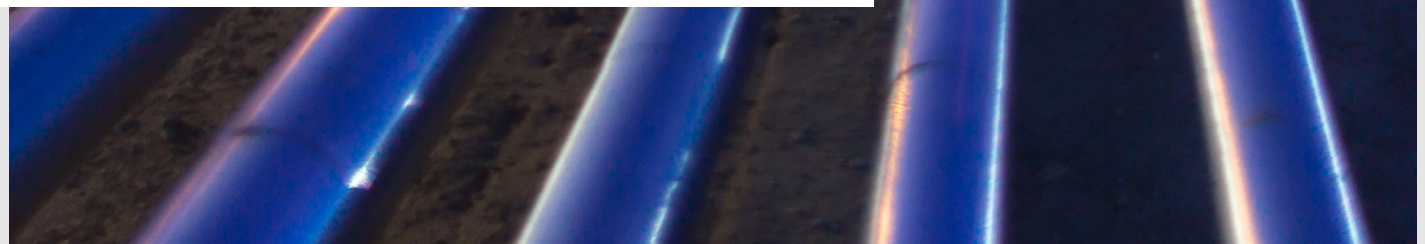




At Idemitsu Kosan, employees take the initiative in their engagement

How an employee engagement survey
improved employee satisfaction





After a quarter of their employees shared their dissatisfaction with the company in an internal survey in 2017, Idemitsu Kosan started on a path of improvement using the WTW Engagement Survey.

Approximately 10 million people around the world participate in WTW's yearly engagement survey, including 600,000 in Japan. Since 2017, that number has included Idemitsu Kosan, a petroleum wholesaler. The organization used to conduct an internal survey to gauge employee satisfaction; and in 2017, this internal survey found that a quarter of the workforce showed a degree of dissatisfaction with the company. Idemitsu Kosan then engaged WTW to get an outside perspective.

After joining forces with Showa Shell Sekiyu K.K. in 2019, Idemitsu Kosan made human capital strategy a big part of their business plan for the next few years. They use the survey results as a way to track their progress and make sure their employees are happy. By doing regular surveys and workshops, employees can dig into the strengths and weaknesses of their departments and come up with solutions. This helps the company grow and keeps employees happy and engaged.

The Employee Association was established in April 2024 as an association independent from the company to further promote the human capital strategy. The purpose is to provide a "place" for all employees, including executives, to proactively participate in creating a better corporate and organizational climate, leading to individual engagement and growth.

We talked to the Idemitsu Employee Association about why they started using this survey and how it's helped them make the most of their employees' potential. Below are some highlights from that conversation.

Corporate Information



Idemitsu Kosan Co., Ltd.

Industry: Petroleum wholesaler

Number of employees: 13,991
(as of March 31, 2024)

Business Description: The organization develops, produces, and sells energy and materials while building strong relationships with partners and customers in various fields such as fuel, chemicals, and renewable energy.



Improving with Engagement Surveys

We introduced the WTW Engagement Survey in 2017 to get a better understanding of our employees' satisfaction. We wanted to use this data to not only analyze the engagement, mutual trust, and unity of employees, but also to better understand the strengths and weaknesses of the company.

Previously, the HR department asked all employees to submit a "Record of Activity", in which each employee writes their goals, career aspirations, and overall feedback to the company and its leaders. One of the questions was related to "satisfaction," and the percentage of employees who answered that they were satisfied remained stable at more than three-quarters every year. Although this percentage is high, management was concerned that the remaining quarter were either "undecided" or "dissatisfied" and decided they needed to learn more.

We chose to implement the WTW Engagement Survey tool because it is:

- Quantitative and continuously iterative
- Allows us to understand our position in comparison with external benchmarks
- Allows us to set our own questions according to our own objectives
- Can be conducted through a cloud-based service.

Above all, we felt there was a great affinity between WTW's "sustainable engagement" and our company's concept of "engagement".

Engagement surveys and employee engagement have become common internal terms.

The survey questions were designed to incorporate the company’s management philosophy, action guidelines, and management vision, and was administered to 31 business groups in Japan and overseas. In 2024, more than 96% of participants, or approximately 12,000 employees, responded to the survey.

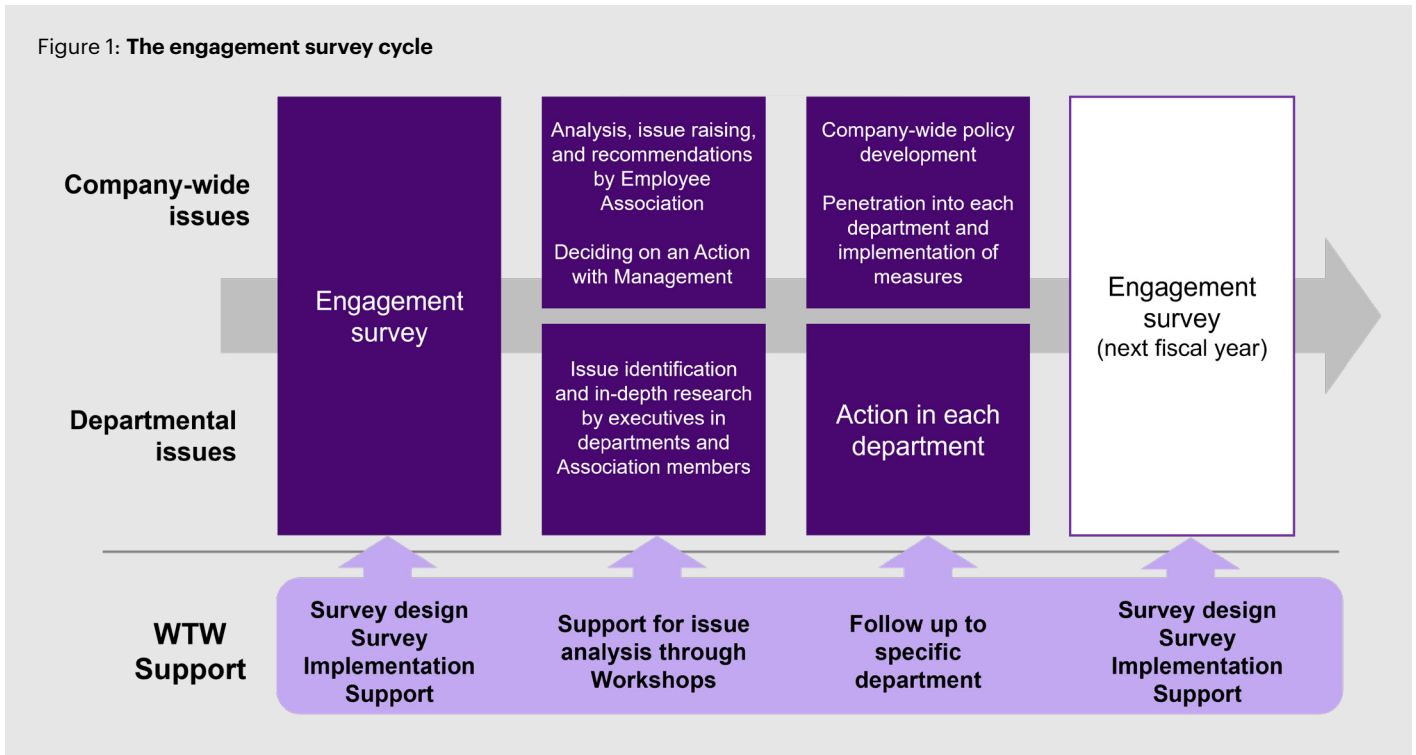
Behind this high response rate is the fact that there is buy-in at every level, from senior leadership to the heads of each department, who talk about the significance of the survey on various occasions. The “Employee Engagement Survey” has now become a common term within the company, and each department now takes the survey as a starting point for proactive problem-solving. As such employees who responded to the survey now feel that their responses are meaningful and their voices are heard, and that the results will lead to changes in the company.

Employee-Driven Improvement

We share the survey results with our management and employees who participated in the survey. We analyze the data and use it to create specific action plans. Then, we follow up on the results in the next year’s survey.

We make sure to address company-wide issues and departmental issues separately. For company-wide issues, the Employee Association takes the lead in discussing the results with management and coming up with solutions. For departmental issues, we work with department executives to identify the problems and gather employee feedback for specific solutions. We’ve found that WTW’s workshops have helped us analyze the data more effectively and come up with better solutions. We plan on continuing these workshops to keep improving.

Figure 1: The engagement survey cycle



Using Surveys to Improve Human Capital

We've also incorporated the survey results into our executive compensation and use it as a non-financial KPI. In our medium-term management plan, we focus on investing in our employees to drive business transformation. We've set a new "Idemitsu Engagement Index" to measure how well our employees embody our company's values. This index is calculated from the engagement survey results and is reflected in our executive compensation.

The sustainable engagement index result was 67% for FY2022, 69% for FY2023, and 70% for FY2024, showing a steady, albeit gradual, improvement. We believe that this is the result of management's efforts to visit branches, refineries, and business sites across the country to engage in dialogue with employees, as well as the implementation of various career measures to achieve a higher level of growth for employees. However, we still see some differences in the results among departments and age groups. We continue to use this data to identify areas for improvement.

Having these quantitative scores also highlights differences between department and various employee groups (e.g., by age group). It is necessary to carefully assess these differences and develop response measures accordingly.

New associations for company growth

Based on the survey results, we've established two new groups to support our employees' growth and create a better work environment: the Career Design Department and the Idemitsu Employee Association. These provide opportunities for employees to develop their skills and participate in creating a positive company culture. We believe that by fostering an environment where all employees can grow, we can further improve our company's performance.

For more information please contact:

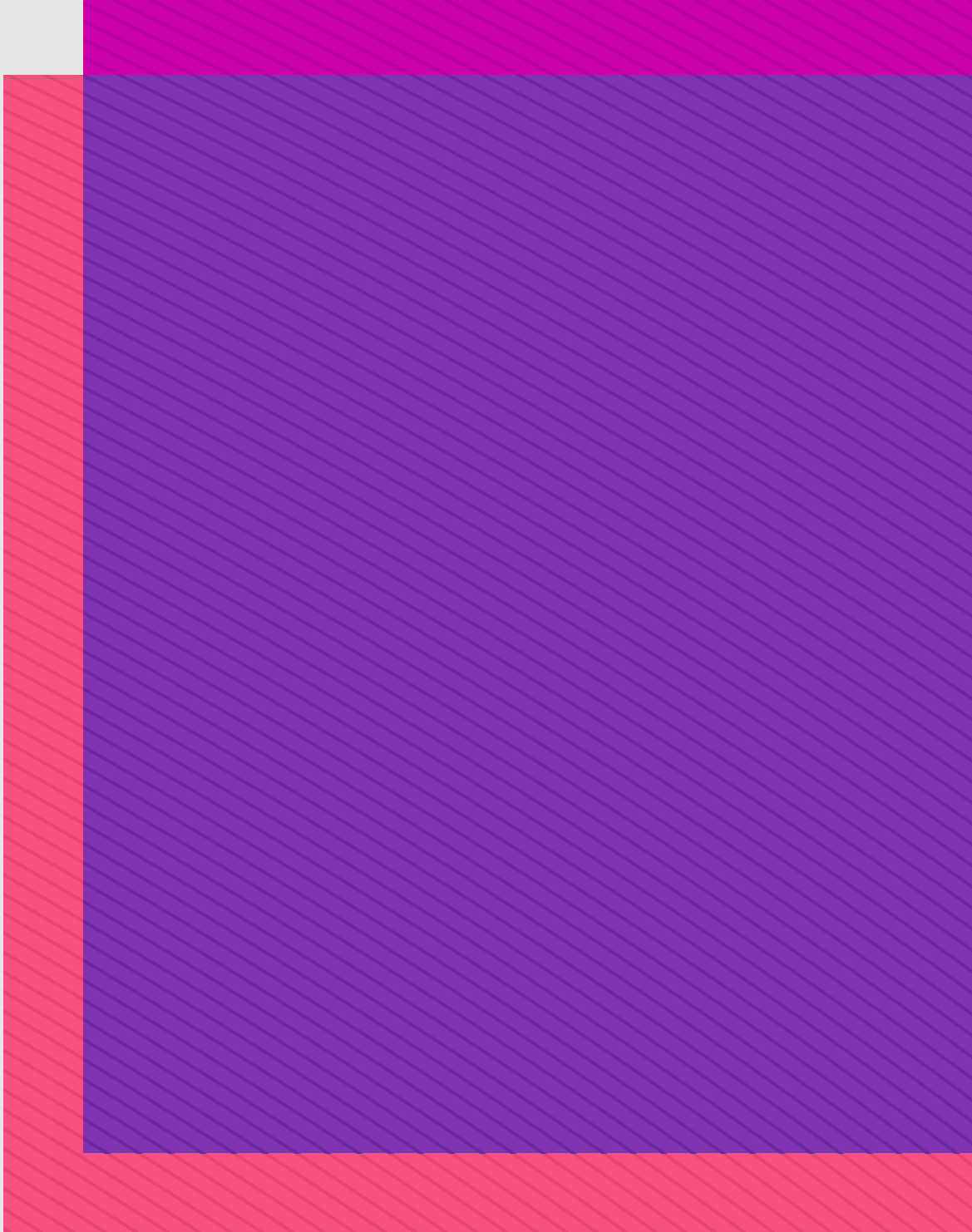
Yurimi Nomura

Lead associate
Employee Experience, WTW
yurimi.nomura@wtwco.com

Eri Kato

EX Product Sales Lead, Japan
Employee Experience, WTW
eri.kato@wtwco.com





About WTW

At WTW (NASDAQ: WTW), we provide data-driven, insight-led solutions in the areas of people, risk and capital. Leveraging the global view and local expertise of our colleagues serving 140 countries and markets, we help you sharpen your strategy, enhance organisational resilience, motivate your workforce and maximise performance. Working shoulder to shoulder with you, we uncover opportunities for sustainable success — and provide perspective that moves you. Learn more at [wtwco.com](https://www.wtwco.com).



[wtwco.com/social-media](https://www.wtwco.com/social-media)

Copyright © 2024 WTW. All rights reserved.

[wtwco.com](https://www.wtwco.com)



idemitsu

wtw