

## Evolving Our Corporate Culture

# Toward the Transformation of Human Resources: To be a Truly Global Medtech Company



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### History of Olympus' Human Resource Management

We have a long history of valuing the uniqueness of each region and the independence of their organization by assigning regional managers. As a result, we have developed a significant number of individuals with outstanding management talents all over the world, driving the growth of our business. In Japan as well, we have been working to develop human resources through performance-oriented personnel evaluations, new hires, and progressive overseas assignments.

In competing with other global medtech companies, however, it is essential to not only promote human resources within a region, but also establishing global operation models for governance, daily business and human resource management. It is necessary to improve the management efficiency as a company as a whole. In order to achieve this, it is essential to allocate the right person in the right position, regardless of their country of origin. We have established a new human resource management system that fosters employee motivation to grow, and are promoting a corporate culture that allows our employees to develop their skills and capabilities as much as possible.

### Becoming a Truly Global Medtech Company

We have been working on *Transform Olympus*, a corporate transformation plan, with the aim of becoming a truly global medtech company by incorporating best practices from around the world, while continuing to provide value to our customers and society. Through organization change, we strive to cultivate a high-performance corporate culture with common values while maintaining the Japanese craftsmanship that is the source of our technological capabilities. In HR as well, we are working on various measures that allow employees with diverse abilities to utilize their respective strengths, create synergy while respecting others, and contribute to reaching management goals.

### Transform Olympus Initiatives

#### Globalized HR system to achieve high-performance culture

In April 2019, we changed the personnel evaluation system for managers into a performance-based compensation system. Management positions have clearly defined job descriptions outlining the roles, responsibilities, and authority. The remuneration is decided accordingly to the size and results of the work, and individuals are promoted regardless of factors such as age or nationality. In addition, we implemented a new objective management system to set specific goals in accordance with job descriptions, and evaluate the degree of attainment. In April 2020, we globalized an objective management system and evaluation standards for senior management worldwide, so that responsibilities are more clearly defined. Senior management has set strategic goals and has been working to transform the organization with common global KPIs.

#### Development of global senior management—the right people to the right positions.

In order to strategically develop global leaders in the medium- to long-term, we first examined senior managers with talent reviews and systematic development plans based on globalized leadership competency. As a result of promoting assignments based on abilities, regardless of nationality, currently forty percent of business and functional managers are non-Japanese. In order for a corporate culture of “leaders developing leaders” to take root, we will expand the scope of the new talent review system to all managers, and eventually to all employees. In addition, we are working to create a global human resources database as a tool to support global assignments.

In order to handle the COVID-19 pandemic, we established a global task force to take necessary measures, with our employees' safety as the top priority. At the same time, we have adapted work styles around the world to accommodate this “new normal” and are reviewing these new practices. In Japan, we are promoting work style changes, such as abolishing the limit on teleworking days and improving the working environment for employees who work from home. For us, these challenges can be turned to an accelerator to become a truly global medtech company.

## Cultivating a New Corporate Culture

### Promoting Our Core Values

We know that a culture is not something that can be created overnight. It takes time and effort.

Ever since the foundation of our new corporate philosophy in 2018, we have been taking various measures to have Olympus employees adopt Our Core Values, which are what unite Olympus colleagues all around the world. In addition to local-level grassroots activities executed throughout the year, we hold an annual week-long global event called Our Core Values Week, in which employees participate in globally uniform activities to renew and enhance their understanding of the Core Values. Also, for the annual Global CEO Awards which are presented to the year's top-performing projects, embodiment of the Core Values has been set as one of the primary evaluation criteria.



Our Core Values workshop in Germany

### Global Training in Implementation Skill

We believe that the ability to continuously execute a plan is key to success in our *Transform Olympus* initiative. In order to improve these abilities, we started implementation skill training on a global basis. This is our first attempt to conduct a globally-aligned training. There are four purposes of this training: (1) To instill a common way of working across all members of the organization, (2) To improve personal effectiveness in daily roles, (3) To build capabilities that employees at all levels can apply, and, (4) To provide useful, straight-forward tools directly applicable to the transformation. This training will provide employees opportunities to learn how to solve problems, coach colleagues, and facilitate discussions, so that the trainees can improve their ability to execute any plan.

The training program is provided as both online and in-person workshops. During this fiscal year, we aim to hold this training for about 10% of global employees.



Olympus China employees participating in Our Core Values Week activities



Implementation skills workshop



Implementation skills online session