

# HANG SENG BANK

## REPORT SUMMARY

### COMMITMENT TO SERVICE EXCELLENCE

Hang Seng Bank, whose name in Chinese means ‘ever-growing’, owes much of its growth to its long-term commitment to service excellence. This commitment and service culture, which date back to its founders, have taken the Bank a long way since its founding as a small money-changing shop with 11 staff in 1933.

Today, the Bank is Hong Kong’s second largest locally incorporated bank, employing over 7,800 staff and serving more than one-third of the territory’s population in an intensely competitive market. With its business focus on Hong Kong and mainland China, the Bank operates 157 branches in Hong Kong, two branches in Guangzhou and Shanghai, and three representative offices in Beijing, Shenzhen and Xiamen.

Widely recognised as a pioneer of personal banking services. Hang Seng has developed a strong and visible corporate culture which focuses on value creation for customers through its premium service. Service quality is the No. 1 priority and the Bank’s management system has been designed around this culture.

As the Bank’s Honorary Chairman Dr Lee Quo-Wei put it: Hang Seng is “an ordinary bank for the ordinary people, providing extraordinary service”. This philosophy is ingrained into the everyday organisational life of the Bank.

In line with its Managing for Value strategy, the Bank aims to create value for its customers through initiatives in the following areas: leadership, strategic planning, customer and market focus, information and analysis, human resources and process management.

### LEADERSHIP

The Bank aims at service excellence through becoming the best-managed commercial bank in Hong Kong. Senior management target achievement through the Bank’s three corporate values and five core business principles.

The corporate values put customers first, recognise employees as the Bank’s key asset and involve sharing its gains with the community as a community bank and good corporate citizen. The core business principles are maintaining:

- outstanding customer service;
- prudent lending;
- effective and efficient operations;
- strong capital and liquidity; and
- strict cost discipline.

The senior management are supported by a comprehensive committee structure, and facilitate and co-ordinate quality initiatives through bottom-up staff communications. Management effectiveness is monitored through staff feedback during annual surveys.

## **STRATEGIC PLANNING**

The Bank's strategic planning projects longer-term strategies and aligns resource utilisation with target achievement. It also provides a framework for meeting the challenges for future success.

Under the strategic plan, broad objectives are set for businesses and an Annual Operating Plan is drawn up with stated targets towards attaining the objectives. Regular reviews and reporting are conducted to assess progress.

## **CUSTOMER AND MARKET FOCUS**

The Bank puts customers first and cultivates total customer relationships by understanding and satisfying their financial needs.

Detailed service standards have been drawn up to guide staff in the delivery of quality. The Eight Golden Practices, initiated by one of the Bank's founders, the late Dr S H Ho, stress courtesy and efficiency, and are reinforced regularly in the Bank's morning broadcasts to staff. The Eight Golden Practices, which are supplemented by service statements, are:

*With a warm and friendly smile*

*We greet our customers by name in a courteous style*

*In a manner that aims at the highest efficiency*

*We serve our customers with every honesty*

*In a caring and respectful way*

*We listen and communicate*

*Let customers feel the greatest satisfaction*

*We honour their patronage with our deepest appreciation*

In order to meet different customer expectations, segmentation has been widely developed and new products and services are tailored to customer needs. Extensive channels including focus groups and surveys have been established to ascertain customer requirements and satisfaction levels. Market tracking is implemented to monitor the Bank's performance vis-a-vis its competitors so as to identify improvement opportunities.

Senior management ensure customer issues have a prominent place on their agendas. All valid customer complaints are examined regularly at senior management meetings. Similarly, outstanding performance is rewarded under a staff recognition programme.

## **INFORMATION AND ANALYSIS**

The latest technologies, including a Data Warehouse, are utilised to identify and analyse customer needs in Hang Seng's efforts to provide outstanding service.

The Bank has established sophisticated systems to track essential information and data in support of key business Processes. These include its performance with regard to its service pledges on critical processes and service interfaces

The systems also allow the Bank to analyse comparative business information and conduct benchmarking against major competitors so that it can adopt best industry practices.

## **HUMAN RESOURCE FOCUS**

Hang Seng's employees are its key asset and the Bank invests heavily in them. It is their specialist knowledge and personalised service that sets the Bank aside as a quality organisation.

The service mindset of staff is reinforced regularly through training to keep up with changing customer needs. The Bank's training centre in Kowloon Bay operates a programme of continuous learning to build a motivated and capable workforce. A wide-ranging communications process boosts employee participation and further strengthens their service mindset. Staff satisfaction is enhanced through personal development programmes and through recognition and incentive schemes.

The Bank's staff turnover rate has been the lowest among major banks in Hong Kong for the past five years, highlighting its success as a caring employer. Thanks to the concerted efforts of loyal staff, the Bank's operating profit per employee was HK\$1.05 million in 1998, the highest among major banks in Hong Kong.

The Bank was ranked No. 1 in terms of being a good employer in the 1999 Asia's Most Admired Companies Survey commissioned by Asian Business.

## **PROCESS MANAGEMENT**

The Bank leverages on its technological leadership to enhance services with the objective of outperforming the market. Automation and service delivery channels are being expanded to offer greater customer convenience.

Smooth operations are ensured through the establishment of service pledges on all critical production and delivery processes. These are matched against the best-in-class benchmarks in the market and are regularly tracked. In addition to achieving customer satisfaction, the aim is to satisfy the needs of the Bank's internal customers, ie employees, branches, departments and business divisions.

A Work Improvement Scheme to generate process improvement ideas has added significant impetus to re-engineering to support the service excellence objective.

## **BUSINESS RESULTS**

Hang Seng has transformed itself into a financial services supermarket providing customers with one-stop banking. Its convenient and reliable service network conducts more than 20 million financial transactions each month. It also supports the development of Hong Kong and mainland China by financing a wide range of infrastructure projects.

The Bank performance has won global recognition. It has some of the highest ratings in the Hong Kong banking industry. Its strong management was highlighted when it was named Commercial Bank of the Year in Hong Kong for 1997 by the authoritative financial magazine Asia money. The Bank was ranked Hong Kong's top company for financial soundness in the REVIEW 200: Asia's Leading Companies survey in 1998.

The Bank has been found to regularly offer the best performance when compared with other competitors. It has recorded a sustained increase in customer satisfaction levels.

This was reflected when Hang Seng won the top award in the renowned 1998 Hong Kong Award for Services in the Customer Service category. It also won Next Magazines Best Service award in the banking category for the 9th consecutive year in 1998.

## **CONCLUSION**

In order to anticipate and capitalise on the rapid changes of a complex and global industry while servicing the Hong Kong and mainland China economies, Hang Seng is committed to service excellence as the only sustainable edge in the competitive banking industry.

Having inherited its strong culture from its founders, Hang Seng will continue to make every endeavour in service innovation to meet rising customer expectations. The service commitment is perpetuated at all levels of the Bank and staff work as a team dedicated to continuous improvement.

As a bank growing hand-in-hand with Hong Kong, Hang Seng is convinced that its interests and those of its customers are complementary. Its corporate tagline 'Because We Care' conveys the Bank's intimate relationship with customers and explains its commitment to premium service.