

**For discussion
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**LEGISLATIVE COUNCIL
PANEL ON PUBLIC SERVICE**

**Assessment Criteria for Conduct of
Grade Structure Reviews for Non-Directorate Civilian Grades**

PURPOSE

This paper briefs Members on the criteria adopted by the Administration in assessing requests for conduct of grade structure reviews (GSRs) from non-directorate civilian grades.

BACKGROUND

2. From time to time, the Administration receives requests for conduct of GSRs from non-directorate civilian grades. We consider that these requests should be assessed in the context of our civil service pay policy and the Improved Civil Service Pay Adjustment Mechanism adopted since 2007.

Civil Service Pay Policy

3. The civil service pay policy is to offer remuneration sufficient to attract, retain and motivate staff of a suitable calibre to provide the public with an effective and efficient service; and to ensure that such remuneration is regarded as fair by both civil servants and the public they serve by maintaining broad comparability between civil service and private sector pay. Broadly speaking, the implementation of this policy requires the tracking of the recruitment and retention situation of individual grades in

the civil service; and the conduct of surveys of the pay situation in the private sector coupled with careful deliberation of survey findings for the purpose of deciding whether and how they should be implemented in the civil service as a whole or in specific segments or grades of the civil service.

Improved Civil Service Pay Adjustment Mechanism

4. Since 2007, an Improved Civil Service Pay Adjustment Mechanism has been implemented after thorough consideration and consultations with the staff sides. In brief, the improved mechanism involves the regular conduct of three sets of market surveys to assess how the prevailing civil service pay compares with the pay in the private sector and, having regard to the findings of the surveys, whether and how the civil service pay should be adjusted. The three sets of market surveys are conducted at different intervals and serve different purposes.

5. The pay level survey (PLS), conducted at six-yearly intervals, compares the prevailing salaries of different segments of non-directorate civil servants (categorised by pay ranges in dollar terms and job families) with their counterparts in the private sector. The starting salaries survey (SSS), conducted on a triennial basis, compares the prevailing starting salaries of different basic ranks of civilian grades (categorised by minimum qualification requirements) with the entry pay of jobs in the private sector requiring similar qualification requirements. For these two surveys (i.e. PLS and SSS), the third quartile (or P75) private sector pay is adopted as the basis of comparison with the pay of the relevant segments or basic ranks of the civil service, in accordance with, amongst others, the general objective that the Government should be a good employer. The pay trend survey (PTS), conducted on an annual basis, measures the year-on-year pay movement of employees in the private sector (categorised into three salary bands according to the dollar value of their remuneration). The Improved Civil Service Pay Adjustment Mechanism has thus not only imposed greater discipline in terms of the regularity of the different types of market surveys, but also brought market forces to bear on civil service pay in a more timely and transparent manner.

Need to Conduct GSRs

6. With the regular and periodic conduct of PLSs and SSSs, any pay adjustments considered appropriate in the light of the findings of such surveys already ensure that the pay of most non-directorate civilian grades is broadly comparable with their private sector counterparts. In turn, this enables most non-directorate civilian grades to recruit people of suitable calibre, and to retain and motivate them. Accordingly, the need to resort to a GSR to address problems that cannot be tackled by these two types of surveys should arise only in exceptional circumstances.

CRITERIA FOR ASSESSING GSR REQUESTS FROM NON-DIRECTORATE CIVILIAN GRADES

7. Having regard to the overall context described in paragraphs 3 to 6 above, we have adopted the following criteria to guide the assessment of requests for conduct of GSRs from non-directorate civilian grades.

Recruitment and Retention Difficulties

8. We consider that one criterion should be whether there are proven and persistent (as opposed to temporary or transitory) recruitment and retention difficulties encountered by the grade seeking the conduct of a GSR, as such grade-specific difficulties cannot be resolved through any of the main components under the Improved Civil Service Pay Adjustment Mechanism (see paragraphs 4 and 5 above). The recruitment-and-retention test is in line with the civil service pay policy of offering sufficient remuneration to recruit and retain staff of suitable calibre. It also provides an objective basis for singling out a particular grade for review, notwithstanding the internal relativities between it and other non-directorate civilian grades requiring similar entry qualifications.

9. The civil service is a single entity made up of a few hundred grades and over a thousand ranks. Over the years, an intricate web of

internal relativities has evolved among the various non-directorate civilian grades and ranks. While not necessarily formalised, these relativities have regard to the job nature, level of responsibilities and entry qualifications of the respective grades and ranks. They are deeply ingrained in the minds of the civil servants concerned. The conduct of a GSR on a particular grade with the possibilities of changes to its structure or pay scale is likely to trigger demands for the conduct of GSRs on comparable grades (whether in terms of similar level of responsibilities and/or similar entry qualifications) as well, hence the importance of setting down objective criteria for the assessment of GSR requests.

10. However, as a GSR primarily focuses on the salary structure, it may not be an effective solution to certain recruitment and retention problems. For instance, a general lack of qualified candidates in the market may render recruitment difficult. In which case, we may have to critically review the entry requirements or provide training in-house or through recognised educational institutions with a view to expanding the pool of qualified candidates. Similarly, there could be other factors, such as inadequate staffing and insufficient job satisfaction, that contribute to retention difficulties. Better human resources practices could provide more effective solutions in such cases.

Fundamental Changes in the Job Nature, Level of Responsibilities and Job Complexity

11. Other than the recruitment-and-retention test, we also consider that another criterion to assess GSR requests should be whether there are fundamental changes in the job nature, level of responsibilities and job complexity of a grade, to the extent that a root-and-branch revamping of its purpose, positioning and structure is called for in order to enable it to function properly and effectively on a sustainable basis. In this connection, it is noted that incremental changes to the job nature, level of responsibilities and job complexity of individual grades over time – whether induced by rising aspiration of the community; or new functions necessitated by changes in the political, economic and social landscape; or advances in technology and technological application; etc. – are natural and

inevitable. They do not necessarily constitute valid reasons for the conduct of GSRs for the concerned grades.

OTHER MANPOWER-RELATED ISSUES

12. The GSR mechanism is not a panacea for all kinds of manpower-related issues. Some requests to conduct GSRs have been made to address issues such as recruitment of personnel with qualifications over and above the stated requirements, lack of promotion prospects, increase in workload, demands from the community for better quality service, application of new technologies, expansion of job content, etc. We consider that many such issues should be addressed through better human resources management, such as productivity enhancement, work reprioritisation, process re-engineering, alternative modes of service delivery, targeted training and development, additional manpower resources where fully justified, improved communication with staff, etc.

ADVICE SOUGHT

13. Members are invited to note the assessment criteria set out in paragraphs 8 to 11 above.

Civil Service Bureau
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