

**For discussion on
15 December 2003**

Legislative Council Panel on Public Service

**Reorganization of the
Civil Service Training and Development Institute**

PURPOSE

This paper seeks Members' advice on the proposals to reorganise the Civil Service Training and Development Institute (CSTDI).

PROPOSALS

2. We have earlier conducted a review of CSTDI's operations. We propose that –

- (a) CSTDI should focus on four core areas, namely (i) senior executive training and development; (ii) national studies programmes; (iii) consultancy services to departments on Human Resource Management (HRM) initiatives; and (iv) promotion of a continuous learning culture in the civil service; and
- (b) in organizational terms, CSTDI should be subsumed under the Civil Service Bureau (CSB).

JUSTIFICATIONS

3. The Government is committed to providing civil servants with training programmes that would equip them with the skills and knowledge necessary for providing quality service to the public. We advocate a continuous learning culture and encourage civil servants to continuously acquire new knowledge.

4. In 1994, the Government started to devolve training responsibilities to bureaux/departments, with a view to encouraging HoDs to take ownership of training and staff development. With departments responding positively to the devolution process, CSTDI has assumed the role of a facilitator and advisor, apart from being a direct service provider in training. With the increase in emphasis

placed by departments and CSTDI in promoting training and development (“T&D”) in the service, the amount of resources spent on training has increased steadily over the years. At present, the civil service as a whole spends about \$1,020 million per year on T&D activities, compared with less than \$600 million before 1996. As a result of the devolution process, about 87% of the resources now spent on training are directly controlled by bureaux/departments. The remaining 13% is funded by CSTDI.

5. At present, vocational training (i.e. training designed to meet the job-specific needs of staff of certain grade or department) takes up about \$640 million each year, of which 98% are provided by bureaux/departments. On the other hand, generic training on languages, use of IT and general management aiming at enhancing the general personal effectiveness of staff takes up about \$380 million per year. About two-thirds of such training are provided by bureaux/departments.

6. The present key responsibilities of CSTDI are set out in **Annex A**. Earlier this year, we have conducted a review of CSTDI’s operations. We have critically looked at past developments, present-day circumstances, and the changing training needs of the civil service with a view to –

- (a) defining clearly the core areas that CSTDI should focus on in future;
- (b) rationalizing the way CSTDI delivers its services; and
- (c) examining whether the structure of CSB and CSTDI could be further streamlined.

In brief, the strategic aim of our review is to ensure that the resources we spend on training and development are utilized in the most cost-effective manner and best meets the needs of the community we serve.

PROPOSED CORE ACTIVITIES

7. We propose that CSTDI, following reorganization, should focus on the following four core areas.

Senior executive development

8. To meet the ever-rising public demands for an effective, efficient and responsive Government, the importance of leadership development in the civil service could not be over-emphasized. We consider that T&D programmes at the senior level should best be provided centrally for strategic and economic reasons. In addition to on-going investment on programmes for senior directorate officers, CSTDI will bring in new elements to enhance the training programmes for junior and would-be directorate officers to ensure that they are given adequate support in

acquiring new skills, in finding best practices, and in seeking new ideas for meeting the challenges ahead. CSTDI will also offer advisory service to bureaux/departments on appropriate training associated with directorate succession planning.

National studies programmes

9. CSTDI will continue to place emphasis on national studies programmes, including staff exchange programmes with the Mainland. On top of the current programmes offered by the Tsinghua University and the National School of Administration, we will also commission the Peking University to organise programmes for senior civil servants starting from next year. CSTDI will also put more resources on training programmes in support of Hong Kong's closer economic integration with the Mainland in general and the greater Pearl River Delta region in particular. Where appropriate, CSTDI will invite more Mainland academics, professionals, officials, etc. to speak at seminars on national affairs.

Consultancy services to departments on HRM initiatives

10. In support of bureaux/departments taking on more responsibilities in both staff and financial management, CSTDI will expand its role of providing consultancy and advisory services to bureaux/departments for enhancing the latter's HRM capacity.

11. Emphasis will be placed on helping bureaux/departments to make the best use of human resources and to develop a workforce that is highly adaptive to demands for change. Services to be rendered by CSTDI include promoting good HRM practices; facilitating bureaux/departments in rolling out and managing change initiatives; developing competencies required of different grades and ranks; reviewing and designing performance management systems; conducting training need analysis; and promoting learning at the workplace.

12. To encourage departments to think and plan ahead so that departmental corporate goals could be more effectively supported by T&D activities, sustained efforts have been made in the past to promote the formulation of departmental T&D plans. By 2002/03, all departments and grades have drawn up their own detailed T&D plans. The support services that are to be provided by CSTDI in paragraph 11 above will help heads of departments and grades to derive more benefits from the annually rolled forward T&D planning process.

Promotion of a continuous learning culture in the civil service

13. For some years, the Government has been actively encouraging civil servants to pursue continuous learning to build up their resilience and capabilities at times of change. The promotion of a culture of continuous learning in the civil service will remain a core business of CSTDI in future. Effort will be spent on

promoting the culture and spirit, as well as the development of the infrastructure and content which facilitate continuous learning. On the former, we will promote a management culture which places emphasis on learning and rewards staff who upgrade their skills and enhance their capacity. We will also track the input and effectiveness of T&D on a service-wide and departmental level to assist management to adjust their plans (paragraphs 20 to 21 below). On the latter, we will encourage wider use of the e-learning mode. Building on the cyber-learning infrastructure that has been put in place since 2000 (paragraph 14 below), CSTDI will further enrich its online training resources and raise its number of users from 34,000 to over 60,000 in 2005/06. CSTDI will continue to offer its web-based portal for departments to offer department-specific learning resources and assist departments in building up departmental e-learning platforms.

14. The Cyber Learning Centre was launched in March 2000, and upgraded in September 2002 to a web-based learning portal to become the Cyber Learning Centre Plus ("CLC Plus"). It now comprises a comprehensive e-learning management system, discussion forum, and other search functions, offering some 90 web courses on different subjects, more than 65 items of job-related reference materials, and numerous linkages with other websites. Learning resources on languages, communication, IT and government practices are available for enhancing the effectiveness of staff at all levels. For middle managers, interactive courses are provided to develop their managerial competencies. There is also a Leaders' Corner which offers a one-stop resource centre for directorate officers to pursue continuous learning.

15. In the years ahead, more and more of CSTDI's training programmes will be delivered to end-users through the e-learning mode, away from the traditional classroom mode.

INTERFACE BETWEEN BUREAUX / DEPARTMENTS AND CSTDI AS TRAINING PROVIDERS

16. To better align the resources under CSTDI's disposal with its core business in future, the way in which CSTDI delivers its services and the interface with bureaux/departments will undergo some changes after the proposed reorganization.

Vocational training

17. As a result of the devolution of training responsibilities to bureaux/departments since 1994, 98% of the resources now spent on vocational training are provided by bureaux/departments direct. The devolution has reached the stage where we feel CSTDI should cease its direct involvement in providing vocational training for departmental staff. After all, bureaux/departments are best placed to

address the job-specific training needs of their staff. Instead, CSTDI will focus on enhancing its support services to bureaux/departments, such as offering training to departmental trainers, assisting them in the formulation of departmental T&D plans, assisting them in sourcing/selecting suitable training providers, etc.

Generic training

18. At present, bureaux / departments are responsible for organizing about two-third of training programmes on generic subjects, such as language, IT and management, with the remaining one-third provided by CSTDI, mainly in the classroom mode. This sharing of responsibilities between CSTDI and bureaux / departments in terms of proportion will be maintained after the reorganization. However, considering the fact that training in these areas has reached a fairly mature stage, CSTDI in future will endeavour to provide it mainly through the e-learning mode, or where appropriate, a blended mode of e-learning and classroom instruction. As e-learning enables us to benefit more staff at lower costs, helps ease the staff release problem, and offers the advantage of allowing officers to learn at their own pace, this change in the mode of service delivery will allow us to get more out of the resources we spend on training and at the same time provide civil servants with sufficient training opportunities. At the same time, bureaux / departments may still organize classroom sessions to supplement if they see specific needs arise.

19. We will maintain close liaison with bureaux/departments with a view to ensuring that the generic training programmes offered by CSTDI and bureaux/departments to civil servants would continue to complement each other.

Management Information System

20. We will also put in place a robust management information system that would enable CSB to maintain a good overview of the service-wide training scene and provide timely and useful input for CSB and bureaux/departments to further improve training programmes, thereby meeting the changing training needs of the civil service in the most cost-effective manner.

21. It is all the more important that we have such a management information system in place given the following backdrop: (a) the further devolution of training responsibilities to bureaux/departments; (b) migration to e-learning as a mode of service delivery; and (c) the emphasis that would persistently be placed on continuous learning and enhanced skills/productivity in the civil service.

ORGANIZATIONAL STRUCTURE OF THE FUTURE CSTDI

22. At present, CSTDI is headed by a Director at D3 level assisted by an Assistant Director (D2) and an Assistant Principal Training Officer (D1). It has an establishment of 154 posts based in eight operational units. There are 99 Training Officer (TO) grade posts, of which 23 are out-stationed in 15 bureaux/departments. The current organisation chart of CSTDI is at **Annex B**.

23. In the interest of delayering and to achieve better efficiency, we propose to subsume CSTDI under CSB. Following reorganization, CSTDI will be placed under a Deputy Secretary for the Civil Service. The holder of the Assistant Director post (D2) in CSTDI will in future be responsible for the formulation as well as implementation of policies on training and development matters. With the top echelon of CSTDI being more closely involved in CSB's policy deliberations, the future CSTDI should be better placed to roll out training and development programmes in close support of HRM initiatives launched by the centre.

24. After reorganization, 47 posts will be deleted from the current establishment by 2005/06. These include the post of the Director, 25 TO grade posts, and 21 other non-directorate posts. At the same time, 8 posts will be transferred to the General Grades Office, which in future will take over the responsibilities for meeting the T&D needs of general grades staff. Taking into account the number of existing vacancies, the number of officers retiring under the second Voluntary Retirement Scheme and natural wastage from now to 2006/07, the reorganisation proposal will not lead to forced redundancy. The proposed new structure of CSTDI is at **Annex C**.

FINANCIAL IMPLICATIONS

25. As a result of post deletion, the reorganization proposals will yield savings of about \$39.6 million in full average staff cost, including salaries and staff on-cost in 2005/06. The amount of departmental expenses that may be saved as a result of the re-prioritisation of services and the change in the mode of service delivery are expected to be about \$13 million per annum.

CONSULTATION

26. We have consulted the staff of CSTDI. They understand the need to re-position CSTDI in order to better meet the changing training needs of the civil service. They agree in general that CSTDI should in future focus on the four core areas outlined in paragraphs 8 to 15 above. We have assured them that the reorganization is not expected to lead to forced redundancy and we have drawn up a comprehensive retraining plan for TOs to prepare them for taking up new responsibilities. We will continue to work with the staff sides in devising

necessary measures to prepare them for the change.

27. We have also briefed bureaux/departments on the reorganization proposals to ensure that the services to be provided by CSTDI in future and the training programmes organized by bureaux/departments would continue to complement each other. We will maintain continuous dialogue with them to ensure that the impact of any changes that the reorganization of CSTDI may bring about will be cushioned.

WAY FORWARD

28. We intend to seek endorsement from the Legislative Council Establishment Subcommittee on 7 January 2004 and subsequently the Finance Committee on 20 February 2004 with a view to implementing the reorganization proposals on 1 April 2004.

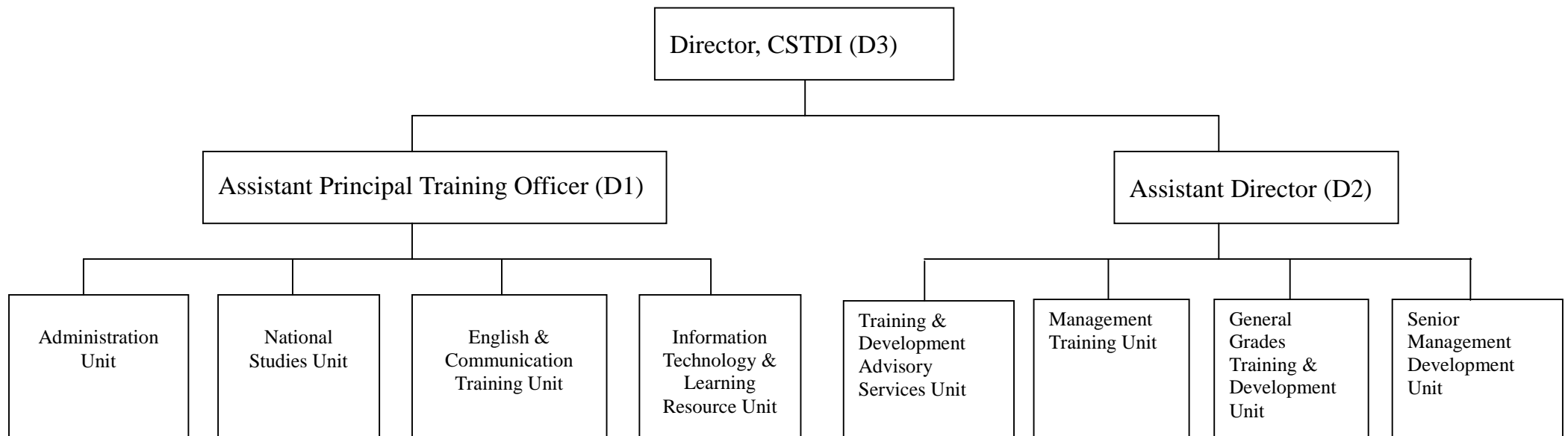
Civil Service Bureau
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Present key responsibilities of CSTDI

The CSTDI was set up on 1 April 1996 by bringing together the then Civil Service Training Centre (CSTC) and the Senior Staff Course Centre (SSCC). Both the CSTC and SSCC were offices set up under the then Civil Service Branch. Being the central training and development agency under the policy responsibility of CSB, CSTDI has the following key responsibilities -

- (a) assisting the Secretary for the Civil Service to formulate and implement training policies and regulations for the civil service;
- (b) providing bureaux/departments with advisory and consultancy services on human resource training and development;
- (c) providing training support to implement and roll out central policy and reform initiatives;
- (d) providing and administering management development courses and seminars for senior civil servants; and
- (e) organizing general training programmes on National Studies, languages, human resource management and information technology for improving the efficiency and performance of the civil service.

Current Organization Chart of CSTDI



Proposed Organization Chart of the reorganised CSTDI

