

# NEC: Focus Overseas

By Shuichi Hayashi

NEC Corporation began to actively develop its international business in the mid-1950s. Today its overseas operations include 70 local subsidiaries in 28 countries and 29 manufacturing plants in 15 countries. In addition, it has 24 liaison offices in 22 countries, staffed by representatives from Japan. Overseas staff now total 25,000, of whom about 900 are Japanese. For the year ended March 1991, consolidated sales were \$26.2 billion, of which \$6.1 billion represented overseas sales.

It is against this background of increasingly integrated overseas activities that the international education programs of NEC should be seen.

Broadly speaking, the aim of NEC's international education is to promote the internationalization of the entire company by developing staff capable of handling overseas operations.

Specifically, NEC's international education has three goals: (1) the internationalization of the whole company, (2) strengthening international operations, (3) strengthening of the overseas affiliates and offices.

In accordance with the company's International Human Resources Development System, established in 1980, the actual education programs are planned, managed and carried out by the NEC Institute of Management, Ltd. This subsidiary, set up in 1983, initially concentrated mainly on training programs aimed at specific levels of management. But in 1987, the subsidiary absorbed the international training division of NEC Corporation. As a result of this merger, international education, which had originally been concentrated on the parent company, has now become established as a firm target for the entire NEC group.

The target groups for international education are broken down into 'all staff,' 'staff handling overseas business,' 'staff likely to be assigned to overseas posts,' 'staff assigned to overseas posts,' 'staff returning from overseas posts' and 'local-

ly hired staff in overseas offices.' Training programs are tailored specifically to the needs of each group.

NEC believes the ideal type of person to handle international business is a staff member who has developed an outstanding sensitivity to and ability to perform in a different culture. In concrete terms the three basic requirements are: 1) effective business performance; 2) international communication skills; 3) ability to adapt to a different culture, emphasizing in particular three things: an international outlook and sensitivity, the mental capacity for self-help, and a more flexible, more dynamic ability to perform. The overall capacity to fulfill all these requirements is defined by the company as "international business management skill."

## Training programs

The general content of the various international education programs is as follows:

### (1) International communications programs

These programs, based on language training, are designed to foster communication skills in a different culture. They include conversation, writing and presentation skills in English, training in foreign languages other than English, and official language certification tests.

Besides basic English conversation ability, each class is aimed at developing skills of communication in business and in a different culture.

### (2) International management programs

These programs include the Management Course for Staff Posted Overseas, designed for staff already appointed or likely to be appointed to overseas posts, and the International Management Case Study Course. The former, aimed at developing the skills and attitudes required for overseas management, especially personnel management, covers a broad range of issues such as the current situation, religions, and health matters in

the country concerned. The latter deals with case studies concerning various aspects of international management.

As a company actively promoting globalization and the localization of overseas operations, NEC believes that management skills in its overseas subsidiaries will have an increasing influence on the company's overall operations. For this reason there will be an increased emphasis on international management education.

### (3) International business program

This program involves a series of lectures on issues considered to be essential knowledge for all employees involved in international business. Topics covered include trade, finance, insurance, law and contracts, accounting, marketing, overseas construction projects and production.

### (4) Area study programs

The aim of these programs is to provide a deeper understanding of the regions of the world, broken down into six groups, focusing on each region's particular features and the background of NEC's business there.

### (5) Orientation program for families of staff posted overseas

This program is for spouses of staff posted overseas, to provide them with an introduction to NEC and its activities as well as basic information on the country to which they will be posted.

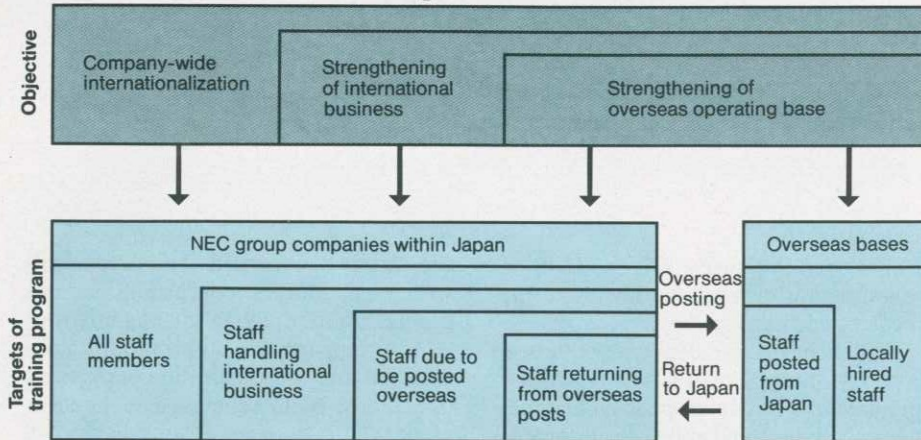
### (6) Programs for staff on assignment overseas

To meet the needs of staff assigned to overseas posts, NEC has developed a correspondence program covering issues such as production control, sales, accounting, personnel and labor issues, and general education.

### (7) Returnees programs

These programs are designed to provide information for staff who have returned to Japan after overseas assignments, updating them on developments in the company, to enable them to make a smooth transition back to domestic business. The programs also provide an

## Outline of International Staff Training



opportunity for NEC to gather valuable feedback from the returning employees, each of whom prepares a report on his/her experience in the country to which he/she was sent.

## (8) Overseas study

NEC also offers opportunities for both domestic and overseas study. In the case of overseas study, some 40 staff are selected each year to study abroad for one to two years. Courses include short-term programs at Harvard Business School, Michigan University Business School or IMD in Switzerland. Some employees also attend domestic programs including courses run by McKinsey Japan or the International University of Japan.

## (9) Overseas operations training

Some 10 employees per year are given the opportunity of on-the-job training in NEC's overseas operating subsidiaries. The training, for periods of one to two years, aims at developing globally minded

staff while at the same time developing the skills of employees who may themselves later be transferred overseas.

## (10) Training for local staff in overseas operations

While programs (1) to (9) are intended for Japanese staff, this program, designed for locally hired staff of NEC's overseas operations, is also extremely important in developing businesses globally. The first such program was held in 1977, when local staff from NEC's overseas subsidiaries were brought to Tokyo for training, to help deepen their understanding of both Japan and NEC's operations and management. Today three courses of 20 people each are held each year in Japan for locally hired overseas management staff. In addition, an English-language correspondence course is available for overseas locally hired staff, giving them an outline of general management, marketing, and finance and accounting.

An English-language publication on management is issued bimonthly for managers overseas.

NEC's overseas subsidiaries also conduct their own in-house staff training programs, while for information of common interest to all subsidiaries in a particular region, unified regional training programs are also held. For example, currently in the United States, basic management training is carried out. In January 1991 in Europe, the first NEC European Managers' Training Course was held, attended by 16 middle managers from 12 local subsidiaries. Not only will this now take place on a regular basis, but NEC plans to steadily introduce other similar training programs for different levels of staff and for the Asian region.

Training carried out by individual subsidiaries is designed to meet their particular needs, and NEC appreciates the importance of strengthening such individual training programs. At the same time, these need to be aligned with training programs common to all subsidiaries in a region and with the training programs held in Japan to ensure an integrated, coordinated approach to staff training. ■

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## IBM Japan: Developing the Individual

By Kohji Inayama

IBM has seven management principles which guide our day to day business activities. They are: (1) Respect for the individual; (2) Service to the customer; (3) Excellence must be a way of life; (4) Managers must lead effectively; (5) Obligations to stockholders; (6) Fair deal for the

supplier; and (7) IBM should be a good corporate citizen.

Among these, the one that is directly related to education is "respect for the individual." For IBM, "respect for the individual" means that the company should 1) help each employee to develop their

potential and make best use of their abilities; 2) pay and promote on merit; and 3) maintain two-way communications between managers and employees, with opportunity for a fair hearing and equitable settlement of disagreements.

We believe that one way to help people