
Conversion of Non-Regular Employees into Regular Employees and Working Experiences and Skills Development of Non-Regular Employees at Japanese Companies*

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In Japan, increasing the opportunity for non-regular employees to develop their skills is recognized as a social challenge. This paper analyzes how the introduction of a system to convert non-regular employees into regular employees affects non-regular employees' skills development based on data collected through a questionnaire survey conducted on individual employees. From the analysis, it can be concluded that if companies employing non-regular employees expand the opportunity for them to become regular employees by introducing such a system, many of the companies can not only (i) increase the opportunity for non-regular employees to develop their career and skills in the long term through the conversion to regular employee status but also (ii) help them develop skills without conversion by gradually assigning them to a progressively wider range of jobs, jobs requiring more advanced skills and jobs with greater responsibility.

I. Introduction

In Japan, social attention is focusing on the differences between the opportunities available for regular employees and non-regular employees to develop skills through training and education, as the proportion of non-regular employees in the overall working population is rising. That is because the rise in the proportion of non-regular employees, for whom skills development opportunity is limited, could impede human resource development by reducing education and training opportunities for the whole society (Arulampalam and Booth 1998; Yasuda 2009).¹ Empirical studies concerning education and training opportunities for non-regular employees in Japan have found that non-regular employees are given less opportunities than regular employees to receive education and training (Hara 2007; Sano 2006, 2007; Kurosawa and Hara 2009).

Presumably, one factor which causes the difference between the skills development

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¹ For example, Yasuda (2008) pointed out, based on the analysis of the results of a questionnaire survey conducted on Japanese companies, that implementation of OJT tends to be hampered at companies which employ non-regular workers as replacements for regular employees.

opportunities for regular and non-regular employees and which is specific to Japan is the presence of Japanese-style personnel management, which seeks to determine the job type and career path for employees on the basis of the employment arrangement. In other words, most Japanese companies provide regular employees with the opportunity to pursue an advance career while assigning non-regular employees to routine jobs (Nikkeiren 1995; Sano 2000, Sato, Sano, and Hara 2003; Sano 2009).²

Between regular and non-regular employees at Japanese companies, there are differences not only with regard to the length of working hours as is the case between full-time and part-time workers or with regard to the employment contract period as is the case between permanent workers and workers with a fixed employment period but also with regard to the in-company career path prepared under the employers' personnel management system. In many cases, only regular employees are subject to a personnel management system that evaluates how much workers' skills have been developed and how advanced their jobs are and rewards them for their performance from a long-term perspective.

Under this Japanese-style personnel management, non-regular employees are given limited opportunity to experience a progressively wider range of jobs, jobs requiring more advanced skills and jobs involving greater responsibility. Presumably for this reason, their skills development opportunity tends to be limited.

All the same, several previous studies concerning the use of non-regular employees as a core workforce have found that the scope of jobs assigned to non-regular employees has been expanding and the level of jobs has been becoming more advanced, in light of cases of chain stores, which employ a large number of part-time workers (Wakisaka 1986; Nakamura 1989; Aoyama 1990; Mitsuyama 1991; Honda 1993). Among recent studies, Takeishi (2002), for example, shed light on the advancement of the level of jobs assigned to part-time, contract and non-regular workers in a broad range of industries. We may presume that an increasing number of companies use non-regular employees for a wide range of jobs, including those requiring advanced skills, as the proportion of non-regular employees is rising.

As shown above, companies willing to use non-regular employees for a wide range of jobs tend to provide them with a career path that involves a broader range of jobs and requires advanced skills if they continue working for a certain period of time (Sano 2009). Also, it may be presumed that non-regular employees at such companies gain increased skills development opportunities by receiving education and training as they go along such a career path.³

As shown above, the career path of non-regular employees varies depending on how

² As to the rationality of companies distinguishing regular and non-regular employees in assigning jobs, refer to Lepak and Snell (1999), Sano (2000), Park and Hirano (2008), etc.

³ Statistics such as Skills Development Basic Research (Ministry of Health, Labour and Welfare) indicate that among non-regular employees, some people receive education and training including OJT and Off-JT, although the proportion is smaller than among regular employees.

the employer uses them, and the skills development opportunities for non-regular employees are presumably diversifying. However, previous Japanese studies have not conducted adequate empirical analysis of the difference in the career and skills development opportunity among non-regular employees that stems from the way employers use them.

Therefore, this paper will examine, based on a questionnaire survey conducted on individuals, the relationship between how companies use non-regular employees and the in-company career and skills development opportunity for such employees. The examination will focus particularly on the system to convert non-regular employees into regular employees as a personnel management practice that reflects the employer's use of personnel.⁴

As the use of non-regular employees grows in Japan, an increasing number of companies are introducing the system to convert non-regular employees into regular employees.⁵ From previous studies, it may be concluded that among major functions that companies expect such a system to have are (i) securing a sufficient pool of regular employees and (ii) producing positive results related to non-regular employees, such as reducing the turnover of non-regular employees and improving their working morale.⁶ In particular, companies eager to train non-regular employees tend to expect the system to both secure a sufficient pool of regular employees and to reduce the turnover of non-regular employees and improve their working morale (Sano 2008).

Presumably, such companies tend to provide non-regular employees with a career path that enable them to experience a progressively wider range of jobs and jobs requiring more advanced skills.⁷ In this respect, a case study regarding the system to convert

⁴ A study on the use of non-regular employees as a core workforce in Japan indicated that companies that assign non-regular employees to an advanced level of jobs similar to those to which regular employees are assigned tend to adopt an evaluation and treatment system specific to non-regular employees (Honda 1993). The study suggests the importance of such a system for developing an in-company career path for non-regular employees and for promoting their skills development. Meanwhile, this paper examines the effects of the introduction of the system to convert non-regular employees into regular employees in particular.

⁵ According to the Fiscal 2009 Survey on the Actual State of Fixed-Term Employment Contracts (survey on private employers with five or more permanent employees), 46.5% of employers using fixed-term contract workers adopted the system to convert non-regular employees into regular employees.

⁶ Japanese companies introduce the system to convert non-regular employees into regular employees for a variety of purposes and reasons. Based on a case study, Takeishi (2008) cited the following typical purposes and reasons: securing the diversity of personnel; having high expectations of non-regular employees as skilled workers; low turnover rate after job-switching; raising the motivation of non-regular employees; finding capable personnel among non-regular employees.

⁷ An analysis by Hara (2009) corroborates this tendency by indicating that among companies that assign non-regular employees (part-time and *arubaito* workers) to jobs similar to those to which regular employees are assigned, a large proportion has introduced the system to convert non-regular employees into regular employees. The analysis results suggest that companies that have introduced the system to convert non-regular employees into regular employees tend to assign non-regular employees to a wide range of jobs.

non-regular employees into regular employees (Watanabe 2009) pointed out that some companies that have introduced such a system provide a career path that enables non-regular employees to experience jobs requiring progressively more advanced skills and helps them develop skills, for example by grading and classifying them according to the levels of their skills and jobs and by applying a qualification certification system similar to the one applied to regular employees.⁸

However, Watanabe (2009) also indicated that some companies introduce the category of non-regular employees for trial employment to identify workers suited to be rehired as regular employees. Such companies are presumed to attach particular importance to securing a sufficient pool of regular employees. All the same, during the trial employment period in many cases, they assign non-regular employees to jobs similar to the ones to which regular employees are assigned, presumably in order to identify workers suited to be rehired as regular employees⁹.

As shown above, companies that have introduced the system to convert non-regular employees into regular employees are willing to assign non-regular employees to a wide range of jobs and jobs requiring advanced skills, rather than having them continue to do the same job. As a result, it may be presumed that non-regular employees at such companies tend to have increased opportunity to experience a wide variety of jobs and develop skills.

To examine the actual circumstances, this paper will analyze, based on data collected through a questionnaire survey on individual employees, the relationship between the presence or absence of the system to convert non-regular employees into regular employees, the experience of a wide variety of jobs that may facilitate career development and non-regular employees' skills development.¹⁰ The data used derive from the Survey on Working and Learning (JILPT 2009), which was conducted in October through December 2008 by the

⁸ In addition, Genda (2011) pointed out that non-regular employees rehired by the same employer as regular employees (i) tend to have worked for a longer period of time in the previous non-regular post compared with non-regular employees who become regular employees through company-hopping; (ii) are likely to have experienced jobs that enable skills development while working as non-regular employees in light of the self-evaluation provided through a questionnaire survey and (iii) are likely to have been rehired as regular employees because the employers appreciated the skills developed through such experience. This analysis suggests that at companies that have introduced the system to convert non-regular employees into regular employees, non-regular employees have career development opportunity.

⁹ By identifying the relationship between the types of jobs assigned to contract workers and the system to convert non-regular employees into regular employees based on a case study, Takahashi (2010) showed that some employers use the contract worker system for the purpose of trial employment. In addition, Takahashi showed that in such cases, non-regular employees are assigned to jobs similar to those to which regular employees are assigned.

¹⁰ As the analysis examines the effects of non-regular-to-regular conversion, temporary agency workers (temporary agency workers as defined under the Worker Dispatching Act) rehired as regular employees after transfer from temporary staff agencies are excluded. As a result, the analysis focuses on directly employed non-regular employees. As for career development of temporary agency workers, refer to Shimizu (2009), Sano & Takahashi (2009) and Sano (2010).

Japan Institute for Labour Policy and Training. As this is a large-scale survey conducted on regular and non-regular employees, its results are believed to include valuable data, including information related to jobs, education and training and skills development.¹¹

Below, I will first identify the differences between the in-company career and skills development opportunities available for regular and non-regular employees. Second, I will analyze the differences in the career development and education and training opportunities among non-regular employees in relation to the presence or absence of the system to convert non-regular employees into regular employees. Third, I will point out the implications of the analysis results.

II. In-Company Career and Skills Development of Regular and Non-Regular Employees

As discussed in the previous section, Japanese companies assign jobs to regular and non-regular employees in different ways; whereas they train and use regular employees along the path of a long-term career, they generally confine non-regular employees to routine jobs. As a result, the variety of jobs experienced by non-regular employees and their skills development opportunity tend to be limited.

However, the difference between the career development opportunities for regular employees and non-regular employees has not necessarily been examined on the basis of empirical data. Therefore, this section will first identify the state of the in-company career and skills development opportunities for regular employees and non-regular employees.

1. Job-Related Changes and Education and Training

It is known that experiencing a broad range of jobs promotes skills development (Koike 2005). This applies equally to regular and non-regular employees. As benchmarks related to working experiences, I will look at three variables—"expansion of the range of jobs," "advancement of the job level" and "increase in job responsibility"—based on answers to the questionnaire survey.¹² Job-related changes such as an expansion of the range of jobs, advancement of the job level the increase in job responsibility are presumed to be important aspects of an in-company career.

As benchmarks related to education and training, I will look at the following variables: whether the employee frequently received guidance and advice from seniors and

¹¹ The survey was targeted at regular and non-regular employees aged 25 to 44, an age group for which skills development is particularly important. As employees aged 24 or younger are not among the target subjects, most students working as non-regulars are presumably not covered by the survey.

¹² As part of the question "Have you experienced the following items that enable you to develop skills and knowledge between April 2007 and March 2008 (the previous business year)?" the subjects were asked about "job-related changes experienced between April 2007 and March 2008 (the previous business year)."

coworkers, whether the employee frequently learned from the way seniors and coworkers do jobs, whether the employee received off-the-job training (Off-JT), and whether the employee made self-education effort.

Table 1 shows the proportions of people, among regular employees and non-regular employees, who experienced job-related changes and received education and training in fiscal 2007 as broken down by employment longevity.^{13,14} To examine the status of working experiences and education and training at the current employer, the table includes only data concerning respondents who started working at the current employer before 2007 (the same applies to Tables 2 to 7).

As for regular employees, the proportions of people who said the range of jobs expanded, those who said the job level advanced, those who said they frequently received guidance and advice from seniors and coworkers, those who received Off-JT and those who said they made self-education effort were largest among employees with employment longevity of up to around three years.

In other words, regular employees generally experience an expansion of the range of jobs and an advancement of the job level in the first three years of service. In the first three years, regular employees also receive education and training, including learning from the way seniors and coworkers do jobs, participating in training programs and making self-education effort.

In addition, among regular employees with employment longevity of four years or more, around 50% also said the range of jobs expanded and the job level advanced. Moreover, around 50% said job responsibility increased across all employment longevity groups. Around 40-50% also said they received Off-JT across all groups.

From this, it can be concluded that regular employees have continuous opportunities to experience job-related changes and receive Off-JT for an extended period of time.

Among non-regular employees, the proportion of people who experience job-related changes and receive education and training is low across all employment longevity groups compared with regular employees, meaning that non-regular employees generally have limited opportunity regarding the variety of jobs and education and training.

Even so, 43.3% of non-regular employees said the range of jobs expanded and 36.5% said the job level advanced. The proportion of people who said job responsibility increased was 29.5% among non-regular employees with employment longevity of up to around three years and 30.4% among those with longevity of 4 to 5 years. As in the case of regular

¹³ Employment longevity was calculated on the basis of the starting year at the current employer.

¹⁴ The survey results indicated (although not indicated in the table) that the employment longevity of non-regular employees tends to be shorter than that of regular employees. Workers with longevity of around nine years or longer accounted for around half (49.4%) of all regular employees, while workers with longevity of up to around three years accounted for more than half (57.8%) of all non-regular employees. Non-regular workers' relatively short employment longevity is presumed to be an impediment to in-company career and skills development (Sano 2007).

Table 1. Relationship between Employment Longevity and Experience of Jobs, Education and Training in Fiscal 2007 Broken Down by Employment Arrangement

	Range of jobs expanded	Job level advanced	Job responsibility increased	Frequently received guidance and advice from bosses and coworkers	Sometimes received guidance and advice from bosses and coworkers	Frequently learned from the way bosses and coworkers do jobs	Sometimes learned from the way bosses and coworkers do jobs	Received Off-JT	Made self-education effort	N
Regular employees										
Up to approx. 3 yrs (10 mths to 2 yrs & 9 mths)	63.7%	60.6%	50.5%	45.8%	38.8%	42.8%	41.5%	47.4%	38.8%	325
Up to approx. 5 yrs (2 yrs & 10 mths to 4 yrs & 9 mths)	58.0%	55.3%	51.0%	33.5%	42.8%	30.0%	44.4%	41.6%	35.8%	257
Up to approx. 8 yrs (4 yrs & 10 mths to 7 yrs & 9 mths)	52.2%	46.0%	48.7%	25.3%	45.7%	22.8%	47.6%	44.9%	29.8%	372
9 yrs or longer (7 yrs & 10 mths or longer)	52.0%	50.3%	53.6%	20.5%	48.8%	19.2%	47.6%	44.7%	27.2%	1076
All regular employees	54.6%	51.8%	51.9%	27.1%	45.9%	25.0%	46.2%	44.8%	30.6%	2030
Non-regular employees										
Up to approx. 3 yrs (10 mths to 2 yrs & 9 mths)	43.3%	36.5%	29.5%	34.0%	45.2%	33.7%	43.9%	22.1%	20.5%	312
Up to approx. 5 yrs (2 yrs & 10 mths to 4 yrs & 9 mths)	34.6%	32.7%	34.0%	19.9%	44.9%	20.5%	49.4%	20.5%	17.9%	156
Up to approx. 8 yrs (4 yrs & 10 mths to 7 yrs & 9 mths)	37.0%	27.7%	24.4%	17.6%	41.2%	18.5%	46.2%	16.8%	17.6%	119
9 yrs or longer (7 yrs & 10 mths or longer)	26.7%	22.9%	22.9%	15.2%	38.1%	10.5%	35.2%	15.2%	16.2%	105
All non-regular employees	37.7%	32.1%	28.6%	25.1%	43.4%	24.6%	44.2%	19.8%	18.8%	692

Notes: 1. The above data cover only people who worked for the same employer since before 2007 and worked during April, 2007 to March, 2008.

2. Non-regular employees include part-time, *arubaito*, contract, *shokutaku* and temporary workers but not temporary agency workers. Civil servants are excluded from the above data. The same applies to the following tables.

employees, non-regular employees with shorter employment longevity have a higher chance to experience job-related changes and receive education and training.

However, among non-regular employees with longer employment longevity, the proportion of people who said the job level advanced was low. Moreover, the proportion of people who said job responsibility increased was substantially low among non-regular employees with longevity of five years or more. Among non-regular employees with longevity of nine years or more, the proportion of people who said the range of jobs expanded was particularly low. This trend provides a sharp contrast to the absence of a significant difference in the proportion of regular employees who experienced such job-related changes across employment longevity groups.

As shown above, compared with regular employees, non-regular employees with comparable employment longevity tend to have limited opportunity to experience job-related changes such as an expansion of the range of jobs and an advancement of the job level and to receive education and training. In addition, the longer the employment longevity is, the more limited the opportunity to experience such job-related changes becomes.¹⁵

2. Difference in Skills Development Opportunities between Regular and Non-Regular Employees

Presumably, the difference in the job experience and education and training opportunity between regular and non-regular employees affects skills development. To be more specific, regular employees who have frequent opportunity to experience job-related changes over an extended period of time can develop their skills in the long term. On the other hand, non-regular employees, with their limited opportunity to experience job-related changes and limited period of time to do so, may be presumed to have less chance to develop skills across all employment longevity groups compared with regular employees. Does the presumption match the reality?

In relation to that question, Table 2 shows the tallies of answers to the question concerning changes in the “job performance ability” as broken down by employment longevity during the period between April 2007 and the survey period (October to December of 2008). To examine the state of skills development at the current employer at the time of the survey, the table covers only data concerning non-regular employees who started working for the current employer before 2007.

¹⁵ Regarding career, regular employees are also presumed to have increased opportunity for promotion to managerial posts compared with non-regular employees (Sano 2009). The survey results indicated (although not indicated in the table) that workers in managerial posts accounted for nearly half of regular employees with employment longevity of around nine years or longer, and 12.7% were division chiefs or people in similar positions. Meanwhile, none of non-regular employees selected “managerial post (division chiefs or higher posts or executive managers at companies and government organizations)” as their answer. Presumably, non-regular employees are more eligible to be promoted to lower management posts than regular employees.

Table 2. Relationship between Employment Longevity and Change in Job Performance Ability Compared with April 2007 Broken Down by Employment Arrangement

	Increase	Moderate increase	No change	Moderate decrease	Decrease	No reply	Total	N
Regular employees								
Up to approx. 3 yrs (10 mths to 2 yrs & 9 mths)	8.6%	47.4%	41.2%	1.5%	0.0%	1.2%	100.0%	325
Up to approx. 5 yrs (2 yrs & 10 mths to 4 yrs & 9 mths)	7.4%	46.5%	44.2%	0.8%	0.8%	0.4%	100.0%	258
Up to approx. 8 yrs (4 yrs & 10 mths to 7 yrs & 9 mths)	7.2%	29.9%	61.0%	0.5%	0.3%	1.1%	100.0%	374
9 yrs or longer (7 yrs & 10 mths or longer)	4.0%	30.2%	61.5%	1.9%	0.6%	1.8%	100.0%	1078
All regular employees	5.7%	35.0%	56.0%	1.4%	0.5%	1.4%	100.0%	2035
Non-regular employees								
Up to approx. 3 yrs (10 mths to 2 yrs & 9 mths)	3.8%	35.0%	57.7%	1.3%	0.6%	1.6%	100.0%	317
Up to approx. 5 yrs (2 yrs & 10 mths to 4 yrs & 9 mths)	5.1%	19.2%	71.8%	1.3%	0.0%	2.6%	100.0%	156
Up to approx. 8 yrs (4 yrs & 10 mths to 7 yrs & 9 mths)	5.0%	15.0%	75.8%	0.8%	0.0%	3.3%	100.0%	120
9 yrs or longer (7 yrs & 10 mths or longer)	0.0%	13.3%	82.9%	1.0%	1.0%	1.9%	100.0%	105
All non-regular employees	3.7%	24.8%	67.8%	1.1%	0.4%	2.1%	100.0%	698

Note: The above data cover only people who worked for the same employer since before 2007 and worked during April, 2007 to March, 2008.

The table shows that the proportion of people who experienced an improvement in the job performance ability was lower among non-regular employees than among regular employees across all longevity groups. It also shows that the longer the employment longevity was, the higher the proportion of people who did not experience an improvement was among both regular and non-regular employees. However, whereas less than 70% experienced no change in the job performance ability among regular employees with employment longevity of six years or more, the proportion rose progressively with the length of the longevity among non-regular employees, reaching as high as 82.9% among non-regular employees with longevity of nine years or more.

As indicated above, non-regular employees have limited opportunity to develop skills compared with regular employees across all employment longevity. Among non-regular employees, the longer the longevity is, the smaller that opportunity is.

3. In-Company Career and Skills Development for Non-Regular Employees

As described above, compared with regular employees, non-regular employees with comparable employment longevity have limited opportunity to experience job-related changes and to receive education and training. In addition, the longer their longevity is, the smaller their opportunity to do so is. Consequently, the proportion of people who experience improvement in skills is lower among non-regular employees than among regular employees across all employment longevity groups. Moreover, among non-regular employees, the longer the longevity is, the smaller the skills development opportunity is.

Generally speaking, compared with regular employees, non-regular employees have limited opportunity for career development in terms of assigning them to a progressively wider range of jobs, jobs requiring more advanced skills and jobs with higher responsibility, and also have limited skills development opportunity.

However, it is also true that there are differences in the in-company career path among non-regular employees, as was discussed in Section I. Presumably, even non-regular employees may have increased chance to consistently develop skills if they are given frequent opportunity to experience job-related changes.

For reality-checking in this respect, Table 3 compares the proportion of people who experienced job-related changes and who received education and training during fiscal 2007 among non-regular employees who experienced improvement in job performance ability compared with April 2007 with the proportion of such people among non-regular employees who did not experience improvement. Table 3 indicates that among non-regular employees who experienced improvement in job performance ability, a large proportion of people experienced job-related changes such as an expansion of the range of jobs, an advancement of the job level and an increase in job responsibility and received education and training, including frequent guidance and advice from seniors and coworkers, Off-JT programs and self-education effort.

Table 3. Relationship between Changes in Job Performance Ability Compared with April 2007 and the Experience of Jobs, Education and Training in Fiscal 2007

	Job performance ability improved	Job performance ability not improved	All non-regular employees
Range of jobs expanded	65.3%	26.5%	37.9%
Job level advanced	64.8%	18.6%	32.2%
Job responsibility increased	55.8%	17.5%	28.8%
Frequently received guidance and advice from bosses and coworkers	42.7%	17.5%	24.9%
Sometimes received guidance and advice from bosses and coworkers	40.7%	44.7%	43.5%
Frequently learned from the way bosses and coworkers do jobs	38.2%	46.1%	43.8%
Sometimes learned from the way bosses and coworkers do jobs	10.6%	25.7%	21.2%
Received Off-JT	28.6%	15.7%	19.5%
Made self-education effort	33.7%	13.2%	19.2%
N	199	479	678

Note: The above data cover only people who worked for the same employer since before 2007 and worked during April, 2007 to March, 2008.

From the results, it can be concluded that non-regular employees can develop skills if given the opportunity to experience job-related changes such as an expansion of the range of jobs, an advancement of the job level and an increase in job responsibility.

III. Working Experience and Skills Development of Regular and Non-Regular Employees

The differences in the working experience and skills development opportunity between regular and non-regular employees that were described in the previous section presumably stem from the different ways employers use these two categories of employees. Below, in pursuit of a subject of interest and concern mentioned in Section I, I will examine the relationship between the presence or absence of the system to convert non-regular employees into regular employees and the opportunity to experience job-related changes and develop skills.

As discussed in Section I, companies that have introduced the system to convert non-regular employees into regular employees presumably tend to be willing to assign jobs, including those requiring advanced skills, to non-regular employees in order to (i) use non-regular employees for a wide range of jobs and (ii) identify personnel suited to be rehired as regular employees. As a result, it may be presumed that non-regular employees at such companies tend to have increased opportunity to experience a wide range of jobs and jobs that require advanced skills, and jobs involving increased responsibility compared with non-regular employees at companies that have not introduced such a system.

However, some companies that have introduced such a system convert non-regular employees into regular employees on an irregular basis in order to fill regular job vacancies (Watanabe 2009). The Act on Improvement, etc. of Employment Management for Part-Time Workers requires employers to adopt a system to convert part-time workers into full-time workers, so it may be presumed that some companies have introduced the system to convert non-regular employees into regular employees in order to meet this requirement regardless of how they use non-regular employees in practice. If many companies that have introduced such a system have done so for that reason, it cannot be said that non-regular employees at such companies have increased opportunity to experience a wide range of jobs and an advanced level of jobs. To check the reality, it is necessary to make data-based verification. Below, I will analyze the relationship between the presence or absence of the system to convert non-regular employees into regular employees and the career and skills development opportunity based on data collected through a questionnaire survey.

It should be noted that the presence or absence of the system to convert non-regular employees into regular employees is as recognized by the respondents.¹⁶ Therefore, in cases where the presence of such a system is not fully communicated among non-regular employees or where there are no past records of the conversion of regular employees into non-regular employees despite the presence of such a system, it is highly likely that respondents said that their employers did not have such a system. Consequently, it is presumed that the following analysis results reflect to a significant extent the impact on non-regular employees' career and skills development of whether or not employers raised non-regular employees' awareness about the presence of the system to convert non-regular employees into regular employees and whether or not they were actually operating the system.¹⁷

¹⁶ The question was "Do any of the following descriptions fit your current workplace?" When the answer "There is a system that converts part-time and contract workers into regular employees" was selected, it was deemed that the employer has introduced the system to convert non-regular employees into regular employees.

¹⁷ In this respect, the survey results showed (although not indicated in the table) that 18.4% of non-regular employees working for employers that have introduced the system to convert non-regular employees into regular employees selected the answer "certain to be rehired" when asked "What is the chance of your being rehired as a regular employee by the current employer if you wish to be." Just 15% selected the answer "almost certain to be rehired," while 31.3% chose the answer "even chance

1. System to Convert Non-Regular Employees into Regular Employees and In-Company Career

Table 4 shows the relationship between employment longevity and job-related changes experienced in fiscal 2007 as broken down by the presence or absence of the system to convert non-regular employees into regular employees.¹⁸ We can see that at companies that have introduced the system to convert non-regular employees into regular employees, the proportion of non-regular employees who experienced job-related changes such as an expansion of the range of jobs, an advancement of the job level and an increase in job responsibility was large.

Even at companies that have introduced such a system, the proportion of workers who experienced an expansion of the range of jobs and the advance of the job level are smaller among non-regular employees with longer employment longevity. Still, among non-regular employees with longevity of four years or more, the proportions of workers who experienced an expansion of the range of jobs and those who experienced an advancement of the job level were relatively high, at 46.2% and 43.6%, respectively. Regardless of employment longevity, the proportion of non-regular employees who experienced an increase in job responsibility was higher than 40% (43.9% among those with longevity of up to three years and 42.3% among those with longevity of four years or more).

Table 4 also shows that the proportions of workers who received guidance and advice from seniors and coworkers and those who learned from the way seniors and coworkers do jobs and participated in Off-JT programs are larger among non-regular employees at companies which have introduced the system to convert non-regular employees into regular employees than among non-regular employees at companies which have not.

From the above, it can be concluded that companies that have introduced the system to convert non-regular employees into regular employees tend to assign non-regular employees to a progressively advanced level of and a wide range of jobs regardless of the length of employment and accordingly provide increased education and training opportunity.

The difference in career development opportunity stemming from the presence or absence of the system to convert non-regular employees into regular employees presumably affects the skills development opportunity for non-regular employees. Table 5 shows the relationship between employment longevity and changes in job performance ability compared

of being rehired.” Thus, a total of 64.7% said they had an even or better chance of being rehired as a regular employee. Meanwhile, of non-regular employees working for employers that have not introduced the system to convert non-regular employees into regular employees, 5.1% were “certain to be rehired,” 8.4% were “almost certain to be rehired” and 11.5% saw “an even chance.”

¹⁸ As in Tables 1 to 3, Table 4 covers only non-regular employees who worked for the current employers since before 2007 until the survey period, so non-regular employees hired for trial employment for a period of 10 months or less as a step toward non-regular-to-regular conversion are not included. The same applies to Tables 5 to 7.

Table 4. Relationship between Employment Longevity and the Experience of Jobs, Education and Training in Fiscal 2007 by the Presence or Absence of the System to Convert Non-Regular Employees into Regular Employees

	Range of jobs expanded	Job level advanced	Job responsibility increased	Frequently received guidance and advice from bosses and coworkers	Sometimes received guidance and advice from bosses and coworkers	Frequently learned from the way bosses and coworkers do jobs	Sometimes learned from the way bosses and coworkers do jobs	Received Off-JT	Made self-education effort	N
Presence of the system										
Up to approx. 3 yrs (10 mths to 2 yrs & 9 mths)	57.6%	53.0%	43.9%	42.4%	42.4%	45.5%	34.8%	30.3%	19.7%	66
4 yrs or longer (2 yrs & 10 mths or longer)	46.2%	43.6%	42.3%	16.7%	55.1%	20.5%	43.6%	23.1%	17.9%	78
All employees at employers with the system to convert non-regular employees into regular employees	51.4%	47.9%	43.1%	28.5%	49.3%	31.9%	39.6%	26.4%	18.8%	144
Absence of the system										
Up to approx. 3 yrs (10 mths to 2 yrs & 9 mths)	39.5%	32.5%	25.9%	32.1%	45.7%	30.9%	46.1%	20.2%	21.0%	243
4 yrs or longer (2 yrs & 10 mths or longer)	29.8%	24.4%	24.1%	18.4%	38.1%	16.1%	44.8%	16.7%	17.4%	299
All employees at employers without the system to convert non-regular employees into regular employees	34.1%	28.0%	24.9%	24.5%	41.5%	22.7%	45.4%	18.3%	19.0%	542

Note: The above data cover only people who worked for the same employer since before 2007 and worked during April, 2007 to March, 2008.

Table 5. Relationship between Employment Longevity and Change in the Job Performance Ability Compared with April 2007 by the Presence or Absence of the System to Convert Non-Regular Employees into Regular Employees

	Increase	Moderate increase	No change	Moderate decrease	Decrease	No reply	Total	N
Presence of the system								
Up to approx. 3 yrs (10 mths to 2 yrs & 9 mths)	10.3%	47.1%	36.8%	1.5%	1.5%	2.9%	100.0%	68
Up to approx. 5 yrs (2 yrs & 10 mths to 4 yrs & 9 mths)	5.1%	17.7%	74.7%	0.0%	0.0%	2.5%	100.0%	79
All employees at employers with the system to convert non-regular employees into regular employees	7.5%	31.3%	57.1%	0.7%	0.7%	2.7%	100.0%	147
Absence of the system								
Up to approx. 3 yrs (10 mths to 2 yrs & 9 mths)	1.6%	32.1%	63.8%	1.2%	0.4%	0.8%	100.0%	246
Up to approx. 5 yrs (2 yrs & 10 mths to 4 yrs & 9 mths)	3.3%	15.7%	76.9%	1.3%	0.3%	2.3%	100.0%	299
All employees at employers without the system to convert non-regular employees into regular employees	2.6%	23.1%	71.0%	1.3%	0.4%	1.7%	100.0%	545

Note: The above data cover only people who worked for the same employer since before 2007 and worked during April, 2007 to March, 2008.

with 2007 as broken down by the presence or absence of such a system.

Table 5 shows that the proportion of workers who experienced an “increase” or a “moderate increase” in job performance ability was larger among non-regular employees at companies that have introduced such a system than among non-regular employees at companies that have not regardless of employment longevity. As shown in Table 4, companies with such a system provide particularly increased opportunity for non-regular employees to experience job-related changes and to receive education and training. Presumably for that reason, the proportion of non-regular employees who experienced improvement in skills is larger at such companies.

2. Effects of the System to Convert Non-Regular Employees into Regular Employees on Non-Regular Employees’ Working Experience

From the above analysis, it can be concluded that companies that have introduced the system to convert non-regular employees into regular employees tend to assign non-regular employees to a progressively advanced level of and a wide range of jobs regardless of employment longevity and provide commensurate opportunity for education and training.

However, it is possible that non-regular employees’ experience of job-related changes is affected not only by the presence or absence of the system to convert non-regular employees into regular employees but also by the difference in the length of working hours and individuals’ attributes, including their job type, last school attended, age and gender, and the workforce size of the employing company and the presence or absence of organized labor.

Regarding individuals’ attributes, non-regular employees who are working full-time, those who are engaging in professional jobs, young non-regular employees, and male non-regular employees are strongly interested in the possibility of conversion into regular employees, so when their employers have the system to convert non-regular employees into regular employees, they are likely to recognize its presence.¹⁹ In addition, full-time workers, young workers and males may generally be able to adapt themselves to the working hours and shifts required of regular employees because they face few time constraints due to household duties. For that reason, such non-regular employees may be assigned to do a particularly wide range of or an advanced level of jobs.²⁰

Moreover, regarding the basic attributes of companies and business establishments, companies with a large workforce and those with a unionized workforce of non-regular em-

¹⁹ Based on the results of the Survey on the Actual State of Diversification of Employment Arrangements, Takahashi (2010) pointed out that contract workers are more eager than part-time workers to convert to regular employee status. Generally speaking, the proportions of full-time workers, workers engaging in professional jobs, young workers and male workers are presumed to be larger among contract workers than among part-time workers.

²⁰ For example, Sano (2000) cited an example case in which a retailer introduced the employment category of full-time contract worker in order to assign non-regular employees to jobs requiring more advanced skills than those to which part-time workers are assigned.

ployees, may be able to provide non-regular employees with long-term career development opportunity as they adopt the system to convert non-regular employees into regular employees.²¹

In light of the above, the relationship between the presence or absence of the system to convert non-regular employees into regular employees and non-regular employees' experience of job-related changes could be merely reflecting the effects of the respondents' individual attributes and their employers' basic attributes.

Therefore, below, I will examine how the presence of the system to convert non-regular employees into regular employees affects non-regular employees' experience of job-related changes based on logistic regression analysis while controlling for the respondents' basic attributes.

As variables concerning non-regular employees' experience of job-related changes, I will look at "range of jobs," "job level" and "gravity of job responsibility" in the previous one year. As was already mentioned, an expansion of the range of jobs, an advancement of the job level and an increase in job responsibility provide career development opportunity that expands non-regular employees' working experiences and promote their skills development.²²

Table 6 shows the results of logistic regression analysis using the following explained variables and explanatory variables—explained variables: expansion of the range of jobs, advancement of the job level and increase in job responsibility in the previous one year; explanatory variables: the presence or absence of the system to convert non-regular employees into regular employees, employment longevity, working hours, job type, last school attended,²³ age, gender, employer's workforce size and the presence or absence of organized labor. As for basic statistics, see the Attached Table on the page 123.

The analysis results in Table 6 show that the presence of the system to convert non-regular employees into regular employees has statistically significant positive effects on all of expansion of the range of jobs, advancement of the job level and increase in job responsibility (at significance levels of 5%, 5% and 1%, respectively). Consequently, it can

²¹ For example, based on a case study concerning unions belonging to the JSD, Honda (2007) cited an example case in which a union organizing non-regular employees proposed to the employer the introduction of the system to convert non-regular employees into regular employees against the backdrop of the use of part-time workers as a core workforce.

²² Specifically, regarding the three variables concerning the career development of non-regular employees, value "1" and value "0" were given as follows: (i) value "1" for the answer "the range of jobs expanded" and value "0" for the answer "no change" and "the range of jobs narrowed"; (ii) value "1" for "the job level advanced" and value "0" for "no change" and "the job level declined"; and (iii) value "1" for "job responsibility increased" and value "0" for "no change" and "job responsibility decreased." In each case, value "0" was given to the latter two answers because it is presumed that there is no difference in the impact on the range of jobs assigned to non-regular employees whether the answer may be one or the other of the two.

²³ "Last school attended" includes a school from which the subject dropped out. The same applies to Table 7.

Table 6. Determinant Factors of Job-Related Changes (Binominal Logistic Regression Analysis)

	Range of jobs expanded		Job level advanced		Job responsibility increased	
	B	Wald	B	Wald	B	Wald
Adopting the system to convert non-regular employees into regular employees	0.488	4.006 **	0.570	5.404 **	0.671	7.392 ***
Employment longevity	-0.079	7.835 ***	-0.066	5.107 **	-0.050	2.912 *
Working less than 35 hours per week	-0.644	9.984 ***	-0.492	5.432 **	-0.426	3.954 **
Professional/technical jobs (standard: clerical jobs)	-0.504	2.356	-0.657	3.404 *	-0.615	2.872 *
Sales	-0.780	7.491 ***	-0.309	1.160	-0.330	1.262
Services	-0.287	1.094	-0.182	0.412	-0.107	0.140
Manufacturing	-0.522	2.631	-0.475	1.962	-0.378	1.223
Transport/security/agriculture/others	-0.947	4.757 **	-0.268	0.395	-0.379	0.751
Graduate of special school/junior or technical college (standard: snr or jnr high)	0.111	0.282	0.143	0.441	-0.004	0.000
Graduate of university or graduate school	-0.337	1.253	-0.117	0.143	-0.222	0.496
Aged 30-34 (standard: aged 25 to 29)	0.434	2.442	0.433	2.265	0.083	0.082
Aged 35-39	0.017	0.003	0.215	0.503	0.012	0.002
Aged 40-44	-0.340	1.336	-0.111	0.132	-0.321	1.081
Women	-0.111	0.158	-0.047	0.027	0.047	0.025
Workforce of 30-99 (standard: 29 or less)	0.142	0.321	-0.138	0.267	0.191	0.528
100-299	0.300	0.986	0.185	0.348	0.171	0.285
300-999	0.325	0.754	0.449	1.458	0.198	0.271
1,000 or more	0.264	0.657	0.368	1.276	-0.036	0.011
Unionized worker	-0.031	0.009	0.099	0.090	0.249	0.572
Constant	0.470	1.421	-0.325	0.639	-0.410	0.992
N		559		559		559
Chi-square		51.395 ***		38.753 ***		27.557 *
Nagelkerke R 2		0.119		0.094		0.069

Notes: 1. The above data cover only people who worked for the same employer since before 2007 and worked during April, 2007 to March, 2008.

2. The above data covers only samples who gave valid replies regarding all explained variables concerning the experience of job-related changes.

3. The figures followed by the marks ***, ** and * are statistically significant at the levels of 1%, 5% and 10%, respectively.

be concluded that even when controlled for the effects of variables such as individuals attributes that may affect career development, the presence of the system to convert non-regular employees into regular employees tends to expand career development opportunity, including an expansion of the range of jobs, advancement of the job level and increase in job responsibility.

However, the analysis results also show that employment longevity has statistically significant negative effects on such job-related changes. Regarding expansion of the range of jobs and advancement of the job level in particular, longevity's negative effects are notable at significance levels of 1% and 5%, respectively. Even when controlled for the effects of the presence or absence of the system to convert non-regular employees into regular employees, it can be said that the longer non-regular employees work for the same employer, the more limited the opportunity to experience an expansion of the range of jobs, an advancement of the job level and an increase in job responsibility become.

From the above, it can be concluded that even when employers have introduced the system to convert non-regular employees into regular employees, non-regular employees tend to have limited opportunity for career development such as expansion of the range of jobs and advancement of the job level if they remain in the non-regular status for a long time. This suggests the importance of ensuring that non-regular employees are actually converted into regular employees if the range of their jobs is to be expanded and their job level is to be advanced to provide increased career development opportunity..

The analysis also found that working less than 35 hours per week has statistically significant negative effects on all of expansion of the range of jobs, advancement of the job level and increase in job responsibility (at significance levels of 1%, 1% and 5%, respectively). It can be said that non-regular employees with shorter working hours tend to have limited opportunity to experience job-related changes such as expansion of the range of jobs, advancement of the job level and increase in job responsibility. Conversely, non-regular employees with longer working hours have increased opportunity to experience such job-related changes.

Compared with non-regular employees engaging in clerical jobs, those engaging in professional and engineering jobs tend not to experience advancement of the job level or increase in job responsibility, albeit at a significance level of 10%. Regarding professional and engineering jobs, employers tend to assign jobs requiring advanced skills and involving grave responsibility to regular employees, and that may be limiting the opportunity for non-regular employees to engage in an advanced level of jobs and jobs involving grave responsibility. Non-regular employees engaging in jobs related to sales, transport, security and agriculture and other jobs (at significance levels of 1% and 5%, respectively), when compared with non-regular employees engaging in clerical jobs, tend not to experience an expansion of the range of jobs. Non-regular employees engaging in jobs related to sales, transport, security and agriculture and other jobs have limited opportunity to experience a progressively wider range of jobs and a more advanced level of jobs compared with

non-regular employees engaging in clerical jobs.

3. Effects of Non-Regular Employees' Working Experience on Skills Development

From the above, it can be concluded that even when controlled for the effects of such variables as individuals' attributes, non-regular employees tend to have increased opportunity to experience job-related changes such as expansion of the range of jobs, advancement of the job level and increase job responsibility if their employers have introduced the system to convert non-regular employees into regular employees.

In light of the analysis results in Table 3, it is presumed that experiencing job-related changes promotes skills development. In addition, the presence of the system to convert non-regular employees into regular employees may promote skills development by enhancing education and training as a step toward the non-regular-to-regular conversion.

Therefore, finally, I will examine the relationship between the experience of job-related changes, the system to convert non-regular employees into regular employees and non-regular employees' skills development. It is possible that skills development opportunity may also be affected by individuals' attributes such as working hours, job type, last school attended, age and gender, and the workforce size and the presence or absence of organized labor at employers²⁴. Therefore, I will examine the effects of job-related changes and the system to convert non-regular employees into regular employees on non-regular employees' skills development based on logistic regression analysis using those variables while controlling for the effects of basic attributes that may affect skills development.

In the analysis, as a benchmark of skills development, which is an explained variable, I will use answers to the question about changes in job performance ability since April of the previous year as self-evaluated by non-regular employees. Value "5" is given to the answer "rise" in job performance ability, "4" to "moderate rise," "3" to "no change," "2" to "moderate decline" and "1" to "decline."

Since this is a subjective benchmark based on self-evaluation, it is possible that the presence or absence of, and the degree of improvement in job performance ability, was not necessarily accurately identified. However, as shown in Table 3, a large proportion of non-regular employees who recognized a rise in job performance ability frequently received guidance and advice from seniors and coworkers and received education and training, including Off-JT and self-education. Therefore, we may presume that this is a benchmark that reflects the level of education and training received to a certain extent. In light of that, I believe that it is appropriate to use the self-evaluation of changes in job performance ability as a benchmark of skills improvement.

²⁴ For example, Hara (2007) pointed out, based on the estimation from the analysis of samples, including both regular and non-regular employees, that employees with short employment longevity, male workers and workers with higher education are highly likely to receive Off-JT. In addition, factors such as job type and company size are presumed to affect the opportunity to receive Off-JT.

Table 7. Determinant Factors of the Experience of Improvement in Job Performance Ability (Ordinal Logistic Regression Analysis)

	B	Wald	
Range of jobs expanded	0.554	3.228	*
Job level advanced	1.244	16.094	***
Job responsibility increased	0.788	7.818	***
Adopting the system to convert non-regular employees into regular employees	0.462	2.977	*
Employment longevity	-0.119	12.023	***
Working less than 35 hours per week	-0.017	0.005	***
Professional/technical jobs (standard: clerical jobs)	0.074	0.040	
Sales	-0.072	0.049	
Services	-0.095	0.093	
Manufacturing	-0.270	0.515	
Transport/security/agriculture/others	0.229	0.241	
Graduate of special school/junior or technical college (standard: senior or junior high)	0.155	0.412	
Graduate of university or graduate school	0.749	5.544	**
Aged 30-34 (standard: aged 25 to 29)	-0.726	5.194	**
Aged 35-39	-0.599	3.261	*
Aged 40-44	-0.163	0.252	
Women	0.523	2.623	
Workforce of 30-99 (standard: 29 or less)	0.359	1.579	
100-299	0.631	3.505	*
300-999	0.416	1.046	
1,000 or more	0.088	0.055	
Unionized worker	0.008	0.001	
N		549	
Chi-square		160.688	***
Nagelkerke R 2		0.319	

Notes: 1. The above data cover only non-regular workers who worked for the same employer since before 2007 and worked during April, 2007 to March, 2008.

2. The figures followed by the marks ***, ** and * are statistically significant at the levels of 1%, 5% and 10%, respectively.

Table 7 shows the analysis results, which indicate that experiencing an expansion of the range of jobs has significant positive effects on the improvement of job performance ability albeit at a significance level of 10%. In addition, experiencing an advancement of the job level and an increase in job responsibility has statistically significant positive effects on the improvement of job performance ability at a significance level of 1%.

From these results, it can be concluded that experiencing job-related changes such as expansion of the range of jobs, advancement of the job level and increase in job responsibil-

ity tends to promote non-regular employees' skills development. In particular, experiencing an advancement of the job level and an increase in job responsibility is presumed to contribute to non-regular employees' skills development.

Moreover, the analysis results indicate that the presence of the system to convert non-regular employees into regular employees has significant positive effects on the improvement of job performance ability albeit at a significance level of 10%. The presence of the system to convert non-regular employees into regular employees may promote non-regular employees' skills development by enhancing education and training as a step toward the non-regular-to-regular conversion.

On the other hand, prolonged employment longevity has statistically significant negative effects on job performance ability at a significance level of 1%. It can be concluded that the longer non-regular employees remain in the non-regular status, the more limited their skills development opportunity is even when controlled for the effects of job-related changes and the presence or absence of the system to convert non-regular employees into regular employees.

Regarding basic attributes used as control variables, working less than 35 hours per week has statistically significant negative effects on the improvement of job performance ability (at a significance level of 1%). On the other hand, regarding the last school attended, attendance at a university or a graduate school, compared with attendance at a junior or senior high school, has statistically significant positive effects on the improvement of job performance ability (at a significance level of 5%). Being in the age groups 30 to 34 years old or 35 to 39 years old, compared with being in the age group 25 to 29 years old, has statistically significant negative effects on the improvement of job performance ability (at a significance level of 5% for the age group 30 to 34 years old and 10% for the age group 35 to 39 years old). Moreover, working for an employer with 100 to 299 employees, compared with working for an employer with 29 employees or less, has statistically significant positive effects on the improvement of job performance ability (at a significance level of 10%). To sum up, non-regular employees' skills are likely to improve in particular if their working hours are relatively long, their last school attended is a university or a graduate school, they are aged 25 to 29 or they work for a company with 100 to 299 employees.

From the above, it can be concluded that experiencing job-related changes such as expansion of the range of jobs, advancement of the job level and increase in job responsibility contributes to non-regular employees' skills development. Moreover, the presence of the system to convert non-regular employees into regular employees may promote non-regular employees' skills development by enhancing education and training as a step toward the non-regular-to-regular conversion.

As described above, the analysis in this section showed that the opportunity for non-regular employees to experience a progressively wider range of jobs, a more advanced level of jobs and jobs with increased responsibility contributes to non-regular employees' skills development. Besides, as shown in the analysis in the previous section, companies

that have introduced the system to convert non-regular employees into regular employees tend to provide non-regular employees with opportunity to experience such job-related changes and accordingly give them increased opportunity for skills development.

IV. Summary

As stated at the beginning, it is an important social challenge in Japan to increase skills development opportunity for non-regular employees. In this paper, I examined the status of non-regular employees' in-company career and skills development compared with the situation of regular employees in light of the results of the questionnaire survey on individual employees. Moreover, I examined how effective the introduction of the system to convert non-regular employees into regular employees, being adopted by an increasing number of Japanese companies, is in increasing non-regular employees' career and skills development opportunity. The main findings of the analysis in this paper are as below.

- i. Compared with regular employees, non-regular employees with comparable employment longevity have limited opportunity to experience job-related changes such as expansion of the range of jobs, advancement of the job level and increase in job responsibility and to receive education and training. Moreover, non-regular employees with longer employment longevity tend to have less opportunity to experience such job-related changes. Accordingly, non-regular employees have limited skills development opportunity compared with regular employees, and the longer non-regular employees' employment longevity is, the less opportunity they have to develop skills.
- ii. However, there are differences in the experience of job-related changes among non-regular employees. The more opportunity non-regular employees have to experience job-related changes such as expansion of the range of jobs, advancement of the job level and increase in job responsibility, the higher chance they have to develop skills.
- iii. Non-regular employees at companies that have adopted the system to convert non-regular employees into regular employees tend to have increased opportunity to experience job-related changes such as expansion of the range of jobs, advancement of the job level and increase in job responsibility. This tendency was found to be statistically significant when the analysis was controlled for such variables as individuals' attributes through logistic regression analysis. Non-regular employees who experienced such job-related changes tended to experience improvement in their skills, and this tendency was also found to be statistically significant when the analysis was controlled for such variables as individuals' attributes through logistic regression analysis.

From the above analysis, it can be concluded that in order to increase non-regular

employees' skills development opportunity in Japan, it is important to enable them to experience a progressively wider range of jobs, a more advanced level of jobs and jobs with higher responsibility. The analysis also found that non-regular employees at companies that have introduced the system to convert non-regular employees into regular employees have increased opportunity to experience job-related changes.

In reality, many companies introduce the system to convert non-regular employees into regular employees after they have for some time used non-regular employees for a wide range of jobs and provided them with a career path that enables them to experience job-related changes over an extended period of time. All the same, presumably, the introduction of the system to convert non-regular employees into regular employees tends to promote career and skills development for non-regular employees by clarifying their career path and the employer's policy of educating non-regular employees with a view to rehiring them as regular employees, by encouraging non-regular employees to develop skills with a view to conversion to regular employee status and by reducing the turnover of non-regular employees.

In light of the above, it is presumed that if employers introduce the system to convert non-regular employees into regular employees and increase non-regular employees' opportunity to become regular employees, it will also expand their opportunity for career development, including the experience of job-related changes such as expansion of the range of jobs, advancement of the job level and increase in job responsibility. The experience of such job-related changes is presumed to increase non-regular employees' skills development opportunity. Therefore, it may be said that an increase in companies adopting the system to convert non-regular employees into regular employees contributes to an expansion of non-regular employees' skills development opportunity.²⁵

However, the analysis in this paper also confirmed that even at companies that have introduced the system to convert non-regular employees into regular employees, non-regular employees with longer employment longevity tend to have limited opportunity to experience job-related changes and develop skills.

Factors behind this tendency include the limit at Japanese companies, including those which assign non-regular employees to a relatively wide range of jobs, impose on the scope of jobs to which non-regular employees are assigned. Because of this limit, non-regular employees tend to have limited opportunity to develop skills by experiencing a wider variety of jobs after working for the same employer for an extended period of time even if the employer has introduced the system to convert non-regular employees into regular employees.

As was confirmed by my analysis, regular employees, unlike non-regular employees,

²⁵ In Japan, stabilizing employment often draws attention as a social effect of the conversion of non-regular employees into regular employees. The analysis results of this paper suggest that the system to convert non-regular employees into regular employees has the effect of increasing non-regular employees' opportunity to experience jobs that lead to skills development.

tend to continue to be given career development opportunity to experience job-related changes. Therefore, regular employees should naturally have more skills development opportunity in the long term compared with non-regular employees. If non-regular employees with long employment longevity are to further develop their skills through the experience of job-related changes, they need to be converted into regular employees.

In light of the above, in order to increase non-regular employees' skills development opportunity in Japan, it is important to promote the introduction of the system to convert non-regular employees into regular employees. If many companies employing non-regular employees introduce the system to convert non-regular employees into regular employees and increase their opportunity to become regular employees, non-regular employees may be given increased opportunity not only to (i) develop their career and skills in the long term through conversion to regular employee status but also to (ii) develop their skills by experiencing a progressively wider range of jobs, a more advanced level of jobs and jobs with greater responsibility while continuing to work as non-regular employees.

Attached Table: Basic Statistics of Variables Used in Tables 6 and 7

	N	Minimum value	Maximum value	Average	Standard deviation
Range of jobs expanded	572	0	1	0.381	0.486
Job level advanced	572	0	1	0.313	0.464
Job responsibility increased	572	0	1	0.287	0.453
Job performance ability improved	560	1	5	3.311	0.589
Employers with the system to convert non-regular employees into regular employees	566	0	1	0.205	0.404
Employment longevity (2008–starting year) (number of years)	572	1	26	4.260	3.659
Working less than 35 hours per week	572	0	1	0.566	0.496
Professional/technical jobs	571	0	1	0.130	0.336
clerical jobs	571	0	1	0.229	0.421
Sales	571	0	1	0.212	0.409
Services	571	0	1	0.221	0.415
Manufacturing	571	0	1	0.137	0.344
Transport/security/agriculture/others	571	0	1	0.072	0.258
Graduated from or dropped out of junior or senior high school	568	0	1	0.495	0.500
Graduate of special school/junior or technical college	568	0	1	0.370	0.483
Graduate of university or graduate school	568	0	1	0.136	0.343
Aged 25-29	572	0	1	0.187	0.390
Aged 30-34	572	0	1	0.266	0.442
Aged 35-39	572	0	1	0.247	0.431
Aged 40-44	572	0	1	0.301	0.459
Women	572	0	1	0.825	0.380
Workforce of 29 or less	572	0	1	0.497	0.500
30-99	572	0	1	0.198	0.399
100-299	572	0	1	0.117	0.322
300-999	572	0	1	0.077	0.267
1,000 or more	572	0	1	0.112	0.316
Unionized worker	565	0	1	0.090	0.287

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