

Organisational Matters

An efficient organisation relies on a combination of people with the right skills, knowledge and vision as well as a congenial work culture and comprehensive operational processes. At the SFC, we strive to ensure that all these elements are in place so that we can play our regulatory role properly.

People

Encouraging engagement

Our core values clearly state that we encourage a proactive attitude, that we maintain professional standards, and that in our organisation, “people count.” Our work culture is to encourage active participation of all employees. These values have fostered an appropriate environment for our employees to contribute to the organisation and develop their career.

We are determined to institutionalise a change of culture within the organisation to live up to our core values. During the year, we took steps to reinforce behaviour by integrating these core values into our daily processes.

Leadership development is a significant aspect of our culture campaign. “Cultivating the SFC Values: Your Role as a Manager” was the title of a series of workshops we held to enable our managers to better deliver their managerial responsibilities and cultivate the desired organisational behaviour within their teams.

In response to the “Living our Values Employee Engagement Survey” launched in late 2010, divisions have taken steps to encourage and involve their people in creating a participative work environment. A cross-divisional working group drew up an action plan on organisation-wide issues such as, enhancing employee recognition and communication, increasing the frequency and variety of employee activities and maintaining a pleasant working environment.

The Staff Activities Committee continued to host a broad spectrum of networking and recreational activities under the motto, “Enriching Your Work Life.” Activities such as a table

tennis tournament, movie nights, a wine-tasting workshop, festive celebrations and the SFC’s anniversary dinner have helped strengthen social and working relationships among employees and develop a sense of belonging.

Reinforcing communication

We continued to host “CEO Sharing Sessions” during which our CEO updated our people on the latest market and regulatory issues and organisational matters that are of interest to staff. Last year, executive directors of different units also were invited to some of these sessions to share high-level insights on hot regulatory topics to foster a better understanding of the organisation’s work as a whole.

Similarly, the “Commission Connection Series” represented another new initiative to promote an understanding of the organisation among staff. Seminars were held to let different units share with other colleagues an update on their major achievements, upcoming projects, their focus and important market developments.

In addition, different units set up channels of communication either via Intranet or physical mailboxes for their people to voice concerns and make suggestions.

Bolstering recruitment

During the year, 61 positions were added to handle our increased workload. We also broadened our search and recruited executives and secondees from China, Australia, the United Kingdom and Ireland.

In its third year, the Graduate Trainee Programme recruited 16 graduates and achieved a retention rate of 90% in the past 12 months, bringing the total number of trainees to 42. Having completed their job rotation, trainees from our first intake in 2009 have taken up positions in operational units of their choice. We truly believe in grooming talent from within to add to our professional pool in support of our organisational development.



Wine tasting workshop



Staff Christmas party

Developing People

Continual staff development helps ensure that we have a motivated workforce of high calibre. Last year, we concentrated on upgrading capability and competency to deal with increasing market complexities both locally and abroad.

We developed customised training workshops to help our employees fine-tune certain disciplines. One example was a number of workshops on inspection skills directed both at inducting new joiners and sharpening the skills of existing people. In addition, Putonghua courses were tailor-made for employees in different areas to help them better handle issues related to the development of renminbi products in Hong Kong.

Other learning initiatives taken during the year are as follows:

- “iBank Series” – Investment banking professionals and market practitioners shared with us their operational models and the latest developments in the financial market.
- Overseas secondments and study trips – We broadened the knowledge base of our employees by sending them overseas on secondment. During the year, three of our executives spent up to three weeks overseas to gain more exposure in terms of fund authorization and supervision as well as inspection of credit rating agencies. They also

exchanged views with overseas counterparts on regulatory matters of mutual interest. In addition, we organised two study trips to Shenzhen for our people to gain a better understanding of issues such as the operation of the Mainland’s securities market, its financial and economic reforms, financial market developments and regulation, and the renminbi’s internationalisation.

- New e-learning modules – Topics introduced to our e-learning portal during the year include: enhancing information security awareness, and handling product authorization submissions and case evidence for investigations. Learning online has shortened the induction process for new employees, increased flexibility and enhanced cost efficiency.
- Learning Management System – We synchronised our in-house developed e-library with the off-the-shelf e-library of financial products and markets by launching a common platform. The system provides each learner with an ongoing learning record that captures information such as courses taken and progress of their individual development plan.
- Division-specific competency models – We shall continue with our efforts to complete a competency model, which underpins the development of a talent management framework.

Finances and staff

	2011/12	Change	2010/11	Change	2009/10
Income (\$ million)	1,445.7	-14%	1,683.8	-6%	1,798.4
Expenses including depreciation (\$ million)	901.6	16%	780.4	7%	729.7
Number of staff ¹	611	12%	544	9%	501

¹ The breakdown is as follows:

	31 March 2012		31 March 2011		31 March 2010	
	Actual	Budget	Actual	Budget	Actual	Budget
Professional	443	476	402	441	373	401
Support	168	172	142	146	128	135
	611	648	544	587	501	536

Lectures, seminars, workshops conducted

Topics	Total training hours 2011/12	Total training hours 2010/11	Change vs previous year
Technical skills and market updates	17,103	9,364	83%
Management skills	5,091	5,321	-4%
Language, technology and other skills	3,196	6,120	-48%

Acknowledging good performance

Our remuneration strategy is reviewed each year to ensure that we can attract and retain the right talent to meet our organisational goals. We also recognise individuals and teams for their outstanding contribution to the organisation through the annual SFC Employee Awards. During the year, seven employees received individual awards and eight teams were awarded for completing projects successfully through cross-divisional collaboration.

Enhancing process efficiency

Initiatives made

In addition to helping industry participants raise process efficiency through the SFC Online Portal (see also page 32), we took initiatives to streamline both regulatory and supportive workflow as follows:

- Case review efficiency improved – The Case Management System was launched to process more efficiently the reporting, review and status updating of enforcement cases. Also, the system supports portable devices to review case documents in digital format, thus reducing the use of paper.
- Cross-divisional systems integrated – Using Document Management System, a centralised document management platform, we improved workflow and encouraged information sharing regarding two major lines of our work, ie, investigations and investment products.
- Intranet upgraded – The revamped Intranet uses the latest technology to integrate various business systems and document repositories, once again, to promote sharing of information. Staff also can manage their work more productively using a personalised work page and an upgraded search capability in the new portal.

Other enhancements

- Information security enhanced – Our information security policy was revised to offer additional coverage on personal data privacy, information sharing principles and information security classification, helping staff integrate essential information security practices into daily operations. This was followed by a campaign to raise information security awareness among staff.
- Corporate site being revamped – To meet the changing demand on the use and search of online information, we are revamping the corporate Web site with focuses on improving its functionality, user-friendliness and search capability. The revamp is scheduled for completion in 2012.

Office accommodation

To ensure that we have adequate office space to cope with our operational expansion, we reviewed our office accommodation strategy with a view towards consolidating all operations into a single location. The first phase of office relocation was completed in December 2011; the second phase is scheduled for early 2013.

Financial performance explained

Expenditure

	2011/12	2010/11	2009/10
Staff costs	72.1%	72.4%	72.5%
Premises and related expenses	11.4%	11.4%	11.3%
Other expenses	12.0%	10.9%	11.6%
Depreciation	4.5%	5.3%	4.6%
	100%	100%	100%

Changes in staff costs vs level of market activities (2007/08-2011/12)

