



HUMAN RESOURCES MANAGEMENT GUIDE FOR RAILWAY COMPANIES

MAY 2026

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ABBREVIATIONS

CAREC	Central Asia Regional Economic Cooperation
CEO	chief executive officer
HR	human resources
HRM	human resources management
ICT	information and communications technology
LFA	logical framework analysis
OHS	occupational health and safety
SBU	strategic business unit
SOE	state-owned enterprise
TNA	training needs analysis
TVET	technical and vocational education and training

INTRODUCTION

Human resources remain an essential tool for railway companies in achieving their corporate mission and business goals. In many instances, however, human resources management (HRM) is placed at the low end of priorities. Shortage of time; lack of experience; and dearth of support, coaching skills, and related tools are some reasons that railway companies often place HRM as a lesser priority. However, a robust human resources management not only nurtures a productive working environment and highly motivated personnel but also mobilizes them to achieve the company's business objectives, maximizes employees' peak productivity, ensures compliance with the railway companies' rules and policies, and supports the achievement of both personal and corporate goals.

This handbook is intended to guide, support, and help railway companies to recruit, engage, motivate, develop, and retain their human resources in terms of quantity and quality, and to avoid the attrition of critical talents and high-value personnel. To fulfil their corporate mission, railway companies need the right number of staff, the right skills in the right place, and doing the right things in the right direction to fulfil their corporate mission and achieve their business goals.

Therefore, railway companies need to develop a dedicated HRM entity—directorate, division, or unit—with an appropriate organizational structure, skilled HRM specialists, and an appropriate budget that will allow it to function and conduct HRM activities in accordance with the company's corporate policy and business goals.

It has been noted that some railway companies have developed their own HRM functions and tools while others still need to develop some of these functions or to upgrade their existing tools. This handbook is a tool that is user-friendly and self-explanatory. It offers descriptions, provides examples, and suggests tools that can be replicated or adapted to the local and specific contexts by railway companies in the region.

1

DEVELOPING THE HUMAN RESOURCES MANAGEMENT CORPORATE POLICY

The human resources management (HRM) corporate policy is a general statement of the company's principles on the way the company envisages to manage its human resources (HR) function. It should contain the company's HR values and goals HR, the guiding principles, HR strategies, roles and responsibilities of each entity involved in the HRM process (the top management, HRM unit, and frontline management¹), and the expected behaviors of the management and employees at work and outside company premises.

The HRM corporate policy should contain the following:

- The company's general background and the HR situation (the internal and external environment):
 - **Internal environment.** This describes the company's financial and commercial situation, the anticipated changes, the company's strengths and weaknesses, and a profile of the workforce and anticipated changes.
 - **External environment.** This describes the local labor market situation, the competition for attracting HR, the workforce's mobility and profile, the contribution of the educational system (TVET, colleges, and universities) in producing qualified manpower, and the expected developments in the global external environment.
- Actual and future key challenges in managing the company's HR.
- The company's vision on HRM. These include the roles and responsibilities of various management levels in the HRM process, and the centralization and/or decentralization of certain responsibilities.
- The company's HRM objectives and the key strategies to achieve these objectives.
- The company's commitment to offer a work environment free of any discrimination based on gender, religion, race, age, sexual orientation, or political opinion.
- The company's commitment to offer a safe work environment, free of any form of harassment—psychological or sexual—either from superiors, work colleagues, or clients.
- The company's commitment to implement adequate mechanisms to handle complaints related to such harassment, ensure confidentiality, implement corrective measures, and protect employees from retaliation for reporting or participating in investigation related to harassment denouncement.

This corporate policy is to be completed with an HRM strategy that is complemented with a pluriannual action plan, which addresses each of the key challenges identified. This document is a detailed, time-bound plan that maps each action over a period of time (usually a 3-year plan).

¹ Frontline managers are typically responsible for overseeing the daily operations of an organization, including the activities of frontline employees who interact with customers directly and provide essential business services. Depending on the industry, frontline managers may supervise production, manage floor associates, or direct administrative staff.

2

DEVELOPING THE HUMAN RESOURCES MANAGEMENT CAPACITY

2.1 Organizing the Human Resources Management Function

The first step in organizing the human resources management (HRM) structure is to determine and list the key objectives. These will include determining (i) its position in company's overall organizational chart, (ii) the functional structure of the HRM unit, (iii) the number of staff and their qualifications as HRM specialists, and (iv) the detailed tasks and/or duties.

2.2 Position Within the Company

The HRM function varies widely in the management world. In some companies, HRM function is considered as a vice-chairman position; in some companies, this is considered as a separate directorate, while in others, it is considered as a service under another directorate. It all depends on how a company considers the impact and importance of human resources (HR) in their operations.

The place of HRM function in a company's structure reflects the importance of human resources in a company's operations.

Given the impact of HRM in all aspects of a railway company's operations, the HRM function should be positioned at a directorate level in a company's organizational structure. HRM function should have a place (and a say) around the table at a company's management committee meetings.

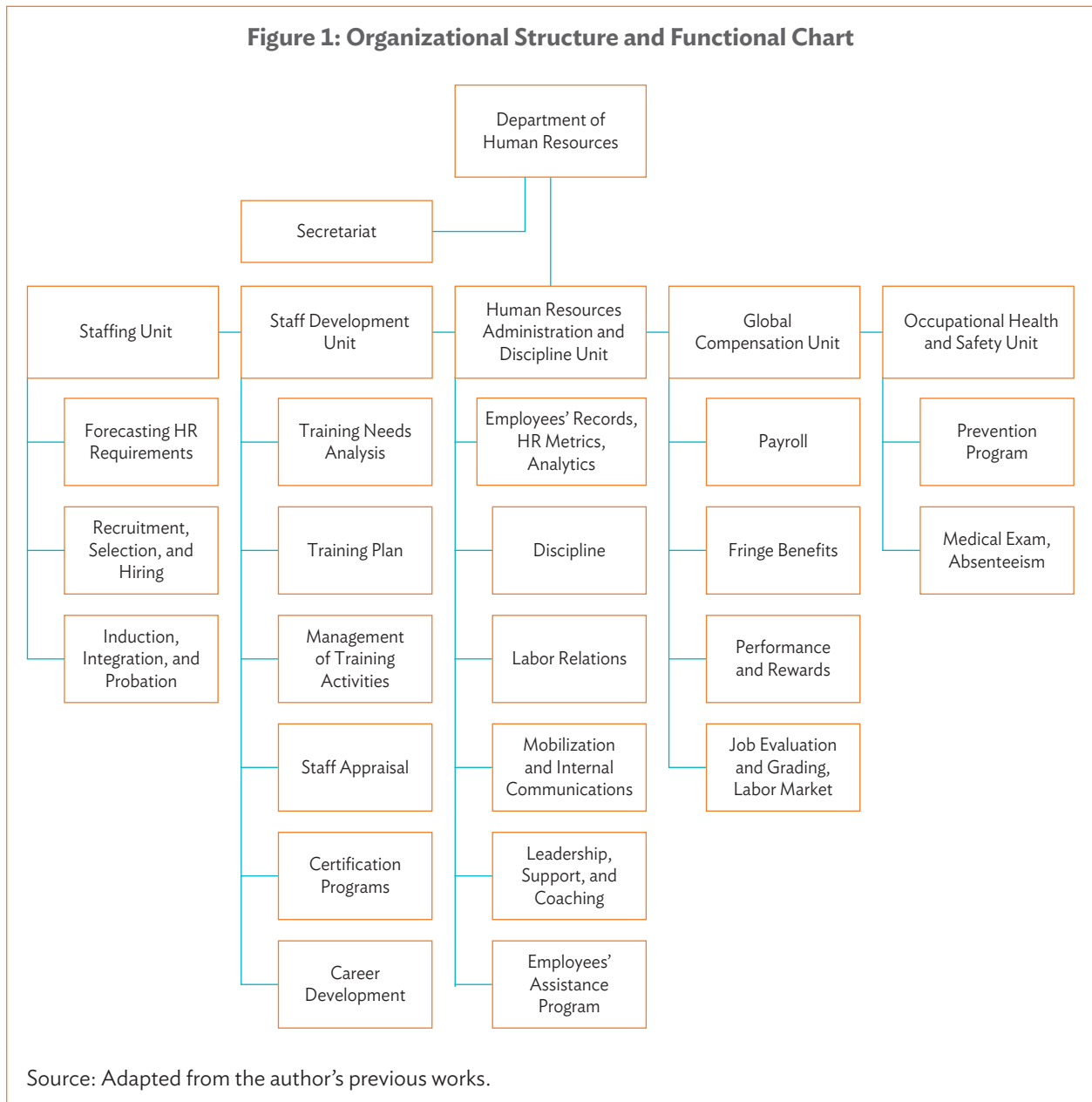
2.3 Functional Structure

The structure should reflect the basic activities of an HRM unit, division, or directorate. In this discussion, we will simplify and describe the structure in terms of a "unit."

- **Staffing (or talent acquisition) Unit.** The main tasks include the following:
 - Forecasting the company's HR requirements,
 - Recruitment (internal and external recruitment),
 - Selection,

- Hiring,
- Induction and integration, and
- Probation.
- **Staff Development (or talent development) Unit.** The main tasks include the following:
 - Conducting a training needs analysis,
 - Formulating a corporate training plan (annual or pluriannual),
 - Managing the training activities,
 - Performing a regular staff appraisal,
 - Encouraging employees' skills certification or recertification through upgrading programs, and
 - Coaching and/or supporting the career development of the staff.
- **HR Administration and Discipline Unit.** The main tasks include the following:
 - Keeping of employees' personnel records and HR metrics,
 - Enforcing staff discipline within the company's rules and policies,
 - Managing the company's collective and individual labor relations,
 - Mobilizing the staff and managing the company's internal communication,
 - Providing leadership and coaching support to the company's management, and
 - Managing the employees' assistance program.
- **Global Compensation Unit.** The main tasks include the following:
 - Formulating and managing the company's compensation policy,
 - Maintaining internal and external balance (through job evaluation and grading, assessing the external labor market, and others),
 - Supporting and/or recommending company policies for the payroll system,
 - Formulating the policy and implementing the company's performance rewards scheme, and
 - Recommending the policy and delineating the company's fringe benefit components.
- **Occupational Health and Safety Unit.** The main tasks include the following:
 - Preparing, implementing, and updating the company's Health and Safety Program (i.e., prevention of industrial accidents, occupational diseases, etc.);
 - Overseeing the company's medical exam requirements (preemployment and periodic health exams); and
 - Monitoring the employees' absenteeism and the possible causes.

Figure 1 shows a typical organizational chart for the HRM function. This model is based on the concept of centralizing all HRM responsibilities at the company's main headquarters. However, this chart is only an example, and it can be adapted to each railway company's specific situation.

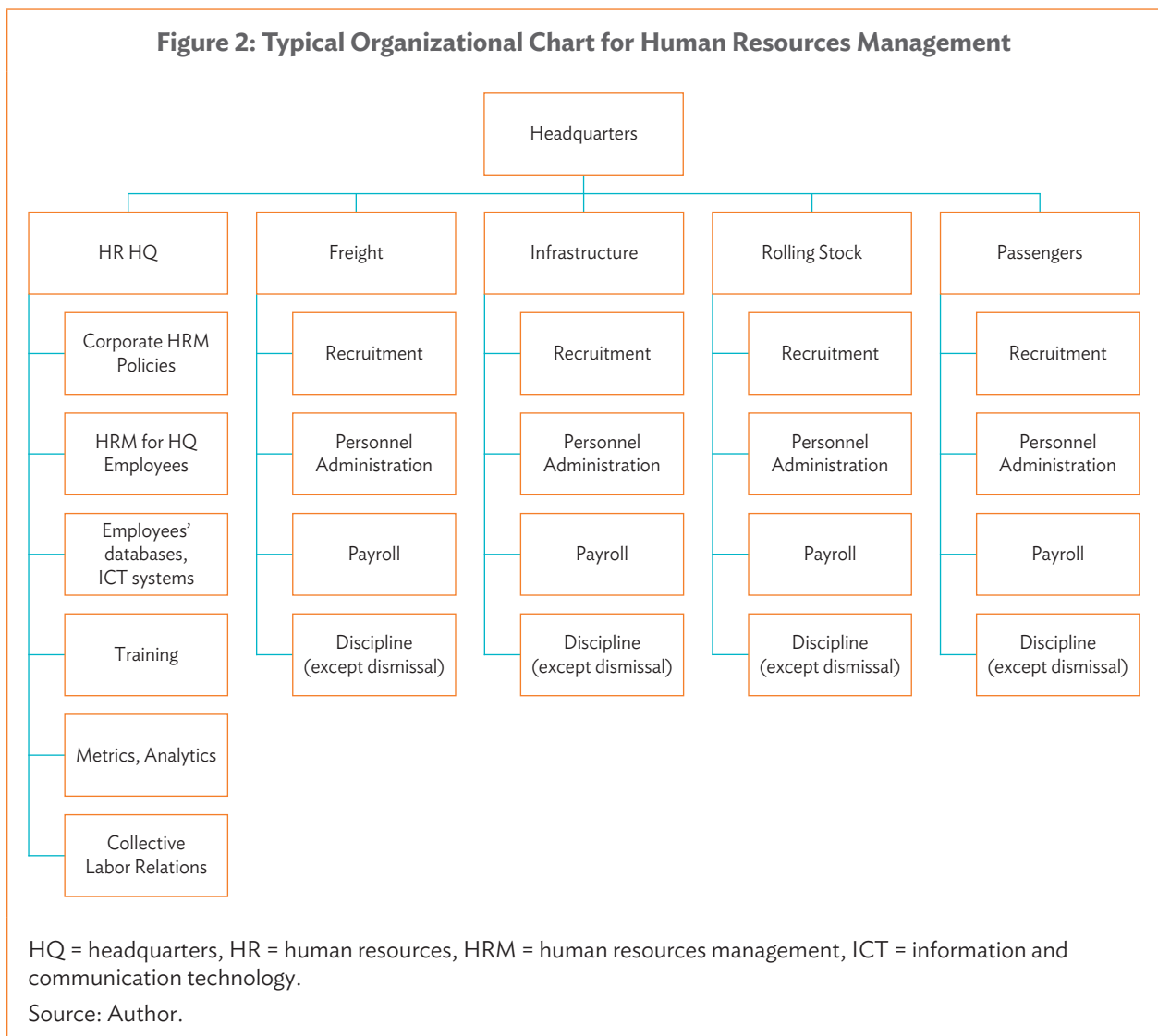


For big companies with a large number of employees and high volume of HRM activities, the HRM unit should be expanded by creating specialized subunits. For smaller companies, several HRM activities may be combined and grouped under one or two subunits.

In large companies with high volume of staff movements, external recruitment and internal recruitment may be split into two separate subunits. For smaller companies with low volume of staff movements, recruitment, selection, hiring, induction, and probation functions may be combined into one subunit.

In some large companies, the management's corporate policy may be oriented toward decentralizing some financial and HRM responsibilities to strategic business units (SBUs). For example, there is an HRM unit, division, or directorate at the headquarters or main office, which (i) is responsible for elaborating corporate HRM policies and guidelines, (ii) controls their implementation at the SBU level, (iii) ensures respect and compliance with corporate policies, and (iv) manages and implements certain HRM activities that are kept at the central level.

Figure 2 shows a typical organizational chart for an HRM function based on a decentralized HRM structure, with SBUs functioning at the lower levels or office branches. Corporate-wide and critical HRM activities remain located at the main office.



Appendix 1 provides an example of a flexible decentralization matrix that can be adapted, as needed, by each railway company, based on the company's specific contexts.

2.4 Staff Capacity Requirements

To be able to deliver the expected results of an HRM function, this unit must have sufficient capacity. HRM capacity rely not only on an appropriate number of qualified officers and staff, but also on a sufficient budget to conduct the company's mandated HRM activities.

2.4.1 Human Resources Management Staff-to-Employee Ratio

The generally recognized number of HRM staff-to-employee ratio is one HR officer per 100 employees. Thus, in a big railway company with 10,000 employees, it should have 100 HR officers and staff.

In some cases, this ratio can go up to 1.4 and even 1.5 for every 100 employees.

Many factors may influence this ratio, depending on each company's specific situation. These factors can be as follows:

- **Technology.** The first factor that influences HR staff-to-employee ratio is the level of HR technology in the railway company. Companies that invested heavily in computerized HRM systems and self-service functions usually have a smaller HRM unit. With the help of technology, both employees and managers can self-manage most of their HR requirements. This leaves very little work for HR administration, rendering the HRM's role more tactical and strategic. Although this requires less full-time HRM officers to do the job, the computerized system can still be made to deliver the same impact.
- **Role of human resources.** The next factor that influences the HR staff-to-employee ratio is the role of HRM in the operations of a railway company. A highly *operational* HRM function will do more work and require a larger HR workforce. However, in a highly *strategic* HR function, with a decentralized environment, work can be delegated to frontline managers, thus, requiring a smaller HRM workforce.
- **Budget and budget control.** The third factor is budget and staffing budget control. In companies where budget is tight and profits are low, the usual tendency is to cut the HR budget, particularly the training budget. With lesser HR people on the payroll, the result is a lower HR staff-to-employee ratio. The downside is, in the long-run, less HR people and less training may result in a negative impact on the company's performance.
- **Industry.** Another factor is the industry itself. There are some industries that will require more HR involvement than others. Examples include professional service firms where highly skilled professionals require more extensive training and personal development. Thus, the company has to provide for these needs in order to engage people with appropriate skills and retain valuable personnel. This is not the case, however, for industries that mostly employ lower-skilled, blue-collar labor.
- **Company size.** The size of a company also influences the ratio. Smaller companies will hire their first HR personnel if they have between 20 and 50 workforce. Although this personnel will also often have other tasks, having one HR professional per 50 employees is a normal ratio. Larger companies will have a lower ratio, due to economies of scale resulting from digitization and automation, which are normally present in such companies. A computerized HR function will enable a single HR staff to serve more internal workforce.

- **Unionization and collective agreements.** The last factor is the degree to which employees are unionized. Collectively negotiating agreements and other union activities usually pose a challenge as the HRM unit will need to be involved in any major decision regarding employees. Unions and active stakeholder management is a key activity that usually falls under the HRM unit, department, or directorate. Thus, a high degree of unionization in a company needs to have a higher HR staff-to-employee ratio.

In conclusion, the benchmark ratio of one HRM personnel per 100 staff should be used as a global reference target. Railway companies should adapt to this ratio, following a careful analysis based on the factors discussed above.

2.4.2 Human Resources Management Budget

Like all other business units in a company, an HRM unit, department, or directorate requires basic costs for its operation, which include the following:

- Manpower costs (salaries, benefits, and others);
- Workspace with lighting and AC facilities, furniture, computer units, and other equipment; and
- Consumables, such as office supplies and other industry-specific items.

In addition to these basic costs, an HRM unit also requires other costs that are specific to its functions. These include the following:

- **Recruitment costs.** These may comprise (i) advertising in various media; (ii) promotional materials like videos and advertising banners for national holidays or other special events; (iii) promotional tours in universities, secondary schools, and technical and vocational education and training (TVET) institutions to present company employment opportunities and company branding; and (iv) participation in employment fairs. Some selection tools may also incur some costs, like psychological tests and involvement of external assessment centers.
- **Training budget.** This comprises the costs for training sessions (in-house and/or external), training materials, classrooms and/or laboratories, coffee breaks, lunch breaks, housing for some trainees, logistics, and other related costs. The usual benchmark for a training budget is measured against a company's wage bill, and this may vary a lot. In some companies, the training budget represents around 1% of the wage bill, while in others, it may go up to 8%–9% of the wage bill, particularly in hi-tech companies, the health care sector, advanced manufacturing companies, and others. The rate of 1% is considered as the minimum, regardless of industry sector.
 - **Budget for employees' motivation.** This comprises the costs of various rewards, such as medals for outstanding employees, gifts for employees' loyalty after 10–25 years of service, company events like annual outdoor outings, some sports competitions, a corporate sports room, day care room in the workplace for working mothers, and other activities that the HRM unit find relevant for the employees and what the company can afford.

All these components should be accounted for in the company's HRM budget line to allow the HRM unit to carry out its mandated functions.

3

STAFFING POLICY AND ACTUAL NEEDS OF A COMPANY

Staffing is a global concept that covers the whole range of forecasting the human resources (HR) needs, recruitment, selection and hiring, integration, and probation.

The HRM unit is responsible for formulating the corporate staffing policy, which comprises the following tasks:

- Determine the actual and future HR needs of the company,
- Identify how to meet the company's HR needs through various sources,
- Determine the balance between external and internal recruitment,
- Apply the internal and external recruitment policy, and
- Determine the roles and responsibilities of each management level in the staffing process.

3.1 Assessing the Actual Situation

The first step in the staffing process is to evaluate the actual HR situation. This can be done through an HR Position Database, which details the precise situation of each position, as follows:

- (i) Name of the position and/or job title;
- (ii) Indicate the unique position number;
- (iii) Identify the strategic business unit (SBU), or department, division or service;
- (iv) Identify the geographical location;
- (v) Indicate the classification of the position, education required, years of experience needed with specific domain of experience needed;
- (vi) Indicate the salary scale attached to this position; and
- (vii) Indicate the status of the position (occupied, vacant, temporarily vacant, temporarily occupied, e.g., maternity leave replacement; attending a long-term skills enhancement, training program, or scholarship; and other reasons).

This database is to be completed by an employees' database detailing the precise situation of each company employee. These include the (i) unique employee registration number (this cannot be reassigned to a newly recruited employee after the employee's departure, resignation, or retirement); (ii) personal data; (iii) date of hiring; (iii) job title; (iv) position number; (v) name of the SBU, department, division, or service; (vi) job category; (vii) education level; (viii) work experience history; (ix) salary scale and salary step; (x) status (permanent full time, part-time, temporary); (xi) beginning of prolonged absence and end of prolonged absence; (xii) departure date; and (xiii) reason for departure.

By matching these two databases regularly, the company will make sure that one position is held by one and only one employee, and there are no duplications, thus, eliminating ghost employees and potential fraud (e.g., an employee getting two salaries, and other possible anomalies).

To achieve this level of security, it is essential that all company positions be identified by a unique registration number, and all employees (past, present, and future employees) be identified by a unique and nonreusable registration number. Also, ensure that both databases are secure through multiple authorization process, involving both finance and HR units.



TOOL

An example of a methodology for creating position numbers is presented in Appendix 2.

3.2 Determining the Human Resources Needs

Once the company's workforce database situation is clear, reliable, and secure, the railway company must next determine its actual workforce need. This can be done by going through the following steps, based on its current volume of activities in various SBUs. This step will determine the following:

- Number of positions needed,
- Skills mix needed,
- Competencies needed,
- Job descriptions, and
- If the skills needed match with the existing staff structure to ensure the right-sizing of the workforce.

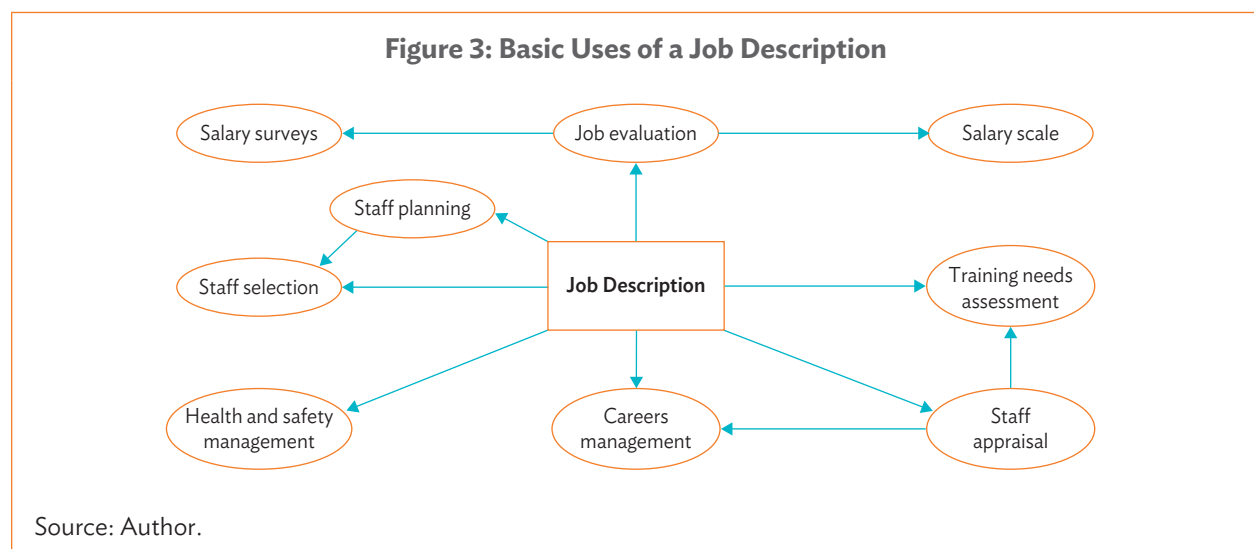
Job description is an essential tool for HRM functions, particularly in recruitment, staff development programs, performance appraisal, job evaluation, and occupational health and safety (OHS) programs.



TOOL

For an example of a Job Description Form, see Appendix 3.

Figure 3 illustrates the links between job description and HRM activities.



3.2.1 How to Identify the Number of Positions Needed

The number of positions needed in each SBU depends on the result of an in-depth analysis to be conducted by the HRM unit. This will require conducting a functional analysis or job analysis to identify how many employees are needed to produce the goods or deliver a service for the company. This needs to be based on a scientific quantitative analysis.

EXAMPLE

A company producing ballpens wants to produce 1,000 units per day.

- ▶ Each unit requires 15 minutes of time by a worker using existing production equipment.
- ▶ The company will need $1,000 \times 15 = 15,000$ minutes of working time.
- ▶ $15,000/60 = 250$ hours of work are required per day.
- ▶ Assuming that the working time is 8 hours per day, the company will need $250/8 = 31.25$ workers per day to achieve its target of 1,000 units per day.

To identify the number of positions needed, it requires detailed information from each SBU on their work processes, flow charts, production data, and other relevant information. This can be done with the aid of questionnaires and on-site investigation by the HR specialists.

3.2.2 How to Determine the Required Skills Mix

This stage will determine the number of employees with specific skills (i.e., theoretical knowledge, minimum years of experience, etc.) for each job title.

To identify the mix of skills needed by the company, use the positions' database on education and experience, and match these with the employees' database in the same fields. This will then reveal the gaps in skills mix and will help the HRM unit to determine whom to recruit or what training needs will meet those skill gaps.

3.2.3 Human Resources Forecasting and Planning

HR forecasting and planning is critical for the company to avoid any gaps in service, especially for critical positions. Adequate forecasting and planning will ensure that the right number of employees with the right skills are available when needed. The worst scenario would be an employee leaving with no successor ready to take charge before the replacement can undergo a 6-months training.

For a position that requires a 6-month theoretical training, and another 6 months on-the-job training, management must consider a timetable of 12 months, plus the period of recruitment, hiring, and onboarding delays. This may lead to 14–15 months before the replacement employee can occupy the vacant position.

If filling a housekeeper vacancy can be done within a month, filling a crane operator vacancy may take several months or so—from recruitment, hiring, and on-the-job training.

This is why railway companies must plan for short-, medium-, and long-term HR needs, especially for critical positions. For jobs requiring long theoretical and practical specialized training, it will be helpful to answer the following questions:

- What position do we need to fill?
- How will the existing position evolve?
- What are the impacts of future business development on HR needs (i.e., additional workforce needed for additional volume or new production line, or workforce reduction due to automation, decrease in business volume due to external factors, and other factors)?
- What types of competencies are necessary?
- How many people do we need to do the work?
- When and for how long?
- Is there anyone among the existing personnel who could do the job?
- Do we currently have employees who could do the work, with some training?

Various techniques are used for this purpose. These include the following:

- Forecasting HR internal availability,
- Identifying the critical positions and mapping of succession plans (under career management),
- Forecasting HR external availability (looking at the supply side), and
- Formulating the Staff Recruitment Master Plan for the company.

The proposed tool presented in Appendix 4 is used to compile the overall picture of HR requirements based on each company's business unit, job titles, current employees, and upcoming hiring of employees. This model can be used to collect significant and useful information to accurately anticipate the advancement and promotion of the existing personnel and/or the external recruitment needed.



TOOL

The model for forecasting human resources requirements is presented in Appendix 4.

Before hiring new employees, it is wise to first analyze if such a skill is available within the current workforce. By evaluating the available competencies and the mobility of the personnel already in place, it is possible to identify employees who are qualified to take on this new position, or who, with appropriate training, would be able to satisfy these requirements.

The HR specialist who is responsible for human resources planning is mandated to assess the short-, medium-, and long-term needs in each department of the company. The HR specialist will process the information collected to determine the number of positions required to attain the objectives set in the company's strategic plan. The number of positions necessary closely relates to the company's actual and forecasted operational capacity vs. service delivery requirements.

Once that forecast is validated, then the HR specialist will develop an action plan to adjust the workforce to the company's needs. This ensures the right-sizing of the company's workforce, which will be done through internal recruitment, staff transfer, promotions, and external recruitment that sometimes eventually leads to workforce reduction.

3.2.4 Recruitment and Hiring

The hiring of employees contributes to attaining the company's key objectives. Recruitment will

- Encourage competent individuals to apply for a given vacant position,
- Increase the company's pool of knowledge and skills by adding new resources, and
- Maintain and increase the company's capacity to respond to demand.

Before proceeding with recruitment and hiring, management must decide if recruitment will be done internally or from outside. At this stage, the following should be considered:

- Motivate employees by offering opportunities to move from the current workplace to another one (e.g., from remote regions to the big city, or vice versa);
- Create a motivating climate by offering promotion opportunities to these employees;
- Bringing "fresh blood" and fresh ideas into the existing operations and processes; and
- Absence of qualified employees for that specific position.

It is also important that the company balances the number of internal and external recruitments. Ideally, such policy should be reflected in the Corporate Staffing Policy that was already drafted at the beginning and discussed earlier in this section.

Internal Recruitment Process

Before hiring new employees, it is wise to first analyze the availability of the required skill within the current internal workforce. By evaluating the available competencies and the mobility of the personnel already in place, it is possible to identify employees who can qualify for this position, or who can be qualified to fill in after appropriate training.

This can be done through the Career Management process that will be described in the next section.

Another option, which is frequently done in large companies, is the internal posting of positions that are or will become vacant. An Internal Announcement Form can be posted within the premises of the entire company, including its branches, if any. Or it can be posted on the company's website. A notice board should be located in all services in a place where it can be seen easily by employees. This notice board can also be used for posting various messages from the management.

The Internal Announcement form must contain the following information:

- (a) **The vacancy.** This can be presented as a ready-to-use form.
 - (i) Job title
 - (ii) Staff category

- (iii) Business unit, department, or directorate
- (iv) Work location
- (v) Status of the position (permanent full-time, permanent part-time, temporary full-time, temporary part-time)
- (b) **Summary of job duties.**
- (c) **Closing date for applications.**
- (d) **Selection tools to be used.**
- (e) **Procedure for the submission of internal application.**


TOOL

Appendix 5 provides an example of the form to be used for internal posting.

For internal posting, employees should be given enough time to notice and read the vacancy and to submit their application before the closure of the internal recruitment process. Usually, the duration of posting is 15 days, more or less.

External Recruitment Process

There are various options available for the external recruitment process.

The Competencies Databank is a significant time-saving approach. This consists of creating a databank of candidates who were already screened during previous recruitment activities and passed the recruitment criteria but were ranked only as 2nd or 3rd.

Ideally, this Competencies Databank should be in an electronic format and kept at the HRM unit, department, or directorate and can be browsed whenever the need occurs. This tool can save several steps, and time—without advertising, receiving of applications, screening, and the rest of the process—especially if a satisfactory candidate can be found in this databank.

If no satisfactory candidate from the databank can be found, proceed with external recruitment. Depending on each country's labor market situation, various tools can be used. These include checking into the following:

- ▶ Headhunter companies (mostly for middle and top management positions);
- ▶ Employment agencies (mostly for lower-level positions);
- ▶ Government agencies and programs;
- ▶ Company website;
- ▶ Mass media;
- ▶ Specialized websites and magazines from associations like engineers, technicians, and other relevant industries.

Whichever tool or combination of tools are selected for external recruitment, the notice of recruitment must contain the same information as the notice for internal recruitment. However, it needs to include details on the company itself. A short description of the company, kilometer of rails, rolling stock, signaling technology, work location, and other relevant information should be added.

Using Selection Tools

Selection tools must be adapted to the requirements of each position. These can be very basic (e.g., for a cleaner position) or highly experienced (e.g., for a vice-chairman position).



TOOL

An example of a profile for the ideal candidate of an IT analyst position is shown in Appendix 6.

Below is a list of the commonly used selection tools, with a short description on their use.

- **Prescreening.** This is the preliminary step in the selection process. The applicants are ranked based on the essential criteria in the vacant position. First in the ranking will be those who meet the sought profile, next are those who are close to the sought profile, and lastly, those applications that do not meet the criteria. The prescreening step is usually conducted by an HR officer, with the support of a scoring chart.



TOOL

For an example of an applicant's scoring form, see Appendix 7.

Only candidates scoring over a threshold determined by the HRM unit will go to the next step, which is the written exam, as needed.

- **Written exam.** The written exam is used for positions requiring a certain level of theoretical knowledge, such as technical positions, administrative positions, and higher positions. In the railways business, written exams must be designed internally or in collaboration with TVET institutions or universities. This step will ensure that the applicant has mastered the required knowledge beyond the skills certificate or an academic diploma.
- **Practical tests.** This step aims at ensuring that the applicant has the appropriate skills needed for the job. The company wants to make sure that a millwright knows how to operate a tour (i.e., a hands-on demonstration of a millwright's work), that an accountant knows how to keep the books, that an electrician is able to read an electric diagram, a welder can weld various materials properly, and many others. Just like the written exams, practical tests must be designed internally or in collaboration with TVET institutions or academic universities.
- **Psychological tests.** This step is more adapted to specialized and higher positions. For example, such tests will determine the psychological characteristics of a train driver (if one has the capacity to keep focused during work hours, situational judgment in various scenarios, personal problems, emotional stability, and others). These tests can also provide significant information on the personality traits of an applicant for a management position, the attitude of customers' relation officer, and others. Various industrial psychology services are available at the local and international market, and also on the internet.
- **Simulations (assessment center).** This step is used for high-level positions, especially for top management vacancies. The assessment consists of a series of practical exercises, interviews, and psychometric tests designed to assess a candidate's suitability for a job by observing their behaviors and skills in a realistic setting. Examples of simulations are the in-basket test, role-playing in a simulated conflict situation (with customers, employees, and others), and case studies.

The Short List of Applicants

A limited number of applicants may succeed and move forward to the next stage after these eliminatory steps. Depending on the number of positions to be filled, a short list of 3–5 candidates per position will be retained. Those in this short list will proceed to the next step, which is the interview. This short list should be prepared by a small committee comprising the representative of the HRM unit, the immediate supervisor of the position to be filled, and the hierarchic supervisor.

The Job Interview

The interview is the most common tool for selecting an employee to fill a vacant position. Most often, it is used as the sole tool for selecting applicants. However, research has proven that this is not the best predictive tool to evaluate future employees' performance, especially when used alone. However, if combined with other selection tools, it can help in making the best decision.

To be useful, each interview must follow certain basic rules. Some of these important rules are as follows:

- (1) Depending on the level of the position, the panel of interviewers can comprise 2–5 people, the minimum being one representative from the HR unit and the immediate supervisor. For higher or very specialized positions, the panel may be comprised by the HRM unit's representative, the immediate supervisor, the hierarchic supervisor, and a manager or a specialist with the same level as the vacant position. External people can also be invited, like teachers from TVET or universities, for specialized positions. The company may benefit from external recruitment specialists with their objective and professional opinion and also provide support during the selection and recruitment process.
- (2) Questions must be prepared in advance and follow certain criteria. Some of the basic criteria are as follows:
 - ❑ Begin with simple and noninvasive questions and progressively increase the complexity of the questions.
 - ❑ Avoid closed questions that can be answered by Yes or No. This type of question does not generate enough information. Prefer the open-ended questions like “What do you think of...?” Or “...tell us about your accomplishments, what would you bring to our company, what motivates you with this position, what makes you different from other candidates for this position, where do you see yourself 5 years from now...,” and others that are relevant to the position.
 - ❑ Prepare simulated situations similar to those that reflect the realities of the vacant position and ask the short-listed applicant to react.
 - ❑ Reformulate the applicant's answers to verify if panel members correctly understood the responses of the interviewee.

The Selection Process

The selection process is to be undertaken by a selection committee. The composition of this committee varies depending on the level of the vacant position.

- For lower levels (cleaner, worker, clerk, and similar positions), the selection committee should comprise two people: a representative of the HRM unit and the immediate supervisor, with the immediate supervisor having the final say in the selection.



TOOL

See Appendix 8 for some examples of interview questions.

- For technical and first-line management positions, the selection committee should be comprised by a representative of the HRM unit, the immediate supervisor, and the hierarchic supervisor, with the immediate supervisor and the hierarchic supervisor having the final decision.
- For high-level positions, the selection committee should comprise the head of the HRM unit, the immediate supervisor, the hierarchic supervisor, and the chief executive officer (CEO), with the final decision vested on the CEO.

Reference Check and Medical Examination

Once the appropriate applicants were selected, the HRM unit should proceed with the reference check. The selected applicants should also pass a medical examination to be conducted by a medical doctor appointed by the company.

The medical examination is to determine if the candidate is fit for the job (e.g., back problem for a worker, psychological problem for a manager, and other medical findings).

The Hiring Process

Upon completion of all recruitment steps, the successful applicant is invited to meet with an HRM officer to finalize the hiring process. These include the signing of documents, scheduling of induction and other integration activities, securing an employee identification (ID) card and pass, and other administrative requirements.

3.2.5 Induction and Integration

Inducting and integrating new employees should be major concerns for the railway companies. One of the challenges faced by many companies is the ability to retain employees, and to encourage them to adhere to the corporate mission.

To mobilize new employees and help them develop a sense of belonging in the company, a mechanism should be designed to convey to them all the necessary information as soon as they are hired. The implementation of a structured and comprehensive induction and integration strategy may have a significant impact on the length of employment, employees' dedication to the company, and on employee mobilization and adherence to the company's mission. New employees should be able to access and learn as much information as possible about the organization's culture, values, philosophy, and expectations at the time of hiring. With a well-structured and effective employee induction, the possibility is higher that the employee will deliver satisfactory performance.

Objectives of Induction and Integration

- ▶ To facilitate and foster the employee's social and professional integration into the workplace.
- ▶ To demonstrate to the new employee the company's desire to help in his or her adaptation.
- ▶ To enable the employee to obtain answers to his or her questions and to learn how to access relevant information.
- ▶ To support the employee and enable him or her to become autonomous as quickly as possible.

- ▶ To ascertain if the employee clearly understands his or her tasks, roles, and responsibilities.
- ▶ To ensure that the employee is familiar with the company's standards and policies.
- ▶ To familiarize the employee with the organization's culture and values.²

The Induction Program

The new employee's first contact with his or her physical and human working environment is extremely important; it will determine his or her relationship with the company. The employee must feel supported and important.

The induction process must be systematic. The process itself should be managed by the HRM unit staff with the active participation of the immediate supervisor.

Table 1 illustrates the suggested content of the induction program and the role of the HRM unit staff and the immediate supervisor at each step.

Table 1: Suggested Procedures in an Induction Program

Activities	Responsible Person
Welcome speech and presentation of the agenda.	Human resource (HR) officer, together with the immediate supervisor
A video presentation by the head of the company or CEO welcoming the new employees and presenting the mission, vision, values, challenges, and expected behaviors of the new employee.	HR officer
General presentation of the company's history and evolution, information on the company's general structure, the services it offers or products that it produces, the clients or customers it serves, and other relevant information.	HR officer
Presentation of the business unit where the new employee will be posted, the background, clientele, services offered, work organization, and the new employee's role.	Immediate supervisor
Tour of the different company departments including rest and recreation areas (employee lounge, cafeteria, clinic, etc.).	Immediate supervisor and the HRM officer
Presentation of the company's Occupational Health and Safety (OHS) policy, company regulations, and main OHS issues.	OHS officer
Introduction to the rest of the personnel of the business unit and the work team of the new employee.	Immediate supervisor
Presentation of the <i>Railman's Handbook</i> to the new employee.	HR officer
Questions and answers.	HR officer and immediate supervisor

Source: Author.

² Techno Competences. 2004. *Human Resources Guide for IT Companies*. p. 27.

Drafting The Railman's Handbook

The *Railman's Handbook* is an employee's manual that requires reflections and queries on the topics that will be developed. It is important to include all the essential elements that will guide the personnel in carrying his or her mandated functions.

The *Railman's Handbook* should be written in simple, direct, and concise terms. Each sentence should clearly express the intent of the company's management. Drafting the handbook is normally under the responsibility of the HRM unit, department, or directorate, in collaboration with the various business units in a company.

The *Railman's Handbook* must be regularly updated. Changes do occur as the company's activities evolve. A regular updating of this handbook will keep it relevant to the continuing evolution of the company's activities.



TOOL

Guidelines in drafting the *Railman's Handbook*

Table 2 presents an overview of the sections normally included in such manual, with content suggestions.

Table 2: Suggested Contents of a *Railman's Handbook*

Message from the company head or CEO	This message briefly introduces the company and the objectives of the employee manual. The message should be inspiring and should motivate interest in working for the company. It may also encourage employees to submit their comments on the handbook's contents, to be included during the manual's regular updating.
Company background	This section must outline the milestones in the company's history since its creation, the steps in its evolution, interesting facts (sales volume, main clients, markets where the company is active), and the main challenges it faces.
Mission	Usually, a mission statement is already formulated in the company's business plan. If not, then this section should outline the company's purpose and adequately describe its specific field of activities.
Philosophy and values	These statements are likely to have been formulated. If not, the values must be drafted in a way that encourages employees' dedication to the company. It is a good idea to determine what factors should guide interpersonal relationships among the employees, relationships with suppliers, work methods, and a short description of the company's internal decision-making process. Conducting a reflection exercise involving the management team may be helpful when formulating these common values.
Management expectations	This section discusses the expectations of the new employees with regard to responsibility, collaboration, team spirit, anticipated results, and expected performance. Thus, it should outline what is important to the company's success.
Organizational chart	This section presents company's organizational structure, from the highest to the lowest level. This chart will outline the hierarchical order within the company. It should be simple so that each employee can easily identify his or her position in the structure.
Compensation	This section presents the company's compensation policy, benefits (insurance, pension plan, benefits in kind like free travel passes, and others), pay periods, frequency of salary reviews, what to do when error in pay occurs, and others.

continued on next page

Table 2 *continued*

Work conditions	<p>This section should include the following elements:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Work schedules (duration of the work week, schedule); <input type="checkbox"/> Overtime (conditions, authorization); <input type="checkbox"/> Recording of hours worked (method used); <input type="checkbox"/> Annual vacation and leaves (reference period, selection of dates, criteria used, length of leave, required notice); <input type="checkbox"/> Breaks and meals (length and schedule); <input type="checkbox"/> Statutory holidays, days off, and paid leave (list of day offs, remuneration, or conditions for compensation); <input type="checkbox"/> Sick leave (number of days with or without pay, reimbursements if allowed, medical certificate as required); <input type="checkbox"/> Other absences from work (conditions for authorization); <input type="checkbox"/> Disciplinary rules and measures; <input type="checkbox"/> Travel expenses (rules for reimbursement of travel expenses, supporting documents); <input type="checkbox"/> Length of and compensation for personal holidays (maternity leave, regular leave, family obligations, death or funerals, marriage, birth, adoption); <input type="checkbox"/> Work termination (notification of departure) and dismissal.
Internal policies	<p>This section comprises specific company policies, such as</p> <ul style="list-style-type: none"> <input type="checkbox"/> Work ethics, code of conduct; <input type="checkbox"/> Expectations with regard to customer service; <input type="checkbox"/> Professional image and attire for specific positions; <input type="checkbox"/> Telephone calls (personal and long-distance); <input type="checkbox"/> Respect for and cleanliness of company equipment, tools, and premises ; <input type="checkbox"/> Restrictions when surfing the internet and using social media; <input type="checkbox"/> Confidentiality; <input type="checkbox"/> Policy concerning the use of tobacco, alcohol, drugs, and medication; and <input type="checkbox"/> Policy against sexual and physical harassment, etc.
Communications	<p>This section outlines the internal communication mechanisms put in place by the company to foster the exchange of information and to solicit employee suggestions and opinions. Clear and effective communication methods have a major impact on the work climate, employee mobilization, and overall company's performance. The communication methods used may include the following:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Employees' Internal Committee <input type="checkbox"/> Meetings <input type="checkbox"/> Newsletter <input type="checkbox"/> Internet, intranet, and email <input type="checkbox"/> Names of individuals to contact, as necessary <input type="checkbox"/> Postings <input type="checkbox"/> Internal mail system <input type="checkbox"/> Suggestion box

continued on next page

Table 2 *continued*

Occupational health and safety	<p>The rules concerning occupational health and safety is presented here. This will help employees to understand both the employer's and employees' obligations and commitments with regard to the health and safety policies of the company.</p> <p>This section outlines the prevention of professional illnesses and accidents most commonly reported by workers in the railways industry. The activities include worksite inspections, individual protection equipment, first aid equipment, training sessions on accident prevention, and others. It also outlines the role of the OHS committee, if one exists.</p>
Performance evaluation	<p>This section gives an overview of the employee evaluation process. It may include, among other things, the frequency of evaluations, main evaluation criteria, identification of documents that will be included in the employee file, and any follow-up that will be conducted on the performance evaluation process with regard to compensation if such policy is existing.</p>
Disciplinary measures	<p>This section outlines the various disciplinary measures the company will apply for various breaches in the company's policies and regulations. It also describes the company's disciplinary process, along with the appeal mechanisms, the type of measures, the steps to be taken, deadlines, and other related measures.</p>

Source: Author.

Integration

The process of integration begins when the new employee starts to occupy and immerse himself or herself in the new position. Integration is under the responsibility of the immediate and hierarchic supervisors. During this phase, the employee will acquire the knowledge, skills, abilities, and values necessary to adapt to his or her new environment. The new employee will then integrate into the team and learn what is expected from him or her. Such integration may be enriched by training that directly relates to the tasks inherent to the job. In some cases, a company may develop and employ a mentorship program, which is a powerful tool to facilitate the integration of new employees. The mentorship approach is described below.

Mentoring of New Employees

Twinning the new employee with a mentor (an employee who is already in place) can facilitate the transition into the specific work context. The mentor must be identified in advance and should be an experienced employee capable of answering all the questions the new employee may ask. Ideally, a person other than the superior should be selected in order to avoid hierarchical ties from forming. The mentoring system allows a trust bond to be formed between the employee and the mentor, increases the effectiveness and quality of learning and reduces the new employee's anxiety level. The mentor will provide guidance to the new employee during integration period and maybe extended as needed.

3.2.6 Probationary Period

This is a critical period during which a company may decide to terminate the engagement of the newly recruited employee without legal drawback from labor authorities or trade unions. However, companies must pay attention to this period. The new employee may pass through the process but turns out to be a poor performer much later, and then it would be much more difficult to send away this employee later.

The probationary period must be carefully monitored by the HR officer while the evaluations of the probationary employee must be strictly performed and controlled. It is recommended that two or three evaluations are conducted during the probationary period.

The HRM unit, department, or directorate should determine the duration of the probationary period according to the law. A calendar must be set up for the duration of the period, with exact dates for each of the evaluations to be done during the period. The HRM unit will determine the number of evaluations to be done based on the position, and ensure that evaluations are done on time, based on the calendar, and the results are to be sent to the HRM unit for validation and registration. The last evaluation should be done at least 10 days before the probation period ends. This will allow enough time for the HR officer, the supervisor, and the mentor to meet, discuss, and make the final decision.

These evaluations should comprise the following:

- Evaluation by the immediate superior.
- Mentor's feedback on the integration (employee's strengths, areas requiring improvement, and others).
- Evaluation of employee satisfaction by the HR officer.
- Identification of training requirements by the HR officer.

**TOOL**

For the probation period evaluation form, see Appendix 9.

4

DEVELOPING THE COMPANY'S HUMAN RESOURCES

Human resources (HR) development is a global concept that integrates various techniques and activities to ensure that the experiences and methods specific to the company are fully developed and that internal expertise is preserved.

The basic components of an HR development plan are as follows:

- Training,
- Performance appraisal, and
- Career management.

The first task to be accomplished is the elaboration of the HR Development Corporate Policy, to be discussed below.

This important policy is supplemented by the Staff Appraisal policy, which will be described in the sections that follow.

4.1 Formulating the Company Training Policy

The Training Policy is a comprehensive document describing in detail the components of the company's training policy, the roles and responsibilities of the assigned staff or officer in specific components, the financial aspects, the results expected, regular evaluation, and continuous monitoring.

Personnel training represents an investment. It enables railway companies to increase the competencies and productivity of their workforce while also improving the quality of their products and services. It constitutes a value-added activity that fosters adaptation and individual flexibility in meeting the challenges as the company evolves.

The training cycle is at the heart of the human resources management process, and this is closely related to the orientation of railway companies. The company's training policy should reflect this relationship between learning and the company's orientation.

The Training Policy should describe the various concepts and programs that the company wants to implement, which will guide preemployment training; and in acquiring new skills or knowledge through refresher courses and/or retraining, and also for requalification. The policy also describes the roles and

responsibilities of each implementer: the staff development unit or the HRM office, line managers, trainers, and employees. The policy should also contain budget guidelines for training expenditures (e.g., a fixed percentage of the total wage bill as the annual training budget).³

This policy should be followed when determining the company's training priorities, and elaborated through a multiyear and a yearly training plan with detailed training activities and expected budget.

4.1.1 How to Build the Human Resources Development System

The steps in developing an effective HR development system are described below. These include the following:

- (1) For the HR Staff Development Unit, recruit HR specialists with the required skills (usually industrial psychologists).
- (2) Have the drafted corporate training policy approved by the company's top management, including the budget.
- (3) Design and/or identify required tools for implementing the training policy (e.g., training needs analysis tools, procedures, and forms).
- (4) Design and conduct company-wide survey to determine the company's training priorities (i.e., multiyear, annually).
- (5) Prepare the first-year master training plan with schedule and costing. Integrate information from Staff Appraisal Systems, if available.
- (6) Train HR officers (from the main office or headquarters and from the branches in the regions) on the policy and identified tools.
- (7) Provide the required logistics and support to the HR officers (from various business units at the main office and from branch offices).

4.1.2 Contents of the Corporate Training Policy

Table 3 provides a list of suggested topics (or table of contents) in formulating the comprehensive training policy.



TOOL

The guide for drafting the training policy is discussed in Appendix 10.

Appendix 10 provides a comprehensive guide on how to develop each of the topics listed in the training policy's table of contents.

³ In western countries, 1%–2% of the total wage bill is considered as the bottom line for the annual training budget, but some high-tech companies may go up to a range of 8%–10%.

Table 3: Suggested Outline of a Company's Training Policy

I.	Overview
II.	Objectives
III.	Management of Training
	3.1 Training Needs Analysis
	3.2 Planning and Designing the Training
	3.3 Classification of Training Programs
	3.4 Developing a Training Program Curriculum
	3.5 Training Delivery
	3.5.1 Teaching Aspects
	3.5.2 Training Venue
	3.5.3 Other Considerations
	3.6 Salary During Training Activities
	3.6.1 Training Participants
	3.6.2 In-House Trainers
	3.7 Bond ^a
IV.	Evaluation of Training Performance and Follow-Up
V.	Final Provisions ^b
APPENDIXES	
	1 Participants' Post-Training Evaluation Form
	2 Immediate Superior's Post-Training Evaluation Form

^a This bond refers to the employee's obligation to remain at the company's service for a duration that is linked to the duration and cost of training, and training's location whether done at a local university or abroad. See relevant section for more details.

^b Refers to the information on how transition will take place between former and actual policy, policy revision procedure, and others. See relevant section for more details.

Source: Author.

4.1.3 Training Needs Analysis

The training needs analysis (TNA) is a structured process that is used to (i) identify the company's training requirements, (ii) determine if the identified performance problems could be improved with training, or (iii) determine if the problems are due to the work organization, tools or equipment, or the individual employee. Training is not always the solution to every problem. For example, if poor performance is due to unfit equipment or tool, training will not resolve the problem. On the other hand, if poor performance is due to the improper use of equipment or tool, training is the answer to resolve the problem.

Two different forms should be simultaneously used to identify training needs, as follows:

Employees' form (to be completed by the immediate supervisor)

This form allows the immediate superior to analyze each employee's work so as to identify the strengths and areas requiring improvement in the execution of tasks. The supervisor can validate his or her assessment of the problem by discussing the issue with the employee. Table 4 can serve as a guide in developing the railway company's own form to identify the training needs of employees.

Table 4: Suggested Form for Identifying Employees' Training Needs^a

Employee Name:

Position:

Date:

POSITION

1. What skills and/or competencies are required to succeed in this position?

2. Of all tasks assigned for this position, which one is the most comfortable for the employee to carry out?

3. In which task is the employee not able to deliver the desired performance and why?

TRAINING

1. Give examples of the occasions when the employee's performance was affected by a lack of training.

 2. In your opinion, what are the employee's main training needs?

 3. Ideally, what type of training would be best adapted to the employee and to his or her work context?
-

^a To be completed by the immediate supervisor.

Source: Author.

This second chart must be completed by the hierarchic supervisor (usually, a senior executive). The hierarchic supervisor can use this chart to identify changes, orientations, and priorities for the company as well as the ensuing training requirements.

An example is provided below to be used as a guide in developing the company's own form.

Table 5: Suggested Form for Identifying Managers' Training Needs^a

Name of Manager:	
Position:	Date:
MAJOR ISSUES FACING THE BUSINESS UNIT	
1. Over the next 3 years, what major issues will the business unit face?	
2. Identify three major priorities set for the business unit for the next 3 years.	
SUPPORT AND TRAINING NEEDS REQUIRED	
Identify the biggest concerns of the business unit regarding human resources, and what training activities are necessary to resolve these.	
CONCERN	TRAINING
1.	
2.	
3.	
Other training needs:	

^a To be completed by the management.

Source: Author.

Staff Appraisal as an Input to the Training Needs Analysis

Both the immediate supervisor and the training officer should review the employees' annual appraisals and use these as inputs to the TNA results to complete the training plan.

4.1.4 Training Plan

The Training Plan is an annual and pluriannual document identifying the training activities for the coming year—ideally, for the next 3 years. It may not be possible for companies to conduct all their training activities even if these are needed in the same year due to various reasons: budget constraints, work constraints, availability of trainers, and other factors.

This is why training priorities must be identified—for the coming year and the years after. These decisions are made by the management committee, with the support of the HRM unit’s training specialist.

The HRM unit will then prepare a document containing the general training plan and the training delivery. An example of the training plan, in matrix format, is provided in Table 6.

Table 6: Sample Matrix of a Training Plan

Type of Training	Participants ^a	Instructor/Trainer	Budget ^b	Duration	Schedule

^a Participants can be an individual, a group of employees from the same business unit, or a group comprising employees from various regions or branches.

^b The training budget must be all-inclusive and should include the following costs: service fee or honorarium of the trainer, transport for the trainer and/or trainees, training materials, training venue, food and beverages, and other training-related costs.

Source: Author.

Appendix 11 provide a list of basic courses in the railway industry, which can be used to help develop the training plan.



TOOL

A list of basic courses for railway companies is presented in Appendix 11.

4.1.5 Training Delivery

Training delivery comprises several steps and specific activities. The HRM unit’s training specialist is to ensure that each activity is completed in a timely and satisfactory manner.

Below is a list of the most important training activities:

- (i) **Design the training curriculum.** This should be a joint task among the training officer, a senior employee, and a representative from TVET or a university for external support, as needed.
- (ii) **Identify the trainer.** This could be an internal trainer (senior company employee), an external trainer (from a private firm, TVET, or university), or through contractual arrangement with a training firm.
- (iii) **Identify the teaching techniques to be used.** These could be in the form of a presentation, demonstration, actual training (in a laboratory, at the workplace), role play, discussions, or a combination of several techniques. This is also a joint responsibility among the training officer, the trainer, and external support, if any.
- (iv) **Choose an appropriate venue and make a reservation.** It may be a meeting room, classroom, laboratory in a building, or at the workplace (depot, trackside, simulator, and others).

- (v) **Identify and prepare the equipment and training materials to be used.** Some examples are computers, audio-visual equipment, projector, books, flipcharts, and others).
- (vi) **Prepare the overall budget** and mobilize the required financing.
- (vii) **Book the means of transport**, if needed; contact, canvass, and book a catering firm, as needed; **procure the required consumables** (bond paper, pens, cartridge of ink, and others).
- (viii) **Send confirmation to all training participants.** Include the dates, duration of training, logistics that will be provided, things to prepare, and other necessary information.
- (ix) **Ensure that everything will run smoothly during training sessions.** Resolve possible problems that may arise during the delivery of training.

4.1.6 Career Management

Career management is a powerful tool for helping companies plan and prepare their workforce to become successors of critical positions, whether this is technical or managerial. By addressing early any potential skills shortages, the company is able to prevent significant time gaps in filling certain positions when the incumbent leaves the company.

Career management is also powerful motivational tool. It offers a strong incentive for promising employees to deliver outstanding performances to get promoted to higher positions. Succession planning is also an important reason why companies seriously consider career management for their workforce.

Career management is a joint responsibility of the HRM's Staffing Unit and the Staff Development Unit, with the support of line management.

The first step in a career management process is to identify promising employees through a performance appraisal. The immediate supervisor plays a key role in identifying such employees. The next step is for the staff development specialist to discuss with line management (immediate and hierarchic managers) the list of promising employees and to identify career goals for these targeted employees. Following this discussion, the staff development specialist prepares a road map with an appropriate time frame where these promising employees can be gradually trained and ready to occupy the targeted position. The road map may contain theoretical training, both internal and external if needed; and internships in various intermediate positions as part of rotational assignments at a progressively higher level.

Once the road map is ready and approved by all concerned parties, the staff development specialist and the line management meet the employees concerned to present the opportunity and obtain their commitment to the plan. At this stage, mentorship and/or coaching can be part of the discussion with the employee.

In some cases, the time frame may be relatively short. This is often the case for critical technical positions or first-level line management, which may require less than a year of preparation.

Succession plans for high-level positions, like heads of a division or department, or director positions, may require a few years of preparation. It may require some university courses, training abroad, a succession of internships, and a succession of positions (internal mobility) to be occupied—to get ready for the targeted role.

These employees' progress must be tracked through regular evaluation, given regular feedback, and some help in identifying areas for their individual improvement.

Numerous software exists in the market to support companies in undertaking this career management process, although most of these are quite expensive. If the number of career plans are rather low (e.g., 10–15 plans), these can be monitored through an Excel program, along with appropriate electronic agenda.

Appendix 12 provides an example of a career plan for an HR officer who is targeted for an HRM director position.

4.2 Staff Appraisal Corporate Policy

Staff appraisal provides the opportunity to highlight the strengths of an employee while identifying areas or skills that require improvement. Employees generally appreciate that their efforts and competencies are being recognized and their ideas are being heard.

The *Staff Appraisal Guidebook* is a comprehensive document that describes the process and components of the company's staff appraisal. In general, it comprises the (i) specific appraisal methodologies utilized for various staff categories, (ii) roles and responsibilities of those who carry out the appraisal, (iii) expected outcomes and what to do with the appraisal results, and (iv) evaluation and monitoring of the implementation of this policy.

The components of this guidebook are discussed in more detail in the subsections that follow.

4.2.1 Adapting the Evaluation Tools to Various Staff Categories

First, a company's approach to Staff Appraisal vary widely depending on the position of the employee to be evaluated. There is no single, unique evaluation tool that can produce reliable and credible results for all levels of positions in large organizations like railway companies.

There are significant differences in the tasks between management positions and base jobs.

The same evaluation tool cannot be used for a chief finance officer position and a security guard position. In the first case, we want to assess the performance of this officer through his or her achievements against the company's overall performance. Hence, the performance appraisal system to be utilized will be based on the company's performance objectives, eventually with a 360 degrees appraisal tool.⁴ In the second case, for a security guard, a set of criteria based on behavior aspects like punctuality, attention to details, respect of rules, courtesy, and others will be used. Specific appraisal criteria will need to be drafted and used for positions like receptionist, workers, train controllers, and others.

⁴ The 360-degrees appraisal refers to an evaluation process where the employee's supervisor, colleagues, subordinates, and clients (both internal and external) are requested to fill an appraisal form. Results from all sources are consolidated in a final document by the HR officer to form the 360-degrees appraisal.

Performance evaluation for higher positions is to be developed more extensively, as discussed in the next section.

Since the majority of companies have already developed basic tools for less complex jobs, the next sections will focus on performance appraisal issues, which are much more complicated to implement and manage.



TOOL

An example of an evaluation form for lower-level jobs is presented in Appendix 13.

4.2.2 Performance Evaluation Process

Performance Evaluation for Higher-Level Positions

The performance evaluation process is more appropriate for jobs where companies can measure outputs, either quantitative (e.g., number of pieces produced with no defects within a period of time), or qualitative (e.g., goals achieved during a reference time frame).

Performance criteria must be defined with clear performance indicators: those key performance indicators (KPIs) that are strictly related to performance and can be measured by quantitative indicators.

The following guidelines can be used when formulating indicators:

- **Clearly define indicators by using quantitative criteria.** Some examples can be (i) the number of sleepers installed per month, (ii) number of days delay in answering complaints, (iii) percentage of trains delayed, (iv) percentage of locomotives availability, (v) time between engine repair and/or revision and the next breakdown, (vi) lost time due to injuries, (vii) time between position vacancy and new staff integration, and others.
- **Indicators must fall under the incumbent employee's full responsibility.** In case of shared responsibilities between two or more employees, indicator becomes a team performance indicator. For example, employee turnover is a shared responsibility between the HR unit and line management. Fuel cost is also a shared responsibility between train drivers (due to poor driving skills) and locomotive maintenance team (due to poor engine tuning).
- **For some indicators, specific measurement tools should be used.** An example is customer satisfaction surveys where percentages are used as an important measurement tool.
- **Indicators for KPIs can be numbers, specific dates, or percentages.** For example, one criteria can be the number of injuries, a monthly operations report to be submitted 10 days after the end of a given period, and others.

Usually, an HR specialist with Time and Motion Study skills, and the concerned line managers are responsible for defining the KPIs. They must be very prudent when defining the criteria. For example, using the number of items produced as the sole criterion for measuring performance is not sufficient. A production employee could be encouraged to produce a maximum number of products regardless of the number of rejections for not conforming to the company's quality standards.

Once approved by the HR unit and line management, the KPIs must be integrated into the job descriptions.

Performance evaluation for highly technical positions and management positions is usually based on the achievement of set objectives.

The performance evaluation process begins with an individual meeting of the immediate superior and the subordinate employee. This meeting will allow the two parties to agree on the performance and personal objectives for the next appraisal period. They will also discuss the support necessary to deliver the desired results. This method will enable the subordinate employee to identify performance criteria that are both valid and relevant to his or her current tasks.

The following are to be discussed at this first meeting:

- (1) Objectives for the coming year.
- (2) Support needed.
- (3) Personal aspects.

The number of performance objectives should be limited to avoid the risk of getting lost in pursuing too many goals simultaneously, in addition to the daily workload. In the example provided in Appendix 14, the number of performance objectives is limited to three.

In some cases, achieving specific objectives will require joint collaboration with another employee or a business unit. For example, if the Finance Department's objective is to have prepared next year's budget by 30 September at the latest, this requires that other departments and/or business units should have transmitted their plans and budgets by 1 August. This will allow the Finance Department enough time to compile all department budgets and needs and come up with a consolidated company budget.

For managerial positions, apart from the objectives, the management skills and competencies of the incumbent must also be evaluated. Both components are important for the company. For example, a manager can achieve his or her objectives in a timely manner and with the required quality, however, the same manager has bad behavior, such as harassing his or her subordinates that leads to the deterioration of the work environment. Such behavior is detrimental to the company and may offset the results of the manager's good performance. Such a complex situation requires more top management's attention.

Calendar for Performance Appraisals

Appraisals should be conducted in at least three or four meetings in a year. Waiting for 12 months to inform an employee that the immediate supervisor is not satisfied with his or her work is not an effective way of giving feedback to an employee on one's performance and/or behavior. A quarterly meeting is highly recommended; this will give the employee enough time to correct what needs to be corrected. The form provided in Appendix 14 contains a specific section to that effect.



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Appendix 14 provides an example of appraisal form for higher and top management positions.

5

HUMAN RESOURCES ADMINISTRATION AND DISCIPLINE

5.1 Employees' Files and Human Resources Metrics

5.1.1 Employees' Files

Employees' files are an electronic and/or physical collection of documents containing an employee's basic information, such as personal data, employment history, performance-related information, salary history, and related data throughout their tenure with the company—from application to termination. These files are crucial for administrative compliance, performance management, and dispute resolution; thus, this requires secure storage and limited access for privacy and legal reasons. It is strongly recommended for the company to back up the electronic files with hard copies for the most critical contents.

Railway companies should adopt an employees' file management system to compile the following information:

- (1) Content of employees' files, arranged by sections, as follows:
 - (a) **Personal data.** This section includes ID documents, application form and/or letter, copies of diploma, former employment certificates, hiring letter, emergency contact details, and others.
 - (b) **Salary history.** This section comprises the starting salary; salary increase forms; bonuses if any; fringe benefits; and direct deposit information, if applicable.
 - (c) **Trainings.** This section compiles the internal and external training certificates; identification form of the employee's training needs; post-training evaluation form; and employee's career plan, if any.
 - (d) **Performance appraisal.** This section contains the employee's job description, and employee's appraisal forms.
 - (e) **Discipline.** This includes written warnings and other disciplinary measures; appeals and results, if any; and absenteeism problems, if any.
 - (f) **Attendance.** This section comprises the attendance records, and long-term leaves of various nature (e.g., study leave, maternity leave, sick leave, etc.).
 - (g) **Occupational health and safety.** This section compiles the records of accidents, near-accidents, professional disease, and employment restrictions, if any.
- (2) Employees' files storage and security, and details on the backup measures in case the electronic files are corrupted, destroyed, or not accessible.
- (3) Policy on confidentiality, consultation, and circulation of files. This should indicate the access rights, circulation restrictions, file circulation sheet format, and who can add and/or remove documents from files.
- (4) Process in archiving the employees' files upon retirement, resignation, or termination of employment.

5.1.2 HR Reporting, Metrics, and Analytics

The HR unit, department, or directorate is to prepare a set of reports on metrics, statistics, and analytics that will inform the business decisions of the top management, support them formulate workforce strategies, help them forecast potential workforce gaps, and draw up solutions even before the issues materialize. These HR reports also help line managers in managing their staff or workers and in providing the top management with suggestions on how best to resolve workforce issues.

Reporting consolidates and presents the key metrics. Analytics goes deeper to monitor trends, predict future outcomes, and identify potential solutions. Together, these data enable companies to improve employee engagement, retention, performance, and overall business performance by transforming raw data into strategies.

Table 7 suggests a list of essential reports that contain basic metrics, and analytics, and their schedules.

Table 7: Types of Human Resources Reporting, Reason, and Frequency

Type of Report	Reason	Frequency
Staff movement	Hiring and departures with reason for leaving the company	Monthly Quarterly Annually
Wage bill	Regular salary, overtime, and bonuses, by category	Monthly Quarterly Annually
Training	Costs of training, by category	Monthly Quarterly Annual
Occupational health and safety	Accidents and near-accidents, by business unit and category	Monthly Quarterly Annually
Absenteeism	Number of days, by business unit, and by category	Monthly Quarterly Annually
Labor relations	Number of grievances, complaints, and arbitration cases, by business unit	Monthly Quarterly Annually
Employee satisfaction	Results of employee satisfaction survey	Annually

Source: Author.

5.2 Code of Conduct

All employees should be informed of company expectations regarding their conduct within and outside company premises through a formal document. This is the purpose of the Code of Conduct. This critical document should be drafted by the HRM unit, department, or directorate, with the guidance and approval of the top management of the company.



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The typical content of a Code of Conduct is presented in Table 8.

Table 8 provides guidance when drafting a company's Code of Conduct.

Table 8: Guidelines in Drafting a Company's Code of Conduct

Introduction and/or Background	
<input type="checkbox"/> Foreword by the head of the company <input type="checkbox"/> Corporate orientation <input type="checkbox"/> Corporate expectations	
How the Code of Conduct is to be implemented	
Definitions	
<input type="checkbox"/> Application <input type="checkbox"/> Ethical behavior <input type="checkbox"/> Customer service <input type="checkbox"/> Professional image <input type="checkbox"/> Proper attire	<input type="checkbox"/> Telephone calls and internet surfing <input type="checkbox"/> Respect for company equipment <input type="checkbox"/> Confidentiality <input type="checkbox"/> Harassment, intimidation, and blackmail
Fundamental principles that govern the company's management of its operations	
Relations with clients, suppliers, partners, the government, employees, and the community	
Responsibilities in the enforcement of this Code of Conduct	
<input type="checkbox"/> Employees <input type="checkbox"/> Line managers <input type="checkbox"/> Top management	
Company behaviors	
<input type="checkbox"/> Respect for the law <input type="checkbox"/> Confidentiality <input type="checkbox"/> Respect for the truth <input type="checkbox"/> Impartiality, fairness, and prohibition of discrimination	<input type="checkbox"/> Transparency <input type="checkbox"/> Integrity of accounting and financial statements <input type="checkbox"/> Payments contrary to the rules <input type="checkbox"/> Social responsibility
Employees' behaviors	
<input type="checkbox"/> Respect for the law <input type="checkbox"/> Respect for the truth <input type="checkbox"/> Confidentiality and protection of company production and commercial secrets <input type="checkbox"/> Responsiveness, professionalism, and liability <input type="checkbox"/> Conflicts of interest	<input type="checkbox"/> Payments contrary to the rules, gifts, and other benefits <input type="checkbox"/> Political and religious propaganda on company premises <input type="checkbox"/> Smoking in company premises <input type="checkbox"/> Behavior outside working hours and company premises, damaging company reputation

Source: Author.

5.3 Discipline

A major concern for many line managers is being faced with a situation that requires the application of disciplinary measures. It is difficult for these managers to select appropriate actions while taking into consideration the well-being of the company and the employee and also respecting the many applicable laws.

This is why the enforcement of discipline requires strong support and guidance from HR specialists to concerned line managers. This will ensure compliance with the applicable laws while giving employees the chances to correct any inappropriate behavior.

5.3.1 Roles and Responsibilities

Applying disciplinary measures is a shared responsibility between line management and the HRM unit, department, or directorate.

The primary responsibility, however, lies with the HRM unit. The following are to be undertaken:

- (1) Develop written regulations and mechanisms for the application of disciplinary measures. There should be a clear definition of who is doing what when a breach of proper conduct is observed.
- (2) Train the line managers in such regulations and mechanisms.
- (3) Ensure full respect of the country's labor laws regarding disciplinary measures.
- (4) Ensure full respect for the employee's rights during a disciplinary process.
- (5) Provide support and guidance to the line managers when a breach occurs or is suspected to occur.
- (6) Provide support and guidance during the entire disciplinary process.

The responsibilities of the line management are also of paramount importance. They must clearly understand and observe the following:

- (1) It is the supervisor's responsibility to observe employees' breaches and to trigger the disciplinary process. Line managers must be fully aware that to look away or ignore any breach of proper conduct is considered as approving such breach.
- (2) The supervisor must report the situation to the concerned HR specialist and participate in all stages of the disciplinary process, taking into consideration the advice and opinions of the HR specialist.
- (3) The supervisor is responsible for making the final decision following an agreement with the HR specialist.

5.3.2 Investigation

Investigation is the second step following the reporting of an incident to the HR unit. This is the fact-finding step. It must be conducted by an HR specialist, jointly with the supervisor concerned. They need to be impartial and to gather relevant documents including performance reports, emails, and other evidence, including interviews with eyewitnesses, if any, to gather additional insights.

The goal is to determine what happened, when it happened, where it happened, why it happened, find out if anyone else was involved, and if someone witnessed the incident.

This step is critical in determining if the incident can be considered as a breach of proper conduct or not, based on the company's regulations and Code of Conduct. It will also establish or determine the severity of the incident.

5.3.3 Notification

The HR unit will need to invite the employee to a hearing, either by written notice or email, with the following information:

- The alleged incident, misconduct, or performance issue, and the potential outcomes;
- Cite the evidence gathered after the procedural investigation;
- When and where the hearing will take place; and
- Indicate the employee's right to be accompanied by a colleague or a union representative, if stipulated by labor law or regulation.

There should be enough time for the employee to be informed and prepare for the hearing.

5.3.4 Hearing

Hearing is a formal meeting to discuss the investigation's findings, provide the employee with an opportunity to respond, and to present any relevant evidence.

Minor instances of undesirable workplace behavior should not require formal disciplinary hearing. A verbal warning by supervisor will be sufficient.

The hearing should not take place too long after the investigation, ideally, a few days after its completion.

During the hearing, both the employee and employer will be given the chance to present their sides of the case. At the end of the hearing, the HR specialist should give the employee an estimated date when the decision will be made and communicated to him or her.

5.3.5 Breaches Other Than Major Breaches

Based on best practice in applying disciplinary measures, a progressive approach is best applied when resolving breaches not considered as major breach of company rules. Such an approach will provide employees with the opportunity to recompense, redress, or improve one's behavior. It also ensures that the process is fair and legally defensible in case grievance is submitted to the government's Labor Tribunal.

In a progressive approach, the usual steps are as follows:

- (1) **Verbal warnings.** This can be one or two verbal warnings followed by a final verbal warning, to be done by the employee's supervisor. The supervisor should keep a note on the date and content of such warnings.

- (2) **Written warnings.** This is done through a written warning followed by a final written warning. This is to be done by the employee's supervisor with the support of an HR specialist. A copy is to be kept in the employee's file.
- (3) **Short suspension.** If the verbal and written warnings were ineffective, suspension is the next step, following a hearing. A letter of suspension is usually prepared by the HRM unit and signed by the supervisor. A short suspension should be between 1 and 3 days of work. The letter should contain a warning that a more serious measure will be taken if erring employees maintain their inappropriate behavior.
- (4) **Long suspension.** This is the next step before a termination. A long suspension should be long enough—from 2 to 4 weeks. This will send a strong signal to the employee that this is the last chance to correct one's behavior before the ultimate measure, which is termination. The letter of suspension is prepared by an HR specialist, and depending on the country's labor laws, customs, and traditions, it is signed either by the hierarchic supervisor or the head of the HRM unit, department, or directorate.
- (5) **Termination.** This is the final measure when other measures have failed to bring improvement in the employee's conduct at the workplace. This is generally the result of a series of reprehensible acts that even if some are less significant, the accumulated effects require the termination of an employee's employment. The letter of termination is prepared by an HR specialist, and depends on the country's labor laws, customs, and traditions. This is signed by either the hierarchic supervisor, the head of the HRM unit, or by the top management as may be applicable.

5.3.6 Major Breach of Proper Conduct

A major breach of conduct is an act or omission that is so significant that it results in harmful consequences or causes serious harm to the company or its clients.

Major breaches lead to either long suspension or immediate termination, depending on the severity of the breach.

Examples of major breaches are as follows:

- ▶ Theft;
- ▶ Fraud;
- ▶ Falsification of records, forging of signatures, or altering a document;
- ▶ Refusal to obey a legitimate order from management;
- ▶ Intentional damage to company equipment;
- ▶ Vandalism on company property;
- ▶ Gross negligence;
- ▶ For train drivers, traffic controllers, heavy machinery operators, and similar jobs, working under the influence of alcohol or drugs; and
- ▶ Conviction by a court for a criminal offense.

Major breaches can constitute a single act or omission as listed above, or a series of reprehensible acts that are less significant, but the accumulated effects require the immediate termination of employment.

5.3.7 Communicating the Decision

The decision need to be finalized within a few days after hearing, except when additional investigation is deemed necessary.

In all cases, a letter must clearly communicate the disciplinary measure and the reasons for it, with a reminder of previous actions taken but with no improvement observed.

The letter should also indicate the time limit for appealing the decision and provide detailed information on the appeal process.



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An example of a termination letter is shown in Appendix 15.

5.3.8 Appeal Mechanism

An appeal mechanism is strongly recommended to be set up for employees who are subjected by disciplinary measures, if this is not already covered by the country's labor laws. The appeal mechanism should include the following:

- **The appeal process.** This guideline is usually prepared by the HRM unit, department, or directorate.
- **When to make an appeal.** This should be done after receiving the written decision, following a hearing. Any delay should not exceed 5 working days.
- **Hearing for the appeal.** The hearing should not exceed 20 working days.
- **Notify concerned parties for the hearing of an appeal.** This notification should contain the following information:
 - An outline of the case.
 - Who will be attending.
 - The date, time, and venue of the hearing.
- **Managing the appeal process.** The HRM unit usually manages the appeal process.
- **Communicating the final decision.** The HRM unit is responsible for informing the result of the appeal to all concerned parties.

Appeals can be based on new evidence, procedural unfairness, or a belief that the penalty was too severe for the offense.

The appeal should be heard by an Appeal Committee comprised by

- a senior officer of the original decision-maker and who was not involved in the initial disciplinary process, and
- the head of the HRM unit, department, or directorate.

This approach will ensure fairness and impartiality.

Reminder on the Company's Basic Principles

Consistency. Apply disciplinary measures consistently across the company to ensure fairness and prevent legal issues.

Fairness. Provide a fair procedure, balancing aggravating and mitigating factors, and giving the erring employees a chance to explain their side and improve their conduct.

Gradual application. Use a progressive disciplinary approach for minor or repeated infractions, moving from verbal warnings to more severe actions only when necessary.

Documentation. Keep detailed records of all steps taken, from the initial investigation to the final communication, to create a legally defensible process.

Legality. Ensure the process and actions align with local labor laws and regulations.

Source: Author.

5.4 Supervision and Coaching

Supervision and coaching of employees are of paramount importance in any organization.

5.4.1 Coaching

Coaching helps monitor and improve employees' behavior and performance. It prevents inappropriate behaviors and enable the company to attain set objectives within stipulated time frames.

Few frontline managers or employees with supervisory responsibilities were trained or have advanced knowledge of labor management. Appropriate coaching can fill the gap and help prevent potential negative consequences resulting from this weakness.

The frontline manager must be attentive to the work climate. He or she must clarify employee expectations and specify instructions related to specific tasks to be able to provide subordinates with adequate support.

5.4.2 Supervision Cycle

Aside from planning and organizing tasks, supervision is a core management duty. It requires not only competencies, but also a systematic approach to supervision. Sooner or later, just an intuitive approach may lead to costly mistakes. This is why supervision requires a well-structured approach to be followed. Table 9 illustrates the steps of a well-structured approach to supervision.

5.4.3 Time Management

Managing time to achieve goals while keeping priorities is essential for a manager or supervisor. A manager must adhere to work priorities based on set goals. Allowing continuous work interruptions will lead to lesser outputs and takes more time to complete tasks than when work is carried out at a steady pace.

Table 9: Structured Guidelines for Supervisors

1. **Establish responsibilities and duties.** Know who is doing what, why, and how. It is important for a manager or supervisor to be fully aware of how employees accomplish their tasks and what support they need to fully deliver their expected outputs.
2. **Provide employees with the tools they need to do their jobs.** If an employee is obliged to do one's work with inadequate, damaged, or worn-out tool, employee performance will suffer, with consequences on the company's performance.
3. **Provide employees with the training they need to do their jobs.** Keep in mind that learning capacities often differ from one employee to another. Some may take more time to absorb the training. It is the responsibility of the supervisor to follow up and eventually repeat the training a few weeks later, if needed.
4. **Set realistic goals for employees' performance.** Supervisors should take into account the work environment, the tools and equipment provided, and the quality of the raw material to determine realistic goals after discussing them with the employees concerned. This will ensure that employees adhere to their set performance goals.
5. **Become a resource for subordinates.** Despite having good tools and training, sometimes employees may reach an impasse or dead-end in their performance. It is the role of the supervisor to help employees resolve their issues and be their support person. It does not mean, however, their taking on the employee's responsibilities.
6. **Ensure that subordinates deliver well their part in the job contract by using the tools provided.** These include making the most of the training, pursuing set goals, and asking for help or guidance if they reach an impasse.

Source: Author.

Time management includes planning the work that has to be done, and time for organizing things accordingly. Planning and organizing require that the manager or supervisor allots a time early in the day to plan and organize the work of one's business unit. That means setting aside time during the day when the manager or supervisor will be unavailable to others.

Another essential aspect of time management is the necessity to delegate what can be done efficiently by subordinates. Lack of delegation creates work overload, delay in the achievement of important goals, and divert focus from his or her own high-impact work.

Table 10 provides some tips for effective time management.

Table 10: Tips for Managing Time

1. Start the day by taking few minutes to get organized. Plan the day, identify things to be organized, write down critical things that must be accomplished that day.
2. Establish priorities by urgency and importance.
3. List down an agenda of to-dos with specific time frames.
4. Add a "waiting for" alongside the to-do list. This will help keep track of what has to be done by someone else and when. It will also help identify who is blocking progress on a specific task.
5. Create 2–3 time slots per week, dedicated to deep work (work requiring focused, uninterrupted, and cognitively demanding work).
6. Avoid multitasking. By focusing on one task at a time, work will move forward faster and will also be done better.
7. As much as possible, replace meetings with e-mail conversations.
8. For unplanned tasks, let your manager or supervisor know what tradeoffs you will be making, and to confirm if he or she agrees to the tradeoff.

Source: Author.

5.4.4 Communication

A supervisor is a critical link between the upper management and the workforce. As such, one must be a highly effective communicator. As communication is a key element of supervision, it is necessary to establish mutual understanding and alignment with the set performance goals—from the management to the workforce and vice versa. A lot of interpersonal issues, performance problems, and misunderstandings have their roots in poor communication. Some tips for effective communication are provided below.

- (1) **Content.** The supervisor should use appropriate words and a clear, straightforward structure. Provide all the necessary information so that it is easily understood. This also requires the supervisor to have some idea of the capabilities of the subordinate to understand it and to have the motivation to respond to it affirmatively.
- (2) **Feedback.** The only way the supervisor can determine that the message was received and understood is confirmation from the subordinate. This can be in the form of acknowledgment and repeating or paraphrasing the message. If there is some misunderstanding or there are barriers to the subordinate's ability to affirm the message, the supervisor needs to identify the possible barriers. This may require a few exchanges to resolve the issue or confirm that the message was well received, understood, and agreed on.
- (3) **Context.** The circumstances surrounding communication play a part in determining its success or failure. Although many types of situations affect the messages that are sent, one particular type that can easily distort messages is communication under stress. Stress, by its very nature, makes it difficult to “think clearly.” In a stressful situation, the meaning of the message can be distorted, subtle shades of meaning can be confused, pieces of information can be missed or forgotten, and so on.

Thus, a supervisor must deliver clearly and timely all verbal and written messages. This includes effective listening and questioning; adapting to various communication styles; building a trusting environment; and providing constructive, balanced feedback.

5.4.5 Staff Mobilization and Engagement

The concept of mobilization in HRM began more than 40 years ago. However, employees lacking interest and motivation in their jobs are still an issue today.

Motivation and engagement represent a complex challenge. No single, magic push button exists that can be activated to trigger staff engagement. Moreover, many old beliefs regarding staff motivation and engagement still exist, as follows:

- (1) **Remuneration.** A common belief is that with a good remuneration package, employees will be motivated. Reality is not that simple. A well-paid employee working in a bad environment, with bad or incompetent bosses, or with inadequate tool or equipment will not remain motivated in the long run.

IN SUMMARY:

- **Speak up and follow up.** Communicate expectations and deadlines verbally and follow up.
- **Make sure instructions are clear.** With vague instructions, mistakes are more likely. Mistakes cost time and money for the company.
- **Confirm employee's understanding.** Always ask if there are any questions about the tasks provided. Ask an employee to repeat instructions, as needed.

- (2) **Supervision.** Another common belief is that with a good and friendly boss, employees will be motivated. The reality is that, despite having a good supervisor, an employee working under bad conditions, having constant work overload, being paid below market salary for a similar position, will not remain motivated in the long run.
- (3) **Work conditions.** Working in a good environment, with appropriate tools or equipment, and with a good salary may not be sufficient if employees feel that the company do not regard their contribution as important and valuable. It is important that an employee's work is appreciated as well by their employer.

The HRM unit is responsible for developing the company's strategy for improving and maintaining their workforce's mobilization and engagement. The strategy, once developed, must also evolve with the times, trends, and global realities. In other words, what works well today may not work as well tomorrow.

Table 11 presents a list of suggested management practices that are recognized to help in fostering employees' mobilization and engagement.

Table 11: Suggested Management Practices

Trust	Employees must feel that they can trust the company management and, most important, their supervisor. Lack of trust will quickly lead to disengagement. Thus, the company must develop the habit of communicating frankly, openly, and vice versa with its employees. A communication specialist position should be located at CEO's office level.
Justice	Employees must perceive that they are treated fairly and equitably in all situations. It is the responsibility of the HRM unit to develop appropriate practices that reflect those values and practices.
Work organization	Employees must have clear job descriptions, clear set goals, affordable workload, appropriate tools and equipment, and clear instructions. This is a joint responsibility of the HRM unit and line management.
Supervision	The quality of supervision has a major impact on work climate and employees' mobilization and engagement. It is the responsibility of the company to develop line managers' skills and management competencies—through a comprehensive training program for managers.
Support	Employees must be confident that they will receive help, both professionally and personally, when needed. Supporting employees when needed is also a joint responsibility of the line management and the HRM unit.
Recognition	Employees need to feel recognized and rewarded, either monetary or nonmonetary, for their efforts. This is critical for staff motivation. Thus, the HRM unit must develop guidelines for the company's practices in remuneration or nonmonetary recognition, and promotions accordingly.
Personal development	The management must consider the employees' needs for skills development to improve their competencies and support their professional achievement. This is a joint responsibility of the line management and the HRM unit and involves providing appropriate trainings and encouraging coaching practices.
Autonomy	Where possible and depending on the assigned tasks, the management should permit freedom of action requiring little authorization from a supervisor. This can be done through job descriptions and is the joint responsibility of the line management and the HRM unit, department, or directorate.

Source: Author.

5.5 Employees' Assistance Program

An employee having personal problems (monetary, family problems, and others) may lack concentration at work and performance is affected. This is quite human and normal. This is why many companies have developed an employees' assistance program to help them face such situations. With such a program, losses due to poor work performance are avoided. Work accidents due to lack of concentration (e.g., for train drivers, crane operators, and similar jobs) are also averted.

An Employee Assistance Program (EAP) is a confidential, voluntary employee benefit offered by the employer that provides short-term support to employees and their families for personal or work-related issues, such as stress, financial problems, family problems, or mental health concerns. It includes counselling, assessment, and support services, and aims to improve employees' well-being and performance.

Such assistance can be provided internally, through a psychologist working at the Staff Development Unit, or to be subcontracted to an external resource, in which case, the cost of consultations are paid by the employer.

It is the responsibility of the HRM unit, department, or directorate to develop such a program with modalities. This program is usually presented in detail in the employees' handbook.

6

GLOBAL COMPENSATION

Compensation is one of the methods that a company can utilize to retain its most valuable assets and attract new employees to its workforce. In labor markets where workforce is highly mobile, compensation becomes a crucial challenge.

To do this, the company must analyze the labor market salary curve and establish its desired position in the local market context. It is wise to consider the following:

- Paying below the market rate may be a disadvantage for the company. It may lead to seeing its best performers leaving for a better salary.
- Paying above the market rate can be a short-term competitive advantage by attracting the best candidates. This strategy, however, carries potential drawbacks in the long run. It may trigger a competitor's reaction and generate inflation in the labor market, while negatively affecting the company's ability to pay.
- Paying in line with the labor market's salary curve may pose a challenge as well. Thus, the company must develop other means to attract and retain the best candidates. These include creating the company's unique branding, offering an appealing work climate, providing innovative benefits like a day care center at the work premises, launching sport activities, and others.

Table 12 summarizes the reasons why companies decide to lead or lag the labor market salary curve.

Table 12: Reasons that Affect Company Decisions to Lead or Lag in the Market Salary Curve

Lead pay policy	<ul style="list-style-type: none">- The company wants to become or remain the employer of choice relative to the market salary curve.- The company has the ability to pay to lead the market salary curve.- There is shortage of labor in key occupational groups that are important to the company.- There are challenges in attracting and retaining employees for key areas of the company's operations.
Lag pay policy	<ul style="list-style-type: none">- The company does not have the ability to pay to match, nor to lead the market salary curve.- There is abundant supply of labor in key occupational groups that are needed by the company.- There are no real challenges in attracting and retaining employees for key areas of the company's operations.

Source: Author.

The variable compensation offered by companies is highly complex and can be affected by the following factors:

- **The company's capacity to pay.** It is necessary to determine the amount of remuneration that are allocated for different positions and compare these to the compensation currently offered in the market.
- **Direct and indirect compensation.** Before making decisions, the company must account for the factors that will determine salary increases, in addition to establishing salary scales.

The ultimate objective of any compensation policy is to create a sense of recognition and equity for current and future employees. A compensation policy should also establish a balance between satisfying employees' demands and the company's ability to pay.

AN OLD ANECDOTE ON REMUNERATION:

YOU GET WHAT YOU PAY FOR. DON'T EXPECT TO GET X WHEN YOU PAY FOR Y.

6.1 The Corporate Global Compensation Policy

The HRM unit, department, or directorate is responsible for developing a comprehensive compensation policy that is aligned with best practices.

Table 13 provides a list of topics to be included in a compensation policy.

Table 13: Topics to Consider in Developing a Compensation Policy

1. **Defining company compensation issues.** To define the company's compensation strategy, consider the following: (i) what is the company's position in the local labor market? (ii) Is the company operating in the context of a labor shortage? (iii) What is the future outlook of the company for recruitment and staff retention? (iv) What are the chances of critical employees being lured by a competitor's offer? (v) What is the company's capacity to pay?, and others.
2. **Objectives of the compensation policy.** The most common are to (i) attract and recruit candidates who satisfy the company's requirements, (ii) demonstrate employee recognition by offering fair pay, (iii) illustrate respect for internal equity, and (iv) be competitive in relation to the market (external equity).
3. **Determining the components of a company's global compensation.**
 - *Direct compensation.* This comprises the equitable and competitive base salary, performance bonuses, and various premiums (hardship environment, remote area allowance, night shift premium, and others).
 - *Indirect compensation.* This comprises paid vacations, insurances, retirement plan, housing, and others.
4. **Determining the company's internal equity (job value).** The Job Evaluation and Grading (JEG) technique is to be used to determine the value of each job by comparing this with all company jobs (classification and/or ranking). Job evaluation allows comparisons between jobs that have nothing in common, like a nurse and an accountant, a bus driver and a clerk, and others. This technique ensures a fair pay structure. The most common technique is the points–factors technique, where 5 to 7 factors are defined and weighted. There are also many proprietary systems on the market (e.g., Hay, Towers Perrins, Mercer, etc.), but these are usually expensive to use.

continued on next page

Table 13 *continued*

5. **Determining the grading of jobs evaluated.** Determine the number of salary grades or pay scales and place an upper and lower value of the evaluation points for each grade.
6. **Validating the results.** The use of a second technique is strongly recommended to validate results obtained from the Job Evaluation and Grading methodology. This will ensure credibility and facilitate the acceptance by the employees and labor unions.
7. **Determining the pay scale values.** Once grading is completed, concrete monetary values must be assigned to each grade or pay scale. This step is done by running multiple simulations with specialized software.
8. **Comparison with the market.** Once pay scale values are determined, the next step is to compare these with what is paid in the market. This is commonly called salary survey. This is done by selecting a number of benchmark jobs (usually 10–12) that represent different job categories within the company, and that also exist in the market. For specific positions that do not exist in the market (e.g., train driver), their value in the market is determined by using specialized tools like statistical inference or linear regression.
9. **Final decision on the salaries.** Once grading and salary surveys are completed, the HRM unit will prepare various costed scenarios and submit the proposal to the top management for final decision.
10. **Salary rules.** Once the final decisions were made, the HRM unit will draft the salary rules that outline (i) how an employee will progress from one step to the next one within the same scale, (ii) how an employee can jump to another scale (usually following a promotion and change in job title), and (iii) the mechanisms to account for inflation and how to adjust the entire salary grid.
11. **The performance reward mechanism.** This will (i) define the company's policy on rewarding outstanding performances, (ii) indicate the percentage of the wage bill that will be allocated to this performance reward, (iii) describe the mechanisms to select individuals who will be entitled to receive that reward, and (iv) explain how the amount of monetary reward or bonus will be calculated.
12. **Other premiums.** Enumerate the various premiums that compensate for specific work that are inconvenient, such as overtime, night shifts, hardship environment, and loyalty bonus after 5, 10, 25 years, and so on.
13. **Fringe benefits.** The policy must indicate the fringe benefits offered and paid for by the company. These may include life and/or medical insurances, in-house medical care, pension plan, rail passes, loans, transport allowances, and other benefits.
14. **Mechanism of appeal.** The policy must indicate how an employee may appeal if one is unhappy with the job evaluation result.

Source: Author.

Job evaluation is a tool used to establish a job-based classification system. This allows the determination of job value (job sizing), based on the tasks (contribution to the company) and the requirements to fulfill the tasks (job profile). It also allows the company to answer a very basic question. For example, does a train driver's job have more, equal, or less value than an IT programmer's job within the company (hence, should be paid more, equally, or less)?

A job-based evaluation system brings to focus the size of the job—do bigger job sizes indicate bigger contributions to the company and, therefore, deserve bigger rewards? Job requirements (job profiles) must be commensurate with expected contributions (job results) and must be reflected in the job description.

Table 14 provides some examples of the common factors used in the points–factors technique in a job evaluation.

Table 14: Common Factors Used in Job Evaluation

Factor	Subfactors
Knowledge	Education
	Practical experience required
Accountability	Management responsibilities
	Impact of decisions
Complexity	Nature of duties
	Self-starting capacity
Communication	Level and importance of communication
	Frequency
Work condition	Physical condition
	Psychological condition

Source: Author.

Each of these factors and subcomponents are weighed by allocating certain points. The total number of points obtained determines the value of each job for the company. This task is performed by a Job Evaluation Committee using relevant methodology and comprehensive Job Descriptions. This can also be outsourced to specialized job evaluation firms.

6.2 Rewarding Outstanding Performances

Rewarding employees' performance is a key element of the global compensation policy. It is also one of the most challenging components. A usual criticism is the lack of fairness or transparency of the reward system. Complaints may arise and accuse the management that the reward system is always rewarding the same employees, or only the managers' favorites.

This is why the reward system must be designed in a clear manner, with clear and precise wording and communicated in very transparent manner to all employees.

The concept for the performance reward system is quite simple: People choose the behaviors that they expect will maximize their payoff (the Expectancy Theory). This means that

- greater effort will increase performance,
- increased performance will lead to more pay, and
- more pay is the reward that the employees want most.

6.2.1 Conditions for Establishing a Performance-Based Reward System

Several conditions govern the establishment of a performance-based reward system. These include the following:

- ▶ Company's willingness to align efforts (and performance) with the company's Goals, Strategy, and Mission;
- ▶ Performance concept is well defined and structured for each level of work;
- ▶ Links with contribution to results are clear (quantitative measurement of performance indicators);
- ▶ Measurement of the key performance indicators (KPIs) is feasible; and
- ▶ Employees can see a strong association between the desired behavior outcome and the reward.

6.2.2 Characteristics of a Performance-Based Reward System

The main characteristics of a performance-based reward system (PBRs) are as follows:

- (1) **Consistency and transparency.** PBRs must be written in precise wording, communicated company-wide, and implemented in a consistent manner.
- (2) **Frequency.** This is usually done annually, following the results of Staff Appraisal.
- (3) **One-time payment.** This is usually awarded per assessment period. Each reward must be proven and earned again at each performance assessment period.
- (4) **Significant.** Payment should account for at least between 5% and 10% of an employee's annual salary. Below that level, the reward may not be perceived as really motivating.
- (5) **Discriminatory.** Reward should be reserved for outstanding performances, and, therefore, limited to real performers. They generally belong to the less than 5%–7% of total employees (the standard statistical curve). The system must contain sufficient safeguards to avoid potential for bias or [favoritism](#).
- (6) **Flexible.** Awards can be in cash or noncash. Some employees may prefer noncash forms of recognition, such as
 - access to experts and/or information networks,
 - association memberships, or
 - attendance and/or presentation at seminars or conferences.

Performance rewards may account for 1%–2% of the company's annual wage bill.

6.3 Implementation and Management of the Global Compensation Policy

The management of the compensation policy falls under the responsibility of the HRM's Global Compensation Unit.

However, to ensure acceptance and buy-in of the policy from all levels of employees, the design and its conduct should be communicated well using a comprehensive communication strategy and plan.

The communication strategy must fully explain the remuneration policy with clear and understandable language—the basic concepts, mechanisms, rules, and targeted results—for all levels of employees.

The strategy must adapt the communication medium that is best suited for various audiences. Some suggestions include the following:

- ▶ Top and middle management—through presentation seminars
- ▶ Employees' representatives—through seminars
- ▶ General staff—through an explanatory document (e.g., briefs, brochures, flyers, memos)

7

HEALTH AND SAFETY

In many industrial companies, security and safety are often mixed and regrouped under the same umbrella. It is suggested that railway companies distinguish and separate these two functions, following these definitions:

- ▶ **Security function.** This involves protection from intentional acts of crime, malicious behavior, and external threats of various sources. Security is normally assured by security guards, either in-house or outsourced, and supported by physical mechanisms such as cameras (CCTVs), access control systems, and others.
- ▶ **Safety function.** This involves protection from accidents, environmental hazards, and unintentional risks.

Best practices suggest that a specific Occupational Health and Safety (OHS) unit be created and staffed with OHS specialists to carry out the multiple aspects of safety. While railways operations represent the highest percentage of accidents and near-accidents risks in this industry, there are also other business units where injuries or professional diseases can happen. Hence, it is suggested that this function be attached to HRM unit, department, or directorate. Employing OHS specialists from railways operations, together with OHS specialist with a general OHS background, would be an excellent strategy.

In many countries, labor laws oblige companies to establish an OHS committee in addition to the OHS unit. Along with a good prevention program, this will allow workers to participate in OHS activities, such as inspections and accidents analysis.

7.1 Identification of Risks

Even in the absence of legal constraints, it is strongly recommended that each business enterprise develops a company-wide prevention program with regular and systematic work premises inspections. Work accidents are costly (e.g., cost of medical care, loss of production) and may affect employees' morale when this frequently occurs.

The prevention program should mandate the OHS and inspection teams to focus on the railway operation risks, such as the following:

- ▶ Machinery, appliances, tools, robots, etc.
- ▶ Transport and handling of loads of all types
- ▶ Contacts with potentially aggressive clients (freight and passengers)
- ▶ Work organization (schedules, work itinerary, etc.)
- ▶ Repetitive movements

- ▶ Poor or inadequate safety condition in a work environment (lighting, noise, etc. in depots)
- ▶ Frequent contact with contaminants like petroleum products, solvents, and other harmful chemicals
- ▶ Hazardous goods; emission of dust, gas, and steam; and poor ventilation and air quality in workshops and depots
- ▶ Stress (train drivers, traffic control and dispatch workers, finance and IT units, etc.)
- ▶ Lack of ergonomics in work stations
- ▶ Others

The OHS team must design, get the approval, and implement a comprehensive inspection program covering the entire work premises at least once a year, and several times a year for identified risky places, like depots and workshops.

The team must also adopt a structured and standardized methodology for analysis of accidents or near accidents, including historic case data, to spot trends, and prevent incidents and accidents. Usually, a specific form with standard questions is designed to support such safety analysis. This will ensure uniformity and consistency of assessments.

Finally, the OHS team must design and conduct regular awareness campaigns, compile statistics on OHS issues, and present appropriate recommendations to the top management.

**TOOL**

For suggested contents of the accident and/or incident analysis form, see Appendix 16.

7.2 Prevention Program

The prevention program is the second pillar of an OHS.

Prevention program relies on the jobs risks register. This register contains the list of jobs with specific risks associated with each job, including risks of accidents and risks of professional diseases, along with a list of periodic medical checks and required medical exams.

For example, an employee being regularly in contact with solvents (gasoline and others) should have a blood test every 6 months to measure the concentration of chemicals in one's blood.

The prevention program should be based on identified risks and contains a schedule of workplace inspections and tests, including first-aid kits inspection. This is to make sure that these are complete and no element has expired.

The prevention program should also integrate scheduled training sessions on first-aid techniques and annual refresher courses for first-aid responders.

Finally, the prevention program should include scheduled drills for all employees on hazards like fire, earthquake, typhoon, storm surge, and other hazards, as may be appropriate. The drill should comprise the correct reactions when emergency occurs, evacuation guidelines and plan, regrouping in safe places, and other similar emergency drills.

8

WORKFORCE RESTRUCTURING

8.1 Rationale for Restructuring

In many countries, government agencies and state-owned enterprises (SOEs) have been considered for decades as sources of political power. These were even used as job creation centers by some governments. In many instances, the result has been an inflated workforce regardless of the operations' needs and despite negative impacts on a company's bottom line.⁵

One root cause of overstaffing is also due to frontline managers' behavior. Even without additional workload, some managers have a natural tendency to complain about lack of staff and request budget increases for workforce every year.

According to recent researches, even in the absence of any change in the level of services provided, government agencies have a natural tendency to inflate. Even without any service expansion or introduction of any new program, the management, consciously or not, seeks additional staff year after year, which generally result in overstaffing. With time, this inflated workforce creates a heavy burden on the governments' wage bills, hence, this situation needs to be addressed.

In the majority of cases, the staffing structure (number, profile) is not always adjusted to reflect the company's changing realities, such as automation. Neither is this revised on a regular basis to make sure that the staffing structure is still in line with the changing needs. If left unadjusted, this creates potential ineffectiveness or inefficiencies within the company.

This reality has led many government agencies and SOEs to undergo workforce restructuring to align workforce numbers with the volume of operations

For many people, workforce restructuring is synonymous with downsizing. This is not exactly true. In many cases, workforce analysis may reveal overstaffing in some business units, understaffing in other business units, or inadequate skills mix in others.

Thus, having the right number of employees is as critical as having the right profile for each position. Having overqualified or underqualified employees is a potential risk to their daily work and is eventually reflected in the performance of their business units.

⁵ This is the case in Canada where recent research revealed a structural imbalance—where public sector growth is decoupled from demographic realities. Source: Canadian Federation of Independent Business. 2025. *The Federal Public Service Growth—How Big Is Too Big?* 10 July.

8.2 The Restructuring Process

Workforce restructuring should be based on a rigorous process that is considered credible and serious by various audiences (e.g., political authorities, the media, employees, and trade unions). A rigorous process will have a major impact on the acceptability and buy-in of the restructuring results, especially when this results in employee layoffs.

It is strongly recommended that the company or government agency creates an HR Restructuring Committee to properly execute the workforce restructuring plan. This committee should comprise (i) the head or deputy head of the HRM directorate; (ii) representatives from the Freight, Infrastructure, and Passengers departments or similar departments of the government; and (iii) the representative from the CEO's office, as the committee head. First of all, this committee will review the restructuring plan and recommend its adoption to the CEO. Then the committee will (i) closely monitor the progress of the restructuring plan's implementation; (ii) approve the strategies to be developed; (iii) approve the level of incentives; (iv) validate the list of employees to be terminated in the coming years, if any; (v) approve the payments for each termination; and (vi) approve the various components of the outsourcing scenario, if any.

The various steps in implementing a workforce restructuring are described below.

Workforce Analysis

Quantitative Approach

This step is to determine if any of the strategic business unit (SBU) is overstaffed, understaffed, or have the right number of workers. It will also look at the skills mix in each SBU and identify the gaps, if there are any.

There are two ways of conducting a workforce analysis. The first one is based on job analysis or the functional analysis principle. This is time-consuming but produce very reliable results and can hardly be disputed. Table 15 provides the list of activities to be undertaken, in sequence, to generate a comprehensive picture of an SBU's workforce situation.

Table 15: How to Conduct a Workforce Analysis

Activity	Process and Components
Appoint or designate the analysts' team.	Identify at least three analysts (one from the HRM unit, one from freight, and one from the infrastructure unit).
Train the analysts' team on the analysis technique.	Prepare the training materials and engage or designate a trainer to conduct the training session. Topics will include the process of workforce's quantitative analysis techniques and functional analysis techniques.
Collect relevant data from each SBU.	These will include (i) organizational charts; (ii) staffing structure; (iii) job descriptions; (iv) work processes; (v) tools and equipment; (vi) production targets; (vii) daily, weekly, monthly, and annual tasks; (viii) production statistics; and (ix) activity reports.

continued on next page

Table 15 *continued*

Activity	Process and Components
Review available documents and additional researches, as needed.	Collect and compile the documents for the team's review and for reference.
Complete the data collection and other relevant information.	Conduct sites visits, make direct observations, and do interviews with the staff and line managers.
Undertake a precise calculation of the number of employees (head count) that are required for each specific SBU activity.	Two approaches can be used: (i) Workload Calculation Approach (quantitative analysis), and (ii) Minimal Presence-Based Approach. ^a
Compare the resulting calculations with the existing staffing pattern.	Prepare a matrix table, identifying the staffing situation in each SBU. Highlight locations showing where workforce is in surplus while identifying SBUs showing gaps in numbers and specific skills.
Present the results to the management or proper authorities.	Schedule the presentation or submit the full report to the management.

HR = human resources, SBU = strategic business unit.

^a There are situations where workload calculation cannot be used. This is the case when the employee or staff must be on standby and wait for customers or patients to come and/or call, etc. This approach requires that the desired level of service to be provided be established: e.g., 8 hours/day, 24 hours/day, 5 days/week, 7 days a week, and so on. The analyst can then calculate the number of hours of presence needed, divided by the number of hours worked by an employee or staff to determine the number of workforce required. A typical example is the ambulance service.

Source: Author.

Benchmarking Approach

The second way to perform workforce analysis is by using industry benchmarks.

Many benchmarks already exist in the railways industry as global performance indicators or related to specific activities. Below are examples:

Global Performance Indicators

- ▶ The staff/kilometer (km) ratio can indicate a gross head count surplus within a company, by comparing this with other companies in the industry. However, this is a global indicator and does not provide specific information on which SBUs where the head count surpluses are located. Its main purpose is to reveal the problem and to justify a deeper investigation.
- ▶ The labor/productivity ratio (revenue ton-km per employee) can also indicate the gross head count surplus. However, this is a global indicator and does not provide the answer as to where head count surpluses are located. Just like the staff/km ratio, its main use is to reveal the problem and justifies deeper investigation.
- ▶ Other performance ratios—like operating expenses divided by operating revenues—do not provide usable information for workforce analysis.

Specific Performance Indicators

Some indicators can provide useful and usable information on a workforce situation. The following are some examples:

- ▶ No. of mechanics per locomotive for locomotive depots.
- ▶ No. of mechanics and/or welders per 100 wagons for wagons depots.
- ▶ No. of track fitters per km of rail for the infrastructure department.
- ▶ Percentage of workers allocated to traction and rolling stock.
- ▶ No. of information technology (IT) staff per 100 computers.
- ▶ No. of HRM staff per 100 employees.
- ▶ Others.

Specific indicators can also be found from various sources like railway operators' associations and railway consulting firms.

However, specific performance indicators must be used with a lot of caution. Technology used, along with the quality of tools and equipment, can play a critical role in the performance of SBUs.

For example, continuous welded rail, automated track maintenance equipment (like tampers), and electronic flaw detection will have a major impact on the Infrastructure SBU if labor requirements were reduced once restructuring is implemented, as compared with a railway company using older technologies. In the same way, the age and condition of the locomotives and wagons have a major impact on depots' performance ratios. Old locomotives, sometimes when nearing the end of their useful life, require intensive regular maintenance interventions. Meanwhile, a more recent rolling stock will require less maintenance intervention.

Comparison with Other Railway Companies

This indicator is frequently used when analyzing a railway company. It can be useful when comparing ratios to a more or less equally sized railway companies operating in a similar environment. This approach can help point out the significant differences in staff numbers in specific SBUs. This is where a more in-depth analysis (quantitative analysis) of that SBU will be required.

8.3 Options to the Restructuring Measure

Once the workforce analysis is completed, it may reveal different situations, such as

- ▶ Right staffing in some SBUs,
- ▶ Understaffing in some SBUs,
- ▶ Overstaffing in some SBUs, and
- ▶ Skills and/or competency gaps in some SBUs.

The discussions below offer the management several options on how to manage the analysis results. The task is usually under the HRM unit, department, or directorate.

8.3.1 Right Staffing

Right staffing means that an SBU has the exact number of workforce needed, with the right skills mix. No specific action is needed, except training programs that aim to maintain skills and competency levels of these employees.

8.3.2 Understaffing

Understaffing means that this SBU requires additional staff to deliver the expected performance. This can be resolved through the following options:

- ▶ **Internal recruitment.** This is done by posting vacancies within the company's premises or via intranet, which is the responsibility of the HRM's staffing unit. Qualified employees (with short or no training) can be appointed. Or an employee can be transferred from an overstaffed SBUs, provided that the duration of training is acceptable for the recipient SBU.
- ▶ **External recruitment.** This is done by posting vacancies outside the company through appropriate media, which is also the responsibility of the HRM's staffing unit.

This situation may lead to negative reactions from various audiences (e.g., political authorities, the media, and trade unions), who may not fully understand or accept that the company is recruiting new employees while, at the same time, dismissing others because of overstaffing. This issue will be addressed in next section under the topic on Communication Strategy.

8.3.3 Overstaffing

Overstaffing is the most frequent conclusion of a workforce analysis in SOEs. The reasons were discussed at the beginning of this section. And this is also the most sensitive one. This is why restructuring measures must rely on a set of options that will mitigate, as much as possible, the negative impact of such measures. Various options that may be undertaken are described below.

Attrition and/or Hiring Freeze

Attrition is an HRM practice that involves the abolition of vacant positions resulting from employees' normal departures (resignation, retirement, or death). The position is abolished upon the departure of the incumbent, contributing directly to workforce reduction.

In some cases, the vacancy created by an employee's departure is essential to the efficient functioning of that SBU. Best practice recommends that the vacant position be filled by internal recruitment or employee transfer from another unit, and then, this new vacant position resulting from such movement be abolished. This process can be cascaded up to 2 or 3 times, which will ultimately result in workforce reduction.

Advantages

Attrition and/or hiring freeze is a soft measure that allows workforce downsizing without dismissing employees.

This option is considered to have no negative impact on the labor market and a country's level of unemployment. This is generally accepted and received with more favorable reactions from political authorities, trade unions, and the media rather than outright layoffs.

Disadvantages

Some trade unions may react adversely to such measure that would negatively affect their membership and their union dues.

Depending on national and/or local labor laws, obliging employees to retire when they reach normal retirement age may be prohibited by legislation. In such cases, employees reaching normal retirement age are eligible to be paid their full pension immediately, regardless of their decision to stop working or would like to continue. In such cases, some incentive measures, such as significant downpayment in exchange for resignation, can be explored. The amount of downpayment may vary based on the specific, local context.

For some critical positions, the retirement of incumbent employees will require the preparation of successors, which may necessitate some formal and on-the-job training. Such a succession plan must be prepared in advance.

Early Retirement Scheme

Early Retirement Scheme (ERS) is a proactive measure by which employees that are 5 years or less close to retirement age are offered the possibility to immediately go on retirement with full pension, without any losses resulting from this early retirement. The company management can sign an agreement with the pension fund and compensates the pension fund for related disbursement from such early retirement until employees reach normal retirement age.

Disadvantages

This measure is implemented on a voluntary basis and, therefore, is considered socially acceptable.

ERS is also very easy to apply. Using employees' database, the HRM unit, department, or directorate can calculate the age of employees using their day and year of birth. Calculations are made jointly with the Pension Fund for payment of appropriate compensation or pensions to employees without actuarial reduction (this is mandatory, otherwise the program will not work). The compensation check is sent to the Pension Fund according to the signed agreement (monthly, quarterly, annually, etc.) and the processing is finalized. However, the employer is always obliged to compute and liquidate holidays and leaves that were not used, employees' debts, and others. To benefit from the early retirement program, an employee's signature on a legal document is also mandatory—where this employee gives final clearance to the employer.

ERS is a very fast process. Once the scheme is agreed between the employer and the Pension Fund, preferably with the trade union's knowledge, this can be quickly implemented and, eventually, downsizing of the workforce will take effect. The level of downsizing will depend on the company's pyramid of age.

ERS do not create additional unemployment within the country. Beneficiaries of ERS will continue to receive monthly income for the rest of their life, which is more socially acceptable than layoffs.

Finally, trade unions are less prone to refusing a retirement option for their members. Thus, ERS is more easily accepted by trade unions as a means to downsize the workforce.

Disadvantages

The main disadvantage of this measure is that ERS is usually offered at-large throughout the railway company. Meanwhile, in the majority of cases, overstaffing is not spread evenly in a company. There is a risk that some employees leaving on ERS would create an understaffing situation in some units and/or services, while overstaffed units and/or services may remain overstaffed because the employees may not be willing to take the ERS package. An ERS scheme cannot be selective and may not resolve the overstaffing problem precisely where it is located. Therefore, selection criteria and certain limits must be embedded into the ERS scheme.

The next disadvantage is that a company will have to compensate the state's Pension Fund for employees choosing this option until they reach the normal retirement age. It may represent 1–5 years for employees eligible for that option. In many countries, their state's Pension Fund may not be familiar with this tool. This would require extensive coordination work with the state's Pension Fund to achieve such a deal. It may even require that pension legal laws be modified to allow this scheme in some countries.

Since state pensions are usually low, a strong ERS incentive must be offered to targeted employees to entice them to avail, and this could represent a significant burden to a company's finances.

Voluntary Separation Scheme

Voluntary Separation Scheme (VSS) consists of offering a severance payment that is more generous than what is prescribed by the local legal framework (e.g., Labor Code, Collective Agreement). An example is if the country's labor code stipulates a 2-months' notice plus a one-month salary, the VSS may offer a global package of 6 months down payment as an incentive to resign, instead of awaiting dismissal with only 2–3 months compensation payment.

Another option is to align the severance payment to the duration of employment. Employees with 25 years of seniority would receive more than employees with 5 years of seniority (e.g., 18 months vs. 6 months of salary).

The severance check is handed to the concerned employee upon signing of a legal document containing mutual agreement on employment contract termination, final clearance to the company, remittance of company belongings (keys, access card, etc.), and other legal aspects.

Advantages

The first advantage is that VSS is easy to apply. Using employees' database, the HRM unit's staff calculates the following: the years of service multiplied by the number of months allocated by the scheme, multiplied by the salary to be considered (usually an average of last 6 months earnings or similar). A check is remitted to the employee in exchange for his signature on a legal document that gives final clearance to the employer or company.

The second advantage is that VSS is a very fast process. Once an agreement is reached with the trade unions, this can lead to a very quick and natural downsizing of the workforce.

Disadvantages

There is a negative effect for some employees who may not find a new job afterwards, thus leading to hardship and poverty. As has been observed almost everywhere, for the majority of beneficiaries, compensation money is spent on all sorts of needs—for real, basic goods but most of the time, on needless spendings and personal luxuries. After a few months, usually between 6–12 months, the retrenched employees find themselves with bank accounts empty, no savings, and no more revenues. Then they enter the poverty cycle. However, a training program on financial literacy and personal financial management and planning could mitigate the negative effects for these employees.

For companies, there are also disadvantages. The first one is the risk of brain drain. Usually, the most qualified employees, the ones who are sure to readily find another job in the private sector, are the first one to take the check and go. This creates “holes” among the most skilled categories and the management seeing the most productive employees go.

Another disadvantage is that VSS usually address overstaffing globally in a company. In most cases, overstaffing is not spread evenly among the SBUs. There is a big risk that if more than the desired number of employees will avail themselves of VSS, this will create an understaffing situation in some units and/or services. Meanwhile, overstaffed units may remain overstaffed because employees may not be willing to take the VSS package. Since the VSS scheme is not selective, it may not resolve the overstaffing problem in the unit where it exists—if there are no restrictions.

This is why the VSS must be selective. The company must precisely identify which services or units are overstaffed, and which positions or job titles are in surplus. This will allow a targeted design of the VSS package and avoid inconveniences as described earlier. Therefore, employees’ applications to the VSS cannot simply be accepted if the units or services are being right-sized. Also, VSS application from incumbents who are holding qualifications deemed essential or in demand cannot also be accepted.

There can also be a risk of seeing some retrenched employees coming back after a couple of years and pressuring the company for additional compensation since they are now without any income, as explained earlier. They may start making street protests, followed by intense lobbying among the opposition political parties. The mass media could jump in by covering these street events, and then the company would have to deal with a very sensitive situation. Involving trade unions in the design and implementation of the VSS is strongly recommended to mitigate such backlash.

VSS schemes, combined with other options, can be very useful in situations where significant retrenchment must be considered, but with appropriate safeguards. The following should be considered:

- ▶ The VSS program must be selective. The company must precisely identify which services or units are overstaffed, and which positions or job titles are in surplus. The acceptance of applicants should be exclusively limited to those situations.
- ▶ The program must set clear limits. When the desired number of applicants has been reached, the program must be closed.
- ▶ The level of incentive must consider the level of salaries paid by the company and the local cost of living to ensure a reasonable package for retrenched employees. It should give them enough time to turn around and find other sources of income.

Outsourcing of Noncore Activities

This option considers the outsourcing of activities such as housekeeping, building security guards, building maintenance (electricity, plumbing, carpentry, painting), cleaning and maintenance of freight and passenger stations, and other already existing external operators.

It is usually done through an open and competitive tender process with well-defined terms of reference (TORs) that describe the obligations of the contractor. The contractor must qualify by demonstrating ones experiences in the field of activity to be outsourced, showing proof of its financial strength,⁶ and a list of clients who can be contacted to check service satisfaction.

In this scenario, the company transfers the entire staff dedicated to the activity outsourced to the external contractor and the latter commits to keep the transferred staff for a minimum period of time (usually 3 years). It is important to note that what is transferred is the execution of the activity itself, not the responsibility of the activity. For example, if buildings security is outsourced, the company remains fully responsible for security and must monitor the execution of building security activities by the external contractor.

Outsourcing will require formal procurement contracts with private operators. TORs have to be comprehensive and will cover the detailed aspects of the service to be delivered. These include activities have to be performed, when, frequencies, standards for tools and products to be utilized, if any, minimal number of staff to be present (mostly for security) in each location and per shift, staff qualification, and others.

A minimal guarantee must be provided by the private operator on the number of transferred employees, and the minimum number of years these employees will be retained.

Advantages

Outsourcing is generally seen as a means for a company to focus on its core business. By doing so, it becomes more efficient in its production and/or service delivery. At the same time, it is expected that outsourced activities will be executed in a more efficient manner by the contractor for which these activities are its core business. Finally, outsourcing activities in a competitive market can, in the long run, result in company savings.

Disadvantages

There is a risk that outsourcing may not deliver expected benefits. In a market where competition is not working well, the risks are as follows:

- ▶ If there is only one player, the activity would be outsourced to a monopoly with all the risks related to this monopolistic situation (price manipulation, poor service delivery, etc.).
- ▶ If there are only 2–3 players, an oligopoly situation could lead to collusion among players to fix the prices, no incentive to compete on the quality of service provided, and others.

⁶ This is usually done by presenting the last 3 years of audited financial statements.

8.3.4 Competencies and Skills Gap

Skills gaps, as revealed by a workforce analysis, can be resolved in two ways.

- (1) **Retrain the existing staff.** This option is feasible when the retraining duration is relatively short, like a few months. When retraining requires 1–2 years, usually outside the company, then this is not really feasible.
- (2) **Dismiss or transfer existing staff.** This option can be considered if the employee's profile match the job requirements in another SBU and where there's a need to beef up the workforce. The next option is to recruit new employees with adequate skills and appropriate profile.

The second option is more delicate to manage since many people will not understand why a company is doing layoffs while recruiting new employees. The communication strategy, to be discussed later, will be very important in such a scenario.

8.4 Implementing the Restructuring Measures

In many countries, the railways company is one of the largest state-owned enterprise (SOE), along with water and electricity utilities. It is expected that the announcement and implementation of a staff rationalization plan is generally met with negative reactions within and outside the company or government agency. Even if the plan consists of socially responsible and voluntary measures, it may trigger public discussions in society and can impact the level of employment in the local labor market. This is why some mitigation measures should be part of the restructuring program, along with an effective communication strategy.

8.4.1 Mitigation Measures

Measures described below aim to help retrenched employees to find another job within or outside the company, in the country's labor market, where they can remain productive.

Relocation Program

Staff relocation within the same department, same sector of activity, or to another department is a powerful means of employee downsizing. This generates few negative effects. In some cases, there may be clusters of overstaffing in one unit or department while another department may be understaffed. Also, some departments may be in need of specific skills and competencies that would be in surplus in another department. Retraining is sometimes necessary, or it may be unnecessary. The workforce analysis described earlier in this chapter is needed to determine where there is overstaffing and understaffing, and the conditions for staff relocation.

However, this measure requires a certain degree of caution. Relocating employees that are close to retirement is not recommended. Time and money spent on relocating a worker who will retire a few years later may not be cost-effective.

Advantages

Staff relocation is one of the most socially acceptable measures in workforce restructuring programs. It does not create unemployment and helps maintain retrenched employees' income in the long run. It also helps rebalance the staffing structure when relocated employees fill in the gaps within the same company. Therefore, staff relocation is considered as the best option for reducing employee surpluses. It is generally well accepted by trade unions and by the employees themselves.

This measure is also relatively cheaper when workers are simply relocated within the same geographical location. This avoids added costs for moving workers' families and belongings to another location.

Finally, this is a powerful tool when business is growing and expanding, as could be the case for railway companies in countries covered by the Central Asia Regional Economic Cooperation Program (CAREC).

Disadvantages

First, this measure may not be so useful if the majority of SBUs are overstaffed and relocation would not significantly reduce employee surpluses.

Second, this measure requires a sound analysis of staffing structure to determine precisely where the surpluses are and where there are gaps. This is why workforce analysis, as discussed earlier, is of paramount importance and must be conducted with utmost rigor.

Third, the matching of required skills and competencies may not be adequate. Redundant employees may not necessarily possess the required skills and competencies needed to fill the gaps.

However, retraining may help resolve this constraint, as described in next section.

Retraining Program

Employee retraining aims to develop new skills and/or knowledge to facilitate the reemployment to a new job in another company, or even but rarely, within the same company.

To determine which sectors of the economy are in demand for manpower, a labor market analysis is required. This will point out which type of skills and/or qualification are in demand. This program will also require a good Technical Vocational Education and Training (TVET) infrastructure and support.

This type of measure requires a minimum level of education for an employee to be retrained. For example, it is not realistically feasible to train an illiterate worker to become an electrician as he or she will not be able to read plans and quotations within a reasonable time frame.

This is why this measure requires analysis of employees' personal profiles in each department and/or service. It also includes an analysis of the company's actual and future needs for various technical jobs, and a macro-analysis of the local labor market's actual and future needs. In many countries, the Ministry of Employment has already this information at hand.

The designated HRM team must develop the final program and launch the retraining offer to employees of identified departments. Sound preparation with appropriate communication strategy, with support from the training facilitators, should be able to attract qualified applicants.

Retraining workers that are close to retirement is not recommended. Time and money spent on retraining a worker who will retire few years later is not advisable. The cost–benefit is negative given the number of remaining productive years for employees close to retirement.

Advantages

Employee retraining is one of the most socially acceptable measures in SOEs reform programs. It does not create unemployment in the long term if these employees are retrained in line with local labor's market demand. It helps maintain the incomes of retrenched employees' in the long run while helping fill in skilled workers' gaps in the country's labor market. Thus, retraining is considered the best option for mitigating negative impacts of workforce restructuring.

Employee retraining can also help the company internally, in terms of rebalancing its staff structure. If some SBUs are experiencing staff shortages in specific skilled jobs, retraining some of the surplus staff in other units or departments for reassignment to understaffed units would help resolve the problem. Most of the time, the needs are for technicians and qualified workers like millwrights, electricians, and information technology (IT) technicians and programmers. These skills retraining can be achieved within reasonable period of time (e.g., 9–12 months).

Disadvantages

Developing retraining programs demand a lot of efforts. However, the number of employees who will be interested in this retraining option could be too small. Before going further with such a program, it is recommended that a survey be conducted among the line managers in each department to assess how many employees could be potential and willing candidates for the retraining program.

Arrangements need to be negotiated with TVET institutions to secure teachers and/or facilitators, prepare workshop-related materials for each profession, and have the financial aspects approved.

For specific railway professions, in the absence of an in-house training center, arrangements need to be coordinated with the closest railways training center, which may be costly. These include tuition fees, transport, lodging, per diem, and other incidentals.

Self-Employment Creation Program

- ▶ This option is advantageous to an individual employee—or a small group of 3–5 employees—who are willing to start their own business. There are numerous possibilities: a small workshop (mechanic, electrical, small maintenance); construction; IT shop; a small convenience shop; small farming; passenger wagons' washing and maintenance (painting, flooring, upholstery); and many others depending on the geographical context. This option requires training on how to start and operate a small business. The International Labour Organization (ILO) offers support and have programs for that. In some countries, there are government-sponsored programs already existing for entrepreneurship and microcredit facilities.

The starting capital could come from the separation payment and eventually from microfinance loans, donors' grants, and other sources.

Example: A railway company created small catering enterprises operated by retrenched employees, providing catering (snacks and drinks) and sundries shops in railways stations. The same company also created small-farming enterprises operated by retrenched workers (small palm oil tree plantations, small vegetable farms, etc.) and gave them the opportunity to sell their products in railway stations.

Advantages

- (1) On retraining and relocation schemes, this option is largely accepted by all stakeholders, including trade unions in the majority of countries where it has been implemented. The main reason for its largely social acceptability is because this approach helps mitigate unemployment resulting from massive staff reduction programs.
- (2) The second advantage is the possibility given to employees with entrepreneurial spirits and mindset to start their own business and, eventually, grow and expand their business.
- (3) The third benefit is that it contributes to creating a network of small businesses within a country, which is deemed better than few large enterprises—for the stability of country-level employment.

Disadvantages

First, the self-employment program does not intend to help thousands of employees. By its very nature, this is intended for a small number of employees with an entrepreneurial mindset. This program would be able to kick-start their own businesses. Hence, as a mitigation measure, the impact in numbers may be small, but the subjective impact may be much greater. It would show that the company's global approach to retrenchment is based on good governance and sense of corporate responsibility, which contributes to enhancing the social buy-in of the entire project.

Second, implementing such programs requires a lot of work. Putting in place a team to manage the program; carefully designing the program with immediate and midterm support for the budding, new entrepreneurs; defining the financial aspects and the risks taken (e.g., downpayment from the entrepreneur, working capital, basic investment for acquiring basic assets, etc.); negotiating agreements with various sectors (such as the Ministry of Economy, microfinance institutions, and others); selling the program to employees and their representatives; and many others. This is a great program but it requires considerable effort to be launched successfully.

If significant support (financial, business counselling) is not provided to the new entrepreneurs at the initial stage, and to continue for 2–3 years after start-up, the risk of failure is high. And, if the number of failures is too high, the program will lose its credibility.

Finally, this scenario will require a significant amount of legal work from the company's legal division. There will be negotiations with the trade union, preparation of TORs, preparation of contracts, support for employees in establishing their new company or shops, shareholders' agreement, and many related more related documents.

An autonomous unit to implement this measure is recommended. This is based on the small business incubator model, with the participation and/or support from the country's Ministry of Economy, the ILO, International Finance Corporation (IFC), and other donors. This unit will need the mandate to perform all activities related to this scenario—a communication plan, meeting with concerned employees, discussions with trade unions, organizing training and coaching activities, setting up the required financing, and many others.

8.4.2 Implementation Strategy

A global road map is needed—with a timeline that timely matches with the technical changes that will take place in the various units or departments. With the various components of the retrenchment program, all these must be prepared very rapidly by the HRM team or committee. For example, if an SBU is planning to cut 500 jobs next year, the team or committee must plan the various options well in advance. This will allow enough time to conduct preparatory activities and launch the various components of the possible scenarios—enough time to ensure that retrenchment will take place in the targeted year.

However, of great importance will be the design and implementation of an effective communication program. This will support the buy-in of the retrenchment plan and the acceptance of such change by the company employees, trade unions, political authorities, the media, and the population in general. This will require (i) an elaborate and targeted communication strategies for various audiences, (ii) definition of key information to be assembled and disseminated to these audiences, (iii) testing of messages with focus groups, (iv) and a sound agenda for implementing the communication plan. Moving forward with retrenchment measures, even if soft as they may be, yet, without appropriate communication strategy and plan to mitigate negative reactions, it will be a major risk. A local communication expert, who is familiar with the specificities of the country, needs to be recruited to elaborate the communication strategies and guide the company in conducting the communication campaigns.

Appendix 17 provides a structured approach for the formulation of a communication strategy.

APPENDIX

1

HUMAN RESOURCES MANAGEMENT DECENTRALIZATION MATRIX

Table A1: Human Resources Management Decentralization Matrix

Key Objective	Task	Branch HR Office	Main HR Office
Recruitment and Mobility			
Staff Planning	Determine the staffing needs. (3-year horizon)	Collect staffing needs, such as: <ul style="list-style-type: none"> – planned departures, – long-term leaves, and – changes in workload. 	Provide support. Analyze needs and validate.
	Prepare the staffing plan by integrating external and internal recruitment.	Prepare succession plans and career plans. Prepare internal recruitment plan.	Provide support. Review and validate plans.
		Prepare external recruitment plan.	Provide support. Review and validate the plan.
		Review and comment on the staffing plan.	Draft the company staffing plan.
	Draw up and implement a multiyear staffing plan.	Have the staffing plan approved by the top management.	Review, endorse, and get the approval of the top management.
		Implement the approved staffing plan.	Monitor implementation and provide support.
Job Description	Prepare a job description form.	Provide the inputs.	Develop a job description form.
	Elaborate and/or explain the job descriptions.	Complete the forms (through interviews, direct observation, and others).	Provide support. Monitor the process. Integrate this form with the positions' database and the employees' personal files.
		Update this form whenever there are changes in the jobs' description.	Review and analyze the updates. Validate and integrate any changes in the positions' database and employees' personal files.

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Table A1 *continued*

Key Objective	Task	Branch HR Office	Main HR Office	
Internal Recruitment and Staff Mobility	Announce vacancies for internal recruitment.	Identify vacancies. Prepare internal jobs postings.	Provide support. Review and validate vacancies and postings. Ensure that postings are company-wide.	
	Undergo the process of internal recruitment.	Review internal applications. Organize a selection committee that include the line managers.	Receive internal applications. Provide support and monitor the internal selection process. Validate internal selection results. Finalize internal selection and make the results official.	
	Integrate successful internal applicants into the new job.	Prepare a calendar for integration. Initiate the welcoming of the successful applicants. Perform the induction process. Monitor the probationary period. Discuss with the line managers the completion of this period and the assessment form. Complete the assessment form and transmit this to the main HR office.	Validate the calendar. Provide support. Provide support and monitor the induction process. Provide support and monitor the process. Validate and confirm the appointment or rejection of the applicant.	
	Develop career management and succession plans.	Identify, jointly with the line managers, the critical positions that require the preparation of succession plans.	Identify, jointly with the line managers, those employees with high potential to move up from their incumbent position.	Provide support and monitor the process. Validate the succession plans.
		Identify, jointly with the line managers, those employees with high potential to move up from their incumbent position.	Provide support.	Provide support.
		Prepare, jointly with those potential employees, their individual career plans and transmit these to the main HR office.	Monitor the process and validate individual career plans. Integrate career plans with the employees' personal files.	Monitor the process and validate individual career plans. Integrate career plans with the employees' personal files.
		For vacancies occurring in SBUs, apply the succession process and refer to the employees' career management plans. Consider possible successors and potential employees to fill in the vacated positions.	Provide support and monitor the process. Validate and officially confirm the succession process and appointments.	Provide support and monitor the process. Validate and officially confirm the succession process and appointments.

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Table A1 *continued*

Key Objective	Task	Branch HR Office	Main HR Office	
External Recruitment	Announce the vacancies.	Identify the vacancies.	Validate and confirm the vacancies.	
		Prepare the job postings. Identify the areas or locations for posting and the medium to be used (e.g., poster, flyer, banner, intranet or company website, etc.)	Validate and confirm the job postings. Review and approve the suggested posting locations and the medium to be used.	
			Proceed with the vacancy announcements.	
	Conduct preliminary screening.			Receive applications. Conduct preliminary screening.
		Review the qualified applications jointly with the main HR office.	Review qualified applications jointly with the branch HR office	
		Collaborate with the main HR office in organizing the required testing.	Organize and conduct the testing.	
		Collaborate with the main HR office in analyzing test results and in assessing the list of eligible applicants.	Analyze test results and prepare the final list of potential applicants, jointly with the branch HR office.	
	Undertake the shortlisting of applicants.	Collaborate with the main HR office.	Determine if additional testing is needed to shift the preliminary shortlist of applicants.	
		Collaborate with the main HR office.	Organize the subsequent round of testing, as may be needed.	
		Collaborate with the main HR office.	Assess the second test results and determine the shortlist.	
			Proceed with reference checking.	
		Collaborate with the main HR office.	Finalize the shortlist.	
		Collaborate with the main HR office.	Set up a selection committee and organize the process (agenda, venue, date, and other actions needed).	
		Collaborate with the main HR office.	Convene the shortlisted candidates and proceed with the selection process.	

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Table A1 *continued*

Key Objective	Task	Branch HR Office	Main HR Office
	Conduct the company's selection process.	Lead the interviews.	Provide support and monitor.
		Lead the post-interview discussions.	Provide support and monitor.
			Agree on the final decision.
			Communicate the final decision to the shortlisted applicants. This will trigger the hiring process.
	Implement the company's hiring process.		Start the hiring process and communicate this to the specific SBU HR office.
Welcoming and Induction	Welcome the new employees.		Receive the successful applicants.
			For the welcoming session, present the company's profile; provide general information; answer the employees' queries or clarifications, if any; explain the employees' handbook; have them sign the contract; and others.
	Perform the induction process for new employees.	Welcome the new employees.	Provide support and monitor.
		Orient the new employees to the receiving SBU's functions, rules, work schedule, attire, etc.	Provide support and monitor.
		Discuss and explain their specific job descriptions. Inform them what the company expects for their job performance. Inform new employees on their probationary period.	Provide support and monitor.
		Show the new employees their workplace and present them to their work colleagues.	Introduce the new employees to their receiving SBUs.
	Perform a handover to their direct supervisors.	Monitor.	
Finalization of recruitment	Undergo and observe the probationary period.	Monitor the new employees' probationary period.	Monitor.
		Conduct mid-probationary period appraisal jointly with their immediate supervisor.	Provide support and monitor.

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Table A1 *continued*

Key Objective	Task	Branch HR Office	Main HR Office
		Conduct an appraisal of their completed probationary period, jointly with the immediate supervisor. Provide the main HR office with the appraisal results.	Provide support and monitor.
			Confirm the acceptance or termination of the new employee. Inform all concerned parties (payroll, personnel, administration, etc.) of the decision.
Departures	Implement the departure process.	Conduct departure interview with the employee who is leaving.	Provide support and monitor.
		Collect all company belongings (keys, ID, pass, tools, etc.).	Monitor.
		Complete all required forms for closing the employee's file.	Monitor.
		Inform all concerned parties.	Monitor.
Staff Development and Performance Appraisal			
Training	Develop the Corporate Training Policy.	Collaborate for the policy's implementation.	Develop and implement the Corporate Training Policy.
	Develop a training needs assessment (TNA) and corporate guidelines and tools.	Collaborate for the TNA results' implementation.	Develop and implement the TNA and the corporate guidelines and tools.
	Conduct the TNA survey to identify employees' training needs.	Conduct the TNA survey among the employees.	Support and monitor.
	Analyze the results of the TNA survey.	Collaborate.	Conduct the TNA analysis.

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Table A1 *continued*

Key Objective	Task	Branch HR Office	Main HR Office
Conduct the approved annual and pluri-annual company training plans.		Collaborate.	Use the TNA results to develop the annual and pluri-annual company-wide training plans.
		Collaborate. – Inform SBU managers of the training schedules. – Propose adjustments in the training schedules to the main office, as may be necessary.	– Coordinate the conduct of the annual training plan. – Determine training providers (company training center if any, external companies, internal sources). – Draw up the training session schedules.
			Organize logistics for the training sessions (e.g., outsourced trainers or facilitators, venue, equipment, food and beverages, etc.)
		Prepare a scheme to measure improvements in employees' performance after each training.	– Collect data on performance for employees who attended trainings. – Monitor and support the SBU's HR office, as needed.
			– Prepare and produce statistics on training results. – Disseminate such results to guide relevant officers and to align future trainings with the company's needs.
		Collaborate with the main HR office.	– Assess trainings annually to determine the company's training performance in the global context. – Determine if the company needs to adjust and keep up with international standards in the same sector and/or industry.
	Conduct the induction program.	Collaborate with the main HR office.	
Proceed with the induction of the newly appointed employees.			Support and monitor.
Follow up with newly recruited employee and immediate supervisor during induction, resolve issues, if any, or refer to the main office.			Support and monitor.

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Table A1 *continued*

Key Objective	Task	Branch HR Office	Main HR Office
Appraisal	Develop and implement the company's Appraisal System.	Collaborate in preparing and implementing the system.	Develop and implement the company's Appraisal Policy and System.
		Ensure that all employees in SBUs undergo a yearly appraisal.	Monitor the implementation.
		Follow up with line managers, distribute appraisal forms.	Monitor the implementation.
		Provide support to the line managers in performing appraisal interviews.	Provide support, as needed.
		Collect completed appraisal forms and analyze the contents.	Monitor and provide support.
		Ensure that the appraisal outputs are used as inputs to the TNA.	Monitor the implementation.
		Review the other aspects related to employees' performance (appropriate tools, appropriate supervision, work environment, etc.). Make recommendations and follow-up.	Monitor and provide support.
		Receive employees' complaints, analyze, and trigger the appeal mechanism, as needed.	Monitor the process.
		Follow up the appeal process, and send reminders, as needed.	Monitor the process.
		Collaborate with the main HR office.	Implement the decision from the appeal mechanism or appeal committee.
Support for employees		Collaborate with the main HR office.	Develop and implement the company's Employees' Support Policy and Program.
		Collaborate with the main HR office.	Develop specific support program for train drivers (freight, passengers, and infrastructure heavy machinery).
		Receive employees' requests and organize appointments with specialists, as needed.	Monitor the process.
		Follow up those cases requiring more intensive support.	Monitor the progress.

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Table A1 *continued*

Key Objective	Task	Branch HR Office	Main HR Office
Compensation			
Remuneration	Develop the company's Global Compensation Policy and Reward System.	Collaborate with the main HR office.	Implement the company's approved Global Compensation Policy and Reward System.
	Develop the company's Job Evaluation and Grading (JEG) System.	Provide support.	Develop and implement the JEG system.
		Collaborate and provide support.	Review gradings on a regular basis (e.g., new jobs created, job content modified, etc.).
	Review the salary grid or pay grade structure.	Collaborate and provide support.	Develop and maintain the company's salary grid (i.e., Grades and Steps).
			Perform simulations with various scenarios to measure the impact on the company's wage bill.
		Collaborate with the main HR office.	Perform regular salary surveys in the local labor market.
		Collaborate with the main HR office.	Apply the new salary grid to the company's employees.
		Adjust employees' salary grid following their recruitment, promotion, or demotion.	Monitor and provide support.
	Review and apply the fringe benefits, as approved by the company.	Collaborate with the main HR office.	Review the company's Fringe Benefits compensation component and adapt this to the local labor market realities.
			Perform simulations with various scenarios to measure the impact of any fringe benefits on the company wage bill.
		Adjust employees' benefits following recruitment, promotion, or demotion.	Monitor and provide support.
		Manage fringe benefits at the SBU level (holidays, leaves, premium for insurances, etc.)	Monitor for correct application.

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Table A1 *continued*

Key Objective	Task	Branch HR Office	Main HR Office
	Develop the company's Rewards System for top management's approval.	Collaborate with the main HR office.	Develop the criteria and implement the company's approved Reward System for the best performers among the employees.
			Propose an appropriate percentage of the company's wage bill to be allocated to the Reward System on a yearly basis.
		Apply the approved Reward System at the SBUs, based on the reward system's criteria.	Monitor and provide support.
Salary administration	Develop the payroll guidelines and its appropriate administration.	Collaborate with the main HR office.	Develop and implement payroll administration rules and guidelines.
			Manage payroll for units at the central office.
		Manage payroll at the SBU level.	Monitor and provide support.
		Collaborate	Ensure that company-wide analysis and reporting on remuneration issues are regularly reviewed.
Personnel Management			
Motivating employees' to excel and achieve peak performance	Develop the company's motivation strategy.	Implement the strategy at the line managers' level.	Develop the company's global approach to motivate employees to excel in their job performance.
		Collaborate with the main HR office.	Organize employees' motivation events.
	Conduct an employees' satisfaction survey.	Collaborate with the main HR office.	Develop and implement an annual employees' satisfaction survey.
		Collaborate with the main HR office.	Develop and implement an action plan based on survey results.

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Table A1 *continued*

Key Objective	Task	Branch HR Office	Main HR Office
Communication	Communicate with the employees.	Collaborate with the main HR office.	Develop a corporate communication strategy, communication plan, and related communication tools specifically for employees.
		Collaborate with the main HR office.	Implement the the plan and disseminate the information company-wide to the employees.
Personnel management	Manage labor relations.		Receive complaints from employees at the central level, investigate and provide the company's response or position.
		Receive complaints from employees at the SBU level, investigate and provide company's position. Pass on suggestions received to the main HR office.	Monitor and provide support.
		Participate when a specific SBU is concerned, collaborate and provide answers as needed.	Hold regular meetings with employees' associations to discuss matters of general interest for the company.
		Collaborate with the main HR office.	Prepare and conduct collective bargaining and collective agreement renewal.
	Implement discipline management.		Receive complaints from line managers for units at the central level. Investigate, analyze, and impose disciplinary measures as needed.
		Receive complaints from line managers for units at the SBU level. Investigate, analyze, and impose first-level disciplinary measures (e.g., verbal, and written warning) as needed. Refer cases requiring other measures to the main HR office.	Monitor and provide support. Manage cases requiring second-level disciplinary measures, such as suspension and/or dismissal.
			Provide support and coaching to line managers (for units at the central level) for managing problematic employees and/or situations.

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Table A1 *continued*

Key Objective	Task	Branch HR Office	Main HR Office
		Provide support and coaching to line managers (for units at the SBU level) for managing problematic employees and/or situations.	Monitor and provide support.
	Monitor absenteeism.	Collaborate and collect necessary data.	Develop a statistical analysis model for employees' absenteeism, publicize results, and implement appropriate penalties.
		Collaborate with the main HR office.	Develop and implement a set of tools to control or resolve outstanding cases.
		Meet with problem employees and the supervisor and implement control measures.	Monitor and provide support.
	Compile and maintain employees' records and databases.	Collaborate and provide inputs to employees' records as changes (i.e., improvements or deterioration) occur.	Develop, implement, and maintain employees' record system and databases at the central level and in branch offices or regions.
		Collaborate and apply the appropriate policies.	Develop and implement the company's policy on confidentiality and access rights to employees' records and databases.
		Collaborate and apply the appropriate policies.	Ensure access of employees to their own personal files.
	Prepare the necessary statistics and reporting (analytics).	Collaborate and provide inputs, as necessary.	Develop and prepare monthly, quarterly, and annual reports and statistics on HRM.
		Collaborate and provide needed inputs.	Develop forecasts models for short-, medium-, and long-term HR needs and trends.
			Develop and implement HRM performance indicators.
Occupational Health and Safety (OHS)	Register and point out risky positions.	Collaborate and collect the needed data.	Prepare a list that indicates and puts on record the risky positions.
	Develop the company's OHS program.	Collaborate and implement the components of the prevention program.	Develop and implement a prevention program for risky positions.

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Table A1 *continued*

Key Objective	Task	Branch HR Office	Main HR Office
		Participate in meetings.	Organize the OHS Committee that implements the program and schedule a regular meeting for OHS updates.
		Participate in inspections.	Develop and implement systematic and regular workplace inspections.
		Collect the appropriate data.	Prepare a statistical report for work accidents, incidents, and near-accidents.
	Monitor and manage the resolution of OHS cases.	Participate in the activities.	Follow-up on OHS related leaves, control duration, and reasons for leaves
		Implement the policies related to the OHS program.	Manage the process of lighter work assignments for disabled employees.
			Monitor and provide support to the OHS program's implementation at the SBU level.

Notes:

- a. A regular coordination meeting between the main HR and branch HR offices is strongly recommended, to be held (once a month, etc.) to ensure consistency and company-wide interpretation and application of HR policies, rules, and guidelines.
- b. The decentralization process of branch HR offices must be accompanied with intensive trainings on the company's HR policies, rules, management techniques, and others.
- c. The decentralization process should be progressive, that is, one HR process at a time.

Source: Author.

APPENDIX

2

EXAMPLE OF METHODOLOGIES FOR CREATING POSITION NUMBERS

The following are some examples of how the HR office can create position numbers for a railway company.

1. Directorate level (or equivalent): Two digits (00–99)

Chief Executive Office	01
Infrastructure	02
Freight	03
Passenger	04
Commercial	05
Finance	06
	07
	08
	09
	10
	Etc.

2. Department level (or equivalent): Next two digits (00–99)

Example for Infrastructure:

Bridges/structures	01
Signaling/telecommunications	02
Track	03
Power supply	04
Buildings	05
	06
	07
	08
	09
	10
	Etc.

3. Division level (or equivalent): Next two digits

Example for Signaling/Telecommunications:

Region/District A (Name of region)	01
Region/District B (Name of region)	02
Region/District C (Name of region)	03
Region/District D (Name of region)	04
Region/District E (Name of region)	05
Region/District F (Name of region)	06
Region/District G (Name of region)	07
Region/District H (Name of region)	08
Region/District I (Name of region)	09
	10
	Etc.

4. Position (for Signaling/Telecommunications): Next three digits

Example for Region A:	
Head of Region/District	001
Deputy Head of Region/District	002
Chief Engineer	003
Engineer	004
Engineer	005
Engineer	006
Engineer	007
Inspector	008
Inspector	009
Inspector	010
Technician signalization	011
Technician signalization	012
Technician signalization	013
Technician signalization	014
Technician signalization	015
Technician signalization	016
Technician signalization	017
Technician signalization	018
Telecom operator	019
Telecom operator	020
Telecom operator	021
Telecom operator	022
Telecom operator	023
Telecom operator	024
Telecom operator	025
Telecom operator	026
Telecom operator	027
Telecom operator	028
Telecom operator	029
Telecom operator	030
	031
	Etc.

Hence, the position number **02 02 04 014** identifies a position of technician signalization, in region/district D, in Signaling/Telecom Department, in Infrastructure Directorate.

Various denominations must be adapted to fit and reflect each country's specific administrative nomenclature.

JOB DESCRIPTION: METHODOLOGY

Goals and Objectives

Job description is a basic tool in human resources management (HRM) activities such as recruitment, selection, job evaluation and compensation, staff performance appraisal, and training. Job description has the following goals:

- (1) To determine, through a job evaluation process, the relative importance of each job compared to others to maintain a company's internal equity of remuneration.
- (2) It is a mandatory tool when conducting an external <<recruitment>>?
- (3) **Salary survey.** The information provided by a job description will ensure that similar jobs are surveyed even if job titles differ from one company to another. By comparing similar job descriptions even when titles are different, this ensures that data gathered in a salary survey is accurate. It will also allow the proper monitoring of a company's salary competitiveness.
- (4) To determine the expected results from the duties and responsibilities of an employee. A job description is used by the supervisor as the basic reference in evaluating the job performance of employees under her or his supervision.
- (5) To justify the usefulness and necessity of a job and position by highlighting its importance in the company.
- (6) To provide the required information for the HR office's planning process and assess more precisely the company's recruitment needs.
- (7) To help elaborate career plans for employees.
- (8) To provide external job applicants, during the recruitment process, with a clear vision of what is expected from the job, the position's requirements in terms of academic and working knowledge, and the general working conditions.

JOB DESCRIPTION

A job description is basically a list of significant tasks forming a job with required skills, capabilities, and knowledge in order to fulfill the employer's expectations.

The following are some principles and rules that must be considered when writing a job description:

- It must be clear and concise, using understandable terms for everybody, including the future holder of such position.
- Each statement must begin with an active verb, in present tense (e.g., analyses, supervises, authorizes, writes, checks, reports, and others).
- As much as possible, each statement must stipulate a duty that is realistic and can be measured and located in a specific time frame.

SUGGESTED FORMAT

A standard and classic format for job description is proposed below. This should ensure that data gathering is uniform and comparison is easy between or among different jobs. A job description form must be filled with each and every unique job position existing within the company. A standard job description includes the following sections:

(1) Job Position Identification

- ❑ **Job position number.** This number is for filing and reference purposes and is assigned by the HRM office.
- ❑ **Job title.** The name assigned by the company, as proposed by the HRM office.
- ❑ **Administrative unit.** This indicates to which directorate, department, division, section, or unit the job position belongs.
- ❑ **Main work location.** This indicates where the work location will be. When applicable, indicate also other locations where the incumbent may work occasionally.
- ❑ **Immediate supervisor title.** This indicates the position title of the immediate supervisor/s.

(2) Job Description

- ❑ **Job summary.** This describes the main purpose of the position. Why does this position exist? How is it linked to the final product or company's goals? What is the global goal of this position?

Example:

Under the responsibility of the Director of Human Resources, the incumbent designs and implements—with the collaboration of concerned line managers—staff training programs and activities.

- ❑ **Specific tasks.** This needs a detailed description of activities and individual responsibilities attached to that specific position. It should describe the work and management responsibilities and indicate the level of complexity of the employee's responsibilities, with consequences for the company.

Advices like “be punctual”, “be polite with clients”, “be respectful with supervisor and colleagues”, etc.” are not tasks, these are related to the expected behavior. They should be indicated in the code of conduct for employees. Tasks are specific activities, not behavior.

Describe each task using a verb to commence the description, such as

- ▶ Receive visitors, inquire the purpose of their visit.
- ▶ Contact the appropriate unit and/or entity and ask for any appointment.
- ▶ Inform the visitor on the result and indicate the direction to the unit and/or entity. Or ask them to proceed to the waiting room if the visitors have to wait for the concerned staff.
- ▶ Answer phone calls and direct the caller to the appropriate unit and/or entity.
- ▶ Receive incoming mails, register, and dispatch these to the appropriate recipients.
- ▶ Others.

- **Percentage of global working time used to perform each individual task.** This indicates the tasks' relative degree of importance and in what manner of working time is used (total of % is 100).

Examples:

- ▶ Advise managers to select training programs for specific needs (30%).
- ▶ Participate in the design and implementation of various tools in staff recruitment and selection (45%).
- ▶ Perform, on an annual basis, the training needs data gathering for management and staff positions (15%).
- ▶ Ensure that the staff's computerized files are updated on a regular basis for all training data (10%).

Key Performance Indicators (KPIs). Indicate for each task what KPI will be used for the performance appraisal, based on indications provided in section 4.2.2.

(3) Type of Communication Required

- (a) **Hierarchic and horizontal communications.** Indicate the communication requirements inside and outside the company, and the nature and importance of such communications. Also indicate the frequency of communications, the hierarchic level of recipients, interlocutor and the type of issues discussed.

Examples:

- ▶ Constant communication with all levels of the company's staff, including the top management, to determine recruiting needs.
 - ▶ Occasional communication with equipment suppliers to determine training requirements on the use and maintenance of the new equipment. Determine if the new equipment needs specialized training in other training institutions.
 - ▶ The nature of work requires few communications with other staff.
- (b) **Financial management responsibilities.** This indicates the size of annual operating and investment budgets under the management responsibility of the employee. Include other financial responsibilities that could be entrusted to the incumbent.
 - (c) **Supervision responsibilities.** This indicates the number of staff managed directly and indirectly by the incumbent employee (i.e., the total staff from all units under employee's responsibility).
 - (d) **Autonomy level.** This is the level of importance of decisions the incumbent employee can take without his or her supervisor's approval. It includes what could be their short- and long-term effect and consequences on the company's performance, the products or services under his or her direct responsibility, and the level of complexity of the decisions that are to be taken by the employee.

Examples:

- ▶ Approve all training programs within the organization.
- ▶ Authorize expenses up to a ceiling of \$5,000.
- ▶ Communicate directly with external training institutions and represent the company at training coordination meetings.
- ▶ Authorize the purchase of audiovisual equipment for staff training purposes.
- ▶ Implement legal prescriptions in the field of staff training within the company.

(4) **Physical and Social Environment**

This describes the general working conditions or environment that will have impact on the incumbent employee.

Examples:

- ▶ Work is performed mostly outside, and the employee may be exposed to bad weather.
- ▶ The position requires frequent and lengthy travels in remote locations with hard living conditions.
- ▶ Work requires good physical condition, strength, and physical endurance.

Equipment and tools used. This identifies the machines, tools, equipment, instruments, and other objects used to perform the work. It should also specify the level of difficulty regarding the use of such equipment and tools.

(5) **Specific Job Requirements**

- (a) **Academic knowledge.** This indicates the minimum academic degree required. It can also refer to specific long-term trainings or internships. Distinction must be made between what is deemed mandatory and what would be desirable.

Example:

- ▶ The incumbent employee must hold a bachelor's degree with specialization in Human Resources Management, and a master's degree in Business Administration.

- (b) **Practical experience.** This indicates the minimum work experience required in order to fulfill the job. A clear distinction must be made between technical and management experience. Also indicate here the specific experience required within a particular industry or sector. Again, a distinction must be made between what is deemed mandatory and what would be a desirable experience.

Example:

- ▶ The employee must have 5 years of experience in staff recruitment and 2 years of experience as head of a unit.

- (c) **Personal and professional skills.** This indicates the specific knowledge, capacities, and skills required for that specific job title and position.

Examples:

- ▶ The employee must be well organized, has a strong teamwork spirit, and good verbal and written communication skills.
- ▶ Strong interpersonal and persuasion skills is needed.
- ▶ A sympathetic character is desirable, and the employee must conduct oneself with discretion and confidentiality.

(6) **Remarks** (other important points to be considered)

This contains any other point not mentioned in the above sections. It should resolve any remaining issues or concerns for a better understanding of the job description and position in the company.

(7) Organizational Chart

This should clearly situate the job and position within its administrative unit and/or within the company.

Table A3.1: Sample of an Organizational Chart

**(8) Signatures**

Once completed, the Job Description Form must be signed by the immediate supervisor and the line supervisor and sent to the HR office.

(9) Section reserved for the HR unit

The form must be validated by the HR's recruitment unit and signed by the director. The director may put some remarks and, in some cases, return the form for improvement if it is deemed to be incomplete or inaccurate.

HOW TO MANAGE THE JOB DESCRIPTION FORM

- (1) The job description form must be signed by the immediate supervisor and countersigned by the line manager.
- (2) The job description is generally written by an HR representative, jointly with the immediate supervisor.
- (3) All job descriptions must be revised when a significant change in the job content occurs. It may be a significant change in tasks, management, or financial responsibilities (i.e., either higher or lower responsibilities).

Table A3.2: Sample of a Job Description Form

1. IDENTIFICATION OF POSITION

Number:
 Title:
 Unit:
 Section:
 Division:
 Department:
 Directorate:
 Immediate supervisor title:

2. JOB DESCRIPTION

Job Summary

Specific Tasks	KPI	Percentage

KPI = key performance indicator.

3. CHARACTERISTICS

Communications (nature and importance)	Frequency
Internal:	
Vertical:	
Horizontal:	
External:	

Financial and Budgetary Responsibilities
Annual investment budget:
Annual operating budget:

Supervisory Responsibilities

No. of employees supervised:

Directly:

Indirectly:

Autonomy Level**Physical and Social Environment****Equipment and Tools Used****4. SPECIFIC REQUIREMENTS****Academic Achievements**

Practical Experiences**Personal and Professional Skills Required****5. REMARKS****6. ORGANIZATIONAL CHART** (Indicate the level of this job in the chart)

7. SIGNATURES

Immediate Supervisor

Name: _____

Title: _____

Signature: _____

Date: _____

Line Supervisor

Name: _____

Title: _____

Signature: _____

Date: _____

Section Reserved for the HR Office

Date of validation: _____

Signature of the Director: _____

Observations:

Date revised: _____

APPENDIX

4

MODEL FOR FORECASTING HUMAN RESOURCES REQUIREMENT

DIRECTORATE	JOB TITLE	CURRENT NUMBER	ANTICIPATED DEPARTURES	INTERNAL TRANSFER	EXPECTED NEED	IMBALANCE	
						Surplus	Shortage
INFRASTRUCTURE							
	Head Signalization Division	0			1		0
	Head Region C	1		1			1
	Signal Technician	3	1				1
FREIGHT							
	Loco driver	10			+2		2
	Forklift operator	6	2				0
	Worker	8		2		2	0
ADMINISTRATION							
	Guardian	12			0 (Activity Outsourced)	12	
	Head of ICT	1	1				1

ICT = information and communication technology.

Source: Adapted from Techno Competences. 2004. *Human Resources Guide for IT Companies*. p. 18.

EXAMPLES OF NOTICE OF INTERNAL RECRUITMENT AND INTERNAL APPLICATION FORM

Notice of Internal Recruitment

Notice no. (issued by the HRM office): _____

Section 1: Position Identification

Position no.:	
Job title:	
Directorate:	Department:
Division:	Service:
Place of work:	

Section 2: Job Summary

--

Section 3: Job Requirements

Education
Experience

Skills
Other Requirements

Section 4: Salary

Salary scale:	Minimum:
	Maximum:

Section 5: Posting Duration

From:	To:

Applications for this position are limited to company employees only. Interested employees are invited to submit their application using an internal application form available at the HR office not later than _____

Authorized by: _____

Head of Staffing Unit, Directorate of Human Resources

INTERNAL APPLICATION FORM FOR NON-MANAGERIAL POSITIONS

Section 1: Identification of Position

Internal recruitment notice no.:	
Position no.:	
Job title:	
Directorate:	Department:
Division:	Service:
Place of work:	

Section 2: Applicant Identification

Family name:	First name:
Employee registration no.:	Recruitment date:

Section 3: Applicant's Incumbent Position

Position no.:	
Job title:	
Directorate:	Department:
Division:	Service:
Place of work:	

Applicant signature : _____

Date: _____

Section Reserved for the HR Office

Application received by:	
Name: _____	Position: _____
Signature: _____	Date: _____

Application assessed by:	
Name: _____	Position: _____
Signature: _____	Date: _____
Application accepted:	Rejected:
Reason/s for rejection of application:	

APPENDIX

6

EXAMPLE OF A CHART PROFILE FOR THE IDEAL CANDIDATE (For an Information Technology Analyst Position)

CRITERIA	ESSENTIAL	DESIRABLE	WEIGHT ^a
Education	Bachelor of Arts in Computer Science	Post-graduate degree	1 2 3 4 5
Years of experience	5 years of experience in computer science		1 2 3 4 5
Specialty	Database administration		1 2 3 4 5
Bilingualism	Local language (Georgian, Azeri, Uzbek, others)	English, Russian, Turkish	1 2 3 4 5
Knowledge (technical competencies, software mastered, etc.)	Knowledge of Oracle, SAP, AS 400, and others	Software used by the company	1 2 3 4 5
Know-how	Familiar with examination, validation, and analysis process. Ability to troubleshoot application problems.		1 2 3 4 5
Self-management, personal qualities	Autonomy, team spirit, creativity.		1 2 3 4 5
Availability	Available by January 2026 at the latest		1 2 3 4 5
Other criteria (work schedule, etc.)			1 2 3 4 5

^a 1 = Unsatisfactory, 5 = Highly satisfactory.

Notes: A passing score (cutoff) for each criterion must be established. An applicant who fails to meet or exceed one cutoff is removed from the selection process.

Source: Adapted from Techno Competences. 2004. *Human Resources Guide for IT Companies*. p. 33.

APPENDIX

7

EXAMPLE OF APPLICANTS' SCORING FORM

	SCORING BASED ON ESSENTIAL CRITERIA									Total Score
	Education	Work Experience	Specialization	Languages	Academic Achievements	Know-how	Self-management	Availability	Other Criteria	
CV 1										
CV 2										
CV 3										
CV 4										
CV 5										
CV 6										
CV 7										
CV 8										
CV 9										
Etc.										

CV = curriculum vitae.

Source: Author.

Questions to determine integrity, honesty, and loyalty

- Tell us about one occasion where your integrity was put to the test. How did you handle it?
- Have you ever had to apologize for behaving badly?
- If you saw a colleague acting dishonestly, would you tell your boss? What would you do?

Questions to determine personality, temperament, and friendliness

- How would you describe your personality?
- If I were to call the people whom you listed as your references, what would they tell us about you?
- Do you consider yourself to be a risk-taker? Tell us about a situation where you took a risk.
- In what type of environment do you like to work?
- With what types of people do you prefer not to work?
- What types of responsibilities would you like to avoid in your next job?
- Give us two or three examples of tasks you do not particularly enjoy. How do you stay motivated to complete them, anyway?
- What types of people do you dislike?
- Tell us about an irritating experience at work.
- How are you as a team player?
- Tell us about the companies you have applied to work for in the past. How did you do?
- Which of your past jobs did you find the most satisfying, and why?
- Which of your past jobs did you find most frustrating, and why?
- Tell us about the best boss you ever had. Now tell us about your worst boss. Why was it so difficult to work with this person?
- What do you believe you should do for your employer?
- What should your employer do for you?

Questions to identify past mistakes

- Tell us about an objective you did not attain in your last job. Can you explain why this happened?
- When were you criticized the last time? How did you react?
- What have you learned from your mistakes?
- Tell us about a situation where you failed completely. What did you do to set things right?
- Tell us about a situation where you suddenly had to change course.
- If you could change one thing about a management decision you have made in the past 2 years, what would it be?

Questions to determine creativity, creative spirit, and ability to find solutions

- When was the last time you had to break the rules to resolve an issue (or find an original solution)? How did this happen?
- Tell us about something innovative that you have done.
- What was the craziest idea you ever had? Did you see it through?
- Tell us of your reactions to someone having shared a new idea with you that seemed rather odd or unusual.
- If you could do one thing to change the world, what would it be?
- Tell us about a situation where you encountered management problems. How did you resolve them?
- What was the most difficult decision you ever had to make? How did you arrive at your final decision?
- Tell us about situations where you had to work under pressure and meet deadlines.
- Have you ever been in a situation where you had to meet two different deadlines at the request of two different people and you were unable to meet both? What did you do?
- What professional problem-solving technique works best for you? Give me an example of one of your solutions to a delicate problem.

Other relevant questions

- How did your best boss encourage you to excel? What method did he or she use?
- What professional accomplishment are you most proud of?
- What is the most interesting thing you have done in the past 3 years?
- How do you measure your own success?
- What are your short- and long-term professional objectives?
- Why should we hire you?
- What responsibilities would you be prepared to take on and what results would you achieve if we selected you for this position?
- In your opinion, what elements are indispensable to the success of a company like ours?
- What do you hope to find in our company?
- Is there anything else you would like to tell us about yourself that we have not already discussed?
- Do you have any questions?

APPENDIX

9

PROBATION PERIOD EVALUATION FORM

Table A9: Sample Evaluation Form for the Probation Period

Employee Identification					
Last and first name:			Probationary period start date:		
Employee's position:			Unit or department:		
Immediate supervisor:					
Mentor:					
First evaluation date:					
Second evaluation date:					
Final evaluation date:					
Employee's strengths			Areas requiring improvement		
Summary Evaluation Criteria					
	1	2	3	4	Comments
Attainment of results					
Work quality and quantity					
Sense of organization					
Ability to adapt					
Dedication/teamwork					
Autonomy and initiative					
Mentor's signature:					Comments
Immediate supervisor signature					Comments

Column 1 = unsatisfactory, Column 2 = needs improvement, Column 3 = satisfactory, and Column 4 = highly satisfactory.

Notes:

- (i) An employee scoring three or more unsatisfactory notes at first evaluation should be dismissed. An employee scoring one or more unsatisfactory notes at second evaluation should be dismissed. To be retained, an employee must score satisfactory for all criteria at the third evaluation.
- (ii) One separate form must be completed at each evaluation date.

Source: From the author's previous works.

I. Overview

This section should contain a general statement explaining why the company needs to implement a corporate training policy. It should also discuss the upcoming challenges that require refreshing current knowledge and techniques, the review and adaptation of workforce skill sets, and so on.

This section also contains the definitions of various terms and concepts used in the policy document. Table A10.1 recommends the use of standard definitions based on best practices.

Table A10.1: Definition of Terms Used

-
- ❑ **Training.** This is a process based on a series of planned learning activities. It focuses on acquiring a specific knowledge and skills needed by an individual or group of employees to be able to perform their duties based on identified professional and company's needs.
 - ❑ **Trainer.** The person who has a specialized knowledge in a specific field, who develops training materials, and conducts the training based on a training plan and program.
 - ❑ **Internal trainer.** This person is a senior employee who has a high level of knowledge and skills in the field of his/her specialization and has the required skills to act as a trainer.
 - ❑ **External trainer.** The training specialist who is recruited on a temporary basis to conduct specific training programs. An external trainer may also be the company's retired senior technician who is recruited on a temporary basis to conduct a specific training.
 - ❑ **Training needs.** This is the list of knowledge and/or skill gaps affecting the performance of an individual employee or a group of employees.
 - ❑ **Training needs analysis (TNA).** This is an analytical process used to identify training needs.
 - ❑ **Training officer.** The human resources (HR) officer who is responsible for managing the company's training activities. He or she has the following duties: (i) supervise the TNA process, (ii) prepare the company's training plans, (iii) organize the conduct of trainings, (iv) conduct activities related to measuring the performance of training plans, trainers, and training activities.
 - ❑ **Training plan.** This is a document containing details of training activities to be conducted. It includes the topics, duration, target employee and/or group of employees, schedule of activities, location, and costing.
 - ❑ **Training budget.** This is the sum of funds allocated to implementing the annual training plan. It comprises the cost of trainers (both internal and external), for the preparation and delivery of trainings, the cost of training materials, and incidentals (meals, coffee breaks, and transport if required when trainings are not conducted within work premises) and others.
 - ❑ **Coaching and mentoring.** A type of training that is given on-the-job to an employee by a supervisor or a senior peer. This allows the employee to acquire knowledge, skills, and attitudes related to the tasks required by the position that this incumbent employee occupies.
-

Source: Author.

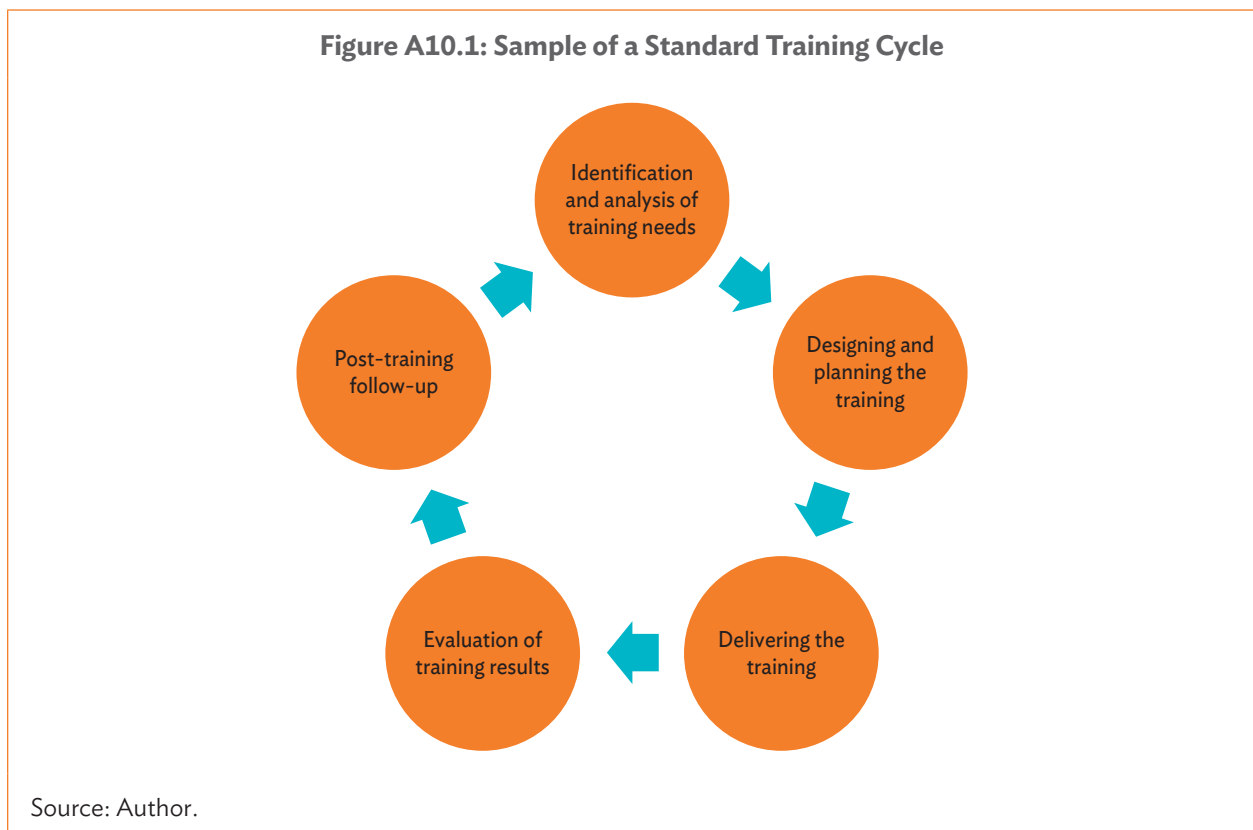
II. Objectives

This section contains the objectives of the training policy. Below is a general list of examples that can be customized according to each company's specific situation.

- Contribute to achieving the company's goals by filling in the gaps in skills and knowledge that affect the performance of particular employees or group of employees.
- Train employees or groups of employees on any changes in the company's rules, procedures, techniques to enhance their work performance, and on new technologies that will improve the company's performance and quality of service.
- Develop new concepts and innovative approaches to improve the company's performance and quality of service delivery.
- Support employees' career development within the company.
- Align the training plan with the company's strategic business plan.
- Improve the adaptation of employees to their work and to the company's work standards.

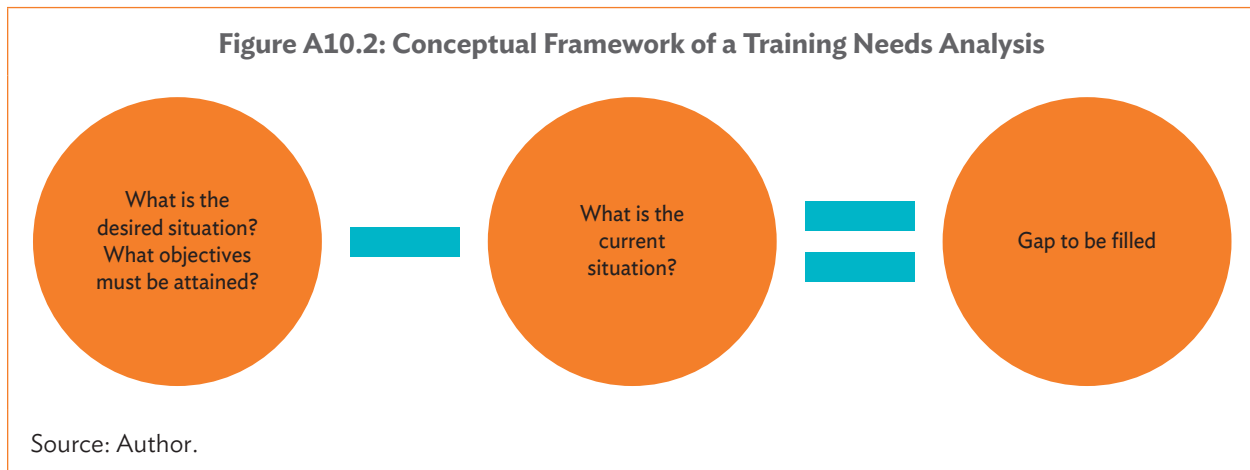
III. Management of Training Activities

Figure A10.1 illustrates the standard training cycle.



A. The Training Needs Analysis

In this section, the corporate policy highlights the purpose of the training needs analysis (TNA) and how it will work. The content of this section should be based on the following conceptual framework:



Based on the framework, a training requirement is defined as the difference between “what is” and “what should be.” A training requirement will emerge when a variance is noted between the prevailing situation and the desired situation, and when this variance is the result of an absence or shortage of essential or necessary competencies.

Table A10.2 presents some example of questions that will help identify such variance.

Table A10.2: Questions to Help Identify Variances in Competencies

Desired Situation	Current Situation
<input type="checkbox"/> What objectives must be attained by an employee/ group of employees?	How are the employees performing?
<input type="checkbox"/> What upcoming changes and improvements are planned at company, now and in the near future?	In the execution of tasks and projects, what obstacles were encountered?
<input type="checkbox"/> What are the desired results?	In what work techniques or systems are employees having difficulties?
<input type="checkbox"/> What competencies should the employees possess?	

This section should also indicate which tools will be used by the company to identify training needs, and who will be responsible for performing such analysis (i.e., usually an HR specialist). The following are commonly used as tools:

- (i) **Observing and listening.** The line manager must be familiar with the responsibilities of the employees by observing them at work and listening to their comments about work methods.

This approach allows the manager to gain an overview of the situation and to identify areas where improvements are necessary.

- (ii) **Individual interview.** This is generally used at the time of annual staff performance appraisal interviews. The questions used are based on the performance indicators, whether the indicators were achieved or not achieved by the employee. The questions also include the company's expectations for the position occupied by the employee. The interview concludes on what is needed by the individual to achieve the company's expectations for the position held by the incumbent employee.

It is essential that the employee be aware of his or her needs to change or develop new competencies or skills. Results of individual interviews must be validated by the head of the department concerned.

- (iii) **Discussion group.** The manager urges others to share their opinions about performance gaps. This meeting should be structured and with adequate agenda. It requires the presence of a neutral facilitator to ensure that each employee has an equal opportunity to speak, and the discussion does not degenerate into a big let-off steam.

Results of the discussion groups must be validated by the head of the department concerned.

There are other critical indicators that must be used to complete the analysis. Examples of such indicators are as follows:

- Business units' production targets were not achieved. (In such a case, an in-depth analysis may reveal gaps in competencies that require individual or group training.)
- Abnormal rate of defects and/or errors in business unit production.
- Abnormal rate of accidents or near-accidents.
- Other performance indicators were not achieved.

The TNA process must take place at an opportune time so as not to impede the work in business units.

It should not be carried out during peak work periods.

A standard template should be developed and used as a base tool for TNA to ensure consistency and that no training need is left unaddressed. This task should be part of the HR office's core responsibility.

IV. Planning and Designing the Training

Once the TNA process is completed, the data obtained must be compiled by the HR office and organized by training topics. Based on the company objectives and business plan, the top management must prioritize the training requirements. The following questions should be asked:

- What training is necessary in our company?
- How much is our training budget for the coming year?
- What type of training is most appropriate (internal or external) according to the competencies to be developed?
- What is the best training schedule, given work schedule constraints?
- Who will be the instructors?
- Who will participate in the training?

The answers to these questions should be transcribed by the training officer onto a general annual training plan. This will serve as a memory aid and make it possible to effectively develop the company's personnel competencies. This general annual training plan will include various classification of training programs, to be discussed later in this section.

This general annual plan must be distributed throughout the company to inform all employees of the upcoming training activities.

Following the general annual plan, the training officer must devise specific plans for each training activity. The internal or external instructors will be contacted to ascertain how he or she intends to conduct the training and what the topics comprise each session.

The headings of the specific plans are as follows:

- General description of the training,
- Objectives,
- Contents,
- Duration,
- Number of sessions per training (size of each class should be limited to 15–20 or so participants),
- Names of internal or external instructor,
- Instructional methods,
- Training material list,
- Target personnel and number of groups, and
- Estimated costs (trainer, training materials, coffee break, transport costs for participants staying far from the training place, lodging if required, and others).

V. Classification of Training Programs

This section of the policy document should define the various training programs that would take place at the company. Some suggestions are listed below:

- ▶ **Technical training programs.** These are conducted to develop and improve technical knowledge and skills related to the execution of technical tasks in all company business units (freight, passengers, infrastructure, signalization and telecom, dispatch, commercial, administration, etc.).
- ▶ **Soft skills training programs.** These programs are dedicated to employees occupying management positions or are in touch with the company's clients or other external entities. The main topics of such programs are as follows:
 - (i) Communication skills,
 - (ii) Customers' relations,
 - (iii) Leadership skills,
 - (iv) Problem-solving skills,
 - (v) Computer literacy,
 - (vi) Language skills, and
 - (vii) Time management.

- ▶ **General training programs.** These are designed for all company employees. The main topics of such programs are as follows:
 - (i) Induction for new employees,
 - (ii) Company rules and procedures,
 - (iii) First aid,
 - (iv) Occupational health and safety, and
 - (v) Security of company's corporate information.

- ▶ **Individual training programs.** These are designed for upgrading an employee's qualification by sending him or her to school, either in-country or abroad, to acquire a specific degree in a field that company will need in the foreseeable future.

VI. Developing the Training Program Curriculum

In designing the training program curriculum, the HR office can enlist a qualified senior employee or an external consultant to develop the specific training contents, in consultation with the training officer. Depending on the subject, collaboration with a university or technical schoolteacher may be required. It is important to consider their advice on the pedagogical aspects that are best adapted to the training curriculum. These aspects include (i) task training, (ii) lectures with practical exercises, (iii) computer-assisted training, (iv) technical laboratory sessions, (v) practical field exercises (e.g., transmission lines, power plant, dispatch, workshops), and others.

In some cases, the training may also require the employees to learn several concepts on their own. The employee should then undergo self-training through readings, webinars, videos, and so on. To guarantee that these methods succeed, the training officer will prepare a learning schedule and validate the training contents.

In other cases, training contents may be already predefined. An example is the procurement of new equipment with built-in training that is provided by the supplier (e.g., new locomotives, new dispatch software, simulator, and others). In such cases, the training officer must review the training content as provided by the equipment supplier and ensure that such content is aligned with local specificities (language, specific terms, schedule, and others). Inform the supplier to provide the training documents and manuals in advance to allow the company's training officer to get familiarized with the materials and to make photocopies for the trainees as may be required.

VII. Training Delivery

Teaching Aspects

The training delivery must take place at an opportune time so as not to impede the work in business units. It should not also be carried out during peak work periods. The employees attending a training session must be free of work obligations and focus entirely on the teaching that is taking place to reap all the benefits of the session.

The training officer must ensure that the training curriculum that was developed is effectively delivered. When necessary, the responsibility of delivery may be entrusted to several trainers. On training day, ensure that all training materials are available and complete. These include the overhead projector, computer, white board, pencils, flip-charts, hand-outs, and others to ensure the success of the training sessions.

Throughout the training program, the trainer should use interactive techniques that encourage participation and visual materials that foster clearer understanding of the concepts covered. Some of the teaching techniques are as follows:

- **Presentation.** A formal technique where the trainer informs, motivates, or provides feedback.
- **Demonstration.** The application of a process or operation while demonstrating every action involved. The trainer should have mastered the necessary technical know-how.
- **Discussion.** This technique relies on verbal or electronic exchange of information among participants on a specific topic or a concrete problem. The training participants are asked to express their opinions or to demonstrate their expertise or knowledge.
- **Task training.** This is an on-the-job learning that relies on presentations, demonstrations, and discussions in laboratory, or directly at the worksite.

If the training cannot be carried out as scheduled due to “force majeure” or due to other major unforeseen issues, the training officer should promptly notify the HR office, the business unit concerned, and all training participants. The decision to hold or postpone the training is determined jointly by the HR office and the business unit concerned.

The Training Venue

The size of training rooms must accommodate a maximum of 15–20 trainees. This is to allow adequate interaction between trainees and trainer and allow enough time for questions and discussions among the trainer and trainees. The company’s own training center, if there is one, should be the first choice as the venue to conduct the training. Ensure that annual training plans can be done as scheduled in a timely manner and in a conducive training environment. If the company has no suitable training facility, and depending on local constraints, a different location can be used as the training venue.

Depending on their availability, the following can be explored or looked into:

- (i) existing classrooms (if any);
- (ii) meeting or conference rooms;
- (iii) workplaces, if necessary, for training-cum-demonstration; and
- (iv) other suitable locations that can be rented within the town or out-of-town.

When selecting training locations, the training rooms must have the following specifications:

- (i) Enough space to accommodate 15–20 trainees with desks and chairs, plus a trainer’s desk (approximately 70 square meters per room).
- (ii) Adequate lighting and electricity outlets to allow connection of projectors, computers, and other training paraphernalia.
- (iii) Space for the projection screen, flip chart, whiteboard, and other accessories, as needed.
- (iv) Optional, depending on the training location: a stable Wi-Fi connection.

Another option is to outsource some specific trainings to nearby railways training centers, but it would incur additional travel expenses and per diem costs.

Responsibilities of the Training Officer

The training officer is responsible for organizing all aspects of the training sessions. The main duties are as follows:

- Identify potential internal trainers among the senior staff with competencies for leading presentations, demonstrations, and discussions.
- Oversee the development of training curricula and ensure the quality of programs.
- Identify external training facilitators when internal trainers cannot be available.
- Ensure the timely procurement of external trainers.
- Manage all logistic aspects: (i) training room reservations; (ii) reservation of training equipment (projector, screen, white board, computers, etc.); (iii) procurement of training materials (pencils, paper, manila paper for flip charts, etc.); (iv) organize transport and reserve trainees' lodgings, if required; (v) organize food and beverages, if needed; and (vi) other activities related to the conducive conduct of the training sessions.

Employees' Salary During Their Training

Trainees

For certain employees, training is mandatory. Employees who are selected to attend work-related trainings are to have the same rights and obligations as regular work, such as punctuality. Any unjustified absence should be subject to the same disciplinary measures as for unjustified absences from regular work.

During training activities, trainees should be entitled to their full salary and considered to be at work.

Internal Trainers

Internal trainers are qualified, senior employees of a company. They may be enlisted to develop—in collaboration with the company training officer—the training curricula and eventually conduct specialized training sessions. When doing so, these employees should be entitled to their full salary, premiums, and allowances. In addition, they may be entitled to a special incentive for acting as internal trainer, based on the number of hours worked as internal trainer, as it may be decided by the company top management (a 10% bonus may be considered as appropriate).

Bond

If an employee is sent to a private institution within the country or abroad for specialized training that cannot be offered locally, there must be a guiding policy that stipulates specific conditions, such as the following:

- ▶ If the total cost of training (tuition fees, transport, and lodging) exceeds a certain amount to be determined locally,¹ the beneficiary of such training must sign a bond contract to remain employed with the company for a number of years. The number of years is generally determined based on the

¹ The amount is to be determined by the top management based on the HRM's department recommendations. The standard varies a lot from country to country based on labor legal framework, companies' culture, and so on.

cost and duration of such training. A training beneficiary who leaves the company for any reason during the bond should repay the company the costs of training based on a prorated amount that must be fully explained in the company's guiding policy.

- ▶ If the total cost of training is below a threshold as determined by the company's training policy, there is no bond requirement.

VIII. Evaluation of Training Performance and Follow-Up

The company needs to ascertain if the training objectives were attained by evaluating each training that was conducted. Results of such evaluation will determine if the knowledge or skills gaps identified at the outset were satisfactorily filled—totally, partially, or not at all. By comparing the objectives set with the results obtained (pre-training vs. post-training), it is possible to determine how beneficial the training activity had been for employees, and if it generated tangible benefits for the company.

The post-training evaluation must include the following guide questions:

- ▶ Did the participants appreciate the training?
- ▶ Did the participants acquire new knowledge?
- ▶ Did participants share and/or transfer knowledge that was acquired during training?
- ▶ Are the participants applying the new techniques or methods in their work situations?
- ▶ What is the impact(s) of the training on the trainees' business unit performance?

A training evaluation form should be distributed to each participant by the training officer at the end of a training program. This form is to evaluate the performance of the trainer; and the adequacy of the training contents to the needs of participants, the training materials, and logistics. Each participant should complete the form individually. Table A10.3 provides an example of a training evaluation form.

In the same manner, a training evaluation form should be distributed to each trainee's immediate supervisor by the training officer. Table A10.4 is an example of such form.

The training officer must then compile the information and analyze the result of both forms. Results will determine if the participants benefited from the training and if the teaching methodology was effective (competencies of the instructor, quality of instruction, etc.).

The HRM office should also develop a set of written exams to be completed by trainees after their training. These exams are to determine the extent to which trainees have acquired knowledges and skills during the training. These exams are to be supervised by the training office, prepares a summary of exam results, submits it to company's management committee. The results are also communicated to the trainer and to the trainees' immediate supervisors.

Through observation at the workplace, the immediate supervisors can determine if the training helped to resolve initial problems or improved the trainees' competencies and performances. By observing at the workplace, the supervisor can ascertain, on a daily basis, if there is transfer of knowledge and application of the skills learned.

Table A10.3: Training Participants' Evaluation Form

Name of training:		Date:	Time:			
Name of trainer:		Were the objectives attained?				
Objectives of the training	(a)	YES	NO			
	(b)	YES	NO			
	(c)	YES	NO			
	(d)	YES	NO			
Please rate each statement below using the scale below. Circle the appropriate number.						
1 = Completely disagree 2 = Disagree 3 = More or less agree 4 = Agree 5 = Completely agree						
1. I was motivated to take the training course.		1	2	3	4	5
2. The training objectives were clear and specific.		1	2	3	4	5
3. The training contents responded to my needs and concerns.		1	2	3	4	5
4. The teaching techniques and were conducive for learning.		1	2	3	4	5
5. The exercises and activities were relevant to the training.		1	2	3	4	5
6. The instructor was clear and dynamic.		1	2	3	4	5
7. The instructor respected the learning pace of the participants.		1	2	3	4	5
8. This training helped me to increase my level of knowledge and skills.		1	2	3	4	5
9. I plan to apply these new competencies as soon as I return to work.		1	2	3	4	5
10. I will recommend that my colleagues undergo this training.		1	2	3	4	5
Please comment on any aspect that scores 3 or lower.						
Comments and recommendation:						

This evaluation can take place three times in a year in this order: (i) 6 weeks after the training, (ii) 4 months later, and (iii) a final evaluation 8 months after the training delivery, or at next performance evaluation. The immediate supervisor's training evaluation form, Table A10.4, can be used as a guide for these periodic evaluations. The training officer will summarize the results of these evaluations and prepare a report for the company's management committee.

Table A10.4: Immediate Supervisors' Training Evaluation Form

Name of training:		Date:	Time:			
Name of employee:		Were the objectives attained?				
Objectives of the training	(a)	YES	NO			
	(b)	YES	NO			
	(c)	YES	NO			
	(d)	YES	NO			
Refer to the following scale and indicate to what extent you agree with each statement below. Circle the appropriate number.						
1 = Completely disagree 2 = Disagree 3 = More or less agree 4 = Agree 5 = Completely agree						
1. The employee was motivated to take the course.		1	2	3	4	5
2. The training objectives were clear and specific.		1	2	3	4	5
3. The training contents met my unit's business needs and concerns.		1	2	3	4	5
4. The employee mastered the elements of training.		1	2	3	4	5
5. The knowledge and skills of the employee has improved to a satisfactory level after the training.		1	2	3	4	5
6. The employee applies the elements learned during training to his/her work.		1	2	3	4	5
7. The performance of the employee has improved to a satisfactory level after the training.		1	2	3	4	5
8. I will recommend to other managers this training for their employees.		1	2	3	4	5
Please comment on any aspect that scores 3 or lower.						
Comments and recommendation:						

LIST OF BASIC COURSES
FOR RAILWAY COMPANIES

Table A11: List of Basic Courses

Topic	Subject Matters
Safety	Basic concepts and definitions regarding railways' safety regulations
	Railway safety management systems and risk prevention
	Handling/using of dangerous chemicals
	Private road safety
	Emergency first aid
	Certified Occupational Safety Specialist's (COSS) duties and powers
	COSS specialist recertification
	Fire hazards and firefighting
	Construction sites management
Train driving	Railway rules and regulations
	Traction knowledge
	Train handling or driving, including night driving
	Traffic regulation
	Signalization system
	Train inspection
	Routes knowledge (braking distances, speed restrictions, signal positions, etc.)
	Yard-switching operations
Infrastructure Maintenance	Track works—basic
	Track works—advance
	Catenary maintenance
	Specialized track equipment operation: <ul style="list-style-type: none"> - Crane - Track tamper - Ballast regulator - Rail grinder - Light Geometry Inspection Vehicle

continued on next page

Table A11 *continued*

Topic	Subject Matters
	Arc and aluminothermy rail welding Diagnosis techniques: ultrasound, penetrant testing, and magnetic particles Track heavy equipment maintenance Track light equipment maintenance
Signalization	Architecture and functioning of the signalization system Maintenance of the signalization equipment Maintenance of embedded signalization equipment Maintenance of the telecommunications equipment Maintenance of signalization stations
Rolling Stock	Locos inspection and regular maintenance—basic Locos inspection and regular maintenance—advanced Diesel engine maintenance: <ul style="list-style-type: none"> - Engine maintenance - Electrical system maintenance (main generator and auxiliaries) - Fuel circuit - Cooling system - Engine lubricating system Electric engine maintenance Compressed air and electro-pneumatic braking systems maintenance Traction control system maintenance Bogies and wheels maintenance, bearings, and grease Axles reprofiling Troubleshooting and diagnosis techniques: ultrasound, penetrant testing, and magnetic particles Maintenance of wagons coupling Maintenance of wagons bogies and wheels Maintenance planning system and techniques

continued on next page

Table A11 *continued*

Topic	Subject Matters
Management Programs	Railways transportation logistics (including multimodal freight operations)
	Sales and marketing
	Customers' services, customers' satisfaction, and claims management
	Crisis management: attitude and communication with customers
	Promoted from officer to manager: What will change
	Introduction to management basic principles: Plan, Organize, Manage, Control (POMC)
	Financial management for nonfinancial managers
	Human resources management (HRM)
	Team management: Leadership and coaching
	Problem-solving techniques
	Time management (focus on the basics, avoid interruptions, optimization in the use of time)
	Report writing and presentation skills
	Investigation skills
Information Technology Literacy	Introduction to computers and Windows exploitation system
	Introduction to Office applications
	Excel—advanced
	Word—advanced
	Access—advanced
Language Programs	English
	German
	Russian
	Others

Source: Author.

APPENDIX

12

EXAMPLE OF A CAREER PLAN

Table A12 presents an example of a career plan for an HR officer who is targeted for a Director of Human Resources position.

Table A12: Example of a Career Plan

Step	Activity	Calendar	Comments
1	Define and accept a career plan.	Day 1	Formal agreement between all concerned parties.
2	Identify and appoint mentor and/or coach.	Day 1	
3	Attend an HRM evening course at a university.	Year 1–7	Part-time. Tuition fees are paid upon successfully passing periodic exams.
4	Occupy a specialist position at the Staffing Unit.	Year 1	
5	Occupy a specialist position at the Staff Development Unit.	Year 2	
6	Occupy a specialist position at the Admin. & Discipline Unit.	Year 3	
7	Occupy as head of the HR Unit.	Year 4	Ideally in recruitment, staff development or Admin. & Discipline unit
8	Rotate as the head of a different unit.	Year 5	Ideally, assigned at the recruitment unit, staff development unit, or to the Admin. & Discipline Unit.
9	Appointed as Deputy DHR.	Year 6–7	
10	Appointed as DHR.	Year 8	This is conditional on the vacancy of the DHR position.

DHR = Director of Human Resources.

Source: Author.

APPENDIX

13

EXAMPLE OF AN APPRAISAL FORM FOR LOWER-LEVEL JOBS

Table A13: Example of An Appraisal Form for Lower-Level Jobs

Section 1: Identification						
Employee no.:			Position:			
Family name:			First name:			
Business unit:			Date:			
Section 2: Rating						
	Unsatisfactory		Good		Superior	Note
Work						
Reliability	0-1-2	3	4-5	6-8	9-10	/10
Quantity of work						
Volume	0-1-2	3	4-5	6-8	9-10	/10
Execution speed	0-1-2	3	4-5	6-8	9-10	/10
Work mastery	0-1-2	3	4-5	6-8	9-10	/10
Initiative	0-1-2	3	4-5	6-8	9-10	/10
Behavior						
Integrity	0-1-2	3	4-5	6-8	9-10	/10
With supervisor, colleagues	0-1-2	3	4-5	6-8	9-10	/10
With clients	0-1-2	3	4-5	6-8	9-10	/10
Adaptation to change	0-1-2		3	4	5	/5
Dress code	0-1		1.5	2	2.5	/2.5
Others						
Absenteeism	0-1-2		3	4	5	/5
Punctuality	0-1-2		3	4	5	/5
Language	0-1		1.5	2	2.5	/2.5
TOTAL						/100

Section 3: Observations of the Immediate Supervisor

Section 4: Observations of the Employee

Section 5: Signatures

Signature of supervisor:

Date:

Signature of employee:

Date:

Section 6: Reserved for Management

Observations of the hierarchic supervisor:

Signature:

Date:

Observations from the HRM representative:

Signature:

Date:

APPENDIX

14

EXAMPLE OF AN APPRAISAL FORM FOR HIGHER-LEVEL AND MANAGEMENT POSITIONS

Table A14: Appraisal Form for Higher-Level and Management Positions

Section 1: Identification		
Employee no.:	Position:	
Family name:	First name:	
Business unit:		
Appraisal period from:	To:	
Name of evaluator:		
Section 2: Setting Objectives		
Note: The number of annual objectives should be limited to three.		
Management Objectives	1.	
	2.	
	3.	
Personal Aspects	Objectives	Expected Results
	1.	
	2.	
	3.	

Section 3: Establishment of the work plan to achieve the objectives

	Work Plan	Support Needed	Target Date
1			
2			
3			
4			
5			
6			
7			
8			
9			

Section 4: Supervision Activity Report

Date	Meeting the Content of a Work Plan	Follow-Up Actions

Section 5: Performance Appraisal

No.	Degree of Achievement	Comments on the Achievement of Results
1		
2		
3		
TOTAL		

Scale: 9–10: Objective largely exceeded.
 7–8: Objective achieved and partially exceeded.
 5–6: Objective achieved.
 3–4: Objective partially achieved.
 1–2: Objective not achieved.

Section 6: Behavior

Assessment Factor	Definitions	Rating
Relations with subordinates and colleagues	Maintain a positive work climate within his/her business unit and good collaboration with other managers.	
Relations with supervisors	Maintain good relations with supervisors.	
Self-control	Control his/her emotions in unusual, difficult, or conflict situations.	
Motivation	Interest in one's work and in the good performance of the company.	
Judgement	Ability to properly assess problems, the consequences of actions taken, and the choice of the right solutions.	
Administrative knowledge	Degree of knowledge of legal texts, policies, procedures, regulations, and agreements affecting the company.	
Verbal and written communications	Clarity and logic of written and verbal communications.	
Discretion	Ability to keep information confidential when necessary.	
Personal development	Constant search for improvement, reading, personal research, and e-learning.	
TOTAL		

Scale: 9–10: Excellent
 7–8: Very good
 5–6: Satisfactory
 3–4: Weak
 1–2: Unsatisfactory

Section 7: General Observations**A: Strengths**

1. _____
2. _____

Recommendations for Maintaining and/or Improving**B: Weaknesses**

1. _____
2. _____

Recommendations for Improvement**Observations of the Subordinate:**

Signature of subordinate: _____ Date: _____

Observations of the immediate supervisor:

Signature of immediate supervisor: _____ Date: _____

Observations of Hierarchic Supervisor and Recommendations for Employee Development

Signature of hierarchic supervisor: _____ Date: _____

APPENDIX

15

EXAMPLE OF A TERMINATION LETTER

Company Name and Address

Today's Date

Name of Recipient and Employee No.

Address

Mr./Mrs. (Name of Recipient)

Following the disciplinary hearing held on (date), and in view of the seriousness of this matter, the decision has been made to terminate your employment with our company by reason of your gross misconduct.

At the above-mentioned hearing, the committee found that your conduct was unacceptable in the following respects:

- ▶ (list the issues)

Such misconduct is serious enough to merit immediate dismissal.

The arrangements regarding your dismissal are as follows:

- ▶ Your dismissal is effective immediately and your final date of employment is (date);
- ▶ We will pay you in lieu of any accrued but untaken annual vacation, less normal deductions of tax and other deductions;
- ▶ You must return in good condition any property that belongs to the company within 5 days of this letter, including confidential information and company documents—whether in hard copy or electronic form;
- ▶ Upon the receipt of all company properties mentioned above, your final payment will be issued, with less normal deductions.

You have the right to appeal your dismissal by informing the HRM department in writing before (date), fully stating your grounds of appeal. Your appeal will be handled in accordance with our disciplinary policy. Your dismissal will still be in force during the appeal procedure until the final hearing of your appeal.

Signature:

SUGGESTED CONTENT OF AN ACCIDENT AND/OR INCIDENT ANALYSIS FORM

BEFORE ANYTHING ELSE, PRIORITIZE SAFETY

Always ensure the immediate safety and health of employees and all others involved in company activities.

Table A16: Accident or Incident Analysis Form

Topic	Description
Details of accident or incident	Specific location of accident and/or near-miss, date, and time
People involved	Names, contact information, and roles of the injured person, witnesses, and any other involved parties
Description of the accident or incident	A factual, detailed account of what happened, including actions leading up to the incident
Injuries and damages	Specific description of the body part(s) affected and the nature and type of injury, or any property damage
Contributing factors	Environmental conditions (weather, floor type, lighting) and Personal Protection Equipment usage
Immediate actions	Steps taken immediately after the incident to address the situation and ensure safety of work location
Investigation and analysis	Documentation of evidence, identification of contributing factors, and a plan for a root cause analysis
Corrective actions	Recommendations and planned actions to prevent similar incidents in the future
Submission of the form	At the end of the form, indicate the procedure for submitting the completed report to the appropriate authority of the company

STRUCTURED APPROACH TO A COMMUNICATION STRATEGY

The restructuring of state-owned enterprises (SOEs) in general, and of railway companies in particular, can significantly contribute to a country's economic development. Keep in mind that long-term benefits can be expected if short-term drawbacks for the workforce are efficiently managed. If fully implemented, restructuring that aligns with new realities and circumstances and brings innovation to the company can be acceptable to all stakeholders. To achieve a smooth transition and prevent, as much as possible, resistance from various sources, the entire plan and related schemes should be clearly explained to all audiences.

For this specific goal, a sound and effective communication approach comes as an added value to the railway's workforce restructuring. It can support the government and the company to succeed with the "acceptance of change."

"Change" means new approach, new ways of thinking, new procedures, and new practices. Thus, a good communication program

- ▶ ensures the availability of timely and accurate information;
- ▶ explains clearly the goals, processes, and consequences of workforce restructuring through customized messages that are adapted to different audiences;
- ▶ supports the railway companies and government representatives; and
- ▶ projects a positive image of the global workforce restructuring program.

Communication Plan's Overall Objectives

The communication plan will be used to achieve the objectives of the Workforce Restructuring Program in the following ways:

- ▶ Ensure a supportive collaboration with the government's decision-makers.
- ▶ Create a smooth and favorable external environment for the implementation of the restructuring program.
- ▶ Ensure a clear and positive understanding of the government's goals for the country's railway sector.
- ▶ Disseminate the information on Workforce Restructuring to the workforce, political parties, consumers, and economic operators.
- ▶ Establish and maintain a positive relationship with the various stakeholders of the company.
- ▶ Formulate specific messages to be delivered to targeted audiences (e.g., workers, trade unions, politicians, consumers, civil society, and mass media).
- ▶ Make effective and productive use of mass media relations.

COMMUNICATION: GLOBAL METHODOLOGY

The most suitable and reliable methodology for implementing a communication plan in such a complex environment is the Logical Framework Analysis (LFA) approach by inputs and outputs.

This method allows the company to have a clear and constant view of all communication activities throughout the whole restructuring process.

The LFA operates like a chain of results. For any specific aspect of the communication strategy, a clear pattern indicates the operational result based on

- (a) input (resources or conditions required)
- (b) output (with outcome and potential impact)

This operational level allows the communication expert and the company to keep a clear view of the determined goals. The strategy should be regularly monitored adjusted along the communication process to achieve its desired goal.

The advantage of using the LFA method is that the communication strategy is always supportive of the government's schedule for sector restructuring and the company's Workforce Restructuring Program, step-by-step, along with the communication plan's operations.

The communication plan has to be carefully aligned with the Workforce Restructuring Program's detailed plan.

COMMUNICATION AXIS IN WORKFORCE RESTRUCTURING PROGRAM

The communication plan should be characterized by the following:

- ▶ A comprehensive information on the restructuring program.
- ▶ Highlights the potential advantages for all citizens, as a whole.
- ▶ Has reference to best practices in determining staffing needs, through established benchmarks.
- ▶ Provide global information on company capacities for both freight and passengers services capacity.
- ▶ Always keep the customer (i.e., the targeted audience) satisfied.
- ▶ Develop a community-based approach.
- ▶ Highlights the improved benefits for consumers (passengers and freight consumers).
- ▶ Highlights the corporate's positive reputation and efficiency, also the company's improved transactional services.

COMMUNICATION AWARENESS

The communication strategy must focus on the following aspects for internal audience:

Standards of performance

- ▶ Operations efficiency
- ▶ Promotion of benefits from restructured operations (price, service)
- ▶ Proper use of railway capacities
- ▶ Facilitation of commercial operations
- ▶ Provides greater incentives for management to increase efficiency

QUALITY OF SERVICE

The communication strategy must show positive impact of restructuring on the quality of service for customers.

- ▶ How well the “business” will be organized, managed, and staffed after restructuring.

STANDARDS OF PERFORMANCES

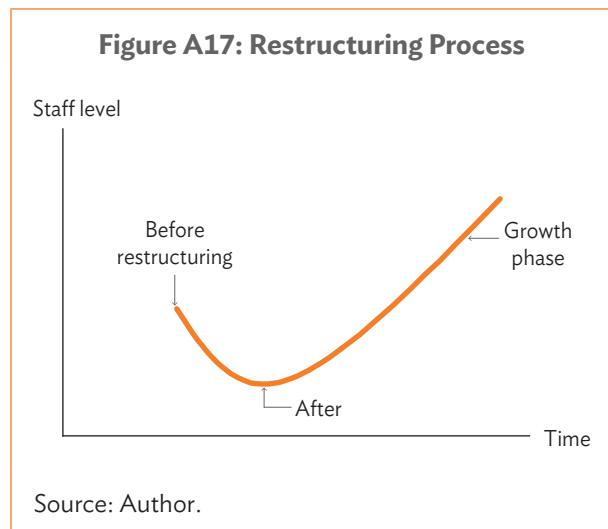
The communication strategy must present a clear picture of past and expected future company performances.

- ▶ Information on company efficiency.
- ▶ Report on performance achievements to the authorities and the public.

LABOR COMPONENT

A communication content that targets the labor issue should have the following messages:

- ▶ Explain the long-term effects on the level of employment—how things get worse before they get better. Also explain that when applied to workforce restructuring, staff downsizing would be followed by recruitment after company reform is successful and company has stabilized.
- ▶ Explain that the labor restructuring process includes support for those to be retrenched.
- ▶ Emphasize that mitigation measures are available for the workforce affected by restructuring.



COMMUNICATION APPROACH

Successful communication strategy and plan rely on a structured approach. The following should be accomplished:

- (1) Establish a core communications advisory board (it may comprise the head of HRM unit, department, or service; and the external communication specialist).
- (2) Develop a communication platform to build a profile of labor issues and provide direction for all communication-related activities that involve government authorities, the media, general population as consumers, workers, trade unions, civil society, and others).
- (3) Develop a multilevel national grassroots communication and public relations plan for the Workforce Restructuring Program. This should involve the company's top management, head of the HRM unit, and the communication specialist.
- (4) Implement the communication and public relations plan.

ACTION PLAN

Prerequisites:

- (a) Recruitment of a senior communication specialist for temporary appointment at the railway's company level.
- (b) Appointment of a company HR specialist to work jointly with the communication specialist.

A. Context and Situation Analysis

Collect all baseline data and conditions related to the Workforce Restructuring Program with potential impacts on the workforce. This will ensure a thorough understanding of the stakes and issues, such as

- ▶ Clear understanding of the Workforce Restructuring Program, in terms of social, political, economic, and labor-related issues.
- ▶ Working sessions with railways' top management, HR specialist, and communication specialist (if any).
- ▶ Contact and working sessions with key opinion leaders in the community or the society.

B. Developing a Communication Strategy

The communication strategy that can be delivered with the LFA method includes administrative, management, operational costs, and a work schedule related to all communication activities.

How to Develop the Communication Program with Input, Output, Outcome, and Impact

- ▶ Identify and address significant issues.
- ▶ Select the target audiences (internal and external).
- ▶ Outline the messages, develop themes, and test with key audiences.
- ▶ Set up strategic planning and management of activities in terms of information, internal communication (within government offices and/or agencies, public affairs, media relations, consumers relations), and promotional and marketing events.

- ▶ Determine the timeline and working schedule of the communication strategy and plan with the company.
- ▶ Identify the needs for developing information materials.
- ▶ Prepare a detailed budget for implementing the plan and launching of the information campaign.

C. Approval of the Communication Plan and Strategy

The communication plan and strategy must be approved by the CEO or the top management of the company to ensure that the required budget is allocated.

IMPLEMENTATION OF THE COMMUNICATION PLAN

The external communication specialist who was recruited for this must draft an appropriate work plan. The work plan must present in detail how the multilevel communications plan (organization, staffing, material, relevant documentation, etc.) will be implemented, and how implementation will be efficiently carried out.

Key Messages to Be Disseminated

- ▶ Actual financial situation of the railway: accumulated losses and/or earnings, operating results, state of production tool, level of investment needed, actual economic situation, and financial forecasts for next 5 years.
- ▶ Actual staffing structure compared with established benchmarks.
- ▶ Financial impact of current workforce surpluses.
- ▶ Total cost of mitigation measures (VSS, ERS, and other measures) and the total number of employees to be retrenched following restructuring.
- ▶ Details on each measure: number of employees affected for each measure, benefits granted for each measure, and cost for each measure.

Human Resource Management

Guide for Railway Companies

Human resources management (HRM) is often a lesser priority among railway companies. Yet, a robust HRM help to motivate workers to achieve peak productivity. Railway companies need the right skills and number of workers to achieve their business goals. CAREC presents this handbook to help railway companies to recruit, engage, motivate, develop, and retain their human resources to avoid the attrition of critical and high-value personnel. Some companies have their own HRM but some still need support to develop or upgrade existing tools. This handbook is user-friendly; it offers examples and suggests tools that can be replicated or adapted to local contexts by railway companies in the CAREC region.

About the Central Asia Regional Economic Cooperation Program

The Central Asia Regional Economic Cooperation (CAREC) Program is a partnership of 11 member countries and development partners working together to promote development through cooperation, leading to accelerated economic growth and poverty reduction. It is guided by the overarching vision of “Good Neighbors, Good Partners, and Good Prospects.” CAREC countries include Afghanistan, Azerbaijan, the People’s Republic of China, Georgia, Kazakhstan, the Kyrgyz Republic, Mongolia, Pakistan, Tajikistan, Turkmenistan, and Uzbekistan.



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