

## CHAPTER 3

### PAY COMPARISON SURVEY

3.1 The objective of the pay comparison survey was to collect data on the entry pay level of jobs in the private sector which were comparable to those in the civil service for similar qualifications. However, the pay comparison survey did not collect data for two QGs, namely, the Education Grades and Other Grades because of their unique job nature and/or their disparate entry requirements.

3.2 In late December 1998, formal invitation letters were sent to companies which had given their consent in principle to take part in the pay comparison survey. Eventually, 133 companies, including 63 which were also involved in the 1998/99 Pay Trend Survey, agreed to take part. Details are at Appendix V.

3.3 At the completion of discussions with staff and private sector organisations and following formal endorsement of the survey methodology by the Commission, the Pay Survey and Research Unit proceeded with the survey in early January 1999 as scheduled.

#### Survey Field

3.4 Out of these 133 companies, 47 are small companies with between 100 to 499 employees; 51 medium sized companies with between 500 to 1,499 employees; and the remaining 35 are large companies with 1,500 or more employees. The breakdown of these companies by economic sectors is as follows –

<b>Economic Sector</b>	<b>No. of Company</b>
Wholesale, Retail, Import/Export	26
Hotels and Restaurants	6
<b>Economic Sector</b>	<b>No. of Company</b>
Manufacturing	30
Financing, Insurance, Real Estate and Business	21

Services	
Transport, Storage, Communication and Utility	27
Construction	13
Community, Social and Personal Services	10

### **Selection of Private Sector Jobs**

3.5 The survey covered the period from 2 April 1998 to 1 April 1999. All reported jobs at entry level in each of these companies were examined. However, only those jobs which required similar educational qualifications for appointment as the civil service jobs and with main functions similar to those performed at the civil service entry ranks were selected. In addition, they must be full-time jobs with salary determined based on factors and considerations applying to Hong Kong only. Jobs offering “total compensation” packages where the monetized fringe benefits could not be segregated from the salary component were excluded. Jobs requiring more than 5 years of working experience were also excluded, because they would more appropriately be regarded as mid-career appointments rather than entry-level jobs covered by the Review.

### **Salary Data**

3.6 The following salary data in respect of each job selected for the survey were collected –

- (a) monthly salary (which included the actual salary paid to a newly recruited staff or where the job remained vacant at the time of the survey, the reported salary that companies claimed they would offer);
- (b) bonus payment (whether contractual or otherwise); and
- (c) cash allowances (of the non-job related/non-accountable type).

Data on fringe benefits and conditions of service attached to individual jobs were not collected.

## Data Collection and Analysis

3.7 Collection of data commenced on 2 January 1999 and ended on 6 May 1999. A total of 4,945 valid job samples were collected.

3.8 To ensure that the eventual results would be reliable and fit for comparison, valid job samples collected with respect to the 14 QGs would only be admitted for further analysis if they met the following two vetting guidelines as stipulated in the survey methodology –

- (a) they should cover about 75% of the job families identified from the civil service entry ranks in the same QG. This would ensure that the survey results would not be unduly influenced by private sector jobs belonging to a limited number of job families; and
- (b) the number of companies covered in any individual QG should comprise about 20% of all companies surveyed. This would ensure that the number of companies from which data were collected would not be too small for the survey results to be representative.

3.9 Salary data for four QGs (i.e. QGs 4, 6, 11 and 12) failed to satisfy the vetting guidelines in paragraph 3.8 and could not be admitted for further analysis. Only data in respect of ten QGs (i.e. QGs 1, 2, 3, 5, 7, 8, 9, 10, 13 and 14) were given further analysis. A breakdown of the job samples collected with respect to the 14 individual QGs is as follows –

Qualification Group	No. of valid job samples	Companies covered		Job* families covered	
		No.	%	No.	%
QG1: <u>Grades not requiring a full School Certificate</u> – Form 5 or below	225	86	65%	10	83%
QG2: <u>School Certificate Grades</u> – <u>Group I: Full School Cert.</u> (Grade E or above in 5 subjects)	1,523	128	96%	11	100%

Qualification Group	No. of valid job samples	Companies covered		Job* families covered	
		No.	%	No.	%
QG3: <u>School Certificate Grades</u> – Group II: Full School Cert. plus considerable experience	414	71	53%	5	100%
QG4: <u>Higher Diploma, Diploma and Related Grades</u> – Group I: Higher Diploma	15	5	4%	2	100%
QG5: <u>Higher Diploma, Diploma and Related Grades</u> – Group II: Diploma	366	91	68%	8	100%
QG6: <u>Higher Diploma, Diploma and Related Grades</u> – Group III: Form IV plus two years' training or School Certificate plus one year's training	5	5	4%	2	100%
QG7: <u>Technical Inspectorate and Related Grades</u> – Higher Certificate plus experience	118	55	41%	3	100%
QG8: <u>Technician, Supervisory and Related Grades</u> – Group I: Certificate or apprenticeship plus experience	282	67	50%	7	100%
QG9: <u>Technician, Supervisory and Related Grades</u> – Group II: Craft & skill plus experience, or apprenticeship plus experience	249	76	57%	6	100%
QG10: <u>Matriculation Grades</u> – Pass in two Advanced Level subjects and Grade C or above in three School Cert. subjects	93	44	33%	5	83%

Qualification Group	No. of valid job samples	Companies covered		Job* families covered	
		No.	%	No.	%
QG11: <i>Professional and Related Grades – Group I: Membership of a professional institution or equivalent</i>	35	21	16%	4	67%
QG12: <i>Professional and Related Grades – Group II: Honours Degree</i>	7	4	3%	3	43%
QG13: <i>Degree and Related Grades – Degree</i>	1,379	118	89%	11	100%
QG14: <i>Model Scale 1 Grades – Strong physique and can read Chinese</i>	234	80	60%	2	100%

\* (For a full list of relevant job families identified in individual QGs, please refer to Annex III of the Survey Methodology at Appendix III.)

3.10 As mentioned in paragraph 3.5, the salary data collected covered entry-level jobs with experience requirements ranging from zero up to 5 years. Taking into consideration that the civil service jobs in QGs 1, 2, 5, 10, 13 and 14 do not stipulate any experience requirements, only those job samples not requiring working experience in these 6 QGs were analysed. For those civil service jobs in QGs requiring working experience (i.e. QGs 3, 7, 8, 9), all job samples collected were analysed.

## Survey Findings

3.11 The survey findings with respect to the 10 QGs with sufficient data broken down by the first quartile, the median and the third quartile level are summarised in the following table –

Qualification Group	Survey Findings		
	First Quartile (\$)	Median (\$)	Third Quartile (\$)
QG1	6,690	7,448	8,092.5
QG2	7,583	8,396	9,208
QG3	9,317	10,460	12,902
QG5	8,992	10,075	11,917
QG7	10,292	12,533.5	16,250
QG8	9,013	10,682	11,994
QG9	8,683.5	9,752	11,191.5
QG10	7,800	9,219	10,292
QG13	11,083	13,000	15,920
QG14	6,600	7,681.5	8,561

---- Data graphs containing more detailed survey findings with respect to the above 10 QGs are presented at Appendices VI – XV.