

## CHAPTER THREE

### AMALGAMATION OF MODEL SCALE 1 WITH MASTER PAY SCALE

(This Chapter examines the question of whether Model Scale 1 should be amalgamated with the Master Pay Scale)

#### Background

3.1 Prior to 1971, civil service grades were remunerated on 10 Model Scales (namely Model Scales 1 to 10) according to entry qualifications and occupational grouping. After 1971, Model Scales 2 to 10 were replaced by a consolidated pay scale known as the Master Pay Scale with educational qualifications being the main determinant for entry into the grades concerned. Model Scale 1 remained an integral group comprising 'workman' and 'artisan' grades for which the requirement was operative skills rather than educational qualifications.

3.2 At present, there are about 42,000 staff paid from Model Scale 1. Their pay scales are broadbanded into four segments, namely Senior Artisan, Artisan, Workman I and Workman II. Generally speaking, grades in the Senior Artisan and Artisan segments require a recognized certificate or a full apprenticeship in the relevant trade for appointment. For Workman I and Workman II, the appointment requirement is generally good physique or some working experience.

3.3 Throughout the years, there have been suggestions that Model Scale 1 and the Master Pay Scale should be consolidated into one scale applicable to all employees in the non-Directorate civil service. In the current review, we have again received a number of representations from staff, notably the Staff Side of the Model Scale 1 Staff Consultative Council, suggesting that the matter be further pursued.

3.4 We first examined this question of merging Model Scale 1 with the Master Pay Scale in 1979-1980 and concluded that Model Scale 1 staff should remain as a separate group for the time being. We noted, however, that the conditions of service of Model Scale 1 staff were less favourable than their Master Pay Scale colleagues and considered that steps should be taken gradually to reduce the differences between them. Over the past decade, a number of improvements, some rather significant, have been made to the pay and conditions of service of Model Scale 1 staff. The main differences between the two groups that remain today lie in the size of increments, leave-earning rates, working hours, overseas education allowance and housing benefits.

3.5 In 1987, we were invited by the Administration to advise on how the findings of the 1986 Pay Level Survey could be reflected in the salaries and benefits package for Model Scale 1 staff, including the feasibility of amalgamating Model Scale 1 with the Master Pay Scale. After careful deliberation, we again concluded that the merger should not be pursued. Instead, we recommended a package of further improvements for Model Scale 1 staff, comprising a pay adjustment and a reduction in their conditioned hours of work.

#### Considerations

3.6 From their latest representations to us and from our several meetings with the Staff Side of the Model Scale 1 Staff Consultative Council, we have noted the intensity of feeling among Model Scale 1 staff on the subject. We are also conscious of the fact that, over the years, the differences in the pay and conditions of service between Model Scale 1 and Master Pay Scale staff have been narrowed. Indeed, this is in line with the general trend throughout the world towards a harmonization of terms and conditions of service between blue and white collar workers. We consider this trend both desirable and inevitable.

3.7 We have taken account of three major factors in our deliberation. The first is the private sector consideration. The nature of work of Model Scale 1 staff is such that comparisons with the private sector can be readily drawn. We must therefore assess carefully the implications for the private sector of our recommendations. We consider it paramount that any move to be made should not result in a significant departure from private sector practice. In this connection, we have drawn reference from information obtained from the Pay Comparison Surveys and from the Wage Statistics published by the Census and Statistics Department. Secondly, we have had to

consider internal relativities. We note that the job requirements of some grades on Model Scale 1 bear considerable resemblance to those of a number of grades on the Master Pay Scale. Thirdly, we have taken account of the financial implications of any proposed change, not only for the immediate future but also for the long term.

### Recommendation

3.8 Having carefully considered all the relevant factors, we have come to the view that the existing arrangement of having two separate pay scales should continue and that the subject should remain as a long-term proposition. From the available evidence, we note that the private sector still differentiates between the terms and conditions of service of employees comparable to Model Scale 1 staff and those comparable to Master Pay Scale staff. We consider it appropriate therefore that Model Scale 1 should be retained for the time being. We are aware, however, that the job requirements and nature of work of those grades paid from the Senior Artisan and Artisan segments are very similar to those of quite a number of junior grades on the Master Pay Scale. Both categories of staff are essentially deployed on various technician types of duties which require dexterity and appropriate skills. For reasons of internal relativity, we consider that there is a case for transferring the Senior Artisan and Artisan grades to the Master Pay Scale.

3.9 We do not recommend any change in the conditioned hours of work of these grades after they are transferred to the Master Pay Scale in view of operational considerations. These hours are not unusual as some 30 grades comprising 15,000 staff currently paid from the Master Pay Scale are also conditioned to similar working hours for operational reasons. As regards leave-earning rates, in order to reduce the immediate financial costs and to enable the departments concerned to make the necessary operational arrangements, we recommend that they should be brought into line with those for Master Pay Scale staff by phases over a period of three years.

3.10 As regards the staff remaining on Model Scale 1, we propose to increase the leave-earning rate of those with less than 10 years of service by one and a half days to 14 days per annum. This is in accordance with the objective of improving their terms and conditions of service gradually. The proposed increase also reflects, by and large, the general improvements in leave-earning rates for comparable employees in the private sector. We consider the 22 days of annual leave for Model Scale 1 staff with 10 or more years of service reasonably competitive vis-a-vis the private sector and do not recommend any change.

3.11 In addition, we understand that the Administration is currently reviewing the provision of housing benefits in the civil service. We are informed that it is the Administration's intention to extend the housing benefits for junior staff on the Master Pay Scale to those on Model Scale 1.

3.12 We have examined whether we should set ourselves a timetable to review the subject again in the future. As we have explained in paragraph 3.7, one of the major considerations over the amalgamation issue is comparability with private sector practice. We consider it more proper therefore to keep the matter under review in relation to developments in the private sector. We shall recommend changes to the prevailing arrangements when there is clear evidence to justify such a move.

#### Implementation

3.13 If our recommendations on the transfer of the Senior Artisan and Artisan grades to the Master Pay Scale are accepted, the pay scales of these grades will have to be converted to appropriate points on the Master Pay Scale. To do this, one must first examine the grades concerned individually. The grades can therefore be transferred to the Master Pay Scale only after the review of the Model Scale 1 group in the next phase is completed at the end of 1990 (see paragraph 10.1). We recommend that the proposals in this Chapter, if accepted, should be implemented as soon as practicable after the release of the results of reviewing the Model Scale 1 group of grades. To maintain consistency and fairness, however, any changes to salary scales should be backdated to 1 October 1989.