

# **KOWLOON - CANTON RAILWAY CORPORATION**

## **REPORT FROM THE BOARD OF EXAMINERS**

### **1. LEADERSHIP**

The clarity of purpose and the sense of shared values about how to achieve that purpose is a real strength within the company. The personal involvement and visibility of the Chairman, Mr. Kevin Hyde is a significant factor in the communication and sustenance of this environment, as is the meticulous attention to detail demonstrated by the Executive Quality Council. There is abundant evidence that the Senior Management frequently review both the direction and the progress of the Corporation towards achieving its goals and that this process cascades quickly and effectively throughout the organization. The continuous reinforcement of the core values and key goals via regular team meetings and refresher training is also worthy of special note.

Since 1992, there has been over 14,000 man days allocated to employee training in a wide variety of areas but particularly in quality education, safety issues and environmental protection. The effectiveness of this education process is particularly evident in the attitude and behaviour of staff at the stations.

### **2. INFORMATION AND ANALYSIS**

The collection and dissemination of information throughout the corporation is well structured and actively supports the direction and development of key business drivers. A particular strength of the system is the extent to which information is deployed throughout the organization. This is further supported by specific training in maximising its use and the empowerment of staff at all levels to use the data available, which helps to push decision making further down the line. The linkages of the various elements and databases, including FSIP (Financial System Implementation Process), SAP (Systems, Applications and Products in Data Processing) and EIS (Executive Information System), to the business planning process and therefore to overall corporate goals is also a significant element.

The Examiners were also impressed by the scope and amount of comparison data collected. The Customer Opinion Tracking System (COTS), the Customer Assistance Tracking System (CATS) and the Customer Satisfaction Index (CSI) are all used to make performance comparisons both within the industry and outside. This benchmarking is further strengthened by participation in the biannual Global Benchmarking project and by the internal benchmarking done by the Process Improvement Teams (PIT).

### **3. STRATEGIC PLANNING**

The Examiners found ample evidence of a structured and comprehensive planning process that incorporated customer input and used advanced techniques such as risk analysis and scenario planning. Long term strategies are aligned closely with clear corporate goals and developed into medium and short term plans.

The communication of plans both internally and externally is generally excellent. Internally, strategies and plans are translated into tangible and measureable performance targets and standards. Externally, much effort is taken to ensure plans are shared with joint venture partners, key suppliers and other stakeholders to ensure that strategic plans remain consistent and compatible with the long term goals of the corporation.

#### **4. HUMAN RESOURCE DEVELOPMENT AND MANAGEMENT**

Employee well-being is clearly a management priority and the Corporation has clear and thorough HR plans that integrate with the overall corporate goals. The Landlord system has successfully created an excellent working environment that encourages and rewards initiative and responsibility at all levels in the organization. Employees are helpful and pleasant and demonstrably proud to be working at KCRC. Staff attitude is continuously monitored and is formally measured by the Staff Attitude Survey, which showed both high levels and improvements in 1995. The information supplied is used effectively to drive improvements throughout the organization.

The high performance work system's inclusion of a succession plan for the learning system, which allows for people coming on-line and off-line, is innovative. The Examiners were also impressed with the thorough annual appraisal and recognition systems in place.

#### **5. PROCESS MANAGEMENT**

An abundance of channels to collect the customer voice ensures that all process improvements have a clear focus and the amount of information available means that the translation of requirements into operational and production definition is also clear. Feedback from employees, particularly on safety issues is also commendable and provides valuable direction for the improvement process.

Employee involvement and the level of training given in areas such as process analysis and problem solving is high and commendable. The deployment of contingency plans and the use of scenario studies to test crisis management is thorough and effective. Problems are categorized using CATS and analysed in a monthly summary that is used as a driver of the improvement process.

Communication of requirements to suppliers is clearly communicated through detailed contract specifications. This is further supported by inclusion of key suppliers in TQM education programmes. In those areas already certified to ISO 9000, supplier selection and performance rating is good and the automated Purchase Order system has greatly improved both efficiency and timeliness of the system.

#### **6. BUSINESS RESULTS**

Product and service quality results exceed most of the targets set. Almost all indicators are positive, sustained and showing improvement.

## **7. CUSTOMER FOCUS AND SATISFACTION**

KCRC has a structured and effective customer relationship management system, including a highly developed customer satisfaction measurement process that gathers inputs from a variety of sources and techniques, including internal statistics, direct feedback and third party information. The Corporation also has a sophisticated market segmentation process which allows them to precisely define key drivers of customer satisfaction.

Customer satisfaction is regularly assessed and results calculated and communicated through the Customer Satisfaction Index. Service guarantees and performance against those guarantees are both communicated to customers and benchmarked against competitors. The ease of access to information and the numerous points of contact where customers can lodge complaints is also commendable.