

## Review of Civil Service Pay Policy & System

The following views have been received [all submissions **summarized**] :-

### The 5 points raised for discussion by the Task Force, i.e.

#### The pay policies, system and structure

(a) A major overhaul of the civil service pay policy and system means an exploitation of the benefits for all existing civil servants. Fringe benefits in private sectors also include housing, medical and other benefits. The proposal is not supported.

(b) The existing pay policy to senior civil servants is already different from that of the middle-ranking and junior ranks. For example, the rate of pay adjustments and the fringe benefits of housing and other allowances.

(c) The question in English version is asking the "pay" to disciplined services whereas the same question in Chinese version is asking for comments on the "pay policy" to disciplined services. For the "pay" to disciplined services, it should be different to the rest of the civil service as the natures of the jobs are not the same. Therefore, there should be a separate policy on "pay system" to disciplined services.

(d) The rationale of the pay structure is not certain. Since the Government has not followed the results of the pay trend surveys in the past, especially in the era of economic bloom, the pay trend surveys should be abolished. Instead, it is recommended to make the pay adjustments in accordance with the annual inflation / deflation.

(e) The purpose of the civil service pay adjustments is to maintain the stability of the Government and ensure the service provided by the Government to be continued. Therefore, the Government's affordability should not be an over-riding consideration in pay adjustments.

(f) To maintain a competitive pay package to attract the most suitable candidates to work in the government.

#### The possible introduction of pay ranges

(a) It is impossible to compare most of the jobs in the Government to those in private sector. The surveying

means of private firms are to achieve profits but the purpose of Government is to provide services to the public. A flexible pay ranges will not necessarily bring benefits but will inevitably lead to instability in the Government, as there will be frequent changes in the civil servants due to the appearance of flattery culture.

(b) It will surely lead to divisiveness among civil servants and a culture of flattery, pretentiousness and pomposity will be inevitably followed.

(c) The major premise of this question has already assumed that the flexible pay is applicable. It is wrong in logic, as the major premise is not supported in (b) above.

(d) Same answer as (c) above.

(e) There is no need to change to the existing performance measurement and appraisal systems, as the so-called "flexible pay ranges" is not practicable in Government. The only thing to do is to ensure the existing performance measurement is carried out.

(f) The existing system is already linked directly to pay and promotion. Instead of linking it to a "flexible pay ranges", it is better to enhance the existing system to ensure the stability of the civil service.

#### **The pay adjustment system**

(a) As the existing practice has been proved effective, it should be continued adhering to.

(b) There are no unfairness elements in the existing pay system. The problem is that the Government has not followed the pay trend surveys in the past years. It is a good system if the Government follows it.

(c) There is nothing wrong with the existing adjustment mechanism. Therefore, the major premise of this question is meaningless. There is no need for changing any other systems.

#### **The motivation of staff by way of performance-based awards**

(a) The existing pay system has already incorporated this "merit" element.

(b) The major premise of this question is illogic. As there is no conclusion that there is a need to introduce "pay

ranges" and the existing system is considered effective, there is need to consider other forms of performance-based rewards.

(c) The existing mechanism of civil service is already working on team-base. However, if this team-based spirit is built on monetary interest, it will inevitably lead to diversification and in-cooperation among civil service and Government departments. The Government will no longer efficient.

(d) The existing pay and promotion systems already have elements of individual rewards. To mobilize civil service, the best way is to enhance the existing system to accelerate the promotion of capable staff instead of wasting efforts in building up a new system.

(e) The existing pay system is already a performance-related system.

#### **The simplification and decentralization of pay administration**

(a) Simplification of the ranking structure is supported whilst some ranks in police structure is could be deleted. e.g. SSGT, SIP, SSP etc.

(b) The major premise of this question is wrong. Same answer as (a) above.

(c) To departmentalize some of the general / common grades staff will inevitably lead to unfavourable competition among Government departments. Partially departmentalize the post will affect the promotion prospects which means an attack to the staff morale. The proposal is not supported.

(d) As it is not guaranteed that the standard of service and staff morale can be maintained if the pay administration is to be decentralized, the assumption of decentralization is therefore unwise and impracticable.

(e) The amalgamation of equivalent rank of different grades is supported. For example, Confident Assistant / Supplies Supervisor II may be amalgamated with Assistant Clerical Officer. However, some grades, such as Personal Secretary, should not be amalgamated, as the same job is still available in private sector and it is essential for Personal Secretaries to handle sensitive documents.

(f) A job evaluation system is practicable if it is aimed at implementing the proposal in (e) above. It is suggested

that the job evaluation of departmental grades be operated at department level, while common grades and general grades can be done centrally.

#3 **The Task Force's Review process in general, i.e.**

The consultant's report (PricewaterhouseCoopers)

Phase I - (examining comparable overseas Civil Services etc)

As most of the overseas civil service systems are still under reform and none of them have proved themselves successful, it is unwise and unfair to learn from any of these countries' existing system. Besides, the social protection packages of each society are not the same, it is not fair to simply picking some of the elements from each government to comply this "examination".

Phase II - (considering HK Civil Service systems etc)

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#4 **Any other factors that Force members consider relevant**

Other Factor(s)

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Additional Comments (if any)

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This return was prepared by :-



Name

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Date