

Human Resource Development and Training

Policy

Viewing people as its greatest management resource, NEC has been investing in them by transforming systems and improving environments in ways that maximize the capabilities of the Company's personnel and organization.

■ HR Policy “NEC, for Those Who Seek Challenge”

To be “Employer of Choice” that is always the preferred option not only of markets and customers but also of workers, we have been reforming our workplace environment and culture. The aim of these efforts is to ensure that each employee has a range of opportunities to take on challenges and grow and receives fair evaluations. Moreover, we are creating an atmosphere in which proactive employees can shine. The aforementioned reform initiatives are based on our Human Resources (HR) Policy “NEC, for Those Who Seek Challenge,” established in 2019.

HR Policy “NEC, for Those Who Seek Challenge”



NEC, for those who seek challenge.

Diverse opportunities for challenge

Our guiding principle is right time, right position, right person. Diverse opportunities for challenge are provided, which employees can take advantage of to flexibly build their own careers.

Unlimited growth opportunities

If your outlook is ambitious, you can continue improving your skills and growing as a professional.

Fair appraisal and progressive rewards :

Performance is evaluated fairly and rewarded with the appropriate pay and subsequent growth opportunities and positions.

Work environments and culture that bring out your best

Systems support good work environments and culture in addition to a fulfilling quality of life, allowing employees to dedicate themselves to taking on challenges.

■ NEC Way

The foundation of the reforms that take place within this workplace environment and culture is the NEC Way, which outlines the NEC Group's Purpose and Code of Values. We have defined our Purpose as the creation of the social values of safety, security, fairness and efficiency to promote a more sustainable world where everyone has the chance to reach their full potential. With our sights set on realizing this Purpose, we are developing our organizational climate and culture while fostering personnel who have the passion and ambition to create new businesses, the capabilities to take on challenges beyond organizational boundaries, and the perseverance to accomplish initiatives.

■ Target Employee Engagement Score

Through these reform efforts, we hope to raise the employee engagement score to 50% by fiscal 2026.*1

*1 Based on a survey conducted by the global human resource consulting company Kincentric, a 50% score is in Tier 1, which approximately corresponds to the top 25th percentile of companies globally

Implementation Framework

With a view to realizing our HR Policy, we are rapidly responding to change and accelerating the establishment of systems that enable the timely assignment of personnel to suitable positions.

■ Human Resources for Driving Transformation

We are reorganizing the roles of the Human Resources Division, which spearheads the human resource strategies that support business strategies. We have prepared a human resource model and defined the roles and responsibilities of each human resource business partner, shared service, and center of excellence. The center of excellence function plays a leading role in formulating human resource strategies and establishing optimal programs, systems, and policies and works with human resource business partners to implement measures for human resource development and training throughout the Company.

■ Training System for Heightening Expertise

We are conducting human resource development to strengthen the expertise of our workforce. These efforts are based on the Human Resources Management Committee—a cross-organizational body that plans, implements, and follows up on measures for specific job types, thereby contributing to the improvement of professional skills in the NEC Group.

■ Human Resource Foundations for One NEC

To realize the HR Policy, the NEC Group must unify its human resource foundations in-house, including those in Japan and abroad. The Company has therefore unified its human resource evaluations by conducting performance development at NEC Group companies as well as at NEC. Performance development encourages growth and changes in behavior by providing feedback that uses a system of nine blocks based on performance and the Code of Values, goal management, and one-on-one meetings between supervisors and their team members.

Measures and Main Fiscal 2022 Activities

■ Talent Acquisition

Initiatives to hire new graduates	<p>In addition to en masse hiring of new graduates as full-time employees, we implement initiatives aimed at acquiring a variety of talent.</p> <ul style="list-style-type: none"> • In order to acquire a wider range of talent, we select and hire new graduates for our sales personnel, general staff, and system engineer employment tracks using an open application process that does not test humanities content or scientific background. • For technical-track positions, we select university students enrolled in science faculties via a job-matching system that matches them to their business area of choice. • Since fiscal 2021, we have utilized a system that entails hiring new graduates for specific jobs. Rather than paying talented new employees starting salaries based on their academic background, the new system provides remuneration based on the roles that the new employees assume. • In an effort to acquire and develop top-level R&D talent, we have introduced the Selective Compensation Program for Professional Researchers targeting leading young researchers (including new graduates), with no upper limit on compensation for non-managerial employees.
Increase in mid-career hiring	<p>To assign personnel to appropriate positions in a timely manner, we have conducted a wide-ranging review of the way we utilize human resources. We are hiring more mid-career personnel, who enable us to implement business strategies immediately. This includes the utilization of external human resources. Thanks to our initiatives in this regard, in fiscal 2022 we hired approximately 600 such personnel, which is roughly a 1:1 ratio with new graduate hires, which is helping speed up job-specific human resource management.</p> <ul style="list-style-type: none"> • In fiscal 2021, we launched a referral recruitment system that uses the personal networks of NEC employees. In fiscal 2022, we brought in approximately 50 employees. • In fiscal 2022, we introduced a direct sourcing service for directly contacting prospective employees, bringing in approximately 60 mid-career hires that fiscal year.

■ Develop Talent

Next-generation leadership development	① Human resource discovery	<ul style="list-style-type: none"> We have clarified the target profiles of next-generation leaders as well as the capabilities they are likely to need and compiled a list of approximately 1,300 promising personnel from our operations worldwide. We hold Talent Talks, in which corporate officers discuss promising personnel, and People & Organization Discussions, which focus on reflecting business strategy in organizational design and personnel assignment. Furthermore, we assign promising personnel to “hot” positions that simultaneously meet business and training needs in order to accelerate the achievement of business results and maximize the effectiveness of training.
	② Training program for the next generation of leaders	<ul style="list-style-type: none"> We have developed a stratified leadership program to train the next generation of leaders. The program, which is conducted sequentially, was offered to approximately 100 promising personnel out of roughly 1,300 who applied. In 2021, 13 employees took part in the Executive Leadership Program, 16 took part in the Advanced Leadership Program, and 14 took part in the Beginning Leadership Program, all of which featured feedback from corporate officers.
	③ Global human resource development	<ul style="list-style-type: none"> We conduct global leadership programs to ensure that we assign the most globally competent personnel to leadership positions. We conduct the Senior Leader Program and the Rising Leader Program.
	④ Roundtable with corporate officers	<ul style="list-style-type: none"> Held a roundtable discussion with executives and approximately 100 personnel with particular promise Provided opportunities for all promising personnel to engage in dialogue with executive officers
Development of line managers		<ul style="list-style-type: none"> We have launched management training focused on optimizing performance by maximizing both team cohesion as well as the initiative, creativity, passion, and autonomous behavior of each employee. As of fiscal 2022, approximately all management-level employees have undergone this training. Approximately 70% of responses to a questionnaire by participants and their superiors and subordinates conducted after the training indicated changes in the participants’ behavior.
Development of personnel conversant with digital technologies		<ul style="list-style-type: none"> We have revised the definition of “human resources involved with DX” as well as the requirements and training goals for these human resources in an effort to enhance them. In keeping with this effort, we have developed a training program for these human resources and constantly improve measures to shift and improve their skill sets. In fiscal 2022, 262 people participated in training focusing on mindset and behavior, and 21,305 people participated in training focusing on technology. We have developed a program to ingrain a DX mindset in employees. In fiscal 2022, all employees attended online training and 676 young employees attended workshops.
Provision of diverse learning opportunities through LinkedIn Learning		<ul style="list-style-type: none"> In fiscal 2021, NEC introduced LinkedIn Learning, an online video service that can be used in combination with reskilling, management, and other programs. In fiscal 2022, employees took an average of 9.6 courses via the service, with an average study time of three hours and 25 minutes.
Social Issue Experience Human Resource Development Programs (SENSE)		<ul style="list-style-type: none"> SENSE is a group of leadership development programs that provides personnel with opportunities to visit areas that are dealing with social issues and experience them with all five senses. In fiscal 2022, 114 employees participated in the programs, which help cultivate personnel with a deep understanding of social issues, an understanding and passion for social value creation, and a willingness to take on challenges to grow and realize the NEC Purpose.

Training Framework

	Common companywide training		Job-specific training	Business unit training	Other training	
	Stratified training	Theme-based / Elective training			Career	Self-development
General managers	General manager training	Business development	Management	DX	Job-specific training (sales/SF/general staff)	Next generation of leaders
Executive managers	Executive manager training					
Group leaders	Group leader training					
Assistant managers	New assistant manager training					
Persons-in-charge	New employee training	Issue resolution	Business unit training	Career Design Workshop	LinkedIn Learning	“Will be” (cafeteria-style benefits and welfare system)

■ Utilize Talent

Stronger Support for Employees’ Independent Career Development

As part of its Human Resources Policy, “NEC, for Those Who Seek Challenge,” NEC established the Career Design Workshop to help employees take greater ownership of and realize their career plans. The workshop is spearheaded by NEC Life Career, Ltd., which was established in October 2020, and was conducted for 3,100 employees ranging from 30 to 50 years old. In addition, we held individual career consultations with over 2,000 employees who applied for the service.

In addition, when employees express interest in the opportunity to try taking on new types of work inside or outside the Group, we provide support to help them get settled and achieve success. As businesses and strategies change and organization functions change accordingly, we work vigorously to provide reskilling programs to organizations that require new functions, in addition to initiatives to increase organizational strength.

Introduction of an AI-enabled Recommendation Service to “NEC Growth Careers” (Employee and Position Matching) System

In the past, our system for matching employees and positions entailed employees reading job descriptions of published vacancies and then applying for positions that interested them. Alternatively, the personnel manager of a department with a vacancy would search published resumes and contact personnel who met the position’s requirements. In fiscal 2021, NEC began using its AI capabilities to generate job candidate recommendations. Specifically, we use machine learning to match the content of resumes with that of published vacancies. As well as giving employees more opportunities to take on challenges and grow and discover potential they did not know they had, the new service helps the personnel managers of departments with vacant positions efficiently select, secure, and assign the most suitable personnel.

■ Developing Talent in Key Focus Areas

At NEC, we are developing human resources in our key business areas, in order to strengthen the core technologies that contribute to solutions for society, as well as to sustain these technologies and solutions into the future.

Innovation Management “Human Resource Development”

Development of Information Security Professionals

Developing specialists who implement security by design	<ul style="list-style-type: none"> • NEC's system integration service not only incorporates security from the implementation phase but utilizes the "security by design" practice in the system planning phase. • We have fostered specialists who implement security by design and have assisted the security managers*² of business divisions since fiscal 2020. • Specialists play a pivotal role in efforts to oversee all processes related to system development and implement appropriate security—enabling us to deliver safe and secure systems to our customers. • In fiscal 2022, we introduced a new course aimed at sales personnel. This, in addition to providing incident case reports and other security-related offerings, is part of our ongoing efforts to ensure that our employees have the skills to put forth their own security proposals.
Training for taking practical safety measures	<ul style="list-style-type: none"> • We use a virtual environment that simulates an e-commerce website and thereby provides a location where system engineers can practice taking practical security measures and acquire skills that increase the robustness of systems at their construction stage. • In fiscal 2021, we made this virtual environment available remotely, which allowed our engineers to strengthen the security technologies that underpin our clients' systems even during the COVID-19 pandemic.
Developing highly skilled cyber security personnel	<ul style="list-style-type: none"> • In fiscal 2021, we launched the NEC Cyber Security Analyst Program, which is a more practical version of the NEC Chief Information Security Officer Aide Training Program. • Personnel well versed in cyber security technologies undergo an intensive six-month program to acquire the technical skills needed in the provision of advanced cyber security services, such as the work performed by the Computer Security Incident Response Team (CSIRT) and risk hunting.
Widening our pool of cyber security human resources	<ul style="list-style-type: none"> • To raise the overall level of security skills across the NEC Group, we offer web-based training on the basic cyber security knowledge required by sales personnel and system engineers. • Since fiscal 2016, NEC has held the NEC Security Skill Challenge, an in-house event for all employees aimed at building and reinforcing security skills that employees can use in their work. To date, over 6,000 employees have participated in the event on a voluntary basis. • We strongly encourage employees to acquire public security qualifications, such as the internationally recognized Certified Information Systems Security Professional (CISSP) qualification and the Registered Information Security Specialist national qualification.

*² Individuals responsible for providing information, project support, and incident response related to cyber security for each business unit

Initiatives Aimed at Heightening Motivation with Respect to Career Development

NEC Corporation has prepared retirement allowances calculated based on a bonus-linked point system and defined contribution pension plans as retirement benefit and pension programs. We have transitioned away from a defined benefit pension plan, which was premised on long-term employment, to focus on our defined contribution plan, so as not to limit the range of career options open to employees, to ensure that new graduate hires and mid-career hires are treated fairly, and to motivate employees to develop long-term careers in a variety of directions, be it inside or outside the Company.

Outcomes

Initiative Outcomes Revealed by the One NEC Survey

Our annual One NEC Survey of employees of NEC Corporation and consolidated Group subsidiaries showed the following improvements in human resource-related scores versus those of fiscal 2021.

Employee engagement score (Data collection)



Engagement increased

+10%

Year on year, to 35% (2025 target: 50%*)



Diversity increased

+2%



Level of human resource utilization increased

+3%



Management increased

+5%



Teamwork increased

+2%

*³ According to a survey by Kincentric, a global human resources consulting firm. A score of 50% roughly corresponds to the global top 25th percentile, Tier 1 level.