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CONTENTS

General Survey

- ▶ LDP Single-Party Rule Returns with Lower House General Election
- ▶ Numbers of Manufacturing Employees Continue to Fall Below Wholesale and Retail and Food and Beverages Employees

Labor-Management Relations

- ▶ Unification of Industrial Labor Organizations - Reorganization of Industrial Labor Unions -

Human Resources Management

- ▶ Diversifying Recruitment at Companies

International Relations

- ▶ Leading Japanese Corporations in Europe Launch Labor-Management Council - Response to EU-Unified Directives Regarding Labor-Management Council -

Public Policy

- ▶ More About Protective Provisions for Female Workers
- ▶ Small Business Responds to 40-Hour Work Week

Special Topic

- ▶ Keeping Employees Employed: *Shukko* and *Tenseki* Job Transfers - Formation of a Labor Market within Corporate Groups

Statistical Aspects

- ▶ Recent Labor Economy Indices
- ▶ Trends of Employed Persons by Industry

General Survey

LDP Single-Party Rule Returns with Lower House General Election

Prime Minister Ryutaro Hashimoto dissolved the House of Representatives on September 27 to pave the way for a general election on October 20. The result was that the Liberal Democratic Party (LDP) failed to win a majority but it increased its strength, compared with its pre-election number of seats. The LDP regained control over the reigns of government for the first time in three years, assuming that the Social Democratic Party and New Party Sakigake will not join an LDP Cabinet but will cooperate with the LDP. Mr. Hashimoto, who heads the LDP, again assumed premiership.

The focus of contention in the October 20 general election was the hike in the consumption tax planned for next April. Individual parties underscored their own positions, conducting PR including TV commercials. The result was that the LDP, which promoted the tax hike to 5 percent headed for a win, beating Shinshinto, the main opposition party, which called for a freeze at the current 3 percent rate.

The election was the first held under a new system combining single-seat constituencies with proportional representation areas. The new winner-take-all system prompted politicians to take advantage of a "dual candidacy system," which enabled them to register their names both for single-seat constituencies and on the proportional representation ballots. Even if a candidate might lose in a single-seat district, it is still possible to be elected through the proportional representation votes cast for his affiliated party. In the October 20 election, 84 candidates drew public criticism for making the most of the dual candidacy system.

Voter turnout hit a record low of 59.65 percent for the single-seat constituencies.

Numbers of Manufacturing Employees Continue to Fall Below Wholesale and Retail and Food and Beverages Employees

The monthly average number of total employees in the January-July 1996 period was 65.89 million, a rise of 470,000 or 0.7 percent over the corresponding period of the previous year. This was the second consecutive month of a year-on-year increase, the Management and Coordination Agency said in a Labor Force Survey. It is considered ascribable to a moderate recovery in the nation's economy.

Despite a rise in the number of employed persons overall, the downward trend for manufacturing has not ended. By industry, the number of employees dropped 190,000 (1.3%) from the year earlier in manufacturing, 80,000 (1.2%) in construction. On the other hand, the number increased 490,000 (3.4%) in wholesale and retail trade as well as eating and drinking establishments, 150,000 (3.7%) in transportation and telecommunications and 260,000 (1.7%) in services. Thus, the survey forecasts that the annual average number of employees in manufacturing will likely drop below that in wholesale and retail trade as well as in eating and drinking establishments for the first time in 1996.

The manufacturing workforce peaked at 15.69 million in 1992, and then decreased due to a recession and hollowing of domestic industry stemming from the strong yen. Industry-by-industry comparison of the number of employees shows that the manufacturing sector led other sectors until 1993 but in 1994 was replaced by the services sector including information services and software. Then in 1996 the sector was replaced by trade and eating and drinking establishments and will likely dip below its third rank. A rise in the monthly average number of total employed in the January-July period, despite the falling number of manufacturing employees means that Japan's employment structure is shifting to a U.S. type structure in which fewer manufacturing jobs are supplemented by jobs in the tertiary sector like wholesale and retail trade as well as eating and drinking establishments.

New Minister of Labour



Ryutaro Hashimoto was re-elected Prime Minister on November 7th by the Diet and installed 20 members in a new Cabinet, - the first all-Liberal Democratic Party administration since 1993. With the inauguration of the second Hashimoto Cabinet, Yutaka Okano was appointed to be the new Minister of Labor.

Yutaka Okano was born in Fukuoka Prefecture in 1927 and graduated from Kyoto University. He served as a senior Posts and Telecommunications Ministry bureaucrat before becoming a politician. Minister Okano also specialized in foreign affairs throughout his career as vice-minister of the Okinawa Development Agency and chairman of the Foreign Affairs Committee.

Labor-Management Relations

Unification of Industrial Labor Organizations - Reorganization of Industrial Labor Unions

Industrial labor unions are moving to unify and realign themselves. The nation's labor union organizations are three-layered - consisting of industrial unions (enterprise unions are the mainstream), industrial labor organizations and national centers. Of these, industrial labor organizations number more than 130 in Japan, and only 5 have 500,000 members. Following the end of World War II there was a long time when national centers were divided into 4 separate sectors due to differences in political party support and ideology, and several different industrial labor union organizations were created within the same industry. Many of these organizations are understaffed, inadequately financed and do not satisfactorily function as industrial entities in terms of surveys, industrial policy and unionization. Inauguration in 1989 of Rengo (Japanese Trade Union Confederation) sparked a move toward unification and realignment of industrial labor union organizations under the umbrella of the same national center. Rengo has considered it necessary to strengthen industrial labor union organizations to make up for the defects of uniquely Japanese enterprise-based unions, and to this end incorporated the unification of industrial labor union organizations into its action policies.

Around the time Rengo was created, industrial organizations of petroleum, paper and pulp and food industries were unified, and those in the nonferrous metals and electric power sectors merged.

In addition, two industrial organizations of the machinery and metal sectors confirmed at their annual meetings that they would merge into a single unit in 1999. The new organization is expected to be the nation's fifth largest industrial organization with a membership of over 600,000.

Human Resources Management

Diversifying Recruitment at Companies

Many leading Japanese corporations traditionally accept only newly graduated applicants. In addition, they have designated the school where students attended or they hire students who are recommended by the schools they designate. What is more, newcomers have generally entered the company in April. It was difficult for people who studied abroad or for foreign students here to find jobs. But in recent years, some companies have adopted a system of hiring newcomers all year long. Also, some others have introduced a system under which new applicants were solicited from the public regardless of which university they graduated

from or whether they were recommended by colleges. Some companies have been able to thus get the first opportunity for outstanding people with emphasis placed on their ability and experience.

This year, Mitsubishi Electric Corp., a major general electronics maker, introduced a system of inviting only graduate students in engineering doctorate courses. The company had a system which gave top priority to students recommended by the universities it designated. However, it switched this fall to the new system of jointly using students recommended by the designated schools and public advertisements for new applicants.

Moves have emerged also among insurance companies to try to secure highly professional people by hiring persons in mid-career. Nippon Life Insurance Co. will introduce a "system of accepting career-oriented persons" in 12 positions including fund manager, securities analyst, systems engineer, tax and business accountants.

The number of companies which are hiring employees all year long is also increasing. Since last fall leading distributors like Jusco Co., Ltd., Daiei Inc. and Ito-Yokado Co., Ltd., have introduced fall-season periodical employment. Manufacturers are also hiring new recruits in the fall. Like last year, this fall Toyota Motor Corp. recruited engineering graduates from universities. NKK adopted periodical fall recruitment of future managers for the first time in the steel industry.

International Relations

Leading Japanese Corporations in Europe Launch Labor-Management Council - Response to EU-Unified Directives Regarding Labor-Management Council -

Japan's major auto and electronics manufacturers decided to establish a Labor-Management Council in Europe. This step was taken to respond properly to the unified European Union's "Directives on Establishment of European Labor-Management Council." The Directives were adopted in September 1994 by the board of directors of Labor and Society Ministers in EU. Under the Directives, the governments of industrial EU-member nations were to institute a labor-management council system by domestic law by September 22, 1996 and to inaugurate the council by 1999. The Directives stipulate that when labor and management agree to establish a labor-management council independently before September 22, both parties are not bound by domestic laws to institute the system relatively freely. Thus, Japanese auto and electronics manufacturers all decided to launch councils at this time. Among auto makers, Honda Motor Co. was the first to establish the council in 1995. Toyota

Motor Corp. agreed with its employees to launch a labor-management council covering more than 4,600 employees at sales corporations and factories capitalized 100 percent by the company within the EU region and both sides gathered for the first annual meeting on September 19. Matsushita, Sony and Hitachi also launched a labor-management council. They will gather representatives of employees from factories and sales companies in individual European regions to hold regular meetings of the labor-management council once or twice a year at which top leaders of European unified corporations will explain projects for each year. Also, they will hold an extraordinary meeting to explain important corporate decisions such as closure of facilities.

Public Policy

More About Protective Provisions for Female Workers

The Women's and Minors' Problems Council has been debating the scrapping of protective provisions for female workers in the Labour Standards Law (LSL). Now that Rengo, which sends labor representatives to the Council, agreed on the scrapping of these provisions, excluding maternity protection-related provisions, representatives from three parties, government, labor and management, largely reached agreement. Rengo, however, agreed to the move on the condition that restrictive provisions for both males and females be provided regarding late-night work. Thus, it seems likely to be the core of future discussion. Zensen-domei (Japanese Federation of Textiles, Garment, Chemical, Commercial, Food and Allied Industries Workers' Union), an umbrella organization of Rengo which is opposed to elimination of protective provisions for female workers, recently published a survey of union members' awareness. According to the survey's findings, men and women are divided in their attitudes toward this problem.

On protective provisions for female workers, 12.3 percent of the women surveyed said "they should be scrapped," while 31.9 percent of men said so. Men, at 53.8 percent, and 59.6 percent of women answered that "restrictions should be relaxed in specific job categories and executive posts." Males who said "protective provisions should stay" represented 11.5 percent, but 25.2 percent of women said so, more than double the figure for men, thus manifesting a clear difference.

By job type, there is a difference even among women. About 30 percent wanted protective measures to continue in "on-site jobs and skilled jobs" and "project, sales and service jobs" and around 50 percent wanted restrictive measures to be relaxed only in specific job types. On the contrary, less than 20 percent called for protective provisions to continue in "technical jobs"

and "clerical jobs" and a shade over 60 percent wanted such provisions to be limited to specific jobs.

Small Business Responds to 40-Hour Workweek

Small business groups appealed to the government to postpone the April 1997 full implementation of a 40-hour workweek on the grounds that the system is not realistic. In June 1996, the Japan Chamber of Commerce and Industry conducted a survey of 6,500 companies across the nation, with 58.2 percent responding. According to the survey, 25.1 percent of the companies "have already implemented a 40-hour workweek." Including those which said they "will be able to achieve a 40-hour workweek by April 1997", only 62.1 percent thought they could do so. The remaining 30 percent "cannot meet the regulations to limit standard work hours to 40 per week," the survey said. In particular, many companies in eating and drinking service, construction, services, transportation and telecommunications and wholesale and retail trade will not be able to shorten weekly working hours, the survey said. The revision of the LSL in 1993 led to the full implementation of the 40-hour workweek effective April 1994 to further shorter work hours. Smaller companies, however, were allowed to postpone application of the 40-hour workweek and to maintain a 44-hour workweek by the end of March 1997. When they are unable to meet the regulations to limit standard weekly work hours to 40, they face being sentenced to penal servitude of 6 months or less or to be fined a maximum of ¥300,000. Thus, there have emerged vigorous moves toward the postponement of the full implementation of the 40-hour workweek among small business groups in areas throughout the country.

Special Topic

Keeping Employees Employed: *Shukko* and *Tenseki* Job Transfers - Formation of a Labor Market within Corporate Groups -

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1. Introduction

Worker mobility between companies may occur in two ways - an ordinary job change and a move through *shukko* (temporary transfer between companies) and *tenseki* (transfer to

another company, or change of permanent employment place on record). *Shukko* and *tenseki* are different from the ordinary job transfers in the following points. First, an agreement has been reached between the company which transfers its workers to another company and the company which receives them.⁽¹⁾ Second, a move between companies by means of *shukko* and *tenseki* does not involve unemployment. Furthermore, in many cases workers are lent by their company to companies which are affiliated in terms of capital and business transactions, and this prompts the internal labor market within the company to expand into the labor market within corporate groups.

As will be discussed below, *shukko* and *tenseki* are not measures targeted for middle-aged and older workers; nor are they implemented only by large companies. However, the share of middle-aged and elderly workers is high among those who are transferred to related or other companies, and many of the parent companies are large corporations with workforces of 1,000 and more employees. Many of the dispatching companies are large, but the receiving companies generally occupy a larger share of small companies than that of the dispatching companies.

In this paper, I will examine how *shukko* and *tenseki* are currently implemented and what lies ahead for these tactics, based on a survey on middle-aged and elderly employees who were moved into a smaller company from a larger one through *shukko* and *tenseki*. Most research on *shukko* and *tenseki* so far probes the realities of how companies conducted or dealt with *shukko* and *tenseki*. An extremely few studies are directed toward the persons who are actually temporarily transferred to other companies. Thus, I consider my work significant.

2. *Shukko* and *Tenseki* as Mechanism of Inter-company Movements

Here I will present an overview of how *shukko* and *tenseki* are carried out for workers as a whole, as well as for middle-aged and older workers.

Many large companies implement *shukko* and *tenseki*, and virtually all corporations with 1,000 and more employees take these measures. According to a general survey on wages and working hour systems for 1995 by the Ministry of Labour's Policy and Research Division, the percentage of companies that have a system of *shukko* and *tenseki* represented 86.8 percent for those with 1,000 and more employees, 64.9 percent for those with 300 - 999 employees, 31.1 percent for those with 100 - 299 employees and 12.2 percent for those with 30 - 99 employees. Looking at which companies absorb workers loaned or dispatched by their employers, most large companies both send and receive workers. Many smaller companies, by contrast, absorb workers sent by other employers rather than send their own workers off to

other companies. This is more apparent from a comparison of the size of the companies that transfer their workers with the companies that receive them. In the above survey, workers temporarily transferred to and from related or other companies in 1994 were surveyed to gauge the size of the companies. The majority, or 63 percent of the companies from which the workers were farmed out had a workforce of 1,000 and more employees. On the other hand, a small percentage, or 13.1 percent of the companies, had a workforce of 1,000 and more employees, 23 percent had 100 - 299 employees, 18.8 percent had 30 - 99 employees and 12.2 percent had 5.29 employees. In addition, many of the receiving companies are capitalized by or have business transactions with the large companies that have sent their workers.

The composition of *shukko* and *tenseki* personnel ranges from young to elderly workers. The share of middle-aged and older workers is high. Of the temporarily transferred or seconded persons in 1994, 50.4 percent were age 45 to 59 (the Ministry of Labour's Policy and Research Division 1996a). Furthermore, when observing the reasons employees in their 40s and 50s at large companies left their jobs, excluding such reasons as personal reasons and mandatory retirement, the high percentage quitting gave reasons of *shukko* and *tenseki*, the above survey said. In short, many middle-aged and older employees at large companies are moved between companies by means of *shukko* and *tenseki*.

The goals of the companies implementing *shukko* and *tenseki* are diverse. A 1993 survey by the Ministry of Labour's Policy and Research Division points out: first, developing employee skills; second, solving a shortage of quality people at the receiving company; third, offering technological and managerial guidance to the receiving company; fourth, strengthening personnel ties with the receiving company; fifth, lightening the burden of personnel costs at the sending company; sixth, reducing the workforce at the sending company; and seventh, assuring *shukko* and *tenseki* personnel jobs after mandatory retirement. The goals of *shukko* and *tenseki* differ and also depend on the age of the employees targeted for these measures. Let us consider *shukko* and *tenseki* targeted at older aged 50 or over. Many companies surveyed cited solving a shortage of talented people at the receiving company, providing technological and managerial guidance to the receiving company and reinforcing personnel ties with the receiving company. But for workers aged 50 or over compared with those 49 or below the companies placed a greater emphasis on solving a shortage of management posts at the sending company and assurance of job opportunities after retirement.

Thus, the survey outcome shows that the scope of hiring, fostering, active utilization and adjustment of quality workers, particularly among large corporations, is expanding from a company basis to a corporate group basis through *shukko* and *tenseki*, and in turn forming

the labor market within group companies. What is more, viewed from the side of employees hired by large corporations, it means that the system of continuous employment until mandatory retirement age within the same company has changed into that of continuous employment within corporate groups (Hitoshi Nagano 1989, Takeshi Inagami 1995b). In addition, presently workers are in many cases temporarily transferred to companies with which their employers are affiliated in terms of capital and business transactions. However, the fact that the number of workers in their 50s is predicted to increase in the coming years, it is pointed out, will make it difficult to fill places to which the elderly are farmed out only with companies with which their employers are affiliated in terms of capital and business transactions. The possibility is high in the future that the elderly will be shuffled off even to those companies with which their employers are unaffiliated (Takeshi Inagami et al 1995a).

3. Realities of the Corporate Group Labor Market as Seen by *Shukko* and *Tenseki* Workers

Many *shukko* and *tenseki* workers move from large corporations with a workforce of more than 1,000 to companies with a workforce of fewer than 999, with a high percent being elderly. Here I will introduce how workers actually move between companies by means of *shukko* and *tenseki*, by referring to a survey conducted among workers in their 50s who were temporarily transferred to companies with 999 and fewer employees (Hiroki Sato et al 1996) ⁽²⁾.

Share of *shukko* and *tenseki* in workforce entry channels

By channel of landing the present job, 26.1 percent of the workers surveyed were farmed out to their current job; 32.1 percent were sent off temporarily and then permanently to their present job; 28.9 percent were shuffled off to their present job without having to resort to *shukko*; 8 percent were hired midcareer; and 4.9 percent landed their present job by other means. When the companies surveyed (hereinafter called middle-ranking companies) hire people over 50 for section chief or higher from the outside labor market, a few hire them midcareer. Instead, many resort to *shukko* or *tenseki* to obtain quality workers. In other words, it is difficult for workers 50 or older, to land a position of section chief or higher at smaller-scale companies by means of an ordinary job change. With current *shukko* workers as 100, 35.5 percent said that they were temporarily transferred premised on *tenseki*, 27.8 percent noted that they would likely be asked to change their permanent employment place of record; 28.2 percent said they would not likely be *tenseki* workers; and 5.8 percent said that they did not know. Of those on loan, some 60 percent will highly likely shift to a status of *tenseki* in future years. In the main, workers after age 50 were farmed out to subsidiaries with the assumption that they will change their permanent employment place of record.

Respondents include those hired midcareer. Below I will analyze only those who landed jobs through *shukko* and *tenseki*.

Relationship between sending and receiving companies

Middle-ranking companies for which respondents worked at the time of the survey ranged extensively in operational size from middle to small size, with 35.8 percent being companies with a workforce of between 300 and 999, followed by 43.4 percent from companies with a workforce of 100 and 299, 17.2 percent for companies with a workforce of between 30 and 99 and 3.6 percent for companies with a workforce of fewer than 29. On the other hand, many companies from which respondents were temporarily-transferred were larger than the companies for which they currently work. The ratio of those whose previous employers were large companies with 1,000 and more employees stood at 89.5 percent for those on loan (55.2% for companies with 5,000 and more employees, 94.1 percent for those who were temporarily transferred and thereafter changed their permanent employment place of record (71.5 % for companies with 5,000 and more employees) and 85.5 percent for those who were asked to change their permanent employment place of record without *shukko*. Meanwhile, the ratio of those who previously worked for companies with a workforce of fewer than 299 stood at a mere 2.8 percent for those on loan, 2.6 percent for those who were farmed out to subsidiaries and then were asked to change their permanent employment place of record, and 5.5 percent for those who shifted to status of *tenseki* without *shukko*.

Concerning the relationship between the sending company and the receiving one, 80.3 percent of the respondents said they were related to each other in terms of capital and 90.3 percent said they were related to each other in business transactions. In short, very few respondents were farmed out to companies with which their previous companies were unrelated. It is apparent from the above analysis that by means of *shukko* and *tenseki*, quality workers are shifted from large companies to smaller-scale companies which are related to the former in terms of capital and business transactions.

Period of continued employment at current job

Of workers who took on their present job through *shukko* and *tenseki*, 92.8 percent moved to their current job before they reached the mandatory retirement age at their last job. In short, they were temporarily transferred or shuffled off to their current job before the mandatory retirement age. Do they have a chance to stay at their present job longer than they were able to continue at their previous job until the mandatory retirement age? On this question, 80 percent of the workers answered they know the age until they would be able to enjoy continuous employment at their current job and 19.9 percent replied in the negative. The remaining 0.1 percent did not respond. Concerning those who know how long they will be

continuously employed, 1.7 percent said they can stay at the company until 59, 35.3 percent said "till 60;" 23.4 percent said "till 61 - 62;" 16.0 percent said "till 63 - 64;" 22.1 percent replied "till 65;" and 1.5 percent answered "till 66 or older." The total of those who answered "until 61 or over" represented 63.0 percent, showing many are past 60 and are offered continuous employment. Also, the total of those who responded "until 65 and over" represented 23.5 percent, accounting for around a quarter of all the respondents.

In other words, *shukko* and *tenseki* workers were shunted off to their present company before they reached the age limit, but many were assured work at their current job longer than they were able to continue working at their previous job. This means that *shukko* and *tenseki* have contributed to the extension of employment of elderly employees.

Reasons for accepting *shukko* and *tenseki* options

Why do workers accept the option of *shukko* and *tenseki* presented by their employers? As the two main reasons for accepting the option, they cited "less likely to get a promotion and upgrading" (28.6%) and "reached the age limit for managerial post"⁽³⁾ (30.6%) at the previous company (multiple replies). In short, behind their acceptance of *shukko* and *tenseki* lay the fact that continuous employment at the previous company would give them no future career prospects. The tactics of *shukko* and *tenseki* come from how their employers carry out personnel management.

Worker approval of *shukko* and *tenseki*

Of the workers on loan, a low of 25.4 percent said that they were told by their employers how long they will be seconded to their present job. Also, only 17.7 percent were largely notified of the duration of *shukko*, and over one half, or 55.6 percent were not notified of the duration at all.

Of the employees on loan who later changed their permanent employment place of record, many, or 67.2 percent were notified of the switch to the employment status of *tenseki* from that of *shukko* at the time of *shukko*, and a considerable percentage, or 18.4 percent, were told of the process after being loaned. Of those who experienced a change in status to *tenseki* through *shukko*, 46.6 percent were asked to approve of the tactic before shifting the employment status to *tenseki* and 12.8 percent were not. Furthermore, 10.8 percent voluntarily asked the company to let them transfer to a subsidiary company; 6.2 percent were categorized into "others" and 23.6 percent did not answer. It is difficult to adequately interpret the survey outcome because there are many workers who did not reply, but it should be noted that a considerable number of the respondents were not asked to approve of the tactic.

What is more, among those who were transferred to a subsidiary company without *shukko*, the percentage of those who were asked to agree to *tenseki* was high at 73.8 percent. Those who were not asked to do so represented 11.3 percent, followed by 8.4 percent who "voluntarily asked the company to be transferred to a subsidiary" and 4.4 percent for "others." *Tenseki* without *shukko* may be construed as dismissal with re-employment, but even in this case about 10 percent were not asked for approval of the tactic.

Moreover, those who were given a chance to state whom they wished to work for and what they want to do stood at 41.8 percent, less than one half of the respondents. Comparison of those who could make their requests for a new employer and for a new job, and those who could not, shows that the former are less contented with their new job and treatment than the latter.

4. Concluding Remarks

When employees older than 50 move from large companies to middle-sized companies through *shukko* and *tenseki*, many shift to those companies which are capitalized by and have business transactions with their present companies. The internal labor market of large companies is expanding into that of group companies, including those companies which are related in terms of capital and business transactions. Many workers are loaned to related companies or transferred to subsidiary companies before they reach the mandatory retirement age, but significant numbers are offered a longer employment tenure at the new company than at the old. In other words, *shukko* and *tenseki* contribute toward the extended employment of elderly employees.

Many workers had no opportunity to present their requests for whom they want to work and what they wish to do and they are less satisfied with the new job and treatment. It is safe to say that there is a need to consolidate a chance for them to express their intentions in decisions such as *shukko* and *tenseki* which significantly affect the employee's working life.

Notes:

- (1) *Shukko* is a tactic by which, under mutual agreement, the sending company enters into an employment contract with the receiving company while maintaining employment relations with the former. *Tenseki* is a measure by which, based on an agreement reached between the old company and the new company, an employee terminates his old company and moves to the new company to continue employment there. There are two types of *tenseki*, one shifting to *tenseki* through *shukko* and the other shifting to *tenseki* from the beginning of a worker's employment. *Tenseki* may be construed as dismissal followed by re-employment.
- (2) How the workers and companies surveyed were selected and how the survey was taken are as follows. Hijojo Kaishaban Shokuinroku (1995) (A Record of Staffers for Non-listed Companies, 1995 edition)(Diamond-sha) was used since *shukko* and *tenseki* from large companies are commonplace at companies with a workforce of 999 and fewer and are implemented for workers in their 50s. A total of 3,000 male employees were selected from among those aged 50 to 60 who joined the company in 1992 - 94 and who were currently

section chief or higher. By this method, the surveyed workers include ordinary job hoppers as well as *shukko* and *tenseki* personnel; however, the method was adopted as it could cover *shukko* and *tenseki* persons in their 50s. In addition, the survey covered only males since many middle-aged and older workers targeted for *shukko* and *tenseki* were men. Since few workers over 50 engaged in general jobs are farmed out to related or subsidiary companies, the survey covered only those who were presently section manager or higher. As had been expected, many of those responding to the survey joined the current companies by means of *shukko* and *tenseki*. The survey sheet to be filled out for return was sent to an individual at his company between March 11 and 24, 1996. Replies were received from 951, or 32.1 percent of the individuals, excluding those who did not send back the sheet or who filled it out incompletely.

- (3) The age limit system for managerial personnel is a scheme under which an employee reaching the age limit stipulated for individual managerial posts is relieved of his post. The age limit for managerial posts is lower than the compulsory retirement age for the company. The system was introduced to solve the shortage of available managerial positions and set the age at which the employee gets promoted to a management post.

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Statistical Aspects

<u>Recent Labor Economy Indices</u>			
	September 1996	August 1996	Change from previous year
Labor force	6,792 (10thousand)	6,766 (10thousand)	43 (10thousand)
Employed	6,569	6,542	40
Employees	5,346	5,330	52
Unemployed	224	224	5
Unemployment rate	3.3%	3.3%	0.1
Active opening rate	0.71	0.71	0.00
Total hours worked	159.1 (hours)	153.0 (hours)	1.1*
Total wages of regular employees	285.1 (¥ thousand)	284.1 (¥ thousand)	1.2*

Source: Management and Coordination Agency, Ministry of Labour.

Notes: 1.*denotes annual percent change.

2.From February 1991, data of "Total hours worked" and "Total wages of regular employees" are for firms with 5 to 30 employees.

