Abstracts

Work and Pensions for the Elderly: Significance and Challenges of the Amendments to the Act on Stabilization of Employment of Elderly Persons and Pension System Law
Akiyo Shimamura (Rikkyo University)
In 2020, against the backdrop of the rapid aging of the population, laws were amended to redesign the process of retirement from work and the transition to life in old age. The amendments were made by Act No. 14 of 2020, which amended the Act on Stabilization of Employment of Elderly Persons and other related laws to develop an environment where workers can continue working until the age of 70, and by Act No. 40 of 2020, which aims to strengthen the functions of the pension system. This paper provides a brief introduction to the contents of employment and pension legislation before these amendments, outlines the contents of the amendments, and analyzes legal issues related to the employment of the elderly. In order to promote work by the elderly, it is important to develop not only internal labor markets but also external labor markets. When the elderly make decisions regarding whether or not to work, when and how to receive a pension, and so on, the autonomy of these decisions, based on a comparison of the advantages and disadvantages of each option, will be important. To enable autonomous decisions, it is necessary to improve the consultation system for the elderly.

Promoting Elderly Employment and Adjustment of their Conditions
Shinya Kajitani (Kyoto Sangyo University)
In Japan, the Elderly Employment Stabilization Law has made progress in securing employment opportunities for and improving the work environment of older persons, including continued employment after mandatory retirement. However, there is a strong possibility that companies are making some form of adjustment (e.g., wage, employment status) in exchange for securing employment for older workers. This paper summarizes previous research findings, first focusing on the wages and job description of older workers. Second, the possibility of substituting older workers for younger workers as part of the adjustments made by companies to secure employment for older workers is discussed. Then, using microdata from a survey of Japanese companies, I examine the extent of these adjustments. I find that although the wages of those in their early 60s decrease compared to pre-mandatory retirement age wages, wages are adjusted according to changes in job content and workload after mandatory retirement. In addition, the higher the ratio of employees above 60, the more companies cite their “inability to hire younger workers” as an obstacle to elderly employment. This indicates that companies are aware of the substitutability between older workers and younger workers. Meanwhile, even when the nature of the work differs from that of the pre-mandatory retirement period, it is often the case that older workers have been retained to pass on their skills or fill labor shortages in the workplace, while taking their physical condition into consideration. It is, however, noted that continuing the same work as before mandatory retirement, while adjusting the workload, could help secure employment opportunities until the age of 70.

Characteristics of Human Resource Management for Regular Employees in Their Early 60s: A Case Study of Three Companies Adopting Mandatory Retirement at 65
Kazuo Taguchi (Takachiho University)
The purpose of this paper is to analyze characteristics of human resource management for regular employees in their early 60s, using a case study of three companies which have adopted a mandatory retirement age of 65. The results indicate that a new type of human resource management (HRM) for regular employees in their early 60s was separated from HRM for regular employees, and was expanded from the current employment policy for elderly persons. However, it is a problem to divide HRM for regular employees by age. Companies need to structure consistent and integrated HRM under the new retirement age. In particular, it is necessary to redesign the wage system and to restructure the careers of regular employees toward the development of integrated HRM.
Promotion of Elderly Employment and Wage Adjustments in the Japanese Labor Market

Yuko Ueno (Hitotsubashi University)

This paper aims to examine the possible impact of promoting elderly employment in Japan on the wages of younger generations. We first discuss wage-tenure profiles by birth cohort to confirm that their shapes have become flatter among younger birth cohorts. We then estimate a simplified version of the wage-tenure profile at an establishment level to study the impacts of the increase in the number of workers in their 60s on the profile. The profiles of establishments with a greater share of these workers tend to be flatter than those of others in the mid-2010s. We therefore speculate that the increase in the number of workers around retirement age could be one of the background factors in the flattening of the wage-tenure profile in recent decades. These changes in profiles may be linked to a decrease in opportunities for promotion because of the extension of the retirement age, and could reduce the motivation among younger generations to remain for a long time at the same firm. However, there may be complementarities between elderly and young workers that would enhance firms’ productivity levels. We highlight the importance of the elderly working actively without interrupting the motivation or opportunities of younger people in their careers.

Ideal Career Support for Middle-Aged and Elderly Employees from the Perspective of Human Resources Management: Focusing on Utilization Strategy and Support Policy for Elderly Employees

Miho Fujinami (Chiba Keizai University)

The purpose of this paper is to present a basic policy for desirable career support for middle-aged and senior employees, focusing on the retirement of the elderly when looking at employment up to the age of 70. Utilization strategies for elderly employees can be classified into four categories: welfare employment, weak utilization, strong utilization, and integration. The support policy is stipulated according to these categories. The first, welfare employment, does not expect elderly employees to be effective, nor does it support them. The second, weak utilization, anticipates the utilization of these employees slightly more than welfare employment. The company is to communicate expected roles, understand expectations and abilities, and establish a system for role coordination within the human resources department in order to adjust new roles. In the third category, strong utilization, the expected role is close to that of a regular employee. Basically, the support measures used during weak utilization are expanded and modified. The fourth category, integration, adopts exactly the same utilization strategy as for regular employees. Career support strategy and tactics are subject to change by adjusting and making use of these four utilization categories.

Are Social Contribution Activities Under the Revised Act on Stabilization of Employment of Elderly Persons Corporate Volunteering?

Akiko Ono (The Japan Institute for Labour Policy and Training)

This paper focuses on the structure of social contribution activities as defined in the revised Act on Stabilization of Employment of Elderly Persons, first, from previous research, examines the question “What is volunteering?” from the perspectives of “free will” and “non-compensation”. Next, the meaning and methods of corporate non-profit activities are examined, and knowledge necessary for Japan is found based on examples from the initial stages of corporate volunteering in the United Kingdom. Social contribution activities under the revised Act on Stabilization of Employment of Elderly Persons are not volunteer activities as commonly imagined, but rather paid activities that are established by contract. Furthermore, they must be conducted in a manner that would not be recognized as having the nature of an employee. This can be seen as a way of working that exists in gray areas between “pure” paid work and “pure” volunteering. For participants to be volunteers rather than employees, it is necessary to create a highly convincing system that secures a method of voluntary participation in activities. Social contribution activities under the Act are carried out by companies and can be regarded as a type of “corporate volunteering.” In Western countries, this is widely practiced.
mainly by large companies, and in the United Kingdom, the form of “corporate associations” is particularly characteristic. Corporate volunteering is said to have a secondary effect of increasing employee capacity development and satisfaction, which in turn increases workforce stability and productivity. However, it would provoke antipathy if it reduced the autonomy of employees and became a company-led activity. It is hoped that the social contribution activities under the revised Act on Stabilization of Employment of Elderly Persons will be used as an opportunity to popularize corporate volunteer activities in a better form.