

3.43 Responding to the Staff Side's comment that the Hay method of evaluating job content was not applicable to civil service jobs, they said that the Hay method was easy to apply and was effective in assessing job content. However, Hay had recognized that civil service jobs were more complex and had brought in three consultants from the United Kingdom with extensive experience of the public sector to work on the project. Hay believed that they had obtained a result as close to the truth as possible. Even if they had been given more time to conduct the survey, they doubted very much if the results would have been different. The only difference was perhaps in perception : Hay might not then have been seen as having done a rushed job by the Staff Side.

3.44 Regarding the valuation of benefits, Hay said that with the benefit of hindsight, it would have been useful to have produced an extra comparison which excluded housing benefits from the package. This was because civil service housing practice resembled closely the practice in the private sector for expatriates and the provision for local officers was the result of a policy decision to equate their terms and conditions with those of expatriate staff. On the application of maximum notional value, Hay

considered that the method was probably the best possible. However, it was recognized that if there was a difference in the level of benefits enjoyed by the two sectors under comparison, the application of maximum notional value would inflate the difference.

Closing Submission by the Staff Side
of the Senior Civil Service Council

3.45 In their closing submission the Staff Side elaborated on and added to the points made in their earlier evidence. As regards the 1986 Pay Level Survey they restated their view that its findings were invalid and outdated and that no action should be taken to implement them. They also drew attention to the evidence given by Hay Management Consultants to the effect that they did not consider it appropriate to use the findings to determine the pay of civil service grades. For the future the Staff Side considered that :-

- (a) pay level surveys should be based on job-for-job comparisons. The pay level of civil service jobs which had no comparators in the private sector should be established by reference to internal relativities;

- (b) special features relating to the nature of work in the civil service, together with factors such as the experience level and the extent to which civil servants were "locked-in" to their jobs should be taken fully into account;
- (c) the valuation of fringe benefits should be based on actual values derived from actual utilization;
- (d) agreement on the principles and methodology governing pay level surveys, including the selection of consultants to carry them out, should be obtained from the Staff Side prior to conducting the survey. In addition, staff associations representing individual grades should be consulted regarding the selection of jobs for outside comparison;
- (e) the Staff Side should participate fully during the whole survey

process; and,

- (f) pay level surveys should be conducted as frequently as necessary, but not hastily.

3.46 As regards pay trend surveys the Staff Side reiterated their view that if it was decided to use gross pay trend indicators there should be no discounting for civil service in-scale increments. They also suggested that parties represented on the Pay Trend Survey Committee should be given a power of veto which would enable doubtful data arising from the survey to be excluded from the calculation of the pay trend indicators.

3.47 The Staff Side considered that pay trend surveys should continue to be conducted every year, including the years in which pay level surveys were carried out.

3.48 Finally, the Staff Side repeated their view that the results of pay trend surveys and pay level surveys should not be used as the sole factor in pay determination. Other factors such as civil service pay policy, staff morale, budgetary considerations, together

with the political, social and economic situation in Hong Kong, should all be taken into account.