



A close-up, top-down view of several people's hands stacked together in a circle. The hands are of various skin tones and are positioned in a way that suggests a team huddle or a gesture of unity. The background is a soft, out-of-focus light blue. The text "TEAMWORK IN MOTION" is overlaid in the center of the image.

**TEAMWORK**  
*IN MOTION*

5,100

Enhanced Staff Communication Sessions

involved over 50,000 participating headcount

6 Training Days



per employee, 2.4 times the market average

Low Voluntary Staff turnover rate



3.3%



The Company has done well in meeting the human resource needs of its growing business, including the extension projects in Hong Kong and our growing franchises in the Mainland of China and overseas. As at 31 December 2011, 21,295 people were employed by the Company and our controlled subsidiaries.

Our efforts in this area secured a large number of awards in 2011, including the prestigious HKMA Gold Quality Award from the Hong Kong Management Association, and the Hong Kong Most Admired Knowledge Enterprise (MAKE) Award from Hong Kong Polytechnic University.

## RECRUITMENT AND RETENTION

The Company's strategic manpower planning and resourcing mechanism helps maximise resource utilisation and meet new manpower requirements in a structured manner, ensuring timely project delivery.

During the year, our advance recruitment programmes in Hong Kong resulted in a total of 1,525 new hires. We continued our recruitment of Graduate Engineers, Graduate Trainees and Functional Associates in Hong Kong and Mainland of China to support our business expansion. To meet the manpower demand peaks of the Company's Hong Kong extension projects, the apprentice intake was doubled from 60 in 2010 to 121 in 2011 and a total of 15 graduates from technical institutions were recruited to join our "Inspectorate Staff Training Scheme".

Our competitive salary and benefits provision, coupled with career growth opportunities, underlie our strong track record in staff retention. The staff turnover rate was maintained at a low level of 3.3% in 2011 despite the sustained rebound in the employment market. Over 800 staff were promoted internally during the year.

## STAFF MOTIVATION AND ENGAGEMENT

In addition to competitive pay and benefits, staff are motivated through recognition via various awards. The MTR Grand Awards for Outstanding Contribution are the Corporation's highest form of recognition and starting from 2011, nominations were opened to employees of subsidiaries, helping to integrate our global workforce more closely with the Company.

## LEADERSHIP DEVELOPMENT

In addition to providing general and competency based operations, technical and safety training for core and growth businesses, the Company also takes initiatives to identify and develop talented individuals for future leadership roles. One of our people development programmes is the Executive Associate Programme. The second and third batches of Executive Associates have been progressing well and have given very positive feedback. The assessment process for the fourth batch of Executive Associates was completed in October 2011.



Various activities were launched to promote the Company's Vision, Mission and Values

## EXECUTIVE MANAGEMENT'S REPORT

### HUMAN RESOURCES

For new Graduate Trainees from Hong Kong and the Mainland of China, the Company organised job rotations, familiarisation, mentoring and training programmes, study trips and various other activities designed to prepare them for the workplace. During the year, members of the second batch of Graduate Trainees, recruited in 2008, were appointed to senior supervisory level positions.

A new round of development and assessment was conducted in 2011 to provide development insight to another batch of high performing staff at senior managerial level with strong potential for further progression and pursuit of a broader management path. All participants were arranged with tailored developments to strengthen their general management capability. In addition, 22 earlier participants moved up to more senior positions in 2011.

#### A LEARNING CULTURE

To help realise our vision of becoming a learning organisation, we have in place IT platforms to facilitate knowledge transfer, supported by corporate-wide learning and development events designed to sustain learning momentum. We use the idea of "Teamnovation" to stress the need for collaboration and innovation. Our strategy focuses on self, team and global perspectives, using innovative communication and creative activities, such as drama-based innovative thinking learning video.

Our efforts involve not only various initiatives in Hong Kong, but those in the Mainland of China and our overseas operations. During 2011, more than 5,892 training courses were delivered across the Company covering approximately 6 training days per employee.

To reinforce understanding of the Company's mission, a number of initiatives were launched during 2011. These included a dedicated revamped website, a photography competition, a refresher programme and a "Welcome to My Home" campaign in which participants visited other departments.

Various other campaigns during the year helped to foster a caring service culture and learning culture across the Company. Executive and senior level management were kept up to date with the latest business best practices and management insights.

The Company also cares about the health and well-being of staff. We organised a Corporate-wide "Healthy Living Programme" to promote healthy living practices.

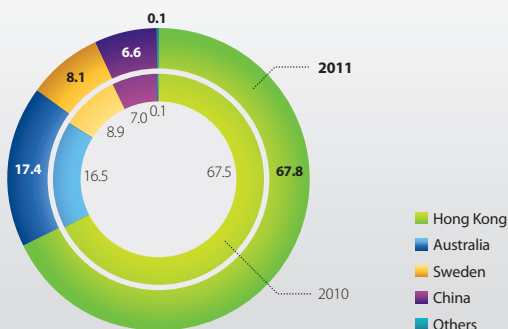
#### WORK IMPROVEMENT CULTURE

We have a strong work improvement culture that ensures continuous improvement in how we operate. This is formalised in our Work Improvement Team (WIT) "You have a Say" Programme. The Company benefits from the cost saving initiatives and the streamlining of work processes that result from WIT projects. At the same time, the WIT culture encourages staff members to improve themselves personally and professionally, helping the Company to meet business challenges.

To promote the work improvement culture during 2011, training was offered to encourage collective innovation and continuous improvement using problem solving tools. This was reinforced by joint-company events to share best practices in quality improvement.

#### STAFF DISTRIBUTION BY GEOGRAPHICAL LOCATION

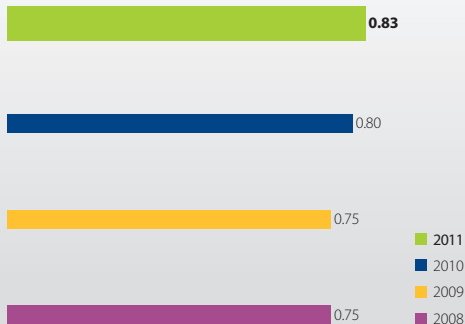
(Percentage)



#### STAFF PRODUCTIVITY – EARNINGS PER EMPLOYEE\*

\* Hong Kong businesses excluding property development

(HK\$ million)



## CORPORATE RESPONSIBILITY HIGHLIGHT

### DEVELOPING PEOPLE

Teamwork can be built in many ways, and volunteer activity is one we cultivate. In September, around 100 of our “More Time Reaching Community” volunteers joined the “Painting in Dance – The Art of Dance by the Happy Rainbow Fishes” organised by Tung Wah Group of Hospitals Community Services/Rehabilitation Services.

By means of handling the costumes, stage coordination, photography and assisting the participants, our volunteers helped people suffering from physical, mental and social disabilities to express themselves through drawing and dance.

The picture of “Painting in Dance – The Art of Dance by the Happy Rainbow Fishes” is published here with the courtesy of the Tung Wah Group of Hospitals



### EMPLOYEE COMMUNICATION

Our well-established staff consultation mechanism involving elected staff representatives continues to serve as an effective channel for management to listen to and address staff concerns. Over 5,100 sessions of the Enhanced Staff Communication Programme were organised in 2011 with more than 50,000 participating headcount, successfully reinforcing two-way communication between line managers and staff on the shop floor. This programme helps the Corporation to identify and address staff concerns at an early stage.

Communication with offshore assignees in the Mainland of China and overseas is of increasing importance to the Company's smooth operation outside of Hong Kong and efficient and convenient channels are in place to ensure issues of interest to staff working outside of Hong Kong are communicated.

Increasing numbers of electronic platforms have been deployed to keep staff abreast of the Company's latest business developments and corporate strategies. As part

of this development, video highlights of management communication meetings are uploaded regularly to the Company intranet. An internal digital broadcast system designed to strengthen the corporate brand was installed at the Hong Kong Headquarters Building. Called M-Board, it gives staff and visitors exposure to key corporate messages and news throughout the day.

To build pride in the day-to-day work of our staff and to help them contribute to the Company's success, five short motivational videos, “MTR People Making a Difference” were released throughout 2011.

To engage staff family members and encourage education in Hong Kong, the Company offers a corporate scholarship scheme that grants bursaries for children of employees, and gives recognition to their outstanding academic achievements and active participation in volunteering activities.