

**Legislative Council Panel on Public Service
Follow-up to Meeting on 15 December 2003**

**Request for information in respect of the consultancy on
the methodology of a pay level survey for the civil service**

Purpose

At the meeting of the Legislative Council Panel on Public Service held on 15 December 2003, Members requested the following information in respect of the consultancy on the methodology of a pay level survey for the civil service (Consultancy):

- (a) the scope of work of the Consultancy; and
- (b) the Consultancy fee.

Scope of work

2. The scope of work of the Consultancy is set out in Annex.

Consultancy fee

3. The fee of the consultancy is HK\$698,700.

Civil Service Bureau
January 2004

**Scope of work of the consultancy on the methodology
of a pay level survey for the civil service**

The appointed consultant for the Consultancy is required to perform the following tasks –

- (a) drawing up a detailed and feasible methodology for the pay level survey according to the guiding principles and broad parameters for the conduct of the exercise drawn up by Civil Service Bureau (CSB) and having regard to best industry practice. The guiding principles and broad parameters, which is subject to refinement, is available at http://www.csb.gov.hk/hkgcsb/doclib/2003note_annex_e.pdf

Our preliminary views on the conduct of the pay level survey are as follows –

- (i) comparison with the private sector should focus on pay only (i.e. the comparison will not cover fringe benefits) although the opportunity can be taken to collect information on non-salary items in the private sector remuneration package to help ascertain an appropriate basis for comparison with civil service pay; and
- (ii) we may need to adopt a combination of survey methodologies to facilitate pay comparison at different pay levels. For pay comparison at the entry level, a possible approach is to adopt the education qualification method to set the benchmark pay for the starting salaries of civil service entry ranks by reference to the entry pay of private sector jobs requiring similar education/professional qualifications for appointment. For pay comparison at levels above entry pay, civil service pay may be compared with private sector pay at specified levels (such as junior, middle and senior levels) in a broadbrush manner with reference to a selection of representative job samples.

The survey approach suggested above represents our preliminary views. The appointed consultant is required to examine the survey approach suggested above as well as other feasible approaches for conducting the pay level survey having regard to the specified guiding principles, broad parameters and best industry practice as mentioned above. Among these possible approaches, the appointed consultant is required to recommend the most credible and feasible one and to devise a detailed and workable methodology for its recommended approach. The final decision on the choice of the survey methodology rests with CSB which will seek and take into account the views of the Steering Committee and the Consultative Group in the process.

- (b) offering advice to CSB on issues relating to the development of the detailed methodology for the pay level survey, including but not limited to the following:
- the most appropriate method for selecting a representative sample of civil service positions and private sector jobs at specified levels (such as junior, middle and senior levels) for effective pay comparison, including the criteria for selection of civil service positions and private sector positions to be covered in the survey;
 - availability of private sector analogues for specified civil service positions;
 - the sample size of civil service positions and private sector jobs to be included in the survey field;
 - criteria for selection of private sector companies to be covered in the survey;
 - relevant factors that need to be taken into account in making pay comparison between private sector jobs and civil service positions at different levels, e.g. job nature, specific qualification requirements for certain positions, differences in remuneration policies and practices as well as in organisation structure between the two sectors, etc.; and
 - apart from data on salary, any other relevant data that may need to be collected during the pay level survey (e.g. the job descriptions of private sector positions, organisational structures, trends in remuneration policies and practices, etc.) to facilitate a fair and credible comparison between civil service pay and private sector pay which takes due account of the differences between the civil service and the private sector, as well as the method for collecting such data.
- (c) working out the implementation details of the survey to demonstrate that the recommended methodology is feasible and practical from the technical and management perspectives and that it will facilitate an effective and credible pay comparison. Examples of such implementation details include:
- procedures for collecting and verifying data, e.g. principles governing the design of the questionnaire and the conduct of interviews, etc.;
 - method for compilation and analysis of data.
- (d) conducting small-scale trial surveys using existing private sector pay data to ascertain the feasibility of the proposed detailed methodology.
- (e) holding discussions with concerned parties, mainly through the Steering

Committee and the Consultative Group, as and when required in the process of developing the survey methodology.

- (f) presenting and explaining the proposed detailed survey methodology to concerned parties, mainly through the Steering Committee and the Consultative Group, as and when required.
- (g) offering any relevant advice on the design of the other constituent components of the improved civil service pay adjustment mechanism (e.g. the pay trend survey methodology) having regard to the detailed methodology of the pay level survey to be devised by the appointed consultant, to ensure that various constituent components will work in coordination under the improved mechanism.