

Information and Personal Networking in Decision-making Process: the Case of HSBC

Chen Yihai¹

Department of Teaching Development Center
Fuzhou University of International Studies and Trade,
Fuzhou, China

Lai Junjie²

Department of Teaching Development Center
Fuzhou University of International Studies and Trade,
Fuzhou, China

Abstract—The paper mainly evaluates internal and external information and knowledge to help the Decision-making Unit of HSBC to improve the decision-making effectiveness. The analysis starts with the information and knowledge of HSBC, then assesses the qualitative and quantitative data and finally discusses the network of HSBC. There are certain ways to improve the networking in HSBC, such as intranets, extranets, electronic conferencing and VSAT satellite communications. The personal networking is the consideration of the stakeholders to deal good relationship with them. The decision-making process of HSBC should consider its stakeholders by creating strategies to increase the personal networking. Additionally, it is important for HSBC to build up a completely information and knowledge system to support his decision making.

Keywords—Information; Personal networking; Decision-making

I. INTRODUCTION

Headquartered in London, HSBC is one of the largest banking and financial services organizations in the world. HSBC's international network comprises approximately 8 000 offices in 88 countries and territories in Europe, the Asia-Pacific region, the Americas, the Middle East and Africa. HSBC Bank (China) company limited commenced operations on April 2, 2007 as a wholly foreign-owned bank owned exclusively by Hong Kong and Shanghai Banking Corporation Limited. With its Shanghai-based headquarters, HSBC China has incorporated the former offices of Hong Kong Mainland and Shanghai Banking Corporation Limited. The paper aims to assess HSBC's information and knowledge needs to improve decision-making and strategy planning to increase personal networking. The paper aims at assessing the information and knowledge needs of HSBC to improve decision making and taking and planning strategies to increase personal networking.

II. THE INFORMATION AND KNOWLEDGE

Business today relies on information management in ways that no one could foresee a decade ago. Managers now treat IT as a basic organizational resource for conducting daily business. At major firms, every activity: designing services, ensuring product delivery and cash flow, and evaluating personnel, is linked to information systems. An information system (IS) uses IT resources that enable managers to take data raw facts and

figures that, by themselves, may not have much meaning—and turn those data into information: the meaningful, useful interpretation of data. Information systems also enable managers to collect, process, and transmit that information for use in decision making.

Through an international networking linked by advanced technology, including a rapidly growing e-commerce capability, HSBC provides a comprehensive range of financial services: personal financial services; commercial banking; corporate, investment banking and markets; private banking and other activities. All of the decisions of HSBC are made in the role of an official of the company and reflect company policies.

Within the HSBC, different types of decisions are taken at different levels, so planning and control decisions are taken at the strategic, tactical and operational levels of the company's activities. Many resources can be used to support the decision making and the information can be got from internally and externally.

A. Strategic information

The effect of Information technology (IT) on business has been immeasurable. In fact, IT—the various appliances and devices for creating, storing, exchanging, and using information in diverse modes, including visual images, voice, multimedia, and business data—has altered the very structure of business organizations, radically changing the way employees and customers interact. Meanwhile, with access to the Internet, company activities may be geographically scattered but remain coordinated through a networked system that provides better service for customers. Many businesses, for example, coordinate activities from one centralized location, but their deliveries flow from several remote locations, often at lower cost.

HSBC has its own development objectives in China by using his strengths—maintain the excellent services. The company wants to expand the market share in mainland China, especially in Bank of Shanghai to increase the 8% stake to 12%.

Strategic information is used for the management decision-making previously described as strategic planning and to measure whether the objectives are being achieved [1]. Much of this information must come from environmental sources, although internally generated information was always used.

There is an opportunity for the HSBC to expand his market share in Shanghai. As a new world financial center, Shanghai will attract many foreign investments. Different business will enter into Shanghai, so the HSBC should consider different information from different ways, such as the profitability, future market prospects, the availability and cost of new funds and total cash needs etc. The information can be collected by many ways.

B. Information in different sectors

Beyond the firm's daily operations, information systems are also crucial in planning. Managers routinely use the IS to decide on products and markets for the next 5 to 10 years. The company's vast database enables marketing managers to analyze demographics, and it is also used for financial planning, materials handling, and electronic funds transfers with suppliers and customers.

- The HSBC can forecast the future demand estimates by doing the market research and create the new product to adapt the new situation in Shanghai. And the competitor analysis is necessary to the strategic decision making.
- The HSBC can do the population demographics to range his customers in different ages and provide different types of productions and services to meet the different characteristics of the customers.
- The HSBC should determine his strategic plan to respect the policies set by the Shanghai government and the Center Bank of China.

C. Past, present and future information

The HSBC should set up his policies continuously. The company can review the past information—record keeping, the store of information about what has been done or what has happened in the past. Shanghai will attract many business opportunities to the HSBC, so maybe some of the historical information will subsequently be used again at the new business. And the company can correct the bad strategy in the past and improve the quality of services.

The present information can collect from the feedback in a management information system, such as KWS and DSS. It reflects the things happening now and what decisions can be taken to do next [2]. According to the operation of different department, the manager will know the performance of some products and services and then adjust the policies in the company.

The future information of HSBC is forecasting information about what is expected to happen in the future. The company can plan the decisions by providing the budget and long-term strategic information. The market research of environmental information is a significant aspect to the company, because it will help the company be secured and adapt to changes in the future.

D. Tactical information

One of the five basic operating principles of HSBC is that maintain a strong capital and ample liquidity. The company wants to make sure that resources are obtained and used effectively and efficiently in the accomplishment of the company's objectives. Tactical information is used by managers mainly at the middle level for tactical planning and management control activities, like the control of the capital and ample liquidity in HSBC. The information is forward by tactical to strategic management to assist decision making. The SHBC in Shanghai should make sure that the resources they used should be effectively and efficiently to attract more investments in Shanghai.

Internal information is necessary for the tactical planning of HSBC. It will relate to activities or transactions performed within the HSBC, such as administrative tasks, the services. The HSBC can get the information internally form these ways: the accounting ledgers, personal and payroll system, production department and the marketing departments. According to these departments, the company can know the internal operating problems and the performance of each product and service, and then they can adjust the policies to meet the new situations to reduce the waste. It is part of self-evaluation to assess the thing which has operated. The employee is one of the important aspects within the HSBC, so the suggestions form the employees should be think of in the decision making process.

External information emanates form official and unofficial sources. It concerns such matters as official areas, like tax and regulations, the economy, suppliers and customers [3]. There are a wide range of sources including the government, consultants, newspapers and magazines, the Internet and other electronic sources such as Reuters. The HSBC can get and assess the information for his development in Shanghai based on these ways.

III. QUANTITATIVE AND QUALITATIVE INFORMATION

The quantitative information of HSBC is mainly focus on the customers in Shanghai. It consists of variable information which is measurable, such as facts of the financial situation in Shanghai, the numbers of customers, percentages of the market share and business increase or decrease and the general operation problems. Thus, the company can do surveys and questionnaires to the customers to meet the customer orientation to know the needs and wants of customers. On the other hand, the company can do the test internally to know the employees' needs and wants. Then, the company can do the analysis and provide the information that is easy to analyze statistically and fairly reliable.

The qualitative information is to make sure the quality of the quantitative information. It consists of facts about opinions, preferences and perceptions [4]. The company should make sure that all of the departments operate well. The HSBC can assess the customer loyalty and the employee's morale by the observation of research.

HSBC ensures that the tasks are carried out effectively and efficiently by strict control of expenditure. The tasks should be

carried out within the strictly defined guidelines issued by strategic planning and tactical control. This is practical part of decisions, so whether the decision can operate well or not, it is mainly focus on the operational control.

Operational information is used by the line managers in the specific tasks which are planned and carried out properly in the HSBC. The HSBC wants the tasks can be done in the efficiently and effectively way and reduce the wastes to maintain a strict cost expenditure. The information can considered form the following two ways:

- Primary data is used solely for the purpose for which it collected is termed primary data. Some problems can only be solved by collecting the primary data and this involves carrying out an inquiry survey [5]. The company can assess each department and to find the weaknesses which prevent the efficient work.
- Secondary data is taken form some other source. The HSBC can take the operational information form his competitors to compare the difference and take the good points of the others to improve the work efficiency.

IV. NETWORKS IN HSBC

The Internet has spawned a number of other business communications technologies, including intranets, extranets, electronic conferencing, and VSAT satellite communications.

A. Intranets

Many companies have extended Internet technology by maintaining internal websites linked throughout the firm. These private networks, or intranets, are accessible only to employees and may contain confidential information on benefits programs, a learning library, production management tools, or product design resources. The HSBC's intranet is accessible to people daily at workstations all over the world. It contains private information on customer benefits, production management tools, and business processes resources. Sharing information on products, price, distribution, and marketing has reduced the lead time for getting new information into production and has shortened customer information processing times.

B. Extranets

Extranets allow outsiders limited access to a firm's internal information network. The most common application allows buyers to enter a system to see which products are available for need or can do the business on the application directly, thus providing convenient business-availability information. HSBC are often linked into customers' information networks so that they can see planned the service schedules and prepare activities for customers' upcoming operations. The extranet at HSBC, for example, lets customers gives them electronic access to the related categories.

C. Electronic Conferencing

Electronic conferencing allows groups of people to communicate simultaneously from various locations via e-mail, phone, or video, thereby eliminating travel time and saving money. One form, called data conferencing, allows people in remote locations to work simultaneously on one document. Videoconferencing allows participants to see one another on video screens while the conference is in progress. For example, HSBC can use Internet collaboration systems with both voice and video capabilities. Although separated by oceans, partners can communicate as if they were in the same room for redesigning components and production schedules. Electronic conferencing is attractive to many businesses because it eliminates travel and saves money.

D. VSAT Satellite Communications

Another Internet technology business use to communicate is VSAT satellite communications. VSAT (short for very small aperture terminal) systems have a transmitter-receiver (transceiver) that sits outdoors with a direct line of sight to a satellite. The ground-station computer at the company's headquarters, sends signals to and receives signals from the satellite, exchanging voice, video, and data transmissions. An advantage of VSAT is privacy. A company that operates its own VSAT system has total control over communications among its facilities, no matter their location, without dependence on other companies. HSBC might use VSAT to exchange sales and service information, advertising messages, and visual presentations between headquarters and store managers at remote sites.

V. SUGGESTIONS

After assessing the information and networks in HSBC, the company can collect information from various ways and use different networks in HSBC. In order to be more effectively in personal networking by using these techniques. The following are the strategies to increase personal networking from the stakeholders' perspective.

A. Internal stakeholders

Considering employee orientation, put the employee at first place. The HSBC should have employee psychology and think what the staffs think. Simply the manager can do this:

- Provide a comfortable working environment. (Safe, culture, surroundings)
- A feasible salary. (security and increase)
- Training, skills and career development. (learning and innovation)
- Free and easy-going management. (Part-time activities to relax themselves)
- Take measures to develop employees' loyalty.

B. Connected stakeholders

The customer is the most important one in this type of stakeholders and customer orientation is significant to the marketing. To a great extent, the customers determine what is produced, what quality is needed, what price is charged [6]. Before HSBC innovate a new service to the customer, the company should know what the customers' need and want are, for the profit comes from the customers' satisfaction. In another word, the companies have to know the customer buying behavior first, then to deal with the relationship among them can be easier.

The HSBC and its suppliers are interdependent and mutually beneficial relationship enhances the ability of both create value.

- Increase ability to create value for both parties.
- Flexibility and speed of joint responses to changing market or customer needs and expectations.
- Optimization of cost and resources.

C. External stakeholders

The HSBC should obey the policies published by the Center Bank of China and the government in Shanghai. All of the business in the company should base on the law of China. And the policies provided by company should follow the Center Bank of China.

VI. CONCLUSION

It is clearly that the HSBC Shanghai has good development opportunities in Shanghai. Shanghai, the world's new financial center, will bring the large quantitative investments in Yangtze River delta. The most important thing for HSBC is that the company should build up a completely information and knowledge system to support his decision making and taking. The variable information got form different ways should support the strategic, tactical and operational planning. The information can not only form the externally, the information internally is also important to the decision making. When the company has a good information to help him operation in a efficiently and effectively way, HSBC should think about the personal networking which is the consideration of the stakeholders to deal well relationship with them, in that way, the company can operating in an excellent performance.

REFERENCES

- [1] F. Jia. Research on multi-criteria group decision making method under uncertain information environment. Shandong university, 2017. (In Chinese)
- [2] X. Sun, H. Xu, and F. Li. Influence of relevant information on short-term production and operation decisions. *China business review*, 2017(27): 179-180. (In Chinese)
- [3] Z. Peng. Research review: information and decision-making. *New century library*, 2006(05): 17-19. (In Chinese)
- [4] J. Wang. Research on several types of multi-criteria decision-making methods with incomplete information. Central South University, 2005. (In Chinese)
- [5] J. Zhou. Research on decision-making mode and decision-making performance mechanism of multi-level entrepreneurial teams. Zhejiang University, 2005. (In Chinese)
- [6] B. Feng. Research on multi-index decision-making method based on collaborative network information. Northeastern University, 2009. (In Chinese)