

SUMMARY OF THE 1999/2000 PAY TREND SURVEY

Purpose of the Survey

Pay trend surveys yield information on the general movements of pay in the private sector over a given period. They are not concerned with the comparison of pay levels for specific occupational groups. Prior to 1983, pay trend surveys were undertaken by the then Pay Investigation Unit, under the auspices of a Steering Committee of the Senior Civil Service Council. The Pay Survey and Research Unit (PSRU) was established in December 1982 and the Pay Trend Survey Committee (PTSC) shortly after. The 1999/2000 survey was the 27th of its kind.

Survey Period

2. The survey covered a 12-month period from 2 April 1999 to 1 April 2000.

Participating Companies

3. Of the 83 companies in the survey field as listed at the Annex, 71 took part in the survey. The pay data of their 122,273 employees were used in the calculation of the 1999/2000 gross pay trend indicators.

Data Collection

4. Between January and April 2000, PSRU staff visited the participating companies. They interviewed the human resources managers or other management staff responsible for salary administration and collected information on pay adjustments due to general salary increases, bonuses, merit payments and inscale increments. The companies were also asked to provide information, where available, on adjustments attributable to internal and external relativities i.e. adjustments due to changes in the market level of a job.

5. In order to identify any variation in salary adjustments made to staff at different levels, the companies were requested to provide information on salary adjustments according to three salary bands, namely, below \$15,160 per month, \$15,160 - \$46,485 per month and \$46,486 - \$92,700 per month. These bands related broadly to the civil service non-directorate pay scales of Master Pay Scale below Point 10, Points 10 to 33, and above Point 33 respectively.

6. Information collected for the survey was recorded in individual company statements, after their accuracy had been confirmed by the company concerned. Strict confidentiality was observed in the handling of company data which are released in survey reports in an anonymous form.

Survey Findings

7. The PSRU analysed the company data in accordance with the approved methodology and presented its findings to the PTSC in May 2000.

8. The PTSC accepted the findings of the PSRU on the 1999/2000 Pay Trend Survey. Taking into account only those adjustments which related to the cost of living, company performance, general changes in market rates, inscale increment and merit, the PTSC concluded that the following pay adjustments had been made in the surveyed companies during the period 2 April 1999 to 1 April 2000 –

| | | |
|-----|---|--------|
| (a) | Lower Salary Band (below \$15,160 per month) | –0.62% |
| (b) | Middle Salary Band (\$15,160 - \$46,485 per month) | –0.70% |
| (c) | Upper Salary Band (\$46,486 - \$92,700 per month) | +0.87% |

[Note : The above survey findings validated by the PTSC were known as the gross Pay Trend Indicators (PTIs). In accordance with the recommendations of a Committee of Inquiry in 1988, the Administration, after deducting the value of civil service increments at their payroll cost which were 1.16%, 1.27% and 1.28% respectively for the lower, middle and upper salary bands in 2000, arrived at the net PTIs as follows –

| | | |
|------------|---------------------------|---------------|
| <i>(a)</i> | <i>Lower Salary Band</i> | <i>–1.78%</i> |
| <i>(b)</i> | <i>Middle Salary Band</i> | <i>–1.97%</i> |
| <i>(c)</i> | <i>Upper Salary band</i> | <i>–0.41%</i> |

The PTSC was not involved in the calculation of the net PTIs.]