

CSR/ESG Management

Related Key Stakeholders



Material Issue: Human Resource Management

Why Human Resource Management Matters

At NSK, we see our workforce as a vital asset in the continued success of our business. We know that employees who are fully engaged in their work have the greatest potential for growth, which can ultimately lead to the sustainable growth of the Company as a whole. This is why we are committed to creating a safe and motivating workplace that respects the cultures and practices of countries and regions worldwide, and that embraces diversity in the workforce.

Making the most of diverse human resources

- Realization of diversity
- Facilitating a work-life balance

Making Use of Individuals in a Fair Manner Dynamic Work Environment

Creating environments where employees can work with vitality

- Respect of fundamental rights at work
- Creating secure, safe, and comfortable workplace
- Maintenance and improvement of health

Providing opportunities and workplaces that foster the growth of self-motivated employees

- Realization of talent management
- Providing workplaces that foster self-development and offer educational opportunities

NSK's Approach

In our Management Principles, NSK clearly states that our aim is "to provide challenges and opportunities to our employees, channeling their skills and fostering their creativity and individuality." In acknowledgment of the fact that each and every employee is a priceless asset, we have committed ourselves to "maximizing individual talent in a fair and dynamic work environment." This commitment features three key areas of focus: leveraging a diverse workforce, creating a motivating workplace, and creating workplaces and opportunities that foster employee growth. We strive to create and maintain engaging work environments that inspire our employees and enable us to develop the human resources we need to lead NSK in the future.

Prohibiting Discrimination and Respecting Fundamental Rights at Work

NSK respects the Universal Declaration of Human Rights and promotes activities based on the declaration's ideals. Having clearly stated that our aim is "to provide challenges and opportunities to our employees, channeling their skills and fostering their creativity and individuality" in our Management Principles (see P. 11), we have also defined the "prohibition of unfair discrimination" and "respect for basic fundamental rights at work" in the NSK Code of Corporate Ethics. We prohibit discrimination—on the basis of race, appearance, belief, gender, social status, lineage, ethnicity, nationality, age or disability—as well as harassment, forced labor and child labor, and aim to create workplaces that engage and inspire our diverse workforce. We strive to provide equal opportunity in recruitment, job assignment, evaluations and other aspects of employment.

In addition to making NSK's stance on human rights better known among our employees, we also work to identify acts that run contrary to this stance through internal audits and our internal reporting system, and take immediate action to rectify any improper behavior.

Creating an Organization that Embraces Diversity

Promoting Diversity and Inclusion

It is our conviction that employing people from diverse backgrounds—in gender, age, nationality, culture, lifestyle and values—will foster a work environment full of new perspectives and ways of thinking. We believe that this will in turn strengthen our competitiveness and ability to avoid risks. For this reason, NSK promotes the creation of a diverse and inclusive corporate culture that embraces a wide range of people and the values they hold. Our initiatives in this area include diversity training and LGBT* seminars for both executives and employees, and directed talks from the president and other members of senior management.

*LGBT is an acronym for lesbian, gay, bisexual, and transgender.

Leveraging Global Talent

In our Management Principles, NSK clearly states that our aim is "to provide challenges and opportunities to our employees, channeling their skills and fostering their creativity and individuality," and "to manage our business from an international perspective and to develop a strong presence throughout the world." This is why NSK places a high priority on developing globally-focused employees in each region and country where we operate. We believe that developing corporate leaders with a global mindset together with local employees that can support their vision will allow us to optimize and increase the efficiency of our business operations. The Company is currently working to create a shared global infrastructure for HR that promotes standardization while leaving room for regional distinctions. This will include a common grading system for ranking executive posts, shared leadership competencies for the organization, and guidelines for global mobility.

Promoting the Advancement of Women in the Workplace (Japan)

NSK believes that having more women empowered to actively demonstrate their abilities in the workplace will encourage diversity and inclusion and enhance the competitiveness of the Company. To achieve this, we have begun taking efforts to improve our female hiring rate and expand work options for female employees. Our efforts do not stop there, however: as a first step in cultivating diversity in talent and values at the management level, NSK conducts training for female managerial candidates to prepare them with the skills and mindset they will need to excel as leaders.



Female Employee Rate and Female Manager Rate

	FY2016	FY2017
Female employees	10.7%	10.5%
Female managers	1.2%	1.6%

Includes employees of NSK Ltd. and major NSK Group companies in Japan

Support for Working Parents and Caregivers (Japan)

To create a workplace that meets the needs of a diverse workforce and allows each and every one of our employees to thrive, NSK is taking active efforts to provide support for working parents and caregivers. Our programs to support these employees go above and beyond the legal requirements. We not only provide comprehensive support for working parents and caregivers, but are taking efforts to create a work environment where they can realize their full potential.

Many employees are eager to excel in the workplace despite the time constraints of parenthood. This is why we provide flextime for working parents and offer onsite childcare service on working public holidays when regular daycare facilities close down. We also provide support for employees with family members requiring long-term care. We offer seminars that cover the basics of family care as well as the company programs available to them with the aim of reducing the stress associated with long-term care, creating opportunities for employees to discuss their concerns, and ultimately allowing them to continue working as they start providing care for a family member in need.

▶ Support Programs to Provide Flexibility for Working Parents and Caregivers*

	NSK	Japanese law
Parental leave	Through end of April following child's third birthday (first five days are paid)	Up to 2 years (unpaid)
Reduced hours for working parents	Through end of March of child's 6th grade year	Up to 3 years
Caregiver leave	Up to 1 year	Up to 93 days
Reduced hours for working caregivers	Up to 3 years	Up to 3 years
Exemption from half-day limit	Usually limited to 12 half-days per year, employees are exempted when caring for sick family members, providing childcare, or undergoing infertility treatments	
Re-employment registration system	Employees who resign to follow a transferring spouse can register for re-employment at NSK upon their return	

*Includes employees of NSK Ltd. and major NSK Group companies in Japan

Work Style Reforms (Japan)

It is our conviction at NSK that having employees who enjoy and are actively engaged in both their work and personal lives will have a beneficial impact on our business. We believe that giving employees more space away from work to cultivate their personal lives will allow them to be more productive and produce higher quality work on the job. For this reason, in addition to making flextime available to employees, NSK is striving to better manage working hours and to encourage employees to take their annual paid leave. We know that in order to create a place for our diverse workforce to thrive, we need to offer more flexibility in terms of both hours and location. We are currently working to expand our IT infrastructure and have begun a trial telecommuting program, allowing select employees to work from home or a satellite office location. In order to boost job satisfaction, NSK also runs seminars and other programs to raise awareness—of both managers and employees—on the need for work style reform.

Human Resource Development Programs

To develop the talent necessary to support sustainable growth, NSK employs a talent management system to ensure that each employee can realize their full potential. We are also working to promote career advancement and motivation by orchestrating strategic job rotations that serve to stretch the skills and abilities of our employees. Through a variety of educational offerings and training programs that further refine our people's abilities, knowledge and character, NSK provides numerous opportunities and forums for further development.

In addition to targeted training geared for managers and other levels of the organization, each year NSK runs two internal business school courses—the Japan Management College and the Global Management College—which provide accelerated training for future leaders of the organization. Meanwhile, we are also considering ways to offer education at external institutions and courses in liberal arts programs, with an aim to further broaden the mindsets of our employees. We also offer professional education by function, such as the NSK Manufacturing Education and Training Center, established to facilitate the transfer of technical skills required in manufacturing, and the NSK Institute of Technology (NIT), which conducts comprehensive technical training for engineers. In addition, we have been focusing on cultural and language training in order to equip employees with the skills they need to communicate effectively with people from around the world.

In fiscal 2017, we invested approximately ¥76,000 per person in employee development, allowing us to improve the quality of our education and training programs and make them available to more employees.

Health and Wellness Initiatives

The physical and mental health of NSK employees and their families is an invaluable asset to the Company. We see an investment in health as an investment in corporate value, and as such, NSK is committed to a full range of initiatives to promote employee health and wellness.

In Japan, we are working to spread awareness of the role of corporate health management and are actively encouraging our employees to be more conscious of their health. In fiscal 2017, we put up posters in sites throughout Japan to promote awareness of secondhand smoke and encourage smokers to kick the habit. We also distributed the NSK Health and Wellness Initiative 2018 handbook to employees and executives in Japan. In addition, we shared employee efforts to improve their wellbeing in the company newsletter and on our internal website.

NSK has been recognized externally for its health and wellness initiatives, receiving certification from Japan's Ministry of Economy, Trade and Industry as an Outstanding Health and Productivity Management Organization in the large enterprise category.



Poster to promote awareness of secondhand smoke