

**Provisional Legislative Council
Panel on Public Service**

Meeting on 25 August 1997

An Outline on the Management of the Civil Service

The primary responsibility of the Civil Service Bureau (CSB) is to ensure that the Administration is staffed by an efficient and stable civil service which is sensitive and responsive to the changing needs and expectations of the community.

2. As head of CSB, the Secretary for the Civil Service is underpinned by 12 Directorate Officers at D2 level or above. They are the three Deputy Secretaries for the Civil Service, the Director of General Grades and eight Principal Assistant Secretaries for the Civil Service. An Organization Chart is in Annex A.

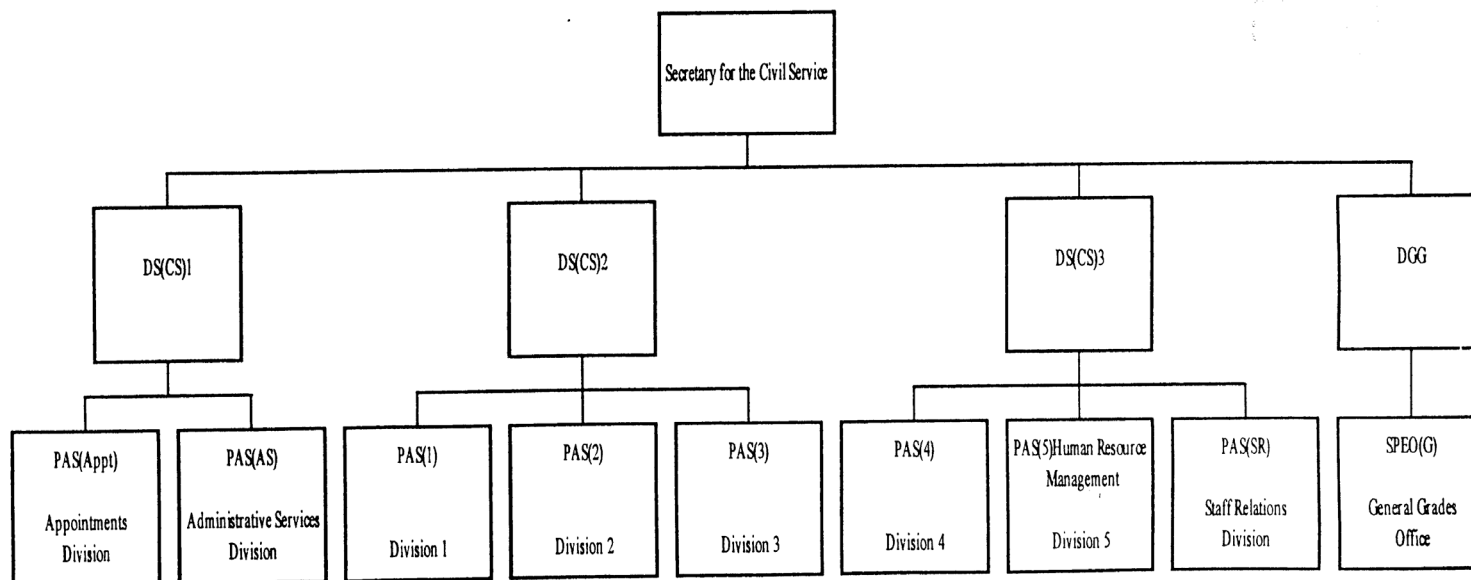
3. The Secretary for the Civil Service also has policy responsibilities for his two executive departments/agencies namely the Official Languages Agency and the Civil Service Training and Development Institute. The former is responsible for the formulation and implementation of policies on the use of official languages in the civil service; the latter is responsible for the design and provision of occupational, technical, management and language training courses for civil servants.

4. The paper attached aim to provide Members with a brief introduction on the major areas of responsibilities of the Civil Service Bureau and the latest development on some of the issues at hand.

Civil Service Bureau
August 1997

Annex A

**Civil Service Bureau Organization Chart
(Position as at 1.7.97)**



Legend

DS(CS) - Deputy Secretary for the Civil Service

DGG - Director of General Grades

PAS - Principal Assistant Secretary for the Civil Service

SPEO - Senior Principal Executive Officer

An Outline on the Management of the Civil Service

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ADMINISTRATION OF THE CIVIL SERVICE: AN OVERVIEW

The administration of the Civil Service is governed mainly by three important instruments: the Public Service (Administration) Order 1997, the Public Service (Disciplinary) Regulation and Civil Service Regulations (CSRs).

2. The Public Service (Administration) Order 1997 (the Order) was made by the Chief Executive in July 1997, with the advice of the Executive Council, under Article 48(4) of the Basic Law. The Order sets out the Chief Executive's authority to appoint, dismiss and discipline public servants (the Basic Law terminology for civil servants); to act on representations made by public servants; to make disciplinary regulations; and to delegate certain powers and duties under the Order. It is largely an adaptation of corresponding provisions in the Letters Patent and Colonial Regulations which were in force before 1 July 1997, and provides continuity in the primary framework governing the administration of the Civil Service.

3. The Public Service (Disciplinary) Regulation, which is made under the Order, regulates the conduct of disciplinary proceedings and of procedures leading to the removal of officers in the Civil Service. It applies to the majority of public servants, except those public servants (primarily rank and file disciplined services staff) whose conduct is governed by Ordinances.

4. The Civil Service Regulations are administrative regulations made by or with the authority of the Chief Executive. They set out in detail the terms of appointment and conditions of service for public servants, as well as the standards of conduct and performance expected of them. They are the key references for both the management and for staff in respect of the day to day management of the Civil Service. The Regulations are supplemented and elaborated by Circulars and Circular Memoranda issued by the Civil Service Bureau. The Secretary for the Civil Service is authorised to amend, supplement, apply, interpret and make exceptions to the CSRs.

Civil Service Bureau
August 1997

PUBLIC SERVICE COMMISSION

Introduction

The Public Service Commission (PSC) is an independent statutory body established in 1950 under the Public Service Commission Ordinance, Chapter 93 of the Laws of Hong Kong. The function of the Commission is to advise the Chief Executive on appointment, promotion and discipline matters in the Civil Service to ensure fairness and impartiality.

Composition

2. In accordance with the PSC Ordinance, the Commission comprises a Chairman and not less than two and not more than eight Members, all of whom are appointed by the Chief Executive. Members of the Legislative Council and serving members of the Civil Service and Judiciary are not eligible for appointment as Chairman or Members of the Commission. The current membership list of the Commission is at Appendix.

Functions

3. The functions of the PSC are set out in Section 6 of the PSC Ordinance. One of the main functions of the Commission is to advise on appointments and promotion in the public service for posts in the middle and senior ranks under its purview. In particular, appointments and promotions to posts with a maximum salary at or above Point 26 of the Master Pay Scale (some 35,000 posts as at 1 April 1997) are subject to the advice of the PSC.

4. In addition, the Commission advises on the discipline and punishment of public servants in accordance with the Public Service (Administration) Order published in July 1997. The PSC is also responsible for considering representations submitted by officers to the PSC on matters within its purview and in which the officers have a direct interest.

5. The Commission also advises on the practices and procedures for appointments, promotion, performance appraisals and disciplinary matters.

**Membership of the Public Service Commission
(as at 1.8.97)**

Chairman: Mr. Haider Hatim Tyebjee Barma, JP

Members Mr. P.J. Thompson, JP
Mr. D.G. Jeaffreson
Mr. Christopher Cheng Wai-chee, JP
Dr. Thomas Leung Kwok-fai, JP
Mrs Ng Yeoh Saw-kheng
Ms Bebe Chu Pui-ying

INDEPENDENT ADVISORY BODIES ON PAY AND CONDITIONS OF SERVICE

Three independent bodies advise the Government on matters relating to pay and conditions of service.

Standing Commission on Civil Service Salaries and Conditions of Service

The Standing Commission on Civil Service Salaries and Conditions of Service was established in January 1979. It advises and makes recommendations on the principles and practices governing pay, conditions of service and salary structure of the non-directorate staff, other than judicial officers and disciplined services staff. The Commission is chaired by Sir Sidney Gordon and has nine members, all non-officials.

Standing Committee on Directorate Salaries and Conditions of Service

The Standing Committee on Directorate Salaries and Conditions of Service is responsible for keeping under review the structure of the directorate and the conditions of service of directorate officers. It is chaired by Mr H C Lee and comprises four members, all non-officials.

Standing Committee on Disciplined Services Salaries and Conditions of Service

The Standing Committee on Disciplined Services Salaries and Conditions of Service is an independent advisory body set up in 1989 to advise on matters relating to the salaries and conditions of service of the disciplined services. The Committee is chaired by Hon Miriam Lau and has ten members, all non-officials. There are three permanent Sub-Committees, namely the General Disciplined Services Sub-Committee, the Independent Commission Against Corruption Sub-Committee, and the Police Sub-Committee. Each is chaired by a member of the Standing Committee.

Civil Service Bureau
August 1997

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CIVIL SERVICE TERMS OF APPOINTMENT

Terms of Appointment

There are at present five main types of terms of appointment in the Civil Service -

- (a) local permanent and pensionable (P&P) terms
- (b) local agreement (contract) terms
- (c) overseas P&P terms
- (d) overseas agreement terms
- (e) month-to-month terms (mainly for junior staff)

Differentiation between Local and Overseas Terms

2. Candidates appointed to the Civil Service are classified into "local" and "overseas" candidates and offered local and overseas terms according to their habitual residence, general background and social ties and potential dislocation or uprooting. For historical reasons, overseas terms attract better housing benefits, higher leave rate and passages to allow overseas officers to settle in Hong Kong and to allow them to renew home ties in their country of origin.

Local Permanent and Pensionable Terms

3. It is a long-standing government policy of preferring appointment of civil servants on a career basis, so as to ensure the stability and continuity of the Civil Service. Hence local candidates are normally appointed on local P&P terms which offers a long-term employment and provides for pension benefits after retirement. In order to assess their suitability for permanent appointment, new recruits are normally required to undergo a period of probation (usually two years) before being confirmed to the permanent establishment. A competent P&P officer has an expectation of a full career up to the normal retirement age.

Local Agreement Terms

4. Apart from P&P terms, departments may offer agreement terms to local candidates in special circumstances, usually when there are difficulties in recruiting local candidates to the rank concerned on P&P terms, or when there are specific service need such that the recruits are only needed for a fixed duration. Agreement terms are usually offered for a term of 2 1/2 or 3 years and attract an end-of-contract gratuity normally pitched at 25% of the total basic salary drawn during the agreement period.

5. Agreements of officers appointed on local agreement terms may be renewed subject to the fulfilment of certain criteria including continued service need, satisfactory conduct and performance and physical fitness. In addition, an agreement officer in promotion ranks is subject to the Opening-Up Arrangements whereby he will be required to compete with officers in a lower rank who have applied for his post. The officer will be granted a further agreement only if he wins the competition. The basic idea is that only the best person for the job should be offered further employment.

Overseas P&P Terms

6. As part of the localisation policy for the Civil Service, the Government has ceased to offer overseas P&P terms to overseas candidates since 28 March 1985. Serving overseas agreement officers appointed before that date were allowed to apply for transfer to overseas P&P terms before 30 June 1992, provided that it can be established that a qualified and suitable local replacement is not likely to be available within the next five years or so (see brief on "Localisation Policy"). The number of officers on overseas P&P terms will thus continue to decline.

Overseas Agreement Terms

7. Employment of overseas candidates has been made only on agreement terms since 28 March 1985, and overseas agreement are offered only when no qualified and suitable local candidates are available. Likewise, renewal of overseas agreements are subject to the lack of a qualified and suitable local replacement, amongst other criteria.

Month-to-Month Terms

8. Month-to-month terms are applicable to appointments to posts on Model Scale I (MOD I) pay scale (mainly manual labour staff at the junior level) and temporary appointments to civil service posts. Appointment of month-to-month terms may be terminated upon giving of one month's notice. Staff appointed on such terms are also eligible for pension benefits provided that they meet the relevant criteria under the pensions legislation. Their pension benefits, however, are lower than those for officers on P&P terms.

Other Terms

9. Apart from the above main types of terms, other terms of appointment are offered in specific circumstances. Examples are: terms for officers who retired and are re-employed in the civil service (largely the same as agreement terms); and temporary day-to-day terms for new appointees pending completion of recruitment formalities and eventual appointment on P&P or other terms.

10. A breakdown on the number of civil servants under different terms is at *Appendix*.

Proposals for Common Terms of Appointment and Conditions of Service

11. With the passage of time, the need for keeping two different sets of terms, viz. local terms and overseas terms, for recruiting and retaining staff has diminished. To replace the existing differential local and overseas conditions of service, we first proposed in October 1993 a set of Common Terms of Appointment and Conditions of Service for new appointments. Following a year of extensive consultation within the Civil Service and with the relevant advisory bodies, the proposals were further revised.

12. The Common Terms proposals will have minimal effect on serving officers. Officers on P&P terms will not be affected unless they choose to switch to the new terms. Officers on agreement terms will renew on the new agreement terms but will be allowed to retain certain existing benefits.

Progress of Common Terms

13. Certain straightforward proposals in the package have already been implemented, including the specification of a Chinese language proficiency requirement for new recruits on local P&P terms with effect from 1 August 1995 and cessation of overseas education allowance and associated school passages for new recruits with effect from 1 August 1996. We intend to examine the remaining proposals and work out the details in the next few months with a view to implementing the unified set of terms as soon as possible.

Civil Service Bureau
August 1997

Strength of the Civil Service (as at 1 April 1997)

	<i>Directorate</i>	<i>Senior Management/ Professional</i>	<i>Others</i>	<i>Total</i>
Local P&P terms	948 (67.6%)	2 517 (82.7%)	151 553 (84.1%)	155 018 (84.0%)
Local agreement terms	61 (4.3%)	128 (4.2%)	674 (0.4%)	863 (0.5%)
Local retired and re-employed terms ¹	11 (0.8%)	11 (0.4%)	1806 (1.0%)	1828 (1.0%)
Month-to-month terms and other miscellaneous terms	3 (0.2%)	5 (0.2%)	25 462 (14.1%)	25 470 (13.8%)
Locally modelled agreement terms ²	58 (4.1%)	88 (2.9%)	64 (0.04%)	210 (0.1%)
Overseas agreement terms	68 (4.8%)	115 (3.8%)	533 (0.3%)	716 (0.4%)
Overseas P&P terms	250 (17.9%)	180 (5.9%)	100(0.1%)	530 (0.3%)
Overseas retired and re-employed terms ³	4 (0.3%)	-	-	4 (0.0%)
Total	1 403 (100%)	3 044 (100%)	180 192 (100%)	184 639 (100%)

Notes:

- 1 Agreement terms for local officers retired and re-employed
- 2 Agreement terms for overseas officers who are permanent residents and transferred to local terms (see brief on "AECS Court Case")
- 3 Agreement terms for overseas officers retired and re-employed)

Recruitment and Promotion

Introduction

Appointment to the Civil Service is based on **open and fair competition**. All candidates have to go through a competitive, non-discriminatory selection process and compete for vacancies on the basis of their ability and performance. Our principle is to appoint the "best person for the job" to maintain a Civil Service of high quality and to provide first class service to the public.

Guiding Principles

Filling of Vacancies

2. When a vacancy arises in a certain rank and grade that needs to be filled, the department/grade concerned will first consider whether the vacancy can be filled by the promotion of an officer from a lower rank in the same grade. If the vacancy is at the lowest rank (basic rank) or when there is no qualified and suitable officer available for promotion to fill the vacancy, the department/grade will proceed to fill the vacancy by recruitment from outside the grade.

Recruitment

3. Recruitment is the usual means for filling vacancies in basic ranks in the civil service. Recruitment can be targeted at suitable candidates from other grades within the civil service (in-service appointment) or candidates outside the civil service (open recruitment). In both cases, vacancies are advertised, either through in-service vacancy circulars for in-service candidates or local newspapers for members of the public.

4. All candidates must meet the basic entry requirements in order to be considered. The entry requirements for each grade and rank are normally set with reference to academic or professional qualifications, technical skills, working experience, language proficiency and other qualities or attributes as required on the basis of the operational need of the grades/ranks concerned. The qualification requirements are normally set with reference to qualifications obtainable from local institutions. Candidates holding qualifications obtained outside Hong Kong may also apply but will be considered only if their qualifications are assessed as comparable to the entry qualifications.

5. Applicants who meet the entry requirements are required to go through a competitive selection process, which features selection interviews with recruitment boards. For some civil service grades, candidates may have to go through written examinations or other trade tests before they are short-listed for interviews. The recruitment board selects candidates on the basis of their merits and performance.

Recommendations for appointment will have to be subject to the advice of the Public Service Commission (PSC) for posts within PSC's purview, so as to ensure that the recruitment process is properly conducted in a fair and impartial manner. Successful candidates are required to go through medical examination and integrity checking to ensure that they are fit for appointment.

6. As the largest employer, the Government is taking a lead in employing people with a disability in order to help them integrate into the community through employment. We ensure that candidates with a disability are given a fair opportunity to be considered alongside other candidates. Those who meet the entry requirements of a post are automatically selected for interview and will be given appropriate preference for appointment if they are found suitable.

Promotion

7. Officers are selected for promotion on the criteria of character, ability, experience and any qualifications prescribed for the promotion rank. Promotion is not a reward for long service. The officer selected for promotion must be the most meritorious, one who is able and ready to perform the more demanding duties at a higher rank. Seniority will be given weight only when no eligible officer stands out as the most meritorious and suitable for promotion. All eligible candidates are considered on equal terms irrespective of their terms of appointment. As a normal rule, officers who have less than twelve months' active service to give after promotion, appointed to another grade on trial, or on Government Training Scholarship are not normally considered for promotion.

8. We emphasise fairness and transparency in the promotion process. Eligible candidates are notified of the initiation of a promotion exercise and considered by a promotion board comprising senior officers of the grade. For promotion to offices within PSC's purview or to directorate posts, PSC and CSB may send observers to monitor the conduct of the promotion board. Recommendations for promotions are subject to the advice of PSC for posts falling within PSC's purview.

Recent Development

9. In line with our policy objective to develop a civil service which is proficient in both Chinese and English and is able to speak Cantonese, English and Putonghua to meet long-term needs, all civil service grades are required to specify a Chinese language proficiency requirement for new recruits on local permanent and pensionable terms with effect from 1 August 1995. On the other hand, Chinese language proficiency is not mandatory for recruitment on agreement terms which offers a fixed term employment only.

10. In accordance with the Basic Law, new recruits appointed to the Civil Service on or after 1 July 1997 must be permanent residents, save where an exception is provided for in the Basic Law, for example the filling of professional or technical posts when required.

Civil Service Bureau
August 1997

CIVIL SERVICE PAY ADJUSTMENT

Introduction

Civil Service's pay is adjusted annually on the basis of changes in the cost of living and the overall changes in market rates. Other factors such as the state of the economy, budgeting considerations, staff sides' pay claims, civil service morale etc. are all taken into consideration in determining the size of the adjustment.

Guiding Principles

2. The objective of 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. Such remuneration should be regarded as fair both by civil servants and by the public which they serve. Within these parameters, broad comparability with the private sector is an important factor in setting civil service pay.

Current Position

3. An important element in bringing the above into practice is the Pay Trend Survey conducted each year. This provides the basis for determining the size of civil service pay adjustment. Such a system of pay trend surveys has been in place since 1974. The survey is conducted by the independent Pay Survey Research Unit of the Standing Commission on Civil Service Salaries and Conditions of Service. Each year, data from about 75 Hong Kong companies are collected.

4. The pay trend survey covers the period from 2 April of the previous year to 1 April of the current year. It includes all full time employees who work 75% or more of the normal weekly working hours and whose basic salaries are equivalent to the three salary bands of the non-directorate staff in the civil service. Basic salary increases relating to changes in the cost of living, overall changes in market rates, general prosperity and company performance, merit payments and inscale increments are accounted for in the survey. Changes in payments additional to basic salary such as year end bonuses, whether permanent or temporary, are also included.

5. The survey produces three gross pay trend indicators, each representing the weighted average pay increases for all surveyed employees within each salary band. The information is then agreed by the Pay Trend Survey Committee comprising representatives from the Staff Sides, the Administration, the Standing Commission on Civil Service Salaries and Conditions of service, and the Standing Committee on Disciplined Services Salaries and Conditions of Service.

6. From the gross pay trend indicators, the payroll costs of civil service increments are deducted to produce net indicators which form the basis for a decision on the civil service pay adjustment.

Civil Service Bureau
August 1997

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LOCALISATION OF THE CIVIL SERVICE

Introduction

Localisation of the Civil Service is a long-established policy of the Government. The policy has two key aspects as set out in the Civil Service Regulations. First, preference is given to the appointment of qualified and suitable local candidates in recruitment. Recruitment of overseas candidates will be considered only when there is no fully qualified and suitable local candidate and the qualifications cannot be modified to enable a local, in preference to an overseas, appointment. Secondly, since 1977, applications from overseas agreement officers for renewal of their agreement on overseas terms are subject to the lack of qualified and suitable local replacements. Promotion, however, is based solely on merits and all eligible officers are considered on an equal basis irrespective of their terms of appointment.

2. In furtherance of the localisation policy, the Government decided that with effect from 28 March 1985 all future appointments of overseas officers should only be on agreement terms. Overseas agreement officers appointed before that date were allowed to apply for transfer to overseas permanent and pensionable (P&P) terms before 30 June 1992.

Guiding Principles

3. A candidate's "local" or "overseas" status is first determined before appointment on the criteria of habitual residence, general background and social ties, and potential dislocation or up-rooting. These criteria are set out in Civil Service Regulations. It should be noted that a "local" has never been defined in terms of nationality or of race.

4. Cases of appointment of overseas candidates and renewal of overseas agreements are subject to the advice of the Public Service Commission (PSC), which has to be satisfied that there is genuinely no suitable local candidate available.

Recent Development

5. Traditionally, no change of status was allowed after appointment. To comply with the Bill of Rights Ordinance, the Government has, since July 1993, introduced arrangements for overseas agreement officers who have become permanent residents of Hong Kong to transfer to local terms.

6. Over the years, the localisation policy has achieved positive results - the percentage of overseas officers in the Civil Service as a whole has shrunk from 4.4% in 1952 to 0.7% in April 1997. Out of the 185,000-strong Civil Service, there are now less than 1,500 overseas officers. Local officers now form over 70% of the directorate and close to 90% of posts at the senior management/professional level. Localisation statistics over the past 10 years are set out at *Appendix*.

Civil Service Bureau
August 1997

Localisation Statistics

	Directorate Officers			Senior Management/ Professional Officers			Overall		
	<i>Local (%)</i>	<i>Transferees¹ (%)</i>	<i>Overseas (%)</i>	<i>Local (%)</i>	<i>Transferees (%)</i>	<i>Overseas (%)</i>	<i>Local (%)</i>	<i>Transferees (%)</i>	<i>Overseas (%)</i>
1.4.87	52.3	-	47.7	69.8	-	30.2	98.5	-	1.5
1.4.88	55.6	-	44.4	70.4	-	29.6	98.6	-	1.4
1.4.89	56.2	-	43.8	71.7	-	28.3	98.6	-	1.4
1.4.90	59.7	-	40.3	74.2	-	25.8	98.7	-	1.3
1.4.91	62.1	-	37.9	75.7	-	24.3	98.7	-	1.3
1.4.92	60.1	-	39.9	75.8	-	24.2	98.8	-	1.2
1.4.93	61.7	-	38.3	77.2	-	22.8	98.8	-	1.2
1.4.94	63.6	-	36.4	79.0	-	21.0	98.9	-	1.1
1.4.95	66.6	*	33.4	81.1	*	18.9	99.0	*	1.0
1.4.96	70.2	*	29.8	84.5	*	15.5	99.1	*	0.9
1.4.97	72.9	4.1	23.0	87.5	2.9	9.7	99.2	0.1	0.7

¹ Transferees - former overseas agreement officers who have transferred to local terms.

* Separate figures on transferees not available.

Appointments Division
Civil Service Branch
August 1997

HUMAN RESOURCE MANAGEMENT

Introduction

The Government of the Hong Kong Special Administrative Region's management of human resources is a planned approach to managing people effectively for performance. It aims to establish a more open, flexible and caring management style so that staff will be motivated and developed to give their best to serve the public without the need to emphasise rules.

Guiding Principles

2. The following principles form the basis for our efforts in the Civil Service Bureau to achieve good human resource management:-

- the government should be a good employer;
- people are our most important asset;
- staff are recruited and their careers rewarded on the basis of merit;
- staff should take their share of responsibility for developing their potential;
- staff management is the responsibility of all managers; and
- plans drawn up by departments to manage their human resources must be guided by departmental plans and objectives.

Current Position

3. The responsibilities for managing human resources rest with the Civil Service Bureau, policy bureaux, departments, managers and individual civil servants.

- Civil Service Bureau communicates overall policies regarding the management of human resources and advises departments on the implementation of these policies.
- Policy bureaux and departments are responsible for formulating and implementing the HRM programmes to meet their own needs.
- Managers and individual civil servants have responsibility to put these policies and programmes into practice.

4. Our HRM initiatives fall mainly under the following broad categories:-

- (a) Cascading the HRM concept - seminars and training courses are organised to spread the HRM message to different levels of officers within the civil service;
- (b) Issue of HRM documentation - a series of guide books on HRM and different HR issues have been issued as handy reference tools for managers and staff;
- (c) Development of HRM in departments - departments have been encouraged to develop their own HRM plans. Financial assistance and consultancy support have been made available to some 30 departments in taking forward their HRM initiatives;
- (d) Organisation and culture change - training activities have been undertaken to make both the management and staff in the civil service more receptive to changes;
- (e) Streamlining of procedures - rules and procedures have been rationalised to provide for flexibility and efficiency and to improve the standard of service; and
- (f) Delegation of authority - authority to administer a range of Civil Service Regulations has been delegated to heads of departments to enhance efficiency and effectiveness in staff management.

5. So far, CSB discussed with all departments the promotion of HRM initiatives; provided customer service training to **35,800** officers on front line duties; promoted a new performance appraisal system based on the concept of core competency in **16** grades and organised human resource training for **6,000** managers.

Civil Service Bureau
August 1997

CONDUCT AND DISCIPLINE IN CIVIL SERVICE

Introduction

A public servant is subject to Government Regulations, Government Circulars, Departmental Instructions, and other Ordinances or Regulations which apply to the office to which he/she is appointed. He/She is required to discharge the duties of his/her office and any other duties which his/her Head of Department or the Secretary for the Civil Service may call upon him/her to perform.

Guiding Principle

2. A public servant is required to use his/her best efforts to promote the interests of the Government. He/She should be honest and impartial in his/her dealings with members of the public and with his/her staff. He/She must not -

- (a) put himself/herself in a position or take part in activities where his/her private interests conflict with his/her official duties or bring the civil service into disrepute;
- (b) use his/her official position to further his/her private interests; or
- (c) lay himself/herself open to suspicion of dishonesty.

Current Position

3. The civil service maintains a high standard of integrity and conduct. A public servant is liable to disciplinary action if he/she -

- (a) fails to obey any government regulations or official instructions;
- (b) misconducts himself/herself in any manner; or
- (c) by his/her action brings the civil service into disrepute.

Disciplinary Action

4. Proceedings under formal disciplinary action are held in accordance with the principle of natural justice. All materials and documents forming part of the disciplinary proceedings are given to the accused officer. He/She is then given the right to be heard and to make representations on the comments or criticism made against him/her. Such action is taken for serious misconduct or repeated minor misconduct, including unauthorised absences from duty, unauthorised outside work, negligence or insubordination. For minor and isolated cases of misconduct such as lateness for duty, informal disciplinary action involving the issue of verbal or written warning may be taken.

5. In addition to punishing misconduct, disciplinary action should also rehabilitate and deter other staff from similar misconduct. Depending on the gravity of the misconduct or criminal offence, punishment under formal disciplinary action may include reprimand, severe reprimand, financial penalty, reduction in rank, compulsory retirement or dismissal. The advice of the Public Service Commission is sought before inflicting punishment on officers who are confirmed to the permanent establishment.

6. Disciplinary provisions governing public servants are contained in the Public Service (Administration) Order 1997 and the Public Service (Disciplinary) Regulation. Members of the disciplined services are subject to disciplinary provisions in their respective Ordinances, Regulations and Rules.

7. A public servant who is aggrieved by any disciplinary action may petition the Chief Executive. There are also provisions in the disciplined services legislation for statutory appeals against the punishment imposed on members of disciplined services.

Retirement in the Public Interest

8. A public servant may be retired in the public interest on grounds of persistent unsatisfactory performance of duties or when there is a loss of confidence in the officer to undertake his/her public duties.

USE OF OFFICIAL LANGUAGES

Introduction

Our policy objective is to develop and maintain a civil service which is biliterate and trilingual, i.e. able to read and write Chinese and English and speak Cantonese, Putonghua and English.

Guiding Principles

2. While fully recognising the importance of the English language in Hong Kong as a cosmopolitan city and the need to keep the civil service proficient in the English language, we are committed to promoting the wider use of Chinese in official business and to enhancing the proficiency of our civil servants in written and spoken Chinese to meet the changing social and political circumstances.

Current Position

3. Bilingualism has been practised throughout the civil service in dealings with the public. Most reports and publications of public interest issued by the Government are available in both English and Chinese. Replies issued to members of the public are in the language that is appropriate to the recipients. Simultaneous interpretation is provided at official meetings where necessary and appropriate.

4. In internal communications, the language most suitable for the occasion is adopted having regard to the effectiveness of communication and other practical/ operational considerations.

5. To enhance our proficiency in Chinese and to promote wider use of Chinese in official business, we adopt measures in the following key areas :

- (a) language entry requirements
- (b) training; and
- (c) day-to-day use of the Chinese language.

(a) Language entry requirements

6. As a general rule, recruits appointed on permanent and pensionable terms on or after 1 August 1995 have to be proficient in both oral Cantonese and comprehension of written Chinese.

(b) Training

7. Training is provided in Putonghua, written Chinese, Cantonese and Chinese character courses (for overseas officers), and Chinese Word Processing.

8. In the last five years, 24,000 training places have been provided in Putonghua and 22,000 in Chinese writing. 40,000 copies of self-learning packages in Chinese writing and Putonghua have been produced. We have also started a three-year programme in 1996 to provide computer hardwares, softwares and training to the clerical, secretarial and executive grades.

(c) Day-to-day use of Chinese

9. Departments are encouraged to consider areas in which they could make more day-to-day use of Chinese. Pilot schemes have been launched in nine departments which have extensive interface with the public to promote the use of Chinese on the ground in a progressive and regulated manner. The Official Languages Agency assists departments in their formulation of plans to promote wider use of Chinese. It provides a telephone enquiry service, and has also produced a series of guidebooks and Chinese word processing templates on official Chinese writing.

CIVIL SERVICE TRAINING AND DEVELOPMENT

Introduction

The Government of the Hong Kong Special Administrative Region believes that good training and development efforts are essential to enhance the performance for the effective functioning of the organisation, culminating in providing quality service to the public. Effective training and development of staff contributes to organisational effectiveness in that it:-

- helps disseminate the vision, mission and core values of the organisation;
- enables staff to acquire the knowledge and skills to meet organisational goals and standards;
- improves individual performance and changes attitudes and behaviour; and
- prepare staff to cope with increasing demands arising from the changing political, economic and management environment.

Guiding Principles

2. The guiding principle is that any training and development programmes must be designed to enhance performance and support the core principles and values in the civil service. To this end, civil service training and development programme is formulated in a strategic manner to address the changing needs of the Government and civil servants together in the process.

Current Position

3. The Civil Service Training and Development Institute (CSTDI), the government's central training agency, offers a wide variety of central courses catering to the needs of staff from the directorate grade to junior rank officers. It is responsible for the organization of -

- (a) management studies;
- (b) language and communication courses;
- (c) computer courses; and
- (d) China studies programmes.

4. In the planning and design of training courses, CSTDI works closely with Heads of Departments and Heads of Grades to address their needs. Evaluation and feedback from course participants are solicited to seek improvements.

5. Induction training is organised by individual departments or Heads of Grade to familiarise new recruits with job requirements and procedure, organisation goals, performance standards, and values. In addition, departments organise vocational training for their staff to provide them with the professional or technical knowledge and skills required for effective delivery of service. Many departments have now included into their core departmental training programme the inculcation of a customer service culture.

6. The Government attaches considerable importance to civil service training. The recurrent budget for the CSTDI in 1997-98 is over \$130m. Attached at annex is a summary of the number of civil servants who have attended the different training courses.

Civil Service Bureau

August 1997

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Key Statistics on Training and Development

Type of Training	No. of trainees	Period
<i>Management Training</i> Full-time CSTD senior staff development courses	450	Since 1992/93
External Management courses	10,558	Since 1992/93
Internal Management courses	49,392	Since 1992/93
<i>Language Training</i> English & Communication Courses	27,409	Since 1992/93
Chinese Writing Skills	22,000	Since 1992/93
Chinese Character courses (for expatriate)	52	Since 1992/93
Cantonese training (for expatriates)	833	Since 1992/93
Putonghua training	24,000	Since 1982
<i>Computer Training</i> Computer courses	19,066	Since 1992/93
Chinese Word Processing Training	4,833	Since 1995
<i>China Studies</i> Familiarisation Visit	155	Since 1991
Tsinghua Course	393	Since 1993
China Studies Courses	20,000	Since 1992/93
	No. of packages developed	No. of copies distributed
<i>Self-learning packages</i> (as at 31.3.1997) Putonghua	2	28,000
Chinese Writing	3	12,000
China Studies	5	327,000

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STAFF RELATIONS

Introduction

The Government values good staff relations in the Civil Service and consider it an integral part of human resource management. The Civil Service Bureau has a dedicated Staff Relations Division which oversees Government's staff relations policies, welfare and motivation projects. These include the Staff Suggestions Scheme, staff motivation and award schemes e.g. the Long Service Travel Award Scheme, the Long and Meritorious Service Award Scheme and the Retirement Souvenir Scheme, Staff Welfare Fund and Staff Relief Fund, holiday bungalows and Civil Service Newsletter. It also plays an important and proactive role in fostering good staff relations by advising and assisting departmental management and staff on matters concerning staff relations.

Guiding Principle

2. The guiding principle in the promotion of staff relationships is consultation because Government believes that better communication and understanding between the staff and management is the key to achieving this objective.

Current Position

3. There is a well-established consultative machinery within the Civil Service, comprising the Central Staff Consultative Councils and the Departmental Consultative Committees. Through this machinery, individual staff members, staff unions and staff groups can be consulted on a wide range of subjects such as conditions of service, working environment and various aspects of their work.

Central Staff Consultative Councils

4. There are four Central Councils: the Senior Civil Service Council which was established in 1968; the Model Scale 1 Staff Consultative Council and the Police Force Council, both established in 1982; and the Disciplined Services Consultative Council established in 1990.

5. Each Council comprises the Official Side and the Staff Side. Members of the Official Side mainly come from policy bureaux dealing with issues of staff concern whilst members of the Staff Side are all nominated by staff associations/unions. It is the Government's policy to consult the Staff Sides of the Central Councils on any significant change to the terms and conditions of service of staff such as the annual pay adjustment.

Departmental Consultative Committees

6. Departments with a staff establishment of 100 and above are encouraged to set up Departmental Consultative Committees comprising the Departmental Management (Official Side) and the staff representatives (Staff Side). A Civil Service Bureau representative also attends the Departmental Consultation Committees to explain central government's policies and practices and act as a bridge between central government and departments. There are at present 81 Departmental Consultative Committees.

Civil Service Bureau
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**CIVIL SERVICE RETIREMENT BENEFITS
AND OTHER
RELATED BENEFITS**

Introduction

Retirement Benefits

The Government operates two statutory, non-contributory pension schemes for civil servants who are employed on permanent and pensionable (P&P) terms. The Old Pension Scheme (OPS), which is governed by the Pensions Ordinance, Cap. 89, applies to civil servants who were appointed before 1 July 1987. The New Pension Scheme (NPS), governed by Pension Benefits Ordinance, Cap. 99, was introduced in 1987 for application to those who are appointed on or after 1 July 1987, as well as those who were appointed before that date but had before 31 December 1995 exercised their option to join the scheme. Of the 179,000 civil servants eligible for pension benefits, about 24,300 (13.5 %) are on OPS and 155,000 (86.5 %) are on NPS. The Government's annual pension commitment constitutes 5% - 6% of its annual operating expenditure.

2. The main differences between the OPS and NPS are as follows -

	OPS	NPS
Retirement age	55	60
Provision for early retirement	yes	no
Deferred pensions on resignation	no	yes
Maximum commuted pension gratuity (i.e. percentage of pensions payable as a lump sum upon retirement)	25%	50%

3. To maintain the purchasing power of pensions, the rate of pensions is increased annually in accordance with the average movement of the Consumer Price Index (A).

Injury Benefits, Death Gratuities and Other Assistance

4. There are provisions in the pensions legislation for injury benefits to officers who are permanently injured while on duty and death gratuities to officers who die while in service for reasons not arising out of their employment or who are killed whilst on duty. The widows and dependant children of deceased civil servants who are contributors to the Surviving Spouses' and Children's Pension Scheme (SSCPS) or the Widows and Ophans Pension Scheme (WOPS) are eligible for widows' or children's pensions granted under the relevant ordinances.

5. In addition, a Pensioners' Welfare Fund was set up in 1991 to provide financial assistance to pensioners and families of deceased pensioners in cases of genuine hardship, e.g. hardship arising from medical and funeral expenses. Assistance from the Fund is in the form of a one-off grant and the maximum disbursement for each application is currently \$6,000. A sum of \$788,000 has been allocated for the purpose for 1997-98.

Guiding Principles

6. The Government aims at providing retirement benefits and other related benefits at levels that would sustain a committed and stable public service essential to the prosperity and stability of Hong Kong. To provide an additional safeguard to civil servants on the security of pensions, the Civil Service Pension Reserve Fund was established in 1995 by Resolution of the former Legislative Council. The Fund, which is interest-earning, is to be used exclusively to pay pensions in the unlikely event that the Government cannot meet its liabilities for such payment from its General Revenue. It is the Government's intention to maintain the balance of the Fund in any year at a minimum of that year's estimated pension expenditure. The closing balance of the Fund for 1997-98 is estimated to be \$9,041 million, against an estimated pension expenditure of \$8,990 million.

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POST-RETIREMENT EMPLOYMENT

Introduction

Under the pensions legislation, any pensioner who wants to enter into business or take up an employment outside Government within two years of his retirement (three years for officers at Heads of Bureau rank) has to seek prior permission from the Government if the principal part of his business or employment is carried out in Hong Kong. Failure to seek prior permission before taking up post-retirement employment or business may result in the suspension of pensions. When giving approval, the Government may impose a sanitisation period or restrictions on the scope of activities to be undertaken.

Guiding Principles

2. The guiding principle is that the retired officers/former agreement officers do not enter into any employment which may constitute a conflict of interest with their previous employment in the civil service or embarrass the Government.

3. To ensure that the policy is implemented properly, the Government had established in October 1987 the independent Advisory Committee on Post-retirement Employment to advise it on applications from directorate officers for post-retirement and post-agreement employment. The Committee also advises on the principles and criteria to be adopted in dealing with applications in general. The Committee comprises four unofficial members appointed by the Chief Executive. The Secretary for the Civil Service is an ex-officio member.

Recent Development

4. To further strengthen the system, we have, since January 1997, modified the policy to cover new agreements at D3 and above. Under the modified system, agreement officers at D3 and above are also required to seek prior permission before they take up employment within one year after the completion of their agreements.

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August 1997

WASTAGE AND DIRECTORATE SUCCESSION

Definition

Establishment and strength of the Civil Service refer respectively to the total number of permanent posts (i.e. excluding supernumerary posts) and number of serving officers at a particular point in time. Wastage of the Civil Service normally refers to the number of officers who have left the service (after exhausting their accrued leave) in a year. The wastage figure may be expressed as a ratio to the total strength of officers at the beginning of the period.

Wastage of the Civil Service

2. The Government monitors closely wastage in the Civil Service for manpower planning purposes. The overall wastage rate of the Civil Service averaged at about 5% in the past 10 years and have registered a decline. The overall wastage rates and those for the directorate level and the senior professional level during the past 10 years are at *Appendix I*. Overall wastage of the civil service in 1996/97 is at its lowest in the last nine years at 7 927 or 4.3%. Wastage of directorate officers is in line with the past trend at 135 or 10.2%. Wastage of senior professional officers is also low at 238 or 7.9%. The position of senior professionals is significant as they are potential directorate staff in the future. All these compares favourably with the average turnover rate of 12% in the overall labour force.

3. A breakdown of the wastage in 1996/97 by reason is at *Appendix II*. Retirement accounts for the majority of wastage, particularly at the directorate and senior professional levels. Among officers who resigned, close to 50 % were new recruits with less than two years of service. The overall picture is that the Civil Service is largely staffed by officers who are committed to having a career with the Government. To ensure smooth succession in the Civil Service, we have an established notification system whereby retirement of officers on permanent and pensionable terms and departure of agreement officers can be anticipated in advance. The latest forecast shows that some 50 or 3.6% directorate officers will leave in the next 12 months (August 97 - July 98). Some unforeseen departures and resignations are possible but the figure indicates that wastage of directorate officers in the next 12 months will be in line with the past trend, if not lower, and is manageable.

Vacancy Position

4. The vacancy rate of the Civil Service represents the number of vacancies expressed as a percentage of the establishment at a particular point in time, after discounting those posts that are left unfilled intentionally (e.g. pending deletion, contracting out, review of establishment, restructuring, etc.). As at 1 April 1997, the overall vacancy rate in the Civil Service is 2.2%. Staffing in certain grades with a higher vacancy rate may be tight, but the overall staffing situation is manageable with short-term acting, temporary re-deployment and stepped up recruitment efforts.

Directorate Succession Planning

5. Vacancies in directorate ranks in a civil service grade are normally filled by internal promotion of suitable officers in lower ranks. To ensure smooth succession to these senior positions, the Administration has a well established directorate succession planning mechanism for monitoring wastage and planning staff succession at directorate level in individual departments. Under the mechanism, the Secretary for the Civil Service meets with individual Heads of Department and their respective Policy Secretary personally each year to review directorate staff movements, to identify possible and suitable successors to directorate posts, to discuss long-term staff succession issues and to identify training and other career development needs for senior officers. Directorate succession plans are updated at half-yearly intervals. The system has been working well.

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Establishment, Strength & Wastage in the Civil Service

Year	Category	Establishment as at 1 April	Strength as at 1 April	Wastage number	Wastage rate
1987/88	Overall	184 810	179 053	7 385	4.1%
	Directorate	1 051	997	59	5.9%
	Senior professional	1 998	1 742	109	6.3%
1988/89	Overall	190 586	182 843	10 797	5.9%
	Directorate	1 164	1 057	101	9.6%
	Senior professional	2 143	1 879	153	8.1%
1989/90	Overall	196 856	196 054	10 790	5.8%
	Directorate	1 264	1 129	90	8.0%
	Senior professional	2 743	2 410	163	6.8%
1990/91	Overall	196 919	188 393	9 823	5.2%
	Directorate	1 373	1 219	80	6.6%
	Senior professional	2 973	2 639	151	5.7%
1991/92	Overall	199 840	190 448	14 864 ¹	7.8%
	Directorate	1 419	1 284	189	14.7%
	Senior professional	2 523	2 880	383	13.3%
1992/93	Overall	190 935	185 685	10 980 ²	5.9%
	Directorate	1 382	1 269	132	10.4%
	Senior professional	2 998	2 815	283	10.1%
1993/94	Overall	187 670	182 099	9 663 ³	5.3%
	Directorate	1 373	1 260	93	7.4%
	Senior professional	3 032	2 850	248	8.7%
1994/95	Overall	186 251	180 695	9 162 ⁴	5.1%
	Directorate	1 414	1 281	140	10.9%
	Senior professional	3 093	2 882	273	9.5%
1995/96	Overall	187 155	179 972	7 974	4.4%
	Directorate	1 445	1 276	113	8.9%
	Senior professional	3 164	2 829	211	7.5%
1996/97	Overall	189 136	182 675	7 927	4.3%
	Directorate	1 540	1 318	135	10.2%
	Senior professional	3 357	3 005	238	7.9%

¹ Including 425 staff who transferred to the Vocational Training Council and 5 350 staff who transferred to the Hospital Authority.

² Including 2 044 staff who transferred to the Hospital Authority.

³ Including 1 413 staff who transferred to the Hospital Authority.

⁴ Including 1 227 staff who transferred to the Hospital Authority.

Wastage in the Civil Service in 1996/97 by Reasons

Reason	Total no. of officers left	% of overall strength	No. of directorate officers left	% of directorate strength	No. of senior professional officers left	% of senior professional strength
Retirement	4 637	2.5%	103	7.8%	157	5.2%
Resignation	2 301	1.3%	5	0.4%	20	0.7%
Completion of Agreement	440	0.2%	24	1.8%	48	1.6%
Termination of Service ¹	249	0.1%	3	0.2%	9	0.3%
Dismissal	121	0.1%	-	-	-	-
Death	179	0.1%	-	-	4	0.1%
Total	7 927	4.3%	135	10.2%	238	7.9%

¹ Include mutual resolution of agreements

THE ADMINISTRATIVE SERVICE

Introduction

The Administrative Service is a linchpin in the operation of the Government. Its members form the bulk of senior officials in the civil service. There are seven ranks in the Administrative Grade, five of which are in the Directorate. As at 1 July 1997, the Administrative Service has a working strength of about 450 officers.

Duties of Administrative Officer

2. The Administrative Service is a cadre of generalists who are closely involved in the formulation and implementation of Government policies as well as in the management of resources. Administrative Officers are valued for their broad outlook, a sharp analytical mind as well as an ability to balance different interests and to work with a wide spectrum of personalities. Above all, they must uphold a high standard of integrity and demonstrate a keen commitment to serve the community.

Recruitment

3. Recruitment of Administrative Officer is conducted through an annual exercise which is subject to very stringent selection standards. From 1 July 1997, all new appointees to the Administrative Service must be permanent residents of the Hong Kong Special Administrative Region. Appointments to the Administrative Service are made on the advice of the Public Service Commission.

Training

4. In addition to the regular courses run by the Civil Service Training and Development Institute, the grade management provides a wide range of customised training for Administrative Officers, such as induction training, administrative skills training and language training.

Promotion and Career Prospects

5. Promotion is strictly on merit and is based on four key criteria : performance, potential, personality and postability. All promotions are made on the advice of the Public Service Commission.

MANAGEMENT OF GENERAL GRADES STAFF

Introduction

General grades staff are those who are recruited and managed by a central authority and are posted to work in departments and bureaux. The General Grades Office of the Civil Service Bureau, headed by the Director of General Grades, manages nine general grades, comprising 22 ranks and over 31,000 officers. These grades are collectively known as the Executive, Clerical and Secretarial Grades, with the following establishment :-

	<u>Grade</u>	<u>Establishment (as at 1.8.97)</u>
Executive Grade	Executive Officer	1,917
Clerical Grades	Clerical Officer Clerical Assistant Office Assistant	23,668
Secretarial Grades	Confidential Assistant Personal Secretary Supervisor of Typing Services Typist Telephone Operator	5,563

2. The Executive, Clerical and Secretarial Grades officers perform a variety of essential administrative support functions, at different levels, in virtually every government department and policy bureau. They constitute about 17% of the total civil service establishment. They do not get the lime light but do in fact play a very important part in public administration.

Guiding Principles

3. The Director of General Grades is committed to maintaining the motivation and competency of this major cadre of civil servants to enable them to continue to provide the most effective and efficient support to day-to-day government work, in the face of growing expectations of the community and the development of modern office technology and management practices.

Current Position and Recent Developments

The Executive Grade

4. The Executive Grade is a degree grade which performs the important role of administration managers in every government department. Executive Officers are professional managers specialised in resource and system management. Their responsibilities include the promotion of a service-oriented culture in their departments in line with the spirit of "Serving the Community".

5. In the immediate future, the Grade Management aims to further develop the competencies of Executive Officers in human resource management, information technology and office automation. It will provide more training opportunities and exposure to management practices and experience in the private sector. It will also organise seminars and visits to improve officers' knowledge of the culture and public administration in mainland China.

The Clerical and Secretarial Grades

6. The Clerical and Secretarial Grades perform a wide range of general clerical and secretarial duties and frontline direct services to the public. Their duties are distinctly demarcated. With increasing office automation, this restrictive demarcation has proved no longer conducive to office efficiency and the optimum use of human resources. The General Grades Office is working towards the development of a multi-skilled general support service throughout the civil service. This includes streamlining the existing grade structures, including phasing out Office Assistants and Typists in the general office, and providing work processing and computer training on a full scale service wide basis. The objective is to achieve interchangeable deployment of clerical and secretarial staff. To implement the scheme, it will be necessary to allocate additional resources in the next few years to carry out a package of measures, including substantially increasing training places and procuring computer hardware and software.

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August 1997

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