demand of customers who wanted faster delivery. It also led to lower product cost because seniors who worked part-time were cheaper than full-time young employees. This has resulted in increase of number of new customers, and sales with them. More specifically, during six years between 2007 and 2012, the company added 14 new customers and average increase of sales from the previous year was 70 million yen.

Change in the number of new customers and sales with them



Greater attention to the company due to senior employment

Mass media including TV, newspapers, etc. reported the company’s unique efforts related to hiring of seniors.

As well, such efforts led to the first prize in “FY2002 Elderly Employment Development Contest” held by the Health, Labour and Welfare Ministry and the “Human resources harmony prize, a special prize of Corporate Philanthropy Award” of Japan Philanthropic Association, which gained the company a higher reputation.

Company name

Information and communications

Large companies

Kyosei Co., Ltd.

The company increased productivity through steady improvement activities according to the characteristics of each person with disabilities.

Points

- ▶ The company, where as much as 60% of the workforce has disabilities, has continued business for 30 years through business earnings without depending on public financial support.
- ▶ Improvement activities are implemented based on an ideal that “tasks should not put disabled employees at a loss or wear them out”.
- ▶ Improvement activities aim to increase productivity by 50% in 2014 compared to 2011.
- ▶ Productivity increased from painting 800 pieces a day by an employee (without any disability) to 1,200 pieces a day by another (with disabilities) through her effort and the process improvement.
- ▶ The company generated cooperative work environment by introducing a team system.
- ▶ Inventory was greatly reduced in the metal part processing line, which resulted in the shop floor where employees would not be at a loss or unable to make a decision.
- ▶ With the introduction of IT, data processing was made unnecessary (eight hours a day) and the person in charge of it was reassigned to attend to the employees.
- ▶ The company is making known to the public their initiatives for diversity by presenting them in an external lecture meeting or accepting a factory tour.

Data

◎ Corporate outline

Year of company foundation	1983	Capital	10 million yen
Location of HQ	1919-7 Urada, Fukuda-cho, Kurashiki-shi, Okayama		
Description of business	Manufacturing of industrial anti-vibration rubber products		
Sales	533 million yen (Fiscal year which ended in March 2013)		

◎ State of employment (non-consolidated)

Total number of employees	77 (Among them, 5 are non-regular employees.)
Number of employees by attribute	[People with disabilities] 53 (Among them, 1 is a non-regular employee.)
Average length of continuous employment of regular employees	Men: 12.63 years, women: 10.29 years

Background and aim of diversity management

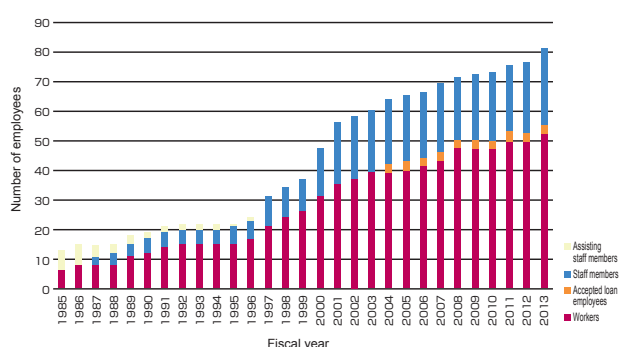
People with or without disabilities “live together”.

Kyosei was originally a work center of “Himawari No Kai”, a social welfare corporation. A part of the center was spun off into Kyosei Co., Ltd. in 1983. The trade name came from the word “Kyosei (Live together)”. The original work center is still operating in the same premises as type A business institution of continuous employment support. □

Breakdown of 50 people with disabilities shows one physically disabled person and 49 people with intellectual disabilities (24 mild and 25 severe), and three mentally challenged persons, thus there is no great difference in the number of people the company employs between mild and severe disabilities. For convenience, people with no disabilities are called “Shokuin (staff member)” while disabled people are called “Jugyoin (worker)” in the company. Although staff members provide instruction and attend to workers, everybody is treated equally. They wear the same work outfit, so it is hard to distinguish between healthy and disabled people. Because work provides opportunities for self-realization to people with or without disabilities, the company hopes that all the disabled employees take this advantage.

When the company was established, it employed fewer than 10 disabled people and several assisting staff members. As the business expanded, the number of employees grew every year and today 53 workers and 20 staff members work in the company. When the year 1996 ended, the number of assisting staff members who were sent by “Himawari No Kai” became nil. Average length of service for workers stands at 12.06 years while that for staff members is 12.35, making it clear that people with disabilities tend to work longer.

Change in the number of employees



Red bars show the number of workers (people with disabilities) while blue bars indicate the number of staff members (people without disabilities). White portions which existed until 1996 signifies the number of assisting staff members.

Production site where 1,000 kinds of rubber products are made

The company manufactures rubber parts. All orders come from Kurashiki Kako Co., Ltd., a subsidiary of Mazda Motor Corporation. Apart from auto parts, Kurashiki Kako sells rubber parts for construction and industrial machinery, as well. These rubber parts are what Kyosei produces and the company accounts for 40% of Kurashiki Kako's rubber parts for construction and industrial machinery. There are, in fact, 1,000 kinds of rubber products in terms of their material, shape, and size.

The company leases land, buildings, and facilities from Kurashiki Kako. For management, Kurashiki Kako has sent one person to Kyosei as President. With lines for metal part processing and rubber refining in place, Kyosei has the general production facilities necessary to manufacture rubber parts. While Kurashiki Kako sends some staff members to Kyosei for technical support from time to time, President is the only person permanently stationed at Kyosei and on-site management is handled solely by Kyosei's staff members and employees.

The factory adopts a two-shift system of 8AM to 5PM and 5PM to 2AM and runs from Monday to Friday except public holidays, providing 108 annual holidays in total. Forty-nine of 50 workers with disabilities are regular employees. They are getting paid by the hour with allowance for employees in a managerial position. Salary of employees in a managerial position is more than that of part-time staff members and employees receive bonus as well. The age of mandatory retirement is 60 and retirement allowance is provided, which gives employees an incentive to continue working for the company.

Specific activities for promotion of diversity

Higher motivation due to the employment of a team system and a leader system

From the bottom up, the ladder of the factory includes Worker, Leader, Relief Man, Subsection Chief, and Section Chief. As a general rule, Relief Man is the highest position for employees. However, they have a possibility of getting promoted to Subsection Chief and Section Chief. Staff members also start from Worker and learn their work from Leader who is an employee with disabilities.

The company thinks that there is no difference in motivation for work among people whether they have disabilities or not and that they are all the same in that everyone has different characteristics and likes and dislikes. However, the state of disabilities is different depending on the individual; therefore, the company assigns tasks according to the capabilities of each disabled person.

When given a task, people sometimes think that “what I have to do is only this” and stop paying attention to tasks of others. For this reason, the company sets a team goal. The benefit of working as a team is that it generates cooperation. People, with or without disabilities, can find the reason for fulfilling their role and get a sense of satisfaction only by recognition from others. Since the adoption of the team system, there have been fewer cases of calling in sick with a stomach ache or a headache which previously happened from time to time, resulting in lower absenteeism rates.

Work assignment according to disabilities and development of multifunctional workers

Employee evaluation is first conducted by Subsection Chief and Section Chief of the relevant division and finalized by the factory manager. The company uses a five grade evaluation system and makes assessment according to each person’s skills. Everybody sets their own goal and is evaluated in relation to it not in comparison with others. While finding out each person’s abilities, the company ensures that the individual could make the best use of their abilities by locating the optimum process.

By breaking down a work process for one product, the company assigns each employee for an appropriate part of the process. One may not be able to carry out the whole process but there are many sections which disabled employees can handle. As well, with a jig, persons with disabilities can sometimes manage parts of a process which they would not be able to otherwise. The company, first, fully immerses them in a single part of process, and then trains those who have mastered it in other parts of process, aiming to make them multifunctional.

The company also shoots a video and record how employees work, and uses it to offer opportunities where employees watch each other’s work and find 3M (Muri, Muda, and Mura): irrationality, waste and inconsistency. When playing a video of a worker, everybody in the same team gathers around to watch it. By pointing out things to improve and speaking up what they think, the team members help each other in improving their skills.

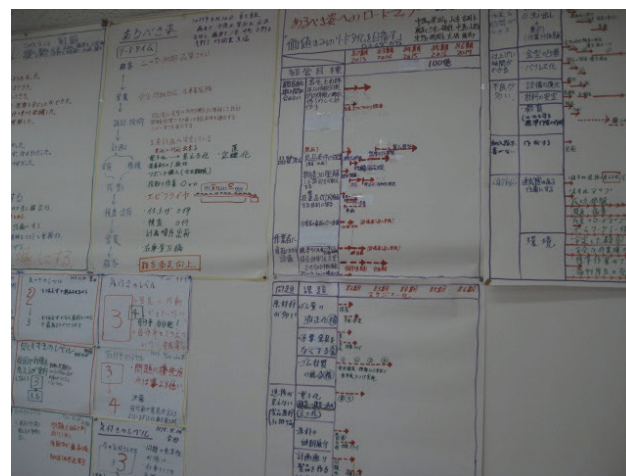
Promoting improvement activities to increase productivity by 50% in four years

In the production site, the company launched improvement activities in full swing two years ago by following a method called J-ABC (Jiba Achieve Best Cost) developed by Mazda. The goal is making sure that “tasks should not put employees at a loss or wear them out”. Improvement activities give the teams another goal to achieve as well. In cooperation with Kurashiki Kako, employees had an overnight training camp to develop plans to achieve the goal.

Improvement activities aim to increase productivity by 50% in FY2014 compared to FY2011. The company

focuses on improving different processes every year, for example, the first process (application) and the second process (molding 1) in the first year, the third process (refining) and the fourth process (molding 2) in the second year. In FY2013, the company is improving on the sixth process (molding 3).

Goals were achieved until the fifth process, as planned. In FY2013, the company has been working on the sixth process (molding 3) but has failed to reach this year’s goal. The reason is that this process uses a 30 year old 40 ton press, too old production equipment to deliver.



Improvement plan developed in a training camp. It covers the entire wall of a meeting room.

Effect of promotion of diversity on performance

The company has realized higher productivity through steady improvement activities.

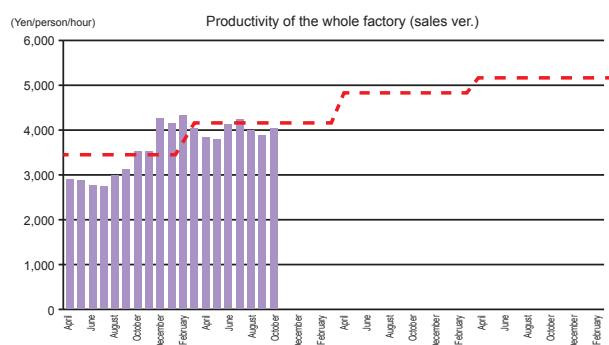
Improvement activities require understanding of the current status against a goal every day. Output is recorded and totaled by the hour. When having missed a goal, the company interviews relevant employees not to blame them but to find out the reason. For example, an employee who usually paints 1,000 pieces only did 800 one day. Because there was a record of result by the hour, it was easy to find out when output slowed down. In an interview, this employee said, “I always work on square-shaped parts but today triangle-shaped parts flowed in and it was hard to keep up the same pace.” As a result of the interview, a new way of painting has been developed which can work for triangle-shaped parts as well and a jig has been arranged to help the task.

One telling example for improvement activities is that a female employee with intellectual disabilities is now able to paint 1,200 pieces a day in the painting process where a staff member with no disabilities used to paint 800 pieces. Whether or not employees have disabilities

or the individual's abilities and efforts alone cannot be a decisive factor for productivity. Through this example, the company has reaffirmed the importance of improvement activities in productivity.

The goal of increasing productivity by 50% looks at the production volume per person per hour and sales per person per hour (excluding material cost). The goal then comes down to increasing productivity from 3,432 yen as of 2012 to 5,148 yen in 2015. Considering the capacity utilization rate of the company's factory which still stands around 50% and the 40 ton press process, there is substantial room for improvement. The reason for the current low efficiency is not that people with disabilities are employed. It is only because improvement is insufficient. Thus, the company thinks that the goal can be achievable.

Change in productivity (sales per person per hour) (April 2012 – March 2015)



On the managerial side, from April 2013, the company started to decrease inventory in the metal part processing line which had more inventory than any other process and has made a notable achievement. If there is too much inventory, it makes it hard even for a person without disabilities to find necessary parts and materials, let alone disabled employees. If place to store is not set, people normally put things on vacant space at that moment. Thus, when they receive the next work

instruction, they have to start from looking for parts and materials. As a result, productivity per hour drops and the defective rate goes up. In such situation, under the management direction, the entire workforce including employees cooperated to decrease inventory as much as possible and organized the floor by designating a place to store in order to make easier-to-work environment.

The company is also trying to improve operational efficiency with the introduction of IT. In the past, for production management a staff member handled forms by hand. Data processing with various kinds of forms took the staff member a day (eight hours). However, since the company introduced bar-code readers for process management, data processing has been rendered unnecessary. The staff member who worked for production management has been reassigned to attend to the employees.

External interaction has led to win-win effects.

The company has more outside contacts today thanks to the promotion of diversity. Employees have participated in local events. At a lecture meeting, the tope manager and the factory manager are lecturers while employees are also present in the event and talk about their experience. The company has received a request for employment from a special school invited to such an event. It is clear that the company's external interaction is making a favorable effect on public relations and recruitment.

A factory tour of the company also provides opportunities for making the company's activities for diversity known to the public. The number of applications for a factory tour is growing through word of mouth and visitors have given comments such as, "This has brought to our attention some points for improvement which we were not aware of". Moreover, the company accepts persons with disabilities from special schools and training facilities for disabled people for a work experience program and the number of such participants is growing.

Company name

Information and communications

Large companies

Torayahonpo Co., Ltd.

A series of hot sellers have been created by utilizing skills, knowledge and ideas of seniors for development of new Japanese and western sweets.

Points

- ▶ The company promotes diversity management with the following family precepts as the centerpiece of management: "Japanese spirit combined with good business sense" and "Business has to be of good service to the society."
- ▶ By raising the mandatory retirement age from 60 to 70 in one step, the company has continued to employ seniors who have motivation and skills without lowering compensation.
- ▶ With wisdom and skills of a senior Japanese confectionery craftsman, the company commercialized "Hassaku Daifuku (Citrus hassaku soft round rice cake)", which became a hit in the summer.
- ▶ The company has replaced physically demanding tasks with use of machines and saved labor, with which the company has promoted development of multifunctional workers. Old hands now focus on training younger employees and pitching ideas for new products.
- ▶ With regard to confectionery production as well, seniors' ideas and sense of the youths are combined to develop new products.
- ▶ Stores employ a shift system for work considering the needs of housewives who want to reconcile work and family. Most of the store managers are experienced female part-time employees and interact with customers and supervise and manage store personnel.

Data

◎ Corporate outline

Year of company foundation	1927 (Founded in 1620)	Capital	40 million yen
Location of HQ	1-11-18 Akebono-cho, Fukuyama-shi, Hiroshima		
Description of business	Production and sales of Japanese and western confectionery		
Sales	520 million (Fiscal year which ended in February 2013)		

◎ State of employment (non-consolidated)

Total number of employees	78 (Among them, 24 are non-regular employees.)
Number of employees by attribute	[Person at the age of 65 or older] 22 (Among them, 9 are non-regular employees.)
Average length of continuous employment of regular employees	Overall 8.0 years (men: 8.7 years, women 7.8 years)

Background and aim of diversity management

Awakening to CSR management by learning business ethics inherited from ancestors

Torayahonpo was founded in 1620, the early part of Edo period, and the current top manager is the 16th. After he succeeded to the business following the sudden death of his father, he himself developed a hit product, cream puffs which looked like Takoyaki (octopus balls), and was interviewed by a variety of mass media. However, contrary to the good business results, he was feeling some dissatisfaction. "Hit products could appear through sheer luck but good companies could not be born by chance. What do I need to make a good company?" He puzzled over it and started to learn business ethics.

One of the family precepts talked about business ethics. "What tradesmen buy and sell should be a godsend." In other words, "Business has to be of good service to the society." Merchants developed commerce in the peaceful mid-Edo period. But without a source of spiritual comfort, Genroku bubble economy burst. While many shops were in danger of bankruptcy, the eighth master advocated the business ethics. It is said that many long-standing companies developed their own business ethics as family precepts in order to come out of the crisis in those days.

While increasing understanding of the family precepts, in 2006, the current top manager came across CSR management that was called for those days. Since then, he has set the business ethics of the family as the company philosophy and the company has aimed for a value chain of CSR management including diversity management.

The company started to make use of senior talent while taking the future labor shortage into account.

After the Pacific War, Torayahonpo expanded into the production of western confectionery as well. Today the company operates 12 stores in Fukuyama city and the suburbs. Seasoned pastry chefs over 60 years old are actively involved in the production site and those who interact with customers are veteran female shop attendants past their 60's as well.

The factory adopts five-day workweek, closed on Thursdays and Sundays. Work hours are from 7:30AM to 4:30PM including an hour and half break. Business hours are different depending on the store but work hours in the stores are usually from 8:30AM to 7:00PM. Many of the employees including store managers are part-timers and working the shift. Shift schedule is developed considering the needs of part-time workers who want to balance family and work. There is a spread in age of female employees. Four regular workers (two of them are managers) consist of one employee in her 30s and three in their 20s. There are 61 part-time employees and 90% of them are shop attendants, 70% of whom are 50 or older. All the 11 female store managers are part-time employees.

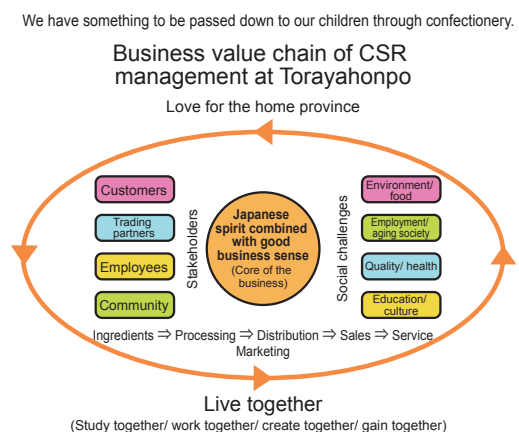
The basic concept for CSR which is fundamental to the company's management is "Live together" and the goal is "Love for the home province". Here, social challenges are classified into four genres of environment/ food, employment/ aging society, quality/ health, and education/ culture, and the company has especially focused on employment/ aging society. While taking the future labor shortage into account, the company sees the importance in developing better ways to take advantage of senior talent from the viewpoint of the strategic utilization of human resources.

A wide variety of human resources contributes to improving productivity and, in that sense, especially senior workers are valuable because they possess wisdom and diligence with which they survived the period of high economic growth. The company thinks that it is important for them to work not only for the company's development but also to lead a fulfilling life.

Today, seven years before the 400th year in business, Torayahonpo has included this view based on CSR in its business plan and is aiming to realize CSR management unique to the company. For this, first, the top manager himself has to perfectly understand CSR management and then needs to have executives including the director (expected to assume the 17th head of the company), the executive director, and the managing director understand it before spreading it to the employees. From time to time, the top manager uses opportunities such as an afternoon assembly in the factory and speaks to the employees about the idea of CSR management.

The company is striving to achieve the goal of realizing CSR management in 2020, the 400th year since the confectionery's foundation.

Schematic diagram of the value chain of CSR management at Torayahonpo



Specific activities for promotion of diversity

Raised the mandatory retirement age from 60 to 70 in one step

Since the company established the management principle on CSR, the number of employees has steadily grown. Most of the senior employees used to work for other

Torayahonpo Co., Ltd.

companies before they joined Torayahonpo. The city of Fukuyama is a castle town, and thus naturally has many Japanese confection stores. Some of those store owners came to Torayahonpo one after another when they had to close their own business due to the difficulty in finding successors. "Please hire me because I still want to make Japanese sweets," they would say.

As of 2006, the number of regular employees was 16 and that of employees with employment insurance was 53, most of them male pastry chefs in their 40s and 50s. "I want to continue to work," they started to claim, facing the mandatory retirement age of 60. This coincided with the policy of the company which was promoting diversity management. Thus, in 2008, the company raised the mandatory retirement age to 70 at once. This extension of mandatory retirement age was a relatively easy transition because their products, confectionery, are light and do not require much physical strength and also because confectionery is all about the proficient skills.

Employees' skills are evaluated twice a year by the managing director based on an assessment scheme. Significantly, evaluation will not be lowered from the previous assessment because skills once acquired will not be lost.

Senior employees are allowed to work in their own way according to their health conditions. For example, the ex-factory manager of the western cake department who suffered a cerebral infraction has come back to work after a year of recuperation. He has lost his position to another but is still been hired as a regular employee and allowed to go home earlier depending on his health conditions. As well, one worker who turned 60 years old before the extension of the mandatory retirement age in 2008, is still hired as a contract employee and comes to work three days a week.

In general, when people continue to be hired in the same company after their retirement age, they are rehired and compensation goes down. At Torayahonpo, however, it is continual employment and the company makes sure that their total salary will not be lowered by adding different allowances.

Successfully reduced burden on seniors and saved labor by mechanization.

The company introduced a bean jam filling machine (a machine which wraps bean jam and solid food such as a chestnut or a strawberry in dough) in FY2010. This mechanization has saved employees from fatigue including lower back pain due to standing work, stiff shoulders, and weaker grip, and made it possible for seniors to work longer than before. For the introduction of this machine, the company qualified as a joint research company of Japan Organization for Employment of the Elderly, Persons with Disabilities and Job Seekers, an independent administrative agency, and implemented a "research study related to creation of work environment where seniors over 70 years old can use their skills and experience and comfortably work on a challenging job in a Japanese and western confectionery". As a result the company received a subsidy worth half of 12 million yen, the cost of the machine. Today, through this mechanization, two employees can handle a process which used to require five employees. With time saved from this change, seasoned pastry chefs now give

technical guidance to younger employees and provide ideas for new products.

In the same year, the company was awarded the special prize by the Minister of Health, Labour and Welfare, at "Elderly Employment Development Contest" jointly held by the Health, Labour and Welfare Ministry and Japan Organization for Employment of the Elderly, Persons with Disabilities and Job Seekers. The award recognized the company's continuous employment system where the company set the retirement age at 70 and allowed all the employees, if they wished, to continue to work until they were satisfied as well as the company's efforts to promote mechanization in the said joint research.

A seasoned craftsman explaining a bean jam filling machine



Varied interests will lead to a product with new value.

The ideal confectionery is having wide interest, not only in the same trade but in the outer world, getting inspired, and creating something new through imagination and sensitivity. The current top manager himself worked and acquired experience in the fashion industry before taking over the predecessor, the 15th manager. Based on his experience, the company expects product development to be carried out by collaboration of the young and seasoned employees.

"Development of multifunctional workers" in the manufacturing industry, in general, aims to increase work efficiency. At Torayahonpo, however, it is considered aiming to produce creativity and innovation. The company views its sweets not as mass-produced products but as culture which takes root in the life of local people.

Of course, skills to produce confectionery make a necessary base. However, the company values confectionery as culture based on unrestricted and strong imagination. Thus, the employees join together to develop new products to meet such expectations. As a rule, the company launches new products – at least one Japanese cake and one western cake – once every other month at the time of issuing flyers. On average, four new normal-sized products hit the shelves during a year while a new smaller product is launched almost every month.

Effect of promotion of diversity on performance

Increase sales by key standard products, a variety of new products, and sales capabilities.

Although the company's sales have leveled off for the

past three years around 500 million yen, prior to that, they increased year after year for 7 years. The reasons for this growth are; 1) a series of “Sweets identical to the original” became a hit and well known, 2) key products (three most sold products) maintained steady sales, and 3) the company kept innovating new products through development by season.

After having remained in the same level for three years, the company’s business is expected to grow in FY2014 (ending in February 2014), with the sales up by 10% as of November compared to the same month the year before. The company expects to see sales increase by a little less than 10% when the year ends. One reason for the good performance is that the company newly opened the “Fukuyama service area inbound lane store”.

Change in sales and profits (results)

Fiscal year	Sales (thousand yen)	Profits (thousand yen)
2004	385,000	6,500
2005	405,000	7,600
2006	442,000	24,500
2007	465,000	10,300
2008	482,000	12,400
2009	506,000	14,300
2010	515,000	7,200
2011	518,000	8,500
2012	523,000	7,600
2013	515,000	11,000

(Note) February of each ear

Hit products have been born from many new products developed mainly by seniors

The company makes it a rule to roll out new products – at least one Japanese cake and one western cake – once every other month at the time of issuing flyers. The top manager thinks that it is important for the company to keep launching new products even if not all of them become a hit. This is because he thinks that if you keep trying, it affects various other situations favorably in a subtle but important way.

In the development of new products in the company, seasoned pastry chefs are greatly involved. In general, young people are considered to have greater creativity. In the world of confectionery, however, great marketable new products cannot be created without ideas based on skills supported by experience. Thus, seniors play a great and irreplaceable role in new product development.

In the summer of 2013, the company launched “Hassaku Daifuku (Citrus hassaku soft round rice cake)”. Other companies were already selling Daifuku with hassaku which is a specialty of Hiroshima prefecture but the company’s experienced pastry chefs developed the Torayahonpo’s original by devising their own recipe with different ingredients and quantity. Soft outer layer of the Daifuku made the product popular and it became a hit. Younger employees also cooperated and provided good taste for the appearance of the product and its package after the product development roughly completed.

Unique products have been created from the skills and passion for traditional decorated sweets.

Today, the company has about 200 kinds of sweets, which are all classified and organized in different categories. Apart from obvious classification of western and Japanese sweets, there are distinctive categories unique to Torayahonpo such as the “R20” series for adults which uses liquors and the “Tora-chan, the uncooked bean-jam pancake” series. The company closely examines many new product ideas proposed by employees by considering which category they would belong to. The company uses this development method based on branding and marketing which the top manager previously learned in the fashion industry.

According to him, what is important in product development is earnestness for the product; “Why do we want to sell this product?” By copying a hit product from other confectionery stores, the company could expect some sales for a while but they wouldn’t last long. How much passion you can put into the product in development can make or break its success.

The series “Sweets identical to the original” including cream puffs which looked like Takoyaki (octopus balls) sold well. However, it also gave the wrong impression about the company as Japanese confectionery manufacturer. Although the series “Sweets identical to the original” could not be materialized without skills for traditional decorated sweets, some people thought that Torayahonpo was an irresponsible and disrespectful company.

The company did not stop there, but now it is aiming to go to extremes about the series “Sweets identical to the original” by trying to imitate the festive food for the New Year using the techniques for the high-grade Japanese fresh confections. The high-grade Japanese fresh confections are a kind of Japanese sweets modeled after what we could see in the nature, for example, scarlet maple leaves. Using the technique for such confections, the company made the sweets that looked like the festive New Year food such as a spiny lobster.

“Decorated sweets are part of culture, and thus have to be preserved but will not sell.” This is how they used to be viewed. However, the festive food for the New Year series, sold only at the end of December (for the New Year), became a hit and the product priced at 8,400 yen sold around 200 pieces in a month. It was well received by consumers and contributed to both culture and sales. The series “Sweets identical to the original” is a group of products which a variety of factors and skills have been put into and symbolizes Torayahonpo’s creativity.

Left: “Cream puffs which look like Takoyaki”, right: “Original high-grade Japanese fresh confections for the New Year – the base box”



Company name

Information and communications

Large companies

SCSK Corporation

Through the reform which defied conventional notions of working conditions in the IT industry, the company improved productivity by 50% in two years and increased employee satisfaction as well.

Points

- ▶ In the past, the information service industry was associated with the image of “long work hours” and for a long time it was not able to overcome this problem. For the company as well, improving the stability of the young workforce became a growing challenge those days.
- ▶ As an effort to realize an “enjoyable and rewarding place to work”, the company has started the “reform of working conditions” by reducing overtime hours and promoting to take paid leave.
- ▶ Along with the reform of working conditions, the company has prepared environment where both men and women can balance work and child care through enhancing the system for compatibility assistance and promoting flexible work hours.
- ▶ The overtime reduction project of 2012 was a huge success and the “reform of working conditions” brought about substantial results in a short period of time.
- ▶ The company succeeded in lowering the turnover rate through implementing the “reform of working conditions” and improving the system.
- ▶ Through the reduction of work hours and the turnover rate, productivity improved.
- ▶ Employees’ motivation has improved and the company’s easy-to-work environment enjoys a high reputation outside the office too.

Corporate beliefs of SCSK

Corporate philosophy

Our Mission

Create Our Future of Dreams

We create our future of dreams by establishing value based on our customers’ trust.

Our Promises

Respecting each other

We realize our potential by respecting each other.

Providing excellent service utilizing reliable technology

We delight customers through our service based on reliable technology and passion.

Sustaining growth from a global and future perspective

We, with our stakeholders, pursue sustainable growth for the world and the future.

Data

◎ Corporate outline

Year of company foundation	1969	Capital	21,152 million yen
Location of HQ	Toyosu Front, 3-2-20, Toyosu, Koto-ku, Tokyo		
Description of business	Industrial Systems Business, Financial Systems Business, Global Systems Business, Business Solutions, Business Services, IT Management, IT Platform Solutions		
Sales	278,634 million (Fiscal year which ended in March 2013)		

◎ State of employment (non-consolidated)

Total number of employees	7,461 (Among them, 163 are non-regular employees.)
Number of employees by attribute	[Women] 1,261 (Among them, 52 are non-regular employees), proportion of women in management positions: 4.8%
Average length of continuous employment of regular employees	14.7 years (men: 15.6 years, women: 9.5 years)

Background and aim of diversity management

New company born through a merger

SCSK was established when Sumisho Computer Systems Corporation merged with CSK Corporation in October 2011. After serving as Executive Vice President at Sumitomo Corporation and taking on the role of Chairman and President at Sumisho Computer Systems in June 2009, Mr. Nobuhide Nakaido, the current Chairman and CEO of SCSK, assumed the post of President in October 2011 when SCSK was newly launched. “Providing the best possible work environment will lead to employees’ productivity and result in the company’s profits.” Based on this belief of then President Nakaido and under his strong leadership, the company launched the initiatives to realize an “enjoyable and rewarding place to work”.

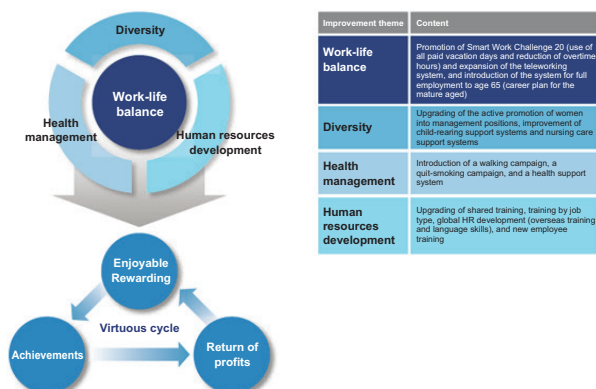
A huge challenge of the information service industry

The information service industry builds and operates a variety of information systems to support companies and communities. However, it was associated with the image of long work hours. “You wouldn’t be able to go home until late at night,” “You wouldn’t be able to take a holiday,” and “You wouldn’t be able to work for long years,” some said about the industry. At SCSK as well, this was recognized as a problem although it had gradually been getting better. For example, at one time in the past, the company’s turnover rate for women under 30 years old reached 70%. Young employees’ leaving the company was posing a big problem on the company which had spent a long time to develop their skills. Behind the company’s initiatives for the reform was such a problem commonly seen across the industry.

From the reform of working conditions to the promotion of diversity

The company decided to first drive the “reform of working conditions” including reduction of overtime work and promotion of taking a paid leave of absence as the central pillar of efforts to realize an “enjoyable and rewarding place to work”. “Work-life balance” found in the center of the following diagram indicates this “reform of working conditions”.

Improving the environment into an enjoyable and rewarding place to work (concept)



The “reform of working conditions” is the basis for diversity promotion in the company. Women tend to have greater time constraints at work than male coworkers due to housework and child care imposed on them. Apart from that, there are employees who have to take care of their old or disabled family members. In order to give such employees who have greater time constraints the same playing ground, the company thought that it would be imperative to realize an environment where all the employees could work more efficiently for shorter hours by first cutting work hours across the company. If all the employees work shorter hours and achieve the same results, employees with time constraints could play as much of an active role as others. Realizing a “work-life balance” through the reform of working conditions across the company was an indispensable effort to promote diversity.

Specific activities for promotion of diversity

Smashing success of the overtime work reduction project of 2012

The effort for reduction of overtime work would not move ahead if it was left up to the site because employees would put a high priority on tasks at hand. To avoid this and ensure the reduction of overtime work, President himself gave directions and imposed a target to achieve on each organization. The company’s organizations are made of 160 departments. Among them, the company set the management goal across the board of reducing overtime hours of 32 departments which had had the most overtime hours in the period from April to June 2012 to levels 50% lower in the following three months. As a result, the company saw 16 departments halve and 7 others reduce by 25% overtime hours that they had had respectively during the time from April to June.

Through this effort, it was demonstrated that it would be possible to reduce overtime hours with ingenuity. The following arrangement turned out indispensable to achieve the said result.

Summer time was introduced in July 2012 when the overtime work reduction project of that year was launched. Work hours changed from the period between 9AM and 5:40PM to that from 8:30AM to 5:10PM. People would have been right in the middle of work at 5:10. However, Department Managers and other managers made it a policy to go home at 5:10 as often as possible to set an example for subordinates, no matter how busy they were. If the superiors go home it would be easier for subordinates to do the same. As well, the company reduced the number of in-house meetings and the length of each meeting.

To finish work efficiently and go home early, it becomes necessary to work out a plan not only for the day but also the week, and the month. Prioritizing is also a must. For efficient meetings, discussion needs to aim exclusively at what is important, without unnecessary talk. These efforts have become common practice across the company and, as a result, overtime work this year is on the decrease compared to the year before. Efficient

implementation of tasks like this is becoming the norm in the company.

The system to reward efforts to reduce overtime work played an important role as well. The company does not want the employees to think that “the company must be trying to save overtime pay.” For this reason, the company has set up an incentive system with Gold, Silver, and Bronze prizes depending on how close a department has gotten to the targets for reduction of overtime work and use of paid leave. Based on the total overtime hours calculated as of the end of the fiscal year (March), the company increases a bonus of June to employees in the departments with the highest achievement rates of the reduction target. In other words, the company has introduced a system to reward employees if they work efficiently and reduce overtime hours.

“Smart Work Challenge 20” aiming for 20 overtime hours a month and 20 days of paid leave taken

Since FY2013, the company has introduced “Smart Work Challenge 20 (shortened as Sumachare 20)” in order to further promote business efficiency across the company and reduction of overtime hours. The number “20” suggests reducing overtime hours by 20% (20 minutes a day on average), targeting the average overtime hours per month at 20 hours, and taking 20 days (100%) of annual paid leave. “Sumachare 20 idea contest” held in March received 126 ideas from 81 people and selected two awards of excellence and 12 other prizes. The company’s effort which started from the top down and had a huge success in a short period of time is now spreading from the bottom up as well.

Making environment work friendly for both men and women

Along with the “reform of working conditions”, further efforts were made as well to make more convenient environment for employees with time constraints such as child care. For example, the company now allows longer child-care leave than the laws require and employees can split it to use in multiple occasions. As for the short work hour rule, employees can now shorten work hours by a multiple of 5 minutes not by the hour as before. As well, the company improved the flexibility of the work-at-home program by making it available to all the employees. To create the atmosphere where employees find it easy to take advantage of these systems, the company strived to spread the word while involving participation of employees by distributing guidebooks, opening a portal website, and holding events including a briefing session on the child-care assistance system and a round-table talk for child rearing. Through these efforts, the number of users of such systems including male employees grew, resulting in the realization of work environment where work and child care could be reconciled.

Promotion of women’s active roles as part of the “reform of working conditions”

As work environment was rendered more employee-friendly for both men and women and the “reform of working conditions” moved ahead, the company started to appoint more female employees to managerial positions in order to promote active roles played by women, many of whom had greater time constraints. Behind this move was the company’s awareness of a long-term managerial challenge, that is, securing excellent human resources, especially excellent female employees, and promoting their active participation, in order to maintain the company’s competitiveness in Japan where the working population was going to decline.

First, the company set a seemingly impossible target of raising the number of female line managers to 100 in FY2018 when, as of April 2012, the total number of the posts was 660 and there were only 13 female line managers of Section Chief or higher. To achieve this target, the company is currently enhancing a variety of systems while implementing a development program for employees with the qualifications and promoting appointment of female managers. The target for FY2013, 30 female line managers, has already been achieved with 32 appointed female managers. In April 2013, the first female director was appointed as well.

Effect of promotion of diversity on performance

The “reform of working conditions” which produced great results in a short period of time

The information service industry tends to be associated with the image of long work hours due to its characteristics. However, the company’s efforts to realize an “enjoyable and rewarding place to work” produced such remarkable results in a surprisingly short period of time that it changed the industry image.

The following table shows the average overtime hours by year (the average of monthly overtime hours) and the number of days of paid leave taken. Monthly overtime hours in FY2008 exceeded 35 hours. Since FY2011, however, after the merger and implementation of the initiatives, this has greatly improved and overtime hours have steadily gone down year after year. Today, overtime hours stand at 22.42 a month (FY2013 estimate). This means reduction by about 40% from 35.19 hours in FY2008. The number of days of paid leave taken is gradually growing as well and it is estimated at 19.0 days in FY2013. The goal of complete consumption of paid leave of 20 days is around the corner.

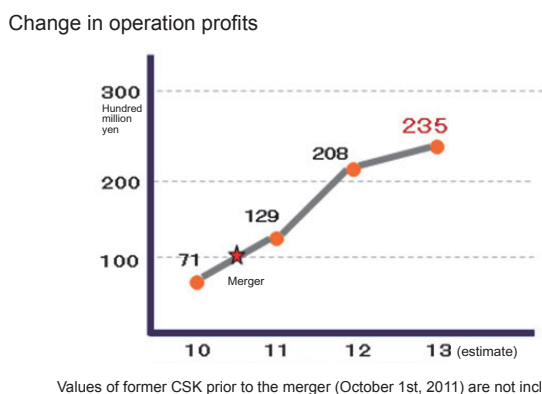
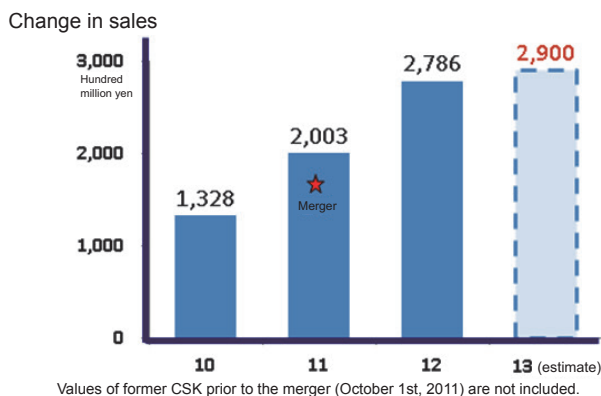
Change in the average overtime hours and days of paid leave taken

	FY2008 results	(Omitted)	FY2011 results	FY2012 results	FY2013 estimate
Average overtime hours by year	35:19	→	27:46	26:10	22:42
Days of paid leave taken	14.1		14.1	16.4	19.0

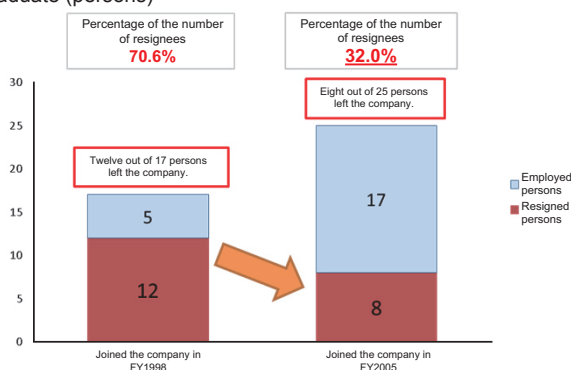
Productivity has increased due to the reduction of work hours and the turnover rate.

The company promoted diversity with the “reform of working conditions” as the center piece and, in fact, reduced work hours and the turnover rate. Through these efforts, the company has achieved better performance with both sales and operation profits steadily growing since the merger in FY2011. As an index to show labor productivity, operation profits per employee have also grown by about 50% (estimate) in FY2013 compared to FY2011.

Along with the reduction of work hours, the turnover rate, especially that of female employees, has gone down too. Specifically, the number of accumulated resignees at the age of 30 or younger who joined the company as a fresh college graduate accounted for 70% as of 2006. This rate improved down to 32% in FY2013.



Change in the accumulated number of female resignees at the age of 30 or younger who joined the company as a fresh college graduate (persons)



Revitalized workplace. Corporate brand with a high reputation.

The company's efforts toward an “enjoyable and rewarding place to work” have also heightened employees' motivation. The employee's attitude survey in FY2013 shows that positive evaluation has grown from the year before as in “The company lets you work flexibly.”: +7.1%; “You are proud of working for the company.”: +10.0%; and “You want to keep working for the company in the future.”: +6.1%.

In FY 2011 the company was placed at the 98th of the “Ranking of employee-friendly workplace” announced by Nikkei Inc., a well-known survey which has strong influence on students doing job-hunting. However, the company made a great leap to the 23rd place in FY2012 and the number of job applicants graduating in 2014 rose by 8.8% from the previous year.

As well, the “Ranking of companies which bring out the best in employees” was published by Nikkei on November 4th, 2013, where the company was placed at the second in the overall ranking. “The company received high marks for two areas, ‘Child care/ nursing care’ and ‘Work environment/ communication’”, according to Nikkei Shimbun. The company's high positions in these rankings are helping improve the corporate image and the corporate brand as well as company recognition

Aiming for a change in the consciousness along with customers

The “reform of working conditions” has produced great results in the company. This effort is considered a solution to the challenge of lowering work hours which the information service industry has worked on for long years. The company's efforts, noteworthy in the industry, are expected to make progress in a large scale in the future too.

However, what the company thinks as a challenge in making efforts in the future is “a change in the consciousness involving customers as well”. It would not be too difficult to promote further reduction of overtime hours if the efforts concerned only the company's employees. However, today, there is still a need to have a meeting at night or stay until late due to circumstances of customers. Furthermore, not all the client companies are happy to see women in SCSK's management positions.

It is now clear that the company needs a certain level of understanding from its client companies in order to drive the effort further. In fact, the company is increasingly receiving positive feedback for the reform of working conditions from employees in its client companies. Voice of client companies is quite important especially for an information service company, which is mainly a B to B business. As a challenge for the future, the company needs to spread the “reform of working conditions” not only within itself, but also in the information service industry and eventually in client companies of various industries.

Company name

Information and communications

Large companies

Microsoft Japan Co., Ltd.

Through the change in work style including work at home, the company has improved productivity.

Points

- ▶ In spite of 10-year-long efforts from 2003, the company was lagging behind European and American counterparts in terms of women's participation.
- ▶ Since the relocation of the headquarters in 2011, the company has introduced a free address system.
- ▶ The company has introduced a "framework (systems/ culture/ infrastructure)" to support working at home.
- ▶ At the time of the Great East Japan Earthquake, employees across the board worked at home. Following this experience, the company has established the "Day of teleworking".
- ▶ Both the female employee retention rate and the number of people who took a child-care leave have increased.
- ▶ The company provides knowhow and service for work style change to companies and local governments.

Mission and values of Microsoft

Mission

Provide support to maximize the potential of all the people and businesses around the world.

6 values

Integrity and Honesty – To be sincere and honest.

Open and Respectful – To be open and pay respect to others.

Big Challenges – To tackle great challenges and follow through

Passion – To have passion for customers, partners, and technologies.

Accountable – To act on your words and be faithful to your commitment.

Self-Critical – To be strict with yourself and strive to improve yourself.

Data

◎ Corporate outline

Year of company foundation	1986	Capital	499 million yen
Location of HQ	Shinagawa Grand Central Tower 2-16-3, Konan Minato-ku, Tokyo		
Description of business	Computer software and cloud service, sales and marketing of devices		
Sales	Data for the Japanese subsidiary is not disclosed. Headquarters in US: 7,784,900 million yen (Fiscal year which ended in June 2013. Exchange rate used: \$1 = 100 yen)		

◎ State of employment (non-consolidated)

Total number of employees	2,236 (Among them, 10 are non-regular employees.)
Number of employees by attribute	Not disclosed.
Average length of continuous employment of regular employees	Average length of continuous employment: 7.9 years (men: 8.39 years, women: 5.9 years)

Background and aim of diversity management

Japan lagged behind European and American counterparts in women's participation.

Microsoft Corporation is the world's largest software company which develops and sells Windows OS and Office. As its Japanese subsidiary, Microsoft Japan was established in 1986. Microsoft Japan currently employs 2,236 people.

Microsoft is a global company and deals with every type of customers from large corporations to middle and small companies and consumers. For this reason, the headquarters in the US and European subsidiaries pushed ahead with diversity whereas Japanese and other Asian branches fell behind. Among the types of diversity including, genders, disabilities, nationalities, etc., what the Japanese subsidiary was not able to see was specifically the active participation of women. Aware of the lower involvement of women in Japan compared to the US and Europe, the headquarters suggested the Japanese subsidiary to increase women's roles in the country as well.

Yasuyuki Higuchi, who took up the post of President in 2008, recognized that the delayed diversity would have disadvantageous effect on creativity, productivity, and revitalization of the company as well, and thus decided, from the top down, to work on promotion of diversity including women's greater involvement as well as the reform of work style (ways of working) of the entire staff in order to improve productivity. In February 2011, the company changed its name from "Microsoft K.K." to "Microsoft Japan Co., Ltd." based on the idea of "Becoming a company deeply rooted and trusted in Japan." As the company reviewed what it could do for the country's revitalization and growth as a global company after the Great East Japan Earthquake occurred in the following month, the company understood that promoting the company-wide reform of work style (ways of working) including working at home with use of the company's products could help drive the diversity initiative including women's greater participation. As well, the company realized that it could contribute to the country by providing the customers with its experience in such efforts as a solution. President himself repeatedly communicated a company policy based on this understanding to the entire staff on the occasion of a general meeting of employees, etc.

Specifically, President himself has taken charge while a cross-organizational framework for diversity promotion has been built with staff from the administration department and human resources department, which implements top-down measures regarding recruitment and education and disseminates information inside

and outside the company. As well, representatives from different divisions have made up another cross-organizational team and lead grass-roots activities sponsored by executive officers to create culture of diversity. Such top-down and bottom-up activities have been reported and discussed in weekly executive meetings since FY2012.

Working at home was introduced in 2007 but did not catch on.

The turnover rate for female employees was stuck at a high level and the ratio of female employees was not growing as much as wanted. The company was keenly aware that the conventional work style of working for long and hard hours to get results would not be compatible with the change of life stage such as child care and nursing care.

To solve this problem, the company was attempting to change the work style into other forms including working at home. However, in spite of the introduction of the work at home program for child care and nursing care in 2007, those who took advantage of it were fewer than expected.

There were four reasons why the work at home program did not become popular. The first reason is related to communication, that is, a concern that anything other than face-to-face communication would lower productivity. The second is related to business management. There was worry that superiors might not be able to supervise their subordinates who worked at home. The third reason is the challenge related to communications/ IT infrastructure. The calls made to the company's main number could not be forwarded to employees' homes. As well, there was a concern for data security in cases where employees took out data to work at home. The fourth concern is a challenge related to corporate culture. Some worried that people might think that only women would get favorable treatment.

The company then launched a new initiative to reform work style including working at home fundamentally by solving these challenges one at a time.

Specific activities for promotion of diversity

A free address system has been introduced since the relocation of the headquarters.

Although working at home would not spread, environment to facilitate it was becoming available around 2010. Cloud service was becoming common and employees were able to use high quality network environment and access data easily and securely from outside the company. Some products of the company also incorporated functions to provide integrated support for remote work.

The company's work space has been renewed as well. The Japanese branch had its 25th anniversary in February 2011 and introduced a free address system on the occasion of integrating the five bases, which had been scattered around the center of Tokyo, into the Shinagawa headquarters. Conventionally, it was one's desks where people worked. Today, however, none of sales people has a fixed desk of his or her own. Instead, they can work in a hub space installed in office floors or One Microsoft Café where all the employees gather. With a laptop computer, they can work anywhere they want.

The company has introduced a “framework” to support working at home.

The company introduced a framework (systems, culture, and infrastructure) to overcome the four challenges which had prevented the initial effort from producing the expected results. As for the communication challenge which could arise from employees' working at home, the company thoroughly implemented employee training on meetings. Apart from usual minimum requirement for meetings such as notification of meeting objectives and agendas and sharing of materials in advance, the company has used a training manual which explains how to do a hardware setting and prepare and use software, necessary for online meetings.

The challenge of business management has been solved by the company-wide introduction of “Lync”, a product of the company. Besides, voice communication, instant messaging, screen sharing, and video conference, this integrated communication tool for companies has a function to let others know one's presence, and thus enables supervisors to confirm their subordinates' availability and provide directions accordingly.

To solve the challenge of infrastructure, the company has introduced IP phones across the board which can receive calls anywhere, enabling home workers to receive calls as if they were in the office. As well, security of computers has been beefed up with “BitLocker”, encryption technology of Windows. For cultivation of security consciousness, the company is carrying out employee training on data handling every year.

For the challenge of corporate culture expressed in a voice such as “Only women would get favorable treatment of working at home,” the company implemented an educational activity by referring to a male manager working at home for child care. The company continuously transmitted the message that working at home is an “option of work style” which will realize high productivity and work-life balance to the entire staff and spread the idea of working at home not only to female employees but also to all the employees.

Work at home due to the Great East Japan Earthquake and establishment of “Day of teleworking”

The company conducted relocation to the Shinagawa headquarters of Microsoft Japan by the team from January to March 2011. On March 11th, right after the move, the Great East Japan Earthquake occurred and the company switched to working at home across the board based on the decision by President and continued business. It was not planned implementation but the earthquake, unexpected circumstances, necessitated the first work at home across the board, where the company confirmed the effectiveness of working at home, because operation did not stop but moved ahead, and formed better understanding of it.

Through this experience, for a business continuity plan (BCP) and as a measure to spread working at home, the company has established “Day of teleworking” where the entire staff works at home since 2012. It was implemented on March 19th, 2012, and three days from April 30th to May 2nd, 2013.

Through the company-wide experience of working at home, the company was able to change the employees' thinking that “work has to be done in the company.” A survey conducted in August 2013 shows that about 40% of the staff have experienced teleworking during the day (9:00 – 17:30) on days other than “Day of teleworking” and that about 25% work at home several times or more a month. Forty-seven percent of women take advantage of the program and so do 37% of men.

With regard to the challenge of communication, which was a great concern for the spread of working at home, effectiveness of teamwork grew from 73% to 80% and cooperativeness rose from 72% to 77%, which has more to do with the spread of flexible work style than that of working at home, according to a comparison of surveys of employee awareness conducted in 2010 and 2012.

Effect of promotion of diversity on performance

Both the ratio of women and the number of people who took child-care leave have grown.

The company's measure for women's greater involvement has placed major importance on making “work” flexible through teleworking. And then, by realizing environment with no constraints of time or place, the company was able to improve the female employee retention rate. By changing the old work style of being present in the office and working for long hours, the company was able to eliminate the difference – a 1.8 times difference in 2010 – in the turnover rate between men and women.

In the IT industry, the ratio of women engaging in sales, marketing, and technical work is considered an

index for women's involvement. As of 2010, this index of the company was lower than the average of the IT industry. However, as of the end of June 2013, the ratio of women of the company exceeded the industry average (19.0%).

The number of employees who took child-care leave also grew from 14 in 2010 (10 women and four men) to 36 in 2013 (30 women and six men). Although the majority of growth was accounted for by that of women, men also grew by two persons in FY2013.

Effect on performance through the reform of work style

The reform of work style produced favorable results on the company's performance as well. In general, sales per employee in 2013 rose by 17.4% from 2011. On the other hand, the total work hours grew only by 0.3% at the end of FY2013 from the end of FY2011 through the reform of work style, which increased productivity per employee per hour by 17.1%.

The reform of work style helped reduce cost as well. The transportation cost and expense for business trip dropped by more than 10% and the printing cost was reduced by as much as more than 30%.

Relevant tools sold more through the reform of work style in the company

Flexible work style whose effectiveness was proved in the company was socially recognized as well, which led to the provision of services and enhancement of cooperation with Pasona Group Inc. and the City of Yokohama.

The total number of participants in the office tour which allows them to see the company's employees actually work in the Shinagawa headquarters reached about 24,000 people in 4,000 groups from the relocation of the headquarters in 2011 to June 2013. As the client companies ask advice for women's greater participation, the human resources department of Microsoft Japan provides knowhow regarding the change of the personnel system and its introduction necessitated by the reform of work style. In FY2012, the human resources department provided such knowhow in 91 cases, 48 of which led to a contract worth 10 million yen or more.

The more customer contact points have led to more business talks on "Lync", a product of Microsoft which supports teleworking. The product's sales has jumped sharply in 2013, 194% up from the previous year.

Company name

Transport and postal services

Medium and small companies

Maruzen Unyu Soko Co., Ltd.

By taking advantage of strength of persons with disabilities, the company has drastically reduced the number of wrong shipment.

Points

- ▶ The company promotes employment of people with disabilities. It all started from employing one physically disabled person.
- ▶ The company has assigned persons with disabilities for the inspection task taking advantage of their great abilities of concentration and endurance, accuracy of work, and diligent attitude.
- ▶ The company provides environment where disabled employees can feel relaxed and continue to work, by allowing them to work three days a week and cooperating with assisting institutions and their families.
- ▶ Since disabled employees took over inspection, the number of wrong shipment dropped to nil or 1 case per year from the previous 9.
- ▶ Visible results help increase motivation of disabled employees and promote understanding of healthy employees.
- ▶ The employment of persons with disabilities has led to greater trust from customers, shorter audit time, and more items to store.
- ▶ Warehouse workers have lower burden and thus their work hours have been reduced by 20%.

Data

◎ Corporate outline

Year of company foundation	1952	Capital	30 million yen
Location of HQ	4-1 Shindensakaimachi, Daito-shi, Osaka		
Description of business	Service of cargo transportation by automobiles, warehousing		
Sales	363 million yen (Fiscal year which ended in December 2012)		

◎ State of employment (non-consolidated)

Total number of employees	45 (Among them, 9 are non-regular employees.)
Number of employees by attribute	[People with disabilities] 5 (Among them, none is a non-regular employee.)
Average length of continuous employment of regular employees	11.3 years (men: 11.8 years, women: 4 years)

Background and aim of diversity management

It all started from a part of the effort to prepare environment where seniors could continue to work.

The company's effort for diversity management started when employees who had joined the company at the time of its establishment was going to reach the retirement age in 2002. Apart from transportation and warehousing which require hard labor, President tried to create positions which involved only light work because he wanted to provide environment where employees could continue to work if they wished after their retirement age. In other words, the initial objective did not pay particular attention to improving business efficiency or creating value at this moment. It was just a natural move for a company which has treated employees like family members based on "co-existence and co-prosperity", the company's management philosophy, since the foundation.

It was distribution processing business such as packaging and wrapping gifts that the company launched then. As the distribution processing business grew, senior employees alone could not handle the volume, thus the company advertised for part-time workers to fill the gap in 2004. However it turned out that many applications were from single mothers and welfare recipients, which led to the company's determination to provide support to what is called the socially vulnerable. Today, the company still provides packaging and wrapping work to female part-time workers including single mothers.

Promotion of employment of disabled people started from hiring one.

When the company recruited for a driver in 2005, it received an application from a man who had mild impairment in his left hand and leg. The man in his early 50s, who used to work as a sales representative for a home interior decorating company, seemed to have become physically challenged due to some illness.

The company then considered it not right to have him drive for safety reasons and did not hire him for the driver position. The company explored other opportunities for him but the transportation and warehousing generally requires workers to have a driver license or a fork lift license and strength to endure dangerous and hard labor. Therefore, "it is impossible to employ him because there is no work disabled people can take on," the company initially thought. However, with the man's enthusiasm and willingness to take on even clerical work, the company had second thought. It employed him because it considered that he could sufficiently perform collection of forms from several bases that existed in

Osaka prefecture at that time and organize them.

He worked hard and President interviewed him a year after his employment. "I'm unsatisfied because I could do more for the company," he said in the interview. "I would like to work with people with severer disabilities." President wanted to meet his request and thus started stepping up efforts to promote employment of disabled people. In 2007, the company officially employed a person with intellectual disabilities and mentally-challenged another on referral from an employment and life support center in the neighborhood after two months of practical training and three months of trial employment.

Specific activities for promotion of diversity

President and the management took a lead in promoting understanding of employment of the disabled and have realized diversity-valuing organizational culture.

The mentally-challenged person, one of the two who were hired in 2007, resigned about half a year after the official employment. Due to illness, he had tended to be absent with growing frequency. As well, the change from three work days a week during the practical training and trial employment to five work days a week was considered another reason for which he could not continue to work.

President wants everybody to work for long time to come, once they have been hired. And he thinks that it is the top managers' responsibility to ensure environment where anybody can keep working. Therefore, he regretted that he had to see this employee leave while the company couldn't better accommodate him because the company did not know what it should pay particular attention to when dealing with disabled people or how it should interact with them.

And then, the company came to know the existence of job coaches (workplace adjustment supporters) and started to request help. However, the company also felt that it would be important to study about disabilities and employment of disabled people and improve the environment to accept them. Thus, President became the first in the company to take the job coach training course in 2010. Both Administrative Department Manager and Warehouse Department Manger took the same course in 2010 as well. This way, the management took a lead in learning about employment of the disabled people, let everybody know its stance of keeping the turnover rate low and promoting long-term employment, and strived to create organizational culture which respects diversity.

As well, the company involved general employees in this initiative in order to spread the understanding, by having them participate in a two-day training course

in 2011 to 2012 for advisors for employment and life of disabled people, and inviting instructors to the company to hold a lecture.

By assessing aptitude of the disabled employees, the company has reassigned them for the inspection task of the main business from distribution processing business.

From the request of the first employee with disabilities, the company started to consider what kind of work would make the best use of disabled employees' talent and contribute to profits and business efficiency of the company. President, then, realized from how they had worked that disabled employees had great concentration on one thing at a time, a long attention span, and abilities to fulfill work with high accuracy and diligence. Therefore, he thought they would have an aptitude for distribution business, which did not require heavy labor. He put them together with female part-time workers to have them work on distribution processing in 2007. However, because they could not communicate well with the female part-time workers, he could not help but drop this idea. As a last resort, he separated the two groups in the same distribution processing business so that there would be not much interaction between them.

Meanwhile, for the warehouse and transportation, its core business, the company was forced to review its inspection task by the client companies since the number of wrong shipment sharply rose to 9 cases in 2009 from 4 the previous year.

It just so happened that, around the same time, President had an opportunity to visit a special subsidiary company of a major manufacturer as part of the job coach (workplace adjustment supporters) training program. There, the manager was the only person without disabilities and all the inspection work was carried out by persons with disabilities. That was when he realized that disabled persons could handle such an important task and that his company had been treating them as if they were customers.

Because the inspection task does not require speed as much as accuracy, he considered that the disabled employees, who had great concentration, a long attention span, and abilities to fulfill work with high accuracy and diligence, would have a high aptitude for it. With the idea that disabled employees, if entrusted with the inspection duty, would reduce wrong shipment, the company has assigned them for the inspection task since October 2010.

Reassignment for the inspection duty has reduced contact with female part-time workers. Moreover, the disabled employees have been able to easily see their contribution to the company because it is clearly shown as a smaller number of wrong shipment. As the results can be shown in numbers, it has also become easier to gain trust from warehouse workers, drivers and other employees as well as customers.

Making work conditions which realizes long-term employment and development of human resources

Workers with disabilities hired in the beginning were initially working full-time five days a week. However, as in the case of a mentally-challenged employee who resigned the company, it turned out such a great burden on some workers that they tended to take sick leave. With that, the company has shifted into a four-day full-time workweek since 2009. Although the first employed person with physically disabilities left the company for another, an employee with intellectual disabilities in his 30s is still working thanks to this change. The company hired two disabled persons in both 2009 and 2010. None of them has quit the company, making the total number of disabled employees five. The said worker with intellectual disabilities in his 30s with longer experience than the others has taken on a leadership role and worked as a coordinator for them.

Today, disabled employees are in charge of a variety of tasks including stocking, shipping, and cleaning, which is a result of gradual expansion of work through the workers' long-term development.

The inspection task involves checking on the names and numbers of products and their lot numbers, and expiry dates; it is not an easy job because workers have to read alphabets, numbers, and Chinese characters. They have to deal with many items and a variety of forms, which makes it hard to standardize. Thus, every new item or form requires on-the-job training. The working process has been improved and now they work in pairs – one reads out forms and the other checks products – including the employee with intellectual disabilities. The company has made sure that they become a great asset to the company by having them work for the long term.

Improvement of work environment in cooperation with assisting institutions and families

Since three top managers including President completed the job coach training course, the company has changed its way of interacting with disabled employees. It is important to be sensitive to their change through making a daily work report, have Warehouse Department Manager, their superior, interview them as needed, and have frequent communication with them through greetings and chitchat because, oftentimes, they do not reveal their feelings. President, himself, makes it a rule to speak to them and care about their health conditions.

The company does not go easy on them when it needs to get tough with them. However, it would be difficult to tell whether they are really out of sorts or just slacking off without knowing the characteristics of disabilities of each employee. Especially, in the case of a mentally-challenged person, wrong interaction might result in serious danger. However, the management

including President proactively acquired knowledge and kept communication with disabled employees every day and today they are able to know the employees' feelings based on the employees' complexion, expression, and behavior.

As well, while accumulating experience, the company has learned to tell when it should try to solve a problem with the relevant employee and their family and when it needs involvement of a third party such as assisting institutions. If the problem is related to work, the company can directly tell the person or their family for improvement. But if the problem has more to do with their personal life, as in cases where you would wonder, "Does he take a bath?" or "Does she have a problem at home?", then it would be hard for the company to meddle in their affairs. In such cases, the company would ask assisting institutions to improve the employee's lifestyle or contact with their family. If the person is suspected of disorder, the company seeks a medical checkup through assisting institutions.

With these efforts, the company can ensure environment for long-term employment of disabled people and reduce unexpected or extended leave and resignation to the minimum level, which in turn helps the company maintain a stable workforce.

Effect of promotion of diversity on performance

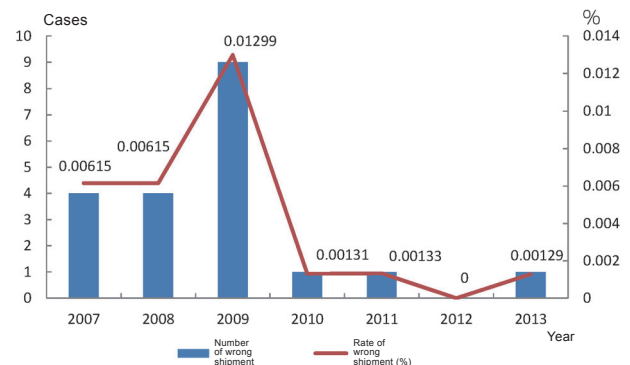
By entrusting the inspection task with disabled employees, the company reduced the number of wrong shipment per year sharply.

In 2010, when the company first assigned disabled employees for the inspection work, there was only one wrong shipment, which translates to the rate of wrong shipment of 0.001%, substantial improvement from 0.013% of the previous year. None or only one case of wrong shipment has occurred a year since 2011.

Now warehouse workers, who used to cover all the tasks including inspection, focus on stocking and shipping of products, including transport using a fork lift, and have lighter burden, resulting in 20% reduction of their work hours. A series of work is clearly divided between persons with disabilities and those with no disabilities, the former in charge of taking down products in sorting space and inspecting them, and the latter stocking and shipping products which the disabled employees inspected. This has built up a sense of fellowship in the team.

When the company started to employ disabled persons, some existing employees complained. Especially, female part-timer workers objected because they had to teach disabled employees for almost the same hourly pay. However, coupled with President's strong promotion and a series of training courses provided, clear results of almost no wrong shipment

Number and rate of wrong shipment



(Note) Data for 2007 and 2008 is based on the estimated numbers of shipment. Data for 2013 includes up to that of October.

achieved by the disabled employees were so persuasive that other employees began to recognize the disabled workers' contribution.

Improvement of customer satisfaction

As disabled employees took charge of the inspection task, wrong shipment declined sharply and customers' audit time was reduced as well while the number of stocking items grew and so did customer satisfaction. Inspection work of disabled employees of the company is so trusted that one client company, when it had shipping-related trouble, once requested that Maruzen Unyu Soko send it the disabled employees, which the company did.

Reference information



Disabled employees are checking products with a form.

Company name

Living-related and personal services and amusement services

Medium and small companies

Tokushuiryo Inc.

A safety hat invented to meet the needs of an employee with intellectual disabilities has had a far-reaching effect from unexpected areas.

Points

- ▶ The company promotes employment of disabled people, especially those with intellectual disabilities.
- ▶ The company employs experts such as “workplace adjustment supporters (job coaches)” and “advisors for employment and life of disabled people” and has assigned them to coach disabled employees.
- ▶ To make easy-to-work environment for both disabled people and those without disabilities, the company has implemented training programs inside and outside the company, activities for exchange promotion, and improvement on a system.
- ▶ The company has built a care system for people with disabilities in the aspect of their personal life as well in cooperation with the community by creating a network with external organizations such as a recovery consultation office for persons with intellectual disabilities, the Public Employment Security Office, and a school for disabled children, and corporations.
- ▶ A safety hat, “abonet”, which was invented to protect an epileptic employee, received unexpected attention from an auto maker, a hospital, a wig manufacturer, and an infrastructure company, resulting in higher sales.

Data

◎ Corporate outline

Year of company foundation	1979	Capital	40 million yen
Location of HQ	14-14-2-40 Hassamu, Nishi-ku, Sapporo-shi, Hokkaido		
Description of business	Linen supply service, manufacturing, wholesaling, and retailing of nursing care equipment, cleaning service		
Sales	1,298 million yen		

◎ State of employment (non-consolidated)

Total number of employees	165 (Among them, 112 are non-regular employees.)
Number of employees by attribute	[People with disabilities] 24
Average length of continuous employment of regular employees	13.0 years (men: 12.2 years, women 15.5 years)

Background and aim of diversity management

The company sells services and products assisting people with disabilities and seniors to hospitals and welfare facilities.

Tokushiryō, established in 1979 in Higashi-ku, Sapporo, has moved to the current location of Nishi-ku, Sapporo since 1984.

Most of the company's customers are hospitals, welfare facilities and people admitted there. Although its main business was cleaning (washing cloth diapers) at the time of the foundation, the company expanded business according to customers' needs.

Followings are the three pillars of the current business:

- 1) Linen supply business for hospitals and facilities
(Cleaning and rental of linen, cleaning of personal effects of people admitted to facilities)
- 2) Cleaning of hospitals and facilities
- 3) Development, manufacture, and wholesale of welfare equipment

Aggressive employment of disabled persons

Outsourcing of services is accelerating in the fields of medicine, nursing care, and welfare in recent years. Although the business of the company is a part of that movement, mechanization is limited because of the characteristics of the business. Especially, these days, fine-tuned services are required by customers, for example, confirming the name of the person admitted to the facilities and providing cleaning service according to each person's order. Therefore, manual service is as important as before.

The company hires many people with intellectual disabilities, who have an advantage of being good at repetitive work, and some of them are 1.5 times as productive as persons with no disabilities. For example, the company's linen supply business cleans about 4.5 tons of cloth a day, for which the high productivity of employees with intellectual disabilities is quite attractive to the company.

As of 2013, the company employs 24 people with disabilities including 21 with intellectual disabilities, two physically disabled and one hearing difficulties and the

total number of disabled employees is growing. It is clear that disabled employees are contributing to the expansion of the company's business.

Employment of disabled people started from accepting a work experience program of a school for disabled children

It was a request for receiving a work experience program from a teacher of a school for disabled children that prodded the company into employment of disabled people. Initially, the company was unwilling to accept the program because it did not have sufficient understanding or knowhow on disabled people and facilities of the factory were not tailored to them either. However, when the teacher coaxed President and other people into visiting the school to see how disabled children take class, they became aware of capabilities of disabled people and decided to accept the work program.

The effect of acceptance was visible not only on abilities to perform tasks but also on atmosphere of the workplace. Thanks to the work program, greetings were exchanged more often and better mood was generated in the workplace.

Expecting such a favorable effect, the company started hiring disabled people from 1991 when the company was having hard time recruiting people with no disabilities.

Specific activities for promotion of diversity

Building a cooperative network with external organizations

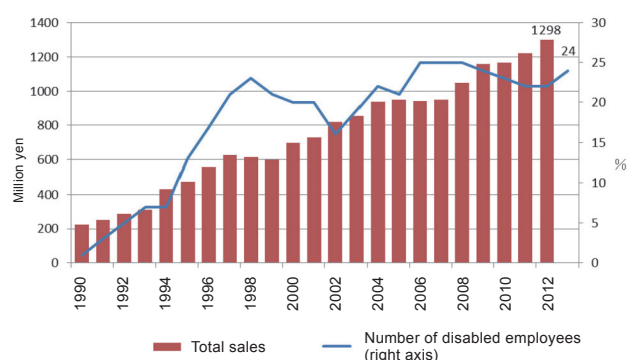
When the company first employed disabled persons, it did not have much knowledge or knowhow on them, and thus, needed to cooperate with external organizations. The company's first contact with such organizations was made when the company consulted a recovery consultation office for persons with intellectual disabilities, the Public Employment Security Office, and a school for disabled children, regarding the next workplace for an intellectually disabled employee who could not continue working for the company due to his decreased strength. This put the company in touch with a recovery consultation office for persons with intellectual disabilities and the Public Employment Security Office, apart from the school for disabled children which the company had known since it accepted their work program.

As well, the company is working with other external organizations such as a vocational rehabilitation center, a social welfare service corporation which provides livelihood support, and transportation companies providing commuting services. Among all, cooperation with the school for disabled children is especially notable, because presenting information on the company at the school helps its recruiting activities and enables it to learn the needs for products.

Disabled people receive assistance in their personal life from those they are close to.

One of the first things the company was puzzled at

Changes in number of disabled employees and sales (Sales data for 2013 is not available.)



when it started employing persons with disabilities was related to how to deal with their trouble in their personal life. The company sometimes received report on trouble its disabled employees caused outside the company, which became a growing burden on the company.

That is when the company received an offer from the superintendent of the then commuter dormitory where employees with intellectual disabilities were living as a group. "The company now can focus on business. We will provide the entire care in the aspect of their personal life," he offered. This came as a godsend because it was impossible for the company to take care of the intellectually disabled employees in their personal life, and moreover, the company thought that work and life should be separated for the sake of the employees as well.

In 1996, "Yayoi-kai", a parents' association for intellectually disabled employees, was established. This organization has aimed at providing help for independence of disabled people and has been made of family members of disabled employees and their coworkers in charge of coaching them. In Yayoi-kai, the company and families closely keep in touch with each other.

Yayoi-kai was run by the company in the beginning, and it held two meetings and recreational activities a year. Today, managed by the parents, it is now more active than before, as seen in the example of providing help when the company relocated its factory.

As the disabled employees get older, the company will eventually need to consider their post-retirement life stage. The company alone could not successfully form the next step for them. It would also require understanding and cooperation of their families. In this sense, the importance of Yayoi-kai will continue to grow in the future.

Building a system to make work easier for both intellectually disabled employees and other workers

For employment of persons with disabilities, it is important to not only build a support system for them between the company and external organizations but also promote understanding between the disabled and healthy employees.

Accordingly, the company issued a guidebook called "Tomoni Hataraku (Work Together)", trying to make sure that people with and without disabilities work harmoniously together. This illustrated guidebook clearly explains good manners at work with the first half designated for disabled employees and the second healthy workers who support them.

Initially, "Tomoni Hataraku" was only used for in-house training but later met with a public response, mainly from educational institutions and companies which wanted to use it for education of their students and employees. The company received so many orders for the guidebook that it was reprinted twice.

Developing employees with expertise

To develop human resources with better understanding towards disabled people and abilities to support them at work, the company provides employees with a

training course for workplace adjustment supporters (job coaches) and a class for qualification of advisors for employment and life of disabled people. Today, the company employs two job coaches and six advisors for employment and life of disabled people and they work as coaches for disabled employees.

Because such courses provide knowledge useful to everyone, the company provides monthly in-house training to spread things learned at the courses to employees who are not taking them.

Creating disabled-employee-friendly systems to make things easy to understand

Through the efforts discussed earlier and interaction with disabled employees, the company has realized that work directions, when given to them, have to be clear and easy to understand.

To achieve this objective, the company first introduced a system for product management which printed product-related information such as delivery date, quantity, and the name of product on a label and allowed collective handling of information. When communicating the day's work and a message to employees, the company writes them on a card as well. This is an effective measure to prevent disabled employees from forgetting what has been told.

The company is also improving work environment by changing colors of work tables for easier recognition and giving Chinese characters kana for those who cannot read kanji.

One-on-one teaching for new employees

When a new disabled person has been employed and assigned to a site, a job coach works together with him or her until he or she understands the work.

The company hires intellectually disabled employees one at a time and never does more than one at the same time. In the past, the company signed up multiple employees with intellectual disabilities at the same time but, in such occasions, the company could not help but compare them in terms of their work progress and understanding. It rushed them or made them feel inferior and lowered productivity, which could lead to, in the worst case, their resigning to the detriment of the company. Thus, today, the company employs only one disabled employee at a time. When the company employs more than one person during the same year, it makes sure that the start of their employment will be apart from each other.

Communication according to the kind of disability

Coworkers around the intellectually disabled employees take care to speak to them often. Some of those with intellectual disabilities do not start conversation themselves but if somebody speaks to them, they don't hesitate to talk. This is why people around them are trying to speak to them.

Also, those with hearing disabilities do have some hearing abilities left, so other employees speak to them clearly and slowly and also communicate important matters in writing.

Effect of promotion of diversity on performance

Sale of a safety hat invented to protect an epileptic employee

As the company employed many disabled employees, one of them, with chronic epilepsy, had a seizure in the factory. Collapsing from an epileptic seizure could lead to serious injury on the hard floor of the factory. Thus, the company needed to protect the worker's head. Conventional helmets and hard hats which you were supposed to wear could protect your head but they were heavy and made your head sweaty easily while emitting an odor because they were not easy to wash. Moreover, they were solely functional and did not have good appearance, making people hesitant to go out wearing them.

The company interviewed welfare facilities and hospitals and found that they also saw the same problem in the conventional helmets. This is how the company decided to develop a "safety hat which is well designed, washable, breathable and light." In Sapporo, accidental slips are common in the winter. To prevent injury from such accidents as well, the company wanted to make the hat fashionable and protective which could be worn by anybody from children to seniors.

Its development was jointly carried out by the three parties of the company, the administration, and a technical college, namely, industrial-academic-government cooperation and the product went on sale under the name, "abonet". Today, with more than 10 varieties, abonet has become a popular product of the company.

"abonet", a safety hat, invented to protect an epileptic employee



Unexpected popularity

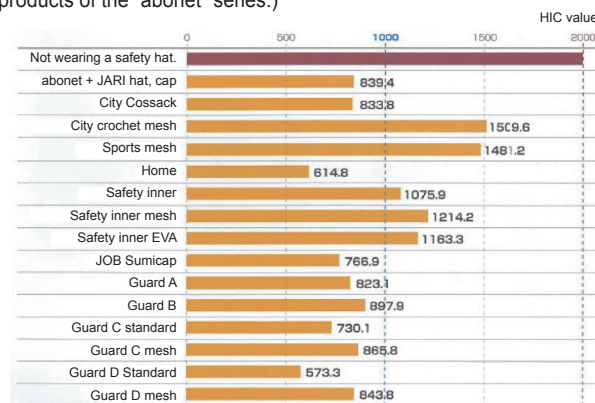
"abonet", launched to achieve the said objective, has expanded its uses and made an unexpected ripple effect (**Ripple effect 1: Cooperation with a specialized research institution**)

The company received a request for joint research from a research institution which does crash tests for automobiles. In order to reduce damage from car accidents, it is essential to protect heads; Tokushuiro was selected as a company which could produce a safety hat for that.

At the research institution, detailed data of impact on the head were recorded using a crash test device. Based on that, the company and staff from the research institution made a series of improvements. As a result, the company's safety hats received safety evaluation based on a head injury criterion (HIC), which became the appeal point of those hats. The "abonet" is the only safety hats backed by such detailed data, differentiating

it from those of competitors.

Evaluation results based on HIC value (Left column lists names of products of the "abonet" series.)



Graph 2: HIC values of abonet series (best values for each test)

(Ripple effect 2: Adoption by an auto manufacturer)

The company received an order from an automotive company for a safety hat which is fashionable and protects the head in order to spread an electric single-seater two-wheeler in Japanese market. This hat was used in a demonstrative run in a motor show.

(Ripple effect 3: Adoption by a university hospital)

A university hospital located far away from the company ordered a large quantity of safety hats for its first time transaction with the company. The hospital's rehabilitation department is going to monitor the products' effectiveness in preventing hospitalized patients from sustaining damage from a fall in the facilities. If the result is notable, it is going to be presented at an academic conference.

(Ripple effect 4: Adoption by a wig manufacturer)

Wig manufacturers often produce products for women whose hair has fallen out through anticancer drug treatment. However it takes about two months for a wig to be ready. One wig manufacturer has adopted Tokushuiro's hats for those patients to use during the preparation period. The wig maker decided on Tokushuiro's hats because it rated them highly for how they are made – the use of fabric gentle on the skin and not having a seam exposed – as well as their design and lightness.

(Ripple effect 5: Adoption by an infrastructure company)

In Hokkaido where it snows a lot, it is important for infrastructure companies including electricity and gas providers to ensure safety of meter readers who visit each house. For this reason, one of the companies started using Tokushuiro's hats for the safety of its inspectors.

(Healthy sales)

Along with the above ripple effects, sales are growing almost every year. During the 11 years after the product launch, the company sold more than 50,000 hats and is expected to see greater sales in the coming years as well.

Number of safety hats "abonet" sold and sales figures by year

Period	Oct 2002 - Sep 2003	Oct 2003 - Sep 2004	Oct 2004 - Sep 2005	Oct 2005 - Sep 2006	Oct 2006 - Sep 2007	Oct 2007 - Sep 2008	Oct 2008 - Sep 2009	Oct 2009 - Sep 2010	Oct 2010 - Sep 2011	Oct 2011 - Sep 2012	Oct 2012 - Sep 2013	Total for 11 years
No. of hats (pieces)	326	1,625	1,943	2,211	3,794	3,838	3,828	6,834	8,848	9,508	9,440	52,191
Sales (yen)	4,584,915	11,459,195	14,500,583	17,909,121	24,649,647	27,325,415	26,906,787	36,704,091	41,829,048	49,682,481	51,251,256	306,602,937

Company name

Living-related and personal services and amusement services

Medium and small companies

Okinawa Watabe Wedding Corporation

The company has achieved success in wedding business targeting customers in East Asia including China, Taiwan, South Korea, etc. by incorporating ideas from non-Japanese employees.

Points

- ▶ The company has set a major customer target at people from East Asian countries on a par with those in Japan.
- ▶ The company has established a way of recruiting international students mainly through universities in Okinawa prefecture and employed at least one such student a year. The company has developed products and provided services by understanding subtle difference in services required by people in East Asian countries.
- ▶ In order to promote a long-term residence in Japan, the company provides non-Japanese employees with support for acquisition and renewal of a proper visa and gives preferential treatment to them regarding living place arrangement.
- ▶ The company has assigned non-Japanese employees to the human resources department and implemented measures for recruitment, a long-term residence, and promotion of mutual understanding with Japanese employees.
- ▶ On-site managers promote non-Japanese employees' understanding of Japan's labor system and environment by taking time to explain them while the company ensures that non-Japanese staff is evaluated as equally as Japanese coworkers.
- ▶ The number of weddings of people from East Asia has steadily grown and the proportion of the East Asian business in the total sales has increased every year as well.

Data

◎ Corporate outline

Year of company foundation	2003	Capital	50 million yen
Location of HQ	1-10 Ashimine, Naha-shi, Okinawa		
Description of business	Wedding ceremony service business		
Sales	2,891 million yen		

◎ State of employment (non-consolidated)

Total number of employees	233 (Among them, 118 are non-regular employees.)
Number of employees by attribute	[Non-Japanese people] 7 (Among them, 5 are non-regular employees.)
Average length of continuous employment of regular employees	3.9 years (men: 3.8 years, women: 4.0 years)

Background and aim of diversity management

Attracting customers from East Asia while being aware of the change of business environment in the future

In 2003, Okinawa Watabe Wedding Corporation was launched as Okinawa division of Watabe Wedding Group. The company, providing wedding ceremony services with a resort wedding as its key product, opened its first sales office in Naha in 2004, one year after the launch of the company. In the same year, the company started multiple chapels and wedding facilities in Okinawa prefecture and total customers for the company's Okinawa resort weddings reached 10,000 couples in 2008.

The company's business appeared to be enjoying smooth sailing but unfavorable business climate was looming. In Japan which is seeing birth rate rapidly declining, the number of new marriages is expected to drop. As well, about 30% of couples choose not to have a wedding ceremony while those who have a resort wedding overseas are growing in recent years. Continuing to serve only Japanese customers would mean that the company has to face poorer business environment in the future.

Being aware of this challenge, the then management decided from the top down to attract customers from East Asian countries. One of the reasons was that the management had heard that there was a need growing in East Asian countries for western style weddings where a bride wore a wedding dress in a chapel although the majority of weddings were still following custom of each country. Another was that Japanese products and services, not limited to those related to weddings, were well received by East Asian countries.

This is how the company has set a major customer target at people from East Asian countries on a par with those in Japan and ventured into developing the East Asian market by beginning to attract customers aggressively from China and Taiwan in 2009 and South Korea 2011.

Development and advertisement of high quality products realized through sharing culture of customers' countries.

As the company tried to attract customers from East Asian countries as discussed above, the management also decided to hire non-Japanese employees especially from the same area. As included in the company's employment plan, the company is making efforts to hire at least one international student a year.

One major reason for employment of non-Japanese people is a need to learn culture of customer's countries due to characteristics of the business. Although Japan and other East Asian countries are geographically close, what is culturally required for a wedding is not the same. Thus, the company not only needs to be familiar with such cultures but also has to have employees who understand subtle difference in services required. Japanese employees, of

course, need to learn cultures of East Asian countries but it is hard for them to perfectly understand subtle difference in services required. This is why the company started to promote employment and involvement of non-Japanese staff.

For example, to things to attract customers from East Asia, you have to provide a different perspective from you would to those for Japanese customers, including product packages, makeup, presentation of prices, gifts and photos. For each of these, the company now incorporates ideas from non-Japanese staff. The greatest difference exists in how photos should be taken between Japanese customers and those from East Asian countries. For photos used in an album or a video, Japanese usually like them to be taken in a studio or a chapel in a way similar to how they take ID photos. On the other hand, those from East Asian countries like photos to be taken as if they were a scene from a movie, for example, by capturing a moment of walking. From the opinions from non-Japanese staff, the company has learned that it is effective to change a product mix based on such preference and feature such photos in advertising of the product. As evidenced by this example, non-Japanese employees are considered effective in improving quality of the company's products.

Things to keep in mind

On the contrary, the company also needs to be aware that customers from East Asian countries choose to have a wedding in Okinawa because they appreciate the content and quality of Japanese weddings and that providing them the exact same as what they would have in their home countries would not make sense. In this sense, the company needs not only non-Japanese employees but also Japanese staff, and is striving to realize weddings with a well-balanced mix of cultures and contents of Japan and East Asian countries.

Specific activities for promotion of diversity

Establishing a routine approach for recruiting non-Japanese staff

For employment of non-Japanese people, the first thing the company worked on was the establishment of a routine approach to recruit them.

When the company was going to hire first non-Japanese employees from East Asian countries, it just so happened that the number of international students from the same area was growing in universities in Okinawa. Some of the students wanted to return and work in their home country but there were many others who wanted to learn how people work in Japan before going back home or serve as a bridge between their home country and Japan.

To attract such students, the company's recruiters visited placement officers for international students in many universities in Okinawa and presented the company's intent to recruit international students. As well, trying to appeal to international students learning in vocational schools specialized in wedding services,

Okinawa Watabe Wedding Corporation

the company announced a welcome message for international students on its recruiting website.

Through these efforts, the company has been able to employ at least one international student every year as included in its employment plan. As well, almost all workers employed this way are still working for the company.

As of 2013, the company employs seven non-Japanese workers and two of them are regular employees. Irrespective of nationality, everybody starts as a contract employee at the company and is allowed to take exam for a regular employee one year after the employment. Thus, number of the company's regular employees is expected to grow in the coming years.

Today, there are two departments where non-Japanese employees are working. One of them is the East Asia business department, which coordinates stores in Hong Kong and Taiwan with the headquarters. Non-Japanese employees are of clear benefit to this department because communication with the local stores is made in the local language. Moreover, they are also helpful in proposing food menu because providing more food than guests can eat is common courtesy in some countries. Thus, their expertise in the local language and culture is a great asset to the department.

The other department runs resort wedding business where non-Japanese staff is working as coordinator who is in charge of operation of wedding ceremonies. Specific tasks include interacting with customers from overseas who came to examine the ceremonial site in advance, attending a couple on the wedding day, and emceeing. Customers could feel at ease when they came to preview by being able to speak their language and having someone from their home country working for them, which could lead to orders.

Number of non-Japanese employees

2009	1
2010	3
2011	5
2012	5
2013	7

Clarifying a post-employment career vision

As the company started employing non-Japanese staff, it realized that they tended to have a clearer vision for their career compared to the Japanese counterparts such as the division they would want to work for and the position they would want to take up even before employment. For this reason, the company makes clear expected career paths and options available in the company and provides answers as to whether a career path which job candidates of non-Japanese people have in mind is practical or not at job interviews. The company also makes sure that, after employment, supervisors take time to talk with non-Japanese employees about their career paths in interviews.

Promotion of mutual understanding between non-Japanese and Japanese employees

When the company started employing non-Japanese workers, the company noticed a difference in understanding of work hours between Japanese and non-Japanese staff. In this respect, the company

considers that while it is necessary for each side to try to understand the other, it is also important to recognize the difference of cultures as it is and not to let it affect work or personal relationships.

The company carries out a training program, "Communication for understanding different cultures", for the newly employed during their first month. In this program, employees first learn that it is necessary to accept individual differences because people do not always have the same ideas even if they live in the same country. On top of this, the program further discusses the existence of cultural or other types of differences among different countries, apart from individual differences. The program has been devised to allow participants to not only learn that Japanese and people from other countries are different but also get to know what are the differences and how different they are.

Apart from this, the company sends its non-Japanese employees as observers to a training program held by the local government where Japanese people learn global communication. This program provides a good opportunity for Japanese to learn global communication and at the same time non-Japanese people to get to know Japanese people better.

Support for a long-term residence of non-Japanese employees

When the training program for the newly employed has been completed and they have been assigned to their departments, the "Elder system" sets in during the first year where one senior employee "Elder", at least in his or her second year, is assigned to mentor one new employee. The "Elders" are selected from employees who want to learn other languages, have interest or understanding in different cultures, or have experience in living overseas so that the system could provide benefit to both non-Japanese and Japanese senior employees.

"Elders" are supervised by their immediate superiors and the human resources department also offers assistance to the mentors by conducting interview with them and providing collective training sessions. In such occasions, the human resources department and "Elders" regularly talk about how to interact with new employees and set their goals, and keep in touch with each other for progress report.

Assigning non-Japanese employees to the human resources department

The company has hired a non-Japanese employee who worked on developing human resources in another company and placed him in the human resources department as a part of efforts to promote a long-term employment of non-Japanese staff. For the stability of non-Japanese employees and development of their abilities, the company needs someone who understands "what non-Japanese employees do not understand." This is why the company has hired the non-Japanese employee, a Chinese national, with experience in another company, and entrusted him with the tasks of providing advice to other non-Japanese employees and creating a training program which they are required to take.

Support for a long-term residence

The company is providing assistance for visa renewal of non-Japanese employees, as well. Because it could take a long time especially when changing their status of residence from "Student" to "Specialist in Humanities/ International Service" on their employment, the company is providing support for preparation when they are still students. The company also provides them preferential treatment regarding company housing over their Japanese coworkers.

Providing language training

With the aim of promoting the exchange between non-Japanese and Japanese employees and having Japanese staff acquire practical language abilities for on-site use, the company conducts a Chinese and Korean language training program once or twice a month for half a year for five to 10 Japanese employees who have been selected by managers or have wished to participate themselves.

The company has also recorded words and conversation frequently used in weddings on CDs and provided them to Japanese employees who study in the said language courses. The CDs include wedding, makeup and other work-related words; guidance for use of honorific expressions; and historical relationship between Okinawa and East Asia.

Promoting understanding of Japan's labor system and custom

One of the things which people from overseas have problems with is Japan's labor system and custom. The company uses a modified working schedule system on an annual basis because there is clear difference between busy and slow seasons due to the characteristics of the company's business. Trying to gain non-Japanese employees' understanding of this system, supervisors take time to explain it during interviews with them.

As well, there was difference in time when work started between Japanese and non-Japanese employees. While Japanese workers would come to the office a little before the beginning of work hours, change into a uniform and prepare for work while non-Japanese staff would arrive at the start of office hours and then change. In this respect, supervisors have talked to non-Japanese employees and gained their understanding to do the same as Japanese workers.

Treating non-Japanese employees equally with Japanese staff

As described previously, the company takes account of the circumstances of non-Japanese employees and promotes mutual understanding with Japanese coworkers. Apart from daily tasks, the company also treats them equally with Japanese counterparts in terms of evaluation, promotion, etc.

Having said that, during the time when the company has many customers from overseas, sometimes non-Japanese staff could be overloaded. For this reason, during such period of time, the company is trying to adjust their workload by having Japanese employees taking over them with an interpreter.

Effect of promotion of diversity on performance

Expansion of business by targeting East Asian customers

In 2009, the company started to attract customers from East Asia aggressively (products for them had been launched since 2007) and according to the number of such customers and results of weddings, it also began employing non-Japanese staff. As a result, it has been able to provide high quality services to non-Japanese customers, the number of whom is steadily growing. The percentage of the East Asian business in total sales is also growing every year. These efforts contributed to the result of resort weddings in Okinawa for total 20,000 couples.

Number of weddings of East Asian customers/ sales

		April 1 st , 2010 – March 31 st , 2011	April 1 st , 2011 – March 31 st , 2012	April 1 st , 2012 – March 31 st , 2013
Number of weddings	Number of orders	3,948	3,139	2,984
	Among them, number of orders from East Asia	190	239	317
	Percentage of East Asia	5.4%	7.6%	10.6%
Sales	Sales (million yen)	3,373	2,976	2,780
	Among them, sales from East Asia (million yen)	39	45	109
	Percentage of East Asia	1.2%	1.5%	3.9%

While sales of the East Asia business vary widely depending on the month, in October, the most popular month, it accounts for about 15% of the total sales. Especially on days considered lucky in East Asian countries, sometimes all the users of chapels are non-Japanese customers.

Number of weddings in October by year (by country and region of customers)

Year	Month	Hong Kong	Taiwan	China main land	South Korea	Total
2007	10	0	0	0	0	0
2008	10	9	0	0	0	9
2009	10	11	3	1	0	15
2010	10	10	9	0	0	19
2011	10	17	11	3	0	31
2012	10	30	12	1	2	45
2013	10	30	23	3	1	57

Sales of the East Asian business per couple currently remain small because, to customers, this business means having an overseas wedding which tends to have fewer attendants.

However, the company thinks that now is the time to spread the brand of resort weddings in Okinawa. The company is in the promotion phase where it is trying to have East Asian customers' approval of its service for the future sales of high-quality service to high-paying customers.

Reference information



Non-Japanese employee working in a chapel

Company name

Services, n.e.c.

Large companies

Rakuten, Inc.

To become a global corporation in the true sense, the company has adopted English as its official language in the company. It has realized a system enabling it to employ and promote non-Japanese people and let them get deeply involved.

Points

- ▶ Diversity management to grow from a Japan's leading internet service company to a global corporation
- ▶ Since the conversion of the official corporate language into English, employment of non-Japanese staff has grown sharply. With direct employment from overseas universities, the company has seen non-Japanese people account for about 30% of total employment of new graduates.
- ▶ By introducing a global personnel system, the company aims to share Rakuten's corporate principle with affiliated companies in other countries. By sharing information and skills among different countries, the company has created new services one after the other.
- ▶ In the global personnel system, advanced management is required of supervisors who lead a multinational team in respect of negotiations with their subordinates and management of their divisions.

Data

◎ Corporate outline

Year of company foundation	1997	Capital	108,255 million yen
Location of HQ	Shinagawa Seaside Rakuten Tower, 4-12-3 Higashi-shinagawa, Shinagawa-ku, Tokyo		
Description of business	Internet service		
Sales	163,708 million yen (Fiscal year which ended in March 2013)		

◎ State of employment (non-consolidated)

Total number of employees	4,915 (Among them, 318 are non-regular employees.)
Number of employees by attribute	[Non-Japanese people] 507 (Among them, 25 are non-regular employees.) Proportion of women in management positions: 15%
Average length of continuous employment of regular employees	Not disclosed.

Background and aim of diversity management

As the company expands to other countries, it has adopted English as its official corporate language and realized a global personnel system.

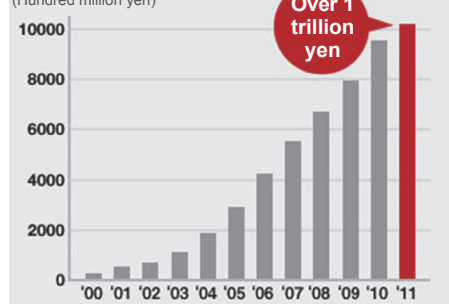
Rakuten is a Japan's leading internet service company. The company has launched Rakuten internet shopping sites in other countries one after the other. Back in 1997 when the company was founded, it was only a venture company with 6 employees and 13 stores in its internet shopping mall (current Rakuten Ichiba). Its sales, however, reached around 36 billion yen and number of stores exceeded 6,000 in its fifth year. In 2006, the company announced its business model called "Rakuten Economic Bloc" which connects different services of the Group with Rakuten's unique ID aiming to promote increase of customers, Rakuten members, and their use of the Group's variety of services and move among them. Through this business model, the company has developed diversified business including banking, electronic money, credit card, travel, etc.

In 2008, the company ventured into overseas business development by starting "Taiwan Rakuten Ichiba" service. For overseas business expansion, the company aggressively acquired companies in other countries and as the number of affiliated overseas companies grew the company announced globalization of its personnel system and launched the Global Human Resources Department to manage overall human resources in Japan and overseas. While companies acquired by Rakuten had their own personnel systems and corporate cultures, Rakuten considered it necessary to create a global personnel system and promote the exchange of human resources and information in order to make sure that all the affiliated companies share Rakuten's philosophy and goals and contribute to the company's performance.

Diversity is indispensable in order to realize a global company.

Next, the company started M&A activities with overseas venture corporations in 2010. This was an essential phase of the globalization strategy to make Rakuten a world brand. When selecting M&A targets, the company gave weight to compatibility with the

Service launched: May, 1997
(Hundred million yen)



company's corporate culture as well as the potential of the companies. If they do not go along with Rakuten's corporate culture, the top manager and the majority of employees of the acquired company could resign. Especially for internet business, high-caliber human resources are the asset of the company. Thus, M&A would be of no use if they leave the company.

Behind this globalization was a management decision that Rakuten, as the whole Group, must gather a variety of talents of different home countries, sex, cultures, and languages, overcome the difference, and work together in order to develop internet service business rooted in local countries and regions. The company was aware that it would be indispensable to diversify human resources in the head office in Japan as well. Diversity is absolute requirement for Rakuten to grow into a global company.

Progress of overseas development

History of global development

Global development has been accelerated since 2010.



Specific activities for promotion of diversity

Efforts to develop environment to welcome a variety of talents from all over the world

Rakuten, started as a venture, has hired many mid-career workers with experience in a variety of business fields and corporate cultures. The company grew by taking advantage of such diverse background of employees and "making improvement and advancement all the time". This is the success model of the company where different departments such as sales and finance have broken down barriers and reported and shared stories of success and failure smoothly. The company thought it would be indispensable to apply this success model to overseas in order to successfully develop overseas business.

As the company's overseas bases expanded, employees in the head office in Japan were required to be internationalized. In the beginning of the overseas development in 2008, questions from overseas subsidiaries were answered only through interpretation by those who were good at English communication. This would be a bottleneck if the company wants to reapply "Rakuten's success model", which requires sharing information promptly and improving business all the

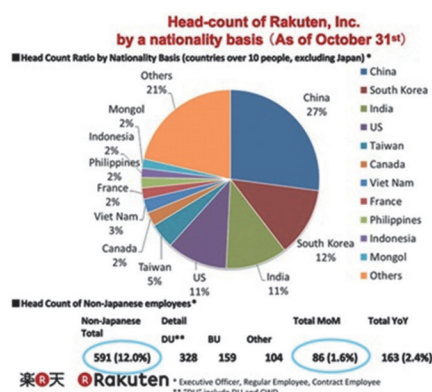
Rakuten, Inc.

time. Therefore, all the staff in the Japan's head office would need to be able to communicate directly with overseas offices. With CEO Mikitani's top-down decision, "conversion of official corporate language into English" has been in effect since 2010. Each employee took this occasion to work on his or her English language abilities, which led to steady improvement as seen in the increase of the average TOEIC score of all the employees from 526.2 in 2010 to 761.1 in 2013. Coordination now can start faster between Japan and overseas subsidiaries and collaboration has become smoother.

In the meantime, the company reformed its personnel system which was established at the time of the company's foundation. It registered all the employees in 26 offices of 15 countries on a global personnel database in April 2013 while it introduced a globally standardized new personnel system into all the offices including those overseas. This new personnel system is a universal evaluation system centering on competency (characteristics of cogitation and behavior) and performance.

Training programs for employees have been globalized as well and a training camp for operating officers including those from overseas subsidiaries has been held once a year since 2007. The training camp in 2013 saw 113 participants from 20 countries. Managers also participate in the global manager training program held twice a year in the head office, which provides an opportunity to have better mutual understanding of different countries. The head office in Japan has also converted its guide signs into English, provided vegetarian menus in the cafeteria, and established a place of worship in order to create environment to welcome a variety of employees from all over the world.

Breakdown of non-Japanese employees in the head office in Japan



By having removed the Japanese language barrier, the company can bring out non-Japanese employees' talent more easily.

In the past, it was a Japanese language barrier that presented stumbling blocks for non-Japanese employees working in Japan's head office. No matter how talented, they were not able to fully utilize their excellence without Japanese communication capabilities. Through the conversion of the official corporate language into English, the company has been able to tap into their talent more efficiently. Number of non-Japanese employees, which

was 104 in 2010, has grown to 482 from 40 different countries as of 2013.

Moreover, for its engineering division, the company has employed new graduates directly from universities overseas since October 2009. Employment of such new graduates accounted for as much as 62% of the total employment of new graduates in the engineering division in 2013 (29% at the whole head office).

Effect of promotion of diversity on performance

New services have been launched through sharing and utilizing information among different countries.

Through conversion of the official corporate language into English, the company has made it possible for a variety of talents to work together harmoniously in business and service development. In 2008, for example, when Japanese staff worked with Taiwanese staff to launch Taiwan Rakuten Ichiba, the project would not move ahead without relying on Japanese staff with English proficiency. As well, there were cases of poor liaison and information sharing with overseas companies acquired through M&A activities in the beginning. However, the conversion of the official corporate language into English has solved these problems.

Through smoother communication, business knowhow developed in Japan has been spread and shared in other countries, making it possible for the head office to cooperate with global bases and develop services together. This effect is particularly evident in the field of development, where the company now can form a project team made of multiple bases and share the latest knowhow of each base in real time and incorporate it into development of a new service. In fact, a number of services, targeted at users all over the world, have been developed this way. For example, Buy.com, Inc. of the US, acquired in 2010, was developing a campaign program using videos. Rakuten introduced it to Japan's Rakuten Ichiba and informed all of its affiliated companies on the program, which led to the program's employment in an affiliated company in France. As well, PriceMinister S.A. of France, acquired in the same year, had realized a way of fast system development. Rakuten sent its staff from development divisions in Japan to the company to learn the skills, which made it possible to shorten the time required to develop a system. By sharing information, companies in different countries can now capitalize on strengths of others and grow together.

As seen in these examples, through information sharing made possible by conversion of the official corporate language into English, the company has been able to take out experience and technologies from one country and use it in other parts of the world. If employees in the head office or affiliated companies send a message such as "I would like advice on this" to affiliated companies in other countries through internet

when they have a problem to solve, in real time, they will receive various experience and techniques in reply. Because translation from English to Japanese is no longer necessary, information is shared significantly faster and flood of new services are being developed.

Many non-Japanese employees play important roles in the engineering and other divisions.

It was in the company's engineering division that the most significant effect of globalization of Japan's head office was observed. As mentioned earlier, 62% of new graduates employed in the engineering division in 2013 are made up by non-Japanese personnel. In respect of technical skills, not much difference can be seen between Japanese and non-Japanese employees for a staff member of the engineering division. However, in order to produce a successful result in a global project, English capabilities are a must. As well, the company naturally wants to employ as excellent personnel as possible. By carrying out global employment and expanding its source, the company now has a better chance of acquiring more excellent human resources than employing people only from Japan.

Through conversion of the official corporate language into English, the company has promoted employment of non-Japanese nationals. The company has published its corporate data used for recruitment in English and participated in recruiting events such as Career Forum which targets students of overseas universities. In one of those events held in Boston in 2013, the company received over 1,000 entries for its jobs from students in overseas universities.

The company has also introduced semiannual employment of April and October. As employment of October is mainly targeting students in overseas universities, more than 100 people joined the company in October 2013, of which 70% were non-Japanese nationals. As of May 31st, 2013, non-Japanese staff accounts for 10.2% of the workforce in Japan's head office.

Conversion of the official corporate language into English has benefited non-Japanese employees as well by making communication easier. In the past, when employees from other countries came to visit Japan, they were not quite able to participate in discussion because they did not understand Japanese. But now they can speak in English and have better discussion.

In a section of the engineering division, which is in charge of system security of production, non-Japanese employees play a great role. When one conducts system development for an internet service, security measures compatible with the new system are indispensable. However, there are few engineers specialized in system security even overseas because they need to have technical skills more advanced than the new system itself requires. In the field of security, technical levels were higher overseas than in Japan but the company was not able to secure talented non-Japanese employees due to the barrier of Japanese language in the past. As the company began advertising job information in English,

the company started to receive two to three applications a month, compared to as many a year in the past. The company is now able to hire a lot of non-Japanese workers thanks to conversion of the official corporate language into English and direct recruitment of university students overseas. The section in charge of system security, called system security office, today, hires 12 regular employees, half of whom (six employees) are non-Japanese nationals.

Two of them are from Taiwan, and one each from Germany, Russia, Canada, and the Philippines, with the average age of 28. The variety of their nationalities let the company know quality of security skills in those countries. Moreover, as seen in the cases of analyzing hacking activities from China and reading technical document in German, the company is now able to readily deal with not only English but also other languages. The world of internet advances day by day, at the same time, viruses are created one after the other. When Chinese virus, targeted at Rakuten, was reported, it was the system security office in Japan's head office which analyzed it ahead of anybody else. These are some telling examples of globalizing efforts leading to acquiring excellent human resources and improving service quality.

Moreover, non-Japanese employees tend to be quite motivated and ambitious and frankly speak up their minds. By interacting with non-Japanese counterparts, Japanese employees are also inspired, leading to a change of their way of thinking.

It is true, however, that greater demand is placed on the managers because it is more difficult to lead a multinational team in English. Abilities of English communication alone will not be sufficient for managing non-Japanese staff. Managers in each division need to talk with employees including those with other nationalities and reach an agreement with them on their goals and evaluation. It is quite common for non-Japanese employees to come to negotiation trying to get the highest possible evaluation on themselves. Thus, the conventional Japanese way of just issuing an official announcement of appointment would not work with them. As well, although it is sometimes possible to make nonverbal communication between Japanese people if they are on the same wavelength, it is necessary to express things in words with non-Japanese staff that makes verbal communication for mutual understanding. As a result, more advanced management is required, for example, taking more time in setting business goals and giving feedback.

2. Diversity Promotion Project Commendation

	Company name	Location	Page number
	Scientific research, professional and technical services		
1	Telework Management	Hokkaido	212
2	Mitsubishi UFJ Research and Consulting Co., Ltd.	Tokyo	213
	medical and welfare area		
3	danway	Kanagawa	214

Diversity Promotion Project Commendation

Consulting for introduction of teleworking (Telework Management)

- Support for realization of various work styles through consulting for introduction of teleworking
- Development and sales of a teleworking system

◆ Description of business/ programs

Consulting for introduction of teleworking Development and sales of a teleworking system

The company is providing consultation for introduction of teleworking aiming to improve productivity. By simultaneously working on 1) establishment of operation rules for teleworking, 2) establishment of an internal system, 3) establishment of IT environment, and 4) education of administrators and employees, Telework Management saves customers from trouble such as “Nobody uses the introduced system”, “We cannot execute teleworking although we have a tool”, and “Variety of work that can be implemented through teleworking and number of users do not seem to grow.”

The company develops and sells software and systems for teleworking which help efficient operation of teleworking and lead to improvement of productivity and other benefits for the client company as a whole. One of them is called “F-chair ver. 2.0” which is an attendance management system realizing remote control and another is “Sococo Virtual Office”, a virtual office communication tool.

Promotion activities of teleworking and implementation of lectures and training programs

Since the company’s foundation in 2008, Telework Management has continued to provide the latest information on teleworking and carried out enlightenment activities through seminars, a blog, Facebook, etc. As a part of its business, the company also undertakes holding lecture meetings and providing training programs in order to spread a variety of advantages of teleworking, such as securing a variety of talents, to not only corporate executives but also a wide range of potential customers including the government, municipalities, etc.

◆ Company data

Year of company foundation	2008	Capital	3 million yen
Location of HQ	4-7-13 Koeinishimachi, Kitami-shi, Hokkaido		
Description of business	Consultation for introduction of teleworking (working at home)		
Sales	83 million yen (Fiscal year which ended in July 2012)		
Number of employees	7		

◆ Results

Consulting for introduction of teleworking and sales results of teleworking systems

The company provided consultation to four companies in the “Project for Nationwide Telework Diffusion” (2012) held by the Ministry of Internal Affairs and Communications. The company also carried out consultation for 15 companies in the “Project for promotion and education for a teleworking system” (2012) held by Fukuoka prefecture and assisted employment of persons with disabilities and continuous employment of those who had to resign to provide nursing care. In 2011, the company provided consultation to a company for free of charge as part of assistance for the quake-stricken area.

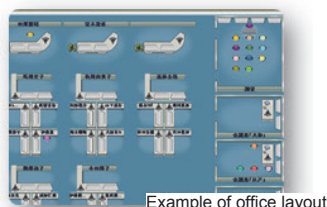
Launched in April 2012, “F-chair ver. 2.0” has been sold to 10 companies as of today and 669 people are using it. “Sococo Virtual Office”, on sale from April 2013, has been purchased by two companies by today and has 61 users.

Promotion activities of teleworking and implementation of lectures and training programs

In the “Telework seminar” (2011) held by the Ministry of Health, Labour and Welfare, the company planned and held seminars related to labor management for teleworking in seven different locations in the country, where 632 participated. The company has also held “Telework mini seminars” by itself 38 times, which are participatory seminars broadcast live on internet and attended by people from all over the country. Total number of participants has reached about 1,940, of which about 1,130 have watched the seminars through live broadcasting. Apart from these activities, the company received request from other companies and organizations and provided lectures and training programs 17 times last year.

As well, President of the company writes “Telework blog” which receives about 3,800 page views a month and number of her Facebook followers has reached 8,684 as of September 9th, 2013.

“F-chair ver. 2.0”, an attendance management system (left) and “Sococo Virtual Office”, a virtual office communication tool (center and right)



Example of office layout



Web meeting using screen sharing and avatars (left)

Diversity Promotion Project Commendation

Research studies and consulting services related to promotion of women's involvement and diversity management

(Promotion of women's involvement / diversity management strategy office, Mitsubishi UFJ Research and Consulting Co., Ltd.)

- The company contributed to spread of diversity management through assistance for introduction and operation of a permanent part-time staff system and research studies and consultation related to promotion of work-life balance including managing both work and nursing care.

◆ Description of business/ programs

Research and consultation related to work-life balance (hereinafter, WLB) and promotion of women's involvement

The company has worked on research studies and consulting related to WLB and promotion of women's involvement since 2008. It has been focusing especially on promotion of a permanent part-time staff system since 2009. The company holds symposiums with a theme of WLB and promotion of women's involvement, develops tools for system introduction and operation, and organizes seminars for personnel staff, system users, and managers.

The company has launched the Promotion of women's involvement / diversity management strategy office and is aiming to enhance its functions.

Based on the past results, the company launched the Promotion of women's involvement / diversity management strategy office in July 2013, aiming to develop business which would utilize the comprehensive strength of the company as a think tank. At the office, researchers and consultants, based in three locations, Tokyo, Nagoya, and Osaka, cooperate and provide consulting services to a range of companies, hospitals, etc. Based on the efforts of companies, this office makes policy proposals in order to contribute to realizing society where a variety of personnel can get actively involved.

Website URL of the Promotion of women's involvement / diversity management strategy office:

http://www.murc.jp/corporate/cnsl_intl/diversity

Promotion of women's involvement/diversity management strategy office

NEWS

- January 31, 2014: NHK program "Good Morning Tokai" (January 29, 6:53 to 7:00) introduced the result of a survey by Arima and Arai, "Thinking of products that use women's viewpoints", and the content of "Seminar on development of new products conceived by female employees for presidents aspiring to create only-one business".
- January 27, 2014: Quarterly magazine "Opinion Plus" (winter 2014) introduced in the column "Enthusiasm about work - What encouraged me" the content of "Seminar for businesses promoting equality and compatibility" sponsored by Tokyo Labor Bureau where Yajima coordinated a panel discussion.
- January 17, 2014: Vol. 294, January issue of New Voice - Toyohashi Chamber of Commerce and Industry carried the article written by Arai, "Creating human assets effective for management: Promotion of women's activities - Points to encourage short-time workers to be active".
- January 17, 2014: Morning issue of Chunichi Shimbun newspaper (January 17, 2014) ran article "Short-time labor for business strength" that covered a women's activity promotion seminar held in Nagoya.
- December 27, 2013: "Actual situations of working women in 2012" published by the Ministry of Health, Labour and Welfare reported the results of our surveys, commissioned by the same ministry, "Research and study to grasp the actual situations on work and nursing in 2012" (survey into workers) and "Project to spread the best practice on compatibility support" (survey into businesses).

→ Access this for news in the past

Seminar, training, etc.

■ We are inviting your participation ■

Briefing session of results of Work and life balance promotion and research project by Tokyo University Institute of Social Science
 "Issues of work and life balance support: Responses by companies to the age of human resource diversification"
 Sectional meeting B <Future Session> Future of "work and nursing" created by personnel management officers and care managers
 * Promotion of women's involvement/diversity management strategy office will run the sectional meeting.
 [Tokyo] February 20 <Thu>, 2014, 13:00 to 17:30 (Acceptance to start at 12:00) Tokyo University Hongo Campus, Ito International Research Center
<http://wlb.iss.u-tokyo.ac.jp/material/pdf/seminar2013.pdf>

■ Past seminars, training, etc.

Women's activity promotion seminar - Points to encourage activities by employees working for short time

◆ Results

Results of research studies and consulting

There have been over 20 research studies with themes such as "Managing both work and child care", "Managing both work and nursing care", "Introduction and operation of a permanent part-time staff system", "Visualization of positive actions", "Support for women's life planning", etc. The company has also conducted 50 consulting seminars catering to private companies and hospitals in a wide range of industries with themes mainly focused on areas where WLB is hard to achieve.

As a specific example of consulting, the company provided a hospital with assistance for the introduction of a short work hour system for nurses during the period of child rearing. Through consultation with the company, the hospital has adopted the mid and long term goal of "Promotion of WLB for all nurses" and made it possible for nurses to use the short work hour system "for any reason" during the semi-night shift hours as well as for the reasons of child care, nursing care, and health during other hours. The company has also helped the hospital introduce the "day-shift-only" system, the "night-shift-only regular staff" system, and measures to ensure enough staff during night shift hours and semi-night shift hours such as "employing evening part-time workers and increasing hourly pay". According to a later report made by the director of nursing service department, "There have been more applications for short hour work from those seeking reemployment. After having taken child care leave, many nurses choose to work day shift only not short hours. As a result, there has been no shortage of staff caused by only having too many short hour nurses. Thanks to the employment of night-shift-only regular staff, we have been able to reduce the increasing burden on the night and semi-night shifts."

Regarding the assistance for women's involvement, as part of the effort to rebuild the personnel system aiming to promote women's involvement in a specialized trading firm, Mitsubishi UFJ Research and Consulting conducted an employee satisfaction survey and helped introduce a half-holiday system, a reconstruction support program, etc. by reflecting opinions of female employees. Also the same survey revealed that the fundamental problem for the trading company was its chronically long work hours. Thus, Mitsubishi UFJ Research and Consulting helped the introduction of measures against long work hours.

◆ Company data

Year of company foundation	1985	Capital	2,060 million yen
Location of HQ	Holland Hills Mori Tower, 5-11-2 Toranomon, Minato-ku, Tokyo		
Description of business	Consulting, policy studies, international business, and human resources development		
Sales	13,315 million yen (Fiscal year which ended in March 2012)		
Number of employees	655		

Diversity Promotion Project Commendation

Development of website building software “ICT jig” (danway)

- Through the development of website builder “ICT jig” which is usable by persons with disabilities, the company has expanded job opportunities for them.

◆ Description of business/ programs

Development and utilization of “ICT jig”

In the past, jobs of persons with disabilities were often limited to simple labor such as labeling envelopes, packing, etc. Since the company wanted to help independence of disabled people in a promising market, it collaborated with Intel and developed a website builder “ICT jig”. This software allows division of work for persons with disabilities according to what they are good at, such as inputting short sentences, posting photographs, etc., and then integrates each part together to build a website.

A jig is a type of guiding tool to direct the location of work. This “ICT jig” simplifies operation by use of animal icons, combination of parts, and well-designed choice of colors, etc. and has realized simple use by not only disabled people but also seniors and those who are not familiar with computers.

Initially, the company would contract to build websites using “ICT jig”, it has made the software available for use online to paid member companies which employ disabled staff since December 2012. The company is also providing the same software as a communication assisting tool and educational material mainly for special needs education.

◆ Results

Effect of utilization of “ICT jig” and results of adoption by companies

With the development of “ICT jig”, job opportunities for disabled people have expanded into website creation which many of them never had a chance to work for in the past.

The “ICT jig” is not used merely by those with disabilities working for danway. As of January 2014, one year after the service launch for paid member companies, the software has received 47 license contracts. At the end of September 2013, the third development for the program was completed. For more users, the company intends to step up corporate sales activities.

Sample images of ICT jig and its users



◆ Company data

Year of company foundation	2011	Capital	9 million yen
Location of HQ	1-12-15 Shinjo, Nakahara-ku, Kawasaki-shi, Kanagawa		
Description of business	ICT related business, production, assistance of employment of disabled persons, educational services		
Sales	47 million yen (Fiscal year which ended in March 2013)		
Number of employees	23		