

## CHAPTER 6

### ISSUES FOR FURTHER EXAMINATION

6.1 We have identified the following key issues emerging from the current Review which we think are worthy of further examination –

(A) **Structural issues**

For the past two decades, the civil service has been built on the basis of the Educational Qualification Grouping system with established internal relativities between and within the QGs. This system has served to minimise invidious comparisons amongst civil service grades and contributed to maintaining the harmony and stability of the civil service as a whole. To ensure the continued stability of the civil service, there is a need to –

- (i) review the present number of QGs with a view to simplifying the grouping by doing away with those that consistently have no comparisons with the private sector in both the 1989 and the current Reviews (e.g. QGs 4, 6 and 12). This is important given the objective is to ensure continuing broad comparability in starting salaries between the civil service and the private sector;
- (ii) as we have explained in paragraph 4.3 in Chapter 4, the lack of sufficient survey data in some QGs has resulted in the Benchmarks for these QGs being determined by reference to their established relativities with other QGs where data are available. This approach was used in 1989 and is still considered pragmatic for the purpose of the current Review. Whether this approach should be used in future reviews will hinge on whether such relativities will continue to be considered valid. Revisiting the rationale

and justifications for the established internal relativities between the QGs should, therefore, be considered an integral part of any future major review of civil service pay; and

- (iii) given that there may continue to be concerns about the salary levels of the civil service above the entry level, consideration should be given to whether and how the question of comparability between salaries for the civil service and the private sector above the entry level may be appraised. We are aware of the complexities and controversies involved.

**(B) Grade issues**

a review of the special job factors considered in 1989 which, together with other factors, justified starting salaries for certain grades to be pitched above the Benchmark. The priority should be to revalue the “recruitment and retention difficulties” factor which seems inappropriate in the present economic environment.

**(C) Private sector pay level**

a re-examination as to whether third quartile level private sector pay data should continue to be used as a reference in setting civil service Benchmarks and starting salaries in the future, having regard to concerns about their being on the high side and their possible inflationary effect on civil service pay as a whole. We are also aware of the need to attract people of a suitable calibre to join the civil service. The implications of any change have to be carefully considered.

6.2 Some of the above issues are more immediate i.e. a review of the QGs to ensure that sufficient data would be obtained for all the QGs in the next updating exercise in the latter half of 2000 and a revaluation of the

“recruitment and retention difficulties” factor. The others are more long-term and may involve a lengthy review process involving individual grades and extensive consultation. Rather than suggesting any concrete time-table, we think that it would be best for the Government to work out how and when these long-term issues should be taken forward and how these may interplay with the proposals in the Civil Service Reform Consultation Document.