
The Ways of Working and Consciousness of *Keiyaku-Shain*

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This paper elucidates the ways of working and consciousness of *keiyaku-shain* (directly-employed full-time workers on fixed-term contracts, excluding those who have been reemployed after reaching the mandatory retirement age), who have not been the subject of many labor studies conducted hitherto. Firstly, when their ways of working and consciousness were compared with those of workers in other forms of employment and work, the characteristics that emerged were (i) there are many who are involuntarily employed as *keiyaku-shain*; (ii) they have a strong sense of dissatisfaction in regard to their wages, perhaps because although the nature of their duties is similar to those of regular employees, they do not receive a commensurate level of pay; and (iii) there are many who wish to transition to being regular employees. Furthermore, when *keiyaku-shain* were classified into four categories on the basis of their attributes, the following characteristics emerged: (a) specialist *keiyaku-shain* face relatively few problems; (b) young *keiyaku-shain* have a strong desire to transition to being regular employees; (c) *keiyaku-shain* who are supplementing the family finances face the problems of low wages and wage dissatisfaction; and (d) *keiyaku-shain* in the subsistence category are compelled to work as *keiyaku-shain*, due to the harsh environment in regard to reemployment and changing jobs. This suggests that individual measures are required, which focus on young *keiyaku-shain*, *keiyaku-shain* who are working to supplement the family finances, and mature *keiyaku-shain*, respectively, in addition to implementing general measures.

I. Introduction

1. Objectives of This Paper

The objective of this paper is to elucidate the problems being faced by *keiyaku-shain* (directly-employed full-time workers on fixed-term contracts, excluding those who have been reemployed after reaching the mandatory retirement age) in Japan, as well as ascertaining the implications for the requisite measures, by analyzing their ways of working and consciousness.¹

2. Definition of Concepts

In general, three criteria are used when classifying the forms of employment and work: (i) whether it is direct employment or indirect employment; (ii) whether it is full-time or part-time; and (iii) whether it is indefinite employment or fixed-term employment. When

¹ As will be stated just below, this kind of usage of the term “*keiyaku-shain*” is not necessarily based on any legal grounds, and is simply used in this way in this paper.

classifying those who work at Japanese companies, these criteria also have specific meanings.

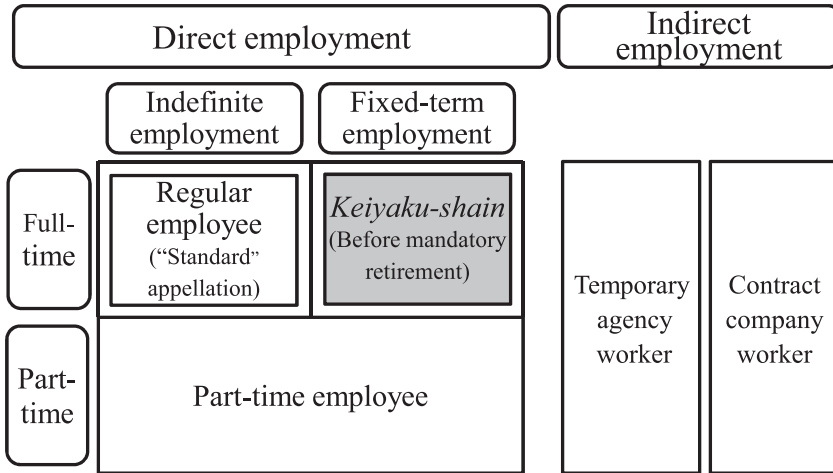
However, it is not necessarily possible to explain clearly the ways of working and consciousness of Japanese workers using these criteria alone. Firstly, looking at the situation objectively, even if the three conditions of direct employment, full-time employment and indefinite employment are satisfied, the conditions of employment differ considerably according to whether or not the worker is referred to as a “standard worker” at the place of employment. For example, according to the Ministry of Health, Labour and Welfare’s Basic Survey on Wage Structure (2011), amongst indefinite full-time workers at companies with at least 10 employees, whereas the average scheduled monthly earnings for those referred to as “standard workers” at their place of employment is ¥314,400, the figure is ¥182,800 for those who are not referred to as “standard workers” at their place of employment. In addition, reflecting the fact that conditions of employment differ greatly according to the term used to describe workers at their place of employment, when talking about the “growth of non-standard employment” in Japan, this refers to the increase in the number of workers other than those referred to as “standard workers” at their place of employment.²

Secondly, the boundary between full-time and part-time employment is not necessarily determined on the basis of an absolute standard. Firstly, in Japan’s Part-time Workers’ Act, the term “part-time worker” is defined as “a worker whose prescribed weekly working hours are shorter than those of ordinary workers employed at the same place of business.” Accordingly, even if the working hours are the same (for example, a prescribed working week of 37.5 hours), they might be deemed to be full-time in some cases and part-time in others, depending on the business. Moreover, in Japan there are also workers called “pseudo-part-time workers.” A “pseudo-part-time worker” is one who has the same prescribed working hours as an “ordinary worker” as referred to in the aforementioned clause, but who is referred to by the term “part-time worker” or “*arubaito*”³ at their place of employment. Looking at the situation objectively, they are full-time, so they do not fall within the scope of application of the Part-time Workers’ Act. However, as they are clearly differentiated from standard workers, there are many cases in which their wages and education and training opportunities are inferior to those of “ordinary workers.”

Thirdly, there is a big difference in terms of ways of working and consciousness between non-standard workers of working age (generally aged under 60) and non-standard workers who have been reemployed after reaching the mandatory retirement age (generally aged 60 or above). For example, the level of job satisfaction amongst non-standard workers

² The Labour Force Survey and Employment Status Survey conducted by the Ministry of Internal Affairs and Communications, which are viewed as basic data for gaining an insight into employment trends in Japan, also grasp whether or not a worker is a standard staff member or employee, based on the appellation used at the place of employment.

³ In general, the Japanese word *arubaito* (derived from the German word “Arbeit”) usually refers to short-term employment.



Source: Compiled by the author.

Figure 1. Definition of Concepts in This Paper

aged 60 or above is considerably higher than that of non-standard workers aged 59 or below. Conversely, in the case of non-standard workers aged 60 or above, the proportion indicating that “there were no opportunities to become a standard staff member or employee” as their reason for choosing their current way of working was low in comparison to non-standard workers aged 59 or below, while in regard to wishes concerning their future way of working, the proportion stating that they “want to transition to being a standard staff member or employee” was also low.⁴

If we define the concepts relating to the forms of employment and work used in this paper based on the aforementioned situation, they are as shown in Figure 1. This diagram should be read as follows. Firstly, workers can be broadly classified as directly-employed workers, who are hired directly by a business establishment where they work, or indirectly-employed workers, who are those who do not fall within the first category. Furthermore, the latter can be classified as temporary agency workers, who are dispatched by a temporary staffing agency in accordance with the Worker Dispatching Act, or contract company workers, who work at a business establishment belonging to the client, based on the service contract between the two companies.⁵ Secondly, directly-employed workers can be classified as full-time workers or part-time workers.⁶ Here, those to whom the Part-time Workers’ Act

⁴ See Ministry of Health, Labour and Welfare, General Survey on Diversified Types of Employment (2007).

⁵ In the cases of both temporary agency workers and contract company workers, there are both those in indefinite employment and those in fixed-term employment, as well as full-time workers and part-time workers.

⁶ As stated above, there are no absolute criteria for distinguishing between full-time and part-time workers.

is applicable are deemed to be part-time workers, while those to whom it is not are deemed to be full-time workers. Part-time workers are referred to as “part-time employees.” In addition, the category “part-time employees” includes both part-time employees in indefinite employment and part-time employees in fixed-term employment, but as the data discussed below demonstrate, the differences between the two in terms of ways of working and consciousness are not very great. Thirdly, amongst the workers who are in direct employment, full-time employment and indefinite employment, those who are referred to as standard workers at their place of employment are called regular employees.⁷ Fourthly, amongst the workers who are in direct employment, full-time employment and fixed-term employment, those who have not yet reached the mandatory retirement age are called *keiyaku-shain*, in accordance with the customary practice.⁸ These people form the main focus of the study described in this paper.

3. Focus on *Keiyaku-Shain*

So why does this paper focus on *keiyaku-shain* (directly-employed full-time workers on fixed-term contracts, excluding those who have been reemployed after reaching the mandatory retirement age)?

Firstly, in fact, it is not necessarily the case that there are many *keiyaku-shain* as defined in this paper. It is not official statistical data, but according to The Japan Institute for Labour Policy and Training (2011a), the number of *keiyaku-shain* in Japan is estimated at around 6%-9% of all employed workers. Moreover, there is no clear evidence that their numbers have been increasing rapidly of late. Secondly, however, hardly any of the labor studies carried out to date have focused on *keiyaku-shain*, and there are many matters relating to their ways of working and consciousness that are unclear. The majority of non-standard workers in Japan are part-time employees, whose numbers increased in the aftermath of the 1970s oil crises, so studies of such employees have for a long time tended to be the main focus of research into non-standard work in Japan. In the 2000s, studies began to examine temporary agency workers, who experience particularly large problems in terms of employment stability. In contrast, there have been hardly any studies concerning *keiyaku-shain*. Thirdly, at the time of writing this paper, the Part-time Workers’ Act is applied to part-time employees, while the Worker Dispatching Act is applied to temporary agency workers, but there is no legislation that specifically provides for the appropriate uti-

⁷ In regard to this, those who are in direct employment, full-time employment and indefinite employment, but are not referred to as standard workers at their place of employment are excluded from the scope of the study described in this paper.

⁸ In regard to this, of those who are in direct employment, full-time employment and fixed-term employment, those who are reemployed after reaching the mandatory retirement age are often called “*shokutaku*.”

lization and development of the conditions of employment of *keiyaku-shain*.⁹ Accordingly, as well as analyzing the ways of working and consciousness of *keiyaku-shain* in order to elucidate the problems that they face, this paper seeks to identify the implications in regard to the measures required to deal with these.

4. Structure of This Paper

The structure of this paper is as follows. Section II explains the data used. Section III elucidates the characteristics of the ways of working and consciousness of *keiyaku-shain* in comparison with those of people in other forms of employment and work. Section IV categorizes *keiyaku-shain* on the basis of their attributes, as well as clarifying the characteristics of each category and what problems they each face. Section V provides an overall summary of the results of the analysis and discusses the implications derived from these results.

II. Data

The data used in this paper is from the employee questionnaire of the Survey on Employees with Diverse Work Style carried out by the Japan Institute for Labour Policy and Training (JILPT).¹⁰ This survey was carried out using a questionnaire posted to those responsible for the personnel departments at 10,000 businesses across the country selected by means of random sampling by business type and business establishment scale from a database of private sector businesses. The questionnaire consisted of a questionnaire for the business and a questionnaire for employees; those in charge of the personnel department were asked to complete the former and to distribute the latter to ten workers employed at their business establishment. There were 1,610 valid responses to the business questionnaire (a valid response rate of 16.1%) and 11,010 valid responses to the employee questionnaire (a valid response rate of 11.0%).

In addition, there are two points that should be noted when using the employee questionnaires from this survey. Firstly, when asking those in charge of the personnel department to distribute the employee questionnaires, there was a note requesting that they should be distributed to three regular employees and seven workers other than regular employees, as a general rule. Consequently, the structure of the number of people by form of employment and work ascertained from those employee questionnaires does not necessarily reflect the actual situation. Secondly, perhaps because those in charge of the personnel department

⁹ However, since 2009, discussions have commenced within a research group established by the Ministry of Health, Labour and Welfare, concerning approaches to legislation relating to fixed-term employment contracts, and in March 2012, the Government formed by the Democratic Party of Japan made a Cabinet decision regarding a bill to amend the Labor Contract Act, with the objective of protecting workers on fixed-term contracts.

¹⁰ For a detailed outline of the survey, refer to The Japan Institute for Labour Policy and Training (2011b).

were asked to distribute the employee questionnaires, there is a relatively high number of responses from office workers, such as those in specialist/technical posts and those in administrative and managerial posts. Consequently, the structure of occupations at the simple tabulation level ascertained from those employee questionnaires does not necessarily reflect the actual situation.

The following provides an explanation of the methods used to classify the questionnaire respondents, based on the above. In addition, even if one of the following requirements 1 to 6 were satisfied, those aged 60 or above have been excluded from the analysis, as a general rule.¹¹

(i) Those who have concluded an employment contract that does not stipulate a particular term, and whose prescribed weekly working hours are at least 35 hours, and who are referred to as a “standard staff member or employee” are deemed to be regular employees.¹² (ii) Those regular employees to whom one of the following applies—“are not expected to work in a managerial post, as a general rule,” “have a specified job,” “have a specified work location or work area,” or “are not expected to do overtime”—are deemed to be “limited regular employees.”¹³ (iii) Those who have concluded an employment contract that does not stipulate a particular term and whose prescribed weekly working hours are less than 35 hours are deemed to be indefinite part-time workers. (iv) Those who have concluded an employment contract that stipulates a particular term and whose prescribed weekly working hours are less than 35 hours are deemed to be fixed-term part-time workers. (v) Those who have concluded an employment contract that stipulates a particular term and whose prescribed weekly working hours are at least 35 hours are deemed to be *keiyaku-shain*. (vi) Irrespective of their appellation at their place of employment, their contract period and their prescribed working hours, those who responded that they are temporary agency workers from a temporary staffing agency are deemed to be temporary agency workers.¹⁴

¹¹ Refer to Section I for the reason why those aged 60 or above have been excluded.

¹² Working at least 35 hours a week was set as the criterion for full-time work after referring to the *Report of the Research Group on Improving the Employment Management of Workers on Fixed-term Contracts* (Ministry of Health, Labour and Welfare, July 2008). However, as stated in Section I, the boundary that determines whether someone is classed as full-time or part-time differs depending on the business. Consequently, there is a possibility that those classified as full-time here might include some people to whom the Part-time Workers’ Act is applicable. In the same way, one cannot deny the possibility that those classified as part-time here might include some people to whom the Part-time Workers’ Act is not applicable.

¹³ In this paper, in paragraphs referring to the ways of working and consciousness of limited regular employees, the term “regular employee” indicates a “regular employee in the narrow sense (one other than a limited regular employee).” On the other hand, in paragraphs that do not specifically refer to limited regular employees, the term “regular employee” indicates a “regular employee in the broad sense (including limited regular employees).”

¹⁴ In Section I (Figure 1), the concept of a “contract company worker” was established, but in the analysis here, they are classified as either regular employees, limited regular employees, indefinite part-time workers, fixed-term part-time workers or *keiyaku-shain*.

The attributes of those subject to analysis who have been classified in this way are shown in Table 1. From this, if one focuses on the attributes of *keiyaku-shain* in particular, one can see that (i) the proportion of women is around 70%, which is higher than the proportion amongst regular employees, but lower than that amongst indefinite and fixed-term part-time workers and temporary agency workers; (ii) compared with regular employees, there are relatively few aged in their 30s to 40s, but many aged in their 50s; (iii) compared with regular employees, there are many who graduated from high school, junior college or technical college, but few who progressed as far as graduating from university or a higher level institution; (iv) the proportion of those who responded that they themselves were the main breadwinner was around 40%, which was lower than the proportion amongst regular employees, but higher than that amongst indefinite and fixed-term part-time workers (temporary agency workers were at the same level); (v) compared with regular employees, there are few in administrative and managerial posts, but many in jobs relating to production processes, service-related posts, and other jobs.

III. Characteristics of *Keiyaku-Shain*

1. Involuntary Employment as *Keiyaku-Shain*

What are the reasons why those who currently work as *keiyaku-shain* became *keiyaku-shain* in the first place?

Table 2 presents the reasons why non-standard workers chose their current way of working. From this, one can see that, firstly, in the case of indefinite part-time workers and fixed-term part-time workers, there are many who indicate comparatively positive reasons for their choice, namely “because I want to work at a time that is convenient for me,” “because my hours of work/working week is short” and “because I cannot work as a regular employee due to my personal circumstances, such as housework, raising children or providing long-term family care.” On the other hand, in the case of *keiyaku-shain*, the largest number of responses was for “because there were no opportunities to work as a standard staff member or employee” (41.0%); if “other” (23.7%) is excluded, the next largest share was accounted for by “because if I work for a while, there is a possibility I might be able to become a standard staff member or employee” (19.9%). Moreover, *keiyaku-shain* accounted for the largest proportion of those responding with these particular answers.

Thus, unlike in the case of part-time employees, who form the majority of non-standard workers, amongst the *keiyaku-shain* are some who chose their current way of working as a step towards becoming a regular employee, but one can say that most chose their current way of working on the basis of passive reasons.

Table 1. Attributes of Those Subject to Analysis (%)

	Regular employee	Limited regular employee	<i>Keiyaku-shain</i>	Indefinite part-time worker	Fixed-term part-time worker	Temporary agency worker
Male	68.7	48.8	28.9	4.4	11.0	19.2
Female	31.1	51.1	71.0	95.6	88.8	80.8
No response	0.2	0.1	0.1	0.0	0.3	0.0
29 or below	20.1	27.1	20.2	8.8	11.6	23.7
30 - 39 years	34.5	33.1	29.4	31.5	28.9	42.9
40 - 49 years	28.6	23.7	25.2	32.5	34.3	26.9
50 - 59 years	16.8	16.1	25.1	27.1	25.2	6.4
Junior high school	1.6	1.7	3.4	2.7	2.8	2.6
High school	33.7	37.0	48.6	54.9	46.9	36.5
Junior college/ technical college	16.1	25.3	25.2	33.6	30.6	35.9
Graduated from university or higher	48.3	35.6	21.8	8.5	19.4	24.4
No response	0.2	0.3	0.9	0.3	0.4	0.6
Myself	70.6	59.2	40.4	13.9	18.1	39.1
Someone else	27.3	39.1	57.4	84.7	79.6	59.6
No response	2.1	1.7	2.3	1.4	2.3	1.3
Specialist/technical post	16.0	29.4	15.4	24.4	19.3	9.0
Administrative and managerial post	15.3	6.6	1.1	0.0	0.3	0.0
Clerical post	41.3	37.6	40.8	28.8	40.6	70.5
Sales-related post	7.2	4.0	4.9	6.1	4.1	0.6
Job relating to production processes	8.4	7.6	14.3	7.8	6.1	7.1
Job relating to transport/ communications	1.5	4.0	2.3	1.4	1.1	1.3
Security-related post	0.8	1.5	1.3	0.7	0.7	0.6
Job relating to agriculture, forestry or fisheries industry	0.2	0.3	0.3	0.0	0.1	0.0
Service-related post	3.0	3.5	7.6	15.6	12.9	3.2
Other job	3.3	2.7	8.8	9.2	10.8	6.4
No response	3.0	2.8	3.1	6.1	3.9	1.3
N	3257	1563	1719	295	1139	156

Table 2. Reasons for Choosing the Current Way of Working, by Form of Employment/Work (multiple responses, %)

	<i>Keiyaku-shain</i>	Indefinite part-time worker	Fixed-term part-time worker	Temporary agency worker
Because I want to work at a time that is convenient for me	10.1	61.8	46.4	11.1
Because I can make use of my specialist knowledge/skills	6.8	8.8	8.6	12.4
Because my hours of work/working week is short	3.8	33.0	29.2	6.5
Because it is easy to commute	10.4	19.3	18.3	13.7
Because I am not restricted by the organization	6.0	4.9	5.3	10.5
Because if I work for a while, there is a possibility I might be able to become a standard staff member or employee	19.9	3.5	3.9	9.8
Because I cannot work as a regular employee due to my personal circumstances, such as housework, raising children or providing long-term family care	10.4	46.3	32.1	9.2
Because there were no opportunities to work as a standard staff member or employee	41.0	9.8	22.5	37.9
Other	23.7	3.9	10.5	30.7
N	1495	285	1061	153

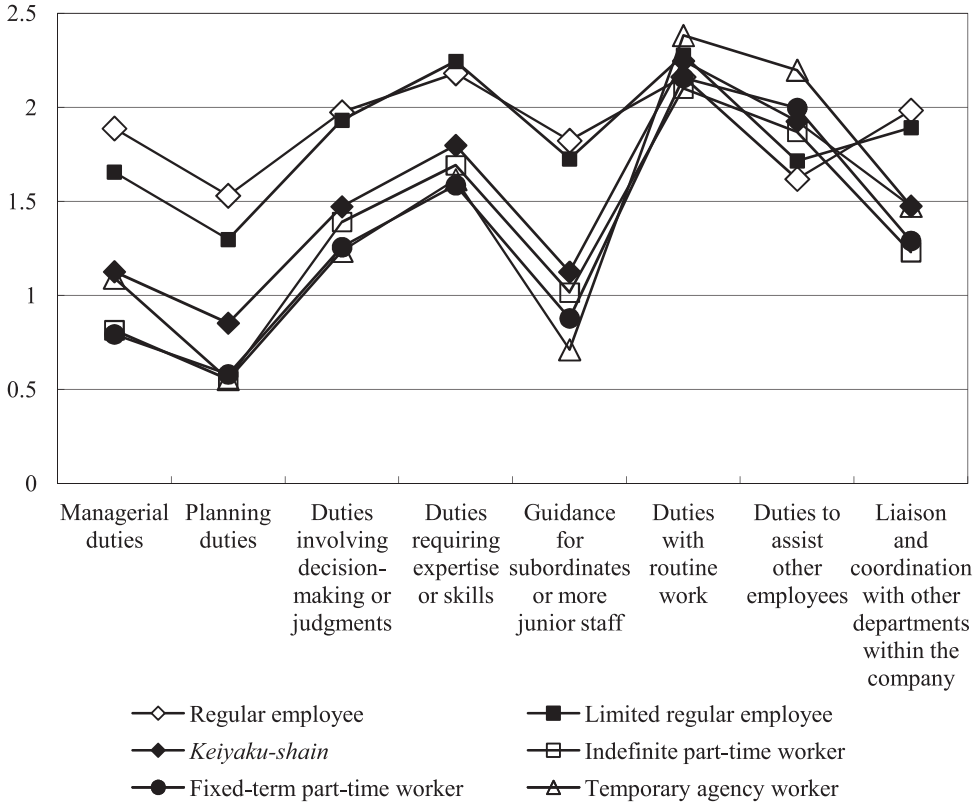
Notes: 1. In addition to the above, the options also included “because the work is easy,” “because there are no intra-company transfers,” and “because it is physically difficult for me to work as a standard staff member or employee,” but the selection rate was less than 10% for all forms of employment/work, so these have been omitted.

2. Those who did not respond have been excluded.

2. Similar Duties to Regular Employees and Strong Wage Dissatisfaction

Next, let us look at the duties of these *keiyaku-shain*, the current status of their wages and their level of satisfaction with regard to those wages.

Figure 2 shows the nature of the duties of those who responded to the questionnaire. From this, one can see that there are major differences between regular employees, limited regular employees, and *keiyaku-shain*, indefinite part-time workers, fixed-term part-time workers, temporary agency workers in terms of the nature of their duties. More specifically, in



- Notes: 1. In all cases, the score was calculated by assigning 3 points for “included to a great extent,” 2 points for “included to some extent,” 1 point for “hardly included at all” and 0 points for “not included at all.”
2. Those who did not respond have been excluded.
3. The numeric data have been omitted.

Figure 2. Nature of Duties by Form of Employment/Work (score)

a relatively large number of cases, regular employees and limited regular employees are charged with core duties, in the form of managerial duties, planning duties, duties involving decision-making or judgments, duties requiring expertise or skills, guidance for subordinates or more junior staff, and liaison and coordination with other departments within the company, while *keiyaku-shain*, indefinite part-time workers, fixed-term part-time workers and temporary agency workers tend to be assigned peripheral duties, in the form of duties with routine work and duties to assist other employees. In other words, one can say that non-standard workers often handle peripheral duties.

However, what we wish to focus on here is the status of *keiyaku-shain* amongst non-standard workers. From the diagram, one can see that it is relatively more common for *keiyaku-shain* to take on tasks deemed to be core duties—namely managerial duties, planning duties, duties involving decision-making or judgments, duties requiring expertise or

Table 3. Wages and Level of Wage Satisfaction by Form of Employment/Work

	Wage (Scheduled hourly wage: ¥)			Level of wage satisfaction (Score)	
	Mean value	Median	N	Mean value	N
Regular employee	2184	1708	2848	0.03	3248
Limited regular employee	1885	1459	1407	-0.15	1560
<i>Keiyaku-shain</i>	1124	1000	1591	-0.42	1708
Indefinite part-time worker	1038	874	283	0.02	290
Fixed-term part-time worker	1342	916	1093	-0.08	1130
Temporary agency worker	1261	1203	145	-0.39	156

Notes: 1. The score for the level of satisfaction was calculated by assigning 2 points for “satisfied,” 1 point for “somewhat satisfied,” 0 points for “neither satisfied nor dissatisfied,” -1 point for “somewhat dissatisfied” and -2 points for “dissatisfied.”

2. In both cases, those who did not respond have been excluded.

skills, guidance for subordinates or more junior staff, and liaison and coordination with other departments within the company—than is the case amongst other non-standard workers. In other words, amongst all non-standard workers, *keiyaku-shain* deal with comparatively core duties similar to those of regular employees and limited regular employees.

What is the wage situation in regard to this? Table 3 (left-hand table) shows the wage levels (scheduled hourly wage) of questionnaire respondents. Firstly, if one looks at the mean value, one can see that the wages of fixed-term part-time workers are the highest amongst all non-standard workers. However, it is thought that outlying values have a major impact on the scheduled hourly wage of fixed-term part-time workers.¹⁵ Furthermore, if one looks at the median values, one can see that they are as follows, in descending order: regular employees (¥1,708), limited regular employees (¥1,459), temporary agency workers (¥1,203), *keiyaku-shain* (¥1,000), fixed-term part-time workers (¥916) and indefinite part-time workers (¥874). From this, one can see that, compared with other non-standard workers, *keiyaku-shain* carry out duties that are similar to those of regular employees and limited regular employees, but if one looks at their wages, there is hardly any difference between them and other non-standard workers.

So what do *keiyaku-shain* think of their wages? Table 3 (right-hand table) shows the scores for the level of satisfaction with wages as seen by form of employment or work.

¹⁵ The details will be omitted, but those whose weekly prescribed working hours extend to just a few hours include many people who have a high scheduled hourly wage.

Table 4. Status of the Desire to Transition to Being a Regular Employee by Form of Employment/Work (%)

	I want to transition to being a regular employee at my current company	I want to transition to being a regular employee at another company	N
<i>Keiyaku-shain</i>	19.0	14.4	1643
Indefinite part-time worker	8.1	10.9	284
Fixed-term part-time worker	9.1	13.5	1082
Temporary agency worker	18.5	23.2	151

Note: Those who did not respond have been excluded.

From this, one can see that *keiyaku-shain* have the lowest level of satisfaction in regard to wages amongst all of the forms of employment and work examined here.

3. Desire to Transition to Being a Regular Employee

In this kind of situation, what sort of career do *keiyaku-shain* wish to follow? Table 4 shows the status of the desire to transition to being a regular employee amongst non-standard workers.

From this, one can see that amongst *keiyaku-shain* and temporary agency workers are many who wish to transition to being a regular employee. Another point that should be noted is at which company they wish to transition to being a regular employee. More specifically, whereas the largest proportion of those stating that “I want to transition to being a regular employee at my current company” was seen amongst *keiyaku-shain* (19.0%), one can see that in the case of non-standard workers other than *keiyaku-shain*, including temporary agency workers, there were more who stated that “I want to transition to being a regular employee at another company” than “I want to transition to being a regular employee at my current company.”

4. Summary

The content of this section can be summarized as follows. Firstly, looking at the reasons why the respondent chose *keiyaku-shain* as their way of working, there are some who selected this way of working as a step towards becoming a regular employee, but most became *keiyaku-shain* for passive reasons: in other words, as a form of involuntary employment. In this way, they differ greatly from part-time employees, who form the majority of non-standard workers. Secondly, looking at the nature of their duties, of all non-standard

workers, *keiyaku-shain* have the position that is closest to that of regular employees and limited regular employees, but if one looks at their wages, one can see that there is hardly any difference from other non-standard workers. In addition, perhaps because of this, they have a strong sense of dissatisfaction with their wages. Thirdly, amongst *keiyaku-shain* are many people who wish to transition to being regular employees, particularly those who wish to transition to being regular employees at their current company.

IV. Types of *Keiyaku-Shain*

1. The Categorization of *Keiyaku-Shain*

In Section III, it was pointed out that the characteristics of *keiyaku-shain* are that there are many who are involuntarily employed as *keiyaku-shain*, that the nature of their duties is similar to those of regular employees and limited regular employees, but they have a strong sense of dissatisfaction regarding their wages, perhaps because they do not receive a commensurate level of pay, and that there are many who wish to transition to being regular employees. In regard to this, this section categorizes *keiyaku-shain* on the basis of their attributes, as well as clarifying the characteristics of each category and what problems they each face.

When categorizing *keiyaku-shain* on the basis of their attributes, what should be taken up as the first grouping axis is whether or not they are in a specialist occupation. For example, as can be seen from the definitions of *keiyaku-shain* used in the Labour Force Survey published by the Ministry of Internal Affairs and Communications (“a person who is employed in accordance with a contract with the objective of engaging them in a specialist occupation, with a specified contract period”) and in the General Survey on Diversified Types of Employment published by the Ministry of Health, Labour and Welfare (“a person who is contracted for a specified employment period, with the objective of engaging in a specific occupation and demonstrating specialized skills”), the idea that workers in specialist posts are one type of worker who works on the basis of an employment contract with a specified period is widely accepted.¹⁶ Such workers are called “specialist” *keiyaku-shain*.

The second aspect that should be taken up as a grouping axis is age. This is because in Japan’s labor market, the younger one is, the easier it is to make the transition from non-standard worker to regular employee.¹⁷ Accordingly, of the *keiyaku-shain* other than

¹⁶ However, as Fujimoto (2005) points out, the reality is that it is necessary to pay attention to the fact that the labor market for workers in specialist or technical occupations is not necessarily as fluid as the labor markets for other occupations.

¹⁷ In the business questionnaire conducted as part of the Survey on Employees with Diverse Work Style, with regard to the question “What are the ages of those who became regular employees under the intra-company transition system/customary practice in the last three years?” (multiple responses), the responses demonstrated that while 48.2% were in their late 20s and 57.5% in their early 30s, 39.0% were in their late 30s and 39.3% were in their 40s or older. In the same way, with regard to the

those in the specialist category, those who are aged below a certain age are deemed to be “young” *keiyaku-shain*.¹⁸

The third aspect that should be taken up as a grouping axis is whether or not the worker in question has an obligation to make their own living. This is because whereas it is necessary for those who are the main breadwinner for their household to strive to secure a stable income, above all, those who are not the main breadwinner for their household are, in many cases, those who are in charge of doing the housework, so there are restrictions on their employment; consequently, it is thought that their ways of working and consciousness differ from those of people who are the main breadwinner for their household. Accordingly, of those *keiyaku-shain* who are not in the “specialist” or “young” categories, those who do not have an obligation to make their own living are deemed to be *keiyaku-shain* “supplementing the family finances,”¹⁹ while those who do have an obligation to earn their livelihood are deemed to be “subsistence” *keiyaku-shain*.

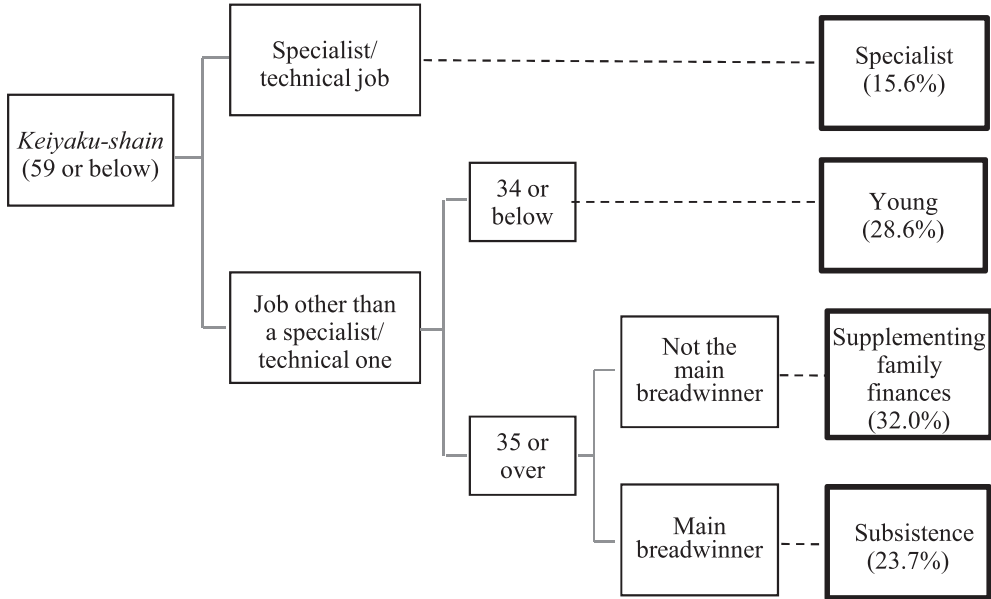
The following analyzes the employee questionnaires in the Survey on Employees with Diverse Work Style, using these grouping axes. More specifically, using the following procedure, *keiyaku-shain* (aged 59 or below) have been classified into the four groups before being analyzed (Figure 3). Firstly, those engaged in “specialist/technical posts” are classified as specialist *keiyaku-shain*. Secondly, those to whom the specialist classification does not apply and who are aged 34 or below are classified as young *keiyaku-shain*. Thirdly, of those aged 35 or above to whom the specialist classification does not apply, those who responded that the main breadwinner for their household was “someone else” are classified as *keiyaku-shain* supplementing the family finances. Fourthly, of those aged 35 or above to whom the specialist classification does not apply, those who responded that the main breadwinner for their household was “myself” are classified as subsistence *keiyaku-shain*.

The number of *keiyaku-shain* categorized in this way was 1,697, of whom 265 (15.6%) fell into the specialist category, 486 (28.6%) into the young category, 543 (32.0%)

ages of those who were “employed as regular employees after having worked as non-standard workers at another company in the last three years” (multiple responses), the responses indicated that whereas 49.2% were in their late 20s and 53.0% were in their early 30s, 30.3% were in their late 30s and 28.1% were in their 40s or older.

¹⁸ It is commonly known that during the “employment ice age” that followed the collapse of the bubble economy, a large number of young people became non-standard workers (*freters*), but according to Kosugi (2002), more than 70% of male *freters* and more than 60% of female *freters* are actually full-time workers who work for at least 35 hours a week. This suggests the possibility that these *freters* are one important source of *keiyaku-shain*.

¹⁹ It is undeniable that the greatest proportion of non-standard workers is accounted for by housewives in part-time employment (Honda 2010), but in general, they become mainstays in the workplace and in many cases, when they are assigned core duties, they then shift to working full-time. In this sense, there is a possibility that middle-aged and older women are an important source of *keiyaku-shain* who are supplementing the family finances, as described here.



Source: Compiled by the author.

Figure 3. The Categorization of *Keiyaku-Shain*

into the supplementing the family finances category, and 403 (23.7%) into the subsistence category.

2. Problems Facing Each Category

(1) Specialist *Keiyaku-Shain*

Specialist *keiyaku-shain* are characterized by the fact that they have relatively high wages and levels of satisfaction with their “current job overall,” compared with other types of *keiyaku-shain*. Table 5 demonstrates this.

The table for wages focuses on regular employees and *keiyaku-shain*, and analyzes what kind of effects being a *keiyaku-shain*, being in a specialist occupation, and the interaction of the two have on wage levels (logarithmic values for scheduled hourly wage). From this, one can see that being a *keiyaku-shain* has the effect of reducing one’s wage level (Model 1), while being in a specialist occupation has the effect of increasing it (Model 2). What should be noted in addition to this is that in Model 3, the interaction of the two elements has a positively significant effect on wage levels. This demonstrates that although the wage levels of *keiyaku-shain* are generally low compared with those of regular employees, the difference in wage levels between regular employees in specialist occupations and *keiyaku-shain* in specialist occupations is smaller than the gap in wage levels between regular employees in other occupations and *keiyaku-shain* in other occupations. In other words, in the case of specialist occupations, even if one is a *keiyaku-shain*, the disadvantage

Table 5. Wages (OLS) and Level of Job Satisfaction (Ordered Logistic Regression Analysis) of *Keiyaku-shain*

Wages							
Explained variables:	Model 1		Model 2		Model 3		
Ln (scheduled hourly wage)	B	t value	B	t value	B	t value	
<i>Keiyaku-shain</i>	-0.419	-27.861 ***	-0.418	-27.279 ***	-0.451	-27.148 ***	
Specialist			0.057	3.257 ***	0.016	0.805	
<i>Keiyaku-shain</i> × Specialist					0.198	5.128 ***	
(Constant)	7.453	364.091	7.442	355.163	7.447	355.741	
N		5629		5474		5474	
F value		71.207 ***		66.718 ***		65.831 ***	
Adjusted R-square		0.285		0.284		0.287	

Level of Job Satisfaction							
Explained variables: Level of	Model 1		Model 2		Model 3		
job satisfaction (5 levels)	B	Wald	B	Wald	B	Wald	
<i>Keiyaku-shain</i>	-0.349	36.786 ***	-0.360	37.946 ***	-0.413	41.580 ***	
Specialist			-0.024	0.130	-0.086	1.368	
<i>Keiyaku-shain</i> × Specialist					0.292	4.029 **	
τ=1	-3.287	1142.929	-3.287	1104.284	-3.296	1107.666	
τ=2	-1.752	442.670	-1.761	429.351	-1.770	432.255	
τ=3	-0.326	16.620	-0.341	17.431	-0.349	18.213	
τ=4	1.923	505.682	1.921	484.650	1.914	480.056	
N		6202		6027		6027	
-2LL		10108.700		10836.277		10832.263	
Chi-squared		245.586 ***		239.809 ***		243.823 ***	
Nagelkerke R-square		0.041		0.042		0.042	

Notes: 1. ***: $p < 0.01$, **: $p < 0.05$, *: $p < 0.1$.

- The targets of the analysis were regular employees and *keiyaku-shain* aged 59 or below.
- In all cases, as well as the items listed in the table, the female dummy, the age bracket dummy (4 categories), the academic background dummy (4 categories), the business type dummy (20 categories), and the company scale dummy (6 categories) were incorporated into the explanatory variables.

in terms of wage levels is relatively small.²⁰

The same applies to the level of satisfaction with their “current job overall.” The table for the level of job satisfaction focuses on regular employees and *keiyaku-shain*, and analyzes what kind of effects being a *keiyaku-shain*, being in a specialist occupation, and the interaction of the two have on the level of satisfaction with their “current job overall.” What

²⁰ The reason for this would seem to be that amongst the specialist *keiyaku-shain* are quite a few people who are employed at higher wages than regular employees, in situations where there are no suitable people within the company, such as when starting up a new business enterprise. See The Japan Institute for Labour Policy and Training (2010).

Table 6. Desire to Transition to Being a Regular Employee amongst *Keiyaku-shain* (Binomial Logistic Regression Analysis)

Explained variables:	I want to transition to being a standard staff member or employee		I want to transition to being a standard staff member or employee at my current company	
	B	Wald	B	Wald
(Specialist)				
Young	1.021	25.787 ***	0.475	4.217 **
Supplementing the family finances	0.417	3.915 **	0.323	1.710
Subsistence	0.398	3.249 *	-0.091	0.117
Constant	-0.253	1.016	-0.813	7.956
N		1481		1481
-2LL		1783.209		1362.229
Chi-squared		113.488 ***		71.008 ***
Nagelkerke R-square		0.102		0.075

Notes: 1. The reference group is shown in brackets.

2. ***: $p < 0.01$, **: $p < 0.05$, *: $p < 0.1$.

3. As well as the items listed in the table, the female dummy, the academic background dummy (4 categories), the occupation dummy (9 categories, excluding “specialist/technical post”), the business type dummy (20 categories), and the company scale dummy (6 categories) were incorporated into the explanatory variables.

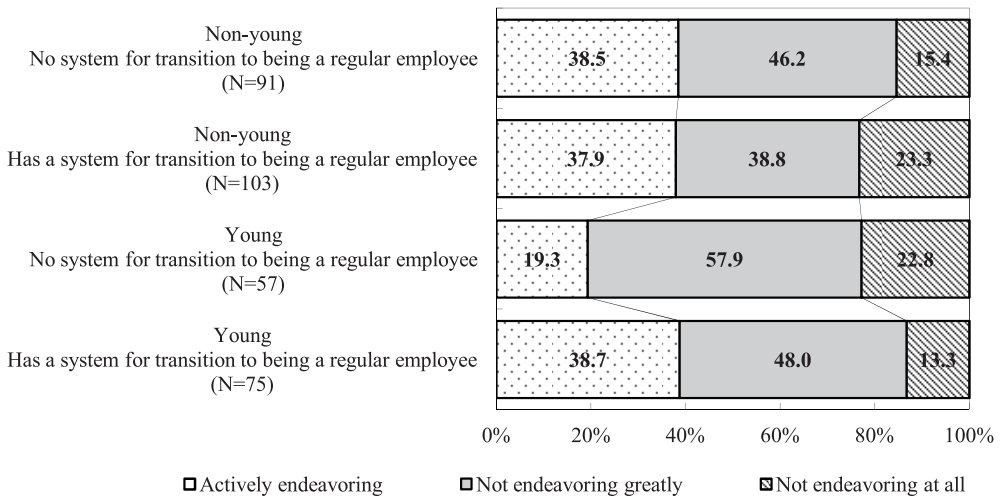
should be noted here is Model 3. From this, one can see that although the level of satisfaction with their “current job overall” of *keiyaku-shain* is generally low compared with that of regular employees, the difference in the level of satisfaction between regular employees in specialist occupations and *keiyaku-shain* in specialist occupations is smaller than the gap in the level of satisfaction between regular employees in other occupations and *keiyaku-shain* in other occupations. In other words, in the case of specialist occupations, even if one is a *keiyaku-shain*, the scale of the decrease in the level of satisfaction is relatively small.

From this, in general, one can say that compared with other types of *keiyaku-shain*, specialist *keiyaku-shain* face relatively few problems.

(2) Young *Keiyaku-Shain*

Young *keiyaku-shain* can be characterized as having a strong desire to transition to being regular employees. Table 6 and Figure 4 demonstrate this point.

Firstly, from Table 6 one can see that of all four types of *keiyaku-shain*, young *keiyaku-shain* have the strongest consciousness that they want to transition to being a standard staff member or employee and, similarly, they have the strongest consciousness that they want to transition to being a standard staff member or employee at their current company.



- Notes: 1. The targets of the analysis are those who wish to transition to being regular employees only.
 2. If a business had a system or customary practice of intra-company transition to being regular employees with objective appointment criteria, it was deemed to have a system for transition to being a regular employee.
 3. Those who did not respond have been excluded.

Figure 4. Status of Endeavors to Develop Vocational Skills amongst *Keiyaku-Shain*

Moreover, from Figure 4, one can see that although they assert that they wish to transition to being regular employees in the same way, this desire often leads to young *keiyaku-shain* taking concrete actions, more than in the case of other *keiyaku-shain*. More specifically, whereas there is no major difference in the status of endeavors to develop vocational skills in the case of *keiyaku-shain* other than young *keiyaku-shain*, whether or not there is a system for transition to being a regular employee, in the case of young *keiyaku-shain*, the status of endeavors to develop vocational skills differs depending on whether or not such a system exists.

Thus, young *keiyaku-shain* wish to transition to being regular employees. In addition, one can say that not only do they express this desire in words, but this desire also manifests itself in their actions.

(3) *Keiyaku-Shain* Supplementing the Family Finances

Keiyaku-shain supplementing the family finances are characterized by low wages and a low level of satisfaction regarding wages. Table 7 demonstrates these points.

The table for wages shows the results of regression analysis using the logarithmic values for scheduled hourly wage as the explained variable. From this, one can see that *keiyaku-shain* supplementing the family finances have the lowest wages of all four types of

Table 7. Wages (OLS) and Level of Wage Satisfaction (Ordered Logistic Regression Analysis) of *Keiyaku-shain*

Wages			
Explained variable: Ln (Scheduled hourly wage)	B	t value	
(Specialist)			
Young	-0.156	-5.259	***
Supplementing the family finances	-0.180	-5.890	***
Subsistence	-0.089	-2.782	***
(Constant)	7.320	192.601	
N		1431	
F value		11.224	***
Adjusted R-square		0.218	
Level of Wage Satisfaction			
Explained variable: Level of satisfaction with wages (5 levels)	B	Wald	
(Specialist)			
Young	-0.075	0.210	
Supplementing the family finances	-0.409	5.906	**
Subsistence	-0.358	4.067	**
$\tau=1$	-1.867	75.227	
$\tau=2$	-0.479	5.194	
$\tau=3$	0.457	4.729	
$\tau=4$	1.962	77.773	
N		1532	
-2LL		3565.500	
Chi-squared		103.423	***
Nagelkerke R-square		0.068	

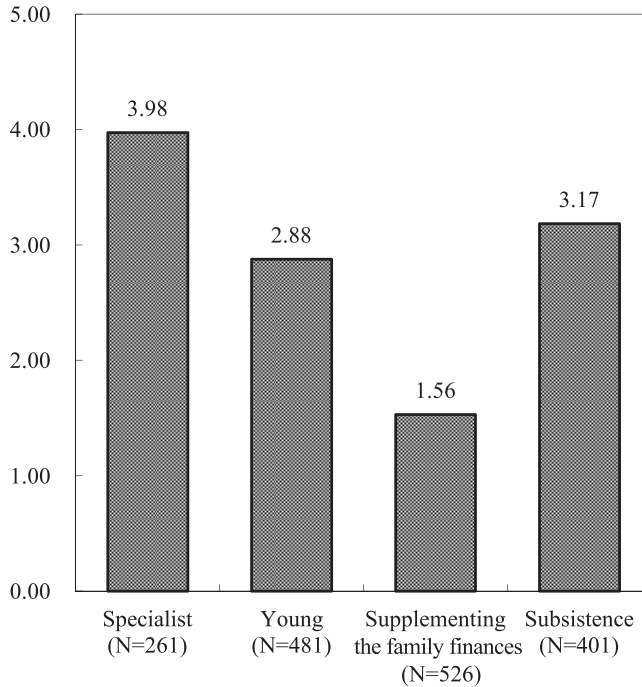
Notes: 1. The reference group is shown in brackets.

2. ***: $p < 0.01$, **: $p < 0.05$, *: $p < 0.1$.

3. In both cases, as well as the items listed in the table, the female dummy, the academic background dummy (4 categories), the occupation dummy (9 categories, excluding "specialist/technical post"), the business type dummy (20 categories), and the company scale dummy (6 categories) were incorporated into the explanatory variables.

keiyaku-shain. The table for the level of wage satisfaction shows the results of regression analysis using the level of satisfaction regarding wages as the explained variable. From this, one can see that *keiyaku-shain* supplementing the family finances have the lowest level of satisfaction regarding wages of all four types of *keiyaku-shain*.

So why have these results emerged? It seems that there are two causes. Firstly, it is difficult for *keiyaku-shain* supplementing the family finances to work overtime, because they often bear the responsibility for the housework. If they cannot do overtime, they are unable to take on a job with responsibility, and there is a possibility that their wages are kept



Note: Those who did not respond have been excluded.

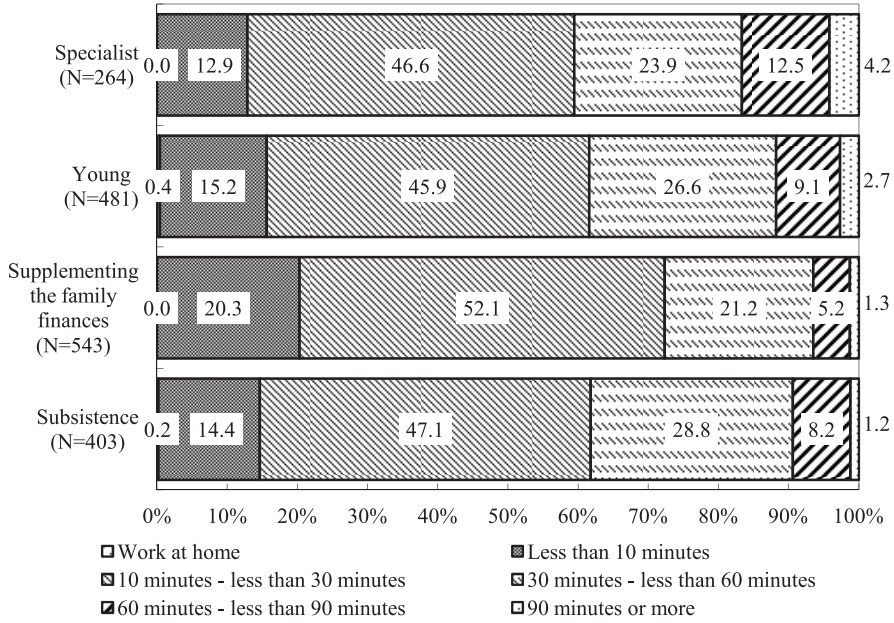
Figure 5. Weekly Hours of Overtime of *Keiyaku-Shain* (Average)

at a low level as a result.²¹ Secondly, in the same way, as *keiyaku-shain* supplementing the family finances often bear the responsibility for the housework, they have to choose a place of employment within a short commuting distance. If their range of options for a place of employment is narrow, then even if the wages were low at their current place of employment, it would seem to be difficult for them to change jobs for this reason.²²

These interpretations are corroborated by the data. Figure 5 shows that *keiyaku-shain* supplementing the family finances have the shortest hours of overtime of all four types of *keiyaku-shain*, while Figure 6 shows that *keiyaku-shain* supplementing the family finances have the shortest commuting time of all four types of *keiyaku-shain*.

²¹ In fact, if one adds to the table for wages in Table 7, which explains wages, a dummy variable expressing whether or not the individual works overtime as an explanatory variable, one obtains a positively significant result at the 1% level.

²² In fact, if one adds to the table for wages in Table 7, which explains wages, a variable expressing commuting time as an explanatory variable, one obtains a positively significant result at the 1% level.



Note: Those who did not respond have been excluded.

Figure 6. Commuting Time of *Keiyaku-Shain*

(4) Subsistence *Keiyaku-Shain*

There are two characteristics of subsistence *keiyaku-shain*. Firstly, many chose “there were no opportunities to work as a standard staff member or employee” as their reason for choosing their current way of working; in other words, there are many who are in involuntary employment as a *keiyaku-shain*. Secondly, there are few who stated that “I want to quit my current company”; in other words, there is only a weak intention to leave the job (Table 8).

As stated in the first part of this section as well, in general, there is a low probability of mature non-standard workers being able to transition to being regular employees. If one thinks about this in conjunction with the data in Table 8, it can be deduced that the reemployment and job change environment surrounding them is extremely harsh and this is the main reason why they have become *keiyaku-shain*, and also that this is also the reason why they do not wish to quit their current company and move to another company.²³

²³ In The Japan Institute for Labour Policy and Training (2011c), the fact that the reemployment and job change environment surrounding mature *keiyaku-shain* is extremely harsh is depicted by means of real-life examples. For more about the reemployment and job change environment surrounding mature workers in general, see Genda (2002).

Table 8. Reason for Choosing the *Keiyaku-Shain* as a Current Way of Working (Binomial Logistic Regression Analysis) and Intention to Leave the Job (Ordered Logistic Regression Analysis)

Reason for choosing the <i>keiyaku-shain</i> as a current way of work		
Explained variable:	There were no opportunities to work as a standard staff member or employee	
	B	Wald
(Specialist)		
Young	0.353	2.971 *
Supplementing the family finances	0.384	3.376 *
Subsistence	0.655	8.474 ***
Constant	-0.335	1.585
N		1349
-2LL		1746.430
Chi-squared		82.534 ***
Nagelkerke R-square		0.080
Intention to leave the job		
Explained variable:	I sometimes think that I would like to quit my current company (4 levels)	
	B	Wald
(Specialist)		
Young	0.012	0.005
Supplementing the family finances	-0.166	0.910
Subsistence	-0.305	2.781 *
$\tau=1$	-1.242	31.646
$\tau=2$	0.483	4.960
$\tau=3$	2.437	115.872
N		1519
-2LL		2945.249
Chi-squared		109.125
Nagelkerke R-square		0.075

Notes: 1. The reference group is shown in brackets.

2. ***: $p < 0.01$, **: $p < 0.05$, *: $p < 0.1$.

3. In both cases, as well as the items listed in the table, the female dummy, the academic background dummy (4 categories), the occupation dummy (9 categories, excluding "specialist/technical post"), the business type dummy (20 categories), and the company scale dummy (6 categories) were incorporated into the explanatory variables.

3. Summary

The content of this section can be summarized as follows. Firstly, compared with other types of *keiyaku-shain*, specialist *keiyaku-shain* are characterized by the fact that they face relatively few problems. Secondly, young *keiyaku-shain* are characterized by the fact that they have a strong desire to transition to being regular employees and that they not only assert this desire in words, but also demonstrate this by their actions. Thirdly, *keiyaku-shain* supplementing the family finances face the problems of low wages and wage dissatisfaction. The causes of this seem to be the fact that in many cases, they bear the responsibility for housework, so they are unable to do overtime, which means that they cannot take on a job with responsibility, and that they have to choose a place of employment within a short commuting distance. Fourthly, subsistence *keiyaku-shain* are characterized by the fact that, in many cases, the reemployment and job change environment surrounding them is extremely harsh, so they are compelled to work as *keiyaku-shain*.

V. Overall Summary and Implications

This paper has elucidated the problems being faced by *keiyaku-shain* (directly-employed full-time workers on fixed-term contracts, excluding those who have been reemployed after reaching the mandatory retirement age), by analyzing their ways of working and consciousness. As well as providing an overall summary of the facts discovered through this study, which have been clarified hitherto, this section seeks to ascertain the implications for the requisite measures to deal with this situation.

Firstly, when the ways of working and consciousness of *keiyaku-shain* are compared with those of workers in other forms of employment and work, the characteristics that emerge are (i) there are many who are involuntarily employed as *keiyaku-shain*; (ii) they have a strong sense of dissatisfaction in regard to their wages, perhaps because although the nature of their duties is similar to those of regular employees, they do not receive a commensurate level of pay; and (iii) there are many who wish to transition to being regular employees.²⁴

Furthermore, when *keiyaku-shain* were classified into four categories on the basis of their attributes, the following characteristics emerged: (a) specialist *keiyaku-shain* face relatively few problems; (b) young *keiyaku-shain* have a strong desire to transition to being regular employees; (c) *keiyaku-shain* who are supplementing the family finances face the problems of low wages and wage dissatisfaction; and (d) *keiyaku-shain* in the subsistence category are compelled to work as *keiyaku-shain*, due to the harsh environment in regard to reemployment and changing jobs.

²⁴ Incidentally, these characteristics can also be observed in regard to temporary agency workers. For details of the ways of working and consciousness of temporary agency workers, see Takahashi (2011).

From these facts that have been discovered, one can say the following. First of all, based on the overall situation in regard to the ways of working and consciousness of *keiyaku-shain*, there is a need to increase opportunities for employment as regular employees, rectify the wage disparities between regular employees and *keiyaku-shain*, and secure pathways that enable *keiyaku-shain* to transition to being regular employees, particularly intra-company transition routes.

Of course, these general measures are required. However, it has been made clear that there is a variety of people amongst *keiyaku-shain*, and the problems that they face all differ. In light of this fact, in addition to the aforementioned general measures, the following measures are required.

Firstly, young *keiyaku-shain* have a strong desire to transition to being regular employees, with a particularly strong desire to become a regular employee at their current company. Moreover, in the cases of many young *keiyaku-shain*, this desire is translated into action. Accordingly, with particular regard to young *keiyaku-shain*, it could well be effective to grant companies incentives, in order to encourage intra-company transitions to regular employee status.

Secondly, *keiyaku-shain* who are working to supplement their family finances have low wage levels and low levels of satisfaction with their wages compared with other types of *keiyaku-shain*. Having said that, the reasons why their wages are low include unavoidable circumstances, such as the fact that they are unable to work overtime, so cannot take on a job with responsibility. However, in relation to these circumstances, it is necessary to examine whether or not their wage levels are set unreasonably low, due to the fact that they cannot work overtime or cannot take on a job with responsibility.

Thirdly, most mature *keiyaku-shain* face a harsh reemployment and job change environment, so they have ended up in their current way of working as a result of a choice that they made reluctantly. However, in general, as the wage levels of regular employees at Japanese companies tend to become higher as they reach late middle age, it seems that employing mature *keiyaku-shain* as regular employees places a considerable burden on companies. Accordingly, it would seem that what is required is to introduce multiple regular employee categories within the same company (business establishment), with different personnel systems and wage systems, and to enable such workers to transition to being regular employees based on a different wage level from that of existing regular employees.

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