

Responses to the questions raised by the Task Force's Consultation Paper on the Review of Civil Service Pay Policy and System

Pay Policy, Pay System and Pay Structure

19(a) 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)?

- There should be a major overhaul in civil service pay policy and system.
- Clean wage is preferred because it is easier to administer and involves less administrative cost.
- Performance pay is difficult to administer/places pressure on reporting system.
- Implementation of changes should be phased or evolutionary.

19(b) 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?

Senior civil servants should be on a performance-based contract system with outcomes agreed. These outcomes will include ability to generate ideas and achieve results. On this basis, a different pay scale is appropriate and necessary.

19(c) Should the disciplined services' pay be treated differently from the rest of the civil service?

The special nature of their jobs should be reflected in deciding the salary points relative to other jobs. However inflation/deflation should be enjoyed/accepted equally with all civil servants.

- 19(e) Or should Government's affordability to pay be an over-riding consideration in pay adjustments?**

Yes – based on overseas experience only. However what is affordable and which is not, is a matter of opinion, and possibly flawed priorities.

- 19(f) What features of the existing pay policy and system should be retained to ensure stability and morale of the civil service?**

The features of staff having a clear knowledge regarding the prospect of salary increment/adjustment and promotion in the existing system should be maintained.

Replacing Fixed Pay Scales with Pay Ranges

- 20(a) Would the introduction of flexible pay ranges bring benefits in terms of better rewarding performance and enhancing a performance-oriented culture in the Hong Kong context?**

Problems in administering this fairly and impartially (similar to performance pay).

- 20 (b) Would flexibility in pay progression lead to potential divisiveness among civil servants?**

Flexibility in pay progression should be viewed as a management tool. As long as the system for implementation is fair and transparent (difficult to achieve) it should not cause divisiveness among civil servants.

- 20(c) Should flexible pay ranges be applied to the entire civil service, or only to senior civil servants, who typically have heavier management responsibilities?**

Flexible pay ranges should be applied to the more senior civil servants. Flexible pay ranges will involve management input and administrative costs, the lower the rank, the less justification for such administrative work.

20(d) Should flexible pay ranges apply both to civilian grades and the disciplined services?

Whether flexible pay ranges should be applied to disciplined services should be considered in the context of the overall pay system for these staff groups.

20(e) Would changes be required to the existing performance measurement and appraisal systems to support the introduction of flexible pay ranges?

Yes. The Consultant's observations (para 64 of Report) on international experience in adopting good practices in performance measurement and management in order to attain an effective and fair flexible pay range system should be studied.

20(f) Would a performance management system directly linked to pay be the most effective way of nurturing a performance culture?

Yes, a performance management system directly linked to pay will be an effective way of nurturing a performance culture. But equally or more important is a management framework that allows effective control over staff, eg, hire and fire.

Pay adjustment system and mechanism

21(a) Should the principle of broad comparability with the private sector continue to be adhered to?

21(b) 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?

- I am skeptical. There has been lots of waste as the D of Audit shows each year. Why should pay be the victim of ill-conceived or unessential projects?
- Broad comparability with the private sector should be maintained in order to compete with the private sector for/attract/retain talents.

- Pay trend adjustment system of maintaining broad comparability with the private sector is fair if the pay level of civil service jobs are broadly comparable to jobs in the private sector of the same **value**.

21(d) Should fiscal constraints be an over-riding factor in determining pay adjustments?

No, unless staff accept that the cake has been fairly sliced.

21(e) 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?

Pay administration should not be too fragmented; there should be an overall set framework providing guidelines and principles within which departmental management can exercise flexibility.

Performance-based rewards

22(a) Do we see the merit for Hong Kong to incorporate elements of performance pay in civil service salaries?

There are merits in incorporating elements of performance pay.

22(b) Apart from pay ranges which already have performance-related elements, do we need to consider other forms of performance-based rewards?

How about acting allowances/higher duties allowances?

22(e) 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?

Staff appraisals must be correct. The 360° approach offers this. The top-down existing system is substantially biased.

- 23(c) Should some or all of the current general/common grades staff be departmentalised to facilitate department-based management?**

The present practice of moving AO's (and EOs) is highly detrimental to 'department memory' and expertise. New people have to learn from the start, and 'trained' by departmental staff. This is grossly inefficient. I favour much greater departmentalization including EO/AO grades.

- 23(e) 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?**

The civil service should work towards a flatter organisation with wider span of management control and fewer rank layers.

- 23(f) Should a formal job evaluation system be introduced and, if so, should this be operated centrally or at department level?**

- Formal job evaluation should be introduced and done centrally.
- Should move away from educational qualification for determining pay.