

District Police Headquarters
Road

Kowloon

4 June 2002

Joint Secretariat for the Advisory Bodies on Civil Service and
Judicial Salaries and Conditions of Services,
Room 701, 7th Floor,
Tower Two, Lippo Centre,
89 Queensway,
Hong Kong.

Gentlemen,

Please find my views and comments on the Task Force's Interim Report as set out below :-

General

2. Probably one of the most disturbing things about this exercise is that it is running parallel to an intended "across the board" pay cut for civil servants and has been introduced as the Government faces a budget deficit in excess of 60 billion dollars. It is not surprising therefore, given that more than 60% of government revenue is used to fund the salaries of civil servants and staff in subvented organizations, that many civil servants see the review ultimately as a pay cutting exercise, notwithstanding attempts to portray it as a form of an overhaul to modernize the civil service.
3. To be frank, the civil service has been in a state of continued evolution for many years already in order to meet the needs and expectations of the public. All departments have fully supported the adoption of a service quality culture and have played their part in the success of the Enhanced Productivity Programme to cut spending by 5% over a three year period.
4. Costs have also been cut through the revision of salaries and conditions of service for people newly entering the civil service and through the introduction of the Mandatory Provident Fund.
5. Perhaps the public needs to be reminded of these achievements.
6. Perhaps also it needs to be remembered that a majority of the departments in the civil service do not generate revenue and therefore it is not surprising that the human resources factor still, and properly so, takes up a large of proportion of government revenue.

7. Until recently government service was considered to be a worthwhile career. Civil servants were hired having regard to their educational qualifications and following departmental interviews to assess their suitability. Normally newly recruited officers were subject to periods of probation and in the Police Force, a disciplined service, officers were required to undergo six to nine months intensive training. Failure to complete this training or failure to complete the probationary period satisfactorily would result in the termination of the officer concerned.

8. The rewards for such service were, and still are, correctly in the public domain with pay scales and any changes to them having been negotiated with the Government, usually after a review by an independent body to ensure fair play. Upon embarking on careers in the civil service, public officers know they will never attract the rewards available in the private sector. However, up until basic conditions of service were varied recently, upon the introduction of new terms for recruits, they had a legitimate expectation; to remain in employment provided they worked hard, to compete for advancement and promotion, and to attract a pension (now replaced with the Mandatory Provident Fund for some officers) at the end of their career, again subject to productive service.

9. Against this civil servants appreciate from the outset that their remuneration will be fixed, they will not enjoy commissions, share options, bonuses, double pay at Chinese New Year or salaries in excess of twelve monthly amounts. Being in a career scenario they will not in many cases be able to jump in and out of similar jobs like their counterparts in the private sector, and in the case of some of the disciplined services e.g. the Police Force and Fire Service, there would be nowhere else to jump. Furthermore, in the case of Police officers they are governed by the Police Force Ordinance and cannot take up dual employment for example without express permission, nor be involved in any commercial concern which may conflict with their duties.

10. As a police officer, I should now like to present my views on the question posed in the interim report but firstly I would intend to underline the unique nature and role of the Police Force and its members in Hong Kong.

11. The Hong Kong Police Force is the Government's agency of last resort. If the Force cannot address internal problems in the Special Administrative Zone (SAR), then military intervention remains the only option. The Force is an armed police force and the majority of officers regularly carry a revolver and twelve rounds of ammunition when they are on duty. Detectives carry arms round the clock and the Force provides its service 24 hours a day, 365 days a year. The carriage of arms gives individual officers a legitimate power of life and death in certain situations and should not be considered lightly. In the same way that it confers this grave responsibility, it also puts each and every officer in a considerable amount of danger every working day. This was clearly borne out by the brutal murder of Constable LEUNG Shing-yan on 14th March 2001.

12. The scope of duties for which the Police Force is responsible is vast, and essentially involves any function which is not specifically included in another government department's charter. Duties can involve an officer patrolling a beat, manning a report centre, responding to emergency calls, compiling death reports, regulating traffic, investigating crime, attending to licensing matters, policing the SAR's territorial waters, counselling youths, controlling processions, providing first aid or sweeping a hillside for illegal immigrants, to name only a few. On any given day a beat patrol officer may have

to attend the scene of a serious car accident and try to save life, or bring normality back to the scene of an accident where a person jumps from a height. At any dispute he can reasonably expect to be verbally abused, pushed or in some cases even attacked, and throughout all the incidents he may encounter he is expected to remain calm, patient and understanding whilst he brings such situations under control. Unlike other employees, he is required to work shifts, forgo public holidays and may be required to work from different stations, in different regions upon being transferred on a regular basis.

13. The Force has a internal security responsibility so in addition to watch and ward duties, or the prevention or detection of crime, all officers will be required at some point in their service, and maybe repeatedly, to undergo internal security training. This will see officers involved in strenuous physical training, weapon handling, helicopter training, and riot and crowd control training. The officer will be subjected to the effects of C.S. gas in order that he understands its effect and, as always, whether at the Police Tactical Unit or on ordinary patrol the majority of a police officer's time will be spent outside in every form of weather that Hong Kong experiences.

14. The effect of this style of work on a family can be devastating. Wives or husbands of officers often feel neglected and children do not regularly see their police parent(s). Family outings of the type which other Hong Kong families enjoy at weekends are often impossible, and police children may not be able to receive regular support from their parents in the same way, or at times, that other children can if their parents work normal office hours.

15. What price do you put on a lifestyle like this? Well clearly it is one which must properly reflect the scope of the duties carried out, the responsibility shouldered and the unsocial conditions faced on a regular basis. In view of the fact that there is absolutely no comparable work in the private sector, the remuneration for police officers is currently and should remain totally independent from the rest of the civil service. Given the continual restrictions imposed on them, the danger regularly faced and the services which have to be provided, members of the Hong Kong Police Force are not overpaid nor should they, in the same way as the Judiciary, have been included in this year's proposed annual pay cut. The organization is unique and absolutely necessary. Without the security that the Force brings to the streets of Hong Kong everyday, this city would cease to provide a safe environment for residents to live, or businesses to thrive, in.

On Pay Policies, Pay System and Pay Structure -

- a) Should there be a major overhaul of the civil service pay policy and system, should more emphasis be put on performance-pay, clean wage policy (i.e. paying "all cash" wages in lieu of allowances, housing and medical benefits, etc)?

16. This is a far more complicated issue than it at first appears. Whilst changes could be made in some areas of the civil service it would be clearly detrimental to do so in others. One of the most important things to remember is that change must be equitable. Take myself for instance. I have worked for 27 years out of an expected 33 year career under broadly the same civil service pay policy and system. It appears to me to be totally inequitable if the Government now wants to suddenly move the "goal posts" and completely revamp the way I am paid or tamper with my conditions of service. Any pay cuts will affect my pension and my pay level may not

recover prior to my retirement. Quite apart from anything else any moves in this direction would appear to contravene the Basic Law (Articles 100 & 160). If changes in the pay system are to be made these should be introduced gradually to new recruits and be allowed to work themselves through the system over the span of an average career.

- b) Should senior civil servants be subject to a pay policy which is different from that of the middle-ranking and junior ranks, placing more risk/award factors on the former?

17. They could be in certain departments in the Government which are there to provide or generate a profit rather than a service. The Police Force, however, is a unique organization charged, inter alia, with the provision of law and order in Hong Kong. There is no political nor profit orientated agenda associated with the Force, and thus the pay policy should be linked to an overall pay scale specifically for the Police which recognizes the demands and responsibilities placed on all members of the organization.

- c) Should the disciplined services' pay be treated differently from the rest of the civil service?

18. Yes. Additionally the Police Force, as now, should be treated in isolation from the rest of the disciplined services given the scope and depth of its responsibilities.

- 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?

19. Yes.

- e) Or should Government's affordability to pay be an over-riding consideration in pay adjustments?

20. This is not quite as simple as it seems. Government expenditure is huge and "affordability" is a very subjective term. As such it could be used for political ends, for example to freeze and/or cut civil service pay whilst not pushing through tax reforms, simply to garner public support. Affordability should not therefore necessarily be an over-riding factor although it should be part of the overall equation.

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

21. The existing pay policy and system should be retained particularly for organizations such as the Police. Pay bands within the Force are public knowledge and clearly delineated. There are no grey areas and salaries are paid directly from the treasury to the officer concerned. There is therefore no interference from the organization itself save to advise the treasury regarding the inclusion of allowances or deductions which are clearly documented. Having said that, if the Government is set to change the system which has hitherto worked well for Hong Kong, being based on negotiation and an overall sense of fair play, then legal guarantees regarding pay and pensions are required. The current system could be considered to have been established by convention and a mutual

understanding between employer and employee. Only now does the government appear to want to unilaterally "move the goal posts".

On Replacing Fixed Pay Scales with Pay Ranges -

- a) 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?
22. This could be applicable to some officers, or grades in government but would not work within the Police Force because the range of duties is so very diverse. The existing incremental pay band can be considered to be a type of pay range which takes cognizance of an officer's experience in his rank and thereby his increasing effectiveness.
- b) Would flexibility in pay progression lead to potential divisiveness among civil servants?
23. Any form of flexibility in pay progression would certainly lead to potential divisiveness in a disciplined service such as the police. At present, as stated before, pay levels are open and transparent for everyone to see both within and outwith the Force. Any given rank attracts a fixed level of pay (including increments) and there are no grey areas which could lead to allegations of corruption, nepotism or favouritism.
- c) Should flexible pay ranges be applied to the entire civil service, or only to senior civil servants, who typically have heavier management responsibilities?
24. As the largest government department pay bands, rather than ranges, in the Hong Kong Police Force should be fixed and appropriately reflect the extent of management responsibilities. The Commissioner of Police heads an organization in excess of 30,000 personnel and most Districts are the size of large commercial firms with personnel in excess of 1,000 people. As a large scale and unique organization the Force should retain the Police Pay Scale.
- d) Should flexible pay ranges apply both to civilian grades and the disciplined services?
25. This is scope for flexible pay ranges to be applied to certain civilian grades based on an individual's skills. For reasons already stated flexible pay ranges should not be applied to disciplined officers.
- e) Would changes be required to the existing performance measurement and appraisal systems to support the introduction of flexible pay ranges?
26. In view of (d) above, no comment.
- f) Would a performance management system directly linked to pay be the most effective way of nurturing a performance culture?
27. Not for the Police Force. The Force provides a service and the effect of the service and overall performance cannot be measured in the same way as a profit driven

private concern. There are too many variables in Police work which would make any form of benchmarking totally impossible.

On Pay Adjustment System and Mechanism -

- a) Should the principle of broad comparability with the private sector continue to be adhered to?
28. Basically yes, although again the uniqueness of the Police Force as an organization can make this difficult.
- b) 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?
29. Over the past 27 years of my service the system has worked well although it is slow and always lags behind the adjustments in the private sector. I think it can be considered as fair.
- c) Is there a need for changing or introducing more flexibility in the existing adjustment mechanism?
30. No.
- d) Should fiscal constraints be an over-riding factor in determining pay adjustments?
31. No. Fiscal constraints should only be one of the factors in determining pay adjustments. Please also refer back to paragraph 20.
- e) Depending on whether, and to what extent, pay administration should be decentralized to departments, what would be the right balance for Hong Kong in terms of central control/guidance versus autonomy/flexibility for individual departments?
32. There is no requirement to decentralize pay administration to departments especially the Police. Decentralization could bring about unnecessary interference to the integrity of the current pay system which is undesirable. Hong Kong is a city not a country as with four of the five other places in the world that the consultants examined.

On Introducing Performance-based Rewards -

- a) Do we see the merit for Hong Kong to incorporate elements of performance pay in civil service salaries?
- b) Apart from pay ranges which already have performance-related elements, do we need to consider other forms of performance-based rewards?
- c) 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?
- d) 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?
- e) 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?

33. There is scope for introducing performance based rewards in some areas of government but this cannot be incorporated into either the Police or other disciplined services systems. These would be applicable to profit orientated roles but the possibility of nepotism and corruption would be a real danger.

On Simplification and Decentralization of Pay Administration -

a) Should consideration be given to introducing decentralization of civil service pay administration for a city like Hong Kong?

34. No. The existing system is well established and there do not appear to be any real advantages.

b) If decentralization of civil service pay administration is to be introduced, how much pay and grading responsibility should be devolved to departments?

35. See paragraph 34 above.

c) Should some or all of the current general/common grades staff be departmentalized to facilitate department-based management?

36. This is possible but would perhaps cut down on the cross-fertilization of good practices across government and reduce motivation for some individuals. On the other hand, however, specialization would hopefully lead to greater efficiency and the streamlining of procedures which could enhance cost effectiveness.

d) If civil service pay administration is to be decentralized, there may be a rather long transition period. How can the standard of service and staff morale be maintained during that period?

37. It should not be decentralized.

e) In terms of simplification, is there scope to amalgamate existing grades within broader occupational categories? Is there scope for having flatter organizations with wider span of management control and fewer rank layers?

38. There is scope I think to amalgamate some civilian grades within broader occupational categories. The subject of flatter organizations with a wider span of management control and fewer rank layers needs very careful consideration however. Existing ranks were clearly established for a reason and a wider span of management control in large organizations, such as the Police, may lead to the loss of focus, confused policy and the loss of expertise.

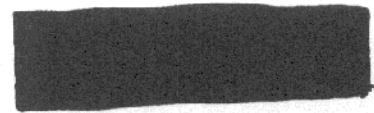
f) Should a formal job evaluation system be introduced and, if so, should this be operated centrally or at department level?

39. The Police Force already has a formal job evaluation (and promotion) system

which has been in place for many years. It is continually being updated and tuned to reflect the changing needs and circumstances of the Force within Hong Kong's society. Any evaluation system needs to be administered by personnel who fully understand the extent and scope of responsibilities of any given job. Hence the evaluation systems need to be operated at a departmental level.

Conclusion

40. I hope my comments may assist you in your deliberations and thank you for your attention.



([Redacted])

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