

THE HONG KONG HOUSING AUTHORITY

Memorandum for the Human Resources Committee

Staff Incentive Scheme

PURPOSE

This paper sets out for Members' information various initiatives currently used in the Department to recognise staff's contributions and suggests new ones to motivate staff to give their best to enhance the Department's performance.

BACKGROUND

2. Apart from pay increases, promotion and job extensions, other formal programmes have been used by the Department to motivate staff using funds allocated and following the guidelines issued by central Government. These programmes are -

- (a) Long Service Travel Awards;
- (b) Long and Meritorious Service Awards;
- (c) Staff Commendation;
- (d) Staff Suggestions Scheme; and,
- (e) Retirement Souvenirs.

Details and the number of awards given in the past two years are listed at
----- **Annex A.**

3. In addition to the formal programmes, some supervisors in the Department are employing other informal means to recognise staff's efforts/service. These may be a pat on the shoulder, spontaneous recognition

of an assignment well done with a treat to lunch, writing a note of thanks or an appreciation letter, fun celebrations with the team, and so on.

EFFECTIVENESS OF THE EXISTING FORMAL PROGRAMMES

4. Existing initiatives serve to recognise contribution of staff in one way or the other. The Long Service Travel Awards, the Long and Meritorious Service Awards and Retirement Souvenirs programmes acknowledge long service, while the Staff Suggestions Scheme encourages staff to suggest improvement in the work procedures and the Staff Commendation Scheme recognises exceptionally meritorious acts or substantial contribution.

5. Nevertheless, because of the nature of the award, some of these initiatives act as a one-off acknowledgement instead of functioning as a positive reinforcer to help sustain desired behaviour. Staff being presented Long Service Travel Awards or Retirement Souvenirs are those who will be leaving the service shortly. The awards have little effect on motivating staff to strive for the better in delivering their service.

6. The existing service-wide initiatives have been in use for some time and some staff tend to take them for granted. As the Department is undergoing a massive management enhancement programme to improve its service delivery, there is a need to introduce new programmes to motivate staff to stretch further for quality service and to recognise their contribution, commitment and dedication.

PRINCIPLES ADOPTED IN DESIGNING NEW INITIATIVES

7. The new initiatives will be department-specific. They should aim to help improve individual and organisational performance, support a culture of quality and continuous improvement, increase commitment, empower individuals and promote team work. The following principles are adopted when designing new initiatives to enable each of them to act as an effective reinforcer and to have a positive impact on staff's behaviour -

- (a) **Specific.** The scheme should focus on the desired behaviour. Staff need to know exactly what they did well when they are rewarded.
- (b) **Personalised.** The reward must be meaningful to the awardee.
- (c) **Contingent.** The reward needs to be 'earned'. However, the performance level leading to the reward must be challenging but achievable.
- (d) **Sincere.** The scheme must be fair and seen to be fair. Reward is to be delivered 'from the heart'.
- (e) **Immediate.** Rewards should be handed out in a timely manner; either during the time when desired behaviour is spotted or immediately after the accomplishment of a special task.

Performance-related Pay - a non-starter

8. Given that most of the Department's staff are civil servants, whose incremental progress is almost automatic, the Department is currently hand-tied towards implementation of a performance-related pay system.

Promotion - not the only way out

9. Promotion is traditionally acknowledged as a powerful means to motivate staff to contribute more. Nevertheless, given the limited posts available for promotion in the Department, other forms of positive reinforcement have to come into play.

NEW STAFF INCENTIVE PROGRAMMES

10. Based on the above principles, the Department has designed and would initially introduce two departmental-wide awards during the year 1997/98. They are -

- (a) **'Name it for 3Cs' Awards -**
rewarding teams giving suggestions on identifying areas for living

alive the three Core Values of the Department in their daily work.

(b) **3Cs Role Models -**

rewarding individuals who have put the three Core Values into practice when performing their duty.

Details are at **Annex B**.

11. In addition to department-wide initiatives, each Branch will develop its own staff motivation initiatives to suit their needs. A total of 19 initiatives have been proposed for the year 1997/98. Most of them are mainly targeted at the performance of individual staff or a group of staff in an office. A list of these initiatives is at **Annex C**.

ASSESSMENT ON THE EFFECTIVENESS OF THE NEW INITIATIVES

12. No system would possibly work if the recipients do not want them. Staff surveys, focus group discussions, consultations through staff unions would be employed for evaluating the effectiveness of these new initiatives after they have been implemented. Based on such feedback, the initiatives would be modified and/or new ones would be introduced. As the ultimate goal for developing a series of new initiatives to recognise staff efforts is to strive for quality service, the effectiveness of the programme can also be evaluated during the next customer satisfaction survey.

PUBLICITY

13. In order to arouse staff awareness of the new staff incentive programmes, a design competition on a logo for a lapel pin to be given to staff who have won awards will be held in July 1997. Besides, an official ceremony will be held in August 1997 to announce the formal launching of these new staff incentive programmes. Other in-house publicity efforts will include posters, circulars and newsletters etc. There will also be wide publicity in the Department on the winners of various awards.

FINANCIAL AND STAFFING IMPLICATIONS

14. The additional funding required for 1997/98 is \$206,000. Central Government has allocated a sum of \$30,000 for the purpose. The balance will be met from donations¹ and from HA funds. Funds are available in 1997/98 to meet the additional cost. No additional staffing resources are required to implement the proposals.

ADVICE SOUGHT

15. At the Human Resources Committee Meeting to be held on 10 July 1997, Members will be invited to note the progress made and to comment on any further areas which should be taken into account in implementing the programmes and in developing new initiatives in future.

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¹ including \$10,000 from Mrs Fanny Law, the former DD/HMW and \$50,000 from the Staff Club