

PART I

METHODOLOGY FOR THE PAY LEVEL SURVEY

CHAPTER 2

GUIDELINES FOR THE METHODOLOGY FOR THE PAY LEVEL SURVEY

2.1 INTRODUCTION

2.1.1 Initially, we laid down certain guidelines to be observed by the consultants when devising the methodology for the survey. At meetings of the Pay Level Survey Advisory Committee, comments on these guidelines were also made by members.

2.1.2 These guidelines were as follows :

- (a) The private sector companies used for comparison with the civil service should, as far as possible, be the companies covered by the annual pay trend surveys. However, other companies might also be recommended for inclusion, provided that they fell within the criteria for inclusion in the Pay Level Survey;
- (b) The current broadbanded structure of the civil service should not be substantially altered and the survey should not be used to adjust the remuneration of specific grades;
- (c) In the course of conducting the survey, the consultants should be advised by a steering group, comprising members of this Commission and Commission Secretariat staff; and
- (d) The consultants should be able to draw upon the assistance of the Commission Secretariat and the Pay Survey and Research Unit where necessary and appropriate.

2.2 VIEWS EXPRESSED AT PAY LEVEL SURVEY
ADVISORY COMMITTEE MEETINGS

2.2.1 Guideline (a)

(i) Model Scale 1 Staff Consultative Council

The Model Scale 1 Staff Consultative Council* felt that public utility companies should be

* In this Report, Model Scale 1 Staff Consultative Council refers to the Staff Side of the Council only.

included in the survey field for the Pay Level Survey. This suggestion was supported by the Administration, the Senior Civil Service Council, the Employers' Federation of Hong Kong and the Hong Kong Institute of Personnel Management.

(ii) Hong Kong Institute of Personnel Management

The Hong Kong Institute of Personnel Management considered that multi-national companies should be included in the survey field.

(iii) Hong Kong General Chamber of Commerce

The Hong Kong General Chamber of Commerce felt that both public utility companies and multi-nationals should be included in the survey field. This suggestion was supported by the Senior Civil Service Council.

(iv) Chinese Manufacturers' Association

The Chinese Manufacturers' Association expressed the view that at least 60 companies of small to medium size from the private sector should be added to the survey field. If this was found to be impossible, in view of the time available for the survey, then no reference should be made to the survey results as being representative of the private sector. Rather, the results should be regarded as representative only of the companies under survey and the names of these companies should be published in the final Report.

(v) Hong Kong Industrial Relations Association

The Hong Kong Industrial Relations Association considered that some smaller private sector companies should be included in the survey field.

2.2.2 Guideline (b)

(i) Association of Expatriate Civil Servants

The Association of Expatriate Civil Servants opined that the upper band should be split into two, i.e. MPS 38 - 47 and MPS 48 - 51, because there are marked differences in the fringe benefits enjoyed by these two groups of staff, especially in the provision of non-departmental quarters for local officers and annual leave passages for expatriates.

(ii) Hong Kong Chinese Civil Servants' Association

The Hong Kong Chinese Civil Servants' Association considered that the middle band should be split into two, i.e. MPS 14 - 28 and MPS 29 - 37, because civil servants below MPS 29 are not eligible for the Home Purchase Scheme unless they have completed 20 years' service.

(iii) Model Scale 1 Staff Consultative Council

The Model Scale 1 Staff Consultative Council expressed the opinion that their staff should form a separate pay band independent of the lower band, because there are differences in the fringe benefits provided for Model Scale 1 Staff and for those in the lower band of the Master Pay Scale. This suggestion was supported by the Administration.

2.2.3 Guideline (c)

Hong Kong Chinese Civil Servants' Association

The Hong Kong Chinese Civil Servants' Association felt that there should be Staff Side representatives on the Pay Level Survey Steering Group. This view was supported by the Association of Expatriate Civil Servants and the Model Scale 1 Staff Consultative Council.

2.2.4 Guideline (d)

Members of the Committee made no comments on this point.

2.3 STANDING COMMISSION'S RECOMMENDATIONS

2.3.1 We have considered carefully the views expressed by members of the Pay Level Survey Advisory Committee and Hay's proposals and recommend as follows :

- (a) Our initial view was that the public utility companies, in general, followed civil service pay trends and their inclusion in the survey field would therefore be inappropriate. On closer examination, however, we recognise that, although the pay increases awarded to public utility staff may be closely based on those given in the civil service, the base from which the two originate may be quite different and, for the purpose of pay level surveys, public utilities should not therefore be automatically excluded. We therefore suggest that two public utility companies should be included, to ensure that utilities are accorded their rightful place in the survey without allowing them to be over-represented;
- (b) After due consideration, we are unable to agree to the request of the Hong Kong Institute of Personnel Management that multi-national companies should be included in the survey field, since our feeling is that the pay policies of such companies may often be decided outside Hong Kong and overseas factors may be taken into account when setting levels of pay. For these reasons, we feel that multi-national companies should be excluded from the survey field;
- (c) The upper band should be split into two - i.e. MPS 38 to 47 and MPS 48 - 51 of the Master Pay Scale, in order to reflect the marked differences in fringe benefits enjoyed by these two groups of staff;
- (d) The middle band should not be split between MPS 28 and 29, but should be retained as a single band, since we can see no strong justification for such a split;
- (e) Model Scale 1 staff should be treated as a separate band in their own right; and

- (f) The Pay Level Survey Steering Group is not intended to be a forum for consultation and it would therefore be inappropriate for Staff Side representatives to be present at its meetings. The Steering Group should therefore continue to convene in its present form, without the addition of Staff Side members.