

Outline of the 2012 NPA Report on National Civil Service Reform, etc.

I. Basic Recognition of National Civil Service Reform

1. The Purpose of National Civil Service Reform and the Recognition of the NPA

To pursue national civil service reform, the NPA points out that it is important, based on the basic principles that underlie the National Public Service Act, such as meritocracy, which stems from a basic concept of the Japanese Constitution that national public employees are servants to the entire nation, to clarify problems of the current system and then assess plans to effectively address these problems. It will also be critical to examine the costs and benefits that the reform brings in to the nation.

2. Circumstances surrounding National Civil Service Reform

It is difficult to evaluate that there existed a nation-wide discussion until the submittal of the four bills related to national civil service reform. Hereafter, thorough discussions should be held, taking opportunities such as Diet deliberations.

3. Issues with the Four Bills related to National Civil Service Reform

(1) Issues with Regard to the Recovery of Rights to Conclude Agreements

- **Determinations of Remuneration in the National Civil Service is Free from the Deterrent Mechanism of the Market**

National public employees are not to share the redistribution of profits earned by their organization as employees in the private sector do. In addition, as public organizations are free from the risk of bankruptcy, industrial relations in the public sector do not

contain the deterrent mechanism of the market, which otherwise works as a restriction on determinations of remuneration. Therefore, it is difficult to expect an autonomous conclusion of agreements, as is the case in labor bargaining in the private sector.

- **Under the Democratic Control of the Diet, the Capacity to play a responsible role as Employer in negotiations is limited**

Given the structure that the Diet is the final determinant of remuneration of national public employees, ministers and other executives cannot play a responsible role as the employer with ultimate power of decision-making in negotiations. Along with the deterrent mechanism of the market, this fact provokes anxiety that the use of arbitration will be normalized instead of autonomous decisions during the negotiations.

- **Measures to ensure the Representativeness of the Trade Unions should be arranged**

Taking into account the current circumstance where only around 40% of national public employees join any trade union, an important prerequisite to be thoroughly discussed, before the introduction of a new industrial relations system, is how to ensure the representativeness of trade unions in negotiations.

(2) Issues with Regard to Securing Fairness in Personnel Administration

For systematically ensuring the functions to secure fairness in personnel administration, it is necessary to pay special attention to the points below.

- **Ensuring the Fair Implementation of Recruitment Examination and Training**

It is necessary that a third-party organization with a certain level of organizational independence play the role of implementing examination including making questions and determining successful candidates. It is also required to provide a central body with autonomy for training, including the choice of training lecturers and the development of

training curriculum.

- **Ensuring Fairness in Personnel Affairs for Senior Officials**

It is essential that a third-party organization is involved appropriately and efficiently in qualification review for senior officials. Also, transfers of officials among senior posts require a strict verification of qualifications as well as measures to improve rationality and persuasiveness for personnel changes.

II. Employment issues for those of senior ages

Given the gradual raise in the starting age for pension payment, ensuring employment until the beginning of pension payment is a common issue for both the public and private sectors. While Japan has been proceeding to an advanced stage of society with decreasing birthrate and aging population, the establishment of a working environment to fully utilize the knowledge and expertise of elderly people is a challenge for the whole country.

<Concerns over the new Reappointment System and Measures to overcome them>

- Under the new reappointment system, the following issues shall be addressed: 1) What type of tasks shall be allocated to a reappointed employee, 2) How the ability and expertise of former managerial employees are utilized within and outside the public sector, 3) How to guarantee a sufficient number of positions for employees willing to be reappointed, whose number is expected to dramatically increase.
- In order to smoothly implement the new reappointment system, the following areas shall be swiftly approached by each ministry or by the government as a whole: reviewing the operational system of administrative tasks and the overall personnel management; arranging positions for specialized staff; widening the opportunities for personnel exchange; supporting early retirement; and examining how to treat reappointed

employees under the head count management system.

- Taking into consideration the expected duties and the working styles of the reappointed employees in each ministry, the NPA will examine necessary measures to address their remuneration issues.
- Procedures of hearing the employees' willingness of reappointment shall be established. It is also important to consider how to deal with appeals against the complaints on reappointment, etc.
- Based on timely assessment of the operation of reappointment from 2014 onwards, it is necessary to reconsider measures to ensure employment until the beginning of pension payment, including the alternative of raising the retirement age that was presented in the NPA's opinion in September 2011.

III. Efforts to tackle various issues of Personnel Administration

1. Promoting Personnel Management Based on Ability and Performance

- **Appropriate implementation and utilization of personnel evaluation**

Since personnel evaluation serves as the base of personnel management, notably on the personnel allocation and the development of officials, each ministry shall appropriately implement it. The NPA shall provide the individual ministries with support and guidance for properly utilizing the results of personnel evaluation for appointment, remuneration, etc.

- **Human resources development and training for prospective senior-level officials**

The NPA shall further enhance the contents of training for prospective senior-level officials. It shall also examine the overall training system, taking into account the objectives of the recent rearrangement of recruitment examinations.

- **Strategic development of specialists**

It is necessary to promote diversification of career paths of national public employees through such measures as strategic personnel allocations based on the career inclinations of each official. It is also important to introduce measures to develop employees who have an aptitude for specialists through long-term engagement in a specific field.

2. Improving the Working Environment for Employees

- **Reduction of Overtime Work**

In order to reduce overtime work, it is most important for each ministry to promote measures such as strict management of working hours. Some causes of overtime work beyond administrative control, such as dealing with tasks required by the Diet, shall be reduced through understanding and cooperation by the relevant actors. It is also necessary that a sufficient budget is obtained for the overtime allowance.

- **Promoting male Employees to take Child Care Leave**

A working environment that facilitates male employees to take child care leave needs to be created. The NPA shall enhance the advertisement of the system available to employees. It shall also provide each ministry with advice and guidance about the concrete measures it should undertake.

- **Coping with the resign of employees facing the transfer of their spouses**

The NPA shall examine how to cope with the resignation of employees facing the transfer of their spouses. This shall be conducted in line with the assessment of influence that the introduction of such new policies might have on personnel management and administrative operation at each ministry.