

**For information
on 17 November 2014**

**LEGISLATIVE COUNCIL
PANEL ON PUBLIC SERVICE**

**Civil Service Pay Level Survey 2013:
Findings and Recommendations of the Standing Commission on
Civil Service Salaries and Conditions of Service**

Purpose

This paper summarises the findings and recommendations of the Standing Commission on Civil Service Salaries and Conditions of Service (the Standing Commission)'s Report on the Civil Service Pay Level Survey 2013 (the Report).

Background

2. The Government's civil service pay policy is to offer sufficient remuneration to attract, retain and motivate staff of suitable calibre to provide the public with an effective and efficient service; and to ensure that civil service remuneration is regarded as fair by both civil servants and the public they serve through maintaining broad comparability between civil service and private sector pay.

3. To implement this policy, an Improved Civil Service Pay Adjustment Mechanism (the Mechanism)¹ was put in place in 2007. Under the Mechanism, a Pay Level Survey (PLS) is conducted every six years to ascertain whether civil service pay and private sector pay are broadly comparable. The last PLS was conducted in 2006 by the Civil Service Bureau with the assistance of professional consultants.

¹ The Mechanism was endorsed by the Executive Council in 2007 and comprises, among others, the conduct of (a) a pay level survey every six years; (b) a starting salaries survey every three years; and (c) the annual pay trend survey.

4. At the meeting of this Panel held on 20 February 2012, we informed Members that, with a view to enhancing the credibility of the PLS and having regard to the Standing Commission's rich experience in conducting surveys on private sector pay-related matters and profound knowledge about the civil service, the Administration had, with the support of the Consultative Group on Civil Service Pay Adjustment Mechanism², invited the Standing Commission to conduct the 2013 PLS and advise the Administration on how the survey findings should be applied to non-directorate civilian civil service grades. In inviting the Standing Commission to conduct the 2013 PLS, we have informed it of the general framework for the conduct of PLS and the general principles for applying PLS findings to non-directorate civilian grades of the civil service which were drawn up after the completion of the 2006 PLS. This notwithstanding, we have also made it clear that, in order not to undermine the independence of the Standing Commission, it may modify the general framework and the general application principles as it sees fit. In addition, we have also invited the Standing Commission to closely engage and consult staff representatives during the preparation and throughout the conduct of the PLS.

The 2013 PLS

5. The Standing Commission has completed the 2013 PLS and submitted its findings and recommendations to the Chief Executive (CE) on 30 October 2014 vide its Report No. 52 (at **Annex A**).

Survey methodology

6. Having consulted staff representatives, the Standing Commission decided to make reference to the methodology adopted in the last PLS and adopted the broadly-defined Job Family and Job Level (JL) method for the 2013 PLS. The detailed descriptions of the methodology are summarised in **Annex B**. The Standing Commission also decided to take 1 October 2013 as the survey reference date.

² The Consultative Group on Civil Service Pay Adjustment Mechanism comprises the staff sides of the four central consultative councils and representatives from the four major service-wide staff unions.

Staff engagement

7. The Standing Commission fully recognises the importance of consultation with staff in conducting the 2013 PLS. It has closely engaged staff representatives at various key stages of the survey. Six consultation meetings were held to consult the staff sides of the four central consultative councils³ and the four major service-wide staff unions⁴ (major staff organisations) on the methodology, survey field and application framework, etc. Their views have been taken into account in the Standing Commission's deliberations as appropriate.

Survey findings

8. As noted in Chapter 7 of the Report, the 2013 PLS has successfully collected pay data from 128 private sector organisations and matched private sector counterparts for 162 civil service benchmark jobs. The survey finds that the pay level of civil servants in all but one JL (JL 5) remained broadly comparable with the upper third quartile (i.e. P75) level of private sector pay for jobs with comparable nature and similar level of responsibilities on the survey reference date (i.e. 1 October 2013). The pay for civil servants in JL 5, on the other hand, is found to be around 8% lower than the P75 level of private sector pay. Findings of the 2013 PLS are summarised in the following table –

Job Level	Civil Service Pay Indicator (a)	Private Sector Pay Indicator (P75) (b)	Comparison Ratio (a) / (b)
Job Level 1	178,017	182,536	98%
Job Level 2	352,368	337,789	104%
Job Level 3	589,552	614,298	96%
Job Level 4	907,681	923,634	98%
Job Level 5	1,223,094	1,333,969	92%

³ The four central consultative councils are the Senior Civil Service Council, the Model Scale 1 Staff Consultative Council, the Police Force Council and the Disciplined Services Consultative Council.

⁴ The four major service-wide staff unions are the Government Employees Association, the Hong Kong Civil Servants General Union, the Hong Kong Federation of Civil Service Unions and the Government Disciplined Services General Union.

Recommendations of the Standing Commission

9. The Standing Commission recommends adopting a **holistic approach** on the application of survey findings to the non-directorate civilian civil servants, taking into account a host of factors as follows –

- “Broad comparability” with the private sector;
- nature of the PLS;
- attractiveness and stability of civil service pay;
- inherent differences between the civil service and private sector and their uniqueness;
- inherent discrepancies in statistical surveys and elements of chance; and
- overall interest.

10. Having considered all the above factors, the Standing Commission recommends **no change** to the salary of officers of JLS 1 to 4 and **an upward adjustment of 3%** to the salary of officers of JL 5 with effect from 1 October 2014 (i.e. the beginning of the month in which the Standing Commission submits the 2013 PLS report to the CE). Chapters 6 and 7 of the Report set out the details about the survey findings, the principles and considerations adopted by the Standing Commission.

Application of survey findings to the disciplined services and directorate grades

11. As the PLS does not cover the disciplined services and directorate grades, we are seeking the advice of the Standing Committee on Disciplined Services Salaries and Conditions of Service (Standing Committee) and the Standing Committee on Directorate Salaries and Conditions of Service (Directorate Committee) on whether and how the 2013 PLS findings should be applied to the disciplined services and directorate grades respectively. Advice from the Standing Committee and the Directorate Committee is being awaited.

Way forward

12. We are inviting views from the major staff organisations on the findings and recommendations of the Report to the Administration. Upon receiving their views and the advice from the Standing Committee and the Directorate Committee on how the survey findings should be applied to the disciplined services and directorate grades, the Administration will submit its recommendations on how to take forward the Report to the CE-in-Council for a decision. We will brief this Panel on the CE-in-Council's decision when it is available.

Advice sought

13. Members are invited to note the recommendations of the Standing Commission in respect of the 2013 PLS and to offer views on the findings and recommendations of the Report.

Civil Service Bureau
November 2014

HONG KONG
STANDING COMMISSION ON CIVIL SERVICE
SALARIES AND CONDITIONS OF SERVICE

REPORT No. 52

CIVIL SERVICE PAY LEVEL SURVEY 2013

CHAIRMAN

DR WILFRED WONG YING-WAI, SBS, JP

OCTOBER 2014

公務員薪俸及服務條件常務委員會
Standing Commission on Civil Service Salaries and Conditions of Service

30 October 2014

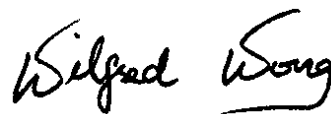
The Honourable C Y Leung, GBM, GBS, JP
The Chief Executive
Hong Kong Special Administrative Region
People's Republic of China
Tamar
Hong Kong

Dear Sir,

At the invitation of the Administration, the Standing Commission on Civil Service Salaries and Conditions of Service (Standing Commission) has conducted a Pay Level Survey under the *Improved Civil Service Pay Adjustment Mechanism*.

On behalf of the Standing Commission, I have the honour to submit our Report No. 52: Civil Service Pay Level Survey 2013 which contains our findings and recommendations.

Yours faithfully,



(Wilfred Wong Ying-wai)
Chairman

Standing Commission on Civil Service
Salaries and Conditions of Service

**HONG KONG
STANDING COMMISSION ON CIVIL SERVICE
SALARIES AND CONDITIONS OF SERVICE**

REPORT No. 52

**CIVIL SERVICE
PAY LEVEL SURVEY 2013**

OCTOBER 2014

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Summary of Conclusions and Recommendations

	Paragraph
Survey Methodology	
(1) The broadly-defined Job Family and Job Level (JF-JL) method was adopted as the survey methodology for the 2013 Pay Level Survey (PLS) making reference to the methodology adopted in the 2006 PLS.	2.1 – 2.3
(2) After taking into account the views from staff and weighing the pros and cons of various options, the Standing Commission on Civil Service Salaries and Conditions of Service (the Commission) decided to set the survey reference date of the 2013 PLS as 1 October 2013.	2.7 – 2.9
(3) Comparison between civil service pay and private sector pay was made on the basis of total cash compensation. The upper quartile (P75) of private sector pay level was adopted for the determination of the private sector pay indicators; while the notional mid-point salary plus the actual average expenditure on fringe benefits paid in cash was adopted for the determination of the civil service pay indicators.	5.8

Principles and Considerations for Application

(4) The Commission considers that a holistic approach should be adopted under which a number of principles and considerations have been formulated making reference to those adopted in the 2009 and 2012 Starting Salaries Surveys. These principles and considerations are broad comparability with the private sector, nature of the PLS, attractiveness and stability of civil service pay, inherent differences between the civil service and private sector and their uniqueness, inherent discrepancies in statistical surveys and elements of chance, and overall interest.	6.3 – 6.15
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Survey Findings

- (5) The civil service pay indicators for JL 1, JL 3, JL 4 and JL 5 are lower than the private sector pay indicators by 2%, 4%, 2% and 8% respectively; and the civil service pay indicator for JL 2 is higher than the private sector pay indicator by 4%. The differences between the civil service pay indicators and private sector pay indicators for JL 1 to JL 4 are all within 4%, while the difference between the two indicators for JL 5 is 8%. 7.4

Recommendations on Application of Survey Findings

- (6) In deciding at which point civil service pay is considered out of line with the market that warrants pay adjustment; and if adjustment is considered warranted how civil service pay should be adjusted, the Commission has made reference to the principles and considerations under the holistic approach. 7.5 – 7.6
- (7) Having considered these principles and considerations, the Commission is of the view that for JL 1 to JL 4 where the differences between the civil service pay indicators and private sector pay indicators were -2%, +4%, -4% and -2% respectively their pay should be regarded as broadly comparable; while the pay difference of -8% for JL 5 should be considered significant and hence should be appropriately addressed. 7.7 – 7.20
- (8) The Commission recommends that no change be made to the salary of officers of JL 1 to JL 4 (i.e. Model Scale 1 Pay Scale and Master Pay Scale Point 0 to 44), and an upward adjustment of 3% to the salary of officers of JL 5 (i.e. Master Pay Scale Point 45 to 49). 7.7 – 7.20

Paragraph

Issues Relating to Implementation

- (9) The Commission recommends that no change be made to the other non-directorate civilian pay scales since their pay points are all within the pay range of JL 1 to JL 4. 7.21
- (10) The Commission recommends that the effective date be set as the first day of the month the Commission Report is submitted to the Chief Executive. 7.22 – 7.23

Other Observations

- (11) In the light of the experiences gained in conducting the 2006 and 2013 PLSs, the Commission is of the view that it is an opportune time for the Administration to give thought to whether a review is warranted, which may possibly cover, inter alia, the survey methodology, application issues and frequency for the conduct of the PLS. 8.3 – 8.4

Chapter 1

Introduction

1.1 This report sets out the work and recommendations of the Standing Commission on Civil Service Salaries and Conditions of Service (the Commission) in relation to the 2013 Civil Service Pay Level Survey (PLS).

Background

The Commission

1.2 The Commission was appointed by the Chief Executive to advise on the structure, salaries and conditions of service of the non-directorate civilian grades in the civil service. Its terms of reference and membership are at Appendix A and Appendix B respectively.

Civil Service Pay Policy

1.3 The Government's civil service pay policy is to offer sufficient remuneration to attract, retain and motivate staff of a suitable calibre to provide the public with an effective and efficient service; and to ensure that civil service remuneration is regarded as fair by both civil servants and the public they serve through maintaining broad comparability between civil service and private sector pay.

Improved Civil Service Pay Adjustment Mechanism

1.4 To achieve such broad comparability, under the *Improved Civil Service Pay Adjustment Mechanism (Improved Mechanism)*, civil service pay is compared with private sector pay on a regular basis through the following three separate surveys –

- (i) an annual Pay Trend Survey (PTS) to ascertain year-on-year pay adjustments in the private sector;
- (ii) a Starting Salaries Survey (SSS) every three years to compare the starting salaries of non-directorate civilian

grades in the civil service with the entry pay of jobs in the private sector requiring similar qualifications; and

- (iii) a PLS every six years to ascertain whether civil service pay remains broadly comparable with private sector pay.

1.5 The last PLS was conducted by the Administration from 2003 to 2007 using 1 April 2006 as the survey reference date. The 2013 PLS was the first one conducted by the Commission under the *Improved Mechanism*. The Commission appointed Aon Hewitt (the Consultant) in September 2012 to offer professional advice on the 2013 PLS, including proposing the survey methodology and collecting data from the private sector.

The 2013 Pay Level Survey

Invitation from the Administration

1.6 On 13 December 2011, the Secretary for the Civil Service (SCS) invited the Commission to conduct the next round of SSS and PLS, and recommend how these survey findings should be applied to the non-directorate civilian grades of the civil service. The invitation letter from the SCS is at **Appendix C**¹. Having considered that the PLS was more complex and had a wider scope and impact on the civil service, and would be a much more complicated exercise requiring a much longer time to complete as compared to the SSS, the Commission, while accepting the invitation, was of the view that the SSS and PLS should be delinked, and that the two surveys should be conducted separately. Following the completion of the 2012 SSS in December 2012, the 2013 PLS was the focus of the Commission in 2013 and 2014.

Scope and Mode of Operation

1.7 In inviting the Commission to conduct the PLS, the Administration advised that it only covers the non-directorate civilian civil service. As for the directorate and disciplined services grades of the civil service, which are excluded from the PLS, the Administration will consider whether, and if so how, the Commission's recommendations would be applied to them, taking into account the advice of the Standing Committee

¹ In SCS's letter, the current PLS was referred to as the "2012 PLS". Given the subsequent decision to use 1 October 2013 as the reference date for the survey, it has since been referred to as the "2013 PLS".

on Directorate Salaries and Conditions of Service (Directorate Committee) and Standing Committee on Disciplined Services Salaries and Conditions of Service (SCDS) as appropriate.

1.8 As these two Committees will be consulted separately by the Administration on the application of survey findings to the directorate and disciplined services grades, they have been invited by the Commission to each nominate a member as an observer in the Commission's relevant proceedings. The Directorate Committee nominated Mr Stanley Wong, SBS, JP; whilst the SCDS nominated Professor Richard Ho, JP and Mr William Chan, BBS (subsequent to Professor Ho's retirement in 2013).

1.9 The Commission notes that during the conduct of the 2013 PLS, there were requests for reviews of the pay for individual grades and ranks, their entry requirements as well as remuneration system of the civil service. The Commission wishes to clarify that the PLS seeks to compare the overall pay practices between the civil service and private sector rather than making precise comparison of the pay levels of individual jobs between the two. The above-mentioned issues are therefore not within the scope of the 2013 PLS.

Consultation with Stakeholders

1.10 The Commission firmly believes that staff consultation is crucial to the smooth conduct of the 2013 PLS, and has closely engaged staff bodies throughout the course of the survey. Details of the various types of engagements held are as follows –

- (i) an informal meeting² was held in April 2012 with representatives of the Staff Sides of the four Central Consultative Councils³ and the four major service-wide staff unions⁴ (Staff Sides) to exchange views on the proposed framework for the 2013 PLS;

² The practice of arranging informal meetings with the Staff Sides was established in the recent pay-related surveys conducted by the Commission so as to encourage an open exchange of views. Having said that, in view of the more complicated nature of the 2013 PLS and the potential need for the Consultant to follow up with the Staff Sides' comments as appropriate, meetings held after this informal meeting adopted a formal arrangement including the issue of minutes of meetings.

³ The four Central Consultative Councils are the Senior Civil Service Council, the Model Scale 1 Staff Consultative Council, the Police Force Council and the Disciplined Services Consultative Council.

⁴ The four major service-wide staff unions include the Government Employees Association, the Hong Kong Civil Servants General Union, the Hong Kong Federation of Civil Service Unions and the Government Disciplined Services General Union.

- (ii) six consultation meetings were held from February 2013 to September 2014 with the Staff Sides to exchange views on the proposed survey methodology and application framework for the 2013 PLS;
- (iii) three briefing sessions were held in February 2013 with the grade / departmental management (GM / DM) of Government bureaux / departments, Departmental Consultative Committees (DCCs) and staff unions / associations to brief them on the proposed survey methodology;
- (iv) three technical workshops were conducted in April and May 2013 by the Consultant with the GM / DM, DCCs and staff unions / associations to brief them on details of the job inspection process; and
- (v) close engagement was maintained by the Consultant with staff throughout the exercise to facilitate their understanding on the 2013 PLS through briefings and telephone discussions.

1.11 The staff bodies contributed significantly to the conduct of the 2013 PLS. The Commission has, where appropriate, taken into account their views in the course of its deliberations.

1.12 The Commission has also maintained close liaison with the Employers' Federation of Hong Kong, the Hong Kong Institute of Human Resource Management and the Hong Kong People Management Association, and exchanged views with them on the prevailing practices of conducting pay surveys in the private sector. The exchanges were useful for the conduct of the 2013 PLS.

Chapter 2

Overview of the Survey Methodology

2.1 In inviting the Commission to conduct the PLS, the Administration made it clear that the Commission may modify the general framework and general application principles as it sees fit. Accordingly, as the first step, the Commission tasked the Consultant to draw up and recommend a detailed methodology for the 2013 PLS using the methodology of the 2006 PLS, i.e. the broadly-defined Job Family and Job Level (JF-JL) method, as a reference.

The Broadly-defined Job Family and Job Level Method

2.2 In the process of reviewing the survey methodology, a considerable number of comments were received from the Staff Sides, GM / DM, DCCs and staff unions / associations. The Consultant has suitably taken their views into account in proposing the survey methodology for the 2013 PLS.

2.3 After reviewing various aspects of the broadly-defined JF-JL method, the Consultant recommended its continued adoption in the 2013 PLS. Under this method, comparison of pay information was carried out by the following steps –

- (i) identifying jobs⁵ that are representative of the civil service (hereafter referred to as “civil service benchmark jobs”) and have reasonable private sector matches;
- (ii) carrying out an intensive job inspection process which serves to ascertain details of the job characteristics of civil service benchmark jobs to facilitate identification of private sector job matches;
- (iii) based on the findings of the job inspection process, matching civil service benchmark jobs with broadly comparable counterparts in the private sector in terms of

⁵ In this context, a “job” refers to a rank within a grade which generally comprises a group of ranks in the civil service, the higher of which are normally filled by promotion from the lower ranks.

job content, work nature, level of responsibility, and typical requirements on qualification and experience;

- (iv) collecting the pay information of matched private sector jobs; and
- (v) aggregating the matched private sector jobs by JFs and JLs, consolidating them into private sector pay indicators for five JLs, and comparing the consolidated private sector pay indicator for each JL with the corresponding civil service pay indicator.

2.4 Civil service benchmark jobs in the civilian grades on the Master Pay Scale (MPS) and Model Scale 1 (MOD 1) Pay Scale were categorised into five JFs and five JLs, primarily based on their broad nature of work and general level of responsibility respectively, for matching with broadly comparable counterparts in the private sector. The combinations of JFs and JLs are shown in **Table 1** below –

Table 1

	JF1: Clerical and secretarial	JF2: Internal support	JF3: Public services	JF4: Works- related	JF5: Operational support
JL1: MPS 0-10 and MOD 1 0-13 (Operational staff)					
JL2: MPS 11-23 (Technicians and assistant executives / professionals)					
JL3: MPS 24-33 (Middle-level executives and professionals)					
JL4: MPS 34-44 (Managerial and senior professionals)					
JL5: MPS 45-49 (Senior managers and lead professionals)					

2.5 The pay data of broadly comparable private sector jobs were consolidated on the basis of the typical organisation practice approach, under which each surveyed organisation was given equal weight irrespective of its employment size. After the process of data

consolidation, a private sector pay indicator was produced for each JL for comparison with their respective civil service pay indicator.

2.6 The proposed methodology was endorsed by the Commission in April 2013. The Consultancy Report – Fieldwork and Results of the Pay Comparison Survey, which contains details of the survey methodology and process of conducting the survey, is available for public access on the website of the Joint Secretariat for the Advisory Bodies on Civil Service and Judicial Salaries and Conditions of Service (Joint Secretariat) at <http://www.jsscs.gov.hk>.

Survey Reference Date

2.7 The survey reference date was set for the purpose of data collection. Pay data from the private sector were collected during the 12-month period immediately preceding the survey reference date.

2.8 The Commission has considered various options for the date, namely 1 April 2013, 1 July 2013 and 1 October 2013. While the adoption of 1 April 2013 would be consistent with other recent pay surveys, it may be considered not up-to-date taking into account the overall schedule of the survey and the Commission's view that the survey reference date should be set at a date that would enable the Commission to submit its report to the Administration within around one year from the survey reference date. On the other hand, while the dates of 1 July 2013 and 1 October 2013 may not be a common choice for pay-related surveys, they would be closer to the commencement of data collection, which is desirable for minimising the gap between the reference date and the date of completion of the 2013 PLS. In addition, the impact of the revised rate of the Statutory Minimum Wage, which came into effect on 1 May 2013, was considered when analysing the three options. After taking into account the views from staff and weighing the pros and cons of each option, the Commission decided to set the survey reference date of the 2013 PLS as 1 October 2013, as it could provide the most up-to-date information from the private sector amongst the three options for pay comparison.

2.9 Details of how information from the civil service and private sector were obtained for pay comparison are set out in Chapter 3 and Chapter 4 respectively.

Interface with the Pay Trend Survey

2.10 In its invitation to the Commission, the SCS highlighted the three main differences between the PLS and PTS, and stated that alignment of these differences may not be necessary simply for the sake of alignment. In the course of formulating the survey methodology for the 2013 PLS, the Consultant has assessed the suitability of aligning the differences and recommended maintaining the status quo based on its analyses as summarised below –

- (i) organisations surveyed: the PLS covers organisations with 100 or more employees only, while the PTS also covers organisations with 50-99 employees. Organisations with fewer than 100 employees are less likely to produce a significant number of job matches and provide a wider range of jobs at more levels to reflect the relativity within the hierarchy of their organisations. In addition, the figures are more prone to be influenced by pay levels of individual employees due to personal circumstances;
- (ii) data consolidation method: the PLS uses the typical organisation practice approach (which is in effect an un-weighted average approach) while the PTS uses the weighted average approach. The typical organisation practice approach is considered the most relevant in reflecting the pay practice of a typical organisation, and is widely used in the market for such a purpose. It also avoids the risk of the findings being unduly influenced by a small number of exceptionally low- or high-paying organisations with a large number of staff, and is less susceptible to deviations due to a small number of outlying pay data arising from individual circumstances; and
- (iii) number of JLS and salary bands: the PLS categorises the surveyed employees into five JLS, while the PTS uses a three salary band categorisation. The five JLS serve as a good yardstick for job matching with private sector jobs. Any reduction in the number of JLS would reduce the level of refinement for job matching and usefulness of the survey in reflecting private sector pay level across

different JLS for pay comparison. The classification is also easily understood and can be readily translated into most mid- to large-sized organisations.

2.11 Noting the Consultant's analyses above, the Commission is satisfied that given the different objectives of the two surveys, the three main differences between the PLS and PTS could remain in the 2013 PLS.

Chapter 3

Selection of Civil Service Benchmark Jobs for Pay Comparison

3.1 Under the survey methodology, matching with private sector counterparts for the purpose of pay comparison was carried out on the basis of job descriptions (JDs)⁶ of the civil service benchmark jobs. This was to ensure that pay comparison made between the civil service and private sector was based on jobs that are broadly comparable. The selection of civil service benchmark jobs was therefore an important step as it would form the basis for comparison.

Selection Criteria for Civil Service Benchmark Jobs

3.2 A set of pre-defined criteria was adopted to ensure that civil service benchmark jobs were reasonably representative of the civil service and have broadly comparable private sector job matches. To be qualified, the civil service benchmark jobs concerned must –

- (i) have reasonable counterparts, in terms of broadly comparable job nature, skills, qualifications and experience, in a large number of private sector organisations;
- (ii) be representative of the civil service. Each civil service benchmark grade should have an establishment size of not less than 100 posts;
- (iii) taken together, be reasonably representative of various civil service pay scales, the breadth of disciplines, the depth of JLs and the range of Government bureaux / departments;
- (iv) have a sufficient number of jobs at different JLs to ensure that the survey results are reliable; and
- (v) be such that the total number of benchmark jobs to be matched and for which private sector pay data are to be

⁶ JDs are a set of documents setting out the characteristics and accountabilities of each civil service benchmark job for the purpose of identifying their private sector counterparts.

collected should be reasonable and manageable for participating private sector organisations to ensure the integrity of the comparison on the one hand, while not deterring these organisations from participating in the survey on the other.

Job Inspection Process for Civil Service Benchmark Jobs

3.3 In accordance with the selection criteria above and with reference to the list adopted in the 2006 PLS, a total of 214 civil service benchmark jobs in 68 grades were proposed for the job inspection process, which was conducted to ascertain details of the characteristics of the benchmark jobs to facilitate proper identification of job matches from the private sector. They comprised (i) the 193 ranks from the 2006 PLS; (ii) 14 ranks in the medical and health care field⁷ (details are set out in paragraphs 3.9 to 3.10 below); and (iii) 7 ranks with *prima facie* case for consideration of inclusion as civil service benchmark jobs⁸.

3.4 An intensive job inspection process was carried out by the Consultant, which included seeking comments on the JDs from GM / DM in consultation with their staff, and conducting 221 interviews with 1 504 staff representatives.

Review of the List of Civil Service Benchmark Jobs

3.5 Opportunity was taken during the job inspection process to assess the suitability of the grades and ranks, particularly the newly-proposed ones, against the selection criteria for inclusion in the 2013 PLS.

3.6 As set out in paragraph 4.3, one of the selection criteria for private sector organisations is that they should not use the civil service pay scales or pay adjustments as major factors in determining the pay levels or pay adjustments for their staff, or should not have done so in the past five years. In this connection, the education, medical and health care and

⁷ These 14 ranks in the medical and health care field are the grades of Enrolled Nurse (1 rank), Medical and Health Officer (2 ranks), Medical Laboratory Technician (5 ranks), Pharmacist (2 ranks) and Registered Nurse (4 ranks).

⁸ These 7 ranks are the grades of Dental Officer (2 ranks)(also in the medical and health care field), Police Translator (4 ranks), and the rank of Senior Clerical Officer in the Clerical Officer grade.

social welfare fields were excluded from the 2006 PLS. This was because most of the private sector organisations where reasonable counterparts could be found would not comply with such a selection criterion.

3.7 With the lapse of time since the 2006 PLS, the market practice in these three sectors may have changed due to various factors. Hence, the Consultant re-examined the issue under the prevailing situation in the 2013 PLS.

3.8 Upon examination of the prevailing circumstances, the Consultant concluded that the situation for the education and social welfare fields persisted. Hence, it recommended the continued exclusion of these two fields in the 2013 PLS.

3.9 On the other hand, the Consultant's initial assessment was that it was worthwhile to consider including the medical and health care field in the 2013 PLS in view of the noticeable trend of organisations moving towards the market pay practices compared with the 2006 PLS. The 14 ranks as mentioned in paragraph 3.3 above were hence included in the job inspection process for further examination, together with the Dental Officer grade which was separately suggested for inclusion as a civil service benchmark job.

3.10 It was ascertained during the job inspection process that the duties of many civil servants in this field, with a primary focus on public health services, such as law enforcement and health education, are uncommon in the private sector. In addition, there are different perspectives between the Government and the private sector for clinical and laboratory duties. The senior ranks of these grades also bear heavier responsibility on supervisory and administrative roles as compared with those in the private sector. Taking into account factors such as limitations on the number of potential matches as well as coverage and representativeness of potential matches, it was decided that the entire medical and health care field be excluded from the 2013 PLS.

Finalised List of Civil Service Benchmark Jobs

3.11 The job inspection process served its purpose of ascertaining details of the characteristics of the civil service benchmark jobs. The Consultant has also assessed the suitability of the grades and ranks as civil service benchmark jobs against their selection criteria and made reference

to views from staff during the job inspection process. Upon completion of the job inspection process, eight civil service benchmark jobs⁹ were found to have no longer met the selection criteria. Subsequent to the decision of excluding the entire medical and health care field from the 2013 PLS, the 16 civil service benchmark jobs in the field (including the two ranks of the Dental Officer grade) were also removed from the list accordingly. A total of 190 civil service benchmark jobs in 61 grades were included in the finalised list of civil service benchmark jobs. It represented about 67% of the establishment of the non-directorate civilian ranks. It was also confirmed that there was no fundamental change in the job nature that warranted the re-categorisation of any grades and ranks to another JF-JL combination as requested by some staff. As a product of the intensive job inspection process, a total of 361 JDs were compiled for the purpose of job matching.

⁹ These eight civil service benchmark jobs are the three ranks in the Building Surveyor grade, Senior Clerical Officer, Estate Assistant, Senior Assistant Assessor, Assistant Estate Surveyor and Assistant Maintenance Surveyor.

Chapter 4

Selection of Private Sector Organisations for Pay Comparison

4.1 Civil service benchmark jobs were matched with broadly comparable counterparts in the private sector in terms of job content, work nature, level of responsibility and typical requirements on qualification and experience as set out in the JDs. Private sector organisations were invited to participate in the PLS so that broadly comparable jobs in the private sector could be identified for pay comparison.

Selection Criteria for Private Sector Organisations

4.2 In deciding the criteria for selecting private sector organisations to be surveyed for collecting pay information, the guiding principle was that in their entirety, the organisations to be included should provide a reasonable representation of pay levels prevailing in the Hong Kong market for reference.

4.3 On the above basis, the following selection criteria were adopted in the 2013 PLS –

- (i) the organisation should be generally known as steady and good employers conducting wage and salary administration on a rational and systematic basis;
- (ii) the organisations should have a sufficient number of jobs that are reasonable counterparts to benchmark jobs in the civil service;
- (iii) the organisations should be typical employers in their respective fields employing 100 or more employees;
- (iv) the organisation should determine pay levels on the basis of factors and considerations applying to Hong Kong rather than outside Hong Kong;
- (v) the organisation should not use civil service pay scales or pay adjustments as major factors in determining the pay

levels or pay adjustments for their staff, or should not have done so in the past five years;

- (vi) if they form part of a group in Hong Kong, the selected organisations should be treated as separate organisations where pay practices are determined primarily with regard to conditions in the relevant economic sector;
- (vii) taken together, the selected organisations should represent a breadth of economic sectors;
- (viii) the total number of surveyed organisations should be sufficient to ensure that each JF-JL combination will have data coming from at least ten organisations; and
- (ix) at least 70 – 100 organisations should be included in the survey field.

List of Private Sector Organisations

4.4 As a starting point, the list of more than 400 organisations invited in the 2012 SSS was used as the basis for the 2013 PLS to ensure a reasonable level of participation. A total of 412 organisations were included upon reviewing the organisations against the selection criteria. In addition, 40 new organisations belonging to the following categories were included, namely (i) organisations from the medical and health care field (details are set out in paragraphs 3.6 to 3.10 above); (ii) organisations which have the potential of providing relevant jobs to the JF-JL combinations with insufficient or marginally sufficient data in the 2006 PLS; and (iii) organisations as proposed by staff. Hence, a total of 452 organisations were recommended for inclusion in the 2013 PLS at the outset for the purpose of kick-starting the preparatory work for job matching.

4.5 The following steps were taken by the Consultant upon completion of the job inspection process –

- (i) re-examined the tentative list based on their research and information available from the market as well as information received during the job inspection process;

- (ii) reassessed the continued compliance of these organisations against the selection criteria;
- (iii) added some organisations, which were considered to have potential private sector counterparts, in the list in response to views from staff; and
- (iv) removed organisations with primarily medical-related jobs in view of the decision of excluding the entire medical and health care field from the 2013 PLS.

The finalised list of private sector organisations invited to participate in the 2013 PLS comprised a total of 447 organisations.

Chapter 5

Job Matching and Collection of Pay Information from the Private Sector Organisations

5.1 Subsequent to the selection of civil service benchmark jobs and private sector organisations as explained in Chapters 3 and 4 respectively, the next step was to identify broadly comparable counterparts in the private sector for the purpose of data collection and analysis. This was done through the process of job matching.

Job Matching

5.2 Job matching was one of the most important steps in the PLS. The process ensured that broadly comparable counterparts in the private sector would be selected for pay comparison.

Results of Job Matching

5.3 Out of the 190 civil service benchmark jobs in 61 grades selected for job matching, a total of 162 civil service benchmark jobs in 59 grades were identified with private sector matches. Two JF-JL combinations (i.e. JF 4 – JL 1 and JF 5 – JL 2) could not meet the vetting criterion of having pay data from at least 10 private sector organisations and were excluded from the data consolidation process. The list of matched civil service benchmark jobs (**Appendix D**) formed the basis for pay comparison with the private sector.

Profile of participating organisations

5.4 Of the 447 private sector organisations invited, a total of 128 organisations (**Appendix E**) provided data to the Consultant. These 128 organisations cover a wide range of economic sectors in Hong Kong. Details are in **Table 2** below –

Table 2

Economic Sector	No. of Organisations	%
1. Accommodation and Food Services	8	6.3%
2. Construction	13	10.2%
3. Financing, Insurance and Real Estate	29	22.7%
4. Information and Communications	2	1.6%
5. Manufacturing	9	7.0%
6. Professional and Business Services	14	10.9%
7. Social and Personal Services	17	13.2%
8. Transport, Storage, Postal, Courier Services and Utility	16	12.5%
9. Wholesale, Retail and Import / Export	20	15.6%
Total	128	100%

5.5 The participating organisations comprised a reasonable mix of different sizes. Their distribution by employment size is shown in **Table 3** below –

Table 3

Employment Size	No. of Organisations	%
1. 100 – 500	52	40.6%
2. 501 – 1,000	21	16.4%
3. 1,001 – 5,000	45	35.2%
4. Above 5,000	10	7.8%
Total	128	100%

5.6 The number of organisations which provided data for each JL¹⁰ is in **Table 4** below –

¹⁰ Since one organisation could provide data to more than one JL, the sum of the number of organisations which provided data at each JL is not equal to the total number of participating organisations in the 2013 PLS.

Table 4

Job Levels (JLs)	No. of Organisations which Provided Data
JL 1	108
JL 2	123
JL 3	116
JL 4	107
JL 5	80

5.7 Pay data from the 128 participating private sector organisations were collected by the Consultant for pay comparison. The data of the matched private sector jobs were aggregated by JFs and JLs and consolidated into private sector pay indicators for different JLs using the typical organisation practice approach. Details on how the consolidated private sector pay indicator for each JL was compared with the corresponding civil service pay indicator at the JL are set out in paragraph 5.8 below.

Parameters for Pay Comparison

5.8 Comparison between the civil service pay and private sector pay for each JL was made on the following basis –

- (i) Total cash compensation: Pay comparison between the civil service and private sector was made on the basis of total cash compensation (rather than basic cash compensation). The total cash compensation of the civil service includes salary and fringe benefits paid in cash¹¹. Similarly, the total cash compensation of the private sector includes base salary, variable pay and fringe benefits paid in cash;
- (ii) P75 of private sector pay: The upper quartile (i.e. the 75th percentile, or P75) of the private sector total cash compensation, consolidated on the basis of the typical organisation practice approach, was adopted for the determination of the private sector pay indicator for each JL. It accords with the general objective that the Government should be a good employer and, hence, civil

¹¹ Fringe benefits paid in cash include housing allowances, local education allowance, overseas education allowance and school passage allowance.

service pay should be measured against that of the better paying private sector jobs; and

- (iii) Notional mid-point salary of civil service: The notional mid-point salary for each specified JL plus the actual average expenditure on fringe benefits paid in cash was adopted for the determination of the civil service pay indicator for each JL. Unlike the actual average salary, the notional mid-point salary would not be skewed by the age and seniority profile of the civil service at a particular point in time due to exceptional circumstances.

5.9 The private sector pay indicators as consolidated by the Consultant and the civil service pay indicators are set out in Chapter 7.

Inherent Differences between the Civil Service and Private Sector and their Uniqueness

5.10 The Commission appreciates and fully recognises that there are unique features and inherent differences between the civil service and private sector in terms of the nature of operation, job requirements, appointment / remuneration practices, etc. In respect of the civil service, such uniqueness could be broadly classified into the following two categories –

- (i) unique responsibilities such as law enforcement, regulatory duties, law drafting, policy formulation and implementation, attendance at meetings or conferences on behalf of the Government which may have territory-wide implications, discharge of emergency duties under short notice and exceptional circumstances, etc; and
- (ii) unique features such as stronger community oversight in their performance of duties, higher standards of integrity, more stringent rules in personal conduct, etc.

The Commission is also fully aware of the increasing pressure faced by civil servants and the rising public expectation on transparency, accountability and responsiveness of the Government amidst the changes in social and political landscape in recent years.

5.11 While the civil service has its own unique duties and features, there are also characteristics unique to the private sector as ascertained by the Consultant during the survey. For example, since the job nature and duties of job holders in the private sector can be more easily measured, they are generally under constant pressure to meet targets. In general, their career prospect and job security are more directly impacted by the individual and organisational performance, as well as the macroeconomic environment. The private sector usually adopts a more flexible hire-and-fire practice, recruitment and severance takes place from time to time as and when needed. Progression is generally varied and is more influenced by individual performance, performance of the organisation, and market conditions.

5.12 The Commission appreciates that it is impossible to quantify the unique duties and features of both the civil service and private sector. Having said that, they have been taken into account in a holistic manner in considering the application of survey findings to the non-directorate civilian grades of the civil service.

Chapter 6

Principles and Considerations for Application of Survey Findings

6.1 The Administration has indicated in its invitation to the Commission that the application framework of the 2006 PLS was purely for reference, and that the Commission should not feel encumbered in any way in its recommendations on how the survey findings of the 2013 PLS should be applied.

Application in the 2006 Pay Level Survey

6.2 The Commission notes that in the 2006 PLS, a plus / minus 5% was adopted as the acceptable range of difference between the civil service and private sector pay indicators for a JL. Where the difference was within this range, no downward / upward adjustment was to be made to the relevant civil service pay points. Where the difference fell outside this range, the downward / upward adjustment to the relevant civil service pay points was to be made to the upper / lower limit of the 5% range. Since the difference between the civil service and private sector pay indicators for all JLs was within the acceptable range of plus / minus 5%, all the civil service pay scales remained unchanged as a result of the 2006 PLS.

Holistic Approach for the 2013 Pay Level Survey

6.3 For the 2013 PLS, the Commission is of the view that a holistic approach should be adopted. To this end, a number of principles and considerations which together formed the basis of a holistic approach have been formulated, making reference to those adopted in the 2009 SSS and 2012 SSS. The Commission has sought and suitably taken into account comments from the Staff Sides on these principles and considerations.

Principles and Considerations for Application for the 2013 PLS

Broad comparability with the private sector

6.4 Broad comparability with the private sector remains one of the main objectives of the entire civil service pay policy to, amongst others, ensure that civil service pay is regarded as fair by both civil servants and the public. Given the fact that a PLS is conducted at six-yearly intervals and the unpredictability of changes in market pay level, it is necessary to take a broader view and aim to maintain broad comparability with the private sector from a longer-term perspective.

Nature of the PLS

6.5 The PLS is designed to be conducted at six-yearly intervals to assess whether civil service pay is broadly comparable with that of the market at a particular reference point in time. Its scope covers all non-directorate civilian ranks. Therefore, it is imperative that excessive volatility in civil service pay be avoided, and flexibility be adopted in applying the survey results.

6.6 In addition, the market is dynamic. The PLS only captures market information at a particular point in time, whilst the survey findings will be applied to all non-directorate civilian ranks for a considerable period of time¹². It is therefore inappropriate to follow strictly the snapshot of private sector pay in determining the civil service pay level.

Attractiveness and stability of civil service pay

6.7 A cornerstone of the civil service pay policy is to offer sufficient remuneration to attract, retain and motivate staff of a suitable calibre to provide the public with an efficient and effective service. It is thus important to ensure the attractiveness of civil service pay to attract, retain and motivate talent in an increasingly competitive manpower market. Any considerations in adjusting the pay level of the civil service should be given in a prudent manner.

6.8 The Commission also agrees that the general objective of the Government as a good employer should continue to be upheld. In the

¹² For the disciplined services and directorate grades, the Commission would defer to the Administration to consider whether, and if so how, the Commission's recommendations would be applied to them, taking into account the advice of the SCDS and the Directorate Committee as appropriate.

context of the PLS, this is effected by comparing civil service pay with that of the better paying private sector jobs. The upper quartile (P75) level of private sector pay will be used as the parameter for comparison.

Inherent differences between the civil service and private sector and their uniqueness

6.9 It is generally recognised that there are inherent differences between the civil service and private sector in respect of, for example, the mechanism of salary progression, mobility of employees, flexibility of pay structure, etc.

6.10 Moreover, the civil service and its private sector comparators have their own unique duties and features. Certain duties such as policy formulation, law enforcement, law drafting, regulatory work, rescue work, duties during emergency and exceptional circumstances, etc. are unique to the civil service. In addition, civil servants in general are subject to stronger community oversight in their performance of duties, have to meet higher standards of integrity, abide by more stringent rules in their conduct, etc. On the other hand, there are certain characteristics that are unique to the private sector. For example, some individuals are under constant pressure to meet stretched sales targets. The different environment makes it inappropriate for civil service pay to strictly mirror fluctuations in private sector pay.

6.11 The Commission acknowledges the existence of such inherent differences and uniqueness, and will take them into consideration when recommending the application of the survey results.

Inherent discrepancies in statistical surveys and elements of chance

6.12 Similar to any other surveys, the PLS cannot provide an absolutely precise picture of private sector pay. Some degree of discrepancy is inevitable for a survey of such a wide coverage and complexity. Hence, it is advisable to allow some degree of flexibility in applying the survey findings.

6.13 Statistical discrepancies and elements of chance caused by various factors are unavoidable. Such factors may include the setting of the survey reference date, the selection of organisations for the survey, the willingness of selected organisations to take part in a survey, the depth and breadth of the pay data provided by the participating organisations, the

availability of comparable job matches in the participating organisations, the staff profile and business performance of the participating organisations, etc. While the survey findings provide objective data for comparison, it is inappropriate to follow strictly the market situation which can be highly influenced by a range of factors.

Overall interest

6.14 A stable and permanent civil service is essential to the smooth running of the Government and the efficient delivery of public services without disruption. Volatility or frequent changes in civil service pay are undesirable in maintaining a stable civil service, and likely to affect staff morale and motivation. Furthermore, as the Government is the largest employer in Hong Kong, any action in pay adjustment by the Government, be it upward or downward, will have an impact on the private sector, both in terms of labour market implications and the signal it sends to the community.

6.15 The Commission acknowledges that the views and interests of civil servants as well as staff morale have been and should continue to be relevant factors in the consideration of adjustments to civil service pay. It is paramount to take account of the overall community interests, including interests of civil servants and the public, in formulating recommendations on the application of survey findings. For the PLS to be credible, survey findings should be applied in a manner considered fair by both civil servants and the public they serve.

Chapter 7

Pay Comparison and Recommendations on Application of Survey Findings

7.1 The 2013 PLS, using 1 October 2013 as the survey reference date, has successfully collected pay data from 128 private sector organisations, and matched private sector counterparts for 162 civil service benchmark jobs.

Findings of Pay Comparison

7.2 The findings of the 2013 PLS are summarised in **Table 5** below –

Table 5

Job Level	Civil Service Pay Indicator (annual)(\$) (a)	Private Sector Pay Indicator (annual)(\$) (b)	Comparison Ratio (a) / (b)
Job Level 1 (MPS 0 – 10 & MOD 1)	178,017	182,536	98%
Job Level 2 (MPS 11 – 23)	352,368	337,789	104%
Job Level 3 (MPS 24 – 33)	589,552	614,298	96%
Job Level 4 (MPS 34 – 44)	907,681	923,634	98%
Job Level 5 (MPS 45 – 49)	1,223,094	1,333,969	92%

7.3 The civil service pay indicator for each JL is derived by aggregating the notional mid-point salary plus actual average expenditure on fringe benefits paid in cash for that particular JL. On the other hand, the private sector pay indicator for each JL is derived by aggregating the base salary, variable pay and fringe benefits paid in cash for that particular JL. The comparison ratios (by percentage) are obtained by dividing the

civil service pay indicator by the private sector pay indicator to indicate any pay differential. A comparison ratio of 100% would mean that the civil service pay indicator is the same as the private sector pay indicator for that JL.

7.4 As shown in the above table, the civil service pay indicators for JL 1, JL 3, JL 4 and JL 5 are lower than the private sector pay indicators by 2%, 4%, 2% and 8% respectively; and the civil service pay indicator for JL 2 is higher than the private sector pay indicator by 4%. The differences between the civil service pay indicators and private sector pay indicators for JL 1 to JL 4 are all within 4%, while the difference between the two indicators for JL 5 is 8%.

Recommendations on Application of Survey Findings

7.5 Given the above survey findings, the question then for the Commission is at which point civil service pay is considered out of line with the market that warrants pay adjustment; and if adjustment is considered warranted how civil service pay should be adjusted.

7.6 In answering the above questions, the Commission has made reference to the principles and considerations under the holistic approach as set out in **Chapter 6**. The analysis of the Commission is elaborated in the ensuing paragraphs.

Broad comparability with the private sector

7.7 As enshrined in the Government's pay policy for the civil service, a key objective is to maintain broad comparability between civil service pay and private sector pay. Such a policy is intended for good reasons, as it is neither fair nor practical to achieve strict comparability with the market in view of the inherent differences between the civil service and private sector and their respective uniqueness. Indeed, the broadly-defined JF-JL method used in this PLS was designed to enable broad comparison between civil service pay and private sector pay, rather than comparison by individual grades and ranks.

7.8 Looking at the survey findings in paragraph 7.2 above, strict comparability would have meant an indiscriminate and automatic numeric adjustment of civil service pay to bring it in precise alignment with the market. For instance, for JL 2 with a comparison ratio of 104% a

downward adjustment of 4% would have been triggered, whilst for JL 3 with a ratio of 96% an upward adjustment of 4% would have followed. Such alignments would have occurred mechanically without further analysis and regardless of the magnitude of the differences. This is clearly in violation of the principle of broad comparability.

7.9 Having reviewed the survey findings, the Commission is of the view that for JL 1 to JL 4 where the differences between the civil service pay indicators and private sector pay indicators are -2%, +4%, -4% and -2% respectively their pay should be regarded as broadly comparable. As regards JL 5 for which the difference is -8%, the Commission considers it significant and hence should be appropriately addressed.

Nature of the PLS

7.10 A PLS only captures market information at a specific reference point in time. In the case of the 2013 PLS, 1 October 2013 was used as the survey reference date. Basic salary of the participating private sector organisations was annualised based on 1 October 2013 while other components included in the calculation were collected for the 12-month period prior to that date. As reported by the Government Economist, at the point of the survey, the economy of Hong Kong attained a moderate growth amid a still challenging external environment. The labour market stayed firm and remained in full employment throughout 2013. Nominal wages and earnings continued to see solid improvement. The overall labour demand stayed sturdy in 2013 on the back of steady economic growth and resilient domestic demand. The Commission therefore observes that the current PLS was conducted amidst a generally steady and favourable macro-economic environment. Yet most recently the Government Economist advised that the Hong Kong economy is only poised to attain modest growth for 2014 as a whole. The growth forecast for the Gross Domestic Product for 2014 as a whole is revised downward from 3%-4% in the May round of review to 2%-3% in the August round in view of the latest economic situation in the local and external environments.

7.11 Against the above backdrop, the Commission assesses that in addressing the pay gap for JL 5, a moderated upward adjustment (i.e. not to the full extent of 8%) would be reasonable.

Attractiveness and stability of civil service pay

7.12 The Commission notes that staff in JL 5 are experienced civil servants such as Chief Executive Officers, Senior Government Counsels and Senior Engineers. In general, they possess a wealth of expertise and play an important role in implementing Government policies and projects and discharge higher-level duties, such as strategic planning, supervision of large-scale projects, and provision of professional advice, etc. They are also instrumental in training and grooming their subordinates which are crucial in ensuring continuity of the civil service.

7.13 The Commission further notes that in the 2006 PLS, JL 5 also recorded a pay deficiency with its civil service pay indicator lagging behind that of the market. In the 2006 PLS, the comparison ratio for JL 5 was 95%, whilst in the current PLS it is 92%. Hence the pay gap for this Job Level has widened by 3% during the past seven years.

Inherent differences between the civil service and private sector and their uniqueness

7.14 As mentioned in paragraph 5.10 above, the Commission appreciates and fully recognises that the civil service and private sector are distinct in many ways. The structure of civil service pay is more progressive in nature and civil service pay practices are more uniform and standardised, whilst private sector pay allows much more flexibility in adjusting to the ever-changing market situation. The Government places greater emphasis on the overall interest of the community while the private sector is mostly commercial in nature which is profit-driven. A stable and permanent civil service is essential to the smooth running of the Government while the private sector tends to be much more dynamic and responsive.

7.15 The Commission therefore considers that such inherent differences and uniqueness between the two sectors should reaffirm its observations under the principle of broad comparability as set out in paragraphs 7.7 to 7.9 above, i.e. it is inappropriate to strictly compare and align the pay between the two sectors, and that for JL 1 to JL 4 the pay levels are broadly in line while for JL 5 there is a significant variance that warrants adjustment.

Inherent discrepancies in statistical surveys and elements of chance

7.16 While a PLS serves to provide a scientific and objective comparison between civil service pay and private sector pay, it is important to acknowledge that a PLS cannot offer a fully precise picture of private sector pay at a particular point in time. Some degree of discrepancy and elements of chance is inevitable for a survey of such a wide coverage and complexity.

7.17 On this, the Commission observes that a plus / minus 5% range was adopted in the 2006 PLS having regard to, amongst others, the discrepancies and elements of chance embedded in statistical surveys. The Commission is of the view that such a range may serve as a reasonable buffer to avoid excessive volatility in civil service pay. Referencing this range in the current PLS, the upward adjustment for JL 5 would be in the magnitude of 3%.

Overall interest

7.18 The Commission fully appreciates that while it is important to ensure attractiveness of civil service pay, it is equally imperative that any adjustments be considered fair by both civil servants and the public they serve given that civil service pay is funded by public money. Throughout the exercise, the Commission has strived to discharge its role objectively and fairly, taking into account and balancing as best it could the diverse and at times conflicting interests of the various stakeholders.

7.19 Since there is no mathematical formula which could derive a threshold for pay adjustment in a precisely scientific manner, a judgment has to be made in determining whether an adjustment is warranted for each of the JLS and if so the magnitude of adjustment. Having balanced the interests of individual stakeholders, the civil service and the community as a whole, the Commission is satisfied that a recommendation of no change to the salary of officers of JL 1 to JL 4 and a moderated increase of 3% to the salary of officers of JL 5 would be a balanced, reasonable and justified one in the context of the 2013 PLS.

Conclusion

7.20 Following from the above analysis, the Commission **recommends** that the findings of the 2013 PLS be applied in the following manner –

Job Level (JL)	Recommendation
JL 1	No change is proposed to the salary of non-directorate civilian staff in MPS Point 0 – 10 and MOD 1 Pay Scale Point 0 – 13
JL 2	No change is proposed to the salary of non-directorate civilian staff in MPS Point 11 – 23
JL 3	No change is proposed to the salary of non-directorate civilian staff in MPS Point 24 – 33
JL 4	No change is proposed to the salary of non-directorate civilian staff in MPS Point 34 – 44
JL 5	An upward adjustment of 3% is proposed to the salary of non-directorate civilian staff in MPS Point 45 – 49

Issues Relating to Implementation

7.21 As no change is recommended to JL 1 to JL 4, the Commission also **recommends** that no change be made to the other non-directorate civilian pay scales¹³ since their pay points are all within the pay range of JL 1 to JL 4.

7.22 As regards the effective date of the pay adjustment for JL 5, the Commission **recommends** that it be set as the first day of the month this report is submitted. The Commission realises that there may be expectation that the pay adjustment would take retrospective effect from the survey reference date (i.e. 1 October 2013), given that this has been the case for the annual civil service pay adjustment¹⁴. However, the Commission does not consider such an arrangement appropriate.

7.23 Owing to its scale and complexity, the PLS takes a much longer time to complete as compared with the annual PTSs. There will inevitably be a considerable time gap between the survey reference date and the date when the Commission submits its report to the Administration upon completion of the survey and finalisation of its recommendations. For the present exercise, if the effective date of the pay adjustment were to be set as the survey reference date of 1 October 2013, it would entail a

¹³ Other non-directorate civilian pay scales are the Training Pay Scale, Craft Apprentice Pay Scale and Technician Apprentice Pay Scale.

¹⁴ For the annual civil service pay adjustment, the established practice is that any upward pay adjustments would take retrospective effect from 1 April which is also the reference date of the PTS.

backdating payment of more than one year. The Commission does not see a justifiable case for such a long backdating arrangement, nor does it think it would meet the public expectation of the prudent use of public funds.

Chapter 8

Other Observations and Acknowledgements

8.1 In this final chapter, the Commission wishes to set out for reference of future PLSs a few observations gathered in the course of the 2013 PLS, and express its appreciation to all parties concerned which have contributed to the smooth conduct of the 2013 PLS.

Observations

8.2 The 2013 PLS covered non-directorate civilian grades of the civil service. The Commission fully recognises its potentially far-reaching implications on the civil service. It also acknowledges the diverse interests of different stakeholders, primarily civil servants of different grades and ranks and the general public. In the course of the 2013 PLS, the Commission has conducted extensive consultation with staff and external stakeholders, and strived to seek common grounds despite differences with a view to working out a set of recommendations which would be regarded as fair and acceptable by both civil servants and the public they serve. However, it is important to acknowledge that there is no recommendation which could possibly meet the interest and expectation of all stakeholders. The Commission is of the view that the current recommendation has presented a fine balance between the interests of various parties. Nevertheless, with the diverse interests of different stakeholders and its far-reaching implication, the PLS will continue to be a challenging and controversial exercise.

8.3 This is the first time that a PLS is conducted by the Commission under the *Improved Mechanism*, and that in the process reference had been drawn from previous pay-related surveys, including the 2006 PLS. In the light of the experiences gained in conducting the two PLSs, the Commission is of the view that it is an opportune time for the Administration to give thought to whether a review is warranted. The review may possibly cover, inter alia, the following areas –

- (i) survey methodology: Due to the wide coverage and complexity of the 2013 PLS as well as the lapse of time since the 2006 PLS, the Consultant conducted a comprehensive review of the survey methodology at the

beginning of the 2013 PLS. The Commission considers that the broadly-defined JF-JL method is on the whole a practicable methodology to compare civil service pay and private sector pay under the principle of broad comparability. Nevertheless, pay practices and policies of the private sector may change from time to time. The Commission considers it prudent to review the survey methodology again as appropriate for the next PLS;

- (ii) application issues: The recommendations on how the findings of the 2013 PLS should be applied were arrived at having regard to the principles and considerations under the holistic approach which have undergone extensive staff consultation. In the process, the Commission was not bound by the application framework of the 2006 PLS as explained in **Chapter 6**. Likewise, the Commission is of the view that the application framework for future PLSs should be decided taking into account the then prevailing circumstances and should not be bound by the approach adopted in the 2013 PLS. That said, the Commission considers it worthwhile to take stock of the experiences gained in the 2006 and 2013 PLSs, which should be of good reference value for future PLSs; and
- (iii) frequency for the conduct of the PLS: Conducting a survey of such a scale was not without challenges. Due to its highly complex nature and in-depth involvement of both the civil service and private sector, the survey took more than two years to complete. In the course of the survey, the Commission and the Consultant had undergone thorough review and extensive consultation with staff and management at every stage. The job inspection process was a labour intensive process taking up a considerable amount of time and effort on the part of the civil service. Pay comparison with the private sector, on the other hand, also required tremendous effort on the part of the private sector organisations.

Moreover, under the *Improved Mechanism*, an SSS is to be conducted every three years and a PLS every six years. This means every six years there would be an overlap and

both surveys would need to be done concurrently within the same year. The Commission finds this undesirable given the amount of work and resources involved. Indeed, in agreeing to undertake what was supposed to be the 2012 round of the SSS and PLS, the Commission proposed and the Administration agreed that the two should be delinked. In the light of the above, the Administration may wish to consider whether the frequency of conducting future PLSs should be reviewed, i.e. whether they should continue to be conducted every six years or at different intervals.

8.4 The Commission also wishes to point out that in order for future PLSs to be credible and be supported by relevant stakeholders, it is paramount that this review be completed before the next PLS commences.

Acknowledgements

8.5 The Commission would like to express its appreciation to all parties which have contributed to the 2013 PLS. We would like to thank the Staff Sides and their members for the useful views expressed at the PLS Consultation Meetings and their written submissions. We would also like to show our gratitude to the GM / DM for their assistance in liaising with their staff during the survey, as well as to the DCCs and staff unions / associations for their useful views expressed. Our appreciation also goes to all staff representatives who participated in the intensive job inspection process.

8.6 We would also like to thank the Employers' Federation of Hong Kong, the Hong Kong Institute of Human Resource Management and the Hong Kong People Management Association for sharing with us their experience in conducting pay surveys and appealing to their member organisations to participate in the 2013 PLS. Our gratitude also goes to the participating private sector organisations for their support and co-operation.

8.7 The Commission would also like to record our appreciation to the former Chairman, Mr Nicky Lo Kar-chun, SBS, JP, for his outstanding leadership in launching the exercise. Last but not least, we would like to express our gratitude to the staff of the Joint Secretariat for their hard work and dedicated support throughout the exercise.

**Standing Commission on Civil Service
Salaries and Conditions of Service**

Terms of Reference

- I. To advise and make recommendations to the Chief Executive in respect of the non-directorate civil service, other than judicial officers and disciplined services staff, on –
- (a) the principles and practices governing grade, rank and salary structure;
 - (b) the salary and structure of individual grades;
 - (c) whether overall reviews of pay scales (as opposed to reviews of the salary of individual grades) should continue to be based on surveys of pay trends in the private sector conducted by the Pay Survey and Research Unit, or whether some other mechanisms should be substituted;
 - (d) the methodology for surveys of pay trends in the private sector conducted by the Pay Survey and Research Unit, subject to advice under I(c) and having regard to the advice of the Pay Trend Survey Committee;
 - (e) matters relating to those benefits, other than salary, which the Commission advises as being relevant to the determination of the civil service remuneration package, including the introduction of new benefits or proposed changes to existing benefits;
 - (f) suitable procedures and machinery to enable staff associations and staff to discuss with management their views on matters within the terms of reference of the Commission;
 - (g) the circumstances in which it would be appropriate for the Commission itself to consider any issue, and how staff associations and management might present their views to the Commission in such circumstances; and

(h) such matters as the Chief Executive may refer to the Commission.

II. The Commission shall keep the matters within its terms of reference under continuing review, and recommend to the Chief Executive any necessary changes.

III. The Commission shall give due weight to any wider community interest, including financial and economic considerations, which in its view are relevant.

IV. The Commission shall give due weight to the need for good staff relations within the Civil Service, and in tendering its advice shall be free to make any recommendations which would contribute to this end.

V. In considering its recommendations and advice, the Commission shall not prejudice the 1968 Agreement between the Government of the Hong Kong Special Administrative Region and the Main Staff Associations (1998 Adapted Version).

VI. The staff associations making up the Staff Side of the Senior Civil Service Council and the Model Scale 1 Staff Consultative Council may jointly or individually refer matters relating to civil service salaries or conditions of service to the Commission.

VII. The heads of departments may refer matters relating to the structure, salaries or conditions of service of individual grades to the Commission.

VIII. The Commission shall not consider cases of individual officers.

IX. The Commission may wish to consider in the light of experience whether changes in its composition or role are desirable.

X. In carrying out its terms of reference, the Commission should ensure that adequate opportunities are provided for staff associations and management to express their views. The Commission may also receive views from other bodies which in its view have a direct interest.

Membership of the Commission

Chairman

Dr Wilfred Wong Ying-wai, SBS, JP (since 1 August 2012)

Mr Nicky Lo Kar-chun, SBS, JP (until 31 July 2012)

Members

Mr Owen Chan Shui-shing, JP (until 31 July 2014)

Mr T C Chan, BBS, JP (since 1 January 2014)

Miss Elaine Chan Wing-yi

Mr Barry Cheung Chun-yuen, GBS, JP (until 31 December 2012)

Ms Virginia Choi Wai-kam, JP (until 31 July 2012)

Dr Miranda Chung Chan Lai-foon (until 31 December 2013)

The Hon Jeffrey Lam Kin-fung, GBS, JP (until 31 December 2013)

Mr Lee Luen-fai (since 1 January 2014)

Ms Angela Lee Wai-yin, BBS, JP (since 1 August 2014)

Mr Joseph Lo Kin-ching (since 1 January 2013)

Mr Pang Yiu-kai, SBS, JP (until 31 December 2013)

Professor Suen Wing-chuen

The Hon Tony Tse Wai-chuen, BBS (since 1 January 2014)

Dr Carrie Willis Yau Sheung-mui, SBS, JP (since 1 August 2012)

Mr Wilfred Wong Kam-pui

公務員事務局局長
政府總部
香港添馬添美道 2 號
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11 November 2011

Mr. LO Kar-chun, Nicky, SBS, JP
Chairman
Standing Commission on
Civil Service Salaries and Conditions of Service
Room 701, 7/F, Tower Two
Lippo Centre
88 Queensway
Hong Kong

A handwritten signature in black ink that reads 'Dean Nicky,'.

2012 Pay Level Survey and 2012 Starting Salaries Survey

I am writing to advise that pending the favourable response from the staff side, I intend to invite the Standing Commission on Civil Service Salaries and Conditions of Service (“Standing Commission”) to conduct the 2012 Pay Level Survey (“PLS”) and the 2012 Starting Salaries Survey (“SSS”) and to recommend how the findings of these two surveys should be applied to non-directorate civilian grades in the civil service.

Improved Civil Service Pay Adjustment Mechanism

As you know, under the Improved Civil Service Pay Adjustment Mechanism (“the Mechanism”), civil service pay is compared with private sector pay on a regular basis through three different types of surveys, namely

(i) a PLS every six years to ascertain whether civil service pay remains broadly comparable with private sector pay; (ii) a SSS every three years to compare the starting salaries of civil service civilian grades with the entry pay of jobs in the private sector requiring similar qualifications; and (iii) an annual pay trend survey (“PTS”) to ascertain year-on-year pay adjustment in the private sector.

2012 Pay Level Survey

As the last PLS was undertaken in 2006, the next one is due to be conducted in 2012. As in the last PLS, the coming one will only cover the non-directorate civilian civil service. However, as the directorate and the disciplined services are also integral parts of the civil service, the Administration will consider how the findings of the 2012 PLS should be applied to these two parts of the civil service in consultation with the Standing Committee on Directorate Salaries and Conditions of Service and the Standing Committee on the Disciplined Services Salaries and Conditions of Service.

The 2006 PLS was conducted by the Civil Service Bureau (CSB) with the assistance of professional consultants and in consultation with the staff sides. Its findings and proposed application were submitted to the Standing Commission (and the other two committees on salaries and conditions of service of disciplined services civil servants and directorate civil servants) for information and advice. With a view to enhancing the credibility of the PLS and engendering greater acceptance of the survey findings in the civil service and the community at large, we believe it would be better for the Standing Commission (instead of CSB) to conduct the 2012 PLS. In this connection, the Commission may wish to note the key features of the 2006 PLS (which had gone through extensive discussions with the staff sides) as set out below -

- (a) the adoption of a broadly defined job family and job level method;

- (b) the selection of civil service benchmark jobs in each job family and job level with comparators in the private sector;
- (c) the matching and comparison of civil service benchmark jobs with counterpart jobs in the private sector;
- (d) the selection of steady and good employers in the private sector to participate in the survey;
- (e) the collection of both basic cash and total cash compensation data from surveyed companies; and
- (f) the adoption of the typical organisation practice approach for consolidation of data collected from surveyed companies

In light of the experience of the 2006 PLS, the Executive Council endorsed the adoption of the above general framework for future PLSs, subject to a review of the following three main differences between the PLS and the PTS –

- (a) companies surveyed: the PLS covers companies with 100 or more employees only while the PTS also covers companies with 50-99 employees;
- (b) data consolidation method: the PLS uses the typical organisation practice approach (which is in effect an un-weighted average approach) while the PTS uses the weighted average approach with gross-up factors; and
- (c) number of job levels and salary bands: the PLS categories the surveyed employees into five job levels, while the PTS uses a three salary band categorisation.

Without wishing to undermine the independence of the Standing Commission and its decision on the methodology of the 2012 PLS should it agree to conduct the survey, we believe the above stated differences are there because of the different objectives and uses of the PLS and PTS. We do not consider they need to be aligned simply for alignment sake.

In addition to conducting the 2012 PLS (should it agree to do so), we would also look to the Commission to advise the Administration on how the survey findings should be applied to non-directorate civilian grades in the civil service. In this connection, the Commission may wish to note the application framework endorsed by the Executive Council in the context of the 2006 PLS –

- (a) the adoption of total cash compensation data at the upper third quartile (P75) for determination of the private sector pay indicator for each job level;
- (b) the adoption of the notional mid-point salary plus the actual average expenditure on fringe benefits paid in cash for determination of the civil service pay indicator for each job level;
- (c) the adoption of a plus/minus 5% as the acceptable range of difference between the civil service and private sector pay indicators for a job level. Where the difference is within this range, no downward/upward adjustment is to be made to the relevant civil service pay points. Where the difference falls outside this range, the downward/upward adjustment to the relevant civil service pay points is to be made to the upper/lower limit of the 5% range; and
- (d) the application of PLS results, in accordance with items (a) to (c) above, to all civil service pay scales on the basis of their internal relativities as at the reference date of the concerned PLS.

Again, we wish to underline that the above is set out purely for reference and that the Standing Commission should not feel encumbered in any way in its recommendations on how the 2012 PLS findings should be applied to the civil service (should it agree to take on this role).

We will be consulting the staff sides on our intention to invite the Standing Commission to conduct the 2012 PLS and advise on application of its findings in the non-directorate civilian part of the civil service early next month.

2012 Starting Salaries Survey

The last SSS, covering the non-directorate civilian civil service grades only, was conducted in 2009 by the Standing Commission. The survey findings and the Commission's recommendations on application in the civil service were implemented in full by the Administration, following consultation with the Standing Committee on Disciplined Service Salaries and Conditions of Service and the staff sides.

Building upon the successful experience of the 2009 SSS and in the interest of underlining the independence and credibility of the survey, we would very much prefer the Standing Commission to conduct the 2012 SSS which will again cover the non-directorate civilian civil service grades only. In this connection, we are mindful that the first cohort of Hong Kong Diploma of Secondary Education graduates under the new 3-3-4 academic structure will enter the labour market in the second half of 2012. This notwithstanding, the vast majority of job seekers in the labour market in the near term will still be holding qualifications of the "old" academic structure (e.g. Hong Kong Certificate of Education Examination, Hong Kong Advanced Level Examination, etc.) and the civil service Qualification Groups system should still be relevant.

We would also look to the Standing Commission (should it agree to conduct the 2012 SSS) to advise the Administration on the application of the survey findings in the non-directorate civilian part of the civil service. We would separately seek the advice of the Standing Committee on Disciplined Service Salaries and Conditions of Service on how the survey findings should be applied to the disciplined services.

As with the 2012 PLS, we will be consulting the staff sides on our intention to invite the Standing Commission to conduct the 2012 SSS and advise on application of its findings in the non-directorate civilian part of the civil service early next month.

Resources

I hope to write again next month to formally invite the Standing Commission to conduct the two surveys in 2012 and to advise the Administration on application of their findings in the civil service. I also hope the Commission will signify its agreement. It goes without saying that

we will make available sufficient financial and manpower resources to the Joint Secretariat for the Advisory Bodies on Civil Service and Judicial Salaries and Conditions of Service to support the Standing Commission should it agree to undertake the two important assignments.

Thank you for your attention.

A handwritten signature in black ink on a light green rectangular background. The signature is written in a cursive style and appears to read "Yours sincerely, Denise".

(Miss Denise Yue)
Secretary for the Civil Service

c.c. SG/JSSCS

公務員事務局局長
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13 December 2011

Mr. LO Kar-chun, Nicky, SBS, JP
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Standing Commission on
Civil Service Salaries and Conditions of Service
Room 701, 7/F, Tower Two
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88 Queensway
Hong Kong

A handwritten signature in black ink that reads 'Dean Nicky,'.

2012 Pay Level Survey and 2012 Starting Salaries Survey

Further to my letter of 11 November, I write to formally invite the Standing Commission on Civil Service Salaries and Conditions of Service (the Standing Commission) to conduct the 2012 Pay Level Survey (PLS) and the 2012 Starting Salaries Survey (SSS) and to recommend how these survey findings should be applied to the non-directorate civilian grades of the civil service.

The staff representatives (namely the Staff Sides of the four Central Consultative Councils and the four major service-wide staff unions), whom I consulted with last week, have expressed support for the above invitation, having regard to the independence of the Standing

Commission, its rich experience in the conduct of surveys on private sector pay-related matters and its profound knowledge about the civil service. They have specifically asked for close engagement with, and consultation by, the Commission during the preparation and throughout the conduct of the two surveys and, in particular, the PLS.


Having regard to the reference dates for the last PLS (1 April 2006) and SSS (1 April 2009) and the 6- and 3-yearly interval for the conduct of these two types of survey respectively, the reference date for the coming PLS and SSS should be 1 April 2012. While this is also the Administration's preferred reference date for the two surveys, we appreciate the Standing Commission must have sufficient time to undertake the necessary preparatory work, engage with the staff representatives and conduct the actual surveys. We also appreciate the importance of upholding the independence of the Standing Commission. For these reasons, we will leave it to the Standing Commission to decide on the reference date(s) for the 2012 PLS and the 2012 SSS. We look to the Standing Commission to complete the two surveys and submit the survey findings and its recommendations to the Administration within a reasonable period of time from the reference date(s) to be chosen, since the relevance of the findings of a pay-related survey is inevitably affected by the time lag between the survey reference date on the one hand and the availability of survey findings and recommendations on their application to the civil service on the other. During the course of the coming PLS and SSS, the established timeframe for the conduct of the annual Pay Trend Survey ("PTS") under the supervision of the PTS Committee will continue to be adhered to.

In my above-mentioned letter, we have alluded to the general framework for future PLS and the general application principles of the findings of future PLS to the civil service. We wish to take the opportunity to advise that the information has been provided for reference purpose. In the interest of upholding the independence of the Standing Commission, we consider it should decide on the methodology of the 2012 PLS (and the 2012 SSS) and on how the findings of this survey (as well as those of the 2012 SSS) should be applied to the relevant grades of the civil service.

As stated in my earlier letter, the coming PLS and SSS will only cover the non-directorate civilian civil service; and the Administration will, upon receipt of the survey findings and recommendations from the Standing Commission, consult the Standing Committee on the Disciplined Services Salaries and Conditions of Service and the Standing Committee on Directorate Salaries and Conditions of Service as appropriate on application to the disciplined services and directorate grades of the civil service. That said, we encourage the Standing Commission to consider whether and - if so - how to engage the two Committees at suitable junctures of the two surveys. I shall be writing to these two advisory bodies to inform them of the Administration's invitation to the Standing Commission to conduct the coming PLS and SSS.

The Standing Commission commands respect from civil servants not only for its impartiality and professionalism, but also for its track record of working closely with the staff representatives under your leadership. We therefore have no doubt that it will respond favourably to their request for close engagement and consultation during the preparation and throughout the conduct of the coming two surveys. Likewise, we are confident that the Commission will continue its established practice of interacting with relevant external stakeholders (e.g. human resources institutes) as appropriate in its conduct of pay-related surveys with a view to enhancing transparency and credibility of the whole process.

Thank you for your attention. I look forward to receiving the Commission's favourable response to our invitation.

A handwritten signature in black ink, appearing to read "Yansu Yue", with a stylized flourish below it.

(Miss Denise Yue)

Secretary for the Civil Service

c.c. SG/JSSCS

**Civil Service Benchmark Jobs with Private Sector Matches –
Categorised in Job Family-Job Level Combinations**

	<u>Job Family 1</u> <u>Clerical and Secretarial</u>	<u>Job Family 2</u> <u>Internal Support</u>	<u>Job Family 3</u> <u>Public Services</u>	<u>Job Family 4</u> <u>Works-related</u>	<u>Job Family 5</u> <u>Operational Support</u>
<p>\$ value as at 1.4.2013</p> <p align="center"><u>Job Level 1</u> MPS 0-10, MOD 1 0-13 (\$9,930 - \$18,535)</p>	Assistant Clerical Officer Clerical Assistant Personal Secretary II	Computer Operator II Supplies Supervisor II	Cultural Services Assistant I Cultural Services Assistant II Postal Officer Postman Programme Assistant	Works Supervisor II #	Artisan Foreman Ganger Motor Driver Property Attendant Senior Artisan Senior Estate Assistant Workman I Workman II
<p align="center"><u>Job Level 2</u> MPS 11-23 (\$19,675 - \$35,930)</p>	Clerical Officer Personal Secretary I	Accounting Officer II Analyst/Programmer II Assistant Information Officer Assistant Supplies Officer Assistant Valuation Surveyor Computer Operator I Executive Officer II Law Clerk Official Languages Officer II Senior Computer Operator Statistical Officer II Supplies Supervisor I	Assistant Assessor Assistant Controller of Posts II Assistant Labour Officer II Assistant Leisure Services Manager II Assistant Manager, Cultural Services Assistant Programme Officer Housing Officer Liaison Officer II Occupational Safety Officer II Senior Cultural Services Assistant Senior Postal Officer Transport Officer II	Assistant Architect Assistant Building Services Engineer Assistant Building Services Inspector Assistant Clerk of Works Assistant Electrical and Mechanical Engineer Assistant Electrical Inspector Assistant Electronics Engineer Assistant Electronics Inspector Assistant Engineer Assistant Geotechnical Engineer Assistant Inspector of Works Assistant Mechanical Inspector Assistant Quantity Surveyor Assistant Structural Engineer Survey Officer Technical Officer Works Supervisor I	Senior Foreman #

Two JF-JL combinations (i.e. JF 4 – JL 1 and JF 5 – JL 2) could not meet the vetting criterion of having pay data from at least 10 private sector organisations and were excluded from the data consolidation process.

\$ value as at 1.4.2013

	Job Family 1 Clerical and Secretarial	Job Family 2 Internal Support	Job Family 3 Public Services	Job Family 4 Works-related	Job Family 5 Operational Support
<u>Job Level 3</u>		Accounting Officer I Analyst/Programmer I Assistant Computer Operation Manager Estate Surveyor* Executive Officer I Government Counsel* Information Officer Official Languages Officer I Senior Law Clerk II Senior Statistical Officer Senior Supplies Supervisor Senior Valuation Officer Statistical Officer I Statistician* Supplies Officer Treasury Accountant* Valuation Surveyor*	Assessor * Assistant Controller of Posts I Assistant Housing Manager Assistant Labour Officer I Assistant Leisure Services Manager I Liaison Officer I Manager, Cultural Services Occupational Safety Officer I Programme Officer Superintendent of Posts Transport Officer I	Architect * Building Services Engineer * Building Services Inspector Clerk of Works Electrical And Mechanical Engineer * Electrical Inspector Electronics Engineer * Electronics Inspector Engineer* Geotechnical Engineer * Inspector of Works Maintenance Surveyor* Mechanical Inspector Quantity Surveyor* Senior Survey Officer Senior Technical Officer Structural Engineer *	
MPS 24-33 (\$37,625 - \$56,810)					

* Ranks having pay scale straddling between job levels 3 and 4.

	Job Family 1 Clerical and Secretarial	Job Family 2 Internal Support	Job Family 3 Public Services	Job Family 4 Works-related	Job Family 5 Operational Support
<p>\$ value as at 1.4.2013</p> <p>Job Level 4</p> <p>MPS 34-44 (\$57,275 - \$86,440)</p>		Chief Supplies Officer Computer Operation Manager Estate Surveyor * Government Counsel * Principal Information Officer Senior Accounting Officer Senior Executive Officer Senior Information Officer Senior Law Clerk I Senior Official Languages Officer Senior Supplies Officer Statistician * Systems Manager Treasury Accountant * Valuation Surveyor *	Assessor * Chief Liaison Officer Controller of Posts Divisional Occupational Safety Officer Housing Manager Labour Officer Leisure Services Manager Principal Programme Officer Senior Divisional Occupational Safety Officer Senior Liaison Officer Senior Manager, Cultural Services Senior Transport Officer	Architect * Building Services Engineer * Chief Survey Officer Chief Technical Officer Electrical and Mechanical Engineer * Electronics Engineer * Engineer* Geotechnical Engineer * Maintenance Surveyor* Principal Survey Officer Principal Technical Officer Quantity Surveyor* Senior Clerk of Works Senior Electrical Inspector Senior Electronics Inspector Senior Inspector of Works Senior Mechanical Inspector Structural Engineer *	
<p>Job Level 5</p> <p>MPS 45-49 (\$89,565 - \$103,190)</p>		Chief Executive Officer Chief Information Officer Principal Supplies Officer Senior Government Counsel Senior Statistician Senior Systems Manager Senior Treasury Accountant	Chief Manager, Cultural Services Chief Transport Officer Deputy Chief Occupational Safety Officer Principal Liaison Officer Senior Assessor Senior Controller of Posts Senior Housing Manager Senior Labour Officer	Senior Architect Senior Building Services Engineer Senior Electrical and Mechanical Engineer Senior Electronics Engineer Senior Engineer Senior Geotechnical Engineer Senior Quantity Surveyor Senior Structural Engineer	

* Ranks having pay scale straddling between job levels 3 and 4.

**List of Private Sector Organisations
Participating in the Survey**

1	7-11 LIMITED	7-11 有限公司
2	ABB (Hong Kong) Limited	–
3	AECOM	–
4	Airport Authority Hong Kong	香港機場管理局
5	ASM Pacific Technology Limited	–
6	Bank of China (Hong Kong) Limited	中國銀行（香港）有限公司
7	Belle Worldwide Limited	百麗環球有限公司
8	Black & Veatch Hong Kong Limited	博威工程顧問有限公司
9	Build King Holdings Limited	利基控股有限公司
10	BYME Engineering (HK) Ltd.	嘉福機電工程有限公司
11	Café de Coral Holdings Limited	大家樂集團有限公司
12	Carrier Hong Kong Ltd.	開利（香港）有限公司
13	Castco Testing Centre Ltd.	佳力高試驗中心有限公司
14	Cathay Pacific Airways Limited	國泰航空有限公司
15	Celestica Hong Kong Limited	–
16	Chevalier Group	其士集團
17	Chubb HK Ltd.	集寶香港有限公司
18	CITIC Pacific Limited	中信泰富有限公司
19	COSCO-HIT Terminals (Hong Kong) Limited	中遠 – 國際貨櫃碼頭（香港）有限公司
20	Dah Sing Bank, Limited	大新銀行有限公司
21	Dairy Farm International Holdings	牛奶國際控股
22	David S. K. Au and Associates Ltd.	區兆堅建築及工程設計顧問有限公司
23	DHL Express (HK) LTD	敦豪速遞（香港）有限公司
24	Employees Retraining Board	僱員再培訓局
25	Esquel Enterprises Limited	溢達企業有限公司
26	Evangelical Lutheran Church Social Service – Hong Kong	基督教香港信義會社會服務部
27	EY	安永
28	Fugro Geotechnical Services Limited	輝固土力工程有限公司
29	Gammon Construction Limited	金門建築有限公司
30	Great Eagle Holdings Limited	鷹君集團有限公司
31	Green Island Cement (Holdings) Limited	青洲英坭（集團）有限公司
32	Hip Hing Construction Co. Ltd.	協興建築有限公司
33	HKR International Limited	香港興業國際集團有限公司
34	Hong Kong Aero Engine Services Limited	香港航空發動機維修服務有限公司
35	Hong Kong Aircraft Engineering Company Limited	香港飛機工程有限公司
36	Hong Kong Baptist Hospital	香港浸信會醫院
37	Hong Kong Cable Television Limited	香港有線電視有限公司

38	Hong Kong Convention and Exhibition Centre (Management) Limited	香港會議展覽中心（管理）有限公司
39	Hong Kong Cyberport Management Company Limited	香港數碼港管理有限公司
40	Hong Kong Exchanges and Clearing Limited	香港交易及結算所有限公司
41	Hong Kong Ferry (Holdings) Co., Ltd.	香港小輪（集團）有限公司
42	Hong Kong Housing Society	香港房屋協會
43	Hong Kong Productivity Council	香港生產力促進局
44	Hong Kong Science & Technology Parks Corporation	香港科技園公司
45	Hong Kong Tourism Board	香港旅遊發展局
46	Hong Kong Trade Development Council	香港貿易發展局
47	Hong Kong Tramways, Limited	香港電車有限公司
48	Hong Yip Service Co., Ltd	康業服務有限公司
49	Hongkong International Theme Parks Limited	香港國際主題樂園有限公司
50	Hongkong Land Group Limited	置地集團有限公司
51	Hongkong United Dockyards Limited	香港聯合船塢集團有限公司
52	Hopewell Holdings Limited	合和實業有限公司
53	Hsin Chong Construction Group Limited	新昌營造集團有限公司
54	IKEA Trading (Hong Kong) Limited	宜家貿易（香港）有限公司
55	Inchcape Hong Kong Group	英之傑香港集團
56	InterContinental Hong Kong	香港洲際酒店
57	ISS Facility Services Limited	-
58	K. Wah Construction Materials (Hong Kong) Limited	嘉華建材（香港）有限公司
59	Kai Shing Management Services Limited	啟勝管理服務有限公司
60	Kerry Properties (H.K.) Limited	嘉里發展有限公司
61	KONE Elevator (HK) Ltd	通力電梯（香港）有限公司
62	KPMG	畢馬威會計師事務所
63	Langham Hotels International Limited	朗廷酒店國際有限公司
64	Li & Fung (Trading) Ltd.	利豐（貿易）有限公司
65	Mandatory Provident Fund Schemes Authority	強制性公積金計劃管理局
66	Manulife (International) Limited	宏利人壽保險（國際）有限公司
67	Miramar Hotel & Investment Company Limited	美麗華酒店企業有限公司
68	Modern Terminals Limited	現代貨箱碼頭有限公司
69	MTR Corporation Limited	香港鐵路有限公司
70	Nestlé Hong Kong Limited	雀巢香港有限公司
71	New Hong Kong Tunnel Company Limited	新香港隧道有限公司
72	New World First Bus Services Limited	新世界第一巴士服務有限公司
73	Ngong Ping 360 Limited	昂坪 360 有限公司
74	Ocean Empire International Limited	海皇國際有限公司
75	Ocean Park Corporation	海洋公園公司
76	ONC Lawyers	柯伍陳律師事務所
77	Orient Overseas Container Line Limited	東方海外貨櫃航運有限公司
78	Paul Y Management Limited	保華建業集團有限公司
79	Pearson Education Asia Limited	培生教育出版亞洲有限公司

80	Perfect Combo Limited	健味堡有限公司
81	Rider Levett Bucknall Limited	利比有限公司
82	River Trade Terminal Co. Ltd.	香港內河碼頭
83	SAE Magnetics (Hong Kong) Limited	新科實業有限公司
84	Samsonite Asia Limited	–
85	Shiu Wing Steel Limited	紹榮鋼鐵有限公司
86	Shun Tak Holdings Limited	信德集團有限公司
87	Sik Sik Yuen	齋色園
88	SOCAM Development Limited	瑞安建業有限公司
89	Sogo Hong Kong Company Limited	崇光香港百貨有限公司
90	St. James' Settlement	聖雅各福群會
91	Sun Hung Kai Properties	新鴻基地產
92	Sun Life Assurance Company of Canada	–
93	The Bank of East Asia, Limited	東亞銀行有限公司
94	The Commercial Press (Hong Kong) Limited	商務印書館（香港）有限公司
95	The Hong Kong and China Gas Company Limited	香港中華煤氣有限公司
96	The Hong Kong Jockey Club	香港賽馬會
97	The Hong Kong Philharmonic Society Ltd.	香港管弦協會有限公司
98	The Jardine Engineering Corporation Limited	怡和機器有限公司
99	The Kowloon Motor Bus Co. (1933) Ltd.	九龍巴士（一九三三）有限公司
100	The Nielsen Company (Hong Kong) Limited	尼爾森（香港）有限公司
101	The Sincere Company Limited	先施有限公司
102	TNT Express Worldwide (HK) Ltd	–
103	Tung Wah Group of Hospitals	東華三院
104	Urban Group	富城集團
105	Urban Renewal Authority	市區重建局
106	Van Shung Chong Hong Limited	萬順昌行有限公司
107	Wellcome Company Limited	惠康有限公司
108	Wing Hang Bank, Limited	永亨銀行
109	Wong & Ouyang (HK) Limited	王歐陽（香港）有限公司
110	YATA Limited	一田有限公司
111	YMCA of Hong Kong	香港基督教青年會
112 – 128	Anonymous*	

* These organisations do not want to have their names published.

**Summary of the Methodology of the
Civil Service Pay Level Survey (PLS) 2013**

Under the broadly-defined Job Family-Job Level method, pay comparison was carried out by the following steps –

- (a) “civil service benchmark jobs” which are representative and have reasonable private sector matches are identified for inclusion in the survey. They are categorised into five job levels (JLs) based on their pay scales (JL 1 being the lowest and JL 5 being the highest) and five job families based on their job natures;
- (b) an intensive job inspection process which serves to ascertain details of the job characteristics of civil service benchmark jobs is carried out to facilitate identification of private sector job matches;
- (c) based on the findings of the job inspection process, private sector jobs which are comparable with the civil service benchmark jobs in terms of job content, work nature, level of responsibility, and typical requirements on qualification and experience are identified;
- (d) the pay information of each of the matched private sector jobs are collected. The information are aggregated and consolidated by JLs, such that each JL will have a “private sector pay indicator”; and
- (e) a civil service pay indicator is computed for each JL for comparison with the private sector pay indicator of the same JL.

2. Concerning the pay comparison, it should be noted that –

- (a) the total cash compensation (but not only basic salary) of the civil service and private sector benchmark jobs are taken as the basis of comparison. The private sector pay indicator for each JL includes base salary, variable pay and fringe benefits paid in cash. Similarly, the civil service pay indicators also include both salary (notional mid-point salary

of the JL as at the reference date (1 October 2013)) and the actual average expenditure on fringe benefits paid in cash (i.e. housing, education and passage allowances) over the 12 months prior to 1 October 2013; and

- (b) in accordance with the general objective that the Government should be a good employer and, hence, civil service pay should be measured against that of the better paying private sector jobs, the upper third quartile (P75) level of private sector pay indicators was used for the comparison with the civil service pay indicators.

3. More details about the methodology of the 2013 PLS, the selection of the civil service benchmark jobs and the private sector jobs as well as the job matching and collection of pay information can be found in Chapters 2 to 5 of the 2013 PLS Report.