

## CHAPTER 3

### GENERAL CONSIDERATIONS

#### Introduction

3.1 In arriving at the recommendations contained in this Report, we have continued to be guided by the principles and practices set out in our Report No. 1. We have also continued to use the system for setting pay scales explained in Chapter 4 of Report No. 2 to determine appropriate pay scales for individual grades. However, the implementation of the recommendations made in Reports Nos. 1 and 2 have raised a number of issues on which our further advice has been sought, and in the course of our current programme of work, certain matters have come to our attention which require comment.

#### Educational Qualifications

3.2 In paragraph 35 of Report No. 1, we drew attention to a principal disadvantage of using educational qualifications as a major factor in determining starting rates of pay, because it could lead to pressure to raise minimum entry qualifications as a means of justifying higher pay. Our fears in this regard have proved well founded in that many of the representations we have received contain requests to raise the educational qualification for entry to a grade with a view to raising the pay scales. As we said in Report No. 1, we fully accept that in the longer term, there is probably a need to review the educational standard for entry to grades, both in the light of changes in the nature of work performed and having regard to the changes in the pattern of education in Hong Kong generally. We would reiterate, however, that the minimum entry qualifications should not be raised above the level necessary for the competent performance of the job concerned.

3.3 We have also said that we appreciate that the educational qualification method of setting pay scales is not entirely satisfactory and we shall continue to investigate other means of establishing the appropriate rate for the job.

#### Educational Qualification Benchmarks

3.4 The method we have used for setting the starting pay of individual grades involves reference to the benchmark entry point for the educational qualification required for appointment to the grade. Pay scales are then adjusted having regard to other factors. In Report No. 2, we listed the principal benchmark entry points which had been arrived

at having regard to the situation existing in the civil service at the time, and after taking account of such private sector evidence as was then available.

3.5 It has been suggested that in setting these benchmark entry points, we have overlooked the qualifications obtained from the Hong Kong Polytechnic and registered post-secondary colleges. This is incorrect. We have taken account of such qualifications in setting pay scales where we considered it appropriate to do so, but we have found it difficult to use them to establish fixed benchmark entry points for a number of reasons.

3.6 In the first place, it is necessary to distinguish between cases where a Polytechnic or a registered post-secondary college qualification is the prime qualification for entry to the grade and cases where it is an alternative qualification. In the latter situation, no problem arises except in grades with multiple entry points. With few exceptions, we have advised against the provision of higher or lower entry points for qualifications above or below the normal requirement, and the starting pay of a grade whatever the qualification held is therefore the minimum pay point. The Government has accepted this advice and thus, for example, where the holder of a Polytechnic or registered post-secondary college qualification enters a matriculation grade, his starting pay is that afforded to matriculants. If, however, his qualification, plus perhaps previous experience is acceptable for entry to a degree grade, then he should receive the same starting pay as a university graduate.

3.7 In those few grades where we continue to make provision for multiple entry, for example, in the disciplined services and certain degree grades where matriculants may be appointed, we have advised that the previous arrangements should continue. That is to say, the holder of a Polytechnic Higher Diploma or a Diploma from a registered post-secondary college should enter the pay scale between the matriculation and degree entry points.

3.8 Where a Polytechnic or a registered post-secondary college qualification is the principal qualification for entry to a grade, for example, in the case of the proposed new structure of the Occupational Therapist grade (see paragraph 11.9), we have taken this into account in arriving at the starting pay for the job. However, setting fixed benchmarks for all these qualifications presents certain difficulties. This is because the courses taken, while undoubtedly improving the academic knowledge of the trainees, are in some cases vocationally orientated, and thus may attract different levels of pay depending on the civil service job that a candidate elects to enter. For these reasons, in the next phase of our work, we intend to conduct an overall review of the educational qualification benchmarks. This will include an examination of the use of the principal Polytechnic and registered

post-secondary college qualifications for the purpose of setting entry pay.

3.9 In paragraph 34 of Report No. 1, we mentioned that the gap between the school certificate and matriculation benchmarks, i.e. Point 5 for school certificate and Point 16 for matriculation, appeared too large. That is to say, eleven pay points is too great a difference for two years' additional general education. We made no adjustments to these benchmarks in our Report No. 2 because at that time we had insufficient evidence on which to base a recommendation. Subsequently, we commissioned a survey by the Pay Investigation Unit to obtain evidence on the starting pay associated with educational qualifications in the private sector. We have now received the results of this survey which clearly indicate that while the benchmark for school certificate is not at an inappropriate level, that for matriculation is too high. This does not necessarily mean that the pay scales of all grades within the matriculation group are too high since other factors have to be taken into account, and we propose to consider this problem in detail in a later review.

#### Grades with Student Ranks

3.10 Our re-examination of certain individual grades has revealed an unsatisfactory situation with regard to the pay scales of grades with student ranks, i.e. those listed in Chapter 10 of our Report No. 2. This arises from the system of setting pay scales for grades with student ranks on the basis of the educational qualification required for entry to the training rank. In most cases, the occupants of these ranks are students undergoing training in a manner somewhat similar to that provided by the Hong Kong Polytechnic and registered post-secondary colleges. Thus the situation exists where on the one hand, students undergo training outside Government at their own expense and enter the civil service at rates of pay set having regard to the qualification they then hold, while, on the other hand, students are paid and trained by Government itself and on completion of their training enter a grade the structure of which is influenced by the educational qualifications which they required to join the civil service as a student.

3.11 This is particularly unsatisfactory in the case of grades whose students require matriculation. The pay structure of these grades is such that, after three years' training, the starting pay for the first functional rank is higher than that which is considered appropriate for a university graduate.

3.12 In our opinion, the pay scales of civil service grades should be set having regard to the educational qualifications required for the job undertaken by the

fully-trained officer rather than by the qualifications required to become a student. We shall therefore be conducting a further review of these grades with a view to seeing whether the pay scales should be adjusted in the light of qualifications obtained on completion of training, and having regard to the other factors used in setting pay scales. One possibility we shall be considering is the introduction of a separate training scale.

### Salary on Promotion

3.13 Following the publication of our Report No. 2, we were asked to advise on the salary which should be paid to a civil servant on advancement to a direct entry rank with multiple entry points related to specific educational qualifications, when these qualifications are not held by the civil servant concerned. This question arose in relation to the disciplined services where members of the rank and file may be advanced to the officer ranks and in degree grades where, exceptionally, matriculants may be appointed and where there is also provision for the in-service appointment of suitable candidates from other grades.

3.14 Our advice was that in so far as the disciplined services are concerned, members of the rank and file should enter the officer rank pay scale at the point appropriate to direct entrants with the standard qualification; that is to say, at the school certificate entry point in the case of the Immigration Service and at the matriculation entry point in the case of the other disciplined services. In the case of degree grades where, exceptionally, matriculants may be appointed, the salary payable to an in-service appointee should be the salary applicable to the matriculant entrant.

### Conversion Arrangements

3.15 In Report No. 1 we said that the conversion rules in existence at that time were complex and barely comprehensible and in certain circumstances displayed an excessive concern for the preservation of relative seniority within the scale. We recommended that new rules should be drawn up which provided that no civil servant should lose on conversion but the extent to which he benefited on conversion should not normally exceed one increment. In Report No. 2 we recommended how the new rules should be applied.

3.16 While we still maintain that the old rules were over-generous in certain circumstances, in the light of our experience of the operation of the revised rules introduced following our Report No. 2, we believe there is room for some improvement. We therefore propose that the normal rules of conversion set out in paragraph 19.8 of Report No. 2 should be replaced by the following, which in certain cases means that an additional increment is payable on conversion from the old scale to the new scale.

3.17 Subject to the continuing overriding consideration that no one should receive less pay on conversion, civil servants should convert to revised points on the Master Pay Scale or other appropriate scale as follows :

(a) When both the minimum and the maximum of the scale are raised

- (i) where a civil servant's pay is less than the minimum of the revised scale he should receive the new minimum;
- (ii) where a civil servant's pay is equivalent to or above the new minimum he should advance to the next point on the scale;
- (iii) where the revised scale has a maximum which is two or more points higher than the old maximum, a civil servant who has served for one or more years on the old maximum should convert to two points above his existing pay point.

(b) When the minimum of the scale is raised and the maximum remains unchanged

- (i) where a civil servant's pay is less than the minimum of the revised scale he should receive the new minimum;
- (ii) where a civil servant's pay is equivalent to or above the new minimum he should advance to the next point on the revised scale subject to this not being above the scale maximum.

(c) When the minimum of the scale is raised and the maximum is lowered

- (i) where the maximum of the revised scale is lower than the maximum of the old scale a civil servant should be given a continuing option to retain his old scale on a personal basis until such time as it is to his advantage to transfer irrevocably to the revised scale;
- (ii) where a civil servant opts to transfer to the revised scale and his pay is less than the minimum of that scale he should receive the new minimum;
- (iii) where a civil servant opts to transfer to the revised scale and his pay is equivalent to or above the new minimum he should advance to the next point on the

revised scale subject to this not being above the scale maximum.

(d) When the minimum of the scale remains unchanged and the maximum is raised

- (i) where a civil servant's pay is less than the maximum of the old scale or where he has served on the old maximum for less than one year he should convert to the same numbered point on the revised scale;
- (ii) where a civil servant has served for one or more years on the maximum of the old scale he should convert to the next higher numbered point on the revised scale.

(e) When the minimum of the scale remains unchanged and the maximum is lowered

- (i) where the maximum of the revised scale is lower than the maximum of the old scale a civil servant should be given a continuing option to retain his old scale on a personal basis until such time as it is to his advantage to transfer irrevocably to the revised scale;
- (ii) where a civil servant opts to convert to the revised scale he should convert to the same numbered point on that scale subject to this not being above the scale maximum.

(f) When the minimum of the scale is lowered and the maximum is raised

- (i) where a civil servant's pay is less than the maximum of the old scale or where he has served on the old maximum for less than one year he should convert to the same numbered point on the revised scale;
- (ii) where a civil servant has served for one or more years on the maximum of the old scale he should convert to the next higher numbered point on the revised scale.

(g) When the minimum of the scale is lowered and the maximum remains unchanged

where the minimum of the scale is lowered and the maximum remains unchanged, a civil servant should convert to the same numbered point on the revised scale.

(h) When both the minimum and the maximum of the scale are lowered

- (i) where both the minimum and maximum of the revised scale are lower than the minimum and maximum of the old scale a civil servant should be given a continuing option to retain his old scale on a personal basis until such time as it is to his advantage to transfer irrevocably to the revised scale;
- (ii) where a civil servant opts to convert to the revised scale he should convert to the same numbered point on that scale subject to this not being above the scale maximum.

3.18 The rules in paragraph 3.17 apply to the normal situation where a civil servant's pay is still expressed in terms of the same overall scale. They do not eliminate the need for special arrangements in certain circumstances, for example where a new overall scale is introduced. Thus the new rules will apply retrospectively to changes in rank scales, and to the extension of the upper end of civil service pay scales, introduced with effect from 1st October 1979. They will not apply to ranks which were provided with special conversion arrangements, nor where incremental credit is given to recruits with relevant experience and this has already been taken into account.

3.19 In Table A appended to this Chapter we set out some examples of the effect of our revised conversion rules but as in the case of the previous rules they should, if accepted, be explained in more detail by the Administration in an appropriate circular.

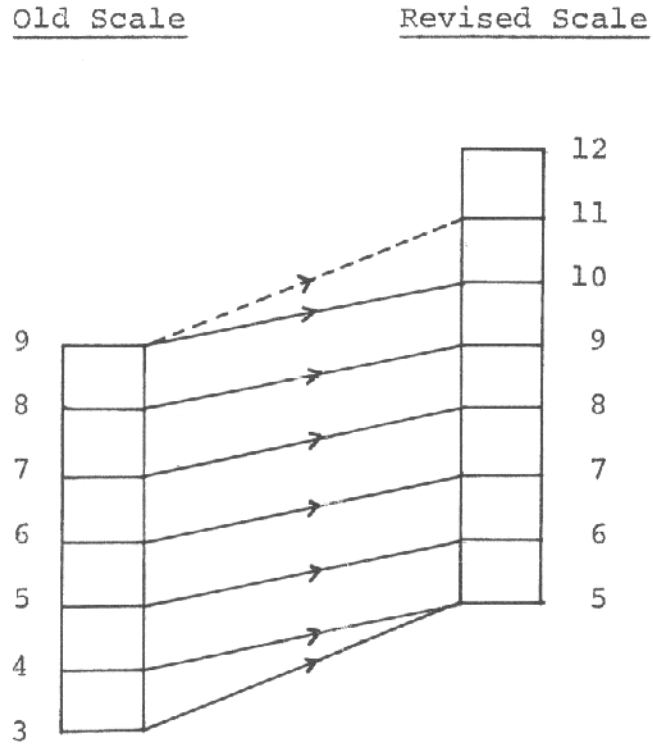
Date of Implementation

3.20 There can be no single date of implementation of the recommendations contained in this Report. In some cases we consider our recommendations should be backdated to 1st October 1979 and in other cases our recommendations should be introduced from a current date. In yet other cases, the date of implementation must be a future date i.e. the date when our proposals can be brought into effect. Thus, except where we have made specific proposals, the implementation date of each of our recommendations should be dealt with by the Administration. As a general guide, recommendations concerning grades the consideration of which was deferred in our Report No. 2 should be implemented from 1st October 1979, although this would not apply in every case, for example where new ranks are involved. Our other recommendations should where practicable be implemented from a current date. We recommend the current date should be 1st October 1980.

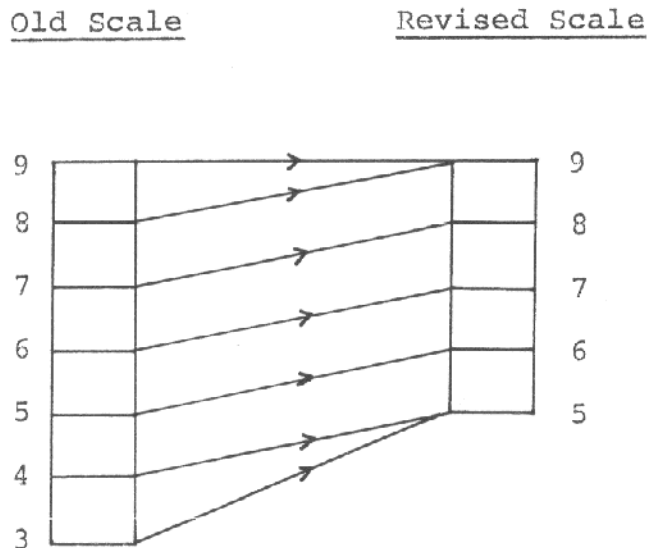
EXAMPLES OF CONVERSION ARRANGEMENTS

(These examples relate to the conversion rules set out in paragraph 3.17)

- (a) When both the minimum and the maximum of the scale are raised

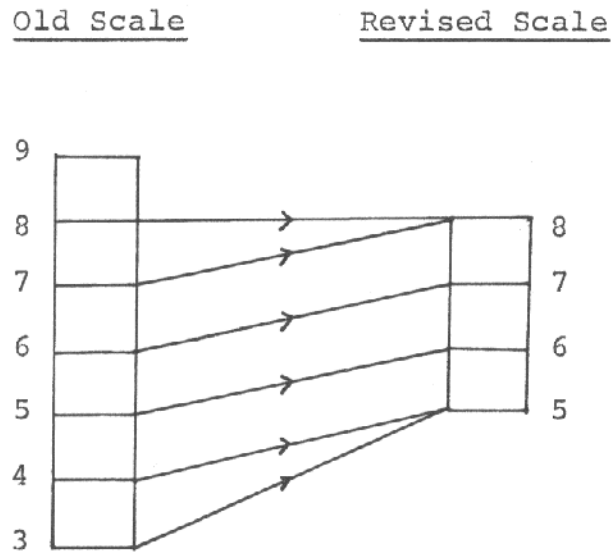


- (b) When the minimum of the scale is raised and the maximum remains unchanged



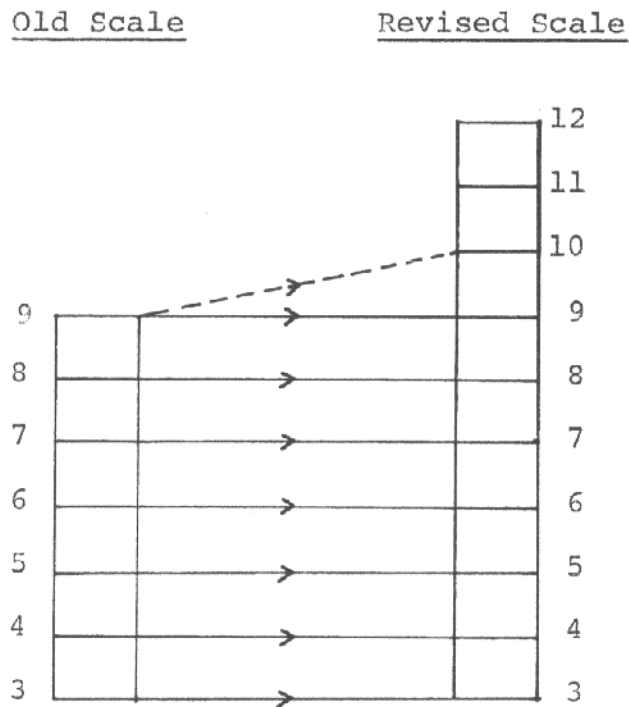


- (c) When the minimum of the scale is raised and the maximum is lowered



Note : Staff will be given an option to retain their existing rank scale or convert to the revised rank scale subject to the revised maximum.

- (d) When the minimum of the scale remains unchanged and the maximum is raised

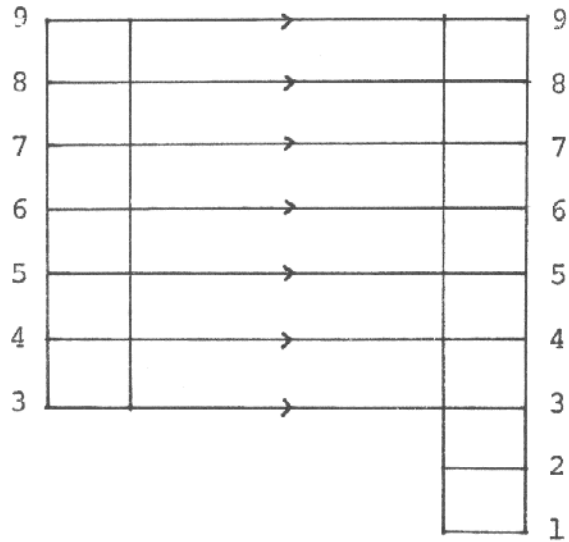




- (g) When the minimum of the scale is lowered and the maximum remains unchanged

Old Scale

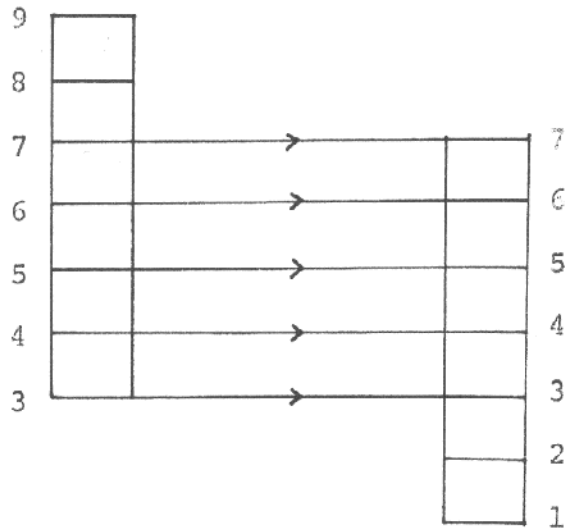
Revised Scale



- (h) When both the minimum and the maximum of the scale are lowered

Old Scale

Revised Scale



Note : Staff will be given an option to retain their existing pay scale.