

Hitachi Work Life Innovation

Work life innovation is becoming a challenge throughout Japan as worker needs diversify and the working-age population declines along with the country's aging population and falling birth rates. In December 2016, Hitachi started a Companywide work life innovation campaign designed to promote engaging and productive working lives for a diverse human resources. Known as Hitachi Work Life Innovation, the campaign has started to create a range of outcomes by promoting a large number of measures, changing employee attitudes, and reducing overtime hours. In FY2018, the campaign will focus on measures for jobs themselves, aiming to step up efforts to reshape working styles.

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1. Introduction

In December 2016, Hitachi, Ltd. started a companywide campaign called Hitachi Work Life Innovation designed to transform working styles.

The Hitachi Group has a Social Innovation Business that solves client and social issues, helping to improve the quality of life of every individual. The company is currently working to grow this business worldwide. To solve today's increasingly diverse and complex client and social issues, will require employees with a diverse range of values who engage in work that maximizes their potential. Hitachi has been working on reviewing job processes and creating working environments to meet these needs.

In response to conclusions reached through labor relations negotiations held in the spring of 2017, the

management and employees of Hitachi, Ltd. jointly decided to implement a set of measures centered around themes such as changing minds, creating flexible working styles, and reforming operations.

Japan's worker needs are diversifying and its working-age population is in decline along with the country's aging population and birth rates are falling. Correcting excessive working hours and creating other work life innovations are becoming challenges of nationwide concern. Working on these challenges will involve tasks such as improving productivity and creating work environments that can motivate a diverse workforce and bring out its full potential.

Hitachi is also working on cutting down on excessive working hours, but its efforts extend beyond this area. The company is aiming at the goal through the Hitachi Work Life Innovation campaign.

Table 1 — Hitachi, Ltd.'s Work Life Innovation Measures

Hitachi has worked on a large number of measures for work life innovation since the start of the Hitachi Work Life Innovation campaign in December 2016.

	Item	Key components
1	Top commitment	<ul style="list-style-type: none"> • Top commitment (top management) • Delivering messages to Hitachi employees and outsiders
2	Improving work processes	<ul style="list-style-type: none"> • Innovating headquarters management operations • Imposing restricted hours for outgoing email • Providing project management, time management and other expertise
3	Augmenting management	<ul style="list-style-type: none"> • Increasing operation transparency using in-house consultants (experience-oriented approach) • Coaching training for managerial-level employees • Improving attendance management system for compliance enforcement
4	Eliminating time and location constraints on work practices	<ul style="list-style-type: none"> • Creating Companywide IT environment • Augmenting telecommuting program • Creating satellite offices (within and outside business units) • Creating operation guide for modified working hours, holiday transfers and shift work
5	Companywide promotion	<ul style="list-style-type: none"> • Putting up posters, creating intranet site • Sharing accomplishments by providing awards • Promoting "Start Something New!" activities

2. Measures Being Implemented at Hitachi, Ltd.

Table 1 shows the work life innovation measures being implemented at Hitachi. A variety of measures have so far been put in place to (1) improve work processes, (2) augment management, and (3) eliminate time and location constraints on work practices. Some distinctive examples are presented below.

2.1

Innovations in Headquarters Management Operations

In response to requests received from a number of business units and departments, the Company has looked into revising certain headquarters management operations and processes. These activities have been done by the Budget Innovation Subcommittee, Internal Audit Innovation Subcommittee, and the Meeting/Investigation Innovation Subcommittee. Outcomes are starting to appear. For example, the Meeting/Investigation Innovation Subcommittee has reduced meeting time by about 60% by cutting down on the number and duration of regular meetings attended by business units. It has also researched the in-house use of a tool for increasing meeting cost transparency^{*1}. By raising awareness of costs and sharing meeting objectives, the tool is designed to improve

*1 The winning proposal in the Hitachi Group's in-house Make a Difference! business plan contest for FY2016.

meeting efficiency and optimize meeting durations and numbers of participants. It was put into operation in May 2018 as a meeting efficiency support tool. Its main features are:

- (1) Uses the number of meeting participants and duration to calculate (estimate) the meeting cost and present it beforehand.
- (2) Presents meeting-related items (such as objectives, agenda, and roles) beforehand.
- (3) Assists with assessments/feedback after the meeting has ended.

2.2

New Rule for Sending Email

A new rule has been created that generally prohibits email from being sent on non-working days or weekday nights (from 10 pm to 5 am). Contrary to expectations, no major disruptions occurred after the rule was instated. The employee response has been highly positive, with employees reporting that no longer receiving emailed work instructions on days off lets them relax better. Nor have employees reported having to struggle with rushes of email after days off. The rule may also have helped reduce the amount of nonessential email.

2.3

Companywide IT Environment and Telecommuting Program

Instituted in 1999, telecommuting and satellite office work programs have a relatively long history at



Figure 1 — Interior of @Terrace Satellite Office

The new satellite office “@Terrace” created in Yaesu, Tokyo is available for use by all Hitachi Group employees.

Hitachi, Ltd. About 70% of all employees qualify for the programs, including managerial-level employees, flex workers, and employees who need to balance work with childcare or long-term care. These programs can be a full day, half days, or a few hours. There is no limit on the number of times the programs can be used, and there are few restrictions on their use. Prior permission from a superior is generally the only requirement.

To help create location-independent work environments, Hitachi is working on holding meetings online and creating paperless offices. The Company has expanded our in-house wireless local area network (LAN) bases, and provided headsets, LC displays, and other IT tools to all employees and meeting rooms that require them.

During the labor relations negotiations held in the spring of 2018, the Company decided to work on eliminating time and location constraints on work practices. Hitachi is working on creating programs and environments that will let each employee continue producing results while maintaining a good work-life balance.

2.4

Satellite Offices

In 2016, the Company began creating satellite offices “Biz Terrace” at multiple business units in the Tokyo area. Equipped with the same security environment as Hitachi offices, the satellite offices are members-only spaces open to registered business units, departments, and Group companies. Eight satellite offices were being used by a total exceeding 2,000 users per day in March 2018.

In October 2017, the Company created “@Terrace,” the flagship satellite office in Yaesu, Tokyo (see **Figure 1**). It is designed for work life innovation of employees throughout the Hitachi Group, and is the

first satellite office created outside a business unit. It has been made available to all Hitachi Group employees² with the aim of having it used as a work space for assisting collaboration within the Group. The Company is also planning to use it as a showroom for presenting and pitching products and solutions that assist with work life innovation. For example, a system has been started that tracks user movements using Internet of Things (IoT) sensors mounted in the ceiling and under tables³.

In January 2018, Hitachi Group signed an agreement with a management company for satellite spaces outside the Group, increasing the total number of available satellite offices to 40. All satellite office planning and management operations are handled by Hitachi Urban Investment, Ltd.

2.5

Increasing Operational Transparency Using In-house Consultants: Experience-oriented Approach

The experience-oriented approach is a Hitachi collaborative value-creation method that is being used to make operations more transparent to enable troubleshooting and solutions that will lead to operational improvements (see **Figure 2**).

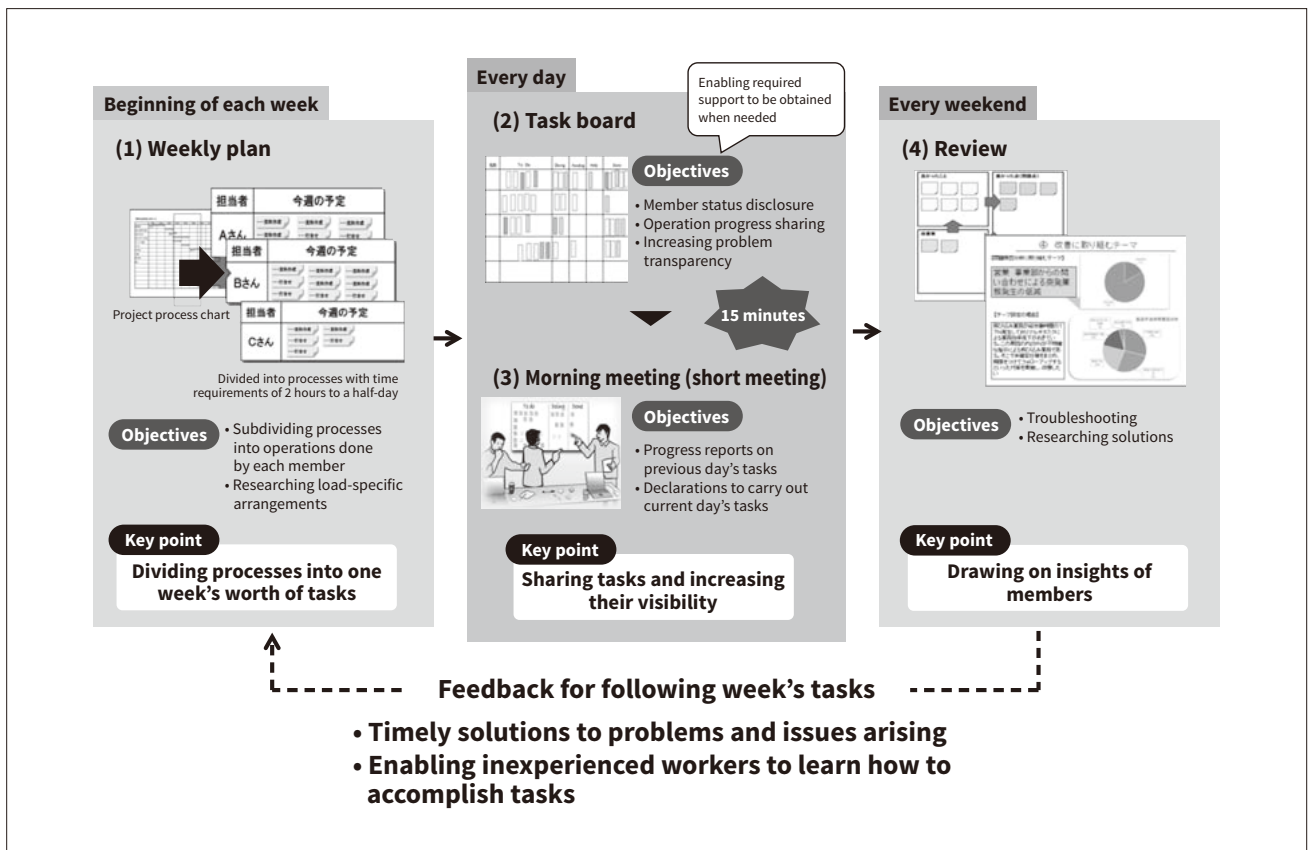
The experience-oriented approach is a method of approaching ultra-upstream processes with the aim of creating innovations to tackle a client’s operational problems. It consists of gaining an in-depth understanding of the client’s operations to solve challenges and problems while sharing mutually uplifting experiences with the client.

² Available to employees eligible to use the programs of companies that have rules for working at satellite offices.

³ Uses IoT solutions of US technology firm, Enlighth, Inc., provided by Hitachi Solutions, Ltd. (see p. 124 in this issue).

Figure 2 — Basic Flow of Experience-oriented Approach

The experience-oriented approach reinforces the habits of sharing team operations and making them more transparent.



In FY2017, the experience-oriented approach was applied to about 80 teams prone to excessive working hours, and outcomes are beginning to appear. Overtime hours have been cut, and improvements have been made in areas such as collaboration among members and work instructions from superiors to subordinates.

Figure 3 — Hitachi Work Life Innovation Poster (Left) and Special Intranet Site (Right)

To promote the Hitachi Work Life Innovation concepts, Hitachi Group has put up posters and created an intranet site.



2. 6

Companywide Promotion

Hitachi Group has put up posters and created a special intranet site (the WLI site) to promote Hitachi Work Life Innovation concepts (see Figure 3).

The WLI site is an information-sharing hub used to collect positive examples of initiatives being undertaken by teams and individuals throughout the Group.

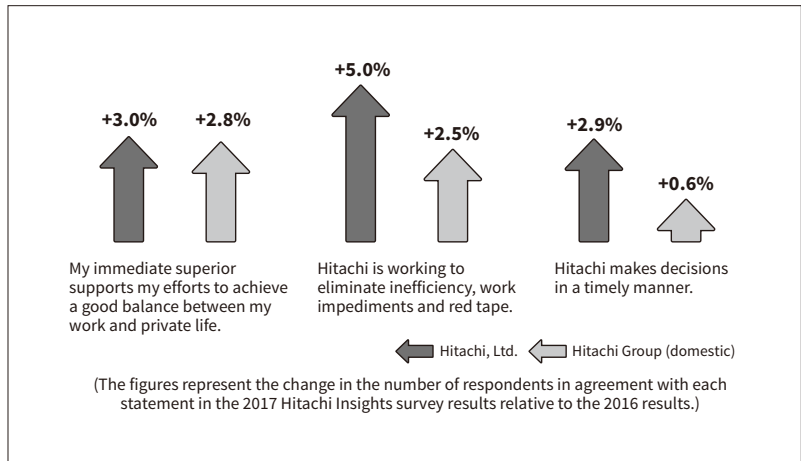
The “Start Something New!” initiative was launched in December 2017 to reaffirm the importance of personal change for Hitachi’s growth. It invites each employee to take the first step on the path to change by starting a new activity. After-hours, outside office, and growth are the themes used to solicit helpful sites from employees to encourage self-improvement.

3. FY2017 Summary

The creation of satellite offices and other environmental elements has resulted in employees reporting more pleasant working conditions. Outcomes are also

Figure 4 — Changes in Rates of Respondents Responding Positively to Questions About Work Life Innovation

The changes in responses to questions about work life innovation over the last two Hitachi Insights employee surveys are shown on the right.



starting to appear, such as major reductions in overtime and late-night work. Responses to the questions on work life innovation in the Hitachi Groupwide employee survey (Hitachi Insights) indicate a trend of improvement (see **Figure 4**).

Achieving Hitachi’s work life innovation goals will require more work on improving work processes and augmenting workplace management.

4. Conclusions

FY2018 is the second year of the Hitachi Work Life Innovation campaign. Once it has identified positive results arising from the experience-oriented approach and applied them throughout the Company, Hitachi will look into training for managers prone to excessive work hours and other areas requiring operation improvements. This initiative is one example of its

work on improving work processes and augmenting management.

Augmenting the work environment and programs to accommodate flexible working styles will be ongoing tasks. Hitachi will also continue its efforts to provide engaging and highly productive work for employees with a diverse range of values. The ideal goal is to enable each employee or workplace to continue making innovation efforts continuously on a voluntary basis even after the end of the Companywide Hitachi Work Life Innovation campaign.

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Total Reward Department, Human Capital Division, Human Capital Group, Hitachi, Ltd. *Current work and research:* Work Life Innovation-related business.