

**Methodology of a Pay Level Survey for the Civil Service:
Addendum to the Report on Refined Recommendations - Summary of the Main Views Received during the Extensive
Consultation Conducted between November 2004 and January 2005 and the Consultant's Response**

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(I) Foreword

The Civil Service Bureau (CSB) appointed Hay Group in November 2003 to assist in the development of a recommended methodology for the conduct of a pay level survey. Hay Group submitted a consultancy report on the methodology of a pay level survey for the civil service (Final Report) to the CSB in November 2004. CSB issued on 4 November 2004 a consultation paper on the proposals on the methodology of the pay level survey and the general approach for the application of the survey results for extensive consultation until 7 January 2005.

Following the close of the consultation exercise, we were asked to address those questions and comments raised in the course of the consultation process that pertained to the technical aspects of the methodology of the pay level survey. In March 2005, we submitted to CSB a Report on Refined Recommendations Following the Extensive Consultation Conducted between November 2004 and January 2005 (Report on Refined Recommendations), which contains a summary of the comments and views received during the consultation exercise and our responses, clarifications, or where appropriate, proposed refinement to our recommended methodology of the pay level survey.

This document is an addendum to the Report on Refined Recommendations, setting out, item-by-item, the main views received during the consultation exercise pertaining to the technical aspects of the methodology of the pay level survey and our responses.

(II) Relevant policy considerations

Views from the staff sides of the central consultative councils and major service-wide staff unions

Views received during the extensive consultation	Our Response
<p>1. A respondent suggests that the unique job nature and requirements of the disciplined services should be taken into account in determining their pay levels.</p>	<ul style="list-style-type: none"> ● Under the recommended broadly-defined job family method, we will match civil service benchmark jobs with private sector benchmark jobs which are broadly comparable in terms of job content, work nature, level of responsibility and typical requirements on qualification and experience. In view of the unique job nature and characteristics of the disciplined service jobs and hence the lack of private sector job matches, disciplined services jobs will be excluded from the survey field. ● We note that it is the Government's intention to apply the results of the pay level survey to all civil service grades/ranks (irrespective of whether they are included in the survey field) based on the existing system of internal pay relativities, which reflects the differences in the requirements on qualification and experience, job content and working conditions among different civil service grades and ranks. Such system provides a fair and equitable basis for determining pay for jobs that are unique to the civil service. ● We further understand that after the completion of the development of an improved civil service pay adjustment mechanism, the Government intends to carry out individual grade structure reviews for the disciplined services grades.
<p>2. Several respondents suggest that the Government should review the timetable for the conduct of the pay level survey in view of the</p>	<ul style="list-style-type: none"> ● The pay level survey should aim to obtain the objective data of private sector pay levels in a professional and timely manner and be conducted periodically every 3-5 years to ensure that civil service pay is broadly

Views received during the extensive consultation	Our Response
unfavorable economic climate in recent years.	comparable to private sector pay. Any pay movements in between two consecutive pay level surveys will be captured by the conduct of customised pay trend surveys or by making references to pay trend analyses available in the market. With these data, we shall have a clear picture of any fluctuations in private pay levels and pay trends arising from the economic cycle.
3. Some respondents comment that the principle of broad comparability between civil service pay and private sector pay and how the inherent differences between the two sectors will be weighted and factored in the application of the pay level survey should be clarified.	<ul style="list-style-type: none"> ● There is no perfect job comparison method that can address all the inherent differences between the two sectors, in terms of the nature of operation, the job requirements and the appointment/remuneration practices, in a pay level survey. Through the pay level survey, we seek to ascertain the pay levels of private sector jobs that are broadly comparable so as to provide a broad reference of the extent of comparability between civil service pay and private sector pay. ● We have proposed a job inspection process to ensure that only those private sector jobs which are broadly comparable with the civil service benchmark jobs, in terms of job content, work nature, level of responsibility and typical requirements on qualification and experience, will be included in the survey field. The differences in the content, nature and requirements of individual jobs between the two sectors, in particular the unique characteristics of individual civil service jobs, will be identified and recorded in the job inspection and job matching processes. These differences, together with other relevant factors, will be taken into account when the Government considers any necessary adjustment to civil service pay following the pay level survey.

Views from other civil service bodies

Views received during the extensive consultation	Our Response
4. A number of civil service bodies suggest that the Government should review the timetable for the conduct of the pay level survey, in view of the unfavourable economic climate and the high unemployment rate that are still prevailing.	● See the response to item 2 above.

Views from individual civil servants

Views received during the extensive consultation	Our Response
5. A respondent considers that it is not fair to conduct the pay level survey at a time when Hong Kong is still recovering from a economic downturn.	● See the response to item 2 above.

(III) Approach for job comparison

Views from the staff sides of the central consultative consultative councils and major service-wide staff unions

Views received during the extensive consultation	Our Response
<p>6. Some respondents consider that the proposed broadly-defined job family method too broadbrush to reflect the characteristics of the wide-ranging civil service jobs and to address the inherent differences between the civil service and the private sector. They have expressed concern about the proposed categorisation of civil service benchmark jobs into 5 job families and 5 job levels. They consider that the approach for job comparison should take account of the specialised job nature and unique requirements pertinent to civil service jobs.</p>	<ul style="list-style-type: none"> ● Having assessed the relative merits and shortcomings of four common approaches for job comparison, we advise that the broadly-defined job family method with the refinements that we have recommended is better able than the other methods to meet the objective of the pay level survey and to address the various technical considerations arising from a pay level survey. ● The broadly-defined job family method assesses comparability between civil service jobs and private sector jobs according to readily comprehensible job characteristics. The proposed job inspection process, with the participation of job-holders of representative posts and the grade and/or departmental management concerned, aims to gather detailed information on the characteristics of the proposed civil service benchmark jobs, including the job content, work nature, level of responsibility and typical requirements on qualification and experience. Taking account of the views of parties concerned, job briefs for civil service benchmark jobs will be prepared. The information will be used for preparation of job descriptions for the identification of private sector benchmark jobs in the organisations to be surveyed. The process will ensure proper job matching based on detailed information on civil service benchmark jobs. The consultant conducting the survey field work (the survey consultant) will identify and record the inherent differences between the benchmark jobs in the civil service and private sectors so that there is clear documentation of the extent of comparability. It should be clarified that the proposed categorisation of benchmark jobs into job families and job levels is not relevant to the identification of appropriate private sector benchmark jobs since such job matches will be made based on the specific content of the respective civil service jobs and private sector jobs. It will be of relevance only

Views received during the extensive consultation	Our Response
	<p>at a later stage for the purpose of data consolidation and analysis after private sector pay data have been collected.</p> <ul style="list-style-type: none"> ● The primary purpose of categorising benchmark jobs into job families and job levels is to provide a systematic basis for analysing the pay data collected from the pay level survey so that we can ascertain the extent of pay comparability in broad terms (i.e. by job level and job family) between the two sectors. The five broadly-defined job families recommended have taken account of the job content and the work nature of civil service benchmark jobs, in particular the manner in which they provide services and contribute to the functioning of the Government. The five job levels reflect the established job hierarchies within the civil service.
<p>7. Some respondents suggest that the shortcomings of the broadly-defined job family method should be examined and suitable remedial measures be identified.</p>	<ul style="list-style-type: none"> ● The proposed methodology has been refined in various aspects to address its relative shortcomings as set out in Table 4 of the Final Report on the Methodology of a Pay Level Survey for the Civil Service (the Final Report). The main relative shortcoming of the broadly-defined job family method is that the comparability of the job matches may not be as obvious to establish as in the case of the job matching method, since civil service jobs are matched with private sector jobs that are broadly comparable in various job-related aspects rather than close job matches. But since this approach is essentially based on job characteristics and job accountabilities, this shortcoming can be readily addressed by presenting a set of detailed job descriptions which set out all relevant factors (including job content, work nature, level of responsibility as well as typical requirements on qualification and experience) for identifying private sector benchmark jobs, exercising judgment to ensure that only jobs which are broadly comparable in all these factors will be included in the survey field and highlighting the similarities based on which the job matches have been made. The proposed job inspection process, with the participation of the job-holders of representative posts and the grade and/or departmental

Views received during the extensive consultation	Our Response
	<p>management concerned, will ascertain the details of the work nature and job characteristics of the civil service benchmark jobs to ensure a proper matching between benchmark jobs of the civil service and the private sector</p> <ul style="list-style-type: none"> ● We have recommended further refinements to the proposed methodology in the light of the consultation feedback. See Section II “Summary of Refined Recommendations and Clarifications” in the Report on Refined Recommendations for details.
<p>8. Two respondents disagree with the survey methodology recommended by the Consultant.</p>	<ul style="list-style-type: none"> ● There is no perfect job comparison method that can address all the inherent differences in the job comparison. Having assessed the relative merits and shortcomings of four common approaches for job comparison, we recommend that the broadly-defined job family method is better able than the other three methods to meet the objective of the pay level survey. ● Specifically, the broadly-defined job family method is recommended because – <ul style="list-style-type: none"> (a) it facilitates the identification of a more wide-ranging sample of civil service jobs as compared with the job matching method (the survey field of which is limited to close job matches). A broader representation of jobs in the civil service and the private sector will allow the collection of more pay data for the purpose of the pay level survey. Such pay data will give a more reliable reflection of how private sector pay levels compare with the relevant range of pay points on civil service pay scales at various job levels; (b) it provides a more clearly-defined framework for job matching as compared with the job factor comparison methods. The latter methods are not so easily understood by those who are not experts in the application of the job factor evaluation methodology and will involve a

Views received during the extensive consultation	Our Response
	<p>greater degree of judgment in the job evaluation process based on specified job factors and more difficulties in seeking to reach a consensus on the evaluation results; and</p> <p>(c) it facilitates a more comprehensive comparison of jobs at various job levels (including the entry-level and beyond) as compared with the qualification benchmark method which is more suitable for comparing jobs at entry-level only.</p>
<p>9. A respondent suggests that the special job factors of civil service jobs should be fully taken into account in the survey, rather than being left for consideration at the application stage.</p>	<ul style="list-style-type: none"> ● All relevant job factors including the job content, work nature, level of responsibility and typical requirements on qualification and experience will be taken into account to ensure that only private sector jobs which are broadly comparable in all these relevant aspects will be matched with civil service benchmark jobs. ● In view of the inherent differences between the civil service and the private sector, it would be impractical and unrealistic to seek to make a pay comparison between the two sectors based on jobs that match closely in every aspect. There will be circumstances where certain content/characteristics of a job are unique to a sector/organisation. – We have proposed that such differences should be recorded during the job inspection process so that they can be taken into account when the Government considers any necessary adjustment to civil service pay after the pay level survey. ● Some characteristics of civil service jobs are not specific to the job but rather related to the nature of the civil service itself. Such factors would best be taken into account in the application of the survey results.

Views received during the extensive consultation	Our Response
<p>10. A respondent comments that the proposed broadly-defined job family method will not be able to ascertain whether the existing internal pay relativities among civil service grades remain appropriate and up-to-date. It considers that another methodology, such as the job factor comparison method, may be better placed to deal with the issue.</p>	<ul style="list-style-type: none"> ● Even if the job factor comparison method were to be adopted, it would not be possible to identify and agree on a comprehensive and common set of job factors that can reflect all the job characteristics and requirements of a wide diversity of civil service jobs and private sector jobs for reviewing the external relativity between civil service pay and private sector pay as well as the internal relativities among civil service grades. Judgment will have to be exercised to assess how the job factors that cannot be addressed in a survey (e.g. certain unique requirements of civil service jobs) should be taken account of in determining the civil service pay level. ● While the principles that underpin job factor comparison systems are easily understood, it is difficult to communicate the basis of comparison to those who are not trained or who are not experts in the application of the job evaluation methodology, especially in cases where a wide range of jobs is involved. ● The broadly-defined job family method assesses comparability according to readily comprehensible job characteristics, rather than specified job factors. Job-holders and managers can participate in the job inspection process that forms the basis for identifying job matches in the private sector without special training. They will be in a better position to comment on and review the job briefs of civil service benchmark jobs and related documentation that will be prepared by the survey consultant to facilitate identification of private sector job matches. This method also takes note of the inherent differences between civil service jobs and private sector jobs such that full account can be taken of this important factor when considering the application of the pay level survey results.
<p>11. A respondent comments that civil service pay scales drawn up having regard to seniority and experience for maintaining stability in the</p>	<ul style="list-style-type: none"> ● Civil service jobs will be matched with private sector jobs which are broadly comparable in terms of various job-related aspects including, among others, the typical requirements on experience and qualification.

Views received during the extensive consultation	Our Response
civil service, should be taken into account in making a comparison with the pay levels of the private sector where staff turnover is far more frequent.	<ul style="list-style-type: none"> ● Even if it is assumed that staff turnover in the private sector is higher than in the civil service, this would only affect the profile of experience with the current private sector employer, not the overall relevant work experience of private sector employees. We have proposed that information on workforce demographics amongst the participating private sector organisations should be collected, so it will be possible to see the extent to which the age and experience profiles of private sector job-holders differ from the civil service (see Table 10 of the Final Report). This information, along with the requirement for stability of the civil service, may be taken into account by the Government in considering any changes to the civil service pay scales following the pay level survey.
12. Some respondents emphasise the importance of ensuring proper matching of civil service benchmark jobs with private sector benchmark jobs.	<ul style="list-style-type: none"> ● In view of the importance of ensuring proper job matching, we recommend that the broadly-defined job family method should include a proposed job inspection process that takes into account all job-related aspects in job matching, while ensuring that a representative sample of civil service jobs will be covered in the survey field. The proposed job matching process is explained in the response to item 6 above and summarised in paragraph 3.9 of the Final Report.
13. The majority of the respondents consider that the proposed job inspection process would be a critical step of the survey field work and that the participation of staff unions/associations in the process would be of critical importance in ensuring the credibility of the survey results.	<ul style="list-style-type: none"> ● Our initial ideas of staff involvement in the proposed job inspection process are set out in paragraphs 3.9-3.10 of the Final Report. It is important that representatives of job-holders, and grade/departamental management participate in the job inspection process to ensure that complete and up-to-date information of the civil service benchmark jobs is obtained for job comparison purpose.

Views received during the extensive consultation	Our Response
<p>14. A respondent comments that the existing qualification requirements of the civil service entry-level jobs have become outdated and do not reflect the actual qualifications of new recruits joining the civil service nowadays.</p>	<ul style="list-style-type: none"> ● In both the civil service and the private sector, starting salaries are generally determined having regard to the qualification requirements for performing the job, not the actual qualifications the job-holders may possess. If higher qualifications deserve to be recognised through higher remuneration levels, the qualification requirements will have been raised. ● In conducting the starting salaries survey, the survey consultant will also collect information from the participating organisations on the policy governing the determination of the starting salaries of entry-level jobs in the organisations. This policy information includes ascertaining whether the actual qualifications of the job-holders are a major factor in determining starting salaries. The survey consultant will then be able to determine whether starting salaries have been determined strictly by making reference to the qualification requirements for performing the jobs or based on the actual qualifications of the job-holders. The policy information collected will also help keep track of any trend of changes to the practice governing the determination of starting salaries in the private sector.
<p>15. A respondent comments that comparison of the starting salaries of entry-level jobs should not be solely based on the education qualifications and experience of job-holders.</p>	<ul style="list-style-type: none"> ● The starting salaries of entry-level jobs in the private sector with similar typical requirements on qualifications and experience will serve as reference data for determining the benchmark pay for the relevant civil service qualification groups. In addition to the benchmark pay, the relevant job factors pertinent to individual civil service entry-level jobs have already been taken into account in determining the starting salaries of these individual jobs under the existing system of internal pay relativities within the civil service.

Views from other civil service bodies

Views received during the extensive consultation	Our Response
<p>16. A number of respondents suggest that the job comparison method should take proper account of the differences between the civil service and the private sector in the nature of operation, the pattern of career progression, the structuring of the remuneration packages and the specialised nature and requirements of civil service jobs (e.g. higher expectations regarding the integrity of civil servants, more stringent rules and restrictions on their conduct and the higher pressure they face in meeting the rising expectations of the community).</p>	<ul style="list-style-type: none"> ● Having regard to the inherent differences between the two sectors, the pay level survey should aim to obtain private sector pay data in a professional manner, based on comparisons of groups of broadly comparable jobs, in order to establish the extent to which civil service pay is broadly comparable to private sector pay. The broadly-defined job family method is recommended as it is better able than the other job comparison methods to achieve the purpose of the pay level survey. When the Government makes a decision on any necessary adjustment to civil service pay following the pay level survey, it will take into account the pay level survey results as well as other relevant policy considerations including the inherent differences between the civil service and the private sector that cannot be directly addressed in the pay level survey but are recorded in the process.
<p>17. Specifically, some respondents suggest that the job comparison should take into account the following characteristics and requirements of individual civil service jobs –</p> <ul style="list-style-type: none"> - the diversified and unique nature of civil service jobs; - the requirement of a wide spectrum of knowledge in the subject matters and the use of professional skills; - the unique duties of many civil service jobs, such as law enforcement, implementation of public policies, delivery 	<ul style="list-style-type: none"> ● Under the proposed broadly-defined job family method, detailed information on the characteristics of the civil service benchmark jobs will be collected to ensure that they will be matched with private sector jobs that are broadly comparable in terms of various job-related aspects (including job content, work nature, level of responsibility as well as typical requirements on qualification and experience). ● As mentioned in the response to item 16 above, any inherent differences between the two sectors (including the unique nature and requirements of the civil service jobs) which could not be addressed directly in the pay level survey will be recorded in the job inspection process and be taken into account as one of the relevant policy considerations in determining any necessary adjustment to civil service pay following the pay level survey.

Views received during the extensive consultation	Our Response
<p>of public services, accountability to the Legislative Council, District Councils and the public, etc. and</p> <ul style="list-style-type: none"> - the responsibility of senior jobs in risk assessment and management of staff. 	
<p>18. A respondent suggests that the inherent differences between the civil service and the private sector should be quantified for a comprehensive pay comparison.</p>	<ul style="list-style-type: none"> ● The purpose of the pay level survey is to obtain objective data regarding private sector pay levels in a professional and timely manner. Any attempt to quantify differences between the civil service and the private sector, whether in comparing jobs or analysing the results of the survey, would be arbitrary and impractical. ● The inherent differences between the two sectors will be recorded in the proposed job inspection process and be taken into account as one of the relevant policy considerations in determining any necessary adjustment to civil service pay.
<p>19. Some respondents consider that the proposed broadly-defined job family method too broadbrush to reflect the characteristics of the wide-ranging and specialised requirements of civil service jobs and to address the inherent differences between the civil service and the private sector.</p>	<ul style="list-style-type: none"> ● See the response to item 6 on a similar view.
<p>20. A respondent is concerned how the proposed survey methodology can make a fair comparison between civil service pay and private sector pay as it fails to take into account the specialised duties of the civil</p>	<ul style="list-style-type: none"> ● See the response to item 17 on a similar view.

Views received during the extensive consultation	Our Response
<p>service, e.g. law enforcement. Another respondent is opposed to the conduct of the proposed pay level survey on the ground that it would not be able to make a fair pay comparison between individual civil service grades.</p>	
<p>21. A few respondents stress the importance of ensuring proper matching of civil service benchmark jobs with private sector jobs.</p>	<ul style="list-style-type: none"> ● See the response to item 12 on a similar view.
<p>22. A number of respondents suggest that the matching of civil service jobs with private sector jobs should not be based on job titles only, but should take full account of the functions of the civil service jobs, in particular the changes in their job nature and requirements in recent years, and the actual experience and qualifications possessed by civil servants.</p>	<ul style="list-style-type: none"> ● Job matching will not be based on job titles. Under the proposed survey methodology, the key step of job matching between civil service jobs and private sector jobs will be based on detailed job descriptions for the identification of private sector benchmark jobs which are to be developed following an intensive job inspection process. The job inspection process will involve the participation of departmental management and/or grade management and holders of representative posts to ascertain the up-to-date details of the work nature and job characteristics of the proposed civil service benchmark jobs. Civil service benchmark jobs will be matched with reasonably comparable private sector jobs based on a detailed assessment on all relevant aspects of the jobs, instead of by reference to job titles only. ● Civil service jobs will be matched with private sector jobs which are broadly comparable in terms of various job-related aspects including, among others, the typical requirements on experience and qualification. See the response to item 7 for details on how the survey methodology will ensure a proper matching of benchmark jobs between the civil service and the private sector.

Views received during the extensive consultation	Our Response
<p>23. A respondent suggests that due regard should be given to the differences between the civil service and the private sector in terms of the actual work experience of job-holders at the entry-level and the nature of the probation period.</p>	<ul style="list-style-type: none"> ● In conducting the starting salaries survey, the survey consultant will also collect information from the participating organisations on the policy governing the determination of the starting salaries of entry-level jobs in the organisations. This policy information includes ascertaining whether the actual qualifications of the job-holders are a major factor in determining starting salaries. The survey consultant will then be able to determine whether starting salaries have been determined strictly by making reference to the qualification requirements for performing the jobs or based on the actual qualifications of the job-holders. The policy information collected will also help keep track of any trend of changes to the practice governing the determination of starting salaries in the private sector. ● In paragraph 2.56 of the Final Report, we have recommended that starting salaries in the private sector should be defined as the salary paid to an employee after the confirmation adjustment at the end of his or her probation period (if any) and within the first year of employment. In the private sector, the full value of the entry-level job normally can only be fully reflected by the pay after probation when the employee's suitability to the job will be confirmed. In many cases, probation in the private sector lasts as relatively short period, e.g. typically three months but sometimes as long as six months or a year. In the civil service, probation plays a significantly different role where the much longer probation period of normally three years is served before the officer is granted the tenure and job security of a civil servant. During this long probation, the officer continues to progress along the relevant pay scales of his/her rank from the entry point. Therefore, the private sector starting salaries as defined above should be compared with the entry point of the pay scale of the civil service entry ranks requiring similar qualification and experience for appointment.

Views received during the extensive consultation	Our Response
<p>24. Some respondents suggest that the job matching should take into account the diversified work nature, the wide-ranging duties and the requirement to possess a wide spectrum of knowledge for certain civil service grades. The changes to their job nature and requirements in recent years should also be taken into account. On the Consultant's preliminary list of private sector job matches, they have the following specific comments –</p> <ul style="list-style-type: none"> - property/facilities assistants in the private sector should not be matched with the Amenities Assistant grade in the civil service respectively; - statistical research managers are better matches for the Statistician grade than statistical research officers as proposed by the Consultant; - the Manager, Cultural Services grade should not be matched with marketing officers/managers in the private sector; and - PR officers/managers in the private sector should not be matched with the Leisure Services Manager grade. 	<ul style="list-style-type: none"> ● See the response to items 6 on how the proposed survey methodology including an intensive job inspection process will take into account various job aspects in matching civil service jobs with broadly comparable private sector jobs. ● The proposed job inspection process with the participation of the grade management and/or departmental management and holders of representative posts will ascertain all the up-to-date detailed characteristics of the civil service benchmark grades. Based on such detailed information, civil service benchmark jobs will be matched with private sector jobs which are comparable in all relevant job aspects (including job content, work nature, level of responsibility and typical requirements on qualification and experience). ● The list of private sector job matches at Annex C to the Final Report is only a provisional list to serve as a broad reference of possible private sector job matches. This provisional list is subject to refinement after the job inspection process to be carried out by the survey consultant with the participation of grade and/or departmental management and holders of representative posts in the civil service benchmark jobs.

Views received during the extensive consultation	Our Response
<ul style="list-style-type: none">- the Controller of Posts grade should not be benchmarked with the logistics/delivery functions alone but should also be matched with industries such as banking, retail chain stores, IT, training, infrastructure development, etc	

Views received during the extensive consultation	Our Response
<p>25. Some respondents have the following specific comments on the Consultant's proposed categorisation of proposed civil service benchmark jobs by job family and job level –</p> <ul style="list-style-type: none"> - The Assistant Leisure Services Manager II rank should be escalated from Job Level 2 to Job Level 3 to reflect the changes in the mode of operation of the department and the role of the rank; and - The pay of the Government Counsel grade, which is categorised into the same job family with other professional jobs, will be unfairly subject to the changes in the private sector pay level of other professional jobs in that job family. 	<ul style="list-style-type: none"> ● The proposed categorisation of the civil service benchmark jobs by job family and job level is to provide a systematic basis for pay comparison. In view of the inherent differences between the civil service and the private sector, it is not appropriate or practical to compare the pay level of individual civil service jobs directly with the pay level of their private sector counterparts. The pay level survey therefore seeks to ascertain the extent of pay comparability between the two sectors in broad terms by comparing groups of broadly comparable jobs. ● The five broadly-defined job families have taken account of the job content and the work nature of civil service benchmark jobs, in particular the manner in which they provide services and contribute to the functioning of the Government. The proposed categorisation of civil service benchmark jobs into each of the five job levels is based on the existing system of internal pay relativities among civil service grades, which have been established having regard to the characteristics of civil service jobs. Civil service jobs with the same range of pay points on the civil service pay scales will be categorised into the same job level. ● Under the proposed methodology, the pay data collected from the pay level survey will be consolidated across all job families into an overall pay indicator for the relevant job level. Each of the five job level-specific overall pay indicators will then be compared with the corresponding range of pay points on the civil service pay scales at the same job level to ascertain the extent of broad comparability at that job level.
<p>26. A respondent suggests that some civil service benchmark jobs may be categorised into more than one job family.</p>	<ul style="list-style-type: none"> ● The categorisation of benchmark jobs into job families (and job levels) is to provide a systematic basis for pay comparison. The five broadly-defined job families have taken account of the job content and the work nature of civil service benchmark jobs, in particular the manner in which they provide

Views received during the extensive consultation	Our Response
	<p>services and contribute to the functioning of the Government. According to the preliminary list of civil service benchmark jobs (Annex C of the Final Report), each civil service benchmark job is categorised into an appropriate job family having regard to its work nature and job content. The survey consultant will refine the categorisation of benchmark jobs into job families and job levels as necessary having regard to the detailed characteristics of civil service jobs to be ascertained during the proposed job inspection process.</p>
<p>27. Some respondents suggest that the survey should proceed in full consultation with civil service staff bodies. A number of respondents suggest that the proposed job inspection process should involve the participation of staff unions/organisations and staff representatives.</p>	<ul style="list-style-type: none"> ● See the response to item 13 above on a similar view.
<p>28. A respondent suggests that in order to ensure proper job matching, staff should be provided with up-to-date information on the civil service benchmark jobs for the preparation of job descriptions to facilitate the identification of private sector job matches.</p>	<ul style="list-style-type: none"> ● See the response to item 24 above regarding the involvement of job-holders of representative posts in the civil service benchmark jobs, grade and/or departmental management and staff in the job inspection process. At the information gathering stage, both the grade management and/or departmental management and job-holders of representative posts would be invited to comment on the detailed characteristics of the civil service benchmark jobs based on which job descriptions will be developed to identify private sector benchmark jobs in the organisations to be surveyed. The outcome of the job inspection process will be made known to staff so that interested parties will have a clear information of how job matching will be carried out by the survey consultant.

Views from individual civil servants

Views received during the extensive consultation	Our Response
29. A respondent comments that given the inherent differences between the civil service and the private sector, there is no fair and reasonable comparison of the pay levels of the two sectors. He also considers the proposed categorisation of civil service benchmark jobs into five job families too broadbrush.	<ul style="list-style-type: none"> ● See the response to item 6 above on a similar view.
30. Some respondents comment that the methodology of the pay level survey should ensure proper matching of civil service benchmark jobs with private sector jobs. In the job matching process, the functions of the civil service benchmark jobs, in particular the changes in their job nature and requirements over recent years as well as the actual experience and qualifications of civil servants, should be taken into account.	<ul style="list-style-type: none"> ● See the response to items 6 on a similar view.
31. A respondent suggests that a starting salaries survey should be conducted as an integral part of the overall pay level survey.	<ul style="list-style-type: none"> ● Comment noted. In fact, we have recommended in paragraph 2.53 of the Final Report that the starting salaries survey should form part of the overall pay level survey.

Views from the management of bureaux/departments

Views received during the extensive consultation	Our Response
32. A respondent agrees that the broadly-defined job family method is an objective approach and suggests that the Consultant should ensure that the benchmark jobs should be representative of the civil service in terms of work nature and job requirements.	<ul style="list-style-type: none"> ● One of the guiding principles in selecting civil service benchmark jobs is to ensure that the civil service benchmark jobs selected are reasonably representative of the civil service. To achieve this objective, we have proposed a set of selection criteria in paragraph 2.42 of the Final Report. For instance, each civil service benchmark grade should have a reasonable establishment size of not less than 100 posts; when taken together, the civil service benchmark jobs should be reasonably representative of the civil service in terms of breadth and depth; etc.
33. A respondent highlights the importance of taking full account of the inherent differences between the civil service and the private sector, in particular in terms of nature of operation and job requirements.	<ul style="list-style-type: none"> ● See the response to item 6 on a similar view.
34. A few respondents highlight the importance of proper job matching of benchmark jobs. The actual job requirements and level of responsibility of the civil service benchmark jobs should be taken into account in matching them with appropriate private sector jobs.	<ul style="list-style-type: none"> ● See the response to item 6 on similar views.
35. A respondent suggests that the differences in the ranking structure between the civil service and the private sector should be taken into account in the job matching process. It further points out that the job content and qualification requirements of professional jobs	<ul style="list-style-type: none"> ● See the response to item 6 on similar views.

Views received during the extensive consultation	Our Response
vary considerably among private sector organisations.	
36. A respondent comments that having regard to their complexity and breadth of work, the ranks in the Controller of Posts grade should be matched as follows - the Assistant Controller of Posts II rank be matched with Area Operations Manager/Assistant Logistics Manager/Assistant Administration Manager in the private sector whereas the Senior Controller of Posts rank be matched with Retail Director/Marketing Director/General Manager in the private sector.	<ul style="list-style-type: none"> ● See the response to item 17 on a similar view.
37. A respondent supports the proposal to adopt the qualification benchmark method for the starting salaries survey.	<ul style="list-style-type: none"> ● Comment noted.
38. A respondent suggests that for both the overall pay level survey and the starting salaries survey, a minimum sample size of private sector pay data for comparison with each civil service benchmark job and each level of qualification requirement should be specified to ensure the representativeness of the survey data.	<ul style="list-style-type: none"> ● In determining the sample size of private sector pay data, the primary consideration is the representativeness of the private sector job matches within a particular job family and job level, rather than the number of private sector job matches for each individual civil service job. We have addressed this issue by proposing that the total number of survey organisations should be sufficient to ensure that each single job family will have data coming from at least ten organisations. The same threshold of ten organisations will apply to each qualification group for the starting salaries survey.

Views from non-civil service organisations and members of the public

Views received during the extensive consultation	Our Response
39. Some respondents indicate general support to various aspects of the pay level survey methodology proposed by the Consultant regarding the approach for job comparison, the selection of civil service benchmark jobs, the selection of private sector organisations to be surveyed, etc.	<ul style="list-style-type: none"> ● Comment noted.
40. A respondent suggests that in determining the civil service pay levels, the Government should consider the need to recognise the professional qualifications of individual officers, particularly those who have reached the maximum point of their pay scales with limited promotion opportunities. Another respondent comments that civil service pay levels should be compared with the pay levels of those private sector employees with similar working experience.	<ul style="list-style-type: none"> ● Civil service jobs will be matched with private sector jobs which are broadly comparable in terms of various job-related aspects including, among others, the typical requirements on experience and qualification rather than the actual experience possessed by the job-holder. See also the response to item 11 above concerning working experience.

(IV) Selection of civil service benchmark jobs**Views from the staff sides of the central consultative councils and major service-wide unions**

Views received during the extensive consultation	Our Response
41. A respondent expresses no objection to the proposal of excluding directorate jobs from the survey field of the pay level survey provided that the Government will conduct a pay review for directorate positions as a separate exercise after the completion of the upcoming pay level survey. But it remarks that the application of the survey results to directorate officers on the basis of the existing system of internal pay relativities may be unfair to them in view of the trend of a widening pay differential between high level executives and lower level employees in the private sector in recent years.	<ul style="list-style-type: none"> ● We note that it is the Government's intention to apply the results of the pay level survey to all civil service grades/ranks (irrespective of whether they are included in the survey field) based on the existing system of internal pay relativities. We also understand that after the completion of the development of an improved civil service pay adjustment mechanism, the Government will carry out a pay review for directorate positions. The internal pay relativities between directorate and non-directorate jobs can be reviewed in any subsequent pay review for directorate positions.
42. Some respondents disagree with the proposed exclusion of directorate jobs from the survey field of the pay level survey because there should be comparable jobs in the private sector, e.g. managers. There is a comment that in view of the differences between the civil service and the private sector in the structuring of their remuneration packages for senior staff, exclusion of these senior posts will result in a distorted picture of the pay comparison between the two sectors.	<ul style="list-style-type: none"> ● We recommend that civil service jobs on the directorate pay scales be excluded from the survey field on the following considerations – <ul style="list-style-type: none"> (a) under the recommended broadly-defined job family method, there will be practical difficulty in finding sufficient, reasonable job matches in the private sector for civil service directorate positions in view of the policy-making role of these jobs, especially at the senior levels; (b) while it is possible to make a private sector pay comparison for directorate positions under the job factor comparison method, this method is entirely different from the broadly-defined job family method recommended for

Views received during the extensive consultation	Our Response
<p>They are concerned that the pay level survey will as a result fail to address the widening pay differential between jobs at senior levels and those at lower levels.</p>	<p>pay comparison at the non-directorate levels. The Consultant has advised that the private sector pay data obtained respectively for the directorate and non-directorate positions by different job comparison methods cannot present a coherent picture for data consolidation since different methods work on different assumptions and philosophies; and</p> <p>(c) the inclusion of senior level jobs in the survey will greatly complicate the data collection process in view of the confidentiality consideration of the participating organisations. Such confidentiality consideration may cause potential private sector organisations to withdraw from the survey altogether, thus limiting the pay data that could be collected from the survey.</p> <ul style="list-style-type: none"> ● We understand that after the completion of the development of an improved civil service pay adjustment mechanism, the Government will carry out a pay review for directorate positions. The internal pay relativities between directorate and non-directorate jobs can be reviewed in any subsequent pay review for directorate positions.
<p>43. A respondent supports the proposed exclusion of the disciplined services jobs from the survey field in view of the absence of reasonable job matches in the private sector.</p>	<ul style="list-style-type: none"> ● Comment noted. Disciplined services ranks are proposed to be excluded from the survey field as there are no reasonable matches in the private sector in view of their unique job nature and requirements. We note that it is the Government's intention to apply the results of the pay level survey to all civil service grades/ranks (irrespective of whether they are included in the survey field) based on the existing system of internal pay relativities, and that after the completion of the development of an improved civil service pay adjustment mechanism, the Government intends to carry out grade structure review for disciplined services.

Views received during the extensive consultation	Our Response
<p>44. Some respondents suggest that civil service jobs in the education field, the medical and health care field and the social welfare field should not be excluded from the survey field so as to ensure the representativeness of the survey field because not all private sector jobs in these fields have their pay determined by reference to the civil service pay practice.</p>	<ul style="list-style-type: none"> ● We originally proposed that civil service jobs in these fields should be excluded from the survey field because of the possibility that pay levels of their private sector counterparts may be determined under the heavy influence of the civil service pay practice, if not by direct reference to the latter. These jobs include education grades because around 89% of primary/secondary school teachers work in government or aided schools, and jobs in the medical and health care fields because over 85% of hospital beds are in the public sector. While the pay of some of the subvented social service providers may have been delinked from civil service pay scales, this has only been done recently and the actual pay levels may still reflect the legacy of civil service pay practices. Therefore, we originally also recommended the exclusion of the social welfare field from the survey field. The pay data collected from a field where the majority of its employers determine the pay level of their staff by reference to civil service pay would not provide any meaningful data for comparing civil service pay with private sector pay. ● To address the concerns of staff about the exclusion of the education, medical and health care and social welfare fields, we recommend that the survey consultant to be appointed should investigate representative samples of non-government organisations in the education, medical and health care and social welfare fields to confirm whether or not civil service pay practice still has a heavy influence on the pay levels of a substantial proportion of major non-government organisations in these fields. The survey consultant should be asked to confirm whether civil service jobs in these fields should be excluded from the survey field, and if not, to propose appropriate comparison organisations and to identify appropriate benchmark jobs in these fields for inclusion in the survey field.

Views received during the extensive consultation	Our Response
<p>45. A few respondents suggest that the Government should review whether the number of civil service benchmark jobs proposed by the consultant for inclusion in the survey field (which represent 44% of the civil service establishment) is sufficiently representative of the civil service.</p>	<ul style="list-style-type: none"> ● The civil service jobs proposed to be included in the survey field represent about 44% of the total civil service establishment. If excluding the disciplined services jobs (which obviously do not have private sector matches) and the directorate jobs (the comparison in which case necessitates a combination of survey methodologies thus creating practical difficulties in data consolidation) as well as civil service jobs in the social welfare, education and medical and health care fields (the inclusion or otherwise of which in the survey field will be subject to further study by the survey consultant), the civil service benchmark jobs represent about 73% of the remaining civil service establishment. This is considered a reasonably representative sample size. ● We consider it inappropriate to include the remaining 27% of the civil service establishment in the survey field, because they comprise mostly civil service jobs which belong to small grades/ranks (therefore not meeting the establishment size criterion which seeks to ensure that the selected benchmark jobs are representative of the civil service) or do not have reasonably comparable private sector job matches.

Views from other civil service bodies

Views received during the extensive consultation	Our Response
<p>46. A respondent comments that the Administration should ensure that only those civil service jobs which have comparable counterparts in terms of job nature as well as skills, qualifications and experience requirements in the private sector will be selected for inclusion in the survey field as</p>	<ul style="list-style-type: none"> ● One of the proposed criteria for selecting civil service benchmark jobs is that the jobs in question should have reasonable counterparts, in terms of broadly comparable job content, work nature, level of responsibility and typical requirements on qualification and experience, in a large number of private sector organisations. ● See the responses to item 6 on the measures to ensure that only those

Views received during the extensive consultation	Our Response
benchmark jobs.	private sector job matches which are broadly comparable with the civil service benchmark jobs in various job-related aspects will be selected for job matching purpose.
47. A respondent does not support the proposed exclusion of the disciplined services grades and some non-directorate civilian jobs from the survey field as it is necessary to ascertain whether the pay levels of these civil service jobs are broadly comparable with the private sector pay level. The Government should try to review the pay levels of these civil service jobs by making reference to the pay surveys on these types of jobs conducted in other countries.	<ul style="list-style-type: none"> ● It is practically not possible to cover all civil service jobs in the survey field of the pay level survey in view of the absence of reasonable job matches in the private sector and the fact that the pay level of some job matches is determined by making reference to civil service pay. Please see the response to items 43 and 44 above on the reasons for the proposed exclusion of disciplined services ranks and some other civilian ranks from the survey field. We note that after the completion of the development of an improved civil service pay adjustment mechanism, the Government intends to carry out individual grade structure reviews for those grades/ranks which may have experienced significant changes in their job nature and requirements in recent years e.g. directorate posts and disciplined services. ● In view of the differences in the considerations governing the pay of employees between different countries (e.g. the economic conditions, the Government structure, etc.), it is not appropriate to benchmark the pay of the civil service in Hong Kong with those in other countries for determining pay levels for Hong Kong. In addition, if the pay levels of different civil service jobs are determined on different bases (with benchmark jobs determined by making reference to the pay of their private sector matches while the rest of the civil service jobs determined by making reference to their counterparts in other countries), this will pose difficulties in maintaining the internal pay relativities among civil service grades and in maintaining a degree of consistency and fairness in determining the pay of different civil service jobs.
48. A respondent comments that the proposed civil service benchmark jobs, which represent	<ul style="list-style-type: none"> ● See the response to item 45 on a similar view.

Views received during the extensive consultation	Our Response
44% of the total civil service establishment, may not be sufficiently representative of the civil service.	
49. There is a suggestion that if the disciplined services grades are excluded from the survey field on the ground that their jobs involve law enforcement, those civilian grades which are also involved in law enforcement duties (e.g. Traffic Wardens) should be excluded from the survey field as well.	<ul style="list-style-type: none"> ● We recommend that the disciplined services grades should be excluded from the survey field in view of the absence of reasonable matches in the private sector. For a similar reason, we have not included traffic Wardens in the preliminary list of civil service benchmark jobs at Annex C to the Final Report. ● The nature and extent of law enforcement duties in other civilian grades, and the extent to which these duties are comparable to those of private sector jobs that must operate within the confines of the same laws, will be examined in the job inspection process and be addressed on a case-by-case basis.
50. A number of respondents do not support the proposed exclusion of directorate jobs from the survey field. One of them is concerned that the different approaches adopted for directorate staff and non-directorate staff may affect the morale of the civil service.	<ul style="list-style-type: none"> ● See the response to item 42 on a similar view.
51. Some respondents comment specifically on whether certain civil service grades/ranks should be included in the survey field as benchmark jobs. For example, there are suggestions that the Statistician grade, the Labour Inspector grade and the Government Counsel grade should not be selected as benchmark jobs in view of the absence of	<ul style="list-style-type: none"> ● The list of civil service benchmark jobs attached at Annex C to the Final Report is a preliminary proposal made according to proposed selection criteria as set out in paragraph 2.42 of the Final Report (e.g. availability of reasonable counterparts in a large number of private sector organisations; representative of the civil service with a reasonable establishment size of not less than 100 posts, etc.). ● The preliminary list is subject to further refinements in the job inspection

Views received during the extensive consultation	Our Response
<p>reasonable private sector matches. A respondent suggests that the grades in the cultural services management profession should be excluded from the survey field on the same ground as the proposed exclusion of civil service grades in the medical and health care, education and social welfare fields.</p>	<p>process having regard to the detailed information on the job characteristics of civil service benchmark jobs. In proceeding with the job inspection process to finalise the list of civil service benchmark jobs, the survey consultant will seek the input of the grade management and/or departmental management and holders of representative posts in the civil service benchmark jobs, and prepare detailed job briefs for civil service benchmark jobs to facilitate identification of appropriate private sector benchmark jobs for job matching purpose.</p> <ul style="list-style-type: none"> ● See the response to item 44 on our latest proposal regarding the inclusion of otherwise of civil service jobs in the education, medical and health care and social welfare fields in the survey field.
<p>52. A few respondents comment that those civilian jobs that involve law enforcement duties, e.g. Labour Inspector, may not have private sector job matches.</p>	<ul style="list-style-type: none"> ● We have not recommended Labour Inspector as a benchmark job in view of the absence of private sector matches in terms of job content and work nature.

Views from individual civil servants

Views received during the extensive consultation	Our Response
<p>53. A respondent comments that those jobs in the disciplined services departments which have comparable private sector matches (e.g. the Police Communications Officer grade, Police Officers engaged in public relations, the Commission Against Corruption Officer grade) should be included in the survey field</p>	<ul style="list-style-type: none"> ● The suitability of individual civil service jobs to be selected as benchmark jobs will be assessed according to a set of objective selection criteria. In brief, civil service benchmark jobs which are representative of the civil service and have reasonable private sector matches in various job-related aspects will be selected as benchmark jobs. See the response to item 51 and paragraph 2.42 of the Final Report for details of the selection criteria. The civil service grades mentioned are not recommended as benchmark jobs either because

Views received during the extensive consultation	Our Response
as civil service benchmark jobs.	their job duties are performed by disciplined services officers who have no reasonable matches in the private sector (e.g. Police officers engaged in public relations) or there is a lack of reasonable private sector matches in terms of job content and work nature.
54. There is a suggestion that the Leisure Services Manager grade should be excluded from the survey field on the same ground as the proposed exclusion of civil service grades in the education, medical and health care and social welfare fields.	<ul style="list-style-type: none"> ● See the response to item 44 regarding our considerations on the inclusion or otherwise of civil service jobs in the education, medical and health care and social welfare fields in the survey field. ● We recommend the inclusion of the Leisure Services Manager grade in the survey field as the grade is representative of the civil service and have reasonable private sector matches in terms of job content and work nature etc. ● The preliminary list is subject to further refinements in the job inspection process having regard to the detailed information on the job characteristics of civil service benchmark jobs. In proceeding with the job inspection process to finalise the list of civil service benchmark jobs, the survey consultant will seek the input of the grade management and/or departmental management and holders of representative posts in the civil service benchmark jobs, and prepare detailed job briefs for civil service benchmark jobs to facilitate the identification of appropriate private sector benchmark jobs for job matching purpose.
55. A respondent suggests that more civil service jobs from the Public Services Family should be included in the survey field to enhance the representativeness of the survey findings.	<ul style="list-style-type: none"> ● Civil service jobs to be selected as benchmark jobs have to meet the selection criteria as set out in paragraph 2.42 of the Final Report. We have already recommended as one of the selection criteria that taken together the civil service benchmark jobs selected for inclusion in the survey field should be reasonably representative of the breadth of disciplines and the depth of job levels.

Views from the management of bureaux/departments

Views received during the extensive consultation	Our Response
56. Two respondents comment that among the civil service grades proposed to be excluded (e.g. those in the education, medical and health care and social welfare fields) from the survey field, not all their private sector counterparts have their pay determined by reference to civil service pay practice.	<ul style="list-style-type: none"> ● See the response to item 44 on a similar view.
57. Some respondents comment on whether certain specific grades should be selected as benchmark jobs. For example, a respondent proposes that the Statistician grade should not be included in the survey field in view of the absence of reasonable private sector job matches. Another respondent suggests that the Postal Officer and the Postman grades should be included, taking account of the relatively large establishment size of these two grades and the existence of possible job matches in the private sector.	<ul style="list-style-type: none"> ● See the response to item 51 and paragraph 2.42 of the Final Report for details on the selection criteria of civil service benchmark jobs. ● We recommend that the Statistician grade should be included in the survey field as it has reasonably comparable jobs in the private sector such as Statistical Research Officer and Senior Statistical Research Manager, who design and monitor the conduct of research and the production of statistics. ● Postal Officer and Postman grades are not recommended to be included as benchmark jobs as there are not reasonable private sector matches for these two grades in terms of the nature of duties and the job requirements.

Views from non-civil service organisations and members of the public

Views received during the extensive consultation	Our Response
58. Some respondents comment that directorate posts should not be excluded from the survey field. A respondent suggests that the pay level of	<ul style="list-style-type: none"> ● See the response to item 42 on a similar view.

Views received during the extensive consultation	Our Response
the top echelon of Government officials and the heads of departments could be compared with that of the top management and department managers of private sector organisations respectively.	
59. There is a suggestion that for those civil service jobs without appropriate private sector job matches (e.g. the ranks on the Directorate Pay Scale and the disciplined services ranks), the Government may consider comparing their pay levels with the pay practice of similar civil service jobs in other countries.	<ul style="list-style-type: none"> ● See the response to item 47 above on a similar view.
60. A respondent supports the proposed exclusion of disciplined services grades from the survey field in view of the absence of private sector job matches. Another does not support the proposal in view of the large establishment size of these grades.	<ul style="list-style-type: none"> ● See the response to item 43 on the reason for our recommendation to exclude the disciplined services grades from the survey field of the pay level survey.
61. A respondent comments that the proposed exclusion of civil service jobs in the medical care field, the educational field, the social welfare field and the civil engineering field may affect the accuracy of the survey results and may widen the pay disparity between the two sectors for jobs at different job levels. The Government should consider how to set the pay level of the jobs in these fields.	<ul style="list-style-type: none"> ● See the response to item 44 on the reasons for our original recommendation to exclude civil service jobs in the education, medical and health care and social welfare fields in the survey field of the pay level survey and our latest recommendation that the survey consultant should seek additional information to confirm whether or not these fields should be excluded. ● The preliminary list of benchmark jobs in Annex C of the Final Report does include civil engineering grades.

Views received during the extensive consultation	Our Response
	<ul style="list-style-type: none">● If it is finally decided that the civil service grades in these fields are not to be included in the survey field, the pay level survey results can still be applied to these grades based on the existing system of internal pay relativities.
62. A respondent suggests that the Government should review whether the number of civil service benchmark jobs proposed by the Consultant for inclusion in the survey field (which represent 44% of the civil service establishment) is sufficiently representative of the civil service.	<ul style="list-style-type: none">● See the response to item 45 on a similar view.

(V) Selection of private sector organisations to be surveyed**Views from the staff sides of the central consultative councils and the major service-wide staff unions**

Views received during the extensive consultation	Our Response
63. Two respondents object to the proposed inclusion of private sector organisations employing less than 100 staff in the survey field on the ground that the salary administration of those organisations with a larger establishment size is normally more stable.	<ul style="list-style-type: none"> ● Insofar as the size of the private sector organisations is concerned, we have recommended in paragraph 4.5 of the Final Report that while the selected organisations should be typical employers in their respective fields normally employing 100 or more employees, flexibility over the employment size of the private sector organisations should be allowed where the inclusion of such organisations is necessary to enhance the coverage of benchmark jobs and provided that these organisations meet the other selection criteria. Such flexibility is justified in the context of a pay level survey because of the need to source a sufficient number of private sector jobs that are reasonable counterparts to the civil service benchmark jobs and to collect sufficient data for the purpose of ascertaining the typical pay practice for certain benchmark jobs. As all the private sector organisations in the survey field of the pay level survey will have to meet the criterion of being steady and good employers, the inclusion of some organisations which meet all selection criteria save the one regarding employment of 100 or more employees ought not be a matter of concern.

Views from other civil service bodies

Views received during the extensive consultation	Our Response
64. A number of respondents suggest that only those private sector organisations that are comparable to the civil service should be included in the survey field and that the selection of these organisations should take into account the	<ul style="list-style-type: none"> ● We have recommended in Table 9 of the Final Report a set of objective criteria for the selection of private sector organisations to be included in the survey field. One of the criteria is that the organisations to be surveyed, in their entirety, should be able to provide a reasonable representation of pay levels prevailing in the Hong Kong market for

Views received during the extensive consultation	Our Response
<p>inherent differences between the civil service and the private sector in areas such as the nature of operation, etc.</p>	<p>reference in implementing a competitive and fair remuneration policy for the civil service.</p> <ul style="list-style-type: none"> ● It is not practical to seek to address the inherent differences between the civil service and the private sector in the selection of private sector organisations to be included in the survey field. Nevertheless, the recommended selection criteria have included elements (e.g. the selected organisations should be steady and good employers and have a sufficient number of reasonable benchmark jobs, etc) which provide a suitable basis for pay comparison between the two sectors. ● Any inherent differences between the civil service and the private sector will be noted and recorded so that they can be taken into account when the Government considers any necessary adjustment to civil service pay after the pay level survey.
<p>65. A respondent suggests that organisations employing civil servants on early retirement should be excluded from the survey field as these staff would be more willing to work for lower pay.</p>	<ul style="list-style-type: none"> ● According to the recommended selection criteria, the private sector organisations to be included in the survey field should be generally known as steady and good employers conducting wage and salary administration on a rational and systematic basis. Whether a private sector organisation meets this criterion does not depend on the previous employment history of its employees.
<p>66. A respondent is concerned about the difficulty in identifying appropriate private sector organisations which employ staff of comparable level of experience as that of the civil service.</p>	<ul style="list-style-type: none"> ● We have recommended in Table 9 of the Final Report a set of objective criteria for the selection of private sector organisations to be included in the survey field. One of the recommended criteria is that taken together, the surveyed organisations should have a sufficient number of private sector jobs that are reasonable counterparts to and broadly comparable with the civil service benchmark jobs in all job-related aspects (including requirement on qualification and experience).

Views received during the extensive consultation	Our Response
	<ul style="list-style-type: none"> ● See the response to item 11 on how to take into account the experience requirements of benchmark jobs in the job matching process in order to achieve a fair comparison of the pay practices between the two sectors. We should also point out that it is the typical requirement on experience, not the actual experience possessed by the relevant job-holders, that should be taken into account for pay comparison purpose.
67. A respondent suggests that staff should be consulted on the proposed list of private sector organisations to be surveyed.	<ul style="list-style-type: none"> ● In the light of the consultation feedback, we have recommended in paragraph 5.8 of the Report on Refined Recommendations that the survey consultant should identify any technical issues concerning the criteria for the selection of private sector organisations for inclusion in the survey field as set out in Table 9 of the Final Report, and make recommendations on these issues in the light of the view of the CSB, the Steering Committee and the Consultative Group.

Views from the management of bureaux/departments

Views received during the extensive consultation	Our Response
68. A respondent suggests that in the selection of private sector organisations for inclusion in the survey field, apart from its establishment size, consideration should be given to the number of private sector benchmark jobs available in that organisation so as to ensure that the inclusion of the organisation will help enhance the representativeness of the survey data.	<ul style="list-style-type: none"> ● The requirement of a minimum number of benchmark jobs in each organisation may affect the overall representation of certain job families where jobs are mostly found in organisations employing a narrow range of jobs. We must balance this against the recommended criteria of having sufficient participating organisations represented in the survey field for each job family in selecting private sector organisations to be surveyed.
69. A respondent supports the proposal that small organisations, e.g. those employing less than 100 employees, should generally be excluded	<ul style="list-style-type: none"> ● Comment noted. We advised in paragraph 4.5 of the Final Report that the flexibility of including small organisations in the survey field under certain circumstances is justified in the context of a pay level survey because of

Views received during the extensive consultation	Our Response
from the survey field, except in cases where they should be included to ensure that there are appropriate private sector comparators for certain specialised job groups or for jobs which are usually found in small-scale establishments.	the need to source a sufficient number of private sector jobs that are reasonable counterparts to the civil service benchmark jobs and to collect sufficient data for the purpose of ascertaining the typical pay practice for certain benchmark jobs.

Views from non-civil service organisations and members of the public

Views received during the extensive consultation	Our Response
70. A respondent comments that the survey field should include organisations which conduct wage and salary administration on a rational and systematic basis, e.g. well-established international corporations.	<ul style="list-style-type: none"> One of the recommended criteria for selecting private sector organisations to be surveyed is that they should be generally known as steady and good employers conducting wage and salary administration on a rational and systematic basis. This criterion may apply to both multinational organisations operating in Hong Kong as well as locally-owned companies.
71. A respondent suggests that small organisations, e.g. those employing less than 100 employees, should generally be excluded from the survey field except where the inclusion of such organisations would help ensure that there are appropriate private sector comparators for certain specialised job groups.	<ul style="list-style-type: none"> See the response to item 69.
72. A respondent suggests that the Consultant should list the private sector organisations to be included in the survey field.	<ul style="list-style-type: none"> See the response to item 67.

(VI) Data collection**Views from the staff sides of the central consultative councils and the major service-wide staff unions**

Views received during the extensive consultation	Our Response
<p>73. Referring to the prevalent trend of providing variable compensation (i.e. discretionary bonuses) in the private sector, some respondents object to the proposal of excluding this component from the computation of the annual base salary in the private sector. They also express reservations about the proposed inclusion of housing and education allowances in the computation of the annual total cash compensation in the civil service because of the differences in the terms of provision of these allowances between the civil service and the private sector as well as among civil servants at different levels, and possible changes to the provision of such allowances arising from the on-going separate review of fringe-benefit type of civil service allowances.</p>	<ul style="list-style-type: none"> ● It is not a common practice in the private sector to treat variable compensation as part of the base salary package, but it may be regarded as part of a total cash compensation package. Therefore, the amount of variable compensation (including discretionary bonus) should be collected and consolidated as part of the total cash compensation rather than the base salary. Nevertheless, in view of the consultation feedback, we recommend that consideration 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 analyses based on base salary and total cash compensation respectively as mentioned in paragraph 7.18 and Table 13 of the Final Report. The prevailing trend of the provision of variable compensation in the private sector can be ascertained from the policy information on the structuring of the remuneration package which we have recommended to collect from the pay level survey in paragraph 5.4 of the Final Report. ● The differences in practice concerning the provision of allowances between the civil service and the private sector do not change the fact that these allowances have an objective cash value to those receiving them. Complete exclusion of these elements would result in an incomplete picture for pay comparison. In view of the differences between the two sectors in the structuring of the remuneration packages, a pragmatic approach is to collect data on all cash compensation elements actually paid by employers to employees in the private sector during the survey reference period for comparison with civil service base

Views received during the extensive consultation	Our Response
	<p>pay plus the actual cost of provision of major types of civil service cash allowances. The aggregation of such cost data by job level will reflect the differences in the terms of provision of allowances to staff of different seniority. Should there be any future changes to civil service policies on allowances, they would change the actual expenditure on these allowances in due course and will be reflected in the pay comparison with the private sector in future pay level surveys.</p>
<p>74. Another respondent considers that a genuine and equitable comparison between the two sectors should be based on the total remuneration package approach.</p>	<ul style="list-style-type: none"> ● We do not recommend making a pay comparison based on the total remuneration package approach because – <ul style="list-style-type: none"> (a) the benefits package for civil servants varies from officer to officer, depending on their term of appointment, salary point, personal circumstances (e.g. marital status, number of children), etc., rather than their jobs and ranks; (b) there are complexities involved in valuation of benefits based on entitlement rather than actual utilisation. It is also difficult to agree on a suitable approach to value benefits provided in kind (e.g. medical and dental benefits, quarters, etc); and (c) the provision and the cost of certain special type of allowances (e.g. overtime allowance, job-related allowances, etc.) vary from officer to officer depending on circumstances of individual posts. We do not therefore have a consistent basis for comparing the value of such allowances. ● We have recommended in paragraph 5.6 of the Final Report that policy information should be collected on the provision of major types of benefits in the private sector for reference by the Government in considering any

Views received during the extensive consultation	Our Response
	adjustment to civil service pay after the pay level survey.
75. A respondent expresses concern that the pay data collected from private sector organisations may not be complete and accurate.	<ul style="list-style-type: none"> ● The recommended criteria for selecting private sector organisations to be surveyed under the survey methodology can help ensure that the pay data collected are representative. For example, one of the recommended criteria is to include steady and good employers conducting wage and salary administration on a rational and systematic basis in the survey field. These organisations will tend to have good administrative systems for the extraction of pay-related information and do not rely on undocumented payments to staff.
76. Some respondents suggest that the pay comparison should also take account of the provision of in-kind benefits in the private sector which are not found in the civil service (e.g. quarters, club membership, use of car for personal use, low-interest rate mortgage, stock options, etc.).	<ul style="list-style-type: none"> ● We recommend that in-kind benefits in both sectors be excluded from the survey field because it is difficult and impractical to agree on a consistent approach in valuating the benefits in the two sectors. ● We have recommended the collection of policy information on a range of benefits, perquisites and other items in the pay level survey so as to provide reference in considering any necessary adjustments to civil service pay after the pay level survey. But we should point out that at the levels of jobs included in this pay level survey, the provision of many of these benefits, e.g. cars, club membership (in luxury clubs) and education benefits for children of employees, and long-term incentives is an exception rather than a norm.

Views from other civil service bodies

Views received during the extensive consultation	Our Response
77. A few staff bodies suggest that the pay comparison should also take account of the provision of in-kind benefits in the private sector which are not found in the civil service (e.g. quarters, club membership, use of car for personal use, low-interest rate mortgage loans, stock options, etc.).	<ul style="list-style-type: none"> ● See response to item 76 on a similar view.
78. A respondent suggests that annual total cash compensation may not provide a sound basis for pay comparison as many private sector organisations provide only the minimum level of fringe benefits to meet the statutory requirements. Civil service fringe benefits should not be rigidly pegged to private sector benefits; otherwise civil service morale may be affected resulting in talent drain.	<ul style="list-style-type: none"> ● The pay level survey aims to collect private sector pay data in an objective manner. We have proposed to analyse the pay data collected based on a number of aggregates, including annual total cash compensation which is to be compared with the civil service base pay adjusted by the annual cost of provision of major types of civil service cash allowances. The reason for this is set out in our response to item 73 above. ● We do not propose to compare civil service fringe benefits with private sector benefits through the pay level survey. We understand that there is a separate, ongoing review of civil service allowances being undertaken by the Government.
79. A respondent suggests that a pay comparison between the civil service and the private sector should take account of the differences in the type of medical benefits provided to employees in the two sectors.	<ul style="list-style-type: none"> ● See the response to item 73 on why the current exercise focuses on a pay comparison based on base salary and the annual total cash compensation.
80. A respondent suggests that the pay data of job-holders with the same range of years of service as that of their civil service counterparts should be collected for a credible pay	<ul style="list-style-type: none"> ● See the response to item 11 on how a pay comparison will be made for jobs which are broadly comparable in terms of typical requirements on experience and qualification and other relevant job-related aspects. We should also point out that it is the requirement on experience, not the

Views received during the extensive consultation	Our Response
comparison.	<ul style="list-style-type: none"> ● actual experience possessed by the relevant job-holders, that should be taken into account for pay comparison purpose.
81. A respondent expresses concern that the pay data collected from private sector organisations may not be complete.	<ul style="list-style-type: none"> ● See the response to item 75 on a similar view.

Views from the management of bureaux/departments

Views received during the extensive consultation	Our Response
82. A respondent expresses reservations about the proposed inclusion of housing and education allowances in the computation of the annual total cash compensation in the civil service because of the differences in the terms of provision of these allowances between the civil service and the private sector and among civil servants at different levels, as well as possible changes to the provision of such allowances arising from the on-going separate review of fringe-benefit type of civil service allowances.	<ul style="list-style-type: none"> ● See response to item 73 on a similar view.
83. A respondent suggests that statistics on private sector pay levels over a longer period of time (e.g. 5 or 7 years before and after 1997) should be collected for reference purpose.	<ul style="list-style-type: none"> ● The pay level survey should aim to obtain the objective data of private sector pay levels in a professional and timely manner and be conducted periodically every 3-5 years to ensure the civil service pay is broadly comparable to private sector pay. Any pay movements in between two consecutive pay level surveys will be captured by the conduct of customised pay trend surveys or by making references to pay trend analyses readily available in the market. Under the improved pay adjustment mechanism, any disparity in pay levels between the two

Views received during the extensive consultation	Our Response
	sectors subsequent to a pay level survey will be captured in the next pay level survey, which will be taken into account in considering any necessary adjustments to civil service pay. It is also impractical to ask private sector organisations to provide such historical data which, if available, is likely to be incomplete.
84. A respondent suggests that the pay comparison should also take account of the provision of in-kind benefits in the private sector which are not found in the civil service (e.g. quarters, club membership, use of car for personal use, low-interest rate mortgage, stock options, etc.).	<ul style="list-style-type: none"> ● See the response to item 76 on a similar view.

Views from non-civil service organisations and members of the public

Views received during the extensive consultation	Our Response
85. A respondent proposes that annual total cash compensation may not provide a sound basis for pay comparison as many private sector organisations provide various types of compensation to their employees, e.g. right to buy company stock, low-interest rate mortgage loans, free air tickets for family members, discounts for company products, bonuses, commissions, etc.	<ul style="list-style-type: none"> ● See the responses to items 73 and 74 on why a comparison of total cash compensation for a comprehensive and equitable pay comparison between the civil service and the private sector is recommended and why in-kind benefits are not recommended to be included in the comparison.

Views received during the extensive consultation	Our Response
<p>86. A few respondents suggest that fringe benefits should be included in the scope of data to be collected for pay comparison purpose as they form part of the base pay for senior employees in the private sector. The Consultant should also consider including the payment of provident fund contributions in the pay comparison or taking it into account in the post-survey data analysis.</p>	<ul style="list-style-type: none"> ● See the response to items 73 and 74 on why a comparison of total cash compensation for a comprehensive and equitable pay comparison between the civil service and the private sector is recommended, and why in-kind benefits are not recommended to be included in the comparison. We have recommended in paragraph 5.6 of the Final Report that policy information should be collected on the provision of major types of benefits in the private sector for reference by the Government in considering any necessary adjustment to civil service pay after the pay level survey.

(VII) Data analysis

Views from the staff sides of the central consultative councils and the major service-wide civil service unions

Views received during the extensive consultation	Our Response
<p>87. Two respondents indicate preference for the average job-holder pay approach (which gives equal weight to the pay data of each individual job-holder) to the recommended typical organisation practice approach (which gives equal weight to the consolidated pay data of each surveyed organisation) for data analysis. They consider that the former approach is more representative.</p>	<ul style="list-style-type: none"> ● We recommend the typical organisation practice approach because – <ul style="list-style-type: none"> (a) it takes a snapshot of the average actual pay levels within each organisation for the benchmark jobs which are determined having regard to the necessary relativities of jobs within the organisation. This provides relevant benchmark reference for comparison with the civil service where pay is determined having regard to internal pay relativities among jobs; and (b) it avoids the risk that the findings of the pay level survey will be unduly influenced by a small number of exceptionally low-paying or high-paying organisations which employ a large number of staff for certain private sector benchmark jobs ● An example of the average job-holder pay approach, using made-up data, is included in the Final Report (see paragraphs 11-12 and Table 18 in Annex F therein). The example shows the misleading influence that could be exerted on the pay level survey findings by a small number of exceptionally low-paying or high-paying organisations which have a large number of certain private sector benchmark jobs. ● Considering that the coming pay level survey is the first one to be conducted for the civil service using the recommended survey methodology, we recommend that it would be best to obtain as complete data as possible on all job-holders of private sector benchmark jobs as opposed to the collection of data on a small number of representative job-holders for each participating organisation. This would also enable

Views received during the extensive consultation	Our Response
	<p>the survey consultant to ascertain the sensitivity of data analyses to both the average job-holder pay approach and the typical organisation practice approach. Nevertheless, the collection of data from all job-holders¹ may generate unacceptable additional burden to some organisations which may decline to participate in the survey, or possibly raise concerns to some organisations that the confidentiality of individual job-holders may be compromised by the pay data provided. We therefore recommend that while the survey consultant should obtain as complete data as possible, it should have the flexibility to collect less comprehensive but still representative data as necessary to ensure maximum participation of private sector organisations that are selected for inclusion in the survey field.</p>
<p>88. A respondent proposes that civil service pay should be benchmarked at the upper quartile of the market levels in the private sector.</p>	<ul style="list-style-type: none"> ● We recommend that data on the annual base salary and the annual total cash compensation of the private sector will be analysed at different benchmark levels, say, upper quartile, median, lower quartile and average, to facilitate a comprehensive comparison of the different ranges of private sector pay with the relevant range of pay points on the civil service pay scales (and the civil service pay scales as adjusted by the cost of cash allowances) at each job level. ● We also recommend that the exact comparison benchmark level to be adopted should be an issue to be addressed when considering the application of the pay level survey results. In this regard, we recommend that the following factors should be considered before drawing any conclusion on which comparison benchmark level should be adopted –

¹ A full set of information on all job-holders is a pre-requisite for data analysis under the average job-holder pay approach, say calculating quartile pay ranges.

Views received during the extensive consultation	Our Response
	<p>(a) up-to-date information on the structuring of the remuneration package and the prevalence of in-kind employee benefits in the private sector for the relevant job levels as well as the in-kind benefits in the civil service; and</p> <p>(b) any special factors that are unique to the design of the civil service pay package in view of its nature of operation, job requirements, etc., which may or may not be quantifiable.</p>

Views from other civil service bodies

Views received during the extensive consultation	Our Response
89. A respondent suggests that civil service pay should be benchmarked at the upper quartile of the market levels in the private sector.	<ul style="list-style-type: none"> See the response to item 88 on a similar view.
90. A respondent suggests that there should be elaboration on how the broad comparability principle will be observed in the analysis of the survey data.	<ul style="list-style-type: none"> The pay level survey aims to collect factual pay data from the private sector to ascertain the extent to which civil service pay is broadly comparable with private sector pay. Ultimately we will have to exercise judgment based on the factual analysis of the data collected, having regard to all relevant considerations (including the inherent differences between the civil service and the private sector) in determining the broad comparability between civil service pay and private sector pay.

Views from individual civil servants

Views received during the extensive consultation	Our Response
91. A respondent suggests that consideration be given to the question of whether pay data collected from the private sector should be analysed by individual civil service benchmark job or be consolidated into an overall pay indicator.	<ul style="list-style-type: none"> ● In view of the inherent differences between the civil service and the private sector, the pay level survey should seek to compare the overall pay practices between the two sectors based on comparisons of groups of broadly comparable jobs, rather than making precise comparison of the pay levels of individual jobs between the two sectors. Accordingly, we recommend that pay data of private sector benchmark jobs in the same job family at the same job level should be consolidated to produce pay level statistics for each job family/job level. Pay level statistics at the same job level will be further consolidated across different job families into a set of overall pay indicators for each of the five job levels, for comparison with the relevant range of pay points on the civil service pay scales at each job level.

Views from the management of bureaux/departments

Views received during the extensive consultation	Our Response
92. A respondent prefers the average job-holder pay approach to the recommended typical organisation practice.	<ul style="list-style-type: none"> ● See our response to item 87 on a similar view.
93. A respondent suggests that as in previous pay surveys and having regard to the established objective of the civil service pay policy to offer sufficient remuneration to attract, retain and motivate staff, civil service pay should be benchmarked at the upper quartile of the market	<ul style="list-style-type: none"> ● See our response to item 88 on a similar view.

Views received during the extensive consultation	Our Response
level in the private sector.	
<p>94. A respondent comments that the proposed calculation of pay indicators by an unweighted average method is a deviation from the usual practice of using the weighted average as in the case of pay trend survey. He suggests that we should calculate another set of consolidated indicators based on weighted averages to facilitate pay comparison.</p>	<ul style="list-style-type: none"> ● The pay level survey and the pay trend survey have different nature and serve different purposes. For the pay level survey, its purpose is to compare the pay level between civil service jobs and broadly comparable private sectors jobs. As the pay level survey will be making comparison specifically with those private sectors jobs that are broadly comparable to civil service jobs in terms of various job-related factors such as job content, work nature, level of responsibility and typical requirements on qualification and experience, the selected private sector benchmark jobs and the relevant pay data collected from the private organisations are not intended and do not necessarily have to reflect the overall distribution of Hong Kong's economically active population. ● As for the pay trend survey, its purpose has been to track the year-on-year pay movements in the private sector in response to changes in Hong Kong's economy. To serve this purpose, one of the existing criteria for selecting companies for inclusion in the pay trend survey is that the distribution of companies by major economic sectors in the survey field should reflect closely the overall distribution of Hong Kong's economically active population. This criterion does not relate to how the private sector pay data should be consolidated and analysed. Moreover, the pay trend survey was not intended to collect information on specific private sector jobs as the pay level survey does. Instead it measures pay adjustments for all employees within three salary bands. ● In addition, the pay trend survey only seeks to capture the average pay adjustment. In the pay level survey, we need to obtain information about different percentiles, such as the upper quartile, the median or the lower quartile, of the levels of pay in private sector organisations. It is more

Views received during the extensive consultation	Our Response
	<p>appropriate for the purpose of the pay level survey to base such statistics on the distribution of company practices than the pay of individuals in the market. Therefore, equal weighting for each company is a preferred approach in the pay level survey.</p> <ul style="list-style-type: none"> ● Considering that the coming pay level survey is the first one to be conducted for the civil service using the recommended survey methodology, we recommend that it would be best to obtain as complete data as possible on all job-holders of private sector benchmark jobs as opposed to the collection of data on a small number of representative job-holders for each participating organisation. This would also enable the survey consultant to ascertain the sensitivity of data analyses to both the average job-holder pay approach (which gives equal weight to the pay data of each individual job-holder) and the typical organisation practice approach (which gives equal weight to the consolidated pay data of each surveyed organisation).
<p>95. A respondent suggests that an alternative is to compare the total cash compensation of the private sector benchmark jobs with the base salary of the civil service.</p>	<ul style="list-style-type: none"> ● Data on the annual base salary and the annual total cash compensation of the private sector will be analysed at different benchmark levels for comparison of the pay levels of the civil service and private sector. These two aggregates are not comparables because the former measures the basic salary plus contractually guaranteed bonus whereas the latter measures the annual base salary plus any other cash payments including cash allowances (except those that are conditional on particular working conditions or individual circumstances) and variable pay. It would therefore not be appropriate or credible to make a pay comparison on the basis of these two aggregates.

Views from non-civil service organisations and members of the public

Views received during the extensive consultation	Our Response
<p>96. Some respondents support the recommended typical organisation practice approach, but point out that the approach may not be applicable in the circumstances where the jobs of an individual job family are dominated by a few private sector organisations in Hong Kong.</p>	<ul style="list-style-type: none"> ● In cases where the jobs of an individual job family are dominated by a few private sector organisations in Hong Kong and thus a relatively smaller number of data sources, the recommended typical organisation practice approach is better able to make a credible comparison as pay data will be consolidated by organisation, thereby eliminating the variation in pay levels as a result of differences in the individual circumstances of job-holders. ● Considering that the coming pay level survey is the first one to be conducted for the civil service using the recommended survey methodology, we recommend that it would be best to obtain as complete data as possible on all job-holders of private sector benchmark jobs as opposed to the collection of data on a small number of representative job-holders for each participating organisation. This would also enable the survey consultant to ascertain the sensitivity of data analyses to both the average job-holder pay approach and the typical organisation practice approach.

(VIII) Implications on the pay trend survey**Views from the staff sides of the central consultative councils and the major service-wide civil service unions**

Views received during the extensive consultation	Our Response
<p>97. Some respondents do not support the Consultant's recommendation that the Government may consider making reference to pay trend analyses available in the market, instead of conducting customised pay trend surveys, to ascertain the year-on-year movements in the private sector pay trends for any necessary fine-tuning of civil service pay in between two pay level surveys.</p>	<ul style="list-style-type: none"> ● Under the improved pay adjustment mechanism, pay level surveys will be conducted frequently, say every three to five years, to ascertain the extent of broad comparability of civil service pay with private sector pay so that appropriate adjustments to civil service pay can be made. Any disparity in pay levels between the two sectors that has developed over time can readily be identified and addressed in the next pay level survey. With such a mechanism, the highly precise and thus resource-intensive methodology of the current pay trend survey, which seeks to measure the year-on-year movements in private sector pay trends to provide reference for making any necessary fine-tuning of civil service pay in between two pay level surveys, may then not be necessary. We therefore recommend that the Government may consider making reference to pay trend analyses available in the market, instead of conducting customised pay trend surveys. ● If the Government is minded to put in the additional resources to conduct a customised pay trend survey under the improved pay adjustment mechanism, then it would be preferable to align the survey fields of the two surveys to cover the same private sector organisations in the survey field as far as practicable to enhance consistency between the two surveys and help streamline the conduct of the otherwise resource-intensive pay trend survey. However, for the purpose of providing reference figures on the year-on-year movements in private sector pay for fine-tuning civil service pay in between two pay level surveys, the results obtained from a customised pay trend survey would not necessarily provide an inherently superior indicator compared to results obtained from pay trend analyses in the market.

Views received during the extensive consultation	Our Response
98. A respondent comments that the Consultant should explain the rationale behind his recommendation that the survey field for the pay trend survey should be aligned with that for the pay level survey.	<ul style="list-style-type: none"> ● See the response to item 97 which explains why the survey field for the pay level trend survey should be aligned with that for the pay level survey.

Views from other civil service bodies

Views received during the extensive consultation	Our Response
99. A respondent supports the Consultant's recommendation that the Government may consider making reference to pay trend analyses available in the market, instead of conducting customised pay trend surveys.	<ul style="list-style-type: none"> ● Comment noted.
100. A respondent suggests that the pay level survey should be carried out periodically at an interval of three years.	<ul style="list-style-type: none"> ● Comment noted.
101. A respondent suggests that in addition to the periodic pay level surveys, the Government should also conduct pay trend surveys which provide information on the movements of private sector pay in response to changes in the state of the economy.	<ul style="list-style-type: none"> ● Information on pay trends in the private sector will be captured in between two consecutive pay level surveys under the improved civil service pay adjustment mechanism, regardless of whether the pay trend information is to be obtained from customised pay trend surveys or pay trend analyses that are readily available in the market. See also the response to item 97 on the resource implications of customised pay trend surveys.

Views from the management of bureaux/departments

Views received during the extensive consultation	Our Response
102. A respondent prefers the conduct of customised pay trend survey to using the results of the pay adjustment reviews available in the market in view of the unique nature of the civil service.	<ul style="list-style-type: none"> ● See the response to item 97 on a similar view.

Views from non-civil service organisations and members of the public

Views received during the extensive consultation	Our Response
103. Some respondents support the Consultant's recommendation that the Government may consider making reference to pay trend analyses available in the market, instead of conducting customised pay trend surveys, in view of the ready availability of such data in the market and the resource implications of conducting customised pay trend surveys.	<ul style="list-style-type: none"> ● Comment noted.
104. A respondent suggests that the Government should consider making reference to the Gross National Product indicator in making adjustments to civil service pay so that civil servants could enjoy the ups of the economy. Pay level survey should be conducted every three years.	<ul style="list-style-type: none"> ● We understand that the Government will make reference to a number of factors in considering necessary adjustments to civil service pay, such as the inherent differences between the civil service and the private sector, the budgetary considerations, the state of the economy, changes in the cost of living, etc. ● Comment on the frequency for the conduct of pay level survey is noted.