

EDUCATIONAL QUALIFICATION METHOD

- Methodology for the Pay Comparison Survey -

Basis for comparison

Entry level jobs from the private sector and the civil service will be selected for comparison on the basis of **similar entry qualifications**. The minimum educational qualification required for appointment to an entry level job will be the major factor for establishing the link between the civil service and private sector pay.

2. All private sector jobs at entry level will go through a screening process to enhance comparability. Initially, by making use of the typical list of job families in the private sector (i.e. Annex I), civil service entry level jobs in each of the qualification groups are matched into a specific set of *job families*. Those private sector jobs that are involved in such functions *outside* the relevant job families list for civil service jobs (under the respective qualification group) will then be excluded from the pay comparison exercise.

3. An illustration of the job matching process is explained in the following example. The “Degree Grades” qualification group has job families such as accounting, human resources management, information system etc., hence any private sector job requiring degree qualification and dealing with either one of these three functions will be used as comparator.

Civil Service Jobs

Qualification groups to be included in the survey

4. Civil service grades (except for directorate grades and disciplined services grades) with similar qualification required for appointment to their entry ranks, are classified into the same ‘qualification

group' with a benchmark salary point set for each group. At present, there are 16 qualification groups within the purview of the Standing Commission on Civil Services Salaries and Conditions of Service (the Commission).
---- Details are at Annex II. Fourteen of these groups will be covered in the survey. The remaining two grades (namely, the "Education Grades" and "Other Grades") are excluded from the survey, because of their unique job nature and/or their disparate entry requirements.

Selection of Civil Service Jobs

5. The job descriptions of all civil service entry ranks have been carefully examined to identify their main functions, for the purpose of grouping them into respective job families that are also found in the private sector. The result of this job matching process for the 14 qualification
---- groups is illustrated at Annex III.

Private Sector Jobs

Survey Field

6. The size of the survey field is about 120 companies, including those taking part in the annual pay trend surveys. These companies, to be selected from different economic sectors, are considered to be good employers which are in direct competition with the civil service for the same manpower in staff recruitment.

Criteria for selection of Companies

7. In selecting survey companies, the following criteria will be adopted -

- (a) they should be regarded as typical employers in their respective fields normally employing 100 employees or more;

- (b) they should be generally known as steady and good employers conducting wage and salary administration on a rational and systematic basis;
- (c) they should not determine pay on the basis of factors and considerations other than those applying to Hong Kong;
- (d) if they form part of a group or consortium in Hong Kong, they must have complete autonomy in setting and adjusting pay rates; and
- (e) they should not use the civil service pay scales or pay adjustment rates of the SAR Government as the main factors in determining their pay and pay adjustments.

Selection of Private Sector Jobs

8. Normally all jobs at entry level in each company are examined. Individual jobs will be included provided that –

- (a) they require *similar entry qualifications* for appointment as the civil service entry ranks; and
- (b) in the same qualification group, they can be classified by their main functions into *similar type of job families* as the civil service entry ranks.

Moreover, they should be full-time jobs with salary determined on factors and considerations applying to Hong Kong only.

9. Jobs offering “total compensation” packages will normally be excluded since the salary may contain monetized fringe benefits. However, if the company is able to segregate the basic salary from the total compensation, the jobs can still be included in the survey.

Data Collection

10. The survey will not collect data on the fringe benefits and conditions of service attached to individual private sector jobs. The following data in respect of each private sector job included in the comparison will be collected -

- (a) appointment requirement;
- (b) a description of the overall role or purpose of the job;
- (c) the actual basic monthly salary or the minimum basic monthly salary if the job is vacant;
- (d) bonus paid as a term of conditions of employment or as an established practice; and
- (e) non-job related/non-accountable allowances and other cash payment paid on a regular basis.

Items (c) – (e) will make up the total monthly salary rates for the purpose of data analysis.

11. For individual companies which require their new recruits to be placed on probation for a period of less than 12 months and with awards of 'confirmation adjustments' on completion of probationary period, the average salary rate over the first 12 months of employment will be used in calculating the salary rate. The same averaging method will be adopted in calculating relevant bonus and allowances.

Survey Period

12. The survey covers the period from 2 April 1998 to 1 April 1999.

Data Collection and Analysis

13. The data collection period will be from 2 January to 6 May 1999.
14. As a general guideline, only those survey results which can be used for a reliable and fair comparison will be processed further. Accordingly, data collected for a qualification group will normally be analysed, if –
 - (a) the private sector jobs selected for individual qualification group cover about 75% of the job families identified from the civil service entry ranks in the same group. This will ensure that the survey results may not be unduly influenced by private sector jobs belonging to a limited number of job families; and
 - (b) the survey field for individual qualification group comprises about 20% of all companies surveyed. This will ensure that the number of companies able to provide the relevant data may not be too small for the survey results to be meaningful.
15. The spread of salary data on private sector jobs for each qualification group will be summarized. They will then be used as reference by the Commission in formulating its recommendations on the establishment of civil service benchmarks for each and every qualification group.

**List of Typical Job Families in the Private Sector Companies
Adopted in the 1999 Pay Comparison Survey**

(1) **Accounting & Financial Services**

Financing Control
Management Cost Accounting
Financial Accounting
Financial Analysis
Credit Control
Treasury
Audit
Taxation
Bills/Credit
Insurance
Foreign Exchange/Investment

(2) **Management & Administration**

Planning and Policy Formulation
Business Unit / Office Management
Secretarial & Clerical Services
Translation Services
Organisation & Methods

(3) **Catering & Accommodation Services**

Food and Beverage Management
Accommodation Management

(4) **Information System**

Systems Analysis/Programming
Computer Operation
Data Control
Data Preparation
System Development
System / Software Support
LAN Administration
Network Communication
Management

(5) **Estate Management & Consultation Services**

Estate Management
Security
Building Services
Leasing
Valuation
Estate Surveying
Land Surveying

(6) **Legal/Secretarial**

Legal Services
Company Secretarial
Law Enforcement

(7) **Marketing & Sales**

Sales/Merchandising
Marketing
Market Research
Public Relations
Customer Services
Product Promotion/Advertising
Design
Research & Development
Business Unit Development

(8) **Health & Social Services**

Hospital Medical Services
Clinical Medical and Dental
Services
Health Care Services
Social Welfare Services
Conservation
Environmental Protection

(9) **Human Resources Management**

Personnel Management
Salary Administration
Staff Relations
Training & Development
Welfare
Recruitment

(10) **Production and Operation**

Production Control/Planning
Quality Control/Assurance
Warehouse Management
Shipping
Import / Export Compliance
Materials Control
Logistics Management

(11) **Supply/Purchasing**

Purchasing
Warehouse Management
Inventory Control
Merchandising

(12) **Technical/Engineering**

Design and Specification
Measurement and Evaluation
Contract Management
Project Management
Construction and Installation
Plant Operation
Maintenance and Repair
Drafting and Drawing
Testing and Research
Quality Control/Assurance
Industrial Safety
Building Surveying
Quantity Surveying

(13) **Transport, Conveyance and Communication Services**

Transport Distribution
Operations/Traffic
Customer Service
Communication

Qualification Groups in the Civil Service Pay Structure

Qualification Group	Civil Service Benchmark (from 1.4.1998)
1. <u>Grades not requiring a full School Certificate</u> - Form 5 or below	MPS 1 (\$8,625)
2. <u>School Certificate Grades</u> <u>Group I</u> : Full School Cert. (Grade E or above in 5 subjects) 3. <u>Group II</u> : Full School Cert. plus considerable experience	MPS 3 (\$9,785) N.A.
4. <u>Higher Diploma, Diploma and Related Grades</u> <u>Group I</u> : Higher Diploma 5. <u>Group II</u> : Diploma 6. <u>Group III</u> : Form IV plus two years' training or School Certificate plus one year's training	MPS 13 (\$18,140) MPS 10 (\$15,160) MPS 7 (\$12,595)
7. <u>Technical Inspectorate and Related Grades</u> - Higher Certificate plus experience	MPS 13 (\$18,140)
8. <u>Technician, Supervisory and Related Grades</u> <u>Group I</u> : Certificate or apprenticeship plus experience 9. <u>Group II</u> : Craft & skill plus experience, or apprenticeship plus experience	MPS 6 (\$11,820) MPS 6 (\$11,820)
10. <u>Matriculation Grades</u> : Pass in two Advanced Level subjects and Grade C or above in three School Cert. subjects	MPS 10 (\$15,160)
11. <u>Professional and Related Grades</u> <u>Group I</u> : Membership of a professional institution or equivalent 12. <u>Group II</u> : Honours Degree	MPS 27 (\$35,285) MPS 27 (\$35,285)
13. <u>Degree and Related Grades</u> : Degree	MPS 16 (\$21,010)
14. <u>Model Scale 1 Grades</u> : Strong physique and can read Chinese	MS 1 (\$9,785)
15. <u>Education Grades</u>	N.A.
16. <u>Other Grades</u>	N.A.

Key: MPS = Master Pay Scale
MS = Model Scale 1 Pay Scale

CIVIL SERVICE JOBS
Qualification Groups and Job Families

Group No.	Qualification Group	Qualification Requirement	Job Family
1	Not requiring full School Cert	Form 5 or below	Accounting & Financial Services
			Catering & Accommodation Services
			Estate Management & Consultation Services
			Human Resources Management
			Information System
			Legal/Secretarial
			Management & Administration
			Marketing & Sales
			Production and Operation
			Supply/Purchasing
			Technical/Engineering
			Transport, Conveyance & Communication Services
2	School Cert - Group 1	Full School Cert (Grade E or above in 5 subjects)	Accounting & Financial Services
			Catering & Accommodation Services
			Estate Management & Consultation Services
			Health & Social Services
			Human Resources Management
			Information System
			Legal/Secretarial
			Management & Administration
			Marketing & Sales
			Supply/Purchasing
			Transport, Conveyance & Communication Services
			3
Catering & Accommodation Services			
Legal/Secretarial			
Management & Administration			
Transport, Conveyance & Communication Services			
4	Higher Dip / Dip - Group 1	Higher Diploma	Health & Social Services
			Legal/Secretarial
5	Higher Dip / Dip - Group 2	Diploma / Higher Cert	Accounting & Financial Services
			Estate Management & Consultation Services
			Health & Social Services
			Management & Administration
			Marketing & Sales
			Production and Operation
			Supply/Purchasing
Technical/Engineering			

Annex III to Appendix III (cont'd)

Group No.	Qualification Group	Qualification Requirement	Job Family
6	Higher Dip / Dip - Group 3	Form 4 + two years' training or School Cert + one year's training	Health & Social Services Information System
7	Technical Inspectorate	Dip / Higher Cert + experience	Estate Management & Consultation Services Technical/Engineering Transport, Conveyance & Communication Services
8	Technician / Supervisory - Group 1	Certificate or apprenticeship plus experience	Estate Management & Consultation Services Health & Social Services Management & Administration Marketing & Sales Production and Operation Technical/Engineering Transport, Conveyance & Communication Services
9	Technician / Supervisory - Group 2	Craft & skill plus experience, or apprenticeship plus experience	Catering & Accommodation Services Estate Management & Consultation Services Health & Social Services Production and Operation Technical/Engineering Transport, Conveyance & Communication Services
10	Matriculation	Pass in two Advanced Level subjects and Grade C or above in three School Cert subjects	Estate Management & Consultation Services Health & Social Services Legal/Secretarial Management & Administration Marketing & Sales Supply/Purchasing
11	Professional - Group 1	Membership of a professional institution or equivalent	Accounting & Financial Services Estate Management & Consultation Services Health & Social Services Legal/Secretarial Technical/Engineering Transport, Conveyance & Communication Services
12	Professional - Group 2	Honours Degree	Accounting & Financial Services Health & Social Services Human Resources Management Management & Administration Marketing & Sales Technical/Engineering Transport, Conveyance & Communication Services

Annex III to Appendix III (cont'd)

Group No.	Qualification Group	Qualification Requirement	Job Family
13	Degree	Degree	Accounting & Financial Services Catering & Accommodation Services Health & Social Services Human Resources Management Information System Legal/Secretarial Management & Administration Marketing & Sales Supply/Purchasing Technical/Engineering Transport, Conveyance & Communication Services
14	Model Scale 1	Strong physique, can read Chinese	Estate Management & Consultation Services Management & Administration