

# **MTR CORPORATION REPORT SUMMARY**

## **Quality Excellence**

Given the scale and complexity of the Corporation's business, a structured and integrated quality management system is of utmost importance to achieve and sustain corporate success.

The MTR system is one of the world's most highly utilized metro systems, and even with this high utilization, its performance in safety, quality and reliability has been sustained at an enviable level. Both at home and abroad, the Corporation has been held in growing esteem in terms of leadership, strategic planning, management systems and professional staff, and in particular its financial strengths. The Corporation is among one of the few urban subways that need not rely on government subsidy to realise an operating profit, with substantial returns from its property developments to support further network extension.

Customer service is one of the Corporation's core values which has contributed to the achievement of this good reputation. With dedicated endeavours to improve our customer service, MTR is ranked one of the most reliable and preferred means of public transport in Hong Kong.

MTR is a socially responsible corporation, paying constant attention to enhancing train facilities for the elderly and the disabled, supporting charitable and community endeavours and taking good care of the environment. Also, MTR is probably the most environmental friendly means of public transportation.

Over the years, the Corporation has maintained a reasonable growth in patronage and a stable market share in the face of severe market competition. It is well equipped to face future challenges with its pro-active plans to fulfill customer needs as reflected in the projected population forecast and town planning projects. With numerous major projects in the pipeline leading to an increasingly extensive operation, the Corporation will further strengthen its management systems to provide an integrated approach to sustaining quality excellence.

## **Leadership**

Under the leadership of the Board and the Executive Directorate, the Corporation strives to attain its purpose of constructing and operating, on prudent commercial principles, a mass transit railway system having regard to the reasonable requirements of Hong Kong's public transport system, and the corporate goal of becoming the most customer-oriented urban railway in the world. These visions are purposefully implemented through four Business Strategies and three Corporate Strategies. Building on the three Core Values, the Corporation has developed and sustained an effective leadership system for guiding the entire Corporation's direction through effective communication to staff at all levels.

## **Strategic Planning**

To rally the dedicated support and collaboration of all staff, strategic planning serves to align and consolidate the efforts of the entire Corporation through these seven long-term strategies. These strategies are then translated into annual divisional and departmental targets and objectives which are then cascaded to sectional objectives. A sophisticated performance appraisal and project review system has been deployed to periodically assess achievement of these objectives and highlight areas for further improvement.

## **Customer and Market Focus**

The corporate strategy for customers is to research continuously customers' needs and provide superior standard of service. Periodic passenger surveys and liaison programmes are conducted to clearly understand the customers changing needs and feedback the recommendations for improvement into the strategy planning process. Customer Service Standards are implemented and constantly reviewed in the light of customer expectations and performance trends.

## **Information and Analysis**

In large-scale companies like the MTR, proper information management is crucial to organizational effectiveness. The Corporation endeavours to ensure that the appropriate technology be deployed to collect, record, disseminate and analyze information to enhance its operational performance. The Executive Information System, for instance, was developed to facilitate monitoring of overall operational performance and trends. Comparative data on benchmarking performance between the MTR with 8 overseas counterparts are also constantly evaluated for identifying improvement initiatives to further enhance business efficacy.

## **Human Resource Development and Management**

The Corporation regards its staff as the most valuable assets, whose well-being and satisfaction affect tremendously the quality of customer service. By emphasising employee benefits, training and development, and satisfaction coupled with an open and fair appraisal and reward system, the Corporation has succeeded in recruiting and retaining staff of high calibre, as well as encouraging them to achieve continuous improvement.

## **Process Management**

To ensure that all work processes comply with its C operational and customer requirements, and that they are of consistent quality, the Corporation sets out precisely its performance requirements in the form of procedures or work instructions and specifications or contracts. Compliance with these requirements are regularly monitored and measured through implementation of various inspection, audit and reporting systems.

## **Business Results**

According to the most recent Customer Service Survey featuring 40 major service attributes of the MTR, most service areas indicated improvements from March 1997. Compared with its competitors, the MTR is consistently seen to offer the best customer service and ranks second to trains in terms of value for money.

Its financial performance is equally impressive with steady growth in revenues. The net profit saw a remarkable increase of 81.3% over the last year to HK\$2,783 million. The Corporation's strong credit ratings and goodwill also earn it the reputation of a premier borrower in the financial community.

In the recent benchmarking exercise with 8 other international metros, the Corporation ranked either first or second in 11 out of 18 Key Performance Indicators, mainly in terms of reliability and financial performance.

## **Conclusion**

Since its inception in 1972, the Corporation has established a comprehensive management system to plan, implement, monitor and review the formulation of the corporate purpose and strategies, aligning staff in a common direction and serving to the best interests of our stakeholders.

With visionary leadership and excellent management systems, the Corporation has achieved remarkable results in nearly all realms of its business, while winning local as well as international acclaim as a caring employer, a good business partner and a socially responsible organization.

There is, nonetheless, little room for complacency, especially when the Corporation is determined to achieve long-term and sustainable success that can survive all future challenges including the most adverse conditions. The MTR Corporation shall remain steadfast in fostering a learning and quality culture for continuous improvements of its services and for sustaining business excellence and corporate success.