

Consultancy on the Conduct of a Pay Level Survey for the Civil Service

Background

In November 2003, the Government engaged a consultant (Phase One Consultant) to provide technical assistance in drawing up a feasible and detailed methodology for conducting a pay level survey for the civil service. The methodology recommended by the Phase One Consultant (Survey Methodology) is set out in its Final Report on the Methodology of a Pay Level Survey for the Civil Service (Final Report) published in November 2004 and the Report on Refined Recommendations on the Methodology of a Pay Level Survey for the Civil Service published in March 2005. In June 2005, the Government appointed a professional consultant (Phase Two Consultant) to conduct the field work of the pay level survey in accordance with the Survey Methodology.

Scope of work

General

2. The Phase Two Consultant is required to undertake the tasks and the work steps set out in paragraphs 3 – 18 below in a professional, impartial and credible manner. While the Phase Two Consultant is expected to carry out these tasks in accordance with the Survey Methodology, he is required to exercise professional judgment in working out the implementation details of the Survey Methodology and the work steps, after consultation with parties concerned including the Civil Service Bureau (CSB), the Steering Committee on Civil Service Pay Adjustment Mechanism (Steering Committee) and the Consultative Group on Civil Service Pay Adjustment Mechanism (Consultative Group).

3. The Phase Two Consultant will carry out the following key work steps in accordance with the Survey Methodology –

- (a) conducting job inspections of civil service benchmark jobs with the participation of grade management, departmental management, staff bodies (including civil service staff unions/associations) and job-holders of representative posts in the benchmark jobs;

- (b) collecting pay data and other relevant information from the private sector organisations in the survey field as well as all other supporting documents; and
- (c) consolidating and analysing the collected data according to the Survey Methodology.

Job inspection process

4. The job inspection process seeks to ascertain details of the work nature and job characteristics of all the civil service benchmark jobs so as to facilitate the identification of appropriate private sector job matches. As the job inspection process is essentially a technical, fact-finding process, the guiding principle is that the process must be carried out in a professional and impartial manner by the Phase Two Consultant to ensure credibility of the survey results. At the same time, the Phase Two Consultant is required to take the views of grade management, departmental management and staff fully into account in making appropriate job matches. The work steps listed in paragraphs 5 – 11 below represent only a framework for carrying out the job inspection process. The Phase Two Consultant is required to exercise professional judgment in working out the implementation details as long as they are not inconsistent with the Survey Methodology. The guiding principle is that the job inspection process must be carried out in a professional and impartial manner.

5. At Annex C to the Final Report, the Phase One Consultant has provisionally proposed a preliminary list of civil service benchmark jobs which covers 202 civil service ranks in 63 civil service grades. The preliminary list does not include civil service jobs in the social welfare field, the medical and health care field and the education field. In accordance with the Survey Methodology, the Phase Two Consultant is required to investigate representative samples of the non-government organisations in these fields to confirm whether or not civil service pay practice has a heavy influence on the pay levels of a substantial proportion of major non-government organisations in these fields. If not, the Phase Two Consultant is required to recommend, subject to the relevant criteria stipulated in the Survey Methodology (see paragraph 10 on page 4 and paragraph 17 on page 7 of the Final Report), the relevant civil service grades and ranks in these fields to be included in the list of civil service benchmark jobs and the representative samples in the appropriate non-government organisations to be selected.

6. At the preparatory stage, the Phase Two Consultant is required to, having regard to the work steps of the job inspection process, the preliminary list of civil service benchmark jobs provisionally proposed by the Phase One Consultant and the findings of the pay practices of non-government organisations in the social welfare, medical and health care and education fields (see paragraph 5 above), draw up his proposed approach to the conduct of jobs inspections as well as his proposed list of civil service benchmark jobs, after consultation with the CSB, the Steering Committee, the Consultative Group and any interested staff unions/associations. He is then required to conduct briefing sessions for departmental management, grade management, the staff side of the Consultative Group and any interested staff unions/associations on his proposed approach to the conduct of the job inspections as well as his proposed list of civil service benchmark jobs, and invite comments on these proposals. Through the briefings, the participants will be informed of the objective of, and the procedures involved in, the job inspection process. The Phase Two Consultant is required to take account of the views expressed by the participants in the briefing sessions in finalising the approach to be adopted for the conduct of the job inspections and the list of civil service benchmark jobs to be inspected (“identified benchmark jobs”) before the job inspection process commences.

7. The Phase Two Consultant is, in the first instance, required to seek input from the grade management and/or departmental management concerned on certain basic factual information (e.g. the job content, level of responsibility and requirements on qualification and experience) for each of the identified benchmark jobs. In the process, the grade management and/or departmental management will seek input from the respective Departmental Consultative Committees (DCC) and grade/departmental staff unions/associations concerned. Based on the factual returns, the Phase Two Consultant will prepare a job brief for each of the identified benchmark jobs. On the basis of the job briefs of the civil service benchmark jobs, he is required to hold more detailed discussion with the grade management and/or departmental management as well as holders of representative posts of the identified benchmark jobs (see paragraph 9 below) to obtain a thorough understanding of each of the identified benchmark jobs.

8. The grade management and/or departmental management concerned will, after taking into account any views expressed by the DCC or grade/departmental staff unions/associations concerned, nominate representative posts for each identified benchmark job to serve as the subject of more detailed examination in the job inspection process. The

Phase Two Consultant is required to advise on the technical criteria for the nomination of the representative posts and prepare guidelines for reference by the grade management and/or departmental management.

9. The Phase Two Consultant is required to conduct interviews with the grade management and/or departmental management as well as holders of representative posts for each of the identified benchmark jobs to clarify and seek further information on the job characteristics of the benchmark jobs. The grade management and/or departmental management concerned will, after taking into account any views expressed by the DCC or grade/departmental staff union/associations concerned, nominate holders of representative posts for the interview. To facilitate the conduct of the interviews, the Phase Two Consultant is required to provide the interviewees with the relevant job briefs of the civil service benchmark jobs prepared in the preparatory stage (see paragraph 7 above) in advance of the interviews so that they can comment on and provide any additional information to supplement the job briefs of the civil service benchmark jobs at the interviews.

10. In the light of the information gathered from the interviews, the Phase Two Consultant is required to refine the job briefs of the identified benchmark jobs, highlight those unique job duties of the identified benchmark jobs that may not be found in the corresponding private sector job matches, and propose any necessary refinements to the list of identified benchmark jobs (“revised benchmark jobs”). The Phase Two Consultant is also required to review and categorise the revised benchmark jobs into the appropriate job families and job levels. Such categorisation is of relevance at a later stage for the purpose of data consolidation and analysis after private sector pay data have been collected. But it is separate and different from the identification of appropriate private sector benchmark jobs, which will be based on the specific content (e.g. job content, work nature, level of responsibility as well as typical requirements on qualification and experience) of the respective civil service jobs and private sector jobs.

11. The Phase Two Consultant is then required to circulate the proposed job briefs of the civil service benchmark jobs and the list of revised civil service benchmark jobs as well as the proposed job categorisation to the grade management and/or departmental management concerned, holders of the representative posts concerned and the grade/departmental staff unions/associations concerned for comments. The Phase Two Consultant may be required to meet with the grade management and/or departmental management and holders of the

representative posts to seek further clarifications on the proposed job briefs of the civil service benchmark jobs and the proposed job categorisation. Based on the detailed information and comments on the revised benchmark jobs collected through the job inspection process as well as his knowledge of the ranking structure and typical duties of the private sector job matches, the Phase Two Consultant is required to exercise professional judgment in finalising the list of civil service benchmark jobs (“finalised benchmark jobs”) and in preparing detailed job descriptions to facilitate the identification of private sector jobs in the surveyed organisations (“private sector benchmark jobs”) that are reasonably comparable to the finalised benchmark jobs. He is also required to finalise the categorisation of the finalised benchmark jobs into the appropriate job families and job levels. The Phase Two Consultant is required to make known and explain the outcome of the job inspection process to grade and departmental management and staff bodies concerned so that interested parties will be fully informed of how job matching will be carried out by the Phase Two Consultant.

Selection of participating private sector organisations

12. The Phase Two Consultant is required to identify any technical issues (e.g. the number and the breakdown by industry of participating organisations and the adequacy of private sector benchmark jobs to be covered) concerning the criteria for the selection of private sector organisations for inclusion in the survey field as proposed by the Phase One Consultant in Table 9 of the Final Report, and make recommendations on these issues in consultation with the CSB, the Steering Committee and the Consultative Group. Having regard to the views of the CSB, the Steering Committee and the Consultative Group, the Phase Two Consultant is required to, on the basis of his professional knowledge about the private sector, draw up a list of over 150 private sector organisations meeting the selection criteria. The Phase Two Consultant is also required to seek the views of relevant parties including the Steering Committee and the Consultative Group on the list of potential private sector organisations before finalising the list for inclusion in the survey field. Following invitations issued by the Government to these potential organisations to participate in the survey, the Phase Two Consultant is required to approach them to confirm their suitability to participate in the survey, and interest in participation.

Job matching and validation

13. As a second step, the Phase Two Consultant is required to

forward the job description manual for the identification of private sector benchmark jobs (see paragraph 11 above) to each participating organisation. The Phase Two Consultant is required to conduct interview session with each participating organisation to provide advice and support to the participating organisations in identifying the private sector benchmark jobs. The Phase Two Consultant is required to review and confirm the job matches identified by participating organisations having regard to the job descriptions as well as other relevant factors such as the staff ranking structure of the participating organisations. The Phase Two Consultant will undertake internal job validation to compare job matches derived from each participating organisation to ensure consistency in job matching. Where adjustments to the provisional job matches are warranted, the Phase Two Consultant is required to confirm the changes with the relevant participating organisations. The Phase Two Consultant will need to categorise the private sector benchmark jobs into the appropriate job family and job level in the same manner as the categorisation of civil service benchmark jobs to facilitate subsequent data consolidation and analysis.

Data collection

14. During the data collection stage, the Phase Two Consultant is required to design a data collection package containing spreadsheet(s), questionnaire(s) and other data entry program(s) with clear and self-explanatory instructions and guidelines to facilitate the participating organisations in providing the pay data of, and policy information on the provision of benefits to, the private sector benchmark jobs. The Phase Two Consultant is required to provide assistance to the participating organisations in providing the requested information and in ensuring their returns are completed in a manner consistent with the purpose of the survey. The Phase Two Consultant is required to review all the data provided by the participating organisations to confirm whether the data collected should be included in the survey field according to the Survey Methodology.

Data verification and validation

15. The Phase Two Consultant is required to verify and validate the data and information collected from participating organisations to ensure that they are complete and consistent with the purpose of the survey. Where necessary, the Phase Two Consultant is required to interview the organisations to obtain further information and seek clarification.

Data analysis

16. For the data analysis stage, the Phase Two Consultant is required to consolidate and carry out quantitative and qualitative analyses of the data and information collected from the participating organisations according to the Survey Methodology. Based on his professional expertise, the Phase Two Consultant is required to make recommendations on how the survey findings and the analysed results should be interpreted to provide guidance on the comparability of civil service pay with private sector pay.

Conclusion of survey and recommendations

17. The Phase Two Consultant is required to submit a final report on the field work of the survey, including the approach adopted (i.e. documentation on the survey approach and procedures, the material and protocol used, the problems encountered and the solutions adopted), the profile of the participating organisations, the scope of the data and information collected as well as the survey findings and data analyses. In the light of the experience gained in the survey field work, the Phase Two Consultant is also required to make recommendations on any necessary refinement to the methodology for future pay level surveys in the final report. The Phase Two Consultant is also required to seek the views of the Steering Committee and the Consultative Group on the draft final report. The Phase Two Consultant is required to present the final report to the parties concerned including the Steering Committee and the Consultative Group. .

18. While the Phase Two Consultant is required to take into account the views collected during the consultation with the Steering Committee, the Consultative Group, grade management, departmental management, DCCs and staff unions/associations as outlined above, he is required to exercise professional judgment in considering whether and to what extent such views should be taken on board. In the event that such views are not accepted, he is required to provide explanations to the parties concerned. The guiding principle is that the pay level survey should be conducted in a professional and impartial manner so as to ensure the credibility of the survey findings.

Deliverables

19. The Phase Two Consultant is required to produce and submit the following deliverables to the CSB, among others:

- (i) an interim report on the proposed approach to the job inspections, the findings of the pay practices of non-government organisations in the social welfare, medical and health care and education fields, and the proposed list of civil service benchmark jobs (with recommendation on whether the three fields mentioned above, or parts thereof, should be included in the survey field);
- (ii) a report on the results of the job inspections of the identified benchmark jobs, the job briefs for each of the civil service benchmark jobs, the job descriptions for identification of the private sector benchmark jobs and any necessary refinements to the proposed pay level survey methodology in the light of the outcome of the job inspections; and
- (iii) a final consultancy report on the survey field work.

Procurement for the consultancy service

Invitation for expression of interest

20. The Stores and Procurement Regulations (SPR) provide for rules and guidelines for the management and procurement of Government stores and services. In accordance with the SPR, the appointment of the Phase Two Consultancy is subject to the Central Consultants Selection Board (CCSB) procedures, which is a two-stage approval process. In the first stage, procuring departments should invite expression of interest from a list of potential consulting firms/organisations. Accordingly, CCSB had issued invitations for expression of interest from 185 consulting firms/organisations on the respective consultancy lists of the Efficiency Unit and the Hong Kong Institute of Human Resource Management. By the end of the deadline, seven consulting firms/organisations had expressed interest to participate in the consultancy.

Invitation for consultancy proposals

21. In the second stage, procuring departments will invite proposals, including technical proposals prepared on the basis of the scope of work and other requirements and fee proposals, from the short-listed consulting firms/organisations. With CCSB's approval, all the seven consulting firms/organisations which had expressed interest in the consultancy had been short-listed for invitation to submit proposals. CCSB had

approved the following criteria for assessing the proposals -

- (a) the approach to be employed by the consulting firm/organisation in providing the consultancy service in terms of –
 - (i) its consistency with the Survey Methodology and its feasibility;
 - (ii) its compliance with, and the allocation of resources to meet, the timeframe for submitting the deliverables; and
 - (iii) the credibility of the survey approach;
- (b) the suitability of the consulting firm/organisation and its Consulting Team in terms of –
 - (i) their experience in, and knowledge of, human resource management matters in the Hong Kong civil service, including the work nature and job requirements of the civil service benchmark jobs;
 - (ii) their experience in, and knowledge of, human resource management matters in the private sector of the Hong Kong SAR, in particular the remuneration practices, pay models and systems as well as the ranking structures of organisations in different parts of the private sector;
- (c) the quality of the consulting firm/organisation and its Consulting Team in terms of their experience and expertise in carrying out survey or research to collect pay data and information on remuneration practices of private sector companies or organisations in Hong Kong; and
- (d) the consultancy fee proposed.

Assessment of proposals

22. The proposals submitted by the short-listed consulting firms/organisations were assessed by an Assessment Panel comprising the following members from within and outside CSB:

- Permanent Secretary for the Civil Service (Chairman)
- Deputy Head, Efficiency Unit
- Deputy Secretary for the Civil Service (2)
- Principal Assistant Secretary for the Civil Service (Pay and Leave)
- Principal Executive Officer (Management) of the Civil Service Bureau
- Assistant Secretary for the Civil Service (Pay and Leave) (Secretary)

23. The Assessment Panel assessed the proposals received in accordance with the pre-determined assessment criteria set out in paragraph 21 above.

Appointment of consultant

24. The proposal from Watson Wyatt Hong Kong Limited received the highest total technical/fee score in the assessment. With CCSB's approval, Watson Wyatt Hong Kong Limited was appointed to undertake the consultancy. The fee of the consultancy is HK\$4.427 million.

Civil Service Bureau
June 2005