

possess the minimum educational qualification for entry, if they are otherwise found to be suitable. Appointees with lower qualifications usually enter at several salary points below the normal entry point.

4.52 This issue was last examined by the Commission in 1981. Having regard to the likelihood that the demand for university graduates by the civil service could outstrip the supply from the two local universities in the following few years, and to the need for widening the recruitment field, the Commission agreed that the practice should continue and be extended if circumstances warranted.

4.53 We are aware that conceptually this practice may not be totally consistent with the underlying principle that the stipulated entry qualification is the minimum qualification considered necessary for the competent performance of the job concerned. It is also true that with the expansion of education opportunities, particularly at the tertiary level, there is an increasing supply of holders of various educational qualifications locally. On the other hand, there is increasing competition from the private sector for suitable personnel as a result of rapid economic development. Furthermore, we are conscious of the fact that a number of grades in the civil service have been facing serious recruitment problems. On balance, we consider the practice should continue.

4.54 We would stress that this practice should be regarded as an exception, but not an alternative, to entry with the stipulated qualification. Appointees with lower qualifications should continue to enter at appropriate salary points below the normal entry point.

Increments for Additional Qualifications Obtained by Serving Officers

4.55 Some staff propose that increments should be awarded to officers who, after entry to the grade, have obtained additional qualifications relevant to their job. We take the view that increments should be awarded for additional qualifications only when they are considered essential for the effective performance of the job. We understand there are various incentives to encourage staff to acquire additional qualifications to improve their performance, such as subsidy of course fees, leave with pay for attending courses and so on. These arrangements should continue.

Job Factors : Category 2 - Extraneous Responsibilities

4.56 In the 1979 review, we have recommended that where the duties of a rank entail a level of responsibility or a supervisory role beyond that usually expected of equivalent ranks, the pay scale of the rank should be suitably adjusted. This is consistent with the 'pay for the job' principle. In determining whether a certain level of responsibility is above normal or a supervisory role is beyond that reasonably expected, reference should be made to the group norm.

4.57 We note that staff of individual grades have claimed from time to time that they have to undertake additional work not covered in their duty lists and that their grade pay should thus be improved. Such situations may arise when there are improvements in operational methods or when new technology is introduced. We consider the following principles should apply in determining the validity of such claims.

(a) Reasonable scope of work

4.58 The pay for a job should cover the entire range of work reasonably expected to be undertaken by holders of that job. It is not confined to a limited set of duties in, say, the job description which is prepared as a guide to appointment or for reference purposes. Furthermore, because of changing circumstances, staff will be required to undertake new duties which are within the reasonable scope of work of the rank. These duties should not be considered as extraneous duties attracting additional pay.

(b) New technology

4.59 The introduction of new technology should be recognized as a relevant factor only if it will bring about permanent and significant changes to the nature of work.

4.60 Where new technology is introduced, it normally replaces existing practices or procedures. Understandably, there will be a need for staff to adapt to such changes and, perhaps, to make additional effort in the short-term to learn the new procedures or to use the new tools. Very often the changes would subsequently result in improved efficiency and higher productivity without an increase in effort or even with reduced effort by staff. The point should also be noted that while a tool is of more advanced and sophisticated design, it does not automatically follow that the operation or application of that tool is correspondingly more difficult.

Extraneous Duties Allowance

4.61 Where an extraneous responsibility is considered relevant but does not apply to over 75% of the rank, an Extraneous Duties Allowance may be granted instead of adjusting the pay scale. Payment of an Extraneous Duties Allowance should be made only if the duty is clearly outside the normal scope of work of that rank. We shall examine the existing Extraneous Duties Allowances payable to members of each grade when individual grades are reviewed at a later stage.

Job Factors : Category 3 - Conditions of Work

4.62 We recognize that the working conditions of grades even in the same qualification group vary according to the nature of work or operational requirements of individual grades. In some cases, staff are required to work under particularly harsh conditions. We consider it reasonable to award additional pay to staff who experience particular hardship. However, in determining whether a particular factor should be recognized, apart from reference to the group norm, the degree of hardship in the context of reasonable demand on the staff concerned should be taken into account. As we have pointed out in our Report No. 1, staff whose work involves little more than the dust and grime of everyday life should not be granted additional pay. The following paragraphs examine individual hardship-related factors.

(a) Obnoxious or dangerous duties

4.63 When duties of a rank are of a particularly obnoxious nature, or when members of the rank are required to perform duties in particularly distasteful or unpleasant or even dangerous conditions, consideration should be given to adjusting the pay scale of the rank. In deciding whether a particular feature should merit recognition in pay, regard should be paid to the mode of operation of the job concerned and any changes over a period of time. Technological developments and improvements in methods may have reduced the obnoxious or dangerous nature of the job.

(b) Enforcement duties

4.64 We recognize that many staff are involved in enforcing the laws of Hong Kong. In our view, only duties entailing confrontation with the public to the extent that there is a real risk of the enforcing officer being subjected to physical danger should be given additional recognition in pay.

(c) Shift work

4.65 Work which involves shifts during evenings, at nights and on Sundays and public holidays leads to appreciable disruption of normal family life. It should therefore be recompensed by an adjustment to pay. Moreover, we agree with the view of a number of respondents that overnight shifts impose particular hardship on staff. We consider that frequent overnight shifts should be given additional recognition where appropriate.

(d) Outdoor work in all weathers

4.66 Under the existing practice, outside work in all weathers is not taken into account in setting pay scales. In some cases, there appears to be some justification for granting additional pay to staff who have to perform a substantial part of their duties outdoors in all weather conditions. We feel that each case has to be considered on its own merits. It should be noted that work which is performed outside an officer's own office but which is still normally performed indoors should not be regarded as outdoor work.

(e) Requirement to work on public holidays and Sundays or at unsocial hours

4.67 Under existing rules, where shift work is not involved, the requirement to work on public holidays, Sundays or at unsocial hours is not recognized in the pay scale.

4.68 The point is made in quite a number of representations that increasing importance is now attached to leisure and recreation. Duties which involve working on public holidays, Sundays or at unsocial hours should merit additional pay.

4.69 We consider it appropriate to make a distinction between staff who are required to work occasionally outside normal office hours and staff who, because of the nature of their work, are required to work on public holidays and Sundays or at unsocial hours as a standard practice of their rank or grade. In the former situation, overtime allowance and time-off in lieu should adequately compensate for the occasional inconvenience or disruption to social and family life. For a grade in the latter situation, if it is found that the requirement is reasonably over and above that for other grades, consideration should be given to the award of additional pay.

(f) 'On call' duty

4.70 'On call' is any period outside an officer's normal hours of work during which he is continuously required to be readily available for duty when called upon to do so. At present, 'on call' is not treated as duty and staff subjected to 'on call' requirements are not given any additional compensation. There have been persistent requests from staff to grant officers 'on call' an allowance on the grounds that they are unable to spend their free time in remote areas or outside Hong Kong, and that the requirement for them to report for duty upon request at any time has caused disruption to normal life and has imposed a psychological burden on the officers concerned.

4.71 We are generally sympathetic to such requests. However, we do not think that the severity of the requirement is comparable to, say, dangerous duty or shift duty. We therefore recommend that a suitable form of recognition, probably a flat-rate allowance, should be awarded to staff assuming regular 'on call' duty exceeding a stipulated period of time.

(g) Requirement to wear uniform

4.72 The Commission recommended in the last overall review that this factor should not be taken into account because the costs involved in being required to wear uniform are largely offset by the saving in wear and tear on ordinary clothes. We have re-examined it and are satisfied that the existing practice is appropriate.

(h) Subject to discipline

4.73 We consider that the subjection of civilian staff to disciplinary rules of the disciplined services should not constitute sufficient grounds for additional pay unless they are required to undertake dangerous or enforcement duties.

(i) Stress

4.74 Many grades claim that they are subjected to stress because of their work, and that the increased workload and responsibility since the 1979 review have led to greater stress. Although these claims are true to a certain extent, we note that an element of stress is inherent in any type of work. It may be related to the responsibility shouldered, to the complexity of the task to be undertaken or to those hardship-related factors examined

in earlier paragraphs. It follows that the element of stress in the work undertaken by staff should not be treated as a separate hardship-related factor but should be considered in the context of the causes giving rise to the stress.

Hours of Work

4.75 Besides the hardship-related factors examined above, differences in the 'conditioned hours of work' among grades may also be relevant in determining pay relativities. Where there is a clear operational need for staff of a grade or rank to work longer hours in comparison with the group norm, consideration should be given to making suitable adjustment to the pay scale of the grade concerned.

Rates for Job-Related Allowance

4.76 We have said in paragraph 4.28 that where a factor applies to less than 75% of the staff in a rank, job-related allowances should be paid instead of adjusting the pay scale. At present, the rates for job-related allowances are generally calculated on the basis of fixed percentages of Point 1 of the Master Pay Scale. A number of staff representations submit that this is inappropriate and suggest that the allowances should relate to the recipient's salary. It appears that the existing basis for calculating the rate for job-related allowances is not totally consistent with the basis for recognizing a job factor in the pay scale. This subject should be examined further in a separate exercise.

III. Pay Structure of Individual Qualification Groups

4.77 Having addressed the basic principles and practices governing the determination of pay relativities between grades, we examine, in the following sections, a number of issues connected with the pay structure of grades within a qualification group.

4.78 As noted in paragraph 4.4, a common salary structure prevails in each qualification group. This includes the following features :-

- (a) broadly similar grade structure i.e. same number and level of ranks where applicable;
- (b) same benchmark salary point for entry ranks with variations in appropriate circumstances; and

- (c) similar pay range for comparable ranks in the same qualification group.

Grade Structure and Creation of Senior Ranks

4.79 Many representations from staff submit that additional senior ranks should be created in their grade to take account of changes in circumstances or to improve opportunities for advancement.

4.80 Generally speaking, the number of ranks and the division of responsibilities among ranks in a grade are determined by the operational requirements. A new rank is created only if it is functionally justified. Since grades within a qualification group normally have a common pay structure, the pay scale of the new rank is set by reference to the pay scale of equivalent ranks in the group. Therefore, in examining the justification for an additional rank in a grade, apart from functional grounds, regard should be paid to the comparability of the new rank with equivalent ranks in the group.

Pay Rate for a Rank

4.81 Under the 'pay for the job' principle, the pay scale of a rank should reflect the weight of jobs undertaken by officers of that rank. Staff have suggested that the 'true' rate for the rank should be represented by the maximum of the pay range. In our opinion, however, there is no single salary point which represents the rate for a rank. It is recognized that there are different standards of performance for any job. We consider that the starting pay for a rank should be related to the minimum acceptable standard of performance set for that rank. Increments are granted as an officer acquires on-the-job experience and becomes more proficient in discharging his duties. The maximum of the pay range represents the point where an average officer theoretically becomes fully proficient and can achieve a reasonably high standard of performance relative to the more junior members of the rank. The rate for a rank should thus be represented by the entire pay range for that rank rather than by a single pay point.

Criteria for Setting Pay Scales of Upper Ranks

4.82 At present, the major criterion for setting the pay scales of higher ranks (as opposed to the entry rank) in a grade is the level of responsibility exercised by officers of those ranks. In addition, the higher the rank being dealt with, the more broadbanding is applied.

4.83 Generally speaking, broadbanding has been further applied in two respects :-

- (a) above a certain level (the usual point is MPS 37), factors that fine-tune the pay scale of individual grades are ignored; and
- (b) for the highest ranks of the non-Directorate civil service, the particular type of qualification associated with an individual group becomes irrelevant in pay determination; at this level, grades in all qualification groups are broadbanded with a common pay scale (MPS 48 - 51).

4.84 We consider broadbanding of the pay scales of senior ranks reasonable. In these ranks, the managerial, administrative or professional responsibilities are the most important aspects of the duties performed and they tend to outweigh other features of individual grades. However, where a considerable part of the duties of such ranks involve elements of hardship such as shift work, obnoxious duties or dangerous duties, as opposed to general managerial or administrative responsibilities, we recommend that such hardship-related factors be given recognition in the pay scale of the rank concerned.

Overlapping Pay Scales

4.85 Although pay scales are generally designed to provide gaps between ranks, there are situations where rank scales in a single grade overlap. In the 1979 overall review, we concluded that overlapping scales might be both necessary and unavoidable. Indeed, overlaps in salary ranges acknowledge that an experienced officer doing a good job can be of more value than a new comer to a job in the rank above. We consider that where necessary, overlapping scales should continue to apply or be further introduced. In this connection, we also affirm the established practice that all officers should receive some immediate benefits on promotion. The existing arrangement whereby an officer on promotion is converted to the salary point in the promotion rank next above his existing salary should therefore continue.

Incremental Gap between Ranks

4.86 As noted in paragraph 4.85, gaps between two consecutive ranks normally exist in civil service grades. A one-increment gap is the normal practice. However, gaps with more than one increment between ranks also exist.

4.87 Our attention has been brought to the anomalous situation in Group I of the Technical Inspectorate and Related Grades where the norms for the second and third rank scales have a two-increment gap between them (MPS 28-36/MPS 38-41). We have been informed that this two-increment gap has existed for a long time and its basis cannot be traced. We find no particularly strong reasons to support either the retention or the removal of this gap. Moreover, it is difficult to say that the second rank merits a scale maximum at MPS 36 instead of 37, or for the third rank, a scale minimum at MPS 38 rather than 37. Nonetheless, looking at the civil service pay structure as a whole, the existence of a two-increment gap in the pay structure of a particular group but not in the others can be regarded as an anomaly. We recommend that it should be removed. We shall examine whether the scale maximum of the lower rank should be brought up or the scale minimum of the next rank should be reduced when grades in this qualification group are reviewed at a later stage.

Omitted Points

4.88 Introduced by the 1971 Salaries Commission, omitted points are provided in a small number of ranks whereby officers can jump certain incremental points in their pay scale. In the 1979 overall review, we expressed reservation over the selective provision of omitted points in some pay scales. However, in view of representations from departments and staff concerned emphasizing the need for omitted points in the pay scale of specific grades, we took the view that the prevailing arrangements should remain unchanged for the time being.

4.89 In 1988, the Civil Service Branch requested departmental management to comment on a proposal to abolish omitted points. The response was generally negative because it was believed that such a provision would help in the recruitment and retention of staff.

4.90 In the standardized and broadbanded civil service pay structure, providing omitted points in the pay scale to cater for particular circumstances of a rank should be regarded as an exception rather than the rule. We nonetheless accept that omitted points in a pay scale increase the attractiveness of the scale. To this extent it is useful in tackling recruitment and retention problems. We consider therefore that the provision of omitted points in the pay scale should be retained and extended to other grades where appropriate.

Problems Connected with Entitlement to Housing Benefits

4.91 At present, for civil servants on local terms, entitlement to certain housing benefits is determined solely by reference to salary points. Private tenancy allowance (PTA) is provided for officers whose salary point is at MPS 38 or above. Officers are eligible for non-departmental quarters (NDQ) on reaching MPS 48. In terms of total remuneration, both PTA and NDQ represent substantial value for staff who receive them.

4.92 Using salary points as the basis for determining eligibility for housing benefits has created problems in setting pay scales. To extend the pay scale of a rank whose maximum is currently at a point on or below MPS 37 or MPS 47 to a point exceeding MPS 37 or MPS 47 is an extremely important consideration. Such an extension would mean that officers would enjoy a significant leap in terms of total remuneration as they progress from MPS 37 to MPS 38 for PTA or MPS 47 to MPS 48 for NDQ. This significant leap may not be commensurate with the increase in responsibility or other relevant considerations which might justify extending the pay scale by several increments only, but not the additional provision of PTA or NDQ which is of substantial value. Thus, although there is justification to adjust the pay scale of a rank to cross over MPS 38 or MPS 48, consideration must necessarily be given also to whether the circumstances warrant the provision of PTA or NDQ. Where it is not justified, the pay scale cannot be extended beyond the respective threshold. This situation makes it highly inflexible in revising the pay scale to take account of changes in circumstances of the rank concerned.

4.93 This inflexibility has prompted us to review the existing policy of setting thresholds for entitlement to PTA and NDQ at particular salary points and to explore the possibility of introducing other arrangements for determining eligibility.

4.94 In our deliberations, we have taken account of practices in the private sector. We note from the findings of the 1989 Fringe Benefit Survey that almost all companies in the survey field do not use a salary point as the sole determinant for granting housing allowances or company quarters. Instead, it appears that such benefits are granted by reference to the status of staff in the company hierarchy and to the nature and level of their responsibilities (e.g. managerial) in addition to the salary.

4.95 Furthermore, we observe that at present, the job content of the majority of civil service ranks whose officers are, or will in the course of time be, eligible for PTA or NDQ includes a substantial amount of managerial, administrative or professional responsibilities.

4.96 We consider it appropriate, therefore, that eligibility for PTA and NDQ should not be determined purely by reference to particular salary points. Instead, the main considerations should be the nature and level of responsibility of the officer concerned as well as his status in the civil service hierarchy. Under this system, all the ranks whose officers are eligible for PTA or NDQ should be specified. It seems reasonable that the ranks eligible for PTA or NDQ should initially include those which currently have a pay scale that starts at MPS 38 or MPS 48, as existing eligibility should not be affected. A rank presently excluded can of course become eligible if the particular circumstances of the rank have changed to an extent rendering it suitable for inclusion.

4.97 For officers whose rank scales currently straddle MPS 38, we take the view that their salary level should continue to be taken into account in determining eligibility for PTA. This will bring the civil service practice more in line with the private sector, where very seldom will housing benefits of similar value to PTA be provided to managerial employees below a certain salary level (with the possible exception of banks and financial institutions which generally provide loans of varying amounts at low interest to most employees for home purchase). For these ranks, officers should be eligible for PTA only upon reaching MPS 38 as they are at present.

4.98 It should be noted that under the proposed arrangement officers belonging to ranks not eligible for PTA and NDQ will still enjoy other housing benefits. We also understand that the Administration is considering the introduction, for staff remunerated below MPS 38, of a new package of housing benefits which will be an improvement over the existing one.

4.99 We are aware that the disciplined services currently have the same salary cut-off rules for eligibility for PTA and NDQ as the rest of the civil service. Therefore, the proposed new arrangement may result in different practices between the two groups. We also note, however, the arguments that the disciplined services are different in many respects : they have a separate salary review body, separate pay scales and separate provisions for staff housing.

4.100 We feel that the proposed arrangement will be beneficial to staff because it provides more flexibility in setting the pay scale to reflect responsibility or job features. If the existing practice is to continue, it would not be possible for such factors to be adequately reflected in the pay scale in many cases because the value of PTA or NDQ would have to be taken into account if consideration is given to extending the pay scale to a point beyond MPS 37 or MPS 47.

4.101 We realize that any change in the existing arrangement for determining entitlement to housing benefits will be of great concern to staff and we certainly would like to take their views into account on this issue before making our firm recommendation. We would therefore welcome any representations from staff and management on our proposal and shall, in the light of the opinions expressed, formulate our definitive advice at a later stage.

Amalgamation of Model Scale 1 and Master Pay Scale

4.102 We have received a number of representations, notably from the Staff Side of the Model Scale 1 Staff Consultative Council, suggesting that the Model Scale 1 pay scale should be merged with the Master Pay Scale. We are conscious of the strength of feeling among Model Scale 1 staff on the subject. We are also aware, however, of the considerable financial implications of the proposed merger for the Government. In addition, we must pay heed to any possible implications for the private sector. This matter will need very careful consideration and we shall revert to it in the next stage of our work.

Training Pay Scale

4.103 Another topic which has been commented upon in many representations is the problems related to the Training Pay Scale. Again, because of the need for a detailed review of all the relevant grades concerned, this subject will be dealt with in the next phase of our work.