

CHAPTER 3

1989 SALARY STRUCTURE REVIEW

3.1 In March 1989, we were invited by the Administration to conduct an overall review of the salary structure of the non-directorate civil service other than the Disciplined Services and the Judicial Service. Our last overall review was carried out in 1979-80. Over the past decade, the civil service has undergone considerable changes in size, scope and responsibilities to keep pace with rapid developments in Hong Kong and another comprehensive review is timely.

3.2 We aim to conduct this overall review as thoroughly as possible, paying full regard to the views of staff and management. As required by our Terms of Reference, in drawing up our recommendations we also have to take into account any possible implications for the community at large.

3.3 At the outset, we decided that the scope of the review should mainly cover the following three areas :-

- (a) a re-examination of the prevailing principles and practices governing pay in the light of changes in circumstances since the 1979 review as well as of anticipated future developments;
- (b) a review of the pay relativities between the public and the private sectors to be achieved through pay comparison surveys; and
- (c) a comprehensive study of the salary structure of individual grades to establish their appropriate pay levels having regard to all relevant factors, including both external and internal relativities.

3.4 Because of the extensive scope of the exercise, the complexity of the issues involved and the large number (340) of grades affected, we decided to conduct the review in stages. As the entire exercise would take about two years to complete, we were requested by the Administration to submit periodic progress reports.

3.5 In the first stage of our work, which spanned April to September, we reviewed the general principles and practices governing civil service pay. This provided a common basis on which the pay and structure problems of individual grades were to be tackled. We also initiated pay comparison surveys for information on pay practices in the

private sector. In addition, at the request of the Administration, we reviewed separately the problems of recruitment and retention in the civil service, with particular reference to a number of grades identified by the Administration.

3.6 By October 1989, we completed the first stage of the review and the First Report on the 1989 Salary Structure Review (Report No. 23) was submitted to the Governor on 12 October 1989. The recommendations in this Report were subsequently accepted by the Government.

3.7 The focus of our next stage of work is on reviewing the salary and structure of individual grades. In determining the order in which each grade is to be reviewed, we have decided to use the existing grouping system which classified grades into different categories largely on the basis of appointment qualifications. The groups of grades in the current phase of our study are :-

Professional, Degree and Related Grades

Groups I, II and III (81 grades)

Polytechnic Higher Diploma, Diploma and Related Grades

Groups I, II and III (43 grades)

3.8 In carrying out our work, we have divided ourselves into three Working Groups. Two of the groups are to examine individual grades in detail. The third group is in charge of the pay comparison surveys. The Working Groups report their findings and recommendations to the Commission for consideration and endorsement.

3.9 To ensure full consultation with staff and management, we have invited departmental management and staff to submit representations on matters relating to the review. The invitation has elicited a very positive response and over 500 representations have been received so far. We have also been visiting departments and meeting with staff groups to gain a better understanding of their work and problems.

3.10 We have estimated that it would take about six months to complete the review of the 124 grades in the current phase of our work. The remaining grades will be dealt with thereafter. As the Administration has decided that all recommendations arising from the overall review, if accepted, would take effect from 1 October 1989, there should be no question of any grade being disadvantaged because of the order in which it is examined.