

LEGISLATIVE COUNCIL BRIEF

Review on Civil Service Pay Level Survey and Starting Salaries Survey

INTRODUCTION

At the meeting of the Executive Council on 9 April 2019, the Council **ADVISED** and the Acting Chief Executive **ORDERED** that –

- (a) the recommendations in Report No. 59 of the Standing Commission on Civil Service Salaries and Conditions of Service (Standing Commission) be accepted in full; and
- (b) in future, Starting Salaries Survey (SSS) be conducted as and when necessary. The Administration will consider conducting an SSS in response to specific circumstances including the following:
 - (i) the findings or observations of the Pay Level Survey (PLS) suggest that the conduct of SSS is warranted;
 - (ii) there are serious recruitment difficulties, severe deterioration in the appointment position or substantial changes to the regulatory framework of the entry ranks of the civil service grades under an individual Qualification Group (QG)¹ or related QGs; or
 - (iii) there are rapid and unforeseeable changes to the local economy that may have a significant and lasting impact on the employment market including the civil service in Hong Kong.

¹ Basic ranks in the civil service are categorised into 11 QGs, with respective benchmark pay generally set having regard to factors including the entry pay for jobs in the private sector requiring similar educational qualifications and experience (if applicable) as determined with reference to the results shown in previous SSSs. The key dimensions in comparing entry-level jobs in the civil service and those in the private sector include educational qualification requirements and, where applicable, experience, and job functions.

JUSTIFICATIONS

Civil Service Pay Policy

2. Our 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 maintain broad comparability between civil service and private sector pay. To implement this policy, the Government devised the “Improved Civil Service Pay Adjustment Mechanism” (“Improved Mechanism”) in 2007, which includes three types of pay surveys that have since been conducted on a regular basis, namely:

- (a) an annual Pay Trend Survey (PTS) to ascertain year-on-year pay adjustments in the private sector;
- (b) an SSS every three years to compare the starting salaries of non-directorate civilian civil service grades with the entry pay of jobs in the private sector requiring similar qualifications and/or experience; and
- (c) a PLS every six years to ascertain whether civil service pay remains broadly comparable with private sector pay.

Since the implementation of the “Improved Mechanism”, the Government has invited the Standing Commission to conduct the SSS thrice (namely the 2009 SSS, 2012 SSS and 2015 SSS) and the PLS once (i.e. the 2013 PLS).

3. Having regard to the recommendations made in the context of the 2013 PLS and 2015 SSS, in April 2017, the Government invited the Standing Commission to conduct a review on the PLS and SSS to provide useful reference information and a solid basis for the surveys to be conducted in future. The Standing Commission submitted the findings and recommendations in its Report No. 59 in December 2018 (the summary of the review’s conclusions and recommendations is at **Annex A**). The full Report can be accessed via the following web page: https://www.jsscs.gov.hk/reports/en/59/R59_e.pdf.

A

Scope of the Review

4. The scope of the review covers the methodologies of the PLS and SSS, a specific study on QG 8 (Degree and Related Grades)² as well as a research on civil service pay arrangements in overseas countries. In reviewing the methodologies of the two surveys, the Standing Commission has also examined the frequency for conducting the two surveys and the application of

² There are 26 civil service grades under QG 8. Its benchmark pay is Point 14 of Master Pay Scale (MPS).

the survey findings. The objective of the specific study on QG 8 is to examine the unique features and characteristics pertaining to this QG³.

Recommendations of the Standing Commission

PLS Methodology

5. For the PLS, the Standing Commission considers that the existing broadly-defined Job Family-Job Level (JF-JL) method⁴ remains the most appropriate methodology and recommends its continued adoption. It has also made other recommendations for enhancement including:

- (a) to continue the adoption of the existing five JL categorisation, but increase the number of JFs from five to six to enhance precision in job comparison. The number of organisations to be surveyed should be increased from 70-100 to 100-130 to ensure data sufficiency. The JL categorisation and enhanced JFs are set out in **Annexes B and C** respectively;
- (b) to request private sector organisations participating in future PLSs to provide additional pay-related data specifically targeted at entry-level positions, thus enabling the enhanced PLS to provide broad indications as to whether the levels of pay for private sector entry-level positions as classified into different QGs are generally in tandem with the benchmark pay for the corresponding QGs in the civil service; and
- (c) to relax the selection criteria for civil service benchmark jobs so that grades with an establishment size of not less than 50 posts and single-rank grades will be included in future PLSs with a view to increasing the number of data points in the survey.

B & C

The Standing Commission also recommends the continued exclusion of the directorate grades and the disciplined services grades from the future survey field due to the absence of direct comparables in the private market; and that

³ In the 2015 SSS, the Standing Commission observed certain unique features and characteristics pertaining to entry ranks of QG 8 in the civil service and degree graduate entry-level positions in the private sector, such as (a) a relatively larger pay dispersion of degree graduate entry-level positions in the private sector as compared to other QGs; (b) a widening pay difference between the civil service benchmark pay of QG 8 and the comparable upper quartile pay level (i.e. P75 level) in the private sector; and (c) a lower growth rate of the starting pay of degree graduate entry-level positions in the private sector as compared to other QGs.

⁴ In the PLS, civil service benchmark jobs are currently categorised into five JFs in accordance with the job content, work nature and manner in which a job contributes to the functioning of the Government, and also into five JLs in accordance with different levels of responsibility and the typical requirements of qualification and experience.

of the education and social welfare sectors because many of their private sector organisations follow either civil service pay scales or pay adjustments. It further recommends that a brief study be conducted by the survey consultant of the next PLS to verify if the medical and health care field (including the Hospital Authority and other large private medical and health care organisations) continues to refer to the civil service pay scales or pay adjustments in pay determination before deciding if it should be excluded from the survey.

SSS Methodology

6. For the SSS, the Standing Commission recommends the continued adoption of the QG-JF framework, the existing selection criteria for private sector jobs and the vetting criteria for data collection⁵. The JF framework for the SSS is at **Annex D**.

D

Application of Survey Findings

7. The Standing Commission considers that as the market is highly dynamic and that pay surveys only capture market information at a particular point in time, it would not be holistic to simply follow a single snapshot of the private sector pay in applying the findings of the pay surveys without at the same time considering other factors. The Standing Commission, therefore, does not recommend the use of a pre-determined range for a mechanical application of future survey results. Instead, it recommends that the holistic approach should continue to be adopted in considering the application of the results of both surveys.

Frequency for Conducting the Surveys

8. The Standing Commission, having balanced the extensive inputs in terms of time and effort required for the conduct of the PLS (past experience showed that it took around 33 months to complete the PLS), and its objective to examine the levels of pay across the non-directorate civilian grades in the civil service, recommends that the PLS should continue to be conducted at a six-yearly interval and that the next PLS should be kick-started in 2019.

9. As for the SSS, instead of conducting it triennially, the Standing Commission has examined the pros and cons of other alternatives, including conducting the SSS “at a six-yearly interval” (in alternation with the PLS), or “as and when necessary in response to specific circumstances”. The Standing Commission prefers the latter option. Under that option, the Government may consider, after reviewing the broad indications as revealed

⁵ With the exception that it should be explored if the vetting criteria for QG 4 (Technical Inspectorate and Related Grades: Higher Certificate or equivalent qualification plus experience) should be relaxed, say, from the existing at least 15 surveyed organisations to ten, to enhance data sufficiency.

by the PLS and the specific circumstances, whether a comprehensive SSS, or an SSS of a smaller ambit, should be conducted. The option also has the support of the majority of the staff side.

Specific Study on QG 8

10. In the 2015 SSS, the Standing Commission observed certain unique features and characteristics pertaining to QG 8 in the civil service and the degree graduate entry-level positions in the private sector. It therefore recommended that a specific study on QG 8, using a broader and longer perspective approach, should be conducted to determine whether the survey methodology should be improved and how future survey findings should be applied in relation to QG 8. The same methodology as in the 2015 SSS has been adopted by the Consultant engaged by the Standing Commission in that specific study which shows that the upper quartile pay level for degree graduate entry-level positions in the private sector was lower than the civil service benchmark pay of QG 8 (at MPS Point 14) by 19.8%.

11. The Standing Commission considers that due regard should be given to the inherent differences in human resources management practices between the private sector and the civil service when interpreting their pay differential. For instance, the civil service is establishment-tied, hierarchical and structured, whereas the private sector is more flexible and has varied career paths. Management trainee and fast-tracking programmes allow high performers in the private sector to be promoted to managerial positions in a short period of time leading to significant pay increases, but that could not be captured in the study. The Consultant has also noted that the creation of high-end jobs in the private sector in recent years is unable to keep pace with the increase in the supply of degree graduates, thus leading to more and more degree graduates taking up jobs requiring less professional knowledge (such as clerks and service workers) with relatively lower pay packages. Given that the pay difference between degree graduate entry-level positions in the private sector and the civil service benchmark pay of QG 8 has been caused by multiple factors, the Standing Commission recommends that when an SSS covering QG 8 is conducted in future, the present holistic approach should continue to be adopted in interpreting survey results for degree graduates in the private sector and with greater flexibility in handling survey results in relation to that QG. The Standing Commission also recommends that the feasibility of a more precise selection of private sector jobs for comparison with QG 8 ranks in the civil service should be explored before commencement of the survey.

12. The research shows that the five countries surveyed⁶ have developed different approaches to civil service pay administration to meet their specific needs. Given the considerable differences in cultural, social and political environments among those countries and Hong Kong, their remuneration practices for civil servants, no matter individually or collectively, may not be directly applicable to or appropriate for Hong Kong. The Standing Commission does not see a strong reason for the Government to initiate fundamental changes to the management of the civil service solely for the purpose of following international practices. In determining civil service pay adjustments, other relevant factors should be taken into account in addition to findings of pay surveys. The Standing Commission has also noted that the holistic approach that it adopted in considering the results of previous rounds of the PLS and SSS is in tandem with the common trend identified in the five countries surveyed.

Views of Staff Side and the Relevant Advisory Bodies

13. In the course of the review, the Standing Commission maintained communication and exchanged views with the staff side of the four Central Consultative Councils and the four major service-wide staff unions⁷ on, among other things, the review framework and methodology, work plan, as well as major findings and recommendations. The staff side's views have also been taken into account by the Standing Commission, where appropriate, in its deliberation.

14. Upon receipt of Report No. 59 of the Standing Commission, we have, in accordance with established practice, invited comments from the staff side of the four Central Consultative Councils and the four major service-wide staff unions. The Standing Committee on Disciplined Services Salaries and Conditions of Service (SCDS) and the Standing Committee on Directorate Salaries and Conditions of Service (SDCS) have also been invited to offer their views as the review findings may have implications on the relevant arrangements for civil service pay as a whole (including those for disciplined services and directorate officers) in future.

⁶ The five countries covered are Australia, Canada, New Zealand, Singapore and the United Kingdom. The research has examined the civil service pay system, pay adjustment and review mechanism of these countries, as well as the ways the respective governments conduct pay surveys and determine starting salaries of civil service jobs.

⁷ The four Central Consultative Councils are the Senior Civil Service Council (SCSC), Police Force Council (PFC), Disciplined Services Consultative Council (DSCC) and Model Scale 1 Staff Consultative Council. The four major service-wide staff unions are the Government Employees Association, Hong Kong Civil Servants General Union, Hong Kong Federation of Civil Service Unions and Government Disciplined Services General Union (GDSGU).

15. While many of the staff side representatives agree with or have no comment on the recommendations set out in Report No. 59 in general, some of them have asked that clearer definitions should be provided for the concept of “broad comparability”, which is to be maintained between civil service and private sector pay, as well as the factors for consideration behind the “holistic approach”. They have also taken the opportunity to express their views on other issues such as requesting the conduct of grade structure reviews for the directorate grades and some civilian grades, as well as the cessation of the deduction of payroll cost of increments arrangement in the annual civil service pay adjustment⁸. In addition, they have urged the Government to engage the staff side at various stages with respect to the conduct of future surveys.

16. The SCDS and SDCS, having considered the views they received from the staff side⁹ and studied Report No. 59, have indicated agreement to the findings and recommendations set out in the Report.

The Administration’s Views

Overall View

17. We will accept all the recommendations in Report No. 59, subject to refinement concerning the recommendation that future SSSs should be conducted “as and when necessary in response to specific circumstances” (which will be discussed further in paragraphs 18 - 21 below). Taken together, they will improve data sufficiency and representativeness of future PLSs and SSSs. Specifically, we would like to highlight the following two points –

- (a) requesting private sector organisations participating in future PLSs to provide additional pay-related data in respect of their entry-level positions would provide us with useful reference for deciding whether any follow up action, including the commissioning of an SSS, would be required to ensure broad comparability of civil service and private sector pay in a timely fashion. This would also be an important step to take in order that future SSSs could be conducted

⁸ The PCIs deduction arrangement has been implemented since 1989 on the recommendation of the Committee of Inquiry into the 1988 Civil Service Pay Adjustment and Related Matters (1988 Committee of Inquiry) together with the inclusion of private sector in-scale increment and merit pay in the computation of the gross pay trend indicators in the annual civil service pay adjustment. The 1988 Committee of Inquiry considered that, if private sector in-scale increment and merit pay were to be included in the PTS, the PCIs should be deducted for fairness.

⁹ The SCDS had invited views from the staff side of PFC and DSCC, as well as the GDSGU and the Independent Commission Against Corruption Departmental Grades Staff Committee. The SDCS had invited views from the SCSC staff side, which comprises three constituent associations, namely the Association of Expatriate Civil Servants of Hong Kong, Hong Kong Chinese Civil Servants’ Association and Hong Kong Senior Government Officers Association.

“as and when necessary in response to specific circumstances”, as recommended by the Standing Commission; and

- (b) the holistic approach should continue to be adopted. This approach has indeed been adopted since the 2009 SSS. The relevant principles and considerations were spelt out clearly by the Standing Commission in the 2009 SSS and subsequent survey reports, which included broad comparability with the private sector, the attractiveness and stability of civil service pay, inherent differences between civil service and private sector as well as their uniqueness, inherent discrepancies in statistical surveys and wider community interests. Any considerations by the Government in adjusting the pay of civil service should be made in a prudent manner and, as such, the adoption of the holistic approach allows the flexibility in how these considerations will be taken into account.

Frequency for Conducting SSS

18. Conducting future SSSs “as and when necessary in response to specific circumstances” instead of triennially may raise the question as to whether the effectiveness of the “Improved Mechanism” in maintaining broad comparability between civil service and private sector pay would be undermined as a result. We consider that in view of the Standing Commission’s opinion on the nature and function of SSS, which is a “complementary” role¹⁰ that it has been playing to the annual PTS and the six-yearly PLS, and the enhanced PLS described in paragraph 17(a) above, the “Improved Mechanism” remains an effective tool to ensure broad comparability between civil service and private sector pay.

19. Also, we note that when the Standing Commission presents the options to trigger future SSSs “as and when necessary in response to specific circumstances”, or to have it conducted “at six-yearly intervals”, the staff side generally support the former which they consider to be more flexible.

20. Having considered the Standing Commission’s views as contained in Report No. 59, we agree that, in future, SSS shall be conducted as and when

¹⁰ The Standing Commission’s view on the nature and function of SSS was set out in paragraph 4.4 of the 2009 SSS Report, which reads “[t]he three-yearly SSS is designed to complement the six-yearly PLS and the annual PTS in maintaining the “broad comparability” of the civil service pay with private sector pay. Its scope is limited to basic ranks. Given the nature of SSS, we consider that flexibility should be adopted in applying the Survey results and the principle of “broad comparability” should be viewed from a longer-term perspective. Frequent adjustments to starting salaries to maintain strict comparability at the expense of inevitable disruption to existing arrangements, including internal relativities, may not be conducive to the stability of the civil service.”

necessary. We have also refined the “specific circumstances”¹¹ under which the Administration may consider triggering SSS to include the following:

- (a) the findings or observations of the PLS suggest that the conduct of SSS is warranted;
- (b) there are serious recruitment difficulties, severe deterioration in the appointment position or substantial changes to the regulatory framework of the entry ranks of the civil service grades under an individual QG or related QGs; or
- (c) there are rapid and unforeseeable changes to the local economy that may have a significant and lasting impact on the employment market including the civil service in Hong Kong.

Under these circumstances, the conduct of an SSS may provide a systematic and focused analysis of the entry pay in the private sector with an aim to maintaining broad comparability between civil service and private sector pay.

21. Although the Standing Commission has expressed that “[i]t is open for the Government to consider if a comprehensive SSS, or an SSS of a smaller ambit, is warranted...” (paragraph 6.8 of Report No. 59), in practice, we consider that a comprehensive SSS will be more relevant in that the internal relativities which exist among the benchmark pay of different QGs can be taken into consideration before any change is recommended thereto. This will help to ensure that the established internal relativities and balance amongst different QGs will not be inadvertently disrupted as a result. In any event, before a view is taken by the Administration on whether an SSS shall be carried out, a detailed assessment having regard to the circumstances referred to in paragraph 20 above, and other relevant considerations such as the views of the concerned departmental management and staff side, will be conducted.

IMPLICATIONS OF THE DECISION

22. The decision is in conformity with the Basic Law, including the provisions concerning human rights. It has no financial, economic, environmental, family, gender, productivity or sustainability implications. In accordance with past practice, additional manpower will be required by the

¹¹ Paragraph 6.8 of Report No. 59 provides that the SSS could be kick-started as and when necessary in response to specific circumstances that may have an impact on the starting salaries of specific segments of the employment market or in the light of the broad indications on the starting salaries that the enhanced PLS is capable of providing. Such circumstances include (but are not limited to) changes or difficulties in relation to recruitment, appointment or regulatory framework which affect certain entry ranks, groups of related ranks, a specific QG or related QGs, as well as any rapid and unforeseeable changes to the external environment and the socio-economic landscape that may have a significant impact on the employment market in Hong Kong as a whole.

Joint Secretariat for the Advisory Bodies on Civil Service and Judicial Salaries and Conditions of Service to provide secretariat support to the Standing Commission for the conduct of the next PLS and SSS. Any additional manpower resources, if required, will be sought with justifications in accordance with the established mechanism.

PUBLIC CONSULTATION

23. We consulted the Legislative Council Panel on Public Service on 21 January 2019. Members present supported the Standing Commission's recommendations in general.

PUBLICITY

24. A press release will be issued and a spokesperson will be available to answer media enquiries.

25. Enquiries on this brief should be addressed to Mr Benjamin MOK, Principal Assistant Secretary for the Civil Service (Tel: 2810 3112).

Civil Service Bureau
April 2019

(Extracted from Report No. 59 of the
Standing Commission on Civil Service Salaries and
Conditions of Service: Review on Civil Service Pay Level
Survey and Starting Salaries Survey)

Summary of Conclusions and Recommendations

	Paragraph
Pay Level Survey (PLS) Methodology	
(1) Having evaluated various alternatives for job comparison in the PLS, the Standing Commission on Civil Service Salaries and Conditions of Service (the Commission) considers that the existing broadly-defined Job Family-Job Level (JF-JL) method remains the most appropriate one for ensuring a broad comparability of the civil service pay and the private sector pay and recommends its continued adoption.	3.2 – 3.6
(2) The Commission has examined if there is a sufficient case for aligning the number of JLs for the PLS with the number of salary bands for the Pay Trend Survey. With full regard to the very purpose of conducting the PLS, the Commission considers that the five JL categorisation remains the most appropriate arrangement because it fares better than the three JL categorisation in terms of data precision and specificity in the result application. The Commission therefore recommends the continued adoption of the five JL categorisation.	3.10 – 3.12
(3) Having balanced the need to achieve greater precision in job comparison on the one hand, and the risk of failing to obtain sufficient data in some of the JF-JL combinations on the other, the Commission considers that the existing five JF approach, or the six JF approach, are more practical options compared with the eight JF approach. As the six JF	3.13 – 3.14

Paragraph

- approach will slightly enhance the precision of job comparison than the five JF approach, and as advised by the Consultant that it is a feasible and practical option, the Commission recommends using six JFs in the next PLS as a measure of enhancement.
- (4) The Commission recommends finetuning two selection criteria for civil service benchmark jobs so that grades with an establishment size of not less than 50 posts and single-rank grades will be included in future PLSs. For the rest of the selection criteria, the Commission considers them relevant and appropriate and recommends their continued adoption in the next PLS. 3.15 – 3.17
- (5) Having examined the findings and recommendations of the Consultant, the Commission recommends the continued exclusion of the Directorate Grades, the Disciplined Services Grades, the education and social welfare fields. For the medical and health care field, the Commission recommends that a brief study be conducted by the survey consultant of the next PLS to verify if the medical and health care field including the Hospital Authority and other large private medical and health care organisations continues to refer to the civil service pay scales or pay adjustments in pay determination before deciding if the medical and health care field should be excluded from the survey. 3.18 – 3.20
- (6) The Commission considers the selection criteria for surveyed organisations appropriate and recommends maintaining them. As a six JF categorisation is recommended for future PLSs, the Commission 3.21 – 3.23

Paragraph

recommends increasing the number of organisations to be surveyed from 70 – 100 to 100 – 130 to ensure that an adequate level of data sufficiency is maintained.

- (7) The Commission recommends, following the usual arrangement, the consultant of the next PLS to finalise the list of civil service benchmark jobs using the relaxed selection criteria after taking into account the latest establishment position and the Staff Sides' views before the actual commencement of field work. 3.24 – 3.25
- (8) The Commission recommends requesting participating private sector organisations to provide additional pay related data specifically targeted at entry-level positions in the questionnaire for future PLSs, enabling the enhanced PLS to provide broad indications as to whether the levels of pay for private sector entry-level positions as classified into different qualification groups (QGs) are generally in tandem with the benchmarks for the corresponding QGs in the civil service. These indications, however, will not be taken as a basis for consideration of any adjustment of starting salaries. 3.26
- (9) To further enhance transparency and quality assurance in job matching, the Commission recommends that participating private sector organisations be encouraged to provide duty lists of their jobs for matching with civil service benchmark jobs. The Commission also recommends that the survey consultant of the upcoming PLS be required to provide a detailed guide to the Staff Sides on the 3.27

- | | Paragraph |
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| protocol and job matching procedures. | |
| (10) The Commission considers that an aligned survey date of 1 April would capture the more up-to-date pay information and help the application decisions and therefore recommends its adoption. The Commission agrees that before the onset of the next PLS, detailed arrangements could be determined after taking into account views from stakeholders including the Staff Sides. | 3.28 – 3.30 |
| (11) The Commission recommends continuing with the existing practices in data collection and consolidation for future PLSs. | 3.31 – 3.33 |

Starting Salaries Survey (SSS) Methodology

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| (12) Having evaluated alternative methods for the purpose of job comparison, the Commission recommends the continued adoption of the QG-JF framework for the SSS. | 4.5 – 4.6 |
| (13) Having considered the latest position of QG 10 and QG 11, the Commission recommends that the basic ranks of these two QGs should continue to be excluded from the next SSS and that internal relativity be used in determining their starting salaries. | 4.7 – 4.12 |
| (14) The Commission notes the Staff Sides' comments that the entry requirements of certain ranks may no longer be in synchrony with the current market practice and their request for carrying out Grade Structure Review (GSRs) for the concerned grades. | 4.14 |

Paragraph

The Commission will convey these views to the Government. The Commission also notes the Government policy in relation to GSRs and that the Government has been handling requests for GSRs in accordance with the established policy.

- (15) The Commission recommends the continued adoption of eight JFs for the next SSS and, if necessary, that the consultant of the next SSS could review the JF categorisation having regard to the scope of the next survey. 4.15 – 4.17
- (16) The Commission considers the existing selection criteria for private sector jobs suitable in reflecting a broadly comparable pay indicator from the private sector and recommends their continued adoption in the next SSS. 4.18
- (17) The Commission recommends the continued adoption of the existing selection criteria for surveyed organisations in the next SSS. 4.19
- (18) The considerations and recommendations proposed for the survey reference date, the data collection and consolidation approaches for the PLS will also apply to the SSS. 4.20 and 4.22
- (19) The Commission recommends the continued adoption of the vetting criteria for data collection in the SSS which serves well in ensuring the data representation of the QG-JF combination. 4.21

Application of Survey Findings

- (20) The Commission considers that a pre-determined range would mandate a mechanical application of results, thereby limiting the degree of flexibility in the pay adjustment mechanism in taking into account relevant principles and considerations for meeting the needs of Hong Kong. Given that the market is highly dynamic and pay surveys only capture market information at a particular point in time, it would not be holistic to simply follow a single snapshot of the private sector pay in applying the findings of the pay survey without at the same time considering other factors. The Commission therefore does not recommend the use of a pre-determined range for a mechanical application of future survey results. 5.3 – 5.4
- (21) The Commission recommends that the holistic approach should continue to be adopted in considering the application of the results of the PLS and the SSS. 5.5 – 5.10

Frequency for the Conduct of the Surveys

- (22) The Commission, having regard to the objective of the PLS that it is to examine the levels of pay across the non-directorate civilian grades in the civil service, recommends that the PLS should continue to be conducted at a six-yearly interval. 6.2
- (23) The Commission has examined the pros and cons of the alternatives proposed by the Consultant for the frequency of conducting the SSS, including conducting the SSS (in alternation with the PLS) at a 6.3 – 6.11

six-yearly interval instead of triennially, or conducting the SSS as and when necessary in response to specific circumstances. The Commission considers the latter option, under which the Government can consider if a comprehensive SSS, or an SSS of a smaller ambit is warranted, after reviewing the broad indications as revealed by the PLS and the specific circumstances related thereto, more preferable. This option is supported by most of the Staff Sides and they request their engagement in the process of consideration. The Commission therefore recommends this option for consideration by the Government. If this option is adopted, the next PLS will be kickstarted in 2019.

Specific Study on Qualification Group 8 (Degree and Related Grades)

- (24) The Commission observes that the different remuneration practices of the private sector and the Government have contributed to the widening gap between the benchmark pay of QG 8 ranks and the pay of private sector degree graduate entry-level positions. Multiple factors contribute to the wide dispersion including the supply and demand for specific professional knowledge and skills, the large variety of roles offered to degree graduates, the different streams of jobs in the same organisation in the private sector and the different pay offered to degree graduates according to their calibre and abilities. 7.7 – 7.8
- (25) The Commission considers that due regard should be given to the inherent differences in human resources 7.13

management practices between the private sector and the civil service when interpreting any pay differential recorded at the point of entry.

- (26) Given the pay difference caused by multiple factors and that qualification requirement is no longer the sole determining factor for pay of entry-level positions in the private sector, the Commission recommends that when an SSS covering QG 8 is conducted, the present holistic approach should continue to be adopted in interpreting survey results for degree graduates in the private sector and with greater flexibility in relation to the QG. The Commission also recommends that the feasibility of a more precise selection of private sector jobs for comparison with QG 8 ranks in the civil service should be explored before the survey commences. 7.15
- (27) The Commission recommends that the consultant of the next survey explore the relaxation of the vetting criteria for QG 4 (for example, from at least 15 surveyed organisations to ten) to include more private sector organisations. For QG 3 Group I, the Consultant expects the data insufficiency issues will persist in the future. The Commission notes that some Staff Sides consider the qualification and/or experience possessed by the civil service recruits of some of the ranks are different from and usually higher than the entry requirements and recommends that the Government further consider the issues identified in relation to the QG framework in the light of the findings of future pay surveys. 7.20

Research on Civil Service Pay Arrangements in Overseas Countries

- (28) The Commission does not see a strong reason for the Government to initiate fundamental changes to the management of the civil service solely for the purpose of following international practices. Other relevant factors should be taken into account in addition to findings of pay surveys in determining pay adjustments. 8.5
- (29) The Commission notes that the holistic approach that it has adopted in considering the results of previous rounds of the PLS and the SSS is in tandem with the common trend identified in the five countries surveyed. 8.6

**The categorisation of five Job Levels (JLs) in
the Pay Level Survey**

JL 1 (MOD 1 Points 0-13 and MPS Points 0-10) Operational staff
JL 2 (MPS Points 11-23) Technicians and assistant executives/professionals
JL 3 (MPS Points 24-33) Middle-level executives and professionals
JL 4 (MPS Points 34-44) Managerial and senior professionals
JL 5 (MPS Points 45-49) Senior managers and lead professionals

*Note:**MPS denotes Master Pay Scale and MOD 1 denotes Model Scale 1 Pay Scale*

The existing categorisation of five Job Families (JFs) and the recommended categorisation of six JFs in the Pay Level Survey

Five JFs (current categorisation)	Six JFs (recommended categorisation)
Clerical and secretarial	Clerical and secretarial
Internal support	Internal support
Public services	Public services (Personal, Social & Community)
	Public services (Physical resources)
Works-related	Works-related
Operational support	Operational support

**The Job Family (JF) framework in the
Starting Salaries Survey**

JF	Description
JF 1	Clerical and secretarial
JF 2	Internal support (Corporate services)
JF 3	Internal support (Technical and operation)
JF 4	Public services (Social and personal services)
JF 5	Public services (Community)
JF 6	Public services (Physical resources)
JF 7	Works-related
JF 8	Operational support