

**For information
on 21 March 2016**

LEGISLATIVE COUNCIL PANEL ON PUBLIC SERVICE

**2015 Starting Salaries Survey:
Findings and Recommendations of the Standing Commission on
Civil Service Salaries and Conditions of Service**

Purpose

This paper summarises and invites Members' views on the findings and recommendations of the Report of the Standing Commission on Civil Service Salaries and Conditions of Service (the Standing Commission) on the 2015 Starting Salaries Survey (the Report).

Background

2. The Government's civil service pay policy is to offer sufficient remuneration to attract, retain and motivate staff of suitable calibre to provide the public with an effective and efficient service; and to ensure that civil service remuneration is regarded as fair by both civil servants and the public they serve through maintaining broad comparability between civil service and private sector pay. To implement this policy, an Improved Civil Service Pay Adjustment Mechanism (the Mechanism)¹ was put in place in 2007. Under the Mechanism, a starting salaries survey (SSS) is conducted every three years to compare the starting salaries of non-directorate civilian civil service grades with those of the private sector requiring similar qualifications.

3. At the meeting of this Panel held on 16 February 2015, we informed Members that the Administration had invited the Standing

¹ The Mechanism was endorsed by the Executive Council in 2007 and comprises the conduct of the six-yearly pay level survey; the triennial starting salaries survey; and the annual pay trend survey.

Commission to conduct the 2015 SSS and advise the Administration on how the survey findings should be applied to the basic ranks of non-directorate civilian civil service grades. The Standing Commission has completed the survey and submitted the Report to the Chief Executive on 26 February 2016 (please see the Standing Commission's Report No. 54 at **Annex I**).

The 2015 SSS

4. At present, over 300 basic ranks of non-directorate civilian civil service grades are broadly divided into 11 different qualification groups (QGs) based on their entry qualification and/or experience requirements, and a benchmark pay is set for nine of these QGs². The starting salaries of individual grades under each QG are usually set on a par with or one or more pay points higher than its benchmark pay. The 2015 SSS was conducted by an independent consultant appointed and supervised by the Standing Commission. The survey covered all QGs with benchmark pay set, and adopted the methodology which has worked well in previous SSSs.

5. The 2015 SSS used 1 April 2015 as its reference date and collected valid pay data from a total of 139 private sector organisations for comparison with the benchmark pay of QGs with similar qualification and/or experience requirements. Having regard to past practices and the consideration that the Government should be a good employer, the Standing Commission continued to adopt the upper quartile level of the total cash compensation³ of private sector pay as the basis for comparison with individual QGs in the civil service.

Staff Engagement

6. The Standing Commission had held three stages of consultation in conducting the 2015 SSS, during when the Standing Commission collected and suitably considered the views of the staff sides of the four Central Consultative Councils and the four major

² No benchmark pay is set for the grades under QG 10 (Education Grades) and QG 11 (Other Grades) due to their unique job nature and disparate entry requirements.

³ Total cash compensation includes annual basic salary, guaranteed bonus as well as other cash payment (cash allowances and variable pay). It however does not include those that are conditional on particular working conditions (such as occasional overtime, shift, work location) or on individual circumstances (such as reimbursement of expenses).

service-wide staff unions⁴ on the survey methodology, the survey field and the application framework, etc.

Survey Findings

7. As noted in Chapter 5 of the Report, the 2015 SSS findings indicated that the differences between the existing benchmark pay of most QGs with sufficient market data for analysis⁵ and the upper quartile level of market pay are insignificant (in the range of +3.6% to -5.2%). However, the market upper quartile level of QG 8 (Degree and Related Grades) was lower than the existing civil service benchmark pay by 15.3% (around \$ 3,900 per month or three pay points on the Master Pay Scale). Details are set out at **Annex II**.

Principles for Applying the Survey Findings

8. In considering how the findings of the 2015 SSS should be applied to the non-directorate civilian civil service grades, the Standing Commission was of the view that, having regard to its experience in the 2009 and 2012 SSSs, it should continue to adopt a “holistic approach”, and has formulated the following principles and considerations as the basis of this approach –

- (a) civil service pay and private sector pay should be kept broadly comparable (rather than strictly comparable);
- (b) the attractiveness and stability of civil service pay should be maintained;
- (c) the inherent differences between the civil service and the private sector and their uniqueness should be taken into account;

⁴ The four Central Consultative Councils are the Senior Civil Service Council, the Model Scale 1 Staff Consultative Council, the Police Force Council and the Disciplined Services Consultative Council; and the four major service-wide staff unions are the Government Employees Association, the Hong Kong Civil Servants General Union, the Hong Kong Federation of Civil Service Unions and the Government Disciplined Services General Union.

⁵ QG 3 Group I (Higher Diploma or Associate Degree Grades) and QG 4 (Technical Inspectorate and Related Grades: Higher Certificate or equivalent qualification plus experience) did not meet the vetting criterion of being able to collect data from at least 15 surveyed organisations. According to the established practice, the Standing Commission recommended that the benchmark pay of QG 3 Group I and QG 4 should be determined by their internal relativities with that of QG 3 Group II (Diploma Grades) and QG 3 Group I respectively.

- (d) the nature of the SSS, including its objective, scope and frequency, etc., should be considered;
- (e) the inherent discrepancies in statistical surveys and the elements of chance should be considered, and some degree of flexibility should be allowed in the application of survey findings. Sufficient consideration should also be given to the circumstances of individual QGs; and
- (f) public interests, including the need to maintain a stable and permanent civil service, implications on the labour market as well as the signal which the relevant decision would send to the community, should be taken into account.

Recommendations of the Standing Commission

9. Since the difference between the existing benchmark pay of other QGs and the upper quartile level of starting salaries in the market is insignificant, the Standing Commission saw no need for any adjustment. As for QG 8, the Standing Commission noticed that –

- (a) from a broader perspective, a drastic reduction of the benchmark pay of QG 8 by three pay points would not be conducive to maintaining the stability of civil service pay and the morale of the civil service;
- (b) the 26 basic ranks in QG 8 perform the “backbone” function and are responsible for a wide range of important administrative and managerial duties. The succession arrangements in the civil service rely primarily on internal promotion, and there is limited room for the Government as the employer to offer pay rise for the sake of staff retention;
- (c) although a degree graduate joining the Government may initially enjoy a pay lead at the point of entry, it is not uncommon for the pay lead to diminish or even disappear within a few years. The results of the 2013 Pay Level Survey⁶ also support this observation. In view of the

⁶ The 2013 Pay Level Survey categorised civil service jobs into five Job Levels (JLs). The findings showed that for JL 5 (covering senior non-directorate civil servants remunerated on the Master Pay Scale Points 45 to 49), the pay indicator was 8% lower than the private sector.

inherent differences between the salary structure and career progression of the civil service and the private sector, the starting salaries for QG 8 should be set at a level such that civil service jobs remain reasonably attractive not only at the point of entry but also further down the career path;

- (d) as the largest employer in Hong Kong, the Government should give due recognition to the importance of degree education, with a view to facilitating upward social mobility of the younger generation;
- (e) it would be undesirable and also unfair to degree holders if the benchmark pay of QG 8 is reduced to a level lower than QG 3 Group I (Higher Diploma or Associate Degree Grades); and
- (f) the findings of recent SSSs show that the total cash compensation of market pay for QG 8 has consistently recorded a relatively larger dispersion. This has reflected that degree graduates are employed in a wide range of starting positions and sectors. Moreover, the starting pay of QG 8 has consistently recorded the lowest growth rate. It is necessary to understand the distinctive features and characteristics of this QG thoroughly.

10. Having taken into account the above considerations under the “holistic approach”, the Standing Commission recommended that –

- (a) the existing benchmark pay for all QGs (including QG 8) should remain unchanged; and
- (b) following the conclusion of the 2015 SSS, a specific study on QG 8 should be conducted to allow a thorough understanding of the distinctive features and characteristics of this QG and how these should be taken into account in determining its benchmark pay in future SSSs.

Application of Survey Findings to the Disciplined Services

11. It has been an established practice that the SSS does not cover the disciplined services grades due to the lack of market comparators. That said, we will heed to the advice of the Standing Committee on Disciplined Services Salaries and Conditions of Service

(SCDS) and suitably apply the survey findings to the basic ranks of the disciplined services grades.

Way Forward

12. We have invited the staff sides, departmental management as well as tertiary institutions to provide their views on the findings and recommendations of the Report to the Administration, and will seek a decision from the Chief Executive-in-Council on the way forward after consolidating the SCDS's recommendation on how the survey findings should be applied to the disciplined services. In the event of any change to the starting salary of any civil service basic rank, the endorsement of the Establishment Subcommittee and the approval of the Finance Committee of the Legislative Council will be sought. In line with the established practice, any arrangement to reduce civil service starting salaries will only be applied to new recruits from a specified prospective date. Serving civil servants will not be affected.

13. As regards the specific study on QG 8 recommended by the Standing Commission, we will take necessary follow up actions after completing the work relating to the 2015 SSS.

Advice Sought

14. Members are invited to offer views on the findings and recommendations of the 2015 SSS.

Civil Service Bureau
March 2016

HONG KONG
STANDING COMMISSION ON CIVIL SERVICE
SALARIES AND CONDITIONS OF SERVICE

REPORT No. 54

CIVIL SERVICE STARTING SALARIES SURVEY 2015

CHAIRMAN

DR WILFRED WONG YING-WAI, GBS, JP

FEBRUARY 2016

公務員薪俸及服務條件常務委員會
Standing Commission on Civil Service Salaries and Conditions of Service

26 February 2016

The Honourable C Y Leung, GBM, GBS, JP
The Chief Executive
Hong Kong Special Administrative Region
People's Republic of China
Tamar
Hong Kong

Dear Sir,

At the invitation of the Government, the Standing Commission on Civil Service Salaries and Conditions of Service (Standing Commission) has conducted a Starting Salaries Survey under the *Improved Civil Service Pay Adjustment Mechanism*.

On behalf of the Standing Commission, I have the honour to submit our Report No. 54: Civil Service Starting Salaries Survey 2015 which contains our findings and recommendations.

Yours faithfully,



(Wilfred Wong Ying-wai)
Chairman

Standing Commission on Civil Service
Salaries and Conditions of Service

**HONG KONG
STANDING COMMISSION ON CIVIL SERVICE
SALARIES AND CONDITIONS OF SERVICE**

REPORT No. 54

**CIVIL SERVICE
STARTING SALARIES
SURVEY 2015**

FEBRUARY 2016

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Summary of Conclusions and Recommendations

| | Paragraph |
|--|----------------|
| Survey Methodology | |
| (1) Consistent with past Starting Salaries Surveys (SSSs), the Qualification Benchmark System was adopted as the basis for data collection and pay comparison for the 2015 SSS. Basic ranks in the civil service were broadly divided into different Qualification Groups (QGs) according to their entry requirements. | 2.1 – 2.3 |
| (2) With the Government’s recent refinements to the QGs incorporated, basic ranks in the civil service were broadly divided into 11 QGs. The data collection stage covered QGs 1 to 9, with a total of 268 basic ranks. The remaining two QGs, namely QG 10 (Education Grades) and QG 11 (Other Grades), were not included due to their unique nature and/or disparate entry requirements. Information on the pay of entry-level jobs in the private sector was collected for comparison with the starting salaries of civilian grades requiring similar educational qualifications and/or experience. | 2.4, 2.7 – 2.9 |
| (3) The total cash compensation and the upper quartile (P75) level of private sector pay were adopted as the basis for comparing the entry pay of jobs in the private sector with the civil service benchmark of individual QGs. Where no comparable entry pay was found in the private sector for a QG, the new benchmark should follow the existing internal relativities with other QGs. Any new benchmark arising from SSSs will be pegged to the nearest pay point. | 2.16 and 5.1 |

Principles and Considerations for Application

- (4) The Commission considers that a holistic approach should continue to be adopted under which a number of principles and considerations have been formulated, making reference to those adopted in recent pay-related surveys conducted by the Commission. These principles and considerations are broad comparability with the private sector, attractiveness and stability of civil service pay, inherent differences between the civil service and private sector and their uniqueness, nature of the SSS, inherent discrepancies in statistical surveys and elements of chance, as well as overall interest. 4.1 – 4.13

Findings and Recommendations on Application of Survey Findings***QGs with Sufficient Data other than QG 8***

- (5) Having considered the principles and considerations under the holistic approach, the Commission is of the view that except for QG 8, the differences in the private sector pay and civil service benchmark pay for the other QGs, (i.e. QG 1, QG 2 Group I, QG 2 Group II, QG 2 Group III, QG 3 Group II, QG 5, QG 6, QG 7 and QG 9), which ranged from +3.6% to -5.2%, are insignificant and hence no adjustment is recommended to the civil service benchmarks of these QGs. 5.6

QGs with Insufficient Data

- (6) QG 3 Group I and QG 4 did not have sufficient market data for analysis and their benchmarks should be determined by their internal relativities with that of QG 3 Group II and QG 3 Group I respectively, and should therefore remain unchanged. 5.7

QG 8 (Degree and Related Grades)

- (7) For QG 8, there was a relatively larger difference between the private sector pay and civil service benchmark of -15.3%. Having balanced all the relevant principles and considerations under the holistic approach, the Commission recommends that (a) no change be made to the benchmark of QG 8; and (b) following the conclusion of the 2015 SSS, a specific study be conducted for QG 8, to allow a thorough understanding of the distinctive features and characteristics of this QG and how these should be taken into account in determining the benchmark pay of QG 8 in future SSSs. Meanwhile, a cautious and prudent approach should be taken in considering the benchmark of QG 8.
- 5.8 – 5.24

Starting salaries for basic ranks in QGs not Covered in Data Collection

- (8) No change should be made to the starting salaries for the basic ranks in QG 10, as the starting salaries for the basic ranks in QG 10 should be determined by internal relativities with either QG 8 or QG 3 Group I, and no change is recommended for both QGs.
- 5.25
- (9) The starting salaries for the basic ranks under QG 11 should be set by reference to (a) established relativities with relevant grades in other QGs; and (b) where such relativities are not readily identifiable, the relevant educational attainment for the grades. Since no change is recommended to the benchmarks for all other QGs, no change should be made to the starting salaries for the basic ranks under QG 11 accordingly.
- 5.26

Paragraph

***Starting Salaries for Training Ranks, Assistant Ranks,
Craft Apprentice Grade and Technician Apprentice Grade***

- (10) The starting salaries for the Training Ranks, Assistant Ranks, the basic ranks in the Craft Apprentice Grade and the Technician Apprentice Grade should be determined by internal relativities with QG 2 Group I, QG 7, QG 1 and QG 2 Group I respectively, and should remain unchanged. 5.27– 5.29

Other Observations

- (11) The Commission considers that a specific study on QG 8 grades should be conducted before the next SSS. The study should take a broader and longer-term view in tracking the remuneration of QG 8 new recruits a few years down their career. Opportunity should also be taken to review the internal relativities between the benchmark of QG 8 with the benchmarks of its adjacent QGs. 6.2

Chapter 1

Introduction

1.1 This Report sets out the work and recommendations of the Standing Commission on Civil Service Salaries and Conditions of Service (the Commission) in relation to the 2015 Starting Salaries Survey (SSS).

Background

The Commission

1.2 The Commission was appointed by the Chief Executive to advise on the structure, salaries and conditions of service of the non-directorate civilian grades in the civil service. Its terms of reference and membership are at Appendix A and Appendix B respectively.

Civil service pay policy

1.3 The Government's civil service pay policy is to offer sufficient remuneration to attract, retain and motivate staff of a suitable calibre to provide the public with an effective and efficient service; and to ensure that civil service remuneration is regarded as fair by both civil servants and the public they serve through maintaining broad comparability between civil service and private sector pay.

Improved Civil Service Pay Adjustment Mechanism

1.4 To achieve such broad comparability, under the *Improved Civil Service Pay Adjustment Mechanism (the Improved Mechanism)*, civil service pay is compared with private sector pay on a regular basis through the following three separate surveys -

- (a) an annual Pay Trend Survey (PTS) to ascertain year-on-year pay adjustments in the private sector;
- (b) an SSS every three years to compare the starting salaries of non-directorate civilian grades in the civil service with the

entry pay of jobs in the private sector requiring similar qualifications; and

- (c) a Pay Level Survey (PLS) every six years to ascertain whether civil service pay remains broadly comparable with private sector pay.

Previous starting salaries surveys

1.5 To date, three SSSs have been conducted under the *Improved Mechanism* –

- (a) the first one was carried out by the Government in 2006 (the 2006 SSS);
- (b) the second one was conducted by the Commission in 2009 (the 2009 SSS), the findings and recommendations of which were set out in the Commission's Report No. 46: Civil Service Starting Salaries Survey 2009; and
- (c) the third one was also conducted by the Commission in 2012 (the 2012 SSS), the findings and recommendations of which were set out in the Commission's Report No. 49: Civil Service Starting Salaries Survey 2012.

2015 Starting Salaries Survey

Invitation from the Government

1.6 On 12 January 2015, the Secretary for the Civil Service invited the Commission to conduct the 2015 SSS and to advise on how the survey findings should be applied to the non-directorate civilian grades in the civil service. The Secretary for the Civil Service also invited the Commission to consider the Government's proposal of introducing a few refinements to the grouping and labelling of certain Qualification Groups (QGs) under the Qualification Benchmark System and consider adopting the same for the conduct of the 2015 SSS. In the invitation letter, the Government also shared with the Commission a staff body's concern about the recognition of the qualification of Associate Degree (AD) in the private sector and its possible impact on the survey findings. Details on matters relating to the QGs and AD will be covered in the subsequent chapters of this Report.

Scope and mode of operation

1.7 As in previous SSSs, the 2015 SSS only covered non-directorate civilian grades, and not the disciplined services grades because of the absence of private sector counterparts. The Commission would defer to the Government to consider whether, and if so how, the Commission's recommendations would be applied to the disciplined services grades, taking into account the advice of the Standing Committee on Disciplined Services Salaries and Conditions of Service (SCDS) as appropriate.

1.8 In view of the potential impact of the Commission's recommendations on the disciplined services grades, the Commission invited the SCDS to nominate a member as an observer for the 2015 SSS. The SCDS nominated Dr Chui Hong-sheung, JP as the observer, who participated in the relevant meetings of the Commission and was kept posted on the progress throughout the exercise.

Consultation with stakeholders

1.9 The Commission firmly believes that staff consultation is crucial to the conduct of the 2015 SSS. In line with past practice, the Commission has closely engaged and exchanged views with the Staff Sides of the four Central Consultative Councils¹ and the four major service-wide staff unions² throughout the conduct of the 2015 SSS. Three stages of consultation covering different aspects of the survey were held as follows –

- (a) Stage 1 (March 2015) – proposed framework for the 2015 SSS;
- (b) Stage 2 (July 2015) – detailed survey methodology, proposed list of private sector organisations for the survey field and application framework; and
- (c) Stage 3 (December 2015) – issues relating to the application of the survey findings.

¹ The four Central Consultative Councils are the Senior Civil Service Council, the Model Scale 1 Staff Consultative Council, the Police Force Consultative Council and the Disciplined Services Consultative Council.

² The four major service-wide staff unions are the Government Employees Association, the Hong Kong Civil Servants General Union, the Hong Kong Federation of Civil Service Unions and the Government Disciplined Services General Union.

1.10 The Staff Sides contributed significantly to the conduct of the 2015 SSS. The Commission has, where appropriate, taken into account their views in the course of its deliberations.

1.11 The Commission has also maintained close liaison with the Employers' Federation of Hong Kong, the Hong Kong Institute of Human Resource Management and the Hong Kong People Management Association, and exchanged views with them on the prevailing practices of conducting pay surveys in the private sector. The exchanges were useful for the conduct of the 2015 SSS.

Engagement of a consultant

1.12 The Commission appointed Aon Hewitt Hong Kong Limited (the Consultant) in May 2015 to provide professional advice on the survey methodology and to collect data from the private sector.

Chapter 2

Overview of the Survey Methodology

2.1 The Commission notes that the survey methodology adopted for the 2012 SSS, which used the Qualification Benchmark System as the basis for data collection and pay comparison, has proven to be effective as a whole³. It has therefore accepted the Consultant's recommendation that the same methodology should continue to be used for the 2015 SSS for a consistent approach.

Qualification Benchmark System

2.2 Under the Qualification Benchmark System, civil service starting salaries are determined having regard primarily to educational qualifications and/or experiences required of individual basic ranks and to the entry pay for jobs requiring comparable requirements in the private sector. Basic ranks in the civil service are broadly divided into different QGs, each with one (or two) benchmark(s) set having regard to the entry pay in the private sector for jobs requiring similar educational qualifications and/or experiences as determined through previous SSSs. Where no comparable entry pay is found in the private sector for a QG, the benchmark is determined through its internal relativity with other QGs. The starting salaries of basic ranks in individual grades in a QG are set on a par with, or one or more points higher⁴ than the said benchmark where it is justified for reasons relating to the job, i.e. the job factors.

2.3 As regards the private sector, the Commission notes that the use of education and experience requirements in benchmarking the starting salaries of entry-level jobs is also commonly practised.

2.4 On the basis of the Qualification Benchmark System, information on the pay of entry-level jobs in the private sector was collected for comparison with the starting salaries of civilian civil service grades requiring

³ The survey methodology of the 2012 SSS was in turn modelled on that used for both the 2009 and 2006 SSSs.

⁴ Except for special cases such as the Assistant Ranks for professional grades, in which the starting salaries are set with one or more points below the benchmark of their QG.

similar educational qualifications and/or experience, with a view to ascertaining whether the entry pay in the civil service remained broadly comparable with that in the private sector.

Job Family Classification

2.5 In addition, to ensure functional comparability between entry-level jobs in the private sector and civil service, the Job Family (JF) classification was adopted to complement the minimum qualification requirements in identifying comparable private sector jobs and verification of data. Basic ranks in the civil service were grouped into JFs, and each JF represented jobs which were similar in functional principle, nature or practice. Consistent with past SSSs, an eight-JF classification was adopted in the 2015 SSS –

| | |
|------|--|
| JF 1 | Clerical and Secretarial |
| JF 2 | Internal Support (Corporate Services) |
| JF 3 | Internal Support (Technical and Operation) |
| JF 4 | Public Services (Social and Personal Services) |
| JF 5 | Public Services (Community) |
| JF 6 | Public Services (Physical Resources) |
| JF 7 | Works-Related |
| JF 8 | Operational Support |

2.6 Only private sector entry-level jobs with similar qualification and/or experience requirements as a particular QG and comparable in terms of functions to those identified under the JFs for that QG were used for comparison. The adoption of the JF classification could ensure that the market data sampled were relevant and comparable with the civil service basic ranks for the QG concerned.

Qualification Groups Covered

2.7 The Government has recently introduced some technical refinements to the grouping and labelling of certain QGs, primarily to take into account the emergence of various post-secondary education programmes. For instance, the qualifications associated with the Hong Kong Diploma of Secondary Education Examination under the new 3-3-4 academic structure are

now featured in the relevant QGs. Background and details of the refinements are set out at **Appendix C**.

2.8 The Commission notes that the refinements aimed to duly reflect the prevailing qualification requirements for civil service jobs and none of them would cause any changes to the existing entry requirements or starting salaries of any civil service grades. It considers that the adoption of the refined QGs for the 2015 SSS may improve the compatibility of the survey with the latest labour market situation in the private sector. Hence, the refined QGs under the Qualification Benchmark System were used for the 2015 SSS.

2.9 On the basis of the refined QGs and consistent with past SSSs, the data collection stage of the 2015 SSS covered QGs 1 to 9, with a total of 268 basic ranks. The remaining two QGs, namely QG 10 (Education Grades) and QG 11 (Other Grades), were not included due to their unique nature and/or disparate entry requirements.

Consideration of Associate Degree

2.10 During the staff consultation meetings, while noting that the qualification of AD was generally taken as equivalent to Higher Diploma (HD) in terms of academic recognition for Government jobs, there was a concern from the Staff Sides that there might be different practices between the civil service and the private sector in recognising the qualification of AD as the minimum qualification requirement for appointment, which might affect the findings of the 2015 SSS when the two qualifications were grouped under the same QG (i.e. QG 3 Group I). The same concern was shared with the Commission by the Secretary for the Civil Service as mentioned in paragraph 1.6 above. In view of the Staff Sides' concern, the Commission has tasked the Consultant to collect information on how the private sector recognises the qualification of AD.

2.11 The Consultant collected first-hand data from the market so as to ascertain the prevailing market practice in recognising the qualification of AD for recruitment purpose and consider its impact, if any, on the survey findings. The Consultant included questions on this subject in the data collection package to collect views from the participating organisations on how they recognised the qualification of AD for recruitment purpose. The findings on this subject are set out in paragraph 3.7.

Selection Criteria for Private Sector Organisations

2.12 The 2015 SSS adopted the same set of selection criteria used in the 2012 SSS in selecting private sector organisations to participate in the survey, except for some refinements to one of the criteria. This criterion originally read “[the organisations] should be typical employers in their respective fields normally employing 100 or more employees, with flexibility allowed for the inclusion of private sector organisations with less than 100 employees to enhance the representativeness of the survey, provided that they meet all the other selection criteria”. The Consultant observed that in the 2012 SSS, while flexibility was allowed for organisations employing less than 100 employees to participate, all participating organisations turned out to be employing 100 or more employees. The Consultant also observed that the number of employees might vary during the conduct of the survey, whilst the criterion did not specify the date on which the number should be counted. Hence, for the sake of clarity and removal of ambiguities, the criterion was revised to specify clearly that only organisations with 100 or more employees as at the survey reference date should be included. The selection criteria adopted in the 2015 SSS were –

- (a) the selected organisations should be generally known as steady and good employers conducting wage and salary administration on a rational and systematic basis;
- (b) they should be typical employers in their respective fields employing 100 or more employees as at the survey reference date;
- (c) they should collectively have a sufficient number of entry-level jobs that are reasonable counterparts to entry-level jobs in each of the QG in the civil service covered in the survey;
- (d) they should determine pay on the basis of factors and considerations applying to Hong Kong rather than factors applying outside Hong Kong;
- (e) they should not use the Government’s pay adjustments or civil service pay scales as the main factor in determining pay adjustments or setting pay levels;
- (f) they should collectively cover a wide range of economic sectors in Hong Kong; and

- (g) they should be treated as separate organisations where pay practices are determined primarily with regard to conditions in the relevant economic sector if they form part of a group in Hong Kong.

List of Private Sector Organisations

2.13 As a starting point, the list of more than 400 private sector organisations invited in the 2013 PLS was used as the basis for the 2015 SSS to ensure a reasonable level of participation. Upon reviewing the organisations against the selection criteria and taking into account the Staff Sides' views, a total of 442 organisations were invited to participate in the survey, as compared with 383 and 425 organisations invited for the 2009 SSS and 2012 SSS respectively.

Survey Reference Date

2.14 The survey reference date was set for the purpose of data collection. Pay data from the private sector were collected during the 12-month period immediately preceding this date. As 1 April was consistently adopted in all past SSSs, setting the reference date on 1 April 2015 for the current exercise would ensure consistency and comparability with past SSSs.

Vetting Criteria

2.15 To ensure data integrity, data points collected from private sector jobs for individual QGs were further analysed only if they could meet the following two vetting criteria –

- (a) at least 60% of the JFs identified from the civil service basic ranks in the same QG; and
- (b) at least 15% of all surveyed organisations or 15 surveyed organisations, whichever is the less.

Parameters for Data Collection, Consolidation and Pay Comparison

2.16 The following parameters were adopted in the conduct of the 2015 SSS –

- (a) pay data on the basis of annual total cash compensation comprising annual base salary⁵ plus any other cash payment⁶ were collected and consolidated for analysis;
- (b) the typical organisation practice approach was adopted for data consolidation under which organisations of different sizes carried the same weight; and
- (c) the upper quartile (P75) level of private sector pay was adopted as the basis for comparison with the civil service benchmark pay of each QG.

⁵ Annual basic salary plus guaranteed bonus.

⁶ Other cash payment includes cash allowances and variable pay, except those that are conditional on particular working conditions (e.g. payments for occasional overtime) or cash allowances which are conditional on individual circumstances (e.g. payments for actual reimbursement of business expenses).

Chapter 3

Collection of Pay Information from Private Sector Organisations

3.1 Following the survey methodology as outlined in Chapter 2, the Consultant successfully collected pay information from 139 private sector organisations (at **Appendix D**). After data verification, a total of 11 029 data points on actual pay data for QGs 1 to 9 were obtained from these organisations. A breakdown of the data points collected for each QG is set out in **Table 1** below –

Table 1

| QG | Grades and Qualification Requirements | No. of Data Points | Organisations | | Job Families | |
|----|---|--------------------|---------------|-----|--------------|------|
| | | | No. | % | No. | % |
| 1 | Grades not requiring Level 2 or equivalent in five subjects in Hong Kong Diploma of Secondary Education Examination (HKDSEE) (or five passes in Hong Kong Certificate of Education Examination (HKCEE)) | 2,317 | 61 | 44% | 5 | 100% |
| 2 | HKDSEE Grades Group I: Grades requiring Level 2 or equivalent in five subjects in HKDSEE (or five passes in HKCEE) | 2,106 | 42 | 30% | 6 | 100% |
| | Group II: Grades requiring Level 2 or equivalent in five subjects in HKDSEE plus considerable experience (or five passes in HKCEE plus considerable experience) | 613 | 18 | 13% | 4 | 100% |
| | Group III: Grades requiring Level 3 or equivalent in five subjects in HKDSEE (or two passes at Advanced Level in Hong Kong Advanced Level Examination plus three credits in HKCEE) | 106 | 18 | 13% | 5 | 100% |
| 3 | Higher Diploma, Associate Degree and Diploma Grades Group I: Higher Diploma or Associate Degree Grades | 31 | 5 | 4% | 1 | 100% |
| | Group II: Diploma Grades | 883 | 62 | 45% | 5 | 100% |

| QG | Grades and Qualification Requirements | No. of Data Points | Organisations | | Job Families | |
|--------------|---|--------------------|---------------|-----|--------------|------|
| | | | No. | % | No. | % |
| 4 | Technical Inspectorate and Related Grades: Higher Certificate or equivalent qualification plus experience | 71 | 10 | 7% | 2 | 67% |
| 5 | Technician, Supervisory and Related Grades Group I: Certificate or apprenticeship plus experience | 588 | 39 | 28% | 5 | 100% |
| 6 | Technician, Supervisory and Related Grades Group II: Craft and skill plus experience, or apprenticeship plus experience | 1,106 | 36 | 26% | 3 | 100% |
| 7 | Professional and Related Grades | 314 | 23 | 17% | 6 | 100% |
| 8 | Degree and Related Grades | 2,013 | 99 | 71% | 5 | 100% |
| 9 | Model Scale 1 Grades | 881 | 59 | 42% | 1 | 100% |
| Total | | 11,029 | - | - | - | - |

3.2 In the 2009 and 2012 SSSs, there was insufficient data for QG 2 Group II, QG 3 Group I and QG 4. In the 2015 SSS, the Consultant was able to collect sufficient data for QG 2 Group II. However, the issue of insufficient data persisted for QG 3 Group I and QG 4, despite the expansion of the survey field. The data collected for these two QGs continued to be insufficient to meet the vetting criterion of having data from not fewer than 15 surveyed organisations. Data collected from these QGs were therefore excluded from the subsequent data analysis. After the exclusion, a total of 10 927 valid data points from 139 private sector organisations were further analysed.

3.3 Overall, there was an increase in the number of organisations and valid data points used for analysis as compared with the 2012 SSS. In particular, for six QGs they each recorded over 800 valid data points and amongst them three exceeded 2,000 each. Moreover, in terms of JF coverage, QGs with sufficient data to meet the vetting criteria had valid data covering all their relevant JFs.

Profile of Participating Organisations

3.4 The 139 private sector organisations providing valid data for analysis covered a wide range of economic sectors in Hong Kong. Details are in **Table 2** below –

Table 2

| Economic Sector | No. of Organisations | % |
|---|----------------------|-------------|
| 1. Accommodation and Food Services | 8 | 5.8% |
| 2. Construction | 14 | 10.1% |
| 3. Financing, Insurance and Real Estate | 31 | 22.3% |
| 4. Information and Communications | 7 | 5.0% |
| 5. Manufacturing | 6 | 4.3% |
| 6. Professional and Business Services | 16 | 11.5% |
| 7. Social and Personal Services | 21 | 15.1% |
| 8. Transport, Storage, Postal, Courier Services and Utility | 17 | 12.2% |
| 9. Wholesale, Retail and Import/Export | 19 | 13.7% |
| Total | 139 | 100% |

3.5 The dates of hire of employees were distributed across the survey period, with more falling in the third quarter (i.e. July to September) of 2014 (33%) and in the first quarter (i.e. January to March) of 2015 (31%). As pointed out by the Consultant, this was consistent with the timing when fresh graduates and school leavers enter the labour market in the third quarter, and organisations look for replacements or make adjustments of headcounts at the start of each year.

Findings

3.6 **Table 3** below sets out the market P75 pay level for each of the QGs, on the basis of annual base salary and annual total cash compensation –

Table 3

| QG | <u>Base Salary</u> Market P75 Pay Level | | <u>Total Cash Compensation</u> Market P75 Pay Level | |
|-------------|--|--------------|--|--------------|
| | Annual (\$) | Monthly (\$) | Annual (\$) | Monthly (\$) |
| 1 | 127,580 | 10,632 | 142,822 | 11,902 |
| 2 Group I | 136,980 | 11,415 | 152,798 | 12,733 |
| 2 Group II | 148,419 | 12,368 | 162,168 | 13,514 |
| 2 Group III | 196,761 | 16,397 | 208,543 | 17,379 |
| 3 Group I | <i>Insufficient Data</i> | | | |
| 3 Group II | 207,276 | 17,273 | 220,728 | 18,394 |
| 4 | <i>Insufficient Data</i> | | | |
| 5 | 184,254 | 15,354 | 197,015 | 16,418 |
| 6 | 162,878 | 13,573 | 177,639 | 14,803 |
| 7 | 493,734 | 41,144 | 537,151 | 44,763 |
| 8 | 239,565 | 19,964 | 259,084 | 21,590 |
| 9 | 135,186 | 11,265 | 141,585 | 11,799 |

Market Practice in Recognising the Qualification of Associate Degree

3.7 Out of the 139 private sector organisations participated in the survey, over 76% (i.e. 106 out of 139) indicated that they had entry-level positions accepting either the qualification of HD or AD for recruitment purpose. Amongst these 106 organisations, 89 organisations (i.e. 84%) considered that both HD and AD were acceptable as equivalent qualifications for the same position. In addition, among these 89 organisations which considered both HD and AD as acceptable for the same position, none of them offered different pay packages to HD or AD graduates taking up the relevant positions. In general, most of the participating private sector organisations treated both qualifications equally in the recruitment process and in the pay packages offered.

Chapter 4

Principles and Considerations for Application

4.1 Apart from conducting the survey, the Commission was invited to formulate recommendations to the Government on how the findings of the survey should be applied to the non-directorate civilian grades in the civil service. In the 2009 and 2012 SSSs, instead of a mechanical application of the survey findings, the Commission adopted a holistic approach taking into account a number of principles and considerations in the course of determining how to apply the findings. Having consulted the Staff Sides on the application framework for the 2015 SSS prior to the commencement of the fieldwork, the Commission is of the view that a holistic approach should continue to be adopted. To this end, a number of principles and considerations which together formed the basis of a holistic approach have been formulated, making reference to those adopted in recent pay-related surveys conducted by the Commission. The Commission has sought and suitably taken into account comments from the Staff Sides on these principles and considerations.

Principles and Considerations under the Holistic Approach

Broad comparability with the private sector

4.2 Broad comparability with the private sector remains one of the main objectives of the civil service pay policy to, amongst others, ensure that civil service pay is regarded as fair by both civil servants and the public. As the civil service pay policy and the overall pay adjustment mechanism remain unchanged, the Commission reaffirms the position adopted in 2012 that the principle of broad comparability should be an important factor in applying the survey results. Given the fact that an SSS is conducted every three years and the unpredictability of the changes in market entry pay, a broader view should be taken so as to maintain broad comparability with the private sector from a longer-term perspective.

Attractiveness and stability of civil service pay

4.3 Another cornerstone of the civil service pay policy is to offer sufficient remuneration to attract, retain and motivate staff of a suitable

calibre to provide the public with an efficient and effective service. This is particularly important for drawing in new blood to the Government, as unlike the private sector, most staff do not join the civil service in the middle of their career. Recruits to basic ranks will therefore form the major pool of manpower resources to fill more senior positions in the civil service in future. It is thus important to ensure the attractiveness of civil service entry pay to attract and retain talent in an increasingly competitive manpower market.

4.4 Furthermore, it is necessary to maintain the stability of civil service pay. Any considerations in adjusting the pay level of the civil service should be made in a prudent manner. Such changes might also cause confusion to people aspiring to join the civil service, and could affect the recruitment process.

4.5 The Commission also agrees that the general objective of the Government as a good employer should continue to be upheld. In the context of an SSS, this is effected by comparing civil service pay with that of the better paying private sector jobs. The upper quartile (P75) level of private sector pay is used as the parameter for comparison.

Inherent differences between the civil service and private sector and their uniqueness

4.6 It is generally recognised that there are inherent differences between the civil service and private sector pay systems. Career progression in the civil service tends to be more structured, which also takes account of experience, to maintain stability of the civil service. The majority of the staff recruited aim to pursue a life-long career in the civil service. On the other hand, the private sector generally has a more flexible organisation structure, which is heavily affected by the economic environment. The pay structure in the private sector is more flexible, depending primarily on factors such as supply and demand as well as individual performance, and thus is subject to more frequent adjustments. In pursuit of career progression, turnover in the private sector is not uncommon.

4.7 Moreover, the civil service and its private sector comparators have their own unique duties and features. Certain duties such as law enforcement, law drafting, regulatory work, rescue work, duties during emergency and exceptional circumstances, etc. are unique to the civil service. In addition, civil servants in general are subject to stronger community oversight in their performance of duties, have to meet higher standards of

integrity, abide by more stringent rules in their conduct, etc. On the other hand, there are certain characteristics that are unique to the private sector. For example, some individuals are under constant pressure to meet stretched sales targets. The different environment makes it inappropriate for the civil service pay to strictly mirror the fluctuations in private sector pay.

4.8 The Commission acknowledges the existence of such inherent differences and uniqueness, and will take them into consideration when recommending the application of the survey results.

Nature of the SSS

4.9 SSSs are designed to be conducted at three-yearly intervals to ascertain the broad comparability of the civil service pay with private sector pay. Its scope is limited to the basic ranks. Given the nature of an SSS, frequent adjustments to starting salaries to maintain strict comparability would cause disruptions in existing arrangements, including internal relativities, and may not be conducive to the stability of the civil service. It is imperative that excessive volatility in civil service starting salaries be avoided, and flexibility be adopted in applying the survey results.

Inherent discrepancies in statistical surveys and elements of chance

4.10 Similar to any other surveys, an SSS cannot provide an absolutely precise picture of private sector pay. Statistical discrepancies and elements of chance caused by various factors, such as the setting of survey reference date, the inclusion of different organisations, the willingness of selected organisations to take part in a survey, the availability of comparable jobs in the participating organisations, the staff profile and business performance of the participating organisations, the depth and breadth of pay data, etc., are unavoidable. While the survey findings provide objective data for comparison, it is inappropriate to follow strictly the market situation which can be highly influenced by a range of factors. Hence, it may be prudent to allow some degree of flexibility in the application of the survey findings, instead of applying the results mechanically. The circumstances of individual QGs should also be taken into account in applying the survey results.

Overall interest

4.11 A stable and permanent civil service is essential to the smooth

running of the Government and the efficient delivery of public services without disruption. Volatility and frequent changes in civil service pay are undesirable in maintaining a stable civil service, and likely to affect staff morale and motivation. Hence, the elements of certainty, stability and gradual changes, after thorough staff consultation, should feature more prominently in the civil service than in the private sector.

4.12 Furthermore, as the Government is the largest employer in Hong Kong, any action in pay adjustment it takes, be it upward or downward, will have an impact on the private sector, both in terms of labour market implications and the signal this sends to the community.

4.13 The Commission acknowledges that the views and interests of civil servants as well as staff morale have been and should continue to be relevant factors in the consideration of adjustments to civil service pay. It therefore remains important for the Commission to take account of the overall community interests, including interests of civil servants and the public, in formulating its recommendations. For an SSS to be credible, survey findings should be applied in a manner considered fair by both civil servants and the public they serve.

Chapter 5

Recommendations on Application of Survey Findings

5.1 Following the established practice of past SSSs, the Commission has continued to use total cash compensation and P75 level of private sector pay as the basis for comparison with the civil service benchmark pay for individual QGs. Where no comparable entry pay was found in the private sector for a QG, the new benchmark should follow the existing internal relativities with other QGs. Any new benchmark arising from SSSs will be pegged to the nearest civil service pay point.

Survey Results and Analysis

5.2 A comparison of the existing civil service benchmarks of individual QGs and their respective market P75 pay levels is shown in **Table 4** below –

Table 4

| QG | Grades and Qualification Requirements | Existing Benchmark (a) | Market P75 Pay Level (b) | Difference (b) – (a) = (c) | No. of Data Points (Organisations) | Percentage Difference (c)/(a)x100% |
|----|---|------------------------|--------------------------|----------------------------|------------------------------------|------------------------------------|
| 1 | Grades not requiring Level 2 or equivalent in five subjects in HKDSEE (or five passes in HKCEE) | MPS 1 (\$11,575) | \$11,902 | + \$327 | 2,317 (61) | + 2.8% |
| 2 | HKDSEE Grades Group I: Grades requiring Level 2 or equivalent in five subjects in HKDSEE (or five passes in HKCEE) | MPS 3 (\$13,120) | \$12,733 | – \$387 | 2,106 (42) | – 2.9% |
| | Group II: Grades requiring Level 2 or equivalent in five subjects in HKDSEE plus considerable experience (or five passes in HKCEE plus considerable experience) | | \$13,514 | + \$394 | 613 (18) | + 3.0% |
| | Group III: Grades requiring Level 3 or equivalent in five subjects in HKDSEE (or two passes at Advanced Level in HKALE plus three credits in HKCEE) | MPS 8 (\$17,995) | \$17,379 | – \$616 | 106 (18) | – 3.4% |
| 3 | Higher Diploma, Associate Degree and Diploma Grades Group I: Higher Diploma or Associate Degree Grades | MPS 13 (\$24,280) | <i>Insufficient Data</i> | | 31 (5) | N.A |

| QG | Grades and Qualification Requirements | Existing Benchmark (a) | Market P75 Pay Level (b) | Difference (b) – (a) = (c) | No. of Data Points (Organisations) | Percentage Difference (c)/(a)x100% |
|----|--|------------------------|--------------------------|----------------------------|------------------------------------|------------------------------------|
| | Group II: Diploma Grades | MPS 8 (\$17,995) | \$18,394 | + \$399 | 883 (62) | + 2.2% |
| 4 | Technical Inspectorate and Related Grades: Higher Certificate or equivalent qualification plus experience | MPS 13 (\$24,280) | <i>Insufficient Data</i> | | 71 (10) | <i>N.A</i> |
| 5 | Technician, Supervisory and Related Grades Group I: Certificate or apprenticeship plus experience | MPS 6 (\$15,845) | \$16,418 | + \$573 | 588 (39) | + 3.6% |
| 6 | Technician, Supervisory and Related Grades Group II: Craft and skill plus experience, or apprenticeship plus experience | MPS 5 (\$14,905) | \$14,803 | – \$102 | 1,106 (36) | – 0.7% |
| 7 | Professional and Related Grades | MPS 27 (\$47,235) | \$44,763 | – \$2472 | 314 (23) | – 5.2% |
| 8 | Degree and Related Grades | MPS 14 (\$25,505) | \$21,590 | – \$3,915 | 2,013 (99) | – 15.3% |
| 9 | Model Scale 1 Grades | MOD 0 (\$11,570) | \$11,799 | + \$229 | 881 (59) | + 2.0% |

5.3 Having analysed the findings above, the Consultant observed that there was an increase in the market P75 pay levels across all QGs as compared with the 2012 SSS. This was consistent with the general pay trend of the labour market, and by and large reflected the market situation in the period between the 2012 SSS and the 2015 SSS.

5.4 The Consultant also analysed the data dispersion of each QG in terms of the spread of the percentile values, and reported a consistent degree of variance across all QGs, with a relatively higher variance for QG 7 and QG 8. The Consultant attributed the larger dispersion for QG 7 and QG 8 to the higher variation in the job nature under these QGs. For example, QG 8 encompassed a wide range of starting positions across all sectors with diverse pay practices, leading to highly varied remunerations.

5.5 The Consultant noted that for most of the QGs the levels of existing civil service benchmark pay closely reflected the market P75 pay level, while the market P75 pay level for QG 8 showed a relatively larger difference from the benchmark pay. Taking into account the Consultant's advice and views from the Staff Sides, the recommendations of the Commission for individual QGs are elaborated below.

Determination of Benchmark Pay for QG 1 to QG 9

QGs with sufficient data other than QG 8

5.6 As illustrated in **Table 4** above, for QG 1, QG 2 Group I, QG 2 Group II⁷, QG 2 Group III, QG 3 Group II, QG 5, QG 6, QG 7 and QG 9, the differences in private sector pay and the civil service benchmark pay ranged from +3.6% to -5.2%. The Commission is of the view that these differences are insignificant. Hence, the Commission **recommends** that no adjustment be made to the civil service benchmarks of these QGs.

QGs with insufficient data

5.7 Similar to the 2009 and 2012 SSSs, QG 3 Group I and QG 4 could not meet the vetting criterion of having data from not fewer than 15 surveyed organisations. In accordance with the established practice, the Commission **recommends** that the benchmarks of QG 3 Group I and QG 4 should be determined by their internal relativities with that of QG 3 Group II and QG 3 Group I respectively. The benchmarks of QG 3 Group I and QG 4 should therefore remain unchanged, as no change is recommended to the benchmarks of QG 3 Group II and QG 3 Group I.

QG 8 (Degree and Related Grades)

5.8 As regards QG 8, the Degree and Related Grades, the market P75 pay level was lower than the civil service benchmark by about \$3,900. This amounted to a difference of 15.3%, representing three pay points on the Master Pay Scale (MPS) for the civil service. The Commission has given careful consideration as to whether the benchmark of QG 8 should be adjusted, and if so how, having regard to the principles and considerations under the holistic approach as set out in Chapter 4. The views and recommendations of the Commission are elaborated in the ensuing paragraphs.

⁷ It should be noted that for QG 2 Group II, currently no benchmark has been set and the starting salaries for grades in this QG have all along been adjusted by following the benchmark of QG 2 Group I (i.e. MPS 3) based on the established relativity in the past, in consideration that both Group I and Group II of QG 2 have identical basic academic requirement and the starting salaries for grades in QG 2 Group II are based largely on different additional appointment requirements for different grades such as experience and special skills. The data collected reflects that the experience requirement of QG 2 Group II has already been taken into account in determining the market pay for this QG. The recommendation of making no change to the starting salaries of this QG is consistent with the established practice of adjusting the starting salaries for grades in this QG based on their internal relativity with QG 2 Group I.

Broad comparability with the private sector

5.9 Broad comparability calls for a broader view and a longer-term perspective in deciding how best to apply the survey findings. By contrast, strict comparability would have meant an indiscriminate and automatic adjustment of the starting salaries for civil service grades in QG 8 to bring them in precise alignment with the market data. Adopting a broader perspective, the Commission is of the view that a three-point reduction in one exercise would be quite drastic and would not be conducive to maintaining the stability of civil service pay and the morale of the civil service which are relevant considerations under the holistic approach. The question then remains as to whether there should be a moderated reduction (of less than three pay points) or no reduction.

5.10 The Commission then proceeds to examine another aspect of broad comparability, which involves the adoption of a longer-term perspective in comparing the pay between degree graduates in the market and those in the civil service. The Commission notes that degree grade jobs (both in the market and in the civil service) generally have a longer career path allowing the incumbents to rise to middle and senior management positions, whereas for other jobs requiring a lesser qualification the career path would generally be shorter. There is therefore a particularly strong case for taking a longer time horizon in assessing the case for QG 8. Whilst the survey findings revealed that a degree graduate joining the Government enjoyed a pay lead over its private sector counterpart when first recruited, it only represented a snapshot at the point of entry, i.e. when the graduate first entered the labour market. The Commission considers it reasonable and justified to look further beyond the entry point before making its recommendation on this QG, and the relevant considerations are set out in the following sections.

Attractiveness and stability of civil service pay

5.11 There are a total of 26 basic ranks in QG 8. They provide a wide range of important internal support, administrative and managerial functions in the civil service. All along, the Degree and Related Grades represent the backbone of the civil service. The vast majority of middle and senior civil service positions are filled through internal promotion rather than external recruitment. Career progression in the civil service is far more structured than that of the private sector, and there is limited room for the Government as the employer to offer increases in pay for the sake of staff retention. It is therefore of utmost importance that the Government be able

to attract and recruit graduates of the right calibre, so that in time these new recruits can be groomed to rise through the ranks to lead the civil service in serving the community. Given the importance of the ranks in QG 8 in the delivery of public service, the Commission is of the view that their starting pay should be sufficiently competitive in attracting talents and in retaining them for higher responsibilities.

Inherent differences between civil service and private sector and their uniqueness

5.12 The Commission fully recognises that the civil service and private sector are distinct in many ways. In the private sector, degree graduates may enjoy a relatively larger salary jump or better career prospect a few years after appointment when their calibres are proven. They may thus be more willing to consider a less favourable starting salary for other important considerations such as career exposure, training opportunities and access to industry knowledge, etc. Moreover, the turnover rate of new recruits is generally higher in the private sector. According to the Consultant, the most common reason for resignations in the private sector is better external opportunities. Job switching is quite common among degree graduates in the early years of their career.

5.13 In contrast with the flexibility in the private sector, the career progression for civil service is more structured and stable. The pay levels for QG 8 positions in the Government can only rise steadily in the course of the incumbents' career. It is not possible for civil servants to get any substantial salary jump unless there is a promotion opportunity, which is much less common and frequent when compared with the private sector.

5.14 The Commission has drawn reference from the findings of the 2013 PLS to have a better understanding of the career path of civil service new recruits in QG 8 vis-à-vis their counterparts in the private sector from a longer-term perspective. The scope of a PLS is wider than that of an SSS, and it covers the pay levels of entry level positions as well as other senior positions. In the 2013 PLS, which categorised civil service jobs into five "Job Levels", it was found that for the first four Job Levels covering the most junior civil servants up to those at MPS Point 44, the differences between the civil service pay indicators and private sector pay indicators ranged from -4% to +4%. Based on these findings, the Commission concluded that for these Job Levels civil service pay and private sector pay were regarded as broadly comparable. As for Job Level 5 (covering senior non-directorate civil

servants remunerated on MPS Points 45 to 49), the civil service pay indicator was 8% lower than the private sector pay indicator⁸. The survey findings of the 2013 PLS are summarised in **Table 5** below –

Table 5

| Job Level (Pay range) | Comparison Ratio | Interpretation |
|--|-----------------------------|--|
| Job Level 1 (MPS 0 – 10 & MOD 1) | 98% | civil service pay indicator lower than private sector pay indicator by 2% |
| Job Level 2 (MPS 11 – 23) | 104% | civil service pay indicator higher than private sector pay indicator by 4% |
| Job Level 3 (MPS 24 – 33) | 96% | civil service pay indicator lower than private sector pay indicator by 4% |
| Job Level 4 (MPS 34 – 44) | 98% | civil service pay indicator lower than private sector pay indicator by 2% |
| Job Level 5 (MPS 45 – 49) | 92% | civil service pay indicator lower than private sector pay indicator by 8% |

5.15 For the majority of degree grades under QG 8, most part of the pay scales of their entry rank (including the current benchmark of MPS Point 14 of the QG) fell under Job Level 2 in the 2013 PLS (which covered MPS Point 11 to Point 23). In the longer term, degree graduates may rise through the ranks to hold middle and senior management positions in the civil service which fall under Job Levels 3 to 5. The pay indicators for Job Levels 2 to 5 should therefore be able to shed some light on how the salary of a degree graduate filling a QG 8 position compares with that of a degree graduate in the private sector, both at the point of entry and along his career path. As revealed in the 2013 PLS, for Job Level 2 the civil service pay indicator was higher than the private sector pay indicator, but the magnitude of the difference was only 4%. This 4% pay lead may eventually turn into a pay lag of 8% (i.e. the difference between the civil service pay indicator and private sector pay indicator for Job Level 5) for some civil servants in QG 8 who take up the most senior non-directorate positions in the Government. The PLS result therefore is in line with the Commission’s observation above, i.e. even though a degree graduate joining the Government may initially enjoy

⁸ Based on the Commission’s recommendation, the Government has raised the salary of civil servants in Job Level 5 by 3% with effect from 1 October 2014. The adjustment was approved by the Legislative Council Finance Committee in July 2015. However, even with the pay rise, the civil service pay indicator for Job Level 5 is still lower than the private sector pay indicator albeit by a lesser extent.

a pay lead over its private sector counterpart at the point of entry, within a matter of a few years, it is possible that the pay lead may diminish or even disappear given the latter's faster pace of salary increase over time and/or substantial salary jump from job switching.

5.16 The Commission acknowledges that in view of the inherent differences between the civil service and private sector, the attractiveness of private sector pay may have been underestimated if only starting salaries at the point of entry are taken on board for comparison with civil service pay. The Commission therefore considers it appropriate to set the starting salaries for QG 8 at a level such that the Government's remuneration package remains reasonably attractive to retain and motivate talents not only at entry but also further down the career path.

Nature of the SSS

5.17 An SSS only captures market information at a specific reference point in time. The market data collected are therefore much influenced by the state of the economy at the reference point, which may coincide with a trough or a peak of the economic cycle and which may change or even reverse when the next SSS is conducted. As stability is important for the civil service, the Commission is mindful that excessive volatility in civil service starting salaries should be avoided and that flexibility should be exercised in applying the survey findings.

Inherent discrepancies in statistical surveys and elements of chance

5.18 While an SSS serves to provide a scientific and objective comparison on the starting salaries between the civil service and private sector, it is important to acknowledge that an SSS cannot provide an absolutely precise picture of the private sector pay at a particular point in time. Some degree of statistical discrepancies and elements of chance caused by various factors, such as choice of the survey reference date and the organisations participating in the survey, are inevitable for such a survey. It is therefore inappropriate to follow strictly the market situation which can be highly influenced by a range of factors.

Overall interest

5.19 The Commission fully appreciates that while it is important to ensure the attractiveness of the civil service pay, it is equally imperative that

the remuneration package be considered fair by both the civil servants and the public they serve given that civil service pay is funded by public money. The Commission has strived to strike a balance amongst the different interests of various stakeholders throughout the exercise.

5.20 To a certain extent, the differential for QG 8 in the survey findings reflects the market demand and supply situation of degree graduates in recent years. With an abundant supply of degree graduates, new recruits are generally not in a position to bargain for a higher pay. Yet the increase in supply of degree holders, which is the result of years of investment in tertiary education in Hong Kong, is essential for the development of a knowledge-based economy. The Commission considers that due recognition should be given to the importance of degree education in the social and economic landscape, which would in turn facilitate upward social mobility of the younger generation. The Commission is also mindful of the signal that may be sent to the labour market following any adjustment to the starting salaries of civil servants, given that the Government is the largest employer in Hong Kong.

5.21 Moreover, the Commission has taken into account the relationship of QG 8 with QGs of adjacent educational qualifications. It notes that if the benchmark of QG 8 was reduced by one pay point, such a reduction would render the new benchmark of QG 8 to be the same as that of QG 3 Group I (Higher Diploma or Associate Degree) and QG 4 (Higher Certificate or equivalent qualification plus experience), thereby disrupting the relationship between QG 8 and QGs of adjacent educational qualifications. This will be considered undesirable and also unfair to degree holders. Moreover, it will negatively affect staff morale and the stability of the civil service as a whole.

5.22 Having balanced all the above considerations, the Commission recommends that –

- (a) no change be made to the benchmark of QG 8; and
- (b) following the conclusion of the 2015 SSS, a specific study be conducted for QG 8, to allow a thorough understanding of the distinctive features and characteristics of this QG and how these should be taken into account in determining the benchmark pay for QG 8 in future SSSs.

5.23 The Commission observes from the recent SSSs that market pay levels for equivalent positions of QG 8 grades in the private sector exhibit distinctive features and characteristics in contrast with the other QGs –

- (a) The total cash compensation for QG 8 in the private sector has consistently recorded a relatively larger dispersion as compared with the other QGs. For the 2015 SSS, the degree of variance (i.e. the ratio of the market P75 pay level to market P25 pay level) for QG 8 was 1.43, which was the highest amongst all QGs. When compared to the 2012 SSS, the variance for QG 8 has also seen an increase (from 1.38 in the 2012 SSS to 1.43 in the 2015 SSS). As analysed by the Consultant, the relatively higher variance reflects the nature of this QG, i.e. degree graduates in QG 8 are employed in a wide range of starting positions across all sectors with diverse pay practices, leading to highly varied remunerations. The Commission therefore considers it worthwhile to further explore this diversity in order to assess how it should be taken on board in setting the benchmark pay for QG 8; and
- (b) QG 8 has consistently recorded the lowest rate of adjustment in the market P75 pay level in between SSSs –

| | 2009 SSS % change since previous SSS | 2012 SSS % change since previous SSS | 2015 SSS % change since previous SSS |
|------------------------|---|---|---|
| QG 8 | -7.5% | 10.4% | 5.7% |
| Other QGs | 2.3% to 10.0% | 12.7% to 22.2% | 7.0% to 23.2% |
| Average for all QGs | 5.4% | 14.9% | 12.6% |

The Commission considers that this phenomenon warrants further study to see if there is evidence to suggest that the market does accord different treatments to the remuneration of QG 8 recruits vis-à-vis that of the other QGs.

5.24 In the light of the above, the Commission considers that a study with a specific focus on QG 8 warranted and necessary after the conclusion of the 2015 SSS. Further details are elaborated in Chapter 6 of this Report. Meanwhile, a cautious and prudent approach should be taken and hence no change should be made to the benchmark of QG 8.

Starting Salaries for Basic Ranks in QGs not Covered in the data collection (i.e. QG 10 and QG 11)

QG 10 – Education Grades

5.25 There is no benchmark for the five graduate grades and four non-graduate grades in QG 10 (Education Grades). In line with the established practice, the starting salaries for the basic ranks in the graduate grades and non-graduate grades in QG 10 should be set with reference to the benchmark of QG 8 and QG 3 Group I respectively. Accordingly, the Commission **recommends** that no change be made to the starting salaries for all basic ranks in QG 10, as no change is recommended for QG 8 and QG 3 Group I.

QG 11 – Other Grades

5.26 There is no benchmark for the 44 basic ranks under QG 11 (Other Grades) with disparate entry requirement specifications. The basic ranks in QG 11 are usually those which require the appointees to have special aptitude, skills or experience more than academic attainment, or those which cannot be fitted suitably into any of the other QGs. In line with the established practice, the Commission **recommends** that the starting salaries for the relevant basic ranks should be set by reference to (a) established relativities with relevant grades in other QGs; and (b) where such relativities are not readily identifiable, the relevant educational requirement for the grades. Accordingly, the Commission **recommends** that no change be made to the starting salaries for the basic ranks under QG 11, as no change is recommended to the benchmarks of all other QGs.

Starting Salaries for the Training Ranks, Assistant Ranks, Craft Apprentice Grade and Technician Apprentice Grade

Training Ranks

5.27 Training Ranks are provided in a number of grades to train suitable secondary school leavers to enable them to perform the functional duties of the grades concerned. In line with the established practice, the Commission **recommends** that the starting salaries for the Training Ranks should be determined by internal relativity with QG 2 Group I. In other words, their starting salaries should remain unchanged as no change is recommended for QG 2 Group I.

Assistant Ranks

5.28 Assistant Ranks in QG 7 are introduced with the intention that degree holders, or equivalent, would be appointed and given opportunities to acquire a full professional qualification by further training, study, and experience in the appropriate disciplines. The starting salaries for these Assistant Ranks were set against the benchmark pay for QG 7. Since no change is recommended for QG 7, the Commission **recommends** no change to the starting salaries for the Assistant Ranks. It also follows that changes to the maximum pay of the Assistant Ranks are not required, as there is no change to the entry pay of the principal ranks.

Craft Apprentice Grade and Technician Apprentice Grade

5.29 In line with the established practice, the starting salary for the basic rank in the Craft Apprentice Grade is linked to the benchmark of QG 1, and that for the Technician Apprentice Grade to QG 2 Group I respectively. As no change is recommended to the benchmarks of QG 1 and QG 2 Group I, the Commission **recommends** that no change be made to the starting salaries for the basic ranks of these two grades.

Chapter 6

Other Observations and Acknowledgements

6.1 In this final chapter, the Commission wishes to set out a few observations gathered in the course of the 2015 SSS, and express its appreciation to all parties concerned which have contributed to the smooth conduct of the 2015 SSS.

Specific Study on QG 8

6.2 As mentioned in Chapter 5, a specific study on QG 8 grades should be conducted before the next SSS. The study should take a broader and longer-term view in tracking the remuneration of QG 8 new recruits a few years down their career. Moreover, opportunity should be taken to review the internal relativities between the benchmark of QG 8 with the benchmarks of its adjacent QGs, having regard to our observation that lowering the existing benchmark of QG 8 would result in the new benchmark being equal to or even lower than the benchmarks of QGs requiring a lesser educational qualification. The findings of this study should provide a solid basis for an informed decision to be made in future SSSs.

Consideration of Associate Degree

6.3 As mentioned in paragraph 2.10, in the course of conducting the 2015 SSS, the Commission noted there was a concern from the Staff Sides that there might be different practices between the civil service and the private sector in recognising the qualification of AD as the minimum qualification requirement for appointment, which might affect the findings of the 2015 SSS when the two qualifications were grouped under the same QG.

6.4 The Government has accepted locally accredited AD programmes for appointment to Government jobs with general entry requirements set at HD level since 2001, having considered that AD programmes are broadly comparable with those at HD level in terms of academic qualification. As for the private sector, market information collected by the Consultant revealed that for participating organisations which accept both HD and AD for the same position, most of them consider the two qualifications as broadly comparable and there is no difference between pay packages offered to new

recruits holding HD or AD qualifications for the same position. Hence, the Commission considers that grouping these two qualifications under the same QG is in line with the market practice.

Entry Qualifications

6.5 The Commission notes the comments from some Staff Sides that there should be a review of the minimum qualification requirements of individual civil service entry-level jobs. They were concerned that a number of new recruits were over-qualified which reflected that the minimum requirements in certain civil service positions were outdated and might no longer reflect what was required of the jobs given the increasing complexity due to rising public expectation and increasing demand for accountability and transparency.

6.6 While the entry requirements of individual civil service grades and the recruitment policy for civil servants are beyond the scope of an SSS, the Commission understands that the established policy is to set the minimum entry requirements of a civil service grade according to its duties and responsibilities instead of the qualification of individual appointees. As observed by the Consultant, this situation of over-qualification is not uncommon in the private sector due to the increasing supply of holders of higher qualifications in recent years. Private sector organisations would similarly state their minimum qualification requirements in their recruitment exercises and recruit the best qualified candidates. While over-qualified recruits may be better placed for future promotion in the private sector, extra remuneration for these candidates is not prevalent. Nevertheless, the Government may wish to keep in view the minimum qualifications of individual grades to ensure that the minimum entry requirements are set having regard to the grades' prevalent duties and responsibilities.

Acknowledgements

6.7 The Commission would like to express its appreciation to all parties which have contributed to the 2015 SSS. We would like to thank the Staff Sides for the useful views expressed during the consultation meetings. We would also like to thank the Employers' Federation of Hong Kong, the Hong Kong Institute of Human Resource Management and the Hong Kong People Management Association for sharing with us their experience in

conducting pay surveys and appealing to their member organisations to participate in the survey. Our thanks also go to the participating private sector organisations for their support and co-operation.

6.8 Last but not least, the Commission would like to express our gratitude to the staff of the Joint Secretariat for their hard work and dedicated support throughout the exercise.

**Standing Commission on Civil Service
Salaries and Conditions of Service**

Terms of Reference

I. To advise and make recommendations to the Chief Executive in respect of the non-directorate civil service, other than judicial officers and disciplined services staff, on –

- (a) the principles and practices governing grade, rank and salary structure;
- (b) the salary and structure of individual grades;
- (c) whether overall reviews of pay scales (as opposed to reviews of the salary of individual grades) should continue to be based on surveys of pay trends in the private sector conducted by the Pay Survey and Research Unit, or whether some other mechanisms should be substituted;
- (d) the methodology for surveys of pay trends in the private sector conducted by the Pay Survey and Research Unit, subject to advice under I(c) and having regard to the advice of the Pay Trend Survey Committee;
- (e) matters relating to those benefits, other than salary, which the Commission advises as being relevant to the determination of the civil service remuneration package, including the introduction of new benefits or proposed changes to existing benefits;
- (f) suitable procedures and machinery to enable staff associations and staff to discuss with management their views on matters within the terms of reference of the Commission;
- (g) the circumstances in which it would be appropriate for the Commission itself to consider any issue, and how staff associations and management might present their views to the Commission in such circumstances; and

(h) such matters as the Chief Executive may refer to the Commission.

II. The Commission shall keep the matters within its terms of reference under continuing review, and recommend to the Chief Executive any necessary changes.

III. The Commission shall give due weight to any wider community interest, including financial and economic considerations, which in its view are relevant.

IV. The Commission shall give due weight to the need for good staff relations within the Civil Service, and in tendering its advice shall be free to make any recommendations which would contribute to this end.

V. In considering its recommendations and advice, the Commission shall not prejudice the 1968 Agreement between the Government of the Hong Kong Special Administrative Region and the Main Staff Associations (1998 Adapted Version).

VI. The staff associations making up the Staff Side of the Senior Civil Service Council and the Model Scale 1 Staff Consultative Council may jointly or individually refer matters relating to civil service salaries or conditions of service to the Commission.

VII. The heads of departments may refer matters relating to the structure, salaries or conditions of service of individual grades to the Commission.

VIII. The Commission shall not consider cases of individual officers.

IX. The Commission may wish to consider in the light of experience whether changes in its composition or role are desirable.

X. In carrying out its terms of reference, the Commission should ensure that adequate opportunities are provided for staff associations and management to express their views. The Commission may also receive views from other bodies which in its view have a direct interest.

Membership of the Commission

Chairman

Dr Wilfred Wong Ying-wai, GBS, JP

Members

Mr T C Chan, BBS, JP

Miss Elaine Chan Wing-yi

Mr Lee Luen-fai

Mr Lee Ming-kwai, GBS

Ms Angela Lee Wai-yin, BBS, JP

Mr Joseph Lo Kin-ching

Professor Suen Wing-chuen

The Hon Tony Tse Wai-chuen, BBS

Dr Carrie Willis Yau Sheung-mui, SBS, JP

Mr Wilfred Wong Kam-pui, JP

Refinements to the Civil Service Qualification Groups (QGs)

In the light of experience gained in the 2009 and 2012 SSSs, and with the changes in the labour market because of the emergence of various post-secondary education programmes and the entry of graduates from the 3-3-4 new academic structure into the job market, the Commission suggested in the Standing Commission Report No. 49: Civil Service Starting Salaries Survey 2012 that the Government “*should keep in view the private sector practice in the acceptance of the newly developed qualifications, and should, at an appropriate time, consider reviewing the whole system taking into account all relevant factors*”.

2. In view of the above recommendation, the Government has conducted a review of the Qualification Benchmark System and made some technical refinements to the grouping and labelling of certain QGs. For example, the qualifications associated with the Hong Kong Diploma of Secondary Education Examination (HKDSEE) under the new academic structure are now featured in the relevant QGs. Details of the refinements as well as the previous and updated QGs are set out below.

3. The refinements to certain QGs proposed by the Government include –

- (a) to rename the QGs relating to the Hong Kong Certificate of Education Examination (HKCEE) or the Hong Kong Advanced Level Examination (HKALE) qualifications, with a view to featuring the equivalent qualifications of the Hong Kong Diploma of Secondary Education Examination (HKDSEE) in the QG titles in accordance with the arrangements for accepting the qualifications of HKDSEE promulgated in June 2011;
- (b) to put all HKDSEE-related QGs (including the previous QG 2 Group I, QG 2 Group II and QG 7) together as sub-groups under a single QG (HKDSEE Grades);
- (c) to include the qualification of Associate Degree (AD) in the title of QG 3 and QG 3 Group I, i.e. –
 - (i) to rename QG 3 from “Higher Diploma and Diploma Grades”

to “Higher Diploma, Associate Degree and Diploma Grades”;
and

(ii) to rename QG 3 Group I from “Higher Diploma Grades” to “Higher Diploma or Associate Degree Grades”; and

(d) to rename QG 4 from “Higher Certificate plus experience” to “Higher Certificate or equivalent qualification plus experience” such that the QG title would cover other qualifications (e.g. diploma) which are taken as equivalent to but are more common in the private sector than the qualification of higher certificate.

4. The previous and updated QGs are set out as below –

| Previous | | Updated | |
|----------|---|---------|---|
| QG | Grades and Qualification Requirements | QG | Grades and Qualification Requirements |
| 1 | Grades not requiring five passes in HKCEE | 1 | Grades not requiring <u>Level 2 or equivalent in five subjects in HKDSEE</u> (or five passes in HKCEE) |
| 2 | School Certificate Grades Group I: Grades requiring five passes in HKCEE Group II: Grades requiring five passes in HKCEE plus considerable experience | 2 | <u>HKDSEE Grades</u> Group I: Grades requiring <u>Level 2 or equivalent in five subjects in HKDSEE</u> (or five passes in HKCEE) Group II: Grades requiring <u>Level 2 or equivalent in five subjects in HKDSEE</u> plus considerable experience (or five passes in HKCEE plus considerable experience) Group III: Grades requiring <u>Level 3 or equivalent in five subjects in HKDSEE</u> (or two passes at Advanced Level in HKALE plus three credits in HKCEE) |

| Previous | | Updated | |
|----------|--|-----------|--|
| QG | Grades and Qualification Requirements | QG | Grades and Qualification Requirements |
| 3 | Higher Diploma and Diploma Grades Group I: Higher Diploma Grades Group II: Diploma Grades | 3 | Higher Diploma, <u>Associate Degree</u> and Diploma Grades Group I: Higher Diploma <u>or Associate Degree</u> Grades Group II: Diploma Grades |
| 4 | Technical Inspectorate and Related Grades: Higher Certificate plus experience | 4 | Technical Inspectorate and Related Grades: Higher Certificate <u>or equivalent qualification</u> plus experience |
| 5 | Technician, Supervisory and Related Grades Group I: Certificate or apprenticeship plus experience | 5 | Technician, Supervisory and Related Grades Group I: Certificate or apprenticeship plus experience |
| 6 | Technician, Supervisory and Related Grades Group II: Craft and skill plus experience, or apprenticeship plus experience | 6 | Technician, Supervisory and Related Grades Group II: Craft and skill plus experience, or apprenticeship plus experience |
| 7 | Grades requiring two passes at Advanced Level in HKALE plus three credits in HKCEE | | Merged with QG 2, see above |
| 8 | Professional and Related Grades Group I: Membership of a professional institution or equivalent Group II: Grades with pay structure related to grades in Group I | <u>7</u> | Professional and Related Grades Group I: Membership of a professional institution or equivalent Group II: Grades with pay structure related to grades in Group I |
| 9 | Degree and Related Grades | <u>8</u> | Degree and Related Grades |
| 10 | Model Scale 1 Grades | <u>9</u> | Model Scale 1 Grades |
| 11 | Education Grades | <u>10</u> | Education Grades |
| 12 | Other Grades | <u>11</u> | Other Grades |

Appendix D

List of Private Sector Organisations Participated in the Survey

| | | |
|-----|---|-------------------|
| 1. | AECOM | [沒有中文名稱] |
| 2. | Airport Authority Hong Kong | 香港機場管理局 |
| 3. | Asia Airfreight Terminal Co., Ltd | 亞洲空運中心有限公司 |
| 4. | Atkins China Ltd | 阿特金斯顧問有限公司 |
| 5. | Aviation Security Company Limited | 機場保安有限公司 |
| 6. | Bank of China (Hong Kong) Limited | 中國銀行（香港）有限公司 |
| 7. | Belle Worldwide Limited | 百麗環球有限公司 |
| 8. | Bossini Enterprises Limited | 堡獅龍企業有限公司 |
| 9. | Build King Holdings Limited | 利基控股有限公司 |
| 10. | BYME Engineering (HK) Ltd. | 嘉福機電工程有限公司 |
| 11. | Café de Coral Holdings Limited | 大家樂集團有限公司 |
| 12. | Castco Testing Centre Limited | 佳力高試驗中心有限公司 |
| 13. | Cathay Pacific Airways Limited | 國泰航空有限公司 |
| 14. | Christian Family Service Centre | 基督教家庭服務中心 |
| 15. | Citibank N.A. | 花旗銀行 |
| 16. | CITIC Pacific Limited | 中信泰富有限公司 |
| 17. | COSCO-HIT Terminals (Hong Kong) Limited | 中遠-國際貨櫃碼頭（香港）有限公司 |
| 18. | Dah Sing Financial Holdings Limited | 大新金融集團有限公司 |
| 19. | David S.K. Au & Associates Ltd. | 區兆堅建築及工程設計顧問有限公司 |
| 20. | Defond Electrical Industries Ltd. | 德豐電業有限公司 |
| 21. | Employees Retraining Board | 僱員再培訓局 |
| 22. | Esquel Enterprises Ltd. | 溢達企業有限公司 |
| 23. | Evangelical Lutheran Church Social Service – Hong Kong | 基督教香港信義會社會服務部 |
| 24. | Fuji Xerox (Hong Kong) Limited | 富士施樂（香港）有限公司 |
| 25. | Gammon Construction Limited | 金門建築有限公司 |
| 26. | Grand Hyatt Hong Kong | 香港君悅酒店 |
| 27. | Great Eagle Holdings Limited | 鷹君集團 |
| 28. | Green Island Cement (Holdings) Limited | 青洲英坭（集團）有限公司 |
| 29. | Hip Hing Construction Co., Ltd. | 協興建築有限公司 |
| 30. | Hong Kong Aircraft Engineering Company Limited | 香港飛機工程有限公司 |
| 31. | Hong Kong Applied Science and Technology Research Institute Company Limited (ASTRI) | 香港應用科技研究院有限公司 |
| 32. | Hong Kong Baptist Hospital | 香港浸信會醫院 |
| 33. | Hong Kong Broadband Network Limited | 香港寬頻網絡有限公司 |
| 34. | Hong Kong Convention and Exhibition Centre (Management) Limited | 香港會議展覽中心（管理）有限公司 |

| | | |
|-----|--|----------------|
| 35. | Hong Kong Cyberport Management Company Limited | 香港數碼港管理有限公司 |
| 36. | Hong Kong Exchanges and Clearing Limited | 香港交易及結算所有限公司 |
| 37. | Hong Kong Housing Authority | 香港房屋委員會 |
| 38. | Hong Kong Housing Society | 香港房屋協會 |
| 39. | Hong Kong Productivity Council | 香港生產力促進局 |
| 40. | Hong Kong Tourism Board | 香港旅遊發展局 |
| 41. | Hong Kong Trade Development Council | 香港貿易發展局 |
| 42. | Hong Kong Tramways, Limited | 香港電車 |
| 43. | Hong Yip Service Company Ltd. | 康業服務有限公司 |
| 44. | Hongkong International Terminals | 香港國際貨櫃碼頭 |
| 45. | Hongkong International Theme Parks Limited | 香港國際主題樂園有限公司 |
| 46. | Hongkong Land Group Limited | 置地集團有限公司 |
| 47. | Hongkong United Dockyards Limited | 香港聯合船塢集團有限公司 |
| 48. | Hopewell Holdings Limited | 合和實業有限公司 |
| 49. | IBM China/Hong Kong Limited | 國際商業機器中國香港有限公司 |
| 50. | InterContinental Hong Kong | 香港洲際酒店 |
| 51. | John Swire & Sons (H.K.) Ltd. | 香港太古集團有限公司 |
| 52. | K. Wah Construction Materials (HK) Ltd. | 嘉華建材（香港）有限公司 |
| 53. | KPMG | 畢馬威會計師事務所 |
| 54. | Kwoon Chung Bus Holdings Limited | 冠忠巴士集團有限公司 |
| 55. | Lee Kum Kee | 李錦記 |
| 56. | Mandatory Provident Fund Schemes Authority | 強制性公積金計劃管理局 |
| 57. | Miramar Group | 美麗華集團 |
| 58. | Modern Terminals Limited | 現代貨箱碼頭有限公司 |
| 59. | MTR Corporation Limited | 香港鐵路有限公司 |
| 60. | New Hong Kong Tunnel Company Limited | 新香港隧道有限公司 |
| 61. | New World Development Company Limited | 新世界發展有限公司 |
| 62. | Ngong Ping 360 Limited | 昂坪 360 有限公司 |
| 63. | OCBC Wing Hang Bank Limited | 華僑永亨銀行有限公司 |
| 64. | Ocean Empire International Ltd. | 海皇國際有限公司 |
| 65. | Ocean Park Corporation | 海洋公園 |
| 66. | ONC Lawyers | 柯伍陳律師事務所 |
| 67. | Orient Overseas Container Line Limited | 東方海外貨櫃航運有限公司 |
| 68. | Ove Arup & Partners Hong Kong Limited | 奧雅納工程顧問 |
| 69. | Paul Y Management Limited | 保華建業集團有限公司 |
| 70. | REC Engineering Company Limited | 盈電工程有限公司 |
| 71. | River Trade Terminal Co. Ltd. | 內河碼頭公司 |
| 72. | Royal Hong Kong Yacht Club | 香港遊艇會 |
| 73. | Securities and Futures Commission | 證券及期貨事務監察委員會 |

| | | |
|---------------------|---|----------------|
| 74. | Sheraton Hong Kong Hotel & Towers | 香港喜來登酒店 |
| 75. | Shun Hing Electronic Trading Co Ltd | 信興電器貿易有限公司 |
| 76. | Sik Sik Yuen | 薈色園 |
| 77. | Sino Land Company Limited | 信和置業有限公司 |
| 78. | SOCAM Development Limited | 瑞安建業有限公司 |
| 79. | Society for the Prevention of Cruelty to Animals (HK) | 香港愛護動物協會 |
| 80. | Sony Corporation of Hong Kong Limited | 索尼香港 |
| 81. | South China Morning Post Publishers Limited | 南華早報出版有限公司 |
| 82. | Standard Chartered Bank (Hong Kong) Limited | 渣打銀行（香港）有限公司 |
| 83. | Sun Hung Kai Properties Limited | 新鴻基地產發展有限公司 |
| 84. | Sun Life Assurance Company of Canada | [沒有中文名稱] |
| 85. | Swire Resources Limited | 太古資源有限公司 |
| 86. | The Commercial Press (Hong Kong) Limited | 商務印書館（香港）有限公司 |
| 87. | The Dairy Farm Company, Limited | 牛奶有限公司 |
| 88. | The Hong Kong and China Gas Company Limited | 香港中華煤氣有限公司 |
| 89. | The Hong Kong Jockey Club | 香港賽馬會 |
| 90. | The Hong Kong Philharmonic Society Ltd | 香港管弦協會有限公司 |
| 91. | The Jardine Engineering Corporation Limited | 怡和機器有限公司 |
| 92. | The Kowloon Motor Bus Co. (1933) Ltd. | 九龍巴士（一九三三）有限公司 |
| 93. | The Sincere Company Limited | 先施有限公司 |
| 94. | TNT Express Worldwide (HK) Limited | [沒有中文名稱] |
| 95. | Tung Wah Group of Hospitals | 東華三院 |
| 96. | Urban Group | 富城集團 |
| 97. | Urban Renewal Authority | 市區重建局 |
| 98. | Wong & Ouyang (HK) Limited | 王歐陽（香港）有限公司 |
| 99. | Wong Tung & Partners | 王董集團 |
| 100. | YATA Limited | 一田有限公司 |
| 101. | YMCA of Hong Kong | 香港基督教青年會 |
| 102-139. Anonymous* | | |

* These organisations do not wish to have their names published.

Annex II

Findings of the 2015 Starting Salaries Survey

*(extracted from paragraph 5.2 of the
Report on the Civil Service Starting Salaries Survey 2015)*

| QG | Grades and Qualification Requirements | Existing Benchmark (a) | Market P75 Pay Level (b) | Difference (b) – (a) = (c) | No. of Data Points (Organisations) | Percentage Difference (c)/(a)x100% |
|----|---|------------------------|--------------------------|----------------------------|------------------------------------|------------------------------------|
| 1 | Grades not requiring Level 2 or equivalent in five subjects in HKDSEE (or five passes in HKCEE) | MPS 1 (\$11,575) | \$11,902 | + \$327 | 2,317 (61) | + 2.8% |
| 2 | HKDSEE Grades Group I: Grades requiring Level 2 or equivalent in five subjects in HKDSEE (or five passes in HKCEE) | MPS 3 (\$13,120) | \$12,733 | – \$387 | 2,106 (42) | – 2.9% |
| | Group II: Grades requiring Level 2 or equivalent in five subjects in HKDSEE plus considerable experience (or five passes in HKCEE plus considerable experience) | | \$13,514 | + \$394 | 613 (18) | + 3.0% |
| | Group III: Grades requiring Level 3 or equivalent in five subjects in HKDSEE (or two passes at Advanced Level in HKALE plus three credits in HKCEE) | MPS 8 (\$17,995) | \$17,379 | – \$616 | 106 (18) | – 3.4% |
| 3 | Higher Diploma, Associate Degree and Diploma Grades Group I: Higher Diploma or Associate Degree Grades | MPS 13 (\$24,280) | <i>Insufficient Data</i> | | 31 (5) | N.A |
| | Group II: Diploma Grades | MPS 8 (\$17,995) | \$18,394 | + \$399 | 883 (62) | + 2.2% |
| 4 | Technical Inspectorate and Related Grades: Higher Certificate or equivalent qualification plus experience | MPS 13 (\$24,280) | <i>Insufficient Data</i> | | 71 (10) | N.A |

| QG | Grades and Qualification Requirements | Existing Benchmark (a) | Market P75 Pay Level (b) | Difference (b) – (a) = (c) | No. of Data Points (Organisations) | Percentage Difference (c)/(a)x100% |
|-----------|--|-------------------------------|---------------------------------|-----------------------------------|---|---|
| 5 | Technician, Supervisory and Related Grades Group I: Certificate or apprenticeship plus experience | MPS 6 (\$15,845) | \$16,418 | + \$573 | 588 (39) | + 3.6% |
| 6 | Technician, Supervisory and Related Grades Group II: Craft and skill plus experience, or apprenticeship plus experience | MPS 5 (\$14,905) | \$14,803 | – \$102 | 1,106 (36) | – 0.7% |
| 7 | Professional and Related Grades | MPS 27 (\$47,235) | \$44,763 | – \$2472 | 314 (23) | – 5.2% |
| 8 | Degree and Related Grades | MPS 14 (\$25,505) | \$21,590 | – \$3,915 | 2,013 (99) | – 15.3% |
| 9 | Model Scale 1 Grades | MOD 0 (\$11,570) | \$11,799 | + \$229 | 881 (59) | + 2.0% |