

Dialogue with CEO and External Experts

“Shape Together” For a Sustainable Society

In this day and age where the term “sustainability management” is spread, the Toyol Group is striving to transform into an organization and Group that are in tune with the era of the SDGs. We held a dialogue with CEO Masao Imasu, and Atsuko Fukushima, a journalist who also serves as an outside director at several companies, to discuss the future “ideal vision” of the Toyol Group to survive in this age of uncertainty. (Held in July 2021)

Sustainability Management Promoted by the Toyol Group

Tanaka (Facilitator): As part of the MX project that began in fiscal 2020, you reformed your management principles and formulated your Mission, Vision, and Value. What kind of sustainability management is the Toyol Group aiming for?



Chairman of the Board and Representative Director, CEO
Masao Imasu

Imasu: We need to respond not only to the needs of our customers but also to the needs of society. No matter how good products we make, if they don't achieve the role we should play as a company, they can't be evaluated correctly. And after as many as 90 years, corporate systems no longer meet social needs. Therefore, we decided to change the organization first to transform our management from discipline type into autonomous type. We established the outline in the first year, so I think this year is the time to put our soul into it and make it something our employees can empathize with.

Fukushima: I think that it is of great significance that you revised your management principles at this timing. It is because I feel the COVID-19 pandemic has greatly increased the importance of principles. It is important that each and every employee who works in the field is always in empathy and agreement with the Mission, Vision, and Value of the management principles as their own issues. In the event of an unexpected crisis like the COVID-19 pandemic this time, an organization waiting for instructions from the top cannot respond flexibly or quickly.

Management principles are the starting point for employees to act independently. So I believe they are the foundation to establish the autonomous organization that CEO Imasu is aiming for.

Tanaka: To the slogan of your group, you added the word “together.” What was your enthusiasm put into the word “together”?

Imasu: It is no longer an era where employees who can do what they are told to do are considered excellent. In order to improve a company, each and every employee must demonstrate their abilities. In that sense, we thought we would need EQ*1 and SQ*2, or sensitivity. We also need to move forward with delegation to transform into an organization where teams can make decisions. We are committed to “aim for collective genius,” and we need to be an organization where employees do not wait for decisions of superiors but make decisions and judgments on their own to win business, and superiors do not make decisions but support them. We will make that change, and then further consider the SDGs to accelerate our efforts on environmental and social issues.

*1 EQ: Abbreviation for Emotional Intelligence Quotient, which indicates the ability to understand, recognize, and effectively manage the emotions of yourself and others.

*2 SQ: Abbreviation for Sensitivity Intelligence Quotient, which indicates intuition, inspiration, and sensitivity to external stimulus.



Journalist
Atsuko Fukushima

[Profile]
She graduated from the College of Liberal Arts, Tsuda University. After working for Chubu-Nippon Broadcasting Co., Ltd., she became independent in 1988. She is a newscaster for news programs of NHK, TBS, etc., and has interviewed more than 700 business leaders for magazines such as the Nikkei and economic magazines, and serialized interviews in economic programs of TV Tokyo and weekly magazines. She is also active in lectures and forums on themes such as economy and management, environment, communication, diversity, agriculture and food, etc., and also serves as an outside director and management advisor for listed companies. In addition, she is involved in public positions such as a member of the Forestry Policy Council of the MAFF, and the council of advisers of the MEXT, as well as university management and non-profit organization activities.



[Facilitator]
Representative of Sun Messe Innovative Network Center (Sinc) Sun Messe Co., Ltd.
Director, Senior Managing Executive Officer
Director of the Corporate Planning Office, in charge of sustainability
Nobuyasu Tanaka

Current Challenges for the Toyol Group

Tanaka: The Toyol Group is striving to change into a Group more needed by the society by transforming into a business model that resolves social issues. What should they do to that end?

Fukushima: I believe that balancing social value and economic value is the foundation of sustainable management, and I think the Toyol Group has a very clear path to utilize the potential of aluminium to solve various challenges of the society.

Imasu: I think we should make a commitment being aware that only thinking about profits is not the way it should be.

Fukushima: I think that what is required of future leaders is to successfully establish a mechanism and strategy to balance the resolution of social challenges, corporate profits, and economic value. It's a difficult task, but I believe it's the management solution most required for companies today.

Tanaka: The Toyol Group has expanded this reform to its personnel and evaluation systems. I don't think there are many cases where a company carries out a reform to that extent. What do you think about this point?

Fukushima: I think the CEO has a strong sense of crisis to that degree. You can't change your corporate culture unless you change the way your organization works in various ways. I believe the top must have an unwavering belief and strong leadership to achieve that.

Imasu: As you say, I think it is the enthusiasm of the top and executives. We need to instill that enthusiasm more to make the entire Group passionate, so we would like to deepen our communication even more. This year, we are trying to deepen mutual understanding and empathy within the Group and encourage our employees to think “Okay, let's challenge it.” Priority is given to discipline in some workplaces such as manufacturing sites. However, I want all the staff in any environment to think autonomously too. The only way to achieve this is for leaders to enthusiastically communicate and have them empathize.

Expectations for the Toyol Group in the Future

Tanaka: Requested by the society, carbon neutrality has become a really urgent issue. It is also time to drive initiatives for human rights, diversity and carbon footprint. What do you expect of the Toyol Group in these areas?

Fukushima: Over the past few years, there has been a significant change in investors' awareness and action regarding ESG. This is because investors have a strong sense of crisis that their profits will be lost too if management does not pay due consideration to ESG emphasizing sustainability. There was a time when environmental issues and human rights issues were considered fields to which companies should make a social contribution. But that's not the case anymore. What is required is to build a mechanism and strategy to balance the resolution of social challenges, profits as a company, and economic value, while forming a good relationship with all stakeholders. I think that the sustainable growth of a company lies ahead of its realization.

Imasu: I agree with you. We have to put ESG at the center of management, make profits as a company, and also contribute to society. For that, it is also necessary to determine in which direction we should expand our technological capabilities.

Fukushima: The Toyol Group has pretty specific social challenges that it wants to solve, and has the materials and technological capabilities that can realize it. I think they have a bright prospect since they clearly see the design to balance social value and economic value.

Imasu: We will need a lot of time and technology development for some challenges we want to solve. But if we are not prepared to move in that challenging direction, ESG will not come to the forefront of management.

Fukushima: For that reason as well, I agree with the idea that “employees are the most important,” which the CEO often suggests. This is a very serious problem, but employees of Japanese companies have remarkably low engagement with their companies. Corporate value can be created only when employees work energetically with high aspiration and motivation. To this end, I think that having your employees empathize with your principles and enhancing their engagement will lead to the formation of the autonomous organization the Toyol Group is aiming for. I believe that an organization that enables diverse human capital to play an active role autonomously using the principles as a unifying force can create new value and innovation, all the more for the age of uncertainty.

Imasu: Toward that end, I believe it is really important to talk about our dreams. I suppose that if we make each company a place where our employees can feel happy, their engagement with the company will naturally increase. Based on the new management principles, we will bring passion to increase opportunities for our employees to feel happy.

