

Corporate Name

Manufacturing

SME

Zm'ken Service Co., Ltd.

A team of women architects played an active role in designing products taking advantage of women's standpoints, contributing to doubling the company's sales and profits over five years.

Main points

- ▶ The desire of top management to provide opportunities for women with time constraints to play active roles in the construction industry, led to the employment of women.
- ▶ Efforts were put into a work sharing system, which is uncommon in the field of architectural design, and its method was established by trial and error.
- ▶ By sharing work, opportunities for women with time constraints to play active roles were created, and now women who at various stages of life are actively participating.
- ▶ An environment in which employees support each other like a big family enriches their experience with households and families, and contributes to understanding the needs of customers when designing houses.
- ▶ There are cases where store layout and design from the unique standpoint and sophisticated sense of women attracted attention, and the company was put in charge of designing all affiliated stores as well.
- ▶ Company sales doubled, and a higher value was added thanks to strategies reinforcing women's point of view.

Zm'ken Service corporate philosophy (excerpt)

Vision

We are the best team in Japan which gives women joy and a purpose in life.
 We put a work- life balance policy into practice, and transform women's power into capabilities on site through cooperation with leading technology.
 We create places where architects, designers, and site supervisors can play active roles, and promote sustainable teamwork in which child-rearing parents, singles, and parents who have adjusted to child-rearing help each other.
 Each of us will become like the Milky Way which shines in the sky of Japan, play active roles globally, and contribute to the development of the nation.

Data

◎Corporate profile

Year of foundation	1993	Capital	20 million yen
Head office address	3-7-4 Katano, Kokurakita-ku, Kitakyushu City, Fukuoka Prefecture		
Business outline	General construction, first-class architectural firm Layout, construction, design, and consulting for housing and stores		
Sales	120 million yen (to July 2013)		

◎Data for employees (unconsolidated)

Number of employees	8 persons (no non-regular employees)
Number of employees by attribute category	[Women] 6 persons (no non-regular employees) Women's share of managerial jobs at 50.0%
Average service years for regular employees	4.2 years (7.8 years for men, 3.5 years for women)

Background and goals of diversity management

Providing opportunities for women with time constraints to play active roles

Zm'ken Service is an architectural firm which engages in the layout and design of housing and stores mainly in Kitakyushu City. Currently, six out of eight employees are women, and four of them are child-rearing workers. Three out of those six female workers are qualified first-class architects, and they are in charge of design, sales, and site supervisors as well. Other than first-class architects, second-class architects and female designers also play active roles.

The construction industry is a male-dominated business in which the concept of a strong, no-women-allowed way of thinking remains. In such an industry, especially for women who take care of household chores and child-rearing under time constraints, there were few opportunities to be successful as professionals, such as architects. However, Mrs. Komorita, President of the company, thought that, while she herself is struggling to find a balance between childcare and work, she wanted to provide a chance for child-rearing women to play active roles as well, and that was the start of the company creating an environment in which women can fully exercise their potential. Taking advantage of this, the company delegated one task to two female workers, and started experimenting with work sharing where people work together by helping each other. After this experiment, although there were difficulties, a unique method for sharing work was developed, and a work environment where women with time constraints can play active roles was realized. Currently, six female workers who are at various stages in life, are actively participating in business.

A big breakthrough by a team of women architects started from Kitakyushu City

Female architects and designers of the company established a team two years ago, and started working as the JKDT Women Architects Design Team a year ago. Proposals and designs that take advantage of women's viewpoints gained a good reputation in the region, and the company's sales started increasing, almost doubling. The success of the team of women architects, with the slogan of "Creating housing, stores, towns, and happiness," attracted attention in various places, and they are now much in demand in newspapers and television. The company's achievement gained national acceptance, and President Komorita, who is also a female architect, received the Women's Challenge Award from the Cabinet Office in 2013. It was the first time that such an award was received

in the construction industry, and it had a significant impact on the industry as well.

Specific measures for promoting diversity

Work sharing, which is uncommon in the field of design

The company practices work sharing which is quite uncommon in the field of layout and design. This is a method where work is done through sharing one task among multiple persons in charge as a team, instead of one person in charge of a whole task. Design work in the construction industry is generally performed by professionals, such as architects, at their own responsibility. However, sometimes it is difficult for female architects with time constraints to take all the responsibilities alone. Therefore, the company uses a method where female workers with time constraints complement each other, and do their work while sharing information as a team.

With regard to the method of sharing information, the company has always used a process of trial and error. Currently, the employees share information by using a mailing list, sharing drawings on the Web, and sharing schedules via Facebook.

In the field of architecture, deliverables designed by architects are achievements of individual architects, and deliverables are often regarded as a piece of craftsmanship. However, in order to produce results as a company team, such values and pride become obstacles. As professionals, sometimes employees have conflicts of opinions with each other, but the company set a goal of getting good results for customers by working together as a team, and a concept of working together towards the overall goal is well-established. As just mentioned, it is considered that one of the strengths of women is that they do not take all the credit for accomplishments, but can take it as a team.

Employees who support each other like a big family

Women with time constraints help each other not only with work. Female workers who actively participate at the company have a cooperative relationship with each other besides work. For example, children come back to the company office after school hours instead of going back to their own homes. Children wait until their mothers' finish their work, while playing with other children at the office where snacks are provided, and go home with their mothers once the work is done. At the corner of the office there is a makeshift day-care center, and children spend their late afternoon there very pleasantly.

The members of the company have established a

big family-like relationship where they help each other besides work. They openly talk not only about work-related problems, but also private problems as well. In order for women with time constraints to do work together, it is desirable that they know about each other's current situation as far as possible. If the employees know about each other's circumstances, such as how their children are or any illness in the family, positive cooperation can grow out of this understanding.

In addition, families and households are an essential perspective for the job of designing housing and stores. An environment in which employees support each other as a big family broadens the perspective of single employees, and is beneficial for deeply understanding customers' feelings as well.

President Komorita says her daily life is a source of ideas for performing the job of layout and design for housing. In fact, achievements she makes in her own life often lead to a design that is appreciated by customers. Given this perspective, fulfilling one's own life goals has a large positive effect, especially on the job of layout and design. The female employees of the company who take good care of their own lives enhance the company's business performance as well.

Unique approach for improving individual ability

Since the company consists of a selected few, individual ability is directly linked to the company's business performance. Based on that, the company has been putting effort into education and training. Currently, a cost of approximately 400,000 yen per person is invested annually in development of human resources.

Specifically, as a general rule, time for training is set aside every month, and all employees gain knowledge of management and marketing. Proposals for layout and design of stores are often made based on a customer's business outline and management strategies. Therefore, in order to make high quality proposals fully considering customers' principles and requests, it is necessary to understand the standpoint of business operators.

Further, out of consideration for busy women to be able to improve their skills in-between household chores and work, the company has designed an original planner notebook for employees, and distributes it to employees. In the planner notebook, in addition to corporate philosophy, there is a variety of information such as basic knowledge of duties, and the latest trends in revisions to laws in the field of architecture. By looking at the planner, employees, who had been away from work due to childcare leave, can effectively understand the basics of duties and the latest trends, and can make a smooth return to work. In the planner, employees can also write their own schedule and

goals for the next ten years, and they can use it to make a plan for life and clarify their goals for career development. Such consideration for development of human resources and improvement of skills is another great resource to support the company's business performance.

Managerial effects through promotion of diversity

Stores utilizing women's unique standpoints drawing attention

Housing and stores built by a company which values women's standpoints and common sense have gained a good reputation from many customers.

For example, for a travel agency where a majority of staff members are women, counters with consideration for the psychological side of working women are appreciated. Counters where female staff members sit to serve customers are shaped in a semicircle, with the staff members sitting on the outer side of the curve. With straight counters, it is hard to see other staff members who sit far away, but if the staff members sit in a semicircle, they can naturally see other staff and customers. Thus, female workers can work comfortably with a sense of togetherness, and can naturally pay attention to and follow each other up. Since these semicircular counters require more space than ordinary straight counters, male architects, who place significance on efficiency, may not come up with such an idea. However, as a result of a deep analysis of the psychological side of staff members by female architects as fellow working women, and putting a large emphasis on meeting the need, a new office appreciated by women was completed.

In the real estate office located near the company offices, there is a circular waiting hall inside the entrance, and employees' desks are arranged concentrically around the waiting hall. This embodies a spirit of service of a real estate office where employees fully understand customers' feelings in the waiting hall, and deliver such information to employees at the farthest ends like a ripple. A sofa in the waiting hall is shaped like an ear to express the idea that employees listen to customers' needs carefully.

The design of this real estate office based on the concept of "being kind to customers in every way" made an impression on customers, and this is one of the achievements that Zm'ken Service is proud of.

In addition, for a Western confectionery shop in Kitakyushu City which was designed with the concept of "a shop women can't help but stop by," the company realized the design of a white candy house inspired in a "south of France" Provence-style which many women

Real estate office in Kitakyushu City for which Zm'ken Service conducted layout and design



dream of. Inside the shop, gradient patterns were used mainly from the color of baked goods and baumkuchen, which are the shop's main items, to a slightly rich tan color, and it was designed so that the interior decoration of the shop blended in with the color of the goods. In addition to floors, walls, and ceiling, curves were used throughout the shop, including showcases and tables, highlighting the softness of the baked goods. The design called for the scent of freshly-baked baumkuchen to hang in the air when the shop opens, and this confectionery shop, reflecting women's desires, is attracting attention as a successful shop that women can't help but stop by.

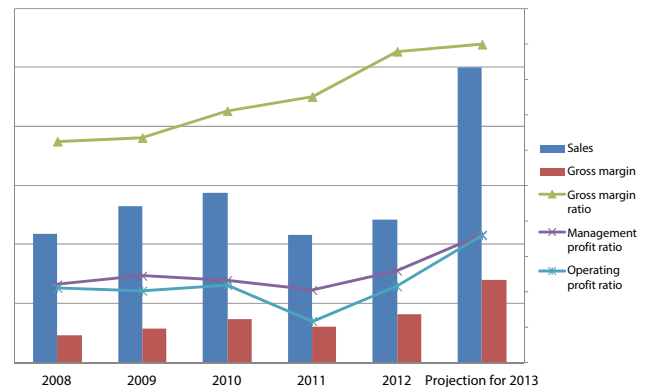
Western confectionary shop in Kitakyushu City for which Zm'ken Service conducted layout and design



Doubling company sales and improving profit margins thanks to strategies reinforcing women's point of view

Housing and stores based on unique ideas that emphasize women's viewpoints and common sense have gained a good reputation in the region, and the company's business is rapidly expanding. There is a high demand especially for confectionary stores and beauty salons whose customers are mainly women, and there are cases where the company was put in charge of designing all affiliated stores as well. As a result, it is expected that

Changes in sales and profits over the past five years, and prospects for the present period



company sales will double from the last fiscal year to this fiscal year, and the company's business is growing at its largest rate to date.

With an increase in sales, what is drawing attention is the improvement in profit margins. In 1993, when the company had just been established, the company mainly engaged in services which undertook public works. However, starting from the mid 2000s, the company has strategically been putting effort into giving more importance to layout and design services for housing and stores with higher added values. The creation of the JKDT Women Architects Design Team was also one of the strategies for adding higher values, and such strategies succeeded, so the major goal of strengthening the management culture of the company by improving profit margins is about to be achieved.

Providing opportunities for more women to play active roles

The JKDT Women Architects Design Team is a team of female company workers, and President Komorita plans on creating a new team including external female experts, calling JKDT, the Japanese Knowledge Diamond Team. President Komorita's wish to provide opportunities for women who give up on their favorite job of design and layout due to time constraints of household chores and childcare, is further expanding beyond her own company. President Komorita says that, with this new project, she wants to produce 50 female stars in Japan. This shows President Komorita's enthusiasm not only for her own achievements as a female business woman, but also providing dreams and opportunities for many women who are engaged in architecture.

Further, this year President Komorita participated as a panel member of the Kitakyushu Conference on Asian Women, which was held by women who are playing active roles in Asia, and the conference was well received. The success of the woman team which started in Kitakyushu is showing signs of great expansion from Japan to overseas.

Corporate Name

Manufacturing

SME

SK-Home

Although the number of women employees is often small in the housing industry, women employees in the company played a major role in raising the growth of the company, which realized an increase in the sales amounts by five times over a decade.

Main points

- ▶ The number of women employees is often small in the housing and real estate industries, and the percentage of women employees is supposedly less than 20% of the whole industry.
- ▶ In the housing and real estate industries, which have a low number of women employees, the company, which has excellent female workers, plays a major role.
- ▶ The company makes fair evaluations of employees who have achieved results with the incentive system based on "fairness" of a shared set of values, and improves the teamwork of the organization by organizing company trips using the gift system when a company-wide goal is accomplished.
- ▶ Under the policy of creating a system for each person, the system was developed for employees to be able to work as they did before according to their individual situations after marriage.
- ▶ Thanks to active participation of female employees who carefully meet the housing-related needs of customers, the company attained high customer satisfaction and is expanding its sales at a good rate.
- ▶ Since the company has started actively recruiting women, its popularity has soared among students in search of jobs.
- ▶ To attain the objective of a stronger and more interesting workplace, the company aims to obtain further diverse human resources in the future.

SK-Home set of values

• Honesty

We never tell a lie.

Example: We conduct questionnaires for every building and release the results on the website.

We have abolished the practice of displaying the price per unit area to customers, and use an all-in-one package price displaying the closing price.

• Fairness

We treat everything fairly.

Example: We employ people regardless of their gender, age, or nationality. We do not employ people through personal connections.

We treat employees fairly with regards to all promotions, salary standards, and incentives.

People in managerial positions do not receive upgrade to first class or business class just because they are in managerial posts.

• Openness

We talk about everything straightforwardly. We create an environment in which employees can talk about everything, including private problems.

Example: We solve employees' problems by introducing the company's corporate lawyer for their personal problems. We hold consultations for shortening working hours after childbirth or for places of work.

We also conduct questionnaires anonymously twice a year asking employees whether or not they have lent someone money, whether or not they have been asked out by the opposite sex or seniors, or whether or not they have seen or heard misbehavior, and we create an environment in which employees feel comfortable telling the company about those problems.

• Familiarity

We never save appearances nor try to look good. Speaking standard Japanese for customers is not necessary.

Example: We encourage employees to speak their dialects. We create a corporate culture in which employees do not hesitate to ask questions, even from a boss to a subordinate.

• Diligence

We are a group of people who love our job.

Data

◎Corporate profile

Year of foundation	1997	Capital	100 million yen
Head office address	178-1 Nabeta, Yamaga City, Kumamoto Prefecture		
Business outline	Planning, design, construction, sales, and general after-sales services of custom-built housing, offices, apartments, and stores Housing consulting		
Sales	2.8 billion yen (to June 2013)		

◎Data for employees (unconsolidated)

Number of employees	74 persons (including 9 non-regular employees)
Number of employees by attribute category	[Women] 35 persons (including 7 non-regular employees) Women's share of managerial jobs at 14.3%
Average service years for regular employees	4.7 years (5.1 years for men, 4.3 years for women) *Excluding new employees who have been working for the company for a year *Including 22 young regular employees who have been working for the company more than a year, but less than three years

Background and goals of diversity management

A housing manufacturer based in Kumamoto which is attracting attention by making rapid progress

SK-Home is a growing company which engages in design and sales of custom-built housing mainly in Kumamoto Prefecture, Fukuoka Prefecture, and Saga Prefecture. From a perspective of environmental protection, with a policy of not building any showrooms or show houses which are usually considered necessary for housing sales, the company has been working on new housing and land sales business by making full use of information technology and the Internet. With a 39-year-old president at the helm, the company has achieved its growth using a unique method which was unconventional in the housing industry, and in recent years, the company has been attracting much attention in Kumamoto Prefecture.

After the establishment of the company in 1997, the company's sales exceeded one billion yen in 2005. The company continued to grow after that, and its sales reached 2.7 billion yen in 2012. It is expected that sales will reach 3.5 billion yen in the present period. Currently, the company is making full-scale preparations towards listing of stock on the Q-Board by the Fukuoka Stock Exchange in the second half of fiscal 2014.

Having women employees plays a major role in an industry with a low number of women employees

It is common, in a housing-related job, to visit customers when they are at home, so people who engage in such a job often work during evening hours and on weekends. Due to this job characteristic, the number of female employees is small in the housing and real estate industries, and the percentage of women is approximately 15% of the whole industry according to a census conducted in 2010. In addition, the housing and real estate industries are known for high turnover, and there is a strong perception that those industries are especially difficult for women to continue working in for a long period of time.

However, after the few years since the company was established, the excellence of women applying for company job offers has begun to stand out. At that time, the company had no doubt about the superior capabilities of women, and went ahead to actively start hiring new female graduates. Since then, the company has been employing women on a regular basis, and this became a driving force to further accelerate the company's breakthrough.

Currently, women account for over half of approximately 60 regular employees. With the increase in the number of female workers, sales are also rapidly expanding, and it is women who are playing a major role in leading the growth of the company.

Specific measures for promoting diversity

The incentive system in the pursuit of fairness and the gift system which improves teamwork

What lies behind a company where female employees play a major role and fully exercise their potential, is "pursuit of fairness," which is a set of values the company sets for job performance. For example, the company implements an incentive system which provides a quarter of the profits twice a year besides bonuses based on an individual's performance at work, and the company greatly rewards employees who have achieved results regardless of gender or length of employment. In the past, a female architect in her 20s received several million yen's worth of "incentives" in a year. Once women realize that they can receive more recognition than men depending on their effort, they work on their jobs with high motivation and produce significant results. This is demonstrated at the company on a daily basis.

Generally, when the impact of systems which promote competition among individuals like the incentive system increases, the quality of the results achieved by the whole organization often decreases as rivals get in each other's way. Out of concern for such a situation, in order to maintain teamwork on a company-wide basis, the company also implements a system called a gift system. This is a system where, every two months when employees accomplish a company-wide goal, they all go on a trip together. In the last three years, company trips were held an annual average of 4.3 times. Every time the employees take a vote on the destination of the trip and, as a general rule, necessary expenses are borne by the company. In the past, the employees enjoyed skiing in Hokkaido, and they also had a good time at the beach in Okinawa. The participation rate of employees is usually around 80%, a relatively high rate.

As just described, trusting the abilities and potential of women, sticking to set values in the "pursuit of fairness" for job performance, and caring for teamwork and harmonization, are the framework for supporting the growth of the company.

Creating rules for achieving a trouble-free workplace

By actively hiring new female graduates, the rate of female employees is increasing, and the company set out detailed rules for daily duties to prevent trouble. Since the number of women employees was originally small in the housing industry, there are male employees who are not used to working with women. In addition, most female employees are young workers who entered the company as new graduates, thus female employees also may not be used to communicating with male employees. Therefore, rules like male and female employees not having one-on-

one meetings or meals, which seem too strict for regular business rules, were set. By means of such careful planning, the company reduced situations where both male and female employees were uncomfortable, and worked on achieving a trouble-free workplace.

Further, the company annually conducts a questionnaire anonymously on relationships within the company. In this questionnaire, it asks about sexual or power harassment and bullying, and if the company finds out that there are employees who have problems or feel discomfort, they work as a team to resolve such matters. This questionnaire is highly effective, and serves as a deterrent to trouble among employees.

Creating a system for each person

For the first time since the company started hiring new graduates, with a focus on women, one female employee who was playing an active role in the sales department was to get married. For employees who want to actively participate after marriage and childbirth as they did before, President Seguchi thought that the company should provide as much support as possible and prepare an environment for active participation, so he made a policy of creating a system for each person. As for the female employee mentioned above, who became the first example, President Seguchi decided to move working hours forward through discussions with the female employee. After that, a few female employees got married, and the company allows them to work in a flexible way according to an individual's family reasons, such as allowing one to leave early by moving working hours ahead, and allowing one to shorten working hours. By adopting this flexible policy, where if there is one employee who needs the system, then make every effort to approve it, the company is creating an environment in which female employees with high motivation can dedicate themselves to work as they did before, and can produce the same results after experiencing marriage and childbirth.

For employees whose family reasons should be considered, the company grants individual requests to the maximum extent. For the company, creation of an environment in which the individual abilities of employees are maximized, exerts a significant effect on development of human resources who can be active for a long period of time.

Managerial effects through promotion of diversity

Rapidly expanding business performance in proportion to increase in the number of female employees

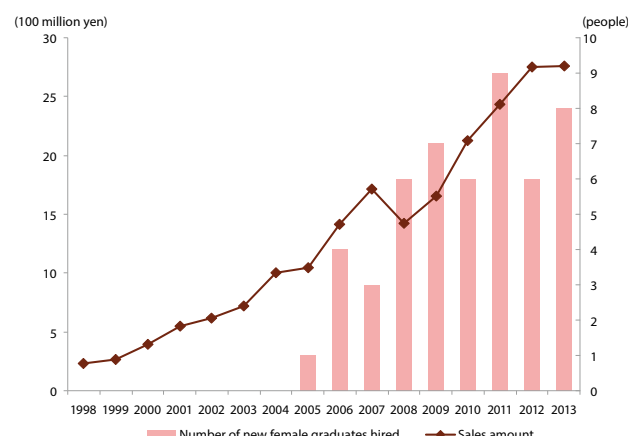
By establishing the systems described previously and implementing a number of various unique approaches, the company worked on active employment of new graduates as female employees. Looking at the next figure, it shows

that expansion of the number of female employees hired is proportional to increase in sales amount.

The housing and real estate industries are known for their low rate of women employees, and it is a reality that the number of women who engage in affairs relating to sales and design is extremely low. However, currently women account for over half of the sales department of the company, and they are core members who play a major role in the company.

President Seguchi analyzes that this expansion of business performance is the result of exercising women's diligence and persistence. He says that women often exercise more persistence than men for sales activities, and this leads the expansion of the company's business performance. Also, there is the benefit that people are less cautious about female sales staff members visiting individual houses. Such strengths of women, which is a combination of diligence and persistence, is linked to a great business outcome as well.

Growth of sales amount, and increase in the number of new female graduates hired by the company



By looking at the ranking of the sales department which reflects business performance in fiscal 2012, female employees took first, second, and fifth places out of the top five, and this shows that women play a major role in company sales.

FY2012 Ranking of amount of orders received, and number of contracts made by the sales department

		Amount of orders received	Number of contracts made
1	Women	¥429,722,639	21.00
2	Women	¥378,002,191	20.10
3	Men	¥386,612,454	19.01
3	Men	¥417,950,275	17.10
5	Women	¥323,021,238	15.70

About the company's competitiveness, which female employees are creating

A characteristic of the company's services is complete customization which takes the opinions customers into account. Together with customers, the company creates a dream house which customers imagine by choosing the size, shape, color, and interior decoration of the house with

on-screen touch panels, and creating the image on a large monitor. Such a system was based on the idea of female employees who wished to meet customers' needs more effectively. In this system, templates are developed for a concept, such as modern or classic, and customers can choose what they like from prepared materials and designs. Then, the design of the house according to the concept is created naturally. With this system, it makes it easier for customers to express their requests as well. Female employees whose strength is careful consideration play a major role in thorough proposal-based sales activities. The caring attitude of female employees, who carefully listen to every customer request and try to fulfil it, has received a good reputation and led to high customer satisfaction.

The company's website on which one can choose a design, and view the image of custom-built housing



In addition, it is highly appreciated that female employees can be good advisors for wives who often make decisions about building a house. By empathetically responding to concerns that wives have and meeting their demands, female employees establish a trusting relationship with customers that male sales staff cannot.

Further, at private viewings for housing, the presence of female employees is appreciated by female customers with children, and this contributes to expansion of business performance as well. For example, when female employees actively offer customers with small children baby-sitting, such as holding babies, this helps customers to stay for long hours without worry, and increases cases in which private viewings develop into business negotiations and deals.

By actively recruiting women, the company's popularity is soaring among students in search of jobs

Since the company started putting more effort into hiring new graduates as female employees, the company's proactive attitude about promoting the active participation of women has received a good reputation, and its popularity is soaring among local students in search of jobs. For example, in a bookmark ranking of housing, construction, and real estate-related companies in the Kyushu and Okinawa areas by Rikunabi 2014 (a website for job-hunting students), the company took first place above major companies in the

Rikunabi 2014 Bookmark ranking
(Housing, construction, and real estate-related companies in Kyushu and Okinawa)

Ranking	Corporate name	Number of registered people
1	SK-Home	2,363
2	Sekisui Heim Kyushu Corporation	2,324
3	Daiei Industry Co., Inc.	1,658
4	Toho Home	1,651
5	Tanigawa Kensetsu Co., Ltd.	1,602
6	Anabuki Kosan Kyushu, Inc.	1,380
7	Total Housing Co.	1,341
8	Universal Home, Inc (Cosmos Co., Ltd.)	1,295
9	Anesis Co., Ltd.	1,146
10	Sears Home Co., Ltd.	1,043
11	D&H	1,033
12	Saito Komuten	845
13	Kawasaki Housing	812
14	Sekiwa Real Estate Kyushu, Ltd.	800
15	Yoshimoto Koumuten (first-class architectural firm)	760
16	Hoshino Corporation	700
17	Mitsuihome Kagoshima Co., Ltd.	687
18	Sanyo House	660
19	Eidai House	570
20	Tamaki House Group	438
21	Nakamura Komuten (Smile Reform)	420
22	Hokuto Kensetsu	395
23	Yamasa Sangyo Co., Ltd. (Yamasa House)	385
24	Kenko Home Co., Ltd.	384

same industry. In a ranking of companies with headquarters located in Kumamoto Prefecture, which was also in Rikunabi 2014, SK-Home ranked 13th place together with locally-based major companies and mass media.

The pursuit of strength and interest that diversity is creating

President Seguchi says the following:

"The strength of the organization derives from utilizing the diversity of human resources which make up the organization. Human resources with various strengths, fully exercising their individual potentials, leads to its broadness and total capability. Having comprehensive strengths based on diversity is the secret for the organization to survive by adjusting to various changes in the environment. At the same time, when an organization with diverse human resources unites, pleasure and interest will arise. An organization in which women can also be active is more fun and interesting than an organization with only men. In addition, this interesting aspect of the organization leads to provision of services which surprise and at times move customers emotionally."

Such is the pursuit of interest as the organization encourages diversity of the company. From 2013, the company started a global internship for overseas human resources, and this approach was covered by a program on NHK. The aim of acquiring excellent human resources is involved in obtaining overseas human resources, but there is also the President's larger vision wishing to realize a more interesting organization. A strong and interesting organization, which is created by diverse human resources working as one, is the goal the company is aiming for.

Corporate Name

Manufacturing

SME

Metrol Co., Ltd.

Female part-time workers' proposals were utilized for improving the manufacturing processes, and female employees' idea of taking advantage of the Facebook website contributed to expanding sales channels which enabled the company to directly sell its products to overseas customers.

Main points

- ▶ Based on the concept of CEPS, which stands for Customer satisfaction, Everyone satisfaction, Productivity, and Speed, active participation of diverse human resources, regardless of gender, age, or position, has always been promoted.
- ▶ A manufacturing system with fast delivery and a wide variety of products available in small quantities was established by creating simple manufacturing processes which unified assembly procedures, and developing female part-time workers into cross-trained workers.
- ▶ Female part-time workers are positioned as a valuable workforce, and an environment in which excellent part-time workers can work for a long period of time was developed by upgrading their treatment and improving the work environment.
- ▶ With clarification of duties when hiring new graduates and a focus on early development of human resources, new female employees are put in positions of responsibility.
- ▶ Thanks to the "awareness proposals" system by female part-time workers, which was introduced in 2005, manufacturing processes were improved, such as shortening of working hours and reduction of fatigue.
- ▶ New female employees proposed to actively utilize social media. This contributed to expanding sales channels, which enabled the company to directly sell its products to overseas customers, and increased sales by approximately 1.4 times.

Data

◎Corporate profile

Year of foundation	1976	Capital	40 million yen
Head office address	Tachihi Real Estate Building 25, 5th Floor, 1-100 Takamatsu-cho, Tachikawa City, Tokyo		
Business outline	Manufacturing, development, and sales of industrial sensors and switches		
Sales	1,443 million yen (to January 2013)		

◎Data for employees (unconsolidated)

Number of employees	103 persons (including 63 non-regular employees)
Number of employees by attribute category	[Women] 67 persons (including 53 non-regular employees) Women's share of managerial jobs at 0%
Average service years for regular employees	6.5 years for men, 3.5 years for women

Background and goals of diversity management

Efforts were put into having female part-time workers active in the workforce since the establishment of the company

Metrol Co., Ltd. manufactures and sells mechanical blade edge sensors for positioning blade edges of machine tools, such as cutting tools, and has the largest market share in the world in this field.

CEPS, which stands for Customer satisfaction, Everyone satisfaction, Productivity, and Speed, was chosen as the corporate philosophy, and the company has always created an environment in which human resources, regardless of gender, age, position, or nationality, can actively participate since its establishment. When the company was established, since leading Japanese manufacturers were willing to hire people, it was difficult to secure male regular employees for small and medium-sized enterprises. Thus the company has established its current position by actively training female part-time workers, who were relatively easy to hire, as well as having them be active in the workforce, and manufacturing high quality products on a continuous basis.

Accelerating promotion of women's active participation in response to globalization

After the late 1990s, while the hubs of the Japanese manufacturing industry were moving to China or the ASEAN countries, transformation of the business model became imperative in order to survive as a corporation while protecting domestic production and employment. Then, Metrol introduced the production control system (Enterprise Resource Planning System), and developed new business by using a made-to-order-system and export model with fast delivery, and a wide variety of products available in small quantities. In order to realize this business model, it was necessary to reduce manufacturing costs, secure as well as nurture excellent human resources regardless of gender, age, or attribution, and to have all employees play major roles as a workforce. Therefore, efforts for promoting diversity were further accelerated with a focus on women, who were in charge of manufacturing sites.

Further, in 1998, the company started to operate sales channels which enabled the company to directly sell its products to overseas customers via the Internet. In order to promote global business development, human resources who are fluent in foreign languages and highly independent became necessary. However, securing male regular employees was difficult for small and medium-sized enterprises as was the case for manufacturing sites, so the company promoted employment of female regular employees.

Specific measures for promoting diversity

Streamlining the manufacturing system, and establishing a system to cross-train female part-time workers

The approximately 700 products the company manufactures are assembled from combinations of 7,000 original parts. However, in order to unify assembly procedures and processes, even though the sizes (length or thickness) of parts are different, extremely streamlined manufacturing processes were established, and work was manualized. In addition, thanks to the ERP system, which automatically orders necessary parts for products at the same time as acceptance of orders of products, female part-time workers were freed from the troublesome job of placing orders for parts, and a structure in which those workers can focus on assembly was built. With such a creative approach, a system helping to nurture female part-time workers as cross-trained workers is now being established.

Further, the company holds introductory training and one-month-later training for employees after their employment. In order to accelerate the speed at which beginners acquire new technology, new employees first practice how to use soldering irons, and then they are arranged in appropriate work groups by assessing an individual's aptitude after having them do other tasks.

With these series of systems, a structure is established which permits manufacturing with fast delivery, and a wide variety of products available in small quantities for which finished goods inventories are almost entirely unnecessary.

Securing excellent female part-time workers, and realization of long-term active participation by evaluation which improves motivation and development of working conditions

Since technical proficiency is necessary for assembly of precision parts that require an accuracy of 1/1000 mm, the company positions female part-time workers as a valuable workforce under the condition of long-term employment. The company introduced a personnel evaluation system, and rewards workers' achievements by giving a raise based on their evaluation when renewing contracts, which is done once a year. The personnel evaluation is conducted by skill evaluation and willingness evaluation, and is performed by officers in charge themselves. The skill evaluation assesses soldering skills, and whether or not one can assemble parts by groups by following a procedure. The willingness evaluation assesses on a scale of 1 to 5, evaluating basics, such as whether one can follow the rules, and high-level evaluations, like whether one can notice problems and generate ideas, as well as propose improvement plans through cooperation with colleagues. For bringing out ambition, more points are allocated to the willingness evaluation, which assesses how much the employee is motivated, than to the skill evaluation.

In addition, the company hires excellent part-time workers, and creates an environment in which those workers can work for a long period of time while giving them fulfilling treatment, such as providing bonuses three

times a year, and improving the work environment by upgrading facilities, such as lighting in the factory and floor heating. As a result, the average service years for female part-time workers is over five years, and the longest is a female part-time worker who has been working for 25 years. The company re-employs part-time workers who have left the company once due to childbirth and childcare as well.

Clarification of duties when hiring, a focus on early development of human resources, and putting new female employees in positions of responsibility

Although mainly female part-time workers take leading roles in the manufacturing department, female regular employees are in charge of clerical work, such as the sales management department.

Based on the concept that employees are members of an orchestra, and so are required at least to have no trouble playing their instrument before they join the orchestra, the company clearly specifies job details when making informal job offers, as the company needs human resources who can work independently as specialists. In particular, for a woman who received an informal job offer from the sales promotion department, the company explained that duties included operation of the website, utilization of social media, such as Facebook, and editing of product catalogs, and the company bore the expenses for a vocational school so that the woman could acquire necessary skills, such as Adobe Photoshop and Illustrator. Also, according to the duties assigned, in the period between the informal job offer and when the employee actually joins the company, the company sends prospective employees to an overseas office as an internship, or provides expensive CAD software to use for their graduation thesis. The company is willing to provide various learning opportunities and to bear expenses, and it supports the growth of new employees.

In order to assess whether or not applicants have basic ability as human resources who can work independently, the company strictly conducts personality evaluation and ability evaluation based on an assessment by professional psychological profilers when it employs people. The assessment is an aptitude test developed in the U.S., which is regarded as the most reliable test, and it evaluates people on about four items including conceptualization (thinking), awareness of mission (sense of responsibility), inner strength (professionalism), and outer receptiveness. The company places value on awareness of mission (sense of responsibility) when it employs people.

Then, as soon as new employees start working for the company, they are put in charge as a leader of an important new product development project or on overseas assignment alone, and the company gives employees important roles regardless of gender. Since company recruitment is strictly according to assessment, many new employees can play active roles on their own as soon as they start working. However, they face various challenges and sometimes make mistakes. In such cases, there is a corporate culture in which new employees can talk to and

learn from anyone even if that person is not a direct boss. In addition, the company thoroughly practices a policy of not blaming failures and encouraging attempts, and the President of the company clearly asserts, "Forget failures. Failures are part of know-how too! Never give up trying."

Since the company is accelerating overseas development, recently the company has been sending female employees who just entered the company to overseas offices by putting them in positions of responsibility, one after another. For example, a female employee in her 20s who entered the company in 2013 as a new graduate participates in a launch of a subsidiary (local corporation) in Bangkok, Thailand on a business trip basis, and she is scheduled to be officially transferred to the subsidiary at the same time as its establishment next year. Also, there is another female employee in her 20s who entered the company in 2013 as a new graduate, is scheduled to participate in a sales subsidiary in China in February 2014 on a business trip basis, and will be engaged in operation of trade shows in Chinese and promoting the implementation of information technology.

As just described, with full-scale overseas participation of female employees who have just started working for the company, the company intends to get results by further promoting the active participation of women.

Managerial effects through promotion of diversity

Improvements in manufacturing processes with awareness proposals by female part-time workers

In 2005 the company introduced an "awareness proposals" system whereby female part-time workers make proposals on any matters they notice, such as ideas that would make work easier, during manufacturing operations. The number of improvement proposals made was 130 in one year (to January 2013), and 214 in one year (to January 2014), and approximately 90% of those proposals made both in 2013 and 2014 were used for improving manufacturing processes.

As a specific example of improvement by this awareness proposals system, there is the inspection process to assess whether or not the threads of bolts are fully processed. In this process, bolts are put through nut and manual tightening which is a simple task, but it takes time due to hand fatigue when the number of bolts is large. Therefore, the company made a jig to turn nuts electrically based on a proposal by a female part-time worker. As a result, it became possible to correctly carry out inspection for confirming screws just once, and hand fatigue was reduced as well. Thus, it became possible to complete a job which took about an hour by manual tightening, in just 20 to 30 minutes. The final decisions for such responses to improvement proposals are made the next morning, and those responses are put into practice immediately.

New female employees' idea of actively utilizing social media contributed to expanding sales channels, which enabled the company to directly sell its products to overseas customers

The sales promotion division, which is in charge of marketing, consists of one male division chief and two female employees who are fluent in foreign languages.

Starting from 2011, before those female employees began their duties, the male division chief took the initiative and sent e-mails about product information through Facebook, but it remained a one-way transmission of information. However, with an idea generated by a female employee who entered the company in 2012, the division started using Facebook actively, positioning it as exchange tool among engineers who are users of the company's products, from the second half of the same year. For example, it ran a photo campaign like "tell us about the machine tools you have," and covered and reported on a machinery show held in Tokyo with photos. As a result, the division started receiving photos from engineers around the world of their own machines that they are proud of, and self-produced parts. In addition, the division has developed a game plan to further increase enthusiasm at the same time, such as choosing a monthly best photo, and has received 4,900 likes on Facebook.

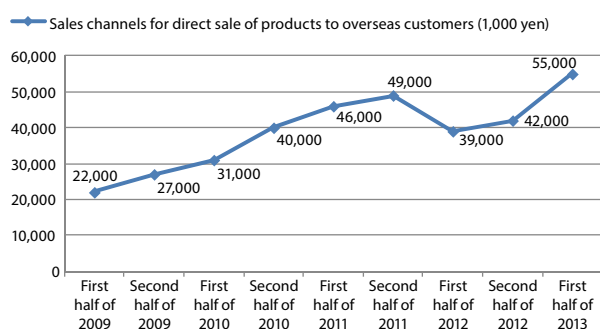
Due to this effort, the number of people registered on Facebook has rapidly increased, and 25,000 machine tool engineers around the world have connected through the network. The company has always used mail order which enabled the company to directly sell its products to overseas customers through the Internet. Now, they can direct their

customers from their Facebook page to the sales channel of the company's website, which contributes to increased orders from sales channels for direct sale of products to overseas customers. As a result, the sales amount of such sales channels which fell to approximately 39 million yen in the first half of 2012, expanded to 55 million yen in the first half of 2013, which is approximately 1.4 times more than that of the same period last year.

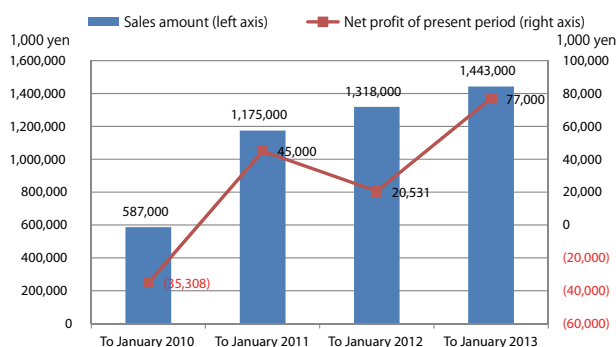
Since margins for trading companies are not necessary when selling products directly to overseas customers, the company can fully absorb some of the effects of yen appreciation, and this leads to an increase in profit margins as well.

The company has long conducted mid-career recruiting, and from fiscal 2012, the company started hiring new graduate human resources who have language skills and are mentally independent. Since various media started talking about Metrol as a company which delegates important tasks as soon as employment begins, and as a workplace where one can try a variety of things regardless of gender or age, the number of applicants, which used to be dozens of people, increased to 2,000 every year. Approximately 70% of the applicants are women, and 11 out of the 21 employees who were hired since fiscal 2012 or who are prospective employees for fiscal 2014, are women.

Changes in sales volume of sales channels for direct sale of products to overseas customers



Changes in sales amount and net profit of present period



Reference information



With a proposal made by a female part-time worker, the company developed and introduced a jig which allowed confirmation that the threads of bolts are correctly processed from manual to semi-automated, thus enabling accurate inspection work and shortening working hours.



Networking of engineers on Facebook was successfully realized thanks to an idea generated by a female employee, and it led to increased sales volume of sales channels for direct sale of products to overseas customers.

Corporate Name

Manufacturing

SME

Fujii Corporation Co., Ltd.

Knowledge of the elderly expedited development of a welding system, and a PR strategy developed by female and non-Japanese employees contributed to increasing sales overseas by 1.5 times.

Main points

- ▶ A machinery manufacturer in Niigata Prefecture with a history of over 150 years whose main business is manufacturing and sales of snow blowers.
- ▶ Although a corporate culture in which accepts diverse human resources has always been nurtured, especially in recent years, the company was in urgent need of further diverse human resources to respond to a fast-changing market, and this is behind efforts for diversity management.
- ▶ With capital investment to realize a clean site, the company finally succeeded in taking on new graduates as female employees.
- ▶ The power of transmission of information has improved thanks to active participation of female employees in PR affairs, and traffic to the company's website from overseas has rapidly increased.
- ▶ The company actively hires the elderly as "assets for the workplace," and it was introduced as "a great company where you can work until 70" on television.
- ▶ Active participation of elderly human resources leads to higher creativity and energy of young human resources, thereby revitalizing the whole company.
- ▶ Strengthening of overseas strategy has been realized through employment of international students.

Data

◎Corporate profile

Year of foundation	1950	Capital	12 million yen
Head office address	285 Koike, Tsubame City, Niigata Prefecture		
Business outline	Machinery business (development, manufacturing, and sales of snow blowers, riding grass mowers, and boom lifts), dieless press business (forming press parts without using dies (dieless)), and steel material business (sales of sheet metal and steel materials, and commissioned processing)		
Sales	3,145 million yen (to June)		

◎Data for employees (unconsolidated)

Number of employees	143 persons (including 28 non-regular employees)
Number of employees by attribute category	[Women] 14 persons (including 5 non-regular employees) Women's share of managerial jobs at 0.0% [Foreigner] 1 person (no non-regular employees) [Aged 65 or more] 5 persons (including 4 non-regular employees)
Average service years for regular employees	20.5 years (21.3 years for men, 10.3 years for women)

Background and goals of diversity management

A long-established manufacturer of snow blowers endorsed by Santa Claus

Fujii Corporation is a machinery manufacturer in Niigata Prefecture with a history of over 150 years, and its history began with manufacturing of farm equipment in 1865. Currently, the company's main business is manufacturing and sales of snow blowers and agricultural machinery, and especially in snow blowers with diesel engines, the company has the largest market share overseas and the second largest market share in Japan.

The company's snow blowers, the technology for which has been acquired over its long history, are widely used all over the world from the North Pole to the South Pole. In 2007, these snow blowers were approved as the official snow blowers used in Santa Claus Village in Finland in Northern Europe.



The company's products and technologies which are used throughout the world have won a number of awards. In 2013 the company won the Minister of Economy, Trade and Industry Award in the Japan Tsubame Industrial Design Contest, and in 2012 the company won the Award for Excellence in the 4th Monozukuri Japan Contest organized by the Prime Minister as well as the 2012 Prize for Creativity by the Minister of Education, Culture, Sports, Science and Technology, and many more awards.

Towards acquiring diverse human resources who can respond to a fast-changing market

At Fujii Corporation with its long history, there has always been an open-minded corporate culture in which diverse human resources can actively participate even if political views and other beliefs vary greatly among employees. It is the company's philosophy that human resources with different ideas should play active roles, and they go through various changes in the environment and difficult phases again and again in such a corporate culture accepting diversity. One can say that free ideas generated by diverse human resources are a source of the company's longtime competitiveness.

However, in recent years, a new change is occurring in the fields of snow blowers and agricultural machinery, which are the company's strength. For example, the company's machinery used to be mainly operated by men, but the number of female and elderly users is increasing. Therefore, to manufacture products which will be supported by users including women and the elderly, human resources with a different perspective from that of men were necessary. In addition, while the company's snow blowers were approved by Santa Claus Village in Northern Europe and their visibility has been steadily enhanced overseas, human resources

with a global perception were necessary to further actively promote overseas development in the future.

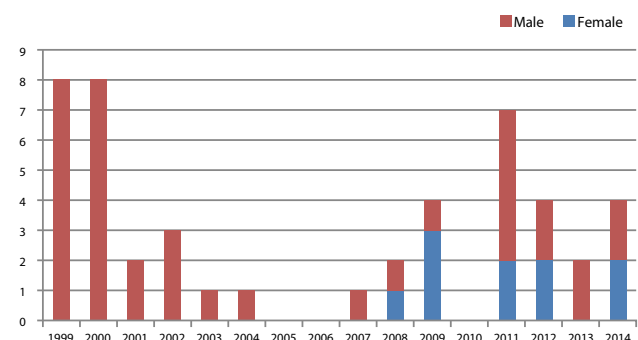
Although the company has been valued for its corporate culture in which it accepts diverse human resources, especially after the latter half of the 2000s, the company was in urgent need of further diverse human resources to respond to the fast-changing market, and this is behind efforts for diversity management.

Specific measures for promoting diversity

With capital investment, finally realizing employment of new graduates as female employees

To respond to changes in the market, Fujii Corporation has started recruiting new female graduates aiming to become a company where women can fully exercise their potential. However, it was not that easy to obtain new female graduates as employees for a company whose main focus is on-site duties at the factory, and there continued to be a lack of applications from female applicants after the company first started recruiting women. Then, with the aim of becoming a workplace where women want to work, the company made a large investment worth hundreds of millions of yen to renovate its facilities and prepare a new environment, including the office and factory. The opinions of female employees were given priority particularly in the women's bathrooms, and the company realized clean and user-friendly facilities. Such a creative approach bore fruit. Fujii Corporation has gradually started receiving applications from women who are being attracted to the company, and it finally succeeded in employing a new female graduate in 2008. Since then the company has been able to hire two to three new female graduates (approximately half of all new graduates depending on the year) on a continuing basis.

Changes in number of new graduates hired by gender



Improving transmission of information thanks to active participation of female employees in PR affairs

The company is not only strengthening employment of new graduates as female employees, but it also brings the feelings and sense of existing female employees into various affairs, and it is PR-related affairs which show the

most prominent result of such an approach.

Female employees have started to be put in charge of creation and update of the website, and the company's website was revamped from a rather dry website introducing mechanical products to a more sophisticated website.



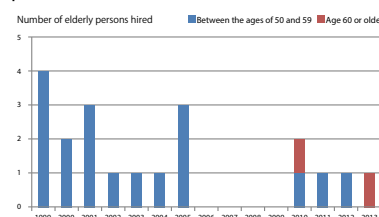
The number of page views of the Japanese website has doubled compared to 2010 and it keeps increasing. In addition, the English website was created by female employees who are fluent in foreign languages, and its ability to transmit information overseas has improved dramatically. In particular, since the beginning of 2013, female employees proposed an idea to place a QR code in catalogs intended for overseas, and this resulted in a sharp increase in the number of page views of the English website by four to five times. The sophisticated sense and flexible ideas of female employees are a great strength to promote PR and sales activities, including overseas. Furthermore, the company's factory tour where female employees serve as attendants is well received in the region, and female employees are making a great contribution to improve the corporate image.

Since many female employees are young, there are no female employees in managerial positions yet. However, there are many female employees who have achieved results, and executive candidates are steadily being nurtured.

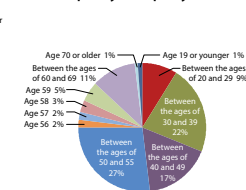
The elderly are "assets for the workplace"

The company has always considered the elderly are full of knowledge, technical resources, know-how, and experience, and regarded them as assets for the workplace. In order to further promote such a way of thinking, in 2010, the company revised the work regulations with regard to re-employment, and decided to extend the age restriction of 65 so that all persons who wished to work until 70 could do so. This approach received much attention from the public, and it was covered by a famous television program as "a great company where you can work until 70." Employees who have been re-employed take the post of senior advisors, and they provide guidance to young employees. Currently, four senior advisors are actively participating in the program.

Left: Changes in number of elderly persons hired



Right: Age distribution of company employees



The company has been working not only on lifting the age restriction for re-employment, but also mid-career employment of elderly human resources. On the company's website, employment information is posted for almost every type of job, including sales, product development, electricity management, and production engineering, with the condition of favoring persons with experience in their 50s and 60s, especially those who wish to continue working until 70. The company has already offered mid-career employment of people in their 50s, hiring from one to four persons every year, and since 2010 the company has started hiring human resources in their 60s.

Half of the employees who play active roles in Fujii Corporation are people in their 50s or older, and the company has implemented a variety of unique approaches to facilities as well to realize an environment in which these elderly employees can work comfortably. For example, in the factory, all heavy tools are suspended from the ceiling so that workers can use the tools without lifting them up, and workload is reduced. Also, wheels are attached to all loading platforms in the factory so anybody can carry them easily. All uneven places in the floor were eliminated throughout the factory as well, including in the bathrooms. Such considerations are Fujii Corporation's hope that not only elderly human resources but also employees with disabilities who use wheelchairs can work together in the factory in the future.

Thanks to this system and environment for active participation of elderly human resources, remarkable results were obtained, and young employees gain the knowledge of experienced employees. Young employees had an idea to fabricate a welding system which can handle the manufacture of a wide variety of products in small quantities, which is generally considered unfeasible. To realize such an idea, the experienced employees proposed to use a traditional Japanese technique. A variety of ideas were considered, and an innovative welding robot system was born. This system, which was created through cooperation between young employees and experienced employees, received the Award for Excellence in the 4th Monozukuri Japan Contest by the Ministry of Economy, Trade and Industry.

Active participation of elderly human resources at the company promotes the creativity and energy of young human resources, and it is revitalizing the whole company.

Strengthening of overseas strategy by active participation of non-Japanese human resources

Fujii Corporation has started putting effort into employment of international students towards strengthening overseas

development. The company has always conducted a six-month internship for international students and last fiscal year, it decided to accept a person from Bangladesh (Mr. B), who graduated from Niigata University Graduate School which is located in the same prefecture where the company is based, as a regular employee. In and after next fiscal year, the company plans to participate in job fairs for international students from local universities, and to actively conduct recruitment activities.

Mr. B, who entered the company this fiscal year, is in charge of product development and upgrades English manuals for overseas in the technology development department with Japanese employees. When selling products overseas, it is difficult to provide support at the same level as in Japan, so manuals which come with products must be detailed. However, due to the difficulty of writing engineering English with regard to products, enhancement of English manuals had been an issue. Mr. B majored in the fields of electricity and electronics at the graduate school, and is familiar with engineering English as well. Thus, he was able to create satisfactory manuals in English by having Japanese employees supplement knowledge about the company's products. Currently, Mr. B actively responds to inquiries in English from overseas.

For employment of international students, the company is concerned whether or not students can adjust to Japanese culture, for example with regard to food and religion, but the company and students overcame cultural differences through mutual understanding. For example, Mr. B is a Muslim, and drinking and eating are prohibited from sunrise to sunset in the fasting period of Ramadan. Since it was an extremely hot season, Mr. B's boss and co-workers paid more careful attention than usual as they were concerned about his health and duties. For the first few days, Mr. B did not look well as his body was not used to fasting but once his body was adjusted, he was able to carry out his tasks as usual. In addition, Mr. B is not allowed to eat pork, so when dishes with pork are included in lunch arranged by the company, he exchanges his side dishes with an employee who sits next to him at the cafeteria. As just described, by Japanese employees learning about consideration for non-Japanese employees, it connects to internationalization of Japanese employees. Through acquisition of international students who are valuable human resources, company internationalization and strengthening of strategy for overseas development are being realized in various ways.

Managerial effects through promotion of diversity

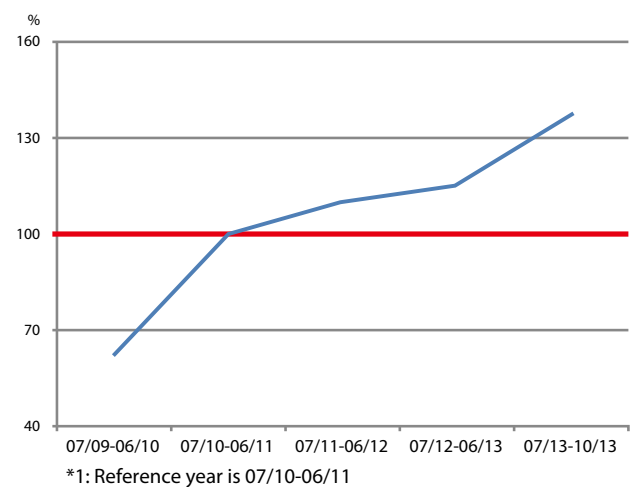
Expansion of diversity and improvement of operational efficiency

In general, when the diversity of an organization increases, the range of management in increases as well, so there

are many management executives who think operating efficiency may decrease. However, the company is not only increasing its diversity but also improving its operating efficiency, because diverse human resources contribute to revitalizing the organization and strengthening its strategies.

The figure below shows changes in improvement of productivity, and one can see that productivity dramatically improved in and after 2010, the year the company started putting full-scale effort into acquisition of diverse human resources.

Changes in productivity
(Calculated by amount of added value/ total working hours)



Using the potential of all human resources as a source of competitiveness

Improvement of productivity described above is directly linked to expansion of business performance. Fujii Corporation's sales in 2013 increased by approximately 30% compared with 2010, and the ratio of ordinary income exceeded 12% as well. According to the Financial Statements Statistics of Corporation by Industry by the Ministry of Finance, the ratio of ordinary income to net sales in the electric machinery manufacturing industry is 3.2%, and the company's ratio of ordinary income, which is 12%, largely exceeds this ratio. In addition, as a result of its PR strategy for overseas thanks to the active participation of female employees, despite the trend of yen appreciation, overseas sales have increased by 1.5 times compared to five years ago, and seven countries have been added to the list of countries with which Fujii Corporation trades.

Company President Fujii says that this successful business performance is the result of getting the best out of all the human resources the company has. Unlike large corporations in a metropolitan area, locally-based small and medium-sized enterprises cannot hire human resources flexibly as they need. Therefore, it is important to maximize the potential of all human resources who are active in the company and connect it to competitiveness, and the effort behind that is diversity.

Corporate Name

Manufacturing

SME

Hikari Kikai Seisakusho Co., Ltd.

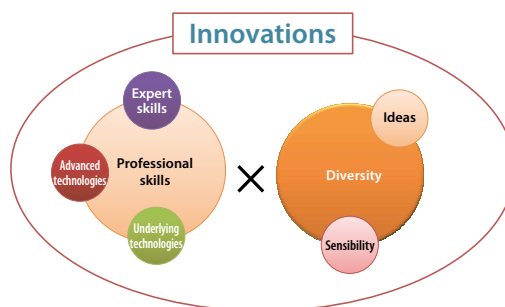
Women employees contributed to developing a new user-friendly grinder for diamond tools, which does not require expert skills, by taking advantage of the viewpoints of women.

Main points

- ▶ Diversity as a resource of business strategy in order to realize innovations through a fusion of "unique ideas."
- ▶ Recruitment and utilization of competent women toward reforming the workplace into one with discipline.
- ▶ Personnel management measures emphasizing non-sexist postings and opportunities for nurturing human resources, based on the principle: "the right person for the right job is what personnel management is all about."
- ▶ Nurturing human resources through the "management school" supervised by the president, and the "manufacturing dojo" (a training seminar for manufacturing) designed for learning expert skills.
- ▶ Seven women employees selected from each department contributed to developing a new grinder for diamond tools, which does not require expert skills.
- ▶ Posting women employees to the production management team – a personnel arrangement that led to steady management of production, achieving a high off-the-shelf ratio and a record profit.

Corporate Philosophy of Hikari Kikai Seisakusho

Creation of innovations @ Hikari Kikai Seisakusho Co., Ltd.



Data

◎Corporate profile

Year of foundation	1959	Capital	40 million yen
Head office address	8-1 Isshindennakano, Tsu City, Mie Prefecture		
Business outline	Manufacturing of special machine tools, cutting tools, and collecting devices		
Sales	1,105 million yen (to April 2013)		

◎Data for employees (unconsolidated)

Number of employees	91 persons (including 24 non-regular employees)
Number of employees by attribute category	[Women] 25 persons (including 15 non-regular employees) Women's share of managerial jobs at 20%
Average service years for regular employees	10.8 years (11.3 years for men, 9.2 years for women)

Background and goals of diversity management

Diversity as a resource of business strategy in order to realize innovations through a fusion of “unique ideas”

Located in Tsu City, Mie Prefecture, Hikari Kikai Seisakusho manufactures and sells machine tools as its main business operations. More specifically, the company produces specialized grinders, and practices OEM (Original Equipment Manufacturing) of cutting tools. They endeavor to manufacture high-quality products by using their high technical capabilities, exporting their products overseas – not only to Asian countries, but also to countries in North America and Europe.

Their basic philosophy is “Be Professional!” In other words, their corporate vision is to offer their unique products and services to customers throughout the world and make them convinced of the quality, with the strong belief that anything like that is made possible by a fusion of “advanced technologies / expert skills” and “unique ideas.” For realizing this goal, the company has been seeking various types of employees with different personalities, sensibilities and capabilities, who can nevertheless stay together on the same course; has put up their personnel policy, “3G! generation free, gender free, global” in the mid-term business plan “70 VISION” drawn up for the 70th anniversary of its founding; and defined “diversity” as a resource for their business strategies.

Recruitment and employment of competent women toward reforming the workplace into one with discipline

The current president was inaugurated in 2001. Since most of the employees at that time were men, it was a workplace with loose disciplines – just about everything was done in men’s ways, and it was free to smoke in factories. The president, immediately after taking the post, strongly felt the necessity of a workplace reform, and hence carried it out. He ordered employees to maintain discipline and prompted them to thoroughly change their attitudes, while seeking competent human resources who could help rebuild the company.

Generally speaking, a machine tool manufacturer is mostly occupied by male employees with a maths-science background. The company, however, has been proactively recruiting women since they believed that growth amidst global competition could be achieved only by assembling various talents, differentiating them, and creating innovations. On the other hand, they also thought that it would be easier for a company of this size to seek competent human resources among women.

While they never intended to have a double standard for

male-or-female recruitment, they told female candidates “never to join them while expecting to be just an assistant.” This made it possible to recruit women serious about their careers.

Specific measures for promoting diversity

Personnel management measures emphasizing non-sexist, right-person-for-the-right-job postings as well as opportunities for nurturing human resources

The president’s actions are based on his belief that “the right person for the right job is what personnel management is all about.” While utilization of human resources basically depends on how effectively an individual’s ability can be used, just being a woman can lead to a shipwreck of opportunities if they are not properly harnessed. To achieve the company’s basic philosophy “Be Professional!,” it is fundamental to accept the idea that being a professional has nothing to do with man-or-woman gender differences, and emphasizes professionalism and human qualities.

When the current president was inaugurated in 2001, women employees were assigned only to a limited range of positions like clerical ones. However, under his direction for using human resources, the company decided to define new female recruits as those who would play important roles in a career not limited to a clerical position, and hence started to hire motivated women. As a result, the female ratio increased to nearly 30% of the total, with substantial female postings in design, development, and manufacturing. As of 2013, about half of development-related positions are occupied by women. With the belief that nothing is sustainable without an “actual feeling of growth and opportunities for nurturing,” the company implements personnel management measures and policies with emphasis on non-sexist, right-person-for-the-right-job postings, as well as opportunities for nurturing human resources.

Nurturing managerial human resources through the “management school” supervised by the president

Launched in 2009 and supervised by the president, the “management school” trains company’s employees to be more competent in their managerial abilities for marketing, accounting and philosophy. Participants are appointed by the president in order to nurture the next generation who are expected to assume important roles for the company. They mainly consist of those aged from their late 20s to 40s, with the women’s share at 1/3.

The school is not limited to learning managerial knowledge. By getting the participants engaged in a discussion away from

their working framework and without any gender distinction, it offers them opportunities to go beyond gender and sectional walls, and mutually recognize their ability. Moreover, participants are encouraged to announce their own opinions and make a presentation, resulting in their growth as an employee who will be able to give a high-quality presentation with dignity even in places outside the company.

A scene from the “management school”



The “manufacturing dojo” (or training seminar for manufacturing) handing down expert skills to young people and women

The dojo offers opportunities to have the company’s high skills handed down by their own experts. In manufacturing a grinder, there is a stage where an extremely high level task called “Kisage” (or scraping) is required. It is an operation that realizes the machine’s high degree of precision by using one’s own hands to minutely scrape the metal surface in the final stage. The “manufacturing dojo” presided over by a factory head is the place where skills like “Kisage” are handed down to young employees.

Handing down expert skills at the “manufacturing dojo”



The “manufacturing dojo” is participated not only by technicians but also by those in management; and needless to say, also and proactively by women employees. It is the place where participants come to a profound understanding of skills like “why such a part is used and why such a process is necessary,” leading to high quality manufacture and development of new products. Some participants took a cue from their learning at the dojo, and went on to obtain official credentials such as a certified technician.

Managerial improvement activities by a female team

The managerial improvement activities “Sweet50” were launched in May 2013. These are activities that intend to improve corporate health for the 70th anniversary of the founding in two years to come. As one of these, the “awareness troop” by women is suggesting ideas for improvement to executives, which they obtain by going around factories and having discussions with women employees. Moreover, an employee’s good action is praised by employees as a “sweet message,” resulting in participation by both men and women for a cheerful workplace.

Flexible support for different individual needs like childcare

Since the balance between an individual’s life events such as childbirth or childcare and his or her profession varies from one employee to another, the company checks each individual to offer support. The company has an advantage over big companies in its size for dealing with employees on an individual basis, and hence commits itself to offering flexible support.

In the case of one female employee, she wanted to make a fresh try to study Mechanical Design during her childcare break so that she would be able to transfer to the design department for an active role upon her return to the company. Assuming she would be transferred to the design department after her break, the company made arrangements for her self-study at home by lending her the software course for design. If she had any questions, she was able to ask her supervisor at the design department for advice through email or phone. Indeed, the company supported her comprehensively. She came back to her workplace, and is still playing an active role in charge of mechanical design.

Managerial effects through promotion of diversity

Development of a new user-friendly diamond tool grinder, which does not require expert skills, by making use of female perspectives

A diamond tool grinder is a machine that grinds a diamond

tool, which is equipped with a diamond (or the hardest material of all existing substances) on its edge, by using a tool called a diamond grinding stone. The high hardness and the required degree of precision for the edge requires an expert's sensitivities and experience for using the machine. However, an increasing number of experts started to retire from the manufacturing scene – a part of the 2007 problem, prompting an increasing need for a grinding product of this type that can be easily handled by a non-expert.

So the company started developing "a diamond tool grinder which does not require expert skills" in 2011. While development is usually undertaken by male employees with expertise in related technologies like mechanical control, this project for developing a new type of grinder was participated by seven women selected from among designers, machine operators, and managerial assistants – a development based on fresh perspectives. Since "anyone can use it easily" means "even a physically weak woman can use it easily" or "even those without expertise in machines can use it," it was helpful to have women on the project because of their female perspectives. More specifically, their opinions and sensitivities led to new ideas, resulting in a machine that can be easily handled – a type of machine that was once considered difficult to use without expert skills.

The women who took part in the project contributed to developing the new product by offering various ideas from female perspectives, resulting in: (1) light handling, (2) easy-to-press buttons and their layouts, (3) use of screen images for deciding whether or not to process anything – a task that had previously relied on expert's sensitivities, (4) an eye-friendly screen, and so on. The new product differed greatly from the old one in appearance and capabilities, and the machine form, which was rugged in the old model,

has transformed into something soft and beautiful.

Right at this moment in time, the project has finished the first phase of development. While it will be necessary to lower the cost for selling the product in the market, the project was successful in developing a breakthrough product not based on conventional ideas – a great achievement so far.

Posting women employees to the production management team, leading to a high off-the-shelf ratio and a record profit

In the past, only men were posted to the production management team, which plays the most important role in factories. In 2004, the company started to post women to this important team. Currently, the team consists of eight members, and five of them are women, whose minute sensitivities make it possible to connect the factory floor with customers. For example, a certain product, whose sales were zero in 2008, started to sell increasingly, resulting in sales that reached 100 million yen in 2013, achieving the record profit of a 6-fold increase in June 2011 from 2006.

This record profit would not have been possible without these women in the production management team, whose sensitivities and steadiness contributed to having a good relationship with customers and managing the factories. For customers, it is important to receive what is needed when it is needed – an index called the "off-the-shelf ratio." While the target off-the-shelf ratio is set at 95% by the main customers as standard, the company's ratio was 99.2% in the first half of 2012 – the top ratio among all those in the same business. Indeed, this was only made possible by the faithful approach in dealing with customers, which contributed to increased customer satisfaction, resulting in more orders and an increase of profit.

The "diamond tool grinder" developed by making use of female perspectives

The old model



The new model



Corporate Name

Manufacturing

SME

Heart Co., Ltd.

Female employees developed new products paying special attention to organic properties, and this effort created a new demand from consumers who seek a safe and secure food supply.

Main points

- ▶ Paying special attention to organic properties for winning customers' confidence.
- ▶ All employees are women because of emphasis on manufacturing from the customer's perspectives.
- ▶ An excellent system for both regular and part-time employees, allowing maternity/childcare leave among other things.
- ▶ Female employees empathize with the customer's perspectives, whose special concern led to a new product and its big hit.
- ▶ A small number of returns and complaints because of manufacturing with special concern, resulting in a high degree of trust from clients.
- ▶ More business deals with major department stores and well-known retailers due to the trust in organic products.

Data

◎Corporate profile

Year of foundation	1988	Capital	10 million yen
Head office address	4-18 Kitakameda, Kochi City, Kochi Prefecture		
Business outline	Manufacturing internationally-certified organic textile products		
Sales	287 million yen (to July 2013)		

◎Data for employees (unconsolidated)

Number of employees	30 persons (including 19 non-regular employees)
Number of employees by attribute category	[Women] 30 persons (including 19 non-regular employees) Women's share of managerial jobs at 80%
Average service years for regular employees	7 years

Background and goals of diversity management

Grappling with manufacture from the perspectives of parents with children while paying special attention to organic properties

These days, the term “organic” has come into daily use especially for food items. However, although it is vaguely understood that “organic” is equal to something natural, the term seems to be going around on its own with no clear definition about what it really means. Against such a backdrop, there is a company called Heart who is now receiving a lot of attention as a manufacturer with special attachment to organic properties, which was already internationally certified as a manufacturer of organic products more than ten years ago in the apparel business.

Since its foundation in 1988, the company has been manufacturing textile products – mainly beds like futons (Japanese-style beddings) and sheets. These days, they also manufacture clothes like underclothes and pajamas, expanding their business field.

In their manufacturing practices, they assume the perspective of parents with children, making it a basic rule to create clothes they would feel secure for their own children to wear. Generally speaking, it is the mother who spends more time than anyone else with her child or children. So she is the one who is concerned with what is safe for children and hence able to make an informed judgment, and the company manufactures their products based on a mother’s perspective.

All employees are women after years of manufacturing products with special attachment to safety and security

All of the company’s employees are women except for the president. Although at the time of its foundation the male-female ratio was 50 to 50, the number of female employees started to increase gradually, and now it is all women in the workplace.

When a family decides to purchase bedding, it is not men but women who take the lead in most cases. In order to provide customers with genuine, safe and secure, organic products that are internationally certified as organic without any use of chemicals, it is necessary to engage with customers to manufacture products based on their perspectives. So it was absolutely necessary to utilize women. Moreover, many users who purchase the company’s products are housewives. In the midst of making efforts to create products based on the customer’s perspectives and ideas, it was a matter of course to see more and more women employees. It should also be

noted that the company had been accepting mid-career applicants – another reason for the increasing number of women.

Internationally recognized organic certification for winning consumers’ confidence

During the earliest years after its foundation, the company was manufacturing bedding based on their special attachment to safe products without use of chemicals. They soon came to learn that among all the materials they purchased like cotton and textures, there were a good number of fake ones that were actually mixed with chemical-tainted ingredients despite the pesticide-free claim. So they decided to take records of purchase and production at the factories – their own and their subcontractors’ – starting from 2002. Based on this practice, the company obtained a certificate from ECOCERT, an international organization for organic certification, in 2005. The organization conducts a rigorous on-site examination and evaluation every year, which the company must go through. They also obtained certification from GOTS (Global Organic Textile Standard), an international organic organization for textile products.

Specific measures for promoting diversity

Pre- and post-maternity leave, childcare leave, and nursing care leave for both regular and part-time employees

86% of all employees are currently in the midst of child rearing – a remarkable fact that would be only possible at this company which emphasizes housewives’ perspectives for manufacturing products. However, there are so many staff members in the midst of child rearing that some of them would have to take an emergency day-off due to a reason such as a sudden onset of fever. To avoid any inconvenience in the workplace in such a case, the company makes it a rule to have all information shared among employees. In addition to the minimum of three regular meetings a day, they have an emergency meeting whenever necessary, and employees are responsible for leaving memos prior to the day’s end. This system is not just for those in charge of understanding what is happening. Information is shared by all staff members so that no inconvenience would arise from anyone’s absence, allowing for a day-off without feeling uneasy.

Both regular and part-time employees are allowed to take pre- and post-maternity leave, statutory childcare leave, and nursing care leave. The record shows that there have been ten such cases with a ratio of 100%. Other

than such leaves, there is a once-a-year birthday leave in addition to paid holidays, all of which are taken at 100%. Even when an employee takes a long leave because of some of these reasons like pre-and post-maternity, she is not supplemented by anyone. If a certain department has to carry an extra load, there would be a temporary reallocation of the work force. In other words, all the other employees would work together to make up for it, allowing the absentee to return to her original department and position without any obstruction after the break is over.

Moreover, since the majority of employees are unable to do overtime work because of their various parental responsibilities like picking up their children at the nursery, the company makes it a rule to finish all work with no overtime, resulting in improved skills to get results within a limited time.

Part-time employees posted throughout all departments, with possibility of becoming a regular employee

Of all 30 employees, there are 10 regulars. Regulars receive a monthly salary, while part-timers get paid on a per-hour basis. There are more part-timers than regulars because there are a large number of mid-career recruits. It is possible for a part-timer to become a regular.

Both regulars and part-timers are evaluated by the same standard, and their salary increases accordingly. Even a part-timer can be transferred to a different post whenever necessary. There are part-timers assigned to all departments: manufacturing, accounting, planning, sales, and delivery, doing the same work as regulars.

Furthermore, a staff member, who retired due to a reason like a family matter or a sickness, can come back to the workplace if she finds herself in a good enough environment. One staff member even repeated retirement and return over and over again due to her spouse's relocation.

The company makes efforts to create a workplace where female employees including those in the midst of child rearing can fully play an active role: For example, they allow employees to come to the company with their children in the morning during summer and winter school vacations, opening up the second floor for children to do their homework during the day, so that both parties can go home together in the evening. As another example, they give out an ecology commuting fee (100 yen for round-trip) to those who engage in environment-friendly commuting using a bicycle.

Moreover, they implement a study session every week for employees to learn various things: how a human body is affected by chemicals used in textile products, how safe products are, and how dangerous chemical substances are.

Managerial effects through promotion of diversity

Thorough attachment to manufacturing through empathy with customers, which led to a hit product

Ever since the early years of its foundation, the company's clients have been limited to those like a consumer cooperative with special attachment to pesticide-free products, or a group buyer of pesticide-free vegetables. Manufacturing a product with special reliance on organics for raw materials costs more than manufacturing an ordinary product. Naturally, the extra cost is reflected in the price tag. Those who purchase the company's organic products, which are sold at a price 1.5 times higher than ordinary products, have a sense of special attachment to pesticide-free food items. Ever since the early years of its foundation, the company has been focusing on such customer segments as a sales target since those are the ones who would choose organic products despite their high prices. Also, each product line is manufactured in one lot and sold out in one season. The company tries to provide a purchase incentive to users by offering a new item from one year to another.

In creating a product, ideas by female employees with special attachment to a stress-free life can take on a concrete form. For example, the new product "Relax Shorts" became a big hit in 2013 (monthly sales of 200 pairs). The shorts, which look like a loincloth, go against the common sense of female shorts. Compared with another similar organic cotton shorts released by the company, which had a monthly sale of 60 pairs on average, and with an average monthly sale of all other products of 82 pieces, the sale of "Relax Shorts" is outstanding.

Moreover, the company could give users a sense of satisfaction as the special attachment to manufacturing a good product led to high quality with hardly any returns or claims from consumers. Also, this attachment led to a high degree of trust by client retailers.

Continued efforts for improvement with no compromise are another characteristic of the company's manufacturing policy. Regular or part-timer, all female employees submit their own ideas for planning a new product. Based on selected ideas, a sample is created, and checked by all female employees. The points to be checked are: texture, laundry durability, how sleeve seams are lined and overlapped for apparel like pajama, how buttons and strings are set up, and so on. Indeed, samples are minutely checked for possible improvement. If there is a tag inside against one's skin, it would be removed to a part with no

danger of skin contact since a tag may cause some skin trouble. Various ideas for improvement such as this would come out based on the assumption that these women and their family members are users. From planning to sales, it takes about 6 months for a new product to reach the market since commercialization starts only after (1) several rounds of checking and (2) production of a sample that can satisfy all female employees. No small number of samples failed to be commercialized for not meeting the female employees' demand level.

Manufacturing by all female employees



Relax Shorts, a hit product



Finding what users need through female employees' own experience

Sales practices are also based on perspectives in line with customers. In general, women have more attachment to bedding and underwear than men. Since the users are overwhelmingly women, all sales personnel can correctly understand their problems concerning home and childcare based on her own experience. Again, it is a great advantage to have perspectives in line with customers.

Furthermore, the company has adopted their unique

methods for business operations like a bed washing service. While an ordinary bed laundry routinely puts several beds together for washing, the company's service washes them exclusively for each customer by using soap. They adopted this method thanks to female employees who understand how women would feel if their beds are put together for washing with those used by someone they don't know – obviously they would say "No!" Even though the price is set a little higher than the ordinary, the service is welcomed by users with special attachment to "comfort and cleanliness."

The pesticide- and additive-free principle is also reflected in manufacturing processes in the factories. While machines are thoroughly cleaned without compromise, no forklift is used to carry a 200kg of cotton because the forklift's oily smoke could stain the cotton, and so it takes four female employees using their own hands to set the mass rolling. Moreover, the attachment to natural materials is enforced in all details. For example, based on the belief that chemical substances should be avoided as much as possible until the product is in a customer's hands, they don't use any cosmetics or hand cream, and use soap when washing hands.

Increasing public attention paid to organics for more and more business chances – an 80% increase of new contracts

These days, even ordinary supermarkets sell pesticide-free, organic products, reflecting the heightened awareness of environmental problems, and more and more people are seeking organic products. The company has been expanding their business partners by offering products that can meet such social changes. A female employee in charge of marketing made aggressive efforts for results – participation in a gift show as one such effort, and succeeded in starting catalogue sales for Mitsukoshi Department Store and a business deal with Nitori in 2012. Furthermore, the market is expected to expand as one of the company's major partners formed a capital alliance with Lawson in 2013. New contracts for fiscal 2012 increased by 80% (based on the number of cases) from the previous fiscal year.

Sales transactions

2008	2009	2010	2011	2012
4,350,000	4,170,000	3,630,000	3,170,000	3,110,000

Corporate Name

Manufacturing

SME

Kikusui Shuzo Co., Ltd.

Female employees created the “By Women for Women Sake-making Project” to create new products targeting female consumers. They created over 85 new products, leading to cultivation of a new business market.

Main points

- ▶ A long-established brewing company in Kochi Prefecture, dating back to its foundation in the Edo Period and “Innovation” upheld as its corporate philosophy, they have a history of making pioneering attempts.
- ▶ Recognizing women as new graduate, competent human resources, the company, since the early 2000s, has been making efforts to create an environment in which women can work with a sense of fulfillment – with company housing as one of the efforts.
- ▶ The increasing number of female employees prompts planning and development of new types of *sake* for women, which does not get on the right track. The company decides to let the entire project be handled by women.
- ▶ The “By Women for Women Sake-making Project” starts. *Sake* products that taste like dessert make a big hit and become well known throughout Japan.
- ▶ Many other hit products are produced afterward, and sales of *sake* for women grow steadily as a new business for supporting the company.
- ▶ Recruiting a female foreigner, the company starts a new *sake*-making project for developing export products for foreigners. The first product makes a big hit as they are served on ANA planes.
- ▶ The company has been making “innovations” in the brewing business (e.g. incorporating women’s ideas for traditional *sake* and *shochu*). Their challenge continues.

Data

◎Corporate profile

Year of foundation	2002	Capital	45 million yen
Head office address	6-25 Honmachi 4-Chome, Aki City, Kochi Prefecture		
Business outline	Manufacturing alcoholic beverages (<i>sake</i> , <i>shochu</i> , liqueur, fruit wine, and brews)		
Sales	950 million yen (to September 2013)		

◎Data for employees (unconsolidated)

Number of employees	60 persons (including 19 non-regular employees)
Number of employees by attribute category	[Women] 21 persons (including 7 non-regular employees) Women’s share of managerial jobs at 21.4% [Foreigner] 1 person (no non-regular employees)
Average service years for regular employees	8.7 years (10.7 years for men, 4.6 years for women)

Background and goals of diversity management

A long-established brewing company in Kochi Prefecture upholds a flag of “Innovation” and makes a challenge

One of the long-established brewing manufacturers in Kochi Prefecture, Kikusui Shuzo has a long history ever since its foundation in the Edo Period. Upholding a flag of “Innovation” as its corporate philosophy, the company introduced a refrigerated storage facility to the *sake* storehouse for the first time in Japan in 1926, and realized high quality *sake* manufacture in the land of Kochi known for its warm temperatures. Then, the refrigerated storage technology they developed was adopted throughout the entire country, setting up the basis for manufacture of *sake* in today’s brewing business world. The company’s philosophy of “Innovation” has been handed down through generations to the present day, going beyond *sake* and *shochu* to create a wide range of products, and including brand new lines such as *sake* mead made with honey, brown sugar *sake*, and so on.

Strong in creating a pioneering product, the company started a new project around 2000 – a development of products of a genre considered revolutionary for the traditional brewing business world: *sake* for women. Through various trial and error, the products for women matured steadily, and ten years after the start, they are now one of the major lines supporting the company’s business. This new project, which has been a series of challenges, was led to success by female employees who played active roles, and by the hard efforts of the company for making it successful.

Recognizing women as new graduate, competent human resources

The company started to take note of female employees in 2003. The traditional world of *sake* brewing, in which men have always played active roles, tends not to accept many women. In fact, there were only a few female employees in the company in 2003. However, when the company started to hire new graduates in order to acquire local human resources, there were more competent candidates among women than men. After leaving the prefecture for reasons like attending college, not many men would come back. Therefore, the company thought that it would be better to try to find competent human resources not among a small number of men, but among competent women with potential to be successful. With this principle, they ventured beyond the brewing world’s traditional line, and started to hire female graduates proactively.

Simultaneously with efforts to recruit new female graduates, the company also started to consider development of new products for women in order to pioneer a brand new area. However, the products developed by men for female customers did not really catch on despite these efforts, resulting in continued trial and error.

In such a situation, the number of female employees recruited as new graduates started to increase gradually, leading to opening up a new era in the company’s long history.

Specific measures for promoting diversity

Creating an environment in which women can work with a sense of fulfillment

Trying to be a company in which female employees recruited as new graduates can work comfortably and vibrantly while increasing the number of new graduate female applicants who find the company attractive, they first decided to arrange company housing. With such a housing system, it would be easier to recruit human resources who live outside the commuting area and hence cannot commute from their home. Indeed, company housing was one of the frequently asked questions – a typical female concern – at the interviews for female employment.

To build housing for women, the company considered as many an opinions as possible from female employees: separation of bath and toilet, a large closet, a bathtub in which to stretch the legs, and so on. Female employees voiced a high level of satisfaction with the company’s housing which was completed by adopting female requests, leading to an improved job-retention rate. Also, rooms that can satisfy even women who once lived in a sophisticated apartment in a big city contributed to recruiting competent female human resources. This investment, which was relatively large for the company, led to a major result – or creation of an environment in which a woman seeking a certain level of satisfaction in her privacy can work with a high sense of fulfillment.

In addition to company housing, there was also an issue about the office environment within the company: how to set up an air conditioner’s temperature, use of a humidifier when heating is on, introduction of a wash toilet for a pregnant female employees, and so on. Again, the company adopted as many requests as possible from female employees, and made efforts to realize an ideal environment for women.

As for internal business rules that had been implemented from men’s point of view, the company communicated with women proactively, and arranged the new rules in line with opinions from women with children. For example, they made it possible for a mother to arrange her working hours in accordance with pickup and drop-off of her child, and also decided to allow her to work accompanied by her child depending on personal reasons. Also, they started to lend out a laptop computer to those on childcare leave for uninterrupted communication – one of the efforts to do the best possible as a company. Indeed, they made efforts little by little to create an environment in which female

employees can fully demonstrate their abilities without feeling any difficulty.

Decision to let everything be handled by women

The female employees recruited as new graduates began to play active roles in various departments: ranging from the brewing department, which owns *sake* storehouses and was dominated by male artisans, to the planning and sales department, where new products are planned.

And in 2009, the company modified its business direction concerning development of *sake* for women. Although they had been already expanding the product line for women for several years with a gradual increase in sales, it had been a struggle since retailers didn't understand the product's originality and hence didn't want to have it on their shelves. So, the male manager in charge of the planning and sales department made a big decision to let the entire project be handled by women. While he thought that it would be enough to understand his female employees and give them support on necessary issues in order for them to get results, he began to realize the difficulty for male employees to fully understand female minds and sensitivities. He chose not to force himself to understand women, but to change the direction to letting them handle everything on their own.

Up until then, many female employees had expressed their dissatisfaction with their male counterparts who failed to understand female sense and feelings in developing *sake* for women. More specifically, these men were unable to fully understand: a sweet taste preferred by women, a "visual cuteness" that pleases them, and a female feeling of "buying something a little more high-grade as a reward to herself," making it difficult for a male-female mixed team to pursue the product concept that the female employees wanted to realize. In accordance with such a situation, the manager imposed the following goal on the female-only team: "Creating a product that women really want to buy without worrying about cost and method of manufacture."

Start of the "By Women for Women Sake-making Project"

The female leader in the planning and sales department, who was put in charge of planning a *sake* product for women, began her duties by planning a series of meetings for consumers starting in January 2009 entitled, "By Women for Women Sake-making Project." The meetings are intended for the women from college students to 40 something, who are interested in drinking *sake*. Each meeting is advertised in magazines every two months or so, held in various major cities throughout Japan including the local Kochi city, and attended by about 20 women. In 2012, it was also held in Hong Kong.

Based on the opinions raised by *sake*-loving female consumers in these meetings, the female employees at the planning and sales department came up with good ideas, leading to a series of original *sake* products never seen in the brewing business world until then. Specifically, these

products are those with special attention to cosmetology including liqueurs containing collagen – a substance considered good for skin – or namely, "Orange Peel Beauty," "Plum Beauty," and "Peach Beauty," a liqueur containing hyaluronic acid – a substance considered effective for keeping moisture on the skin – or namely, "Jelly Sake," and also unique products that take account of situations in which women desire to drink *sake*: "Relax Cup" – a *sake* product for you to drink by using a microwave to warm it up when you want to relax, "Ai Ai Ice" – a product to be poured on ice cream, and so on.



The hyaluronic acid product "Jelly Sake" launched for sales in 2009 received a high reputation for its style of consumption using a spoon for eating as a dessert, which was a brand new feeling, and hence was given a lot of attention as it was introduced on TV. This concept "pf an eatable *sake*" came from the ideas of those who attended the meetings. Sold on the Internet, the product made a big hit, leading to the popularity of the *sake* line for women.

As for other products, there is "Fruits Liqueur" – a product with special attention to the cute package prompting women to purchase it, "Yogurt Sake" – a product pursuing female taste, "Soybean Milk Sake," "COCOPINE" – a product that becomes a cocktail with addition of milk, and so on. Indeed, the team is developing products that women would like to drink at least once in their lifetime. There is even a product called "OTONASHI LOVE STORY" – a *sake* product to "Make your love come true" containing heart-shaped gold leaves, an idea taken from the Otonashi Shrine in Kochi Prefecture considered to bestow fortune on a marriage tie. So, various products based on ideas impossible for male employees are now being created one after another.

Due to the success of the *sake* line for women since 2009, all nine members in the planning and sales department in charge of new products for the company are now women. The strategy of "having all products be developed by women" is leading to new business fields for the company.

A product "By a Female Foreigner for Foreigner Sake-making"

With its *sake* line for women now on its way, the company started to discuss development of a *sake* product for export targeting foreigners. However, as was the case for female taste, it was difficult for Japanese employees to understand something like tastes and sensibilities preferred by foreigners. So they decided to recruit foreign human resources.

In 2010, the company hired an American woman who was working in Tohoku as an international exchange coordinator. Since she had a strong desire to take part in manufacturing the Japanese *sake* she loved, they posted her to the planning department where *sake* was made. In cooperation with female employees at the planning and sales department, she studied tastes preferred by foreigners, and created the sparkling *sake* “Kirara Kikusui” for foreigners. This product too became a hit as it is now offered on ANA planes.

Overcoming adverse conditions in the company

When the *sake* line for women started, the planning and sales department consisting of only women started to receive complaints from both male and female employees in other departments. In fact, even though it was the planning and sales department who planned products, it was other departments who were in charge of selling those products. Some employees in sales started to say that their work as sales staff should be given higher evaluation.

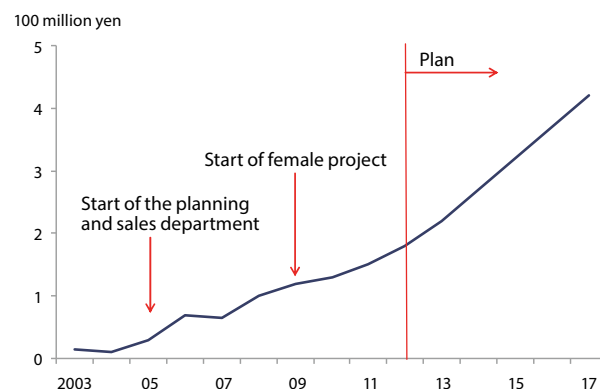
Also, some male employees were not able to hide their antipathy to women-led product development. Even though their discontent sometimes developed into a heated discussion, the company tried as much as possible to resolve the problem without leaving any dissatisfaction. For example, they let the two sides talk to each other to resolve friction – in a meeting sometimes attended by superiors. Also, the male manager explained the importance of the planning and sales department for management and strategy, and made employees better understand the company’s policy – another effective way to resolve such an issue.

The results produced by female employees in the face of these difficulties have now been taken up by various magazines and TV programs, and the company’s fame is gaining much more force than expected.



which stays at around one billion yen. The company plans to increase the sales of *sake* products for women, which is about 200 million yen, to twice that amount or 400 million yen within five years.

Sales of products for women



Sake and *shochu*, which are traditionally the company’s main product lines, are products for a mature market with long years of history. Many large companies take part in it, heating up the price competition. According to the National Tax Agency, the amount of Japanese *sake* consumed in 2010 decreased by 18% in 5 years, indicating a large shrinkage of the entire market due to a smaller population and less consumption of *sake*. Indeed, the company’s sales of *sake* and *shochu* have been gradually declining since its peak. So it was very important to start a new business in order to compensate for these sales losses. Creation of the new business area by women, called *sake* for women, is now producing important results for the company’s future.

In comparison with *sake* and *shochu*, which are now exposed to severe price competition, the *sake* products for women tend not to fall into a price war since many of them are purchased as something like a high-class dessert. Keeping up high profit in the new market with few competitors, the company is expecting to see more and more sales from its *sake* line for women.

“Innovation” for the traditional brewing business

The women’s great success is changing not only products for women, but also the company’s traditional products. Indeed, the company is now developing new products based on the belief that the idea of giving *sake* some kind of “function” by mixing in collagen or hyaluronic acid can also be applied to other products. Beyond the products for women, with male employees flexibly adopting female employees’ ideas, a certain new innovation also participated by men is now taking place.

The women’s great success created a new scene in the history of the company which waves the banner of “Innovation.” Equipped with a new strategy called flexible thinking, their “Innovation” in the traditional world of the brewing business continues.

Managerial effects through promotion of diversity

Sales of *sake* for women become a new business supporting the company

After the company made a drastic change in developing *sake* products for women by letting all development be handled by women, many new products were developed as was seen above. In fact, more than 85 new *sake* products for women appeared in just five years. Among them, many became a hit. The sales of *sake* products for women have grown to be about 20 percent of the company’s total sales,

Corporate Name

Information and communications

SME

Dunksoft Co., Ltd.

The company's efforts to establishing a working-friendly environment and hiring Turkish helped it succeed in the development of new software.

Main points

- ▶ Establishment of a working-friendly environment for improving employees' motivation, and internship and recruitment of foreign students for the corporate philosophy of "Aiming for a global company."
- ▶ Opening of a satellite office as an effort to establish a work-friendly environment, which led to some drastic changes: departure from a paper-based system and introduction of IT.
- ▶ Use of a recently-recruited foreign employee as a project leader for development of new software, and realizing development and commercialization of software in half the time it took before.

Data

◎Corporate profile

Year of foundation	1983	Capital	10 million yen
Head office address	8-20 Kyobashi-building Kyobashi 2-chome, Chuo-ku, Tokyo		
Business outline	Creating/building/consulting for an Internet site, consulting for business systems, software development		
Sales	215 million yen (to June 2013)		

◎Data for employees (unconsolidated)

Number of employees	22 persons (including 2 non-regular employees)
Number of employees by attribute category	[Women] 7 persons (including 1 non-regular employee) [Foreigner] 2 persons (including 1 non-regular employee)
Average service years for regular employees	7.5 years (7.9 years for men, 6.5 years for women)

Background and goals of diversity management

Improving employees' motivation for survival in the IT business world

The word "Time for Life" is Dunksoft's mission. The president has been communicating the importance of leisure to his employees by teaching how to spend leisure time: a trip to the World Cup, playing tennis during the weekend, and so on. In this way, the company puts up the flag of blending and integration of WORK and LIFE as its corporate philosophy, and has been making efforts to realize a diversified way of working.

Founded in 1983, the company is an old player among IT companies. However, to survive in the rapidly changing IT business world, each one of employees must have a high motivation for working proactively. Hence, they have been making efforts to establish a work-friendly environment since 2003 (the 20th anniversary of their foundation) by improving the corporate culture that took their long overtime hours, both late night and all-night, for granted – a measure enacted especially for female employees, and also by changing the working rules that had stayed unchanged since its foundation, so that each employee can continue to work on assignments while keeping up high motivation.

Start of recruitment and internship of foreign students

The company started to hire human resources from overseas in 2010. Although they had been looking for their employees only among Japanese nationals up to then, they made up their mind to foray into the global market for their survival in the age of rapidly progressing globalization. It should be also noted that they had been waving the flag of "Aiming to be a global company" as their corporate philosophy ever since their foundation.

So, in addition to making use of the linguistic ability and knowledge of foreigners, they wanted their Japanese employees to have a global perspective for motivational improvement. For this reason, they planned internship of foreign students and recruitment of foreigners.

Specific measures for promoting diversity

Seeking a style of working no matter where

The company started to seek a style of working no matter where, when one of the employees was forced to take a long leave due to sickness in 2005. They established a framework that enables teleworking as a support measure for his (or

her) return to work, realizing a style of working at home.

After that, they revised the working rules to ones that make it possible to support child rearing, and promoted introduction of a paperless system in the workplace, which started in 2007 when the workplace was inundated with application papers for establishing a private information protection system. In the fall of 2010, it was further promoted as a necessity to enable a teleworking system, leading to the creation/browsing/storage of materials and papers using electronic media as far as possible. As a result, the office space, which had been about 260 m², was downsized to about 100 m².

In this way, the company has been establishing a framework for enabling high working efficiency in cases outside of the official workplace. For example, on a stormy day, each employee is allowed to go home on his or her own judgment for continued teleworking, enabling business as usual – something that is currently going to demonstrate a system is ready for a disaster.

Opening a satellite office

As an effort to promote a style of working no matter where, the company established a satellite point on the Izu plateau in 2008, to which two employees were posted to do design and support tasks while managing an NPO for teaching outdoor sports. Web cameras were used to maintain a connection between employees in the main office and the satellite point. The full-time connection enabled consultations about tasks and casual conversations during a work break, creating an atmosphere in which both parties could engage in their tasks as if being in the same office, feeling a sense of unity.

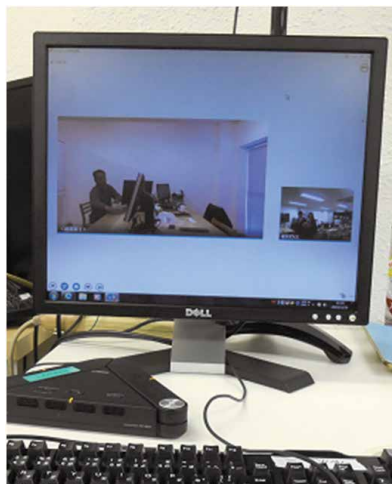
Then, the great Tohoku earth earthquake occurred in 2011. In the face of such a gigantic natural disaster, the company had to confront the risk of business management in only one particular location. So they decided to establish a satellite office in western Japan as a possible countermeasure.

After looking for a suitable spot in various parts of western Japan, they decided on Kamiyama-cho, Tokushima prefecture. Although an area with shrinking population, Kamiyama-cho is known for a solid infrastructure necessary for IT companies thanks to the efforts of Tokushima prefecture to bring in businesses by realizing a high speed Internet connection of 1 Gbps (300Mbps for wireless LAN) throughout all areas.

So, the company's employees spent days in the town, promoting the establishment of a satellite office. They also established another satellite office in Tokushima city for the following reasons: they came to be acquainted with competent people in Tokushima city because of their efforts in Kamiyama-cho, and hence wanted to keep in

touch with these people; and they meant to experimentally demonstrate their ability to carry out tasks in multiple locations. As for resident employees, there is currently one in Kamiyama-cho and two in Tokushima city.

Web cameras connecting main and satellite offices full time



A flexible way of working, time-wise and workplace-wise

The company started to introduce a flex system (core time: 10 to 15) in 2012, enabling a way of working without any constraint on time as well as location. If an employee was not able to work full time either in the main office or in a satellite office for reasons such as child rearing, he or she was now allowed to freely set up his or her own time range for working.

Moreover, since the company allows employees to take a side job, there are those who work in this company on some days and in another one in the same field on other days – another way of working flexibly.

Recruitment of foreigners

The company started an internship for foreigners toward their recruitment in 2010.

First of all, they decided to accept foreign students for an internship. When the company sent out information through a site set up by colleges and universities in the Tokyo area that offers information on internship for students overseas, they received applications from a Turkish graduate student in 2011 and two Turkish college students in 2012, and ended up accepting all three. The Turkish graduate student, who received work experience in the company through the internship, decided to join Dunksoft despite the offer from an internationally well-known company in Northern Europe because of the company's flexible and working-friendly environment, and also of the friendly relationships among employees that he found so attractive. The Turkish college students entered a graduate school in Japan, and are now working in the company as part-timers.

To continue to hire foreigners, it is necessary to have an

application site in English to provide relevant information. It was the foreign employee recruited through internship who took the leadership in creating such a site in English.

Efforts to make foreigners adapted to and retained by a Japanese company

The company believes that it is important to consider the adaptability of a foreign applicant's personality to the Japanese business culture as one of the standards for recruitment since a foreign employee, once recruited, must be retained. The recent applicant loved Japan and had a strong desire to do something for the Tohoku quake-hit areas – a proof of strong willingness to adapt to Japanese companies. Therefore he was hired.

Also, for a foreigner to continue to stay in a Japanese company, it is important to develop good human relationships with Japanese employees.

The two Turkish students, who were in the company as interns, took part in establishing the satellite office in Kamiyama-cho, Tokushima prefecture. They also visited the Tohoku quake-hit areas with Japanese employees, ate and slept together, and were able to establish close human relationships.

Of these Turkish interns, one graduate student joined the company in 2013, and has since been playing active roles – as someone in charge of developing new software, and also a leader for the development project he started with two other Japanese.

The foreign employees say: "I'm treated like a family member. They talk to me on one or another occasion, but I feel reassured because they pay close attention," and "They are all friendly and cooperative."

Startup of the satellite office in Kamiyama-cho, Tokushima prefecture



Importance of creating an environment

As for the reasons for making the unique efforts described above, the president comments as follows.

"Since this is a small company, we cannot do anything unless we act before setting up conditions. So we

established a corporate environment called 'a said-first system', explained later, for all employees to freely put their ideas out, and emphasize the importance of 'doing it first.' If you do something for the first time, you will fail for sure. However, it is important to analyze the reason of failure carefully before going on to the next step."

The ideas for developing new products, which are described later, were born out of the experience of some employees who visited the Tohoku area as volunteers for the quake disaster. They wondered if they could create something that binds together local people who have been separated from one another, if they could create something convenient for elderly people with physical disabilities to keep on living. The president believes that nurturing employees' desires and ideas leads to company growth.

By the way, tasks like employee work/schedule management, customer management, case management, and so on, are all done on the Web.

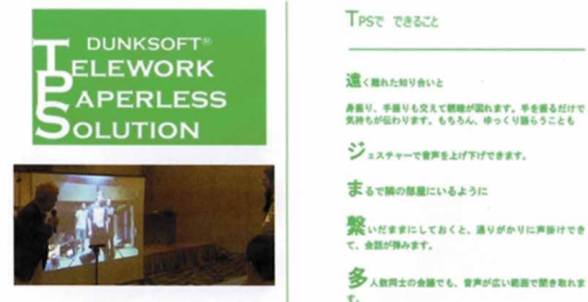
Managerial effects through promotion of diversity

Use of the newly recruited foreign employee as a project leader for developing a new product

Immediately after his recruitment in 2013, the Turkish employee assumed the responsibility for developing a new software product he proposed. The company has a rule called "a said-first system," putting anyone who has proposed a good idea in charge of all others. The rule is intended to use those who are willing to work on the proposed project, rather than emphasizing past experience and achievements in the company.

The new product, for which the Turkish employee took charge of development, is a machine which functions by recognizing human motions. For example, it allows an old person, who cannot use a TV remote controller well, to lower or raise the sound volume only by waving his or her hand. In a TV meeting attended by a large number of people, it allows a speaker to be zoomed in. In this way, the product can be used in various aspects of one's life. Although the company had never developed any such software in the past, they decided on its development as a step forward in a brand new area, and put the newly recruited foreign employee in charge of the team. This foreign employee had such a high IT skill level that he was able to complete the development in half the expected time, while keeping the development cost down to 40% of the average cost for other products. The new software is scheduled to be on the market in late March 2014.

New software "DUNKSOFT® - TPS" to be on the market in March 2014



New results through improvement of employees' motivation

The management policy of improving employees' motivation and the use of employees emphasizing willingness led to the acquisition of good human resources.

The company started to hire (especially female) college graduates in 2005. Two female employees were put in charge of recruitment. Although the company was able to recruit two female graduates in that year thanks to their efforts, the female employees thought that what made the company look different from others was the lack of a company profile on paper.

So, adopting their suggestion and letting them play an active role, the company created its profile on paper for the first time in 25 years. By using it, the company was able to appeal themselves and recruit another two female graduates again in the following year.

Improvement of external evaluation

The company's efforts to establish a work-friendly environment have received high praise from various organizations: recognized as a "company with a well-balanced work and life ethic in Tokyo" by Tokyo's industrial labor office in 2010, selected as one of the first companies recognized by Tokyo's Chuo Ward for their promotion of a well-balanced work and life ethic, and so on. This high praise bodes well for acquiring human resources, creating a virtuous circle.

Cost reduction

On the management side, the company established an organizational system allowing for exclusive attention to the core business by enabling outsourcing through total digitization of internal documents and managerial tasks, thus no longer needing human resources for accounting and general affairs. As a result, the intermediate departmental human cost decreased by 5-10 million yen compared to other similar-size companies in the same business.

Moreover, by hiring human resources in local regions and overseas, the company was able to decrease the recruitment cost in Tokyo, where the main office is located, by 90%.

Corporate Name

Information and communications

SME

Cybozu, Inc.

A female manager applied the internal groupware, titled "Users' Opinions," which is shared among all the employees and part-time workers, to product development efforts, which realized an increase in sales.

Main points

- ▶ Overcoming "7K" in the IT business world, and switching to "More People," "More Growth," and "Longer Working Environment."
- ▶ Introduction and practice of childcare leave, which is "allowed to be taken immediately upon start of pregnancy" for "a maximum of 6 years."
- ▶ A selective personnel system allowing for changing one's own way of working in accordance with one's sense of value and stage of life.
- ▶ A mechanism for personnel evaluation emphasizing "reliability" and "growth" based on a diversified way of working.
- ▶ "Ultra Work" aiming for flexibility not just in time but also in location – an attempt at further development of the personnel system.
- ▶ Realizing sales increase by using the voices of all the employees and part-time workers for product developments, such as a cloud project.
- ▶ Controlling cost of recruitment and education through decrease of job turnover and publicity effects.

Data

◎Corporate profile

Year of foundation	1997	Capital	613 million yen
Head office address	1-4-14 Koraku-Mori Building 12th floor, Bunkyo-ku, Tokyo		
Business outline	Groupware business		
Sales	4,140 million yen (to December 2012) *Sales for 11 months due to change of accounting period		

◎Data for employees (unconsolidated)

Number of employees	295 persons (including 1 non-regular employee)
Number of employees by attribute category	[Women] 112 persons (including 1 non-regular employee) Women's share of managerial jobs at 10.5%
Average service years for regular employees	4 years 10 months (4 years 11 months for men, 4 years 10 months for women)

Background and goals of diversity management

The “7K” in the IT business world had become the norm, increasing the job turnover to 28.5%

Cybozu develops, sells, and supports products called groupware, a type of software that supports joint tasks by making information sharing and communication in an organization easier. The company was founded in 1997. It started its business operations in a 2DK apartment in the founder's hometown, Matsuyama City, Ehime Prefecture, with three young members: a 30-year-old president and two 26-year-olds. Even though it was a time when both PCs and the Internet were still far from being popular, they started this business because they passionately wanted to “develop and offer an easy-to-use groupware that allows for sharing action plans and information through the Internet and Intranet.”

On the other hand, the company's working environment was becoming more and more difficult. So-called “7K” (or 7 negatives, each of which is a word starting with K in romanized spelling in Japanese, namely: “1. Hard (Kitsui),” “2. Can't go home (Kaerenai),” “3. Low salary (Kyuryo ga yasui),” “4. Tough rules (Kisodu ga kibishii),” “5. No vacation (Kyuka ga torenai),” “6. No good cosmetics (Kesho ga noranai),” and “7. No marriage (Kekkon dekinai)”) in the IT business world symbolized the long working hours, which was considered the norm.

The personnel system was also beginning to see cracks. Although the system had been growing, supported by a so-called venture spirit, it had adopted personnel policies that insisted strongly on a merit system based on target management, and an increasing number of people started to say “I can't keep up with it.”

It was in 2005, 9 years after the foundation, when the company started to feel a strong sense of crisis: “This is not going to end well.” In the same year, the company's job turnover had reached a whopping 28.5% annually.

Toward “More People,” “More Growth,” and “Longer Working Environment”

In a situation where about 1/3 of regular employees were replaced in a year, there was a sense of crisis: people would not grow, the accumulated know-how would be drained, and the organization's unity would be weaker and weaker. This was a big problem for a company that believed it was important to “secure competent human resources and let them work long years in the company,” in order to achieve a long-term growth from then on.

So, what should they do? The first thing would be to improve the severe working environment and establish a new one in which “more people” can “grow more” and “work longer.” In this way, the company aimed for a better retention rate by hiring “competent human resources.”

There is a necessary condition for what the company

considers “competent human resources.” They have to be “people who can share the same dream and work together as a team for achieving company targets.” To find human resources who satisfy this condition and are also competent in other areas, it would be better to make selections from among as many candidates as possible. The company found it impossible to screen and hire “competent human resources” as long as they only looked for those who could only endure long working hours, and keep up with a short-term merit system.

Incidentally, it was for the same reason that they targeted female students when they started to recruit new graduates in 2004. Male students tend not to join a small- or mid-size company because they usually aim for a big company. In such a situation, it was a good strategy for a small- or mid-size company such as theirs to make selections from among “math-and-science girls,” who were considered relatively easier to hire, in order to recruit competent human resources.

The very personnel policy needed for “recruiting competent human resources” and “beating strong opponents in the global market” was the diversity management that allows various human resources to demonstrate their ability to produce good managerial results.

Specific measures for promoting diversity

Introduction and practice of childcare leave, which is “allowed to be taken immediately upon start of pregnancy” for “a maximum of 6 years”

One of the various policies aiming for employees to continue work is the support system for maternity and childcare beyond the legal guideline. For example, a pre-maternity leave can be taken immediately upon start of pregnancy, and childcare leave is allowed for a maximum for 6 years.

This policy was introduced in 2006, which is around the time when recruited female employees started to enter their maternity period of childbirth and childcare. It was introduced because “if the company doesn't implement a system in which women can continue to work while caring for their child, these competent human resources will quit,” and “anything like that shouldn't happen.”

Before 2006, the company paid salaries based on the annual salary system including overtime money. Those who were not able to work overtime were treated as if they were “out of the question,” and everyone considered it “impossible to have it both ways for their profession and childbirth-childcare.”

So it was a drastic change from such a situation to a system allowing for childcare leave for “a maximum of 6 years,” a length of period beyond the legal guideline. Introduction of such a system was possible only because of a fundamental shift of belief: from a focus on only those who can endure long working hours, to an environment in

which “more people” can “grow more” and “work longer.”

Although the system allows for childcare leave for a maximum of 6 years, most female employees on leave come back to their workplace in a year or so. This trend stays unchanged even when they give birth to their second or third child. Of course, the company is not asking for their early return. It is all because the environment allows them to continue to work without worry even after taking a leave of only a year or so. The “selective personnel system” described below will explain the reason.

A selective personnel system allowing for changing one’s own way of working

The “selective personnel system” is the company’s original system in which anyone can change his or her way of working in accordance with his or her events in life. Each employee is allowed to choose his or her working style among the following three options according to his or her own will. This policy comes from the belief that not only female employees in the midst of maternity and childcare, but also all employees should benefit from an environment in which “more people” can “grow more” and “work longer.”

Selective personnel system allowing for changing one’s own way of working

Name	Outline	Remarks
PS2 (more for work)	Working regardless of time	Many among those in development and planning Selected by 72% of all employees
PS (work-life balance)	A little amount of overtime acceptable	Selected by 6% of all employees
DS (more for life)	Fixed and short working hours	Selected by 22% of all employees

Those in “PS2” and “PS” are paid a monthly salary. Each type of salary includes payment for 40 hours of overtime per month. Although those in “PS2” who work regardless of time follow a discretionary working rule, they too, like those in “PS,” practice a time management for not working beyond 40 hours of overtime. When their estimated overtime exceeds 40 hours, they get extra pay accordingly.

On the other hand, those in “DS” are paid on an hourly basis. Their salary is exactly based on the number of hours they worked. However, this system is now being examined for a shift to a monthly type, since their income goes down inevitably for a month with many holidays – Golden Week Holidays in May, the year change period, and so on.

The same evaluation for two different employees means equal pay for both of them for each working hour if their salaries are calculated on an hourly basis regardless of their working styles, “PS2,” or “PS” or “DS.” Such evaluations for calculating salaries are finalized in the “evaluation meeting” attended by senior officials (division managers and higher).

“Choosing a way of working according to one’s own will” does not cause any inconvenience to organizational management. In fact, such a choice is mostly made according to one’s health, pregnancy, and childbirth, and in most cases arrangements can be made for an adjustment after receiving a request for consultation. Indeed, good daily communication is leading to smooth practice of systems.

A mechanism for personnel evaluation emphasizing “reliability” and “growth”

Personnel evaluation is considered important for promoting diversity. As for the standard, the company finds it important to measure the “reliability” of each employee.

If more and more employees become able to freely select not just a range of working hours but also a working location through promotion of diversity, then it will be more important to have a trusted relationship with employees. The company finds it vital to have employees share the same sense of values and make progress together in the same direction. In other words, they believe that their future depends on “how reliable these human resources are.”

The evaluation standard measuring “reliability” is called “Action5+1,” and consists of 6 points. For example, those who lack “necessary knowledge for carrying out their role (or a given task)” would be evaluated as less reliable than those who have it.

In this way, the evaluation is what measures “reliability,” but it is also something that prompts “growth.” Each evaluation must be fed back to each employee by managers after a face-to-face interview. Since reasons and suggestions for improvement are clearly communicated, each employee always learns what he or she should do to have a better evaluation so that he or she can continue to grow in the company. Knowing that “superiors are certainly paying attention to him or her,” each employee has a high degree of satisfaction. As a result, employees’ voices of discontent, which were quite frequently heard when job turnover was high, are now rapidly becoming fewer and fewer.

As more and more employees become able to freely select not just a range of working hours but also a working location through promotion of diversity, careful personnel evaluation becomes a means for communication, playing the role of promoting a sense of teamwork.

Personnel evaluation standard at Cybozu (Action5+1)

Relentless search (Think)	Skill	Pursue the problem and set up a challenge
More knowledge (Know)	Skill	Equip oneself with necessary knowledge for the role (problem)
Work on mind (Communicate)	Skill	Do communication (communicate the problem) to receive cooperation from others, and cause them to take action
Strong body and mind (Continue)	Skill	Don’t give up on the assigned role (problem), and continue to make efforts
Empathy with ideal (Do)	Preparedness	Empathize with the ideal, and carry out the task to achieve it
Fairness	Preparedness	Be able to justify your action (or say it was right) publicly in a loud voice

Aiming for further flexibility – introduction and further development of “Ultra Work”

To enable a more flexible way of working, the company introduced the “Ultra Work” system in addition to the “selective personnel system.” More specifically, the system allows for “working in a location of one’s choice.” It aims for removing constraints not just on time but also on location.

Almost all employees, if they ask for it, would be allowed

to use the system with permission from their manager(s). Their reasons for using it vary. Typically, it is a female employee in the midst of child rearing who has chosen DS, and who makes use of it when she wants to switch to teleworking. However, other reasons are also acceptable.

For example, this would be the case when an employee is not physically feeling well, when it is impossible to come to work because of a typhoon (or some other natural disaster), or when an employee finds it inefficient to come to work for carrying out his or her task. Also, an application can be made to use it for reasons like: "Today, I want to concentrate on creating materials in my own home," or "I am going to see my client directly from my home and come back without stopping at the company. To make effective use of my time in between, I want to work in a coffee house." Past records shows that the system was used 1195 times from its start in August 2012 to January 2014.

Managerial effects through promotion of diversity

A female employee, who had become a product manager upon return from her maternity leave, achieved product development and a sales increase by listening to the voices of all employees

The policies introduced for making "competent human resources" stay in the company are also good for managerial purposes.

One of them is "technological development and sales promotion by listening to the opinions of short-hour workers concerning use of company products." For example, if a female employee on a short-hour duty sees her working hours come to an end in the midst of a meeting, she is allowed to go home saying "I will do the rest by groupware." After dinner, she can choose her own time to enter the groupware from a PC in her home and answer questions – one of the things that are going on daily in the company.

In this way, know-how for "getting good results even in the case of short-hour workers by using groupware" is automatically accumulated in the company. And this know-how should lead to sales promotion. For example, there are various types of sales proposals such as: "you can use it this way," or "if you use it this way, anyone under a time constraint can also work like those with no constraints," and so on. Also, the company developed a sales tool that puts together all of these proposals.

On the other hand, for an original company product, all employees "use it like a customer everyday," leading to an improvement of product quality and also development of a new product. For example, "users' voices" from employees are making great contributions to development of products. A female employee, who had become a product manager upon return from her maternity leave, communicated everyday with those in a remote location through

groupware and TV conferencing, and had these opinions reflected in product development. This development, on the other hand, contributed to cloud business operations and a sales increase in other operations. In particular, the company saw its cloud business largely expanded, leading to a certain increase over past sales.

Thanks to these successes, the company is expecting a large increase of its annual sales from 4 billion yen in 2012 to nearly 5 billion yen in 2013.

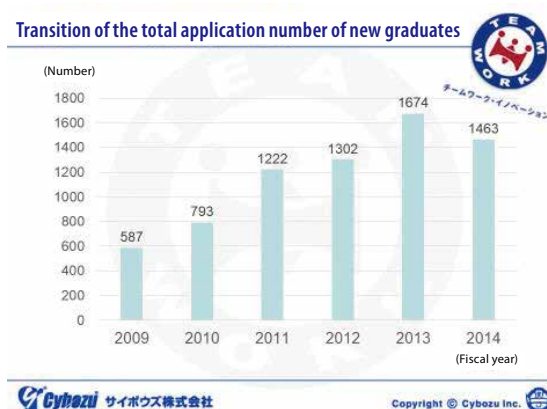
Controlling costs for recruitment and education through decrease of job turnover and publicity effects

Thanks to the efforts to create comfortable workplaces throughout the entire company by using employees' opinions on existing systems, the job turnover, which was at its peak of 28% in 2005, decreased to 4% in 2012. Compared to the time when the ratio was high, the average recruitment cost for each employee has now been curbed to its previous 1/3 or so, and education cost down to its previous 1/2 or so.

The company's diversity management is receiving a lot of media attention as there are systems like childcare leave for a maximum of 6 years or an original personnel selection system based on a certain philosophy, and as the president himself took childcare leave twice already. In fact, he has already received news coverage more than 100 times a year for diversity management including a new way of working, and has made more than 50 public speeches – an increasing number of opportunities for getting attention from both inside and outside the company. The company enjoys great publicity effects thanks to their improved brand name.

All these are positively affecting the company's recruitment of new graduates, as the image of a "company offering a comfortable workplace for women" is now widespread. The number of academic applicants has been increasing rapidly in just the several years since 2009. The female ratio among those recruited has also been increasing. In 2004 when the company started recruiting new graduates, there was only one woman among 7 successful candidates. In 2013, there were 8 among 19.

Transition of the total application number of new graduates



Corporate Name

Manufacturing

Large enterprise

Hewlett-Packard Japan, Ltd.

Employees with disabilities contributed to improving the efficiency of sales promotion activities at the main office, and a group of employees, mainly consisting of child-rearing mothers, succeeded in making a contract that is expected to make a large profit.

Main points

- ▶ Establishment of organizations for employees with disabilities to develop their abilities, and stay in a workplace in accordance with their degree of disability and business skills, such as "SEED Center": an organization that integrates disabled employees' business skill education and their work, "Internal Service Center (ISC)": for the mid-career employed disabled and the disabled, who have finished programs at SEED Center, to continue to work without worry while receiving necessary support, and "SEED Service Center (SSC)" for contracted tasks from each department in the company to be carried out in SEED Center.
- ▶ Contribution to eliminating on-site employees' non-sales activity time, and strengthening their sales activities through supporting disabled employees equipped with business skills.
- ▶ Establishment of a new section mainly for working mothers in the marketing department where an increasing number of women are playing an active role, leading to a contract that is expected to make a profit of several billion yen.
- ▶ Establishment of the network group "Women at Work Japan (WAWJ)" aiming for a contribution to the company and society by sharing work-related problems and experience, making efforts for a solution on one's own, and improving one's business skills.

Data

◎Corporate profile

Year of foundation	1999	Capital	10,000 million yen
Head office address	2-1, Ojima 2-chome, Koto-ku, Tokyo		
Business outline	Development/Manufacturing/Import/Sale/Lease of computers, peripherals, and software products, and IT services		
Sales	368,700 million yen (to October 2012)		

◎Data for employees (unconsolidated)

Number of employees	5,000 persons
Number of employees by attribute category	Undisclosed
Average service years for regular employees	13 years

Background and goals of diversity management

Creating a mechanism for offering disabled people more chances to work

Hewlett-Packard Japan is the Japanese arm of Hewlett Packard Corporation which operates its business in 170 countries worldwide, manufacturing and selling computers, peripherals, and software. Ever since the foundation of its US head office in 1939, the company has always considered diversity management as an important segment of its business strategies based on the concept that "Our job is to deliver innovation to the society. To produce innovation, it is necessary to have diversified human resources (or diversity)."

As for the Japanese arm, it pays detailed attention to employees with disabilities so that they can work without worry. For example, its main office is entirely designed barrier-free, with a parking lot exclusively for wheelchairs. In such an environment, many different human resources including disabled employees are actively working in various departments.

However, what is unique about the company's efforts in this area is not just an establishment of a working environment for disabled people, but an implementation of the mechanism for (1) educating disabled people who have willingness to work but cannot find any job due to a lack of skills and experience, (2) having them develop the skills necessary for business, and (3) letting them use these skills to contribute to improving the company's business efficiency.

These efforts led to establishing organizations like the SEED Center where they can learn business skills and approaches, while actually putting them into practice.

Creation of business by women

Among those under the technology consulting management headquarters in charge of constructing IT solutions for companies as its main business operation, it is the technology marketing department in charge of developing and selling products that is now receiving much attention for the active roles played by women. In this department, there are an increasing number of women aiming for a further career improvement in the marketing field by making use of their high IT skills and experience that they have acquired in system development. In fact, there are 22 women out of a total of 40 employees in this department. Of these 22 women, 11 are working mothers who are actively working while rearing children.

The reason why there are such a large number of women who are actively working in the technology marketing department is because of the working environment for system-related areas.

Until recently, an IT business was something passive, that is, systems were developed upon request from a

client company just for them. However, it is now shifting to a proactive type: various solutions like networks and securities are developed and arranged before being brought to customers for sales. This allows for more freedom of time management since you can go around on your own, and are not doing such development largely based on client needs. So, for female engineers who have been actively working in a development sector, especially those who are already married and in the midst of rearing a child, the department is becoming an attractive workplace for further improving their career.

Specific measures for promoting diversity

Progress and expansion of support programs for disabled employees to learn business skills and find a job

In 2001, the company established the SEED Center that hires disabled people and supports them to learn business skills. In the beginning, the center offered a one-year program in which they learned PC skills and communication skills through training and actual practice. However, while running this program, the center began to gradually understand that just one year was not enough for giving a good education. So it was extended to a two-year program in 2006.

There are two ways for a disabled person to stay in the company after completing the program for education of disabled people and their job search. One of them is the "ISC (International Service Center)," which adjusts the individual abilities and requests of each SEED Center finisher and the company's needs, introducing him or her to the most appropriate spot in the company. The other is the "SSC (SEED Service Center)." If a disabled person wants to continue to work on tasks commissioned from the SEED Center because of his or her degree of disabilities or by his or her own will, he or she would be assigned to this center for tasks like arranging data that the center contracted from each department in the company. Since more and more tasks are now commissioned from within the company, there is significant merit in having the human resources from the SEED Center play an active role in the workplace.

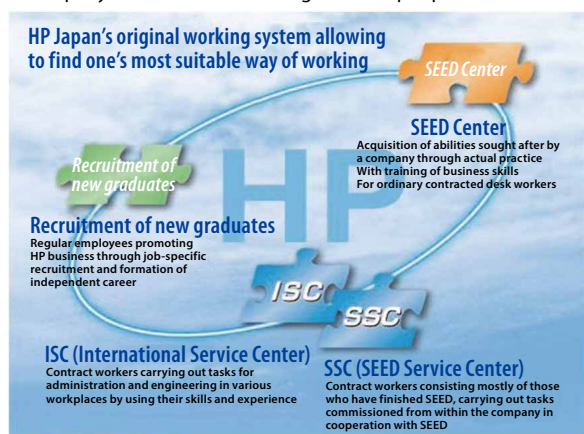
Also, business English and programming were added to the curriculum at the SEED Center, making it far better than before. This was done as a response to some disabled people who wanted to learn a wider range of business skills for more opportunities in their active roles. Of course, if their level of business skills becomes higher, the company who employs them can further improve its working efficiency by making use of disabled people.

While the ISC offers a mechanism for disabled people with working experience to play an active role in various departments as a work-ready force, it has now become possible for SEED Center finishers to find their most

Hewlett-Packard Japan, Ltd.

appropriate workplace in the company through ISC and start working. Although a total of only 19 persons have so far become ISC employees after finishing the SEED Center, the solid support program for disabled human resources and their improved level of skills are now creating more and more opportunities to work— something worth attention.

The company's mechanism for hiring disabled people



Number of people who became ISC employees after finishing the SEED Center

	Total	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
ISC	19	2	1	2	4	1	2	2	0	2	3

Creation of a pleasant working environment for disabled people

As was mentioned in the beginning, the company is engaged in realizing a pleasant working environment for disabled people not just in terms of organizational aspects, but also in terms of facilities. For example, in addition to the introduction of toilets for wheelchairs and an alarm system for disaster evacuation, there is a lounge and a toilet for disabled people in the SEED Center. Also, there is a priority parking lot with a roof extending over to the entrance for commuting – a thoughtful move by the company.

Moreover, a so-called “Buddy System,” which designates employees in advance who would offer support to a disabled person to evacuate in case of a disaster, has been introduced. After consulting with an industrial doctor, the number of buddies (i.e., evacuation supporters) would be determined according to the degree of disability of each disabled person. Sometimes, even 6 buddies are assigned to a person who would need a stretcher. Evacuation training for the Buddy System is conducted on an annual basis.

Other than these, the company has also set up flexible measures for disabled people to work. For example, those in a wheelchair are, upon consultation, given permission to come to work by car. Also, for a disabled person who finds it difficult to work during regular working hours, a 6-hour working rule is implemented. Indeed, it is possible for each of them to work in accordance with his or her situation

Creation of further advanced diversity through a female-oriented network

As for overall efforts, the company is now working on various measures for creating a good working environment and changing employees’ mindset, and also trying to involve managerial superiors and male employees in some cases, in addition to implementing commonplace systems like childbirth-childcare leave.

Especially remarkable is the network “Women at Work Japan (WAWJ),” started voluntarily by female employees in 2005. This WAWJ aims for growth through sharing work-related problems and offering experience and know-how to each other, and implementing activities like study groups on various issues and meetings with management and senior employees. These activities were good not just for female employees to improve their abilities, but also for male employees to change their mindset and ferment cooperative relationships.

Also, the company has a unique way of posting jobs. In the company’s job posting system, if an employee applies voluntarily for an opening and succeeds in passing a test, his superior in the current department is not able to reject the transfer so that he can definitely move to his desired department. So, applying for a job posting allows an employee to change his or her current department based on his or her own intention in accordance with his or her life style and career planning. As a result, it has become popular practice to change departments by using the company’s job posting system. In fact, about 70% of all inter-departmental transfers are done in this way.

Top managers themselves promoting diversity –a unique corporate culture

The fact that there are so many various activities promoting diversity has something to do with the proactive participation by top managers. Hewlett-Packard Corporation has always been making efforts to promote diversity ever since the foundation of the US head office. This company too, as the Japanese arm, considers it a mission not just for the personnel department, but also for top managers at the helm of the entire company.

For this reason, the managers’ approval of ideas for new efforts concerning diversity such as a support program for disabled people or for women – especially budgetary approval for their continuation – is given promptly. The company’s energy for promoting diversity comes from a total awareness among all employees of bottom-up efforts, which are also supported by the top echelon.

Managerial effects through promotion of diversity

Expansion of disabled people’s range of work for good results

Disabled people who honed the abilities necessary

for work at the SEED Center are now working actively in various places in the company. For example, a disabled person, who was to continue to work in the company while staying in ISC, was posted to the public relations department due to the high ability he had for creating documents. After the posting, he learned Web skills and became the one in charge of managing the company's intranet. He is now responsible for updating it everyday. As for his replacement, another disabled person with Web skills was posted from the SEED Center, forming a trust relationship for ISC human resources.

On the other hand, at the SEED Center and SSC, disabled employees and trainees made their try on pre-shipment products from the first step, and fed back what they felt and learned about product manufacture. As a result, a customer with a disabled hand sent them a message saying "HP's cartridge is very helpful since it can be easily handled with one hand for replacement." This effort is leading to a differentiation from other companies' products.

Moreover, the SEED Center and SSC accept non-business activities arising from within the company, allowing disabled employees and trainees to improve their skills, and easing the intermediate working load that had been carried by employees directly engaged in tasks like sales activities.

In 2001 when the SEED Center was established, disabled people were only assigned to limited tasks like copying, entering data, keeping up with documents, and so on. Gradually, they started to be assigned to a wider range of tasks: tallying questionnaires and accounting. At the same time, their workplace was moved from the SEED Center to the departments that were sourcing these tasks. Indeed, disabled people started to expand the places where they could play an active role in response to on-site needs. Later in 2011 when the SSC was established, they were also engaged in sending bills and developing tools for work efficiency. From now on, they are expected to be able to translate English, create materials for an English presentation, and update Intranet information at various departments. For which, they are now trying to improve their skills.

Due to this wider working range of disabled people, the number of contracted tasks increased from 10 in 2001 (or when the SEED center was established) to more than 70 in 2012.

The company saw a 65% decrease of non-business activity time in fiscal 2011 from fiscal 2008. While this is certainly because many employees were liberated from large and troublesome intermediate tasks, and became able to concentrate on direct tasks like sales through various measures such as flexible working systems like teleworking and use of IT, there was also a big contribution by disabled human resources from the SEED Center and SSC: they learned necessary skills and took over tasks that

had been previously done by on-site employees.

Transition in the number of contracted tasks at SEED Center / SSC

	Total	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Number	461	10	16	23	26	32	33	36	42	57	52	64	70

Success in cultivating customers for IT solutions led by working mothers

As for women and their active roles, the solution marketing department, established in March 2013 as part of the technology marketing head office, has a team led by women including 5 working mothers for marketing IT solutions.

As part of the company's marketing practices, the solution marketing department plans and implements seminars for the solutions offered by the company, making the first step toward cultivating and finding new potential customers. Established in March 2013, the department has already succeeded in finding potential orders worth several billion yen through events like seminars.

Other than the several billion yen just mentioned, their efforts also led to many other results. Previously, they were conducting their sales activities based on information from the sales department. However, they are now able to conduct activities proactively compared to those days, e.g., moving from this department to the sales department due to an increased number of potential new customers. Moreover, since the working mothers in the team had experience in sales, they were able to present ideas for realistic plans instead of empty desk plans, contributing to this effort's success. More results are expected in the future.

Reference information



Presenting results at SEED Center



Members of Women at Work Japan (WAWJ)

Corporate Name

Wholesale and retail trade

SME

Tashiro Coffee Co., Ltd.

A female manager proposed the development of new products and established a shipping process, which boosted productivity.

Main points

- ▶ Review of business strategies after collapse of bubble economy.
- ▶ Nurturing of human resources based on long-term perspectives toward thorough adoption of the corporate philosophy: "We pursue total sustainability."
- ▶ Commercialization of the product, "Seasonal Blend" proposed by a female manager, and growth of sales at retailers (124% from the previous year).
- ▶ A female manager established a shipping process by all-member rotation, which led to an increasing number of shipments per day, boosting productivity.
- ▶ Turning part-timers into a work force, and realizing improvement of skills through visualization of shipping tasks and establishment of an educational system.
- ▶ Realization of "differentiation by people" through strengthening development of human resources.

Tashiro Coffee's fundamental philosophy

Corporate philosophy

–always making one step forward –

We pursue total sustainability

Philosophy for action

- We value spirit for service.
- We deliver comfort with high-quality fresh coffee.
- We realize a self-contained company, allowing for the sharing of dreams and goals and for mutual trust.
- We are always eager to learn a new coffee culture to create that culture together with other producers around the world.

Data

◎Corporate profile

Year of foundation	1953	Capital	10 million yen
Head office address	25-11, Eiwa 1-chome, Higashi Osaka City, Osaka Prefecture		
Business outline	Wholesale and retail trade of coffee		
Sales	190 million yen (to September 2013)		

◎Data for employees (unconsolidated)

Number of employees	16 persons (including 8 non-regular employees)
Number of employees by attribute category	[Women] 14 persons (including 8 non-regular employees) Women's share of managerial jobs at 33.3%
Average service years for regular employees	5 years (5 years for men, 5 years for women)

Background and goals of diversity management

Review of business operations after collapse of bubble economy, and encounter with “Specialty Coffee”

At Tashiro Coffee, more than half of its sales used to come from wholesaling of coffee. However, wholesale prices started to fall in 1993 after the collapse of the bubble economy, leading to poor business performance. The current president, who took over the company in 1996, set up a goal of starting three new outlets by 1998 for strengthening retail sales. Although the company was successful in improving their performance for a while, the sales growth eventually came to a halt, making them realize the difficulty of selling high-quality coffee with freshness intact from roasting at so many outlets. They closed their outlets one by one to eventually concentrate their business in just one outlet at the main office, and embarked on an Internet mail-order business in 2001.

However, that alone can hardly differentiate them from other companies. In the early 2000s, the president started to make a tour of coffee farms around the world, and he came to learn about the “Specialty Coffee” (high-quality coffee beans evaluated highly at a fair) crafted by a producer with original skills. He concluded that his company could be different from manufacturers of ordinary coffee beans put in circulation by mass production if they could use this “Specialty Coffee” to create a coffee brand that can be offered only by Tashiro Coffee.

Toward “human differentiation” for making use of “Specialty Coffee”

To make use of this “Specialty Coffee” to perfect a superior product that cannot be imitated by other companies, it would be necessary to have a high level of technique and establish production systems in all aspects such as storage of beans, roasting techniques, blending techniques, packing of goods, and so on. To realize all these, it would be necessary to hire and nurture competent human resources.

For this goal, it would be not enough to just bring in competent people. It would also be necessary to have them stay in the company for many years. They started to feel a strong necessity to offer work in which employees can chart their own growth and a challenge, and an environment in which they can continue to work.

Specific measures for promoting diversity

Attitude change by the president himself, and establishment of a corporate philosophy which led to

sharing of each employee’s vision by all

While re-examining the company’s business operations, the president also started an effort for drawing up a corporate philosophy, and in 2008 came to the conclusion: “We pursue total sustainability.” This “total sustainability” includes (sustainability of) employees, clients, customers, regions, and production areas. Among them, the company gives first priority to “the sustainability of employees.”

One of the reasons for this decision was the fact that a male employee, whom the company had done their best to nurture, ended up leaving the company in April 2008 after 10 years of service. Since then, the company started to feel more strongly than ever that they wanted to be an organization in which employees want to continue to work while feeling joy for their own growth, and satisfaction in their work.

To have all employees and part-timers embrace this philosophy, the company has all of them recite it in every morning meeting for promoting better understanding. Moreover, the company has been holding a training camp for all employees every summer since 2004 for listening to what the president says about the management philosophy, and discussing how to manage business operations in the future. Also, each employee presents his or her long-term career vision in relation to the philosophy so that both the company and its employees can go on in the same direction.

Although the president talks about management policies and directions for the company, he does not indicate any specific way, and sticks to his own way of just observing. He strongly believes that each employee must be able to notice and act on his or her own.

Switching to recruitment of new graduates and further nurturing of human resources

The president came to conclude that a manager’s job is to let competent people join the company, create an environment in which people can work for many years and see their own growth, and cultivate a good soil (i.e., human relationships, feeling of reward for work, working hours, holidays, and establishing working conditions like payrolls). So he emphasized the creation of stages through which various human resources can play active roles regardless of sex, handicap, and age.

The company re-examined its direction for recruitment, decided to end the mid-career recruitment, and switched to the recruitment of new graduates, which led to hiring human resources not influenced by the thought and culture of other companies, and nurturing them along with the company’s management philosophy. The company has been hiring new graduates every year since the spring of 2010. Although they do not particularly intend to hire only women, all five employees who have been hired happen to be women. They have been hiring women who did relatively well in areas like language, communication, learning, and so on.

Although it is not necessary to hire people every year, they have been nevertheless doing it not because of a temporary lack of human resources, but because of a long-term perspective for sustainable growth, since they consider nurturing of human resources an important issue for management.

The company also sponsors a monthly study session on coffee taught by experts from outside as part of their efforts to nurture employees and part-timers. Moreover, they offer a bi-weekly cupping training session (training of skills for evaluating the quality of coffee by checking flavors and tastes) in the morning meeting, and also a barista training on an irregular basis (training for learning knowledge and skills pertaining to coffee, like how to make an espresso). Other than these, training for different themes like how to wrap a gift are conducted on an appropriate time basis. In principle, all employees must take part in every one of these training sessions. As for part-timers, they take part in it as much as possible. All employees and part-timers are encouraged to acquire an official qualification, and participate in gatherings. Young employees are especially enthusiastic about this regulation.

People with official qualifications in the company

Cup of Excellence International Judge (1 person)
SCAA Cupping Judge (2 persons)
SCAJ Coffee Meister (6 persons)
Coffee Instructors (6 persons)

Introduction of the personnel system, “support system for nurturing,” based on a clear standard

Personnel matters used to be handled on the basis of seniority since the company did not have a proper personnel system. However, to secure and nurture good human resources, they needed to introduce such a system and start dealing with personnel matters accordingly. The company introduced its “support system for nurturing” in 2010.

Under this system, a so-called “growth sheet” or sheet for evaluating personnel was implemented. Based on this, a person in charge and a division manager meet with an employee once every three months to grasp the “nurturing” results (growth results) and share common goals. The growth sheet was designed in accordance with the management philosophy, and consists of four elements: expected results (like sales), important tasks (like dealing with customers and quality control), knowledge/techniques, and working attitudes (understanding of the management philosophy, cooperativeness, and skills in general). Of these four elements, all three other than “expected results” are given high weight. Especially, it is “understanding of the management philosophy” that was set the highest, demonstrating how important the philosophy is considered.

Evaluations are done in five steps. To get the highest evaluation, it is necessary to satisfy the most important criterion, “Leading juniors and subordinates.” The company

was successful in cultivating a corporate culture of mutual teaching regardless of rank and sex by making it clear that the highest evaluation is for teaching others.

Also for part-timers (not just for employees), the company has introduced another “growth sheet” – similar to the one for regulars, and based on the “training plans” clarifying tasks to be done – for their evaluation.

Flexible measures for having it both ways

For female employees to continue working in the company, it is necessary to allow flexible measures like childcare leave and flexible working hours to have them stay in the organization. When a female manager returned to the workforce, the company made a flexible response by allowing her to work on a modified schedule until April when her child was to enter an elementary school: four hours a day, three days a week, although such a measure was not institutionalized yet at the time.

They also allowed flexible measures like childcare leave for part-timers, realizing their long stay in the company. A female part-timer with a 10-year career in the company had experienced childbirth-childcare twice, but one of the children was handicapped. So the company made a flexible response by allowing her to stay out of work for more than five years.

Part-timers are a valuable workforce responsible for packaging and shipping. So their retention is directly connected to upgrade of the service level. Hence, the company cares about keeping them over many years, leading to hardly any difference in the average service years in comparison with regulars: 4.8 years for part-timers, and 5 years for regulars.

Managerial effects through promotion of diversity

Boost of productivity through establishment of an efficient shipment/delivery process by a female manager

When online sales started in 2001, this female manager was made responsible for establishing practices for packaging and shipping – an assignment that included nurturing part-timers – as someone in charge of sales on the Internet, which include shipping and delivering.

Since nobody knew how to do it at the time, she worked on her own ingenuities for achieving tasks in a short period of time, and in a precise and clean manner, and created working processes step by step - through creation of working lines for tasks, and re-examination of machine locations. While doing so, she tried to achieve working efficiency by “imitating those who do it fast.”

Moreover, in order to achieve working standardization, she took inventory of necessary tasks, and completed

A training plan document – areas for fixed quantity of beans and set allotment –

Date	Items	Check
	Orientation: Learn rules for entering and leaving	
	Orientation: Learn the company's work	
	Orientation: The company's management philosophy	
	Work: Make a cardboard package necessary for shipment, and keep it in the office	
	Work: Measure the quantity of beans by using a measuring device	

process-specific “training plan documents” for nurturing part-time staff members earlier than expected, while listening to female part-timers carefully. This clarified the standard steps for necessary manual tasks, enabling systematic training for new part-timers.

Since final checking is the most important task in the entire shipment/delivery process, there appeared a certain tendency to keep particular persons with the longest career in charge. However, it is inefficient to allow only particular people for the task, and anything like that could lower other part-timers’ motivation. So she decided to rotate all of them for the task. Although checking by immature part-timers slowed down the process in one way or another at the beginning, it eventually improved to a level allowing for processing time lengths more or less equal to one another for any combination of worker events – sudden absence, any part-timer, no matter what – leading to high efficiency as a whole. As a result, the efficiency of 100 pieces per day (3 workers on average) at the time when online sales started, increased to the current level of 200 pieces per day (4 workers on average).

While the sales repeat ratio for coffee is 50% in general, the company has achieved a ratio of more than 60% although there is an undeniable influence of the “Specialty Coffee” product value. According to the company’s review concerning Internet sales users, many high evaluations are given to careful packaging and swift shipment without any mistake. It seems that female part-timers’ accuracy and precision in packaging and shipment, is also contributing to realizing such a high repeat ratio.

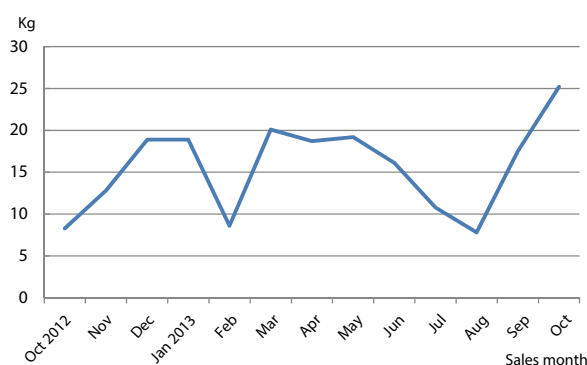
Commercialization of “Seasonal Blend” by a female manager

In order to get customers come to the shop, it is important to offer them pleasure in coming there by continuing to offer them new products. Based on a female manager’s idea, the company started to sell the “Seasonal Blend” using “Specialty Coffee” in September 2012. The blend offers a line of products – a new product for each month – based on perspectives of the female manager who is married, targeting female customers consisting of 60% of all customers, who would want “their husbands to drink such seasonal coffee,” which is the theme for deciding monthly products. For example, they launched a product called “Snow Strawberry” in December based on: “In a cold winter, please relax with your family and friends while having a warm cup of coffee. We wish you Merry Christmas.”

It is the female manager who is in charge of planning products, developing a new blend every month in consultation with a female subordinate in charge of roasting. While the president agrees to be consulted, he basically leaves everything to the manager and the female employee in roasting.

The sales volume increased 3-fold to 25.2kg in November 2013 from 8.3kg in October 2012 although it fluctuates from one month to another, and the sales in the entire shop in September 2013 saw an increase of 24% in comparison with the same month of the previous year. While the sales of “Seasonal Blend” consists of only 5% of the company’s total, the cost rate is low with a rough profit ratio approximately 1.1 times higher compared with other ordinary products, contributing to a profit ratio increase. As the “Seasonal Blend” was gaining popularity, the product started to be sold on the Internet in October 2013, raising expectations for a further increase in sales in the future.

Trend in sales amount of the “Season Blend” developed by a female manager



Remark: No sales data for September 2012.

Reference information



“Seasonal Blend” developed by a female manager. Based on the theme “In a cold winter, please relax with your family and friends while having a warm cup of coffee. We wish you Merry Christmas.” “Snow Strawberry” was put on sale in December 2013.

Corporate Name

Wholesale and retail trade

SME

Kenkoukazoku Co., Ltd.

The company developed a new healthy food by introducing an idea of a female employee, which created sales of more than 100 million yen every month.

Main points

- ▶ Mail-order sales, a business practice using the telephone most of the time, and use of women's ability leading to business growth.
- ▶ Creation of systems and environments in which well experienced female employees can continue to work.
- ▶ Implementation of a nursery in the company allowing for a comeback of human resources after retirement for childbirth.
- ▶ Implementation of a personnel evaluation system in which one's attitude to daily life is added to his or her sales performance for evaluation.
- ▶ Continued cultivation of the young user segment by using the company's original net sales system.
- ▶ Proactive recruitment of new graduates for developing new products based on young women's ideas.

Data

◎Corporate profile

Year of foundation	1989	Capital	50 million yen
Head office address	10-2, Hirano-cho, Kagoshima City, Kagoshima Prefecture		
Business outline	Mail-order sale of health food and ordinary types of food		
Sales	12,679 million yen (to August 2013)		

◎Data for employees (unconsolidated)

Number of employees	274 persons (including 113 non-regular employees)
Number of employees by attribute category	[Women] 226 persons (including 113 non-regular employees) Women's share of managerial jobs at 47%
Average service years for regular employees	6.5 years (8.1 years for men, 5.9 years for women)

Background and goals of diversity management

You must find out what people really think as it is mail-order sales, i.e., a business which uses the telephone most of the time

Kenkoukazoku manufactures and sells “Traditional Garlic Yolk,” as many people have seen the product in TV commercials. Ever since its foundation in 1976, the company has focused on Kagoshima Prefecture’s traditional health foods, developing popular products like “Traditional Garlic Yolk” encapsulated for easy consumption, “Traditional Black Vinegar Kamekichi,” and “Mellow Black Vinegar Garlic.” There is also a new product earning one million yen in monthly sales.

Kenkoukazoku became a stock corporation in 1989. In those days, they mainly sold their products through mail-order, but there was a strong social distrust of health foods and mail-order sales, taunted respectively as “over-priced products” and “cheating old people into buying.” In order to dispel this social distrust, the company realized a price reduction by putting their health food product, which was usually put in a bottle for selling, in a small sack for postal shipment. Still now, the company sells the majority of their products through mail-order while selling just a small number of them directly.

Mail-order sales are usually practiced by a combination of advertisements in media like TV or newspapers and phone calls. For example, there is a call center that deals with orders and questions from users. While many other companies outsource such a job, this company considers it as an important window for reflecting customers wishes and users’ voices in developing products and improving services, posting their own employees (mainly women) to all departments of its call center. All pieces of information like users’ voices, such as “I want such and such product,” and their doubts and claims concerning contents and products, which can become ideas for new products, are entered in a “voice card.” Everyday there are more than 4000 phone calls for orders/questions, and about 150 cases entered in “voice cards.” It is up to how competent each one of those who receive phone calls at the center is, as to which voices to choose and how to organize – the more experience you have, the better you are. And, it is not just division managers but also executives and top managers who look through these “voice cards.” In general, women are better than men in picking up users requests and discontents, getting to know what users really think through conversation with them, and getting them interested in products. The company’s high quality in call handling has been proven by 10 consecutive championship victories in the Kagoshima local preliminary contest for representing the prefecture at the national phone-handling tournament (sponsored by the public interest incorporated foundation, Japan Telephone and Telegraph Users Association).

A big impact by using women’s ideas for planning a new product and TV commercials

Moreover, the company is proactively engaged in using women’s ideas for planning products, shipments, package designs, and advertisement. When health foods were generally expensive items sold in a big bottle, it was women who suggested putting the “Traditional Garlic Yolk” in a small sack for easy buying, which would make the price affordable and lower the postal expense. And, it was also women who proposed the idea to use a child actor or actress reminiscent of one’s grandchild for TV commercials, and let him or her appear in a cute costume as there are a large number of old people among users of traditional health foods. After the commercial went on air, the number of inquiries about the child and music started to increase, indicating success in winning customers’ hearts and minds, and promoting sales.

The company has been emphasizing use of women ever since its foundation. In fact, a large number of posts are now occupied by women – there are 226 women out of the total of 274 employees (113 women among 161 regular employees), with an increasing number of them posted in top spots ranging from the vice president and the business development manager to many other managerial posts, showing how much the company is expecting good results from women. This is because Mrs. Fuji, the vice president, was put in charge of business management and personnel evaluation, leading to incorporation of female perspectives into some business strategies. The vice president, who had been balancing childcare with her profession, made great efforts to establish a good environment based on her strong belief coming from her own experience, in order to establish systems she wanted and create an atmosphere in the company for using them. This is how the systems and facilities wanted by all working women came into being.

Specific measures for promoting diversity

A big loss for the company if highly experienced female employees cannot continue to work

In mail-order sale operations, you have to accumulate experience to improve your thinking ability for listening to users’ voices, getting striking ideas for new products, and designing them. So, it would be a demerit for the company if a female employee ends up retiring for marriage or childbirth.

Unfortunately, there still remain outdated ways of thinking in some parts of Kagoshima Prefecture. Not a few people still believe that a woman should become a full-time housewife upon marriage or childbirth – a belief that was prompting many of the company’s female employees to retire for such reasons. Even though the company had a good system for maternity and childcare leave, only a few were making use of it.

Nevertheless, there are more and more dual-income families, indicating that an increasing number of women are now thinking of continuing to work if possible. As for the company, they have to secure employees with rich experience and high competence for their continued growth. So they made efforts to establish an environment in which women can continue to work even after marriage or childbirth, leading to a childbirth-childcare leave system, a short-time working system, and a nursing care leave system.

It's not just improving a system, but also creating an environment for using it that's important

However, just establishing a system does not lead to good results. For example, even though the company did have a childbirth leave system for a long time, it was not really used as most of the female employees ended up retiring upon childbirth. So it was necessary to create an environment in which women don't hesitate to make use of it. In addition to the system, the company established an atmosphere for married women to continue working, and created a corporate culture in which a mother finds it easy to come back to the workplace after her maternity absence.

A nursery was introduced into the company in 2012 as part of these efforts. This made it possible for employees with children to free themselves from the duty of taking their children to and from a nursery, and stay ready if a child gets sick. Having installed the nursery, the company made clear their intention to have women continue working after childbirth, leading to an increasing number of employees making use of maternity leave, and of those who come back to the workplace after temporary retirement for childbirth.

The company believes that women who retired upon marriage or childbirth and those who left for their spouse's relocation could still be a precious workforce. So, they make it possible for these women to come back while giving them various advice depending on their individual situation – thanks to the female vice president and others who stay in communication with them. There is a female director in the general personnel section, one of the women in managerial ranks, who has experience of retiring and returning. More and more women are now doing the same thanks to these seniors like her with the same experience.

Moreover, the company makes it a rule for all employees including men to terminate their work and leave on time at 17:30 so that women in the midst of child-rearing can continue to work. If overtime work is necessary, it must be approved by a superior. In general, working overtime without being able to finish it on time, except during a time period like the busy year-end when overtime is apparently necessary, is regarded as a shame in the company, since anything like that is proof of one's incompetence at work management – a notion widespread throughout the entire company. Thus, employees are now trying to find a way to finish their work within the time limit.

In a response to some employees who wanted to have a good rest for their physical body during break time, the

company installed massage chairs in the women's lounge, and set up a massage room exclusively for company employees. By making an appointment in advance, an employee can receive a massage from a specialist (recruited as an employee) during his or her working hours. The service is especially popular among women. In addition, floor heating was installed under every desk in places for desk working since some women may get cold. Indeed, considerable efforts have been made to establish an environment in accordance with women's needs.

In-house nursery



Implementation of a personnel evaluation system in which one's attitude to daily life is added to his or her sales performance for evaluation

The company has a unique system for personnel evaluation. It is based on levels of working competency that were set up: ordinary employee (levels 1 to 3), mid-career employee (levels 2 to 5), and senior employee (ranks of managers and executives). A set of evaluation standards is given to each level, and an employee's salary and rank are lowered or raised according to how many standards are cleared. Also, there is no preferential difference between men and women concerning salary and occupational field. The evaluation points for level 1 and level 2 include: "fundamental actions like politeness /greeting/response, use of words, and whether time concepts are well mastered," and "healthy and making an effort to improve physical condition when feeling sick." What is characteristic about this evaluation is that it is not limited to one's sales performance. This is because the company came to conclude that one's daily living attitudes tend to be reflected in his or her work.

Moreover, each employee receives a hearing session with his or her superior on a regular basis. A consultation was held on a range of matters from health problems to familial troubles. Generally speaking, a female superior is more likely than a man to notice minute changes in an employee's physical condition – a good perspective to be made use of for a managerial position.

The necessary condition for a managerial position is level 4 or higher in the working competency. However, even if a female employee scores enough points for a managerial class in competency, she may not wish to assume a position with heavy responsibility because of her little child. In such a case, she wouldn't be forced to be a manager. She can take it whenever her situation becomes good enough for her to work as a manager.

Managerial effects through promotion of diversity

Development of new products based on women's ideas

Many of the company's products were developed out of women's ideas. The hit product "Mellow Black Vinegar Garlic" was also born out of a female employee's idea: if you combine "Garlic Yolk," which is Kagoshima Prefecture's traditional health food, with Kagoshima's original "Black Vinegar," users who now buy either one of the two will come to buy the product. In fact, "Mellow Black Vinegar Garlic" became a hit product earning one million yen in sales every month, and won the golden award at the Monde Selection 2013.

In addition, a young female employee was selected for planning new products, leading to new products like dumplings with a lot of garlic, and a confection using sweet potato harvested in Kagoshima. In 2013, the company started business in the cosmetic area.

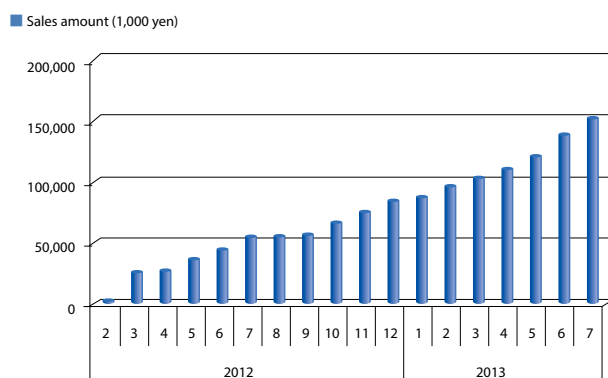
The ideas for planning new products or improving services come from the company's suggestion system, as well as the "voice cards" reflecting end users' voices. It is a system in which any suggestions like ideas for new products or how to improve one's work are allowed to be presented, and the

system is implemented once every two months. When an employee's idea is adopted, he or she is awarded a bonus. In fact, the new product "Charcoal Grilled Black Pig," the nursery in the company, and the massage room were born out of this suggestion system.



Package of "Mellow Black Vinegar Garlic"

Trend in monthly sales of Black Vinegar Garlic



Recruitment of female graduates from four-year colleges with a high ratio of finding employment in Kagoshima, which led to securing competent human resources

In the case of Kagoshima Prefecture, male college

graduates tend to find employment in a company outside the prefecture, and many of them end up leaving Kagoshima for good. However, female graduates, even those from four-year colleges, have a high ratio of finding employment within the prefecture. Indeed, it is easy to secure competent women who want to contribute to the local area.

At the time of the company's foundation, a female sales representative in charge of clients like for an ad agency or a manufacturer, was likely to be downplayed due to her gender. Currently, however, if such a case occurs, the executives would show a resolute attitude by saying: "We cannot deal with a company who downplays women." They conduct hearings for sales people on a regular basis to ensure that any problem like that is not happening.

Due to the reputation of being a company in which women can continue to work and play an active role, the company enjoys a high popularity as a place of employment for college graduates in Kagoshima Prefecture. While the number of applicants was only 30 in 1998 when they started such recruitment, it is now 500 every year. They hired 21 new graduates (19 women, and 2 men) in the spring of 2013.

Start of the company's original Internet sales system for full-scale Internet use

The company started an Internet sales business on a full scale in 2011. Although they had been accepting orders through the Internet, they finally became able to do everything on the Net from orders to payment by starting their original sales system. The project, which was inspired by a young employee's idea, led to creation of a team consisting of 7 members (all female) who wished to engage in Internet-related work. In an ordinary mail-order sales company, such Internet sales business is often simply outsourced. However, due to the company's policy of directly assigning employees to all customers, they decided to form this team. While it aims to expand sales and especially capture young users, not just young people but also an increasing number of middle-aged and older users are making orders on the Web. Currently, sales through phone calls make up 80% of the total, but more orders are expected to be made on the Net in the future. Also, Internet sales are mostly for fresh orders, contributing to the prospecting of new users.

Internet sales team



Corporate Name

Finance and insurance

Large enterprise

Aioi Nissay Dowa Insurance Co., Ltd.

Female employees contributed to improving the settlement ratio in terms of accidents by 1.4 times in the insurance claim payment department, as well as highly enhancing profits in the areas of fire insurance and automobile liability insurance in the sales department.

Main points

- ▶ Promotion of women's active roles started in order to recover the trust of the entire industry.
- ▶ Erasing a sense of gender-segregated role-sharing by affirmatively taking positive action.
- ▶ A company offering opportunities for challenge – the key to the success of employees, who are encouraged to take a risk without limiting themselves.
- ▶ Addition of "diversity" and "nurturing of human resources" to the managers' evaluation criteria.
- ▶ Establishment of original systems such as "Ai Move" so that women can continue to work.
- ▶ "Cultivation of a housing industry channel" by female employees in the fire insurance area led to an increase of 9.2% in sales in comparison with the same month of the previous year.
- ▶ "Local type" female employees, who had been mostly in charge of supporting sales representatives, became engaged in sales in the automobile liability insurance area, leading to an increase of 32.9% in profits from the previous year.
- ▶ With a team system in place and women appointed as a leader in a team, the insurance claim payment department saw a fall of 50% in claims and a rise of settlement ratio by 1.4 times.

Data

◎Corporate profile

Year of foundation	1918 (the current company name adopted in 2010 after merger)	Capital	100,000 million yen
Head office address	28-1, Ebisu 1-chome, Shibuya-ku, Tokyo		
Business outline	Non-life insurance		
Sales	1,103,200 million yen		

◎Data for employees (unconsolidated)

Number of employees	18,029 persons (including 5,752 non-regular employees)
Number of employees by attribute category	[Women] 9,986 persons (including 3,920 non-regular employees) Women's share of managerial jobs at 4.0%
Average service years for regular employees	15.1 years (18.2 years for men, 11.9 years for women)

Background and goals of diversity management

Promotion of women's active roles started to recover the trust of the entire damage insurance industry

Aioi Nissay Dowa Insurance started in 2010 as a merger of Aioi Insurance and Nissay Dowa General Insurance.

The company started to promote women for their active roles at a certain point in time from 2005 to 2006 when payment leaks of insurance premiums in the damage insurance business world were exposed, raising the issue of non-payment. With a strong sense of crisis, the company's managers decided to make use of women's ability to carry out tasks in every detail, because they saw no other way for having such a large amount of insurance contracts processed without any mistake, and hence for the insurance business world to regain the trust of the society.

"The All Employee 'Activity Renovation' Movement" is impossible without promotion of women, who make up half the entire workforce, for their active roles

The company established a "Women's Active Roles Promotion Office" in 2008, and changed its name to "Diversity Promotion Office" in 2011

Around that time, the great Tohoku earthquake took place, and the "All Employee 'Activity Renovation' Movement" started. The goal was to have all employees use their on-site energy, enlarge the role of each, and produce good results. To achieve it, especially for getting substantial results, it was necessary to have women, who make up half the workforce, play active roles.

While the company makes efforts to promote the active role of women, they also interact with people outside the company who are working energetically. Wishing to see such people grow, the company participates in the NPO J-WIN's movement proactively. Moreover, under a strong command from the top, they are making strenuous efforts to promote diversity in medium- to long-term management planning as an important pillar.

Erasing a sense of gender-segregated role-sharing by affirmatively taking positive action

There is a reason why the company is making such efforts to promote the active role of women. The damage insurance world has long years of history for men-oriented management, and hence there was a deep-rooted belief, not only on the men's side but also on the women's side, that "a woman's job is to support men in charge." However, a scandal called the "insurance premium non-payment

problem" occurred in the damage insurance business world 7-8 years ago, urging the company's top managers to change their corporate culture. So they decided to become a company that encouraged the active role of women.

The company has two types of courses for personnel affairs: "Entire type" and "Local type." This is a system in which two employees with the same qualification take charge of the same role regardless of their job category. In reality, however, assignments differ from one category to another, assigning some employees to roles that were not intended according to the original principle. From now on, the company will reexamine this problem, enlarge the range of employees' roles based on the original principle, and in particular nurture female managers proactively.

Specific measures for promoting diversity

A company offering opportunities for challenge – the key to success for employees, who are encouraged to take a risk without limiting themselves

In order to effectively promote the active role of women, it is important to "widen one's horizon," offering opportunities for challenge, which are mainly intended for young and mid-career employees expected to play important roles through years of accumulated experience.

As an example of this "widening one's horizon" in the insurance claim payment department, there is the "Service Quality Improvement Project National Tournament." Known as the LIPS (Lady Improvement Projects), it aims to improve the service quality in the damage service departments where female employees play central roles. In the tournament, female representatives from the company's damage service departments throughout the country present and share their efforts for improving their services from the customers' perspective with an emphasis on quality. Good effort and know-how are taken up by "Women's Active Roles Promotion News" so that all employees can learn about them, leading to rapid sharing.

Moreover, the company has a specific numerical goal for raising the women's share of managerial positions (section chief and higher): from the current 4.0% to "8.2% by 2017." Especially, they are thinking of increasing the ratio for line managers and line section chiefs who have decision-making authority – not the ratio for staff managers and staff section chiefs who carry out assigned tasks themselves.

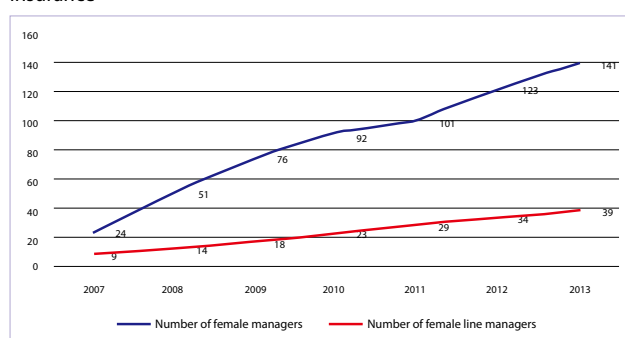
In order to expand the female managerial segment (managers and executives) throughout the entire

Aioi Nissay Dowa Insurance Co., Ltd.

company and make up for the female managers' potential lack of experience, the company introduced the "female managers mentor system" – male executives for the role of mentoring, and female managers for being mentored. They are trying to seamlessly raise women to executive positions. The system was applied to 21 women including local female managers in fiscal 2012.

Such a measure being considered as "a positive action necessary for the company," there are drastic promotions and personnel handpicks.

Transition of the number of female managers at Aioi Nissay Dowa Insurance



Efforts for promotion of diversity highly evaluated by outsiders, leading to an increase of recruitment ranking

In 2009, the company received the "Tokyo Labor Department Excellence Award" in the "gender equality department" of the "Corporation Award for the Promotion of Gender Equality" sponsored by the Health, Labor and Welfare Ministry; in 2011, the TOYO KEIZAI "Diversity Management Grand Prize: Female Manager Promotion Award"; and in 2012, the NPO J-Win "2012 J-Win Diversity Award: Fighting-Spirit Award."

As for the mentor system, they became the first company in the insurance business to receive an "Excellence Award" at "Mentor Award 2013" sponsored by the Japan Productivity Center.

The company is also gaining popularity among students in recruitment ranking. According to Nihon Keizai Shimbun's recruitment ranking, they were ranked 92nd overall with higher popularity among males (81st for males and 107th for females) in fiscal 2012, and 50th overall with drastic increase of popularity among females (69th for males and 43rd for females (from 107th in 2012)) in fiscal 2013. They believe that the company's efforts for promotion of the active role of women were recognized and appreciated by college students. As a result of this improved evaluation, the entry number increased to 109% for males or 4012 from 3685 in the previous fiscal year, and 124% for females or 7154 from 5773 in the previous year.

Addition of "diversity" to managers' duties and evaluation criteria

A manager's daily oversight is also needed for the active role of women. Since women have some life events not shared by men like childbirth and childcare, it is necessary to take them into consideration for fair evaluation. So the company started training for evaluators, one of which is "Evaluating how results are achieved, not how long he or she worked."

So "diversity" and "nurturing of human resources" were added to the managers' evaluation criteria. This was for offering opportunities to acquire various experience, and seeing how employees are growing.

However, since the company has different types of members for different departments, not to mention different tasks, it is difficult to make a simple comparison of growth processes and results.

In order to fill in such gaps among departments, the company decided to have all the main office managers and all the branch office chiefs submit their nurturing plans for women in fiscal 2013. A plan shouldn't end before it begins. So they will continue such supervision toward their goal, while keeping a rotation on PDCA (plan-do-check-act) from year to year.

Implementation of original systems like "Ai Move" for women to continue to work

As for systems in which women can continue to work, the company offers those whose standards go beyond the legal designation. (Childcare leave is allowed until a child becomes three. Short-time working is allowed until a child becomes 4th grade in elementary school.) For example, there are about 250 female employees currently on childcare leave, and also about 250 of them on short-time working for childcare. The numbers are increasing.

Moreover, the company is also making the following original efforts.

Original efforts for encouraging women to continue working

Original efforts for encouraging women to continue working	Outline
Returnee support program "Kangaroo Book – Kangaroo Meeting"	Distribution of the "Kangaroo Book" containing information on systems and procedures concerning childcare, supporting advice for mental aspects, and available support from superiors and the workplace, all as returnee support measures for those on childcare leave. Organizing the seminar "Kangaroo Meeting" that can be attended together with children prior to return.
Work location change system, "Ai Move"	If a "local type" employee with no relocation duty forcing a residence change has to move to a different location due to reasons like her spouse's relocation or her parent's nursing care, she can continue to work in the new location without retiring. The system supports a balance between work and life, preventing a drain of competent human resources.

Managerial effects through promotion of diversity

“Cultivation of a housing industry channel” by female employees in the fire insurance area led to an increase of 9.2% in sales in comparison with the same month of the previous year

As one of the results due to promotion of diversity, there is the “cultivation of a housing industry channel.”

Although there was a mechanism in which a condominium developer asks their customers to purchase damage insurance when selling houses, sales were poor. So the company put two young female employees on the post for instructing their agencies and doing business with home sales companies. Then, the women produced new sales tools like their original easy-to-understand manuals. Such conscientious measures led to gaining the trust of customers, boosting sales through the “housing industrial channel” by a margin of 55 million yen or 9.2% in the single month of August in comparison with the same month of the previous year, and this fiscal year’s total profit is expected to see a 9.4% increase of 270 million yen. Home sales companies are also glad of an increased commission revenue – a virtuous cycle that was created.

“Local type” female employees engaged in sales in the automobile liability insurance area leading to an increase of 32.9% in profits from the previous year

There is a case in point. Some “local type” female employees, who had been in charge of supporting sales persons, expanded their roles by getting into sales themselves, and produced results. They are the so-called “Yamagata cherry ladies” at the Yamagata branch of the Tohoku main office, who made efforts to increase profits in the automobile liability insurance area.

Wearing a sash with “liability campaign” written on it, the local-type female employees visited insurance sales agencies directly, giving them specific target numbers like “a total of 20, a plus of 5 from last year’s performance.”

To have sales agencies who also sell other companies’ products, recommend one’s company’s products, it is important to see how close these agencies can feel to the company among all other competitors. In the beginning, employees must go to see them directly over and over again so that their faces become familiar. Then, a swift and detailed response would lead to trust, making them feel close to the company.

The “Yamagata cherry ladies” communicated their

enthusiasm to them face to face. As a result, last July’s performance of 909 cases and 16 million 699 thousand yen improved to this year’s performance of 1,029 cases and 26 million 176 thousand yen, with a 32.9% increase in profits.

Use of “local type” female employees as a leader, resulting in a 50% decrease of claims and an increase of settlement ratio

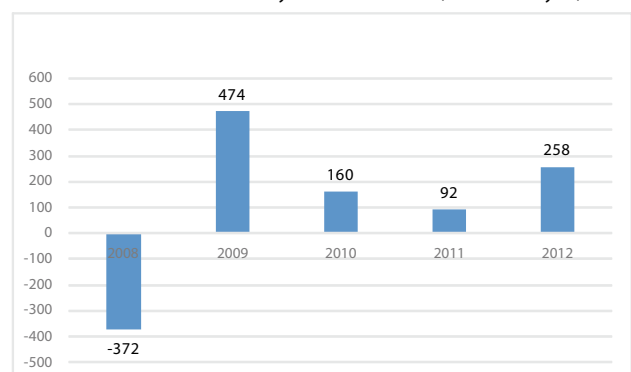
As for the third result, the use of “local type” female employees as a leader resulted in polite and kind responses to customers, leading to improved performance.

Up to then, those in charge of bodily injury accidents were basically selected among all employees. However, due to their relocations and the retirement of veteran employees, the company was having a hard time to improve numbers like the settlement ratio of bodily injury accidents. So the company decided to use “local type” female employees as leaders who gave polite and kind guidance, thereby creating a sense of unity in the organization, improving motivation, and enabling smooth management.

Especially remarkable is the case at the Numazu service center of the Shizuoka damage service department. They have been using three female employees as leaders, which led to improved numbers.

In fact, the number of claims was 57 during the February–September period of 2012 or immediately after their appointment, 45 during the period from October 2012 to March 2013, and down to 21 during the February–September period of 2013. The “settlement ratio” indicating the ratio of out-of-court settlement was 92.4% for bodily injury liability and 96.6% for personal injury insurance at the end of March 2012. It improved to 128.1% and 120% respectively at the end of June 2012. In addition, the number of days required until payment has decreased to 11.2 days for bodily injury and 25.3 days for personal injury, proving that the speed of processing cases has become a lot faster.

Transition of sales at Aioi Nissay Dowa Insurance (100 million yen)



Corporate Name

Finance and insurance

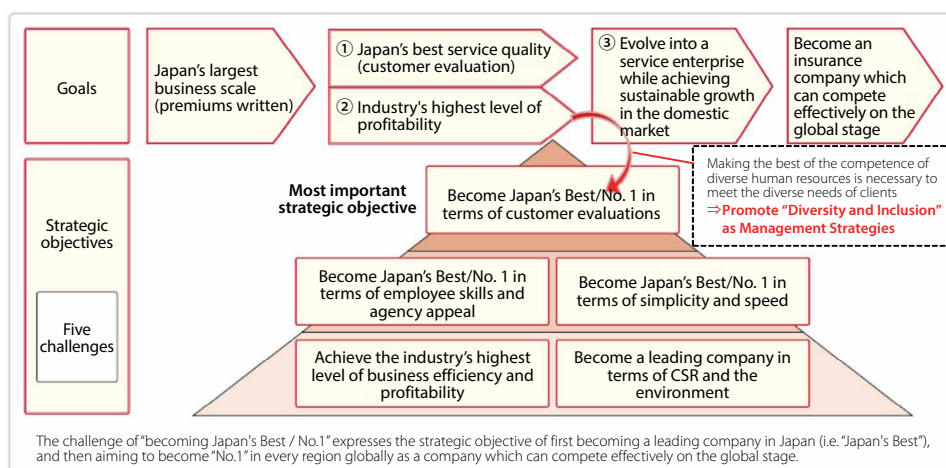
Large enterprise

Sompo Japan Insurance Inc.

The company established sales offices placing sales offices comprising mainly female staff and introduced a "by name" program to nominate and foster female employees with potential, aiming to develop itself into a genuine enterprise in the service industry.

Main points

- ▶ Diversity is one of the management strategies required to evolve into a true service enterprise.
- ▶ Abolished the HR system with different career paths, and employs a new system with equal benefits, promotion, salary increase and work contents.
- ▶ Diversity pursued with both top down and bottom up.
- ▶ Foster future prospective top management at Women's Corporate Management School.
- ▶ ONE to ONE program to foster female sales representatives.
- ▶ New insurance product from a perspective of mother employees.



Data

©Corporate profile

Year of foundation	1888 (established)	Capital	70,000 million yen
Head office address	26-1, Nishi-Shinjuku 1-chome, Shinjuku-ku, Tokyo		
Business outline	Property and casualty insurance		
Sales	1,327,361 million yen (to March 2013)		

©Data for employees (unconsolidated)

Number of employees	22,772 persons (14,428 regular employees)
Number of employees by attribute category	[Women] 12,582 persons (7,429 regular employees) Women's share of managerial jobs at 4%
Average service years for regular employees	13.9 years (18.6 years for men, 10.7 years for women)

Background and goals of diversity management

Diversity is an important management strategy to evolve into a true service enterprise

In a society with a low birthrate and aging population, in order for the insurance industry to maintain sustainable growth, they have to be base-rooted in the community, be able to respond to diverse needs of clients, and provide better quality service. Entering the overseas market is another inevitable challenge.

Sompo Japan Insurance Inc. aims to evolve into a true service enterprise and realize sustainable growth to become an insurance company which can compete effectively on the global stage. They have a slogan of "Become Japan's Best/No. 1 in terms of employee skills and agency appeal" as one of their management objectives, and promote their management strategy "Diversity and Inclusion" with the recognition that it is necessary to make the best of the competence of diverse human resource to meet the diverse needs of clients. While "monoculture" is not useful in global competition, "multi-culture" enhances organizational sensitivity and flexibility. With the notion that making best use of the "sensitivity of women, having the viewpoints of a person leading an ordinary life" is important, the enterprise has put much energy into promoting the competence of female employees, accounting for 60% of all employees.

One of the visions of HR is "diversity," which is evident in their slogans of "Respect the personality and diversity of each employee," and "Spontaneously promote diversity and facilitate work by allowing employees to work happily with excitement and satisfaction."

Specific measures for promoting diversity

Set 2010 as the first year of Women Competence Promotion, and create an environment where female workers can make better use of their competence

Sompo Japan created a department dedicated only to promoting women's competence called the "Ikiiki Women Competence Promotion Group" in the HR Department in 2003, a first for a major financial institution, and has addressed a better environment for female employees to continue work by establishing a system of maternity and childcare leave. As a result of those efforts, 644 female employees took maternity leave in 2012.

They set 2010 as the first year of Women Competence Promotion. The current CEO took office in the same year, and announced a top-down order to promote women's competence as one of the management strategies. He used every opportunity at meetings where all employees were present and management seminars to convey this strategy. They introduced a new HR system for better exercising the competence of female employees. While the old job categories were Major Career Path and Associate Path, the new categories are Global Major Career Path and Area Major Career Path to which employees who had been on the old Associates Path were shifted. Area Major Career Path limits the area of work, but the job details are same as Global Major Career Path.

In the old HR system there were limitations in benefits, promotion and salary increase for employees engaged in clerical jobs. These limitations however have been abolished so that all employees can be engaged in any type of job and acquire experience to build a mechanism allowing flexible responses to demands and variations of clients. With the exceptions of limited area of the workplace, the old Associate Path category now offers the same treatment as Global Major Career Path.

Changing the HR system only, however, did not affect female employees in their work style or their notion towards work. When HR staff members visited branches all over the nation and met with 528 employees who were on Area Major Career Path and just before they were entitled for promotion to a managerial job, they found that female employees were not so enthusiastic about promotion. They rarely imagined becoming a manager as most male employees did because they had been engaged in assistant clerical jobs only.

Enlightened by those findings, the company decided to address the following three issues:

1) Reform corporate culture and system to support diversity, 2) Develop and enhance the potential of female employees and 3) Broaden the areas of experience and opportunities.

Details of each concept are provided as below.

Reform corporate culture and system to support diversity

The company intends to reform corporate culture and the system with both top-down and bottom-up approaches. As top-down approaches, the CEO reiterates the importance of competence of female employees as a management strategy, discusses and develops plans for prospective female employees for promotion, and travels around the branches to meet the employees, of which the results are to be shared and used for improvement.

As bottom-up approaches, on the other hand, more than 500 diversity committee members, consisting of selected members of one male and one female employee from each branch, hold seminars using role models, seminars for better use of the support system regarding work-life balance, and open office day for the families.

Seminars for employees on childcare leave and for managers are also held as a measure to reform corporate culture and the system. Seminars for employees on childcare leave (Forum for Childcare Leave Takers), with a total 270 employees participating so far, are held for better understanding to enable a smooth comeback and good performance by returnees, and are attended by childcare leave takers, their colleagues and superiors.

Diversity Management Seminars are for all branch office managers and branch company managers to share ideas and efforts to foster female subordinates, and understand important managerial points. 2,700 managers took the seminar this year.

Develop and enhance potential of female employees

One of the specific measures for the second point, “develop and enhance the potential of female employees,” is the “Women’s Corporate Management School.” It’s a year-long “by name” program to nominate and foster female employees with the potential of running a branch or corporate management. At the end of the program, the participants give the management a presentation titled “Proposals to the Management,” some of which have been incorporated into actual management. Top management people including the CEO and directors are actively involved in the program, and often go and give seminars.

In addition to the “Women’s Corporate Management School” program, “Preliminary School for Women’s Corporate Management” and “Seminars to Improve Career” have started for different career levels. It is not unusual to find the participants of these seminars at any branch offices and branch companies, and male employees seem to have been motivated by the remarkable advance of female employees. Positive effects are confirmed in establishing a network among female employees too.

A Mentor System has also been introduced. The system started in 2013 with about 100 mentees (female managers) and about 50 mentors (department managers and executives). This also intends to cultivate the foundation of a culture to foster female employees. It is planned to extend it to lower levels to form a mentoring chain.

Broaden areas of experience and opportunities

The ONE to ONE program for Area Major Career Path employees is mainly used as a measure to develop and enhance the potential of female employees. This is a program to train employees who used to be engaged in assisting jobs to become sales representatives. They learn and acquire skills and knowledge required to achieve sales performance through group training, and with the help of precise instructions and the support of their superiors.

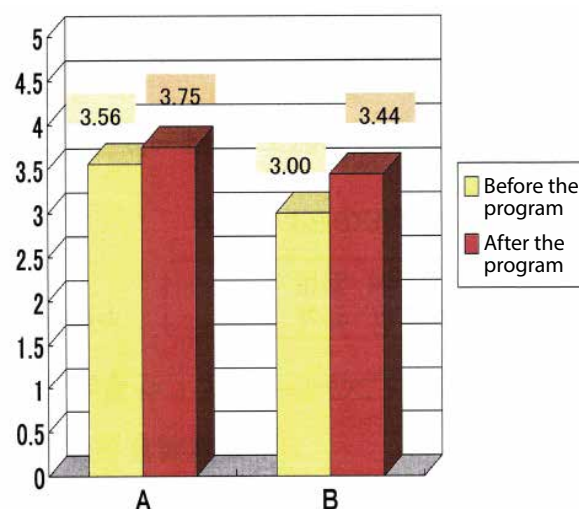
A branch mainly run by female employees was established to provide them with opportunities to exercise their competence. It is highly appreciated by other branches as well as clients thanks to their new sales performance due to the experience and viewpoints of women. They established or will have established 18 such branches in 2012, 46 in 2013 and 54 in 2014.

Managerial effects through promotion of diversity

Brought female employees’ new ideas towards careers and desire for promotion to top management

One of the managerial effects is that more female employees are anxious to upgrade their career. Positive answers to the question whether a respondent wants to take a position to head and manage the organization have become more common. There have been many networks,

Survey results before and after the “Women’s Corporate Management School” program



A: Desire to get promoted to higher managerial jobs (executives and department manager)
B: Do you want to exercise more competence in a different type of job or place to work?

an essential element to inspire the desire to upgrade careers, and the survey results showed that more female employees (74.2%) have friends or superiors at work to talk about their career and private concerns than male employees (66%).

The survey conducted on the participants of the “Women’s Corporate Management School” program showed an increase in “desire to have a higher management job (executives and department manager), and “desire to exercise more competence in a different job type or place to work.” Some of the comments were: “in order to make the best of my experience and skills that I acquired so far, I’d like to get promoted to a managerial post,” and “I will strive to win the seat of a director.” Two of the first “graduates” of the program became a department manager.

Positive effects on sales performance by contribution of female sales representatives

The sales (net premium income) grew from 1, 281,155 million yen in 2011 to 1,327,361 million yen in 2012 (an increase of 3%) partly because of the contribution of efforts in female employees’ competence promotion. The number of members in the ONE to ONE program, for example, increased from 102 in 2011, to 166 in 2012, 156 in 2013, and finally totaled 424, which affected other Area Major Career Path employees. As a result about 40% of Area Major Career Path employees are engaged in sales activities. More sales representatives mean more time generated for Global Major Career Path employees to acquire new clients, and this synergy seems to have contributed to the increase in the sales.

The branches run by mostly female employees have great performances too. There have been some new cases where the President’s Award was received by an employee belonging to such branch. The President’s Award is an honorable acknowledgement that can be received only by employees with the highest sales performances and processes. The recipients of the award were female employees working at the Shinjuku Shintoshin Branch Company of the North Tokyo Branch Office. They were slightly perplexed at unusual surroundings – a female-dominated branch - at first, but soon started recognizing a peer network unique to women. Close communication, a casual atmosphere allowing for the asking of any questions, and mutual cooperation regardless of each other’s job title – these properties unique to women have contributed to the positive management of branches.

Close attention is carefully given to each employee, as women tend to feel more responsible for the tasks they are given, but can be too nervous thinking about the possibility of a bad outcome and try to deal with it. Through the remarkable cooperation of four members in promoting the best plans in line with clients’ purposes for each case as well as drawing up manuals, holding seminars and enhancing the support system for agencies when revising fire insurance products, their elaborate and precise services are highly appreciated by clients, and achieved 280 million yen of the yearly premier, one of the highest performances at the company, winning them the President’s Award.

Development of a new product with the opinions of mother employees

New efforts to promote the competence of female employees have born fruit in new product development too. Sompo Japan started the industry’s first “Liability Insurance System for Doulas” in February 2013. A doula is a specialist to help a woman before and after childbirth with a wide range of support including nursing, housekeeping and childcare. With the more common trend of older parents of a couple with a newborn baby and a nuclear family, demands for doulas are expected to grow. At the same time, liability issues for accidents, e.g., damage to the client’s possessions, or injury to the baby, may occur. The “Liability Insurance System for Doulas” aims to cover those risks, and was developed from the opinions of female employees with childbirth experience.

Standardization of processes realized by proposals made by members of the Women’s Corporate Management School

Some measures taken to promote the competence of female employees have improved business efficiency and quality. An example is “Standardization of the Processes of Sales Offices.” Although there had been manuals for processes at each sales office, different rules at each office often caused confusion when personnel were reassigned, which has a negative effect on the business process. There were discrepancies in responses to inquiries from agencies. Efforts to address the issue by selecting processes to standardize and review them have been made to establish a unified rule, which achieved efficiency and further quality improvement in business processes.

Corporate Name

Finance and insurance

Large enterprise

Bank of Tokyo-Mitsubishi UFJ, Ltd.

The company encouraged women employees who have just returned to work after maternity or childcare leave, aiming for them to swiftly become responsive human resources, and this strategy contributed to improving productivity and reducing the cost for employment and human resource development.

Main points

- ▶ As financial liberalization moves forward, requirements for female workers become more demanding, and it is crucial to keep personnel with work expertise.
- ▶ Elaborateness, scrupulousness and prudence – unique characteristics seen in women - are effective in the retail division.
- ▶ Started taking specific steps by establishing a department to promote female competence, and setting a numerical goal to achieve it.
- ▶ Formed a project team to help female employees after maternity/childcare leave swiftly return to the front-line.
- ▶ Overcame the challenges of female employees with time limitation and obsolete skills after childbirth/childcare leave by transferring them to a closer branch, and providing intensive on-the-job training.
- ▶ Competent female workers after maternity/childcare leave contribute to improve productivity through skills and experience.
- ▶ Reduced cost for employment and human resource development.

Data

◎Corporate profile

Year of foundation	1919	Capital	1,711,900 million yen
Head office address	7-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo		
Business outline	Banking business		
Sales	2,796,371 million yen (to March 2013)		

◎Data for employees (unconsolidated)

Number of employees	45,549 persons (including 31,696 regular employees)
Number of employees by attribute category	[Women] 27,208 persons (including 14,733 regular employees)
Average service years for regular employees	15 years (18.1 years for men, 11.5 years for women)

Background and goals of diversity management

As financial liberalization moves forward, requirements for female workers become more demanding, and it is crucial to keep personnel with work expertise.

Banks in general are a female-dominated business, and they account for about 45% and 60% if non-regular employees are included. Previously most female employees were mainly engaged in deposit operations, and it was taken for granted that they resigned after marriage or childbirth in their late twenties.

In the late nineties when financial liberalization took place, the situation dramatically changed as banks were allowed to deal with insurance, securities and foreign exchange. While six months had been long enough to train a person for counter service mainly for depositing money, counter service staff were now required to be familiar with the new services and their mechanisms. They were even expected to catch up with the current financial market status when seeing clients at the counter, and to be able to explain about possible risks to investors. At least five years are necessary for an employee to be able to independently handle such services. Allowing them to leave the bank in their late twenties, finally becoming an independent clerk like before liberalization, couldn't be overlooked to secure able employees to survive the new financial world after liberalization. Maintaining experienced employees with necessary skills and knowledge for the long term became a management challenge. They therefore embarked on forming a system and promoting a culture which allowed experienced and skilled female workers to return to work after their maternity/childcare leave.

Bank of Tokyo-Mitsubishi UFJ has offered employees three career paths since 2009: Associate Career, Major Career Path (limited) and Major Career Path, compared to two paths before. Before integration of the two banks, Bank of Tokyo-Mitsubishi had three paths while UFJ had two. Offering three types of career path offers more options in employees' working styles, resulting in more female employees continuing to work after maternity/childcare leave.

The main job of Associate Career is assisting employees on the Major Career Path. Major Career Path (limited) employees are engaged in a regular job with a particular job assignment, but with a limited field of job and area of workplace. If an employee chooses Major Career Path (limited) for their workplace, the area where the employee is to be sent is limited to either eastern, middle or western Japan, while Major Career Path (limited) for their major field of work assigns an employee to one particular field, such as retail and foreign exchange, and does not cover every field.

Female elaborateness is effective especially in the retail field

As the main targets of the retail division are private customers and the retail division is said to be a division where female competence in general can have an impact, further development and enhancement of female employees' ability has become more important. The bank once

compared sales performance per account at each branch. Some results showed female employees had an average performance twice as large as that of male employees.

Private clients with assets tend to be elderly. In order to win long-term trust from them and convince them to entrust their valuable assets, elaborateness, scrupulousness and prudence – unique characteristics seen in women – are effective.

The bank further facilitates appointment of female employees to the retail division, and now the number of female workers accounts for two thirds there.

Specific measures for promoting diversity

Started taking specific steps by establishing a department to promote female competence, and setting a numerical goal to achieve promotion

Their efforts started in 2005 through the then president's announcement of his commitment to promote the competence of female employees, and establishment of a working group called "Study Group to Develop a New Way of Working – Women's Competence Promotion Team." The management then said; "In order to improve client satisfaction, we have to start by increasing the satisfaction of our own female employees, who have more frequent direct contacts with our clients. Bringing out the best performance of female workers, accounting for half of the entire company population, is essential." The majority of female employees then quit the company while it entered a new era where at least five to seven years are needed for a new employee to become an independent clerk who can handle more diverse and sophisticated financial products. Such circumstances led to the management's new commitment. Later in 2006, after integration of the two banks, even more efforts were made by establishing the "Female Competence Promotion Office" (reorganized and renamed Diversity Promotion Office in 2010).

One of the major themes was continuous employment by forming a system and nurturing a culture which allowed a skilled employee to return to office after temporary leave due to childcare. As a specific step to pursue this, they set a numerical goal for appointment of female employees in managerial posts, and announced it inside and outside the bank. The goal set in 2006 was achieved in 2010. The following figure shows the new goals set in 2011 corresponding to the mid-term management plan. Although the deadline to achieve the goal is set as March 2015, it has been completely or nearly achieved as of October 2013.

In application of these targets, however, they focus more on a variety of training to foster female leaders and form a group of prospective managerial candidates through the mentor system rather than achieving the goal in number.

The efforts to promote diversity have been driven by strong leadership of top management. Conveying their ideas in various ways to the entire organization promoted understanding of other employees, and the project was carried out smoothly.

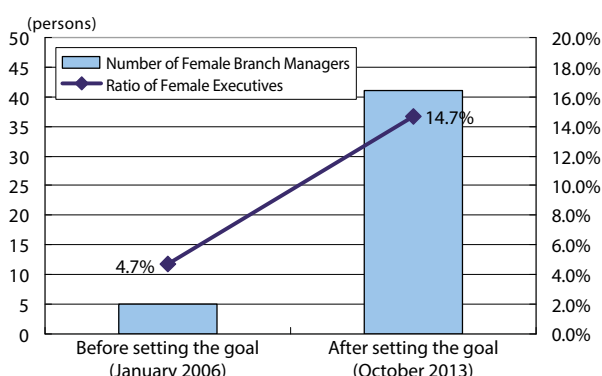
Bank of Tokyo-Mitsubishi UFJ, Ltd.

Goals and Achievement of Mid-term Managerial Plan by 2015

Goals	By early October in 2013	Goal (by the end of March in 2015)
Total of line managerial posts	342 persons	300 persons
Top management	76 persons	80 persons
Middle management	266 persons	220 persons
Ratio of female executives	14.7% (2,196 persons)	15%
Ratio of females who are on Major Career Path*	43.7% (joined the bank in April 2013)	35% or more

*Total ratio of Major Career and Major Career (limited)

Change in the number of female employees in managerial posts (comparison before and after setting numerical goals)



Establishment of various systems to support female employees' continuous employment, and its facilitation

As the first step to make a better workplace for female employees to exercise their competence, an environment where they can continue to work after maternity/childcare leave was necessary. Reduced working hours, childcare leave until the child becomes two years old, and subsidies to pay child sitters or caregivers (half the cost up to 20,000 yen per month for an employee with a child younger than a third grader) have been included in the system. The system is planned to be further enhanced with more subsidies. For example, an employee returning to work before her baby's first birthday will be given a monthly subsidy up to 200,000 yen to cover the excess cost if baby daycare or a sitter costs the employee more than 100,000 yen per month. They also plan to start flexible work time. The employee who now has to use the reduced work time system to fulfill her PTA duty of, for example, watching pupils to ensure their safety on the way home, will be able to use the new flexible work time so that she can stay as a full-time worker.

A wide variety of efforts have been made to develop and promote female employees' competence. These include: providing a booklet introducing a variety of support systems and tips for good work-life balance, holding forums, introducing role models, providing seminars and meetings before maternity leave, support programs to facilitate returning to work, meetings before returning to work, seminars for returnees, and meetings for workers using a reduced work hour system.

Understanding a returnee's superior is another essential to facilitate long engagement at work. In its pursuit, diversity management seminars are given to managers. All branch

managers took this seminar in 2012, and the seminar has been continuously held if desired by managers not only of the retail but also other divisions. Applications are made by at least 100 managers as soon as a seminar is announced, showing strong interest from managers.

Form a project team to realize a returnee's swift comeback to the frontline

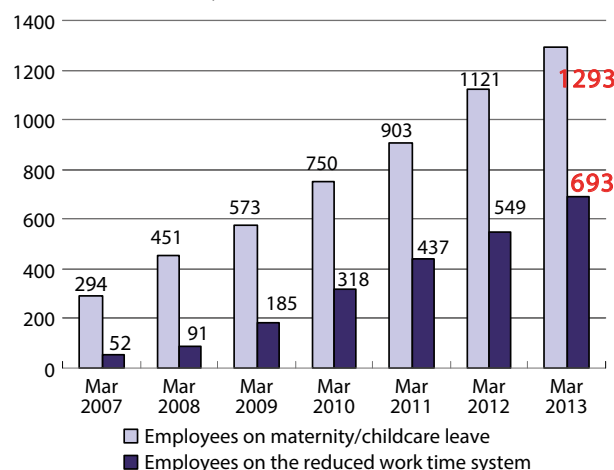
As a result of the efforts described above, the number of returnees from maternity/childcare leave has increased, and there is a significant increase of employees using reduced work time. It is a favorable outcome for the company as a whole because it means a higher possibility that experienced and skilled employees will stay at the bank longer.

As the number of returnees grew, on the other hand, some negative voices from branch managers, saying simply "No," or "I don't know what to do with them," were heard. It is true that these managers don't fully understand what job returnees want, and what their concerns are. Then they decided to form a project team to grasp the real situation, and come up with measures for the company to take.

What they did first was do to conduct a survey for 700 workers with children up to 9 years old. Although 60% or so of them used the reduced work time system, the results showed that about half of them wanted to stop reduced work time and work as a full-time worker. Then they were asked what the solution was to allow them to work full-time. Many answered that they could stop using reduced work time if their commuting time was reduced.

For the other half, it was found that less employees would use reduced work time by providing opportunities to consider their work style through the reduced time system in terms of mid to long-term career, and spreading the culture of mutual corporation to support branch management. In this way, the reduced time work system could be used only when absolutely necessary. In other words, the survey found more employees who are on the reduced work time system could shift to full-time only with some help.

Change in number of the employees on maternity/childcare leave and the reduced work time system



Additionally, branch managers were given interviews and questionnaires asking what their specific problems were. The results revealed four issues to address; time restriction, sudden absence of the employee, the employee's motivation and obsolete skills. Based on the results, the project teams met a number of times to discuss measures to take.

Assign a returnee at a branch convenient to commute to, and provide on-the-job training at the main branch in the area when the returnee comes back

One of the measures is to transfer the returnee to a branch convenient to commute to. Previously, an employee after maternity/childcare leave returned to the same branch before leave, but this often caused them longer commuting time due to the daycare location. Now the employee is assigned to a branch most convenient to her, considering commuting time and other conditions. By assigning her to a conveniently located branch, they overcame the obstacle of "time restriction," often unavoidable to employees with young children.

As for the measures about skills that became obsolete after the break, the returnee is temporarily assigned to the main branch in the area for intensive on-the-job training for three months. This was also intended to provide an opportunity to make a network for returnees so that they can inspire and encourage each other, solving the issue of "motivation." Additionally, the returnees are provided with skill training for the first three months at headquarters.

As a result, the number of employees returning to the same office as before leave decreased to 20 to 30%. This means that 70 to 80% had some difficulties in commuting previously, and the new assignment system helps returnees achieve their work-life balance better. Thanks to the training and better commuting conditions, most of the returnees can recover their original career status, and the ratio of degradation has dramatically decreased.

Concerns and questions that could arise from branch managers and returnees are removed through career meetings and seminars given by superiors and the HR Department at various timings, i.e., before taking leave, and after returning.

Managerial effects through promotion of diversity

Returnees are now important players – contributing better productivity with skills and experience

By enhancing the support system for returnees' work-life balance and making the idea of continuous employment after maternity/childcare leave the norm, the ratio of resignation due to childbirth and/or childcare has significantly decreased. As of the end of March 2013, about 1,300 employees are on leave, 600 employees returned to work per year, and the resignation ratio has decreased to around 2-3% in recent years from over 10%.

Less employees use the reduced work time system

after the new rule assigning a returnee to an easy-to-commute office was applied. Female employees with skills and experience constitute the group of key employees contributing to stable management of each branch, where the average age of employees is becoming increasingly younger.

This effort has improved productivity too. While many canvassers with young children work less hours with no overtime work, their sales performances are mostly as good as before the break. As it usually takes about five years for a new employee to become an independent canvasser, during those years it costs the company to train the new employee. The same performance that would be given by a skillful and experienced employee cannot be expected.

The high motivation of returnees is one of the contributing factors to achieve the same sales performance as before. While being given on-the-job training at the main branch in the area, returnees can build a network with peer returnees and other mentors to keep them motivated.

There have been some cases where returnees are promoted to branch managers. Branches managed by female managers tend to be popular because subordinates say those branches seem to encourage shorter working hours. In fact, survey results for employee satisfaction have shown that opinions such as "less overtime work," "specific instructions to reduce overtime work are given," "more efficient and speedy management," and "mutual cooperation is appreciated" are more frequently heard at branches with female managers. Productivity of not only the returnee but also the branch as a whole has been improved.

Recently more branches are voluntarily trying new things to keep young children of clients entertained like kids play spaces and books while their parents come to the bank. This is another effect of more working mothers.

Effect of reduced cost for recruitment and new employee training

Recruitment can be carried out on the premise that female employees continue to work after maternity/childcare leave, so HR can hire more female college graduates with high potential and competence.

The education and training cost has also been reduced. The most effective training for a new employee is to assign an experienced employee as an instructor. Training for returnees on the other hand requires a lot less cost because they can learn using the knowledge and experience gained before their break, allowing instructors to spend extra time on their sales activity. Although the exact figure is unknown, the cost for one new employee to become independent is around over 20-30 million yen considering the salary paid to the new employee and his instructor, although the instructor may not be fully engaged in training. Although the investment would come to nothing if the employee resigns after marriage or childbirth, such a loss can be greatly reduced with continuous employment of female workers.

Corporate Name

Finance and insurance

Large enterprise

Daiwa Securities Co., Ltd.

The company provided female employees with broad opportunities to exercise their potential in the workplace, shifting to a new business model embarking on long-term fund management for customers.

Main points

- ▶ They are the pioneer which embarked on developing female potential to become sales representatives within the security industry.
- ▶ Broadened career opportunities for female employees by creating an Area-limited Major Career Path.
- ▶ Company-wide efforts to promote work-life balance achievement with reduced work time and support for child and family care.
- ▶ With five female executives in the group, who have spent their entire career life at Daiwa Securities, and more female branch and department managers, the corporate image has been much improved.
- ▶ Assigning more female employees to the Major Career Path has contributed to a significant increase of new accounts.

Data

◎Corporate profile

Year of foundation	1999 (Established in 1943)	Capital	100,000 million yen
Head office address	GranTokyo North Tower 9-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo		
Business outline	Securities business		
Sales	183,082 million yen (to March 2013)		

◎Data for employees (unconsolidated)

Number of employees	8,157 persons (including 332 non-regular employees)
Number of employees by attribute category	[Women] 3,294 persons (including 257 non-regular employees) Women's share of managerial jobs at 5.1%
Average service years for regular employees	11.4 years (14.8 years for men, 11.2 years for women)

Background and goals of diversity management

Embarked on developing the potential of female employees in response to business model change

The financial system reform started in 1996, or so called Financial Big Bang, significantly changed the security industry. While the reform removed the boundaries dividing the fields of securities, banks and insurances, and new composite financial products were brought to the market one after another, security companies were required to be able to provide advice about asset management with a combination of varied financial products in line with clients' needs as well as trading securities.

At Daiwa Securities Co., Ltd., too, in response to changes in the business model to clients' asset management as a whole, opportunities for female employees, who are often patient and capable of providing precise and polite services, were broadened as human resources engaged in the same community for a long time and trusted by clients.

Starting employees on the Area-Limited Major Career Path

Daiwa Securities started employing college graduates for the Area-Limited Major Career Path. When an employee is hired on the Area-Limited Major Career Path, the employee will possibly be transferred to different offices but in the same area, not requiring the employee to move from where he/she lives. The company has a nation-wide network of branches throughout Japan. A working mother employee finds it difficult to move with her entire family even if she is reassigned to a different post in another area. Reassignment which does not require moving is much more convenient for mothers to continue their career. There are no differences in merit rating or promotion between the two types of Major Career Path, with and without area limitation. In 2009, the first female operating executive was elected from the Area-Limited Major Career Path (her current title is Managing Director).

At the same time, at the start of Area-Limited Major Career Path employment, the company encouraged female employees engaged in associate jobs to shift to the Area-Limited Major Career Path. This is because a lot of employees belonging to the associate job category seemed to have gained more knowledge and skills through day-to-day work than just clerical work such as answering telephone calls and reception of clients. Shifting to the Area-Limited Major Career Path and broadening their field of work will benefit both the

employee and the company.

Conventionally, most female employees of a security company used to resign after marriage or childbirth, and did not consider enhancing their career. Shigeharu Suzuki, Chairman of the Board and an Executive Officer, traveled to all branches throughout the country in 2005 when he took office as CEO, and having seen many competent female employees leave the company, he fully realized the importance of providing an environment which enabled female employees to continue working even after major life-changing events. He ordered a "Female Competence Promotion Team" to be set up in the HR Dept. to create such an environment. Female employees from different departments joined the team, and became driving force to promote a female-friendly working environment.

Specific measures for promoting diversity

Started "Female Competence Promotion Team" to promote female-friendly working environment.

Even before 2002, Daiwa Securities had established a HR system to support female employees including childcare support, but it wasn't fully used. The "Female Competence Promotion Team" set up in 2005, has addressed the issue of creating a working environment allowing female employees to work continuously and happily after major life events.

First, they changed the period of childcare leave to three years after the child was born. A merit rating the employee received before leaving is kept so that she does not need to give up promotion. The HR system does not degrade an employee's merit rating due to childcare leave, so employees can take leave without concern about demotion. 90 female employees used the system in 2005, and 319 (including 4 male employees) in 2012. The new childcare support system provides working parents with a subsidy of 20,000 yen a month to supplement daycare cost until the child enters elementary school.

They revised the system and rules by listening to the opinions of the employees, and started a new system for the workplace in 2007. The new system enables employees to move to an office convenient for them after marriage or his/her spouse's work reassignment, so that they don't have to quit the company. Over 100 employees have used this system since it was first introduced.

As support for female employees' competence development went on, the "Work-life Balance Promotion Office (now Section)" was established in 2008 based on the

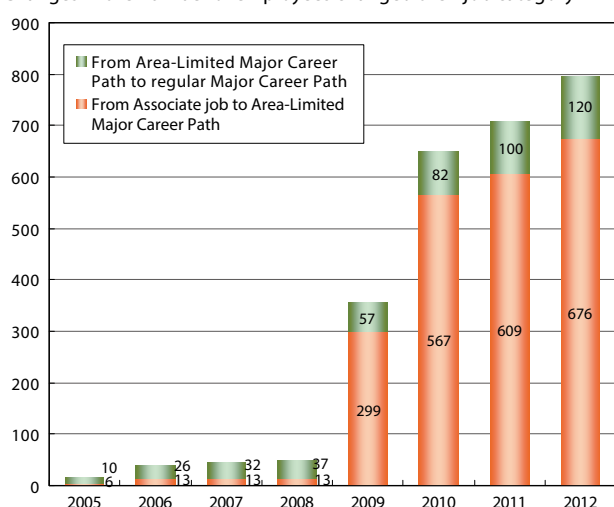
notion that it was essential to review the way of working of all employees, including men. They adopted a reduced work time system that allows employees with children up to 9 years old to leave the office 90 min. earlier than the regular time. These efforts have been further promoted. Additional measures such as creating an employee-only website for promotion of work-life balance have been introduced to enhance the efforts.

As a result, resignation due to pregnancy, childbirth and childcare decreased to about 13% in 2008 from 52% in 1999.

Reform of working style accelerated female employees' competence development

Since 2007, the company encourages employees to "leave the office before 7:00pm." Everyone including managers and above has to leave the office no later than 7:00pm every day. When an employee has to stay for his/her client, the employee has to have approval from his/her superior in advance. This move led to changes in employees' ideas about work – new approaches are tried to finish working before 7:00. Not only bringing about better working efficiency, the move which forced employees to strictly control their time, gave them extra time that they can use with their family or for self-enlightenment. Thanks to the combination of efforts described above – support for work-life balance, more role models of female managers, and leaving the office before 7:00 becoming the norm – the number of female employees who moved from associates to Area-Limited Major Career Path or regular Major Career Path has totaled over 800 since 2005.

Changes in the number of employees changed their job category



Employees involved in improving the work environment facilitate the work-life balance support system for child and family care

The company has already adopted a more generous work-life balance support system for child and family care than the legal one, but employees continuously try to further facilitate the system according to employee survey results.

An employee-only website called "Work-Life Balance Promotion Support" (Daiwa WLB station) can be viewed from employees' homes, and a BBS is used as communication tool for employees on leave. They can view the company newsletter and information about work-life balance, and take courses for business qualification examinations through the e-learning system.

"Open Office Day for Families," an annual event held at all branches throughout the nation, sends an invitation to employees on leave so that they can keep in touch with his/her colleagues and superiors. More support for a smooth return through meetings before their leave ends, and interviews about how the support system is used after their leave, have been promoted.

Through "Good Morning, Daiwa," an in-house daily broadcasting program dealing the company news and house journals, they introduce episodes of a branch making the most of the system and encourage to promote it even further by intersectionally sharing the experiences and the knowhow.

Managerial effects through promotion of diversity

Various effects in job category shift and more female managers

There are two female executives who have spent their whole career life at Daiwa (five for the Daiwa Group as a whole). Both of them started as associates, and shifted to Area-Limited Major Career Path and then regular Major Career Path.

137 female employees are in managerial posts as of 2012 accounting for 5.1% of the entire management, and the number has been growing year by year. More than 10% of the branches are run by female managers.

Daiwa Securities Co., Ltd. does not have a separate system to especially foster female managers. They believe that equal treatment, except for support for the event of childbirth - unique to women- gives female employees a workplace where they'd find it easy to exercise their competence.

In 2007, female employees were assigned especially to the Business Client Section in the branches. It had been rare for the Business Client Section, conventionally a male-dominated section, to have a female sales representative. With the purpose of broadening opportunities for female employees, they assigned female sales representatives at many branches all over the nation. Instead of symbolically assigning a few of them, many newly assigned female sales representatives could establish a peer network to share their worries, and at the same time became more competitive with each other. Now some years have passed, rather than feeling the obstacle of being female representatives, they have been successful in getting new clients or seeing some executives, which male representatives had a hard time doing. Daiwa's efforts for promoting the competence of female employees are well known in the business world, and are favorably accepted. The precise and responsible performance of female employees and a reputable corporate image have brought about positive effects in their sales figures too.

When the new Bank Business Department was created in 2011, a female employee who was the first to take the examination to change the job category to Area-Limited Major Career Path was appointed as Manager. With the excellent skills and competence gained through her experience as a clerk later on as a branch manager, she was promoted to Manager of the new department. Thanks to a number of predecessors who upgraded their job category to Area-Limited Major Career Path and paved the way for female competence promotion, successors are highly motivated to follow them.

Assignment of female employees remarkably increased new online trade accounts

Daiwa Securities Co., Ltd. started an online trading service in 1996, which was the first in the industry. Providing two trading options, "Consulting Course," trading with a consultation by a Daiwa sales representative, and "Direct Course," trading with online information provided by Daiwa, the company has developed a unique business model by seamlessly integrating the services provided by the branches with online services.

Although the IT system planning departments to develop that kind of service used to be male dominated, the company assigned a female employee as Line Manager of the new department with the purpose of broader opportunities for capable female employees, and incorporated new perspectives. Some more female employees on the Major Career Path were assigned, resulting in 6 women in 2006, an increase from none in 2004.

Since 2005, the company has held seminars both at the branches and via the Internet to promote security investment and online trading by using the branch network. Online seminars, which are distributed live, can be taken from home at night. The number of participants for online trading seminars held at the branches totaled more than 16,000 within the year from October 2007, while online seminars were held at least 150 times for the five years from 2006 and had more than 100,000 viewers.

While the number of new accounts for "Direct Course" was 111,000 in 2004 with enhanced strategies via provision of seminars and coordination between the branches and the Internet, the number grew by 1.5 times to 165,000 (yearly average for five years from 2005) after 2005 when female employee assignment started.

The first Line Manager was elected to Managing Director as the youngest in 2009, and now holds the positions of Executive Managing Director at Daiwa Securities Group Inc., and Chairperson of Daiwa Capital Markets America Holdings.

Provision of a good work environment for both male and female employees enriches work experience

A female employee-friendly workplace leads to a work environment friendly to all employees including men. The employee survey results show satisfaction towards work has increased year by year – 77% in 2011, 75% in 2012 and 82% in 2013. The number of employees who are more conscious about productivity and efficiency has also grown: 85% in 2011, 98% in 2012 and 98% in 2013.

Along with the heightened motivation of employees and longer employment of female employees, there have been more employees who earn the qualifications of Financial Planner and other relevant qualifications.

Corporate Name

Finance and insurance

Large enterprise

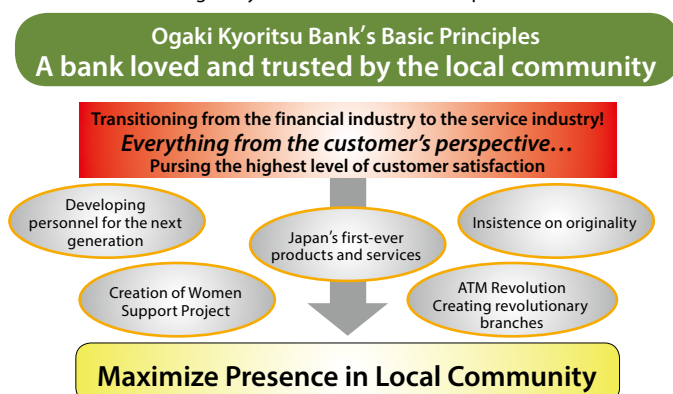
Ogaki Kyoritsu Bank, Ltd.

As a part of the campaign for improving customer satisfaction (CS) to the maximum extent possible, female employees developed products targeting women customers and female chiefs of the satellite offices endeavored to enhance such CS.

Main points

- ▶ Corporate culture of pursuing completely new services as a service industry contributing to the local community has resulted numerous landmark services.
- ▶ Launched the *21st Century Nadeshiko College* female manager training program in 2006.
- ▶ Graduates from this college are actively involved in company, including roles as satellite office chiefs and members of the *L's Project* for developing products for women.
- ▶ *L's Project* has developed numerous loan products just for women.
- ▶ Satellite offices with a female chief won the *Customer Service Excellence Award*.
- ▶ Course Change System allowing for changes between general management and general office positions contributed to comfortable working environment by improving follow-ups for employees taking child-care leave and arranging their replacements.

Ogaki Kyoritsu Bank's Basic Principles



Data

◎Corporate profile

Year of foundation	1896	Capital	36,166 million yen
Head office address	98, Kuruwa-machi 3-chome, Ogaki City, Gifu Prefecture		
Business outline	Commercial banking		
Sales	78,305 million yen (to March 2013)		

◎Data for employees (unconsolidated)

Number of employees	3,995 (including 1,234 non-regular employees)
Number of employees by attribute category	[Women] 2,367 (including 1,091 non-regular employees) Women's share of managerial jobs at 2.7%
Average service years for regular employees	13.2 years (16.5 years for men, 9.4 years for women)

Background and goals of diversity management

Management based on thorough pursuit of service from the customer viewpoint as a service industry contributing to the local community

Based in Gifu and Aichi prefectures, Ogaki Kyoritsu Bank has 150 branches nationwide and four bases overseas. Management is deeply rooted in the idea that customers should not have to adjust to the convenience of the bank, but the bank must adjust to the lifestyles of the customers, and in doing so become the preferred bank of customers and a service industry contributing to the local community.

The bank long held a customer-centered business culture that encourages taking on new challenges. However, this stance became more clearly defined in 1993 when the current president took office.

The result was a series of firsts for the Japanese banking industry starting with ATMs operating year-round (September 1994) and followed by manned branches opened year-round (November 1998), convenience store ATM service (March 2005), palm identification ATMs (September 2012), and drive-through banking (April 2013).

Promoting female employee advancement as part of drive to “maximize customer satisfaction”

These successes were based on the idea that the capabilities of various human resources, regardless of position or gender, must be utilized to the greatest extent possible in order to perpetually create new products and services and, in doing so, maximize customer satisfaction.

The “Pan-industry Training System” implemented since 1998 is one example of an approach to maximize customer service. Under this system, bank employees are dispatched to convenience store operators, mass communication companies, hotels and manufacturers to learn corporate cultures and approaches other than those taken by the banking industry. This helps to break down their preconceived notions of what a bank should be, allowing for a free flow of ideas that can lead to the creation of new services and products. So far there have been 73 participants in this program and they have been instrumental in helping to create some of the pioneering banking services mentioned above.

Promoting female employee advancement and environmental maintenance are components of a broader policy for “maximizing customer satisfaction.”

Specific measures for promoting diversity

Various policies promoting female employee advancement starting with *21st Century Nadeshiko College* for grooming future female managers

In November 2006, the *21st Century Nadeshiko College* was launched to provide business skills, leadership, management and other training with the aim of appointing more women to managerial positions. So far 74 employees have completed this training. Based on a proposal from the initial participants in this training, a *Nadeshiko Executive Office* was established within the Human Resources Department in 2007 as an executive office created by women for women under the slogan of “creating working environments where women can flourish.” In addition to planning and managing the *21st Century Nadeshiko College*, this office is also responsible for PR and other activities promoting the advancement of female employees.

From 2009, participants in the *21st Century Nadeshiko College* also participated in *Sakura Nadeshiko*, a team of female instructors for new employee training. In addition to the opportunity to gain various knowledge through off-the-job training, this approach helps participants gain skills in instructing subordinates, raises awareness of the roles that female leaders must fulfil within the organization, and provides valuable experiences towards becoming next-generation leaders.

New product development led by project team developing products for women

Ogaki Kyoritsu Bank focused on developing products that considered various social environments for women. These included the “Life Plan ‘Re’ -f-” loans for divorced women released in November 2007 and the “Tetote” loans supporting single mothers released in December of that year. Due to the very positive response to these initiatives, the bank in March 2008 launched the *Ls Project* within the Business Development Department. This new project team was entrusted with developing new products by women, for women as a way to more aggressively capture female customers. The earnest development of products specifically targeting women came about due to an increased awareness of the need for products considering the needs of women. After all, half of the bank’s customers are women, women tend to manage household budgets and the growing number of working women is driving the market.

This project team consists of only women. In addition

to two women in charge of the project full time, there are seven other women who participate in the project along with other duties at their departments, offices, or branches. The project team consists of women with various backgrounds and experiences (married, single, just back from child-care leave) so that products and services can be planned from various perspectives.

Promoting greater female employee participation through switching occupations, preparing environments realizing various working styles based on employee life stage

The introduction of a system allowing for two-way switching between general office and general management positions, not only opens up opportunities for advancement to managerial positions through a switch to general management positions, but also provides opportunities to take on a broader scope of responsibility, such as a corporate liaison. During the period between 2007 and 2013, after the launch of the *21st Century Nadeshiko College*, 15 employees switched from general office to general management positions. At the same time, employees have the option to switch to a general office position if that could better accommodate their life stage (child care, nursing care for family member).

Furthermore, since April 2008, employees can use the child-care leave system for up to the fiscal year when their child reaches the age of three. As of April 2013, 119 employees took child-care leave. Many used the full allotted period, and there were cases of employees taking leave for more than three years as they had a second child during the child-care leave period. Providing a wider range of options in this manner helped to lower the female employee turnover rate from 8.0% in 2007 to only 4.3% in 2012.

In order to promote utilization of child-care leave and enhance support for returning to work, employees on child-care leave are assigned to the Human Resources Department and a system for following up on these employees was enhanced. At the same time, replacement personnel are shifted to those departments, offices and

branches where regular employees have taken child-care leave. This approach helps to reduce burdens at the worksite and makes it easier to implement the system without burdening relevant parties. Such support also makes employees less reluctant to take child-care leave.

When employees return from child-care leave, they remain assigned to the Human Resources Department and undergo reinstatement training for the first month. They are provided with this period to become acclimated with work at a branch close to where they live and prepare for their next assigned position. So even those employees who had been away for a long time can easily grasp the pace of work, obtain the knowledge needed for their duties and make a smooth transition back to the work place. After the reinstatement training, the employee's next assignment is determined taking into consideration individual conditions such as where they live and the location of their child's day care center.

By creating an environment where it is easier to continue working thanks to reduced working hours and exemption from overtime for child care leave and other reasons, female employees are able to more broadly participate in the company.

Managerial effects through promotion of diversity

L's Project developed various products and services for women; improved business operations by reviewing sales structure with aim of uncovering new customers

Ogaki Kyoritsu Bank has aggressively developed products for women, starting with its handling of the "Life Plan 'Re' -f-" special divorce-related loans for women in November 2007.

Four new products were introduced following the launch of the *L's Project* including the "Bi-sket" loan for beauty treatments and cosmetic surgery (June 2008) and the "Futari*de" loan for fertility treatments (December 2009). Then in August 2011 the *L's Club* membership service with no entrance or annual fees was introduced, targeting female customers with Gold or Super Gold multi-purpose accounts. *L's Club* members are awarded various privileges such as preferential rates, invitations to seminars, and redeemable L's points.

In addition to marketing loan products for applications that customers may be reluctant to talk about, such as divorce and fertility treatments, the company also assigns at least one woman as a loan officers at the branches and elsewhere and female employees are always involved in loan consultations. Providing such detailed responses to various problems has helped to maximize customer

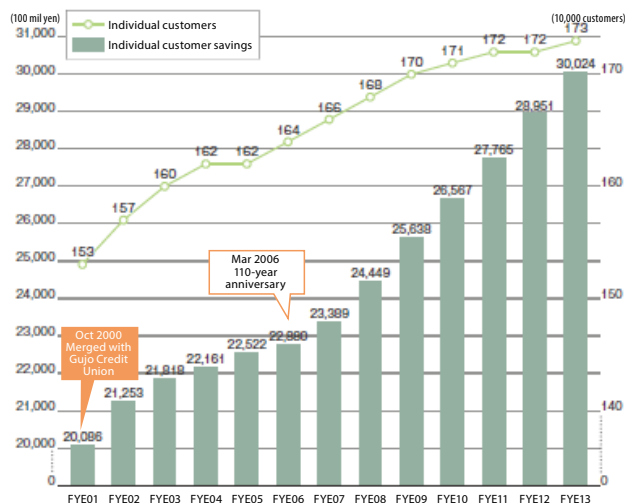
Support System for Child Care, other Leave

System	Particulars	Participants (as of April 2013)
Child-care leave	Can take up until the fiscal year in which the child reaches the age of 3.	119
Career switch	Allowed to work reduced hours (5 hours/day) as assistant to provide more time for child care until child enters elementary school. Afterwards can be reinstated as a full-time bank employee (return to previous role).	14
Reduced working hours	Employees with children 3 years old and younger can work 1.5 fewer hours each day (work 6 hours/day). Working shifts can also be selected from various time-zone options.	10
Overtime exemption	Employees can be exempt from working overtime until their child enters elementary school.	19

satisfaction. This is evidenced by the Customer Satisfaction Assessment in the *Nikkei's* ranking of financial institutions. In 2014 Ogaki Kyoritsu Bank ranked fourth nationally in terms of customer satisfaction (top three were all Internet banks), landing the top spot among regional banks. In fact, the bank has finished in the top 10 for ten straight years since the launch of this survey.

Not only has Ogaki Kyoritsu Bank taken the lead in such areas as year-round ATM service, year-round manned branches and drive-through banking, it has responded to market needs by developing products specifically for women. By remaining aware of its status as a service industry and by always providing new services to meet various needs on a "customer first" principle, the bank overall has been very successful in capturing new individual clients.

Individual Clients and Savings Amounts



Note: Units are rounded down

Promotion of female employee advancement and accompanying increase in female chiefs leads to improved customer satisfaction

The number of women appointed to managerial positions has steadily increased since the adoption of measures to promote the advancement of female employees starting with the *21st Century Nadeshiko College*. In fact, this number grew from only 49 in 2007 to 112 in 2013. Currently the highest job ranking is that of branch manager and six women have been appointed to the position of branch manager / satellite office manager. In particular, there are four satellite offices in which all employees are women, and these offices have generally scored very high in the in-house customer satisfaction surveys.

For example, the OKB Harmony Plaza Meieki satellite office, opened in March 2011 to serve as a flagship branch for the bank, won the Excellence in Customer Service Award for two straight periods (2H FY12 and 1H FY13). The award is

presented to the top ten out of roughly 150 branches and satellite offices. In addition to the OKB Harmony Plaza Meieki satellite office, another satellite office with a female chief won this award and two others received the highest assessment. As such, female chiefs are making significant contributions to raising the level of service offered by the bank.

A female employee has served as the manager of the OKB Harmony Plaza Meieki satellite office since its establishment. Since the very beginning, every member of this satellite office has strived to provide services that overturn the conventional image of a bank in order to serve as a model branch for the company in terms of customer service. Every employee at the satellite office had very strong awareness of customer service, with the female satellite office chief encouraging all staff members, including part-time workers, to try and obtain the in-house *Manner Expert* certification. *Manner Expert* is a unique in-house qualification awarded to employees who pass the Secretarial Proficiency Test, Grade 2 or similar examination. Both full- and part-time workers are encouraged to study on their own in order to obtain this certification.

Such a strong intention to raise the level of daily service likely contributed to the previously mentioned high assessment the bank received for customer satisfaction in the *Nikkei* ranking of financial institutions.

Reference information

不妊治療関連ローン

「デキル」を
ふやす
女性専用ローン

キレイを
かなえる
女性専用ローン

女性のための
離婚関連
専用ローン

がんばる
シングルマザー
の暮らしを
応援します。

The L's Project develops loan products specifically for women.

The OKB Harmony Plaza Meieki satellite office operated by a female chief, is a luxurious branch designed to overturn the conventional image of banks.

Corporate Name

Finance and insurance

Large enterprise

Sumitomo Life Insurance Company

Some female employees were realigned to the position of group manager so as to change the administrative system of the branch offices, and a program to reform clerical work processes was introduced, which dramatically reduced the work hours and increased the level of consumer satisfaction.

Main points

- ▶ Overwhelmingly high percentage of female employees, but many leave company to raise families. Company lagged behind foreign insurance firms in terms of fully utilizing female employees.
- ▶ Launched in 2005 a top-down project to promote female employee advancement.
- ▶ Increased managerial positions for women, assigned women to position of group manager (GM), and drastically revamped branch office work system.
- ▶ Established three systems for promoting female advancement: Career Advancement Support System, Family Support Transfer System, and Job Comeback System.
- ▶ Raised awareness through training and meetings; increased exchanges between female general office and management workers.
- ▶ Revamping business process resulted in a significant reduction in working hours and the highest-ever *Customer Satisfaction Survey* score was achieved in 2013.
- ▶ Realized more efficient branch office system and increased female employee motivation.
- ▶ In 2013 launched the *Sumisei Nadeshiko Plan* to develop the firm's next-generation of female executives.

Data

◎Corporate profile

Year of foundation	1907	Capital	639,000 million yen
Head office address	4-35, Shiromi 1-chome, Chuo-ku, Osaka City, Osaka Prefecture		
Business outline	Life insurance		
Sales	3,144,777 million yen (to March 2013)		

◎Data for employees (unconsolidated)

Number of employees	42,098 (no non-regular employees)
Number of employees by attribute category	[Women] 37,045 (regular employees only) Women's share of managerial jobs at 15.9%
Average service years for regular employees	13 years, 11 months (19 years, 1 month for men, 10 years, 9 months for women)

Background and goals of diversity management

Mid-2000s: Overwhelmingly high number of female employees, but many quit to start families

Sumitomo Life Insurance Company is a major provider of life insurance founded in 1907. The company has 42,098 employees (as of March 2013), with 37,045 female employees, an overwhelmingly high 88% of all employees.

Most of these 37,045 female employees are salespeople known as *Sumisei Life Designers* (only 741 male employees hold this position). In addition to this sales staff, there are also back office workers (general management, management, general office). 4,312 male employees hold such positions, compared to 6,916 female employees.

Not only Sumitomo Life, but Japanese life insurance companies in general have high percentages of female employees. This is because actively involved female employees have clearly been valuable assets for this industry. However, in the mid-2000s Sumitomo Life was making poor progress in advancing female employees to back office positions. The reason was that many women quit the company to start families.

President makes company-wide proclamation regarding involvement of female employees; launched committee promoting female employee advancement

Shinichi Yokoyama, the president of Sumitomo Life at that time (current chairman), thought, "Talented female employees play key roles at foreign life insurance companies. It is odd that we have so many talented female employees but so few are advancing to managerial roles. Our personnel system must be to blame for the poor involvement and resignation of female employees. If we can reform our systems and organizations to become a company where fewer female employees quit and instead continue their careers, these women could gain more experience and deepen their expertise. This would contribute to higher quality service and a deeper talent pool for managerial positions."

In 2005, President Yokoyama issued a company-wide proclamation regarding the involvement of female employees. This proclamation led to the launching of the Committee for Female Employee Advancement (hereafter referred to as "Advancement Committee"). Employee systems and utilization were entrusted to the Human Resources and Personnel departments, with the Advancement Committee serving as a cross-departmental organization between these two departments.

Specific measures for promoting diversity

Increased the number of female managers, positioned them as group managers (GM), revamped branch office work system

The first objective set by the Advancement Committee was "increase the number of female managers." Here, managerial positions refer to general management positions that involve transfers without the need to relocate. Most involved switchovers from general office positions.

Before 2006 there was a system for encouraging female employees to change their jobs to managerial positions, but the number of participants was limited. So a goal was set to invigorate this system with the switching of roughly 200 women from general office to managerial positions over a 2 to 3-year period. The 200 figure was based on the idea of installing two female managers at each of the roughly 90 branch offices operated by the company at that time, in addition to managerial positions at the head office. This target was achieved in 2008, just two years later. There are currently 280 such managers, broken down as 247 women and 33 men.

The branch office system that must maximize the capabilities of these managers was also dramatically changed. The source of the company's vitality is its nationwide network of 88 branch offices and 1,516 branches. Until 2006, each branch office was divided into four groups with male general managers serving as the heads of most groups. However, under the project to promote greater involvement of female employees, the system of four groups and four group leaders per branch office was changed to a system of two groups and two group managers (hereafter referred to as the "GM" managerial position) per branch office. These managerial positions are overwhelmingly held by women.

Branches under the umbrella of branch offices consist of about 20-30 salespeople, two general office workers and one branch manager. (From long ago the majority of branch managers were women. Branches are sites mainly for sales activities.)

From 2006, general office positions at branch offices and branches were intentionally rotated with the aim of grooming personnel for management positions. There was the belief that branch offices and branches needed to become more familiar with each other's business affairs in order to raise skills to levels needed by managers and to develop personnel who could serve as GMs

No female role models: Worksite mistrust and female employee unease

When the project to promote female employee advancement started in 2006, the level of enthusiasm differed between the head office and worksites (branch offices). Many argued that even if the Advancement Committee promoted the appointment of female employees to higher positions, “there are no women (with the abilities) for those positions” and “there will be concerns if a man is not in that position.” There was also mistrust of the head office for forcing such an unprecedented change.

Even the female general office workers felt uneasy about whether they could take on such new roles. At that time, such management positions were rare nationwide and unprecedented for most branch offices. A lack of female role models resulted in increased worksite mistrust and female employee unease.

The Advancement Committee responded to this reaction and confusion from the worksites by saying, “If such employees do not exist, locate and develop good candidates.” The committee presented the idea of developing such personnel in order to have a system in place within two years with greater female employee advancement.

Three systems support female employee advancement: Career Advancement Support System, Family Support Transfer System, and Job Comeback System

In 2006 the Advancement Committee established three systems to help realize a company with greater involvement among female employees. These were the Career Advancement Support System, which allows female general office employees and general managers to experience working in other sections for a limited time to support career formation, the Family Support Transfer System, which provides employees who must move due to family reasons with the option of transferring to a branch in the city where their family is moving, and the Job Comeback System, which allows women who quit to get married, start a family and raise their children to utilize their experiences and again work for the company.

New Systems Established in 2006

Name	Specifics	Total Participants (as of Aug 2013)
Career Advancement Support System	Provides general office employees and general managers with the opportunity to gain experience working for a limited time at a different assignment to support broader career advancement.	24
Family Support Transfer System	Employees who must move due to family reasons (marriage, spouse transferred, nursing care), are given the option of transferring to a worksite in the city where their family is moving.	108
Job Comeback System	Employees who must quit to get married, start a family, raise their children and other reasons, can return as a company employee and utilize experience gained from their earlier career.	161 (registered: Approx. 420)

Note: “Registered” for the Job Comeback System refers to employees who have registered for the possibility of returning to the company, but have yet to do so.

Raised awareness through training and meetings: Aggressive adoption and training of women for general management positions, increased exchanges between female general office workers and female managers

Along with enhancing these systems, the Advancement Committee used training to aggressively raise awareness. In order to tap the opinions of female employees, women in general management positions were invited to serve as members of the Advancement Committee and various training was conducted with the aim of raising awareness. In-house reports were also used to introduce approaches taken by each branch office.

A wealth of other measures were also taken. In addition to aggressively appointing women to general management positions and providing broad working experience, female employee career training was implemented from 2013 (career planning and group meetings for female general managers who have been with company for at least eight years). The percentage of section chief and higher positions held by women increased from roughly 4% in 2006 to more than 15% in 2013.

Training was also conducted when employees were first appointed to managerial positions (immediately after transferring from general office to manager position) and five years later. The aim of this training is to raise awareness of participants and change their ways of thinking as managers.

From 2007 female employee forums have been held for each of the national blocks. The participants are female employees and the heads of general affairs departments at each branch office.

Such training and forums provide opportunities for exchanges between female general office workers and female managers. General management positions involve more transfers so there are opportunities for greater lateral connections. However, general office and management positions tend to remain at the same worksite as there are no transfers that involve moving to new locations.

Training at Osaka head office for female general office workers and managers (2009)



As a result, there are fewer opportunities to interact with other sections. Owing to the activities of the Advancement Committee from 2006, greater lateral connections have been formed for female general office workers and female managers, allowing for contact with a variety of role models and new ways of thinking about career formation.

Managerial effects through promotion of diversity

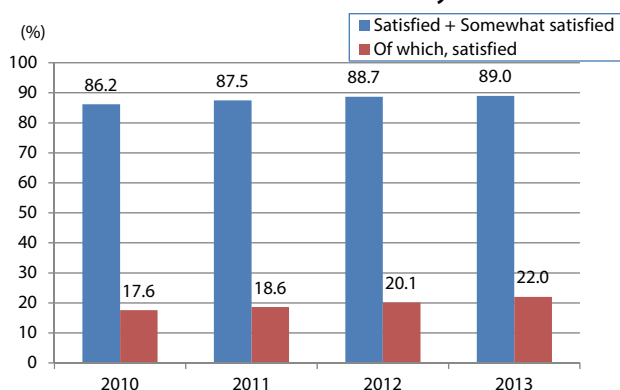
Drastic reduction in working hours and improved customer satisfaction through business process reforms

Along with the reorganization of the branch office system through the positioning of GMs, company-wide “business process reforms” were launched in 2007 under the Personnel Department, responsible for management of personnel for the entire company. Office procedures that varied by each branch office and branch were harmonized, conference materials / low-priority operations were cut and some general management duties were shifted to general office work.

Female GMs and general office workers with expert knowledge of office work were actively involved in these business process reforms. Their precise perceptions helped to streamline clerical work by reducing materials, consolidating storage rules, and reducing in-house conferences and work, taking into consideration company priorities.

Along with the business process reforms started in 2007, the Personnel Department led an initiative to limit company-wide PC usage to between the hours of 8:00 AM to 8:00 PM, which resulted in a significant reduction in working hours. Average annual total hours worked declined from 1,992 hours in 2007 to 1,730 in 2011, a reduction of roughly 260 hours, or 13%.

Results of Customer Satisfaction Survey



Not only were operations streamlined, but the quality of these operations improved. Establishing rules for where and how to store documents, and the reduction of low priority tasks helped to eliminate waste and reduce mistakes, which in turn improved work precision and reduced the lead time for customer relations. One example is the rapid payment procedure completion rate (percentage of contracts for which procedures completed within three business days after claim submission). This rate improved from 79.8% in fiscal 2010 to 82.9% as of the end of the first half of fiscal 2013. The establishment of methods for storing documents that could be easily understood by all employees made it much easier to establish a system supporting employees who suddenly need to take time off for family emergencies and other matters. These approaches also contributed to improved customer service, with customer satisfaction scores increasing each year. In the 2013 *Customer Satisfaction Survey*, the combined score for respondents saying they were “satisfied” or “somewhat satisfied” was 89.0%, with the percentage of those saying they were “satisfied” reaching 22.0%, both record highs.

Realized efficient branch office system and improved motivation for female employees

Current branch office operations are entrusted to GMs, and close to 90% of these managerial positions are filled by female employees. Efforts are also underway to improve the company’s earnings by dramatically reducing general management positions engaged in branch office work and reassigning such personnel to growth fields such as over-the-counter sales at banks.

There are many merits from having female GMs at the core of branch office work. Female managers who do not transfer to other locations and so have close local ties, have a better understanding of customers and sales in their local regions and are able to accumulate a wealth of knowledge regarding the work needed for that branch. Such knowledge is very useful for improving service and realizing smoother management of operations.

Not only did this system contribute to improved customer satisfaction as mentioned above, it also improved job satisfaction among female managers. The Company Employee Survey indicated improved career consciousness with roughly 90% of managers responding “satisfied” to questions regarding “career fulfillment” and “sense of accomplishment.”

Corporate Name

Education, school support

SME

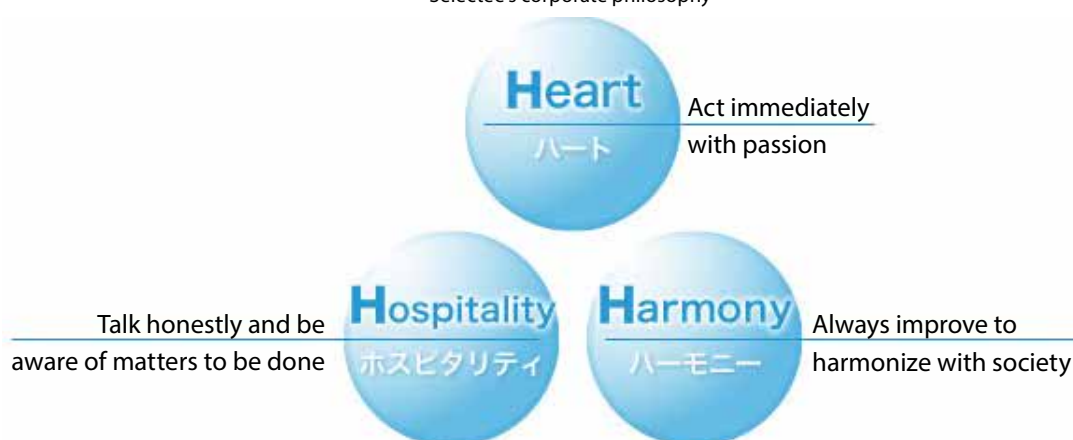
Selectee

Women employees' highly-qualified skills for serving customers contributed to improving customers' satisfaction and sales.

Main points

- ▶ Top management and managers are conscious of bottom-up management which supports subordinates and younger members so they can work comfortably.
- ▶ A "Good and Thanks Campaign" and commitments at the top, which encourage the good nature and opinions of each employee, are being practiced.
- ▶ A short-time regular employee system and a system for supporting re-employment were introduced, and are being implemented.
- ▶ A young woman was promoted to a post of executive director, the third highest position.
- ▶ The company promoted female part-time instructors to regular employees, and utilized their perspectives gained through working on-site for improving the operating process.
- ▶ Women employees' highly-qualified skills for serving customers contributed to improving customer satisfaction and sales.

Selectee's corporate philosophy



Data

◎Corporate profile

Year of foundation	1996	Capital	30 million yen
Head office address	Shonai Bank Building 5F, 1-24, Chuo 3-chome, Aoba-ku, Sendai City, Miyagi Prefecture		
Business outline	Dispatch of tutors, individual tutoring schools		
Sales	439 million yen (to March 2013)		

◎Data for employees (unconsolidated)

Number of employees	22 persons (including 5 non-regular employees)
Number of employees by attribute category	[Women] 17 persons (including 3 non-regular employees) Women's share of managerial jobs at 80%
Average service years for regular employees	3.4 years (4.6 years for men, 3.2 years for women)

Background and goals of diversity management

Anticipating the power of women for careful one-to-one individual tutoring

Selectee dispatches tutors and operates individual tutoring schools at seven sites and ten schools in Sendai City, mainly for elementary school students through high school students. The number of registered instructors is 300 (women account for approximately half of them) and the number of students is 1,100. The company provides learning support specializing in one-to-one teaching which is characterized by providing careful support for children with challenges, such as developmental disorders.

To support children with challenges, the classes are often enhanced by the instructors' warmth and passion for wanting to help children, rather than technical skills used in classes. Since the company has realized this through practice, it anticipates the power of women who are good at giving consideration and paying careful attention, and has been working for this power to be maximized.

The experience of active roles played by women, who were hired at the beginning of the company, consciously promotes the employment of women

Around the year 2000, when less than five years had passed since the establishment of the company, Selectee hired a female sales staff member at the beginning of the company when the number of students and schools started expanding. The sales activities of this female staff member were well received by customers, and the next female employee who was hired for a sales position also played an active role. As for the first female sales staff member, she was successful as well after she changed

her job from sales to management. On the other hand, when the company employed male employees for sales positions after that, it reaffirmed the positive points of both men and women. Therefore, Selectee started feeling like it is extremely important for corporate activity to employ both men and women, and to make use of the positive points of both. With such active participation by women, it led Selectee to consider consciously employing women at the company.

Specific measures for promoting diversity

Introduction and operation of a short-time regular employee system and a system for supporting re-employment, which makes it easy to accommodate childcare and hobbies

Hours of operation usually last until 9 p.m., and it is a difficult situation for women with small children to continue working. Since Selectee thinks that employees with knowledge, experience, and skills leaving the company is a great loss, it has been working on introducing and operating a variety of its own systems supporting realization of both work and childcare.

The short-time regular employee system started operating in 2004. Although the length of working hours for regular employees is usually eight, employees can choose either a six- or four-hour working schedule with this system. So far three employees have used this system and among them, there were employees who chose shortened work hours not because of childcare but to keep a good balance between work and hobbies. This system was stipulated in the work regulations in 2011.

Major systems that Selectee sets uniquely

System	Outline	Year the system started
System for supporting re-employment (commonly called Modoricchi)	When an employee who has left the company once due to marriage or childbirth returns to work, the employee can come back to work with the same treatment and post as the previous position. Or employees can make requests like shortening working hours, or changing the post when returning to work.	2006
Short-time regular employee system	Employees can choose either a six- or four-hour working schedule as a regular employee. They can choose the number of working days instead of the length of working hours.	2004 (stipulation in the work regulations was made in 2011)
Study vacation on the anniversary of the company	Employees can take five days off in a row around November 12, the anniversary of the company. Each employee can spend time freely during the vacation while reminding oneself of the corporate philosophy.	2005
Vacation for family memories	Employees can take a vacation (six days a year) for anniversaries of their significant others (such as family, relatives, friends, and former teachers), including birthdays, wedding anniversaries, anniversaries of someone's death, and other anniversaries.	2009

The system for supporting re-employment (commonly called Modoricchi) is a system which was created according to a need when employees give birth. Based on the concept of the company wanting employees with a great deal of knowledge, experience, and skills who have built up work experience and taken training to come back to work anytime, it operates the system without setting any deadline for returning to work. So far three employees have used this system, and now they are actively participating in the workplace again.

As other characteristic systems, there is a study vacation on the anniversary of the company, and a vacation for family memories. The purpose of having employees gain refreshment is also included in the study vacation on the anniversary of the company, and how to utilize the vacation is up to each employee. The vacation for family memories is a system which the company set up, as it thought that having gratitude for people close to employees leads to caring about each customer.

Commitments of the top and a variety of activities draw out the good nature and opinions of each employee

Selectee is conscious of bottom-up management, modeling its organizational structure after an inverted pyramid-type, and the company operates an organization based on the concept that it is important that top management and managers support subordinates and younger members so they can work comfortably. By conducting this operation of the organization, compared with a traditional hierarchy, it creates an environment in which new thoughts likely to be supported on a constant basis, such as ways of thinking of employees who are working on-site, ideas, unique approaches, and streamlining.

As one characteristic activity related to such an operation, there is a "Good and Thanks Campaign" in which employees make presentations by rotation, and share good things which happened in their daily routine at employees' daily meetings which are held starting from 1 p.m. Such an opportunity leads to enhancing a feeling of self-affirmation and job satisfaction of employees, and it sometimes elicits constructive opinions from each employee as well, therefore it is a place to extract and share the individual good nature and opinions of employees.

In addition, the president often observes the employees' situation in the course of day-to-day tasks. He lets employees know immediately about matters he notices by memos or via e-mail, and about good things, he tries to praise and thank employees. The president gives monthly salary to all employees by hand, and by doing so, he hears the daily feelings of each employee, and tries to lead them to improvement.

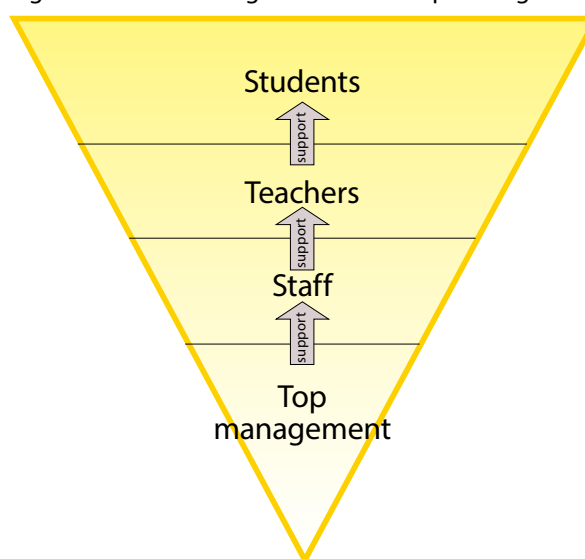
Improving business operation by promoting a young woman to an important post, and promoting part-time employees to regular employees

A young woman in her 30s was promoted to a post of executive director, which is the third highest position at the company. When she first entered the company, she was in a sales position, and she's been working for the company for almost ten years. She is good at understanding the feelings of guardians, who are customers, and can elicit the opinions and needs of customers smoothly. In addition, since she establishes a trusting relationship with guardians on a daily basis, guardians do not react against her even if she's being a little hard on them out of educational consideration for the children. This female employee also plays a role in deeply understanding other employees' situations, promptly finding out which employees have problems or have hit a wall, and passing such information along to employees at executive level.

In August 2013, Selectee promoted part-time instructors (all of them women) to full-time regular employees. With the intention of securing high quality instructors, this is an approach that the company took for instructors, who are recommended by the head of the school and who themselves wish to work as regular employees, so they can work for a longer period of time. By stepping up part-time instructors to regular employees, proposals for improving business operations have been made from many perspectives gained through working on-site, and improvement of the operating process is being realized.

Image of inverted pyramid-type organization

Organization modeling after bottom-up management



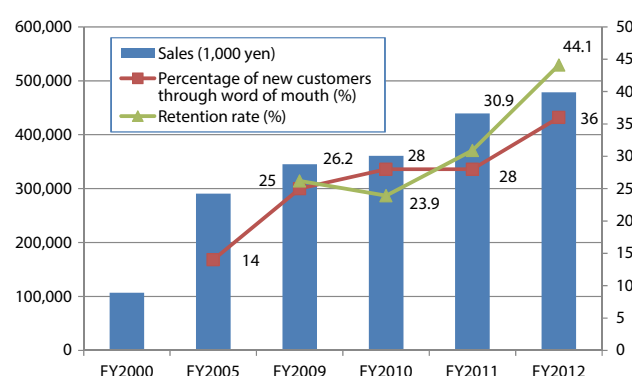
Managerial effects through promotion of diversity

Highly-qualified skills of women employees serve customers, achieve high customer satisfaction and contribute to improvement of sales

Selectee has continued to achieve high customer satisfaction through working on improving the level and quality of customer services by strengthening recruitment of women, and making use of women's careful attention to detail. The company has realized an improvement of sales by approximately 10% every year, and it has been achieved seven periods in a row since 2006.

After the period when Selectee started promoting active participation of women through strengthening their recruitment, introducing the short-time regular employee system, and promoting women to important posts, almost no complaints have been made for which the president has had to get involved, and this shows the improvement of customer satisfaction.

Changes in sales and percentage of new customers through word of mouth, as well as retention rate



The percentage of new customers through word of mouth reached 36% in fiscal 2012 from 14% in fiscal 2005, and the retention rate (percentage of ninth-graders continuing to come to the company's tutoring school after high school examination) increased from 26.2% in fiscal 2009 to 44.1% in fiscal 2012. By analyzing feedback from customers regarding this background, it is clear that women's highly-qualified skills in serving customers make a large contribution to customer satisfaction, such as "staff members understood how mothers feel, which is difficult to express with words," and "staff members found strengths in my child which even we, as parents, did not realize."

A diverse set of values and ideas generate a synergistic effect, and realize improvement of the content and environment of classes

Female workers who stepped up from part-time instructors to regular employees take actions to let head office know about their awareness of issues and suggestions for improvement. They offer suggestions about the environment of classes on-site based on what they were feeling while working as instructors, and try to utilize this awareness and suggestions for improvement on-site. For example, they suggest using a variety of layouts and decorations for classrooms, and placing humidifiers seasonally. These female workers make suggestions with the aim of added value, which makes the environment of classes more comfortable for children, and these suggestions are being realized. It is considered that there are the following reasons for this: becoming regular employees from part-time employees presumably made it easier for these female workers to give their own opinions considering the position they are in, their motivation became higher, and they had the time as well as the responsibility to lead awareness of improvement issues.

Corporate Name

Medical, health care and welfare

SME

COCO-LO

The company's flexible working styles have been keeping many qualified employees attracted to the company, which helped in embarking on one-day beauty services making use of such employees' professionalism.

Main points

- ▶ After overcoming difficulty in employment when they were established, they offer flexible working styles that can fit diverse lifestyles.
- ▶ An HR system with "self-recommendation for management posts" allows employees to exercise their maximum capability and different skills.
- ▶ Efforts to improve productivity through management of operation ratio by each business base and business diary.
- ▶ Development of new value-added services through employees' expertise and unique viewpoints.
- ▶ Company-wide information-sharing based on employees' experiences gained through their previous jobs.

Data

◎Corporate profile

Year of foundation	2005	Capital	3 million yen
Head office address	261-3, Aioi-cho 2-chome, Kiryu City, Gunma Prefecture		
Business outline	Home nursing, daycare service, and assisting home nursing		
Sales	240 million yen (to March 2013)		

◎Data for employees (unconsolidated)

Number of employees	70 persons (including 26 non-regular employees)
Number of employees by attribute category	[Women] 60 persons (including 26 non-regular employees) Women's share of managerial jobs at 75%
Average service years for regular employees	3.4 years (2.7 years for men, 3.6 years for women)

Background and goals of diversity management

It all started with the difficulty of employment when they set up

COCO-LO runs six business bases: one for home nursing, two for daycare and one for assisting home nursing in Kiryu City, and one daycare facility in Midori City, as well as one home nursing in Maebashi City. It has been rapidly growing due to hiring 70 people for eight years since its foundation in 2005. 80% of the employees are certified with welfare-related qualifications including nurses, physical therapists, occupational therapists and careworkers. Women account for over 80% of all the employees.

Mrs. Yoko Utagawa, certified occupational therapist CEO, established COCO-LO with a couple of nurses in 2005 after nursing her grandmother. Soon after its establishment, the company grew and expanded its business, requiring more nurses as a matter of course. In spite of continuous posting of recruitment ads at the employment center, there were no calls for many days. When a she heard a CEO's friend say: "I know there are people who want to work, but they can't because they have children to take care of," she decided to secure human resources by making the workplace better for parents bringing up their kids.

Specific measures for promoting diversity

Various support systems allowing flexible working styles that fit diverse lifestyles of employees

Since its establishment in 2005, COCO-LO has introduced and operated various support systems to allow flexible working styles corresponding to the diverse lifestyles of employees by satisfying their needs. As a starter, they introduced a "semi-regular employee" system for employees who take care of their young or old family members. With the same hourly wage as regular employees and an indefinite employment period, semi-regular employees can choose their daily work time from 4.5 to 7.5 hours. They can even choose their work hours by week depending on their individual family needs. The system is used by 13 semi-regular employees.

Since 2006, employees have been allowed to take childcare leave until their child becomes three years old – two years longer than the legal childcare leave period. Eight employees including two men have used

the system so far with no resignation after their childcare leave. 12.5% of them took three-year childcare leave. The employees who return to their work after their maternity and childcare leave are also allowed to work short hours from only an hour per day. A system called "Warming-up Work" can be used for one month by an employee who took maternity or childcare leave. Within a one-month warming-up period to return to work, a returnee can think over how he/she is going to coordinate their work-life balance. Some regular employees become semi-regular, and others become regular when their children reach a certain age.

Since 2007, COCO-LO has offered a free on-the-premise nursery where full-time childcare staff members take care of employees' children. The employees can use the nursery until at least March of the year her/his child becomes three years old, and the period can be extended if desired. With this on-the-premises nursery, employees can visit their children to nurse or just to see how the kids are doing. Seeing their children safe and sound under good care, they can concentrate on their work. COCO-LO also assigns an employee who uses the on-the-premises nursery to work at the day-care facility instead of working as a home caretaker so that he/she can be at the same premises as the child.

In 2013 some employees had trouble with their daycare center for their elementary school children during summer vacation because the center didn't open until 8, and it didn't give them enough time to arrive at the office. COCO-LO opened a free temporary daycare center just for the period of the elementary school summer vacation. Two employees with a teacher's license took care of the children. The kids had great experiences including an opportunity to visit a college on their open campus day. 16 pupils used the center in 2013, and all of them enjoyed spending time at the center.

At the on-the-premises nursery



HR system with the “self-recommendation for managerial post” system which appreciates employees’ aspirations for their career and skills

With the “self-recommendation for managerial post” system, COCO-LO assigns a person who recommended herself/himself to a managerial post. This system stimulates the whole company by letting a motivated employee manage an office, and promotes the desire of employees to take on a new challenge.

When assessing an employee’s skills, COCO-LO considers not only work skills but also skills in his/her previous jobs and childcare experience as competence. Childcare inevitably entails severe time constraints and relation building with the local community. COCO-LO clearly states its philosophy that experience in childcare enhances employees’ “ability for time management,” “efficiency in working” and “communication ability,” and thus appreciates these qualities as business skills. They realize it by assigning an employee after childcare leave to a managerial post, and have actually promoted one employee to a high-class manager.

Efforts for better efficiency with operation ratio management by office and business diary

Because each employee works in a manner that best fits their lifestyle, it has become challenging to use the limited time efficiently and not to affect work when someone takes a short or long break from working. COCO-LO has been trying various things to realize both diverse working styles and high productivity.

In order to maximize management efficiency, and to realize a better operation ratio, the office is opened up to each employee. The manager of each office is responsible for assignment of the post and work shift so that the decision and efforts of each office are directly reflected in operating efficiency. Clients’ needs learned through user surveys are shared by each employee to improve their service. For employees working as a home caretaker, commuting to and from their clients’ homes without stopping by the office helps them visit more clients per day, and thus achieve better operation efficiency.

As time management by using a business diary is recommended, employees are provided with a business diary recommended by the CEO if they wish. (If an employee wishes to buy a different type, subsidies are provided). All new employees are given instructions on how to use the diary. The CEO directly asks the employee if he or she keeps his business diary when work is not completed as planned. The employees are instructed to make a to-do list and

enter it along the time line of the day so that they can work efficiently.

Efforts toward empowered organization

A variety of efforts have been made to realize an empowered organization as the company grows, with a stronger commitment and empowerment of not only the CEO but also each employee. Employees are required to become more interested in management too.

They spend the entire Monday morning every week on employees’ education except for non-regular users of the daycare facility. The CEO herself gives a lecture on one Monday a month to give employees an opportunity to learn managerial viewpoints by explaining management indices and the basics of corporate management. Some lectures are about analysis results of client surveys, and tips to minimize the time for a meeting.

Under the project name “Organization for Empowerment,” study meetings allowing any employee to participate are held twice a year. In the meeting they spend a whole Saturday reading the same book, and have a discussion. Various themes such as “bringing out personality,” “sharing information,” and “removing hierarchical organization” have been thoroughly discussed. One of the outcomes of the discussion about “sharing information” resulted in promotion of information-sharing in the company by using an iPhone and iPad.

There are some other unique mechanisms, too. “What do you think, CEO?” is a system where an employee can directly send the CEO an email for improvements and suggestions about the company or a new event. The “Awareness Note” that each employee is required to submit weekly is a note about things that they noticed through day-to-day work. These help the employees share small but important awareness, and work effectively on improvements in the company.

Managerial effects through promotion of diversity

Development of new value-added service with employees’ special skills and viewpoints

“COCO-LO Garden,” a daycare center opened in October 2012, has a female manager who is a qualified beautician. With the skills and viewpoints of staff members having an esthetician’s license, they developed and started new beauty services including a head spa and manicure.

The new service in which rehabilitation and beauty are

integrated helped the center become more attractive to the clients. The number of visiting clients increased from 53 in April 2012 to 62 in January 2013. Mental relaxation may help improve some physical symptoms.

Development of a new service in which “rehabilitation” and “beauty” are integrated.



Realization of company-wide information-sharing with a new employee’s experience from her previous career

All employees and managers have been provided with iPhones and offices with iPads since June 2013. It is intended to share same information with all employees even if they work in different centers, so that the

productivity and efficiency of the company as a whole can improve as well as making the workplace better and easy to work in.

This was achieved by a new employee who had worked as a system engineer in her previous career. COCO-LO opened a new System Department as it had needed it, and hired a new employee who wanted to continue as a system engineer. Their business process has been improved by finding and taking full advantage of the new employee’s expertise.

Business expansion while maintaining high service quality by securing a number of qualified employees

Providing a better workplace for working moms has attracted more female job applicants who were qualified but hesitant to work as they had no solution for their work-life balance, and were thus not active in the job market. Gaining a reputation as a working-mom friendly workplace in the area, COCO-LO in 2013 has many job applicants once they post an advertisement. In a recent case, they had 20 caretaker applications for 4 openings, while 42 for 1 opening at the Management Planning Office.

Thanks to active and successful employment, COCO-LO has a full-time rehabilitation therapist who can provide one-on-one service, which is rare in similar daycare centers. Long-term employment before and after employee’s childcare and the 100% returnee ratio of employees to COCO-LO have promoted a better relationship between clients and caretakers, because clients and staff recognize each other – making it possible to provide better services requiring a high level of expertise.

Ample human resources with qualifications required for the service have further helped the company grow while maintaining a high and unique service quality. Their sales grew from 180 million yen in 2010 to 240 million yen in 2012. COCO-LO has been able to provide a first-class value-added service and continue to grow by securing sufficient personnel with qualifications in the elderly care industry - an industry flooded with competitors and a chronic shortage of workers despite anticipation of its growth and diversification of needs in the future.