

**For discussion
on 18 January 2001**

LC Paper No. CB(2)691/00-01(05)

**Legislative Council
Panel on Manpower**

**Continuation of the Secondment of a
Civil Servant to the Vocational Training Council (VTC)**

Introduction

The VTC has created a third Deputy Executive Director (DED) post to strengthen its senior management. At the request of the VTC, a Senior Principal Executive Officer has been seconded from the Government to take up the DED post as from 1 November 2000 for a six-month period. This paper briefs Members of the Administration's proposal to continue with the secondment for a further period of two and a half years as from 1 May 2001.

Background

2. The VTC was established in 1982 and is the principal organisation in Hong Kong responsible for vocational education and industrial training. The VTC provides 120 000 vocational education and training places each year through its full-time and part-time programmes. The Government's annual recurrent subvention to the VTC amounts to \$2.1 billion. The VTC is headed by an Executive Director and has a staff establishment of just over 4 000.

3. Prior to January 1998, the Executive Director was supported by two Deputy Executive Directors. One Deputy Executive Director was responsible for the two former Technical Colleges and two central support functions – library services and computing systems. The other was responsible for the work of the seven former Technical Institutes as well as the work of the various industrial training centres. Other central support services, including finance, personnel, administration, estates, information and public relations, were each managed by a designated senior officer who reported to the Executive Director direct.

4. To ensure that the VTC achieved its objectives and delivered its services efficiently and in a cost-effective way, the Secretary for Education and Manpower commissioned in 1996 a strategic and organisational review of the VTC. The review, undertaken by a management consultant firm, covered a wide range of subjects including the strategic direction of the VTC and its systems and procedures for delivering its services, etc. The consultancy report was critical of the VTC and concluded that the VTC had been less than responsive and flexible. The consultants recommended that the VTC needed to increase its capacity for, and involvement in strategic planning and monitoring of its performance. In this regard, the consultants made a series of recommendations to strengthen the management of the VTC. Among others, the consultants proposed the creation of a third Deputy Executive Director post and some redistribution of the duties of the two existing Deputy Executive Director posts. These proposed changes aimed to strengthen VTC's capabilities in meeting changing service needs, enhancing its strategic planning capacity, developing a quality strategy, as well as enhancing VTC-wide functions like financial and personnel management, marketing and public relations.

5. The Administration subsequently consulted relevant parties, including employers' groups, industry associations, the VTC Council and its training boards/general committees, on the recommendations of the review in a two-month consultation exercise.¹ In June 1997, the Administration decided that the VTC should proceed along the broad lines of the review recommendations.

6. To strengthen its capacity in strategic planning and quality audit, the VTC decided in September 1997 to create a new post of Consultant (Strategic Planning, Auditing and Quality Management), which was of the same rank as the two Deputy Executive Directors. The post was filled in January 1998 through open recruitment.

7. Since the last consultancy review and the creation of the new consultant post, the VTC has devoted efforts towards academic reform. The VTC has completed a curriculum development exercise to unify and rationalise all vocational education courses. The former Technical Colleges

¹ An information note on the findings of the review was issued to the Legislative Council in September 1996. The Manpower Panel of the Legislative Council was briefed on the results of the consultation exercise and the Administration's initial assessment of the recommendations in December 1996 and June 1997 respectively.

and Technical Institutes have been combined to become one entity, the Institute of Vocational Education. The VTC has also introduced a unified pay scale and a three-year strategy to enable more extensive use of information technology in both teaching and learning. As regards the reform in industrial training, courses and programmes for which demand and enrolment are low have been phased out. More training programmes in information technology have been introduced.

The Third Deputy Executive Director

8. Having regard to the fact that the academic reform has largely been completed and that the contract of the incumbent Consultant (Strategic Planning, Auditing and Quality Management) will expire in January 2001, the VTC reviewed its future work priorities and management structure in mid-2000. The VTC considers that for the next phase of its reform, it needs to focus on enhancing its capacity for managing change. After a review of its senior management structure and lines of accountability, the VTC concludes that further improvements are necessary, particularly in the following areas -

- (a) Management effectiveness: a clear system for devolution of decision-making powers to facilitate management effectiveness and clear lines of accountability.
- (b) Guidelines and procedures for procurement of services: there are separate tendering systems for procurement of construction contracts and other supply items. A number of shortcomings in this area have been identified by the Director of Audit in a recent review, and in the subsequent examination by the Public Accounts Committee.
- (c) Senior management structure: lack of a dedicated Deputy Executive Director to steer and oversee the various VTC-wide functions, including finance, public relations, human resource management, property management and other central support services.

9. The VTC has therefore decided to create a new Deputy Executive Director post to oversee the corporate development side of the

Council's activities. The main responsibilities of the new Deputy Executive Director (Corporate) are to -

- (a) support the Executive Director adequately so that he could be relieved of the burden of overseeing the day-to-day administration and initial policy formulation in those areas of management which straddle the entire Council; and
- (b) introduce and implement measures which can give the VTC good corporate governance, notably in strategic and financial planning, budgetary control, clear devolution of authority, procurement, management of property, public relations, human resources development and staff relations.

Charts showing the past senior management structure of the VTC and that under the new structure are at Annexes A and B respectively. The duty list of the new Deputy Executive Director (Corporate) post is at Annex C.

Secondment of a Civil Servant

10. Under the supervision of its Administration Committee, the VTC senior management has conducted a review to identify suitable internal candidates to fill the new Deputy Executive Director (Corporate) post. Its assessment is that no suitable internal candidate possesses the depth and breadth of experience to be promoted to the new post at this stage. Having regard to the work priorities of the post and the need for the VTC to maintain close liaison with the Administration, the VTC has requested the Administration to second a senior officer to take up the post for an initial period of six months, subject to further review. A Senior Principal Executive Officer, Mrs. Carrie Willis, has since been seconded to the VTC to take up the post. The VTC has now requested that the secondment be extended for a further two and a half years, since it would take some time to follow through the various tasks outlined in paragraph 9 above

11. The Administration supports VTC's request. We agree that a third Deputy Executive Director is urgently needed to strengthen VTC's senior management structure, having regard to the scope of its activities. Having completed a series of reforms in curriculum design, its structure for delivery of vocational education, etc, the next phase of VTC's reform will

focus on managing changes in response to changing service needs, as well as internal administration and staff management. The fast changing manpower needs of a knowledge-based economy require the VTC to be more proactive in service delivery, with the corresponding needs for staff development programmes to facilitate its staff to constantly upgrade themselves and to cultivate a more proactive culture. The tasks require the service of a senior officer with extensive management experience.

Financial Implications

12. The annual recurrent cost of this post, inclusive of staff on-costs, is approximately \$2.5 million. We will recover from the VTC the full cost of this proposal. On the part of the VTC, the proposal would not necessitate any increase in Government's subvention, since the additional cost would be offset by the expiry of the contract for the Consultant (Strategic Planning, Auditing and Quality Management).

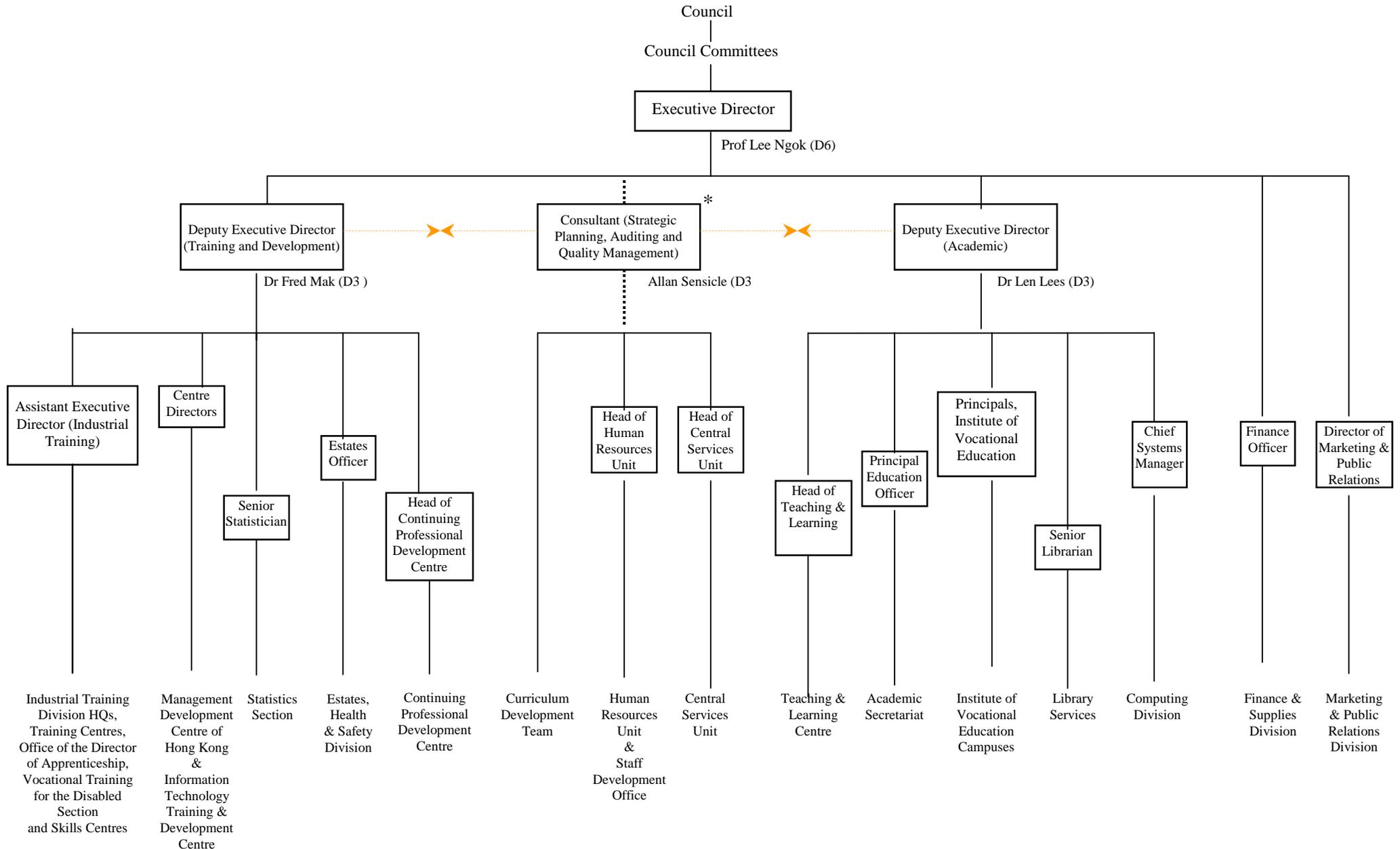
The Next Step

13. Subject to Members' comments, we will make a formal submission to the Establishment Sub-committee at its meeting on 21 February 2001 for the retention of a supernumerary Senior Principal Executive Officer post for a period of two and a half years from 1 May 2001 to 31 October 2003. The post is needed to accommodate the officer who will be seconded to the VTC for the Deputy Executive Director (Corporate) post.

Education and Manpower Bureau
January 2001

Management Structure of the Vocational Training Council

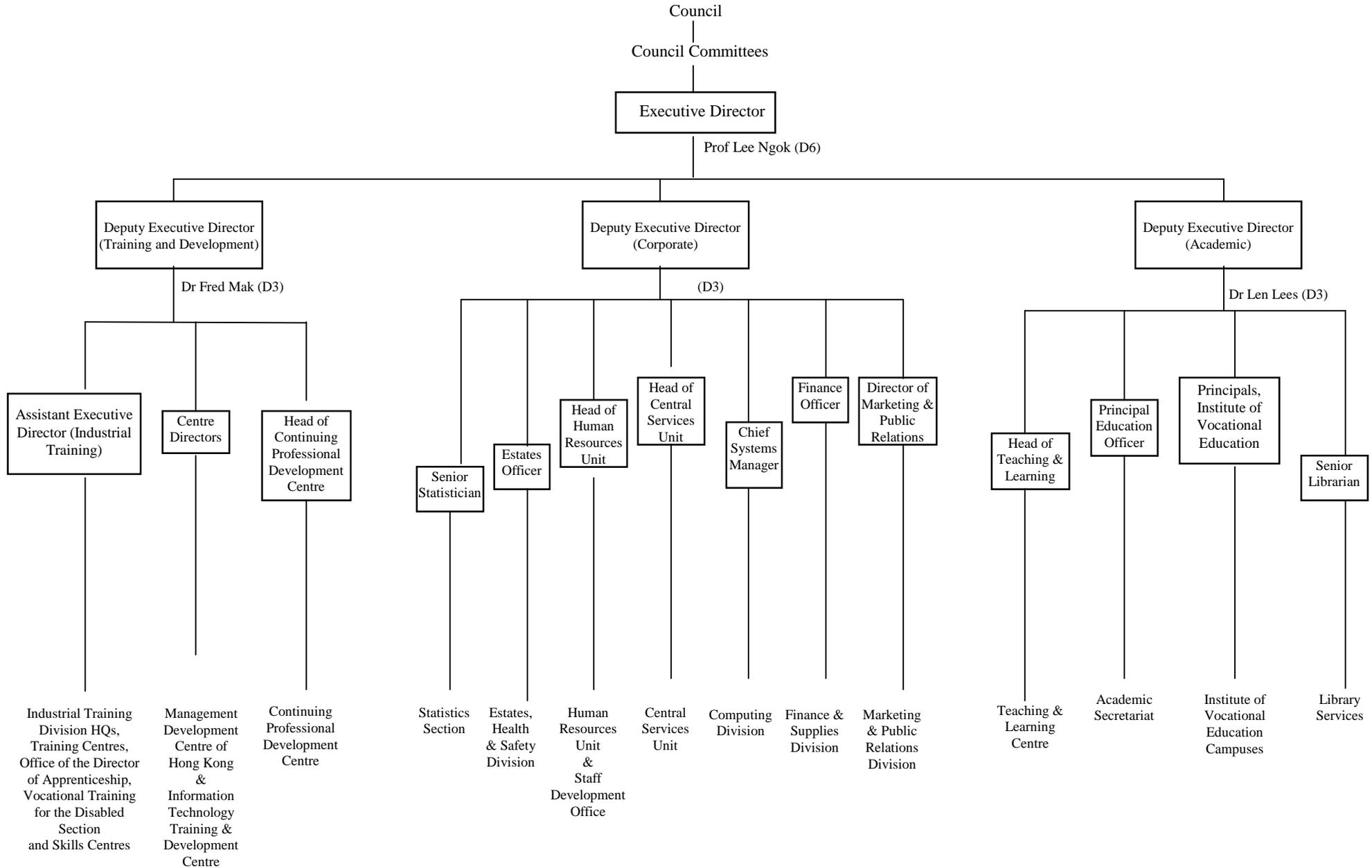
(before November 2000)



* This post is not part of the permanent establishment. When it goes the Human Resources and Central Services Units report directly to the ED.

Management Structure of the Vocational Training Council

(since November 2000)



Job Description

Deputy Executive Director (Corporate) D3

The Deputy Executive Director (Corporate)(DED(C)) reports directly to the Executive Director and is a member of the VTC's senior management team.

2. The DED(C) has the responsibility -
 - (i) to supervise the following operational units of the Council:
 - a) Finance Division;
 - b) Human Resources Unit;
 - c) Central Services Unit;
 - d) Computing Division;
 - e) Statistics Section;
 - f) Estates, Health and Safety Division; and
 - g) Marketing and Public Relations Division.
 - (ii) to review and monitor, in consultation with the Executive Director and the senior management team, all areas of Council governance which are the responsibility of the VTC's executive;
 - (iii) in particular, in the context of (i) and (ii), to assure the integrity of the VTC's financial planning, budgetary control, investments, procurement, property management, human resources management and development, and the Council's public relations; and
 - (iv) in conjunction with the Executive Director and the Senior Management Team, to liaise with outside organisations, particularly Government and LegCo.
3. The DED(C) shall undertake any other relevant responsibilities and duties assigned to him or her by the Executive Director.