

Revision of the National Public Service Act

As part of the Reform of the Civil Service System, the National Public Service Act was revised, with a focus on regulations regarding employment in the private sector after retirement from the public service, and the introduction of personnel management based on competency and performance (enacted on June 30, 2007).

The summary of the revision is as follows. (Revision described in 1. below will come into effect on a date provided by Cabinet order which is within two years from the promulgation date (i.e. July 6, 2007), and revision described in 2. below will come into effect on a date provided by Cabinet order which is before or on December 31, 2008.)

1. Personnel management based on competency and performance

(1) Principle of personnel management

The basic principles shall be clarified, such that personnel management including the appointment of employees, remuneration and other matters should not be bound by the type of recruitment examination or year of recruitment, and shall be appropriately implemented based on performance appraisal.

(2) Establishment of an appointment system focusing on ability

(a) Promotion and transfer

Promotion and transfer of an official shall be based on performance appraisal of the official in question, or other demonstrated abilities. Also, standard positions in office hierarchy and necessary standard ability to perform the duties of the positions concerned shall be clarified, in order for the standard ability to perform the duties of the position and aptitude to form a judgment standard for promotion or transfer.

(b) Basic policy for recruitment and promotion

A basic policy shall be developed in order to secure appropriate and effective management of systems regarding the recruitment, promotion, demotion and transfer of employees.

(3) Constructing a new performance appraisal system

(a) A new performance appraisal system shall be constructed, in place of the existing work

performance evaluation system.

(b) The performance appraisal of officials shall be defined as the “evaluation of work performance, which is carried out upon understanding the demonstrated ability of and performance achieved by the official in performing the duties of the position concerned, as a base for personnel management including recruitment, remuneration, change in employment status and others,” and the appraisal shall be conducted fairly.

(c) Regarding the execution of duties by officials, the head of the responsible authority shall conduct performance appraisal regularly.

(4) Change-in-employment-status system

The term “when performance of duty is not satisfactory” as one of the reasons for a change in employment status shall be revised to “when performance of duty is not satisfactory, in light of the performance appraisal or work performance,” for clarity.

2. Revision of regulations regarding employment in the private sector after retirement from the public service

(1) Regulation regarding the placement service for employees and establishment of the Government-Private Sector Personnel Exchange Center

It shall be prohibited for an official of the Cabinet Office or a Ministry, etc. to assist in the placement of an official or former official to a profit-making enterprise or non-profit organization (hereinafter, “profit-making enterprise, etc.”); the placement service shall be unified in the Government-Private Sector Personnel Exchange Center (hereinafter, “the Center”), which shall be established in the Cabinet Office.

The Center shall aid in the employment of officials after leaving the public service, and support smooth personnel exchange between the government and private sectors.

The Center shall be established during 2008, and a unified placement service shall start within three years after the establishment. During the transition period until unification, an official of the Cabinet Office or a Ministry, etc. shall be allowed to undertake in placement services, only if he or she is approved to do so by the Supervisory Committee of Employment and/or others.

The system of the Center shall be reviewed after five years from the establishment, and any necessary measures shall be taken.

(2) Regulation for job hunting by an existing official

It shall be prohibited for an existing official to seek a job in a certain profit-making enterprise, etc., which has interests with the duties of the official.

However, in the case of job hunting by an official on loan, employment of an official below a certain rank of government position, employment through introduction by the Center, and job hunting under the control of the Supervisory Committee of Employment, job hunting by an existing official for a profit-making enterprise, etc. shall be permitted.

(3) Regulation regarding approaches by retired employee

It shall be prohibited for a retired official in a profit-making enterprise, etc. after leaving the service to approach an existing official of a certain national organization regarding a contract or disposition in which the profit-making enterprise, etc. or its subsidiary is involved and which belongs to the duties that the retired official was in charge within five years before leaving the public service (in case the retired official was at the rank of director or higher, the period for which the retired official was in the position), during the two years after leaving the public service.

It shall also be prohibited, without limitation of time for a retired official currently in a profit-making enterprise, etc. to approach an existing official of a certain national organization regarding a contract or disposition in which the profit-making enterprise, etc. is involved, and which was decided by that retired employee during his or her duty.

(4) Regulation for an existing official approached by a retired official

An existing official who has been approached by a retired official regarding the above (3) shall report to the Administrative Inspector.

(5) Any violation regarding the above (1) to (4) shall result in disciplinary action and administrative fine, and any misconduct shall be punished.

(6) Unified management of employment information in the Cabinet

When a former managerial member of personnel takes a position in a profit-making enterprise, etc., he or she shall report certain information to the Prime Minister during two years after leaving the public service.

(7) Tentative continuation and abolishment of the system of approval in advance

The system of approval in advance by the Cabinet for the two-year period after leaving the public service shall be set tentatively, and it shall be abolished when unified management starts.

(8) Creation of the monitoring system

The Supervisory Committee of Employment shall be established in the Cabinet Office, to implement the approval of exemption from employment regulations, recommendations to appointing officers, etc.

The Administrative Inspector shall be appointed in the Committee, to conduct a survey on violations of employment regulations in the Cabinet Office and Ministries, etc.

Employment regulations shall also apply to officers of specified incorporated administrative agencies.