

CHAPTER 5

CIVIL SERVICE - THE OVERALL PICTURE

5.1. Job Evaluation Results

5.1.1. The job evaluation results for the jobs we examined in the Civil Service are as follows:

<u>Pay Band</u>	<u>Pay Scale</u>	<u>Evaluation Range</u>	<u>Median</u>	<u>Average</u>
U/U MPS (including Disciplined Services)	48 - 51	551 - 702	634	641
U MPS (including Disciplined Services)	38 - 47	247 - 571	466	428
M MPS (including Disciplined Services)	14 - 37	125 - 396	208	207
L MPS	1 - 13	73 - 132	104	109
Model Scale 1	-	65 - 178	112	104

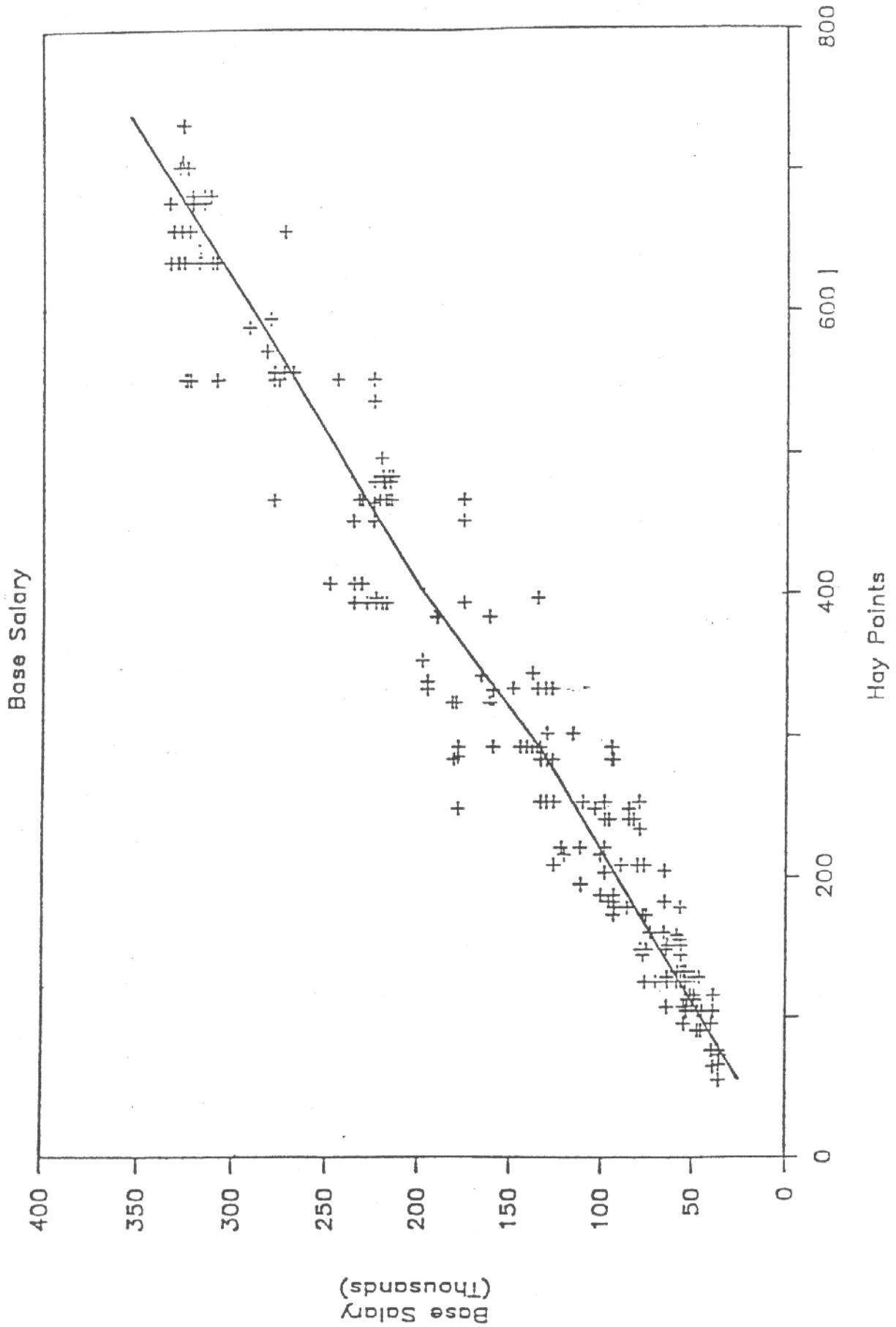
5.1.2. The method of job evaluation used in the Survey was intended to compare the range of job sizes within each of these 5 Pay Bands with the private sector sample - the essential purpose of job evaluation within any Pay Level Survey. The method was not designed to compare individual jobs or ranks within or between these Pay Bands and the evaluation results have no direct bearing on any questions of internal relativity.

5.1.3. Annex G lists the ranks of the job holders we interviewed in each of these Pay Bands.

5.1.4. The Civil Service sample of 141 ranks chosen for the survey represents approximately 15% of the total ranks in the Civil Service at the Non-Directorate level. Furthermore these ranks cover 137,165 officers or approximately 80% of all staff at the Non Directorate level. All salary calculations were based on the average salaries of all officers in each of the selected ranks.

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CIVIL SERVICE BASE SALARY SCATTERGRAM



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5.1.5. To construct the practice lines for the Civil Service jobs we plotted the individual evaluations against the appropriate average Base Salary and Total Compensation figures. The Chart facing shows the resultant scattergram for Base Salary for all Non Directorate jobs and the practice lines statistically representing the best relationship between job size and salary.

## 5.2 Salary & Benefits Practices

5.2.1. The following two charts show the Civil Service Practice Lines for Base Salary (Chart 4) compared to the total market picture and the Total Compensation (Chart 5).

5.2.2. Chart 5 shows two Civil Service Practice Lines for Total Compensation because the Standing Commission advised that two sets of calculation were to be carried out in the evaluation of the housing benefits for Civil Servants in accordance with the Acting Governor's letter of the 14 August 1986:

### \* Maximum Notional Utilisation

MPS 48 - 51 all officers assumed to occupy non departmental quarters and the value of quarters to be arrived at having regard to the occupation pattern of various grades of quarters;

MPS 38 - 47 all officers assumed to receive home purchase allowance;

MPS 1 - 13 & 14 - 37 all housing benefits to be excluded from the calculation of total compensation.

Model Scale 1 staff are not entitled to housing benefits; and

### \* Actual Utilisation Pattern

MPS 38 - 47 & 48 - 51 the valuation of housing benefits to be carried out having regard for the actual utilisation pattern of each of the various benefits available to officers. However each of the benefits to be valued at the maximum notional value.

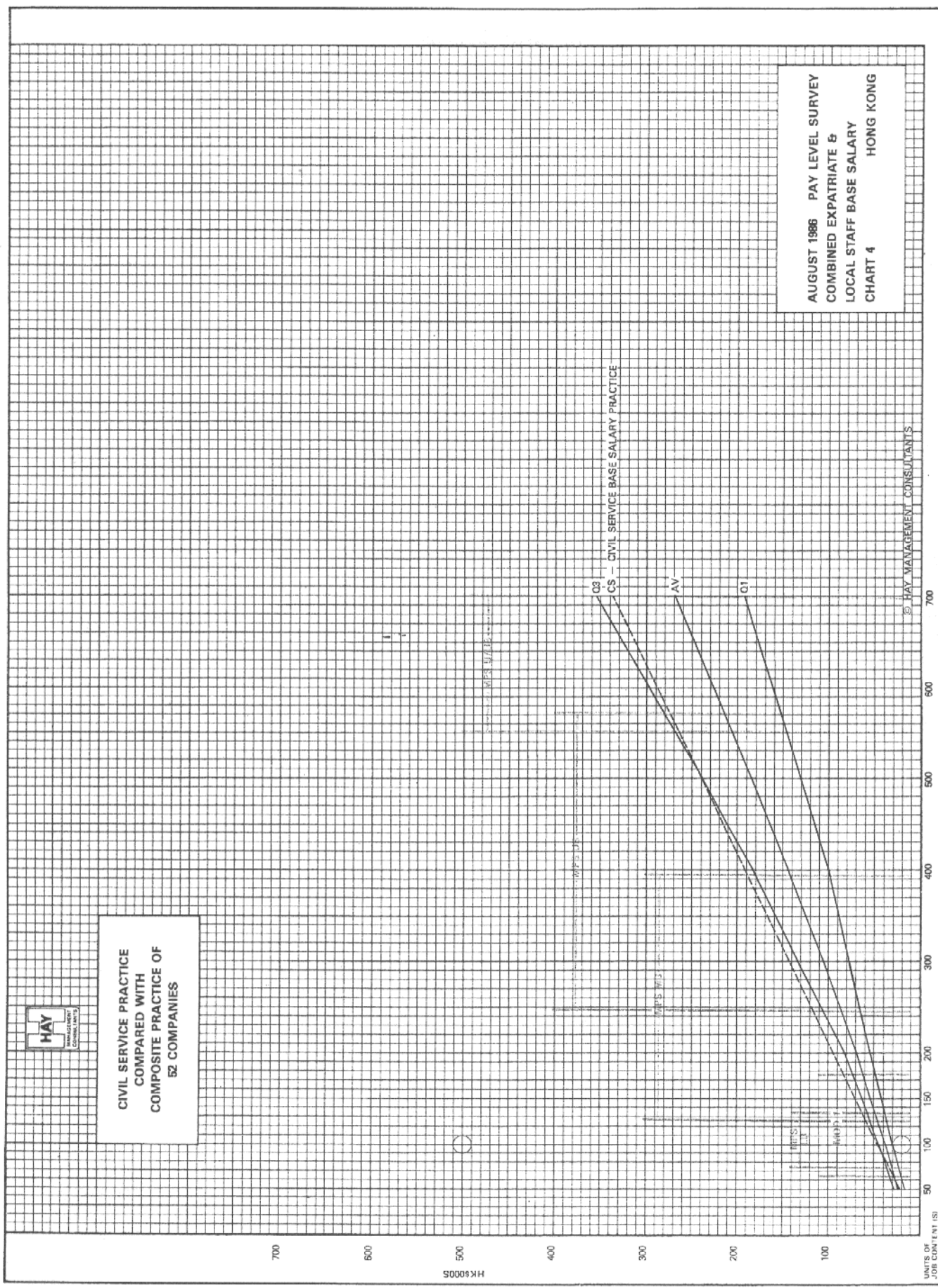
5.2.3. The line CS1 represents the evaluation of total compensation using the maximum utilisation methodology and line CS2 actual utilisation pattern. These are discussed in Chapters 6 and 7 in greater detail.

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AUGUST 1986 PAY LEVEL SURVEY  
 COMBINED EXPATRIATE &  
 LOCAL STAFF BASE SALARY  
 CHART 4  
 HONG KONG

CIVIL SERVICE PRACTICE  
 COMPARED WITH  
 COMPOSITE PRACTICE OF  
 52 COMPANIES



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Grade	50	100	150	200	250	300	350	400	450	500	550	600	650	700
O3	29.11	44.93	62.36	81.32	100.09	130.38	152.06	182.06	239.67	297.27	354.89	381.16	398.16	400.03
O1	17.11	30.46	41.87	53.42	67.83	77.83	100.09	144.03	186.71	227.38	269.06	289.19	297.27	297.27
AV	24.29	37.88	53.87	69.34	86.69	106.69	144.03	197.25	243.72	290.19	338.66	354.89	362.14	362.14
CS	22.79	46.88	68.88	92.07	118.25	138.25	157.25	197.25	243.72	290.19	338.66	354.89	362.14	362.14

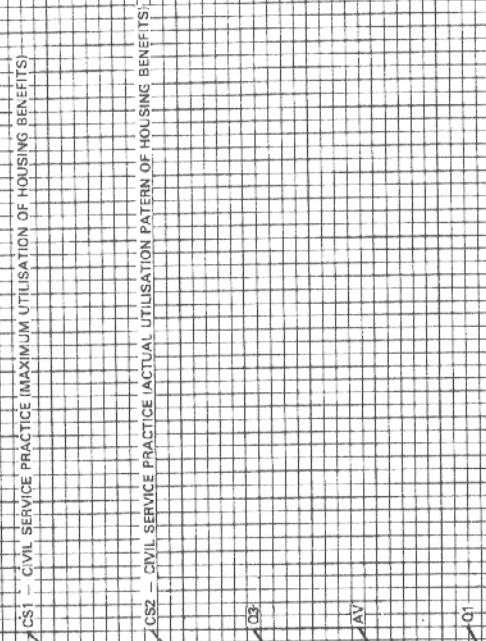


CIVIL SERVICE PRACTICE  
COMPARED WITH  
COMPOSITE PRACTICE OF  
52 COMPANIES

AUGUST 1986 PAY LEVEL SURVEY  
LOCAL STAFF  
TOTAL COMPENSATION  
CHART 5  
HONG KONG

700  
600  
500  
400  
300  
200  
100  
50

HK\$000'S



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50 100 150 200 300 400 500 600 700

Job Grade	O3	O1	AV	CS1	CS2
50	39.93	27.16	32.73	-	-
100	58.72	38.05	48.15	52.72	52.72
150	82.21	50.04	68.54	82.65	82.65
200	106.07	63.20	90.16	112.59	112.59
300	176.34	91.70	146.60	172.46	172.46
400	240.43	128.55	194.57	284.56	280.17
500	308.18	178.66	244.96	396.66	347.67
600	374.92	228.79	303.25	508.76	435.56
700	446.67	280.90	361.54	620.86	523.29

### 5.3. Chart Analysis

5.3.1. We have analysed the charts at the points where the differences between the average practice in the Civil Service and private sector are greatest and where they are smallest. In the analysis we refer to the Upper Decile although this is not shown on the charts for confidentiality reasons. In this context the Upper Decile is the line that divides the top 10% of the population from the remainder. In simple terms it represents the boundary between the top 5 companies and the other 47.

### 5.3.2. Base Salary

- (a) At 75 Hay points the Civil Service practice approximates the Average for the private sector. However it rises more rapidly with increasing job size than does the private sector and at 100 Hay points it approximates the Upper Quartile and is 22% below the Upper Decile and HK\$8,000 or 21% above Average.
- (b) The maximum gap is at 400 Hay points where the Civil Service practice is approximately HK\$15,000 per annum or 8% higher than the Upper Quartile for the private sector and approximately HK\$53,000 per annum or 36% above the average of the private sector. At this point the Civil Service practice is approximately 5% below the Upper Decile.
- (c) From 400 Hay points the Civil Service practice rises less rapidly with increasing job size than does the private sector practice. At 500 Hay points the Civil Service practice approximates the Upper Quartile for the private sector, is HK\$58,000 or 31% above the Average and 9% below the Upper Decile.
- (d) At 700 Hay points the Civil Service practice is approximately HK\$18,000 per annum or 5% below the Upper Quartile, approximately HK\$67,000 per annum or 25% above Average, and is approximately 15% below the Upper Decile.

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5.3.3. Total Compensation - Maximum Notional Utilisation of Housing Benefits

- (a) The practice line based on the maximum notional utilisation of Housing Benefits is marked as CS1. At 75 Hay points the Civil Service practice lies mid way between Average and Upper Quartile. From 100 to 300 Hay points it approximates the Upper Quartile, is approximately 25% above the Average and 11% below the Upper Decile.
- (b) Above 300 Hay points the Civil Service practice line rises very steeply compared with the private sector practice because of the high valuation of Civil Service Fringe Benefits, particularly housing benefits for the Upper and Upper/Upper MPS pay bands.
- (c) At 400 Hay points the practice line crosses the Upper Decile and at this point it is approximately HK\$90,000 or 46% above Average and is HK\$44,000 or 18% above the Upper Quartile.
- (d) At 700 Hay points the Civil Service practice is HK\$175,000 or 39% above the Upper Quartile, 18% above the Upper Decile and HK\$259,000 or 72% above Average.

5.3.4. Total Compensation Actual Utilisation Pattern of Housing Benefits

- (a) The practice line based upon the valuation of housing benefits taking account of the actual utilisation pattern is marked at CS2. Because Housing Benefits have not been taken into account in the valuation of Fringe Benefits for the Lower and Middle MPS pay bands the CS2 line is the same as CS1 up to 300 Hay points.
- (b) Above 300 Hay points the practice line rises steeply compared to the private sector practice but less steeply than CS1. At 700 Hay points it approximates the Upper Decile and is approximately HK\$78,000 or 18% above the Upper Quartile, and HK\$162,000 or 45% above Average.

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