

**Written Submissions to
LegCo Panel on Public Service
on the Consultation Document on Civil Service Reform
from the Staff Side
of the Model Scale I Staff Consultative Council
(Submitted on 26 April 1999)**

The Staff Side of the Model Scale 1 Staff Consultative Council welcomes the Reform introduced by the government, which aims at serving the community better. However, the Staff Side suggests that the merits of the current system should continue. The Civil Service Reform should be implemented cautiously by a gradual process and obtain the support from the 189,000-strong civil service. Views from the Staff Side on the areas of entry and exit mechanism, performance pay, performance management, training and redundancy arrangements are stipulated as below -

I. Entry and Exit Mechanism

The proposal places emphasis on flexibility of an employment system enabling injection of new bloods and enhancing exchanges of talents between the civil service and the private sector. However, substituting the pension employment system with contract employment would totally change the entire structure of the government, which will become rather unstable. The Staff Side is very doubtful that the pay and conditions of service offered by the government under the proposed system can still maintain its attractiveness to good calibre people and avoid staff exodus when the economy recovered.

As the Workman I and II ranks are recruitment ranks, there are no supervisory ranks in Model Scale I. That means under the proposal, the staff have no chance to convert to permanent terms even if excellent performance is shown. This system is unable to motivate staff at the junior ranks for better performance and contribution.

Undoubtedly, promotion is one of the most effective incentive rewarding the staff for their good performance. The proposal of opening up vacancies in supervisory ranks for open competition would hamper their career advancement and hence lower the sense of belonging. In fact, the internal competition within the current system is already keen and there are enough calibre staff in most grades and ranks. Introducing competition with outside candidates is unnecessary and would disrupt the healthy internal competitive culture.

Under the proposal, the staff have to choose between pension benefits and career prospect in case of self-initiated transfer. New terms would be offered to them if they want to join another grades. However, in lots of grades, especially for Model Scale I Staff and other minor staff, are lack of promotion prospect. Some young, hardworking and up-and-coming staff are willing to study to obtain higher qualifications and switch to other grades with better pay and career prospect. In fact, there are lots of senior officials and professionals in the civil service started their career in unskilled grades and later climb up their career leader in professional grades. Allowing such mobility actually is a kind of motivation, and an encouragement to people who improve themselves. But it will continue to occur only if the Administration remains to allow these people transfer to new posts without loss in pension benefits. Otherwise, the government and community would surely lose talents as many of them would not give up their pensions for long service. It is totally unfair to limit their development and deprive them of rights and benefits they now enjoy. Our members from the Model Scale I echo our views that the serving staff should retain their pension benefits after promotion and transfer.

II. Performance Pay

One of our major concern about the performance pay is the difficulties for implementing a fair assessment mechanism. Unlike private sector, the performance of civil servants is uneasy to be measured on quantitative basis, e.g. sales volume, especially for the job of Model Scale 1 Staff, which mainly involves manual labour. Instead of being neutral, the staff may try to please their bosses in order to achieve better assessment, a “shoe-shining” would hence occur. In view of the growing importance of performance assessment which will affect promotion prospect and also monthly incomes, subsequent conflict between the Management and staff on their assessment cannot be avoid even if *an appeal system* is set up. Cooperative working relationship between colleagues will unlikely continue in the future.

As there are no incentive elements in our current pay adjustment mechanism, it is unreasonable to link the performance to the current pay adjustment mechanism which was not designed for incentive purposes. The annual adjustment is considered in accordance with the market trend (the Pay Trend Indicator), economic situation, cost of living (Consumer Price Index A) etc, bearing in mind that the *pay roll cost* is deducted. The increments, on the other hand, are earned by accumulating experience. For the Model Scale 1, the difference between increments is much less than those in the Master Pay Scale. As up to 80% of the Model Scale 1 staff have already reached their maximum salary points, they do not obtain any growth in their income by increments. In line with the philosophy of performance pay, the Staff Side suggests the staff with outstanding performance should be given additional bonus/reward.

III. Performance Management, Training and Development

The proposed introduction of an *indicative benchmark for grading distribution* is unreasonable. As most of the staff are performing team work, the forced grading distribution would distort the assessments on the performance of the whole team. It definitely worsens the morale due to unfair assessment. The Staff Side doubts about the adequacy of management resources which are used in supporting and ensuring fair assessment and appeal system.

The Model Scale 1 staff also are seldom offered on-the-job training for career development. And the staff can hardly acquire additional skills and knowledge to cope with changing environment and meet new challenges.

IV. Redundancy Arrangements

The Staff Side worries that the reorganisation and restructuring of departments arising from the Civil Service Reform would give rise of redundancy of staff in considerable scale. The staff fear to lose their jobs and the Reform, from a sceptical point of view, may pave the way for massive lay-offs of staff. To be a responsible employer, the government should first assess the impact on staff well before extensively privatize departmental services and cutting government staff in order to achieve saving. The fear of losing job is detrimental to the staff morale and affect the government efficiency. Furthermore, the substantial impact of redundancy on the labour market is another consideration. A sudden shrinkage of government posts will intensify the problem of high rate of unemployment.