

For information

## **LEGISLATIVE COUNCIL PANEL ON PUBLIC SERVICE**

### **Development of an improved pay adjustment mechanism for the civil service:**

#### **Progress update on the pay level survey**

#### **Introduction**

This paper updates Members on the latest progress on the conduct of a pay level survey as part of our ongoing exercise to develop an improved pay adjustment mechanism for the civil service.

#### **Background**

2. Following an extensive consultation on the proposals regarding the methodology of the pay level survey and the general approach for the application of the survey results conducted in November 2004 – January 2005, the Administration decided in March 2005 to conduct a pay level survey for the civil service using the methodology as recommended by the Phase One Consultant (i.e. the consultant engaged for the design of the survey methodology) and further refined following the consultation.

3. At the Panel meeting held on 20 June 2005, we informed Members *vide* LC Paper No. CB(1)1767/04-05(01) of the appointment of a professional consultant (the Phase Two Consultant) to carry out the field work of the survey. The Phase Two Consultant has since embarked on the groundwork for the survey field work in accordance with the adopted survey methodology.

#### **Latest progress**

4. According to the adopted survey methodology (i.e. the broadly-defined job family method), civil service jobs and private sector jobs that are broadly comparable in terms of job content, work nature, level of responsibility and typical requirements on qualification and experience will be matched to serve as a basis for pay comparison purpose. To facilitate data consolidation and analysis, the relevant jobs will be categorised into five job families according to their job content and work nature and into five job levels according to their level of responsibility and typical requirements on qualification and experience. An intensive job inspection process is to be

carried out with the participation of management and staff to gather detailed job-related information on the civil service benchmark jobs to ensure that subsequent collection of pay data will be on the basis of broadly comparable private sector jobs. While civil service jobs which do not have broadly comparable matches in the private sector (e.g. disciplined services jobs) will not be included in the survey field, in line with the established practice in making pay adjustments, our intention is to apply the survey results across the board to all civil service grades/ranks (irrespective of whether they have been included in the survey field) on the basis of the existing internal pay relativities. (We have undertaken to conduct grade structure reviews for individual civil service grades, where justified, after the completion of the current exercise.)

5. Over the past few months, the Phase Two Consultant has been making preparatory work for the job inspection process, which is a crucial step of the current pay level survey. To ensure that the views of staff bodies/representatives and the management are fully taken into account in the conduct of the job inspection process, we have tasked the Phase Two Consultant to consult with parties concerned at various stages of the process.

#### Staff consultation on the job inspection approach

6. In this recent round of consultation carried out in September and October 2005, the Phase Two Consultant conducted a series of technical/briefing sessions for staff side members of Consultative Group on Civil Service Pay Adjustment Mechanism (Consultative Group), departmental consultative committees (DCCs), all civil service staff unions/associations as well as grade and departmental management to listen to their views on the proposed approach for conducting the job inspection process. The approach covers *inter alia* the list of civil service benchmark jobs to be included for further examination in the job inspection process, the manner for collecting information on these jobs, the method by which holders of representative posts will be selected for attending the job inspection interviews, the rundown for the job inspection interviews and the format of the various documents to be prepared for the civil service benchmark jobs following the job inspection process.

7. Both management and staff bodies, particularly those whose grades/ranks have been selected for inclusion in the job inspection process, have been closely engaged in, and making contributions to, improving the job inspection process. Upon the close of the consultation, a total of 46 written submissions were received, most of which came from DCCs and staff unions/associations. The comments in these submissions mainly relate to technical issues such as the selection of civil service benchmark jobs for inclusion in the survey field, the manner by which post-holder representatives are selected to attend the job inspection interviews as well as the consultation arrangements involved. There were also comments concerning subjects other than the job inspection approach, e.g. the survey timetable.

8. The Phase Two Consultant has taken on board many of the comments from the staff bodies, and has accordingly made a number of refinements and clarifications to the proposed job inspection approach. At the Consultative Group meetings held on 24 and 30 November 2005, the Consultant reported to the staff side members on the consultation feedback and explained his responses thereto. Taking account of the further comments from the staff side members expressed at the Consultative Group meetings, the Consultant is finalising the job inspection approach for incorporation into an interim report to be submitted to the Civil Service Bureau soon. The interim report will be distributed to management and staff side members and will be uploaded onto the CSB website so that all parties concerned will have full knowledge of how the job inspection process will be carried out. Thereafter, the job inspection process will commence.

9. Through the various briefings, technical sessions and workshops organised during the above consultation process, both the management and the civil service unions/associations whose grades have been included in the list of benchmark jobs have been gearing up for the job inspection process, which will be a large-scale and extensive exercise covering a total of 193 ranks in 61 civil service grades. Preparatory work is also being made for arranging over 1 000 post-holder representatives to attend the job inspection interviews with the Consultant. Meanwhile, the Consultative Group, on which the staff sides are represented, continues to meet to provide input to the conduct of the pay level survey and to discuss other issues relating to the improved pay adjustment mechanism. We shall continue to forge ahead on various fronts in order to complete the exercise in a timely manner while taking full account of staff views in the process.

#### Next stage

10. Based on the detailed information on the civil service benchmark jobs to be gathered from the job inspection process, the Phase Two Consultant will prepare a set of job descriptions for the identification of broadly comparable private sector job benchmark jobs. At the next stage of work, the Phase Two Consultant will collect pay data of the identified private sector benchmark jobs from the private sector. The data collected will then be consolidated and analysed in accordance with the adopted survey methodology to provide guidance on the broad comparability of the pay level between the civil service and the private sector. Similar to the job inspection process, we will task the Phase Two Consultant to conduct this subsequent stage of work in an independent, professional and transparent manner while taking account of the views of staff in the process.

## Survey timetable

11. Judging from the current work progress, the Phase Two Consultant projects that the job inspection process, which involves 193 ranks in 61 civil service grades, should be completed in around the first quarter of 2006. The data collection, consolidation and analysis work will then be carried out in around the second quarter of 2006.

## **For information**

12. Members are invited to note the content of this paper. We shall continue to work closely with management and staff on the conduct of the pay level survey. We shall also keep Members posted as we take forward the exercise on the development of an improved civil service pay adjustment mechanism.

Civil Service Bureau  
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