

Summary of the Phase One Consultant's Refined Recommendations

After further consideration of the consultation feedback, the Phase One Consultant has recommended a number of refinements or clarifications to the methodology of the pay level survey which are summarised below –

- (a) The job briefs of the civil service benchmark jobs and the job descriptions for the identification of private sector benchmark jobs developed in the job inspection process will reflect the areas of similarity between civil service jobs and counterpart jobs in the private sector. In conducting the job inspection process, the consultant conducting the survey field work (the Phase Two Consultant) should also identify and record the inherent differences between benchmark jobs in the civil service and private sectors so that there is clear documentation of the extent of job comparability.
- (b) The Phase Two Consultant should investigate a representative sample of non-government organisations in the education field, medical and health care field and social welfare field to confirm whether or not civil service pay practice continues to have a heavy influence on the pay levels of a substantial proportion of major non-government organisations in these fields. If not, the Phase Two Consultant may recommend the inclusion of relevant civil service grades/ranks in the list of civil service benchmark jobs, conduct the necessary job inspections, propose representative organisations in these sectors for participation in the pay level survey, and identify reasonable job matches in the non-government organisations.
- (c) As part of the starting salaries survey, the Phase Two Consultant should also collect information on policies for determining starting salaries, to ascertain whether pay levels are set by reference to job requirements or the actual qualifications of newly hired staff.
- (d) The number of organisations selected for invitation to participate in the pay level survey should be sufficient to ensure that pay data are available from at least ten organisations for each of the proposed job families. A similar threshold should also apply to each qualification group for the starting salaries survey.
- (e) Consideration may be given to incorporating variable pay with base pay for the private sector and comparing that aggregated value with civil service base salary, if it is ascertained from the pay level survey

that variable pay forms a core element of the compensation policy in private sector organisations. This comparison would be in addition to the base salary and total cash compensation analyses called for in paragraph 7.18 and Table 13 of the Phase One Consultant's Final Report submitted in November 2004.

- (f) In drawing up any adjusted civil service pay scales for application to new recruits following the pay level survey, the Government should also take into account the expected costs of allowances for which new recruits to the civil service will be eligible.
- (g) As this is the first pay level survey to be conducted under the recommended survey methodology, the Phase Two Consultant should endeavour to collect information on all job-holders of benchmark jobs in the participating private sector organisations. This would help obtain the maximum possible information for analysis of workforce demographics (e.g. experience profiles), which the Government can make reference to in determining any necessary adjustment to the civil service pay scales in the light of the pay level survey results and other relevant considerations. Such information on workforce demographics will not, however, in any way affect the pay data obtained from the survey.
- (h) Collection of pay data on all job-holders in private sector benchmark jobs would also facilitate sensitivity analyses on the proposed typical organisation practice approach and the average job-holder pay approach to data analysis to ascertain whether the survey results are being affected by either small or large organisations whose pay practices happen to represent an extreme. It must be recognised, however, that not all participating organisations will be willing to provide complete data samples (which may number in the thousands in some cases). Keeping in mind the over-riding objective of having representative information from many organisations, the Phase Two Consultant should retain the flexibility to accept information on representative job-holders only, if necessary, in order to secure the participation of as many organisations in the survey as possible.
- (i) The Phase Two Consultant should only provide data to the Government in a form that protects the confidentiality of the information of the participating organisations. Failure to observe these standards, which are norms for private sector pay level surveys, may affect the willingness of invited organisations to participate in the pay level survey.