

Outline of 2023 Recommendations and Reports of the National Personnel Authority

August 2023
National Personnel Authority

2023 Summary of Report on Public Employee Personnel Management

Basic Concepts

Protecting people's interests, providing world-leading administrative services, and building a vibrant society, in the midst of drastically changing socioeconomic and international circumstances.

➔ It is essential to enhance the business management capabilities of government and to attract and develop talented people at all levels of public service organizations.

➤ It is necessary to create an environment in which each employee can be dynamic, and employees' well-being can be realized.

01



Comprehensive efforts to secure diverse and talented human resources to support public service organizations

02



Measures to improve organizational performance through the growth of individual employees

03



Realizing diverse work styles and lifestyles and improving working environment that serves as a foundation for employees' well-being

Furthermore, in order to realize public employee personnel management suitable for the new era, an expert panel will be set up to discuss issues cross-sectionally without exceptions.

(final proposal targeted for fall 2024).

1 Comprehensive efforts to secure diverse and talented human resources to support public service organizations

Recognized Challenges

In order to secure diverse and talented human resources to support public service organizations, it is difficult to maintain organizations by securing and training new graduates through recruitment examinations alone. It is essential to attract and secure more human resources with diverse experience and advanced expertise outside of the public sector. In order to realize this, it is necessary to promote integrated efforts in terms of recruitment methods, human resource development, and salaries.

Responses to Challenges

Promoting the fusion of knowledge between the private and public sectors

Actively attracting human resources who will play a central role in business

Establish recruitment examinations for recruiting private-sector personnel as unit chief level officials responsible for policy and project implementation for a wide range of ministries and agencies.

Strengthening dissemination to promote public-private personnel exchange

Conducting a questionnaire survey of those who have experienced exchanges to understand the benefits of public-private personnel exchanges, and proactively disseminate the benefits to both the public and private sectors.

Enhancing support for smooth adaptation (onboarding) to public service organizations

Expand onboarding training and sharing of good practice to enable private sector personnel to quickly adapt to the workplace and demonstrate their abilities.

Reviewing the method of conducting recruitment examinations

Steadily promote the reform of recruitment examinations, and organize and examine issues for implementation of recruitment examinations using online systems from the perspective of realizing methods of conducting recruitment examinations which are easier for applicants to take.

1 Comprehensive efforts to secure diverse and talented human resources to support public service organizations (continued)

Responses to Challenges (continued)

Efforts to strategically secure the human resources required for future public service

Consideration of recruitment strategies that contribute to securing excellent human resources

Establish a scheme for exchanging opinions with experts as a forum for discussing the ideal recruitment strategy necessary to attract excellent new graduates, private-sector personnel, scientific and technical personnel from various perspectives .

2024 Update to the Remuneration System

Realization of remuneration systems that support the securing of human resources

Improve remuneration levels at the time of hiring and expand salary increases based on roles and activities in order to change the traditional image of public service remuneration among potential applicants.

- ✓ Increase in initial salary for new graduates
 - ✓ Raise the minimum level of salaries for unit chief level to assistant director level in ministry HQ (raise the compensation of excellent young and mid-career employees, and raise the base salaries of private sector personnel when they are hired)
 - ✓ Increase in maximum bonus amounts for the best performers
 - ✓ Expand bonuses for specified fixed-term employees
 - ✓ Provide allowance for Shinkansen commuting and family-unattended-transfer(*) from the time of hiring
- (*) family-unattended-transfer: employees transferred to work placements away from their home

Consideration of how the system for part-time employees should be operated

While there are opinions that it is becoming more and more difficult to secure part-time employees, appropriate operation of the system will be discussed, based on an understanding of the actual situation in each ministry and agency.

2 Measures to improve organizational performance through the growth of individual employees

Recognized Challenges

It is necessary to link employees' awareness of career development to their motivation for personal growth, and to make this a driving force for improving the performance of the organization as a whole. To this end, it is essential to clarify the careers of individual employees and strengthen the management abilities of executives and administrative staff. It is also important to promote re-education of staff members and appointments based on their abilities and performance.

Responses to Challenges

Promote autonomous career development and independent learning for staff

- ✓ Expand career support training for young employees in their 20s and 30s and initiatives that contribute to improving career support skills at the management level
- ✓ Organize and list training programs and materials that can be used for learning by employees in cooperation with the Cabinet Bureau of Personnel Affairs and each ministry and agency for autonomous, independent, and continuous learning and re-education of employees.
- ✓ Analyze and review, based on exchanges of opinions with each ministry and agency and provide possible support for the formation of a "positive cycle of learning and work" in which individual employees realize that their independent learning applies to their work and leads to a career path, motivating them to continue growing.
- ✓ In addition to consideration for the health of employees, the necessity to ensure an obligation to devote attention to one's duties, the fair execution of one's duties, and the public's trust in the public service, as well as the ways in which parallel employment can lead to growth as an employee and improvement of organizational performance, will be examined while listening to the opinions of the Cabinet Bureau of Personnel Affairs and each ministry and agency.

2 Measures to improve organizational performance through the growth of individual employees (continued)

Responses to Challenges (continued)

Efforts to integrate individual strengths into organizational strengths

Promote HRM that contributes to organizational performance improvement

Appropriately reflect the results of personnel evaluations in appointments and remuneration. Provide necessary guidance and support, such as dissemination of system details. In addition, we will study the use of digital technology in personnel management in cooperation with the Cabinet Bureau of Personnel Affairs, the Digital Agency, and other government ministries and agencies.

Realize treatment of employees in accordance with their roles and contributions

Realize appropriate treatment based on contribution by reflecting roles, abilities, achievements

2024 Update to
the Remuneration
System

- ✓ Raise the minimum level of salaries for unit chief level to assistant director level in ministry HQ.
- ✓ Revise the salary system for Division directors/ Directors of office in ministry HQ to place more emphasis on job responsibilities
- ✓ Expand allowances for overtime work for management staff
- ✓ Increase the maximum bonus amounts for the best performers

Facilitate personnel rotation that involves moving work locations to maintain administrative services throughout the country

- ✓ Broadly group regional allowances
- ✓ Review the amount of allowance for Shinkansen commuting
- ✓ Expand allowances for pre-mandatory-retirement-age reappointed short-time employees

3 Realizing diverse work styles and lifestyles and improving working environment that serves as a foundation for employees' well-being

Recognized Challenges

In the midst of diversifying values, the development and promotion of personnel and remuneration systems that enable employees to work in a manner that respects their individual circumstances will lead to an improved working environment in which employees can work with a sense of fulfillment and vitality, which in turn will contribute to improving the attractiveness of the public service as a workplace. From this perspective, efforts to promote more flexible work styles are also required. In addition, there is an urgent need to improve the working environment as a foundation for employees' well-being, such as by reducing overtime work.

Responses to Challenges

Efforts to enable diverse work styles and lifestyles

Promote institutional reforms to implement flexible work styles

Review of flextime system to further enable individual employees to secure their health and work in accordance with their wishes(※), ensuring intervals between working hours, review of summer vacation usage periods and annual leave use units, and development of telework guidelines,

※ Recommendation to amend the Working Hours Act to allow general employees to set up to one day per week when they are not allocated to working hours, while maintaining their total amount of working hours through the use of the flextime system (extension of measures permitted for childcare or nursing care employees to general employees)

Support for work-life balance

Examine necessary measures based on the requests of each ministry and agency, and the situation of the private sector, and work on the development and dissemination of support systems for balancing work and family life.

Remuneration system measures to encourage employee's choice

The remuneration system also encourages employee's choice as their work needs and lifestyles diversify.

2024 Update to
the Remuneration System

- ✓ Review family allowance
- ✓ Establish telework-related allowance (recommended this year)
- ✓ Provide allowance for Shinkansen commuting and family-unattended-transfer from the time of hiring, and review the amount of allowance for Shinkansen commuting

3 Realizing diverse work styles and lifestyles and improving working environment that serves as a foundation for employees' well-being (continued)

Responses to Challenges (continued)

Efforts that contribute to building a foundation for employee well-being

Reduce overtime work - Aiming to dispel the negative image of the public service as a workplace

The Office of Investigation and Guidance on Working Hours newly conducts investigations and guidance on the proper management of overtime hours at local government offices. We will further enhance investigation ability by strengthening its structure in the future. We have requested each ministry and agency to make further efforts to handle work related to the Diet in an efficient manner. We continue to ask for understanding and cooperation from all parties concerned, to reduce overtime work stemming from the work related to the Diet. We pointed out the need to secure capacity and personnel commensurate with the volume of work.

Improve health of employees - Promote "health management" in the public sector

Conduct a public-private survey and study ways to improve the health management system and promote effective health management measures. Promote various initiatives related to mental health.

Efforts toward zero harassment

We conduct training for staff at the section chief level and above in ministry HQ and local organizations to promote understanding of the importance of each individual's own role in harassment prevention measures. Efforts are being made to enhance training programs that meet the needs of those in charge of counseling and to develop a specific system to support them.

2023 Summary of Recommendation on Working Hours

I current situation

- For employees engaged in childcare or nursing care, the flextime system allows them to set up to one day per week in which they are not allocated working hours, while maintaining the total amount of working hours.
- With regard to general employees, due to the revision of the flextime system in April this year, the head of each ministry and agency can set up to one day per week in which the core time and minimum number of working hours per day are exempted. However, due to the provisions of the Working Hours Act, it is not possible to set such days as non-working days, and the effect of this flexibility is limited.

II Necessity

- In order to create a working environment in which employees can work with a sense of fulfillment and vitality, and to improve the attractiveness of the public service as a workplace, further efforts are required to promote more flexible work styles that allow employees to work at times and places that suit their wishes and circumstances.
- The promotion of flexible work styles through the use of flextime and other systems will lead to the exercise of each employee's abilities, the realization of work-life balance, and the enhancement of the attractiveness of the public service as a workplace through the assurance of health, and it will also contribute to improving efficiency in the public service.
- There is a widespread need among general employees to take certain days off from work on weekdays. E.g. for a family-unattended employee to return to their home, to visit parents living in remote areas, to go to hospital, or to attend graduate school for independent learning. These needs will continue to increase in the future, considering the recent emphasis on work-life balance, the expected increase in the number of employees with elderly relatives due to the raising of the retirement age, and the promotion of learning.

2023 Summary of Recommendation on Working Hours (continued)

III Summary

Amend the Working Hours Act to allow general employees to set up to one day per week in which they are not allocated working hours, while maintaining the total amount of working hours, through the use of the flextime system. (Extension of measures permitted for childcare or nursing care employees to general employees)

IV Effective date

April 1, 2025

Key points of this year's remuneration recommendation ~Approx.10-fold base increase compared to the average over the past 5 years~

- ① Raise initial salaries by approx. 8% (12,000 yen) for high school graduates and approx. 6% (11,000 yen) for university graduates to make up for the remuneration differential between the public and private sectors (3,869 yen (0.96%))
- ② Raise bonuses by 0.1 times the amount of monthly remuneration and evenly distribute 0.05 per month to both the end-of-term allowance and diligence allowance, taking into account the payment situation in the private sector.
- ③ Newly establish a teleworking allowance [monthly: 3,000 yen] to reduce the burden of utility, water, and other expenses on employees who work mainly by telework.

[Reference]

- The average amount and rate of the public-private gap over the past five years is about 360 yen (about 0.1%).
- It has been 33 years since 1990 that both the initial salaries for university and high school graduates were raised above 10,000 yen.
- The public-private gap amount reached 3,869 yen for the first time in 29 years, since reaching 3,975 yen in 1994.
- The public-private gap rate of 0.96% is the highest level in 26 years, since reaching 1.02% in 1997.

I Basic Concepts of the Remuneration Recommendation

- National public employees have restricted basic labor rights, and their salaries are determined based on the NPA Recommendation (remuneration recommendation) as a compensatory measure.
- National public employees are also workers and must be compensated appropriately for their service. Ensuring their appropriate treatment through remuneration recommendations also contributes to securing human resources, that is the foundation for maintaining efficient administrative operations.
- Remuneration recommendations are based on a precise comparison of the main factors that determine salaries, and on adjusting the remuneration level of full-time national public employees to that of full-time private sector employees, which is determined through labor-management negotiations, reflecting economic and employment conditions. (Principle of Balancing Working Conditions with those in the Private Sector)

II Revision of Remuneration Based on Comparison with Private Sector Remuneration

1 Comparison with private-sector remuneration

[Surveyed approx. 460,000 individual remunerations in approx. 11,900 private sector offices (survey completion rate of 82.6%) for precise comparisons]

◆ **Monthly remuneration:** The remuneration of the public and private sectors for April 2023 were surveyed and compared those who shared the same position level, working area, educational background, and age, which are the main factors Determining remuneration.

○ Difference from private sector: 3,869 yen (0.96%) [Employees covered by the Administrative Service (I) Salary Schedule : current remuneration: 404,015 yen, average age: 42.4 yrs.]

◆ **Bonus:** Comparison of actual payments (payment rate) in the private sector for the most recent one-year period from August 2022 to July 2023 with the average number of months of payments per year in the public sector.

○ Private sector payment rate 4.49 months [Average number of months paid for public service: Current 4.40 months]

2 Details and concept of remuneration revision

Monthly remuneration

Salary schedules raised and revised to make up for 3,869 yen difference from private-sector remuneration.

[Basic Salary 3,431 yen, Rebound (*) 438 yen]

(*) the consequential changes in allowances which are calculated with fixed rates on basic salary

○ Salary schedules

① Administrative Service Salary Schedule (I) (Admin (I))

· In consideration of trends in initial salaries in private companies and the urgent need to secure human resources in public service, the initial monthly salary will be raised as follows:

◆ General Service Examination (for high school graduates) 7.8% [12,000 yen]

◆ General Service Examination (for university graduates) 5.9% [11,000 yen]

◆ Comprehensive Service Examination (for university graduates) 5.8% [11,000 yen]

- Focus on young people, including initial salaries, and raise and revise the revision rate by gradually reducing the rate of revision from initial salary onwards.
(Average revision rate: 1.1% overall [5.2% for Grade 1, 2.8% for Grade 2, 1.0% for Grade 3, 0.4% for Grade 4, 0.3% for Grade 5 and above])
- The standard monthly salary for pre-mandatory-retirement-age reappointed short-time employees shall be revised upward as necessary based on the revised amount for each grade of full-time employees.

② Other salary schedules

- Revise in balance with the Admin (I) (the Salary Schedule for Designated Service is revised by the same level as the average revision rate [0.3%] of the Admin (I) Grade 10).

Bonus

Increase to match private-sector payments: 4.40 months to 4.50 months per year (+0.10 months)

- Based on the situation in the private sector, the increase in the number of months paid will be equally allocated to the end-of-term allowance [ETA] and the diligence allowance [DA] by 0.05 month each

	June Term	December Term	
Payment rates for general employees	FY2023 ETA DA	1.20 (paid) 1.00 (paid)	1.25 (currently 1.20) 1.05 (currently 1.00)
	FY2024 ETA DA	1.225 1.025	1.225 1.025

Others

- Initial salary adjustment allowance: Revise as necessary from the viewpoint of ensuring the compensation of medical doctors, taking into consideration the revision of the Medical Service Salary Schedule (I).
- Allowance for committee members, advisors, counselors: The maximum amount of payment will be raised based on the revision of the Salary Schedule for Designated Service.
- Implementation date is April 1, 2023 (Bonus is the date of promulgation of the law).

3 Establishment of teleworking allowance

For employees who work mainly from home, in consideration of the particularly large cost burden of electricity and water expenses associated with teleworking, a new teleworking allowance will be established for such employees to reduce the cost burden.

Summary of Allowance

- Paid to employees who are ordered to work all of their regular working hours at their residence or other similar places for more than 10 days continuously per month for a certain period of time or longer.
- The amount of allowance is 3,000 yen per month.
- Effective from April 1, 2024
- Revise the requirements for commuting allowance in line with the establishment of teleworking allowance.

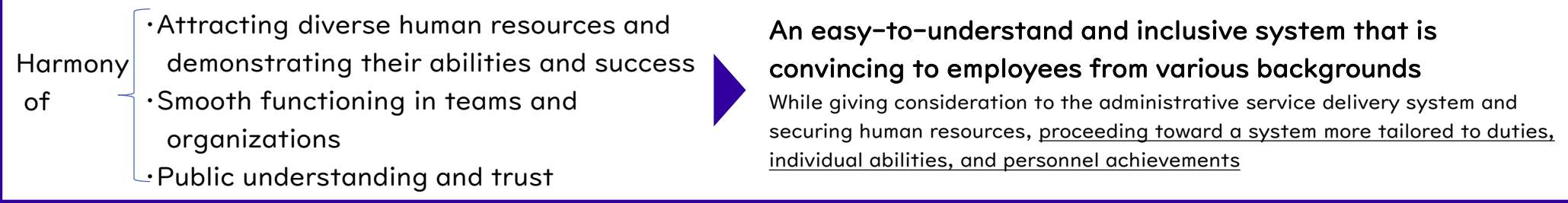
4 Remuneration of part-time employees

In April 2023, a guideline item was added to the remuneration guidelines for part-time employees, stating that efforts should be made to revise the remuneration of part-time employees in accordance with the handling of revisions to remuneration of full-time employees. Guidance has been issued to each ministry and agency to ensure that **remuneration is appropriately paid in accordance with the contents of the guidelines.**

【Reference】

- ◇ Average remuneration after the recommendation (Admin (I)) Monthly 407,884 yen (+3,869 yen, +0.96%), Annually 6,731,000 yen (+105,000 yen, +1.6%)
- ◇ Initial salary after the recommendation (Admin (I)): University graduates in the comprehensive service [ministry HQ]: 249,640yen, University graduates in the general service [local institutions]: 196,200 yen, High school graduates in the general service [local institutions]: 166,600 yen

Direction



Draft framework of items to be considered for measures toward 2024
(main items to be addressed)

1 Securing Human Resources

Improve remuneration levels at the time of hiring and expand salary increases based on roles and activities in order to change the traditional image of public service remuneration among potential applicants

① Treatment of new graduates and young and middle employees

- Increase in initial salary for new graduates
- Raise the minimum level of salaries for unit chief level to assistant director level in ministry HQ
- Increase in the maximum bonus amounts for the best performers

② Treatment of private sector personnel

- Raise the minimum level of salaries for the unit chief level to the assistant director level in ministry HQ (reposted)
- Expand bonuses for specified fixed-term employees
- Provide allowance for Shinkansen commuting and family-unattended-transfer from the time of hiring

Draft framework of items to be considered for measures toward 2024 (main items to be addressed) (continued)

2 Improve organizational performance

While reflecting the roles, abilities, and achievements of the employees and treating them appropriately for their contributions, facilitate personnel rotation to maintain administrative services throughout the country.

① Treatment of employees in accordance with their roles and contributions

- Raise the minimum level of salaries for unit chief level to assistant director level in ministry HQ. (reposted)
- Revise the salary system for Division directors/ Directors of office in ministry HQ to place more emphasis on job responsibilities
- Expand allowances for overtime work for management staff
- Increase the maximum bonus amounts for the best performers (reposted)

② Support for smooth placement

- Broadly group regional allowances
- Review the amount of allowance for Shinkansen commuting
- Expand allowances for pre-mandatory-retirement-age reappointed short-time employees

3 Responding to the diversification of work styles and lifestyles

Encourage employee's choices as their work needs and lifestyles diversify

- Review the family allowance
- Establish new telework-related allowance [recommended this year].
- Provide allowance for Shinkansen commuting and family-unattended-transfer from the time of hiring (reposted)
- Review the amount of allowance for Shinkansen commuting (reposted)

※ Continue to analyze, research, and consider the ideal remuneration level and remuneration curve for retirement at age 65.