ILERA 2026 | Special Session: Beyond Employment Polarization?
**Presentation 2**

# Intermediate Employment Categories and Human Resource Management in Japan

*HRM Practices*
*across Employment Categories and Conversion Pathways*

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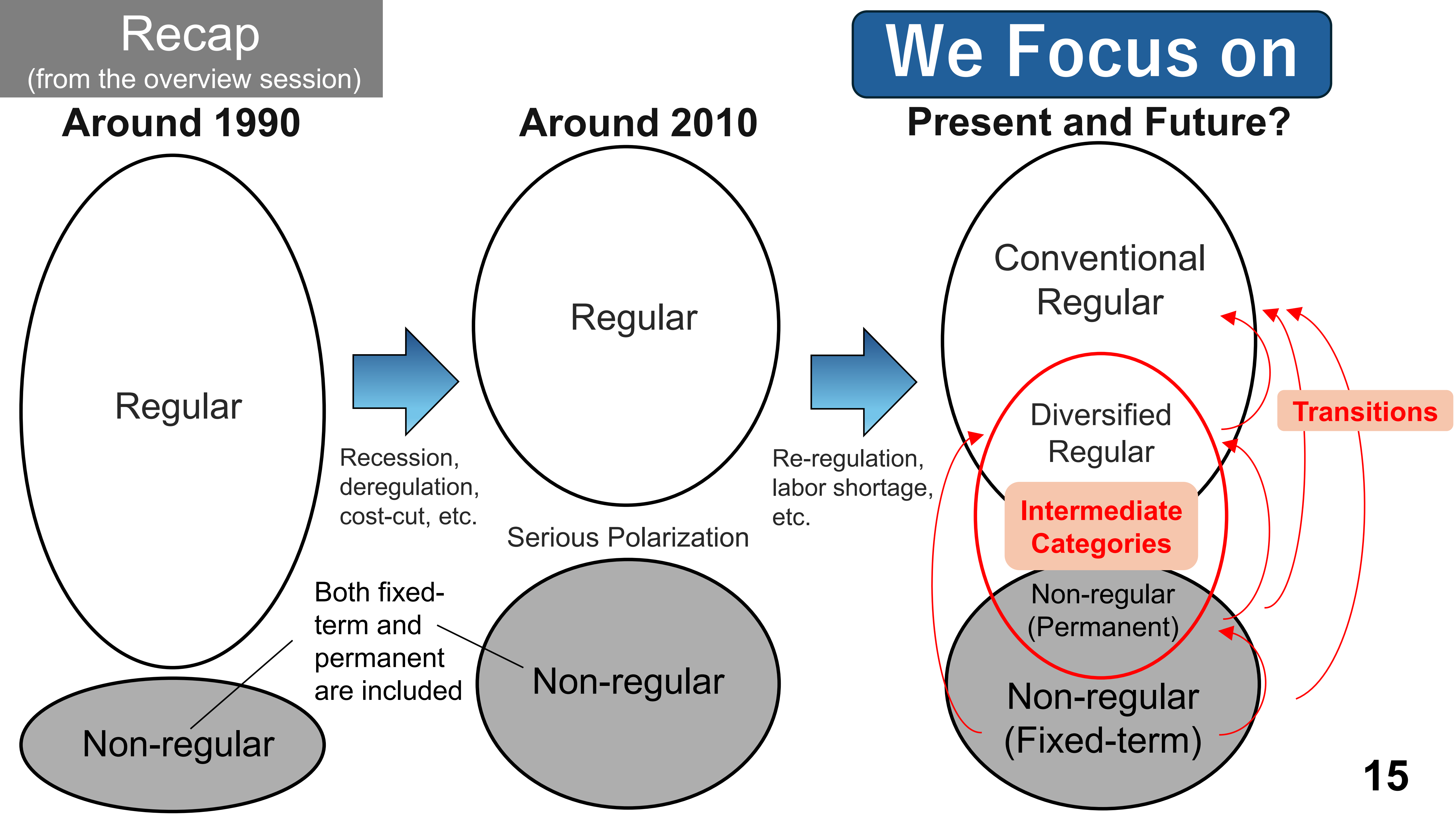
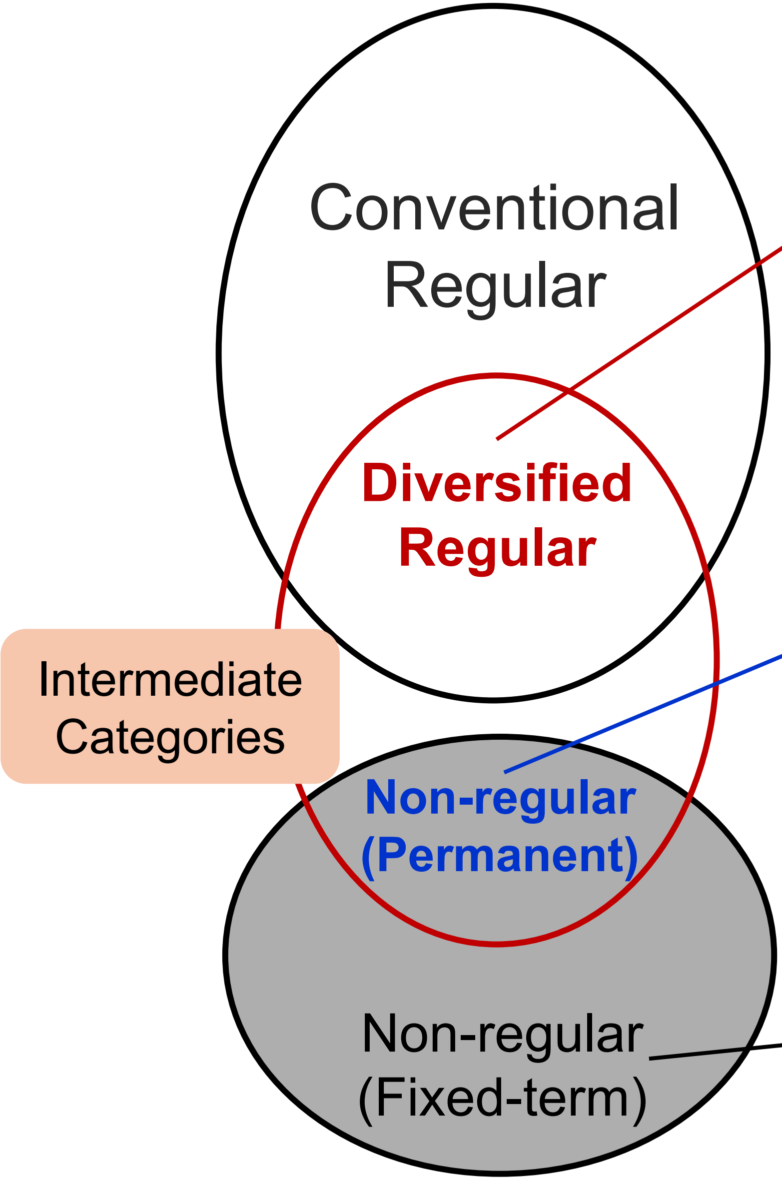

Recap
(from the overview session)
We Focus on
Around 1990
Around 2010
Present and Future?
Regular
Non-regular
Recession, deregulation, cost-cut, etc.
Both fixed-term and permanent are included
Regular
Serious Polarization
Non-regular
Re-regulation, labor shortage, etc.
Conventional Regular
Diversified Regular
Intermediate Categories
Non-regular (Permanent)
Non-regular (Fixed-term)
Transitions

# Two Intermediate Categories




(Figure from the overview session)

## Intermediate Categories:

**1. Limited Regular** employees (Diversified / Restricted)
- (a) Job-limited regular employees
- (b) Location-limited regular employees
- (c) Working-hours-limited regular employees

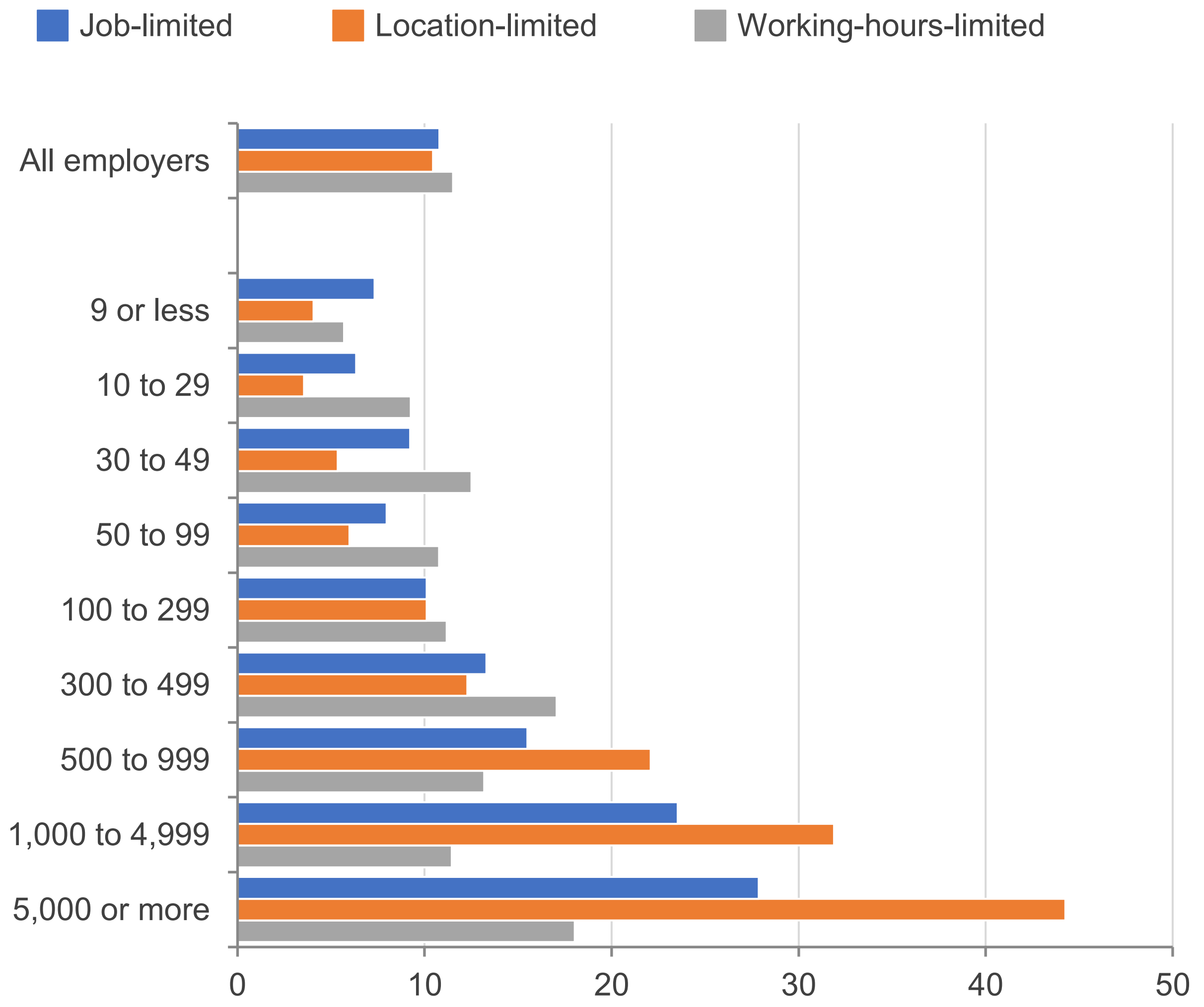
**2. Permanent Non-regular** employees
- (a) Full-time employees with permanent contracts
- (b) Part-time employees with permanent contracts

**Fixed-term Non-regular** employees
- (a) Full-time employees with fixed-term contracts
- (b) Part-time employees with fixed-term contracts

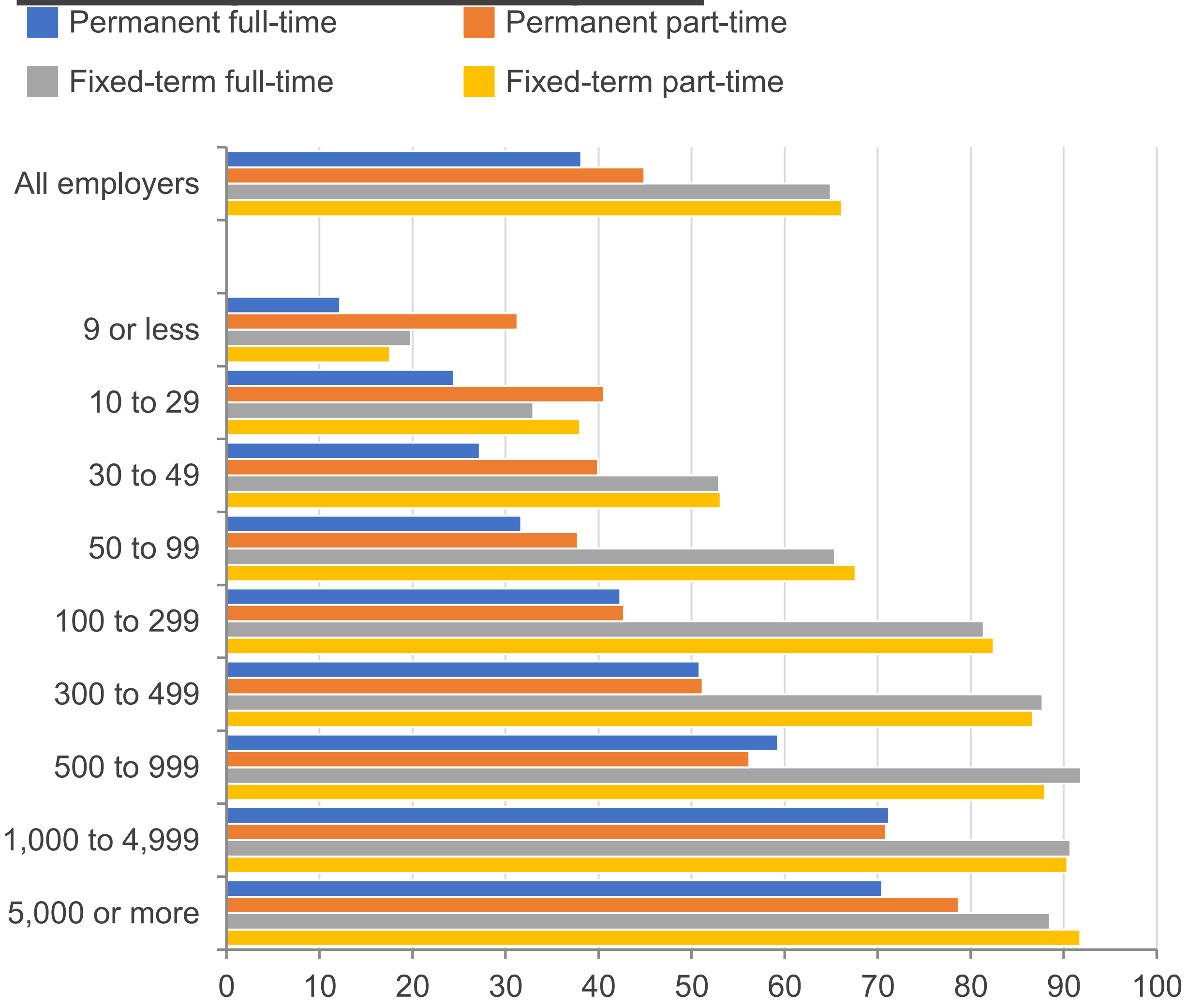
# Percentage of Employers with Each Category of Employee, by Firm Size

(JILPT 2024 Survey, %)

## Limited regular employees



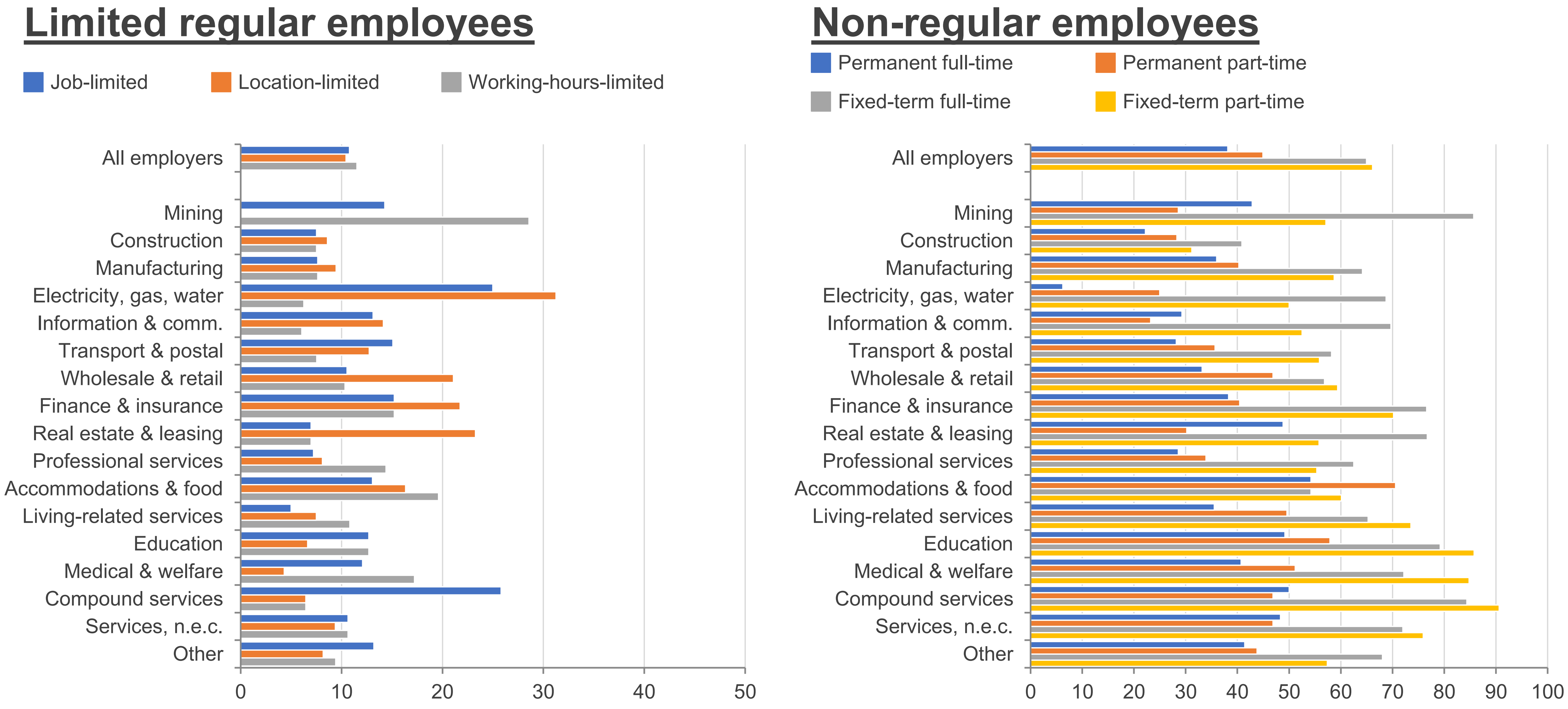

## Non-regular employees




Note: Percentage of firms that employ each category. n = 3,894 (limited regular employees); n = 3,921 (non-regular employees). Firm size is measured by the total number of employees (joyo rodosha), which includes non-regular employees.

# Percentage of Employers with Each Category of Employee, by Industry

(JILPT 2024 Survey, %)




Note: Percentage of firms that employ each category. n = 3,894 (limited regular employees); n = 3,921 (non-regular employees). Industries with fewer than 50 responding firms (mining, electricity/gas/water, finance & insurance, real estate & leasing, compound services) should be read with caution.

# Research Aim

**Clarify the realities of HRM practices** associated with these two intermediate employment categories

- How do these HRM practices differ from those of “Conventional Regular” employees?
- Do the conversion pathways to & from these categories to regular employment explain the variation in HRM practices?

# Agenda

## 1. Overview across ALL employment categories

1. Wage systems
   (Wage level, annual pay raises, Bonuses, Retirement allowances )
2. Recruitment methods
3. Education & training
4. Job reassignment
5. Promotion
6. Conversion pathways from Non-Regular to Regular

## 2. Focus on conversion pathways to & from Permanent Non-Regular

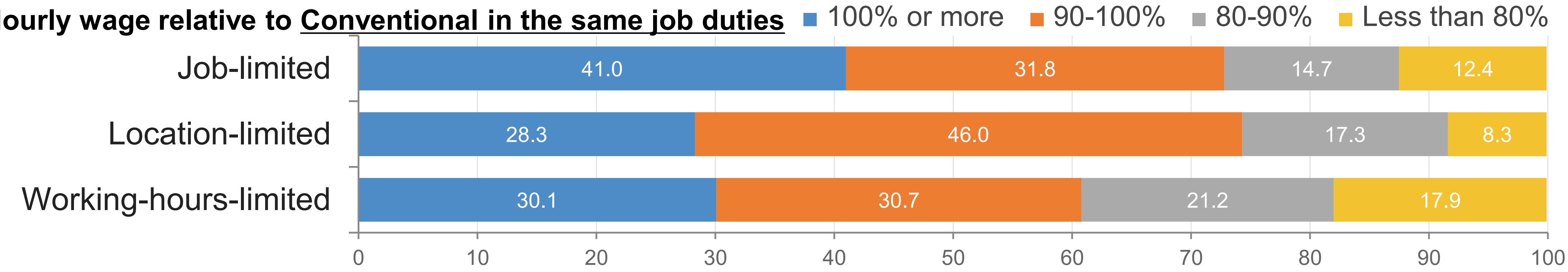
Key question: Do HRM practices differ depending on the presence or absence of a conversion pathway ?

# 1. Overview across ALL employment categories

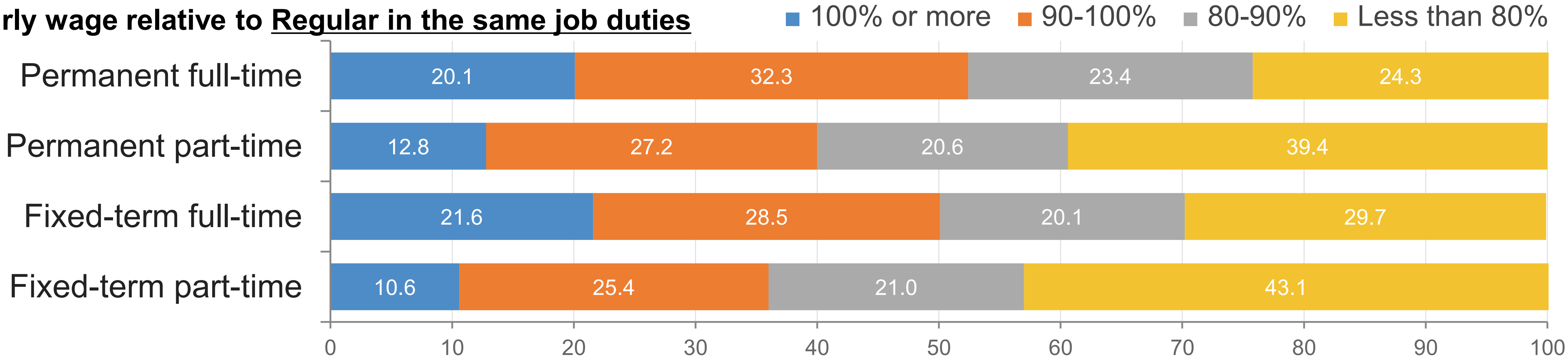
# 1. Wage system -(1) wage level per hour (SA, %)

- Even in the same job duties, 6 to 7 out of 10 Limited Regular are paid below the Conventional Regular hourly rate.
- For non-regular employees the share below parity rises to 8–9 out of 10, and the gap tends to be shaped more by working hours than by contract duration.

**Hourly wage relative to <u>Conventional in the same job duties</u>**



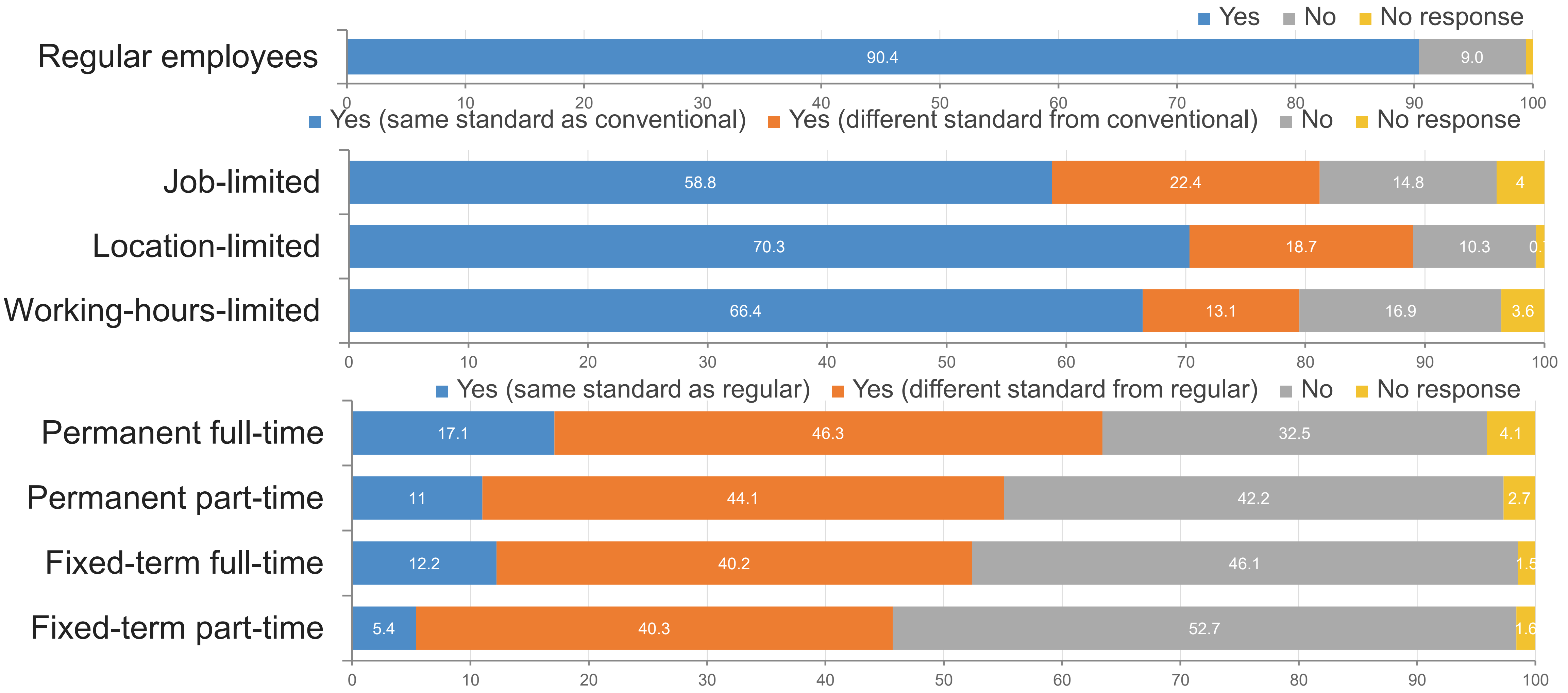

**Hourly wage relative to <u>Regular in the same job duties</u>**




Base: firms where the category performs the same job duties (Limited Regular n = 217 / 300 / 335; Non-regular n = 688 / 545 / 1,419 / 796)

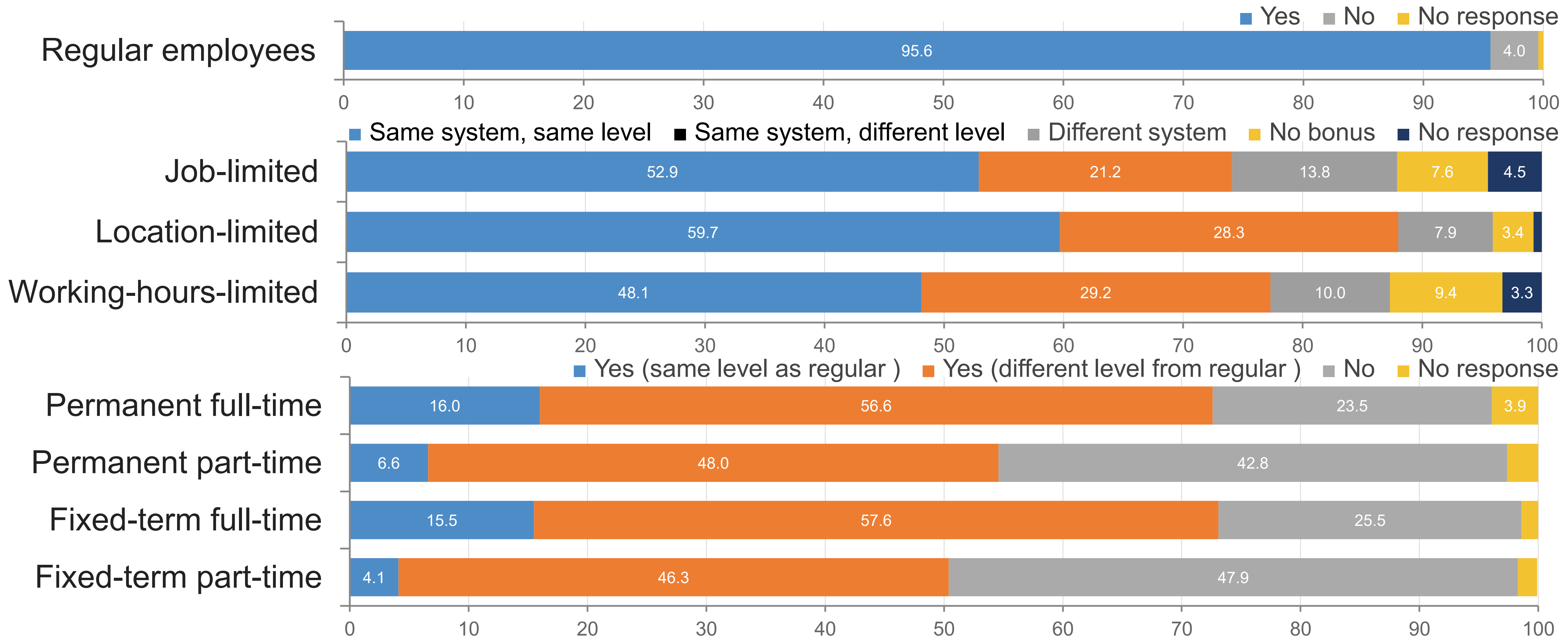
# 1. Wage system -(2) Annual pay raises (SA, %)

- Limited Regular has lower access to regular pay raises than Regular employees.
- Among non-regular employees, permanent contracts (vs. fixed-term) and full-time (vs. part-time) are associated with higher access to regular pay raises.



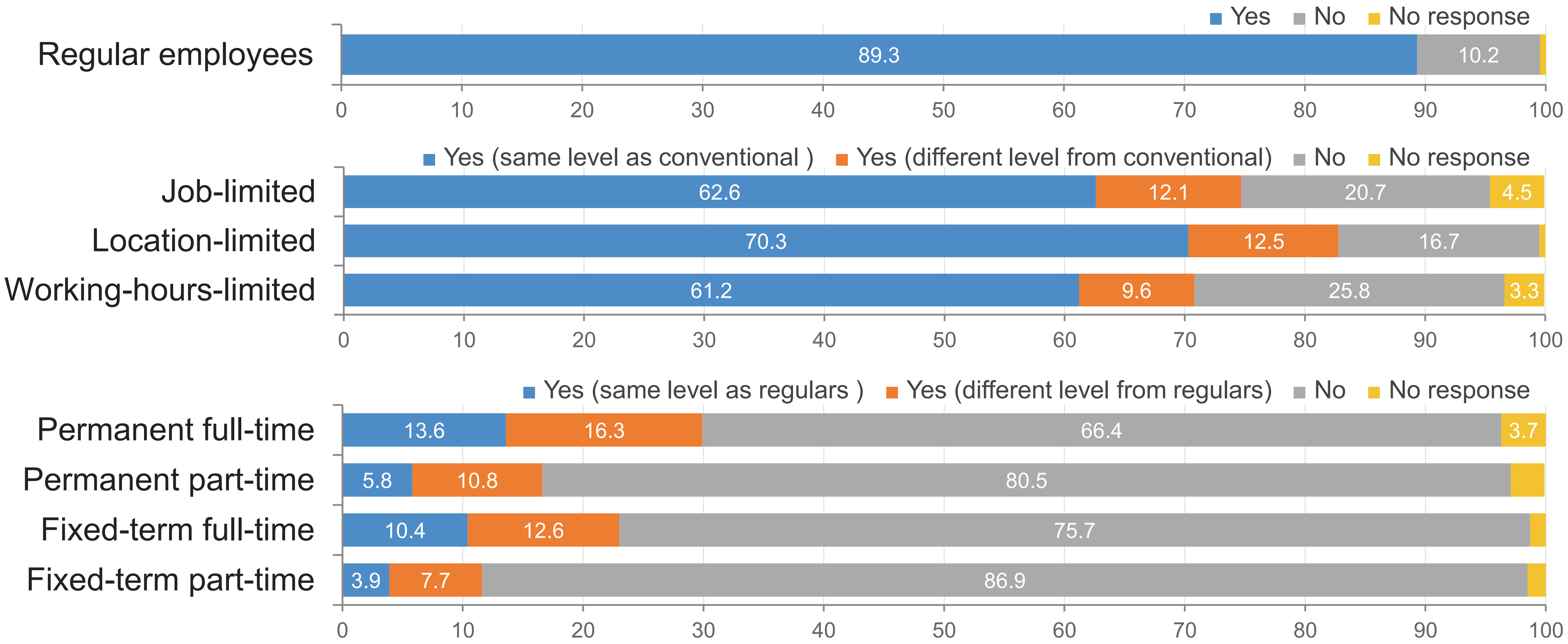
# 1. Wage system -(3) Bonuses (SA, %)

- Limited Regular has access to bonuses at rates similar to Conventional Regular, but the system or number of months' pay often differs.
- Among non-regular employees, full-time (vs. part-time) is associated with higher access to bonuses. Whether a conversion from fixed-term exists makes little difference.



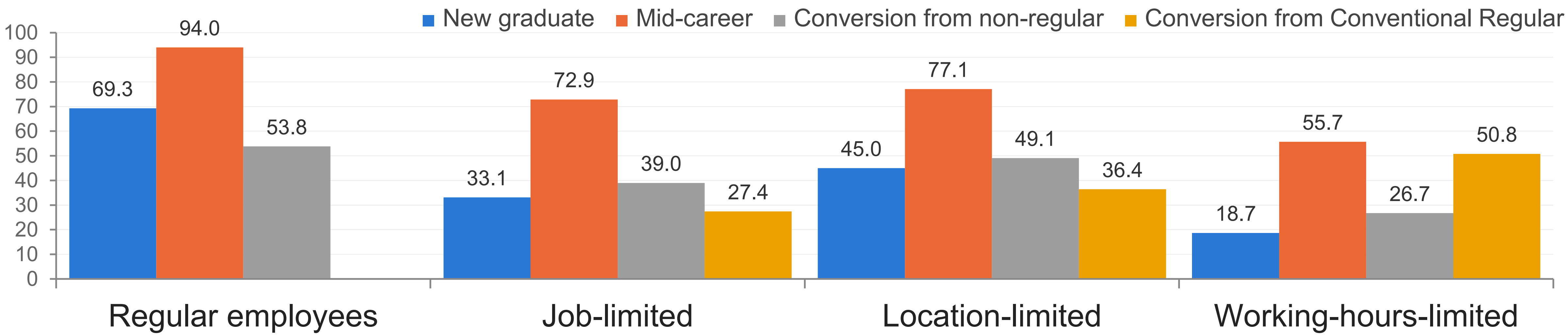
# 1. Wage system -(4) Retirement allowances (SA, %)

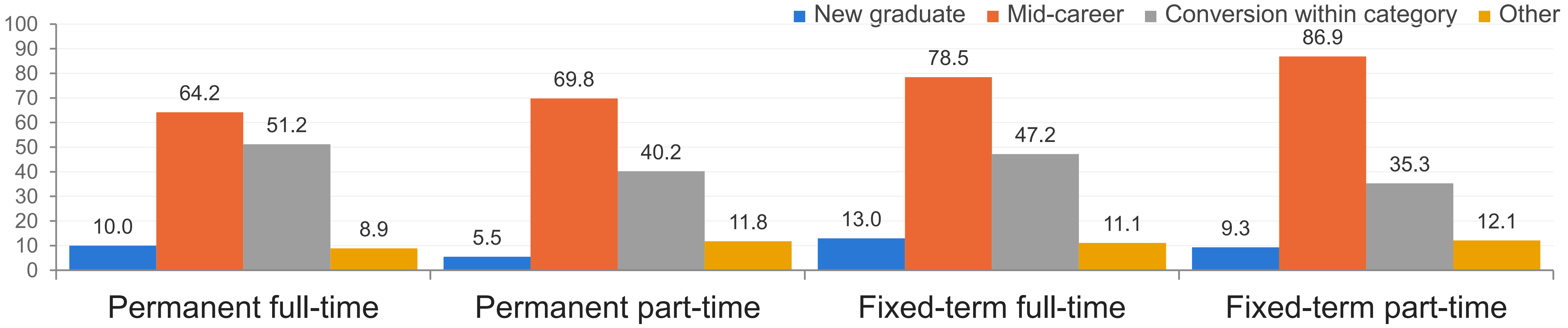
- Limited Regular has lower access to retirement allowances than Regular employees.
- Among non-regular employees, access to retirement allowances is generally low, but higher for permanent (vs. fixed-term) and full-time (vs. part-time) employees.



# 2. Recruitment methods (MA, %)

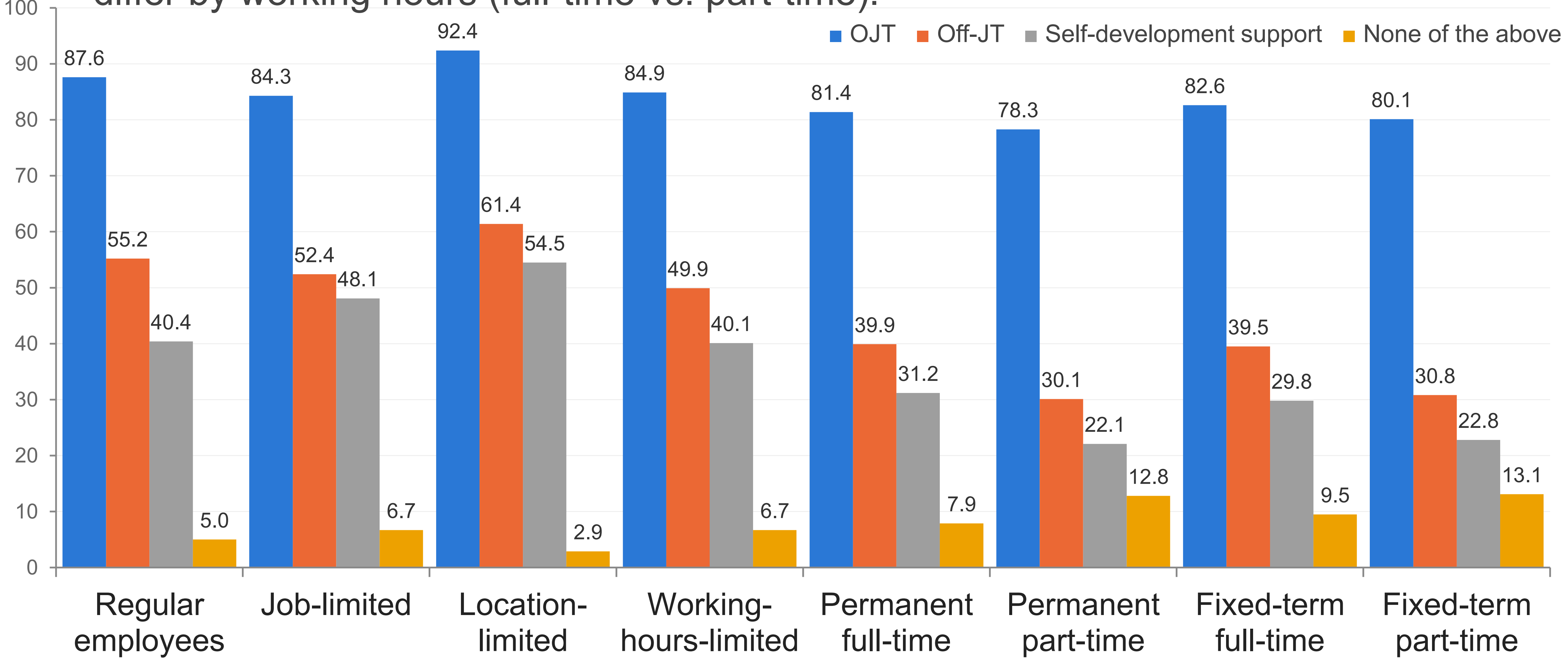
- Less than half of employers using limited regular employees recruit them as new graduates.
- Permanent non-regular employees are recruited less from outside the firm than fixed-term employees, and more often via conversion from another in-house category.



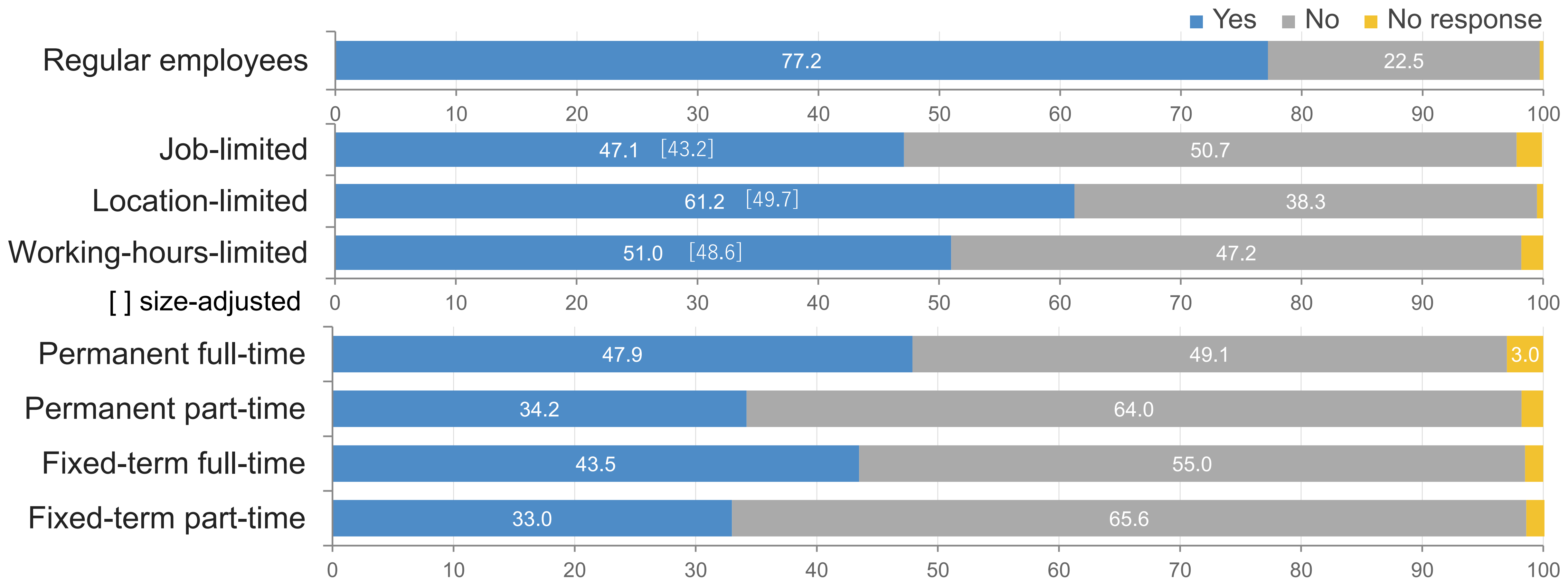
# 3. Education & training (MA, %)

- Limited Regular has higher training rates than Conventional Regular, partly reflecting firm size (similar once firm size is controlled for).
- Among non-regular employees, training rates do not differ by contract duration but do differ by working hours (full-time vs. part-time).



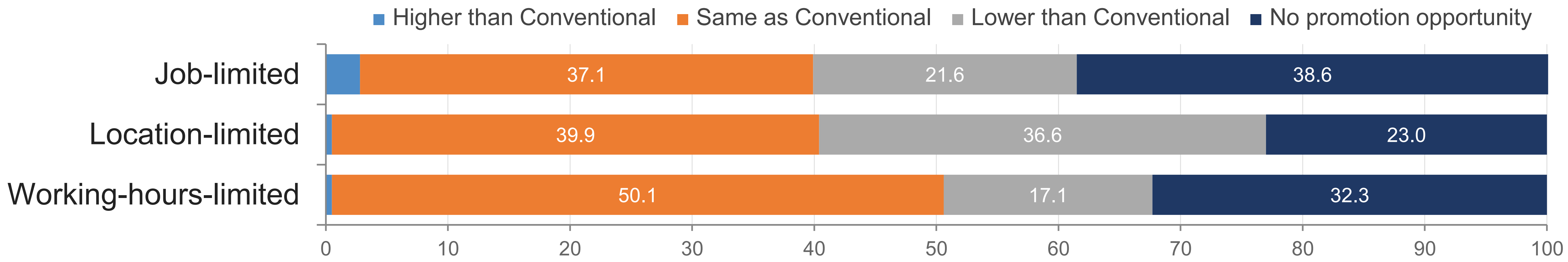
# 4. Job reassignment (SA, %)

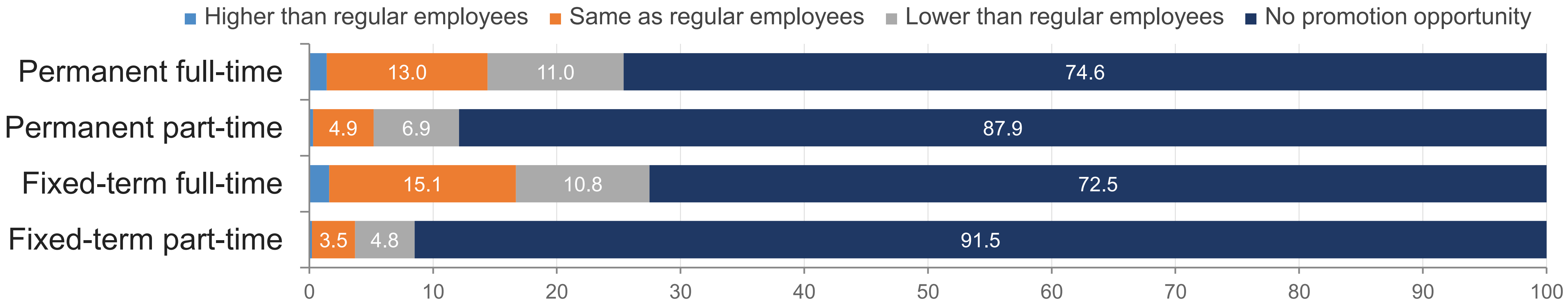
- Job reassignment is much less common for Limited Regular than for Regular Employees, even within the same firms. (The apparent lead of location-limited reflects firm size.)
- Among Non-regular Employees, the difference by working hours is about three times that by contract duration. Full-time non-regular employees stand at the same level as Limited Regular, even within the same firms.



# 5. Upper limit of Promotion (SA, %)

- Approximately 40 percent of limited regular employees are “Same as conventional,” while about 30 percent still have no opportunity for promotion to management positions.
- Among non-regular employees, roughly three-quarters or more have no path to a managerial position at all, and this share is highest for part-time employees regardless of contract duration.



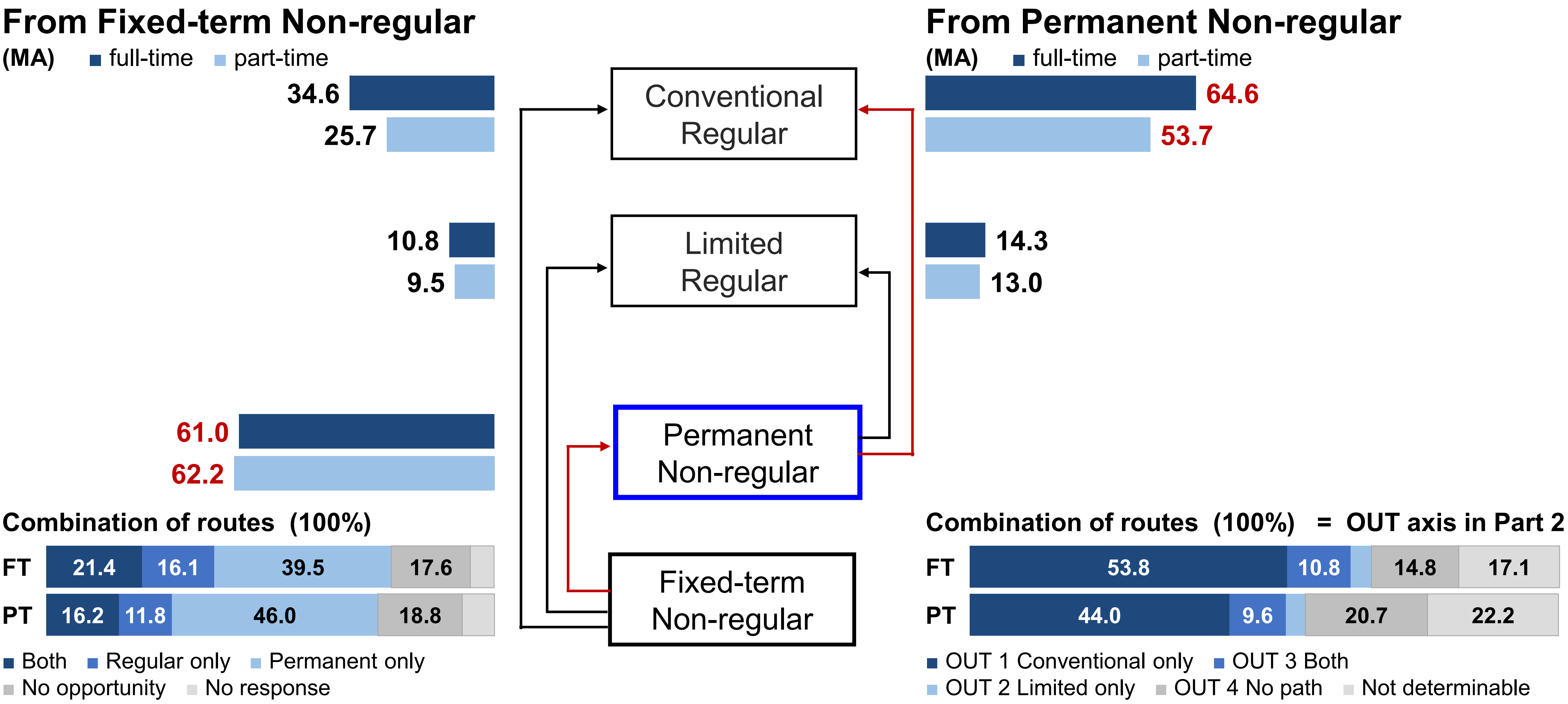
# **Summary** – Overview across ALL employment categories (SA/MA, %)

◎ ≥90  ○ 70–89  △ 35–69  × <35  – Reference  *Small symbols score each sub-category on its own (J / L / H, FT / PT); the large symbol on the right is the cell as a whole.*

| | Regular | | Non-regular | |
|---|---|---|---|---|
| | **Conventional Regular** | **Limited Regular** | **Permanent** | **Fixed-term** |
| **Wage level (same job duties)** | **Reference (=100)** – | ○J 72.8 ○L 74.3 △H 60.8<br>*same duties: J 52% L 74% H 75%*<br>○ | △FT 52.4 △PT 40.0<br>*same duties: FT 46% PT 31%*<br>△ | △FT 50.1 △PT 36.0<br>*same duties: FT 56% PT 31%*<br>△ |
| **Pay-related practices** | **Pay raise 90.4**<br>Bonus 95.6<br>Retirement 89.3<br>– | ○ Pay raise ○J81.2 ◎L89.0 ○H79.5<br>◎ Bonus ◎J87.9 ◎L95.9 ◎H87.3<br>○ Retirement ○J74.7 ◎L82.8 ○H70.8<br>○ | △ Pay raise ○FT63.4 △PT55.1<br>△ Bonus ○FT72.6 △PT54.6<br>× Retirement ×FT29.9 ×PT16.6<br>△ | △ Pay raise △FT52.4 △PT45.7<br>△ Bonus ○FT73.1 △PT50.4<br>× Retirement ×FT23.0 ×PT11.6<br>△ |
| **Recruitment methods** | New grad 69.3<br>Mid-career 94.0<br>From non-reg. 53.8<br>**New grad + Mid-career** | New grad J33.1 L45.0 H18.7<br>Mid-career J72.9 L77.1 H55.7<br>From non-reg. J39.0 L49.1 H26.7<br>From conv. J27.4 L36.4 H50.8<br>**Mid-career + From conv** | New grad FT10.0 PT5.5<br>Mid-career FT64.2 PT69.8<br>In-house conv. FT51.2 PT40.2<br>Other FT8.9 PT11.8<br>**Mid-career + In-house** | New grad FT13.0 PT9.3<br>Mid-career FT78.5 PT86.9<br>In-house conv. FT47.2 PT35.3<br>Other FT11.1 PT12.1<br>**Mid-career** |
| **Education & training** | **OJT 87.6**<br>Off-JT 55.2<br>Self-dev. 40.4<br>*size-adj. ± 0 pts*<br>– | ◎ OJT ◎J84.3 ◎L92.4 ◎H84.9<br>◎ Off-JT ◎J52.4 ◎L61.4 ◎H49.9<br>◎ Self-dev. ◎J48.1 ◎L54.5 ◎H40.1<br>*size-adj. −1 to −12 pts: no change*<br>◎ | ◎ OJT ◎FT81.4 ○PT78.3<br>△ Off-JT ○FT39.9 △PT30.1<br>△ Self-dev. ○FT31.2 △PT22.1<br>*size-adj. −1 to −3 pts: FT ○ → △*<br>△ | ◎ OJT ◎FT82.6 ◎PT80.1<br>△ Off-JT ○FT39.5 △PT30.8<br>△ Self-dev. ○FT29.8 △PT22.8<br>*size-adj. −2 pts: FT ○ → △*<br>△ |
| **Job reassignment** | **Job reassignment 77.2**<br>size-adjusted [77.1]<br>– | △J 47.1 [43.2]<br>○L 61.2 [49.7]<br>△H 51.0 [48.6]<br>*size-adjusted: L ○ → △*<br>△ | △FT 47.9 [44.9]<br>△PT 34.2 [33.0]<br>△ | △FT 43.5 [40.6]<br>△PT 33.0 [31.4]<br>△ |
| **Promotion cap** | **Reference (no cap)**<br>– | **Same or higher**<br>△J 39.8 △L 40.4 △H 50.6<br>No opportunity 38.6 / 23.0 / 32.3<br>△ | **Same or higher**<br>×FT 14.4 ×PT 5.2<br>No opportunity 74.6 / 87.9<br>× | **Same or higher**<br>×FT 16.7 ×PT 3.7<br>No opportunity 72.5 / 91.5<br>× |

Symbols index each sub-category against Conventional Regular (=100); decimals truncated. J / L / H = job-, location- and working-hours-limited regular employees; FT / PT = full-time / part-time. The symbol at the head of a line is that indicator for the cell as a whole (median of its sub-categories); the large symbol on the right is the modal symbol of the indicators. Sub-categories are never averaged into one another. Recruitment methods show the dominant channel(s), not a level score. [ ] = firm-size-adjusted by direct standardisation (full table in Appendix A1). All five rated rows have been size-adjusted. No large symbol changes; a few sub-category symbols move down one band, as noted in the cells (Appendix A1, A1b, A2). Reference points differ by row: Limited Regular is compared with Conventional Regular in Wage level (Q12) and Promotion cap (Q13), non-regular employees with regular employees as a whole (Q6, Q7); the other rows use Q2 “regular employees”, which includes limited regular employees. Wage level = share of firms paying 90% or more of the reference hourly wage, among firms where the category performs the same job duties as regular employees (italic line = how often that applies); this row and Promotion cap use valid responses as the denominator, the other rows include non-responses, following the corresponding charts.

# 6.Conversion pathways from Non-regular to Regular




**N = 2,547 / 2,594**

firms with fixed-term employees (FT / PT)

Denominators include non-responses.
Routes are not exclusive.

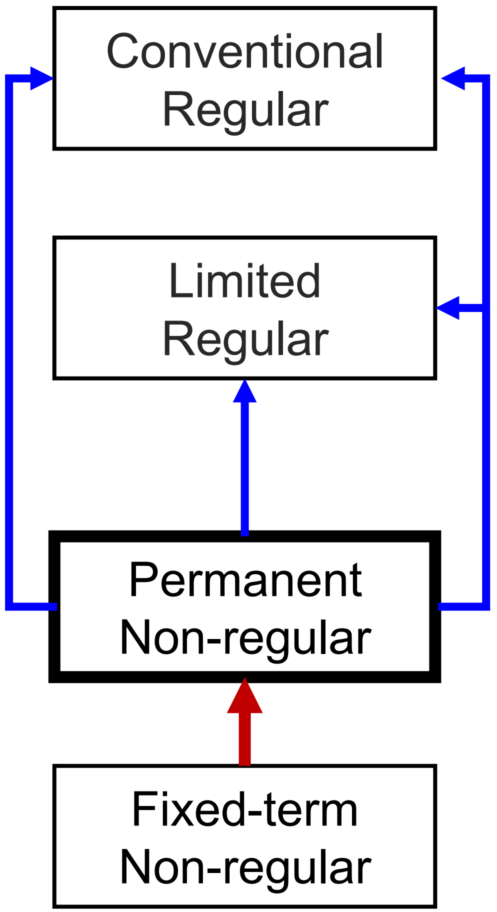
**N = 1,496 / 1,762**

firms with permanent non-regular employees (FT / PT)

# 2. Focus on conversion pathways to & from Permanent Non-regular

**Key question:** Do HRM practices differ depending on the presence or absence of a conversion pathway ?

# Various Conversion Paths: 3 INs× 4 OUTs




**OUT:** conversion to regular employee

(permanent → regular)

1: to conventional regular employees
2: to limited regular employees
3: to both
4: No path to Regular

**IN:** conversion to permanent non-regular status

(fixed-term → permanent)

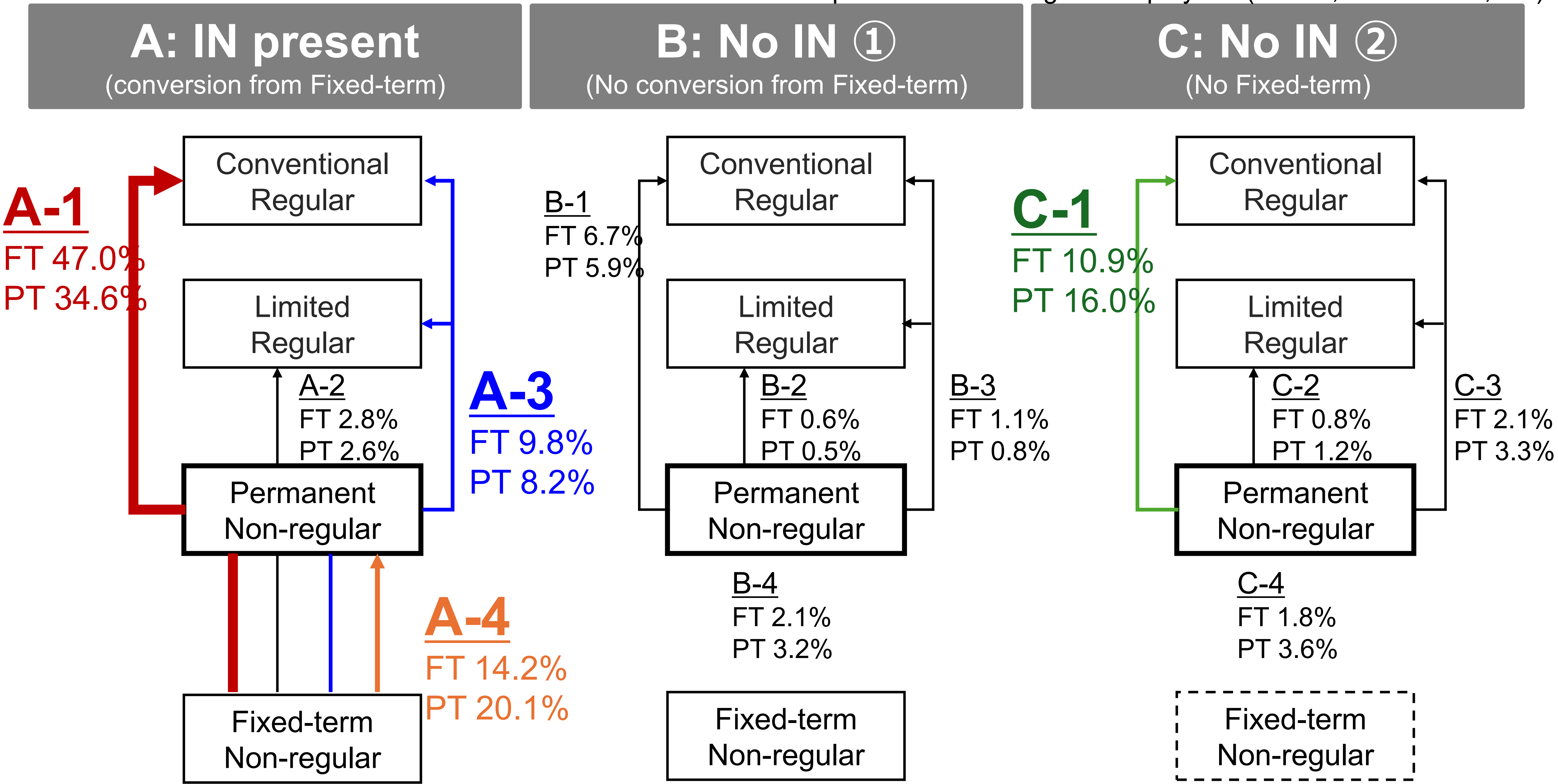
A: IN present
(Conversion from fixed-term exists)

B: No IN ①
(Fixed-term employees present, but no intake route)

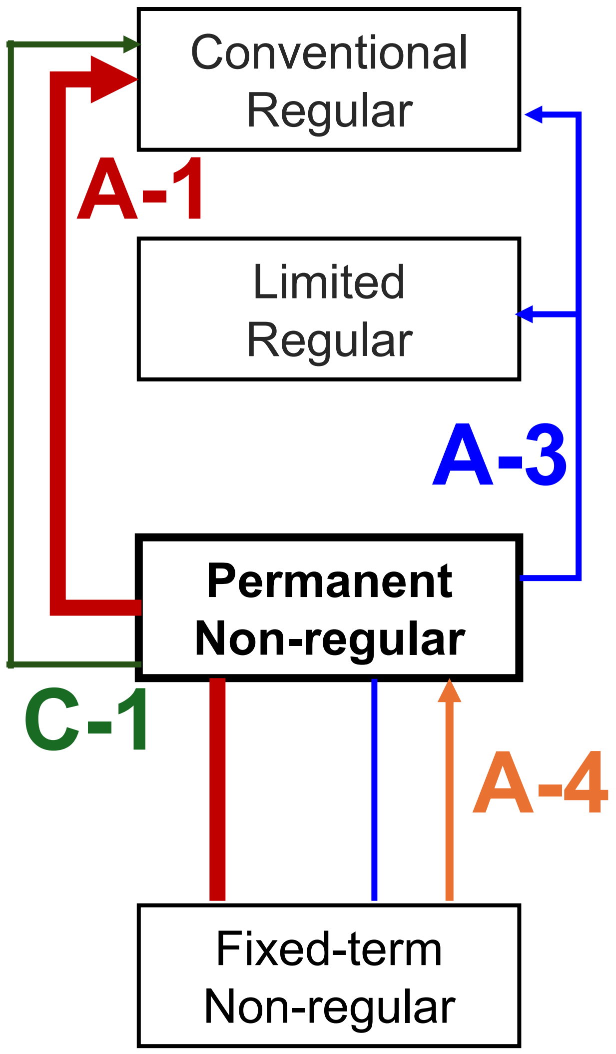
C: No IN ②
(No fixed-term category in the firm at all)

# 12 Conversion Paths to & from Permanent Non-regular

N = firms with permanent non-regular employees (FT = 1,496 / PT = 1,762)



# **Main Comparison:** HRM Practices across Four Conversion Paths




A-1 : Path to Conventional Regular
Fixed-term→**Permanent**→Conventional

A-3 : Path to Conventional & Limited
Fixed-term→**Permanent**→Conv & Limited

A-4 : No path to Regular
Fixed-term→**Permanent**

C-1 : No Fixed-term
**Permanent**→Conventional

# Permanent Non-regular Employees — Full-time – HRM practices by path type (SA/MA, %)

◎ ≥90 ◯ 70–89 △ 35–69 ✕ <35

*Index = value ÷ regular employees overall × 100 (same scale as Part 1). Small symbols score each indicator; the large symbol on the right is the cell as a whole. [ ] = firm-size-adjusted.*

| Path type | A-1 n = 568<br>IN yes<br>OUT to conventional regular only | A-3 n = 118<br>IN yes<br>OUT to both | A-4 n = 171<br>IN yes<br>no OUT | C-1 n = 132<br>no fixed-term category<br>OUT to conventional regular only |
|---|---|---|---|---|
| **Wage level (same job duties)** | △50.9 [51.2]<br>*n = 267*<br>△ | △48.3 [56.0]<br>*n = 58*<br>△ | △40.0 [33.8]<br>*n = 55*<br>*size-adj. −6.2 pts: △ → ✕*<br>△ | △61.2 [62.4]<br>*n = 80*<br>△ |
| **Pay-related practices** | ◯ Pay raise 67.8 [71.3]<br>◯ Bonus 79.4 [81.0]<br>△ Retirement 34.5 [42.4]<br>◯ | ◯ Pay raise 66.9 [78.2]<br>◯ Bonus 75.4 [78.1]<br>△ Retirement 32.2 [44.1]<br>◯ | △ Pay raise 48.0 [46.0]<br>◯ Bonus 79.5 [78.9]<br>✕ Retirement 27.5 [26.9]<br>△ | ◯ Pay raise 76.5 [75.6]<br>△ Bonus 65.2 [65.4]<br>✕ Retirement 25.8 [24.3]<br>△ |
| **Recruitment methods** | New grad 9.3<br>Mid-career 59.3<br>In-house conv. 65.7<br>Other 7.4<br>**In-house + Mid-career** | New grad 9.3<br>Mid-career 56.8<br>In-house conv. 66.9<br>Other 10.2<br>**In-house + Mid-career** | New grad 7.0<br>Mid-career 50.9<br>In-house conv. 55.6<br>Other 6.4<br>**In-house + Mid-career** | New grad 15.2<br>Mid-career 90.9<br>In-house conv. 35.6<br>Other 9.1<br>**Mid-career** |
| **Education & training** | ◎ OJT 88.2 [86.9]<br>◎ Off-JT 50.7 [51.7]<br>◎ Self-dev. 38.0 [35.7]<br>◎ | ◎ OJT 93.2 [89.6]<br>◎ Off-JT 55.1 [58.3]<br>◎ Self-dev. 51.7 [45.2]<br>◎ | ◎ OJT 84.2 [81.8]<br>◯ Off-JT 39.8 [35.3]<br>△ Self-dev. 26.3 [23.4]<br>*size-adj.: Off-JT ◯ → △, cell ◯ → △*<br>◯ | ◯ OJT 78.0 [78.8]<br>△ Off-JT 29.5 [30.3]<br>△ Self-dev. 24.2 [25.0]<br>△ |
| **Job reassignment** | △52.1 [52.2]<br>△ | ◯61.0 [66.0]<br>◯ | △48.5 [49.1]<br>△ | △45.5 [48.0]<br>△ |
| **Promotion cap** | ✕ Same or higher 12.7<br>*No opportunity 76.6*<br>*n = 559*<br>✕ | ✕ Same or higher 16.2<br>*No opportunity 70.9*<br>*n = 117*<br>✕ | ✕ Same or higher 6.5<br>*No opportunity 85.7*<br>*n = 168*<br>✕ | ✕ Same or higher 16.9<br>*No opportunity 66.2*<br>*n = 130*<br>✕ |
| ***Reference: regular employees in these firms*** | Off-JT 72.2 Self-dev. 55.6<br>Job reassign. 93.3 Retirement 94.2 | Off-JT 79.7 Self-dev. 69.5<br>Job reassign. 97.5 Retirement 89.0 | Off-JT 71.3 Self-dev. 47.3<br>Job reassign. 94.0 Retirement 95.8 | **Off-JT 38.6 Self-dev. 29.5**<br>**Job reassign. 70.5 Retirement 78.8** |

Symbols index each indicator against regular employees overall (=100), the same reference as the Part 1 matrix; decimals truncated. n under each heading is the number of firms with this category; Wage level and Promotion cap use valid responses only and Wage level is restricted to firms where the category performs the same job duties as regular employees, so their n is lower (given in the cells). The other rows include non-responses. [ ] = firm-size-adjusted by direct standardisation to the size distribution of all 3,944 firms, using two strata (≤99 / 100+ employees); four strata could not be used because 47 of 72 cells lost a stratum. Symbols are based on unadjusted values. Route types are classified on institutional opportunity, not on conversion records. IN = conversion from fixed-term to permanent non-regular employment (Q16); OUT = transition from non-regular to regular employment (Q25). Recruitment methods show the dominant channels, not a level score. Source: JILPT 2025 enterprise survey. Observed distribution; no causal claim is made. Two cells move one band after size adjustment (A-4: Wage level △→✕, Education ◯→△); both are noted in the cells and both sit on a threshold boundary.

# Permanent Non-regular Employees — Part-time – HRM practices by path type (SA/MA, %)

◎ ≥90 ○ 70–89 △ 35–69 × <35

*Index = value ÷ regular employees overall × 100 (same scale as Part 1). Small symbols score each indicator; the large symbol on the right is the cell as a whole. [ ] = firm-size-adjusted.*

| **Path type** | **A-1** n = 457<br>IN yes<br>OUT to conventional regular only | **A-3** n = 108<br>IN yes<br>OUT to both | **A-4** n = 266<br>IN yes<br>no OUT | **C-1** n = 212<br>no fixed-term category<br>OUT to conventional regular only |
|---|---|---|---|---|
| **Wage level (same job duties)** | △41.5 [43.3]<br>*n = 135*<br>△ | **44.4 n.a.**<br>*n = 27 (n < 30: not rated)*<br>– | ×25.5 [24.8]<br>*n = 51*<br>× | △46.1 [46.5]<br>*n = 102*<br>△ |
| **Pay-related practices** | △ Pay raise 53.6 [54.7]<br>△ Bonus 58.2 [59.7]<br>× Retirement 18.6 [22.6]<br>△ | △ Pay raise 61.1 [66.5]<br>△ Bonus 50.9 [54.7]<br>× Retirement 22.2 [24.6]<br>△ | △ Pay raise 41.7 [45.3]<br>△ Bonus 50.4 [55.7]<br>× Retirement 10.5 [13.4]<br>△ | ○ Pay raise 70.3 [70.8]<br>△ Bonus 59.9 [59.4]<br>× Retirement 20.8 [17.5]<br>△ |
| **Recruitment methods** | New grad 5.3 Mid-career 61.7<br>In-house conv. 59.1<br>Other 10.5<br>**Mid-career + In-house** | New grad 2.8 Mid-career 66.7<br>In-house conv. 60.2<br>Other 8.3<br>**Mid-career + In-house** | New grad 5.6 Mid-career 54.1<br>In-house conv. 55.6<br>Other 6.0<br>**Mid-career + In-house** | New grad 9.4 Mid-career 90.6<br>In-house conv. 25.5<br>Other 11.8<br>**Mid-career** |
| **Education & training** | ◎ OJT 85.8 [83.5]<br>○ Off-JT 40.7 [40.4]<br>○ Self-dev. 29.8 [30.1]<br>○ | ◎ OJT 95.4 [93.3]<br>○ Off-JT 41.7 [47.6]<br>○ Self-dev. 36.1 [36.2]<br>○ | ◎ OJT 81.2 [80.5]<br>○ Off-JT 39.1 [39.8]<br>△ Self-dev. 21.1 [19.4]<br>○ | ○ OJT 78.8 [79.5]<br>△ Off-JT 23.6 [25.5]<br>△ Self-dev. 17.0 [18.1]<br>△ |
| **Job reassignment** | △42.5 [40.3]<br>△ | △40.7 [42.9]<br>△ | △36.5 [39.0]<br>△ | △33.0 [38.8]<br>△ |
| **Promotion cap** | × Same or higher 4.3<br>*No opportunity 89.7 n = 445*<br>× | × Same or higher 6.7<br>*No opportunity 86.7 n = 105*<br>× | × Same or higher 1.5<br>*No opportunity 95.8 n = 261*<br>× | × Same or higher 8.3<br>*No opportunity 80.6 n = 206*<br>× |
| ***Reference: regular employees in these firms*** | Off-JT 67.8 Self-dev. 53.6<br>Job reassign. 91.2 Retirement 92.3 | Off-JT 72.2 Self-dev. 64.8<br>Job reassign. 94.4 Retirement 88.9 | Off-JT 72.2 Self-dev. 49.2<br>Job reassign. 92.1 Retirement 95.1 | **Off-JT 39.2 Self-dev. 26.4**<br>**Job reassign. 67.9 Retirement 79.7** |

Symbols index each indicator against regular employees overall (=100), the same reference as the Part 1 matrix; decimals truncated. n under each heading is the number of firms with this category; Wage level and Promotion cap use valid responses only and Wage level is restricted to firms where the category performs the same job duties as regular employees, so their n is lower (given in the cells). The other rows include non-responses. [ ] = firm-size-adjusted by direct standardisation to the size distribution of all 3,944 firms, using two strata (≤99 / 100+ employees); four strata could not be used because 47 of 72 cells lost a stratum. Symbols are based on unadjusted values. Route types are classified on institutional opportunity, not on conversion records. IN = conversion from fixed-term to permanent non-regular employment (Q16); OUT = transition from non-regular to regular employment (Q25). Recruitment methods show the dominant channels, not a level score. Source: JILPT 2025 enterprise survey. Observed distribution; no causal claim is made. A-3 Wage level is left unrated: only 27 firms qualify, below the n = 30 threshold, and the cell also falls short of the two strata needed for size adjustment.

# CONCLUSION

1. **Intermediate categories are not simply "halfway" between Regular and Non-regular employment.**
   HRM practices differ by dimension;
   the relevant divide is not always Regular vs. Non-regular.
2. **Permanent status alone does not make Non-regular employment more "Regular-like."**
   Working hours often differentiate HRM practices more clearly than contract duration.
3. **Conversion pathways are associated with variation in HRM practices, but not with a simple progression toward Regular-style HRM.**
   Differences appear in pay, training, and job reassignment,
   while promotion opportunities remain limited across pathways.

**<u>Take-home message</u>**
Intermediate employment in Japan is better understood as a **multidimensional set of employment arrangements**, shaped by employment status, working hours, and internal conversion opportunities.