

## ■ Embodying our management philosophy and values



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“Bet on Passion” is one of the core Values of Recruit Group, and is something that we have done since our founding—valuing the passion of those who are enthusiastic and committed about what they do has led to many new opportunities. For example, in the mid-1990s, employees in their twenties, aware of just how disruptive the Internet was set to become, pushed Recruit Group to become an early adopter of digitalization. Naturally, they had to fight against entrenched views that favored print, but ultimately as a company that designs its services based on the customer’s point of view, we made a bet on that passion to change the market.

To encourage entrepreneurial thinking, we have a system called “Ring.” This platform allows employees to use their individual passions to conceptualize and submit unique ideas that could one day become commercialized. This not only leads to innovative services and solutions, but also generates excitement and energy for creating new value for society—and it is this energy that is our driving force.

To continue being the service provider of choice in a rapidly changing world, we must maintain high ethical standards and ambitions, nurture talent, and embrace speed and agility. We must not be satisfied with just a 20% improvement in efficiency and price, but aim far beyond that. There is no point in being here if we can’t provide our users with overwhelming value, and keep stunning the world.

In order to contribute to a brighter world where all individuals can live life to the fullest, we have to turn our own organization into a place where employees can live life to the fullest. To make that happen, we will continue to reflect our learning from global best practices and internal feedback in our organization structure, procedures, training programs, IT systems and office environments.

We believe that we can make a difference in the world by constantly challenging ourselves to be a values-driven organization that brings our management philosophy to life.

## ■ Expert opinion: Globalizing Japan’s dream machine **Sandra Sucher** Professor of Management Practice, Harvard Business School

If Professor Sandra Sucher knows one thing, it is that business managers of all fields will face trust-related challenges sooner or later. And thanks to her decades of industry experience and her expertise as a Professor of Management Practice at Harvard Business School, she is well-equipped to help businesses navigate the gray areas of corporate accountability. She studies how companies can change, improve, and innovate while retaining stakeholder trust, and what it means to be a moral, ethical leader.



### Create your own opportunities and let the opportunities change you

As a Harvard Business School professor, I had been working for seven years to identify best practices in workforce transitions—layoffs and restructuring—in companies across the globe. I became curious about how companies in Japan managed workforce change, faced with a historical white collar “salaryman” work culture of long hours, a strong sense of loyalty to the company, and lifetime employment. The result of our research is a Harvard Business School case, “Globalizing Japan’s Dream Machine: Recruit Holdings Co., Ltd.” which was first taught to Harvard MBAs in October 2018. This case study focuses on how Recruit Group’s corporate culture of individual employee empowerment has enabled the company to reinvent itself as a global organization ready for the digital era, something it achieved despite the 1988 bribery scandal and a period under massive debt. The research also provided a wealth of information that was used in a *Harvard Business Review* article, and a book being written about how companies earn, lose, and regain trust.

### What are the challenges ahead?

Recruit Group is aiming to become a global leader in the HR Matching market, a goal that is superior to financial targets, which a company could achieve in ways that don’t result in value creation for customers. For sustainable growth, Recruit Group will need to stay focused on improving the quality of its services and not just the number of people it serves. The way ahead has at least two ethical minefields. The first is making sure that the algorithms Recruit Group creates don’t replicate patterns of discrimination, which is a known liability of AI. This could easily happen in job searches, with women and underrepresented minorities not being referred to jobs that are unusual for people like them.

The second is to continue to focus on the impact they create. Internet giants are facing backlash because they don’t take accountability for the harm they create in doing business or the kinds of businesses they engage in. As Recruit grows overseas, it will need to ensure that all of its businesses are committed to holding themselves accountable for the impact they have – as Recruit Group did after the scandal. Finally, with roughly half of revenue now coming from outside Japan, there is an even bigger and more diverse organization to manage and inspire, and this ultimately will be one of the key challenges.