

## CHAPTER TWO

### GENERAL CONSIDERATIONS

(This Chapter comprises two parts. Part one gives a short summary of the basic principles applied in reviewing individual grades. Part two sets out some general issues examined in the course of the grade reviews)

#### I. Basic Principles used in Determining Internal Relativities

##### Qualification Benchmark System

2.1 As set out in the First Report, the qualification benchmark system is used to determine pay relativities between grades. There are three basic elements in this system :-

(a) Pay for the job

The rate for a job is assessed on the basis of its job weight (see note), working conditions and other relevant factors.

(b) Qualifications

The level of qualification required for a job is the minimum level considered necessary for the competent performance of the job. Qualifications over and above this minimum level do not attract additional pay.

(c) Broadbanding

Grades with broadly similar appointment qualifications and broadly comparable job weights are put under the same 'qualification group' in which a common pay structure prevails. Thus, minor differences in job content between grades are not reflected in the pay scale.

Note : 'Job weight' refers to the value of a job as reflected collectively by the skill and experience required, the complexity of work, the intensity of effort and the responsibility carried by the job.

2.2 Under this system, significant job differences between grades in the same qualification group are recognised by fine-tuning the relevant pay scales. There are broadly three categories of fine-tuning factors :-

- (a) entry requirements exceeding the group benchmark qualification;
- (b) duties extraneous to or responsibilities over and above those normally expected of equivalent ranks in the group; and
- (c) conditions of work substantially more onerous than the group norm.

A detailed description of these factors is set out in paragraphs 4.22 to 4.75 of the First Report.

2.3 In the Second Report, we established the pay benchmarks for individual qualification groups (see note) by reference to which the starting pay of entry ranks in the respective group is set. We also decided to take the existing salary structure in each group as the starting point for the review, making adjustments where appropriate to take account of changed circumstances. Generally speaking, the salary range of a rank reflects its overall job weight.

#### Recruitment and Retention Difficulties

2.4 In the present circumstances of tight labour supply, we observe that many grades have encountered recruitment and retention difficulties to varying degrees. Where supported by private sector evidence, we recommended, in the Second Report, raising the benchmark pay for some qualification groups to enhance their competitiveness. Moreover, where the problems of individual grades are particularly serious, we have proposed suitable improvement to their pay scales. We would like to reiterate that problems of recruitment and retention do not necessarily relate to remuneration. We presented a detailed analysis of the possible causes of these difficulties and the relevant measures to deal with them in Chapter 7 of our First Report. There is no panacea for dealing with all problems and each case must be considered in the light of its particular circumstances.

Note : 'Qualification group benchmark' is defined as a level of pay, determined by reference to a point in the pay scale, considered to be broadly appropriate at the entry level for jobs performed by grades in a particular qualification group.

### Working Hours

2.5 At present, there is no uniform pattern of conditioned working hours for the civil service. While the majority of staff are conditioned to work 44 hours gross (i.e. including meal breaks) per week, a considerable number have other patterns of conditioned working hours. We are unable to support the suggestion made in a number of staff representations that these differences should be harmonised. This is because the conditioned working hours for a particular grade ought to have regard to that grade's operational requirements. There is also the important consideration of comparability with the private sector.

2.6 Nevertheless, we accept that any significant difference in conditioned working hours between grades within the same qualification group is a relevant factor in determining their pay relativities. As we stated in paragraph 4.75 of the First Report, where there is a clear operational need for staff in a rank or grade to work longer hours than the group norm, consideration will be given to adjusting the pay scale. In general, we propose to increase the scale by one point for ranks which are conditioned to work more than 44 hours gross per week, except where this factor has already been taken into account in setting their existing pay scales.

### Upgrading of Entry Qualifications

2.7 As set out in paragraph 2.1, the level of qualification stipulated for appointment to a grade should not be any higher than is necessary for performing the job competently. In examining proposals for upgrading the entry qualification for individual grades, our main consideration is whether there are any material changes in the nature and complexity of the work performed that call for better-qualified staff and whether the substitute qualification proposed is appropriate for the grade.

## II. General Observations

### Impact of Recommendations Made in Second Report

2.8 After publication of the Second Report, we requested the Administration to keep us informed of the recruitment and retention situation regarding the grades already reviewed so that we can assess the effectiveness of our recommendations and respond to any new circumstances that may arise. We appreciate it is too early to make a proper assessment and more time is required for other non-pay-related measures to take effect. Nonetheless, preliminary information suggests that there has been some

improvement, particularly in those grades which were given a temporary allowance on account of the severity of their problems, as well as in the training ranks. We shall continue to monitor the staffing position of the grades concerned and review the effectiveness of the measures.

#### Entry Salary Point for In-Service Appointees

2.9 Under existing Civil Service Regulations, an officer who is on permanent establishment will be allowed, on appointment to another grade, to retain his former pay, subject to the maximum pay for the new job not being exceeded. The officer will thus be able to take with him the benefit of a higher pay when transferred to another grade whose duties or working conditions are less onerous. In the course of this review, we have identified cases where this arrangement has contributed to retention difficulties for some grades. We consider it unjustified in principle to allow an officer to retain a higher salary if he chooses to take up a less demanding job which earns lower pay.

2.10 We have referred this anomaly to the Administration and have been advised that steps are being taken to amend the relevant Civil Service Regulations to remove this anomaly. We recommend that this amendment should be implemented as soon as possible.

#### Incremental Credit for Previous Experience

2.11 At present, increments may be awarded to new recruits to recognise previous relevant experience. In his report published in March 1990, the Director of Audit considered that the Civil Service Branch, in awarding increments to new recruits for previous experience, had not complied fully with the prevailing policy as laid down in 1979 in our Report No. 1. The Administration has sought clarification from us and we have taken the opportunity to re-examine the existing policy.

2.12 We reaffirm that the award of increments for experience should not be applied indiscriminately throughout the civil service. The basic principles are : experience above the stipulated minimum should not attract additional pay and it is not necessary to pay more if sufficient suitable candidates are available for appointment. Increments should be granted to new recruits with experience only where such a practice meets specific service needs. Examples are (a) when a grade is faced with serious difficulties of recruitment, (b) where for operational reasons there is a need to recruit persons with experience to enhance the quality or overall experience level of a grade, or (c) where the experience of a candidate is particularly valuable.

2.13 To avoid undue proliferation and to maintain consistency in application, we recommend that each case be scrutinized by a central authority. For each rank, the specific service needs that are intended to be met and the type of experience to be recognised should be stated clearly. Once a case is approved, however, departmental or grade management should be given the authority to approve awards to individual officers in the rank concerned. We also recommend that the Administration should develop a mechanism to review at appropriate intervals the continuing need for the practice for the individual grades concerned.

#### Career Advancement and Salary Progression

2.14 We continue to receive representations from many staff groups expressing concern about inadequate opportunities for promotion. Some also complain about the limited salary progression within their ranks owing to the relatively small number of incremental steps in their pay scales. We appreciate these concerns and have taken them into account in the review of individual grades. We have indeed proposed in the First Report an experimental pay award scheme for meritorious and long-serving officers who have been at their scale maximum for a considerable time and are unable to advance further in their career. We note that the Administration is finalising details of this scheme and we look forward to its early implementation.

2.15 One aspect of the civil service salary system needs clarification yet again. All civil servants, including those who are on the maximum point of their pay scale, receive annual salary adjustments which have regard to the results of the pay trend survey of pay increases in the private sector. Such adjustments give civil servants regular salary increases enabling them not only to have protection from the effects of inflation but also to share in the economic prosperity of Hong Kong. In the past decade civil service pay adjustments on average have exceeded increases in consumer prices by roughly two percentage points annually. We should also point out that growth in real income in a modern competitive economy depends ultimately on increased productivity. In sharing the fruits of economic prosperity, the civil service has a responsibility to the public for improving output and efficiency.

#### Departmental Grades in Disciplined Services

2.16 In 1989, a separate body was set up to advise the Government on matters relating to the pay and conditions of service of the disciplined services. As a result, different principles and practices are now applied in determining pay structures and remuneration for the disciplined services and for the rest of the civil service.

2.17 Within the disciplined services, there are nineteen departmental grades which do not have disciplined grade status. They are hence not covered by the new advisory body and remain under this Commission. They perform a wide variety of functions, ranging from manning communication centres, organising physical training and administering welfare services to supervising prisoners in industrial production. In the current review, some of these grades have put forward submissions either for converting their status to 'disciplined' or for restoring their traditional pay relativities with the disciplined grades.

2.18 We have conducted a thorough study of these grades to determine whether any should be classified as disciplined grades. In this exercise, we have taken account of the operational pattern of each grade and the existence of any job factors which are more pertinent to a disciplined grade. These factors include subjection to disciplinary codes, danger, stress, distasteful work, exercise of statutory duties, onerous working hours and restrictions on family or social life. To facilitate our study, we have requested the Administration to provide detailed information about the modus operandi of these grades and the way in which each is subject to the special environment and job requirements of the disciplined grades.

2.19 After the study, we have come to the view that the Technical Instructor (Correctional Services) grade should be accorded disciplined status and that the Physical Training Instructor grade in the Police and the Fire Services Training Officer (Physical Education) grade should be merged into their primary disciplined grades. The other sixteen grades should remain as civilian grades and any pay links with disciplined grades should be severed.

#### General and Common Grades in Correctional Services Department

2.20 In response to requests by the staff and departmental management, the Administration has conducted a study of the case for giving additional compensation to general and common grades staff working in the Correctional Services Department. Similar requests have also been included in the staff's representations to this Commission in the current review. We have therefore examined the subject and include our recommendations in this Report.

2.21 We note that general and common grades staff in the Correctional Services Department may work either in the penal/correctional institutions or in the departmental headquarters. Staff who work in the institutions are subject regularly to a combination of 'hardship' elements

which normally are not applicable to the same grades in other government departments. These elements are prison setting, contact with prisoners, stricter discipline, potential danger of being assaulted and remoteness of workplace. Staff who work in the departmental headquarters are not, however, subject to most of these hardship elements.

2.22 We accept that work involving direct dealings with prisoners can be onerous and demanding. Although each of the above-mentioned hardship elements does not on its own warrant additional pay, on balance we consider that the combination justifies some recognition, particularly in view of the fact that there are genuine difficulties in posting and recruitment to the Correctional Services Department. On the basis of the types of duties undertaken, the working conditions and the circumstances under which staff are required to have contact with inmates and the frequency of such contacts, we recommend that an allowance should be paid. This should be at two levels :-

- (a) For staff whose daily duties involve direct dealings with inmates, e.g. Clinical Psychologist, the rate should be equivalent to one increment above the officer's substantive salary.
- (b) For staff providing general or clerical services in penal/correctional institutions, e.g. Clerical Officer, Supplies Assistant, Typist, Works Supervisor, Artisan, etc., a flat-rate allowance paid at a lower level than the various types of standard hardship allowance should be appropriate. We propose the amount to be \$180, equivalent to five percent of the current reference point for determining job-related allowances.

2.23 We do not see any justification to grant an allowance to staff working in the headquarters of the Correctional Services Department as their working conditions are not significantly different from those of similar grades working in other departments.

#### In-service Training

2.24 Serving officers are often provided additional training for career development. In some grades the management makes use of courses organised by outside bodies to supplement the training resources within the civil service. Staff are given leave with pay and subsidy of course fees for attending these courses. Completion of such courses should not attract additional pay.

### Retitling of Qualification Groups

2.25 We note that quite a number of Diploma courses are now offered by the technical institutes under the Vocational Training Council. Moreover, under the Government's current plans, the Vocational Training Council will take over a significant number of Higher Diploma courses from the polytechnics in due course. To reflect these developments, we propose to delete the word 'Polytechnic' from the titles of the qualification groups under the category of 'Polytechnic Higher Diploma, Diploma and Related Grades'.

### Information System for Human Resource Management

2.26 We take the view that a good personnel information system is indispensable for effective human resource management. From our experience in getting the necessary statistics for this review, there is still much room for improvement in this area in the civil service. In particular, we recommend that departments should make use of their existing microcomputer systems to develop as soon as possible a simple and ready-to-use data base of all essential staff information.

### Restructuring of Grades

2.27 Some of our recommendations for individual grades involve the rescheduling of duties among more than one rank or grade. For such restructuring cases, it is conceivable that more time will be needed to work out the necessary details. Nevertheless, the Administration and the management concerned should expedite the process as far as possible, and we propose that all the restructuring cases recommended in this review should be completed within six months of the submission of this Report.

### Review of Recommendations

2.28 The role of this Commission is to advise the Governor independently after taking full account of the relevant factors and the views expressed by the parties concerned. The decision as to whether our recommendations should be accepted rests with the Government. Once the recommendations are accepted, they become government policies. We are prepared to review our previous recommendations if there is substantial new evidence or a significant change of circumstances since our last review. The established procedures for such a review have been set out in a circular memorandum (reproduced at Appendix G) issued by the Secretary for the Civil Service to heads of department in 1981.