

## Review of Civil Service Pay Policy and System

Submission from Hong Kong Clinical Psychologists Association (HKCPA)

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The HKCPA is a trade union consisting of a membership of over 100 clinical psychologists from various government departments, Hospital Authority, Non-government Organisations and private practice. Its mission is to promote solidarity amongst its members, negotiate for better working conditions and protect the welfare of clinical psychologists. Its Chairperson and Committee members are elected at the annual general meeting. After careful deliberation by the Committee on the captioned subject, we would like to make the following submissions:

1. Should there be a major overhaul of the civil service pay policy and system, putting more emphasis on performance-pay, clean wage policy (i.e. paying "all cash" wages in lieu of allowances, housing and medical benefits, etc.), etc., and building in more flexibility for adjustment?
  - Our response is yes and no, yes if there is a clear framework within which the changes would take place. The framework would consist of, for example, maximum and minimum adjustments, principles for adjustments, review and appeal mechanisms, etc., so that any adjustments can be seen to be open and fair. We don't want to see any changes that would grant unlimited power to the management or without the necessary check and balances in the future pay policy.
  - There should be a clear budget for each section/unit/branch for any pay adjustment. We would like to see a sum of money identified for pay adjustment each year and how it is distributed. The management should be accountable to its staff how the money is spent. The allocation of the money to each unit/section/branch within the organization should be done in a way that is fair and open to ensure equitable distribution.
  - The changes should be gradual and by phases to allow perfection of the system through actual experiences.
  - We support a more flexible adjustment for future civil service pay provided it is fair and open.
2. 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?

- NO. The civil service, unlike the private sector, is not in the business of making profits. The decisions made by senior civil servants do not carry the same financial risks as a private company. The decisions they make are not entirely “independent”, the Heads of departments are accountable to Bureaus, while the Secretaries are accountable to the CE. They do not function like CEOs in private organizations.
  - Decisions made by senior civil servants are often the result of repeated consultation with its staff while the outcome of the decision is also dependent on its implementation. In a way, it is often a joint effort even if it is not a joint decision. In that respect, they should subject to the same mechanism as other civil servants.
3. Should the disciplined services’ pay be treated differently from the rest of the civil service?
- No comment, but would like to see the rationale if they are to be treated differently.
4. 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?
- Yes. That would set the average level of pay rise each year for the civil servants, but allowing individual variation according to performance.
5. Or should Government’s affordability to pay be an over-riding consideration in pay adjustment?
- No. Government’s affordability should be one of the considerations but not an over-riding consideration. Besides, the definition of affordability is hard to define.
6. 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 grade and the disciplined services?
- Yes. But the system should be applicable to all and should stay within a clear framework that is open and equitable. The principle linking pay and

performance should be set up with agreement from the staff side. Since the changes should be gradual and by phases, senior civil servants may start the changes to try out the system.

7. 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 as well, or better?
  - Yes, we strongly feel that the existing pay adjustment system is fair if it refers to the principle of broad comparability with the private sector. We have great reservation towards introducing a new system that has not been tested.
8. Is there merit for elements of performance pay to be incorporated into civil service salaries?
  - Yes, but we would like to see how it is done.
9. 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?
  - No, our members would favour a individual-based performance reward system.
10. 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?
  - Yes, it should apply to all levels as far as practicable. The basis of the performance rewards should be linked to one's contribution towards reaching the annual objectives set by the organization. The contribution should be measurable according to agreed mechanism between staff and management.
11. Should consideration be given to introducing decentralization of civil service pay administration for a city like Hong Kong?
  - NO. At least not at the outset. Eventually when the performance-linked pay system proves to be workable, one may consider decentralization.
12. Should some or all of the current general/common grades staff be

departmentalized to facilitate department-based management?

- Yes, since it will facilitate better pay management.

13. 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?

- We do not favour decentralization of pay administration, hence we would not comment.

14. 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?

- Yes for the government in general, particularly relating to clerical grades.

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

- Yes, if a performance-linked pay system is to be implemented, a formal job evaluation system set up at the departmental level must be part and parcel of such system.
- In setting up a performance-linked pay system, it is necessary to consider how it is going to be applied to staff across the span of incremental points within the same grade. How should the pay of a staff at maximum salary point be adjusted as compared with a staff who is at the entry point? Without answering this question, the system may not be viewed as equitable and fair.



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