

Organizational Management & Human Resource Development in Covid-19 Pandemic

Akira Hichi

 **COSMO OIL CO., LTD.**

Business Outline of Cosmo Energy Group (COSMO)

Along with Core Petroleum Business, COSMO is involving in Petrochemical and Renewable Energy Business.

Core Petroleum Business



<E&P>

Crude Oil Production
40,000 BPD c.a.



<Refining>

CDU Capacity
363,000 BPD



<Marketing>

Sales Volume
25,440 KKL
Number of Gas Stations
2,755

As of March 2020

Petrochemical Business



Production Capacity

Para-Xylene **1,180**
Benzene **735**
Mixed Xylene **618**
Ethylene **1,290**

(1,000 Tons/Y)

Renewable Energy Business



<Wind Power>

Generation Capacity
315MW

*including projected capacity

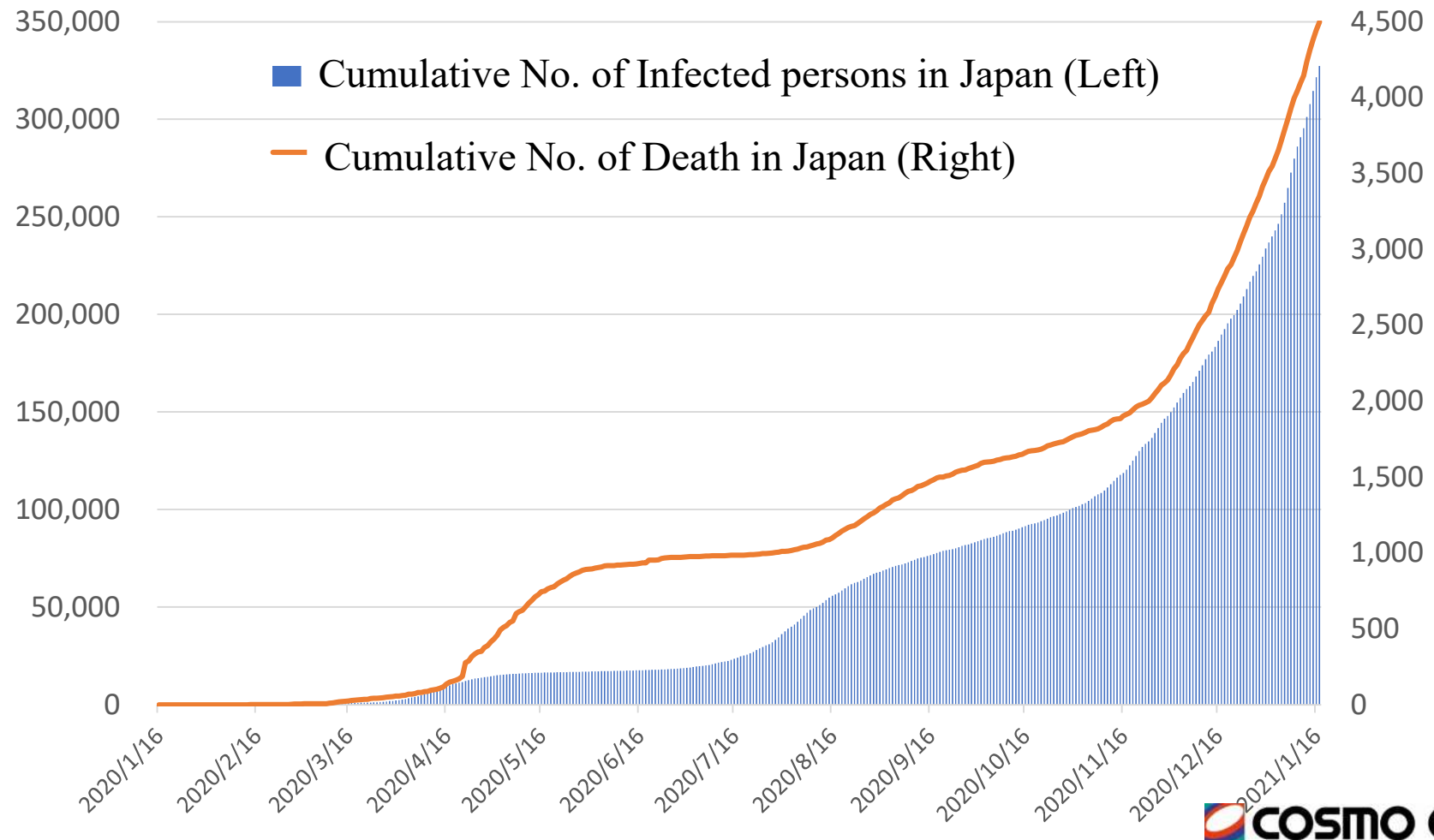


<Solar Power>

Generation Capacity
24MW

Status of Covid-19 Infection in Japan

- ◆ Japan is currently in midst of the 3rd wave of Covid-19.
- ◆ Though the Fatality rate is relatively lower than in other countries, there are concerns about the rapid spread of infection.



1. Staff department

Under the current situation, the following measures are being implemented.

- In principle, work from home. Permission by the superior is required to attend office.
 - The actual attendance rate is 10% or less.
- Prohibit domestic and overseas business trips
- Prohibit both internal and external lunches and dinners

Complete infection prevention measures when going to work.

ex.) Wearing a mask / Temperature check / Disinfecting with alcohol in entering the room / Setting up partitions at desk / Securing 2 meters distance from others / Regular disinfectant action, etc.

2. Refineries

In addition to the above, the following is implemented to prevent infected persons and clusters from operators.

- Thorough infection prevention measures at lunch
- Restrictions on the use of changing rooms and bathrooms
- No outsiders can enter the instrument rooms.

Covid-19 Infection Protection Measures at COSMO (Cont.)

- Last year, a major T/A once every four years was carried out at COSMO Chiba Refinery.
- By thorough infection prevention measures, COSMO could achieve the **ZERO** infection case, even though the maximum numbers of attendance per day reached **3,500** and its total numbers were around **200,000** people during the period.

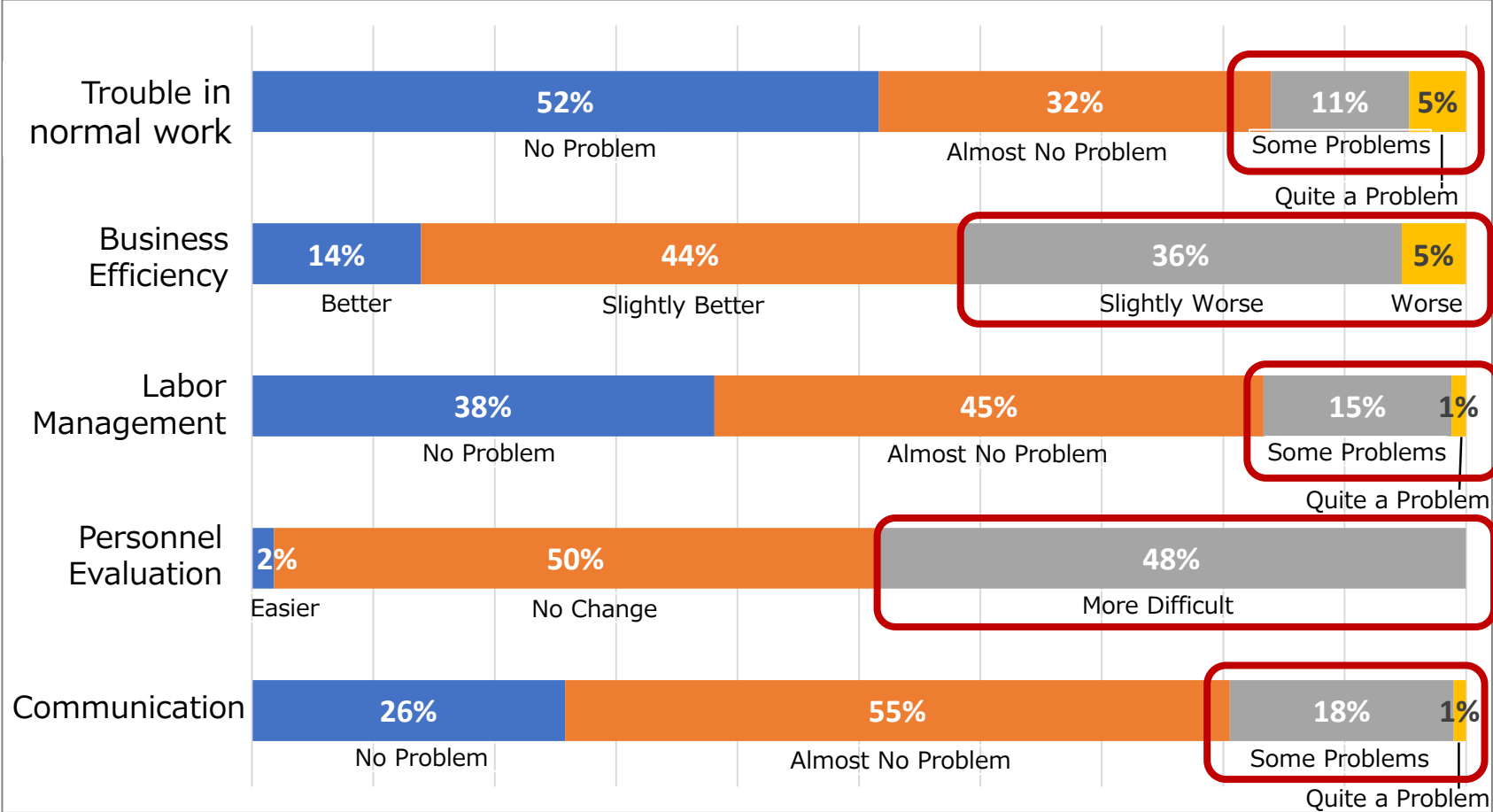
(Pics) Various infection prevention measures



Organizational Operation and Management Issues Exposed by the Covid-19

COSMO conducted a **“Questionnaire Survey”** of employees to check the status of working from home.

=Results of Questionnaire=



※Questions of “Labor Management” & “Personal Evaluation” are only for Managers.

Issues on Organizational Management exposed under Covid-19 Pandemic

Answers from the questionnaire free description

- It is inefficient to produce ideas. (brainstorm meetings, etc.)
- There are stresses without talking face-to-face.
- There are concerns about unmastered and unexperienced works.
- It is not easy to see physical conditions from their looks in PC.

- ✓ It became clear that carrying out the work in a non-face-to-face style caused some deterioration in operational efficiency and difficulty of subordinate management.
- ✓ In addition, the superiority and inferiority of the management ability of each manager due to the skillful response to the above is also highlighted.



Implemented countermeasures specialized for managers

The Role of Management Level Employees

- ◆ Management style change is essential in a telework environment.

The roles of managers

★: Items that are more difficult to manage in Telework

Roles of managers			
Outcome		• Direction Setting • Goal Setting	
		• Decision Making	
	★	• Business Control	
	★	• Organizing Work • Utilization of HR	
Training	★	• Evaluation & Feedback	
	★	• Motivation Management	
		• Career Development for Subordinates	
Compliance	★	• Health Control	★ • Harassment
		• System (Personnel Labor Management)	• Information/Accounting

- ◆ Established policies and action guidelines on the ★ items for managers to achieve good results.

More careful management is required under Covid-19 pandemic

1. Staff department

- Efficiency of access to knowledge and technology necessary for business operation is reduced.
 - It is getting difficult to feel free to ask who and where to access.
- In OJT education for newcomers and transferees, it is getting inefficient for both those who teach and who are taught in non-face-to-face style.

- **Answers from the questionnaire free description**

- It became inefficient to educate or hand over to new employees.
- It became difficult to have light consultations / questions.
- It is difficult to collect information by chatting and unintentional talks.

2. Refineries

- There are no major issues so far because it is not possible to work from home due to on-site operations.

Especially in the staff department, it became clear that the efficiency of information (knowledge / technology) transmission has been declining.

COSMO has started to create the platform aiming for the office system that allows anyone, anytime, and anywhere to access the information necessary for business operations.

Program details related to Knowledge and Technology Transfer (1)

9

In-house seminars and necessary materials have been constantly posted on the on-line website so that anyone can access and learn the knowledge necessary as a member of society as well as COSMO's own internal Intelligence (knowledge / technology) anytime, from anywhere.

Items	Contents
Method	<ul style="list-style-type: none">• Year-round website lecture (real-time lecture on Microsoft TEAMS and / or viewed the recorded lecture on TEAMS)• The industry jargon and data specific to COSMO are always accessible as a collection of materials.
Lecturer	COSMO employee from each department
Student	Any COSMO employee
Program	Starting from 17 program. Planning to expand its range and the number of agenda.

Program contents

Business Basic	COSMO Overview	
	Refinery Facilities and Refining Process	
	Equipment Overview / Characteristics of each Refinery	
	Safety	
Knowledge	Company Rules	Labor & General Affairs
	Accounting	Contracts
	Legal / Intellectual Property	Product Quality
	Crude Oil Market / Tanker Market	
	Maintenance Dept.	Petrochemical Dept.
Business Activities	R&D Dept.	Purchasing Dept.
	Operation Management System (OMS)	
	Overseas Strategy	

Program Image

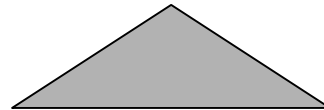
The image shows a Zoom meeting interface. The main window displays a presentation slide titled "コスモエネルギーグループの長期的な事業ポートフォリオの移行イメージ" (Transition Image of Cosmo Energy Group's Long-term Business Portfolio). The slide includes a SWOT analysis diagram and strategic goals.

Slide Content:

- Title:** コスモエネルギーホールディングス 第6次中期経営計画公表資料より抜粋
- Strategic Goals:**
 - ✓ 脱化石燃料の動きを睨み石油関連事業の競争力を強化しつつ、積極的な投資により再生可能エネルギー事業を新たな柱としてまいります
 - ✓ 当社グループの持続可能な成長を通じてSDGs実現へ貢献してまいります
- SWOT Analysis Diagram:**
 - 強み (Strengths):** 石油開発, 石油精製販売, 石油化学, 再生エネ (風力発電)
 - 弱み (Weaknesses):** 国内需要は減退継続も、2030年頃までの相対的な競争力は改善
 - 機会 (Opportunities):** 世界は人口増を背景に国際市場は拡大
 - 脅威 (Threats):** 脱化石燃料の動きを睨み石油関連事業の競争力を強化しつつ、積極的な投資により再生可能エネルギー事業を新たな柱としてまいります
- Text Boxes:**
 - Top Left:** 2030年代以降にはピークアウトの可能性、コスト競争力ある事業構建が重要。第6次中計: 生産量維持と操業費削減に専念。中長期: 当社の強みを活かし、付加価値が得られる案件を志向。
 - Top Right:** 陸上は運地価相も海上風力は拡大。第6次中計: 陸上風力を最大化、海上風力へ進出。長期: 主力事業へ、海上風力のリーダーシップへ。
 - Bottom Left:** 国内需要は減退継続も、2030年頃までの相対的な競争力は改善。第6次中計: ポートメス化で先行し、収益増進に集中。石化シナジーの強化。長期: 燃料油から石化原料へシフト。
 - Bottom Right:** 世界の人口増を背景に国際市場は拡大。エレン生産では一帯の競争力を保有。石油精製からの生産シフトが可能。第6次中計: 国際市場における競争力の維持強化、差別化商品の開発。

The bottom of the image shows two participants in a Zoom call, both wearing face masks. The Zoom interface at the bottom includes a toolbar with icons for mute, video, chat, and other functions, along with a list of participants.

By solving the issues arisen from frequent telework under prolonged Covid-19, COSMO shall aim to become an organization that allows employees to select the place and time to work from the efficiency viewpoint, which results in the best achievement.



COSMO will secure organizational management, knowledge and skill transfer of the same quality as before even in a new normal era by normalizing remote working style in post-Covid-19.