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S.C. 17/2013 (Revised)

**Revised Minutes of the 45th Meeting of the
Staffing Committee held at 2:30p.m.
on Tuesday, 9 July 2013 in the Board Room,
2nd floor, HKPC Building, 78 Tat Chee Avenue, Yau Yat Chuen, Kowloon**

Present : Chairman - Dr. Elizabeth Shing Shiu-ching, BBS, JP
Members - Mr. Charles Hui (representing Mr. Byron Ng, JP)
Miss Lam Kam-yi
Mr. Leung Yam-shing
Mrs. Agnes Mak Tang Pik-yee, MH, JP
Mrs. Katherine Ngan Ng Yu-ying, JP
Mr. Sin Kai-ming, MH
Ms. Marilyn Tang Yin-lee
Mr. Frank Tsang

Absent with Apologies: Mr. Andrew Mak Yip-shing, JP
Prof. Helen Meng Mei-ling

In Attendance: HKPC Chairman - Mr. Clement Chen, SBS, JP

In Attendance from HKPC:

Mr. Leo Lam	Director, Business Innovation
Mr. Tony Lam	Director, Corporate Services
Mr. Joseph Poon	Director, Technology Development
Mr. Jonathan Ho	General Manager, Corporate Communications
Mr. Dennis Wu	General Manager, Corporate Human Resources & Administration
Mr. Alfonso Tam	Chief Manager, Council Secretariat
Ms. Gillian Luk	Senior Manager, Council Secretariat

Welcome

The Chairman welcomed Mr. Charles Hui, Assistant Commissioner for Labour (Labour Relations) who attended the meeting for the first time.

Confirmation of Minutes (S.C. 9/2013 Revised)

The Revised Minutes of the 44th Staffing Committee Meeting held on 12 March 2013 had been circulated to Members and there were no further requests for amendments. The Revised Minutes were taken as read, confirmed and signed by the Chairman.

I. 2013/14 Pay Review (S.C. 10/2013)

1. Invited by the Chairman to report, introduced the paper and briefed Members on the proposed adjustments in the pay scales for staff under (a) the Performance Pay System (PPS) which made reference to the five pay trend surveys available in the market as agreed by the Council plus the 2013/14 Civil Service Pay Adjustment for which approval of the Legislative Council would be sought on 12 July 2013, and (b) the Non-Performance Pay System (Non-PPS) which only followed the 2013/14 Civil Service Pay Adjustment. said that based on the current salary outlay for all staff, the cost arising from the proposed pay adjustment for staff under the PPS and Non-PPS was estimated to be \$7.7M and \$2M per annum respectively, while another \$4.8M was estimated to be required for merit increment.

2. In reply to , said that when the PPS was introduced to existing staff a few years ago for their choice, they were fully briefed on the different mechanism adopted for pay adjustment which essentially reflected the market trend. They understood that the PPS and Non-PPS were different pay adjustment systems and that different rates of salary adjustment were expected and accepted. While the proposed 2013/14 rates of adjustment for the PPS were higher than those for the Non-PPS, the opposite was true in 2012/13 and no concern had been raised by staff.

3. Members considered and endorsed for the Council's approval the proposed 2013/14 pay adjustment for staff under the PPS (with upward adjustment at 3.48%, 3.6%, 4.14% and 4.29% for the top, senior, middle and general level staff respectively) and the Non-PPS (with upward adjustment at 2.55% for the top and senior level staff and 3.92% for the middle and general level staff). Members also agreed that, in line with established practice, the proposed pay adjustments for the PPS and Non-PPS staff should take retrospective effect from 1 April 2013.

III. Staffing Position of HKPC (S.C. 12/2013)

9. Invited by the Chairman to report, introduced the paper and said that as at 31 May 2013 there were 635 staff in post, representing an increase of 3.9% in the total staff number when compared with a year ago, arising from 24 APAS staff transferred to HKPC in November 2012. As regards staff turnover rates, they were 15.4% and 3.2% for 2012/13 and the first two months of 2013/14 respectively. According to exit interviews, a greater proportion of leavers between April and May 2013 quoted “job nature/work issues” as their reasons for departure. On senior staff movement, said that, Mr. Stanley Chu had assumed the post of Head, Internal Audit & Risk Management Office on 2 April 2013. With regard to the position of General Manager, APAS R&D Centre, the candidate identified for the post failed to commit a specific reporting date and did not display a commitment to join HKPC. As such, the Management had withdrawn the offer and restart the recruitment process with the assistance of the designated recruitment agency.

10. In reply to , said that not all approved mannings were utilized due to staff turnover and, more importantly, difficulties in recruiting suitably qualified professionals required. The Management took a totality approach to centrally support recruitment to meet divisions’ staffing needs, to ensure close monitoring of the progress of recruitment, and to gainfully deploy available mannings to meet ad hoc or other urgent staffing needs, for example, the creation of a support team for the implementation of the new ERP system.

11. Members noted the staffing position of HKPC as laid out in the paper S.C. 12/2013.

IV. Re-organization of HKPC (S.C. 13/2013)

12. introduced the paper and briefed Members on the new organizational structure of HKPC which took effect on 1 April 2013. The main aim of the re-organization was to re-align our expert areas for better synergy of talents and resource utilization. Under the re-organization,

- (a) the basic structure of 3 branches and 11 divisions was maintained and 2 Marketing and Industry Support Units were established at the Technology Development Branch and the Business Innovation Branch respectively. The Units would focus efforts on devising

comprehensive marketing strategies to promote value-adding, cross-disciplinary and total solutions to different groups of clients by harnessing the multiple strengths of HKPC. The Units were headed by two Principal Consultants and under the leadership of the Directors of the respective Branches;

- (b) the Corporate Communications Division was placed under the direct leadership of the Executive Director to further strengthen corporate-wide market communication support;
- (c) the Business Management Division and IT Industry Development Division were consolidated into a new division, namely IT and Business Management Division to better integrate IT solutions with business management consultancy services;
- (d) the Management Information Services function responsible for in-house IT support and development was moved from the previous IT Industry Development Division to the Corporate Services Branch;
- (e) the Productivity Training Institute was grouped under the Intellectual Capital Development Division to facilitate launching of a new business model on human capital development riding on our strong consultancy experience; and
- (f) a legal counsel was recruited and posted at the Council Secretariat to provide in-house legal advisory service to divisions on issues encountered in daily operation.

13. In reply to _____, _____ said that the two Marketing and Industry Support Units were formed by internal re-deployment of staff. In addition, the Corporate Communications Divisions would provide the two units with the latest market intelligence and analysis for their review and formulation of marketing strategies and account management plans to meet HKPC's needs across the organization. The work progress of the two units would be closely monitored and reviewed as appropriate, and in time their functions could be extended to cover other related areas, for example, the commercialization function by the Marketing and Industry Support Unit at the Technology Development Branch.

14. Members noted and supported the new organization structure of HKPC which took effect on 1 April 2013.

V. Capabilities Building in HKPC (S.C. 14/2013)

15. Invited by the Chairman to report, _____ said that building organizational capabilities was one of HKPC's top management priorities and coherent and integrated strategies and programmes to strengthen HKPC's capabilities had been implemented since 2011. _____ then briefed Members on the progress made, as follows:

- (a) Performance Appraisal System (PAS) Review - The PAS was revamped for 2011/12 introducing enhancements to the PAS design in Key Performance Areas, behavior-based competency model and performance rating scale. The revised PAS had been well practiced since then and improvements on performance management quality were noted. Continuous refinements would be adopted to cater for business and operation requirements.
- (b) Staff Development Initiatives - A comprehensive Staff Development Plan for all HKPC staff was conducted in November 2011. The exercise reviewed their performances and potential to advance, and identified their individual training needs to bridge their gaps. Different options of job rotation, enrichment of present job, and offer of permanent contracts were included in this exercise for continued monitoring.

16. _____ said that new initiatives had also been planned with a focus on the following:

- (a) Knowledge Management - A Knowledge Management exercise was kicked off in February 2013. Under this exercise, a cross-divisional integrated corporate Knowledge Inventory (KI) database was built to centrally keep track of critical corporate knowledge and competencies. More than 170 knowledge types had been identified from around 250 subject owners at three levels (Best in Class, Expert and Practitioners) in different professional domains/industries. This provided a basis to pursue the application of critical knowledge and skills in a consulting context, as well as organization of pertinent learning models and sharing sessions for continuous internal learning.
- (b) Corporate Succession Plan & Talent Management - Short-, medium- and long-term plans would be made to ensure supply of right people to cope with planned and ad-hoc business demands, including a

comprehensive database on potential successors for critical knowledge and critical positions, personalized Career Development Plans for top performers, formalization of the in-house mentor system, and enhancement of the Trainee Consultant Programme.

17. In reply to _____, _____ said that the staff development plan rolled out in November 2011 was more person-based, identifying the training needs of individual staff to bridge their gaps. The new initiatives covered a wider agenda on skill and knowledge management as well as succession planning which aimed to gear the organization towards increased mobility, both vertical and horizontal, for knowledge owners to ultimately enable cross-functional projects and assignments.

18. Members noted the progress in organization capabilities building made since 2011 and supported the new initiatives towards strengthening HKPC's capability building frame work which embraced close involvement and full participation of the Management.

VI. 13th One-Minute Staff Morale Index (S.C. 15/2013)

19. Members noted the findings of the 13th One-Minute Staff Morale Index which attracted an all-time high response rate at 86% from staff, indicating that the Management's efforts in promoting internal communication through multiple channels had been effective as witnessed by the increase in constructive written suggestions by staff. Members also noted that the Management would follow up on suggestions and concerns of staff and take appropriate steps for improvement and solutions.

VII. Any Other Business

(A) Attendance Record of SC Members

20. Members noted their attendance record in 2013 tabled at the meeting.

IX. Date of Next Meeting

22. It was agreed that the next meeting would be held on 12 November 2013 at 2:30pm.

23. There being no other business, the Chairman thanked Members for their attendance and the meeting was adjourned at 4:00pm.