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FIRE SERVICES HEADQUARTERS,
FIRE SERVICES HEADQUARTERS BUILDING,
NO. 1 HONG CHONG ROAD,
TSIM SHA TSUI, KOWLOON,
HONG KONG.

本處檔號 OUR REF(50) in L/M (8) in FSD 100/100/88C Pt. 3

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28 June 2002

Mr. YEUNG Ka-sing, JP
Chairman
Task Force on Review of
Civil Service Pay Policy and System

Y. K. S.,

**Task Force on Review of
Civil Service Pay Policy and System**

Thank you for your letter dated 25 April 2002. I am pleased to inform you that a thorough consultation has been conducted in the Department. Views from the departmental management and the staff side on the Task Force's Interim Report have been sought.

You may wish to note that following the announcement of the review of the pay policy and system for the civil service by the Secretary for the Civil Service, the Department set up a working group in last December to serve as the departmental resource group and co-ordinator in responding to all matters arising from the Review.

Consultation

Upon receipt of the Interim Report and the consultation documents, the Department immediately embarked on the consultation through the established staff consultation channels, namely, the Fire Services Departmental Consultative Committee (FSDCC), the Fire Services Department Civilian Staff Consultative Committee (FSDCSCC) and the Staff Relations Units (SRUs) at Command and Division levels. Furthermore, views of all Senior Commanders (Chief Fire Officers/Chief Ambulance Officer) and the aforesaid FSD Working Group were sought.

During the consultation period, special meetings of DCCs were convened and members were briefed on the background of the setting up of the Task Force and the Review. The respective SRUs then held meetings with their Service members and conducted a questionnaire survey to solicit members' views on the 28 questions. The civilian staff also had discussions on the subject. Specially designed questionnaires on the issue of departmentalization of general/common grades staff were distributed and completed by members of the general/common grades in the Department. Samples of these two questionnaires are attached at Appendices I & II.

Views gathered from Departmental Management and Staff Side have now been collated/consolidated and are attached at Appendix III and IV respectively. The original submissions received from staff unions/associations (5) and individual staff members (2) are at Appendix V(a) – (e) and Appendix VI(a) & (b) respectively.

Highlight of Views from Management Side and Staff Side

The views of the Management Side and the Staff Side on the five specific areas of study are highlighted below –

Pay Policies, Pay System and Pay Structure

The FSD Management and Staff Sides do not support a major overhaul of the civil service pay policy and system. Both sides also consider that the disciplined services' pay should be treated differently from the rest of the civil service by virtue of the unique job nature of the disciplined services. On the other hand, the Management Side consider that regular pay level, pay structure and pay trend

surveys should continue to be conducted to ensure that civil service pay remains comparable with the private sector but the Staff Side's views are more diverse. Only 45% of the staff share the view of the Management Side on this issue.

Replacing Fixed Pay Scales with Pay Ranges

Basically, both the Management and the Staff Sides do not support the introduction of flexible pay ranges and performance-pay to the disciplined services. However, the Management Side consider that flexible pay ranges may be applied to senior civil servants. The Staff Side's views on this issue are more diverse.

Pay Adjustment System and Mechanism

The Management and the Staff Sides are of the view that fiscal constraints should not be an over-riding factor in determining pay adjustments. As regards broad comparability with the private sector, the Management Side consider that the principle of broad comparability with the private sector should continue to be adhered to but the Staff Side opine that there is no private sector counterpart for fire services to compare with in terms of the unique job nature and requirements of the latter.

Introducing Performance-based Rewards

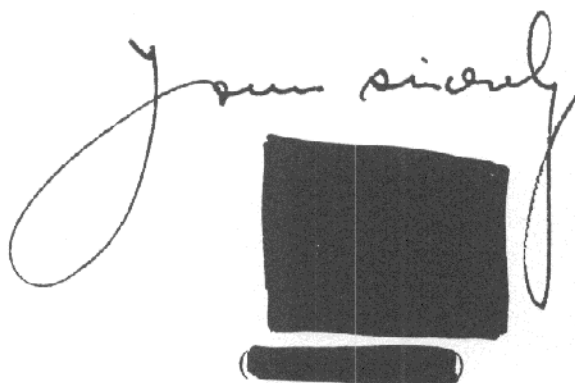
Both the Management Side and the Staff Sides do not support the introduction of performance-pay to FSD. While majority of the Staff Side do not support team-based and individual performance rewards, the Management Side have an open mind on the introduction of individual performance rewards, which could be non-fiscal rewards.

Simplification and Decentralization of Pay Administration

Both the Management and the Staff Sides are not in favour of decentralization of civil service pay administration to departments. The Management Side and the Staff Side have slightly different views on the issues of departmentalization of general/common grades, flatter organization and de-layering.

Should the Task Force decide to take forward the next stage of the Review, we would like to participate in the study and explain the specialities and uniqueness of the Department to the Task Force or your commissioned consultancy to facilitate your deliberation on the suitability of introducing the various pay initiatives in disciplined service.

With kind regards,

Yours sincerely,


Director of Fire Services

Encl.

c.c. Secretary for the Civil Service) Appendix I - IV
Secretary for Security)
Hong Kong Fire Services Department Staffs General Association
Hong Kong Fire Services Officers Association
Hong Kong Fire Services Department Ambulance Officers Association
H.K. Fire Services Department Ambulancemen's Union
Hong Kong Fire Services Control Staff's Union

**Views of Staff Side (SRUs)¹ of Fire Services Department on
Review of Civil Service Pay Policy & System (Phase I Study)**

I. Pay Policies, Pay System and Pay Structure

Issue	Views of Staff Side (SRUs)
<p><u>Question 19 (a)</u> Should there be a major overhaul of the civil service pay policy and system, should more emphasis be put on performance-pay, clean wage policy (i.e. paying “all cash” wages in lieu of allowances, housing and medical benefits, etc)?</p>	<ul style="list-style-type: none"> ■ About 85% of the staff consider that a major overhaul of a well-established civil service pay policy and system is not appropriate. ■ The performance-pay policy is not applicable to emergency forces as members of disciplinary forces cannot choose a busy or high risk bound posting to demonstrate their performance. ■ Performance-pay encourages members to work for short-term plan for a prompt feedback and immediate reward. ■ “All cash” wages would mislead the public that the civil servants are over-paid and it would affect the morale of the civil service
<p><u>Question 19 (b)</u> Should senior civil servants be subject to a pay policy which is different from that of the middle-ranking and junior ranks, placing more risk/award factors on the former?</p>	<ul style="list-style-type: none"> ■ About 60% of the staff opine that senior civil servants should not be subject to a pay policy which is different from the middle-ranking and junior staff. ■ All civil servants irrespective of their ranks should be subject to the same pay policy. ■ Promotion is reward, no need to have different pay policies for different ranks. ■ The difference in pay policy between senior and middle/junior ranking staff will lead to divisiveness between the staff ■ The risk/award factors in various ranking have already

¹ Staff Side’s views are mainly collected through the completion of questionnaire by members of SRUs. The SRU is a kind of consultative machinery in FSD. SRUs are set up at Command and Division levels and comprise members of ADO/SAO and below and Other Ranks. SRU provides a channel for members to express views on matters such as departmental consultative arrangements, salary scales, conditions of service, etc. For the purpose of staff consultation on pay review, a questionnaire survey was administered amongst Service members. A total of 8,553 questionnaires were distributed and 6,608 questionnaires were completed and returned with response rate of 71.2%. On the other hand, a specially designed questionnaire to solicit the views of general/common grades staff on “departmentalization” was distributed to 361 staff members for completion. 333 questionnaires were returned (response rate: 92.2%) with 323 staff indicating their overall view of departmentalization

	been taken into account by current pay policy.
<u>Question 19 (c)</u> Should the disciplined services' pay be treated differently from the rest of the civil service?	Over 80% of the staff consider that the disciplined services' pay should be treated differently from the rest of the civil service in view of the nature of work, risk to life, disciplinary restriction, etc.
<u>Question 19 (d)</u> Should we continue to conduct regular pay level, pay structure and pay trend surveys to ensure that civil service pay remains comparable with that of the private sector?	<ul style="list-style-type: none"> ■ Views are diverse. ■ Over 45% of the staff consider that the regular pay level, pay structure and pay trend surveys should continue to be conducted to maintain government's competitiveness in the human resource market. ■ Some 38% of the staff opine that there are no comparable jobs for the disciplined services in the private sector, comparability with the private sector is not applicable to the disciplined forces.
<u>Question 19 (e)</u> Or should Government's affordability to pay be an over-riding consideration in pay adjustments?	Nearly 75% of the staff consider that Government's affordability should not be an over-riding consideration in pay adjustments
<u>Question 19 (f)</u> What features of the existing pay policy and system should be retained to ensure stability and morale of the civil service?	Basically, staff consider that the existing salary and fringe benefits should be retained. In particular, the annual increments, annual pay adjustment mechanism and all allowances should be retained to ensure stability and morale of the civil service.

II. Replacing Fixed Pay Scales with Pay Ranges

Issue	Views of Staff Side (SRUs)
<u>Question 20 (a)</u> Would the introduction of flexible pay ranges bring benefits in term of better rewarding performance and enhancing a performance-oriented culture in	Over 70% of the staff consider that the introduction of flexible pay ranges would not bring benefits in the Hong Kong context. On the contrary, it may provoke flattery culture and arouse grievances among members. This will hamper the cohesiveness and morale of the disciplined forces.

the Hong Kong context?	
<p><u>Question 20 (b)</u> Would flexibility in pay progression lead to potential divisiveness among civil servants?</p>	<ul style="list-style-type: none"> ■ Over 75% of the staff opine that flexibility in pay progression would lead to potential divisiveness among civil servant, especially those of the same grade working in different departments. ■ In order to get higher pay, competition will be very keen and teamwork will no longer exist. It will affect the harmonious working relationship and hence the efficiency of the team will be sacrificed.
<p><u>Question 20 (c)</u> Should flexible pay ranges be applied to the entire civil service, or only to senior civil servants, who typically have heavier management responsibilities?</p>	<ul style="list-style-type: none"> ■ 45% of the staff consider that flexible pay ranges should not be applied to the entire civil service. ■ Some staff consider that it may be feasible for the top management level or senior civil servants with heavier management responsibilities.
<p><u>Question 20 (d)</u> Should flexible pay ranges apply both to civilian grades and the disciplined services?</p>	<ul style="list-style-type: none"> ■ Over 70% of the staff are of the view that flexible pay ranges should not be applied to both civilian grades and the disciplined services. ■ It is definitely not applicable to the disciplined services, FSD in particular, as FS members are working in teams and their performance could not be measured individually. ■ It will lead to divisiveness between civilian staff and disciplined staff
<p><u>Question 20 (e)</u> Would changes be required to the existing performance measurement and appraisal systems to support the introduction of flexible pay ranges?</p>	<p>Over 50% of the staff indicate that no change to the existing performance measurement and appraisal system is required as they do not support the introduction of flexible pay ranges.</p>
<p><u>Question 20 (f)</u> Would a performance management system directly</p>	<ul style="list-style-type: none"> ■ 70% of the staff consider that a performance management system directly linked to pay would not be the most effective way of nurturing a performance

linked to pay be the most effective way of nurturing a performance culture?	<p>culture.</p> <ul style="list-style-type: none"> ■ Some opine that a sound promotion system would be the most effective way of nurturing a performance culture.
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III. Pay Adjustment System and Mechanism

Issue	Views of Staff Side (SRUs)
<p><u>Question 21 (a)</u> Should the principle of broad comparability with the private sector continue to be adhered to?</p>	<ul style="list-style-type: none"> ■ Staff's views on this question tally with question 19 (d) above. ■ Nearly 43% of the staff consider that for most of the civil servants, the principle of broad comparability with the private sector should continue to be adhered to. ■ As the disciplined forces could not be compared with the private sector in terms of their unique job nature and requirements, certain adjustment would have to be made.
<p><u>Question 21 (b)</u> Is the existing pay adjustment system still regarded as fair by both civil servants and the public which they serve? Would another mechanism serve this purpose just as well, or better?</p>	<ul style="list-style-type: none"> ■ Views are diverse. ■ While 38% of the staff perceive that the existing pay adjustment system is still regarded as fair by both civil servants and the public, 38% have no comments. ■ There is no suggestion on other pay adjustment mechanism.
<p><u>Question 21 (c)</u> Is there a need for changing or introducing more flexibility in the existing adjustment mechanism?</p>	<ul style="list-style-type: none"> ■ Over 60% of the staff do not see the need for changing or introducing more flexibility in the existing adjustment mechanism. ■ They consider that the existing mechanism is effective. Moreover, although there is some outcry for a change, the public have not reached consensus on the issue.
<p><u>Question 21 (d)</u> Should fiscal constraints be an over-riding factor in determining pay adjustments?</p>	<ul style="list-style-type: none"> ■ Staff's opinion on this question matches that of a similar question, i.e. question 19 (e). ■ About 74% of the staff consider that fiscal constraints should not be an over-riding factor in determining pay adjustments.

<p><u>Question 21 (e)</u> Depending on whether and to what extent, pay administration should be decentralised to departments, what would be the right balance for Hong Kong in terms of central control/guidance versus autonomy/flexibility for individual departments?</p>	<p>Staff have the following views:</p> <ul style="list-style-type: none"> ■ The existing system should not be changed. ■ Pay adjustment should be under central control and guidance while deployment of resources to be devolved to Heads of Departments ■ Additional resources will be required by individual departments to implement decentralisation of pay administration and hence will impose financial burden on the Government. ■ Decentralisation may give rise to endless pay negotiation, overall efficiency of the civil service will be affected.
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IV. Introducing Performance-based Rewards –

Issue	Views of Staff Side (SRUs)
<p><u>Question 22 (a)</u> Do we see the merit for Hong Kong to incorporate elements of performance pay in civil service salaries?</p>	<ul style="list-style-type: none"> ■ Nearly 70% of the staff do not see the merit for Hong Kong to incorporate elements of performance pay in civil service salaries. ■ Performance pay is not applicable to disciplined forces since quantitative measurement is unfair.
<p><u>Question 22 (b)</u> Apart from pay ranges which already have performance-related elements, do we need to consider other forms of performance-based rewards?</p>	<ul style="list-style-type: none"> ■ About 44% of the staff consider that other forms of performance-based rewards are not needed. ■ 22% of the staff opine that other forms of performance-based rewards to be considered could include annual bonus, special bonus and performance bonus which should be awarded to civil servants on a one-off basis in recognition of their outstanding performance in the previous year. Other suggestions include cash award, leave award and 5-year achievement target award.
<p><u>Question 22 (c)</u> Should team-based performance rewards be used and, if so, to which group (senior, middle, lower or all levels) should they apply and on what basis?</p>	<ul style="list-style-type: none"> ■ Over 60% of the staff object to the team-based performance rewards. ■ For those who support team-based performance rewards, they consider that it can be applied to the middle and lower levels to enhance their incentive. Nevertheless, it is not applicable to disciplined forces.

<p><u>Question 22 (d)</u> Should individual performance rewards be introduced and, if so, to which group (senior, middle, lower or all levels) should they apply and on what basis?</p>	<p>Over 65% of the staff consider that individual performance rewards should not be introduced to the civil service as it would lead to potential divisiveness among individuals.</p>
<p><u>Question 22 (e)</u> Some improvements to the staff appraisal system have been introduced in recent years. What further changes are needed to support the introduction of performance-related pay?</p>	<ul style="list-style-type: none"> ■ In general, staff object to the introduction of performance-related pay. ■ Should performance-related pay be introduced, the whole appraisal system should be reviewed to set up a grading system that can objectively quantify and measure the performance of individual civil servant. Some suggest 360° appraisal.

V. Simplification and Decentralisation of Pay Administration –

Issue	Views of Staff Side (SRUs)
<p><u>Question 23 (a)</u> Should consideration be given to introducing decentralisation of civil service pay administration for a city like Hong Kong?</p>	<p>Over 60% of the staff consider that there is no need to consider introducing decentralisation of civil service pay administration in Hong Kong because the existing pay administration by the Central Government has proven to be effective.</p>
<p><u>Question 23 (b)</u> If decentralisation of civil service pay administration is to be introduced, how much pay and grading responsibility should be devolved to departments?</p>	<p>As staff object to the decentralisation of pay administration, they consider that the issue on devolution of pay and grading responsibility is out of the question.</p>
<p><u>Question 23 (c)</u> Should some or all of the current general/common grades</p>	<ul style="list-style-type: none"> ■ About 43% of the disciplined staff consulted consider that the current general/common grades staff should not be departmentalised.

<p>staff be departmentalised to facilitate department-based management?</p>	<ul style="list-style-type: none"> ■ Those who favour departmentalisation consider that it would promote staff's sense of belonging. ■ As regards the general/common grades staff, about 37% of the general and common grades staff consulted indicate that they do not support departmentalisation because they opine that: <ul style="list-style-type: none"> - Promotion prospects would be more limited. - Deployment and posting for staff would be less flexible. - Department might become a flattery culture might be nourished leading to unfairness in promotion and posting ■ 28% of the general/common grades staff consulted have no comments and about 25% have not yet decided and/or have some reservation on the proposal.
<p><u>Question 23 (d)</u> If civil service pay administration is to be decentralised, there may be a rather long transition period. How can the standard of service and staff morale be maintained during that period?</p>	<ul style="list-style-type: none"> ■ Basically, staff do not support decentralisation of pay administration. ■ Should decentralisation of pay administration be implemented, it is essential to retain the existing salary and benefits and enhance communication with staff in order to maintain the standard of service and staff morale during the long transition period.
<p><u>Question 23 (e)</u> In terms of simplification, is there scope to amalgamate existing grades within broader occupational categories? Is there scope for having flatter organisations with wider span of management control and fewer rank layers?</p>	<ul style="list-style-type: none"> ■ About 47% of the staff do not consider that there is scope to amalgamate existing grades within broader occupational categories, nor is there scope for having flatter organisations with wider span of management control with fewer rank layers. ■ About 33% of the staff offer no comment on this issue. ■ 20% of the staff who support simplification consider that it will streamline the work procedures and result in fairer distribution of work.
<p><u>Question 23 (f)</u> Should a formal job evaluation system be introduced and, if so, should this be operated centrally or at department level?</p>	<ul style="list-style-type: none"> ■ Staff's views on the operation of a formal job evaluation system are divided. ■ Over 50% of the staff opine that a formal job evaluation system should not be introduced. ■ 33% of the staff have no comment on this issue.

	<ul style="list-style-type: none">■ For those who opine that formal job evaluation should be introduced, some consider that it should be operated centrally under the monitoring of an independent body while others consider that it should be operated departmentally. Moreover, they consider that it is only applicable to civilian grades and not applicable to disciplined staff.
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Fire Services Department
June 2002

MEMO

From Chairman, Workshops SRU
 Ref. in FS/WS AG/CSPP 30
 Tel. No. [REDACTED]
 Fax. No. [REDACTED]
 Date 15 May 2002

To Secretary, FSD Consultative Committee
 (Attn.: _____)
 Your Ref. in _____
 dated _____ Fax. No. _____
 Total Pages 1

**Interim Report of the Task Force
 on Review of Civil Service Pay Policy and System**

I refer to the above report and my comments are as follows:-

- (a) Commonly adopted pay policies and systems
 Apart from the factors and parameters mentioned in the interim report, pay policy and systems shall also consider the cost of living in that country, especially, the cost of housing. Also, the interim report has mentioned the efficiency and productivity, there is nothing in the report how the relationship are set against these two parameters, and how the individual countries are compared with Hong Kong on the efficiency and productivity.
- (b) Experience of replacing fixed pay scales with pay ranges, or other pay systems
 Due to the lack of a mutually agreed mechanism, the use of pay ranges and other pay system other than the existing fixed pay scales may cause lots of disputes among the Civil Services.
- (c) Systems and mechanism for pay adjustments
 No comments.
- (d) Experience of introducing performance-based rewards
 The use of performance-based rewards may gradually build up an atmosphere in the government to concentrate predominantly on short term activities and policy so as to yield a quick result on his work. Eventually, it is unlikely to have an officer who has a term of two to three years in his office to spend any effort on medium and long term policy and planning as they are unable to yield any noticeable result during his reign.
- (e) Experience of simplifying and decentralizing pay and grading administration
 No comments.

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 SEME

現有之公務員薪酬調整機制，即包括進行私人機構薪酬趨勢調查及上下諮詢等，已運作了二十八年，事實證明行之有效符合大多數公務員的合理期望，又能維持政府與公務員之間的合約精神。

邊際改變機制，引入各種政治因素的干擾，則政府與公務員之間長時期所建立的融和、合作、團隊精神勢將變質，除了打擊公務士氣之外，爭議甚至訴訟將會不斷發生。

現今經濟情況不景，公務員改革在短短數月內，一個方案尚未見效，另一計劃又上台，整體上欠協調，公務員本已人心惶惶，政府應以安撫民心，穩定社會安定為要務，此時檢討公務員薪酬制度，勢必起風風雨雨，絕非適當時刻。

《公務員薪酬政策和制度檢討報告》只選擇性地列舉五個英聯邦國家的經驗。但是其他先進國家如日本、德國或法國，仍然採用傳統的公務員固薪制度，未有積極推行類似的改革。專責小組檢討報告未有採用這些具國際影響力國家作為分析對象，只單單選擇幾個以英國為首是瞻的國家，令人不禁懷疑檢討報告表面開放其實暗中似有既定的立場。

以英國為首的五個英聯邦國家雖然積極推行“以表現為本的獎勵制度”，但相比起來香港公務員的工作效率及服務水準都絕不遜色，同時香港脫離英國殖民統治已有五年之久，回歸中國懷抱後的特區政府，時至今日仍參考英聯邦國家的做法，實在有商榷的餘地。

自2000年6月1日開始，政府為新聘人員制定新入職制度及聘用條款，公務員聘任制度已經更具靈活性。與此同時，政府亦在制度內逐步引入工作表現獎勵元素，在一些部門以試驗形式，推行以團隊為本的表現獎賞計劃。上述改革成效尚有待顯現，今又急不及待地推出新的公務員薪酬檢討報告，徒令公務員失去方向感，難以適應。

《公務員薪酬政策及制度檢討》報告中以薪幅取代固定薪級，推行工作表現獎賞制度，把薪酬管理工作精簡和下放等事項，在在都破壞香港公務員的中立傳統，只有鼓吹“擦鞋”文化，整個公務員體制會因此而政治化。試問一個公務員在頂撞上司，或上有政策下有對策地抵制不合理的施政方針，與唯唯諾諾，錯又追隨時對又追隨地做幫兇之問，作何取舍？

無視香港公務員的發展歷史——香港
公務員的運作和發展有其悠長的歷史。
現有的制度之中，表現不好，沒有增薪，甚
而降級的機制，古已有之，公務員的薪酬
部份較優厚，有兩個主因，一是因為
六、七十年代貪污嚴重，所以要高薪養廉，另一
個原因是照顧高級海外僱員（其實是英國人
的福利）
薪酬制度檢討的諮詢文件沒有回顧，又沒
有列出香港的情況（例如香港近年已經容
許部門用合約的僱用員工，是「一定程度」的
薪酬管理職能下放，）令人懷疑這個諮詢
小組的成員有否看過 CSR (Civil Service Regulation
公務員條例)。

總區副