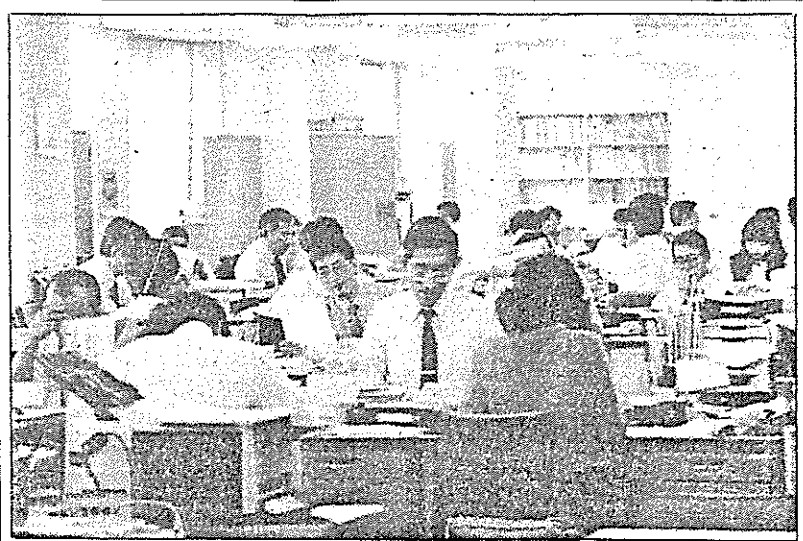


# BUSINESS/FINANCE

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Workers at the headquarters of Nissho Iwai.

## Seating Surplus Japanese Workers

By Charles D. Sherman  
International Herald Tribune

TOKYO—In most countries, an employee who fails to perform, cracks or just doesn't fit in anymore has a good chance of being fired. In Japan, he is likely to get a desk with a view and the unofficial title *mado-giwa*.

*Mado-giwa zuko* literally means "those by the window." Figuratively, the term refers to employees who have been sidelined for some reason.

The rising yen, which is crippling Japan's export economy, has compounded the *mado-giwa* problem, swelling the group's numbers with redundant employees whom the larger companies cannot fire.

Japan's major corporations are committed to a system of so-called "lifetime employment." A worker hired by a large company feels assured of a job and a salary until retirement at age 55. The system generates a strong mutual loyalty between the employee and his company and is considered

by many economists to be a key part of Japan's economic success.

But according to Kyohiko Fukushima, deputy director for Nomura Securities' economic-research institute, Japanese pay a price for the guarantee. "Lifetime employment is actually the right to compete with your colleagues for your entire career," he said.

Underneath the much-lauded harmony and teamwork of the Japanese workplace is another reality. "Make no mistake, there is a lot of fear and pressure among employees," said a junior executive at a major corporation.

Inevitably, some cannot meet the challenge of ceaseless competition. Some burn out; some give up.

Japanese can be tough, cold-hearted managers, but they try to stop short of dismissing individuals, says Thomas J. Nevins, president of Technics in Management Transfer, a labor-consulting company.

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## BY THE WINDOW: How Japanese Firms Put Workers Out to Grass

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ny in Tokyo whose clients include foreign multinationals and large Japanese companies. One reason that firing is rare at corporations is that "when you fire someone, the morale of the entire company is at stake," said Mr. Nevins, an American who has worked in Japan since 1972.

For the Japanese, he said, the prestige of a corporation rests partly on the size of its workforce. "One basis of business in Japan is keeping your people," he said.

To dismiss staff is to admit failure not only on the part of the employee but also by the company, Mr. Nevins said.

Moreover, the social costs of firing can be high. In some cases, suicides result. "Companies can feel a bit guilty when that happens," said an executive of a large corporation.

Faced with a worker they are unable to fire, managers most often choose to shuffle the problem em-

ployee aside. Because of the way that Japanese office spaces are typically arranged, a desk by the window effectively removes an employee from the company's operations.

Business offices in Japan in general are not partitioned. Junior employees work in teams sitting face to face at rows of desks. Section chiefs work at the head of the row. The department chief sits slightly apart, overseeing a number of sections. The *mado-giwa* are out of the way, usually, though not necessarily, by the windows.

A *mado-giwa* can become something of a pariah in the corporate setting, Mr. Nevins said. Recalling an experience when he worked for Mitsubishi Bank, he told of a colleague who had been shifted out of authority who was completely stunned by the bank's other employees. "All he did was comb his hair, clip his nails and flip through magazines."

At Nissho Iwai, a major Japa-

nese trading company, with more than 7,000 employees, the number of *mado-giwa* is a growing problem, said Kenichi Yoshida, general manager for personnel.

Japan's slowing economy, coupled with a company policy of automatic promotion and salary raises based on seniority, has confronted Nissho Iwai with finding useful work for hundreds of middle-level employees, Mr. Yoshida said. "We have a lot of people with empty hands."

Each year, Mr. Yoshida said, 500 employees are eligible to become general managers, but only 200 positions are available. About half the rest take on responsibilities as assistant general managers, leaving 150 employees as potential *mado-giwa*, he said.

Accordingly, an employee who has been with the company 15 or 20 years is the most vulnerable to becoming a *mado-giwa*. "We don't have many problem people under age 45," Mr. Yoshida said.

A number of options commonly used by Japanese corporations are open to Nissho Iwai executives before they assign an employee to a window desk, Mr. Yoshida said.

Redundant employees are sometimes transferred to subsidiaries to take them off the books of the main office, he said. Nissho Iwai has 135 subsidiaries, used in part to absorb surplus workers from the corporate headquarters, according to Mr. Yoshida.

The company also encourages partners in joint ventures to hire workers Nissho Iwai can do without. "If the pay is lower in the new job, we make up the difference," Mr. Yoshida said.

With prospects that the ranks of *mado-giwa* will continue to grow at Japanese corporations, a new expression — *beranda zoku* — has entered the business vocabulary. It refers to employees who have had to give their desk by the window to newcomers and move out onto the corporate veranda.