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Mr LEE Lap-sun Secretary General Joint Secretariat for the Advisory Bodies on Civil Service and Judicial Salaries and Conditions of Service Room 701, 7th Floor Tower Two, Lippo Centre 89 Queensway Hong Kong

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Review of Civil Service Pay Policy and System

I refer to the letter dated 25 April 2002 from the Chairman of the Task Force on Review of Civil Service Pay Policy and System inviting views on the consultation paper of their Phase I Study.

We have invited all staff of the Civil Service Training and Development Institute for their views on the consultation paper. The consultation paper was also discussed at our Departmental Consultative Committee meeting held on 30 May 2002. A summary of the views raised by staff is contained at Annex.

Director, Civil Service Training and Development Institute

Interim Report of the Task Force on Review of Civil Service Pay Policy and System Staff Views of Civil Service Training and Development Institute

Views collected from staff of Civil Service Training and Development Institute on the Interim Report of the Task Force on Review of Civil Service Pay Policy and System are summarized below.

(a) Is there merit for elements of performance pay to be incorporated into civil services salaries?

Staff Views

- The principle of performance-related pay in the civil service was generally supported.
- There are different views on how the performance pay should be implemented. However, the majority view is that implementation of performance pay should be progressive, with the application of the system to senior staff initially and to proceed to other levels of staff if the system proves to be working well.
- The setting of a fair and objective standard for measurement of performance and clear criteria for granting performance pay are essential to the successful implementation of performance pay.
- Some staff suggested that recommendations for performance pay for individual officers may be made by assessment panels. However, the suggestion is not agreed by all.
- (b) Should flexible pay ranges be introduced into the civil service to replace fixed pay scales?

Staff Views

 The introduction of flexible pay ranges to replace fixed pay scales should be applicable to both civilian grades and the disciplined services.

- Pay ranges should not be too wide in order for the system to be acceptable to staff. The pay range for senior staff can be slightly wider than that for middle and junior staff.
- (c) Should some or all of the current general/common grades staff be departmentalized to facilitate department-based management?

Staff Views

- There is no strong objection to departmentalization of general/common grades staff if there were counter measures to eradicate any problems (e.g. restriction of promotion prospects, limitation of exposure to different jobs, etc.) that might arise from departmentalization.
- (d) Is there scope to amalgamate existing grades within broader occupational categories?

Staff Views

- There are no strong views on amalgamation of grades, whilst recognizing that simplification/amalgamation of grades will be a definite development/trend in the future.
- Concrete comments can only be made if there are more definite proposals on amalgamation of grades.
- (e) Should Government's affordability to pay be an over-riding consideration in pay adjustments?

Staff Views

• Generally accepted that Government's affordability to pay is a factor for consideration in pay adjustments. Some staff suggested that when implementing this, the spirit of "contract" should be a consideration at the forefront to ensure that all decisions are legally acceptable within the boundaries of contract law. (f) Should there be a clean wage policy?

Staff Views

Generally supported a clean wage policy with allowance, housing and medical benefits, etc., amalgamated into a take-home pay.