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FROM

DSD

TO

P.01/03

MEMO

From Chief Engineer [REDACTED]  
 Ref. In DSD ST 4/85/11 III  
 Tel. No. [REDACTED]  
 Fax No. [REDACTED]  
 Date 18 June 2002

To Department Secretary, EMSD  
 (Attn.: [REDACTED])  
 Your Ref. (9) in EM(CR)/01/02/116  
 dated 3.5.2002 Fax. No. [REDACTED]  
 Total Pages [REDACTED]

**Review of Civil Service Pay Policy and System**

I refer to your MUR.

2. Please note my views/comments on some of the questions raised in the associated consultation paper in Appendix 1

[REDACTED]  
 [REDACTED]  
 Chief Engineer [REDACTED]  
 Drainage Services Department

Para 19(a)

I do not think a major overhaul of the civil service pay policy and system is necessary, although I consider that more emphasis should be placed on performance-pay and a complete review of the allowances now payable to civil servants is necessary. On the performance-pay issue, I consider the crucial element is how to make a fair and objective performance measurement, which will have a direct bearing on the officer's pay.

Clean wage policy, though has its merits, may result in higher government spending because allowances, housing and medical benefits, etc. are currently only granted on certain conditions which may not apply to all civil servants whilst paying "all cash" wages will apply to all civil servants.

Para 19(b)

I am of the view that the senior servants' pay policy could be different from that of the middle-ranking and junior ranks, given that the former has more factors to be considered in its reward system.

Para 19(f)

In order to attract competent and capable persons to join the civil services, the existing pay trend surveys should be retained.

Para 20(a) & (b)

Flexible pay ranges should, in principle, bring benefits in enhancing a performance - oriented culture in the Hong Kong context. But too wide the range would create divisiveness among civil servants. A very narrow range should already be sufficient to provide the necessary stimulus for a responsible civil servant to do better.

Para 20(f)

A performance management system linked to pay is not necessarily the most effective way of nurturing a performance culture. The performance culture in civil service has improved considerably over the past ten years without direct link to pay.

Para 22(a)

I can see the merit to incorporate elements of performance pay in civil service salaries. As mentioned earlier, the crucial point is how to derive a fair and objective performance appraisal or management system.

Para 22(b)

I do not see the immediate need to consider other forms of performance-based rewards across the whole civil service as it would make the reward system even more complicated. It may create different types and names of rewards like the present allowances system. However, in some departments, team-based performance rewards may be considered.'

Para 23(a)

Decentralization of civil service pay administration is not supported for a city like Hong Kong.

Para 23(c)

Some but not all the current general/common grade staff can be departmentalized to facilitate department-based management. For example, the clerical grade staff could be departmentalized but perhaps not for the accounting staff.

Para 23(e)

There is scope to amalgamate existing grades within broader occupational categories and to flatten organizations with wider span of control and fewer rank layers. However, in doing so, the promotability and morale of staff should be taken in account.