
Leveraging the Strength of Older Human Resources as a "Strategic Resource" for Companies

Saki Takamiya

Growing Expectations for Older Workers

In April 2021, the Revised Act on Stabilization of Employment of Elderly Persons came into effect, obligating employers to make efforts to take measures to ensure employment until age 70. Until 1986, when the Act on Stabilization of Employment of Elderly Persons came into effect and made the mandatory retirement age of 60 an obligation to make efforts, a mandatory retirement age of 55 was the norm. Since then, in response to various changes in the environment, such as the declining birthrate, the aging of society, and the raising of the age at which public pension payments begin, policies to secure employment for older workers including reemployment, have been promoted in stages (Figure 1).

According to the "2023 White Paper on Aging Society" by the Cabinet Office, one in three people will be 65 or older by 2037, and there is a need to create an environment in which older people who are willing to work can fully demonstrate their abilities.

Older workers as a "strategic resource"

Today, the image of the elderly has changed dramatically with advances in medical care. For example, as of 2018, total scores on physical fitness tests for both men and women in the 70-74 age group exceeded

the level of five-year-younger age group in 1998(Figure 2). In terms of healthy life expectancy, both men and women have increased by more than 2 years in the 15-year period from 2001 to 2016, and the number of older people who are physically able to continue working is increasing. In fact, a comparison of employment rates by age group between 2012 and 2022 shows an increase of more than 10 percentage points in all age groups (Figure 3). According to the "2023 White Paper on Aging Society", approximately 40% of those aged 60 and over who are currently working in income-earning jobs say they want to work "as long as I can work". When considering the number of respondents who say they want to work until around age 70 or even longer, approximately 90% have a high motivation to continue working in their old age.

Although changes due to aging tend to emphasize the negative aspects, such as the decline and deterioration of physical abilities, companies need to understand more accurately which abilities are susceptible to aging and which are not and consider how to utilize human resources. In addition, older human resources should be positioned as "strategic resources" rather than merely for "employment security" purposes to bridge employment and pensions. Furthermore, we need to think seriously about improving the workplace environment, such as providing flexible work systems and career coaching,

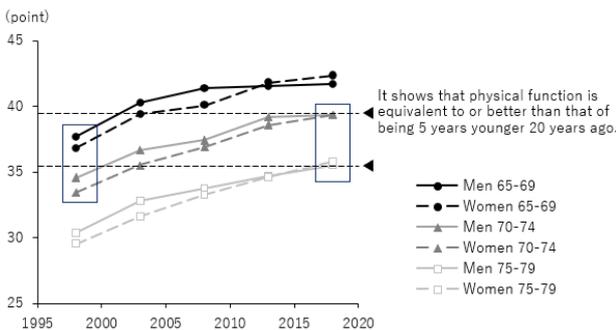
so that they can maintain and improve their employability and motivation for a longer period of time.

Figure 1: Revision History of the Act on Stabilization of Employment of Elderly Persons

1986	Act on Stabilization of Employment of Elderly Persons was enacted. Mandatory retirement at age 60 became an obligation to make efforts.
1990	Reemployment until age 65 became an obligation of effort.
1994	The mandatory retirement age was set at 60.
2000	Efforts to ensure employment of older workers up to age 65 were made mandatory.
2004	Mandatory measures came into effect to ensure employment of older workers up to age 65. ・ Allows for limiting the number of people eligible for the "Continued Employment System". ・ Mandatory retirement age was raised in stages from FY2006 to FY2013.
2012	Phasing out the framework that limits who is eligible for the "Continued Employment System". ※Implement transitional measures from FY 2013 to FY 2025.
2020	Measures to ensure employment of older workers up to age 70 became an obligation of effort.

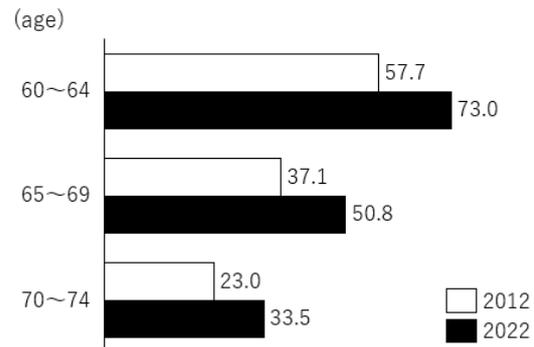
(Source) Ministry of Health, Labour and Welfare
 "Health, Labour and Welfare" (2021.4)

Figure 2: Changes in Total Scores of the New Physical Fitness Test (1998-2018)



(Source) Ministry of Health, Labour and Welfare
 "White Paper on Health, Labour and Welfare in Fiscal Year 2020"

Figure 3: Comparison of Employment Rates by Age Group (2012 and 2022) (Unit: %)



(Source) The Cabinet Office "2023 White Paper on Aging Society"

Original in Japanese:

<https://www.dlri.co.jp/report/dlri/361197.html>

Disclaimer: This report has been prepared solely for general information purposes and is not intended to solicit investment. It is based on information that was believed to be credible by Dai-ichi Life Research Institute at the time of preparation, but no responsibility is accepted for its accuracy or completeness. Forecasts are subject to change without notice. Additionally, the information provided may not always align with the investment policies of Dai-ichi Life or its affiliates.