

RIKEN
Administrative Advisory Council (AAC)
Report 2014

The 2nd RIKEN Administrative Advisory Council
September 16-17, 2014

2nd RIKEN Administrative Advisory Council Report

The second RIKEN Administrative Advisory Council was convened at RIKEN's Wako campus and downtown Tokyo office, on September 16-17, 2014.

The Advisory Council was given the following Terms of Reference.

Terms of Reference

1. Evaluate RIKEN's response to the recommendations of the previous Advisory Council
2. Evaluate changes in RIKEN's PR strategies and procurement policies and procedures, and assess RIKEN's efforts to place more women in management positions
3. Evaluate the appropriateness of the scope of RIKEN's administrative offices, and make recommendations on how RIKEN can strengthen its administrative operations to serve as a forward-looking model of management

The Advisory Council's recommendations are as follows.

General Remarks

The administrative staff of a research institute plays an important role in planning and carrying out the institute's operations. Administrative employees need to be aware that they are the ones implementing management and should take pride in the crucial role they play in the institute.

RIKEN is expected to produce top, world-class research results. The administrative divisions need to support this effort by ensuring that RIKEN is an open organization, and by planning and implementing effective strategies that will make RIKEN a leading role model for research institutions in Japan and in the world.

RIKEN is currently confronting some of the most difficult circumstances since it first became an Independent Administrative Institution. Efforts are being made to reform its operations, but if these reforms are to be effective, RIKEN must also re-examine its administrative operations and implement fundamental changes.

RIKEN's responses over the past three years to the recommendations of the previous Advisory Council have been effective in some areas but insufficient in others. These findings must be carefully assessed so that RIKEN can take the initiative to undertake further reform.

On the administrative front, staff personnel who carry out RIKEN's daily operations must take the initiative to propose fundamental changes and, once those proposals are approved, carry them out. In reviewing their tasks, administrative staff should not allow external constraints or precedents to define their actions but should apply reason and logic in drafting their proposals for effective changes to meet the required objectives.

Furthermore, RIKEN must ensure that it has at all times access to the information it requires. RIKEN should have this information to prepare accurate management indices so that management can make quantitative evaluations of the reform process and reflect those evaluations in their management practices.

RIKEN's administrative employees are limited in number and yet must carry out a major mission. They will need to be thorough in their review of their operations, make accurate judgments regarding appropriate actions and priorities, and carry out the necessary reforms with determination.

Terms of Reference 1: Evaluate RIKEN's response to the recommendations of the previous Advisory Council

(1) Collaboration with industry and universities

President Noyori has pointed out the need to diversify funding, and RIKEN's system for matching funds is to be commended for the way in which it requires commitment from corporate partners. However, RIKEN's FY 2013 accounts show corporate funding of 1.396 billion yen, which is only 1.4 percent of RIKEN's total funding of 97.919 billion yen. RIKEN must secure more external funding from industry and other sources besides the government.

RIKEN is also to be commended for achieving a patent licensing rate of over 25 percent. This can be seen as an indication that RIKEN is effectively managing its patent applications and maintaining its licenses. Patent income, however, is not increasing, and there is a need to further increase the rate of licensing by linking research outcomes to practical applications.

The establishment of the Social Infrastructure Technology Development Program to actively carry out research directed at meeting society's needs is to be commended as a good initial step for industry-academia collaboration. This kind of collaboration needs to be judged not only by its effectiveness in securing research funds, but also by the degree to which it makes meaningful contribution to society.

We recommend that RIKEN continue with its effort to engage in collaboration with industry at a very early stage. The consortium-based collaborations being undertaken in other countries are a good reference in this regard. For example, in the United States, public R&D agencies form consortiums in which they invite corporations and non-profit organizations from inside and outside the country to participate at the precompetitive stage, thereby expanding their collaboration strategy. Japanese corporations are also participating in these kinds of collaborations, and this is something RIKEN should consider doing.

As for collaborations with universities, RIKEN currently has joint graduate school agreements with more than 90 universities inside and outside Japan, and has hosted more than 300 graduate students. This kind of collaboration is one of RIKEN's strengths and is to be commended for its contribution to fostering human resources.

(2) Towards a more international administration

The percentage of foreign researchers at RIKEN increased from 16.8 percent at the time of the last Advisory Council meeting in FY 2011 to 18.6 percent in FY 2013. Given that the percentage was 10.7 percent in FY 2008, it is clear this is a long-term trend for which RIKEN is to be commended. In contrast, however, the percentage of foreign researchers in management positions has changed very little. The percentage was 10.7 percent in FY 2008, went up to 11.8 percent in FY 2011, but as of FY 2013 was stable at 11.9 percent. RIKEN has had difficulty recruiting foreign researchers for management positions, even though it has made some strides in offering better work conditions, including higher salaries. One of the reasons for this may be a lack of sufficient support for management-grade foreign scientists and their families. If this is the case, greater effort needs to be made in this area.

RIKEN's translation team has helped to ensure the bilingual presentation of all important documents and announcements within RIKEN and is to be commended for this contribution to improving the research and work environment for RIKEN's foreign researchers. The in-house newsletter, RIKENETIC, also plays an important role in improving intercultural communication within RIKEN. Improving the environment for foreign researchers in accordance with changes in Japan's labor laws is a common concern for other research institutes in Japan as well. Sharing their respective translation capabilities and collaborating to disseminate information in English will improve effectiveness in this area. It is hoped that RIKEN will actively approach other institutes for this kind of collaboration.

For international publicity, social media could play a major role in enhancing global recognition of RIKEN and is a tool that should be used in tandem with press releases. RIKEN has already found it effective to hire foreign administrative staff for improved overseas publicity. It is recommended that RIKEN search outside of Japan as well, just as it already does in recruiting researchers, for excellent personnel specializing in publicity.

Terms of Reference 2: Evaluate changes in RIKEN's PR strategies and procurement procedures, and assess RIKEN's efforts to place more women in management positions

(1) PR strategies

Management level discussions to decide PR strategies and joint meetings of PR staff from the various centers indicate that some progress is being made in unifying and sharing RIKEN's brand image.

PR strategies have been incorporated in the risk management strategy goals set for RIKEN's third five-year term, but they should also include strategies for the handling of comparative publicity. PR staff need to be attentive to potential risks and able to explain those risks to RIKEN management and coworkers. RIKEN needs to continue to disseminate information on its activities to the public and otherwise work to win public understanding and support through heightened transparency and information disclosure.

Internal PR activity is also important to ensure that management policies are well understood and being followed within RIKEN and should be included in deliberations on RIKEN's PR strategies.

We are hopeful that there will be strong synergy between the PR Office at RIKEN headquarters and the PR activities of the individual centers. For this to work effectively, a system will be needed to ensure basic governance by RIKEN headquarters that also respects the independence and autonomy of the individual centers.

(2) Procurement policies and procedures

RIKEN is a public R&D institution funded primarily by the government. We understand that because of this procurement procedures, which must be made through a bidding process, can be complex and time-consuming. Nevertheless, there are examples of other institutions that have successfully used objective data to convince the national Board of Audit that negotiated contracts often lead to lower prices and reduced costs. It is evident RIKEN can do much more to improve its procurement operations. We recommend that RIKEN consider the possibilities for negotiated contracts, make price comparison studies (by setting benchmarks and understanding what other institutes are doing), and otherwise review its procurement policies and procedures.

An effort should be made to predict demand volume for all of RIKEN, place batch orders when possible, review contract procedures, including unit price contracts, and otherwise strive for greater efficiency and optimization.

RIKEN should accelerate its preparations for a web-based procurement system, not only for greater efficiency, but also as a means of preventing fraudulent use of research funds. Web-based procurement systems have had mixed results at other

institutions, and RIKEN should make carefully study of both successful cases and failures to mitigate its own risks.

(3) Women in management positions

Despite the recommendations of the previous Advisory Council, there has been no improvement in the percentage of women in management positions at RIKEN. In fact, the percentage of female researchers has gone down from 17.4 percent in FY 2011 to 15.5 percent in FY 2014, and the percentage of women in research management positions has changed very little, from 9.9 percent in FY 2011 to 9.8 percent in FY 2014. The percentage of female managers in administrative positions also remains low, though it has gone up from 6.8 percent in FY 2011 to 8.6 percent in FY 2014. The reasons for the lack of progress in this area should be carefully examined and specific measures should be promptly implemented to rectify the situation.

It is regrettable that no progress is being made in appointing women to management positions when their abilities are no different than those of men. The Japanese government has set a goal of increasing the percentage of women in management positions to 30 percent by the year 2020. In the interest of improving the career paths of its female employees and fixed-term employees, RIKEN should strive for the same goal, and an effort should be made to change the attitudes of management staff in charge of hiring and promotions.

In addition to creating an environment that makes it easier for women to work, RIKEN should prepare management positions tailored to the specialties of the various administrative departments, actively head hunt for female manager candidates, and foster management-like thinking that will lead to the appointment of more women to management positions.

Many RIKEN employees are taking advantage of the on-campus childcare facilities, the program for providing subsidies for labs to hire a temporary assistant while a female lab member is taking time off for childcare or family nursing care, and other such measures recommended by RIKEN's committee for gender equality, and RIKEN is to be commended for these efforts. The committee should be given maximum leeway to ensure that such programs are continued and improved.

Terms of Reference 3: Evaluate the appropriateness of the size of RIKEN's administrative offices, and make recommendations on how RIKEN can strengthen its administrative operations to serve as a forward-looking model of management

Given the diversity of RIKEN and other research institutes' administrative departments, their different functions and characteristics, it is difficult to establish meaningful indices to judge the appropriateness of the number of management positions or departmental budgets. RIKEN's top management should set their own indices for deciding how many management positions are appropriate, taking into consideration the characteristics of the various departments and their particular needs.

One indicator that may be useful is a comparison of the number of administrative staff to the number of research staff, in other words the scientist:administrator or S:A ratio. The average S:A ratio of four other research institutes, calculated by RIKEN on the basis of public data, is 4.8:1. In September 2004, in an analysis report on RIKEN's operations prepared by an outside consultant, it was noted that back-office departments generally accounted for 15 to 20 percent of a corporation's employees. In S:A terms, this is a ratio of between 4–5.6:1. Given this, RIKEN's S:A average of 6.2:1 since becoming an Independent Administrative Institution does not seem so far off, and can be considered an improvement over the 4.4:1 ratio of 1990, 20 years ago.

Nevertheless, the administrative departments are charged with a considerable variety of tasks, from responding to changes in relevant laws and regulations to carrying out management policies, and the operating funds provided by the government are not enough to cover all of RIKEN's administrative expenses. This is a matter of very significant concern. At present, external funding overhead is being applied to cover the extra cost of administrative personnel, but this is an unreliable source of funding and should not be allowed to continue.

RIKEN's top management should decide on their own what is an appropriate S:A ratio given their experience to date, and should set that ratio as the maximum limit for RIKEN's further operations.

Finally, RIKEN should promote and reinforce its operations not only to achieve its third five-year plan objectives but to achieve optimal governance and operational procedures within the S:A limit set by its top management.

Some of the actions that can be implemented to achieve this include:

- Distinguish between operations that are required to reinforce management policy and those that can be eliminated
- Adapt to changing requirements and review and improve current operations
- Before undertaking new business, calculate management costs to determine whether or not it should be implemented

- Deploy personnel as required to meet actual operational needs and prevent overexpansion
- Create a forum in which research and administrative staff can discuss efforts for greater efficiency and ensure implementation of improvements

We are hopeful that by applying the above recommendations RIKEN will be able to achieve more rational and efficient operation and thereby maximize its research outcomes.

**Second RIKEN Administrative Advisory Council
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