

Discussion: Human Capital Initiatives



Further Enhancement
of Human Capital
Management

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Ideal human capital and human capital portfolio required to become a major global player

Yamamoto ROHM has grown with a focus on domestic Japanese customers and is now trying to recreate itself as a growing global company by becoming a “major global player.” Human capital strategy can be described as the process of acquiring talented human capital, thoroughly developing them in-house, and linking them to increased corporate value. I believe that there are two important points in formulating such a strategy. The first point concerns dialogue. No matter how much management communicates the way in which they want to grow the business, the message will not be conveyed unless the employees have high engagement. Engaging in dialogue so that all employees can increase their engagement and demonstrate their own capabilities is positioned as the foundation of human capital management.

The second point concerns the development of the next generation of world-class leaders and highly talented professionals. Specifically, from the previous fiscal year, we have been building a common global foundation for human capital management that covers core positions throughout the entire group. This initiative does not simply end at the general manager level and above but also covers the group companies. It identifies positions with a high degree of influence on management and aims to create a pipeline for the next group of managers through a common framework guided by the head office rather than each group company individually with regard to the management of the human

resources that will fill those positions. The goal is to monitor if there are enough human resources developed within the company that are suitable for core positions, including their successors, through this policy and apply that information to future hiring, development plans, and the creation of a talent portfolio to increase corporate value.

Inoue I have been involved with global human resources at foreign companies and international organizations. Based on this experience, I think that it is not an overstatement to say that “a company is only as good as its people” and “the quality of a company = the quality of its human resources.” To become a major global player, ROHM must win the global competition for human resources.

I am now in my second year serving as an outside director of ROHM. During this time, I have engaged in dialogue with the employees, especially female employees. I feel that they all have high potential, love the company, and have a strong desire to contribute. Currently, ROHM is stepping into a world that nobody has ever experienced and facing a significant challenge in trying to become a completely different organization. As you mentioned, Director Yamamoto, new initiatives for human resources which are not an extension of the previous personnel system, and organizational culture reform have only just begun. We must clearly define the talent skill portfolio, mindset, and ideal form of the organization that can keep up with global competition, and align and accelerate the multifaceted activities needed for their realization.

Yamamoto Thus far, we have provided support for employees to build their own career paths through the global trainee program and the specialist system. In FY2022, we introduced a job posting system that enables transfers initiated by employees instead of the company to provide employees with the opportunity to voluntarily transfer. Roughly 50 people have already used the system and are thriving in their preferred department. In addition, during the previous fiscal year we established a dispatch system for MBA and other programs, and three employees are aiming to earn an MBA this fiscal year. Through such systems, we will promote the creation of structures to develop the next generation of leaders and highly talented professionals.

* Explained in the Glossary

Creating a mechanism to encourage innovation

Inoue ROHM has set a target of “a 15% or higher female manager ratio for the Group and a 10% or higher female and/or foreign national executive ratio by FY2025.” Regrettably, I have felt that ROHM has made little investment in female and foreign national employees, but improvements are now underway. In addition, we must also create an organizational foundation in which anyone, including women and foreign nationals, can contribute to the success of the company. In other words, this means the creation of an open organization with a high degree of psychological safety. Initiatives related to these goals are now underway as well.

Yamamoto I cannot deny that ROHM was a male-dominated society. The company is now considering initiatives that will allow female and foreign national employees to greatly demonstrate their capabilities.

Inoue I think that the roles played by bosses and managers will become larger than ever. First, bosses will need to carefully look at the strengths of each female and foreign national employee and leverage those strengths to increase results. In addition, it is important to not only establish target values for managers and officers, but also set goals for increasing the pipeline and talent pool for those positions and implement initiatives for development while utilizing mentoring systems and networking.

Yamamoto I recognize that dialogue with employees is essential for innovation. Engagement surveys were carried out twice at the ROHM head office in FY2021 and FY2023, and once for worldwide group companies in FY2022. Three issues emerged from these surveys. First, it is difficult to say

that management understands the thoughts of employees. Next, employees are unable to get a sense of how their work is connected to the customers. Finally, we need to build an environment that is able to accept different opinions. To improve on these issues, we are working to spread the thoughts of management throughout the entire group, and organizational leaders are engaging in dialogue with the employees to take action for solving issues.

Inoue The company is to be commended for introducing the surveys to overseas and group companies and for having those in charge of each department look at the results and engage in repeated dialogue. For the sake of healthy organizational management, it is important to have the head of each organization objectively look at the state of the organization and take the time to engage in dialogue within the organization rather than exert command and control from the top. Currently, the survey is implemented at a low frequency of once every two years, and it should be conducted more frequently even if some fields are curtailed.

Yamamoto The survey results also show the trends in each organization, and as you said, dialogue within each organization is extremely important. Members of the Human Resources as Business Partner (HRBP) team will also get involved in these dialogues and create a system to thoroughly take up issues that require company-wide efforts and take action.



Issues that ROHM should address for the further enhancement of human capital management

Yamamoto The results of the engagement surveys clearly showed that there is a gap in awareness between management and the employee level. Although there are opportunities to receive various types of education outside of ROHM, I feel that the development of world-class leaders is insufficient. In order to develop the kind of human resources that can share their opinions on equal terms with the top levels of other companies in each field, we will have a system that thoroughly supports the aspirations and capabilities of individuals.

Inoue In order to beat global competition, we must keep a close eye on human resources with potential in the worldwide group, support their growth, and proactively engage in the global hiring of top global talent. The talent pool must not be fixed. We should open the doors wide so that anyone can tackle challenges. This must apply not only to management human resources, but also to the talent pool of each strategically important field as in the initiative that ROHM is implementing for core positions. To expand the talent pool across

the entire company, it is important to “visualize” the strengths of all the talent in the worldwide group and match them to positions, and these accumulated efforts will lead to the expansion of the talent pool of management human resources.

Yamamoto I believe that we should identify important and strategic positions and clarify where, when, and to what extent a person with specific skills is needed. To achieve this, management will engage in thorough discussions, decide on the positioning, and promote the “visualization” of talent skills across the entire group.

Inoue The form that ROHM aspires to is not an extension of what was done in the past. I feel that on the contrary there is an extremely great potential for growth by doing something that has never been done before. By establishing a system where all employees can demonstrate their individual capabilities and continue to tackle challenges, I think that ROHM will increase its corporate value and get closer to becoming a true major global player.