

THE HONG KONG HOUSING AUTHORITY

Memorandum for the Human Resources Committee

Opening Up of D3 and D2 Posts in the Four Business Branches

PURPOSE

The purpose of this paper is to seek Members' endorsement of the proposal of opening up the D3 and D2 posts in the four business branches of the Department and the promotion mechanism for the opened posts.

NEED FOR REVIEW OF THE EXISTING PROMOTION SYSTEM

Existing promotion system

2. Under the existing arrangement, when a vacancy arises at the directorate level, promotion boards are convened to consider the suitability of eligible officers for promotion on the basis of their staff appraisals. The promotion links or the ranks of officers eligible for consideration of promotion have been established and set out in the Guides to Appointment (GA) of the respective posts. Likewise, when a vacancy arises at D3/D2 level, this would be a promotion opportunity of the D2/D1 officers of a particular discipline or a group of related disciplines as laid down in the GA. For example, only D1 officers of the Housing Manager/Estate Surveyor grades will be eligible for consideration of promotion to the posts of Assistant Director/Operation and Redevelopment, Assistant Director/Management (1) & (2) and Assistant Director/Commercial Properties. On the other hand, only D1 officers of the building disciplines¹ will be eligible for consideration of promotion to the posts of Assistant Director/Construction Services, Assistant Director/Development, and Assistant Director/Management (3).

Need for Review of the existing system

3. With the series of reform programmes embarked under the Management Enhancement Programme to enhance the quality and efficiency of services, the Department has already undergone some significant changes and is heading towards many more on different counts. To meet the changing expectations, a dynamic and responsive directorate is essential to lead and manage these changes, and steer the Department to reach its vision; and the existing promotion mechanism which has been established over the years, has to be reviewed to ensure that officers with the right talent, regardless of their disciplines, can rise through ranks to fulfill different corporate goals.

4. In view of the above, the Department has initiated a review to examine the possibility of opening up the D3 and D2 posts to all disciplines in the Department i.e. D2 and D1 officers of all disciplines¹ will be eligible for consideration of promotion respectively to vacancies at D3 and D2 level. In parallel, the Department has also conducted a review of the promotion mechanism for the opened posts. This paper reports on the findings of the review and outcome of staff consultation, and seek Members' endorsement of the Department's recommendations on opening up the D3 and D2 posts in the four business branches and the promotion mechanism for the opened posts.

REVIEW OF THE OPENING UP OF THE D3/D2 POSTS IN THE FOUR BUSINESS BRANCHES

Analyses of D3 and D2 posts

5. The Department has completed its analyses of the 4 D3 and 11 D2 posts in the four business branches. The analyses suggest that all the D3 and D2 posts in the four business branches of the Department may be suitable for fully opening up on grounds that –

Note ¹ There are altogether 11 disciplines in the Department. There include: Housing Manager, Estate Surveyor and nine building disciplines namely Architect, Building Services Engineer, Civil Engineer, Geotechnical Engineer, Landscape Architect, Maintenance Surveyor, Planning Officer, Quantity Surveyor, and Structural Engineers.

(a) ***D3 Posts²***

The BDs are all managers by post. There should be no questions about opening up the four BD posts.

(b) ***D2 Posts***

- (i) D2 officers of all disciplines, rising through ranks in the Department, are by and large general managers and all-round leaders. Given the wealth of their administrative experience and managerial skills, they should have the competencies to perform effectively the duties of the D2 posts holding different portfolios;
- (ii) D2 posts should be filled by officers with competencies in terms of leadership, strategic management, managing changes, crisis management, political and external awareness, resource management and influence and conflict management. The key competency dimensions of the D2 posts does not call for specialised experience or knowledge of a professional discipline which would be an advantage but should not be a pre-requisite for filling the posts;
- (iii) specific experience and knowledge of the jobs, if required, can be acquired through training, attachment and cross-stream posting at an early stage as part of the staff succession planning. Moreover, chief or senior professionals under their charges and, depending on the complexity and nature of the issues, the Heads of Profession (H of P) in the relevant disciplines³ can provide support and input to the post-holders on professional and technical issues;
- (iv) possession of a professional qualification is not operationally a must; and

Note²: Directorate posts at D4 level and above are already opened.

Note³: One chief professional post in each discipline has been designated as the respective Head of Profession (H of P)/Professional Advice Co-ordinator providing advice/support on professional issues, determining and setting professional standards, guidelines and procedures, resolving technical as well as inter-professional issues etc. Such designations are already in place for all disciplines, except for the Estate Surveyor (ES) grade, in the Department. We are considering designating a H of P also for the ES grade.

- (v) there is no statutory or professional authority required of the post-holders.

Merits of the Opening-up Arrangement

6. The opening-up arrangement would give the Department a wider net of talents to select the most suitable officers for the directorate posts. Moreover, it would enhance cross-fertilization of expertise and experience and broaden the vision and outlook of the directorate, thereby making them more sensitive and responsive to changes. To meet the many challenges and changes ahead, it is of paramount importance that the Department could build up a dynamic and responsive directorate to lead and manage these changes, and steer the Department to reach its vision through the opening-up mechanism. The opening-up arrangement, as we are aware, are also in practice in many large private organisations where their top positions, are largely, if not all, filled by multi-disciplined managers. The merits of having an opened directorate is, therefore, obvious.

REVIEW OF PROMOTION MECHANISM

7. Under the existing arrangements, when vacancies at the higher rank arise, eligible officers will be automatically considered by promotion boards for promotion which will assess the suitability of these officers on the basis of their staff appraisals. With the proposed opening-up of the D3/D2 posts, the Department sees the need to review the existing promotion mechanism to ensure that officers with the right talent can rise through ranks to fulfill corporate goals. The Department has considered the following as possible promotion mechanisms under the opening-up proposal -

- (a) inviting applications from officers of the next lower ranks and conducting selection interviews;
- (b) inviting applications from officers of the next lower ranks and conducting a paper selection board; and

- (c) inviting applications from officers of the next lower ranks and allowing the promotion boards the discretion to decide the mode of selection i.e. whether to conduct selection interview or a paper selection board.

CONSULTATION WITH CIVIL SERVICE BUREAU

8. The Department has consulted the Civil Service Bureau (CSB) on the proposal of opening up the D3/D2 posts in the four business branches. They agree that the opening-up arrangement would enhance cross-fertilization of expertise and experience, train up all-round managers, and thus enable the Department to have a wider net of talents to select the right persons for the directorate posts. They therefore support the proposal provided it is beneficial to the operation and staff development of the Department and that the arrangements are acceptable to staff.

STAFF CONSULTATION

9. In view of the potential staff concerns, a series of meetings were organized between 9.12.1998 and 18.12.1998 to solicit views from D2/D1⁴ officers and staff associations of all disciplines on the Department's recommendations to open up the D3/D2 posts in the four business branches and the various options of the proposed promotion mechanism for the opened posts. Staff's views and feedback are summarized in the ensuing paragraphs.

Opening up the D3 posts in the four business branches

10. D2/D1 officers of all disciplines have in general no objection to the proposal of opening up the D3 posts in the four business branches. However, all staff associations, with the exception of two, reserved their comments on or objected to the proposal mainly for the reason that the opening-up proposal and the corporatisation proposal are related and hence, any discussion on the opening-up proposal should be deferred until details of the corporatisation

Note⁴: D2/D1 officers, who are eligible for consideration for promotion to D3/D2 posts respectively, would be immediately affected by the opening-up proposal.

proposal are known. Of the two associations holding different views, one has no objection in principle to the opening-up proposal from D2 level and above but commented that the new promotion mechanism must be open and fair; but the other considered that the directorate posts are suitably opened only at D4 level and above.

Opening up the D2 posts in the four business branches

11. Staff associations' views in general are the same as that on opening-up of the D3 posts as set out in paragraph 10. As for D2/D1 staff, their views on opening up the D2 posts in the our business branches are divided - they either indicated their support to the proposal, or had no comments, or expressed reservations. The majority fall under the two former groups. For those who have expressed their full support to the proposal, they consider that D2/D1 officers with profound knowledge of and experience in various areas of work should be able to discharge duties holding different portfolios with strong professional support and input from staff under their charge. Moreover, in the private sector, top positions, similar to D3/D2 posts in the civil service, are largely filled by multi-disciplined managers. Likewise, in the Department, there must be a level at which a manager has to devote more time on multiple dimensions and to rely on his subordinates to advise on professional viewpoints. That level would appropriately be pitched at D2 and posts at D2 level and above should therefore be opened up. There are also officers who, though appreciating the merits of the opening-up arrangements, have reservations on this proposal. Staff/staff associations' major areas of concern are in the following areas -

- (a) lack of professional knowledge/experience for making decision on issues which are outside their own professions or providing advice/support to the senior management on professional/technical issues;
- (b) possible lowering of the professional standards of all disciplines as professional knowledge cannot be easily acquired through training or attachment to other offices;
- (c) concern by one discipline of losing out in terms of seniority and hence impact on promotion prospect and morale of existing staff;

- (d) potential staff management problem; and
- (e) inappropriate timing for the opening-up proposal as the corporatisation proposal is still in the pipeline and there have already been too many changes in the Department.

12. We however consider that the above problems envisaged by the staff/staff associations are not operationally insurmountable and as explained below, could be avoided, or contained and resolved. On (a) above, the Department considers that given the wealth of the D2/D1 officers' administrative experience and managerial skills in terms of leadership, strategic management and planning, and resource management, they should have the competencies to perform effectively respectively the duties of D3 and D2 posts holding different portfolios, particularly with the assistance and support of the chief or senior professionals under their charges, and the H of P in the relevant disciplines. On (b) above, the key competency dimensions of the D3/D2 posts does not call for specialized skills or knowledge of a professional discipline which will be an advantage but not a pre-requisite. With the assistance and support of the chief/senior professionals under their charges and the H of P in the relevant disciplines, there should be no question about any lowering of the professional standards. On (c) above, as selection of officers for promotion would be decided on a number of criteria such as characters, ability, experience etc, seniority will only be a major factor should two officers be considered of the same calibre. Also, the seniority position may change over time. On (d) above, the Department considers that it is only a matter of time for the D2 and D1 officers of different disciplines to build up their working relationship. On (e) above, the opening-up exercise is in no way related to the corporatisation proposal. There is thus no need to defer considering the opening-up proposal. On the other hand, in the light of the many changes ahead, the need for the Department to have in place a dynamic and responsive directorate to manage these changes is even more important.

13. To support the opening-up of the D3/D2 posts, we will review the existing arrangements with a view to providing our staff with opportunities, at an early stage, which will widen their exposure and facilitate cross-fertilisation of experience and expertise.

14. A detailed account of staff/staff associations' areas of concern and the Department's response is set out in **Annex A**.

Review of the promotion mechanism

15. Some of the staff/staff associations are in support of the arrangements of inviting applications from officers of the next lower ranks and conducting selection interviews on the ground that the arrangements will avoid the situation of promoting an officer who is reluctant to fill up a post of other disciplines. However, some have reservations on the need to conduct selection interview. They also raise concern over the possible frustration the directorate staff may face in the course of interview. The staff/staff associations' major concern in the areas of abuse of promotion mechanism and problems with invitation of applications and interview, and the Department's response are summarized in **Annex B**.

RECOMMENDATIONS

Opening-up of D3/D2 Posts in the four business branches

16. Having assessed the views from all parties, the Department considers that the objections/concerns raised are either not directly related to the opening-up proposal or are not operationally insurmountable and on balance do not outweigh the benefits of the proposal – namely, a wider net of talents to select the most suitable officers for the directorate posts, cross-fertilization of expertise and experience, and broadening the vision and outlook of our directorate. Given that the problems envisaged by the D2/D1 staff and the staff associations in relation to lack of professional knowledge/experience, lowering of professional standards, impact on promotion prospect or staff management problems could be avoided, or contained and resolved, as explained in paragraph 12, *we recommend to open up the D3 and D2 posts in the four business branches.*

Promotion mechanism

17. Taking into account staff's views and having assessed the pros and cons of the various options of the promotion mechanism mentioned in paragraph 7, we propose to adopt option (c) i.e. *inviting applications from officers of the next lower ranks of all disciplines and allowing the promotion boards the discretion to decide the mode of selection*. This arrangement will have the benefits of:-

- avoiding promoting an officer who is content to remain at his/her current level; and
- allowing the promotion boards the flexibility to decide the mode of selection i.e. paper selection board or selection by interview which best suits each exercise, having regard to its unique circumstances, thus facilitating the selection of the most suitable officer(s) for promotion.

We will consult CSB and seek their views on this proposed mechanism.

WAY FORWARD

18. Subject to Members' endorsement, the Department will consult CSB on the recommendations in paragraphs 16 and 17 above before making formal proposal to the Public Service Commission.

ADVICE SOUGHT

19. Members are invited to comment on and endorse the following –

- (a) the opening up of D3/D2 posts in the four business branches of the Department (*paragraph 16*); and

- (b) the promotion mechanism for filling up the opened-up D3/D2 posts (*paragraph 17*).

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