

# Trial of Temporary Staff for Administrative Services Centre Operations

## Kagoshima Prefecture



### Background

In order to simplify and increase the efficiency of administration and public finance management, Kagoshima Prefecture established the Administrative Services Centre in April 2011. The purpose of this effort was to focus on internal processes relating to personnel and public service duties, such as overtime work and vacation time, payroll services including stipends and end-of-year tax adjustments, travel expenses, welfare services procedures pertaining to the mutual aid association and staff mutual aid society, as well as scheduled health checks and thorough medical examinations for public servants. In addition, a centralised processing system (General Affairs Office) was developed and introduced.

In terms of the centralisation of General Affairs, it was decided that we would use external human resources according to the “Guidelines for the promotion of private outsourcing” (formulated in March 2005), which prescribe that the hiring of external personnel for general affairs be considered.

### Purpose of Project

In addition, intensive processing operations will be considered for a transition to a contract scheme as the next step toward the promotion of outsourcing, after examining and confirming the appropriateness of business operations and workflows to utilise private business operators, as well as the benefits of outsourcing with a temporary worker scheme.

### Outline of Project

Three methods of utilising external human resources for the establishment of the Administrative Services Centre were considered:

1. Hiring temporary workers through an agency
2. Hiring part-time employees
3. Sub-contracting

First, regarding the direct employment of part-time employees, which is described in item 2, while it is possible to continue employment for an extended period of time, and while the improvement of the proficiency and efficiency of operations can be expected, there are disadvantages such as the need for adjustments in the labour

force particularly during busy periods, personnel changes and year-end tax adjustments. Second, it was determined that the use of a sub-contractor, as described in item 3, from the beginning of the establishment of the centre, was not desirable because it was difficult to determine the details of business operations and the volume of work that were to be entrusted.

Meanwhile, in the case of item 1, hiring temporary workers through an agency, prefectural employees can directly command or instruct them, and are able to adjust the workforce according to business fluctuations, such as the period for approval of various filings at the beginning of the fiscal year and year-end tax adjustment. For these reasons, the temporary worker scheme was adopted.

The introduction of the temporary worker scheme initially covered operations of the initial screening (format checking) of salary and stipend approvals, travel expenses, etc., and support for operations and General Affairs Office system data entry.

### **Progress and Achievements**

1. A temporary worker was hired for 29 months, from March 2011 to July 2013, and operations in the centre during this period were closely examined. In addition, we investigated the time required for each operation, and the number of processes per day and month, as well as during busy periods. We also examined which tasks

might be suitable for outsourcing to external human resources.

2. As a result of considering item 1, after the end of the temporary work contract in August 2013, a contract scheme was adopted to take advantage of the vitality of the private sector, and the possibility of employment adjustments according to business fluctuations, while still ensuring the accuracy of clerical processing and meeting the expectation of cost reduction.

### **Effects of Project**

On 1 April 2013, the Administrative Services Centre and other divisions were integrated, and the employment system for general affairs was changed from the temporary worker scheme to the contract scheme on 1 August of the same year. Although the costs increased because of the change of employment system, significant cost savings were realised as a result of the reduction in the number of staff after organisational integration.

In addition, by adopting the temporary worker scheme temporarily after the establishment of the Administrative Services Centre, the prefecture was able to understand the details of the outsourcing conditions (processing time, number of processes, detailed examination contents, workflow, etc.), and a concrete outsourcing operation contract could be executed as a result.

## **Problems and Responses**

The objective of the contract scheme is to complete all tasks entirely through contract work. Unlike that of the temporary worker scheme, there are no instructions or orders from the prefecture to the workers. The contractor must give the workers orders, instruct them in the method of execution for the tasks, manage the workers' arrangements and schedules, etc. In addition, they must manage their own duties independent of the contracting partner. In this situation, the intention of the prefecture is not directly reflected.

Therefore, with respect to the work processes of the outsourced operations, the prefecture cannot determine the order and method of tasks, the contract workers' arrangements or the assignment of work to each contract worker, so the scope of the tasks must be clarified in the contract specifications, and the business responsibility, contents and progress are to be discussed and adjusted.

Although there were delays in business processing at the beginning of outsourcing in August 2013 and during the busy period at the end of the year, as well as during the accounting adjustment period from April to May, for the workers to become proficient in the operations, training was undertaken by the person responsible for outsourced tasks. Currently, the training is being carried out without any significant issues.

## **Outlook**

In regularly monthly meetings with the contractor, we confirm the progress of operations, discuss challenges and issues, and request solutions. We also have meetings on an as-needed basis to resolve individual issues. In this way, we conduct consultations and adjustments to facilitate business operations.

## **Reference URL**

<https://www.pref.kagoshima.jp/ab02/soshiki/soumu/honcho/soumujimucenter.html>  
(Kagoshima Prefectural Administrative Services Centre Website)

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