



AWARD CATEGORY: BEST HR TEAM

Finalists will be evaluated on their ability to work together across all organisational sectors and departments to accomplish business strategies in addition to implementing and managing all other aspects of the HR function within their organisations.

Team contributions towards organisational improvement in key areas including:

- Retention
- Morale and engagement
- Productivity
- Team contribution and implementation of specific HR initiatives
- Team effectiveness in delivering cost effective HR administration services
- Ability to improve bottom line profits and employee productivity

FACT SHEET

Name of your organisation:

Is your company: ☐ Head Office ☐ Asia Pacific Office ☒ Local Office

Total no. of employees in Hong Kong: 1,593 as of 2009/ Jul 2010

Questions:

Company overview (150 words)

Established in 1992, City Telecom (H.K.) Limited provides integrated telecommunications services in Hong Kong via its own self-built fibre network. City Telecom's wholly-owned subsidiary, Hong Kong Broadband Network Limited (HKBN), is the fastest growing broadband service provider in Hong Kong. HKBN offers a diversified portfolio of innovative products that serve over 1,027,000 subscriptions for broadband, local telephony and IP-TV services. The Company has built a solid market position with top-of-the-line applications and practices enabling it substantial growth. The company takes great pride in developing its 3,000 Talent force into a competitive advantage.

For details of our Vision Statement, please refer to Enclosure (1) or <http://www.ctigroup.com.hk/ctigroup/eng/careers/vision.htm>

1. How big is your HR team? Specify job titles, responsibilities and length of service of the senior HR directors/VP's, managers etc.

Our HR team is evolved from traditional Human Resources role into Talent Management (TM) function. In year 2006, we are re-named as Talent Management Department, under the umbrella of Talent Engagement Department, comprising of (1)



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Talent Management Department; (2) Learning and Development Department; and (3) Administration Department. Altogether, we are established to render full engagement experience for our talents.

There are 16 Talent Management(TM) talents in the TM Department, comprises of 1 Director, 2 Managers, 2 TM Senior Officers, 1 TM Officer, 4 Assistant TM Officers and 6 TM Assistants.

Roles of Talent Management Department

Strategic Business Driver: We drive our business departments and Mini-CEOs (department heads) to develop and deploy business strategies throughout the Group in a competitive global marketplace.

Champion of CTIers: We partner with line management to engage our talents to strengthen their capabilities and grow with the Group. We nurture the right Talent on the bus and get the wrong Talent off the bus. We target our resources to groom Champion of CTIers. We aim high and we spare no room for second runner-up!

TM Ambassador: We ensure that the talents strategies, directions, policies, welfare, and learning and development programs are designed to engage and retain our talents. All these must be executed in a high quality and “zero defect” manner. We have holistic account servicing operation structure that our designated TM Ambassadors serve our Talents from the 1st Touch to the last during their life engagement cycle in the Group. We comply with our **Talent Management Service Pledge**. We Promise and We Act!

Mr. NiQ Lai, CFO & Head of Talent Engagement

Mr. Lai joined CTI Group in 2004 and since then he steered the revitalization of the Talent Management function. His major roles include:

- Formulate the strategic directions of the Talent Management Department according to the Group’s directions.
- Nurture a winning team that honor the human spirit to achieve together, synchronize the knowledge and wisdom across different departments, celebrate together and where mission statement and core values drive the work.
- Create inclusive and humanized environments that honor the uniqueness and diversity of talents, that support open communication and feedback and that respect the value of each individual.
- Optimize the maximum potential of talents, create an atmosphere that are very dynamic and provide greater possibilities for talents to strive for the impossible, to imagine the unimaginable, to dream the undreamable. Encourage innovation, creativity, collaboration and the building of wisdom.



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Ms. Mimi Choy, Director of Talent Management Department

Ms. Choy joined the CTI Group in 1998 and witnessed the migration from Human Resources and Talent Management. Her major roles include:

- Formulate short- and long-term directions, strategies and priorities in Talent Management Department including Talent Acquisition, Talent relations, compensation and benefits, training and development, performance management, organisation development, Talent communication, Talent Management policies and procedures and Human Capital information systems to support the Group's goals and objectives
- Work closely with senior management on strategies and initiatives in line with corporate business objectives and planning

Ms. Bonnie Chan & Ms. Carrie Wong, Managers of Talent Management Department

Ms. Chan joined the CTI Group in 2007 while Ms. Wong joined in 2010. They became the Think-tank of the Talent Management Department by initiating and launching various business-driven projects. Their major roles include:

- Assist the Director in implementing Talent Management strategies and directions
- Keep abreast of the contemporary development of the Talent market trend and propose culture-fit Talent Management Projects
- Lead and motivate the TM Ambassadors to develop professional and personal skills in order to support the smooth operations of the Department
- Monitor the execution of Talent Acquisition, Talent relations, compensation and benefits, training and development, performance management, Talent communication, Talent Management policies and procedures

2. Why does your HR team work together so well and complement one another?

Talent Management Orchestra

TM is a team of orchestra specialises in different instruments, playing the concerto, jazz, classics, with different rhythms ranging from slow to progressive and high pitch, according to the Group's direction as well as the immediate needs of the internal VIP customers. They can even play hip hop when requested. We are a dynamic team, working together and complementing one another.



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Left Brain & Left Arm (Logical Decision Making):

Right Brain & Right Arm (Emotional Engagement)!

Having different academic knowledge, working experience, industry-specific knowledge, and personalities, we are complementing each other by sharing our know-how and offering mutual support for the successful implementation of Talent Management project. While our *left brain and right arm* are strong in drafting Talent Management policies and procedures, judging the possibility of violating the standard practices, calculating the payroll and MPF, investigating medical claims and justifying the Employee Claims; our *right brain and right arm* are brilliant in triggering talent engagement initiatives, experiencing the joy of organising management retreat and off-site meeting, meeting the talents via Outreach Program and Talent Roundtable Meeting, nurturing Management Trainees and Graduate Trainees for their career development, sharing the laughter of talents who receive Outstanding Performance Award. Our team are orchestrating our left and right building blocks and complementing each other. Those teammates who are well-developed in their left brain and left arm will soon be motivated to develop his/ her right brain and right arm. We rotate our duties and adopt a roaster approach so that each of our teammate has a chance to be the Project Manager, responsible for the planning and implementation of different Talent Management projects.

Bi-monthly Talent Management Meeting

The team will meet twice a month and sharing their learning reflections and project updates. Each team member is the Chairman of the meeting. It is conducted in a roundtable format and each member contributes in the meeting agenda and share their thoughts accordingly. Attached please find an *Action Points* on “Why Should Customer Pay US More” resulting from a \$199 corporate-wide promotion campaign in Jul - Sep 2010. Besides, *Annual Talent Management Off-site Meeting* will be arranged to conduct a retrospection of our current Talent Management practices, foster teamwork and energetic working atmosphere and strive for excellent performance. Last year, the Off-site Meeting was held in Disneyland under the theme, Creative Problem Solving and Team Building.

Talent Management- Teamwork Showcase

Showcase 1: Talent Meeting with over 1500 Talents attended

The Talent Meeting gathers all the HK talents together where the CEO and senior management will disseminate the Group's direction and latest strategic action plan. Talent Management Department plays the role as Project Management. An Assistant TM Officer is the Project Manager, assigning different roles according to the strength of each TM Talent, namely MC, Stage Manager, Floor Manager, Visual & Audio Control Manager and In-Out Control Manager. This manpower allocation illustrates the cooperation among the TM team for the smooth rundown of the Talent Meeting. Learning points will be accumulated and transferred to other Assistant TM Officers, who would take the role as Project Manager next time, with the backend support of



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the last Project Manager of the Talent Meeting.

Showcase 2: Talent Engagement Survey – Action Plan for Work Smart

We encourage our talents to challenge the status quo. Do-more-with-less. Besides, it is a best practice to plan in advance and act quickly. Project review and Action Points Sharing with each other is our strong Learning Culture in CTI. Ben Woo, an Assistant TM Officer who is strong in Language and appointed as the 2010 Project Manager, and Cyrus Tang who is strong in Statistics and also the 2009 Project Manager, jointly develop the project plan and milestone for launching the Talent Engagement Survey.

Action Plan for Work Smart

Example: *The Seven Habits of Highly Effective People - Habit 2: Begin with the End in Mind. What if & Why?*

(A) Fix the Objective:

Q1: **“What if”** I don’t conduct Talent Engagement Survey twice a year?

Answer: Do it once a year!

Starting from 2010, Talent Engagement Survey will be conducted once a year. Before 2010, the survey is conducted twice a year.

Q2: **Why** we invest time and manpower to do the Talent Engagement Survey?

Answer: We aim at collecting Action Points to implement, not Happy Sheet with Happy Score

(B) Plan the Framework: 6 dimensions

1. Mission Statement & Core Values
2. Corporate Direction & Communication
3. Career Development
4. Employer of Choice
5. Engagement Experience
6. Overall Rating & Opinions

(C) Work out the Details:

Design Questions for each Dimension: Score Method & Open Answer

(D) Trial:

Forecast the Expected Results: Conduct Beta Testing with the target samples and refine for excellence

3. Please detail the major challenges and priorities the HR team has had to focus on most in 2009/ Jul 2010.

The nature of HR/ Talent Management is changing and changing fast. Globalization, the pace of technology, compliance and regulatory change are all happening faster. We focus on the major challenges and priorities in the Talent Management Team as follows:

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1. **Forward-looking Corporate Policy**

- To cope with the changing business environment, new practices in the talent market, TM also has to tackle legacy issues caused by the change from stable and systematic to agile and dynamic environment. We are the ones who must be advocates for our talents and good stewards of our corporation's financial resources. Are the internal process, programs, and policies too restrictive, over-bearing, or too loose with too few controls? TM leaders have unique ability to help shape the culture into one of accountability, integrity and respect for talents.

2. **Talent Economists – Manage the Supply and Demand of Talent Market**

Talent Management team must become proactively aware of the supply of talent (who's available now and laying off soon) and the demand for talent (who is hiring/when). We must ensure our talent supply/demand meets the Group's direction. Do we have the right **Person** with the right competency for the right **Position** in the right **Phase** of the Group for the right **Price** with the right Talent Acquisition **Process**? There is pressing pressure on Talent Engagement and retention strategies, including integrate effective talent engagement programs, arouse talent value propositions, build robust talent programme and retain precious talent pools.

3. **Balance between Talent Benefit and Business Results**

How do we motivate, engage, and retain talents without the usual tools of pay rise and incentives? TM is facing a dilemma of conflicting requirements: Employer of Choice & Cost Management. "Cutting for cutting's sake" is a malpractice and we should ask ourselves "Are our current projects valued by the business leaders and senior management?" & "Is quality being sacrificed?" With the recent Group direction on "**Hiring Freeze and Budget Cuts**", Talent Management Department would follow the direction of our **CEO, Mr. William Yeung**. He said, "**Talents who work smart will:**

- (a) *Think of **new ways of doing jobs** (more time in thinking, less time in doing jobs as usual)*
- (b) *Identify jobs of **importance and urgency** and say no to many other jobs, i.e. only **focus on areas of high impacts** and forget about the very minor jobs, ie 20/80 or even 10/90 rule applies. Thus, they have less tasks to do.*
- (c) *Use **the least resources** or the right person(s) to complete the jobs. Thus, they will finish jobs faster and with better output.*

4. **Market-driven Role: Speak the Language of Business and Build Corporate Branding**

Speak the language of business! Growing business without growing resources!

TM talents must be adaptive in responding to the frequent changes our business is facing, so our challenge is to develop the agility of the teammates. We are not a 9 to 5 working environment anymore. If "working hard " equals to "working long hours " , then **Smart Talents do not work hard.**



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We need to grow our business with less resources and talent. How to do more with less? TM strategy is the cornerstone of the overall corporate strategy and trigger high-performing functions.

5. Heading to be the “Knowledger” in a “Learning Organisation”

To strive for continuous learning and knowledge sharing through transforming the corporation into a “Learning Organisation” and adopting “Knowledge Management”. To foster business-oriented, result-driven and problem solving mind-set through coaching and motivation.

4. Please detail the major HR initiatives or strategies that the team implemented to address the challenges and priorities listed above. What were the initiatives, the solutions devised and ultimate impact on the organisation and employees so far?

As **William Yeung, our CEO** said, *“In life, some just talk the talk, others try walk the talk. At HKBN, we run the talk!”* The major Talent Management Initiatives and Strategies are implemented as follows:

1. Forward-looking Corporate Policy

- In response to the recent concerns on the protection of the privacy of personal data, seminar is launched to educate the talents on data protection principles of the customer and talent data, with over 130 Management Grade Talents and Mid-level Talents attended.
- Periodic policy reviews are enforced to cope with the change of the talent market. Talent Handbook is reviewed and to be re-issued in Oct 2010. Major updates are the clauses on “Declaration of Conflict of Interests” and “Protection of the Privacy of Personal Data”.

2. Talent Economists

To tackle the talent supply/demand needs, we strive to deploy “Groom from Within” and “Promotion from Within” strategies.

*“We are searching around the World, for Talents that we can groom to become **my potential replacement in 15-20 years time**”, **William Yeung, CEO** said, “We aim at bringing in Talents from different cultural and academic backgrounds. Our belief is that this will bring fresh dimensions and creativity to our business. We are searching for **World Class Talents** who are **passionate about making a positive impact for our home in Hong Kong**” City Telecom Global Press Release, 17 March 2010.*

(A) Long-term Strategy (15-20 years): Develop from Within - “Global Search of CXO” Management Trainee Program:

The Group has invested resources and planned the 15-20 year program for up-and-coming Talents to develop into our next generation of upgraded CXO such as CEO,



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COO, CFO, CTO etc. In short, we are looking for our own upgraded replacements in 15-20 years time. In Year 2009, we have hired 3 Management Trainees out of 400 applicants via a 3-month selection process including aptitude and written testing, group interviews, Outward-Bound Live-in and a final panel interview by our existing CXOs. In Year 2010, we have selected 1 Management Trainee out of 793 applications from 117 universities globally. This year, we aim to search 2-3 2011 Management Trainees (CXO) and groom them to be the future leaders in 2026 and latest 2031.

Future CXO Wanted

- Do you have Vision?
 - Do you have Leadership Qualities?
 - Do you want to contribute to Society?
- If you answered a definite YES to all of the above, then apply our CXO Program

What we offer:

- 18 months customized program including 12 months job rotation and 6 months job placement.
- Shadowing with Chairman, Ricky Wong and CEO, William Yeung, and mentorship by other senior executives.
- Subject to performance, accelerated path to management role

Requirements during 18 months program

- Fluent in spoken and written Chinese and English.
- 18 books, CFA 1, ½ Marathon.

(B) Mid-term Strategy (5-10 years): Develop from Within & Promotion from Within - Leadership Development Programme:

Since the Group has invested over 10 years in Management Trainee Programme, some of the once fresh Management Trainees were now “mature” and promoted to Section Head or Department Head. Training and development plan will be implemented in a continuous and sustainable rhythm.

3. Balance between Talent Benefit and Business Results

Our management took a pragmatic approach to ensure our long-term sustainability, with stringent headcount and cost freeze, but without cutting into our Talent development. Our performance structure cultivated innovation, managers that perform better than expected are allowed to invest the difference and are rewarded accordingly, i.e. we broke away from the traditional, “spend-it-or-loss-it” disincentive to innovation.

Annual 5% of Salary Base Termination

Whilst we consider each of our talents to be a potential Leader, not every Talent is right for us. As such, we terminate the bottom 5% of our salary base every year, with the budget remaining within the department for Talent refresh. We use salary base rather than headcount to ensure a fair distribution across different pay levels. In short, we want to ensure that the wrong Talents get off the bus, so that we can focus our resources on the developing the right Talents.

In alignment with the corporate direction to execute high-return people strategy, we have



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executed **95% Talent Upgrade Plan** so as to divert our resources to our 95% top performers; however, we have to ensure that coaching and remedial actions should be taken prior to getting rid of the 5% underperformers.

4. Market-driven Role: Speak the Language of Business and Build Corporate Branding

a) Differentiation: Drive Talent Value Proposition in terms of creativity, simplicity, quality, reliability & engagement

Actions – Talent Management Department's differentiation

- Creatively engage our Internal VIP customers by simplifying some of the outdated procedure yet maintaining our quality and reliability
- Surprise our talents creatively during their employment anniversary (WOW engaging moments)

b) Service Leadership: Nurture premium internal and external customer experiences

Actions –Talent Management Department's service attitude towards serving our Internal VIP customers:

- Interpreting the intent of policies instead of rigidly enforcing policies
- Using policies to make good decisions instead of using policies to avoid taking action

c) Focus: Build our Corporate Brand via Customers' Value

Actions –Talent Management Department takes the initiative to explore what the VIP customers think.

- Same as why our external Customers stay with us, why our internal Customers stay with us? *It would be too late to ask why our customers/ talents leave us?*
- Customers' voice let us know our values, learn from our existing customers as selling points to attract new customers

d) Heading to be the "Knowledge" in a "Learning Organisation"

Thematic Leadership Development Programme is structured according to the organisation needs and skills requirements for the Management Grade Talents. It is formulated in a blended learning approach which includes classroom training, action-learning project, experiential training, coaching, and overseas exposures. Details are outlined as follows:

i) Strategic Thinking & Business Acumen:

- Executive Coaching by Management Committee Members
- Investor Engagement Meeting to nurture business acumen

ii) Risk-taking & People Management

- PowerBar Career Rotation Program which develops all-rounded entrepreneurs instead of functional specialist.

iii) Role Model

- Professional Sharing Series which advocates the importance of life-long learning and development initiatives via engaging the talents to share hard experience and learn successful career formula.



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- Book Reflection which equips Management Talents with the latest leadership showcase and management best practices
- CTI Learning Culture – Migrating from “Learning Point” to “Action Point” which encourages the talents to sharing their learning points and transform into action points which is executable in corporate or departmental level.
- iv) *Drive for Results*
 - Executive Task Force which draws the internal intelligence from different departments to complete a action-learning project with well-defined common objectives
 - Action Learning/ WIT Project which motivates the talents to incorporates their ideas into real showcase to other talents
- v) *People Development*
 - Oversea Conference which induces the talents to benchmark with local and global best practices
 - QuestionPro Questionnaire which triggers the talents to think and feedback in a constructive way

These Thematic Leadership Development Programs enable the Group to achieve differentiated performance through the high-impact people-related actions and behaviours by different talent segments.

Ultimate Impact:

Do-More-with-Less in terms of “Less” Talent Management Manpower & “Growing” Business Results

	FY08/09	FY09/10	Change in %
EBITA (Interim - as of 28 Feb 09 & 10) (in million)	232.0	258.5	11.42%
(a) Headcount – Total	1,608	1,783	10.88%
(b) Total talent related cost (in million)	471.8	546.6	15.85%
(c) Headcount in Talent Management Department	15	15	0%
(d) Ratio of TM Headcount vs. Total Headcount (a)/(c)	108	118	9.53%
(e) Total talent related cost (in million) / Talent Management Department Headcount (b)/(c)	31.5	36.4	15.56%





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5. Please provide further information or details you feel are relevant to your nomination.

Cascade the “3E” Business Model & “CARE” People Strategies into the Talent Management Department

Mr. William Yeung, CEO of the CTI Group, is also the Champion of HR, who advocates the “**3E**” *Business Model* and “**CARE**” *People Strategies*

Mr. NiQ Lai, CFO & Head of Talent Engagement Department, is a painter, who paints the BIG picture and translates the strategic blueprint of the Group into TM initiatives.

Ms. Mimi Choy, Director of Talent Management Department provides direction and adheres to the “**3E**” *Business Model* and “**CARE**” *People Strategies* cascaded from Mr. William Yeung, CEO and Champion of HR. Ms. Choy embedded the **Talent Management Motto** within the Talent Management Department and throughout the Group.

“3E” Business Model:

Entrepreneurship: We take a “Customer-In” vertical management structure dividing Hong Kong into 5 distinct districts, each with a “Mini-CEO” directly responsible for every customer’s life-time relationships. The result is that, our residential broadband service secured leading growth in the industry with an extremely low customer churn rate of below 1% per month.

Engagement: Talent Engagement department is established, which incorporates traditional functions, namely Talent Management, Learning & Development, and Administration Departments. Thus, our Talents enjoy a single contact point for their career needs. Meanwhile, our “Mini-CEOs” have full empowerment for them to run their own business. “Mini-CEOs” are developed as multi-skilled entrepreneurs rather than functional specialists. In return, they are rewarded by the upside and downside of their business by making reference to their achievement in departmental KPIs.

Execution: We do not walk the talk. Just like our high-speed broadband service, we do “run the talk”, that is, our action-oriented culture focuses on result and speed. We have flat hierarchical structures and are repellent to office politics. Our time is only reserved for caring our stakeholders.

“CARE” People Strategies

Communication: To have successful empowerment to our Talents, we keep them fully informed on everything in the Group so that they can have the right individual / departmental Key Performance Indicators (KPIs) in alignment with the corporate



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business objectives. Communication must be open and multifaceted, i.e. Talent Town Hall meeting, CEO Video Blog “CEO online. CEO Forum, etc.

Aspiration: our Vision Statement has set out vividly to guide the actions of the Group, spelt out its overall goal and provided a sense of direction. It is important to be candid with Talents so that they can have broad-based thinking, visioning and nurturing.

Recreation: An active mind only functions well in a healthy body. We have showed care to our Talents via a diversified wellness programs, for example, distribution of “Chinese herbal tea” and “cooling band”, Awesome Germany Offsite Management Trip, PHENOMENAL Singapore experience, and Marathon.

Education: City Telecom has a life-long learning and development culture; we would like to differentiate with others that education shapes our Talent’s capabilities and provides them the essential fuel to accomplish their personal KPIs and our corporate objectives. For example, "Next Station University" & Friday for ME (Mandarin/English).

Talent Management Motto

1. Embed Talent Management into the heart of the business, partner with our business leaders to create sustainable business growth and competitive advantage with Talents, organizations, systems, and culture
2. Unleash the power of co-creation and collective commitment to shape reality

HRM awards

HONG KONG

11 November 2010 JW Marriott Hong Kong

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Happy Talents, Happy Shareholders



The above trend shows that our Happy Talents bring Happy Shareholders. The blue line represents a rising trend of the City Telecom Stock Price (**1137.HK**) from Dec 2008 to Mar 2010. In Mar 2010, it is shown with a **record high stock price at nearly HK\$7**.