

██████████
 ██████████
 ██████████
 ██████████
 ██████████

24 May 2002

Joint Secretariat
 Advisory Bodies on Civil Services & Judicial Salaries
 And Conditions of Service
 Room 701, 7/F
 Tower Two, Lippo Centre
 89, Queensway Bay
 Hong Kong

Dear Sir,

Task Force on Review of Civil Service Pay Policy and System
Consultation Paper Phase 1 Study

I would like to reply to the questions raised in the captioned paper as follows :

- (a) Should there be a major overhaul of the civil service pay policy and system?
No. The existing system is efficient and good enough.
- (b) Should senior civil servants be subject to a pay policy which is different from the junior?
No. They are civil servants in nature and therefore should have the same pay policy as the other junior civil servants.
- (c) Should the disciplined services' pay be treated differently from the rest of the civil service?
A factor considering their job nature can be taken into account in their pay scale.
- (d) Should we continue to conduct regular pay level, pay structure and pay trend surveys to ensure that civil service pay remains comparable with that of the private sector?
It is required in order to be fair and impartial.
- (e) Or should Government's affordability to pay be an over-riding consideration in pay

adjustments?

No. Government's affordability is only one of the factor to be considered in pay adjustment. It is not over-riding.

- (f) What features of the existing pay policy and system should be retained to ensure stability and morale of the civil service?

The pay adjustment should be fair considering a lot of factors such as, the comparable pay scale of the private sector, morale of the civil servants, attractiveness of the posts to the right candidates, situation of the economy, Government's affordability, etc.

- (g) Would the introduction of flexible pay ranges bring benefits in terms of better rewarding performance and enhancing a performance-oriented culture in the Hong Kong context?

No. It is difficult to measure the performance of civil servants. They are not commercially orientated like the private sector. There is no objective system that can measure the performance of Government officers.

- (h) Would flexibility in pay progression lead to potential divisiveness among civil servants?

Yes. It will cause unnecessary frictions among civil servants.

- (i) Should flexible pay ranges be applied to the entire civil service, or only to senior civil servants, who typically have heavier management responsibilities?

Flexible pay ranges are not supported in view of the reasons mentioned above.

- (j) Should flexible pay ranges apply both to civilian grades and the disciplined services?

No.

- (k) Would changes be required to the existing performance measurement and appraisal systems to support the introduction of flexible pay ranges?

No. Flexible pay ranges will be very difficult to administer.

- (l) Would a performance management system directly linked to pay be the most effective way of nurturing a performance culture?

No.

- (m) Should the principle of broad comparability with the private sector continue to be

adhered to?

Yes. This is fair to the civil servants and the public.

- (n) 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 just as well, or better?

This is a fair system. I can't see there is other system better than the existing system.

- (o) Is there a need for changing or introducing more flexibility in the existing adjustment mechanism?

No.

- (p) Should fiscal constraints be an over-riding factor in determining pay adjustments?

Yes. This is fair.

- (q) Depending on whether, and to what extent, pay administration should be decentralised to departments, what would be the right balance for Hong Kong in terms of central control/guidance versus autonomy/flexibility for individual departments?

Pay administration should not be decentralized so as to avoid unnecessary frictions and subjective judgment among civil servants.

- (r) Do we see the merit for Hong Kong to incorporate elements of performance pay in civil service salaries?

No. There is no merit to incorporate elements of performance pay.

- (s) Apart from pay ranges which already have performance-related elements, do we need to consider other forms of performance-based rewards?

No.

- (t) 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?

There is no need to use team-based performance rewards.

- (u) 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?

Individual performance rewards are not supported for the reasons mentioned above.

- (v) Some improvements to the staff appraisal system have been introduced in recent years. What further changes are needed to support the introduction of performance-related pay?
No changes are needed.
- (w) Should consideration be given to introducing decentralisation of civil service pay administration for a city like Hong Kong?
No. The existing system is simple and efficient. Decentralization will create more conflicts.
- (x) If decentralisation of civil service pay administration is to be introduced, how much pay and grading responsibility should be devolved to departments?
Decentralization is not supported.
- (y) Should some or all of the current general/common grades staff be departmentalised to facilitate department-based management?
No. They will have little bargaining power.
- (z) In terms of simplification, is there scope to amalgamate existing grades within broader occupational categories? Is there scope for having flatter organisations with wider span of management control and fewer rank layers?
It depends on what is suggested.

The suggestions in the paper have far reaching effects on Hong Kong. Please introduce changes slowly. Consents should be obtained from the unions of civil servants before any measures are implemented.

Yours faithfully,

