

Interview with Ken Ogata, President of Koreisha Inc.

Exploring a “Work Your Whole Life” Society — the Elderly as Invaluable Human Resources in Japan

By Japan SPOTLIGHT

The remarkable progress of medical science means that today more and more elderly people are in good health. In order to prolong their healthy lifespan further, it is necessary to maintain their incentive to continue working longer even after they retire, at 60 or 65 in the case of Japan. By working longer, they will be able to feel that they are contributing to society, and this would help to keep them in good health. Having more elderly people in good health could also mitigate the labor shortage, one of the challenges facing the Japanese economy. Working longer would also mean their salary would continue or even increase, and accordingly their consumption would increase as well. That would help to revitalize the Japanese economy.

Koreisha Inc., a Japanese staffing company, meaning literally a company of elderly staff, has been providing work venues for older people for the past two decades and thus contributing to the utilization of elderly human resources. Their working staff's average age is around 70.

Our interview with Ken Ogata, president of Koreisha Inc., follows.

(Interviewed on July 29, 2019)

Self-Introduction

JS: First, could you please introduce yourself?

Ogata: I was born in 1949 and have just turned 70. I am from Maebashi city, the capital of Gunma Prefecture, around 100 kilometers north of Tokyo. After graduating from Gunma University in 1972, I joined Tokyo Gas Co., Ltd., where I worked mainly in the Corporate Sales Department dealing with big corporations and the government ministries as clients. I was transferred temporarily to the Japan Gas Association, an industrial association for gas utility companies, and also worked on gas utility policy issues. I left Tokyo Gas in 2006 when I was chief of the Gunma bureau. Then, after having been president of Tochigi Gas Co., Ltd. for eight years, I joined Koreisha Inc. in 2014 and became president in 2016.



Ken Ogata

Ogata: When our founder, Mr. Kenji Ueda, was transferred to a Tokyo Gas-affiliated company as president, he often saw his men having difficulty finding staff ready to work at the weekends in checking the functions of gas facilities. At the same time, he saw many people from Tokyo Gas reaching retirement age and living only on their pension, and getting bored with having so much free time, and yet with all their knowledge of gas utility appliances and facilities. Having been impressed by a lecture in the 1990s by the trade and industry minister, Ryutaro Hashimoto, in which he said that our future should be an age when the elderly are actively working, he began to think of setting up a company to provide older people with places to work and incentives to live longer. And so

Koreisha was started in January 2000, with several staff in the main office and 25 registered temporary employees. It was started as a contracting business for gas utility or gas appliance producing companies. But now it has expanded to cover a wide range of businesses, including temporary employee placements and private employment services, and thus provides job placements for elderly people in many areas.

What Is Koreisha Inc.?

JS: In my understanding, your company was started as a staffing company mainly with people retired from Tokyo Gas. Could you tell us how come your company was born?

JS: How many people are now working for your company?

Ogata: In our headquarters, there are around 30 staff, five of them permanent employees and the rest temporary ones, the elderly working three or four days a week. On July 29, 2019, some 1,125 people were registered as dispatch workers, among whom 428 are actually working. Their average age is 70.3 and the oldest is 81.

JS: Do you truly think that people can work well enough after retirement at 60?

Ogata: Yes, of course. In our company, we make it a rule to ask our dispatched workers who have turned 75 if they would like to stop working. We ask around 20 people this question every year, and most of them respond by saying they are ready to continue working. However, it is certainly true that people getting older than 75 would have reached a turning point physically. So I believe 75 is the age when you have to decide if you can continue to work as before.

JS: We see more elderly people in good health today. Do you think our healthy lifespan is getting longer?

Ogata: Yes. People now 75 years old are in perfectly good health. Four years ago, when we asked if they could continue after 75, half of them retired then, but now only one or two stop working.

JS: There must be other areas than those related to gas facilities that would provide jobs for older people in good health.

Ogata: Yes, that is true. The knowledge and skill acquired during your younger days could work well for you even after you grow older. However, five days a week just as in your younger days would be physically tough. Our registered temporary workers are mostly working about three days a week through work sharing with others. For the rest of the week, they do their hobbies, or volunteer activities or socialize with friends. The salary for most of them is around 10,000 yen per day, corresponding to about 100,000 yen per month. There are a few exceptions of hard working elderly people in very good health working five or even six days a week.

JS: Is there any particular attention you give to elderly workers in specific job areas?

Ogata: Yes. For example, electric appliance makers or air conditioner companies ask us to send registered temporary employees to assist their engineer drivers in moving their cars to a parking space, if necessary, to save them time in looking for a parking space or paying a parking charge. They drive only on limited occasions, but we check their driving qualifications in advance. If they are older than 75, our check would be even more strict. Unless they pass these rigorous tests, they cannot work as a driver.

JS: What is the percentage of gas-related work to the total now?

Ogata: It is now 60%, so given that at the foundation of our company all the work was gas-related, non-gas related work has been steadily increasing. There is a wide range of work, including not only driving assistant as mentioned above but also caretaker for facilities or commercial goods, and manager for residential apartments or buildings, as well as clerical work and sales management. In the case of a luxury apartment in a wealthy district, we would need a manager with decent behavior and politeness. We look for somebody with such qualifications among our registered employees and let them take a training program in high-class manners in advance.

JS: For ex-engineers with qualifications in technology, it could be easy to find a job, but would there be good work places for those with professional backgrounds in business administration with degrees in social science or humanities?

Ogata: Yes, there is a need for people who work in accounting or computer-aided design (CAD) as well as business or sales management. To be more specific, there is a need for elderly workers in helping with recruitment activities. As there has been a shortage of IT experts recently, large companies are working hard to recruit experts everywhere, including professional schools. SMEs also find it increasingly difficult to recruit such resources. This is the background of the increasing demand for us to help with recruitment of such experts. Our elderly temporary staff working in business management are always very concerned about how much their work is appreciated by their companies. But the companies appreciate the sincerity of such staff and in many cases their work is greatly valued for contributing to the business.

JS: In the case of gas-related work, there must be cases of your staff being placed in the companies for which they used to work as permanent employees or those with which they used to have business relations. Does this ever present any difficulties?

Ogata: Yes, there may be occasions where their former subordinates or sub-contractors now give them orders in their work. On those occasions, our staff should maintain a polite attitude to their clients, following the lessons of our training course for business manners. Otherwise, for example, talking with clients as old mates could provoke a claim against our company. Keeping good business manners would earn them a good reputation and lead to the next job.

JS: There is a gap in the number of registered temporary employees and those actually working.



Are there any special circumstances for those registered but not working?

Ogata: This gap is commonly observed all among temporary employee placement agencies. In the case of large agencies, registered temporary employees would reach 700,000 to 800,000, but only around 10% of them are actually working. In our case, the ratio was 40% in August 2019, relatively high. We cannot necessarily say that all those not working are just waiting for a job, as there are some registered with another agency and actually working. So I believe people truly on the waiting list would be around 200. Sometimes it is difficult to make the best fit between job requests and the employees' desires. In particular, in our case, there are few people truly working mainly for money to secure their livelihood. Rather, they tend to choose what they can do or prefer to do. There are also some cases where technical qualifications are needed. So there can easily be a mismatch between the needs of the clients and our workers' personal desires. Matching is the most difficult part of our business, but our staff work hard in searching for new job opportunities.

Stumbling Blocks for the Working Elderly

JS: Is it difficult creating a match for those registered with your company who want to work just three days a week?

Ogata: Depending on the industry or type of job, it can be difficult to get a job unless they work five days a week. Apart from the apartment management I mentioned, working at a construction site requires five days a week in many cases. Those clients would ask us for a full-time worker for five days a week. But elderly people mostly prefer to work three days a week for reasons of physical capacity. Another reason, though, is that earning income exceeding a certain amount would lead to a reduction of their pension. To avoid this,

most of our older workers choose a job that can balance between their income and pension. There are some exceptional persons working five days a week who love the job so much they do not mind having their pension reduced.

JS: Do you think it is possible that the system of reducing the “old-age pension for active employees” who are earning an income exceeding a certain amount will be abolished in the near future?

Ogata: Yes, I have heard this pension system is now being examined. I believe this pension system is to be reviewed to encourage elderly people to work longer. Whenever I attend a meeting for public policy discussions on how to promote work for older people, I advocate for the review of this pension. I think the Japanese government may have considered what I have been saying. Another issue is that the law for temporary employee placement in Japan assumed three years as a limit and encouraged the employers to turn those workers into permanent ones after employing them for three years. This did not suit the needs of elderly temporary employees, and thus was revised to make all non-permanent employees older than 60 free from this time limit. This may be necessary for young recruits, but there must be very few elderly ones who desire to be permanent employees after retirement age. If we want elderly people to work longer, this kind of thinking to apply the law to all age groups may as well be changed.

JS: How do you set up the working hours each day?

Ogata: Eight hours a day is our standard. If they work three days per week, then the working hours per week are less than 30 hours and in our rules in Japan they can work, while neither the workers nor the company has to pay for the cost of social security within the limit of 30 hours. Most of our temporary employees are working under this scheme. Half-day work is not accepted in the light of working efficiency and the cost of our administrative procedures.

JS: How do you think older people's work performances are considered by the companies?

Ogata: Our temporary employees work hard and seriously to contribute to the success of the companies and are always concerned about their job performance. Such dedication has been instrumental in enhancing trust on the employers' side and encouraging them to ask us for more temporary employees for new jobs. Our company's business is thus based upon their reputation so far.

JS: Do you think that recognition of being helpful to their employers or colleagues in a workplace can help enhance their good health?

Ogata: Yes. I am saying that working for someone will make you healthy, not that because you are in good health you work. We have also female temporary employees, though only 10% of the total. They are also in good health. Their jobs include working as waitresses in restaurants and as telephone receptionists.

JS: What kind of challenges has your company encountered during the two decades since its foundation?

Ogata: Mainly how to recruit temporary employees. We encourage our temporary employees to introduce us to their friends and colleagues interested in temporary work. We have a system of paying a reward to those who introduce new employees if they work for more than three months. We got previously information about retired people from their companies, but now such confidential information is not released for reasons of privacy protection. So we now have no other way than to use our unofficial human network to obtain such information. In short, while there are still so many job opportunities in our society, we have a shortage of human resources to meet those vacancies. We also occasionally see a communication gap between our temporary employees and the permanent workers in a company, as the quality of information about possible candidates for our recruitment seems to differ between the two.

Future for Working Senior Citizens

JS: Do you think work opportunities or places for the elderly will increase in the future?

Ogata: Yes. As the number of elderly people in good health increases and job opportunities for them also increase, so the number of working elderly must increase. I once asked the audience during a speech I gave if their companies employ elderly people, and around half responded in the affirmative. I think if the matching between a company's request and a senior worker's desire is well done, then the number of working senior people will increase significantly.

JS: I imagine there will be an expansion of jobs and industries for elderly workers from now on. What do you think?

Ogata: We have been supported by Tokyo Gas in our startup and our business expanded thanks to their introducing opportunities to us. I think electric appliance companies and companies in the service sector could follow in our footsteps in creating business opportunities for the elderly. We have already been asked by such companies to provide them with our business knowhow. We also have quite a few visitors from all over Japan to our headquarters to see how our work is conducted. There are also two senior staffing companies that have been established sharing our business

knowhow – Senior Tokai Inc. in Nagoya and Konensha 60 Inc. in Shizuoka.

JS: So your business activities have expanded to regional areas and companies engaged in senior staffing have been created there?

Ogata: Yes. It is certainly true that there is a quantitative difference in job opportunities between the Tokyo metropolitan area and the regions, but I believe that increasing the number of elderly workers can revitalize local economies. There are two issues here. One is that there are still so many older people who are competent but not ready to take up work outside their home. The other is that there are some companies that remain skeptical about elderly people's competency.

JS: How do you address such skeptical companies?

Ogata: I think it is important to highlight the value and merit of working with the elderly.

Working with people who have had a long and rich experience of life would have a positive impact on young people. Young people can learn from the elderly about how to overcome various challenges they may face in life. In the cases I mentioned of driving assistants, the accompanied persons in service truly appreciate the elderly assistants' politeness and told us they would like to work together again with them. I hope such examples will lead to allaying the skepticism of some companies.

Future Plans

JS: Could you tell us about your future plans or the direction of future business activities?

Ogata: I hope that Japan will be a country where many elderly people are fully active in working, beyond the Tokyo metropolitan area which is our company's business area. Our company's founder also founded in 2010 a general incorporated association named the Japanese Council for Assisting Senior Citizens Activities (JCASCA) as a supporting organization for the "expansion of working venues and opportunities for senior citizens". This small organization in collaboration with other institutions fixed Oct. 1 as the day "to promote the concept of working your whole life long". We are now preparing to open a forum to promote this concept on Oct. 1, 2019.

I am sure there are many job opportunities for elderly citizens. I hope we can increase the numbers of working senior citizens in good health all over the nation by elaborating the matching mechanisms to bridge the interests of business and senior citizens. In this way we could revitalize the economy through increased consumption and this could lead to a sustainable society.

JS

Written with the cooperation of Naoko Sakai who is a freelance writer.