

Appendix H (cont'd)

- (iii) a sum which normally ranged from \$200,000 to \$1,500,000; or
- (iv) the lowest amount of the above three forms of provision.

4.18 The common practice was to recover the loans within 10 to 20 years. The surveyed companies usually subsidized the payment of interest and charged employees at rates below the market mortgage rate, or at a fixed rate of up to 10% per annum.

Annual Leave

4.19 The provision of annual leave was a compulsory practice in all companies under the Employment Ordinance.

4.20 Employees in the surveyed companies were granted annual leave according to -

- (a) a flat leave earning rate; or
- (b) entitlement which increased with length of service.

4.21 In general, the annual leave entitlements were seven or eight working days to two weeks for jobs in the Form III, Form IV and the Crafts and Skills Groups. For jobs in the other qualification groups, their entitlements were usually between two and four weeks.

4.22 The provision of leave passage was not a common practice. The benefit was provided by 24% of the surveyed companies in the Professional Group and less than 10% of the surveyed companies in the other qualification groups.

Children's Education Allowances

4.23 These benefits covered -

- (a) local education allowance; and
- (b) overseas education allowance.

The provision of these benefits was not a common practice. In each qualification group, less than 25% of the surveyed companies provided local education allowance and less than 15% of the companies provided overseas education allowance.

4.24 The two types of allowances were usually payable at a flat rate or up to a maximum amount to cover primary, secondary and post-secondary education. There was normally no limit to the number of eligible children.

4.25 Except for jobs in the Polytechnic Higher Diploma, Professional and Degree Groups, where school passages were normally provided in addition to overseas education allowances by the companies concerned, there was no provision for school passages in the other qualification groups.

#### Home-to-office Transport

4.26 The provision of home-to-office transport was not a common practice and was reported by less than one-third of the surveyed companies in all the qualification groups. The benefit was normally provided free-of-charge. Only 10% of the companies offering this benefit to jobs in the Form III, School Certificate, Degree and Crafts and Skills Groups required a nominal contribution of \$5 to \$10 per month from the employees.

#### Provision of Meals

4.27 The benefit was normally provided in the following forms:

- (a) free meals;
- (b) subsidized canteen facilities (i.e. provision of free accommodation and utilities to canteen operators for the supply of meals at agreed prices); and
- (c) subsidized canteen facilities plus meal subsidy.

4.28 In all the qualification groups, this benefit was available to jobs in 39% to 58% of the companies surveyed and the usual form of provision was subsidized canteen facilities. But it was also common for these companies to provide free meal to jobs in the Form III, Form IV and Matriculation Groups, and meal subsidy in addition to subsidized canteen facilities to jobs in the Polytechnic Higher Diploma and Professional Groups.

#### Purchasing Discount

4.29 It was the practice of 30% to 45% of the surveyed companies in the respective qualification groups to give sales discount to their employees in the purchase of company products for personal use. The discount normally ranged from 10% to 30% below the market price. But in most of these companies, there were prescribed limits to the type or quantity of the products that could be purchased at discount.

CHAPTER 5

OBSERVATIONS AND COMMENTS

5.1 Survey findings on nine qualification groups of private sector jobs (i.e. types of entry positions as defined in paragraph 1.8) are summarized in this report. These findings reflect the position as at 1 August 1989.

5.2 The use of qualification requirements for appointment together with the criterion of functional similarity provided a clearly defined measure for selecting private sector jobs for the surveys. However, a relatively smaller number of jobs were selected for the following qualification groups :

- (a) Qualification Group 2 (Form IV) : 41 jobs
- (b) Qualification Group 10 : 61 jobs  
(Matriculation)
- (c) Qualification Group 5 : 25 jobs  
(Polytechnic Higher Diploma)

5.3 As there are 84 jobs in Qualification Group 1 (Form III) and 538 jobs in Qualification Group 3 (School Certificate), the smaller number of jobs shown in paragraph 5.2 (a) and (b) suggests that it is less common among the participating companies to use Form IV or Matriculation as a minimum qualification for their entry positions.

5.4 This conclusion, however, is not applicable in the case of Qualification Group 5 (Polytechnic Higher Diploma). This is because the main functions of the civil service entry ranks in this group can be classified into two job families only (i.e. Administration and Medical and Health Services). While many jobs requiring Polytechnic Higher Diploma were available in the participating companies, few of these jobs belonged to these two job families. As a result, only a limited number of jobs were selected for this group.

5.5 In each qualification group, there is a sizeable proportion of private sector jobs for which working experience and other entry requirements are necessary in addition to a stated level of educational qualification. This pattern indicates that while it is an accepted practice to use educational qualifications as a basic requirement for appointment to entry positions, it is also common to include additional entry requirements. Since

civil service benchmark pay points for entry ranks have been determined with regard to educational qualifications, summaries of the starting salary rates for private sector jobs with minimum educational qualification requirements are presented separately from those for jobs with additional entry requirements in charts 1 to 8. For Qualification Group 14 (Crafts and Skills Groups A and B), which are covered by Charts 9 to 10, the starting salary rates for the jobs surveyed are also summarized under two different categories for the reason stated in paragraph 3.12.

5.6 As noted in paragraph 3.16, the starting salary rates for jobs with additional entry requirements are higher than those for jobs with minimum educational qualification requirements. The additional entry requirements are usually working experience and knowledge and skills relevant to the competent performance of the jobs concerned. Because of these requirements and the higher starting salary rates payable, the appointment to jobs with additional entry requirements may be compared to -

- (a) the appointment to an entry rank in a civil service grade where the requirement for appointment to the rank exceeds the benchmark qualification of the group into which the grade is classified;
- (b) the appointment to an entry rank in a civil service grade where increments for relevant previous experience are granted (but it should be noted that the experience is not a stipulated requirement for appointment and the increments are granted only as a measure to help alleviate recruitment difficulties);
- (c) the direct recruitment to fill vacancies at a level above the entry rank of a civil service grade.

5.7 The surveys also reveal that in all qualification groups, a high percentage of the jobs surveyed was remunerated by salary ranges. These ranges varied widely and, as explained in paragraph 3.22, no further analysis of these salary ranges can be made. Analysis of the salary ranges for the next higher level is also not made for the same reasons. It should, however, be noted that the use of overlapping salary ranges is common among the surveyed companies adopting a system of remuneration by salary ranges.

Civil Service Grades by Qualification Group

<u>Qualification Group</u>	<u>Description</u>	<u>Minimum/Normal Entry Requirements</u>
<u>Grades not requiring a full School Certificate</u>		
1	Group I : Grades which do not require more than 3 years' secondary education	Form III
2	Group II : Grades which generally require a minimum of 4 years' secondary education	Form IV
<u>School Certificate Grades</u>		
3	Group I : Standard direct entry grades	School Certificate
4	Group II : Grades whose basic ranks are usually filled by the appointment of persons with considerable experience either from within or outside the civil service	School Certificate + considerable experience
<u>Polytechnic Higher Diploma, Diploma and Related Grades</u>		
5	Group I : Polytechnic Higher Diploma Related Grades	Polytechnic Higher Diploma
6	Group II : Polytechnic Diploma Related Grades	Polytechnic Diploma
7	Group III : Grades which require Form IV plus two years' training or School Certificate plus one year's training	Form IV + 2 years' training or School Certificate + 1 year's training
<u>Technical Inspectorate and Related Grades</u>		
8	Group I : Grades for which the entry requirement is normally a Higher Certificate from the Hong Kong Polytechnic plus several years' relevant experience	Polytechnic Higher Certificate + experience

<u>Qualification Group</u>	<u>Description</u>	<u>Minimum/Normal Entry Requirements</u>
9	Group II : Grades normally filled by the appointment of experienced Model Scale 1 Staff or persons who have completed a recognized apprenticeship	Crafts and skills with experience or recognized apprenticeship + experience
10	<u>Matriculation Grades</u>	Matriculation
	<u>Professional, Degree and Related Grades</u>	
11	Group I : Grades normally requiring membership of a professional institution and grades requiring qualifications traditionally accepted as comparable	Membership of a professional institution
12	Group II : Primarily honours degree grades with a pay structure related to the grades in Group I, but with provision for candidates without an honours degree to enter at the assistant rank	Honours degree
13	Group III : Other degree and related grades	Degree
14	<u>Model Scale 1 Grades</u>	Crafts and skills

List of Job Families

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|--|---|
| <p>(1) <u>Accounting</u></p> <p>Financing Control<br/>           Management Cost Accounting<br/>           Financial Accounting<br/>           Credit Control<br/>           Treasury<br/>           Audit</p> | <p>(8) <u>Marketing &amp; Sales</u></p> <p>Sales<br/>           Marketing<br/>           Market Research<br/>           Public Relations<br/>           Customer Service<br/>           Product Promotion/Advertising</p>   |
| <p>(2) <u>Administration</u></p> <p>Planning and Policy Formulation<br/>           Office Management<br/>           Office and Secretarial Services</p>  | <p>(9) <u>Medical &amp; Health Services</u></p> <p>Hospital Medical Services<br/>           Clinical Medical and Dental Services<br/>           Mental &amp; Physical Health Care</p>   |
| <p>(3) <u>Catering &amp; Accommodation Services</u></p> <p>Food and Beverage Management<br/>           Accommodation Management</p>  | <p>(10) <u>Personnel</u></p> <p>Personnel Management<br/>           Salary Administration<br/>           Industrial Relations<br/>           Training<br/>           Welfare</p>  |
| <p>(4) <u>Electronic Data Processing</u></p> <p>Systems Analysis/Programming<br/>           Computer Operation<br/>           Data Control<br/>           Data Preparation</p>                                 | <p>(11) <u>Production and Distribution</u></p> <p>Production<br/>           Quality Control/Assurance<br/>           Transport Distribution<br/>           Warehouse Management</p>   |
| <p>(5) <u>Estate Management</u></p> <p>Estate Management<br/>           Security<br/>           Maintenance and Repairs</p>  | <p>(12) <u>Supply/Purchasing</u></p> <p>Purchasing<br/>           Warehouse Management<br/>           Inventory Control</p>   |
| <p>(6) <u>Financial Services</u></p> <p>Bills<br/>           Retail<br/>           Credit<br/>           Foreign Exchange<br/>           Investment<br/>           Insurance</p>                               | <p>(13) <u>Technical/Engineering</u></p> <p>Design and Specification<br/>           Measurement and Evaluation<br/>           Contract Management<br/>           Project Management<br/>           Construction and Installation<br/>           Plant Operation<br/>           Maintenance and Repair<br/>           Draughting and Drawing<br/>           Testing and Research</p> |
| <p>(7) <u>Legal/Secretarial</u></p> <p>Legal Services<br/>           Company Secretarial</p>   | <p>(14) <u>Transport, Conveyance and Communication Services</u></p> <p>Operations/Traffic<br/>           Customer Service<br/>           Communication</p>  |

Glossary

Benchmark A level of pay determined by reference to a point in the pay scales, considered to be appropriate for a particular skill or qualification before an adjustment is made to take account of other job factors.

First quartile (Q1) In a set of data arranged in descending order of value, the first quartile is the point above which 75 per cent and below which 25 per cent of the total data fall. In a set of salary rates, this means that the first quartile salary rate will have three-quarters of the salary rates above it and one-quarter of the salary rates below it.

Grade A group of job related ranks, the higher of which are normally filled by promotion from the lower ranks. However, it is possible for a grade to consist of only one rank.

Job Family A job family represents jobs which are similar in functional principle, nature or practice.

Median (M) In a set of data arranged in descending order of value, the median is the point above and below which 50 per cent of the total data fall. In a set of salary rates, this means that the median salary rate will have an equal number of salary rates above and below it.

Rank A sub-division of a grade normally representing a separate level of responsibility, and is designated by a specific rank title with a specific pay scale.

Third quartile (Q3) In a set of data arranged in descending order of value, the third quartile is the point above which 25 per cent and below which 75 per cent of the total data fall. In a set of salary rates this means that the third quartile salary rate will have one-quarter of the salary rates above it and three-quarters of the salary rates below it.

List of Surveyed Companies

1. Asia Television Ltd.
2. A.S. Watson & Co. Ltd.
3. British-American Tobacco Co. (HK) Ltd.
4. Builders Federal (HK) Ltd.
5. Cable & Wireless (HK) Ltd.
6. Caltex Oil Hong Kong Ltd.
7. Caterpillar Far East Ltd.
8. Cathay Pacific Airways Ltd.
9. Chen Hsong Machinery (1988) Co. Ltd.
10. Cheung Kong (Holdings) Ltd.
11. China Light & Power Co. Ltd.
12. China Motor Bus Co. Ltd.
13. Chubb Hong Kong Ltd.
14. Citibank, N.A.
15. Communication Services Ltd.
16. Cross-Harbour Tunnel Co. Ltd.
17. Dairy Farm Company Ltd., The
18. Deacons
19. DHL International Ltd.
20. Digital Equipment Hong Kong Ltd.
21. Dow Chemical Pacific Ltd.
22. Esso Hong Kong Ltd.
23. General Electric Co. of HK Ltd., The
24. Hang Seng Bank Ltd.
25. Hewlett-Packard Hong Kong Limited
26. Hip Hing Construction Co. Ltd.
27. Hong Kong Adventist Hospital
28. Hong Kong Aircraft Engineering Co. Ltd.
29. Hong Kong & China Gas Co. Ltd., The
30. Hongkong and Shanghai Banking Corporation Limited, The
31. Hongkong and Shanghai Hotels Ltd., The
32. Hong Kong Electric Group, The
33. Hong Kong Sanatorium & Hospital Ltd.
34. Hong Kong Soya Bean Products Co. Ltd., The
35. Hong Kong Teakwood Works Ltd.
36. Hong Kong Telephone Co. Ltd.
37. Hong Kong Tramways Ltd.
38. Hong Kong United Dockyards Ltd.
39. Hsin Chong Construction Co. Ltd.
40. IBM China/Hongkong Corporation
41. ICI (China) Ltd.
42. Jardine Engineering Corporation Ltd., The
43. Jebsen & Co. Ltd.
44. John Swire & Sons (HK) Ltd.
45. Kodak (Far East) Ltd.
46. Kowloon Canton Railway Corporation
47. Kowloon Motor Bus Co. (1933) Ltd., The
48. Lam Soon (HK) Ltd.
49. Li & Fung (Trading) Ltd.
50. Lo & Lo Solicitors & Notaries Public

51. Mass Transit Railway Corporation
52. Mattel Toys (HK) Ltd.
53. MC Packaging (HK) Ltd.
54. Mei Foo Investments Ltd.
55. Mobil Oil Hong Kong Ltd.
56. Modern Terminals Ltd.
57. National Lacquer & Paint Products Co. Ltd., The
58. NCR (Hong Kong) Ltd.
59. Nedlloyd Lines
60. Ocean Park Corporation
61. Otis Elevator Co. (HK) Ltd.
62. Peat Marwick Mitchell & Co.
63. Philips Hong Kong Ltd.
64. Philips Hong Kong Ltd. Consumer Electronics Factory
65. Royal Hong Kong Jockey Club, The
66. Ryoden (Holdings) Ltd.
67. Sanford Yung & Co.
68. San Miguel Brewery Ltd.
69. Schindler Lifts (HK) Ltd.
70. Schmidt & Co. HK Ltd.
71. Sea Land Orient Ltd.
72. Shangri-La Hotel (Kln) Ltd.
73. Shell Company of Hong Kong Ltd., The
74. Sheraton HK Hotel & Towers
75. Shui Hing Co. Ltd., The
76. Shui On (Contractors) Co. Ltd.
77. Shun Hing Electronic Trading Co. Ltd.
78. South China Morning Post Publishers Ltd.
79. South Sea Textile Manufacturing Co. Ltd.
80. Standard Chartered Bank
81. Sun Hung Kai Properties Ltd.
82. Sun Hung Kai Securities Ltd.
83. Swire Bottlers Ltd.
84. Swire Engineering (1988) Ltd.
85. Tai Ping Carpets Ltd.
86. Television Broadcasts Ltd.
87. Universal Cars Ltd.
88. Video Technology Electronics Ltd.
89. Vincent Wong & Co. Ltd.
90. Wing On Department Stores (HK) Co. Ltd., The
91. Winner Company (HK) Ltd.
92. Yau Lee Construction Co. Ltd.