

Human resources



TEAM SPIRIT

MTR Corporation has been highly successful over the years in attracting and retaining the high calibre people needed to provide service excellence, drive business expansion and adapt to change. During 2006, we continued to enhance core competence and develop the potential of our staff through career development initiatives for new business growth, and participation in merger integration programmes.

Merger planning and communication

The proposed rail merger with KCRC is a key issue for staff members and the Company has committed to looking after the interests of all staff going into the proposed merger. Tremendous effort has been attached to communicating the

merger's possible implications. During the three days immediately following the merger announcement in April, some 60 communication sessions were held, providing all employees with the opportunity to obtain information and raise questions, and enable management to listen to staff views.

Since then, staff has been kept abreast of progress through various channels, including a CEO video, letters from the CEO and Human Resources Director, briefings, a merger hotline and email. In addition, a special merger newsletter has been published jointly by the Company and KCRC.

Beyond transparent communications, we worked hard during the year to prepare for a smooth integration by aligning human resource policies and practices, work cultures and practices between the two companies. This involved working closely with internal and external parties on the exchange of information, conducting detailed impact analyses, and developing implementation strategies with care to ensure “buy-in” from staff. Examples included the announcement of frontline positions which will be protected in relation to the merger, mass communications to all staff on the major terms and conditions of employment, communication on organisation structure and cultural integration workshops, which were well received by staff.

Caring company

In recognition of the Company’s efforts to provide a safe and harmonious working environment for its staff, and of its contributions to the community, we were awarded the Caring Company Logo 2005/06 by the Hong Kong Council of Social Service in February. Following nomination by five different social service organisations, we were given this prestigious award again for the year 2006/07.

The award reflects initiatives such as the “More Time Reaching Community” scheme that was launched in November 2005 to provide corporate support to community projects voluntarily initiated and participated in by staff. During 2006, a total of 81 initiatives were undertaken involving over 1,500 volunteers from the Company, helping the elderly, underprivileged children, the physically and mentally challenged and others.

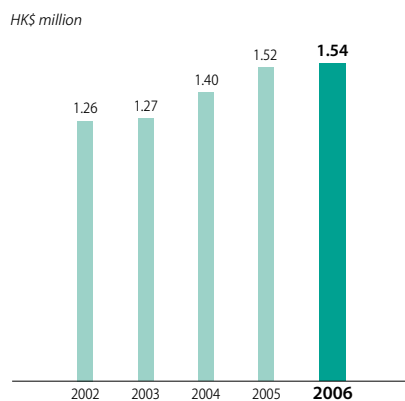
Training and development

During 2006, the Company continued to provide training in all areas to ensure staff members have the skills they need.

A corporate Education and Training Plan in support of the new Corporate Safety Policy was developed, while training channels such as e-learning were expanded to enhance training effectiveness further. In the area of customer service training, emphasis was placed on improvement through empathetic listening.

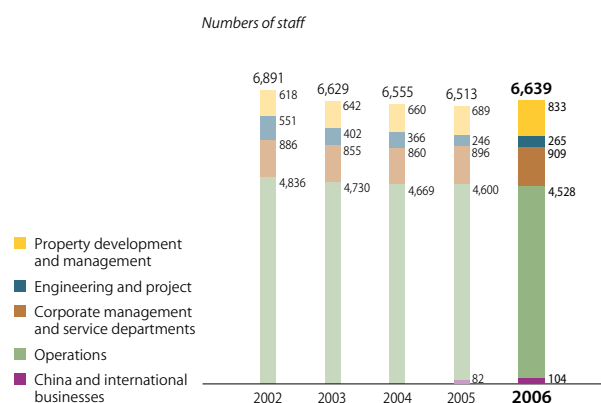
Staff productivity – turnover per operating railway employee

Productivity has shown continuous improvement.



Total staff strength

In support of our business expansion in Hong Kong and overseas, our workforce grew during the year.





ABOVE The "More Time Reaching Community" scheme supported 81 initiatives involving over 1,500 volunteers

Success during the year included two Company apprentices being awarded the Outstanding Apprentices/Trainees Award by the Vocational Training Council. The Company has won similar awards for nine consecutive years. In addition, 17 trainers successfully acquired China's National Enterprise Trainer Qualification, which will help support our growth strategy in the Mainland of China.

Leadership development

Developing talent for general management continues to be an important task and three key initiatives continued during the year, designed to establish a pipeline of management prospects via a rigorous selection process, comprehensive development programmes, cross-functional placements and other world-class practices.

The People Development Initiative identifies and develops high potential staff at executive and senior managerial level. The Executive Associate Scheme identifies and fast tracks development of high potential staff at the middle management level. Finally, the Graduate Trainee Programme recruits and develops top-notch graduates from the Mainland of China, Hong Kong and overseas, under a three-year development programme that includes cross-functional placements.

Support for growth business

With our businesses outside Hong Kong growing rapidly, during the year we established a designated HR team to specifically support this aspect of our operations.

Currently more than 170 full-time-equivalent staff members are involved in consultancy business, investment projects and overseas business development, with over 30 stationed in Beijing, Shanghai, Taiwan, the United Kingdom and other parts of the world.

To enhance the skills and knowledge of staff involved in our growth businesses, we organised intensive training programmes and regular workshops on business related topics.

We also regularly review and adjust the relocation support provided and during the year a "Stay-in-touch Employee Care & Communication Programme" was launched to enhance communication with our staff working outside Hong Kong and foster a feeling of connectedness with the Hong Kong operations.