

Foreign Human Resource Strategy

Daiichi Institution Industry Co.

By *Osamu SHINOHARA*

Subcontractor Turns Manufacturer

The idea of recruiting foreign human resources derives from the history and management philosophy of Daiichi Institution Industry Co., established in July, 1967 and located in Fukuoka, western Japan. It has 41 years of pride and experience as a small and medium-size enterprise (SME). We used to be one of the subcontractors for large elevator companies and engaged in installation and maintenance services of equipment during our first 20 years of history. The business scope of subcontractors was limited to a certain area without our own identity and independence. We foresaw no bright future that would bring us the growth of our business and the development of our standard of living.

Therefore, we made a bold decision to turn our course into a new horizon in

1988. We aimed to become a manufacturer of vertical material-handling systems such as elevators with our technology and expertise we had developed in the past. Under such circumstances, we announced our company philosophy as our precept when we made up our mind to change into a manufacturer from a subcontractor so that we could make sure why, how and for what we intended to change ourselves. The philosophy is: "We will always try our best to satisfy customer needs with our long experienced technology and make the company grow and each individual expand his/her horizon so that we can contribute to society with our own technology and creativity." This philosophy has been our backbone and spirit until today, and it will be so in the future when we keep developing our corporate culture.

State-of-the-art technology is the key

factor for Japanese industries, which are not blessed with natural resources as in many other countries, in order to compete in the world market. However, continual growth of the Japanese market in the future is not expected due to the declining domestic population and aging society. Even SMEs like us must turn our eyes to the overseas market. The rapid economic and market globalization is allowing foreign products to flood the Japanese market. We are very much concerned with this trend because it might endanger our survival as an enterprise in Japan.

Foreigners Aid Cross-cultural Communication

A young man who came from South Korea in 2000 was our first foreign employee hired in the first step of our foreign human resource strategy. We have developed our own technology to manufacture a cleanroom lifter that is the vertical material-handling system solely used in cleanrooms for the production of semiconductors and flat display panels, and we are proud that we have a nearly 90% share of the market in Japan and the rest of Asia. Not only the market of Japan but also those of South Korea, Taiwan, China, Singapore and Thailand are our important Asian export markets and we import parts and materials from those countries.

Along with the expansion of foreign trade, we have faced some difficulties that Japanese staff members are unable to handle easily. Foreign human resources can play an important role to avoid misunderstanding of both verbal and non-verbal cross-cultural communication. They help us achieve customer satisfaction and reduce negative business transactions with precise interpretation of documents and specifications of equipment. A manager of our Purchase Department is a young Chinese man who is an indispensable human resource

Photo: Daiichi Institution Industry Co.



Three non-Japanese employees of Daiichi Institution Industry Co. pose for a souvenir shot with President Osamu Shinohara at the company's head office in Fukuoka Pref.: (from left) Xu Jian (Chinese), Manager, Sales Dept., Dalian Office, China; Shinohara; Bian Ying Ji (Chinese), Sales Staffer, Sales Dept., Head Office; Lee Chang Seok (Korean), Designer, Engineering Dept., Head Office

for our company.

However, in the present Japan, we seem not to be ready yet to accept foreign employees as our working force. Our long history of national isolation and our racial homogeneity may be the reasons why we are not accustomed to getting along with foreigners. The drastic change of our times is forcing us to change our attitude and way of thinking.

Aiming to Boost Ratio of Foreign Employees to 30%

In our company, we have two groups of foreign employees. One is those who graduated from universities in their homeland or in Japan and the other is those who joined the company as vocational trainees with the mandatory limited employment time of three years. Twelve foreign employees with high educational backgrounds are working for the company under the same conditions as Japanese employees and now they are assigned jobs in South Korea, Taiwan and China.

We are still an SME with about 100 employees, but the ratio of foreign employees will be raised to 30% of our total work force in the near future. They are well educated and have the same capability as Japanese employees. Some of them speak more than three languages perfectly, which is very hard for Japanese students except for overseas returnees. The strong will to work in Japan makes them different from others. They will learn Japan's technology, business administration and customs, laws and company management in our company and will start their own businesses in their countries in the future or keep staying in Japan to achieve their goals.

Long-term Global Human Resource Development Vital

It is not so easy for foreigners to boost their levels of technological skills in Japan. The lifetime employment system is regarded as one of the factors that have made Japan a leading nation of

technology. It took a few decades to establish one sort of technology that supports a particular Japanese industry. It remains a challenge how foreign employees will receive the gap between the foreign culture of individualism and the Japanese culture of employee loyalty to one company. Whatever nationalities the employees may have, it is true that technology is created and developed by human beings.

The vocational trainees are given only a three-year period to acquire the language skills as well as vocational skills. Their experience and qualifications in Japan would definitely help them improve themselves after going back to their home countries. It must be a very important task for us to cooperate in international vocational training programs from that perspective. This cooperation could be described as an ODA project conducted by a private enterprise. We will also have the advantage of having foreign partners who give us full support even after they return to their homeland. They will be our valuable assets if we continue to get in touch with them on both business and private matters. It is our duty and purpose of life to make the company grow and survive. In this era of global trade, we consider not only manufacturing but also human resource development necessary on a global scale even for SMEs like us. Seen from a longer-term perspective, our future depends on the cultivation of human resources from overseas.

Share Good Working Climate with Foreign Employees

Asian countries that surround Japan are developing so rapidly year by year, with China spearheading the way. The technology transfers from textiles to electric appliances and from electric appliances to automobiles and from automobiles to high-tech products will keep occurring in Asian countries which occupy more than half of the world population. Therefore we think that the first step is to enhance the utilization of human resources in Asia and the next

step is to widen the area globally.

Both the central and local governments and the private sector must provide such human resources from overseas with an environment where they can work and live safely and comfortably. We must also share the same sense of value with them. Now Japan needs to reconsider its position in the world as an industry-oriented country, its own products to sell in the world and its vision for the future. It is true that Japan faces a lot of problems at present. The positive utilization of foreign human resources promoted by the Ministry of Economy, Trade and Industry in recent years is one of the policies to cope with the aging society and shrinking population in Japan. Both the government and private sectors, including SMEs, should be aware of the need for the utilization of foreign human resources.

Use of Foreign Personnel Key to Our Future

Coming back to Daiichi Institution Industry Co., one of the things we treasure in our company is our own uniqueness of ideas and culture. If Japanese people are compared to a banana put in a blender, it is banana-flavored juice no matter how many pieces of banana we may put in it. However, if we put there a different kind of fruit, we will have a different type of juice with different color, flavor and taste. It is our goal to have various types of human resources in our company with various ideas and cultures, which will make us different from other companies. We will then be able to develop new products and also bring up our own domestic and international human resources. Under this globalization of people and products, international exchanges and coexistence are the important issue even for a Japanese SME. The active utilization of foreign human resources is a key to our future. **JS**

Osamu Shinohara is founder/president, Daiichi Institution Industry Co.