

Human Capital Management Dialogue



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Our strength—nurturing people through meritocracy rooted in the delegation of authority. Striving to further develop and secure talent toward the Group’s future growth.

The source behind PPIH Group’s human resource and organizational strength

Akagi: I believe the strength of PPIH’s human resources stems from three key factors. The first is the deeply ingrained culture of meritocracy, the second is our immeasurable experience in decision-making, and the third is the proper functioning of the principle of competition. As for the first factor, we don’t typically conduct conventional evaluations or training, as we believe it is important for “people to be seen by others”. As our company has a culture of delegating authority, we delegate work to employees to find out what they are good at. When challenges arise, we emphasize communication over one-sided criticism. PPIH’s starting point is that “people are strong”, and our employees have experienced this cycle many times and have been trained since joining our company. Moreover, with the prevalence of meritocracy, assessments at worksites are based on quantitative rather than qualitative data, making it clear who the best and worst performers are. Another strength of our organization is that we approach work almost like a game.

Secondly, thanks to our deeply ingrained culture of delegating authority, our employees are responsible for making many decisions from a very young age. While this may result in mistakes, we have a corporate culture that is capable of accepting and dealing with mistakes, and we focus on thinking about how to transform such mistakes into successes. We provide this environment for empowering people.

As for the third factor, competition, it is evident across the organization. For example, even our mate employees* will voluntarily say, “I am the number one seller of XX in Japan”. There is a widespread culture of always talking, evaluating, and competing based on numbers.

Kamo: Focusing on outcomes, the PPIH Group has achieved growth in both sales and profits for 35 consecutive fiscal years. At every worksite, someone takes responsibility for their tasks, and we can directly correlate the growth in sales with the development of our employees. The growth and profits we have made represent that individual, including mate employees, as well as stores and the company, share a clear vision of the direction to move toward. Our delegation of authority

leaves no room for excuses because our merit-based system makes individual results easy to track. For this reason, each individual competes daily by coming up with various creative ideas for product lineups and other aspects of work. Feedback on such ideas is also given promptly, which may explain why people learn quickly. In PPIH, employees receive dozens of times more opportunities to gain experience than their counterparts in other companies. The cycle of tackling challenges, learning, acquiring knowledge, then tackling challenges again in the worksite, is firmly embedded in our work. Additionally, employees can enjoy work almost as if they were playing a game. I believe these aspects are key to becoming a company that nurtures its people properly even as it expands its business scale.

Akagi: I agree. While the management team oversees key figures related to company performance, our strength lies in the fact that every individual, from management to staff, understands the numbers that drive the business.

The importance of “The Source” from the perspective of human resources and organization

Akagi: “The Source” is our compass when thinking about human resources. It is the starting point of our thoughts. Without “The Source”, it is unlikely we would have achieved the business scale that we have today. Interestingly, “The Source” does not go into much detail about human resources. Instead, it emphasizes that at PPIH, human resources are not about “development” per se, but rather about “trust”. As “The Source” says, “Trusting in a person means believing they can do something and relying on them to do it. By striving to live up to their boss’s trust, people learn how to think for themselves, and cultivate, in themselves, the will to grow. This creates, too, an environment conducive to growth”. It further states, “Strip yourself of your own authority and give it to your subordinates”, and even goes as far as to talk about, “raising someone capable of taking their place—the ‘next me’”. This highlights our culture of not only thinking about our own future but also encouraging our subordinates to think about their own careers.

Kamo: When I first read “The Source”, I was genuinely impressed. It was written in clear and simple terms, making it very accessible. While corporate philosophies and codes of conduct often tend to be vague, “The Source” is far from that. It is well-written and precise.

Akagi: Although the contents of “The Source” were things that had been said and implemented all along even before it was written and published, the clear documentation of these contents seems to have imbued it with greater confidence. It sets out what the company aims for, and there is now a stronger sense that we can push forward with this belief and conviction.

Kamo: While “The Source” is clearly written and easy to understand, it is not applicable to all companies. I think that its contents are specifically tailored to the PPIH Group’s approach to the retail business.

Human resources strategy with a view to future growth

Akagi: With regard to the theme of future growth, I believe that overseas human resources are a key aspect. While the domestic business is leading overall business growth, the overseas market will drive the next stage of growth. We need to secure and develop language-proficient talent while considering how to globalize the company. Another key point is to arm the strong workforce we have now with more tools. We have an extensive lineup of capable team members, but our future growth potential lies in acquiring additional knowledge on top of that foundation. We have already built up a base of “trading professionals” who love to sell; going forward, it will become increasingly important to add new knowledge to that and encourage each individual to transform that knowledge into wisdom and growth.

Kamo: As we expand our business domains to achieve the operating income target of 200 billion yen set out in “Visionary 2030”, it is important to have the necessary new skills and technologies. One challenge is how we can ensure strong affinity with our customers in overseas stores. In other words, how do we nurture people who have been trained as PPIH Group employees but still have a good grasp of the local needs? One possible solution would be to send local employees to work in Japan’s Don Quijote stores for about a year to gain experience, after which they could return to their home countries.

It is also important to acquire talent with the new techniques and skills necessary for the future. For example, when expanding the PB business, we may summarize our human resources need as “people who have detailed knowledge of manufacturing”. Even so, this encompasses a wide range of products such as home appliances and food, and we also need various other experts in areas including design and logistics. How do we acquire mid-career professionals who are a good fit with the corporate culture of PPIH? One idea is to send experienced store employees to partner companies for a few years to train them on the job in a particular field. The existing system is well-suited to developing a workforce that can support our current business, but there is room to consider new ideas as we expand into areas we have never ventured into before.

Akagi: Thank you. To achieve our target operating income of 200 billion yen in FY2030, which we have established as the quantitative target of “Visionary 2030”, and to aim for growth beyond that, we will continue to nurture more talent and create an environment where they can fully utilize their abilities.

* Mate employees: part-time or temporary employees