

Dr. Florian Kohlbacher
German Institute for Japanese Studies (DIJ)

German-Japanese Symposium at IW Köln

Human Resources Policies for the Ageing Workforce: Introduction

Cologne, 15 September 2010

1

Demographic Change in Japan

“Among the wrenching transitions that are changing the very basis of the Japanese economy, none is more dramatic and none more certain than the transition from a rapidly growing and youthful population to a rapidly declining and aging population.”

James C. Abegglen
21st Century Japanese Management, 2006



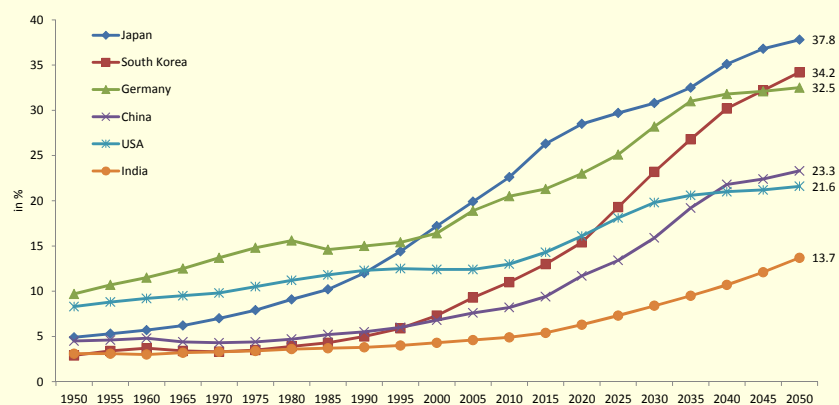
DEMOGRAPHIC CHANGE

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Global demographic change: Aging of populations...

Percentage of population aged 65+ within total population (medium variant)

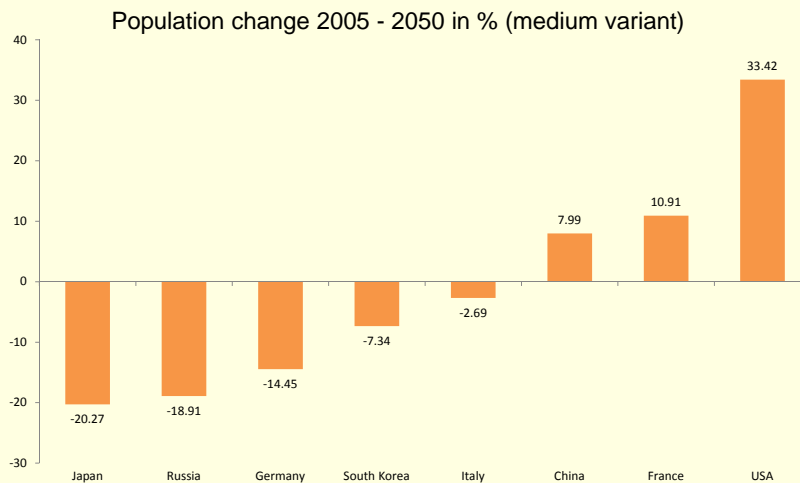


Source: UN Population Division DESA, World Population Prospects – The 2008 Revision Population Database, 2009

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... and shrinking of populations




Source: UN Population Division DESA, World Population Prospects – The 2008 Revision Population Database, 2009

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Demographic Change in Japan and Germany

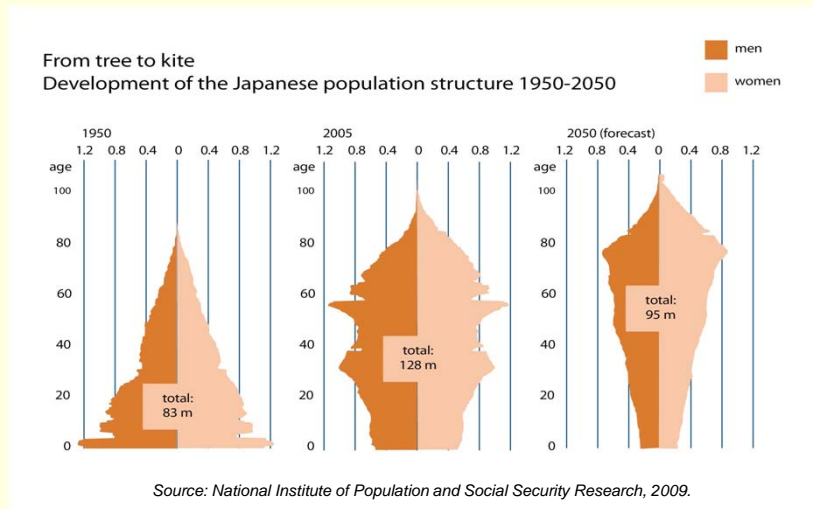


	Japan	Germany
Population 50+	> 50% by 2025	> 48% by 2025 // > 50% by 2033
Population 65+	> 20% (2007) → 40% (2055)	> 20% (2007) → 33% (2055)
Population 75+	> 10% (since end 2007)	> 10% (as of 2013) // > 8.5% (since end 2007)
Median Age	41.2 (2000) → 54.8 (2050)	40.0 (2000) → 49.4 (2050)
Centenarians	> 40 000 (2009)	= 14 000 (2009)
Population peak and shrinkage	128m (2005) → < 90m (2055)	82m (2002) → < 67m (2055)
	<i>Super-aged society with 1 fourth of the population 65+ by 2015</i>	(Super-aged ???) Society with 1 fifth of the population 65+ by 2015

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6

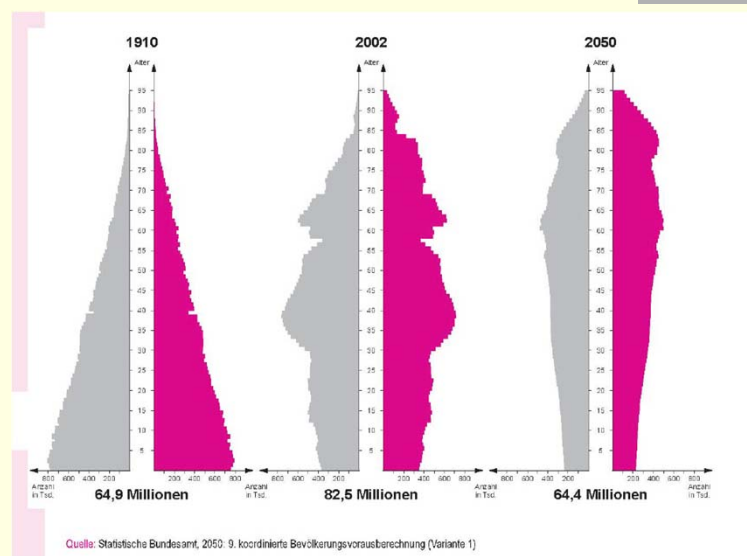
Demographic Change in Japan



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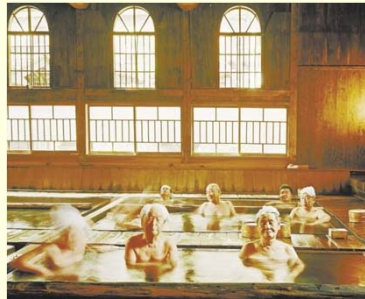
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Demographic Change in Germany



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8



BUSINESS IMPLICATIONS OF DEMOGRAPHIC CHANGE

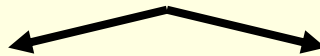
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9

Business Implications of Demographic Change

Demographic Change

- Aging
- Shrinking



Challenges/threats

- Workforce crisis
- Lost knowledge
- Shrinking customer base

Chances/opportunities

- Silver market/ silver business
- New product/ service offerings
- 'Gerontechnologies'

Responsibilities

- Age discrimination
- Social innovation
- Support

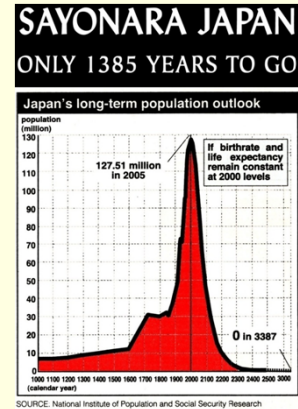
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10

Recent Buzz Words



- workforce crisis, shortage of skills and talent
- baby-boom-retirement *tsunami*
- knowledge depletion/ lost knowledge, knowledge retention
- 'Year 2007 Problem' in Japan (2007年問題)
- 'Retire Moratorium' (Hiroyuki Murata)



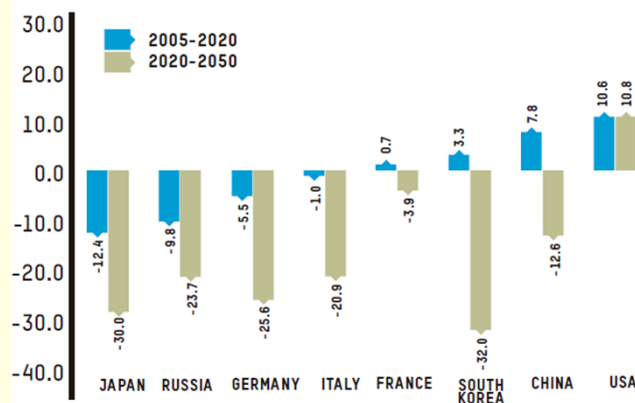
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11

Change in Working Age Population



PERCENTAGE CHANGE OF WORKING-AGE POPULATION (15-64 YEARS), 2005-2020 AND 2020-2050 (MEDIUM VARIANT)



SOURCE: UN Population Division DESA, World Population Prospects - The 2008 Revision Population Database, 2009.

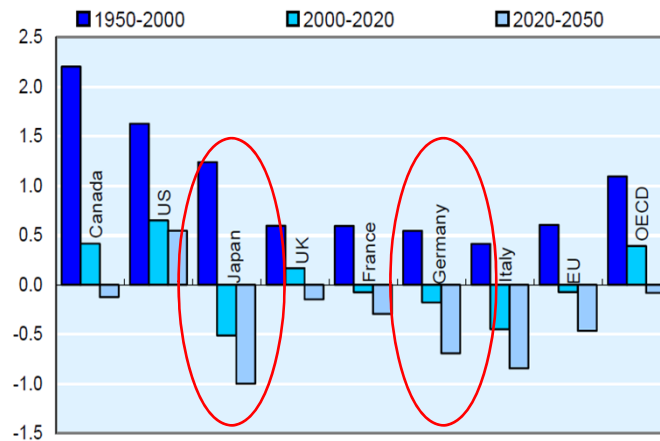
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12

Change in Labor Force Size



Labour force growth, under the assumption of constant participation rates^a



a) The projections of labour force growth over the period 2000-2050 assume that participation rates by five years age-groups and gender remain constant at their 2000 levels.

Source: OECD database on Labour Force Statistics and OECD estimates.
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13

Labor Force Participation by Country



Labor Force Participation by Country, 2008

	Age 50-54	Age 55-59	Age 60-64	Age 65 and over
Japan	83.7	77	59.8	20.2
USA	80.4	73.1	54.1	16.8
UK	82.7	72.6	47	7.5
France	85	59.2	17	1.5
Germany	85.3	75.2	37.8	3.9
Sweden	88.3	83.6	63	-
Korea (ROK)	75.4	67.3	55.1	30.6

Source: International Labour Organization (<http://laborsta.ilo.org>).

Note: Figures are the percentage of workforce population in the total population of each age group.

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14

Labor Shortage: The Options



- Increase labor force participation of older people
- Foreign workers/ immigration
- Increase the ratio of women in the labor force
- Robots/ technology/automation



?



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15

Labor migration to Japan by 2050 (UNPD 2000)



Total number of immigrants necessary	553 million
Number of immigrants necessary per year	10 million
Total population in 2050	818 million
Percentage of immigrants in total population in 2050	87%



Scenario:

to keep the ratio of working to non-working population constant

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16

Effective vs official retirement age



Average effective age of retirement versus the official age, 2002-2007	Men		Women	
	Effective	Official	Effective	Official
Mexico	73	65	75	65
Korea	71.2	60	67.9	60
Japan	69.5	63	66.5	61
Iceland	68.9	67	65.3	67
New Zealand	66.5	65	63.9	65
Switzerland	65.2	65	64.1	64
United States	64.6	65.8	63.9	65.8
Australia	64.4	65	62.2	63
Norway	64.2	67	63.2	67
Canada	63.3	65	61.9	65
United Kingdom	63.2	65	61.9	60
Germany	62.1	65	61	65
Italy	60.8	57	60.8	57
Austria	58.9	65	57.9	60
France	58.7	60	59.5	60

Source: OECD estimates derived from the European and national labour force survey

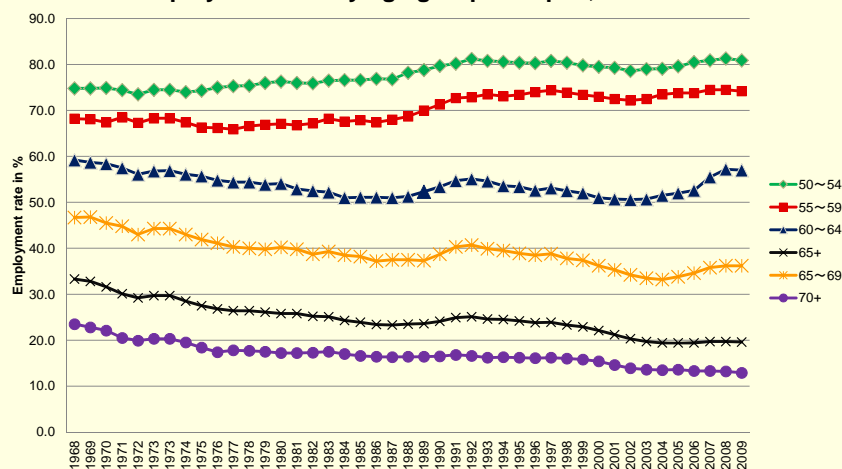
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17

Will we have to work longer? Employment rate by age group



Employment rate by age group in Japan, 1968-2009



Source: Labor Force Survey, Ministry of Health, Labor and Welfare

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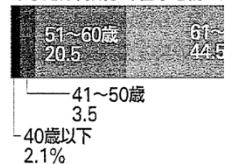
18

Early vs Late Retirement: What do people want?



何歳まで働きたいか 3割が

あなたは何歳まで仕事を続けたいか



もし働かなくても経済的に生活できるなら仕事を続けたいですか



たい

採用する企業が増えた
ⅡになるNPO（非営利組
織、中高年者の働き方、
始めている。「何歳まで
に尋ねたところ、経済
ま、およそ3割が「50代」
と回答した（詳しい調査
レポートでご覧になれます）。

0~17日
有効回答数：1143（男性1027、女性116）
調査実施：日経BPコンサルティング

154 Nikkei Business 2008年8月4日・11日号

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19

Managing the Aging Workforce



■ Five categories of organizational action (Leibold and Voelpel, 2006)

- Managerial mindset
- Knowledge management and learning
- Health management
- Work environment and ergonomics
- Human resource management



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20

Other important issues



- Work team diversity and the role of context
(see e.g. Joshi & Roh, 2009 for a review)
 - Relations-oriented diversity
 - Age; gender; race/ethnicity
 - Task-oriented diversity
 - Function; education; tenure
- Mortality cues and death awareness at work
(Grant & Wade-Benzoni, 2009)
- Generational identities in organizations
(Joshi et al., 2010)
- Aging and innovative work behavior
(e.g. Verworn, 2009)

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21

CSR and Aging Workforce



- Mandatory retirement age
- Employment opportunities
- Wage/salary



→ Age discrimination/ Ageism in the workplace

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22

Let`s not forget:



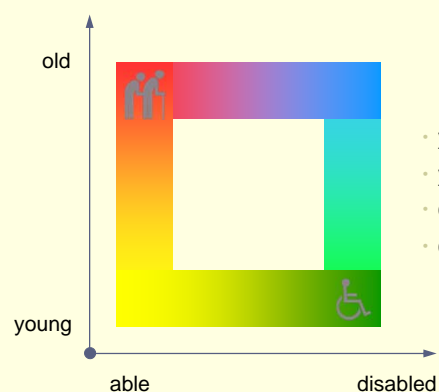
‘If we talk about the two billion older people that will inhabit this planet by 2050, it still means that these two billion are composed of individuals, a diverse group who contribute to society in many, many different ways.’

*Professor Dr. Ilona Kickbusch
Chairperson of the World Ageing & Generations
Congress*

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23

Old vs. Young?



- young people become old
- young people can become disabled
- old people can become disabled
- disabled people become old

*Beware of Ageism!
Think Transgenerationally!*



Source: James PirkI, 2008

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24

Crisis or Chance?

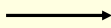


Crisis? 危機?



機会 ! Chance!

Granny-dumping mountain
(姥捨て山)



The elder nobility
(老人貴族)



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25

Silver Business in Japan



“Silver Business in Japan Implications of Demographic Change for Human Resource Management and Marketing”

German Chamber of Commerce and Industry in Japan, January 2010

Florian Kohlbacher, Pascal Gudorf and Cornelius Herstatt

PDF download
www.dijtokyo.org

or

<http://www.japan.ahk.de/en/publikationen/silver-business/index.html>



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26

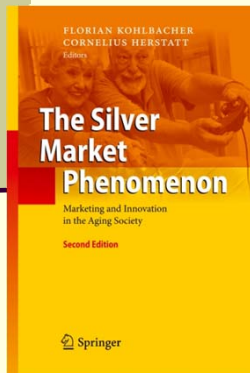
The Silver Market Phenomenon



"The Silver Market Phenomenon: Marketing and Innovation in the Aging Society"

2nd edition, Springer, November 2010

Editors: Florian Kohlbacher and Cornelius Herstatt)



In the light of the global demographic shift, this book offers an excellent overview on the matter itself as well as a thorough insight on the opportunities and challenges, which come along with it. Kohlbacher and Herstatt gathered contributors of profound expertise from a wide range of areas. This volume is full of concrete examples, first - hand insights and practical advice. A great tool I would like to recommend to any marketing, R&D or product manager.

Makoto Miwa

Director of Tokyo R&D Center, Panasonic Corporation, Japan

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27

Q&A



Thank you very much!

Vielen Dank!

ご清聴ありがとうございました。

Further information:

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24 September 2008, p. 2

28