

Human Resources Management

Corresponding
SDGs



Accelerating the Growth of Our People and Our Organization, the Drivers of Innovative Creation

Employees are the most critical element to perform management based on the OMRON Principles. As employees supporting the growth of OMRON, we enjoy our work and commit to building an attractive company that accepts the challenge of creating social needs that solve social issues. The human resources strategy goal under VG2.0 is to create a strong company that fosters our people, provides an enjoyable work environment, and encourages high performance. By accelerating the growth of our people and our organization, drivers of innovation at OMRON, we raise our ability to create social needs. We have defined three key global initiatives to accomplish this goal:



Executive Officer,
General Manager, Global Human
Resource Strategy Department,
Virendra Shelar

Key Global Initiatives

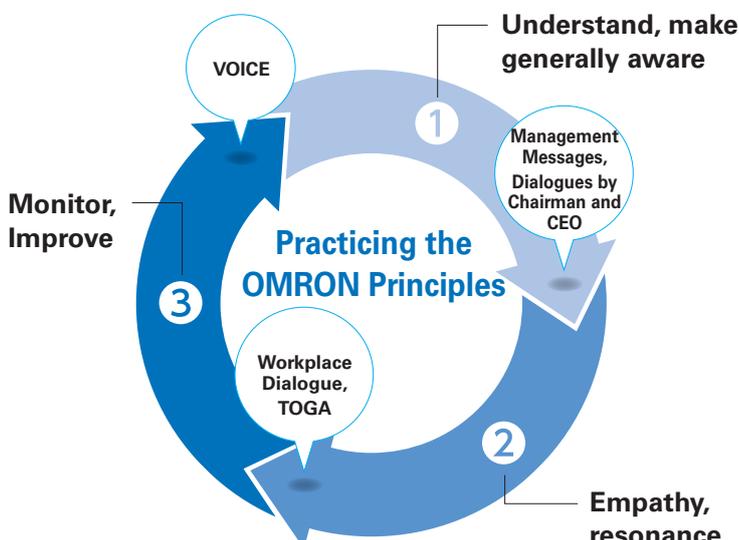
- Foster leaders who will drive management and business
- Hire, train, and make effective use of a diverse employee base
- Encourage self-motivated employees

These key global initiatives are tied closely to the OMRON Principles. In particular, we would like to foster leaders who drive management and business. These are people who look at society from a future-oriented perspective, who always think and act in pursuit of the true issues, who declare and pursue high goals, and who act with integrity at all times, no matter what the business environment. These are all examples of living values that reflect the OMRON Principles. OMRON engages in three unique processes to place our human resources strategy in position to raise the ability of all employees to practice the OMRON Principles. These processes strengthen the OMRON Principles by creating understanding and general awareness, encouraging empathy and resonance, and incorporating monitoring and improvement activities. The first process is to create an understanding and general awareness of the OMRON Principles internally. Here, management engages directly with employees through dialogues to further employee understanding and inspire employees to demonstrate leadership in practicing the OMRON Principles. The second process is to share examples of employees putting the OMRON Principles into action to encourage empathy and resonance. A major part of this process is the OMRON Global Awards (TOGA), which we have held every year since fiscal 2012. We recognize the outstanding efforts of employees that lead directly to solving social issues, which inspires others to see ways to practice the OMRON Principles in their own sphere.

The third process is VOICE*, an engagement survey to monitor issues identified directly through employee input, which we then use to improve management issues.

Through these processes, we raise the ability of employees to put the OMRON Principles into practice, leveraging and accelerating Diversity & Inclusion as the source of Innovation, enjoying our work while striving to build an attractive company that creates social needs.

*VOICE:
VG OMRON Interactive Communication with Employees

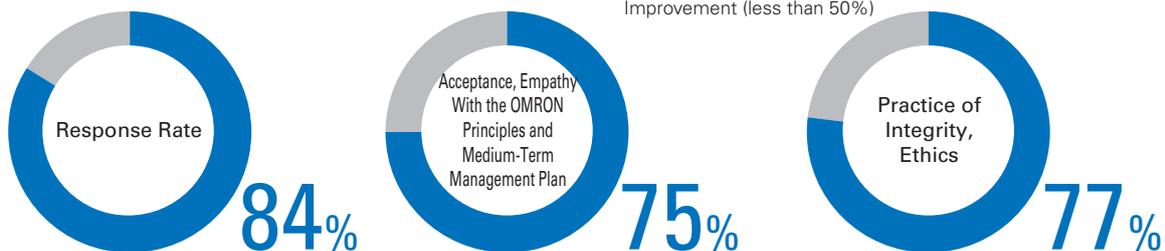


Linking Direct Input by Employees to Solving Social Issues

OMRON implemented the VOICE engagement survey in 2016 for management to listen directly to feedback from our global workforce. This is an initiative for OMRON management to ensure sustainable growth, measuring the attractiveness of OMRON as a workplace, understanding and identifying management issues, and taking action to solve those issues. Based on VOICE results, management engages in discussions and continues to conduct reforms to make OMRON a more attractive company in which to work.

Based on results from the previous year, OMRON adopted and further strengthened our global communications infrastructure during fiscal 2018. We also revised IT systems and engaged in other operations process innovations during the year. In response to the expectations of our highly motivated employees in Japan who are ready for new challenges, we worked to create an environment and mechanisms to provide for a diverse range of opportunities. As one example, we introduced a system for recruiting employees to existing openings in other departments. We also created an application system, providing employees with opportunities to advertise their talents and challenge themselves at new jobs. In addition to collecting and scoring data, OMRON solicits free-form comments from employees directly. Based on these comments, management identifies true needs and formulates next steps. OMRON will continue to use VOICE results as a basis to further improve management decision-making speed, to strengthen our communication as an organization, and to identify other important issues that spur management discussions and reforms.

Fiscal 2018 VOICE Results (Summary)



The Contributions of Each Individual Create an Ideal Workplace

~Aiming for Effective, Open Communications~

Statistics from OMRON's fiscal 2017 VOICE results for diversity and mutual respect in the Asia Pacific region indicated that employees want more effective, open communications. The most common issue identified is that the efforts of management in the spirit of the OMRON Principles to incorporate diverse employee views and opinions is not being communicated to employees sufficiently. With employees working in nine countries throughout the Asia Pacific region, we came to believe that unconscious attitudes and behavior particular to each cultural background could negatively impact employee motivation and the workplace environment.

Therefore, OMRON implemented a training program emphasizing diversity and acceptance of all employees. We held this training twice in Singapore during fiscal 2018, attended by 43 senior managers. The training defined the concepts of workplace diversity, unconscious attitudes and behaviors, and micro behaviors (split-second behaviors demonstrating a person's emotions). Training delved deeper into examples of these behaviors, helping attendees reflect on their own stereotypes and unconscious attitudes. Finally, attendees discussed how these stereotypes and attitudes could hinder respect for diversity in the workplace and have a negative impact on business.

The scope of these training activities has been expanded to include employees. Here, participants are learning how to build workplace environments that are accepting of diversity. In fiscal 2019, we will accelerate Diversity & Inclusion through activities over wide OMRON.



OMRON MANAGEMENT CENTER
OF ASIA PACIFIC
Newton Giraud

The OMRON Global Awards (TOGA)

The circle of resonance that originates from TOGA now involves outside OMRON as well, and will certainly spur new “innovation driven by social needs.” In this article, we highlight the TOGA story that began in 2012 and several presentations from the 2018 edition of TOGA.

TOGA Begins as the Passion of One Employee

The inspiration for TOGA began in the vision of Irawan Santoso, president of PT.OMRON MANUFACTURING OF INDONESIA (OMI), as a means to practice the OMRON Principles in our Indonesian production centers. Santoso's aspiration for the OMRON Principles ranged far beyond OMRON's manufacturing plants to include nearby factories and the Indonesian government in a program to employ disabled individuals. At the 2012 event to celebrate OMRON's founding, Santoso was recognized with the Special Challenge Award, citing his outstanding example of practicing the OMRON Principles. Said OMRON CEO Yoshihito Yamada, “I believe there are many more examples out there of employees putting the OMRON Principles into practice. We would like to uncover these current and future examples, sharing, supporting, and recognizing the efforts of OMRON employees.” From this idea, TOGA was born.



Irawan Santoso Shakes Hands With CEO Yoshihito Yamada at the Beginning of the TOGA Global Meet (May 2019)



OMI President

Irawan Santoso

After being named president of OMI in 2007, I had the opportunity to visit OMRON TAIYO Co., Ltd. (Oita Prefecture, Japan), the world's first factory designed for the disabled. There, I saw disabled individuals working enthusiastically, maximizing their talents and expressing their individuality. These employees leveraged their respective strengths, complementing and compensating in areas where others may be weaker. Seeing the situation at OMRON TAIYO, I felt a strong desire to create the same type of workplace in Indonesia where all people could shine. After returning to Indonesia, we went about creating a rewarding workplace for both able-bodied and disabled individuals, going beyond our existing efforts already in place. After an extended period of effort, we created a program in 2010 to train and hire disabled persons. As a result, we doubled the hiring rate of the previous year, recruiting 30 individuals. I will continue to create rewarding environments for all people throughout the world.

Solving Social Issues Through Our Businesses

IoT-Based Waste Treatment Contributes to a Change in Environmental Awareness

Insufficient landfill for waste and environmental pollution arising from toxic substances in landfills are a serious issue in Australia. In response, the Australian central government set a goal to significantly reduce landfill waste by the year 2030.

Wanting to help solve this social issue that will impact not only our own generation, but also that of our children, we included engineers from Singapore and Japan to develop a smart dumpster for commercial use. This smart dumpster uses a combination of IoT and Big Data technologies. Commercial-use smart dumpsters are large receptacles for collecting trash produced by businesses at shopping centers and other locations. These dumpsters consist of two separate sections, one for general waste that goes to landfills and one for recycling. To raise awareness of the environment among businesses, general waste is assessed a fee based on volume, while trash for recycling is free. These dumpsters offer benefits to collection companies as well. Dumpsters are outfitted with mechanisms to provide information about current status and collection timing via the internet. This system means more efficient collection truck operations, less road damage due to over-heavy collection trucks, and other optimized overall operating costs. To date, more than 200 smart dumpsters have been installed, with more installations every day. While this project was effort by the Industrial Automation Business to expand our range of businesses, we feel a sense of pride in contributing to the central government's goal of reducing landfill waste and in contributing to the creation of a more sustainable society. We will continue this initiative to provide a better society for our children.



Australian Subsidiary of the OMRON Industrial Automation Business
OMRON ELECTRONICS PTY. LTD.

**Henry Zhou (right),
Milorad Srdic (left)**

Contributing to Healthy and Comfortable Lives

A Significant Reduction in Parts Supply Lead Time

The Chinese market is experiencing rising demand for home-use medical equipment, as well as an explosion in the popularity of online shopping. The pressing need in response to these environmental changes is a platform for customers to purchase what they want, any time they want. The key word here is speed. As a manufacturer of OMRON home-use medical equipment, we at OMRON DALIAN decided that if we could increase production speed, we could deliver needed OMRON home-use medical equipment to all people when required. To achieve this vision, we set a goal to reduce lead time for parts supply to one-tenth of the current time required. Some voiced doubts at first, but people began to believe in my vision as Team OMRON came together to pursue this goal. We conducted a complete review of our parts suppliers and delivery routes, conducting simulation upon simulation. In the end, we consolidated parts to a single storage warehouse. We also revised how we opened parts packaging and packaging materials, continuing to try ideas never attempted before. Over three years since 2016, we finally reduced parts supply lead time to one-tenth of our original time. This initiative also resulted in lower inventory levels and logistics costs. Reduced delivery frequency also means reduced CO₂ emissions. These benefits have been a result of practicing the OMRON Principles. OMRON DALIAN will continue striving for all people to have ready access to the health equipment they want, contributing to healthy and comfortable lives.



Chinese Production Center for the OMRON Healthcare Business
OMRON DALIAN CO., LTD.

Li-Hua Tang

Highlights of the TOGA Program

TOGA encourages employees to set their own goals to help them experience the connection between their work and the OMRON Principles. The aim of this initiative is to foster a culture of ongoing aspirations to put the OMRON Principles into practice. We share and publicly praise OMRON Principles practiced in everyday work and workplaces, expanding the circle of empathy and resonance in practicing the OMRON Principles.

The TOGA program is ongoing throughout the year. Thirteen teams that pass preliminary selections from our organizations around the world are invited to come to Kyoto to present their TOGA initiatives at the OMRON Global Meet. These teams bring back news of how other team initiatives were received to their local workplaces, sharing their experiences with their co-workers and expand the resonating circle throughout the world.



The TOGA Process

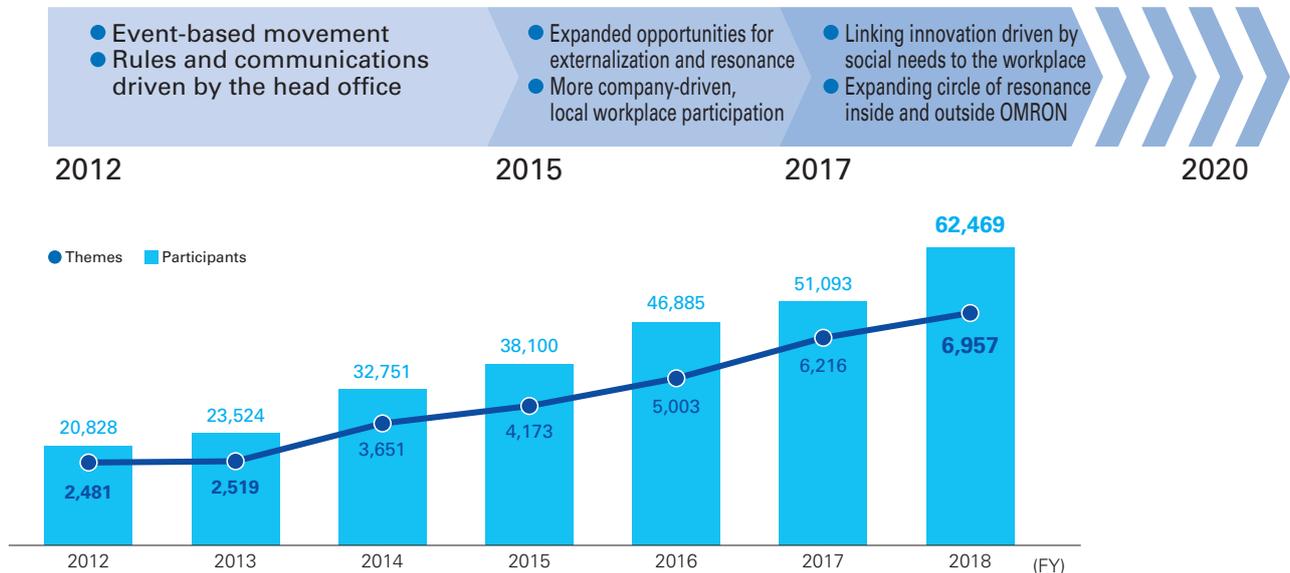
TOGA is designed based on the SECI* Model of knowledge management in which the tacit knowledge of an individual is drawn out to become shared knowledge throughout an organization. OMRON engages in a cycle of setting inspirational goals, taking action, and reviewing progress to share information and encourage buy-in throughout the entire year.

*SECI Model: A knowledge management mechanism produced by Hitotsubashi University professor Ikujiro Nonaka that focuses on knowledge creation activities. Through a conversion process of socialization, externalization, combination, and internalization, organizations can take the tacit knowledge of an individual and create shared knowledge throughout a group or organization. (Source: Globis University, Graduate School of Management MBA Glossary)

Seven Years of TOGA Evolution

In the seven years since its launch in fiscal 2012, TOGA has received entries a cumulative 31,000 entries from 275,000 people. This grassroots initiative to practice the OMRON Principles has taken root across the globe.

After OMRON revised the OMRON Principles in 2015, each company and division began conducting activities to clearly demonstrate the link between the principles and our business. As a result, TOGA projects have become more diversified, with more projects addressing innovation driven by social needs every year. The TOGA program itself has seen an evolution in the content of employee submissions. And the circle of resonance that originates from TOGA has expanded to include individuals even from outside OMRON.



To Become People Who Practice the OMRON Principles

OMRON Employees Living the Values

To link practice of the OMRON Principles to personal action for each employee, we have defined 18 examples of living the values inspired by the OMRON Principles.

Innovation Driven by Social Needs

Be a pioneer in creating inspired solutions for the future.

[Living the Values]

- Look at society from a future-oriented perspective.
- Always think and act in pursuit of the true issue.
- Always remember that the customer is our focus
- Never be satisfied; never settle for the status quo.
- Make it Habit to ask “why?” and “for what reason?”
- Try new things and new ways that have never been tried before

Challenging Ourselves

Pursue new challenges with passion and courage.

[Living the Values]

- Use the 70:30 theory*; try, fix, and perfect.
- Enjoy challenges.
- Use failure as fuel for success.
- Declare and pursue higher goals.
- Have an unshakeable faith in yourself; have the strength of conviction.
- Don't wait to be told; take the initiative and take action.

*The 70:30 Theory: An idea with a 70% change of success is worth trying. But, have preparations in place for the 30% change of failure.

Respect for All

Act with integrity and encourage everyone's potential.

[Living the Values]

- We exercise responsibility and good sense in obeying the law and the rules of society.
- We act with integrity at all times, no matter what the business environment.
- We realize that we are a member of society, and we endeavor to act with consideration and empathy to others.
- Don't give up before trying; believe that you can succeed.
- Believe in the capabilities of your team members; support each other and work for growth.
- Accept those who have different views & values; use these differences to create new value.