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Human Resources Management Guide for Railways companies (1)

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CONTENTS

1. Developing the Human Resources Management Corporate Policy
2. Developing the Human Resources Management Capacity (Presentation 2)
3. Staffing Policy and Actual Needs of a Company
4. Developing the Company's Human Resources
5. Human Resources' Administration and Discipline
6. Global Compensation
7. Health and Safety
8. Workforce Restructuring (Presentation 2)

Some railways companies place HRM as a lesser priority

However, a robust human resources management not only **nurtures a productive working environment and motivated personnel, but also mobilizes them to achieve company's business objectives, maximizes productivity, ensures compliance with rules and policies, and supports the achievement of both *personal and corporate goals.***

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

Developing the HRM Corporate Policy

Goal of HRM corporate policy is to inform on:

- Company's HR values and goals
- Guiding principles governing HR management
- Strategies in various HRM components
- Roles and responsibilities of each entity in the company
- Expected behaviors of management and employees

Developing the HRM Corporate Policy

Policy Content

- Company's background and HR situation:
 - **Internal environment:** Financial and commercial situation, strengths and weaknesses, profile of workforce and anticipated changes
 - **External environment:** Local labor market, competition for HR, workforce mobility, educational system, and developments in external environment.
- Actual and future **challenges** in managing the company's HR
- Company's **vision** HRM: Roles and responsibilities of various management levels in HRM process, centralization and/or decentralization of certain HRM responsibilities
- company's **HRM objectives** and **strategies**;
- company's commitment to offer a work environment **free of any discrimination**;
- company's commitment to offer a **safe work environment**;
- company's commitment to implement adequate mechanisms to **handle complaints**.

Developing the HRM Corporate Policy

Incorporated in an HRM strategy, i.e. a multi-annual, time-bound action plan,



DEVELOPING THE HRM CAPACITY

The HRM Function

- Determine the position of the HRM function in company's structure (reflecting the importance of human resources in a company!)
- Determine the HRM unit functional structure
- Determine HRM Staff capacity requirements
- Determine HRM unit operational budget

DEVELOPING THE HRM CAPACITY

- HR capacity requirements -

HRM unit size

- HRM staff-to-employee ratio is one HR officer per 100 employees.

HRM unit budget

- Cost of HRM unit's own functioning;
- Cost of recruitment activities
- Training budget
- Cost of employees' motivation program and activities

Staffing Policy

Staffing Policy is a corporate policy that covers forecasting HR needs, recruitment, selection and hiring, integration, and probation.

- Actual and future HR needs
- Means to meet HR needs
- Balance external and internal recruitment
- Implementation recruitment
- Roles and responsibilities management levels in staffing process

Staffing Policy

- Forecasting and planning -

Avoiding critical positions remaining vacant, creating perturbation in railway operations

- Forecasting HR internal availability (planned promotions/transfers/departures)
- Identifying critical positions and mapping of succession plans (career management)
- Forecasting HR external availability
- Formulating **Staff Recruitment Master Plan** for the company.

➤ **Note:** *For a position that requires a 6-month theoretical training and another 6 months on-the-job training, it takes 14–15 months before the replacement employee can occupy the vacant position (incl. recruitment process).*

Recruitment and Hiring

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

Internal or external recruitment?

- Motivate employees by offering opportunities moving from current workplace (e.g. from remote regions to city or v.v.)
- Offering promotion opportunities
- Bringing “fresh blood” and fresh ideas into existing operations and processes

HR Administration and Discipline

Components

- Employees' files
- HR Metrics
- Code of Conduct
- Discipline
- Supervision and Coaching
- Employees' assistance program

HR Administration and Discipline

HRM unit responsibilities

- Develop **regulations and mechanisms** for the application of disciplinary measures
- **Train line managers** in such regulations and mechanisms
- Ensure respect of **country's labor laws** regarding disciplinary measures
- Ensure full respect for the **employee's rights** during a disciplinary process
- Provide **support and guidance** to line managers when a breach occurs, during the entire disciplinary process.

HR Administration and Discipline

Line management responsibilities

- It is the supervisor's responsibility **to observe employees' breaches and to trigger the disciplinary process.** Ignoring any breach of proper conduct is considered as approving such breach.
- The supervisor must **report to the concerned HR specialist.**
- The supervisor is **responsible for the final decision** following in agreement with the HR specialist

Staff Mobilization and Engagement

No single, magic push button exists to trigger staff engagement.

Common beliefs

- **Remuneration.** A common belief is that with a good remuneration package, employees will be motivated. However, a well-paid employee working in a bad environment, with bad or incompetent supervisors, or with inadequate tools or equipment, will not remain motivated in the long run.
- **Supervision.** Another common belief is that with a good, friendly supervisor, 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, will not remain motivated in the long run.
- **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.

Compensation (salary)

- Paying **below market rate**: Risk that best performers leave for better salary
- Paying **above the market rate**: Short-term competitive advantage by attracting the best candidates but potential drawbacks in the long run
- Paying **in line with market rate**: Challenge as well as company must develop other means to attract and retain the best candidates.



Rewards (benefits)

- Key element of compensation policy yet most challenging component
- Assumes 'performance' is well-defined and structured for each level of work;
- Links with contribution to results are clear (quantitative measurement of performance indicators);
- Measurement of key performance indicators (KPIs) must be feasible
- Employees must see strong association between desired behavior outcome and reward.

Occupational Health and Safety (1)

OHS Components

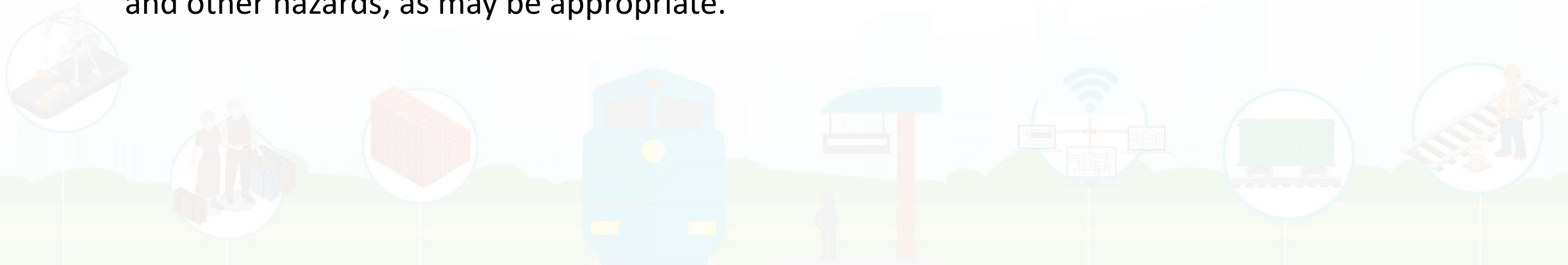
1. Identification of Risks

- Machinery, appliances, tools, robots, etc.
- Transport and handling cargo
- Contacts with potentially aggressive clients
- Work organization (schedules, work itinerary, etc.)
- Poor or inadequate safety conditions
- Contact with contaminants
- Hazardous goods; emission of dust, gas, steam, poor ventilation
- Stress (train drivers, traffic control and dispatch workers)
- Lack of ergonomics
- Etc.

Occupational Health and Safety

2. Prevention program

- Jobs risks register: 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.
- Based on identified risks and contains a schedule of workplace inspections and tests.
- Integrate scheduled training sessions on first-aid techniques and annual refresher courses
- Include scheduled drills for all employees on hazards like fire, earthquake, typhoon, storm surge, and other hazards, as may be appropriate.



Day 2: Skills Development and HR Restructuring

