

## MEMO

From Senior Principal Land Executive  
 Ref. (14) in LD SPLE/4A/85/1  
 Tel. No. [REDACTED]  
 Fax No. [REDACTED]  
 Date 17 May, 2002

To Departmental Secretary  
 Attn. [REDACTED]  
 Your Ref. (17) in LD CS/20/2  
 Dated 27.4.02  
 Total Pages           

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

Thank you for your memo of 27.4.2002, I learn from the Task Force's web site that the deadline of consultation has been extended to 30.6.2002. I appreciate the consultation at this initial stage, as no doubt the Review will affect the well being of all civil servants whose reaction would contribute to the stability of the civil service. I would like to express my observation on the Report as follows: -

**Observation**

(a) **Performance Related Pay System**

This principle is adopted in the private sector which obviously has its merit. However, the Government always stress that the policy should be fair, transparent and just and to uphold this principle, numerous appeal and complaint channels have been set up throughout the Government's hierarchy.

Performance related pay system would certainly involve performance assessment of the officers. In order to avoid unnecessary or deliberate complaints, a fair performance appraisal to be supplemented by an effective selection system should be established.

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(b) Which sector of the civil servant should be included in the Performance related pay system

The salary system of the civil service has been developed since the 1960s, which is primarily aimed at maintaining stability of the civil service as a whole. Security of tenure and pension, predictable incremental scales and the principle of treating everybody alike are probably some of the logics behind such system. This system may have to be modified but its broad principle should still stand as generally civil servants are divided into 3 categories, namely the 5-10% 'leader', 80% 'majority' (core members) and the 1-10% 'outcast' (the rebellious group).

It seems that we should perhaps apply the performance related pay system only to the leader group (middle managers or above) since their performance can be measured thro' the present advanced HRM system.

The majority group should remain in the present system as experience tells that these core members can perform effectively with clear guidelines or code of practice. Exclusion of this core group would also avoid a lot of unnecessary complaint or concern.

(c) The 360 degree assessment system

This assessment method is still in its development stage in other countries as well as the private sector. It has the advantage of getting feedbacks from all angles on the officer and in turn reviews or improves his/her behaviour. However, the system if not suitably monitored can be manipulated by the assessor or appraisee and thus generates more troubles.

As a start, it may be preferable to carry out a pilot scheme by applying it to certain professional grades.

[REDACTED]  
[REDACTED]  
Senior Principal Land Executive [REDACTED]