

## OUR PEOPLE



The Group recognises the significant role employees play in the Group's business development and growth. Value can only be created for customers and shareholders by well-trained and motivated staff working in a stimulating and rewarding environment. Employee productivity gains have been made by optimising human resources and driving organisational change, in addition to achieving greater operational efficiency through effective resource allocation. Apart from upgrading the quality of staff, the Group has developed a set of coherent corporate values with a customer-centric approach in alignment with the Group's business goals. It aims to build an energetic, enthusiastic and professional team with the fostering of a new corporate culture, the establishment of a good incentive and performance measurement system plus comprehensive training programmes, and by creating a transparent working environment that facilitates effective communications.

### **Restructure Remuneration Programmes and Improve Appraisal System**

In line with the Group's strategy, we continued to devote considerable effort to restructuring staff remuneration and establishing a more competitive remuneration policy in 2003. This aims to effectively motivate, retain and attract talent. In preparation for the launch of the new task-based remuneration system, the Group used representative and scientific job evaluation tools to enhance organisational structure and job design, as well as re-define job responsibilities.

Staff are motivated towards achieving the goal of maximising shareholder value. Following recommendations by external consultants and in accordance with the best market practices, the Group continues its strategy of linking performance to reward. Hence, various incentives plans were implemented in 2003, including a bonus allocation programme tied to the overall performance of the Group, departmental operations and individuals. During the year, the *Sales Incentive Scheme for Retail Banking Business* was put into effect. The Group also reviewed overall incentive policy in order to further improve the existing annual bonus plan and other specific incentive schemes.



In relation to the *Pre-listing Share Option Scheme*, a long-term incentive scheme rolled out during the Group's IPO in July 2002, a portion of the options granted was exercised in 2003.

To lift staff performance levels and foster an achievement-oriented culture, the Group thoroughly studied a performance-based management system utilising advanced appraisal techniques, which is scheduled to be implemented in 2004. The new system will emphasise a process of defining job objectives, reviewing and appraising performance to ensure that personal performance goals are aligned with the long-term objectives of the Group.

### Enhance Staff Training and Recruitment

In 2003, the Group's Training and Development Centre offered approximately 1,000 courses, and had accepted more than 60,000 staff enrollments. Staff members at every level are required to attend compliance training classes. This is to ensure that staff from various departments are well aware of the necessary compliance procedures and kept

abreast of the latest information. Furthermore, a series of sales and service training programmes was rolled out to branches during the year, effectively enhancing the quality of service at branches and the marketing skills of front-line staff. To encourage self-development and enhance the professionalism of senior executives, the Group designed and organised a number of training workshops on legal and compliance, corporate governance, corporate culture, service excellence and team building.

The Group successfully launched its e-learning management-training programme, which promotes lifelong learning and enables staff to learn anytime, anywhere. Helping staff to continually upgrade their skills, the programme raises the quality of the Group's existing human resources and adapts to future business needs.

The Group recruited university undergraduates by conducting a six-month tailor-made staff orientation programmes twice during the year. Other high calibre candidates were also hired through various channels, including international consulting

firms, with senior management vacancies being filled by experienced professionals.

Professional assessment tests were used to screen candidates during the recruitment process. Through an internet-based platform, more efficient and accessible tools were used to identify suitable candidates.

### Increase Effectiveness of Communication Channels to Strengthen Employee Relations

The Group values its relationship with its staff. During the year, it collected employee opinions through a variety of channels — meetings at the branch and division levels, visits by the management to branches, and a staff opinion survey — to enhance communications between management and staff. In addition, staff are encouraged to make suggestions on how to improve policies and procedures, bank operations and management, with the aim to enhance overall efficiency.

During the year, the contributions and achievements of staff were recognised at the *BOCHK Distinguished Awards Presentation Ceremony 2002*. There were 859 staff members and 35 departmental units that received outstanding performance awards. The Group also promotes employee relations through other activities, such as bowling and other various sports tournaments. Staff are encouraged to join charitable activities; some 2,200 joined the *Walk for Millions in the New Territories* and more than 1,000 participated in the *BOCHK Walkalong for Light*. In 2003, it was estimated that more than 4,500 staff joined charitable and volunteer activities in different sectors of the society.