

To: Task Force on the Review of Civil Service Pay Policy and System

Dear Sir/Madam

Re: Civil Service Pay Policy and System Consultation Paper Phase I Study

Having read the 16-paged content and Appendixes, I say the Study lacks substantial evidence and proofs to support a highly endorsed **PERFORMANCE-BASED PAY/REWARD SYSTEM** albeit said thriving in the five British/ex-British societies; makes no reference to our mainland and new Dragon neighbors, and completely ignoring our geographic and demographic importance. Judging from the study, the five countries have yet to come up with a satisfactory evaluation method.

There are, in fact, simple reasons why existing civil payroll has evolved into a big white elephant; they are

Unfair pay comparison with inappropriate companies

Pay comparison restricted to a handful of large, anonymous private companies has made the civil service pay unfair and unrealistically high from the very first day. If statistics indicate 98% of our companies are SMEs (small medium enterprise), there is no reason why pay trend data is gathered only from large instead of small medium enterprise? Someone in the capacity must either be cheating, or making a fool of those in position, or both.

Census and Statistics Department, the Labor Department and Inland Revenue have on hand an enormous databank of public and private sector wage details which could be made readily available for job equity comparison yet never seemingly been utilized so far.

Statistical data not adapted wisely

Local wage median averaged HK\$8,000/mth. With due respect to this benchmark figure, wage median of civil workforce should equal or close to HK\$8,000. Any excess can be interpreted as overly generous which must be put under immediate review.

Civil service is about commitment, not reward

Reward should come in form of medal and/or letter of appreciation, not in monetary terms.

Superstition in worshipping talents

The SAR Government believes that buying the best talent is the key to Hong Kong's success. In order to keep Hong Kong politically stable, economically viable, and corruption-free, it is necessary to recruit the best elite at all cost. To make the matter worse, prolong tenure (with majority enjoying maximum pay point) together with all time low job turnovers have transformed Hong Kong into "sick man of East Asia". If such colonial mentality persists, we will face terminal ill very soon.

Hongkongers do not like the overriding manipulation anymore; rather we want our government to understand the need of its people, stand with us, and guide us through bad times. Let **technical bureaucracy** be a way of the past, and welcome a more effective, efficient, transparent, and politics free government.

Bad human factor, not payroll system is to blame

Even the best system can be fouled up by one poor execution; decisive factors such as sample population, sampling frequency, co-relation coefficient, co-relation variance, etc must be randomly selected and carefully calculated so that final figures can reflect reality. Tilting to one side (gathering data from large corporation only) is a big mistake. As mentioned in earlier paragraphs, official pay trend figures are often unrealistically high; whether done intentionally or not, these figures are doing everlasting damage to public finance, and must be rectify without delay!

Nothing wrong with existing framework, it just needs some fine adjustment.

Best Regards,

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May 1, 2002

c.c. [REDACTED]