

Supporting the Future of Regional Communities through “Management from the Heart” by Practicing Empathy, Cooperation, and Gratitude



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Abstract

Accompanying the daily evolution of information and communication technology, artificial intelligence and other digital technologies, the rise of diverse business models and the expansion of remote work fast-tracked by the COVID-19 pandemic has changed society dramatically. Under these circumstances, birthrates are declining and populations are aging at higher rates, social infrastructure is deteriorating, and countermeasures against global warming are becoming ever more urgent. To address such social issues facing Japan, NTT EAST is promoting empathetic digital transformation (DX) in conjunction with traditional problem solving. We asked President Naoki Shibutani about how empathetic DX is important to drive social innovation as well as the secret of “management from the heart” that he is pursuing.

Keywords: digital transformation, social innovation, empathy

Social innovation for supporting the future of regional communities

—Congratulations on your appointment as president. You came back to NTT EAST after an interval of two years, right?

Thank you very much. I go to work with the feeling that I have returned to my hometown. As soon as I became president, I composed, scripted, and produced a video tracing the origins of our telegraph and telephone business, which dates back to around the Meiji Restoration in 1868, and explaining NTT

EAST’s DNA of connection and down-to-earth style as well as the direction in which the company will transform itself with an eye on the future of society. At the same time, I made it a top priority to meet face-to-face with as many employees as possible by, first, visiting six regional business divisions to give presentations and hold dialogues.

The two years I have spent at the NTT holding company have been a period of great learning for NTT. I myself have reconsidered governance, transparency, and corporate culture, and while pursuing those important themes, I reaffirmed our social role when I recalled the words of an outside director who said,



“NTT’s mission is not just that of our company. NTT can lead the transformation of society as a whole and thereby change Japan. Let’s not forget that NTT has that mission, too.” I take those words seriously and intend to put that mission into practice at NTT EAST.

In the situation where fiber-optic networks cover 99% of the population in Japan, aiming to help solve local issues, NTT EAST has launched new companies in the fields of agriculture, the arts, and e-sports, and we are striving to provide solutions that go beyond the boundaries of a telecommunication carrier.

By using these assets, we believe that now is the time to embark on initiatives to build a new recycling-oriented society and bring social innovation to support the future of regional communities. For instance, we are striving to provide consulting services on empathetic digital transformation (DX) developed from our community-based sales practice as well as strengthen practical on-site engineering that evolves our DNA of connection.

—The new vision is inspiring. What kind of expectations do your customers have?

Our assets are our abundant human resources. Our employees—who work in the community and love the community—are doing their best for the community. These employees include more than 10,000 front-desk sales staff, who are eager to make a difference in society, and engineers with a sense of mis-

sion, who are quick to rush to the scene of disasters to support the community. We will accelerate the construction of a new digital social infrastructure while digitalizing and transforming existing services and business operation systems by leveraging our rich human resources, telecommunication facilities, fiber-optic networks, and other assets.

Regarding this vision, I received feedback from our employees in the form of a questionnaire after distributing the video and visiting business sites for employee dialogue. The feedback was overwhelmingly positive, as exemplified by about 95% of employees agreeing with the vision. While some have commented on the gap between the vision and on-site reality or on the lack of a concrete roadmap for materializing the vision, it is important to start moving first so as to contribute to the community and lead the transformation of the community. To close gaps between the vision and on-site reality as we move forward, we are working with regional executives to begin developing workplace-specific directions and practical activities.

I also heard from customers who wanted us to solve social issues such as the declining birthrate, aging population, and lack of human resources and successors in agriculture, fisheries, and other sectors. Some customers are earnestly asking if there are any successors to preserve the cultural heritage and folk crafts that they have cultivated over the years so that they can pass them on to future generations as well.

Of course, we have listened to such voices, analyzed

the issues faced by our customers, and proposed solutions. We have also been vigorously involved in solving the problem of lack of successors, working toward a recycling-oriented society, and revitalizing regional communities. From now on, however, we will address the challenges faced by customers with a new approach: social innovation that supports the future of the community. We are meeting local customers face-to-face, thinking together, and implementing our ideas through trial and error. We call these activities “empathetic DX consulting.”

Each region of Japan has its own wonderful traditions and culture. Our empathetic value creation involves understanding that great value exists in a region and making that value even greater. Surely, it’s more heartening to get people to understand your value and support you than to have them point out issues here and there and ask how to address them. In other words, we are orienting toward this type of DX that values the hearts and minds of customers. We will throw ourselves into regional communities, find value, and work with the local people to develop a mechanism that will lead them to the future. I believe that this approach is unique to NTT EAST, which has close ties to regional communities, and will help us create new value.



Look at issues with a zero mindset without being bound by a fixed viewpoint

—It is encouraging to see your positive frame of mind. What concrete initiatives for social innovation have you already started implementing?

Although some initiatives are already in motion, overall, they represent major initiatives that will take ten years to complete. Conventional problem-solving projects have alleviated the shortage of local labor, but they have not solved the underlying problems. Accordingly, we aim to solve the underlying problems by providing empathetic DX consulting services and strengthening practical on-site engineering to transform declining industries into those in which young people will dream of entering. As a company that is indebted to the community, we want to go as far to innovate society and change the structure of society. I’ll give you specific examples of what we have already started.

First, in collaboration with Hokkaido University, Iwamizawa City in Hokkaido, NTT, and NTT DOCOMO, we are striving to (i) implement world-class smart agriculture that uses state-of-the-art autonomous driving technology for agricultural machinery, high-precision location information, 5G (fifth-generation mobile communication system), and artificial intelligence and other data-analysis technologies and (ii) create a model of sustainable regional revitalization and smart cities based on smart agriculture. Through innovation, this initiative aims to create a world in which contractors can use Iwamizawa’s monitoring center to remotely monitor and control a large number of robotic farm machines and drones on local farms.

The next example is an initiative to preserve and disseminate digital archives of traditional craftsmanship and intangible cultural heritage in regional communities as a measure to address the shortage of successors. We have created a system for preserving and sharing the decorative ceiling paintings by Katsushika Hokusai at Gansho-in Temple in Obuse, Nagano Prefecture as a digital archive and creating new viewing experiences through virtual reality. This initiative has also had the effect of increasing the number of travelers who visit the temple to see the actual paintings. We believe that we have contributed to attracting tourists to the regional community, revitalizing the town, and preserving and sharing of cultural heritage and traditional craftsmanship through DX.

We also concluded the “Tripartite Cooperation Agreement for Regional Revitalization” by using information and communication technology and new sports among Yokosuka City in Kanagawa Prefecture, NTT EAST, and NTTe-Sports to pursue new town development that promotes tourism and improve the convenience for citizen, and we provided support for planning and holding the “YOKOSUKA e-Sports CUP” tournament. We are also supporting online e-sports instruction and the creation of e-sports clubs in high schools and other institutions.

—What is your motivation behind vigorously pursuing the new value creation in regional communities?

Value in society is fluctuating, which is described as an era of VUCA (volatility, uncertainty, complexity, and ambiguity). Looking back to 1985, when I joined NTT, after the fall of the Berlin Wall in 1989, countries around the world were gradually uniting. However, we have recently entered into an era of decoupling, and despite calls for diversity, various conflicts have surfaced as a result of differences in positions and ideologies. Such situations necessitate that we better understand each other, help each other, and create a framework for efficient development on which diverse cultures can develop in a decentralized manner.

We hear a lot of voices from people in various positions in various places. To create new value in response to those voices, we need to think about what to reform and how to reform it. During that thought process, we should reset our minds to “zero (nothing)” so that we do not derive answers on the basis of hypotheses bound by a fixed viewpoint and preconceptions of the era of mass production and mass consumption as we have in the past. People’s conventional sense of values since the industrial and information revolutions have not necessarily made people happy. Neither are they friendly to the global environment, and they may not be sustainable. I’d like to create new value without being bound by preconceived notions, etc., in the way that the philosopher Jacques Derrida challenged the Western philosophical tradition through his approach termed “deconstruction.”

If you make decisions with your heart instead of your head, you will benefit all sides

—Since the first time we spoke, you have remained committed to “management from the heart.” By the way, do you also maintain an attitude of “That’s a good idea”?

My desire for “management from the heart”—which I mentioned two years ago—remains unchanged. Management is the practice of empathy, cooperation, and gratitude. If we can build a good relationship by striving to appeal to the heart rather than making decisions with our head, we can build a world in which companies can grow and contribute to society simultaneously. I also maintain a “That’s a good idea” attitude, which means first accepting the idea positively. However, I have changed the slogan hanging on the wall in my office from “That’s a good idea” to “The heart is important” to further emphasize the importance of the heart.

I sometimes think about “failure,” which is related to the state of mind and feelings. As I mentioned earlier, when engaged in unprecedented social innovation without forming hypotheses bound by a fixed viewpoint and preconceived notions, we often won’t know what lies ahead until we start trying things. No one wants to cause problems at work; however, the actual work is evaluated on a single-year or quarterly basis, and the people in charge of innovation become discouraged, thinking that innovation should be “within the scope of not failing.” Therefore, if we are not allowed to fail, we will also miss the opportunity to identify problems and learn from the failure.

For that reason, I think innovation can’t happen unless we become tolerant, saying, “It’s okay to make good mistakes that will open up a path to new challenges.” If we look at things with long-term thinking instead of short-term thinking, I believe that failure will be useful next time and lead to good results.

Having said that, I realize that even if we try to look ahead with long-term thinking, we may have to face reality and pursue profit. When confronted with reality, we tend to fall back to short-term thinking. At such times, I always try to look at things from a broader perspective in a way that balances short-term and long-term thinking. However, when I am faced with a difficult task that haunts me, I look up at the stars and think about the universe. The universe is 13.8 billion years old. Compared with the history of the universe on a timescale of 365 days, the history of humankind is less than five seconds old. Pondering



that fact and reminding ourselves that we humans are rather insignificant help me keep sight of the essence of long-term thinking.

—So it is important to look at things from a broader, longer-term perspective. President Shibutani, would you please say a few words to NTT researchers and employees as well as partner companies?

I expect researchers to make innovations that break through limitations, such as achieving nuclear fusion and building a hydrogen society. As we all know, research and commercialization of nuclear fission has progressed, but nuclear fusion is still in its infancy and is the subject of research at NTT Space Environment and Energy Laboratories. I also ask that you take on major research and development projects that will lead to breakthroughs in society such as the Innovative Optical and Wireless Network (IOWN), which aims to create a recycling-oriented society through the use of photonics-electronics convergence technologies. I hope that you will put your one achievement after another to practical use and propose them to the operating companies. Those achievements will then be implemented and refined in regional communities by us.

To partner companies, I hope you will share a purpose in regard to social innovation with us, stand on the front lines with us, and strive with us to create

value for regional communities. We consider you to be part of our team and will convey our sense of purpose and our gratitude to you. I look forward to working with you as colleagues facing the same challenges.

To our employees, do not be afraid to take on the challenge of social innovation to support the future of regional communities. I think that communities are probably watching our efforts and keeping pace with us. Again, look at a regional community in a manner you want to know well and enliven it, not with issue-oriented proposals or from a fixed viewpoint. By blending in with local customers and holding numerous discussions and making proposals, customers will recognize you as one of their own and welcome you saying “Let’s do it together!” Let’s do our best to appeal to the heart of customers. Employees tasked with maintenance and inspections may have few opportunities to directly interact with customers and obtain customer feedback, including appreciation. However, large-scale natural disasters are becoming increasingly common and the importance of our mission to support the communications infrastructure is increasing. I’d therefore like to continue to value having a sense of purpose to support society behind the scenes. I will be leading the way to fulfill our mission and send out messages of acknowledging your hard work.

Interviewee profile**■ Career highlights**

Naoki Shibutani joined Nippon Telegraph and Telephone Corporation in 1985. He worked at NTT Department I, where he was engaged in operations targeting corporations beginning in 1999 then served as a senior manager of the Planning Department at NTT EAST starting in 2001 (and was a guest researcher at the Center for Strategic and International Studies (CSIS), Washington, D.C.). In his career at NTT EAST, he also served as the department manager of the Plant Planning Department, Plant Section, Network Business Headquarters; manager of the Fukushima branch office; executive manager of the Medium-term Management Strategies Promotion Office of the Corporate Strategy Planning Department; senior vice president and executive manager of the Plant Planning Department, Network Business Headquarters; senior vice president and executive manager of the Tokyo Olympic & Paralympic Games Promotion Office; senior executive vice president and senior executive manager of the New Business Development Headquarters; president & chief executive officer of NTT Vietnam Corporation; senior executive manager of the Digital Transformation Headquarters; and president & chief executive officer of NTT e-Sports Corporation. He became senior executive vice president of NTT in June 2020. He assumed his current position in June 2022.