Module: Public Management and Organization Development

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Introduction — Organization Development by Public Bodies

1. Organizations and People

Any group of people working together towards a common identifiable goal, such as a company, university, hospital or labor union, can be called an organization. Government administration is no different, whether at the national or local level. All of these share common characteristics as organizations, irrespective of the goals and objectives, the types of people involved, and the nature of the interactions that take place. Chester Barnard calls the organization a "cooperative system," meaning a "system of coordinated activity or effort between two or more people predicated on shared understandings." The members of a cooperative system strive towards the collective purpose of the organization through communication linking all participants and through the integration of willing contributions.

The organization is comprised of people, and of activities performed by people. The traditional view of the organization (closed model of formal organization) holds that the organization is devoted solely to the performance of activities in accordance with clearly enunciated sets of formal rules such as procedural manuals, regulations and legislation. However, the organization is not an inorganic machine, and workers are not merely components. In 1930s the notion of the organization was revised by the new school of human relations theory, in which organizations are governed not only by formal rules but also by internal rules, value systems, individual feelings and emotions and other parameters that are generated spontaneously within the formal organization. The view of the informal organization, with its emphasis on the awareness of individuals and human interactions, holds that there is an infinite number of relationships within the organization, such as special-interest groups or study meetings and social interactions outside the organization, and that each one has an influence on the formal organization. Furthermore, it is the interaction between these relationships that creates the overall organization, or cooperative system.

In an informal organization, coordination of constituent members is of paramount importance. The executives of the organization are expected to play a coordinating role in human relations by preserving the honor and integrity of the members, fostering a sense of mission and endeavor, finding compromise solutions in disputes, and encouraging healthy competition. In this way, executives help the organization to rise above the interplay of emotions.

Once the organization reaches a certain size, however, the objectives of individual constituent members may not be consistent with the objectives of the organization. It is then necessary to employ a carrot and stick approach involving incentives designed to extract from individuals those skills and abilities that are consistent with the objectives of the organization. Regardless of how skilled a person may be, if the organization cannot extract those skills it will not be able to achieve its objectives, nor the objectives of the individual. The organization identifies and recruits suitably talented people and attempts to foster willingness among its constituent members by providing incentives, maintaining an appealing workplace environment and adjusting salaries as appropriate.

The organization also works to win support from client or patron bodies: the environmental division, for example, actively solicits opinions from environmental protection groups, while the water supply division listens to the concerns of consumers. In recent years, companies have also sought to influence the external labor marketplace as a means of attracting talented personnel, for instance, by taking corporate social responsibility and making the workplace more attractive through the introduction of initiatives such as flex-time and gender equality policies. In this way, the organization strives to achieve its objectives through interaction between factors in the internal and external environments.

Chester Barnard defines the wider social systems that influence the organization, the procurement and distribution systems that support the organization, and the personal codes of the individuals that make up the organization as subsystems of the cooperative system. The modern organization is an open system which survives and develops by adapting to (and occasionally seek to influence directly) its environment and maintaining flexible relations with the various subsystems, while at the same time absorbing the influence of a range of internal and external environmental factors.

Organizational development (OD) is the means by which the organization as an open system attempts to improve its problem-solving capacity. This process has two main aims: to restructure the organization incrementally in response to ongoing changes in the environment, and to foster innovation and willingness in the constituent members.

2. Features of the public organization
Public organizations such as government departments and quasi-governmental bodies are distinguished from the organization in general sense as described above. Public

organizations exist to carry out public administrative duties, whereas private organizations exist to carry out economically profitable activities. This can be explained in terms of the essential differences between public and private entities.

The first important distinction between public and private entities is the source of funding. Although both public and private organizations exist primarily to provide services to their clients, public organizations are funded from forcibly collected taxation revenue, while private organizations are funded by profits generated in the marketplace. Given that they are funded by taxes, public organizations must be seen to deliver public services in a fair and equitable manner. The services delivered by private organizations, on the other hand, are dictated by the supply and demand balance, with the cost of those services being borne by the consumer. It is often difficult if not impossible to calculate the cost price of services delivered by public organizations. Where the cost is known, it will normally be borne by the general public (i.e., the entire population).

The second distinction concerns the ultimate objectives of the organization. Private organizations provide services to customers with the aim of generating profits, whereas public organizations provide a wide range of services for a variety of different public-interest objectives. Interestingly, there has been an increasing trend in recent years of private organizations moving towards more public-oriented objectives, as evidenced by the development of environmentally responsible products and the provision of welfare services. In some cases, such services are developed by private organizations with a similar policy to government. The objectives of public organizations are often complex and difficult to define, while the differences between their objectives are increasingly relative.

Next, it is important to note that the complex objectives of public organizations are influenced by political processes such as leadership decisions, parliamentary debates, and lobbying and other forms of pressure from interest groups. Whereas private organizations are governed solely by funding considerations, political processes involve a variety of vested interests which often result in decisions that are less than entirely rational.

Finally, public organizations are subject to more legislative provisions than are private organizations. Although certain types of activities, whether performed by a public or a private organization, are necessarily subject to legislation, public organizations attract additional legislation regarding budgets and civil servants and therefore operate under

more restrictions. While these are designed to ensure fairness and equality, they also limit the organization's flexibility and ability to adapt to change.

The above provides a general overview of the concept of the organization as an open system, and of the unique characteristics of the public organization. In Section 1 below we will examine local government organizations in Japan in terms of formal structures as well as practices. In Section 2, we will consider recent developments in organizational restructuring. In Section 3, we will look at recruitment as the basis for personnel policy in local government, focusing on the increasingly skewed age profile of employees and issues associated with hiring of female employees. To close the Chapter, Section 4 provides a discussion of the skills required of local government employees and the training initiatives used to develop these skills.

I. The organization and culture of local government

1. Organizational structure of local government bodies

Local government in Japan operates as a dual representation system based on the same principles as the presidential system, in contrast to the parliamentary government system adopted at national level. This system was introduced as part of post-war reforms in Japan. The local government head is elected directly by the citizens, as are the local representatives. The two parties act independently and compete on equal terms, providing a natural system of checks and balances that also serves to enhance the organizational performance of both.

The head of the local government — the prefectural governor or municipal mayor — represents an single-person organ. He or she is granted autonomous executive authority to make decisions on behalf of the local government organization about his or her scope of work, and to publicize those decisions outside the organization. As both publicly elected and exclusively appointed officials, local government heads in Japan wield considerable power.

The concentration of power is diluted by means of administrative committees that exist independently of the local government head and are given independent authority to make decisions with regards to specific administrative services, such as the board of education, public safety committee and election management committee. While independent of the local government head, these committees are occasionally subject to direct intervention by the national government — for instance, the Ministry of Education, Culture, Sports, Science and Technology may become involved with the

work of the board of education. Such intervention may compromise the ability of a committee to liaise properly with other departments or prevent the local government head from exercising leadership and coordination.

The local government head is responsible for the operation of the local government organization, including personnel management, budget formulation and negotiations with the local community, and leadership (particularly in times of crisis). Local government heads represent their regions, both in terms of their power and authority and in terms of their influence as the leader of the region.

Local government organizations are structured as shown in Figure 1, with the head at the top. Figure 1 shows the organization of a typical municipality in Tokyo with a population of around 170,000. Local governments from Hokkaido in the north to Okinawa in the South come in many different shapes and sizes under many different organizational names, but all share the same basic pattern.

Figure1: Organizational Structure — City of M

	Planning Department	Planning and Management Office Finance Section Secretarial and Public Relations Section Information Services Office
	Administration Department	Staff Section Policy and Legal Affairs Section Property Section Disaster Prevention Section Land Use Section Inquiries and Information Center
	Citizens Department	Citizens Section Municipal Tax Section Property Tax Section Tax Payment Processing Section Insurance Section
Assistant officials	**Urban Amenities Department**	Community Culture Office Environmental Initiatives Section Rubbish Collection Section Urban Economics Section Safety and Security Section
	Health and Welfare Department	Local Welfare Section Elderly Citizens Services Office Home Welfare Section Parenting Services Office (Child and Family Support Center) Health Services Section Kitano Happiness Center (Disabled Facility) Pre-school facility
	Municipal Infrastructure Department	Town Planning Section Building and Construction Section Roads and Traffic Section Construction Supervision Section Sewerage Section Parks and Gardens Section
	Waterworks Department	Operations Section Administration Section

Mayor — Assistant officials

Treasurer ——— Accounts Section

Council ——— **Council Secretariat**

Board of Education — **Superintendent of Education** — **Board of Education, Education Department**

Administration Section	Education Center
Facilities Section	Elementary schools (15)
Schools Section	Junior high schools (7)
Supervision Office	Kindergartens (3)
Lifelong Education Section	
Physical Education Section	Western Infant Facility
Social Education Center	Eastern Infant Facility
Library	Murasaki Child Play Area

Election Administration Commission ——— Secretariat of the Election Administration Commission ———
Fair Trading Commission ——— Chair (also Chair of the Auditors Office)
Agriculture Commission ——— Secretariat of the Agriculture Commission
Auditors Auditors Office

2. The culture of government administrations

In this section, we will turn our attention to the culture of local government organizations, which is not visible in the formal organizational structures described above.

A typical local government workplace traditionally consists of department and section heads working together with their employees in a large open-plan office space, much like the setup at a department of the national government or a private enterprise. Civil servants in Japan are not provided with detailed job descriptions as commonly used in other countries, only the name of the department or section to which they are assigned. Another important contrast, both apparent and functional, is the way in which managers above a certain level are provided with their own office and sometimes a secretary (see Figure 2). The open-plan office structure in Japan is more than a matter of physical layout — it is integral to the Japanese personnel management model and informs the manner in which work is performed, the nature of relations among colleagues and with superiors, and the overall ethos of personnel management.

Figure2: Open-plan approach and private office approach
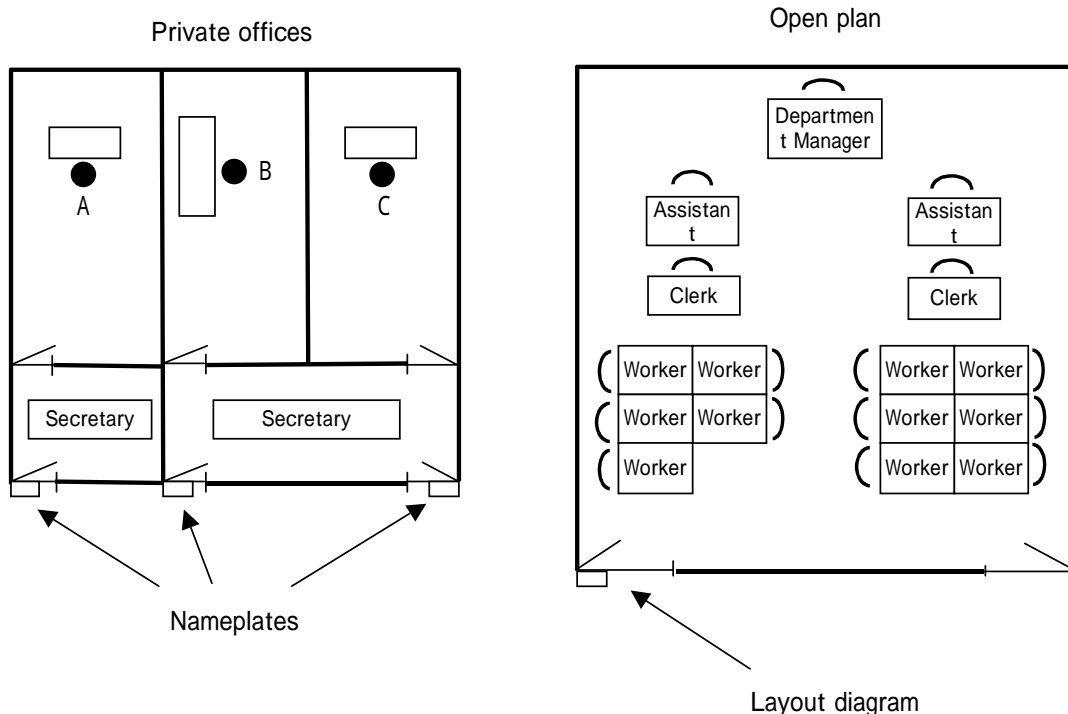
Wataru Omori, Local Government in Modern Japan, 1995, page 138

The department or section as a whole is responsible for carrying out the duties assigned to it. All employees are expected to apply themselves to all of the work performed by their sections, rather than being tied to specific tasks. This arrangement facilitates information sharing, encourages coordination and fosters a sense of unity in the organization. It also makes it easier to discern personal relationships in the workplace, and identify individual interests and tastes, thereby blurring the distinction between public and private aspects of employees as individuals. This in turn generates a sense of shared purpose for tasks where teamwork is required, such as formulating ordinances and staging public events.

The open-plan office management style is closely linked to the personnel recruitment approach. Japanese style personnel management is distinguished by phenomena such as hiring en masse, regular personnel reshuffles, and the existence of personnel departments dedicated solely to coordinating these processes. New university graduates are hired en masse during a specific hiring period each year, with the entire group being taken on as new recruits and entering the organization at the same time. New recruits are initially assigned to a specific section, before being transferred (and promoted) through various other sections over time.

Transfers and promotions are generally determined on the basis of peer-reviews within the same workplace, with input from the section head or other executives. The personal requests of the employee are sometimes but not always taken into account. With administrative tasks, the normal practice is for employees to experience a wide range of different job duties without specializing in any one area. The same approach is used in ministries and agencies at the national level. Thus, Japanese style personnel management is markedly different to the approach used elsewhere, in which the most qualified person for a vacant position is selected on the basis of their job description.

The open-plan structure, as used by both public and private organizations, has proven highly effective as a means of galvanizing the entire workforce, so that it is often cited as a foundation for the post-war economic growth in Japan. However, though the advantages of this approach are clear, the disadvantages have also become clear over time.

Four main disadvantages with the open-plan approach have been identified. Firstly, it makes it harder to assess the performance of individual employees (as opposed to the performance of the group as a whole). Secondly, the absence of clearly defined apportionment of job duties means that individual responsibilities are not clearly

defined. Also, it is more difficult to determine the optimum size of organizational units — in other words, how many employees it takes to perform the work of each department and section. Finally, the convivial working atmosphere effectively prevents the use of checks and balances against improper and corrupt practices in the workplace.

II. Trials of new concepts in organizational development

1. Greater power on self-organizational formation

In theory, local governments should have the right to determine their own size and composition of organization. But In reality, they have been severely limited in this respect under restrictions imposed by the national government. In recent years, with the shift towards decentralization of government, local governments have been allowed a greater degree of freedom. In particular, regulations dictating the type, number and qualifications of employees have been relaxed or abolished, while mandatory consultation over the number of departments at the prefectural level has also been abolished.

The deregulation and abolition described above occurred in 2000. These regulations forced local governments to operate certain types of facilities and to appoint employees with certain types of qualifications or titles. Thus, for instance, every local government organization was required to operate a public health centre and a welfare centre, and to appoint a public health centre director and sanitation inspectors. The regulations were intended to promote public health, welfare and safety, but the blanket approach of the national government had the effect of stifling organizational management and policy development at the local government level.

Although the Constitution guarantees local government the autonomy of organization, in reality the composition and deployment is governed by regulations at the national level. These regulations exist in relation to an arrangement under which local governments were required to perform a range of tasks on behalf of the national government. Following the abolition of this arrangement as part of the general shift towards decentralization of power, the range of tasks should be reduced to the minimum possible level.

Previously, local government bodies wishing to have more than the stipulated number of departments or divisions were obliged to consult with the Minister of Home Affairs. In 2003 this requirement was changed to a simple notification system, freeing up

prefectural governments to carry out restructuring programs without being subject to intense scrutiny. Municipal government, on the other hand, has never had to deal with this particular regulation. This is because prefectural governments were essentially organs of the national government before the war, and the perception persisted after the war that they should continue to carry out the work of the national government.

The governor or the mayor is permitted to appoint a deputy, but the approval of the assembly or council is required. The same rule applies for members of the board of education and public safety commissioners. There have been proposals to do away with approval for the appointment of a deputy mayor, and to do away with the board of education. In this way, the trend is towards greater freedom for local government.

Local government in Japan is still highly standardized with respect to the structure of government, including the assembly or council system. In American cities, they can choose among three major types of structures: the mayor-council (strong-mayor) system, the council-manager system and the commission system. There is considerable variation in the way local governments are managed, even within the confines of a given system. The authority and scope of local government, including administrative structures and employee recruitment policy, is set out in a Charter that corresponds to a constitution for local government. Although Japan is pushing ahead with decentralization initiatives, the national government continues to impose uniform legislation throughout the nation. This stands in marked contrast to the situation in the United States, no doubt partly because of the fundamental difference between a federalist state and a unitary state. In the United Kingdom, which is a unitary sovereign state like Japan, amendments to the Local Government Act in 2000 gave voters the choice of a cabinet with a leader, a directly elected mayor with a cabinet and a directly elected mayor and council manager. Although it has been suggested in Japan that a directly elected mayor may not be necessary in all cases, we are not yet at such an advanced stage as the United States and United Kingdom.

Let us now consider some specific examples of emerging trends in the structure of local government in Japan.

2. Client-oriented organization
2-1. The client-oriented philosophy
An important trend in local government is the client-oriented approaches, where the organization is structured with the focus on end clients, that is, the beneficiaries of administrative services.

Unlike government at the national level, which deals with industry groups and local government bodies, local government — particularly at the municipal level — deals directly with local citizens who are the beneficiaries of government services. This proximity means that local government is well placed to gauge public opinion and sentiment, and it also helps to motivate workers. The flipside, however, is that local government soon earns the opprobrium of residents if processing is not prompt enough. In order to capitalize fully on its unique position in society, local government must strive to utilize its right to determine its own structure and move towards the client-oriented model that is predicated on integrated administrative structures and functions and tailored to the needs of residents rather than the requirements of the organization.

Client-oriented restructuring should be preceded by integration of information and services. The first step is information integration — using IT and other initiatives to share and combine information among multiple departments — as a means of improving internal communication in the organization. The next step is integration of services at the wider level — introducing initiatives such as the all-in-one agency (discussed below) and project teams bringing together staff from different departments — as a means of promoting an organic fusion at the clerical level. Functional integration enables residents (i.e., clients) to access the procedures and services they need in their daily lives, above and beyond the conventional notion of the government services. At the same time, it may also be necessary to widen the focus to include integration of the organization itself in final step, which has been shown to be useful in formalizing decision-making processes and implementation structures and improving transparency to others.

Back in 1970, when the idea of client-oriented services had barely been heard of, the city of Matsudo in Chiba prefecture set up a new section called the Fix It Now Department to field inquiries, suggestions and complaints from local citizens about daily annoyances such as damaged roadways, dead animals, wasp infestations and heavy snowfalls. With its catchy name and commitment to rapid resolution, the Fix It Now Department attracted nationwide attention as a unique initiative for listening to and responding to the public. By 1975, over 300 local governments all over Japan had set up their own Fix It Now departments, and the idea even featured in a film. Most of these were subsequently abolished during later administrative reforms, and today there remain only two: the original one at Matsudo, and another at Setagaya ward in

Tokyo, which was established in 2003. But the concept itself paved the way for the recent shift towards the client-oriented model of local government.

2-2. Initiatives in health and welfare services

In recent years, local governments have made considerable progress with the integration of health and welfare services, combining health centers with welfare centers and/or welfare offices and setting up new facilities designed to provide the full range of services. In particular, smaller municipalities where population aging is more severe are increasingly moving towards providing integrated services based on national health facilities and public hospitals. This has the added benefit of reducing medical expenses and improving recovery rates through the provision of better rehabilitation and outpatient care services.

2-3. Combined kindergarten and nursery school facilities

The integration of kindergarten and nursery school facilities in designated structural reform special zones is another example of comprehensive service provision. A pre-school child may go to a kindergarten or to a crèche. Kindergartens are educational facilities that come under the jurisdiction of the Ministry of Education, whereas crèches are classified as infant welfare facilities and come under the jurisdiction of the Ministry of Health and Welfare. The qualifications required to work as a kindergarten teacher differ from those required of nursery school employees. But with the trend towards smaller families with less children and more working mothers, the distinction between kindergarten and nursery school services is increasingly irrelevant. As a result kindergarten enrolments are starting to fall, while waiting lists at nursery school are growing rapidly.

In response, several local governments (Hakone in Kanagawa prefecture and Higashikawa-cho in Hokkaido) have taken the initiative by combining kindergarten and nursery school facilities within designated structural reform zones where the national government regulations are less stringent. In some cases the combined kindergarten and nursery school facility is given a completely different name, such as Children's Play Centre. The local government department responsible for administering the facility often sets up a dedicated section to administer pre-school services and other areas previously handled by the local board of education.
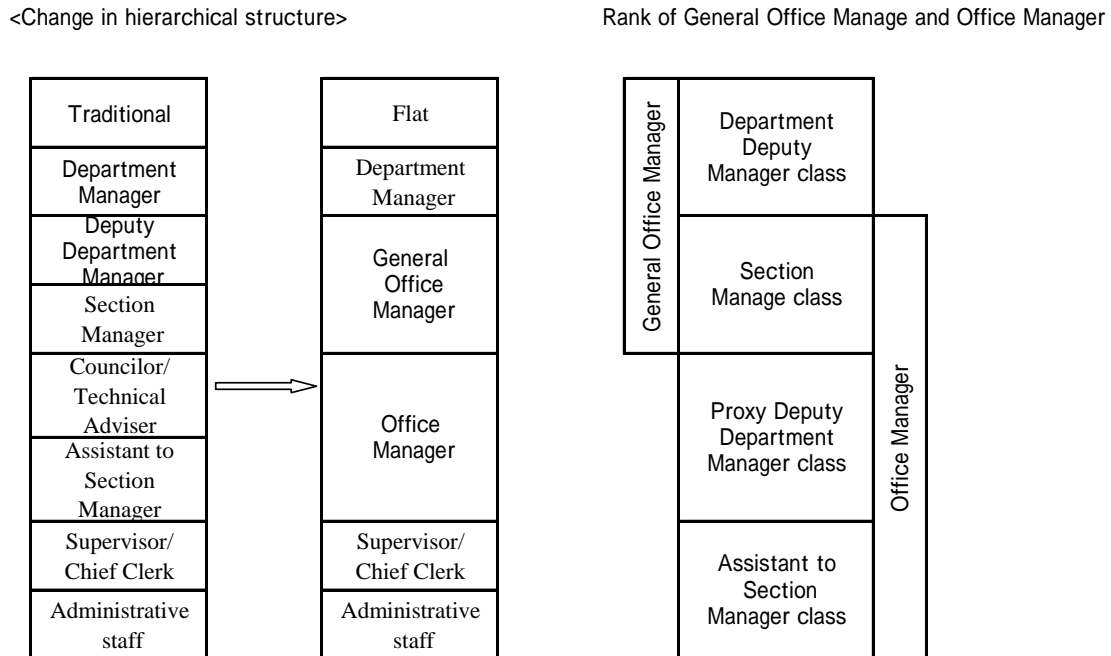
2-4. All-in-one agency services

The all-in-one agency (or "one-stop agency" in Japan) provides a single contact point for all services and procedures. This enables citizens to complete multiple related

permit and application procedures at a single point rather than having to visit each department in turn. The city of Matsuyama in Ehime prefecture, for example, set up a general inquiry centre in 2000 on the ground floor of the city offices to act as a central reference point for some 155 procedures and processes that were previously distributed among a range of different departments, many of them located on the upper floors. Examples include notification and certification procedures that were previously channeled through the Citizens' Department, as well as change of address procedures such as updating national health, pension and nursing care insurance details, tax certificates, non-Japanese registrations and maternal health services. In many cases, people visit the city offices in order to complete procedures rather than to access specific services. Being forced to shuttle back and forth between different departments can be extremely irritating. A single contact point gives a human face to the administrative organization.

2-5. Flatter administrative structure

A common structural reform strategy at government offices involves flattening out the traditional pyramid structure. The exact process varies among local governments, but generally involves restructuring the organization to reduce the number of different job positions and levels. In Shizuoka prefecture, for example, seven different job ladders ranging from clerk to department head were reduced to five by reorganizing the hierarchy of middle management positions such as deputy head, section manager and assistant section manager (see Figure 3   ).

Figure3: Example of flat organizational structure (Shizuoka Prefectural Government)

<Change in hierarchical structure>

Rank of General Office Manage and Office Manager

Traditional		Flat
Department Manager	→	Department Manager
Deputy Department Manager		General Office Manager
Section Manager		
Councilor/ Technical Adviser		Office Manager
Assistant to Section Manager		
Supervisor/ Chief Clerk		Supervisor/ Chief Clerk
Administrative staff		Administrative staff

General Office Manager
- Department Deputy Manager class
- Section Manage class

Office Manager
- Proxy Deputy Department Manager class
- Assistant to Section Manager class

Source: Kiyoshi Nishimura, ed, Human Resources Development and Organizational Reform, 2002, page 230

Middle management positions such as counselor/advisor, engineer-in-chief and assistant section manager were abolished, and sections were replaced with smaller organizational units or groups. The manager of each group assumed the basic rights and responsibilities of the old section managers, including the scope of work under their jurisdiction. The number of employees in each section /group was reduced from 22 to 9. Overall responsibility for coordinating the various groups was given to a Senior Group Manager in place of the previous section managers and deputy managers. The Senior Group Manager was also given the decision-making authority previously held by department head.

The flattering job ladders also helps to speed up the decision-making process. In Japan, the common practice is to circulate approval documents for routine day-to-day decisions (*ringi*). Thus, an employee with a new proposal is required to produce a document outlining the proposal, which is then circulated among his or her superiors, each of whom must stamp the document with their personal *hanko* (seal) before the

proposal can be approved. When a large number of superiors is involved, the process becomes extremely time-consuming. Although electronic versions of this process have started to appear, the traditional *hanko* culture is still very much alive and well and resistant to change. Thus, one solution is to limit the number of different people involved in the approval process.

In this way, flattening out of bureaucracy generally involves speeding up decision-making processes through reorganization of job positions, together with reducing the size of decision-making units and transferring authority as appropriate. This enables smaller, more flexible organizational units rather than large sections. Transferring authority directly to the source can increase the individual burden of responsibility. However, lower-ranked employees gain more opportunities to participate in decision-making processes, and this stimulates the workplace and enhances motivation. Thus, the assistant section manager who becomes a group manager at the equivalent level (see Figure 3-) assumes the responsibility and authority of managing a group (even if it is relatively small), instead of playing a supporting role to the section manager. For younger employees in particular, this is a considerable incentive. Thus, flattening out the bureaucratic structure is not enough in itself. Rather, in combination with employee skills development programs, it can foster an active desire to embrace the new organizational structure.

In addition to such restructuring initiatives, many local governments are setting up implementation structures designed to operate outside the traditional department and section model. Some have introduced flexible apportionment of administrative duties in place of the traditional fixed approach. One such example is Yokosuka city.

The Yokosuka municipal government has retained groups in place of the old section s responsible for fixed administrative duties while introducing flexible teams that can be brought together for specific projects as needed depending on the urgency and difficulty of each and the balance of priorities within the organization. Whereas previously each employee could only belong to one team, it is now possible for an employee to serve under several leaders at the same time.

This approach has yielded several direct benefits. Having some employees working on several teams concurrently is conducive to horizontal policy development. The teams can also be used as a means of accelerating policy development in areas of particular interest to the municipality. On the other hand, the fluidity of the team structures requires proper coordination among the teams in order to avoid excessive complexity

at the implementation level. Such an approach requires sound coordination and supervision through strong leadership, as well as the dedication of each individual employee.

3 Planning Section tailored to local conditions

In general, the units in any organization can be broadly divided into "staff" and "line," depending on the nature of the work performed. Thus, local government bodies in Japan can be divided into line departments such as civil engineering, agriculture and forestry, child welfare, and environmental affairs, and staff departments such as personnel, financial affairs, documentation and project planning. Policy development (which corresponds to the Policy Planning Section in Figure 1, although here it is referred to in the general sense) may be carried out at the department or section level of the organizational hierarchy, and it can take various different names, such as "planning" or "general policy." However, the basic aim is the same: to coordinate all aspects of policy development by the local government body, including comprehensive planning, regional development and land use planning, and to promote wide-area government administration initiatives.

It is the planning division that underpins local government administration at a time of decentralization of power. As we saw in Chapter 3, local government planning includes general plans drawn up by the planning section and specific projects prepared by other departments. Ideally, specific projects should be formulated on the basis of the overall vision set out in the general plan, but often the opposite is true. The planning section suffers from the fundamental weakness of not having a presence in the field like the other departments. Thus, at times the general plan may be no more than a collection of specific projects cobbled together, while at other times it may be too visionary and unrealistic.

To ensure that local government is a faithful reflection of the immediate region, the planning section must engage in strategic activities. It is most important that master plans are based on surveys and research that can accurately gauge conditions in the region. While the planning section works together with other sections and departments, it should also be able to carry out its surveying for the purpose of policy formulation. Workshops, public comment submissions and citizens' discussion meetings are common techniques used to learn about the state of the municipality and listen to the concerns of citizens.

Increasingly, the planning department is the focus of the local government organization, with responsibility for setting up cross-departmental project teams, negotiating and coordinating policy among the different departments, and ensuring that the entire organization is involved in the process of formulating comprehensive plans.

4 Wide-area networking

Thus far we have considered organizational issues at the level of individual local government bodies. In this section, we will widen our scope to consider the development of local government networks. The modern citizen does not spend his or her days solely within the confines of his local municipality; people use and expect services outside their municipality. Meanwhile, local governments can provide more services at lower cost by combining their resources where possible to generate economies of scale. Thus, a municipality might form a network with other municipalities with which it shares common borders, or with the prefecture in which it is located. Similarly, neighboring prefectures might come together or combine with municipalities within their borders.

Wide-area or regional networks can include arrangements whereby one local government provides a service on behalf of another in return for payment, as well as special purpose cooperatives or region-wide confederations where several governments come together to provide a specific service as a joint initiative. In some extreme cases, two municipalities may even consolidate to form a new organization. Up until very recently, the joint venture was the most commonly used approach. Around 70% of joint initiatives involve a subcontracting arrangement, while another 20% involve setting up a cooperative. Subcontracting is typically used in areas such as health, welfare and disaster prevention services. Meanwhile, joint councils and discussion groups among local governments are frequently used at a more initial stage.

The idea of networking over a wider area is both old and new. The Meiji government instituted an ambitious merger program in a bid to provide a solid financial base for municipal government as part of the overall modernization process. Smaller towns and villages that were not merged were instead collected into cooperatives to encourage the use of joint venture initiatives. The basic concept is still in use today. Partial cooperatives are used extensively for services such as rubbish collection, sewerage and fire-fighting, as well as internal processes such as employee retirement allowances. At a higher level again, the idea of confederations (also known as super cooperatives) was brought out in 1995 as a means of transcending the problem of each cooperative

being confined to a specific purpose, such as rubbish collection. Although the overall number of confederation is still low, they are becoming increasingly popular as a means of providing nursing care insurance schemes.

The rapid increase in wide-area networking initiatives in conjunction with decentralization has been prompted by the need to improve the financial standing of municipal governments. With respect to the current debate over municipal mergers, there are those who want to retain the traditional town and village demarcations, but many municipalities find themselves in difficult financial circumstances where it is not economically viable to continue providing services. Even voter referendums have generally supported mergers, albeit often by a narrow margin. While it can be difficult to deliver a single grand solution, this is an important opportunity to revitalize local government bureaucracy.

III. Personnel policy for local government employees
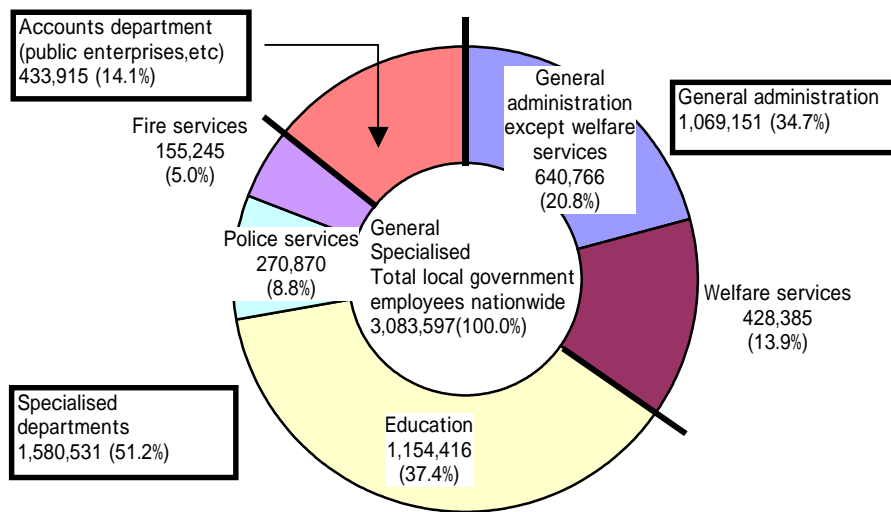
1. Hiring policy

In this section, we will review hiring policy, the fundamental basis of personnel policy in local government, and consider a couple of important issues such as the critically skewed employee age profile and special considerations regarding hiring of female employees.

Government jobs are highly sought after in Japan, both at the national and the local level. Government jobs offer fair employment security and pay, and are well respected in the community. The examinations for all levels of government services are therefore highly competitive. Notwithstanding cyclical economic variations and sporadic instances of "civil servant bashing," the popularity of government jobs has remained fairly consistent. Apart from employee exchange programs (discussed later), local government workers can be confident of remaining in the same geographical location, unlike their counterparts at the national level, who may find themselves obliged to relocate to various different parts of the country. For this reason, local government jobs have become increasingly popular in recent years.

Local government is a major employer in Japan. As Figure 4 shows, the majority of employees are assigned to dedicated departments such as education and police and fire services. Within the regular service, welfare services account for more employees than general affairs, taxation, agricultural and roads. Also, the majority of local government workers are involved in the provision of direct services to the public.

Figure4: employees in Local government

Accounts department
(public enterprises,etc)
433,915 (14.1%)

Fire services
155,245
(5.0%)

Police services
270,870
(8.8%)

General
Specialised
Total local government
employees nationwide
3,083,597(100.0%)

General
administration
except welfare
services
640,766
(20.8%)

General administration
1,069,151 (34.7%)

Welfare services
428,385
(13.9%)

Specialised
departments
1,580,531 (51.2%)

Education
1,154,416
(37.4%)

Government employees progress through an endless cycle of promotion, transfer and succession until retirement. Under the merit system set out in the Local Public Servant Law, employees are allocated positions on the basis of their entrance examination results, past performance and other abilities. The merit system is designed to ensure that jobs are based on fair and open examinations, while also preserving the political neutrality of the bureaucracy and fairness and equity in employment. While the head of government and assembly or council members are elected for four-year terms, government employees are expected to serve continuously without becoming politicized. They are considered "fixed capital" within the government system.

Up until recently, local governments in Japan have generally sought to employ new graduates in full-time positions. However, there is an increasing shift towards diversification in hiring practices to include year-round recruitment (rather than confined to a specific period) and the provision of part-time positions. Year-round recruitment initially took hold in the private sector, but local government has now started to embrace the notion of valuing the broader experiences of older candidates instead of concentrating solely on the examination results of new graduates. In specific areas such as information systems, international exchange and management, local governments are increasingly inclined to seek out more experienced candidates at any time of the year. This is particularly true with regards to information systems, where even contract workers are used. The use of private sector managers for executive positions is also on the increase.

In education, meanwhile, examples of "private-sector" school principals have emerged. In a move designed to emphasize management skills and provide a fresh perspective on school operations, principals are no longer required to hold a teaching license or demonstrate teaching experience as of 2000. Already more than 50 public elementary and secondary schools are presided over by principals recruited from private-sector industries such as finance and manufacturing. Some of these are former company presidents.

Part-time positions have traditionally been limited to one-dimensional tasks such as library and community centre administration, preparation of school lunches and removal of abandoned bicycles, as well as nursery school workers, nutritional advisors and school clerical assistants. In recent years, however, local governments are increasingly seeking part-time workers for positions requiring more complex judgment, not only as a means of reducing the number of full-time workers but also in recognition of the considerable skills and expertise of part-time workers.

Members of the public are also becoming more interested in participating in the workings of their local government. The city of Shiki in Saitama prefecture, for instance, has instituted an "administrative partnership program" where citizens work together with the municipal government. The municipal government subcontracts the operation of community centers and inquiry services to NPOs and citizens' groups. The choice of subcontractor not decided entirely on the basis of cost; an important consideration is whether the contractor is a suitable contributor to the town planning process, as determined by the level of community participation and the ability to display in innovation in management. Although citizens cannot participate at the individual level, by joining a designated NPO or community group they can have a hand in running their municipality.

2. Skewed age profile of employees

Recruitment levels increased significantly during the period of rapid economic growth and subsequently fell away during the 1990s, creating a pronounced skew in the age profile of employees. The average age of local government employees in regular administration areas has risen steadily from 35 in 1968 to 35.9 in 1978, 38.9 in 1988 and 39.5 in 1993, and is now over 40. Figure 5 shows the breakdown by age and type of work.

Figure5: Employee breakdown by position and age (government departments in all regions)
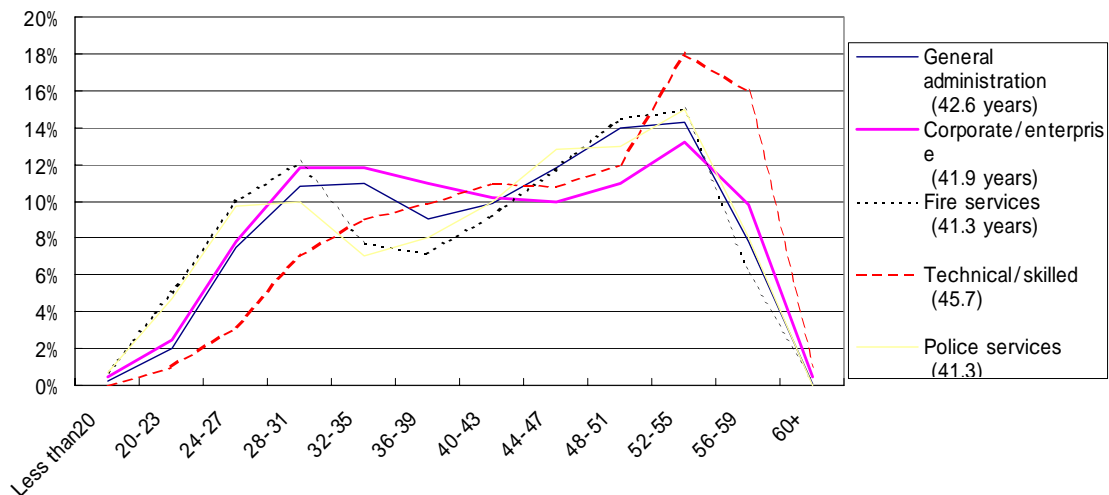
Source: Local Government Employee Salary Study Group "Local Government Employee Salaries"
2003, page 11

The traditional seniority system dictates that older employees should be rewarded with some form of promotion, but the bureaucracy has not been able to keep up with the rising number of older employees. In the 1980s, attempts were made to provide extra middle management positions such as deputy manager and assistant manager, but this only exacerbated the pyramid-style structure and restricted the ability of the organization as a whole to adapt flexibly to change, as we have already noted. In order to prevent the bureaucracy from becoming bogged down, it will be necessary to redesign personnel systems to harness the skills and expertise of older employees. For instance, "re-hiring" schemes allow retired full-time employees to continue contributing their skills and expertise on a part-time or similarly flexible basis.

3. Female employees

"Representative bureaucracy" is the notion that government should be an accurate reflection of the society it serves, in terms of the race, gender and social standing of its employees, by means of positive action programs. This notion has been enshrined in recruitment policy as a means of promoting inclusiveness of opinion. Although the idea of representative bureaucracy is not as well-accepted in Japan as in multicultural countries, it has certainly been argued that local government should represent a broad cross-section of values and viewpoints, including women, disabled persons and non-

Japanese citizens. Given that women represent half of society in general, representing the female viewpoint is particularly important. Furthermore, providing a better working environment for women can go some way towards alleviating the perilously low birthrate in Japan.

The Japanese government, acknowledging the consistently poor rankings on international comparisons of participation by women in society, has released a broad vision for gender equality. At both the national and local levels, government bureaucracy is actively boosting female recruitment rates in order to achieve equality of participation in policy planning and policy decisions, one of the fundamental principles of the vision. As a result, the proportion of female employees in local government has risen from 33.3% in 1978 to 36.9% in 2003, although this cannot be regarded as a significant increase. Nevertheless, compared to the national government, where the corresponding figure is just 17.4% (as of 2003), local government is more committed to the recruitment of women, even allowing for the fact that local government traditionally employs more women in areas such as child care. At both national and local levels, the percentage of women employed in executive positions (section manager and above) is in single figures.

All prefectures and designated major cities have formulated programs to boost the employment of women. This is often a top-down initiative, with the program formulation and implementation presided over by the major, deputy governor or senior officials. An increasing number of municipalities is similarly involved in the formulation of ordinances for promoting employment of women.

Figure 6 shows the proportion of women serving as mayors or members of regional assemblies and councils. It can be seen that the number of women representatives serving local government is greater than the number of women executives employed in local government bureaucracy. However, the government's stated target of women in at least 30% of leadership positions by 2020 would appear to be somewhat ambitious.

Figure6: Proportion of female employees and elected representatives in local government

Local government management*		Head of government		Local government members	
Prefectural	3.3%	Prefectural governor	8.5% (4 persons)	Prefectural	6.9%
Designated major cities	3.6%	Municipal mayor**	1% (7 persons)	Municipal	11.9%
		Town mayor**	0.2% (6 persons)	Town	5.6%
				Special wards	21.5%

*   Central government agencies and government offices, section chief class and above

** denotes 2003; all other figures are for 2004

IV. Employee training programs in local government

1. Required employee skills

Although each local government has its own personnel development principles developed over the course of many years, all employees will be required to exhibit basic administrative expertise as well as skills in the four following areas:

A. Administrative management: the ability to boost employee morale, exhibit leadership over an organization, and fulfill duties and responsibilities as required

B. Policy formulation: developing and upgrading policies at the local level, independently of national policy

C. Collaboration with the community: incorporating community self-government initiatives into ongoing local government operations

D. Legal aspects of policy: greater ordinance powers, interpretations of laws, new forms of legal action, mediation and arbitration

Administrative management refers to the ability to ensure that the organization operates in accordance with its fundamental objectives. This encompasses both administration aspects — staff numbers and deployment, budgeting requirements, maintaining employee skill and motivation levels, and successful task completion — as

well as personnel aspects such as staff deployment in the workplace, morale, leadership, training programs and maintaining good staff-management relations through leadership, coordination, and communication skills.

Policy formulation refers to the ability to development frameworks and mechanisms for setting out and then achieving policy objectives that accurately reflect the needs of the community, without being hampered by excessive interference or control by the national government. This requires a number of related processes: bringing together local residents and government staff to identify problems and issues, shaping these into coherent policy, and explaining the policies to affected parties (including coordination as required).

The next skill required of local government employees is the ability to collaborating with the community. The provision of government services is no longer the sole preserve of government itself. Services can now be provided by a range of bodies, including NPOs and citizens' groups. This approach is becoming increasingly common in the area of nursing care services. In order to utilize this governance model, local government must be capable of working together with outside bodies such as NPOs and citizens' groups, as well as overall coordination and the development of frameworks for service provision by outside bodies.

Finally, understanding the legal aspects of local government policy is an increasingly important requirement of local government employees. As part of the push for decentralization and bureaucratic reform, it is understood that notifications issued by the national government have no legal status other than guidelines, and that legal liability rests with local government. This means that local governments are required to take on legislative responsibilities such as producing ordinances and developing autonomous interpretations. Local governments now produce a range of region-specific legislation including basic self-governing ordinances, similar to the charters or constitutions, and town planning regulations, based on their mster plans. Thus, it is most important that employees have a proper grounding in the legal aspects of policy. To this end, local governments are increasingly providing training and skills development programs in this area.

2. Training programs

Employee training and skills development programs are broadly divided into three categories: self-development programs designed to promote independent thinking, OJT programs based on day-to-day tasks, and OffJT courses conducted at external training

facilities. OJT typically involves one-on-one guidance and has demonstrated benefits as a "generalist" Japanese-style approach to employee development.

Off-JT courses have the advantage of efficiency, since many people are involved, and generally produce outcomes, albeit on a limited scale. However, the more competent employees may have difficulty finding the time to leave aside their work to attend such programs, while other employees may develop a habit of attending training programs simply for the sake of it. There has also been increasing interest in training courses dedicated to specialized areas such as legal matters and policy evaluation in recent years, as well as discussion-oriented group courses.

External groups such as academic bodies specializing in local government and public policy are also proving an important source of skills development expertise for local government employees. Many employees are interested in joining and are highly dedicated to improving their skills alongside researchers or fellow local government employees. In some cases, time off is given to attend these courses, and this provides a training opportunity for the local government organization.

3. Employee exchange customs

In addition to training programs, employee exchange customs have also proven an effective means of boosting skill levels. Local governments have found that exchange schemes involving the national government and private enterprise can be used to pursue joint initiatives, enhance policy coordination and gain experience and expertise in new areas of development.

Employee exchange customs are well established, having been around since the 1950s, and can be either horizontal or vertical in nature. Horizontal exchange involves local government organizations at the same level — for instance, prefectural governments or municipal governments — while vertical exchange programs involve organizations at different levels, such as a prefectural or municipal government working with the national government, or municipal and prefectural governments working together.

Vertical exchange based on the traditional superiority relationship between national and local government have been used extensively in Japan. In 2003, 542 managers of section manager class and above were dispatched from ministries and agencies of the national government to work at prefectural governments and the municipal administrations of designated (large) cities. Most of these were seconded from the former Ministry for Home Affairs, Ministry for Construction, and Ministry for Agriculture,

Forestry and Fisheries. Some 494 were sent to prefectural governments, where the exchange program has traditionally been concentrated.

Although absolute numbers have been falling in recent years, exchange customs still represent an importance source of key personnel for local government. Nagasaki prefecture, for instance, had 17 exchange employees during 2003. At the prefectural level, dispatched employees are generally assigned to managerial positions in departments such as general affairs, civil engineering and construction, and welfare services. Normal practice has been for the appointment to be taken in rotation by the central government officials. With the trend towards decentralization, however, the trend towards declining numbers is likely to continue in future.

Meanwhile, prefectural and municipal governments (in the large cities) also second many employees to the central government. Once again, the relationship is strongest at the prefectural level: of the 693 local government employees seconded to work for the national government in 2003, 582 were from prefectural governments. The majority of employees are stationed in the Ministry for Internal Affairs and Communications, followed by the Ministry for Land, Infrastructure and Transport and the Ministry for Health and Welfare, all of which deal with areas closely related to local government policy. As well as serving as a direct point of contact with central government, these arrangements provide an important source of information and for gaining experience with government bureaucracy at the national level.

While vertical exchange customs are slowly but surely contracting, horizontal exchange programs are actually on the increase. In 2003, a record 339 employees were exchanged among prefectural and municipal governments. The most popular prefectures were those featuring innovative policy such as Gifu, and Kanagawa prefectures. The three north-eastern prefectures of Aomori, Akita and Iwate have used exchange programs to form a regional bloc for tackling common policy issues such as illegal dumping of industrial waste. Similar examples can be found elsewhere around the nation.

Exchange customs involving the dispatch of employees from prefectural governments and the municipal governments of designated major cities to smaller municipal administrations are also on the increase, with some 2,224 employees involved in 2003. More than 90% of these were sent from prefectural governments. Conversely, the number of employees dispatched from municipalities to work at prefectural or designated city government administrations fell to 1,971. As a general trend, the

proportion of employees assigned to work on the consolidation of municipalities is increasing throughout the nation.

In addition to exchange customs within the public sector, government organizations also utilize exchange initiatives with the private sector.

4. Evaluation and skills development

In Japan, employee skills development has traditionally been based on a combination of OJT and Off-JT. Poor management skills in areas such as recruitment, promotion and deployment can be attributed to an inadequate emphasis on employee training. A sea change is now occurring in the public sector, involving a gradual shift towards evaluation-based skills development along the lines of private-sector human resource management techniques predicated on a systematic strategy encompassing recruitment, deployment, skills development, evaluation, remuneration and retirement.

Employment and deployment, the cornerstones of personnel management, should ideally be based on merit. However, attempts to introduce efficiency rating methods in the area of education during the 1950s met with stiff opposition from employee groups and turned into a major political headache. Performance appraisal has been a politically sensitive issue ever since, and as a result, employee evaluation at both national and local levels has either been confined to simple document-based processes or ignored altogether.

The financial crisis of the early 1990s prompted a shift towards a new form of personnel appraisal to replace conventional performance appraisal systems. This began in cities such as Tokyo, Nagoya and Gifu before spreading to small and medium-sized local governments, and has even had an influence on the national bureaucracy.

Whereas conventional performance appraisal is based on personality traits such as "cheerful" and "diligent," the new personnel evaluation system consists of both performance evaluation and skills evaluation. Performance evaluation involves the person setting up their own goals at the start of the fiscal year, drawing from the major policies of the organizational leader and/or the relevant department and section. Target management is used for discussion and feedback with the superior, and this forms the basis for ultimately determining the extent to which the objectives have been attained. The key indicators used to assess target attainment will differ between departments. For a customer inquiry service it might be the number of cases

successfully processed, while for the personnel department it might be the net reduction in overtime hours.

Skills evaluation, meanwhile, uses a competency model in areas such as management skills and coordination and mediation skills. Some of the more progressive local governments have some distinctive initiatives: executive personnel to be required evaluated by performance achievement rather than skill's, and linking targets for individuals and the organization as a whole as part of the performance evaluation process. An important feature of the new approach to evaluation is that the results are normally disclosed to the subject of the evaluation.

Personnel evaluation is not an objective in itself, but rather the means to an end. The new personnel evaluation system should be used as the basis for a comprehensive personnel evaluation package encompassing determination of salary components such as special promotions and allowances, promotion mechanisms based on job request and internal open competition, and skills development systems that involve identifying areas of weakness in conjunction with managers and participating in training programs. Considerable effort is underway at present to deploy this approach to human resources development, which underpins the organization of local government bureaucracy in the current era of regional decentralization.

Conclusions

Government organizations in Japan have developed a unique Japanese style which is predicated on the open-plan office and which is closely tied to personnel management. However, the end of the period of rapid economic growth, combined with factors such as declining birthrates, the aging population, constriction of funds and changing perceptions of labor and the workplace, have led to moves to give a new stimulus to the traditional bureaucratic culture and create an external focus (on relations with other departments and clients) rather than an inward focus on immediate colleagues, especially those of the same year.

Local government employees are increasingly required to possess skills for coordinating and colloborating with local citizens, who constitute the clients of the organization. With the introduction of new types of employees through initiatives such as year-round hiring and administrative partnership programs, as well as the diversification of employee training schemes, local government organizations and their employees may be finally moving towards a genuinely open structure. The combination of flexible and

adaptable links between the organization and its staff and interactive and mutually stimulating relationships between government and the people will provide a major driving force in tackling issues at the local level.

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