

HONG KONG FIRE SERVICES DEPARTMENT

AMBULANCE OFFICERS ASSOCIATION

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Kowloon Central Post Office

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President, Fire Services Department
Consultative Committee
Fire Services department
1 Hong Chong Road
TST East, Kowloon
Hong Kong
(Attn: AS(SRC) [REDACTED])
Fax No. [REDACTED]

Dear Sir,

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

I refer to the captioned subject and offer our views as attached.

Yours sincerely,

[REDACTED]
[REDACTED]
[REDACTED]

HKFSDAOA

c.c. DCFO(HQ), Chairman of FSD Working Group on Review of Civil Service
Pay Policy and System

DDS (F+E)

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

Meanwhile, I have the following preliminary views in respect of the five specific areas of the captioned report as per paragraph 19-23 of the consultation paper.

(a) Pay Policy, Pay System and Pay Structure

- (i) From the Government's point of view, affordability is of course an important factor in determining pay adjustments. However, in view of the likely deficit of the Government in the next few years, if affordability becomes the overriding factor, this means that civil servants will be unlikely to have any pay rise, even if there is a positive pay trend in the private sector. It is not entirely reasonable. This will also put the Departmental Management in a very difficult position and staff morale will be hampered.
- (ii) The existing Pay Trend and Pay Level Surveys should be retained as they have been accepted by the public as well as the civil servants over past years. The reviews should however be conducted more frequently in order to tie with the trend of the job market.
- (iii) In the absence of more solid information, it is difficult to judge whether the pay policies of disciplined services should be treated differently from the rest of the civil service.
- (iv) It may not be wise for the Government to overhaul the whole civil service pay policy and system by putting more emphasis on performance-pay, clear wage policy at this point in time having regard to the prevailing pessimism, socio-economic situation and the likely adverse impacts on the private sector.
- (v) The Standing Commission has reaffirmed in 1999 that there will continue to be a role for job-related allowances in the

civil service remuneration system. In view of the broad banded structure of civil service grades, it would not be cost-effective or practicable to incorporate all job-related allowances into the pay scales of various ranks and grades. Having said that, it is more appropriate to ensure adequate review and monitoring mechanism in place.

(b) Replacing Fixed Pay Scales with Pay Ranges

Whether flexible pay ranges should be applied to the entire civil service, or only to senior servant servants, or only to civilian grades, or to both civilian grades and the disciplined services etc. lie upon a very important issue - whether an accurate performance measurement and management could be achieved. If the answer is not affirmative, it is just not the right time to introduce pay ranges.

(c) Pay Adjustment System and Mechanism

There exist divided views on whether the existing pay adjustment system is fair. In the eyes of the public nowadays, it may be regarded as unfair. However, if pay adjustment is decentralized to individual departments, it may give rise to endless pay negotiation within the civil service, which will not be conducive to the overall efficiency. Nonetheless, if the Government has any mechanism, which can serve this purpose just as well, or better, the staff sides should be invited to comment on it.

(d) Introducing Performance-based Rewards

There are practical difficulties of introducing the performance-based reward system in the civil service. Unlike the private sector where individual performance is usually quantifiable and measurable, the job nature of civil servants, especially that of the disciplined grades in the Fire Services Department, which provide essential services, is team-based. It is very difficult, if not impossible, to set performance indicators or benchmark to measure the performance and productivity of operational staff fairly and objectively. In addition, if the award and increment systems are linked to the performance appraisal, the chances of corruption, abusive use of authority and favoritism, etc.,

may increase. Performance pay is not considered a practical proposal for the Department. The proposal may also lead to rivalry among staff and disrupt pay parity. The stability of the Service may be adversely affected.

(e) Simplification and Decentralization of Pay Administration.

I maintain an open mind on this subject. There is no decentralization of pay administration at the moment. Notwithstanding the advantages as identified by the consultant, pay decentralization has also created problems of internal relativity and threats to the overall coherence of the civil service in terms of common purpose and values in other countries. In implementing pay decentralization, most countries surveyed have also implemented major changes to their grading arrangements; common features include (i) creation of flatter, less hierarchical management structures, through rationalization of the no. of ranks and pay ranges; (ii) combining occupations into broad staff groupings for better human resource management. Whether these changes could bring about any improvement e.g. more promotions to the Service have yet to be seen.