

MATSUSHITA ELECTRIC INDUSTRIAL CO., LTD

—PLAN OF LIFE FOR SENIOR EMPLOYEES—

In July 1980, Matsushita Electric Industrial Co., Ltd. made publicly known its "Plan of Life for Senior Employees" which would ensure its employees continued job security up to the age of 65. The Matsushita's plan attracted considerable attention in Japan because in those days most of Japanese large companies were trying to extend retirement age from 55 to 60. The plan consisted of several measures to deal with problems arising from aging of the workforce. It was drawn up by the joint management-union "Ad hoc Committee on Utilization of Older Workers" which had had many discussions over one year. Mr. Keiichi Takahata, President of Matsushita Electric Industrial Labor Union, who played an important role in the Committee, said to a reporter, "The Plan is very significant. Now we'll be able to continue to work until we're 65. New firms will be set up to provide old workers with jobs. The union wants to raise the retirement age from 60 to 65 by the late 1980s. This plan is an important step toward the goal." (The Nihon Keizai Shimbun, July 26, 1980)

Business Environment and Management Strategy

Matsushita Electric, Japan's largest consumer electronics manufacturer, was known as "Matsushita of consumer electric appliances" because of its dominant share in the market. In 1983, the company had ¥2,719 billion sales and ¥189 billion recurring profits with about 68,000 employees. In spite of adverse business conditions following the first oil crisis, Japan's electrical and electronics industry recorded an average growth rate of 15.8% in five years from 1975 to 1980. This good performance was partly attributed to the active responses of the industry to rapidly changing business conditions brought about by rapid technological progress, particularly to new opportunities and growing demands in industrial and consumer

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The case does not intend to show an example of appropriate or inappropriate handlings in business administration. (March, 1985)