~~future~~ staff members of the Authority, must achieve a record for faithful and efficient law enforcement which shall stand as a model for men in Japan, and throughout the world, for generations to come.

I wish all, Teachers and students, ~~you~~ great success in ~~your~~ ~~[redacted]~~ work here in the Civil Service Institute

Speech given by Mr. Hoover at opening
Fifth CS Institute -Nikko, 6/21/49

Members of the National Personnel Authority, honored guests, members of the faculty, members now entering the 5th Civil Service Institute, and Gentlemen:

The Civil Service Institute has been established here in Nikko to accomplish a work which is very important to the people of Japan.

The day has come in many lines of human endeavor when a scientific approach to our problems is important. The modern world moves rapidly. In our own lifetime many things we knew as boys have given way to scientific management. The horse and carriage have been replaced by the automobile and the airplane. The foot messenger has given way to the telephone, the telegraph and the radio. Just so, in government, scientific management has increasingly displaced old-fashioned methods of "trial and error". Nowhere is this more true than in the field of public personnel administration. If, during the years ahead, Japan is to assume her place with the great modern nations, she must adopt a modern approach to her problems of public personnel administration.

Now, just what do I mean by that statement? What are the objectives of a modern system of personnel administration in a democracy?

The first great objective of modern civil service in the democratic state is - ~~it must~~ to promote democracy and utilize democratic methods.

Briefly stated this means several things: (1) the civil service must faithfully administer the law as enacted by the legislative body, which is the supreme body of the democratic state; (2) it must be democratic in that it permits all citizens to serve in public office to the extent that they demonstrate ability and to the extent that their services are needed; (3) it must be democratic in that it provides for the promotion of men in the service on the basis of their ability as demonstrated; (4) it must be democratic in assuring the employees of government equitable treatment; (5) it must be democratic in that it regards itself as serving the people and that always with the courtesy which is appropriate under all circumstances.

~~Now let us come to~~ The second objective of the civil service in the democratic state is - efficiency of administration.

Conceived originally in the United States as a means of defeating the "spoils system", largely by enforcing examinations as a basis for admittance to the public service, Civil Service, or as it has been more recently designated,

"Merit System Administration", has enlarged its vision and come to think in positive rather than negative terms. Utilizing some of the thinking of America's more progressive industrial organizations, as well as leaders in public administration, government has come to be recognized as an employer who must do certain things if men and women of superior ability are to be brought into and retained in the government, there to perform an efficient public service over a long period of years.

In the modern world, government is usually the largest single employer of labor in the country. The implications of administration in a modern government are tremendous. Not only does government these days concern itself with the collection of taxes, the maintenance of police and the routines of government business, but additionally, it controls and directs the disposition of the national resources, the promotion of trade and commerce, and the whole economy of the country. To the extent that administration is efficient, the nation will in a sense prosper and to the extent that it is inefficient, the nation will suffer.

So now we have the two great pillars on which civil service in the modern democratic state rests - (1) democracy, (2) efficiency.

To achieve these objectives there has been developed a modern science of public personnel administration which has received due attention on the part of many of our great western universities. This science concerns itself with the methods of evaluating the efficiency and democracy of public administration in any area under review and proposing methods for achieving maximum results in terms of these objectives. During the days ahead you will be engaged in the study of this science.

One of the new democratic institutions in Japan is the National Personnel Authority which is essentially like the Civil Service Commission of the western democracies. To the extent that there is a difference, it is largely in the fact that the National Personnel Authority utilizes the lessons learned in the other civil service commissions during the last hundred years, and - being a newer model, probably is in design one of the best civil service commissions in the world today.

The purpose of the National Personnel Authority is to assure the people of Japan democratic and efficient administration of their public affairs by applying basic standards which shall be applicable to all personnel in the national public service. Specifically, the Authority has responsibility for

recruitment, promotions, compensation, retirement, equity - including disciplinary matters - and the promotion of a large number of programs designed to promote efficiency. These include training, safety, health, welfare, recreation, employee evaluation and employee utilization.

One of the prime purposes which is achieved by the concentration of personnel administration in a single independent agency such as the National Personnel Authority is standardization of conditions in the public service. All too long Japan has suffered under a personnel system which in many matters had made every ministry or agency of government, and often subdivisions of the same ministry or agency, laws unto themselves. Government employees all working for the same government have in matters of compensation, promotion, discipline, and otherwise, been at one point treated differently from employees doing the same type and kind of work in another place, or even in the same building. Many essential programs have been omitted. This has been unfair to the employees less favorably treated and very unfair to the tax payers/who have suffered where conditions were unduly lax. Under the National Public Service Law, as administered by the National Personnel Authority, both government and employees will be assured standard conditions, standard treatment and

standard regulation. This is a big factor in fair dealing. Accordingly, this is the beginning of a new day in public employment in the government of Japan.

In such a centralization of personnel control there is a need for close and effective liaison between the National Personnel Authority and each of the ministries and administrative agencies of government. To accomplish this, the National Personnel Council consisting of personnel officers of the various ministries and agencies has been established. The functions of the National Personnel Council are: (1) to keep the ministries and agencies of government informed concerning the personnel policies, practices and procedures as determined by law and the National Personnel Authority; and, (2) to keep the National Personnel Authority informed concerning conditions and problems existing in field operations and to make advisory suggestions relative to the solution of such problems.

To you members of the Fifth Civil Service Institute who are staff members of the various ministries and agencies of government, I say that in the days ahead there will be much hard work and there will also be periods of confusion and discouragement. Japan is attempting to accomplish in a short time,

In the transition of her civil service to a modern system - that which it took many years to accomplish in other parts of the world.

However difficult the task it must be done. Japan must immediately modernize her civil service. If she does not she will seriously qualify her economic recovery and fail to achieve that effectiveness in government to which her energy and ambition entitle her. I say to you today, "modernize or fail" - "modernize or fail".

In this tremendous task you members of the fifth Civil Service Institute play an important part. I wish you great success in your preparatory work here in Nikko.

24 Jan 1949
File-
Mr. Hutton - Speeches

Mr. Chairman

Members of the National Personnel Authority

Members of staff now entering the Civil Service Institute

Ladies and Gentlemen

I am glad of this opportunity to extend congratulations to the members of the class just entering the Civil Service Institute.

You are to be congratulated on the ability you have demonstrated under examination. This was sufficient to place you on the eligible list and eventually in the positions to which you have been appointed today.

You are also to be congratulated on the opportunity which you now have as students under very able instructors to study public personnel administration and equip yourselves for useful and honorable careers in the public service of your country. This is expecially important because the training you will receive is modern in type and will equip you for careers under conditions of modern administration which your contry is so rapidly adopting. We wish you, both in your study in the Institute and in your work during the years ahead, much happiness and much success.

We who are assembled here today, however, would be dealing inadequately with the occasion were we to confine our congratulations to you personally. In the larger sense, today is significant, not only because it brings you on to the staff of the National Personnel Authority, but also because it brings into the government service persons selected as you have been selected.

As a group, you are graduates of no single university or college. You come from many schools. As a group, you come from no single

section of Japan. You come from many different parts of the country. Presumably you, as a group, are associated with no single political party. You may be associated with any political party which supports the Constitution of Japan. Presumably, you were not personally acquainted with any persons high in the government or, if you were, that fact had nothing to do with your selection for the position you now hold. You - all of you - were selected under a system of free, held at many places throughout Japan. This makes your important open and competitive examinations, not only for what you are, but for what you typify.

Japan is the land of the rising sun. When that sun now rises its bright rays reveal many democratic practices in Japan - practices designed to protect the rights of the Japanese people, assure to the Japanese people the control of their government and eventually create and preserve national happiness and prosperity. Amongst all the practices so designed, few are more important than those which select the public servants from amongst all the people on the basis of ability demonstrated in competitive examination. This practice is often referred to as the "merit System". You are the products of that system of selection and among the first in your country so to be selected.

Accordingly, I say to you that however important today may be to you personally, its importance far exceeds anything that can be measured in purely personal terms. Every government employee selected and appointed under the merit system represents another step taken along the road which Japan must take if she is firmly to establish the sovereignty of her people and effect their will by making the public administration both democratic and efficient.

Your selection and appointment marks progress along this road. Accordingly, I take the occasion to congratulate, not you alone, but

your country and additionally those many thousands of able men and women who heretofore have had no opportunity to work or to be promoted in government, but who will have this opportunity ~~in~~ this new day on which the sun is just now rising.

#

Address, Mr. Hoover to the Training Institute, 14 May 1948.

Mr. President, Commissioners of the Temporary National Personnel Commission, Colleagues, Ladies and Gentlemen of the Institute:

I have had the privilege of addressing you on two previous occasions, once at the beginning of your course and once in the middle of it. ~~Today~~ It is a pleasure to meet with you again today at the termination of your course.

It is appropriate at this time to thank the Commissioners, the faculty, ~~their~~ your assistants and ~~the~~ students for ~~their~~ your diligent efforts to make this course a success. Few people, except those who have had the experience, have any idea of the problems involved in presenting a science like modern public personnel administration in a new environment where a major language difficulty exists and where comparatively few persons have any prior knowledge of that science. That substantial progress has been made is a tribute to the patience, diligence and ingenuity of the Commissioners, Mr Hoover, Mr Tindale, you as students and all concerned. Accept please, personally and on behalf of the Civil Service Division, my hearty congratulations.

In this situation it would be, of course, a mistake to assume that your difficulties are all behind you. Unhappy as the thought may be, it is probable that your greatest difficulties lie ahead.

You today are very much in the position of a young medical student who has learned the names of a few surgical instruments and medicines commonly used. This knowledge he must have but, if he is to be a good doctor he must learn by further study and long years of practice, how to make diagnoses and when and how to use his instruments and his medicines. Necessary further instruction in public personnel administration you will

receive in institutes and in the course of practice during the months and the years ahead.

Today is chiefly significant because it marks the end of instruction of the preliminary and class room variety and the beginning of instruction which is more largely associated with actual practice and the realities of administration. In this situation I shall not devote time to the discussion of technical matters. In due course adequate technical discussion will be presented.

At this significant point in your work there is another matter which is not technical but which, as much as or more than technical competence, is vitally important to you from this day forward. I refer to your attitude as public servants.

In this life men put forth effort and seek, according to their individual preferences, a variety of rewards. Some seek money. Some seek fame. Some seek pleasure. Some seek distinction in the arts or sciences or letters. Some seek combinations of these rewards. In making these selections men are exercising the right of free choice with respect to their careers and in a democratic society there is little tendency to quarrel with their choices as long as they pursue their objectives within the law and in such manner as not to injure their fellow men.

As civilization has advanced there has come into prominence a group of occupations. In these occupations men do not primarily seek money, pleasure or fame. They seek rather to effectively serve other men. In this group are our public servants. For persons in these occupations is reserved a peculiar reward.

There was a time in the history of mankind when the concept of service to other men was lacking in dignity. However, as civilization has advanced and life has become more complex society could not exist if there were not men and women of good education, good character and high efficiency who devoted their lives, particularly in public pursuits, to serving their fellow men.

As society's need for such services has increased and as the qualifications of such persons have over the years risen higher and higher the old concept of service as menial and humble has melted away and there has come with modern life in much of the world a recognition of service as a most dignified occupation. For the faithful servants of society, and this includes, amongst others, doctors, scientists and teachers as well as public servants, there is reserved the special respect as well as many of the highest honors that a grateful society can bestow.

Today, in a sense, you really become public servants. Of all occupations it is amongst the most honorable. At the same time it places upon you a heavy responsibility--that of maintaining faith with the people of Japan.

To do this you must remember always that the people of Japan through legislative processes make the law. Your supreme duty now, and for as long as you are a public servant, is to enforce that law. Neither political considerations, nor the persuasions of your friends, nor the threats of your enemies, nor bribes, nor favors, nor your own personal opinions can be permitted to interfere with your faithful administration of the law with respect to the matters in which you have responsibility.

Given a body of public servants who so function Japan on the basis of her great cultural heritage, can rise to new heights of dignity in the family of nations and assure for her people a period of national prosperity and well being. Without such a body of public servants there can be only national waste, inefficiency and confusion.

The people of Japan in The National Public Service Law have made the National Personnel Commission the agency for working with the bureaucracy to make it efficient and democratic and to so guide its personnel policies that an effective overall enforcement of the laws is assured. Fountains rise no higher than their sources. To accomplish your high purpose on a national scale you must, each and every one of you and all together, (as the staff of the Commission) achieve a record for faithful and efficient law enforcement which shall stand as a model for men in Japan, and throughout the world, for generations to come.

Address, Mr. Hoover to the Training Institute, 3/16/48

MEMBERS OF THE NATIONAL PERSONNEL COMMISSION
MEMBERS OF THE FACULTY AND STUDENTS OF THE INSTITUTE:

It is now something over six weeks since I last addressed you. As a result of your abilities demonstrated in examination, or the confidence in your abilities expressed by the heads of your ministries, you have been selected to do a great work. It was a great pleasure to address you on that previous occasion and it is a great pleasure to address you now.

During the weeks that have passed, you have studied many things. You have studied about classification in the public service, examinations in the public service, and many other subjects which are a part of the science of public personnel administration. These studies will go on during the months ahead and you will soon begin to acquire that knowledge of your subject which will equip you to do your part as staff of the personnel commission.

Today I desire to speak briefly, not of technical matters, nor of details of any kind - but of something bigger and more important. I come to speak to you about the spirit of the National Personnel Commission.

Institutions - like men - have character, and the influence they exert in their time depends upon their character. The Civil Service Commission, which has only mechanical character, is an empty shell and never will achieve, in the family of ministries, those high purposes for which it was created. The National Personnel Commission has been designed, not to copy any single civil service system, but to utilize the best that civil service systems have so far developed. Mechanically,

it will operate successfully. Today I desire to direct your attention to those more general characteristics which the Commission must have if it is to fully serve its purpose in the government of Japan. They are:

1. HONOR. The Commission must be an institution characterized by integrity. This is a concept far deeper than form and manners. It must be, in all of its operations, so faithful to the administration of the law and regulations that, before long, the people of Japan will realize that their applications in the hands of that Commission will be dealt with as honestly as if they (the people) were present and able to watch every move. The Commission must also so function that the officials and employees of the Japanese government will recognize that it is above bribe or improper persuasion of any sort, and that every case of whatever kind will be decided by the Commission absolutely on the basis of merit and within the spirit, as well as the letter, of the National Public Service Law.

2. EFFICIENCY. The prime purpose of a civil service agency is to promote the efficiency of operation in all branches of the government. Obviously, the civil service agency cannot do this unless it is, itself, a model of efficiency. Much attention has been given to this point in setting up a National Personnel Commission and every care must be exercised, as time goes on, to protect the internal efficiency of the Commission.

3. DEMOCRACY. Certain types of bureaucratic organizations, which will sustain a degree of efficiency under some conditions, are not acceptable in a democracy. Let it be understood at this

point - for there seems to have been some confusion in Japan on the subject lately - democracy in government does not mean confusion, disorder, or lack of discipline. It means, basically, that the laws enacted by the Diet as the representative of the people will be enforced, and that all of the people of the country will be given the opportunity to serve the government as employees to the extent that they are able to demonstrate their abilities under examination and to the extent that their services are needed.

4. STRENGTH. An agency which carries the huge responsibilities of a civil service agency must be strong. Its decisions, carefully taken, must be enforced - fully, completely, and promptly. This strength includes the idea of aggressive courage. At the same time, this strength - like all great strength - should be tempered by modesty and dignity.

5. SERVICE. The prime purpose of civil service administration, as I have told you, is to promote the efficiency of administration throughout the government provided, always, that it must be done in a manner consistent with democratic precepts. The Commission can only accomplish this end when it is aware of the fact that it exists, not for the arbitrary assertion of power, or the mechanized application of techniques, but in order to perform a service to all of the ministries and agencies of government within its jurisdiction. This requires a spirit of eager helpfulness which, in turn, develops cooperation on the part of the other agencies of government.

Observe these things - honor, efficiency, democracy, strength, and service. These characteristics of your administration, together with the technical competence which you are gradually acquiring, will enable you to make a great contribution to the future of your country and to earn, in the years ahead, the gratitude of your countrymen.

Address, Mr. Hoover to the Training Institute, 2/2/48

Mr. President, Commissioners of the Temporary National Personnel Commission, Colleagues, ladies and gentlemen of the Institute.

Under the new Constitution of Japan, Japan is now a democracy.

In a democracy, the will of the people governs.

In Japan, under the new Constitution, legislative bodies have been set up which are elected by the people and declare the will of the people in the form of law. A judicial system has been created which will, by decision, interpret these laws. It remains to begin the development of a body of public servants who will administer these laws and decisions faithfully and efficiently.

The experience of certain of the older democracies has indicated that the creation and management of such a body of public servants requires the introduction into government of a central personnel authority and the operation of various personnel programs. These programs taken all together constitute the science of public personnel administration.

It is the purpose of this Institute to introduce you to the science of public personnel administration. You who have been selected as staff of the National Personnel Commission and the various Ministries must have this knowledge to do your work successfully. In the short time available for this course we cannot make you experts in public personnel administration. However, we can give you a broad general knowledge of the subject and, as you later gain experience, and are given special training, you can progress toward expertness.

On behalf of the Civil Service Division and its staff, I desire to commend the Temporary National Personnel Commission on the establishment of this Institute. I assure you all of our good wishes

and our full cooperation in the work of the Institute. At the same time I voice the hope that today marks the beginning of activities which will eventually assure the Japanese people a public service which is both efficient and democratic.

1) Maehin
2) Salter. 4/9-49
KM

CIVIL SERVICE DIVISION
Government Section

April 15, 1949

MEMORANDUM FOR: Mr. Thomas Tindale, Chief, Training Branch

SUBJECT : Classification and Compensation Branch's Participation in Nikko Training.

1. I understand that the first training program of new recruits is commencing shortly and to continue through the month of May in accordance with your present planning, it appears that the following arrangements may be worked out for participation of this staff.

1. Theory of Organization will be included in your discussions of public administration scheduled for April 20th and 21st. No one from this branch will participate.

2. Presentation of training material on Position Classification will occur from April 23rd through April 29th. Mr. Rankin will be available the last day of this training program to participate in faculty and seminar discussions, and the development of additional material may be determined at that time.

3. Lectures on Compensation are scheduled for May 3rd and 4th. These lectures should include references ~~on~~ to phases of compensation for government employees, including a brief discussion of benefit programs. Your schedule now calls for participation of Mr. Hasume. It is questionable whether he may be available in view of Dr. Asai's reliance on him. If it is possible, he will participate in the lectures. If not, arrangements are being made for having another NPA staff member trained and available. Mr. Bettis will plan to be in Nikko on the 4th, however, work here may preclude this arrangement.

4. Under your schedule for discussion of Performance on Duty, the whole question of Supervisor and Employee Relations, Union Organization and other government labor relation problems will be discussed. Since this is the first time this material is being presented, it seems advisable at this time that Mr. Salter be present on those days to possibly participate in the lectures and to work with the seminar and conferences of instructors.

dates? May 21-24 (final)

~~Hasume~~ Is it OK to go ahead with this planning, with understanding that none of us may be able to leave in event of work requirements?

/s/ Salter

yes
4/18/49

5. Discussion of Charting is scheduled for May 28th. No one from this branch will participate.

6. Presentation of Charts and information concerning the functions of the National Government are scheduled for May 30th through June 3rd. It does not appear that there is any need for staff members from this office to participate in these lectures.

MACDONALD SALTER
Chief, Classification and Compensation Branch

MSPvr

GENERAL HEADQUARTERS
FAR EAST COMMAND

CP 201

APO 500
14 April 49

SUBJECT: CP Order 104-12

TO : Individuals concerned

1. So much of Ltr O CP 98-6, par 1, GHQ FEC APO 500, dated 8 April 49 as pertains to Mr. Thomas K. Tindale, DAC, Ch, Training Brn, CAF-14, GS, is hereby amended to add "Frequent trips to and from Tokyo, as well as trips within the area of responsibility are required in the performance of this duty".

2. So much of Ltr O CP 98-6, par 2, GHQ FEC APO 500 dated 8 April 49, as pertains to Mr. John R. Shively, DAC, Training Spec, CAF-15, GS, is hereby amended to add "Frequent trips to and from Tokyo, as well as trips within the area of responsibility are required in the performance of this duty".

3. Mr. Thomas A. Boylan, DAC, Fin Spec, P-7, ESS and Mr. Thomas F. Adams, DAC, Fin Spec, P-6, ESS, will proceed on or about 18 Apr 49 to Osaka, Kobe, Kyoto and Nagoya on TDY for a period of approximately nine (9) days to investigate facilities and conditions of formation of stock exchange prior to opening. Upon completion return to present station. Travel by rail and/or govt motor transportation is authorized. TDN. 991-1001 P415-02 A2192700 S92-500. No per diem authorized. Govt messing and billeting facilities are authorized. No charge will be made for meals furnished in govt operated mess upon presentation of Mess Deduction Card.

4. Mr. Ernest B. Coffman, DAC, Agronomist, P-6, NRS and Mr. George J. Kozuchi, DAC, Transl-Inter, CAF-7, NRS, will proceed on or about 18 Apr 49 to Nagano and Toyama on TDY for a period of approximately nine (9) days to study agronomic experimental techniques and cultural practices with a view toward improvement. Also to install test plots on production methods of cereal and forage crops. Upon completion return to present station. Travel by rail and/or govt motor transportation is authorized. TDN. 991-1001 P415-02 A2192700 S92-500. No per diem authorized. Govt messing and billeting facilities are authorized. No charge will be made for meals furnished in govt operated mess upon presentation of Mess Deduction Card. Authority granted to utilize Japanese hotels when authorized billeting facilities are not available.

BY COMMAND OF GENERAL MacARTHUR:

R. L. MATTESON
CAPTAIN, Inf.
ACTG ASST AJ GEN

DISTRIBUTION:
Sec (2) Ind (6)
201 (1) P/R (1)
Fis Dir (1)

GENERAL HEADQUARTERS
FAR EAST COMMAND

CT 201

GO 500
8 April 49

SUBJECT: CT ORDER 98-6

TO : Individuals concerned

1. Mr. Thomas K. Tindale, DAC, Ch, Training Brn, CAF-14, GS, will proceed on 15 April 49 to Nikko on TDY for a period of forty-seven (47) days to direct the curriculum and administration of the three Civil Service Institutes established at Nikko for the purpose of teaching public personnel administration to Japanese students who are trainees for administration and technical positions with the Japanese National Personnel Commission. Upon completion return to present station. Travel by rail and/or govt motor transportation is authorized. TDN. 991-1001 415-02 A2192700 392-500. No per diem authorized. Govt messing and billeting facilities are authorized. No charge will be made for meals furnished in govt operated mess upon presentation of Mess Deduction Card. Authority to utilize Japanese hotels where authorized billeting facilities are not available.

2. Mr. John R. Shively, DAC, Training Spec, CAF-15, GS, will proceed on 15 April 49 to Nikko on TDY for a period of forty-seven (47) days to direct the curriculum and administration of the three Civil Service Institutes established at Nikko for the purpose of teaching public personnel administration to Japanese students who are trainees for administration and technical positions with the Japanese National Personnel Commission. Upon completion return to present station. Travel by rail and/or govt motor transportation is authorized. TDN. 991-1001 415-02 A2192700 392-500. No per diem authorized. Govt messing and billeting facilities are authorized. No charge will be made for meals furnished in govt operated mess upon presentation of Mess Deduction Card. Authority granted to utilize Japanese hotels where authorized billeting facilities are not available.

3. Mr. Blaine Hoover, DAC, Ch, Civil Service Div, CAF-15, GS, will proceed on 16 April 49 to Nikko on TDY for a period of five (5) days to direct the curriculum and administration of the three Civil Service Institutes established at Nikko for the purpose of teaching public personnel administration to Japanese students who are trainees for administration and technical positions with the Japanese National Personnel Commission. Upon completion return to present station. Travel by rail and/or govt motor transportation is authorized. TDN. 991-1001 415-02 A2192700 392-500. No per diem authorized. Govt messing and billeting facilities are authorized. No charge will be made for meals furnished in govt operated mess upon presentation of Mess Deduction Card. Authority to utilize Japanese hotels where authorized billeting facilities are not available.

BY COMMAND OF GENERAL MacARTHUR:

E. S. Stanbeck
E. S. STANBECK
CAPTAIN, AGD
ACTG ASST ADJ GEN

DISTRIBUTION:
Sec (2) Ind (6)
201 (1) P/R (1)
Fis Dir (1)

CIVIL SERVICE DIVISION
Government Section

2 February 1949

MEMORANDUM FOR: Mr. Thomas K. Tindale, Chief, Training Branch

SUBJECT : Third Civil Service Institute

1. The following members of the senior group of transfers have not been attending sessions of the Institute due to the press of other NPA business: Mr. Koike, Equity Bureau; Mr. Hasumi, Salary and Wage Section; Mr. Nagata, Classification Section. May I assume that they will be dropped from the roster of this Institute?

2. Mr. Yanagida, Chief of the Recreation Section, has not been attending regularly because his formal appointment has not yet been effected.

3. Mr. Ishikawa, now in the process of being transferred from the Agriculture and Forestry Ministry to the NPA, will join the senior group of transfers this week.

4. Mr. Yaegashi, Finance and Budget Section, has recently been appointed a second-class official and, therefore, has been promoted to the senior transfer group.

JOHN R. SHIVELY
Training Specialist

JRS:jb

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Training Specialist

JRS:jb

3rd CS1

File

CONTENTS OF LECTURE ON SERVICE RATING (DRAFT)

I. Introduction.

II. Meaning of service rating.

1. Technical term.
2. Significance.

III. Efficiency rating and some problems of personnel administration.

1. Efficiency rating and personnel agency.
2. Efficiency rating and examination.
3. Efficiency rating and employee records.
4. Efficiency rating and personal test.
5. Efficiency rating and position classification plan.
6. Efficiency rating and compensation.
7. Efficiency rating and service rating.
8. Efficiency rating and personnel movement.
9. Efficiency rating in personnel administration and in private enterprise.

IV. Procedures of efficiency rating.

V. Kinds and characteristics of efficiency rating.

1. Classification of efficiency rating.
2. Production record method.
3. Periodical test method.
4. Rating scale method.
   a) Man-to-man comparison method.
   b) Graphic rating scale method.
5. Personal inventory method.
   a) Probost system method.
   b) California report of performance method.
6. Psychological rating scale method.
   Beyle-Kingsley evaluating scale.
7. Performance report.
   Ordway-Laffan Plan.
8. Summary.

VI. Conclusion.

3rd CS 1

File

TIME TABLE OF LECTURES

		Lecturs	Seminar
		8.30 - 9.20 9.30 - 10.20	10.30 - 12.30
1	24	Opening Ceremony	
	25	New Japanese Constitution	
	26	"	
	27	Public Administration, Theory of Organization, Organization and Functions of N.P.A.	
	28	"	
	29	Introduction of the National Public Service Law	
	30		
	31	Classification, Examination (Constitution, etc.)	
2	1	Introduction of the N.P.S.L.	
	2	Classification	
	3	"	
	4	"	
	5	"	
	6		
	7	Recruitment	
	8	Recruitment	Examination (Classification)
	9	Recruitment	
	10	"	
	11	"	
	12	"	
	13		
	14	"	
	15	Compensation	
	16	Compensation	Review of Ex. (Classification)
	17	Efficiency Rating	
	18	Training	↑
	19	"	Examination (Recruitment)

20

21 Working Conditions

22 "

23 Marale and Discipline & Employee Relations

24 Public Relations

25 "

26 Office Services and Method of Supervision and Management

27

28 Charting Review of Ex. (Recruitment)

3 1 Japanese Government and Local Self Government

2 "

3 National Public Service Law (Conclusion)

4 Final Examination

5 Closing Ceremony

3rd C 51

Working Hours, Leaves, and Timekeeping

A. Working Hours

1. Working Hours

1) Tendency of decreasing of Hours.
2) 5 days 40 hours a week.
3) Lower cost, higher wage.
4) Full employment and full production
5) Expropriation of labor — Expropriation of capital — True democracy.

2. Overtime Work

1) At the minimum — Model employer
2) Objections to the overtime work
   a) Fatigne of laborers decreased efficiency, increase of disaster,
   b) Loss of time (rest and sickness on account of fatigne)
   c) Strain upon the management staff and supervisor
   d) Shorter time for rest and sleep
3) Allowance for overtime work — hourly pay or compensatory time off.
4) Policies of National Personnel Authority
   a) Only in emergency
   b) Report to the National Personnel Authority

3. Rest Period

1) Definition
2) Reduce temporary fatigne and prevent the cumulative pathalogical fatigne.
3) Porticularly needed for the monotonous or concentrative work
   a) Workers take rest at will if no regular ones are provided
   b) Increased production and improved morale
   c) Clmprovement of attendance by a reduction of fatigue

B. Leaves

4. Annual Leaves

1) Annual leaves must be provided for except in particular cases
2) The caneellation of annual leave requires the approval of the National Personnel Authority
3) Clncrease of officency — prevents stagnation and dissatisfaction
   Inprovement of attendance. Promotion policy.

5. Sick Leaves

1) Failure to provide sick leave with pay results in getting employees to work forcibly there by endangering their health, and, by contagion, that of other fellows.
2) Devices to prevent fraud
   a) To make sick leave cumulative for some years
   b) Supervision and control of the National Personnel Authority
   c) Certificate of actual sickness is demanded for sick leave begond 2 days.
   d) A visiting nurse system.

C. Timekeeping

neccesity of improving absenteeism and tardiness.

a) Independednt work and division of work
b) Line production and Team work.

6. Attendance Rules
   1) Reasonable and definite rules
   2) Contents of Rule.
      a) Working hours, starting and quitting time, lunch period, work on holidays, vacation, sich leave, overtime,
      b) Procedure of absence
      c) Procedure of absence not immediately reported, as soon as possible.
      d) To remove absentees from the payroll, considering as retired when the unexplained absence is over definite number of days.
      e) Close relation between Attendance Record and promotion demotion, salary, vacation, dismissal and soon.
   3) To make employees clearly realize the rules (Hand book)

7. Attendance Records.
   1). Record by individual employees, by unit, by time, by cause and by excuse.
   2) Methods of recording
      a) Time clock
      b) Register (morning, noon, evening)
      c) Daily Attendance Report by a clerk in charge.
   3) Summary data of operating departments should be sent to the National Personnel Authority.
      a) Systematic analysis of low attendance.
      b) Data for the personnel investigator.
      c) Existence of records itself improves the attendance.
      d) Basis for welfare plan.

8. Methods of Improving "Attendance".
   1) Causes of low attendance
      a) clndividual life ------ illness, dissension, solicitude, strain, home affairs.
      b) Off duty ---------- vehicle, residence, attitude of the public.
      c) On duty --------- boss at the back, dissension with a supervisor, salary, monotony or excessiveness of work, bad ventilation etc.
   2) Devices to remove causes.
      a) 10 or 15 minute lateness should be reported to personnal section.
      b) A special investigation for a habitually tardy, employee
      c) Clmmediate supervisors make an interview with a person who absente himself with an immediate report.
      d) Report by telephone on the absence
      e) The absence report card
      f) A visiting nurse
      g) Utilization of employee committee.
   3) Devices by penalties and rewards
      a) Penalties
      b) Rewards ---------- salary increase, promotion.

Enviroment, Safety, Health, and Welfare

I. Physical working conditions
   1) Ventilation
   2) Illumination
   3) Desk and work bench
   4) Noise
   5) Sanitation

II. Accident Prevention and Safety program
   1) Accident prevention and amelioration
   2) Fire prevention and protection

III. Health activity

IV. Welfare Activity
   1) Group health insurence
   2) Credit union

Mr. John R. Shively
Training Branch
Civil Service Division

The Third Civil Service Institute opening ceremony will be held at the NPA Building Monday, January 24 at 9:00 a.m. We hope that it will be possible for you to attend this short ceremony so that we may introduce you to the new group.

Y. Kasuya

Y. KASUYA, CHIEF
Bureau of Efficiency
National Personnel Authority

3rd CSI

File

人　事　院

第三回研修員辭令交付式及び開講式

昭和24年1月24日午前9時

式　次　第

開式の辭	人事課員	酒　井　米　造	
辭令交付	人事院總裁	淺　井　　清	
宣　　誓	研修員代表	高　橋　　精	
挨　　拶	人事院總裁	淺　井　　清	
來賓招介	人事院總裁	淺　井　　清	
祝　　辭	司令部政治部 公務員課長	B. フーヴァー	
閉式の辭	人事課員	酒　井　米　造	

NATIONAL PERSONNEL AUTHORITY
THIRD CIVIL SERVICE INSTITUTE
Tokyo, Japan

CEREMONY OF CONFERMENT OF WRITS OF APPOINTMENT
&
OPENING CEREMONY

Monday, January 24, 1949, 9 a m.

PROGRAM

Announcement to Open the Ceremony:
Mr. Yonezo Sakai - Member of the Personnel Section.

Conferment of writs of Appointment:
Dr. Kiyoshi Asai - President of the National Personnel Authority.

Oath:
Mr. Sei Takahashi - Representative of the Trainees.

Address:
Dr. Kiyoshi Asai - President of the National Personnel Authority.

Introduction of Distinguished Guests:
Dr. Kiyoshi Asai - President of the National Personnel Authority.

Congratulatory Address:
Mr. Blaine Hoover - Chief, Civil Service Division, Government Section, GHQ, SCAP.

Announcement to Close the Ceremony:
Mr. Yonezo Sakai - Member of the Personnel Section.

2nd CSI Closing ceremony

TEMPORARY NATIONAL PERSONNEL COMMISSION
Tokyo, Japan.

AN ADDRESS OF THANKS

At the closing ceremony of this nine-weeks-long second Civil Service Institute of the Temporary National Personnel Commission, I hereby express our hearty thanks on behalf of all 248 trainees.

The construction of the newly-born Japan depends upon the democratic and efficient operation of the public affairs and this in turn depends upon the reform of bureaucracy.

We, who have been selected as the staff members of this Commission, the central controlling agency of personnel administration, are heartily grateful for assiduous guidance of the director and the faculty of the Institute, kind support of the sections concerned of the main office, far-reaching lead and assistance of the members of the Civil Service Division, Government Section, GHQ, SCAP, and the deep good-will of the officials and residents here in NIKKO, in connection with our acquiring the knowledge and technique of scientific personnel administration, which has been never developed here.

We know the road which lies before us is not an easy and even one. We expect a lot of trials and obstacles before the abolition of the old bureaucracy and the establishment of a new civil service. We are firmly determined to exert our further efforts to study the immense content which is left untaught during this training period, realizing that we are now facing this hard task, trusted by the people.

Today we are going to fledge out from this unforgettable NIKKO in order to join this tremendous undertaking. And I conclude this address of gratitude with promising that we will honestly and patiently devote our utmost to this task with new sense and firm determination, applying what we have learned here.

TAKEO YOKOYAMA,
On behalf of the Trainees,
The Second Civil Service Inst.

2ndCS1 Opening ceremony

Mr. Chairman, Honored Guests, Members of the Faculty and Students of the Institute.

Under the new Constitution of Japan, Japan is now a Democracy.

In a Democracy, the will of the people governs. As set forth in the preamble to the new Constitution: "Government is a sacred trust of the people, the authority for which is derived from the people, the powers of which are exercised by the representatives of the people, and the benefits of which are enjoyed by the people."

In Japan, under the new Constitution, legislative bodies have been set up which are elected by the people and declare the will of the people in the form of law. A judicial system has been created which will, by decision, interpret these laws. It remains to develop a body of public servants who will administer these laws and decisions faithfully and efficiently.

The experience of certain of the older democracies has indicated that the creation and management of such a body of public servants requires the introduction into government of a central personnel authority and the operation of various personnel programs. These programs taken all together constitute the science of public personnel administration.

One concept upon which a Civil Service Administration is based is that of justice to the public. In a real sense taxes are not yen. Taxes are the sweat of the farmer toiling in his rice paddy; the work of the fruit grower in his orchard; the labor of the mechanic at his lathe, or the planning and drudgery of the merchant in his shop.

Since practically all people pay taxes directly or indirectly, taxes are in a sense a part of the effort and energy of all of the people and, under present conditions especially, their payment often means hardship and self denial.

The people of Japan have a right to know that these taxes will not be wasted or squandered by their public employees due to incompetence, dishonesty, or neglect of duty, and that, apart from monetary considerations, the business of government will be conducted with certainty, competence and dignity. This they will know only when the positions in government have been filled by men of competence, honesty and diligence and when these men are devoting themselves exclusively to the performance of duties officially assigned.

A program has been launched to increase the efficiency of the Japanese bureaucracy. As stated by General Douglas MacArthur, Supreme Commander for the Allied Powers, in a communication to the Prime Minister of Japan, 22 July, 1948, "It was the purpose of the National Public Service Law to provide for the installation of a democratic and efficient public service in the government of Japan. The plan envisioned a modern type personnel system which recruits public employees from the entire public by competitive test and promotes them on the basis of merit, providing scientific supervision over their classification, compensation, training, evaluation, health, safety, welfare, recreation and retirement. The system provides a grievance procedure for employees and assures them fair and equitable treatment in administration. Enforced by a quasi-judicial administrative authority and supplemented by emergency provisions aimed at immediate reform where

urgency demands it, it constitutes a constructive program for dealing with the hazards which old bureaucratic practices present to the success of democracy in Japan."

This new system of public service envisioned by the National Public Service Law is in its introductory stages, yet the Japanese people have already demonstrated a great appreciation of it and a readiness and ability to use it. A very important feature of the system is the National Personnel Authority, which is the government personnel agency created to enforce the National Public Service Law. The Commissioners appointed to install the new system have worked studiously and diligently and deserve high praise for their accomplishments. As you here all know the Authority recently held open competitive examinations to recruit staff for its organization. These examinations were held in Sapporo, Sendai, Takamatsu, Fukuoka, Hiroshima, Tokyo and Osaka, at least one examination on every one of the principal islands of Japan. The thousands of applicants so assembled demonstrated under examination abilities which would have done credit to any similar group of applicants anywhere in the world that scientific examination methods are applied and results recorded. I congratulate you students of this Institute on your achievement in competition.

Prominent citizens throughout Japan cooperated ably in effecting arrangements for this examination. Expressions of delight on the part of Japanese citizens were many that what was so long desired was now a reality - that government service was now open to all the people of Japan on the basis of merit. The extension of this system to all public employment is democracy's method for defeating class distinction and special privilege in the public service. From the very beginning the Japanese

people are welcoming it and showing the ability to apply it.

It is the purpose of this Institute to introduce you to the science of public personnel administration. You who will become the staff of the National Personnel Authority and the personnel offices of the various ministries must have this knowledge to do your work successfully. During this two months we cannot make you experts in public personnel administration. However, we can give you a broad general knowledge of the subject and, as you later gain experience, and are given further specialized training, you can progress toward expertness.

On behalf of the Civil Service Division and its staff, I desire to commend the Temporary National Personnel Commission on the establishment of this Institute. I assure you all of our good wishes and our full cooperation in the work of the Institute.

Hoover's speech.
Read by TKT

SCHEDULE OF TRANING COURSE
for
INVESTIGATION BUREAU STAFF

30 November 1948

Dec. 4.	Sat.	1. Opening Address: Mr. Kunii 2. Organization and Functions of N.P.A.: Mr. Kunii	(9:00 - 10:30
		3. Major objects of this training (including lecture on attitude, knowledge and skill for the staff) Mr. Imamura, 10:30 - 12:00	
Dec. 6. Dec. 17	Mon. Fri.	Lecture on Technique required for Investigation Work: Mr. Hirabayashi, 9:00 - 11:00	
		Seminar on the same subject: Mr. Hirabayashi, 11:00 - 12:00 (including four days mock simulations)	
Dec. 18.	Sat.	Examination	
		Closing Address: Mr. Kunii	

Section Chiefs { Tonomi - Class. Sect. - Educ. M.
Okuma - transfer - Welfare Ministry

OUTLINE OF INVESTIGATION TECHNIQUE

Mr. Hirabayashi 30 November 1948

General Argument

I. Elements of Investigation Technique

1. Aim
2. Observation
3. Reasoning

II Investigation Staff

1. To keep control
2. To set up investigation policy
3. To have proper person engaged in proper position
4. To direct with faith
5. To care about process of investigation
6. To prepare list for especially important and complicated matters

III Preparation for Investigator from the standpoint of Investigation Technique.

1. To be conscious of "fact finding" investigation.
2. To keep modest attitude
3. To cultivate good sense
4. To investigate with perseverance
5. To avoid prejudice
6. To be objective
7. Not to confuse actual report with sympathy for investigated person.
8. Not to avoid toil of investigation in an important case.

IV. Elements of Fact Investigation
Six "what" principles

V. Combination of Investigation Materials.

Detailed Argument

I. General Investigation Technique

1. How to develop information through interviews and interrogation.

A. Preparation before interviews and interrogation.

1. Deliberating upon investigating problem and material

2. Inside investigation of the investigated

3. Consideration upon the time of interviews

B. Note for interviews and interrogation.

1. Attention before interviews

2. Attitude

3. Time and season

4. Finish of interviews and interrogation.

C. Meaning and points of interviews and interrogation.

1. Meaning.

2. Points

1. Points of questioning

2. Avoiding suggestion guidance

3. Observation of psychology and attitude of the investigated.

D. After treatment of information gained by interviews and interrogation.

1. Report his supervisor

2. Keeping record

II. How to develop contacts, leads and liaison.

1. Telegram, telephone

2. Letters

3. Visiting the investigated

4. Inviting the investigated

5. Contact through go-between.

III. Proper questioning in investigating employment records.

A. Meaning of investigating employment records

B. Kind of employment records and points of questioning

1. Records of candidate

(i) Personal history

(ii) Application form

(iii) Certificate

IV. Distinguishing between good and bad evidence.

A. Meaning of evidence

B. Kind of evidence

1. Personal evidence and material evidence

2. Direct evidence and indirect evidence.

C. Distinguishing between good and bad evidence

D. How to keep evidence.

V. Following up on hearsay and verifying circumstantial evidence.

1. Meaning of following up on hearsay and secret investigation

2. Points of following up on hearsay and secret investigation

One's neighborhood, office, previous office, interviews with friends, etc., investigation on trait.

3. Synthetic judgment on the result obtained through following up on hearsay and secret investigation.

4. How to verify circumstantial evidence.

VI. Preparation of investigation reports and points of reports

1. Preparation
   a. fixed form, preparation of form
2. How to summarize reports,
   factual, brief, to the point, etc.
3. Orders of description in making reports
4. Distinct distinguishing between fact and own judgment.

VII Proper use of time in investigation work

1. Devising investigation plan
2. Outside investigation
   (1) Preliminary investigation on residence, telephone number of the investigated outside
   (2) Beforehand liaison with outside objects
   (3) Studying the route, order required.
   (4) Arrangement of books required.
3. Inside investigation.
   (1) Place, facilities and time
   (2) Determining time and number of the investigated
   (3) How to deploy investigators

Special Investigation Technique.

I. Keeping Investigation files.

1. How to receive books and records concerning investigation work
2. How to keep files
3. How to keep cards and other books.
4. Determining personnel in charge of keeping them.

II. Secrecy of information.

A. Significance

B. Preventing transpiration of secrecy

II. Secrecy of information (Continued)

1. Those who want to know secrecy

(1) Interested persons

(2) Journalist

(3) Others

2. Language

3. Keeping secret books

III. Fingerprint

1. Meaning

2. Characteristic .

3. Kind

4. Method

5. Original paper

6. Utilization

IV. Discernment of penmanship, seal.

1. Meaning

2. Method

3. Utilization

V. Hearing

1. Meaning

2. Preparation

3. Process

4. Record

5. Value of witness and counsel

6. How to present books, records and any pertinent facts and data.

Address, Mr. Tindale

Oct. 2, 1948
Closing ceremony
2nd draft.

MR. DIRECTOR, MEMBERS OF THE STAFF AND FACULTY, AND FELLOW STUDENTS:

You have now completed your introduction to the study of scientific personnel management. On October 13, in Tokyo, you will become officials of the National Personnel Authority. I am sure that the graduates of the First Civil Service Institute will welcome the strength which you will add to the organization.

During the past nine weeks, we have studied many things. I hope that your experience here in Nikko has been as profitable and as pleasurable for you as it has been for us. We shall never forget these days here together.

You may have noticed that on those occasions when the sun shone, I was busy snapping photographs of our various activities. The film which I exposed has been sent back to the United States for processing, and I hope that some evening after we return to Tokyo we can all get together and relive our experiences through looking at color slides.

I hope that out of the mass of detail of facts, of information, of technical terminology, and of the technical tools which you have learned you still hold uppermost in your minds the basic purpose for which all of this

instruction has been given.

Our purpose in this Institute and the reason for the existence of the National Personnel Authority itself is to create for all of the people of Japan a public service which is at the same time efficient and democratic. Remember this purpose well and measure all things against it. It should be your guiding light in all of your future actions.

As you proceed with your careers, you will be called upon to make many decisions. Before making such decisions, give them one final test. Does the solution which you have in mind further the cause of both efficiency and democracy? If you can answer in the affirmative, your solution will be the correct one.

I hope that you will establish the habit when confronted with a new problem of first gathering all of the pertinent facts. After you have gathered these facts and analyzed them carefully, you may create or invent a solution in which you incorporate all of the best that you have learned or experienced up to that time. We have given you the best that we knew, but you will face new problems in new settings and we hope that you will

invent solutions which are appropriate to these problems and to their setting.

I think that by now you are all sufficiently impressed with the tremendous importance of the task which lies before the National Personnel Authority. If the people of Japan are to have a civil administration which is both democratic and efficient, it will be because the Authority has done its work well.

All during this course, we have made reference after reference to the National Personnel Authority and to the magnitude of the task upon which it has embarked. Now the time has come when you yourselves are about to become part of that Authority. Numerically, you will represent almost half of it. You can no longer think of it as something separate and apart from yourselves. From October 13 on, you will be it and it will be you.

If each of you individually holds to the highest standard of honor, of efficiency, of democracy, of strength, and of service, then the National Personnel Authority will succeed in its great undertaking and in the years to come the people of Japan will have reason to be proud and to be grateful.

MR. COMMISSIONER, KENSHŪJO SHŎCHŌ,
SHOIN OYOBI HANCHŌ KAKUI,
KENSHŪ-IN SHŎKUN:

SHOKUN WA, KONNICHI O MOTTE,
KAGAKUTEKI JINJI GYOSEI NO, NYŪMON
KATEI O, BUJI SHŪRYŌ ITASHIMASHITA.
KITARU JŪGATSU JŪSAN-NICHI, SHOKUN WA,
TŌKYŌ NI OITE, IYO IYO, JINJI-IN NO
SHOKUIN TO, NARU WAKE DE ARIMASU.
WATAKUSHI WA, DAI IKKAI NO KENSHŪ
O OETA, SHOKUN NO SEMPAI GA, SHOKUN
O, KOKORO KARA, KANGEI SURU DE ARŌ
KOTO O, UTAGAIMASEN.

KAKO KYŪ-SHŪ KAN, WATAKUSHI-
TACHI WA, IRO IRO NA KOTO O,
MANABI MASHITA. WATAKUSHI-TACHI NI
TOTTE, KONO NIKKO NO SEIKATSU WA,
TAIHEN TAME NI NARI, MATA, YUKAI

DE ARIMASHITA GA, SHOKUN NI TOTTE MO, SADAMESHI, ONAJI DE ARIMASHITA DESHŌ.

SHOKUN NO SUDE NI, OKIZUKI NO TŌRI, WATAKUSHI WA, TENKI NARABA ITSU DEMO, WAREWARE NO SEIKATSU NO, ARE-KORE O NÁNDEMO, SHASHIN NI TORIMASHITA. WATAKUSHI GA, TOTTA FIRUMU WA, GENZO- YAKITSUKE NO TAME, AMERICA NI OKURIMASHITA. WATAKUSHI-TACHI GA, TŌKYŌ E KAETTE KARA, BAN NI DEMO ITSUKA, ICHIDO ATSUMATTE, GENTŌ NI UTSUSHI, OTAGAI NI, OMOIDE O KATARI-AI MASHŌ.

SHOKUN WA, TAKUSÁN NO JIJITSU YA, CHISHIKI YA, YŌGO YA, GIJUTSU O, KOREMADE, MANANDE MAIRIMASHITA. SHIKASHI, SHOKUN WA, KONO KENSHU GA, OKONOWARETA KOMPON NO MOKUTEKI O, SHIKKARI TO, KOKORO NI, KIZAMITSUKE‿TE OITE, ITADAKITAI-TO, OMOIMASU.

KONO KENSHU NO, MOKUTEKI, MATA, JINJI-IN JITAI NO, SONZAI-RIYU WA, NIPPON NO, ZEN-KOKUMIN NO TAME NI, NŌRITSU-TEKI, KATSU, MINSHUTEKI NA, KŌMUIN-SEIDO O, UMIDASU KOTO NI, ARU NODE ARIMASU. KONO MOKUTEKI WA, HAKKIRI TO, KIMO NI MEIJI, SUBETE NO KOTO WA, KONO MOKUTEKI NI TERASHITE, KANGAERU YŌNI SHINAKEREBA NARIMASEN. SORE WA SHOKUN NO, KONGO NO ZENKŌDO NO, MICHIBIKI NO HOSHI TO, NARUBEKI MONO DE ARIMASU.

SHOKUN GA, KŌMUIN TOSHITE, TOSHI O FURU NI TSURETE, SHOKUN WA, IRO IRO NA HANDAN O, KUDASA NAKEREBA NARANAI BAAI NI, CHOKUMEN SURU DEARIMASHŌ. SONO YŌNA HANDAN O, KUDASU MAENI, MŌ ICHI-DO KANGAETE KUDASAI.

JIBUN NO KANGAE TE IRU, HŌSAKU WA, NŌRITSU TO, MINSHUSHUGI TO NO GENSOKU NI, KANATTE IRUDE ARŌKA? SHOKUN GA, JISHÍN O MOTTE, "YES", TO KOTAERARERU NARABA, SONO HŌSAKU WA, TADASHII NODE ARIMASU.

WATAKUSHI WA, SHOKUN GA, NANIKA ATARASHII MONDAI NI, CHOKUMEN SURUTOKI WA, MAZU NÁNDEMO, SORE NI KANREN SURU JIJITSU O, ATSUMERU SHŪKAN O, TSUKERU YŌ KIBŌSHITE YAMIMASEN. MAZU JIJITSU O ATSUME, SORE O TANNEN NI, BUNSEKI SHITE_KARA, SHOKUN GA, SORE MADE NI, SHŪTOKU SHI, TAIKEN SHITA TOKORO NI, SHITAGATTE, KAIKETSU O, ATAERU YŌ NI SURUNODESU. WATAKUSHI TACHI WA, SHITTE IRU KAGIRI O, SHOKUN NI, OSHIEMASHITA. SHIKASHI, SHOKUN WA, ATARASHII JITAI NI OITE, ATARASHII MONDAI NI, CHOKUMEN SURU KOTO MO, ARIMASHŌ.

WATAKUSHI-TACHI WA, SHOKUN GA,
WATAKUSHI-TACHI NO OSHIETA KOTO [redacted] O,
SONOYŌNA MONDAI, SONOYŌNA JITAI NI,
ŌYŌ SHITE, TEKISETSU NA, KAIKETSU O,
MIIDASARERU YO, KIBŌ ITASHIMASU.
SHOKUN WA, JINJI-IN GA, CHOKUMEN SHITEIRU,
MONDAI GA, KONOUENAKU, JŪYO NA MONODE
ARU TO YŪ KOTO O, HAKKIRI TO, NINSHIKI
SHI-TA, KOTO TO OMOIMASU. NIPPON GA,
MINSHUTEKI, KATSU NORITSUTEKI NA,
KŌMUIN O, MOTSUTO SUREBA, SORE WA,
JINJI-IN NO KŌSEKI NA NO DEARIMASU.

KONO KENSHŪ O TSŪJITE, WATAKUSHI
TACHI WA, IKUTABI MO, JINJI-IN NO KOTO NI,
FURETE MAIRIMASHITA. SO SHITE, SONO
SHIGOTO NO, KONNAN NA KOTO NITSUITE,
NOBE MASHITA. IMAYA SHOKUN JISHIN GA,
JINJI-IN NO, ICHI IN TO NARU TOKI GA,

MAIRI MASHITA. KAZU KARA YŪTO, SHOKUN WA, HOTONDO ZEN-SHOKUIN NO HANSŪ O, SHIMERUMONO DE ARIMASU. JINJI-IN WA, SHOKUN TOWA NANIKA BETSUMONO ~~DE ARU TO KANGAETEWA~~ DE ARU, TO, KANGAETEWA NARIMASEN. JŪGATSU JŪSAN-NICHI YORI, SHOKUN JISHIN GA, JINJI-IN NANO DE ARI, JINJI-IN TO WA, MASANI, SHOKUN NO KOTO NANODE ARIMASU.

MOSHI SHOKUN NO, MEI MEI GA, SEIJITSU, NŌRITSU, MINSHU-SHUGI, CHIKARA, HŌSHI, NO GENSOKU O, MAMORU NARABA, JINJI-IN WA, KONO DAI-JIGYŌ NI, SEIKŌ O, OSAMERU KOTO DE ARI MASHŌ-SHI, YAGATE. NIPPON KOKUMIN WA, NIPPON NI, JINJI-IN NO ARU KOTO O, HOKORI TO SURU DE ARIMASHŌ, SOSHITE, JINJI-IN NI, KANSHA SURU KOTO DE ARIMASHŌ.

MR. KASUYA, MEMBERS OF THE FACULTY, AND STUDENTS OF THE INSTITUTE:

We have now completed one-half of this training institute. During the weeks that have passed you have studied many new things. You have studied about the New Japanese Constitution, the Government of Japan, Classification in the Public Service, and Recruitment in the Public Service. During the weeks to come, you will study the subjects of in-service training, compensation, ways of evaluating efficiency, working conditions, environment, safety, health and welfare, morale and discipline, employee relations, and public relations. During the final week of the Institute we will deal specifically with the organization of the National Personnel Authority, the organization of the Ministry Personnel Offices, of methods of supervision and management and of recent developments in the National Personnel Authority itself.

These studies will go on during the months ahead and you will soon begin to acquire that knowledge of the subject which will equip you to

do your part as staff of the National Personnel Authority.

Mr. Blaine Hoover, Chief of the Civil Service Division, of the Government Section of SCAP is greatly interested in the work of this Institute. We had hoped that he would be with us today, but urgent pressure of business in Tokyo has made it impossible for him to join us. However, he has asked me to speak to you about certain matters which he considers of the utmost importance. These are not technical matters nor details of any kind--but something bigger and more important. He wants me to speak to you about the spirit of the National Personnel Authority.

Address, Second Civil Service Institute, 9/3/48

Institutions - like men - have character, and the influence they exert in their time depends upon their character. The Civil Service Commission, which has only mechanical character, is an empty shell and never will achieve, in the family of ministries, those high purposes for which it was created. The National Personnel Authority has been designed, not to copy any single civil service system, but to utilize the best that civil service systems have so far developed. Mechanically, it will operate successfully. Today let us direct our attention to those more general characteristics which the Authority must have if it is to fully serve its purpose in the government of Japan. They are:

1. <u>HONOR</u>. The Authority must be an institution characterized by integrity. This is a concept far deeper than form and manners. It must be, in all of its operations, so faithful to the administration of the law and regulations that, before long, the people of Japan will realize that their applications in the hands of that Authority will be dealt with as honestly as if

they (the people) were present and able to watch every move. The Authority must also so function that the officials and employees of the Japanese government will recognize that it is above bribe or improper persuasion of any sort, and that every case of whatever kind will be decided by the Authority absolutely on the basis of merit and within the spirit, as well as the letter, of the National Public Service Law.

2. EFFICIENCY. The prime purpose of a civil service agency is to promote the efficiency of operation in all branches of the government. Obviously, the civil service agency cannot do this unless it is, itself, a model of efficiency. Much attention has been given to this point in setting up a National Personnel Authority and every care must be exercised, as time goes on, to protect the internal efficiency of the Authority.

3. DEMOCRACY. Certain types of bureaucratic organizations, which will sustain a degree of efficiency under some conditions, are not acceptable in a democracy. Let it be understood at this

point - for there seems to have been some confusion in Japan on the subject lately - democracy in government does not mean confusion, disorder, or lack of discipline. It means, basically, that the laws enacted by the Diet as the representative of the people will be enforced, and that all of the people of the country will be given the opportunity to serve the government as employees to the extent that they are able to demonstrate their abilities under examination and to the extent that their services are needed.

4. STRENGTH. An agency which carries the huge responsibilities of a civil service agency must be strong. Its decisions, carefully taken, must be enforced - fully, completely, and promptly. This strength includes the idea of aggressive courage. At the same time, this strength - like all great strength - should be tempered by modesty and dignity.

5. SERVICE. The prime purpose of civil service administration, as you know, is to promote the efficiency of administration throughout the government provided, always, that it must be

done in a manner consistent with democratic precepts. The Authority can only accomplish this end when it is aware of the fact that it exists, not for the arbitrary assertion of power, or the mechanized application of techniques, but in order to perform a service to all of the ministries and agencies of government within its jurisdiction. This requires a spirit of eager helpfulness which, in turn, develops cooperation on the part of the other agencies of government.

Observe these things - honor, efficiency, democracy, strength, and service. These characteristics of your administration, together with the technical competence which you are gradually acquiring, will enable you to make a great contribution to the future of your country and to earn, in the years ahead, the gratitude of your countrymen.

File
9-20-48
HM

CIVIL SERVICE DIVISION
GOVERNMENT SECTION

20 September 1948

MEMORANDUM FOR: File

SUBJECT : Resume of TDY Travel

1. On June 7, 1948 the undersigned proceeded with Mr. T. K. Tindale, Chief, Training Branch, Civil Service Division, Mr. Kasuya and Mr. Kanatasugu, staff members of National Personnel Commission to Nikko, Tochigi Prefecture, for the purpose of surveying former Imperial household properties for possible use as a training institute for the National Personnel Commission.

2. The party first stopped at Utsonomiya the Prefecture Capitol and paid its respects to and enlisted the cooperation of Major Ransone, executive-officer of the local MG Team, who met with us in the absence of Colonel Price, Commanding Officer of the Team.

3. The party then proceeded to Nikko and the remainder of Monday, and Tuesday, June 8, were devoted to examining the property, determining the costs of repair and other expenses which might have to be incurred in using the property. In this connection, we conferred with Mr. Kanaya, Manager of the Prefecture Company to which the management of these properties has been entrusted.

4. The properties were deemed feasible for the proposed use and on Tuesday, June 8, the party proceeded to Tokyo with the conviction that necessary arrangements could be concluded for holding the second National Personnel Commission Training Institute in Nikko.

JAMES R. BELL
Chief, Organization Branch

JRB:rr

LECTURES ON

C O M P E N S A T I O N

I. WAGE LEVELS AND PAY POLICY
II. WAGE STANDARDIZATION AND ADMINISTRATION

FOR

N.P.A. TRAINING COURSE

1 September, 1948

CONFIDENTIAL

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COMPENSATION

I. WAGE LEVELS AND PAY POLICY

An ever present responsibility of officials controlling the affairs of a public jurisdiction is deciding what pay employees in its service shall receive. There is always some way, systematic or haphazard, equitable or discriminatory, through which this responsibility is translated into action.

Experience has amply shown the impossibility of achieving sound pay administration without planning broadly and definitely for the purpose. Pay questions cannot be settled fairly by considering and adjusting one employee's salary at a time and ignoring the relationships of other employees' pay who are doing the same or different work. Attempts to do so give rise to inconsistencies that are a constant source of employee irritation and poor morale and will create new pay problems in never ending succession. In a large and complex organization, permitting each principal operating official or supervisor to establish individual rates on the basis of considerations that seem sufficient to him, is to ignore broad personnel, fiscal, and economic policies applicable to the organization as a whole, in favor of uncoordinated personnel administration and loose fiscal control.

Further, where inconsistencies in the internal pay structure of any organization have been allowed to develop, the difficulty of adjusting pay levels to external changes in economic conditions is magnified. In the absence of an ordinary foundation on which to build, anything less than a comprehensive review and revision of internal relationships between work and pay is apt to perpetuate and emphasize existing but unwarranted pay discrimination among jobs.

A public official who sets out to determine systematically what the pay scale should be for the employees of his jurisdiction is faced at once by a variety of considerations. What work does each employee do? How difficult and responsible is it? What qualifications does he have to possess in order to do that work? How well does he do it? How much does private business in the locality pay for similar work? What effect should cost of living data have? How much will pay adjustments cost the tax payers of the jurisdiction? How can adequacy of pay levels and fairness and equity in individual cases be achieved. These and a host of other considerations, some of which conflict one with another, require fact-finding, organization and comparison of facts, analysis, and the application of sound judgment in reaching decisions.

Pay administration in the public service is a critical, and frequently a controversial phase of general management. Its connections and ramifications are legion. It links personnel management with budget control; tax revenues with expenditures; public service with public cost. The results of pay administration, -- good or bad -- are felt by everyone concerned in the management of public affairs. The general public of the jurisdiction as a group desires primarily continuous, effective service in protection of life and property, safeguarding of health, promotion of education, and maintenance of all the other advantages of living in an organized community. Every citizen has a right to expect the kind of service paid for. The taxpayer, who furnishes the funds from which public salaries are paid, and the legislator and budget officer as well, is concerned with seeing that full value is received for the money expended and that salary costs are kept within reasonable bounds. The executive or supervisor in an operating agency, conscious of his own responsibility for accomplishment and quality of service, wants authorized salary levels, at least for his own agency, which would permit him to secure and retain capable employees for maintaining a high degree of working morale and effectiveness in his organization. The competent executive, furthermore, appreciates that

rational salary administration will improve his own ability to deal with the inevitable pay questions that come before him every day for answer. The employee whose work and pay are his means of livelihood, expects adequate pay for his services in the light of the knowledge, ability and skill required of him, and naturally desires opportunity to improve his financial status. He is, furthermore, keenly sensitive to unjustified pay discrimination or inequities.

What is a salary cost to the taxpayer, the legislator and the budget official, is an operating aid to the administrator and an income to the employee. Hence the interests of these groups and others may at some times conflict.

Clearly pay administration is of such a nature as to require a definite plan, founded on sound and equitable policies, coordinated with the various phases of personnel and fiscal administration, and consistently applied by organized methods on the basis of properly collected and evaluated facts.

To fix a proper general level requires first of all a decision on the part of the legislative branch of the government whether its scales of pay taken collectively will be liberal and designed to secure and retain employees who are as well qualified as any group in non-government enterprises, whether

they will be pegged at the minimum consistent with obtaining and retaining new employees, regardless of a standard to which some employees and their families may be forced to live, or whether its pay scales will occupy a middle ground. Whatever the Diet's attitude in this respect may be, the results are certain to be reflected in its efficiency as a going concern, in its standard in professional and scientific activities, and its service to the people.

A. General Level of Wages in the Public Service

A study of the level of salaries and wages in the public service of Japan indicates that until recent years there had been no definite attempt toward standardization. The matter of pay for officials and employees had never been treated as a subject for public policy. Salaries of officials have been generally prescribed by Imperial Ordinance. The provisions had never become a series of laws. In regard to employees, there were no regulations that could be unanimously applied, wage standardization applicable had always been carried out by the respective ministries concerned at their own discretion and although there was a general standard that had been agreed upon it was widely referred to. This resulted in gross inequities in pay of personnel doing the same or different types of work.

Attempts to adjust salaries due to changes in economic conditions resulted in numerous allowances, differentials, bonuses, etc.

In 1940 the Ministry of Finance made some studies in regard to wage levels and found that employees in private industry were generally paid better than the government personnel.

In June of 1946, the Allowance Bureau was established in the Ministry of Finance and the problem of a revised salary system was taken up, which resulted in a revision of the salary structure in September 1946. This was generally known as the "July" (1946) revision. Although some of the various allowances were incorporated into the basic salaries no attempt was made to classify positions on the basis of duties and responsibilities nor to provide "equal" pay for equal work."

In the application of the ₹2920 which was subsequently amended to 3791 under the new Pay Law of April 1948, some steps were taken toward a study of positions and their allocation on the basis of duties and responsibilities.

In the remainder of this lecture, attention will be devoted to some of the general factors and considerations involved in the determination of the wage levels in the public service and to a consideration of some of the general

principles which provide a basis for relative pay policy. The first essential step is the decision as to the general level of wages which should prevail in the public service.

B. Factors in Determination of the General Wage Level

The principles of wage determination are necessarily based both on economic and on sociological or ethical grounds, and the two sometimes conflict.

Innumerable facts enter into the determination of compensation, including consideration of social policy, of tradition and custom, of worker or individual productivity, and of labor supply. In general, however, most of these factors may be classed under the heading of (1) economic considerations, and (2) social and ethical considerations. Much of the confusion in wage discussions arises from a failure (1) to recognize clearly these two groups of factors, and (2) to realize that few wages are determined without some consideration of both. Although neither group can be completely divorced from the other, each will be treated separately for purposes of clarity.

1. Economic Considerations

It is not possible within the scope of this lecture to examine the various economic theories of value and wages. In private industry it must be recognized that there is a vital relationship between the amount spent for wages and the total productivity, and between the amount spent for wages and the proportion of the total income going to other factors of production. A wage set with due regard to these considerations is regarded as an economic wage.

The establishing of salaries in government employment is a different problem because as a rule the relation of wages to a real demand for the product of labor can never be more than roughly achieved. The products or services of a government department are not supplied in the open market and in most instances wages can not be made to depend upon the demand for them.

Nevertheless a loose contact with the wages of private enterprises exists, since the government in initially hiring its workers must compete with other employers for the numbers and kinds of employees it gets. This competition, more or less direct and obvious at the time of recruiting, takes on an extremely varied character after the employee has served the government for some years.

It may almost completely die, as in those activities in which the government has a complete monopoly, the employee gradually finds himself more highly trained and more valuable to the government, but in a specialized field which has no counterpart and no direct usefulness outside of the government service. It may become more keen, as in the case of administrators of large calibre and research workers of renown in the applied sciences, whose talents are continuously sought by private industry at salaries far above the government's pay levels. Or, limited competition may persist, as in some professional fields in which the demand is confined to universities, museums, or other public or quasi-public institutions or foundations.

One agency in the United States planned a field survey to include a very comprehensive investigation of salary rates in private industry, which covered, as it turned out, data on salaries paid to approximately 500,000 individuals in private employment thoughout the country. In developing the statistical presentation of these data the greatest possible care was used to assure the correct classification of the duties of the private positions concerned in accordance with the existing classification of the duties of positions in government service, so that the allocations of the wage rates to classes and

grades and the resulting comparisons would be reliable.

During the course of this investigation it was found that salaries for identical jobs varied from locality to locality, from concern to concern within the same industry and the same locality, and from individual to individual within the same concern. In view of these conditions, how shall the prevailing market rate for any particular class of work be determined? Is the market rate to be set at the average of all analogous positions? Shall it be at the rate occurring most frequently where unusually high or low wages would be excluded from the tabulation?

Obviously, the selection of the rate depends upon one's viewpoint of the wage policy which should be pursued by the government. The variations in the rates of pay for similar employment in private industry are undoubtedly due in large part to the differing wage policies of different concerns. Some have a generous wage policy; others have not. The government likewise has before it the same problem of determining what its own wage policy shall be. By far the greater number of business and professional men whose opinion was asked on this point said that the government should select the prevailing rate of the more progressive employers, meaning those who pay the higher wages.

There is no question that data as to outside wages should play an important role in wage adjustments. As has been stated in the report of one government agency: "The forces of supply and demand fix the current rates of wages within somewhat wide and elastic limits. As vague and tardy and unequaled as these adjustments of the general labor market are, they are nevertheless worthy of the utmost attention from the employer for they are the most comprehensive guides in existence and they possess in the fluctuations a certain self-corrective tendency. They are not to be superseded by any apparatus of scientific wage setting, for all such inventions only facilitate the discovery of the just individual or specific wage rate for a particular man or job in a particular environment in relation to, or upon the basis of, the general level of current or prevailing wages."

Generally speaking, the closeness of government rates to outside wage rates determines the ease or difficulty of securing employees of the desired qualifications and the probabilities of maintaining the interest and prolonging the tenure of qualified employees already in the service.

2. Social and Ethical Considerations

Although, as has been discussed in this lecture, the government is somewhat

less concerned with economic considerations in establishing a wage rate than is private industry, from the social and ethical standpoint it is less free to do as it will. The state, being obligated for welfare and social conditions, is under a special obligation to its employees, the same obligation is not always recognized by private employers.

Due to the nature and specialized character of government work, it is difficult in many cases for the civil servant to leave the government service for private employment as there is no demand for his "specialized skill" as it has no counterpart in industry. For this reason it is obligatory that the government treat its employees fairly. It has often been said that in this respect the government should be a model employer.

One of the principles advocated as a basis for establishing a wage policy is the "living wage". President Wilson's industrial conference of 1920 made the following recommendation in connection with the "living wage" principle:" Considered from the standpoint of public interest, it is fundamental that the basic wage of all employees should be adequate to maintain the employee and his family in reasonable comfort and with adequate opportunity for the education of his children. When the wage of any group falls below this standard for any length of time, the situation becomes dangerous to the well-being of the state.

No country that seeks to protect its citizens from the unnecessary ravages of disease, degeneration, and the dangerous discontent, can consistently let the unhampered play of oppressed forces result in the supression of wages below a decent subsistence level. Above that point, there may well be a fair field for the play of competition in determining the compensation for special ability, for special strength or special risk (where risk is inevitable) but below that point the matter becomes one of which the state, for the sake of its own preservation, must take account."

Although everyone will agree that employees should be paid a living wage there is a considerable difference between accomplishing this principle and carrying it out scientifically. There is, in fact, no general agreement as to what constitutes a living wage, even for a given family in a given social group. What should be the just level on the basis of which the amount of living wage should be determined?

It is quite obvious that the answers to the question of how much it costs to live, regardless of whether the budget is based upon actual expenditures or scientific principles, depends on a number of variable factors or base assumptions which are matters of judgment, such as the number of persons to be

covered by the budget, their marital relationships, their standards of living, and the time and place of expending the amount of the budget.

That cost of living data should play the role of a general guide and not that of an exact measure to be followed comes about not only because of certain phases of the techniques by which they are produced but also because of the necessity for considering other important factors bearing upon the determination of wage levels. Cost of living still must be applied with judgment, weighing conclusions from them together with conclusions from other information and data. In the nature of thinking, therefore, cost of living data should not be made the only consideration in determining the wage levels. When used, however, in connection with other information and data they should prove important aids in determining the legislative policy of what the general level of the compensation schedule should be.

3. Additional Factors in Wage Determination

There are certain peculiarities of government employment that should be condidered in determining a proper wage policy. It must be borne in mind that the payments of an employee, whether in the government service or outside, are not all accounted for in a salary check or pay envelope. Steady work and relative security of tenure are intangible elements whose monetary value is substantial. In some fields the opportunity to attain a position of prestige or to pursue a career of scientific research may also be considered a part of compensation. Other favorable factors of employment may be generous leave provisions, reasonable working hours, benefits of a pension plan and mutual aid associations.

Some of the conditions of government employment may fairly be thought to require a rate of compensation in excess of those prevailing in the open market. The civil service tests of fitness are usually more exacting and difficult than entrance requirements generally for non-government employment. Furthermore, the opportunity for promotion in the public service has distinct limitations owing to the relatively few oppertunities to pass from department to department and to the relatively small number of supervisory positions

compared with the mass of subordinate positions. Certainly many branches of private business offer far greater opportunities for material success than does government employment. A number of private concerns also pay their employees some remuneration in addition to salary in the form of bonuses, service and suggestion awards, profit sharing, and cooperative stock purchasing. It would be futile, of course, to attempt to evaluate these and many other similar arguments and influences in an effort to work out any precise determination of what is primarily a question of legislative policy. What it is desired to emphasize is that facts other than the relative pay rates should not be ignored, but on the contrary should be considered and weighed in fixing the general level of the compensation schedules for government positions.

C. Conclusions

Governments generally have given inadequate attention to the methods of determining a sound and equitable wage structure or to what might well be termed a philosophy of public service. Among the consequences of the absence of comprehensive wage policies are inequities in salary scales, difficulties in regard to recruitment and turn-over as a result of the greater attraction of outside employment, failure to maintain relatively stable wage levels in terms of real

earnings, decreased efficiency and lower morale.

Among the basic factors involved in the determination of a public wage policy, it is suggested that the following are of major importance: On the economic side, that the government should pay rates that are roughly comparable with those paid by the best private employers and, on the social side, that even the lowest rates should afford the workers the means of maintaining a minimum standard of living according to the requirements of health and decency. If certain key points are pegged on a salary scale in accordance with these criteria, the whole scale can be set up on a rational and systematic basis. The manner in which this can be done and the techniques by which the scale can be administered are discussed in the following lectures.

II. WAGE STANDARDIZATION AND ADMINISTRATION

Having determined the broad lines of policy regarding wage levels and the factors to be considered in arriving at them, the next step is the development of a pay plan. Such a plan is composed of two parts: (1) the scales of pay set up for each class of positions or level of positions, and (2) the formal rules for wage administration. It provides the basis for the standardization of salaries to the ends that similar work shall carry similar pay and that varying degrees of job importance or difficulty shall be equitably reflected in the pay scales. Like the classification plan, upon which it depends, the pay plan is a structural blueprint of the whole service but indicating this time the relationships between classes of positions in terms of pay differentials. Its arrangement should be such that it is definite, precise, and readily applicable to any class of positions and that it clearly indicates the remuneration to be received by the incumbent of any position at any time during that incumbency. These points will be discussed in greater detail.

A. Authority Responsible for Developing and Administering the Plan.

The National Public Service Law provides that the National Personnel

Commission shall develop a pay plan to compensate personnel of the service on the basis of their duties and responsibilities and that in order to accomplish this objective the Commission shall conduct such investigations and make such studies as are necessary in order to draft and submit to the Prime Minister a pay plan conforming to the position classification plan. The law also provides that the pay plan shall be prescribed by law. The appropriation of funds to meet the demands involved is a legislative prerogative. It is therefore essential that close cooperation be maintained between the Commission and the legislative bodies. In fact the entire field of salary and wage administration offers excellent opportunities for cooperation between the staff agencies of finance and personnel as well as between them and the legislative body.

The Personnel Authority should at all times be in a position to see that salary administration contributes its share to the whole personnel program, that inequities between like or related positions are eliminated, and that salaries are promptly adjusted to changing economic conditions.

B. The Technique of Salary Standardization

The determination of a proper wage level for government service or

for any commercial or industrial establishment does not lend itself to exact methods. There is no royal road to this goal. Salary standardization calls for the exercise of discriminatory powers and mature judgment, rather than hard and fast rules. Although much work has been done and much has been said on the subject, the principles of wage determination are still largely matters of opinion.

Based on experience there are, however, certain general principles and standardized techniques now recognized, which we will consider.

In the collection and analysis of basic data, which should be one of the first steps in the development of a compensation plan, certain factors bearing on the problem should be considered: (1) present conditions in the service including previous wage adjustments and present levels, working conditions and labor turnover; (2) market or prevailing rates outside the service, employment conditions and relative merits of private and government employment; (3) costs of living and standards of living generally.

Information regarding present conditions in the service serves three major purposes. In the first place, it provides the basis for job evaluation and classification as a preliminary to the determination of pay

for any commercial or industrial establishment does not lend itself to exact methods. There is no royal road to this goal. Salary standardization calls for the exercise of discriminatory powers and mature judgment, rather than hard and fast rules. Although much work has been done and much has been said on the subject, the principles of wage determination are still largely matters of opinion.

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Information regarding present conditions in the service serves three major purposes. In the first place, it provides the basis for job evaluation and classification as a preliminary to the determination of pay

scales. This important aspect will be discussed in greater detail. Second, it indicates the existence of special factors such as high turnover in a particular class of positions, which need to be considered in constructing the pay plan. Third, such information provides a basis for estimating the effect of the recommended plan on the budget.

Information in regard to market or prevailing wage rates outside the service, in commercial and industrial establishments is necessary for the reason that the government in initially hiring its workers must compete with other employers for the numbers and kinds of employees it needs. If the government rates were set at a higher level than those prevailing on the outside, it is generally believed that the more desirable individuals would be drained from private employment to government service and that such rates would be unfair to the taxpayers. On the other hand, if the government rates were materially lower than those paid by private establishments, the service would not only fail to attract competent applicants, but would likewise lose its more efficient and desirable employees. It is therefore important that an equilibrium be maintained between public and private employment.

There are certain peculiarities of government employment that should be considered in determining a proper wage level. It must be borne in mind that the payments accounted for in his salary check or pay envelope, steady work and relative security of tenure are intangible elements whose monetary value is substantial. Other favorable features of employment may be generous leave provisions, reasonable working hours, and the benefits of a pension plan.

Cost of living data will not furnish an exact mathematical process of formula for the determination of a proper wage level in the government service. They are properly to be regarded as important guides, but no attempt should be made to employ them as a fixed system under which wages must be increased or reduced in strict arithmetical correspondence with increases or reductions in cost of living. That cost of living data should play the role of a general guide and not that of an exact measure to be followed comes about not only because of certain phases of the techniques by which they are produced, but also because of the necessity of considering other important factors bearing upon the determination of wage levels.

1. Some Technical Considerations in the Assembly of Comparable Wage Data.

The collection of comparable wage data between public and private agencies is a difficult task under normal conditions. Due to the present economic conditions in this country, the fact that industry in general is on only a 40 percent normal production schedule and to some extent disorganized, it will be even more difficult to secure wage data of any value.

There are two generally accepted procedures or methods of assembling wage data. The first of these consists of preparing and submitting to private employers questionnaires covering certain key positions. A description of the duties and responsibilities of the positions would be included with the questionnaire and information requested covering comparable positions. The information requested would cover the number of positions, basic wage data, working hours, special allowances, regulations regarding overtime, provisions for annual and sick leave, retirement, bonus plans, etc.

Positions covered should include only those common to public and private employment. Generally speaking these would be confined to the lower

grade clerical positions such as typists, stenographers, clerks, office appliance operators, etc., and to crafts, trades and domestic types of jobs. Also some professional types of positions in the higher levels such as engineers, draftsmen, nurses, and those related.

The second method, although a more expensive one and requiring more time and effort, it is believed would provide data that would be of much more value. This procedure involves the sending out of trained investigators who would prepare job descriptions from interviews with both employees and supervisors just as though they were making a classification survey within the service. The job description sheets would then be turned in to the central staff of the National Personnel Commission where they would be classified and graded in accordance with available standards.

This method would allow for a much broader coverage and could include the higher level administrative and technical positions.

Due to the fact that there are few standard position titles in industry any attempt should not be made to make comparisons by titles alone.

As previously stated the survey usually concentrates on the determination of prevailing rates for a limited number of selected key

classes and its results indicate the direction and extent of differences between the pay of these classes in the service and that shown by outside levels. Pay scales established for key classes then serve as bench marks around which, on the basis of the relationship among the key and non-key classes shown in the position-classification plan, the pay scales for all the classes can be determined. A common example of this is the fixing of pay for supervisors in proper relationship to the rates of those supervised, following the establishment of such pay scales after consideration of prevailing data.

2. Technical Considerations in the Collection of Cost of Living Data.

Cost of living studies may be directed at showing the actual cost of living or the direction in the amount of changes in the cost of living.

Studies intended to show how much it actually costs to live are usually carried out in one of two ways. The first is to ascertain the actual expenditures of families in various localities for goods and services. Investigators are sent to visit typical families in the locality where the families live and obtain from them the amount which they spend each

year for living expenses. The second method of obtaining data on cost of living is to set up in advance a definite family budget of commodities and services and to secure prices on these items, the total being the cost of living. The amount and quality of each item allowed in the budget is determined upon the basis of how expenditures are theoretically distributed in the average family, giving due consideration to nutrition, housing, health and social principles.

Such studies as those outlined of personal or family budgets of various groups of employees prove of considerable interest and usefulness in establishing general wage levels. The limitation of such data, however, should be borne in mind. They should not be used as a sole arbitrary basis for fixing wages. Although surveys of actual annual expenses show what families spend, their use in determining what it costs to live necessitates the weighing of additional factors. Furthermore, base rates for a class of positions upon a minimum theoretical budget or an actual expenditure budget for a so-called average family may result in absurdities if we do not take into account the types of employees normally recruited for the class, including their age, sex, standard of living, marital condition

and dependency status. Even a comprehensive, modern budget still would be seriously lacking in its direct applicability to the government's wage problem unless it were coupled with a dependency study giving a cross section of the family status of employees in the various grades, in order to throw light not only on how much it costs a given size of family to live under a certain standard of living, but also on what particular grade or class in the compensation schedules such family budget figure would most properly apply to. Ordinarily it can be said that it is not expected that heads of families will find their permanent places in the very lowest grades of compensation schedules or in those grades which are considered training grades.

For example, it is customary to base budget studies on an average or typical family of five, consisting of husband, wife and three dependent children. Objection may logically be raised against the assumption that this is an average or typical family of a government employee until the facts are assembled. How many government employees are single? Of those who are married, how many have families of five or more? How are the married employees with families of this size distributed throughout the

various salary grades? The government needs answers to such questions as these before the relation between compensation levels and family budget figures may be clearly observed.

Also we should not fail to perceive that there is a conflict in principle between paying the employee the amount that a family budget study shows he may need and paying him according to the work he does and the services he renders to the government. No one will deny that there should be a logical relationship between an employee's salary and the difficulty and responsibility of his work, and that those who perform the more difficult and important duties should receive a higher salary than those who carry on the simpler tasks. Yet, in order to live in health, decency and comfort the employee who is a file clerk may actually need more than the head of his section.

For these reasons it may be readily seen that the studies undertaken in assembling cost of living data may become very complex. There is a limit, accordingly, to the influence that the cost of living as determined by family budget studies should play in wage fixing. Ethical and social principles and economic factors should be weighed together, and due

consideration must also be given to other factors such as the market value of services rendered, the relative merits of private and public employment, past and present pay relationships, and the immediate and ultimate cost of the proposed rates.

3. Considerations in Determining the Rates and Construction of Pay Schedules.

Controlling factors regarding the establishment of the specific rates of the salary scales are: (1) general policy in respect to the wage levels, the minimum wage concept, living standards and others previously discussed in this lecture, but there are numerous other factors that must be given consideration. The most important of these are: (1) relationship among the various classes of positions in terms of duties, responsibilities, etc. (basically this is a classification problem); (2) the ease or difficulty of recruiting desired personnel for particular classes of positions; the anticipated promotion rate; the probable effect of the rates on labor turnover.

Of course a completely rationalised wage structure will remain an ideal rather than become an accomplished fact. Of necessity some salary

grades must be set at a point sufficiently high to attract competent persons. This necessity may modify the theoretically desired rate in some instances. Since the first requirement of any personnel program is that it results in the recruitment and maintenance of an efficient staff, the ease or difficulty of recruiting personnel for some positions may be a determining factor in the setting of wage scales.

The probable effect on turnover should also be kept in mind. Although wage levels are not the only factor contributing to high turnover, experience has proven that they are important in this respect. The rates, therefore, should be set with this in mind, particularly for the higher grade technical, professional and administrative positions.

When a position classification plan has been developed for the positions coming within the pay plan to be established, some of these problems are minimized and the following advantages accrue:

1. A position-classification plan groups and designates positions by classes according to likenesses and differences of the work they involve. This grouping, therefore, indicates which positions deserve like treatment for pay purposes and which require different treatment.

2. A position-classification plan arranges positions in a logical pattern of relationship both by kind of work and by level of difficulty and responsibility. These relationships are essential guides in relating pay rates properly to the work.

3. Since individual positions are grouped into classes, a position-classification plan facilitates consideration of pay problems and the setting of pay scales by classes of positions, in situations where like consideration by individual positions, one at a time, would be too large a task to be feasible.

4. The arrangement of positions into classes on the basis of their duties and responsibilities permits separate evaluation and uniform application of the many other factors--socio-economic, administrative, and fiscal--which enter into the establishment and administration of pay schedules.

The form of the position-classification plan and the policies adopted for day-to-day administration of the plan have a significant bearing on the construction of a pay schedule. In particular, if the position-classification plan includes an arrangement of classification-grades, the pay

schedules must be worked out so as to recognize this arrangement of classes.

Accordingly a pay plan of the type which concerns us here is one which: (1) accepts the classes and grades of positions as they are established, named and defined under a position-classification plan; (2) prescribes an appropriate basic pay scale for each class in conformity with the relationship among the classes shown in the position-classification plan; (3) provides that the pay scale applicable to any individual position and its incumbent is the pay scale for the class to which the position is currently allocated under the operations of the position-classification plan; and (4) through rules of administration coordinates the applicability of pay scales and pay rates with the various transactions of position-classification and personnel administration, such as promotions, demotions, and transfers as well as with increases or differences in the effectiveness of employees in positions of the same class.

Using these classification-grades as a vehicle, basic pay level policy decisions are applied so that a basic or standard pay-scale structure, keyed to the grades, results. The process is similar to that used in