Personnel Management based on Ability and Performance \sim Utilization of Personnel Evaluation \sim

The personnel evaluation system has been arranged to utilize the results of personnel evaluation for promotion, demotion, dismissal, etc. and remuneration (grade increase, pay step increase, diligence allowance (bonus), etc.) in order to ensure personnel management based on ability and performance, regardless of seniority and the type of recruitment examination the employees passed.

Basic Framework of Personnel Evaluation System

Competency Evaluation (Once a year)

Evaluating the ability shown in the course of duty (<u>Behavior</u> based on evaluation items)

(Example for deputy director level at HQ) Ethics, judgement, explanation ability and coordination Basically, evaluation in six grades [absolute evaluation]

Performance Evaluation (Twice a year)

Evaluating the achievement shown in the course of duty (Achievement against preset goals)

Based on organizational goals, each employee sets his/her goals at the beginning of the evaluation period

Ensures that the right people are in the right positions and that remunerations are commensurate with their abilities, by accurately ascertaining the abilities and performance of staff.

Identifies staff strengths and weaknesses through communication in the evaluation process. Encourages employee growth through feedback and improves organizational performance.

Flowchart of Personnel Evaluation (Basic Pattern)

At the beginning of the period

During the period

At the end of the period

Interview at the beginning

Performance of duties

Self-evaluation on goal achievement status, etc.

Evaluation, Adjustment, Confirmation

Feedback of the evaluation results

Interview at the end

Evaluator • Evaluatee

Setting goals, etc. after clarifying the details of goals and sharing understanding of them.

Evaluatee

Performing duties taking into account the goals to be attained

Evaluator

Collect the facts for evaluation and provide feedback

Evaluatee

Report to the evaluator on the goal achievement status, etc.

Evaluator

Evaluation —
(Adjust the results if there is imbalance among employees)
Confirm the evaluation

Evaluator

Feedback of the confirmed evaluation results to the evaluatees Evaluator

Provides feedback to evaluatee based on the evaluation results and the observed facts

Toward the Promotion of Human Resources Management based on Merit and Performance

From October 2022, to grasp the ability and performance of employees in a more detailed and accurate way, the grades of personnel evaluation have been basically subdivided from five to six levels. Based on the revision, the NPA has amended the system of promotion, grade increase, pay step increase, and others to appropriately reflect the six-graded results of personnel evaluation to appointment and remuneration.

Grades of personnel evaluation

Before Revision

S	Α	В	С	D
Remarkably excellent	Exceeds ordinary	Average	Slightly unsatisfactory	Unsatisfactor by far

After Revision

Outstandingly Excellent Superior	Good Slightly Unsatisfactory
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Utilization of personnel evaluation results

Reflects the six-graded results of personnel evaluation in appointment and remuneration more appropriately

Utilization for Pay Step Increase

The rank of pay step increase is determined based on the personnel evaluation *The number of pay steps increased and the upper limit of the ratio of employees result for the past year. (Date of pay step increase: January 1)

who can be classified into each rank are those for the employees at Assistant Director level and Unit Chief level (not over the age of 55).



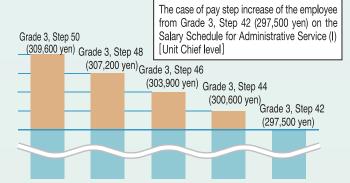
Rank of pay step increase	А	В	C (average)	D	Е
Number of pay steps increased	8 steps or more	6 steps	4 steps	2 steps	No step increase
Upper limit of the ratio of employees who can be classified into each rank	5%	20%			

The rank of pay step increase A and B is determined in sequence starting from employees in the superior groups. Employees are classified into such groups based on a combination of the results of competency evaluation and performance evaluation (2 times).

Pay step increase from January 2024

The combination required to be classified into the superior groups:

- Competency evaluation is Superior or above and
- At least one of performance evaluation is Superior or above
 - For those in superior groups, the following conditions must be met to be classified into the highest group
 - One Outstandingly excellent evaluation and;
 - Two Excellent evaluations or above



Utilization for Diligence Allowance (Bonus) *For employees at the rank of Deputy Director level or below. *Performance Coefficient is as of April 2023

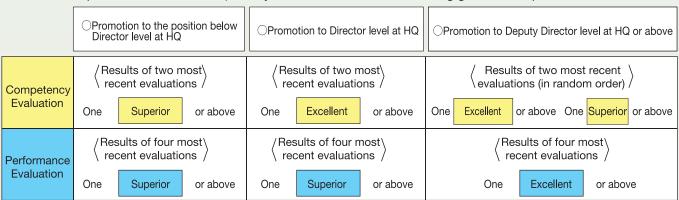
Performance rank and performance coefficient are determined based on the result of performance evaluation in the previous period.

Performance rank (Performance coefficient)	Ratio of employees	Performance evaluation	
Extremely Excellent (119/100 or above and 200/100 or less)	5% or more	Excellent or above	
Excellent (107.5/100 or above and less than 119/100)	25% or more	Superior or above	
Good (Average) (96/100)	_	Good or above	
Not Good (87.5/100 or less)		Slightly Unsatisfactory or below	

Determined in the order of the higher result of performance evaluation

Utilization for Promotion

An appointer can promote an appropriate employee among those whose results of personnel evaluation (competency evaluation and performance evaluation) satisfy each condition in the following government position levels.



^{*} Those with evaluations of Slightly unsatisfactory or Unsatisfactory cannot be promoted.

Utilization for Action on Change in Employee's Status (Demotion, Dismissal, and Pay Reduction)

If an employee obtains a grade of "unsatisfactory" in their overall rating of competency or performance evaluation or if his/her work performance is deemed unsatisfactory, and said employee's performance does not improve even when their supervisor has repeatedly given guidance, then actions on change in the employee's status shall be taken.

Note: Cases where the employee's work performance is deemed unsatisfactory include those where their grade is "Slightly unsatisfactory" in the overall rating of competency or performance evaluation.