

*Volume One*

*Personnel Administration*

## **[Trends in Personnel Administration]**

Looking back on the overall socioeconomic situation of Japan in FY 2006, economic recovery entered the fifth year but structural reforms are still in need to deal with progression of the aging population combined with the declining birthrate, decrease in the overall population, and further development of IT utilization and globalization.

Under such circumstances, a number of private enterprises are reviewing their personnel and wage systems with the prospect of shifting them to an ability and result-based system to deal with major changes in the management environment.

In the meantime, in the public sector, the government is facing important issues such as net reduction in personnel, personnel reshuffle, cutback on hiring, and reforms of the public servant system, including appropriate management of employment in the private sector after retirement from the public service, to realize “simple and efficient government.” As part of such efforts, the government established a special examination committee and began to review the range of public services, the classification of public employees, and the employer-employee relationship based on these points, including a review of basic labor rights.

The NPA places importance on promoting reforms of public employee management in order to it will gain the understanding of the people and respond to the demands of the times appropriately. Based on this standpoint, the NPA has made active efforts to resolve various issues including realization of the ability and performance-based personnel management system under the “Policy Objective of Personnel Administration” developed in March 2006.

Major efforts of the NPA are as follows:

1. From the perspective of promoting personnel management based on ability and performance, the NPA conducted the second trial implementation of the personnel evaluation system, subsequent to the first trial run, to form the basis of such a personnel management. In the second trial, the range of evaluation subjects was expanded from personnel at director and assistant director levels in the first trial to unit chief and officer levels at the headquarters of the Cabinet Office and Ministries. With regard to the change-in-status system, the NPA developed the guideline about procedures and points to keep in mind so that the Cabinet Office and Ministries will handle the matter in line with the purpose.
2. From the perspective of securing and developing diverse and competent personnel, the NPA promoted consideration of measures to secure human resources, in response

to changes in the human resources supply structure and attitudes of public employee candidates. The NPA also introduced a new mid-career recruitment system and promoted personnel exchange between the public and the private sectors.

3. From the perspective of realizing appropriate work conditions adapted to social conditions, the NPA promoted the reform of the remuneration structure and reviewed the method of remuneration comparison between the public and the private sectors in order to reflect the remuneration level of the private sector more appropriately. Furthermore, in the area of improvement of the work environment, the NPA submitted its opinion on the legislation of the short-time working system for child care and the self-development leave system to the Diet and Cabinet to introduce these systems.
4. From the perspective of ensuring and promoting fair, transparent personnel management, the NPA made efforts for appropriate operations of the regulation system on employment in the private sector after retirement from the public services, equity process, and complaint counseling.

The NPA intends to continue to perform its roles appropriately as a neutral, third-party, specialized organization in charge of personnel administration through the revision of systems and submission of opinions.