

Appendix I

10 May 1994

The Right Honourable Christopher Patten  
Governor of Hong Kong  
Government House  
Hong Kong

Dear Sir,

**Human Resource Management Review**  
**Proposals on Recruitment**

We have been invited by the Administration to advise, under clause 1(a) of our Terms of Reference, on proposals to give heads of department and heads of grade the authority to lower entry qualifications and grant incremental credit for experience in staff recruitment.

**BACKGROUND**

2. In January 1994, the Administration briefed us on its Human Resource Management Review which aimed at developing a more dynamic management environment and more effective personnel policies. We were informed that our advice would be sought when firm proposals arising from the Review were formulated.

3. The Administration has since formulated two proposals on recruitment. These proposals are designed to give heads of department (HoD) and heads of grade (HoG) the authority to lower entry qualifications and grant incremental credit for experience. The flexibility provided under these proposals is to enable HoDs and HoGs to overcome short-term recruitment difficulties, speed up the recruitment process and attract staff with relevant experience.

**THE ADMINISTRATION'S PROPOSALS**

**Lowering of entry qualifications**

4. Currently the recruitment rank entry salary of a grade is based on an academic qualification benchmark which takes into account educational qualification, job weight, job factors and traditional relativities with other grades in the same qualification group. For example, the qualification benchmark salary for a degree grade is MPS 16. This means that candidates recruited to grades which require a degree qualification would enter at MPS 16. Qualifications above the minimum does not attract a higher salary upon entry. In recent years, the expansion of tertiary education and the introduction of a range of higher and professional diploma courses have seen the emergence of an increasing number of graduates who are not "degree" holders in the traditional sense but whose academic training may be more pertinent to a particular job than that of a general degree holder. Under the present arrangements, these graduates are not eligible to apply for civil service jobs which require, say, a degree qualification.
  
5. The Administration proposes that HoDs and HoGs be permitted to recruit staff with lower academic entry qualifications to widen the field of candidates and to overcome recruitment difficulties. Under the Administration's proposal, candidates selected for appointment should possess qualifications not far from the norm stipulated for appointment (e.g. matriculation or diploma in the case of degree grades). The entry salaries for these candidates will be determined on the basis of the entry benchmark for the qualification possessed by these candidates, reflecting any job factors which justify an entry salary above the minimum qualification benchmark. Candidates with marginally lower academic qualification but with additional work experience could enter at the normal starting pay point. The Administration has informed us that it does not intend to prescribe the limit to which qualification may be lowered, and will leave it to the HoDs and HoGs to decide each case on its merits. HoDs and HoGs are expected to exercise their discretion judiciously and be directly accountable for their decisions.
  
6. The Administration has also advised us that the new arrangement described above will be extended to those grades which are currently provided with "sub-entry" points. At present, in some six grades, candidates with qualifications below the normal requirement may be appointed to these grades at a salary point which is below the normal entry point but not pegged to the benchmark qualification salary. The Administration intends to regularise the situation.

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**Incremental credit for experience**

7. Incremental credit for experience (ICE) is at present granted only to new appointees with relevant previous experience where a rank is faced with serious recruitment difficulties or where for operational reasons there is a specific need to recruit staff whose relevant experience is particularly valuable. All such cases must be approved by the Public Service Commission (PSC) and/or Civil Service Branch (CSB) and reviewed in conjunction with CSB every 18 months or at the next recruitment exercise, whichever is the later. Once approved, all serving officers who have joined with previous working experience automatically receive increments on the same basis.

8. The Administration proposes that in future, HoDs and HoGs may grant incremental credit for experience without referral to PSC or CSB, provided that HoDs and HoGs are satisfied that the grade concerned has faced genuine recruitment and retention difficulties. Under the Administration's proposal, incremental credit for experience should not exceed one increment for each year of experience, but the actual scale of provision is to be decided by the HoDs and HoGs. Serving officers in the same rank with the same relevant experience should be granted the same increment as new recruits only if there is a serious retention problem in the rank. HoDs and HoGs are expected to liaise with each other in considering the award of incremental credit for experience to avoid undue competition for the same candidates.

9. The Administration proposes that the need to continue awarding incremental credit for experience should be reviewed every 18 months or before each recruitment exercise, whichever is the later. HoDs and HoGs will carry out the review without CSB involvement, having regard to factors such as results of recruitment exercises, vacancies, wastage and experience levels in the grade for the last three years. HoDs and HoGs are required to submit an annual return to CSB indicating, among other things, the reasons for granting the increment, so that CSB may exercise a monitoring role.

**Departmental consultation**

10. The Administration has advised us that the proposals are generally welcomed by departments although not many departments see the need to resort to their use at this point. While some departments are concerned about possible inconsistencies in the entry requirements and dilution of quality as a result of lowering the entry qualifications, the Administration considers that HoDs and HoGs themselves should decide when and how to exercise the flexibility to avoid such risks.

**COMMISSION'S VIEWS AND RECOMMENDATIONS**

**Lowering of entry qualifications**

11. We examined this subject in the 1989 Salary Structure Review and concluded that the practice of lowering entry qualifications should be retained but should be regarded as an exception, not an alternative, to entry at the stipulated qualifications. Furthermore, a candidate with a lower qualification should enter at an appropriate salary point below the normal entry point.

12. We support the Administration's proposal in principle as it is consistent with our conclusion referred to above. We also agree with the Administration that the current sub-entry points arrangement for certain grades should be rationalised to bring them in line with the current proposal. We are, however, concerned about the inadequate guidance given to HoDs and HoGs on the limit to which qualification may be lowered and the possible dilution of the quality of staff leading to subsequent succession problems in the grade. Additionally, we are concerned about the connotations of the term "lowering of entry qualification". We are of the opinion that in some professions, a candidate with an acceptable alternative qualification may be equally competent to carry out the job as another possessing the principal entry qualification. We consider, therefore, an alternative qualification should be regarded as such and not as a lower one.

13. The Administration has assured us that it will address our concerns in drawing up detailed proposals for the scheme and that HoDs and HoGs would implement the scheme sparingly and with care. The Administration has further assured us that candidates with alternative qualifications which are considered equivalent to the principal entry qualification could enter at the normal entry point.

**Incremental credit for experience**

14. We first examined this policy in the 1989 Salary Structure Review and recommended that incremental credit for experience should not be granted indiscriminately but should be granted to new recruits only to meet specific service needs. We support the current proposal as it may alleviate recruitment and retention problems experienced by some grades.

15. In delegating the authority to HoDs and HoGs, the Administration will lay down guidelines to stipulate that incremental credit for experience should not be awarded indiscriminately and should be considered only if there is a strong

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service need. HoDs and HoGs will be required to submit annual reports to CSB on the implementation of this arrangement and carry out periodic reviews on the continued need for granting incremental credit for experience. Since HoDs and HoGs are in a better position to assess their own service needs and the proposed delegation of authority will reduce recruitment time considerably, we support the Administration's proposal on incremental credit for experience. This said, we consider that indiscriminate application of the delegated authority could lead to problems in the future over the benchmark qualification pay principles recommended by the Commission and currently adopted by the Administration. We therefore recommend that the Administration should put in place a system of checks and balances to ensure the new arrangements are properly implemented. We further recommend that the Administration should conduct an overall review of the new arrangements in two years to see whether they meet the intended objectives and whether any fine-tuning is necessary.

**CONCLUSION**

16. In conclusion, we support the Administration's proposals to give heads of departments and heads of grades the authority to lower entry qualifications and grant incremental credit for experience in staff recruitment. We recommend that the Administration should exercise adequate checks and balances on the new arrangements and that a review should be conducted in two years to see whether the new arrangements meet the intended objectives and whether any fine-tuning is necessary.

Yours sincerely,

(Sidney Gordon)

Chairman

For and on behalf of

Members of the Standing Commission