

CHAPTER 2

EDUCATIONAL QUALIFICATION BENCHMARKS

Background

2.1 The system we use for setting the starting pay of most civil service grades paid from the Master Pay Scale (MPS) involves reference to the benchmark\* entry point for the educational qualification required for appointment to the grade concerned. Thus although pay scales may then be adjusted to take account of various job factors, it is the educational qualifications required for appointment and the benchmark entry points relating to those qualifications which provide the foundation on which the pay scales and structures of individual grades are built. The existing benchmark entry points derive from recommendations made in our First Report on Civil Service Pay (Report No. 2) and are as follows :

Form III	MPS 1
Form IV	MPS 2
School Certificate	MPS 5
Matriculation	MPS 16
Degree	MPS 20
Professional	MPS 31

2.2 We decided to conduct a further review of the benchmark entry points for two reasons. First, comparability with the private sector is an important factor in determining civil service pay and the benchmark entry points should have regard to starting pay in the private sector for jobs requiring the qualifications to which the benchmarks relate. In recommending the existing benchmark entry points in

\* 'Benchmark' was defined in our Report No. 1 as 'a level of pay determined by reference to a point in the pay scales, considered to be appropriate for a particular skill or qualification before an adjustment is made to take account of other job factors'.

Report No. 2, we took account of such private sector information on starting pay as was then available. However in so far as the pay for some qualifications was concerned, this information was limited, and we were not satisfied that the benchmarks were appropriate in every case. In particular the gap between the school certificate benchmark (MPS 5) and the matriculation benchmark (MPS 16), bearing in mind that matriculation only involves two years' education beyond school certificate, appeared to be too wide; we therefore considered that the educational qualification benchmarks should be re-examined to determine more accurately the level of the benchmark entry points about which we had doubts, and also to check generally that the benchmarks remained in line with prevailing rates of starting pay in the private sector. Secondly, it had been suggested to us that the list of benchmark entry points should be extended to include points for the principal Polytechnic and registered post-secondary college qualifications. We felt that this suggestion merited consideration and therefore undertook to include an examination of the use of Polytechnic and registered post-secondary college qualifications in order to determine civil service starting pay as part of our review.

#### The Level of the Benchmark Entry Points

2.3 As a first step towards reviewing the level of the benchmark entry points, we asked the Pay Investigation Unit to carry out a survey of starting pay in the private sector for jobs to which holders of the various educational qualifications are recruited (no account was taken of fringe benefits). The results of this survey indicated that in every case the civil service benchmark entry point represented a higher rate of pay than the average starting pay in the private sector for the same qualification, even after allowing for the private sector practice of paying a Lunar New Year Bonus. However, after taking account of other practices in the private sector, in particular the rate of pay progression in the early years of employment, we consider, with one exception, that there is justification for maintaining the existing benchmark entry points at their present level. The exception is the benchmark entry point for matriculation.

2.4 We have already expressed the view in earlier Reports that at MPS 16 the existing matriculation benchmark entry point is too high and our current examination has confirmed this view. Indeed, the general survey of starting pay in the private sector conducted by the Pay Investigation Unit produced figures suggesting that a benchmark of MPS 8 or 9 would be more appropriate. However, further investigation has revealed that because of the differences between the civil service and the private sector in the use of matriculation as an entry qualification, a comparison with the private sector based on general starting pay levels would not be entirely valid.

2.5 The results of the Pay Investigation Unit's further survey indicated that matriculation is very rarely required as a minimum qualification for a job in the private sector. An analysis of the survey figures showed that, in nearly every case, the starting pay in the private sector for matriculants was in relation to a job for which the basic qualification for appointment was school certificate. In many instances, therefore, matriculants taking jobs in the private sector receive either the same starting pay as school certificate holders or only a small premium over and above the school certificate rate. In the civil service, on the other hand, matriculation is an essential requirement for appointment to a number of grades the staff of which perform important roles in the government hierarchy particularly in the field of middle management. To have accepted the survey figures as they stood to determine the benchmark entry point for matriculants entering civil service grades where matriculation is the minimum requirement would therefore have been inequitable.

2.6 In view of the private sector's limited use of matriculation as a basic entry qualification, it was clear that we would have to look beyond the results of the general survey on private sector starting pay. We therefore asked the Pay Investigation Unit to carry out a further survey, this time on the starting pay of jobs in the private sector which could be regarded as broadly comparable with those of civil service grades requiring matriculation for appointment. The results of this survey, adjusted to take account of differences between private sector and civil service pay practice but excluding fringe benefits, indicated a higher starting point for matriculation than MPS 8 or 9 as indicated by the earlier survey, but still lower than the existing benchmark of MPS 16. Taking all factors into account and after careful consideration, we have concluded that on balance the matriculation benchmark should be set at MPS 14. In our opinion the adoption of this benchmark, the value of which is still very competitive when compared with starting pay for matriculants in the private sector, should not reduce the quality of candidates coming forward for appointment to the matriculation grades.

#### Benchmark Entry Points for Polytechnic and Registered Post-Secondary College Qualifications

2.7 In our Second Report on Civil Service Pay (Report No. 5), we explained why we had not set benchmark entry points for qualifications from the Hong Kong Polytechnic and registered post-secondary colleges. Such qualifications, on their own, are usually alternative entry qualifications and only rarely are they the principal qualification for appointment to a civil service grade. In addition, the

courses leading to these qualifications, while improving a trainee's academic knowledge, are in many cases vocationally oriented, and thus their value in terms of pay may vary in the light of the civil service job a candidate elects to enter.

2.8 As part of our review of educational qualification benchmarks, we have given further consideration to whether benchmark entry points might appropriately be assigned to the various Polytechnic and registered post-secondary college qualifications. As a result of our study, we now believe that for certain of these qualifications it would be both practicable and advantageous to set benchmark entry points. While the number of civil service grades for which such qualifications are principal entry requirements remains small, this number is likely to increase as the range of courses conducted by the Polytechnic and registered post-secondary colleges expands. Moreover, we believe that the benchmark entry points for Polytechnic qualifications could appropriately be used in determining the starting pay of the functional ranks of grades trained by Government, a subject dealt with in Chapter 4 of this Report.

2.9 It was suggested to us earlier that the fact that certain qualifications were vocationally oriented might restrict their being used to set benchmark entry points. We do not consider this a valid objection since many first degrees, for example in engineering, are also vocationally oriented. In general, benchmark entry points are only used to determine the starting pay of a grade for which the qualification to which the benchmark relates is the minimum requirement for entry. Possession of a particular qualification does not entitle the holder to the benchmark rate of pay unless the qualification in question is the specified minimum for the job concerned. In addition, where it is desirable to specify that a qualification should be in a particular field, it is always open to the Government to do so.

2.10 At present, the principal qualifications obtainable from the Hong Kong Polytechnic are the Associateship, Higher Diploma and Diploma for full time courses and the Higher Certificate and Certificate for part-time courses. The Associateship is already adequately catered for within the provisions for entry to certain degree and professional grades. In the case of the Higher Certificate and Certificate, while these qualifications may have an assessable educational value, the nature of the training is such that this value cannot be divorced from the working experience gained while attending the courses, and the establishment of benchmarks on the basis of the formal qualifications alone would serve little useful purpose. It is therefore for the remaining qualifications, i.e. Higher Diploma and Diploma, that we propose that benchmark entry points should be set.

2.11 To arrive at appropriate benchmark entry points for these Polytechnic qualifications, we have again had regard to the information provided by the Pay Investigation Unit's survey of the rates of starting pay for holders of such qualifications in the private sector. We have also taken note of the starting salaries for Polytechnic graduates as revealed in the annual survey conducted by the Student Affairs Unit of the Hong Kong Polytechnic. After making adjustments to allow for the differences between private sector and civil service pay practices, and taking account of the value of the Polytechnic qualifications relative to the other educational qualification benchmarks, we recommend that the benchmark entry points for these qualifications should be as follows :

Higher Diploma	MPS 17
Diploma	MPS 14

2.12 In the case of qualifications from registered post-secondary colleges, we are aware that the Government has commissioned a study by the British Council for National Academic Awards of the extent to which courses at the colleges are comparable to those given by the Polytechnic. We therefore make no recommendation for registered post-secondary college qualification benchmarks pending the outcome of this study. In the interim, we suggest that the existing arrangements by which, in grades where there is provision for multiple entry points, diplomas from registered post-secondary colleges attract the same starting pay as Polytechnic Higher Diplomas, should continue.

### General

2.13 If our proposals are accepted, the educational qualification benchmark entry points will be as follows :

Form III	MPS 1
Form IV	MPS 2
School Certificate	MPS 5
Matriculation	MPS 14
Polytechnic Diploma	MPS 14
Polytechnic Higher Diploma	MPS 17
Degree	MPS 20
Professional	MPS 31

The Master Pay Scale which gives the current value of these points is set out in the Table at the end of this Chapter.

2.14 Since there still appears to be some misunderstanding of the purpose of educational qualification benchmarks, we would take the opportunity to reiterate that benchmark entry points are used as a basic factor in determining the starting pay of civil service grades for which the qualification to which they relate is the minimum qualification required for appointment to the grade concerned. Except in those few cases where we have provided for multiple entry points, for example in the disciplined services, the starting pay thus arrived at is then applicable to all persons appointed to the grade despite the fact that some of them may hold qualifications higher than the stipulated minimum. In other words educational qualification benchmarks are used to determine the rate for the job and not the rate for the individual.

TABLE A

MASTER PAY SCALE

<u>Qualification</u>	<u>Point</u>	<u>\$</u>	
	51	20685	
	50	19865	
	49	19045	
	48	18225	
	47	17405	
	46	16655	
	45	15905	
	44	15280	
	43	14655	
	42	14030	
	41	13405	
	40	12780	
	39	12155	
	38	11530	
	37	10905	
	36	10430	
	35	9955	
	34	9480	
	33	9080	
	32	8680	
Professional	(31)	8285	
	30	7890	
	29	7520	
	28	7205	
	27	6890	
	26	6575	
	25	6260	
	24	5945	
	23	5630	
	22	5350	
	21	5110	
Degree	(20)	4870	
	19	4635	
	18	4400	
Polytechnic Higher Diploma	(17)	4165	
	16	3930	
Polytechnic Diploma	}	15	3695
Matriculation		(14)	3460
	13	3230	
	12	3000	
	11	2770	
	10	2605	
	9	2450	
	8	2295	
	7	2140	
	6	2020	
School Certificate	(5)	1910	
	4	1830	
	3	1755	
Form IV	(2)	1680	
Form III	(1)	1605	

Note : Principal qualification benchmark points are shown in brackets.