Message from the CHRO

Creating an environment where talents who will drive new growth can develop autonomously and flourish

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For Panasonic to grow sustainably, we need to move away from existing business models and create an environment where talents who will drive new business growth can develop and flourish through their own initiatives.

One of the policies to achieve this is “reform of the business management structure,” presented on October 1, 2019 (see p. 02, “A new executive officers structure (reform of the business management structure)”). Previously, executive officers were required to play two roles: Group-wide optimization, steering the overall Group; and individual optimization, for each individual business. To that end, they need high levels of management decisiveness and ability for managing one’s own business area of responsibility on a global scale while carefully determining the status of the business and market for each business within the Group and the core competitiveness and positioning overall priorities. To respond even better to the expectations of the capital market, the Panasonic Group has made the decision to split the management level into the executive officers, who will consider overall optimization, and the business execution layer, who will increase revenue in individual businesses.

To encourage the people who will lead individual business management as the business execution layer, Panasonic is revising its appointment and dismissal system and its evaluation system into ones that are more transparent and more attractive, and promoting the assignment of people to challenging yet appropriate positions. In addition, people who will become responsible for Group management in the future will be selected from among these leaders. Four things are expected of people who will be responsible for Group management: in addition to “overall optimization,” they are “have a wealth of individual experience,” “be able to strategically respond to new business fields they have no experience in,” and “have the charisma to attract people with ambition.” In addition, people with knowledge, experiences, or connections that the Group lacks will continue to be actively recruited from outside the Company. One person alone cannot reform Panasonic. But the aspiration is management as a team through combinations of diverse talents, where the knowledge of dyed-in-the-wool management executives is blended with the strengths of people hired from outside the Company.

In addition to this, Panasonic is promoting a range of initiatives from the perspectives of employees’ taking on challenges, learning, and growing. For example, as of fiscal 2019 the Company has started offering external working experience and concurrent postings within the Company which is called “In-company Multitasking” (see p. 03, “Support for employees taking on challenges, learning, and growing”). The purpose of these is to break down the uniform style of talent development, and refine the diverse perspectives and skills of a diverse range of people. Through In-company Multitasking, employees will have the opportunity to be involved in various themes in a range of departments within Panasonic, and will be able to help drive new projects even afterwards thanks to the informal connections they made during their posting. Employees who apply for external working experience will be able to come back with the perspectives of venture corporation managers. In addition to these measures which are the same throughout the Company, each Divisional Company within Panasonic is moving ahead with reforms to its own unique organizational culture, systems, and ways of doing things.

I believe that at the end of these initiatives there will be the creation of new businesses and sustained growth for Panasonic, and will accelerate reforms to talent management even more as we move into the future.
Human Resources Initiatives

A new executive officers structure
(reform of the business management structure)

Panasonic has defined new portfolio classifications looking toward profit growth and profitability improvement beyond the boundaries of the Company and organizations.

Panasonic has worked to reform its business management structure with the aim of establishing a more flexible and robust business structure in the drastically changing business environment. Specifically, in order to clarify the management roles and responsibilities, the management structure has been reorganized into a group of executive officers, who will lead the reform of the Panasonic Group’s business structure for the Group-wide optimization, and a business execution layer, which will lead the transformation of individual businesses for strengthening respective businesses.

Executive officers will assume responsibility for managing the Panasonic Group, strengthen the strategic functions for Group-wide optimization, including the reform of the Group’s portfolio and bold resource shifts, and set the direction of and implement the Group-wide business structural reform toward a new Panasonic. That is, they will be positioned as members of the same team as the CEO.

The business execution layer, on the other hand, comprises the Business Division Directors and the heads of each job function. As the core of Panasonic’s business management, the employees in this layer will take responsibility for improving the profitability of their respective businesses and securing future competitive advantages. There are about 140 people in this business execution layer. Personnel required based on future business environments will be appointed on a timely and flexible basis from the perspective of the right person for the right place, including being selected from outside the Company, or from candidates in the junior generation. In addition, a more transparent, achievement-oriented evaluation and compensation system will be adopted to create a corporate culture that encourages relentlessly taking up challenges.

Development of management executives / talent management

For management executives, transforming and creating businesses is an important mission, up there with the stable growth of business. However, development of management executive candidates in the Panasonic Group up until now has been focused on developing those types who will upgrade existing businesses, and there has been no focus on unearthing new business opportunities or majorly transforming business models themselves.

As the necessity of business transformation becomes ever more pressing, Panasonic considers the creation of management executives who have the traits to play a range of roles a vital issue. So, starting from fiscal 2020, the overall scheme of the executive development system has been significantly revised.

Specifically, “identification and acquisition of diverse development targets” and “diverse job experiences” will be combined to promote a PDCA cycle for career development optimized for the individual. Here, “identification and acquisition of diverse development targets” refers to a shift to selecting from the junior generation, bringing in talents from outside the Company, or acquiring talents globally, regardless of age, years of service, or nationality, and without being bound by the old focus on regular recruitment of Japanese employees. In contrast, “diverse job experiences” refers to granting people a decision-making role in a position of responsibility for up to five years, rotating them to positions throughout the Company or giving them experiences in other Business Divisions, and is a departure from the old style of career development within the same business model. The Company is seeking out and developing talents with strong abilities to deal flexibly with and learn from changes in roles and assignments.

By providing a range of job experiences to the diverse development targets, Panasonic can develop management executive candidates who have diverse role traits and

Reforming the business management structure

- Create a flexible and robust business structure in the drastically changing business environment
- Work to increase motivation for business transform with management suited to roles
- Transparency in compensation × The right person in the right job × Selection of junior generation

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perspectives, thereby enriching the pooling of talents. These initiatives are led by the Heads of Business in the new business execution layer. Panasonic expects them to develop management executives beyond themselves who will succeed as management assets for the next generation.

System for developing management executives
By providing a range of job experiences to the carefully chosen diverse development targets, Panasonic will create management executive candidates with diverse role traits and perspectives.

Support for employees taking on challenges, learning, and growing
Today, as environmental changes become increasingly severe, the Panasonic Group sees each employee, with their own individualities, thinking and acting on their own as the driving force that will, along with management executives, propel the Company’s transformation and growth. Panasonic will provide a better environment for employees to develop themselves autonomously, while the employees will grow by being able to choose better working styles, giving them more job satisfaction. By repeating this cycle, the aim is to achieve both development of the individual and growth of the Company. This is the “A Better Workstyle” the Panasonic Group advocates.

Panasonic is constructing a global talent platform as a way to strengthen the development of people who can play global roles, regardless of years of service or nationality. Specifically, the Company is constructing an IT system, systems, and approaches for talent management shared globally, by, for example, constructing a global talent database, a talent management system that allow talent management information to be made visible and to be utilized. This will allow postings and appointments beyond the boundaries of nations, regions, or Group companies, developing careers and skills. By standardizing at a high level talent management globally, Panasonic aims to improve its organizational abilities.