

LCQ8: Performance management of government officers

Following is a question by Dr the Hon Chiang Lai-wan and a written reply by the Secretary for the Civil Service, Mr Patrick Nip, in the Legislative Council today (January 6):

Question:

It is learnt that in recent years, quite a number of governments around the world have, in response to the advocacy of the Organization for Economic Co-operation and Development, implemented government performance management, in order to enhance the effectiveness of governance. Moreover, in a speech delivered on October 14 last year at the celebration ceremony of the 40th anniversary of the establishment of the Shenzhen Special Economic Zone, the State President stated that "we need to establish and improve the incentive mechanism, steering it towards the right direction of promoting the capable and demoting the incapable, rewarding the outstanding and eliminating the underperforming...to stand strong against formalism and bureaucracy, and nurture a clean political ecosystem". In this connection, will the Government inform this Council:

- (1) of the number of officers of the Administrative Officer grade in the various policy bureaux who are responsible for policy formulation, with a breakdown by the rank to which they belong;
- (2) whether it has drawn up key performance indicators for evaluating the performance of the officers mentioned in (1); if so, of the details; if not, the reasons for that;
- (3) given that Permanent Secretaries, being the most senior civil servants in policy bureaux, play an important role in policy formulation and have the responsibility for leading the officers in the bureaux to properly implement policies to achieve the desired effects, of the mechanism currently in place for handling those Permanent Secretaries whose performance is unsatisfactory; and
- (4) whether it will consider, by following the practice of the Singapore Government, i.e. to link the remuneration for all civil servants to their performance, linking the remuneration for politically appointed officials and those civil servants who take part in policy formulation to the performance in policy implementation of the bureau/government department to which they belong, so that they are collectively held accountable for the performance in policy formulation and implementation, thereby manifesting the policy objective of "Hong Kong people administering Hong Kong"?

Reply:

President,

My reply to the question is as follows:

(1) The process of policy formulation involves the joint efforts by bureaux and relevant departments on comprehensive researches and analyses, public engagement and communication with stakeholders taking into account the demands of the society and stakeholders, and the implementation experience of existing policies, etc. Therefore, it involves not only the Administrative Officers (AOs) in bureaux, but also AOs and staff of other departmental grades in implementation departments.

The AO Grade comprises seven ranks. AOs across all ranks serving in bureaux or implementation departments are involved in policy formulation. The actual number of staff of the Grade as at November 30, 2020 is as follows:

Rank	Actual number of staff
Administrative Officer Staff Grade A1 (D8)	16
Administrative Officer Staff Grade A (D6)	19
Administrative Officer Staff Grade B1 (D4)	23
Administrative Officer Staff Grade B (D3)	64
Administrative Officer Staff Grade C (D2)	200
Senior Administrative Officer	165
Administrative Officer	206
Total	693

(2) and (3) Unlike the approach adopted by private organisations, evaluation of the performance of civil servants should not rely solely on quantitative targets. In particular, the process of policy formulation and implementation requires not only team work and interactions among different bureaux and departments, but also the efforts by the officers involved on researches, judgement calls, public engagement and communication with stakeholders, resource allocation and management, etc. The effectiveness of and required skill sets for these duties could not simply be reflected by quantitative targets. In addition, some public administration work including safeguarding procedural justice and public interest could hardly be quantified or measured by cost effectiveness. For Government services provided directly to the public, all departments have suitably established performance pledges and targets, and promulgated regularly the deliverables with a view to ensuring the quality of services provided.

As regards the performance of individual civil servants, the Government adopts a fair, accurate and timely performance appraisal system based on a continuous performance management cycle. The cycle starts with performance planning whereby the appraising officer agrees with the appraisee on the performance targets and communicates with the appraisee the expected performance standards, and continues with the appraising officer's regular monitoring of progress and key concerns of the appraisee and on-going provision of feedback to the appraisee to address the areas of concerns

throughout the appraisal period.

For appraisees (including Permanent Secretaries and all other AOs) whose performance has shown signs of deterioration, or who are sub-standard performers, Head of Departments/Head of Grades (in case when Permanent Secretary is the appraisee, it would mean politically-appointed officials (PAOs) whom he/she reports to) should ensure that suitable counselling, guidance and assistance are given to them promptly and their performance is monitored closely. Where the deterioration in an appraisee's performance so warrants, prompt management actions (including verbal warnings or the issue of advisory letters to urge for improvement) should be taken without waiting for the next appraisal. For appraisees with substandard performance, his/her increment could be stopped or deferred. For persistent sub-standard performers, consideration could be given to triggering the procedures to retire them in the public interest under the Public Service (Administration) Order.

(4) Regarding civil servants, the Hong Kong Special Administrative Region (HKSAR) Government attaches great importance to civil service performance management. The Civil Service Regulations provide that an individual 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 substandard performance. As for the overall pay adjustment for the civil service, the HKSAR Government would, from a broad perspective, consider relevant factors including the state of Hong Kong's economy and the Government's fiscal position when determining the rate of adjustment. Every country and region adopts different approaches to civil service pay administration based on its specific needs. It is not appropriate to apply an individual country or region's pay arrangement directly to Hong Kong.

As regards PAOs, our reply prepared in consultation with the Constitutional and Mainland Affairs Bureau is as follows:

The remuneration package of PAOs of the HKSAR was discussed at the Legislative Council (LegCo) and approved by the Finance Committee (FC). Insofar as the current term (i.e. the fifth term) of the HKSAR Government is concerned, the remuneration package is implemented in accordance with the recommendations of the "Independent Commission on Remuneration for Members of the Executive Council and the Legislature, and Officials under the Political Appointment System of the Hong Kong Special Administrative Region" (the Independent Commission) in 2016 (see Note), which was approved by the LegCo FC in 2017.

The individual performance of PAOs is not a factor for consideration under the current remuneration package and the cash remuneration adjustment mechanism. Nonetheless, under the existing mechanism, the "Code for Officials under the Political Appointment System" (the Code) clearly stipulates that the Chief Executive can decide the applicable sanctions against PAOs who are in breach of duty or the provisions set out in the Code, including warning,

public reprimand, suspension or dismissal, or in the case of Principal Officials, recommendation to the Central People's Government for their suspension or dismissal. More importantly, PAOs, especially the Secretaries of Departments, Directors of Bureaux and Deputy Directors of Bureaux are required to explain government policies to members of the public and the LegCo. In other words, their work is subject to the scrutiny of the public and the LegCo.

The terms of reference of the above Independent Commission includes "carries out periodic review of the remuneration package for Officials under the Political Appointment System, say once every five years and normally about a year before the start of a new term of the HKSAR Government". The Independent Commission will review and advise the Government on the remuneration package for PAOs of the sixth-term HKSAR Government which will commence operation in July 2022.

The Government will, in the light of operational experience, further enhance the Political Appointment System as and when necessary.

Note: The Independent Commission completed a review of the remuneration package for PAOs in 2016 and recommended that the remuneration should be adjusted annually in line with the movement of the Consumer Price Index (C), and that the other components of the remuneration package should remain unchanged.