

**[Table 4] The Objectives of the Instructor Training Programs**

Name of Training Programs	Objectives
Training to Enhance Abilities of Training Officers	Mainly targeting newly-appointed officers in charge of training planning and training instructors in each ministry, the program aims to help them acquire the basic knowledge that is required to perform their duties and to enhance their planning ability.
Training for the Prevention of Harassment	This training aims to raise employees' awareness about harassment prevention; to ensure understanding of managers and supervisors about their duties and roles; and to develop their practical abilities. (This training has been launched since FY2017 by drastically changing the former Training for the Prevention of Sexual Harassment and adding the programs concerning pregnancy, childbirth, childcare, nursing care and power harassment).
JKET (Training for Public Employee Ethics)	The program aims to cultivate a sense of ethics by considering public employee ethics.
JST Basic Course (Training for Management of Work and Personnel)	The program aims to help trainees to understand the principles concerning work management and instruction of subordinates in an organizational and systematic manner and to provide them with practical abilities.

### ***Chapter 3. Remuneration of Employees***

#### **Section 1. Report and Recommendation on Remuneration**

##### **1. Mechanism for Remuneration Recommendation**

###### **(1) Significance and Role of the Remuneration Recommendation**

Article 28 of the National Public Service Act stipulates that the remunerations of national public employees may be changed at any time by the Diet in accordance with general conditions in society, that the NPA must report to the Diet and the Cabinet simultaneously on the propriety of the current salary schedules not less than once each year, and that the NPA must make an appropriate recommendation to the Diet and the Cabinet.

In light of the distinctive features of the status of national public employees and the public nature of their duties, their basic labor rights guaranteed under the Constitution are restricted. The NPA remuneration recommendation plays a role to secure appropriate remunerations of national public employees corresponding to the general conditions of society in compensation for the restriction of basic labor rights. The remuneration recommendation has conventionally dealt with the review on the systems for salary and other various allowances, in addition to the revision of the remuneration level.

Article 3 of the National Public Service Act stipulates that the protection of the welfare of officials is one of NPA's basic roles. Securing appropriate treatment of national public employees through the NPA recommendation elevates the morale of diligent national public employees. At the same time, it is useful in securing human resources in the public service and stabilizing the labor-management relationship, which serves as a platform to maintain efficient administrative management.

###### **(2) Making Recommendations Based on the Principle of Balancing Working Conditions with Those in the Private Sector**

The reasons why the NPA makes a recommendation based on the above principle is as follows. National public employees are workers to whom the proper amount of remuneration needs to be paid as compensation for their work. Unlike the private sector, there is no limitation in the form of the market acting as a deterrent with

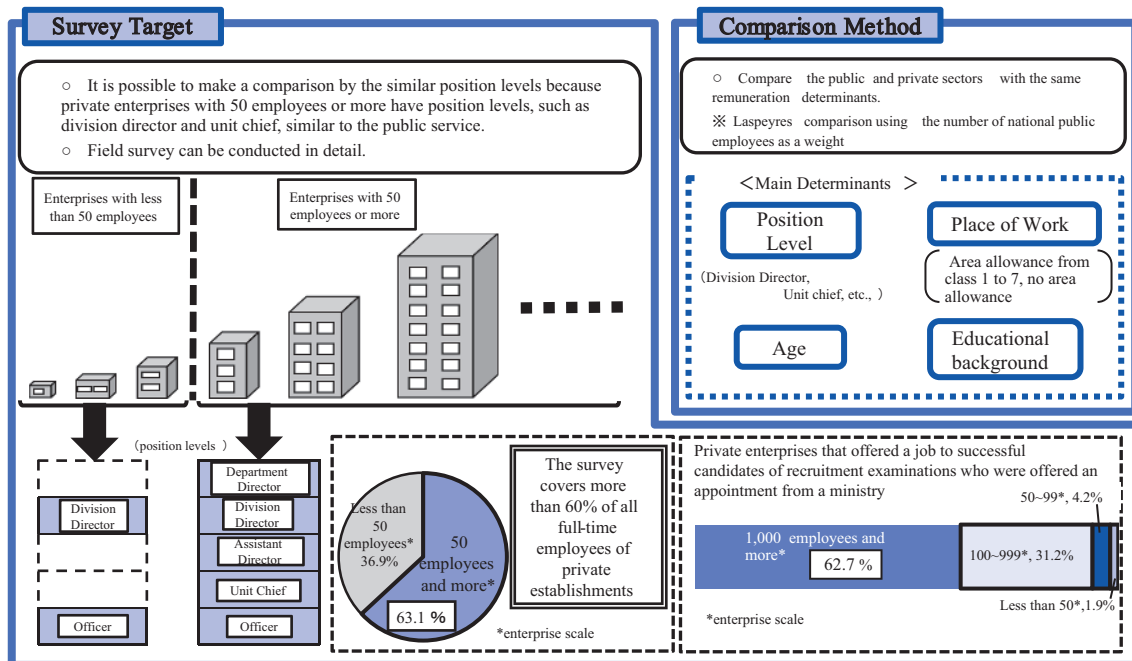
respect to remuneration of a market in the public sector. Accordingly, it is most rational to decide remuneration levels in the public sector by following remuneration trends in the private sector, which are determined through labor-management negotiations reflecting the economy/employment conditions of the time.

With regard to comparisons between the remuneration of national public employees and that of private company workers, the NPA precisely compares the remuneration for the month of Apr. of the employees in both sectors having the same main remuneration determinants. The NPA carries out the “Fact-finding Survey of Job-by-Job Pay Rates in Private Enterprises” targeting offices with 50 or more employees on an enterprise scale basis and 50 or more employees on an office scale basis for the purpose of making comparisons with the remuneration of private company employees working at these offices.

In general, a remuneration level is set based on the factors, such as job category, position level, place of work, educational background and age. Therefore, it is not appropriate to use average salaries to compare remunerations between the public service and private companies. Instead, a combination of remuneration determinants should be used as a basis for the comparison (comparisons of the same categories and equality).

Concerning the survey target, most of the private companies with 50 employees or more on the enterprise scale basis have position levels, such as department director, division director and unit chief, similar to the public service. Thus, it is possible to make a comparison between national public employees and their counterpart in the same category in such private companies. In addition, with the current number of offices subject to the survey, field surveys can be conducted in detail and survey accuracy can be maintained. Because of these reasons, the current survey target is appropriate (Figure 9).

**Figure 9 Comparison with Remuneration in the Private Sector**



### (3) Comparison with Private Enterprise Pay Levels

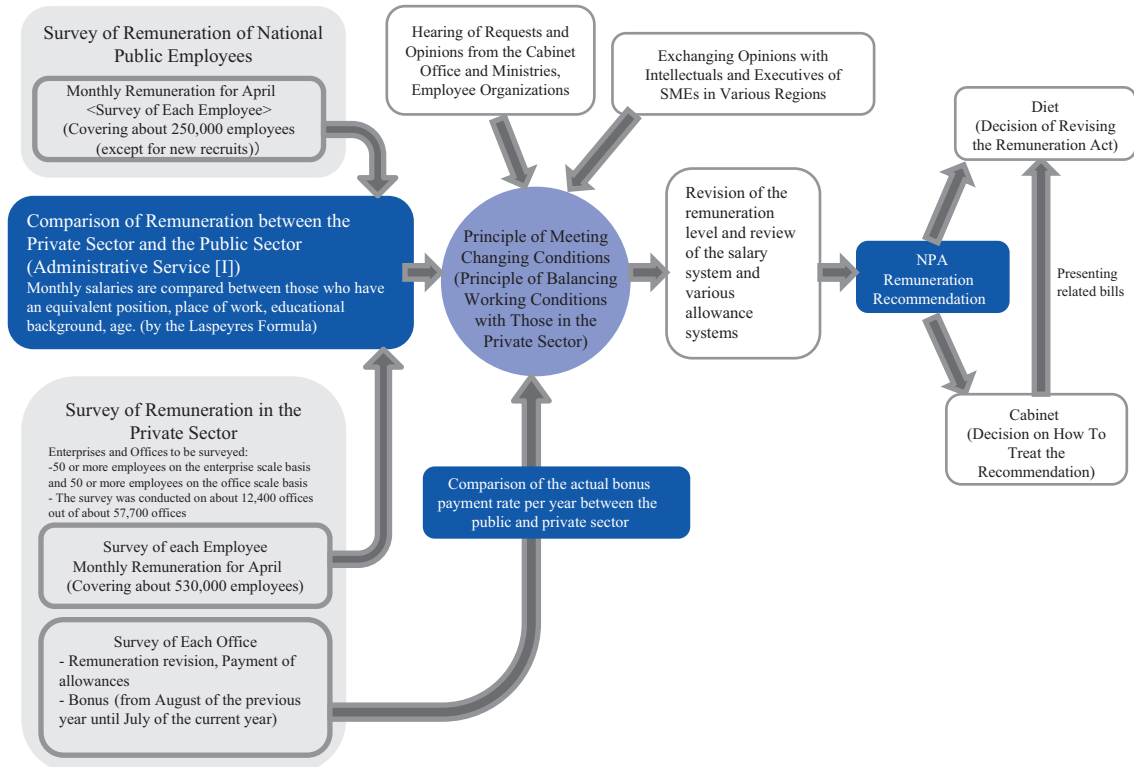
[Comparison of Monthly Wages]

The NPA conducts the “Fact-finding Survey of Remuneration of National Public Employees” and the “Fact-finding Survey of Job-by-job Pay Rates in Private Enterprises” each year in order to precisely ascertain salary levels in both the public and private sectors for the month of Apr. Then, the NPA makes comparisons between public employees and private sector workers using the aforementioned method and submits its recommendation formed on the basis on balancing remuneration levels of public employees with those of private sector workers (Figure 10).

[Comparison of Special Remuneration (Bonus)]

Regarding special remuneration, through the “Fact-finding Survey of Job-by-job Pay Rates in Private Enterprises,” the NPA grasps the accurate amount of special remuneration in the private sector (bonus) paid in the last year from Aug. of the previous year to Jul. of the current year. The NPA submits a recommendation to make the number of months of the special remuneration (end-of-term allowance and diligence allowance) paid as a yearly bonus to public employees, the same as the number of months of bonus paid in the private sector (Figure 10).

**Figure 10 Process of Remuneration Recommendation**



## 2. 2017 Report and Recommendation

The NPA submitted its report and recommendation on the remuneration of regular service employees to the

Diet and the Cabinet on Aug. 8, 2017. Details of the report are described in Chapter 1 of Part 1.

### 3. Survey of Remuneration of National Public Employees

With the cooperation of each ministry, the NPA conducts the “Fact-finding Survey of Remuneration of National Public Employees” every year to ascertain remuneration levels for national public employees. It serves as a basis for the comparison with remuneration levels for private sector workers.

Survey target: Incumbent employees to whom the Remuneration Act, the Act Concerning Fixed term Researchers or the Act Concerning Fixed-term Employees applies as of Jan. 15 (excluding employees on administrative leave, dispatched employees who exclusively engage in duties in the workplace to which they are dispatched, and employees serving at diplomatic missions abroad).

Survey items: Receipt status of salary and allowances, age, educational background, type of recruitment examination they passed.

Survey calculations: Remuneration calculated as of Apr. 1.

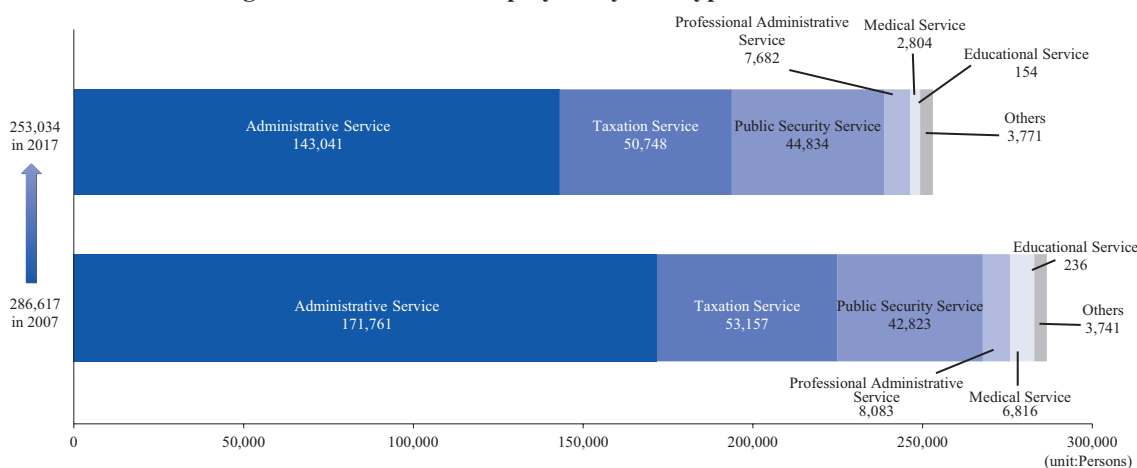
The outline of results of the 2017 Fact-finding Survey of Remuneration of National Public Employees is as follows.

#### (1) Composition of National Public Employees

The number of national public employees has been decreasing year after year as a result of continued personnel reduction. It has decreased by approx. 34,000 from 2007.

The average age is 43.2, which is 0.1 younger than that in 2016.

**Figure 11 Number of Employees by Job Type in 2017 and 2007**



(Notes) 1. The "Number of Employees" refers to the incumbent employees as of April 1 of each year (excluding new recruits, reappointed employees, those on administrative leave, those who are dispatched to other organizations, and those who work at diplomatic establishments abroad).

2. In the "Administrative Service," the numbers of employees under the Administrative Service (I) were 140,319 (55.5%) in 2017, and 166,568 (58.1%) in 2007.

## (2) Remuneration of Employees

The average remuneration amount per month and the receipt status of various allowances as of Apr. 1, 2017, are as follows. (Table 5)

[Table 5] Average Monthly Remuneration by Item

(Unit: yen)

Item	All Employees	Employees to whom the Salary Schedule for Administrative Service (I) is Applied
Salary	339,980	330,531
Area Allowance	41,586	42,230
Managerial Allowance	11,748	12,360
Family Allowance	10,900	10,806
Housing Allowance	5,321	5,748
Others	7,434	9,044
Total	416,969	410,719

(Note) “Others” includes the HQ duty allowance, cold area allowance and remote area allowance, but does not include compensation of actual expenses or performance-based allowances such as commuter allowance, hardship duty allowance and overtime allowance.

## 4. Survey of Job-by-Job Pay Rates in Private Enterprises

For the purpose of acquiring the basic data to determine the appropriate remuneration of public employees, the NPA conducts “the Fact-finding Survey of Job-by-Job Pay Rates in Private Enterprises” each year in conjunction with personnel commissions of each prefecture and cabinet order-designated cities and ascertains the actual remuneration of employees in the private sector who engage in duties similar to public duties.

### (1) Outline of the 2017 Survey

#### A. Private Sector Offices the Survey Covered

Private sector offices targeted by the survey were those with 50 or more employees on the enterprise scale basis and 50 or more employees on the office scale basis. A total of 57,673 offices were targeted.

#### B. Private Sector Offices Actually Surveyed

A total of 12,367 private sector offices were randomly selected from all offices the Survey covered, by stratifying them into 915 groups by prefecture and cabinet-order-designated cities and also by organization, scale and industry, using the stratified random sampling method.

#### C. Survey Method and Content

The Survey was jointly conducted with personnel committees of prefectures and cabinet order-designated cities during the period from May 1 to Jun. 16, 2017, by way of site surveys held at the offices on monthly wages paid for the month of Apr. 2017.

#### **D. Calculation Method**

In calculating totals and average values, consideration was given to avoid results that are skewed to specific areas, scales, or industries, by multiplying the result by the reciprocal of the sampling rate for offices or employees to obtain the population again.

#### **(2) Results of the 2017 Survey**

##### **A. The Total Number of the Survey Completed Offices**

10,777 offices (a completion rate of 87.8%)

##### **B. The Actual Number of Employees Subject to the Individual Survey**

528,798 full-time employees (including 33,715 who were subject to the initial salary survey) in 76 job types which are thought to be similar to public duties (including 18 job types subject to the initial salary survey).

The population excluding those who are involved in the initial salary survey is estimated to be 4,043,232.

### **Section 2. Implementation of the Remuneration Act**

#### **1. Revision of the Fixed Numbers of Officials in Each Grade of Salary Schedules**

Remuneration of public employees is paid on the basis of salary schedules and grades, which are determined in accordance with the duty and responsibility he/she is assigned. The grade of each employee is determined within the range of the number in the grade to which he/she is rated. The fixed number of officials in each grade of salary schedule is determined by classifying individual duties based on the degree of complexity, difficulty, and responsibility on the basis of standard duties by grade of each salary schedule and then designating the number of officials in each grade (the limit) by budget account, organization and position title. The fixed numbers of officials in each grade take a role in ensuring uniformity and fairness in grading so that the appropriate grading of duties might be performed in each ministry. In concrete terms, the number is fixed by grade, based on the standard duties by grade, as well as the degree of complexity, difficulty, and responsibility of the duties employees are assigned, considering qualifications, abilities and experience required to execute the said duties.

The authority to set and revise the fixed number of officials in each grade of salary schedules reside in the prime minister. However, the fixed number of officials in each grade is related to working conditions. Therefore, the Remuneration Act specifies “when setting or revising the fixed number, the prime minister is to hear and fully respect the opinions of the NPA, which has the compensatory function for the restriction of basic labor rights.”

The NPA’s opinions are submitted to the prime minister with a view to securing appropriate working conditions for employees as the compensatory function for restriction of basic labor rights, which are guaranteed in the Constitution. The NPA’s opinions share the same characteristics with the NPA Recommendation, which requests full implementation of the Diet and the Cabinet.