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cc:
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Subject: Review of Civil Service Pay Policy and System

My personal comments on the Review is



- att1.htm



- PayReviewComments.doc

My comments on the Public Consultation Phase I Study on Civil Service Pay Policy and System Review are -

Q1. Should there be a major overhaul of the civil service pay policy and system, putting more emphasis on performance pay, clean wage policy, etc., and building in more flexibility for adjustment?

A1. 'Performance Pay' is a good way to motivate civil servants. However, it is very important to set in prior to implementation that the 'measurement methods' in the 'performance pay system'. Unlike the private sector which has a very objective standard (i.e. your work brings to the company profit or not) to measure employees' performance, civil servants' performances would be difficult to measure in order to assess on the performance-related pay. Thus, before implementation, it is very important to solve the above problem. Otherwise, a good system will fail.

Q2. 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?

A1. No specific comment. From other countries' experience, it seems that different pay policy for senior civil servants is acceptable.

Q3. Should the disciplined services' pay be treated differently from the rest of the civil service?

A3. Agree.

Q4. Should we adhere to the principle of broad comparability with the private sector and continue to conduct regular pay level, pay structure and pay trend surveys to ensure that civil service pay remains competitive?

A4. Regular pay level, structure and trend surveys should be conducted. The results can be used for 'reference' only.

Q5. Or should Government's affordability to pay be an over-riding consideration in pay adjustments?

A5. In principle 'yes'.

Q6. Should flexible pay ranges be introduced into the Hong Kong civil service to replace fixed pay scales? If so, should they apply only to senior civil servants or the entire service, including both the civilian grades and the

disciplined services?

A6. Pay ranges are widely adopted in the private sector. It is also widely accepted that the system should only apply to senior officers.

Q7. 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?

A7. The existing pay adjustment system is fair enough to maintain the stability of the civil service. With the regular pay trend surveys, the system is still regarded as fair.

Q8. Is there merit for elements of performance pay to be incorporated into civil service salaries?

A8. 'Performance Pay' can motivate civil servants. It is agreeable to incorporate it into civil service salaries.

Q9. Should team-based performance rewards be used and, if so, to which group should they apply and on what basis?

A9. No. Team-based performance rewards system is difficult to operate and it will give rise to a lot of conflicts, suspicions and jealousies among different teams.

Q10. Should individual performance rewards be introduced and, if so, to which group should they apply and on what basis?

A10. For most civil service grades, it is difficult to measure their performance by 'materialised' achievements. How to assess the rewards is a question to be answered.

Q11. Should consideration be given to introducing decentralisation of civil service pay administration for a city like Hong Kong?

A11. In fact, 'decentralization' is currently taking place in B/Ds in the recruitment and administration of non-Civil Service contract (NCSC) staff. Their pays are determined by B/Ds taking into account their own considerations on the basis of CSB relevant circulars.

But for civil servants, it will be more difficult to decentralize all pay administration relating work in view of the large size of the civil service and the workload involved. It will not be a cost-effective solution.

Q12. Should some or all of the current general/common grades staff be departmentalized to facilitate department-based management?

A12. I agree to DGG's feedback.

Q13. If civil service pay administration is to be decentralized, there may be a rather long transition period. How can the standard of service and staff morale be maintained during that period?

A13. The standard of service and staff morale is determined by various factors, not only the decentralization of pay administration. For middle/lower levels civil servants, pay adjustment is probably a more dominant factor.

Q14. In terms of simplification, is there scope to amalgamate existing grades within broader occupational categories? Is there scope for having flatter organizations with wider span of management control and fewer rank layers?

A14. No comment.

Q15. Should a formal job evaluation system be introduced and, if so, should this be operated centrally or at department level?

A15. The job evaluation system should be operated at department level. Within one rank in the same grade, different posts in different departments have different value/worth of jobs. If it is agreed that a job evaluation system should be introduced to the civil service, it would be more meaningful for it to be operated at department level.