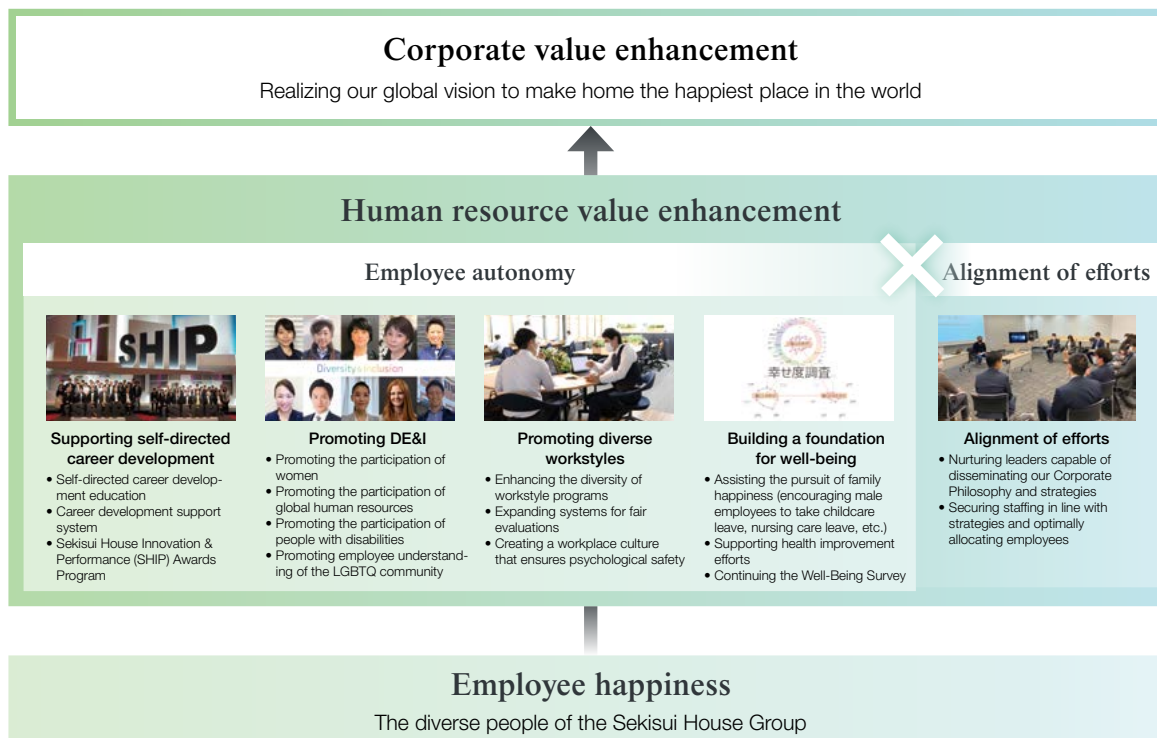


Human Capital Management in Action

The Sekisui House Group’s Approach to Human Resource Value

Human Resource Value = Employee Autonomy × Alignment of Efforts

The Sekisui House Group sees human resource value as the product of employee autonomy and the alignment of the efforts of its people. These two factors multiply one another, so when employees use Company resources to pursue autonomous career development while aligning their efforts with the Company’s vision and business strategy, we are sure that the value created will result in tremendous growth.



Miwa Yamada
Chairperson of the Social Improvement Subcommittee
Executive Officer
Head of Diversity and Inclusion Promotion Department

Human Resource Value Enhancement Drives Growth

Human resource value enhancement is a growth driver for the Sekisui House Group. We aspire to invest in human resources to raise their value, making both individuals and the organization stronger to provide new value to customers and society.

It is our employees that will make this aspiration a reality. To achieve our global vision to make home the happiest place in the world, we must first make our employees happy. In other words, we think it is crucial that we make Sekisui House—the professional “home” of employees—the world’s happiest company.

Enhancing Human Resource Value as a Foundation for Well-Being

Our conception of employee autonomy is, necessarily, not something imposed on employees, but that emerges from them—not for the sake of the Company, but in an employee’s own pursuit of a happier life. To understand and address issues in this area, in 2020 we commenced the Well-Being Survey. The well-being of both individuals and the workplace as a whole has increased through efforts to foster a workplace culture in which every individual can examine what well-being means to them and, through dialogue, take action toward that ideal.

Employee happiness can become the foundation for contributing to customer and societal happiness, which in turn enriches employee happiness. The enhancement of social and economic value achieved through this cycle of well-being is Sekisui House’s ESG management in action.

The following Human Resource Value Story highlights some of our initiatives to enhance human resource value. Through employee autonomy and the alignment of our efforts, we will continue working to enhance human resource value as a part of our business strategy aimed at enabling employees and the Company to grow together.

Human Resources Strategy

Looking Back on the Four Reforms under the Fifth Mid-Term Management Plan

To maximize the happiness of its customers, employees and communities, under the Fifth Mid-Term Management Plan, the Sekisui House Group advanced the following four human resources strategy reforms.

1 Career consciousness reform: Self-directed careers

Our self-directed career development approach continued to take root among employees, as indicated by a rise in scores for items related to employee autonomy on the Governance Awareness Survey (an employee awareness survey) conducted by Group companies. In addition, the revamped internal human resources recruitment system has been proactively used for self-directed career development, with 84 applications for the seven positions posted.

Policy
Foster awareness of self-directed career development

Key Measures

- Rebuilt the Self-Directed Career Development Course career training program
- Self-directed career development course
- Communication through career interviews
- Use of the Human resources recruitment system

2 Leader appointment reform: Leadership pipeline

We worked to enhance the leadership pipeline by expanding the scope of multi-rater assessments to include managerial positions with authority over employee assessments and by selecting and developing successor candidates for key positions (employed executive officers, operating officers, general managers of head office and technology and production divisions, branch heads, the Head of Technology and Head of General Affairs).

Policy
Enhance the leadership pipeline

Key Measures

- Successor management for key positions
- Expanded scope of multi-rater assessment

3 Group human resources interchange reform: Group human resources database

We enhanced our human resources database both quantitatively and qualitatively, for example, enabling users to search Group-wide human resource data and creating a training program utilizing department-specific skill sheets.

Policy
Expand data input into the human resources database

Key Measures

- Expand data
- Increase usage frequency

4 Governance reform: Appropriate deployment of Group governance specialists

In Group governance, we increased the rate of divisions with governance specialists (usually persons in charge of general affairs) to 95% and launched a common Group educational program alongside the creation of training opportunities by individual Group companies. Through such efforts, we made significant progress in reinforcing governance Group-wide.

Policy
Reinforce Group-wide governance

Key Measures

Appropriate deployment of governance specialists

Key Measures under the Sixth Mid-Term Management Plan

Employee Autonomy

▶ Key Measures

In light of the steady progress made under the Fifth Mid-Term Management Plan to foster self-directed career development mindsets, under the Sixth Mid-Term Management Plan, we will work to build growth cycle mechanisms by which individuals can realize their career goals and thereby further increase human resource value through the initiatives listed at right.

Specifically, we will improve the visibility of employee skills and experience using the human resources database and build platforms for learning by expanding e-learning. In addition, we will provide opportunities for proactive career development as well as leave systems and advanced study support systems to facilitate self-directed career development. Through such efforts, we aim to expand measures to support employee growth.

▶ Aims

We aim to enable employees who are highly motivated to grow to benefit from growth mechanisms and leverage the resources of the Sekisui House Group to achieve professional success. Going forward, we will communicate examples of successes achieved by such employees to other employees to strongly motivate them to utilize similar growth cycles. We expect this to accelerate the enhancement of overall human resource value.

Key Measures

Support learning and skill growth

- Improve visibility of employee skills and experience
- Build platforms for learning

Provide a variety of opportunities for proactive career development

- Invigorate human resources recruitment
- Use career declaration tools

Enable a variety of workstyles to support autonomous employees

- Leave systems for self-directed career development
- Advanced study support systems (graduate school support)
- Increase external assignments, internal side job system

Alignment of Efforts

▶ Key Measures

For each division of the Sekisui House Group to implement its specific strategies, external human resources are increasingly important. Through the measures listed at right, we aim to better understand the gaps between the human resources we need and those we currently have in both quantitative and qualitative terms and then increase the achievement of each division's strategies through personnel hiring and reallocation.

During the Fifth Mid-Term Management Plan, we made significant progress in enhancing the leadership pipeline of the Company, so we will now expand the scope of leader development to the entire Sekisui House Group.

▶ Aims

Demand is particularly rising for human resources with governance knowledge, advanced expertise or overseas work experience. We aim to use technology to improve operational efficiency and recruit human resources from a longer-term perspective, considering how operations will change several years down the line. By advancing such initiatives, we hope that leaders at each site will become aware of the need to concretely estimate the number of personnel and required skill sets from the perspective of strategy execution and for the leaders themselves to continue growing by expanding their perspectives to include Group-wide personnel transfer and allocation.

Key Measures

Human resource planning

- Better understand gaps between needs and current conditions
- Plans for human resource recruitment, transfer and allocations, and internal development

Leader development

- Apply leadership pipeline mechanisms to Group companies
- Reinforce governance specialists and develop next-generation successors