

Study on Personnel Management and Working Situation of Fixed-Term Full-Time Employees

Summary

1. Author

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2. Study Period

FY2009 – 2010.

3. Objectives of the Study

The objective of this report is to conduct empirical research into the personnel management of directly-employed full-time workers on fixed-term contracts, excluding workers reemployed after reaching the mandatory retirement age (hereinafter referred to as “*keiyaku-shain*” in accordance with customary practice) and the working situation, in order to ascertain the implications concerning the measures required to improve their treatment and stabilize their employment.

4. Main Data Used (Outline of the Surveys)

i) Interviews with companies

With the aim of ascertaining what kind of jobs *keiyaku-shain* are employed in, what kind of treatment they receive, and what kind of problems arise for them, we conducted intensive surveys expecting to discover the facts and construct the hypotheses.

The surveys were conducted between July 2009 and January 2010. In carrying out sampling, we selected target industry types from among the major classifications in the Japan Standard Industrial Classification where *keiyaku-shain* are frequently used, and then based on newspaper and magazine articles, as well as websites, we sent written requests to ten major companies (1,000 employees or more) that use *keiyaku-shain*. As a result, surveys were conducted among a total of six companies: one in the “information and communications” industry, one in the “transport” industry, one in the “wholesale” industry, two in the “retail” industry, and one in the “accommodation, eating and drinking services” (hotel) industry.

The questions in the interviews with the companies and the case records relating to these were published as JILPT Study Material Series No.65 *Personnel Management of Fixed-Term Full-Time Employees – From Interviews with Companies*, after the content was checked by the companies surveyed.

ii) Interviews with individuals

With the aim of ascertaining what type of careers those working as *keiyaku-shain* have had to date, what kind of jobs they are currently employed in and what they think about their jobs and careers, we conducted interviews expecting to discover the facts and construct the hypotheses, and to get useful data for interpreting the results of questionnaires.

More specifically, the interviews were conducted between June and November 2010 in the Tokyo metropolitan area and provincial cities (Kyushu region). The survey in the Tokyo metropolitan area was conducted by means of two methods: recruiting respondents via the JILPT website and recruiting respondents via a consumer monitoring company. Firstly, the recruiting on the JILPT website took the form of having volunteers who fulfilled criteria set by the surveying party (JILPT), who were willing to cooperate with the survey, on June 16 and 17, 2010. There were applications from 14 people, with four people being excluded due to their personal circumstances; as a result, the survey was conducted among ten people. On the other hand, recruiting via the consumer monitoring company involved a list of 15 registered monitors who fulfilled criteria set by the surveying party (JILPT) being presented on October 13, 2010, on condition that personal information that could identify the individual was concealed. Subsequently, five people were selected by the surveying party, taking into consideration their age, gender and job type, and the survey was conducted. Meanwhile, the survey in provincial cities was being conducted among five individual members of a labor union in the Kyushu region, with the union's cooperation.

The questions in the interviews with the individuals and the case records of nine people quoted in the report were published as an appendix to the report, after the content was checked by the individuals surveyed.

iii) *Survey on the Current Conditions of Employment of Workers with Diverse Employment Types*: Questionnaire for businesses and questionnaire for employees

With the objective of compiling basic data that reflected the most recent actual situation for considering labor policy aimed at the sound utilization of employees in various forms of employment and the upgrading of their employment environment, a questionnaire was sent out by post to 10,000 businesses selected from a commercial database of businesses by means of stratified random sampling by industry type and business scale, and another was sent to be completed by 100,000 employees employed at those businesses (ten employees per business).

The survey was conducted in August and September 2010. There were 1,610 valid responses to the questionnaire for businesses (valid response rate: 16.1%) and 11,010 valid responses to the questionnaire for employees (valid response rate: 11.0%). The questionnaire form and results of the survey are due to be published in April 2011 as JILPT Research Report No.132.

5. Results of the Analysis

i) Characteristics of *keiyaku-shain*

In Chapter 2, through a comparison with other forms of employment and work, *keiyaku-shain* are treated as a single group and an average picture of their personnel management and actual employment status is presented.

In definition, *keiyaku-shain* work on the basis of fixed-term contracts. Having said that, their employment contracts last around a year and, given that this is longer than that for fixed-term part-time workers or temporary agency workers, one could perhaps say that their employment is relatively stable compared with other non-regular employees. However, when we look at the proportion of those with experience of unemployment and the average length of service, there is no difference from other non-regular employees in terms of the actual status of their careers. In other words, just like other non-regular employees, *keiyaku-shain* face the problem of unstable employment.

What is characteristic among *keiyaku-shain* is the fact that they harbor particularly strong dissatisfaction about their treatment. More specifically, in many cases, *keiyaku-shain* do the same job as regular employees and, irrespective of the fact that they are strongly committed to their companies and workplaces, they are often placed on the same level as other non-regular employees in terms of such aspects as wages, annual bonuses, retirement payments, and company pensions. Perhaps because of this, the level of satisfaction concerning “wages” and “personnel evaluation and treatment” is the lowest of all the forms of work and employment taken up in Chapter 2, and they harbor the strongest dissatisfaction concerning wage gaps even within the same workplace. In other words, *keiyaku-shain* face the problem of low wages and wage gaps.

Moreover, among *keiyaku-shain*, there are quite a few who view their current situation as being against their will, and who wish to switch to being regular employees. For example, one can infer this from the fact that many people answered that one of the reasons for selecting the form of employment or work was “I had no opportunity to work as a regular employee,” as well as the fact that there were many who wished to switch to another form of work or employment, such as being a regular employee. In addition, these points are also seen in the case of temporary agency workers.

However, in the case of temporary agency workers, there is a difference in that, while setting their sights on a change of job, they want to be involved with the company or workplace on a limited basis. In this sense, the situation of *keiyaku-shain* is severe. In any case, *keiyaku-shain* see their current situation as being against their will and can be said to have strong aspirations to break out of that situation.

ii) Contract period and renewal policy

In Chapter 3, in regard to the issue of unstable employment that emerged from the analysis in Chapter 2, the contract period and renewal policy were analyzed.

It became clear that setting a short period for the employment contracts of *keiyaku-shain* reduces the level of satisfaction with regard to “employment stability” among people working as *keiyaku-shain*, as well as having a negative impact on their desire to contribute to the company’s performance, their will to improve their skills, and their behavior in regard to the development of occupational skills. Having said that, as can be seen from the fact that short contract periods are pervasive in manufacturing industry in particular, it is possible that there is a certain rationality in terms of the business structure in companies setting short periods for employment contracts. Consequently, one cannot categorically assert that short contracts are undesirable, but considering the negative impact on the consciousness and behavior of people working as *keiyaku-shain*, one can say that reducing the contract period more than necessary should be avoided.

On the other hand, it was verified that if the employment contract renewal policy of businesses is unclear, the employment anxiety of people working as *keiyaku-shain* increases and their inclination to leave their job strengthens; in addition, there is also a tendency for businesses to be aware of problems in regard to the retention rate of *keiyaku-shain*. Thus, a renewal policy that lacks clarity brings about undesirable consequences for both companies and individuals, so one can say that the renewal policy concerning employment contracts should be clarified to the greatest extent possible.

iii) Wage levels and wage gaps

In Chapter 4, in regard to the problems of low wages and wage gaps that emerged from the analysis in Chapter 2, wage levels and wage gaps were analyzed.

With regard to the wages of *keiyaku-shain*, as well as the average level being low in comparison with that of regular employees, the rise with age is also small. In this sense, one can say that there is a clear wage gap between regular employees and *keiyaku-shain*. Moreover, a wage gap of around 20% exists between regular employees and *keiyaku-shain*, even when controlled for individual attributes, company attributes, tenure, and contents of the job. Incidentally, differences between regular employees and *keiyaku-shain* include whether or not there is an obligation to be transferred to a different department or be relocated, and whether or not the duration of the employment contract is stipulated; according to estimates, the gap based on whether or not the duration of the employment contract is stipulated is four times larger than the gap based on whether or not there is an obligation to be transferred to a different department or relocated.

By the way, the wage gap between regular and *keiyaku-shain* are particularly great in the case of women. In addition to the wages of female *keiyaku-shain* being low when they join a company, the subsequent increases are extremely small. Furthermore, amongst female *keiyaku-shain*, in the case of those referred to in the workplace as “part-time” or “*Arbeit*” workers, their wage level on joining the company is even lower and subsequent wage increases are even smaller.

If we look at the wage gap between regular employees and *keiyaku-shain* doing the same job at the same workplace, from data provided by the businesses concerned, it was verified that the smaller the wage gap, the greater the tendency there is for the business to be facing the problem of “a weak sense of responsibility and desire to improve in regard to work”; conversely, from data provided by employees, it was verified that the smaller the wage gap, the greater the level of satisfaction in regard to wages on the part of the contract employee, and there was also a tendency for them to be proactive in developing their occupational skills. If we interpret these facts in an integrated fashion, they suggest the possibility that businesses that are concerned about the problem that *keiyaku-shain* have “a weak sense of responsibility and desire to improve in regard to work” are working to reduce the wage gap. In addition, it is conceivable that those working as *keiyaku-shain* want to make a greater contribution to the places where they are working as a result of wage disparities being reduced, and work more proactively on their occupational skills development. This means that raising the wage level of *keiyaku-shain* has the potential to generate some benefits for the company as well, so rectifying the wage gap between regular employees and *keiyaku-shain* within the same workplace could be an effective means of resolving the problems faced by *keiyaku-shain*.

iv) Intra-firm transition to regular employee

In Chapter 5, in regard to the problem of employment contrary to the true intentions of the individual that emerged from the analysis in Chapter 2, intra-firm transition systems which make *keiyaku-shain* into regular employees were analyzed.

The data from businesses showed that there was a greater probability of facing the problem of being “unable to secure good-quality personnel” when utilizing *keiyaku-shain* in the case of businesses that have introduced an intra-firm transition system. On the other hand, the data from employees showed that the existence of an intra-firm transition system not only increased the level of satisfaction in regard to “employment stability” and “current employment overall,” but also had the effect of increasing the will to work in terms of “trying to contribute to improving the company’s performance” and “trying to increase my skills”.

If both of these findings are integrated, it is conceivable that businesses with an awareness of the problem that the way of working of *keiyaku-shain* is not good are introducing regular employee recruitment systems in order to improve their way of working, while as a result of the existence of regular employee recruitment systems, those working as *keiyaku-shain* are striving to improve company performance, as well as making an effort to enhance their skills.

This suggests that the introduction of intra-firm transition systems aimed at *keiyaku-shain* has positive significance both for companies and people working as *keiyaku-shain*.

v) Types of utilization of *keiyaku-shain*

In Chapters 6 and 7, unlike Chapters 3-5, typological analysis was conducted. Firstly, in Chapter 6, the businesses using *keiyaku-shain* were classified into four types based on the objective of utilization: “specialist utilization,” “trial employment,” “supplementary utilization” and “cost cutting.” After that, some analyses were conducted to clarify what characteristics they have and what issues they face.

At businesses in the specialist utilization category, the wage level of *keiyaku-shain* is high and the wage gap with regular employees is small. Perhaps because of this, the level of job satisfaction of *keiyaku-shain* in this category is high. In addition, as can be seen from the low turnover rate and the high sense of responsibility and desire to improve in regard to work, *keiyaku-shain* in this category perform well. However, it is not necessarily the case that the businesses in the specialist utilization category are aware that using contract employees is cost-effective.

At businesses in the trial employment category, when recruiting regular employees, there is a tendency to set “objective standards” in the form of “results of personnel evaluation being above a certain level” and “written examinations.” Moreover, the recruitment of regular employees through such “objective standards” is welcomed by *keiyaku-shain* hoping to become regular employees, and increases their sense of security. It is conceivable that clarifying the mechanism for recruiting regular employees and making it objective will result in successful personnel management in businesses in the trial employment category.

At businesses in the supplementary utilization category, the proportion of *keiyaku-shain* doing the same work as regular employees is low. However, where the duties of *keiyaku-shain* and regular employees overlap, it is easy for personnel management problems to erupt. More than at other types of business, it is necessary to ensure that the duties of regular employees and *keiyaku-shain* do not overlap at businesses in the supplementary utilization category.

At businesses in the cost cutting category, the wage levels of *keiyaku-shain* are low and the wage gap with regular employees is large. Perhaps because of this, the performance of *keiyaku-shain* is poor, as can be seen from the high turnover rate and the weak desire to contribute to improving company performance. However, it is not necessarily the case that the businesses in the cost cutting category are aware that using *keiyaku-shain* is not cost-effective.

vi) Types of *keiyaku-shain*

In Chapter 7, the people working as *keiyaku-shain* are classified into four categories based on their attributes: “specialist,” “young,” “supplementing family finances” and “subsistence” (see Figure 1). After that, some analyses were conducted to clarify what characteristics they have and what issues they face.

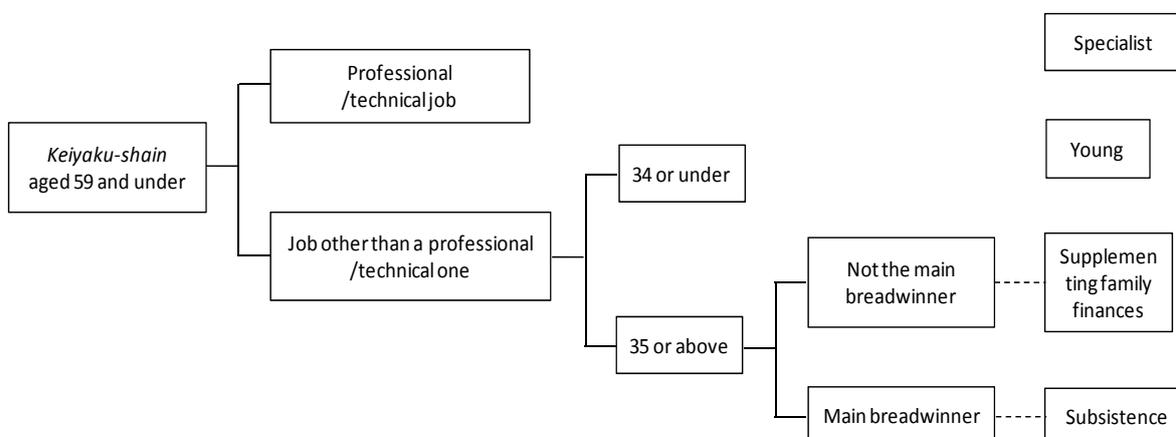
In the case of the specialist category, wage levels are high, as is job satisfaction. The reasons for this could be that these workers have formed a career based on skills that have currency in society, so the fact that they are *keiyaku-shain* is not a great source of

anxiety and, actually, means that they can enjoy the advantage of being able to grow while making use of their skills. However, there is the characteristic that job satisfaction decreases in cases where they are in charge of duties that have only a tenuous connection to the skills that form the base of the career that they have formed. Generally speaking, they have the least problems, but if one were forced to comment, it seems that the issues would further be reduced if consideration were fully given to ensuring that such employees are able to make use of skills with social currency and grow.

Employees in the young category are characterized by their strong desire to switch to being regular employees. Moreover, those in this category wishing to switch to being regular employees do not simply declare vaguely “I want to become a regular employee,” but if there is an intra-firm transition system, they actually envisage themselves becoming regular employees and engage in behavior such as skills development. From this, one can say that what is required is to introduce an intra-firm transition system in order to respond to that desire. Of course, among those in the young category are also those who do not wish to switch to being regular employees. In relation to these, support for self-development and career counseling is perhaps needed.

In the case of those in the supplementing family finances category, wage levels are low and there is a large wage gap between them and regular employees doing the same job. In addition, as well as feeling dissatisfied about the fact that their wage level is low, there is a strong tendency for them to believe that the wage gap with regular employees is unreasonable. In general, one can say that improvements are required in their treatment in terms of wages.

Put succinctly, employees in the subsistence category tend to have a feeling that “Originally, I thought that stable employment was important, but I became a *keiyaku-shain* contrary to my true intention. However, I do not want to quit my current company.” Underlying this feeling is the logic that they want to protect only their current employment, even if it is only fixed-term employment, in order to maintain their life, based on an awareness of the fact that it is very difficult to become a regular employee. Moreover, they face two problems, namely unstable employment and low wages, of which unstable employment is the more serious, so one can say that improvements are required in this area.

Figure 1 Types of *Keiyaku-shain*

6. Implications of the Results of the Analysis

On September 10, 2010, the Fixed Term Employment Contract Research Group, which was established by the Ministry of Health, Labour and Welfare, published a report entitled *Report of the Fixed Term Employment Contract Research Group*. The focus of the research conducted by this research group is no more than the actual “fixed-term employment contracts” and not necessarily *keiyaku-shain* as defined in this report. However, it goes without saying that the summary of points of contention in that report is strongly linked to this report. The following describes the implications derived from the results of the analysis of what kind of initiatives are required to improve the treatment of *keiyaku-shain* and stabilize their employment, with reference to the points of contention presented in the *Report of the Fixed Term Employment Contract Research Group*.

i) Overall awareness

Compared with other non-regular employees, *keiyaku-shain* could perhaps be said to have relatively stable employment. However, when we look at such figures as the proportion of those with experience of unemployment and the average length of service, the actual situation with regard to their careers does not differ from other non-regular employees. In other words, *keiyaku-shain* face the problem of unstable employment in the same way as other non-regular employees do.

Moreover, *keiyaku-shain* often do the same job as regular employees and, irrespective of the fact that they are strongly committed to the company or workplace, they are often placed on the same level as other non-regular employees in terms of such aspects as wages, annual bonuses, retirement payments, and company pensions. Perhaps because of this, the level of satisfaction concerning “wages” and “personnel evaluation and treatment” is the lowest and they harbor the strongest dissatisfaction concerning wage gaps even within the same workplace. In other words, *keiyaku-shain* face the problem of low wages and wage gaps.

Furthermore, among *keiyaku-shain*, there are quite a few who view their current situation as being against their will, and who wish to switch to being regular employees. Having said that, although they have these problems in common with temporary agency workers, the situation for *keiyaku-shain* is more serious. In other words, *keiyaku-shain* face the problem of employment contrary to their true intentions.

Thus, people working as *keiyaku-shain* face many problems, so one can say that there is no small need for a political response.

ii) Regulations concerning the reasons for concluding contracts

This paper does not refer to whether or not to introduce so-called “entrance regulations” – regulations concerning the reasons for concluding contracts when utilizing *keiyaku-shain* or workers on fixed-term contracts. However, setting aside the operational difficulties and the problems that might emerge as a side-effect, the author would like to declare that, from the results of this report, regulations concerning the reasons for concluding contracts could be expected to have a certain effect.

More specifically, at companies in the cost cutting category, as well as the wage level of *keiyaku-shain* being low, the wage gap between regular employees and *keiyaku-shain* doing the same jobs is large. Perhaps because of this, the performance of *keiyaku-shain* is poor, as can be seen from the high turnover rate and weak will to contribute to improving business performance. In contrast, at companies in the specialist utilization category, the wage level of *keiyaku-shain* is high and the wage gap between regular employees and *keiyaku-shain* doing the same job is small. Perhaps because of this, at these companies, *keiyaku-shain* have a strong tendency to remain in the same job and have a strong sense of responsibility in regard to their work and desire to improve. It goes without saying that the level of job satisfaction of people working as *keiyaku-shain* is low in the case of businesses in the cost cutting category and high in the case of those in the specialist utilization category.

Having said that, there is no major disparity between businesses in the cost cutting category and those in the specialist utilization category in terms of their awareness of the cost-effectiveness (way of working and degree of contribution in comparison to labor costs) of utilizing contract employees. However, according to the objective of utilizing *keiyaku-shain*, there are major differences in terms of working conditions and the consciousness and behavior of the people working as *keiyaku-shain*. From this, it is anticipated that prescribing regulations concerning the reasons for concluding contracts when utilizing *keiyaku-shain* or workers on fixed-term contracts would have some effects in terms of changing the employment environment of workers.

iii) Employment contract periods and renewal rules

Firstly, it became clear that setting short employment contract periods reduces the satisfaction of people working as *keiyaku-shain* with regard to “employment stability,” as well as having a negative impact on their will to contribute to business performance,

their desire to improve their skills, and their behavior relating to the development of occupational skills.

Having said that, there are cases in which short contract periods are required by a business for operational reasons. For example, as can be seen from the fact that it was ascertained from the data provided by both businesses and employees that many short-term contracts are concluded in the manufacturing sector, it appears that the conclusion of short-term contracts stems from the attributes of the business to a considerable degree.

However, there can be no doubt that, as detailed above, there are disadvantages for companies as well, so the conclusion of short-term contracts should be avoided as far as possible. As readers are doubtless aware, Article 17 of the Labor Contract Act stipulates that, “With regard to a fixed-term labor contract, an employer shall give consideration to not renewing such labor contract repeatedly as a result of prescribing a term that is shorter than necessary in light of the purpose of employing the worker based on such labor contract.” With regard to this point, what is required is to ensure that the law operates more reliably, to ensure that terms that are “shorter than necessary” are not prescribed, as per the wording of the law.

There is one more problem relating to the rules for renewing employment contracts. According to the data gathered, in the event that the company’s policy on the renewal of employment contracts is unclear, the employment anxiety of people working as *keiyaku-shain* increases and their inclination to leave their job grows; moreover, it was ascertained that there is a tendency even for companies to be aware that there are problems with regard to the retention rate of *keiyaku-shain*. From this, one can say that policies on the renewal of employment contracts should be made as clear as possible.

With regard to approaches to the rules for renewing employment contracts, as readers are doubtless aware, in *Standards Concerning the Conclusion, Renewal and Termination of Fixed-Term Contracts* (Notification No.357 of the Ministry of Health, Labour and Welfare, dated October 2, 2003), it is stipulated that, “Employers should clearly notify employees upon conclusion of a contract that prescribes a fixed term as to whether or not their fixed-term contract can be renewed after expiration of the term” and that, in the event that they have indicated that the contract can be renewed, “they must clearly notify employees of the criteria used to determine whether or not the contract will be renewed.” With regard to this point as well, as per the wording of these standards, what is required is, as far as possible, to eliminate uncertainty from the perspective of people working as *keiyaku-shain*, by clearly stipulating “whether or not the contract will be renewed” and “the criteria for judging this.”

iv) Equal and balanced treatment with regular employees

A wage gap of around 20% exists between regular employees and *keiyaku-shain*, even when data are controlled for the attributes of the individual, the attributes of the company, tenure, and contents of the job. Incidentally, differences between regular

employees and *keiyaku-shain* include whether or not there is an obligation to be transferred to a different department or be relocated, and whether or not the duration of the employment contract is stipulated; according to estimates, the gap based on whether or not the duration of the employment contract is stipulated is four times larger than the gap based on whether or not there is an obligation to be transferred to a different department or relocated. One cannot overlook this situation and it seems there is a necessity to rectify the wage gap in some way.

By the way, it was ascertained that the smaller the wage gap between people working as *keiyaku-shain* and regular employees doing the same job, the greater the tendency for the *keiyaku-shain* to be proactive in developing their occupational skills. This fact means that there is a possibility that raising the wage level of *keiyaku-shain* will give rise to certain benefits for the company as well, so it is likely that rectifying the wage gap between regular employees and *keiyaku-shain* within the same workplace would be an effective means of solving the problems faced by *keiyaku-shain*.

Based on this, there are few positive reasons for making part-time workers alone subject to the principle of “equal and balanced treatment,” as per the amended Part-Time Labor Act that entered into force in April 2008. It would appear to be necessary to make *keiyaku-shain* subject to the principle of “equal and balanced treatment” with regular employees. More specifically, at present, the *Revised Part-Time Labor Guidelines* (Notification No.326 of the Ministry of Health, Labour and Welfare, dated October 1, 2007) stop at stipulating that, “The purpose of the Part-Time Labor Act should be considered (section omitted) with regard to workers on fixed-term contracts whose prescribed working hours are the same as those of regular workers” and it is conceivable that the legal binding force of the principle of “equal and balanced treatment” could be strengthened in some way.

In doing so, it is necessary to recall that the *keiyaku-shain* who face a big wage gap in comparison with regular employees doing the same job are those who are supplementing family finances, who are also likely to have responsibility for housework and the vast majority of whom are women. It is necessary to provide supervision and guidance as a priority, to ensure that *keiyaku-shain*, who have only a narrow range of options in regard to workplaces and the duties that they can fulfill because they have responsibility for housework, are not forced to accept significantly worse treatment for this reason.

Moreover, in relation to the foregoing, it was shown that personnel management problems can easily erupt if there is an overlap in the duties carried out by regular and *keiyaku-shain* at businesses engaging in supplementary utilization of *keiyaku-shain*. It is necessary for employers to scrutinize the situation at their own company sufficiently closely, to ensure that there are no discrepancies between the basic policy on personnel management and its actual operation in the workplace (of course, it is not necessarily the case that it is preferable to engage in the “separated” utilization of *keiyaku-shain*. All that can be said from this is the fact that discrepancies between the basic policy and the actual operation can lead to undesirable outcomes).

v) Intra-firm transition to regular employee and switching to permanent employment contract

Among *keiyaku-shain* are quite a few people who see their current situation as being against their will and who want to switch to being regular employees. Moreover, it was ascertained that, as a result of the existence of systems for the intra-firm transition to regular employees, *keiyaku-shain* devote their energies to contributing to the performance of the company, as well as striving to improve their skills. Consequently, the introduction of a system for the intra-firm transition to regular employees can be said to have quite a few advantages for companies as well.

Based on this situation, it would seem to be preferable at the very least for the obligation to take measures to convert part-time workers to regular employees that is stipulated in the amended Part-Time Labor Act to be applied even more strongly to *keiyaku-shain*.

Of these measures, intra-firm transition systems to regular employees have a particularly sizeable positive effect in regard to young *keiyaku-shain* wishing to switch to being regular employees. Based on this, with particular regard to young *keiyaku-shain*, it would seem to be a good idea to take measures to promote the transition to regular employees by providing incentives to companies. There are many companies that have introduced intra-firm transition systems aimed at young people, so such measures conceivably also correspond to the needs of companies.

Incidentally, the group that yearns for employment stability even more than young people is the subsistence category. However, if one postulates that seniority-based personnel and wage systems for regular employees are prevalent in most Japanese companies, it would seem that immediately recruiting regular employees from among these mature *keiyaku-shain* would place a considerable burden on the company. Accordingly, if one considers both the needs of those working as *keiyaku-shain* and the ease of accepting them on the part of the company, it would seem that measures to promote longer fixed-term contracts or employment without a specified term would be effective among such mature *keiyaku-shain*.

In addition, the results of wage analysis indicated that, at present, there is a considerable wage gap not only between regular employees and *keiyaku-shain*, but also between so-called “limited regular employees” and *keiyaku-shain*. Accordingly, one would add that, even if a contract employee were granted employment without a specified term, there is a possibility that problems would remain with regard to equal and balanced treatment between (former) *keiyaku-shain* who have been newly granted employment without a fixed term and existing regular employees or “limited regular employees”.

vi) Other

Finally, moving away from discussions in the *Report of the Fixed Term Employment Contract Research Group*, the author would like to make three proposals based on the results of analysis in this report.

Firstly, it was ascertained that at companies engaging in trial employment of *keiyaku-shain*, when recruiting regular employees, there is a tendency to set “objective standards,” in the form of “results of personnel evaluation being above a certain level” and “written examinations”; moreover, the recruitment of regular employees through such “objective standards” is welcomed by *keiyaku-shain* hoping to be recruited as regular employees, and increases their sense of security. Accordingly, it would seem to be meaningful for the government to gather good examples of trial employee systems and present them as concrete models to companies thinking of introducing or improving such a system. Naturally, it goes without saying that work on the formulation and clarification of legal rules for the utilization of *keiyaku-shain* with the objective of trial employment will be essential prerequisites for this.

Secondly, it was demonstrated that *keiyaku-shain* in the specialist category have high wage levels and a high level of job satisfaction. It was suggested that the reason for this is that they are basing their career formation on skills with social currency, which has the advantages that being a *keiyaku-shain* is not such a great source of uncertainty and they can actually grow as they make use of their skills through being a *keiyaku-shain*. Based on this situation, it is probably possible to support stable career formation among this group while they remain *keiyaku-shain* by constructing a system that objectively assesses their skills, not only among specialist personnel in a narrow sense, but also among those in clerical and service-based positions. It is believed that this would contribute to employment stability and improved treatment of *keiyaku-shain*, in particular among those who, for various reasons, do not wish to become regular employees.

Thirdly, from the interviews with individuals, one can predict that among *keiyaku-shain* are quite a few people who were initially part-time workers, but became *keiyaku-shain* as their working hours gradually became longer, and also people who were initially temporary agency workers by temporary employee dispatch agencies, who became *keiyaku-shain* following approaches about switching to direct employment by the company to which they were dispatched. In addition, while there are those with a definite desire to become regular employees in the future or to remain as *keiyaku-shain*, there are also those who do not necessarily have any clear-cut wishes. Based on this kind of situation, it would seem to be beneficial not only to develop measures to promote a switch to becoming regular employees and measures to support stable career formation while remaining *keiyaku-shain*, as discussed above, but also, through the cultivation of career consultants and their deployment at “Hello Work” public employment security offices, to develop a support system that will enable individuals to judge which path would be preferable for them.