

Minutes of Meeting of the Housing Authority HUMAN RESOURCES
COMMITTEE held on Monday, 30 November 1998.

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PRESENT

Mr YEUNG Ka-sing, JP (**Chairman**)
Dr the Hon Rosanna WONG Yick-ming, JP
Mr Anthony WONG Luen-kin, JP
Mr NG Shui-lai, JP
Mr Marco M H WU, JP (Director of Housing) (Acting)
Mr Steven HO Shut-kan
Mr KOO Kai-chong
Mr Eddie NG Hak-kim
Dr YEOH Eng-kiong, JP

ABSENT WITH APOLOGIES

Hon LEE Wing-tat (Out of Hong Kong)
Hon Mrs Sophie LEUNG LAU Yau-fun, JP
Dr LO Chi-kin
Mr Payson CHA Mou-sing, JP (Out of Hong Kong)
Professor Anne S TSUI
Deputy Secretary for the Treasury (2)
Deputy Secretary for Civil Service

IN ATTENDANCE

Mr R A BATES, JP (Deputy Director/Works)
Miss Jennifer MAK, JP (Director Corporate Services)
Mr Vincent TONG (Business Director/Management)
Mr LAU Kai-hung (Business Director/Allocation and Marketing)
Mr Joseph KONG (Business Director/Commercial and Services) (Acting)
Mr R J AVON (Finance Director)
Mrs Winifred CHUNG (Assistant Director/Administration)
Ms Ella CHAN (Chief Manager/Human Resources Development)
Mr Anthony MAK (Human Resources Development Manager/General)
Mr Thomas LEUNG (Senior Executive Officer/Special Duties (1))
Miss Patti HO (Assistant Committees' Secretary/3) (**Secretary**)

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The **Chairman** opened the meeting at 2:30 p.m.

CONFIRMATION OF THE MINUTES OF THE PREVIOUS MEETING HELD ON 30 JULY 1998

2. The minutes of the previous meeting held on 30 July 1998 were **confirmed** subject to the following amendment -

Paragraph 11 should read -

“The Chairman remarked that as the Mandatory Provident Fund would be set up soon, there was a need for the Department to review the gratuity amount paid to the contract staff and consider whether the Department’s contribution to Mandatory Provident Fund should be deducted from the gratuity payment.”

ITEM FOR DISCUSSION

(AGENDA
Item 3) **Mid-year Performance Review for Corporate Services in 1998/99**
(Paper No. HRC 54/98)

3. **Miss Jennifer MAK** presented the paper.

4. In reply to Mr KOO Kai-chong’s enquiry on the progress in rectifying the Year 2000 non-compliant IT systems, **Miss Jennifer MAK** said that a steering group had been set up in coordinating the work related to Year 2000 compliance. The steering group recently issued a paper to Finance Committee (FC) reporting the progress. She remarked that the Department aimed to complete rectification of critical systems by June 1999. A contingency plan would also be formulated. Members would be given the FC paper for their information.

(Post-meeting note : The FC paper was sent to Members on 7 December 1998.)

5. The **Chairman** said that all public organisations were required to report to Information Technology and Broadcasting Bureau periodically on their progress in tackling the Year 2000 problem. He asked whether government departments had such kind of practice. **Miss Jennifer MAK** replied that the

Department also made periodical reports to Information Technology and Broadcasting Bureau and maintained a close relationship with Information Technology Services Department and Electrical and Mechanical Services Department on the issue. She added that as the Year 2000 Challenge would be an important assignment of the Department, it would be covered in the 1999/2000 Corporate Services Branch Service Plan.

6. Referring to item 2 of the Annex, the **Chairman** enquired what was the staff response to the reorganization of the Management Branch as a result of combining estate management and maintenance functions. **Mr Vincent TONG** replied that the reorganization took place in April 1998. Staff were not accustomed to the organizational changes at the initial stage but operation had greatly improved after 7 months' implementation. Moreover, the reorganization fostered teamwork as staff formerly belonging to different divisions were now grouped together in making action plans for estate management. Besides, technicians were now stationed in estates to provide support services to estate management staff. This greatly improved maintenance services in estates. He added that the reorganization had enhanced cooperation between professional grade officers and estates managers and facilitated their participation in the meetings of District Board and Estates Management Advisory Committee.

7. **Miss Jennifer MAK** informed Members that after Human Resources Committee endorsed the manpower strategy on 30 July 1998, the Department consulted staff on the proposal of employing Housing Authority (HA) staff on contract terms for all grades starting from recruitment rank. The Executive Board of the Department, after studying the result of staff consultation, decided to implement the proposal with immediate effect.

8. In reply to Mr HO Shut-kan's enquiry, **Mr R A BATES** said that the Work Supervisor Trainee Scheme was set up to provide a supply of qualified work supervisors in filling the vacancies. As the Department forecast there would not be a shortage of work supervisors, it was not necessary to expand the Scheme.

9. With the above comments, Members **noted** the paper.

(AGENDA
Item 4) **1999/2000 Service Plan for the Corporate
Services Branch**
(Paper No. HRC 55/98)

10. **Miss Jennifer MAK** presented the paper.

11. **Mr Anthony WONG** supported the service objectives set out in para. 3 of the paper. Noting that among the four service objectives, fewer initiatives were identified for objectives (b) and (c), he enquired whether priority was given to different objectives. In addition, he asked whether the format of meetings with concern groups stated in item 2.9 of the Annex would be similar to pre-meetings of Rental Housing Committee (RHC). Besides, he pointed out that recurrent expenditure in 1999/2000 Budget would be increased by 3 to 5 % when compared with 1998/1999 Budget. He commented that expenditure should not encounter a large increase under current economic situation.

12. **Miss Jennifer MAK** replied that the Department would also put effort on objectives (b) and (c). For instance, the Department would make better use of outsourcing as stated in item 1.1 of the Annex. Though only three performance goals were set for this item, it was hoped that more areas would be identified for outsourcing of supporting services during the year. As far as meetings with concern groups was concerned, she said that the format would be flexible. Visits or informal meetings would be arranged in order to enhance the communication with concern groups. **Dr Rosanna WONG** supplemented that such meetings were more proactive than that of RHC. The Department maintained a close relationship with concern groups through frequent informal meetings. In regard to the 1999/2000 Budget, **Miss Jennifer MAK** said that the Budget was prepared a few months ago and projected by expenditure spent in the past years. It was hoped that expenditure would be smaller than expected and the Department would try to minimize spendings by reducing paper, water and electricity consumption and imposing a tighter control over overtime expenditure.

13. **Dr Rosanna WONG** commented that HA had consumed lots of paper in the course of work. In response to Dr WONG's suggestion of using information technology to save paper, **Miss Jennifer MAK** said that Members had suggested delivering papers by e-mail. However, this needed to be examined in greater detail because of confidentiality and difficulties in preparing soft copies for certain kind of papers such as maps and drawings for Building Committee. Nevertheless, the Department has already attempted to send papers to staff through the internal e-mail system.

14. Referring to 3.1 of the Annex, **Dr E K YEOH** asked whether the 5% increase in productivity was the target of HA as a whole. Noting that one of the objectives of Corporate Services Branch (CSB) was to deliver supporting services to other Business Branches, he asked whether CSB had made any concrete plans in helping other Business Branches in achieving their targets. **Miss Jennifer MAK** replied that 5% productivity increase was the target of HA as a whole. She added that the Executive Board of the Department would coordinate different Business Branches in achieving 5% increase in productivity in HA. The **Director of Housing** supplemented that Business Directors had been asked to work on baselines for their Branches in achieving not less than 5% productivity increase by 2002 as stated in the Policy Address. Based on these baselines, Business Branches would formulate their business plans which would reflect how they achieved the target by 2002. The **Chairman** commented that the Department should not be constrained by the target set for 2002 but considered it as a continuous improvement especially when designing long-term strategies.

15. The **Chairman** opined that cost effectiveness of outsourcing was very important. Cost effectiveness would be very low when there were few contractors in the market. Moreover, it was difficult to suspend once service was outsourced. The Department should consider the availability of suppliers and the benefits to be obtained when deciding to outsource its supporting services.

16. In reply to Mr HO Shut-kan's enquiry on the Budget, **Miss Jennifer MAK** replied that as para. 14 referred to the internal cross charging of different Business Branches only, the total budget would not be affected. **Mr R A AVON** explained that after reorganization, each Business Branch had its own finance section to deal with operational finance. A working group was set up, as described in para. 14, to work out internal service agreements which set down quantity, quality and cost of services provided between various Business Branches. The **Chairman** commented that cross charging was beneficial to bring staff awareness on service cost but the Department should be cautious to avoid spending too much resources in formulating an agreed charging basis.

17. Referring to item 2.2 of Annex, **Mr Eddie NG** wanted to know the scope of the internal staff survey. **Miss Jennifer MAK** replied that the survey would cover all the staff in the Department. It was aimed at collecting staff opinions towards organizational changes in the past years. The Department might conduct such kind of survey every two years to serve as benchmarks.

DCS 18. The **Chairman** informed Members that he had received comments and questions from Mr LEE Wing-tat whose letter (at **Annex**) was tabled. It was agreed that the Department would give written replies to Mr LEE.

19. As far as corporatisation was concerned, the **Director of Housing** reported that the Department, the Housing Bureau and the Civil Service Bureau had briefed the Legislative Council on the progress of corporatisation last month. It was expected that the consultancy firm would submit its report to the Department in December. The Department would then study the report and submit proposals to the Authority in the first quarter of 1999.

20. With the above comments, Members **endorsed** the paper.

(AGENDA
Item 5) **Progress Report on Human Resources
Management Plan Implementation**
(Paper No. HRC 56/98)

21. **Mrs Winifred CHUNG** presented the paper.

22. In reply to the Chairman's enquiry, **Mrs Winifred CHUNG** said that the grade management had been given clear instruction not to interfere with the line management. The grade management had so far performed its supportive role very well and had helped to enhance the communication between staff and the management.

23. **Dr E K YEOH** enquired how the Department assessed the performance of the Human Resource Management Plan and whether there were periodical reviews on the implementation. **Mrs Winifred CHUNG** replied that the internal staff survey was one of the ways to assess the effectiveness of the plan. Besides, the Department had been using various channels like goodwill visits and focus group discussions to gather feedback from staff. The feedback was reported monthly to the senior management.

24. With the above comments, Members **noted** the paper.

(AGENDA
Item 6) **A Competency Framework for HRM in Housing
Authority – An Update**
(Paper No. HRC 57/98)

25. **Ms Ella CHAN** presented the paper.

26. **Mr Eddie NG** wanted to know how staff of different tiers responded to the 360 degree feedback system. **Ms Ella CHAN** replied that the feedback system was a pilot scheme introduced to directorate staff on a voluntary basis. It would be considered for other grades when the Department and staff were more accustomed to the competency-based development system. She added that as the cost of such feedback system was quite high, it would only be implemented selectively.

27. **Dr Rosanna WONG** enquired how the Department deal with situations when staff faced inadequate workload resulting from a change in job tasks. **Ms Ella CHAN** replied that if training could contribute to performance improvement in this regard, programmes would be designed to enable staff to develop diversified skills and knowledge to adapt to the changing working environment. There was also training provided to managers on their accountability and supervisory skills in staff management. The **Chairman** remarked that role modeling method was used in private sector. Staff in higher rank were assigned duties according to their competencies and skills. As the duties of different grades were clearly defined in government, role modeling was relatively difficult. As a result, retraining would be very important in helping staff to acquire new and appropriate skills.

28. **Dr Rosanna WONG** commented that as the work of government was changing, many government departments were encountering staff redundancy problem in certain grades. The Department should take this situation into account when designing training programmes. The **Chairman** responded that identifying core competencies of staff would be very useful for designing retraining programmes and redeployment. He added that it was necessary to explain to staff why they were transferred to other grades or departments.

29. The **Director of Housing** said that multi-skilling was used to cope with such changes. For instance, a clerical staff working in a small estate had to take up all clerical duties including typing and delivering documents. He added that the grade/rank structure of the civil service might be difficult to implement multi-skilling. It was hoped that corporatisation would increase flexibility in the future. **Mr Vincent TONG** said that estate management staff was facing keen competition owing to outsourcing of management services. Staff had to prove themselves to be as efficient as outside contractors to avoid outsourcing of services. In this connection, the Department had contacted several staff unions and suggested that they should receive retraining in order to equip themselves with diversified skills. New courses were also designed with the T&D Centre for Artisans in this regard.

30. **Dr Rosanna WONG** remarked that staff redeployment would be a challenge of HA in the future. Staff should have the attitude to enhance their performance towards high productivity and efficiency. Human resources managers should also understand worries and uncertainties that staff were facing and respond to such concerns.

31. **Mr Eddie NG** agreed that a responsible employer should take the initiative in informing staff of future changes. He remarked that at a recent Asia-Pacific Human Resource Management Conference, issue on surplus manpower was discussed. Retraining was used in many countries to cope with this situation. Moreover, people was driven by employability drive to receive retraining in order to secure one's job in the future.

32. The **Chairman** opined that the attitude of staff unions was very strong. Communication with unions was therefore very important. He was concerned that unions might be reluctant to change as retraining would affect the safety net of employees. He added that it was a good start to use a competency approach which would help the Department in identifying retraining needs and deciding redeployment.

33. **Dr E K YEOH** opined that there were too many grades/ranks in the civil service. This had reduced the efficiency of the government. He said that the Department should identify the competencies required for the future tasks and establish new grades/ranks to increase flexibility.

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34. In response, **Ms Ella CHAN** said that multi-skilling approach had been adopted in the Department when appropriate. For instance, training like Chinese Word Processing were provided to staff in the current regrading exercise for typists and clerical grades. She added that training programmes were designed according to the specific training needs of different Business Branches.

35. With the above comments, Members **noted** the paper.

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36. The **Chairman** thanks Members for their support over the work of Human Resources Committee in this year. There being no other business, the meeting ended at 4:16 p.m.

CONFIRMED on

Mr YEUNG Ka-sing, JP
(Chairman)

Miss Patti HO
(Secretary)

File Ref. : HA/COM/27/2