

# LCQ17: Performance management of civil servants

Following is a question by the Hon Tony Tse and a written reply by the Secretary for the Civil Service, Mr Patrick Nip, in the Legislative Council today (October 27):

Question:

As pointed out by the Government in its reply to my question raised on the 15th of last month, civil servants are subject to performance appraisal (appraisal) on an annual basis. Salary increment may be stopped or deferred for an appraisee whose performance during the appraisal period has been sub-standard. However, some comments and research reports have pointed out that as the appraisals for civil servants are overly generous and the salary increment system is too lenient, such appraisals have failed to achieve the objective of enhancing the performance of civil servants. For instance, an overwhelming majority of personnel have been given the best three grades on the six-grade performance scale; some personnel have received identical comments in their appraisal reports across the years; and cases in which salary increment has been stopped or deferred are rare. In this connection, will the Government inform this Council:

(1) of the respective numbers and percentages of civil servants who were given the grades of (i) outstanding, (ii) very effective, (iii) effective, (iv) moderate, (v) poor and (vi) very poor performance in their appraisals in each of the past five years;

(2) of the measures in place to ensure that the grades given to civil servants truthfully reflect their work performance; whether it will consider, by drawing reference from the practices on the Mainland or in overseas countries, setting for each performance grade a cap on the percentage of personnel to be given the grade, so as to distinguish more effectively civil servants with outstanding performance from those who are incompetent;

(3) of the number of civil servants whose salary increments were stopped or deferred due to sub-standard performance in each of the past five years, and the total amount of expenditure thus held back;

(4) of the number of civil servants who were remunerated in accordance with the maximum pay points of their respective ranks in each of the past five years; given that the measure of stopping or deferring salary increments is not applicable to such personnel, of the Government's alternative measures for managing such personnel's performance; and

(5) whether it will consider, by drawing reference from the practices on the Mainland and in overseas countries, conducting a comprehensive review on the appraisal and salary increment systems for civil servants, including the introduction of a more effective reward and penalty system, so as to

establish a performance-related pay regime; if so, of the timetable for the review; if not, the reasons for that?

Reply:

President,

The Government attaches great importance to the performance management of civil servants and has a well-established system to manage civil servants' performance. Heads of Department/Grade have the overall responsibility to ensure that the performance management system for the staff under their purview functions effectively in achieving its objectives. As we mentioned in our previous reply to Hon Tony Tse's written question on September 15, good performers are given due recognition and rewards, whereas sub-standard performers are counseled, monitored and offered assistance with a view to bringing their performance up to the required standard.

Our consolidated reply to the various parts of the question is as follows:

(1) and (2) To monitor and assess staff performance, supervisors should appraise the performance of their officers on an annual basis. To ensure that the appraisal results can truly reflect civil servants' actual work performance, departmental supervisors should assess staff performance based on a continuous cycle. Apart from an overall rating, the appraisal reports also cover assessment on staff performance in different aspects. Besides, the departmental management may adopt various measures to facilitate comprehensive and objective performance appraisal. Such measures include the setting up of assessment panels to undertake levelling and moderating work among appraisal reports where necessary to identify sub-standard and outstanding performers for appropriate actions, and adoption of other management tools (e.g. target-based assessment and competency-based assessment).

Performance ratings should at all times be given on the basis of the staff's actual performance, and should not be given to meet a fixed rating distribution. The Civil Service Bureau (CSB) does not keep information on the overall distribution of ratings set out in the annual performance appraisals of civil servants.

(3) Sub-standard performers are counseled, monitored and offered assistance by the relevant Department/Grade with a view to bringing their performance up to the required standard. To facilitate timely improvements by the officers concerns, such actions may be taken during the appraisal period, without waiting for the year-end appraisal. The numbers of civil servants subject to stoppage or deferment of increment due to unsatisfactory performance in the past five years are as follows:

Year	Number of civil servants subject to stoppage of increment
2016	8 (5)

2017	17 (7)
2018	10 (4)
2019	9 (7)
2020	9 (2)

\*Figures in brackets denote those stoppage cases which were subsequently converted to deferment

The CSB does not keep information on the relevant expenditure involved in the stoppage/deferment of increment.

(4) The numbers of civil servants who had reached the maximum pay points of their respective ranks in the past five years are as follows:

Year (as at April 1)	Number of civil servants who had reached the maximum pay points
2017	81 900
2018	76 894
2019	72 745
2020	69 781
2021	68 387

Civil servants who have reached the maximum pay point of their rank are still subject to performance appraisal every year, so as to enable the management to monitor and assess their performance. Such appraisal records would provide reference in future for human resource management functions of different kinds.

Although civil servants who are on the maximum pay point of their rank are not subject to stoppage or deferral of increment, it will still definitely affect their promotion prospect if they have put up sub-standard performance. The management may also consider other management actions such as posting and training for the staff concerned. For persistent sub-standard performers, the Government may retire them in the public interest under section 12 of the Public Service (Administration) Order (PS(A)O) if they remain unable to demonstrate improvement during a specified observation period. Besides, if an officer is suspected to be unfit to perform the principal duties of his/her office due to ill health, a medical board may be convened upon the request of the management to assess the officer's state of health. The Government may also invoke section 12 of PS(A)O to retire a civil servant without setting any observation period if the management considers it desirable to retire him/her in the public interest on grounds other than persistent sub-standard performance.

(5) The Civil Service Regulations provide that a civil servant may be granted an increment only if his/her performance at work (including conduct, diligence and efficiency) has been satisfactory during the appraisal period. There are also provisions for stoppage or deferment of increment for those

with sub-standard performance.

As regards the arrangements in other countries and regions, the Government invited the Standing Commission on Civil Service Salaries and Conditions of Service to conduct a review on the civil service pay level survey and starting salaries survey in 2017, including research on civil service pay arrangements in five countries (namely Australia, Canada, New Zealand, Singapore and the United Kingdom). The research showed that each of the countries surveyed had developed different approaches to civil service pay administration to meet its specific needs. Given the considerable differences in cultural, social and political settings between the countries surveyed and Hong Kong, it is not appropriate to apply to Hong Kong directly the pay arrangement of any particular country or region.

In any event, we will keep the civil service performance management system under review from time to time, with a view to enhancing the related arrangements and practices as appropriate. We will also take other appropriate measures (e.g. strengthening training and running commendation schemes) to enhance the performance of civil servants.