

“Selecting and Focusing” and Changes in the Internal Labour Market in Electrical Machinery Firms in Japan.

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Abstract

Faced with international competition and fluctuating demand, Japanese electrical machinery firms are selecting their businesses and focusing on competitive business areas, especially, solution business. This brings about a change in the “value chain” of production and transaction processes. Under these conditions, firm’s strategies determine the shift in the boundary of firm organization and the internal labour market. In many electrical machinery firms, the design workers of electrical device, electrical product and software are bought up within the internal labour market on the one hand, and the manufacturing workers of electrical device, assembly workers and office workers are likely to be hired from the external labour market, on the other. In these circumstances, the training of workers and the building up of the safety net of employment should be promoted at the industrial level, supported by corporate social responsibility and the active commitment of unions.