

# Promoting employment and attractive working conditions in the European rail sector

## Final report





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This document was prepared for the European social partners in the rail sector, the Community of European Railway and Infrastructure Companies (CER) and the European Transport Workers' Federation (ETF) within the framework of the project "Promoting employment and quality of work in the European rail sector" by ICF Consulting Services.

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## Foreword

### **The rail sector is attractive - it includes many positive features and benefits for the employees!**

This is the gratifying result of the EU social partner project being jointly run by CER and ETF, in which we have intensively examined the strengths and weaknesses, potential and improvement options for the employees in the rail sector over the past 18 months. BUT: We must admit that the positive aspects are primarily seen from our own point of view! Away from the rail sector, these aspects are not or hardly known to the general public, the media, politics and especially potential competitors as well as young and older people, both men and women, who might be interested in working in the rail sector.

This needs to be changed urgently and we all have a share of the responsibility as both employers as well as employees are the social partners who can implement the change.

Our project was an important, further step with regard to this and it also reinforced the social partnership at EU level.

In four country-based workshops we were intensively involved with the relevant job weaknesses and got to know and exchanged best-practice examples. Unions and employers as well as the employees have learnt from one another, discussed and engaged in self-criticism and joint analyses as well as preparing common positions.

This report gives a good overview of the results. The following count as rail sector strengths for employees:

- job security
- good employment conditions
- good development opportunities
- good working climate (rail sector family)
- meaningful and sustainable activities
- a variety of employment opportunities
- the diversity of the sector
- modern and sometimes international jobs

But there are also critical points as well as difficult developments.

The surprising result of the project was that in all of the EU countries that were examined, the greatest importance was given to job security by all generations and employee groups without any exceptions.

A healthy working environment and the expectation of a steady job were the important factors that inspired both men and women to apply for a job with the railways. The work-life balance takes on even greater importance.

The increasing change of operators and the accompanying employer changes worry the employees with regard to job security. One will have to pay more attention to this point in the future, as with the social standards overall. In their joint opinion the EU social partners, CER and ETF, have made specific proposals for protecting the employees against competitive tenders for public rail services and in the case of a resulting change of operator ("Joint opinion" released on 23.09.2013).

Another rail sector strength in Europe also featured as part of the project: A strong and well-functioning social partnership, national as well as pan-European! The social partners also submitted a specific proposal with regard to another important point, the appeal of the sector: The difficult legal and economic framework conditions applied to the rail sector and their disadvantages in inter-modal competition.

In their "Rail freight declaration" released on the 2.12.2015 (Appendix) CER and ETF have agreed upon and proposed up-to-date points regarding fairness and growth plans.



**When all of these activities are combined they provide the answer to the central question: What are the best means for securing employment and good social standards in the rail sector?**

**The answer is: more rail traffic**

However, this requires the appropriate framework conditions and fair competition. The EU social partners, CER and ETF, are jointly working with the national unions and rail companies to realise clear improvements here.

As a result of the lessons learned from the project, we want to work together to implement improvements to the rail sector's image. For this we will need ample, well-trained personnel in order to be able to provide a fully suitable and good service. It is important with regard to the technological advances of the training and advanced training programmes that this is aligned accordingly, in order to ensure for example the ability to use of the latest digital technologies.

In order to get the project recognised and be able to proceed with the partly initiated measures, we see the relaunch of the social dialogue in the rail sector as being extremely important. We need support from the European Commission for this. We expect that specific measures will have to be implemented here as part of the strengthening of the social dialogue, which President Juncker has declared to be one of his main objectives.

Recognition and results from the project will have to be addressed as part of the relaunch and solutions further developed as "ongoing processes". We are convinced that as social partners we will be able to make a contribution both to the sustainable strengthening of the appeal as well as sustainable development of the rail sector. This applies in particular to the employees as well as the passengers, customers, railway companies and the policies.

We are further convinced that the rail sector, as an environmentally friendly means of transport, will play a more important role than ever before in the European transport market in the future.



A handwritten signature in blue ink that reads "Rohrmann".

**Matthias Rohrmann**  
CER  
President European sectoral  
social dialogue rail



A handwritten signature in blue ink that reads "Greivelding".

**Guy Greivelding**  
ETF  
Vice president European sectoral  
social dialogue rail

# Executive Summary

## Purpose of this report

This report has been prepared as part of the research project “promoting employment and quality of work in the European rail sector” managed by EVA Academy in co-operation with the European Social Partners ETF and CER. The report presents findings from research conducted between March 2015 and December 2015 in twelve European Member States (Belgium, Bulgaria, Germany, Spain, France, Czech Republic, Italy, Netherlands, Poland, Sweden, Slovenia, and the UK), as well as a review of literature covering all EU countries.

The overall aim of the study was to deliver a stock take of the attractiveness of the rail sector as an employer. This has been done by gaining an overview of the image and attractiveness of occupations in the European rail sector, employment perspectives, emerging new skills needs and skill and labour shortages, and the extent to which sustainable working conditions, personnel development and retention measures contribute to increasing the attractiveness of the sector.

## Overview of the rail sector in Europe

The liberalisation of European rail transport markets has been on the agenda of politicians, academics, and industry for the last 20 years. Directive 91/440/EEC paved the way to for the separation of railway operations and infrastructure (accounts and balances). This means that state owned companies became commercial operating firms with new organisational structures.

In addition, successive reforms required the increasing opening of the rail market to competition. Regularly development have significantly influenced trends in the sector which can be summarised as follows:

- The rail sector has undergone significant restructuring in the last 20 years linked to the separation between operations and infrastructure in a number of countries and to the policy emphasis on increased competition in the market. This has had important consequences on the employment in the sector;
- The quality of rail infrastructure differs significantly between Member States. The overall size of the infrastructure has not altered much in recent years, but levels of investment in maintenance and upgrading vary from country to country;
- Although the number of licensed operators in the sector has increased with the greater emphasis on competition, in most countries a single national operator (partly or wholly state owned) continues to dominate the market;
- Rail companies are significant employers in their countries;
- Long recruitment freezes have contributed to create an ageing workforce profile in most companies;
- In many countries, rail companies have recently begun to recruit again in the face of the impact of demographic change and in some cases increasing passenger numbers;
- The sector continues to be male dominated although the share of women has slightly increased. Vertical (limited number of women in senior positions) and horizontal (limited number of women in certain professions) gender segregation remain prevalent.

## Image and attractiveness of workplaces in the European rail sector

The attractiveness of the rail sector as an employer is impacted by a number of factors including:

- Public perception of the sector, which is influenced by the performance of rail companies as service providers. This in turn is influenced by the wider socio-economic and regulatory framework they operate in;
- Perceptions of employees and potential job seekers vary depending on:
  - the specific nature of the job within the rail sector; and,
  - the nature of individual companies in the rail sector.

In terms of the perceived attractiveness of the sector, this means that:

- Some differences reported between internal and external perceptions of the rail sector (internal perceptions of employees are generally more positive, external perceptions of students and pupils and general public attitudes to the sector regarding employment in the industry are generally more negative. Such perceptions can impact on recruitment);
- Beyond this, attractiveness is influenced by the broader socio-economic context (including the availability of alternative employment), the regulatory context, sector and company specific working conditions and the quality of the social dialogue which shapes such conditions;
- A body of evidence is emerging on key factors which make certain employers and occupations attractive to different target groups (e.g. generations X, Y, etc.). Job security, a meaningful job, being valued by ones superiors and having appropriate remuneration and good working conditions are key factors. It is important to understand that different age groups are looking for different things in their employer, but job security appears important for all;
- In some countries the sector is attractive in others it is not – some have recruitment difficulties despite perception of being attractive demonstrating that the latter is affected by more than just the overall image and attractiveness of the sector;
- Some differences exist between state and private providers in terms of attractiveness. In some countries state providers are considered to offer more secure and attractive working conditions, whereas in a few others new private providers are seen to be more attractive, particularly where they operate with more modern rolling stock and offer (in some cases) better starting salaries for certain professions;
- Where the sector is attractive this is due to: secure employment; good remuneration; good career development opportunities; good working conditions and positive corporate climate.
- Where it is not attractive this is due to: lack of investment in infrastructure and rolling stock thus lack of improvement of working conditions; lack of vision of the future of the company and the sector; frequent management changes in particular in Central and Eastern European countries and significant restructuring leading to redundancies and/or recruitment freezes; insufficient career development opportunities; difficult working conditions (e.g. due to mobility, hard/dirty work, shift work etc.)
- Attractiveness for external recruits depends on occupation and region for recruitment. In some countries jobs in the rail sector are considered more desirable (in terms of pay and conditions) than in other sectors, in many countries, however, other sectors are considered more attractive, particularly for highly skilled and sought after workers, such as engineers.

## Evidence of new skill needs and skill and labour shortages

Having established factors impacting on the broader attractiveness of the sector and of employment opportunities in rail companies, the report discusses the extent to which labour and skill shortages are in evidence in the rail sector in the European Union. It also looks at any emerging new skill needs which need to be taken into account in recruitment and ongoing training strategies.

The findings here can be summarised as follows:

- In the rail sector the main occupations that rail companies require workers to fulfil have remained broadly similar for many years. The organisation of the sector may have undergone significant changes but the result of this has been changes in the organisation of labour rather than significant changes to the occupational profile for the sector.
- A common finding across the study countries is that there have been advances in the use of technology, improving efficiency and safety in the sector. Whilst the evidence is not concrete, there is the possibility that increased use of technology may result in some occupations disappearing (e.g. on-board staff replaced by "drivers only operations" (DOOs) or maybe (private) security staff or changing (e.g. ticket sellers / customer service).
- A significant issue for rail companies is adoption of new technology and use of IT (both in terms of IT systems as part of the functioning of the business but also as part of passenger interface).
- The level of labour and skill shortages depends strongly on the country, region and occupation. Further, there is also some evidence that the skills needs of some companies in the rail sector has changed as a result of the economic crisis, where many companies imposed a recruitment freeze.
- There are some long-standing and some emerging skill shortages in the sector. Key occupations with skills shortages are drivers, engineers and other technical professions. The demand for train drivers and technical occupation is evidenced through the fact that many of the rail sector organisations interviewed as part of this study are undertaking continued efforts to identify and attract such employees.
- Some of the skills shortages impacting the rail sector also impact other sectors. . This can lead to competition for key workers. Where other sectors are more attractive to job seekers it is difficult for the rail sector to compete and attract and retain such employees.
- There are often regional differences in skills shortages which should not be overlooked as this can have important implications for the design and implementation of any proposed solutions to skills shortage. It can, for example, require that regionally differentiated solutions to skills shortages and/or recruitment and retention are considered.

In a number of countries, the sector will have to recruit a significant number of staff on an annual basis in the years to come, partly as a result of the demographic ageing of the rail sector workforce (average age of around 45 years).

## Working conditions in the sector and their impact on recruitment and retention

Having assessed the overall image and attractiveness of the sector and the extent to which this has translated into skills shortages in different countries and companies, the report then takes a closer look at evidence of staff satisfaction and the factors linked to working conditions which impact most on such satisfaction levels. The following key findings emerge:

- Levels of staff satisfaction vary from country to country and occupation to occupation;
- Younger employees appear to have higher levels of job satisfaction than other employees, which may be linked to the fact that more experienced workers have undergone significant restructuring experiences resulting in insecurity, reduced employment terms and conditions changed relationships with direct management, a feeling that 'things are not as positive as they used to be';
- There are an insufficient number of survey returns from the employee survey conducted for the study to compare staff satisfaction levels between public and private providers of rail services;
- Job security is a key consideration valued by staff and potential recruits in all countries and at all ages.
- Pay and working conditions are also important. The level of attractiveness and satisfaction with terms and conditions depends on the country, company and occupation.
- Collective agreements have played an important role in ensuring standards and comparability in terms and conditions between companies. In many countries, however, company collective agreements are prevalent. Building on sectoral CBA minimum standards, company level pay and conditions agreements can be significantly higher and impact on the relative attractiveness of different enterprises. .
- Investment in ongoing training and career development are important factors in retaining staff and helping companies to address the impact of demographic change. A number of enterprises have invested significantly in offering ongoing training and communicating information on internal career opportunities, whereas in others emphasis on internal training is considered to be more limited.
- Currently employers in the rail sectors engage with a wide range of learning providers, this activity needs to be maintained and may need to be expanded to other providers to meet future skills needs. .
- Opportunities to realise a good work life balance are also seen as an important factor and are critical in some instances in undermining the attractiveness of the sector because of high demands for mobility and working 'unsocial hours'. Efforts are being made in some companies to give individuals or teams greater autonomy over shift patterns at local level. Other supports for work life balance are also being offered (flexible working upon request and according to changing circumstances, support for childcare/elderly care etc.)

## Strategies to increase the attractiveness of the sector and improve recruitment and retention

A number of rail companies in the European Union are undertaking significant efforts to address the issues highlighted above with regard to the image of the sector and the emerging labour and skills shortages. The extent to which such efforts are undertaken varies between companies and countries and depends partly on the scale of the challenge faced, but also on the resources available.

- In a number of cases a strong link is being made with employer branding and recruitment strategies, presenting rail companies as modern and sustainable employers offering a meaningful job in a company with good environmental credentials;
- Addressing misconceptions (which may include a lack of knowledge regarding the range of occupations available in the sector and/or out-dated views of what employment conditions may be like in the sector) about the type of job and career opportunities available in the sector is an important part of such strategies;
- Most significant efforts are being targeted at young people including research to understand their motivations, information campaigns targeting them through suitable channels, and partnerships with schools, colleges and universities;
- Where there are significant shortages of suitable applicants for some occupations, some rail companies invest in funding students through college/university (in particular for engineering);
- Apprenticeships are also a core part of the approach in attracting young people, providing a paid employment and the necessary training to enable them to have a good career in the rail sector. This is particularly so in countries which already place strong emphasis on school to work transitions via apprenticeships;
- Particular efforts also exist to attract target groups which are currently under-represented (e.g. women, individuals with a migrant background);
- In the context of the policy emphasis on tackling youth unemployment and the migrant crisis, some rail sector companies are particularly involved in offering opportunities to disadvantaged young people and more recently migrants and refugees;
- Less work is being done in relation to the recruitment and retention of older workers, although some efforts exist to enhance health and safety at work, adapted work places or organisation of work and thus work ability and allow experienced workers to mentor young recruits;
- More limited activities are visible in relation to the improvement of workers' terms and conditions, partly as a result of ongoing restructuring efforts and the emphasis on competitiveness. Where such initiatives exist, the mainly target work life balance measures.
- The impacts of restructuring in the sector have resulted in a dilution of some terms and conditions in the industry - adversely impacting the job satisfaction for older workers. There is an opportunity to improve social partner dialogue regarding anticipation and management of restructuring through implementing recommended good practices in restructuring<sup>1</sup> (the EU Quality Framework for Restructuring )

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<sup>1</sup> Full details are available here: <http://ec.europa.eu/social/main.jsp?catId=782&langId=en&moreDocuments=yes>

## Conclusions

Based on the key findings outlined above, what kinds of actions could be taken by social partners at different levels to increase the attractiveness of the sector? The extent to which action is required at the national level clearly depends on the wider socio-economic framework and the extent to which image and recruitment challenges are currently present in a country. Having said that, even where a challenging overall labour market situation (with high levels of unemployment and therefore a high supply of labour) currently means that skill shortages are more limited, this could change in the future and social partners still have to pay attention to underlying trends and the potential impact of demographic ageing in the sector.

Key issues to address emerge as the following:

- Negative media coverage of the rail sector;
- Overcoming the 'insider-outsider phenomenon' which means that those external to the sector often have significantly more negative perceptions of the quality and attractiveness of employment. Linked to this is also a lack of understanding of the wide range of job opportunities available in the sector;
- Addressing skills mismatches and the impact of demographic change;
- Tackling the factors which can make the sector appear less attractive in some occupations (e.g. linked to working hours or shift patterns and in some cases less attractive salaries to those offered in sectors competing for similar talent);
- Exploiting and ensuring the continuation of factors which make the sector attractive such as relative security of employment and career development opportunities;
- Addressing emerging differences between incumbents and private sector operators which can impact the overall attractiveness of the sector through sector collective bargaining.

The issue of negative media coverage and the resulting insider-outsider phenomenon could be addressed by social partners both at European and national level. In doing so, the importance of the surrounding regulatory, economic, social dialogue and social environment has to be borne in mind and can be (and is being) addressed by social partners.

In addition, information/awareness raising campaigns about the economic, social and environmental importance of the sector and the range of job profiles available could be envisaged. Examples of using media campaigns and new methods of communication highlighted in this report could be used as examples/inspiration for such activities.

The study has shown that skills mismatches are best addressed through the development of a clear understanding of the current supply of skills and future requirements based on demographic and technological developments. Due to differing training requirements at national level, a presentation of the need for future skills needs (beyond the relatively general) appears difficult at the European level and it therefore seems sensible that emphasis be placed on the development of clear company level assessments of such future requirements – although it is feasible that where common requirements are identified, companies in the sector – or even in other sectors with similar requirements could work together with training providers to ensure a future supply of such skills. A number of examples of such co-operation are presented in this report and could act as inspiration.

Social partners at sector and company level have an important role to play (through collective agreements) to set standards for wages and working conditions in the sector which are attractive when compared with other sectors. With the emergence of competition and a higher number of providers in the sector, differences between company level collective agreements are likely to play an increasing role on attractiveness and it is therefore notable that the number of countries having national (or regional) sectoral agreements is limited and most of the activities to enhance conditions highlighted in this report are being taken at company level.

Sectoral collective agreement are likely to have an important role to play in securing adequate standards for the entire sector which continue to make this attractive in the 'war on talent' which is likely to intensify with the impact of demographic change.

In light of the latter, it appears necessary for companies and social partners to intensify their activities to plan ahead for significant numbers of workers in the sector retiring in the coming 10-15 years and the measures which need to be taken to recruit but also to retain staff.

Further research would therefore be important in the impact of demographic change and measures taken to ensure work ability throughout working life as such initiatives appeared to be under-represented in the information gathered for this study.

The workshops undertaken for this study have illustrated that there is a large degree of interest from companies and trade unions in measures being introduced in different countries. This knowledge sharing environment provides a forum to share ideas and tackle issues of common interest.

Other joint actions could include:

- The promotion of the benefits to companies of the measures to attract and retain workers - such as better work-life-balance opportunities and measures to attract young people. A key element in this should be the costs of inaction in these areas - without continued effort in these areas the rail industry image will not improve and will lose workers to other sectors. In this respect visibility of such actions is very important.
- The promotion of a lifelong training offer in the industry for career development would also seem important given the importance of this to personal and professional development. Agreeing and renewing a shared understanding between companies and employees (through for example joint training agreements which specify common rights and responsibilities) regarding investment in training that goes beyond legal compliance (as related to health and safety) is a potential action.



# 1 Introduction

## 1.1 Purpose of this report

This report has been prepared as part of the research project “promoting employment and quality of work in the European rail sector” managed by EVA Akademie in co-operation with the European Social Partners ETF and CER.

The report presents findings from research conducted between March 2015 and December 2015 in twelve EU Member States (Belgium, Bulgaria, Germany, Spain, France, Czech Republic, Italy, Netherlands, Poland, Sweden, Slovenia, and the UK), as well as a review of literature covering all EU countries.

## 1.2 Research Aims

The overall aim of the study was to deliver a stock take of the attractiveness of the rail sector as an employer. This has been done by gaining an overview of the image and attractiveness of occupations in the European rail sector, employment perspectives, emerging new skills needs and skill and labour shortages, and the extent to which sustainable working conditions, personnel development and retention measures contribute to increasing the attractiveness of the sector. The general goal of the project included several specific objectives in three thematic focal points. These are outlined below:

### 1.2.1 Thematic Focal Point 1: Overview of the image and attractiveness of working places in the European railway sector

- Attractiveness of the companies and sector
- Characteristics of the employers and selection criteria for job seekers
- Ranking in comparison with other sectors
- National specifics, similarities and differences between EU countries
- Areas for job creation and development of employment in the sector

### 1.2.2 Thematic Focal Point 2: Employment perspectives and strategies in European railway companies

- Information of employment perspectives in the rail sector in European countries
- Effects of structural and demographic change in the rail sector in European countries
- Current employment and competence profiles with future skills requirement
- Comparison of human resources strategies
- Consider perspective of young people, women, older workers and less skilled workers

### 1.2.3 Thematic Focal Point 3: Sustainable working conditions, personnel development and retention measures

- Identify working conditions attractive to employees
- Identify effective recruitment and retention measures
- Identify criteria of corporate culture, working conditions, personnel development and retention measures.

While taking into account all the themes of these thematic focal points, this report has been prepared using the structure outlined in section 1.4 below to avoid overlap between these themes.

## 1.3 Summary of methodological approach

### 1.3.1 Types of evidence presented in this report

The information contained in this report comes from the following principal sources:

- Stakeholder interviews, conducted primarily face-to-face, with: Employers / Employer representatives; Trades Unions and workers' representatives; and industry experts.
- Surveys data for employees; apprentices; and, students/pupils. A breakdown of survey responses by country is outlined the table below, in summary:
  - Employees: there are two countries with two surveys (an existing staff survey and a survey conducted for this study):
    - France:
      - the survey conducted for this study with questionnaires distributed through trade unions networks with 63 employees responding; and,
      - a staff survey conducted in 2014 for SNCF by an independent survey institute (TNS Sofres): a representative survey of a sample of 1904 employees out of approximately 150000 employees.
    - Germany: the results of the DB internal staff survey and the survey conducted for this study with questionnaires distributed through trade union networks.
  - Apprentices: the survey was conducted in four countries (France, Italy, Germany and Poland). The small sample size in three countries, less than 20 valid responses received, does not allow for analysis at a country level. Therefore the results were analysed for all apprentices who replied to the survey and for France specifically.
  - Students and pupils: conducted in six countries (the Czech Republic, France, Italy, Germany, Sweden and the UK).
- Presentations and discussions conducted during study workshops held in 2015 where interesting practices and/or experiences were shared. Examples presented at these workshops have been integrated throughout the report to demonstrate existing practice.

**Table 1.1 Survey respondents**

Country	Employee Survey	Apprentice Survey	Student/Pupil Survey
BE	0	0	0
BG	107	0	0
CZ	7.072	0	453
DE	47	13	19
ES	61	0	0
FR	63	67	36
IT	40	18	52
LT	0	0	73
NL	0	0	0
PL	40	4	0
SE	0	0	17
SI	79	0	0
UK	0	0	206

## 1.4 Structure of the report

This report continues in the following sections, addressing the three thematic focal points for the study:

- Section 2: provides a brief overview of the rail sector in Europe, providing the context for this study.
- Section 3: presents an overview of the situation in the rail sector in the in-depth study countries in terms of attractiveness, existing or emerging skill shortages, the impact of working conditions and measures taken to improve attractiveness.
- Section 4: presents the evidence and findings in relation to the image and attractiveness of work places in the European railway sector.
- Section 5: presents evidence of new skill needs and emerging skill and labour shortages in the sector.
- Section 6: outlines the importance of working conditions in the sector in influencing its attractiveness.
- Section 7: presents details of joint approaches taken by social partners aimed at increasing the attractiveness of working in the rail sector.
- Section 8: presents some of the strategies and measures introduced by companies to increase the attractiveness of the sector and to improve recruitment and retention
- Section 9: outlines the conclusions arising from this study

The presentation of data and findings in this report identifies the source(s) of information, further detail regarding these sources is contained in a bibliography in Annex I.

## 2 Background: Overview of the rail sector in Europe

This section provides a brief overview of the rail sector in the European Union in terms of infrastructure, the number of enterprises, employment and key policy and regulatory trends impacting on the sector. In relation to employment, it also discusses demographic trends and the gender balance of the current workforce. This is not intended to be comprehensive, but primarily aims to set the subsequent discussion of the image and attractiveness of the sector into context.

The following are the key findings which emerge from this section:

- The rail sector has undergone significant restructuring in recent years linked to the accounting or legal separation between operations and infrastructure and the policy emphasis on increased competition in the market;
- The quality of rail infrastructure differs significantly between Member States. The overall size of the infrastructure has not altered much in recent years, but levels of investment in maintenance and upgrading vary from country to country;
- Although the number of licensed operators in the sector has increased with the greater emphasis on competition, in most countries a single national operator (partly or wholly state owned) continues to dominate provision, particularly in the long-distance passenger transport segment;
- Rail companies are significant employers in their countries;
- Many have experienced decline in employment, partly due to separation of network/operation; partly as a result of recruitment freezes linked to restructuring;
- Long recruitment freezes have contributed to create an ageing workforce profile in most companies;
- In many countries, rail companies have recently begun to recruit again in the face of the impact of demographic change and in some cases increasing passenger numbers;
- The sector continues to be male dominated although the share of women has increased. Vertical (limited number of women in senior positions) and horizontal (limited number of women in certain professions) gender segregation remain prevalent.

### 2.1 Key policy drivers shaping the development of the rail sector - the EU legislative framework

In order to understand the current situation and trends in the attractiveness of the sector and associated developments in employment and working conditions, it is important to have a basic understanding of the policy drivers which have shaped the development of the rail sector in the past decades.

#### 2.1.1 EU regulation has been a key factor in shaping restructuring in the sector including through functional separation and increasing competition

The liberalisation of European rail transport markets has been on the agenda of politicians, academics, and industry for the last 20 years. Directive 91/440/EEC paved the way for the separation of railway operations and infrastructure in a number of countries and required state owned railway companies to become managerially and financially independent from the state. This means that state owned companies became commercial operating firms with new organisational structures.

The restructuring of the rail sector has led to different models, such as:

- the complete separation and sole use of competitive tendering as in the UK which has also implemented a franchising model;
- maintaining an integrated incumbent railway company with or without opening the rail passenger transport to competition; and,
- complete separation of infrastructure management and operations and no market opening of rail passenger transport.

However, the rail freight market is completely liberalised in all EU Member States with increasing market share of new operators.

It also means that each Member State has its own complex legal setting regarding the award of public service contracts. In most of the Member States, the state owned railway operator still retains most of the delivery of passenger train operations. It is mainly the UK, the Netherlands, Estonia and Hungary where railway operations have been largely privatised in the past years. Germany and Sweden have significantly increased local and regional rail passenger transport competition. Norway, Poland and Spain have also regional private rail passenger transport operators but the state owned company largely retain most of the operations.<sup>2</sup> In some cases, the state owned companies became complex operating holding companies or groups with many different subsidiaries, for example Deutsche Bahn Group, the French SNCF or the Austrian ÖBB.<sup>3</sup>

These developments are considered to have had an impact on the organisation of the sector, as well as employment and employment security in the sector, as will be discussed in more detail below.

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<sup>2</sup> European Commission press release of 26.01.2012 accessed at: [http://europa.eu/rapid/press-release\\_IP-10-509\\_en.htm](http://europa.eu/rapid/press-release_IP-10-509_en.htm)

<sup>3</sup> See also Soriano, V. et al (2012), Employment and industrial relations in the railways sector, Eurofound, Dublin.

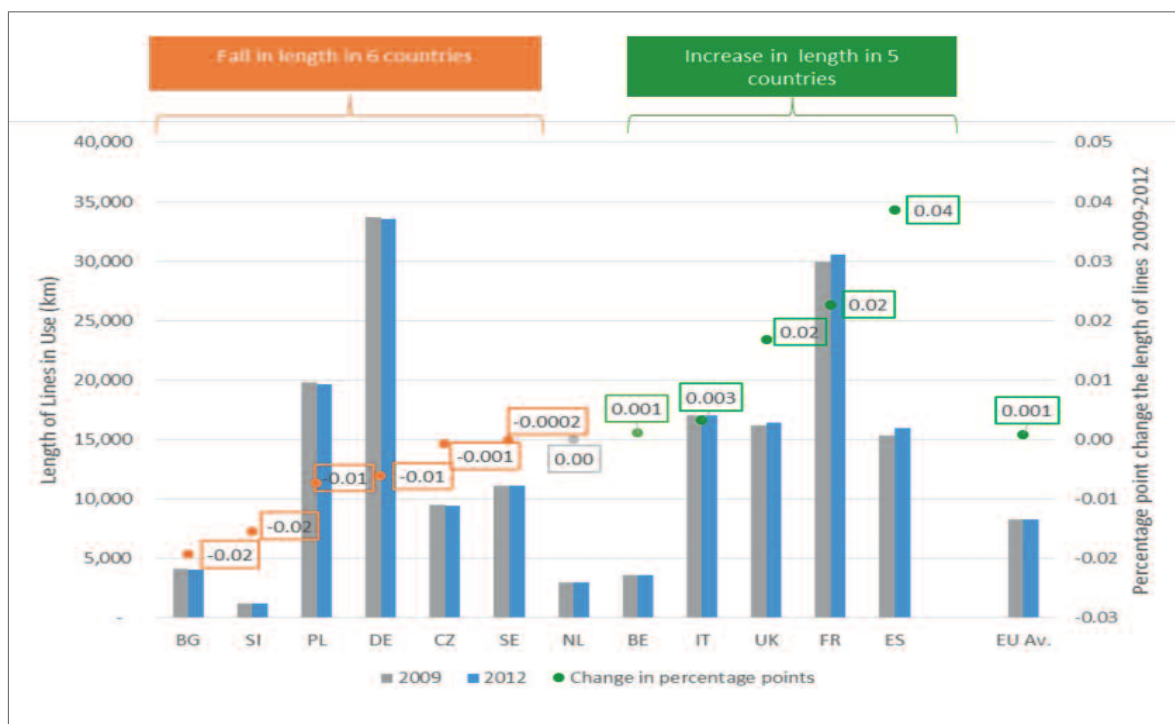
## 2.2 Infrastructure

Unsurprisingly, given their size and geography, EU countries differ significantly in terms of the length and quality of rail infrastructure. The largest rail track networks can be found in Germany (33,500 km) and France (30,500 km), followed by Poland (19,600 km). Slovenia has the shortest system of tracks to manage (1,200 km).

### 2.2.1 There have been no significant changes in the size of the rail infrastructure used in recent years

Between 2009 and 2012 the length of the lines in use has not changed significantly. In six countries where lines were closed the drop was from 2 km in Sweden to 205 km in Germany. Increases of the line length were more substantial and varied from 678 km in France and 592 km in Spain to 4 km in Belgium (see Figure 2.1).

Figure 2.1 Total length of lines in use in 2009 and 2012



EU Transport in Figures, statistical pocketbook 2009 and 2014

## 2.3 Enterprises

The number and nature of companies in the sector has been significantly affected by the policy trends outlined above, but the impact of this has been more dramatic in some sub-segments of rail transport provisions than in others (e.g. local and regional rail passenger transport has been most affected by increased competition).

### 2.3.1 Despite evidence of the entry of new players onto the market, single national operators continue to dominate the market

Despite the fact that major reforms have been implemented, in many countries the sector has maintained its traditional structure with a single main operator, often (majority) state owned<sup>4</sup>. Nevertheless, the number of companies in this sector has tripled since 1995 when it was estimated at 464<sup>5</sup>. In 2016, a total of **1,271 com-**

<sup>4</sup> CER and ETF with SECAFI and Eva Akademie (2013) PSR Rail, A guide to identifying and preventing psychosocial risks at work in the railway sector, www.eva-akademie.de

<sup>5</sup> Eurostat, EU Transport in figures, Statistical pocketbook 2000, after: Commission Staff Working Document Accompanying the document Report from the commission to the council and the European Parliament, Fourth report on monitoring development in the rail market, COM(2014) 353 final..

panies held licenses to operate in the rail sector in Europe.<sup>6</sup> The countries with the highest numbers of operators are **Germany (417)** and **Poland (154)**. In the passenger transport there is currently less competition than in freight.

**Table 2.1 Number of licenses**

	Pass/Freight	Freight	Passenger	Total
Germany	301	126	72	499
Poland		114	30	144
Czech Republic	23	63	1	87
Italy	22	32	15	69
Hungary	2	51	3	56
Romania	5	41	7	53
Sweden	7	31	13	51
The Netherlands	6	22	9	37
Slovak Republic	2	27	7	36
Lithuania	2	31		33
France	1	26	3	30
Denmark	10	3	15	28
United Kingdom	1	3	18	22
Austria	12	12	2	26
Spain	4	17	2	23
Bulgaria	2	13	1	16
Norway	2	5	5	12
Belgium	2	6	2	10
Estonia		7	2	9
Slovenia	1	4	1	6
Portugal		2	3	5
Croatia		4	1	5
Finland	1	2		3
Latvia		3		3
Greece	1		1	2
Luxembourg		1	1	2
<b>Total</b>	<b>407</b>	<b>648</b>	<b>216</b>	<b>1271</b>
<b>Average</b>	<b>22</b>	<b>26</b>	<b>9</b>	<b>49</b>

Source: ICF based on ERADIS database of the European Rail Agency (extracted on 08.01.2016)

However, the number of licences awarded often overstates the number and significance of operators active in the sector. In Poland, for instance, the high number of licenses in passenger transport does not necessarily mean greater competition or choice for the client, as not all operators who have license actually provide services. The high number of bodies licensed in the sector is also due to the decentralisation of services.

<sup>6</sup> ERADIS database of the European Rail Agency (accessed on 08.01.2016).

Similarly, among nearly 500 German companies many are mainly active within a small geographical area in the delivery of local commuter transport or touristic (or indeed company internal freight) services. In Germany, the railway sector has been growing in terms of passenger numbers, despite the fact that there has also been an increase in other modes of long-distance passenger (and freight) traffic. In German public railway transport, there is a differentiation between short distance transport within city, municipal or county boundaries (Schienenpersonennahverkehr) and transport between cities or longer distances (schienengebundener Personenfernverkehr). In practice, Deutsche Bahn (DB) operates 99% of long distance transport, 80% of short distance transport and 75% of freight, with an increasing competition in the two markets short distance transport and freight<sup>7</sup>.

## 2.4 Employment

The rail sector is an important employer in the European Union, with precise figures varying depending on sources used and different segments of the sector covered.

### 2.4.1 Rail companies are significant employers in the EU despite an overall decline in job numbers

The latest data from the rail market monitoring system (henceforth RMMS)<sup>8</sup> show that in 2012, EU rail companies **employed nearly 1 million workers**. This means that **1% of all employees in the EU work in rail companies**. Rail companies are also significant employers in their countries, although there are variations from Member State to Member State (from 3.9% in Luxembourg to 0.1% in Greece).

Data on rail employment reported in the 2012 RMMS are higher than those collected in 2011 by Eurostat.<sup>9</sup> Eurostat statistics show that in 2011 the railway sector accounted directly for more than 600,000 jobs in Europe, i.e. 5.8% of the total employment in the transport sector. The difference between the two sources might be in the precise definition of the sector and whether or not it also covers rail infrastructure management. RMMS data shows that **one in three** employees in the sector worked in companies which manage **rail infrastructure**, therefore it can be assumed that Eurostat excludes this type of employment from their estimations. In the remainder of this section RMMS data have primarily been used due to the fact that they are collected using a consistent methodology and which covers each study country.

Nevertheless it is noted that these data are several years out of date (relating to 2012) and consultations held for this project indicate that they are an underestimate of the total number of employees in the rail sector in many study countries. For example it is estimated that in 2016 there are just over 170,000 rail employees in Deutsche Bahn alone; in the UK it is estimated that there are around 200,000 employees in the rail sector. In the Czech Republic it is estimated that CD Cargo and SZDC alone employ 40,500; in Belgium it is estimated that all employment in the rail sector stands at 33,697.

Nevertheless, some interesting observations can be made when considering this data. One in two rail employees work in only four EU countries – France, Germany, the UK and Poland. Furthermore, a large number of workers in the sector (more than 50,000) work in Italy, Austria and Romania. The countries selected for in-depth assessment in this study (presented in the figure below) account for a total of 739,712 jobs, which represent 76% of the all EU 28 employment in the rail sector.

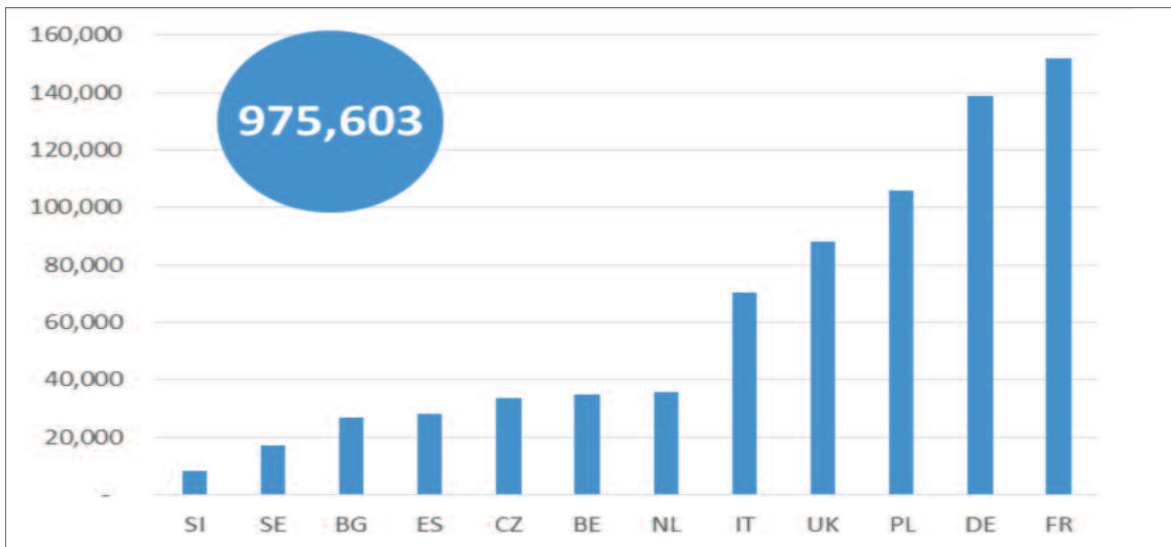
<sup>7</sup> Bundesnetzagentur, Jahresbericht 2014.

<sup>8</sup> Since 2007, the DG MOVE collects data on rail market developments in Member States via RMMS Questionnaires. There can be gaps in data availability as well as methodological discrepancies due to methodology adopted to collect data. Latest report published in 2014 presents an overview of the development of rail markets in years 2011-2013.

<sup>9</sup> Eurostat, EU Transport in figures, Statistical pocketbook 2014.



Figure 2.2 Total employment in rail companies 2012



Source: RMMS questionnaires 2012.

Note: CZ no data about freight; FR data for employment in rail infrastructure management covers both RFF and SNCF Infrastructures

The largest employers in the sector are infrastructure managers who employ on average one third of the work force in the sector – from half of employees in the Czech Republic and Sweden to 12% the Netherlands.

### 2.4.2 The range of occupations in the rail sector varies significantly

The figure below provides an illustration of the types of occupations undertaken in the rail sector. This presents occupations using a careers matrix that classifies occupations in the sector according to three different levels (strategic, tactical and operational) and seven main groups of jobs. This is presented here in order to illustrate the diversity of occupations in the sector.

Employment in infrastructure management makes up between 12-52% of employment in the sector in the study countries (see figure 2.4 below).

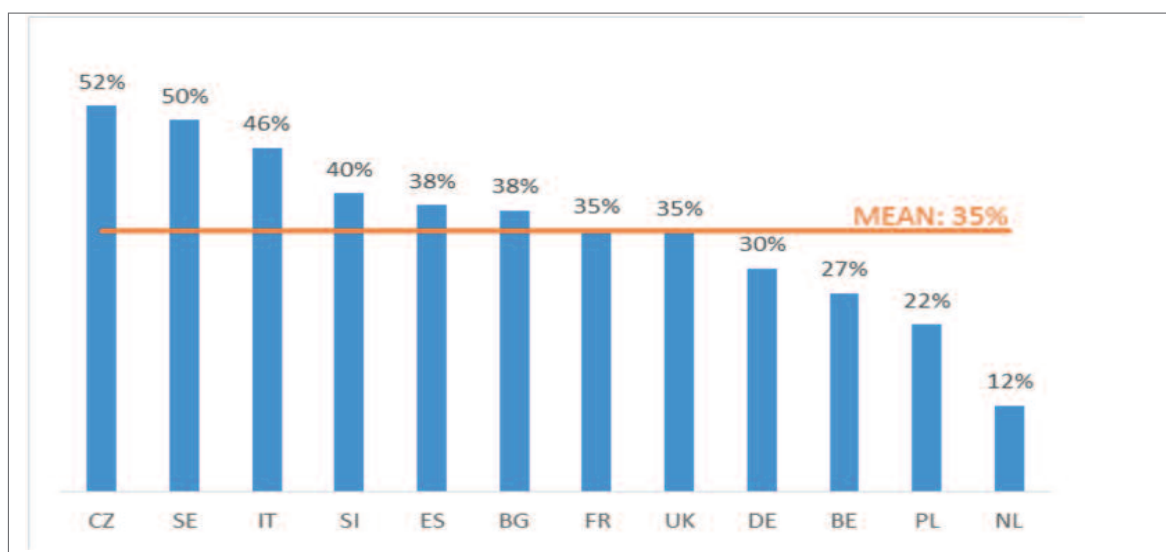
Due to the larger size of most incumbent providers (compared to private providers), they offer a broader scale of employment as well as training opportunities.

Figure 2.3 Rail Careers Matrix



Source : <http://www.railtalent.org/rail-careers-matrix>

Figure 2.4 Share to infrastructure management staff in total employment



Source RMMS questionnaire 2012

The recent **economic crisis mainly impacted on freight transport**, which is more immediately impacted by changes in market demand than passenger services. Therefore higher staff turnover was reported in these companies. Companies in the sector went through restructuring processes and responded to the crisis with lay-offs, early retirement schemes, as well as reduction in investments.<sup>10 11</sup>

Although, the rail sector remains one of the most important economic sectors in Europe, in relation to direct jobs (e.g. rail passenger and freight services and manufacturing of rail infrastructure), the industry has been characterised by a steady decline in employment mainly due to competition with other modes of transport e.g. road, sea and air transport and freight. It has been estimated that in the last twenty years the reduction in employment has affected some 40% of total employment.<sup>12</sup> The decline in employment may be partly due to the separation of network and operation and an increased use of agency workers. This may mean that some employees still operate within the sector, but may not be included in the overall employment count for the sector. For example if some functions are contracted out the workers of such providers may not always be classed as a rail sector employees, but may be included in the employee count in a different sector. The decline in employment may also be accounted for through increased competition for employees from other sectors and as a result of recruitment freezes and restructuring. After years of recruitment freezes, many companies have recently started recruiting again in order to replace workers soon to retire.

In order to provide an overview of employment, this study presents rail market monitoring data collected by the European Commission (RMMS data). These data are published every two years by the European Commission based on questionnaires in each Member State. These data may be an underestimation of employment in the sector, and are not an up-to-date source. Nevertheless they are presented here due to the fact that they provide data for all study countries using a consistent methodology.

The RMMS data show a decline in EU employment in the rail sector of 2 percentage points from 2011 to 2012 (from a total of 999,254 jobs in 2011 to 975,603 in 2012). Amongst the countries studied in-depth for the report the decline was greater (-3 percentage points). The countries most affected by negative employment trends are the Czech Republic, Bulgaria, France and Belgium. In the Czech Republic, redundancies mainly resulted from the economic crisis and its impact on freight transport. Bulgarian companies have been operating at a loss in recent years which in turn has led to lay-offs and redundancies. In Belgium it is estimated that the number of employees will further decline as new hires are replacing only those positions where persons either left the company or retired and that are considered as necessary or fill entirely new positions (mainly in IT). It

<sup>10</sup>Balan, G-S, Balan M (2010) Economic and financial crisis impact on rail sector, Internal Auditing & Risk management, Anul V, Nr. 3(19), September 2010 <http://www.kadamar.ro/atharticles/2010-3/2010-3-2.pdf>

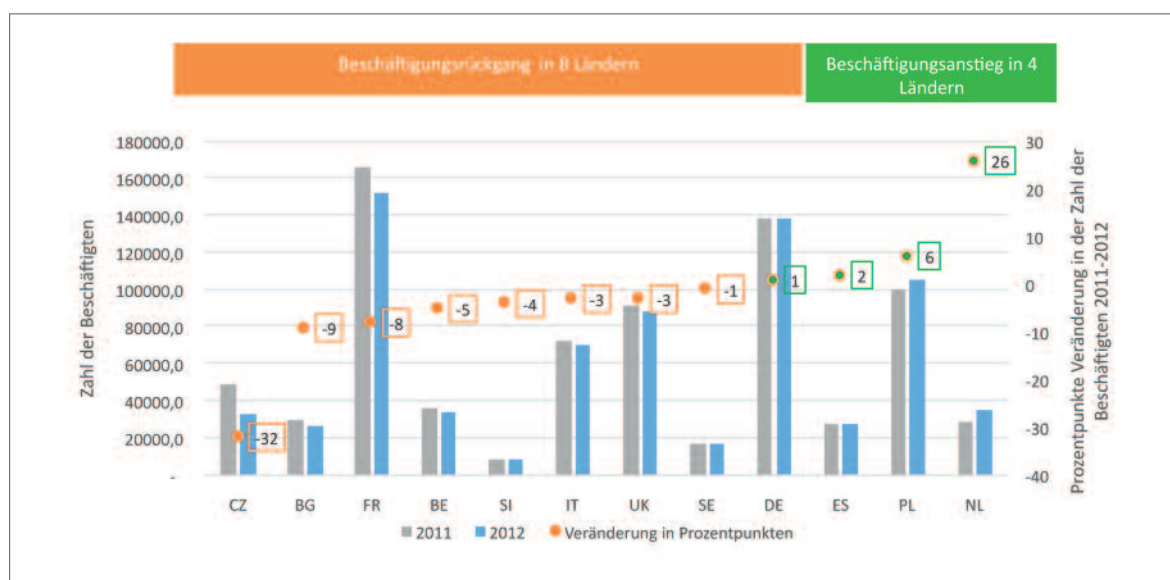
<sup>11</sup>EVA Akademie (2013) PSR Rail, A guide to identifying and preventing psychosocial risks at work in the railway sector, page 14, [www.eva-akademie.de](http://www.eva-akademie.de)

<sup>12</sup>CEEP-ETUC (2010) Anticipation of change in the Public Sector Services, Sectoral report Railways and Public Transport [http://www.oph.fi/download/141121\\_showFile.pdf\\_pb3.pdf](http://www.oph.fi/download/141121_showFile.pdf_pb3.pdf)

is estimated that approximately 55% of current personnel will retire in the next 10 years. Specific data for Deutsche Bahn indicate that they estimate just under 47,000 employees will retire in the next 10 years. For CD Cargo and SZDC the number of retirees in the next ten years is 18,000. In Belgium it is estimated that close to 16,000 will retire in the next ten years. An estimate for Austria suggests that there will be 5,500 staff retiring in the next ten years.

Between 2009 and 2011 employment in the sector increased in four countries (the Netherlands, Poland, Spain and Germany, see Figure 2.5). In Poland, some of the increase in employment is due to investment to modernise the rail infrastructure (with support from EU funding) and resulting increases in the use of this mode of transport. There have also been efforts to recruit workers with more specialised skills to meet the requirements of a modernised rail sector. In Spain and Germany recruitment processes are also mainly aimed at addressing the impact of demographic change and imbalances in the age pyramid of companies. It is estimated that Deutsche Bahn will have to recruit between 7,000-8,000 new staff on an annual basis just to replace retiring workers.

**Figure 2.5** Change in employment from 2009 to 2011 in selected countries



Source: RMMS questionnaires 2011 and 2012.

### 2.4.3 Rail employment continues to be male dominated...

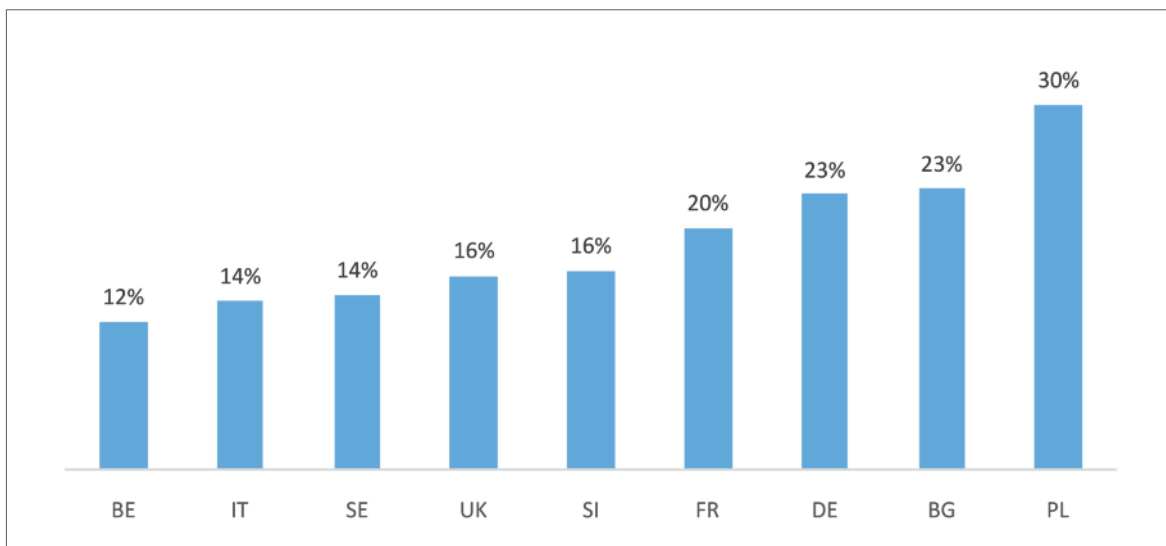
The rail sector remains dominated by men. According to the 2014 Women in Rail (WIR) report prepared by the European social partners in the railway sector<sup>13</sup> in 2014 the average share of women working in the companies and countries covered by this study accounted for 19.8% of the total employment. Overall, the countries with **the highest shares of women employed in the sector include Latvia, Poland, Norway and Slovakia.** Vertical (limited number of women in senior positions) and horizontal (limited number of women in certain professions) segregation continues to be prevalent. In France, women represent 20% of SNCF employees, (25% of white-collar employees and around 30% of board members). In the Netherlands, targets regarding the participation of women in different positions were introduced. However, so far, the target for the share of women among top management has not been met - 22% top managers are women, against a target of 30%. However, other targets were exceeded. Across all lines of business in the NS (the national operator) in the Netherlands, in 2013, 26.8% of employees were women. More specifically, 30% of senior management was female (against a target of 24%), 50% of management development participants were women (against a target of 30%) and 60% of new recruits into the Young Talent Programme were female (against a 50% target).

The WIR report highlights the **increased share of women** compared to 2010 in Austria (2.9pp), France (0.8pp), Germany (1.7pp), Italy (0.6pp) and Slovenia (2.8pp).

<sup>13</sup> CER-ETF (2014) WIR Annual Report 2014 <http://www.etf-europe.org/etf-3889.cfm>

**Most countries have strategies to increase the total number of women** and balance gender segregation by encouraging women into occupations where they are underrepresented (for example, in Belgium, Germany, France and the Netherlands). In Belgium the operational contract 2008- 2012 (and prolonged) between SNCB and the Ministry of Transport foresaw to increase the share of women in the company, and that new hires should be at least up to 20% women (train controllers, services, drivers, HR). In France, SNCF aims to increase the representation of women in key positions in the company thanks to various methods consisting of presenting their jobs to female students in technical paths or targeting their advertisement campaigns to women.

**Figure 2.6 Share of women in rail employment by country, 2014**



Source: CER-ETF (2014) WIR Annual Report 2014, page 3.

Note: CZ, ES, NL not covered by the study.

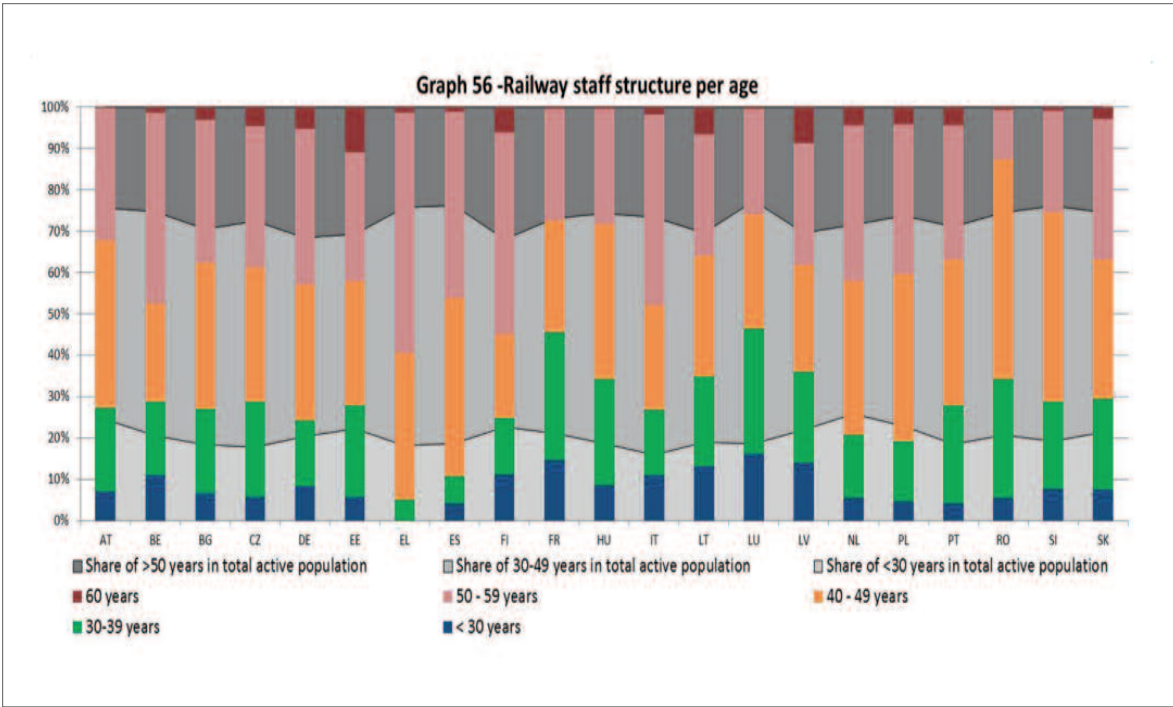
#### 2.4.4 ... and the workforce is ageing

Europe is experiencing demographic change with inevitable consequences for employment and companies. The ageing of population coupled with the decline of the rail sector and its historical heritage of state-owned companies poses significant challenges to this industry. These include challenges related to an ageing workforce in the sector, staff retention, skills obsolescence as well as the recruitment of new personnel.

A study carried out by UIC in 2010 also shows the scale of underrepresentation of young people in rail sector. As demonstrated in the figure below, the percentage of people under the age of 30 in the rail sector is the lowest in southern Member States (GR, ES and PT) but is also relatively low in PL or CZ. On the other hand, FR, LV and LU have the largest proportion of young rail staff, albeit still lower than the national average. On the other hand, in GR and FI, more than half of the rail staff is over 50 years old. In another 13 Member States, staff over 50 account for one third or more of the total (AT, BE, BG, CZ, DE, EE, IT, LT, LV, NL, PL, PT, SK).<sup>14</sup>

<sup>14</sup> Commission Staff Working Document Accompanying the document Report from the commission to the council and the European Parliament, Fourth report on monitoring development in the rail market, COM(2014) 353 final, p. 27.

Figure 2.7 Railway staff age structure



Source: UIC (2010)

All selected countries face a problem of an ageing population, as well as an ageing workforce. Among factors exacerbating the trend are budget cuts, a recruitment freeze and changes to national pension schemes (which require workers to work longer).

## 3 Overview of case study countries

This section provides a brief summary of the key findings from the country case studies. For each country, it provides information on key enterprises active in the rail sector, employment trends, new skill needs and existing and potential future skill and labour shortages, the image and attractiveness of the sector and the perceived influence of working conditions on the attractiveness of different employers in the sector. It also includes a brief overview of strategies implemented by social partner or companies to increase the attractiveness of the sector. The most promising practices are discussed in greater detail in the subsequent sections of this report.

### 3.1 Belgium

#### 3.1.1 Enterprises

The rail sector in Belgium is dominated by publicly owned companies. The Belgian Railways comprise SNCB, HR Rail and Infrabel. B-Logistics is a private company in which The Belgian Railways holds a 33.4% share. Other rail operators have licences to operate in Belgium are rail cargo companies. Currently there are 12 rail cargo companies that have a licence (obtained from Infrabel):

- Captrain Belgium (filiale de SNCF Fret) ;
- CFL Cargo (LUX) ; Crossrail Benelux (CH) ; DB Schenker (DE) ;
- Euro Cargo Rail (FR) ;
- Europorte France (FR) ;
- SNCB Logistics (BE) ;
- Railtraxx (BE) ;
- Rotterdam Rail Feeding (NL) ;
- SNCF Fret (FR) ;
- Transport (BE);
- PKP Cargo (PL).

Other passenger train operators are active in Belgium such as Thalys, Eurostar, DB, SNCF and NS - however these operators do not typically directly recruit staff in Belgium. Thalys, for instance, does not hire workers independently - it has to recruit personnel among its shareholding rail companies (SNCF, SNCB, NS, DB) in line with an existing agreement.

#### 3.1.2 Employment

The following figures provide the detail for employment numbers in the different parts of The Belgian Railways as of 1 January 2015:

Company	Number of employees
SNCB	21.780
Infrabel	12.470
HR Rail	900
B-Logistics	1.900

Together with workers hired out to subsidiary companies, the Belgian Railways currently employ around 35,000 staff, making them one of the largest employers in Belgium. The number of employees has been steadily declining from 38,000 in 2005. This is due to a policy of not replacing staff which leave or retire other than in functions which are considered 'essential'. It is estimated that approximately 55% of current personnel will retire in the next 10 years, given the ageing profile of the company's workforce (average age of 44).

Women currently make up just under 13% of the workforce in The Belgian Railways and are significant concentrated in commercial services. The operational contract 2008- 2012 (and prolonged) between The Belgian Railways and the Ministry of Transport foresaw an increase in the share of women in the company, and that at least 20% of new hires should be women - a target which has not been received in more recent years when recruiting has been focussed on technical skills, where female recruits are under-represented.

### **3.1.3 New skill needs and labour shortages**

The Belgian Railways does not encounter as recruitment difficulties for the main functions such as drivers or accompanying train personnel. However, there are differences in term of the ease of recruitment between the Walloon and Flanders region. While The Belgian Railways is very attractive on the Walloon side, it is more difficult to recruit in Flanders. The reason for this is the different situation of the job market. While employment opportunities are scarce in Wallonia there are more job opportunities in Flanders.

Job profiles have remained more or less the same. Some new professions have been created in particular related to IT or in the cargo rail segment. However the content of the job has changed. The company demands more flexible profiles and polyvalent job seekers. The introduction of technology and IT also demands new types of skills and has led to a greater job intensity.

Currently there are difficulties to recruit in particular technical profiles and engineers.

### **3.1.4 Image and attractiveness**

The 2015 Randstad Award Study study<sup>15</sup>, shows that the Belgian Railways are among the top 10 companies that were able to improve their attractiveness ranking over the past ten years. The passenger rail segment is more attractive than the cargo segment (and other passenger transport operators such as STIB, DeLijn etc.), which can largely be attributed to the fact that The Belgian Railways provides a civil servant type of employment status, which - among other things - provides employment security. This is an aspect for which the company ranks particularly highly in the Randstad survey. Lower rankings are achieved for aspects such as salary, future perspectives or training. Particularly low rankings were achieved for management, financial situation and atmosphere at the workplace. Thus overall, The Belgian Railways ranked only 68th among all enterprises that participated for the criteria assessed.

Another attractive criterion for job seekers to work with The Belgian Railways is the possibility to carry out a profession that serves a wider public purpose.

The media view of The Belgian Railways, on the other hand is influenced by general customer satisfaction and the experience of the punctuality and comfort of trains.

### **3.1.5 Working conditions**

The Belgian Railways employs around 85% of its staff as civil servant type agents. The remainder are contractual agents (meaning that they are hired on the basis of an employment contract just as in the private sector for either a definite or indefinite period). Individuals on civil service type contracts cannot be laid off for economic reasons (only for disciplinary reasons) and therefore benefit from strong job security.

Other attractive features related to employment in The Belgian Railways were good medical insurance cover, pension provisions, assistance with childcare (e.g. crèche facilities) and the possibility to travel free by train (also with family) in the Benelux region.

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<sup>15</sup> For further information : <http://web.randstad.be/award/nl/>



Less attractive elements are linked to non-standard working hours (shift, night and weekend work for some staff) and physically challenging tasks in some occupations.

It is also worth noting that rail sector is facing some reforms in the near future and it is known that The Belgian Railways has significant debts to manage. Thus, in July 2015, the current government presented some strategic reforms concerning the Belgian Railways. These reforms foresee the need for 20% savings in the overall budget. This has been interpreted by trade unions as an indication that staff numbers will be further reduced and has led to some strike action.

The strategic plan for The Belgian Railways by the Ministry also included to focus more on the professionalization, performance and training of staff at The Belgian Railways; to negotiate a new agreement with staff, build an academy to improve the knowledge management specific to the railways sector and to improve the productivity of staff by automatization of administrative tasks and flexibilisation of working hours and more performance driven remuneration (thus a review of the current system of bonuses). The communication from the Ministry also highlighted the need to improve internal communication and to put in place more HR generation management strategies to help younger workers find their place in the company; and to improve communication between colleagues by introducing new technologies.

Despite some uncertainties over future developments in The Belgian Railways, it is worth noting that in 2014 the company received more than 32.000 applications online which is a high number for a company in Belgium.

It was also noted that The Belgian Railways is known for its "rail family" atmosphere - which is inter-generational and characterised by strong feelings of belonging and loyalty.

### **3.1.6 Strategies to improve attractiveness**

#### **3.1.6.1 Company strategies**

In order to make technical professions more attractive the Belgian Railways carries out the Belgian Railways Competition for Technicians (BERT) - in which students in their third year of technical education at secondary school can put forward their ideas on a pre-defined topic. This competition might encourage future graduates to apply for a job at The Belgian Railways.

Engineering students are also invited to take part in the SmartestTrainBrain competition. Here a specific task/exercise is provided by The Belgian Railways and young people have to build a team to solve the task and make a proposal in innovative technologies in the rail sector. In 2014 24 such teams were created.

Other recruitment strategies include:

In recruitment:

- Job Train - this is a measure that invites job seekers on a special trip by train where a special tour is provided, the professions at the Belgian Railways are further explained and job testing occurs on the train ride itself.
- The method that has worked the best to recruit new staff (compared to communication and job days) is the referral programme - employees refer someone to HR - in case of a successful recruitment a bonus is paid. Since 2010 more than 240 workers have been hired via this method.

## **3.2 Bulgaria**

### **3.2.1 Enterprises**

The main companies active in the rail sector are publicly owned: Bulgarian National Railways (BDZ) and State Enterprise National Rail Infrastructure Company (NRIC). In addition, there are eleven private companies, which operate only in the cargo segment such as Bulgarian Rail company (BRC), DB Schenker, Rail cargo Austria, Bulmarket etc.



### 3.2.2 Employment

In both NRIC and BDZ, there has been a significant reduction of staff in the recent years. In NRIC, a total number of 3,500 employees were made redundant in the period 2011-2014. The process of reducing staff has now been completed and the focus is on filling in shortage occupations.

An aging workforce (with less than 5% of employees in NRIC being under 30 years of age) in the two companies is expected to result in severe labour shortages in future.

### 3.2.3 New skill needs and labour shortages

Acute shortages in the following professions have been experienced<sup>16</sup>:

- Train dispatchers
- Engineers and maintenance mechanics
- Electro-engineers and electro-mechanics
- Railroad engineers and train drivers

With regard to railroad engineers and train drivers, a turnover of staff has been observed with trained engineers leaving to join the Sofia metro system or even leaving abroad (example of 5 train drivers leaving for the London tube). Main factors for the turnover and loss of staff is accounted to low salary levels and poor working conditions.

### 3.2.4 Image and attractiveness

A widespread opinion of the interviewed stakeholders is that the rail sector in Bulgaria is not attractive. Among the factors influencing this image are:

- Significant staff reductions in recent years.
- The sector is characterised by low salary levels.
- Poor working conditions, old trains and old rail infrastructure (average train speed of 40-50 km/h has been reported).
- Lack of a long-term government strategy for the sector and frequent restructuring and changes in management of the two state-owned companies. Frequent changes in government have led to frequent changes in management and lack of long-term vision. Lack of profitability of the sector.
- Most of the professions in the rail sector (such as engineers, train drivers, mechanics, etc.) in Bulgaria require a degree of technical qualification from a higher university (either a university degree or a college degree in this particular field). There are only a few higher education institutions which offer courses in these respective fields. Even where they are offered, courses in automotive engineering were reported to be more attractive. Furthermore, courses in colleges have been removed from the curricula due to lack of interest.

### 3.2.5 Working conditions

Pay and conditions in the state-owned companies are considered to be significantly lower compared to average salary levels for the transport sector and the average level across all sectors in Bulgaria. There is a perception, reported by private companies, that they pay employees higher salaries. These companies have attracted some of the best workers in the rail sector, although working hours can be longer in the cargo sector.

Working conditions are seen as poor in the state-owned companies due to old infrastructure and trains. Working conditions are seen to have further deteriorated in the last 5-10 years.

<sup>16</sup> Occupations in Bulgarian language (Please note that the researcher has made efforts to translate the occupations accurately but due to lack of technical knowledge some professions might not be completely accurate translated from Bulgarian to English): ръководител движение, механици по осигурителна техника, инженери и техници по железопътно строителство, електроинженери, електро-механици, локомотивни машинисти, работници свързани с експлоатация и ремонт на подвижен състав)

## 3.2.6 Strategies to improve attractiveness

### 3.2.6.1 Company strategies

NRIC has developed a 5-year plan for human resources (2015-2020). The average monthly number of unfilled vacancies is 300-500 in key functional positions. The strategy envisages the increase of highly qualified workers; however, doubts were expressed as to its realistic achievement of this objective. The development of skills of current staff and re-training were seen as most successful measures to fill key vacancies.

BDZ has also developed a long-term Strategy for the development of the company and reviving its image 2016-2022<sup>17</sup>. The Human Resources Strategy is based on this broader strategy. Due to sharp mismatch between supply and demand of key positions and difficulties to fill in key vacancies, a pivotal measure envisaged in the Strategy is the 'development of specialists in the key areas'. A first step, which is still to be implemented, is carrying out an analysis of the needs and developing a more strategic vision for the staff for the next 7 years. This will include a quantitative analysis of the need for specialists; whether they will be recruited from the external labour market or re-trained internally and retention measures.

From 2014, mentoring system has been developed in NRIC whereby a mentor is allocated for 6 months. Mentors are selected from professionals with good communication skills, willing to share their knowledge and experience. A small additional remuneration is provided to mentors. In BDZ, the additional remuneration for mentoring is negotiated with the collective agreement and may vary between 4% and 20% of the mentor's basic salary. A programme for identification and development of talent is planned to be developed.

The Bulgarian Railway Company reported that they pay higher "incentives for the length of service" to younger workers below 30 years old as a stimulus to attract young people, which was negotiated with the company collective agreement. This strategy is seen to have yielded results in attracting young employees.

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<sup>17</sup> Available at: <http://holding.bdz.bg/bg/info/plan-za-reformi.html>

## 3.3 Czech Republic

### 3.3.1 Enterprises

The two largest actors in the sector are the state owned companies: České dráhy, a.s. (Czech Railway - passenger rail national operator) and SŽDC, s.o. (Railway Infrastructure Administration which is responsible for maintaining the railway infrastructure. With market opening, new players have entered into the market, including RegioJet, Leo Express, GW Regio Train and Arriva.

### 3.3.2 Employment

Total employment in the Czech Railways Group is 39,500 workers of which 15,300 work at ČD,a.s (passenger services), 7,000 at ČD Cargo and 17,200 work for the Railway Infrastructure Administration.

### 3.3.3 New skill needs and labour shortages

Staff turnover differs between professions, nevertheless is not seen as a particular problem, with the exception of some areas such as call centre staff, whose job is quite repetitive and stressful. To encourage staff retention in this unit companies apply regular rotation of positions of call operators and booking clerks).

Higher staff turnover can also be found among train crews due to irregular work shifts and cleaning teams which have high norms in terms of the speed of cleaning required.

However, there are significant skills shortages within the sector. Companies struggle to fill following positions:

- train drivers;
- train traffic controllers;
- smiths, electricians, power current maintenance, welders;
- all professions in infrastructure maintenance and in repairing of locomotive and railway wagons; and,
- track maintenance, communication equipment and safety technique operators.

Generally, there is lack of people in occupations which require technical education. Vocational schools which trained train drivers were closed, therefore now companies have to compete to recruit older workers with this type of education. Currently there is no specific field of education with train driver specialisation. To remedy this, the Transport Training Institute was established (as a subsidiary of CD) and authorized by the Ministry of Transport. Transport Training Institute has obtained accreditation for education of train drivers. This Institute organises targeted recruitment of students of engineering and electrician apprenticeship and provides training for future train drivers, dispatchers, controllers etc. However young people are not interested in technical fields of education. Additionally apprenticeships have bad image.

To address these skills shortages companies train potential employees to obtain train driver's licence. The companies also often re-train (using European Social Fund) their own employees of other professions to become locomotive drivers where possible (especially in case of some professions which are being cut). They cooperate with schools and universities, employment offices. From time to time they launch recruitment campaigns for locomotive drivers. The candidates from within the company as well as from outside can apply. The experience with campaigns is generally good, however only a small part of applicants (10% by estimation) make it through the whole recruitment process.

Skills shortages differ regionally. There is a lack of skilled manual workers in regions with low unemployment rate. Also private companies report problems in recruitment of employees (train drivers, electricians, engineers) in capital cities (Praha and Bratislava). Young people are not interested in technical fields and can find more attractive job offers.

### 3.3.4 Image and attractiveness

The overall image of the railway sector is biased by negative slanted mass media campaigns. Such a negative image is often generated through factors which can be out of the control of the rail operator (e.g. issues around the network). Private and state owned companies use similar means of external communication (see table below). These efforts are seen as important and effective in helping to improve the image in recent years.

**Table 3.1 External communication means in rail companies**

	Infrastructure	Passenger transport - state	Passenger transport - private
Media campaigns (TV, press)	X	X	X
Events (Railroad Day, road show, fire brigade show)		X	
Social media			X
Screens in trains			X
Website	X	X	X
Demonstration of new trains		X	
Company magazine			X
Conferences		X	
Cooperation with schools		X	
Additional services for passengers (refreshments, press)		X	
CSR activities		X	

*Interviews with representatives of workers and employers*

In more recent years, the overall image and attractiveness of the railway sector has been improving. The key factor for it is the gradual renewal of the rolling stock that makes the experience of passengers much comfortable and in general enhances the image of the railway sector.

There are differences between the major state and private companies concerning their image and attractiveness as an employer. The private rail operators are considered by young people to be more attractive as they tend to offer more modern trains and higher starting salaries, although other benefits and terms and conditions can be inferior.

Among graduates in the technical professions, the rail sector remains less attractive than alternatives in the air transport or automotive sectors.

### 3.3.5 Working conditions

Working conditions and social standards have improved over the last 5-10 years. In recent years especially the modern technologies are becoming more important attractive factor, which also increase the level of safety at work.

Pay benefits and career advancement opportunities (train drivers can work in more technology advanced trains, railway foreman can work as train dispatcher or manager) are the most attractive elements of working in the rail sector.

The level of wages in state owned passenger transport and infrastructure companies is competitive compared to other companies in the sector and similar occupations in other sectors and is above the national average.

However, issues over the level of salaries and benefits can arise in the regions bordering Germany, where employees often work in German railway companies which offer higher pension benefits.

In ČD, a.s the following benefits are offered to employees:

- contribution to their private pension savings and life insurance,
- premium for their life or work anniversary,
- contribution for recreation of employee and his/her family,
- free ticket for rail transport also for the whole family,
- above standard redundancy payment,
- meal vouchers (albeit this is offered to most workers in the Czech Republic),
- fitness cards,
- special health benefit (free 11 day stay in spa) to employees in physically demanding professions.
- 6 weeks of leave (=30 working days)

These benefits are higher in comparison with the other companies outside of the railway sector. The state-owned company offers to their employees above standard health and social care conditions (regular health checks, rehabilitation and recreation stays, high safety standards, etc.), as per the collective agreement.

### **3.3.6 Strategies to improve attractiveness**

#### **3.3.6.1 Company strategies**

State owned companies cooperate with schools and universities trying to attract young people to technical professions, e.g.:

- The state owned company has scholarship programme “Čédés”. Students in the last year at basic school can apply for a scholarship if they choose one of the suitable technical fields of study at the secondary school and sign an agreement to prepare for and then work for five years in the CD. The experience is that many of these students drop out from their commitment, even though there is a financial sanction. Additionally some of them do not pass the necessary health check.
- In order to attract students/pupils before they finish their course of studies ČD, a.s organizes “Student Cup” every year in several cities. This event aims at pupils aged 13-15 years to enhance their interest in professions needed in railway transportation. During these events the participants receive information about individual professions in the company and about the relevant schools in which they can study. Sport activities are an important part of this event. ČD, a.s has signed a co-operation agreement with 17 vocational education schools and 6 Universities. The activities concentrate on lecturers on specific current topics and on promotion events. This cooperation is evaluated as useful the students receive the information about company and some of them start their career in the company. It also contributes to image improvement.

## 3.4 France

### 3.4.1 Enterprises

SNCF operates the country's national rail services, including the TGV, France's high-speed train and rail network. Its functions include operation of railway services for passengers and freight, and maintenance and signalling of rail infrastructure. A number of private operators are also active in the sector.

### 3.4.2 Employment

SNCF Group employs around 240,000 individuals worldwide of which around 163,000 (around 150,000 full-time equivalents) are based in France. This makes SNCF one of the largest employers in France. SNCF Réseau business unit manages, maintains and develops the French rail network, employing 55,000 FTE. SNCF Mobilités business unit operates passengers and freight services with more than 91,000 employees and the Corporate employs about 10,000 FTE. Around 22% of employees of SNCF Group are women<sup>18</sup>.

### 3.4.3 New skill needs and labour shortages

According to HR representatives from SNCF, the company is facing some job shortages in relation to electricians, engineers and train drivers. This needs to be put into context as these job shortages are experienced by other companies in France and even in Europe.

### 3.4.4 Image and attractiveness

According to interviews with trade unions in the railway sector, rail companies in France are in general fairly attractive companies. However, the publicly-owned company (SNCF) appears to be more attractive than the other private companies. A big public group is seen as a secure working place where it is very unlikely to be subject to big restructuring plans. Therefore, this company tends to attract people who seek job stability and willing to make their career in the same company. 95% of SNCF staff stays all their career at SNCF and the turnover rate is indeed very low (around 8%)<sup>19</sup>. In addition, SNCF is also known to offer a very good social package which includes healthcare insurance, early retirement<sup>20</sup> and free travel (facilités de circulation)<sup>21</sup> with SNCF for the employee and his/her family. The trade unions also agreed that working conditions were good in this publicly-owned company. Access to training is a priority of the company as each year the SNCF spends almost 6% of its total payroll on initial training and in continuing vocational education of its employees.

SNCF was recently awarded the Top Employers France 2015 certification. This certification has been awarded by the Top Employers Institute which certifies excellence in the conditions that employers create for their people globally.<sup>22</sup> The Top Employers certification is given to organisations that achieve the highest standards of excellence in employee conditions.

Concerning the existence of external studies on attractiveness, no ranking studies concerning rail companies in France could be found. The only study available online is Universum ranking 2015<sup>23</sup> which has asked 700,000 students and professionals their perception of companies in France. SNCF was in this sample but smaller private companies were not included or it is not possible to make the distinction between the rail transport branch of a company and its other activities<sup>24</sup>. According to the Universum ranking 2015, SNCF is ranked as an attractive employer amongst engineering professionals (12th in the ranking) and being the 27th most attractive employer amongst engineering students. It is ranked as the 24th most attractive company for business professionals and 70th for business/commerce students.

<sup>18</sup> <http://sncf.publispeak.com/brochure-rse-2014/com/ipedis/publispeak/client/contents/pdf/SNCF-BrochureRSE2014-FR.pdf>

<sup>19</sup> <http://www.lopinion.fr/13-mai-2014/sncf-se-defend-d-offrir-generouse-pre-retraite-a-agents-12220>

<sup>20</sup> Even if 'early retirement' has been reformed recently it is still possible for persons recruited under the 'statut' for a reduction on the pension perceived. This is financed by higher contributions from the employee throughout his career.

<sup>21</sup> Free travel or discounts on tickets. Number of free tickets are limited for the employee's family.

<sup>22</sup> <http://www.top-employers.com/>

<sup>23</sup> Universum conducts the largest career survey of its kind, targeting some 700,000 students and professionals around the world. <http://universumglobal.com/rankings/france/student/2015/>

<sup>24</sup> For instance, the private freight rail operator Colas rail is only mentioned as Colas in the study which also includes road transport activities. See <http://universumglobal.com/rankings/company/colas/>

Despite the generally positive assessment of attractiveness of SNCF as the main rail operator, there are a number of factors hindering attractiveness.

For SNCF in particular, the company seems to suffer from a lack of attractiveness among external observers due to the fact that people usually mix the image of SNCF as a service provider company and the image as an employer. Indeed, being the only operator of passenger transport in France, SNCF suffers from a bad image due to delays, technical problems on trains and strikes which directly impact on travellers.

According to HR representatives of SNCF and trade unions, SNCF also suffers from certain prejudices which make it unattractive to some people for several reasons.

First of all, there is a misconception of the jobs which exist in the company, with passengers only exposed in their daily life to certain jobs on board of trains or in train stations not imagining the wide range of jobs that are available. Secondly, the core jobs in the railway sector imply some sacrifices that not every person is ready to take. SNCF is bound by the principle of continuous service. As a result, many jobs imply night work, shift work, flexible work. Workers in the core activity relating to good function of the trains and railways can also be called anytime as their work is of public utility<sup>25</sup>. Another important feature is the mobility which is inherent to some jobs. For instance train drivers or maintenance workers often need to go to another site for a project and this can last for a week or more. Being away from home and having to travel everywhere in France is also seen as unattractive<sup>26</sup>. Geographical mobility namely having to move home after a certain time to go to work in a different city or region is something which is also part of certain jobs at SNCF (and in the railway sector more generally). Having to move (with one's family when applicable) is a burden that not all are ready to take. This can also imply moving from cities to live in small villages or in a totally different part of France which represents a drawback especially for workers with families<sup>27</sup>.

Finally, according to trade unions, SNCF has many jobs based in Paris which can be unattractive for employees. Indeed, accommodation is very difficult to find in Paris and rents are very high, this thus causes a problem for jobs with low salaries requiring to be based in Paris and can also lead to long-distance commuting which is neither attractive to employees.

### 3.4.5 Working conditions

Trade unions and HR representatives agreed to say that the SNCF offers good working conditions. This has significantly been improved for some types of jobs thanks to technical progress. However, trade unions expressed some concerns regarding the shift from physical pain to psychosocial risks which are becoming more and more important in the company. The company is aware of this rising risk and according to HR representatives, is taking measures to address this issue thanks for instance to the setting up of the multiannual plan of occupational risk prevention. However for trade unions, no real change has been noticed in the management of psychosocial risks. In addition, it was noticed by the latter that the opening of the freight to competition has led to some budget cuts and more pressure on staff. Trade unions consider that the company also more and more uses subcontracting which is not seen as a positive change by them. These concerns on the increasing use of subcontracting were especially expressed in relation to infrastructure maintenance work. Trade unions consider that health and safety standards are not as good as in SNCF in these external companies.

According to trade unions, the level of pay is not the same in all companies in the railway sector. Indeed, salaries tend to be higher and thus more attractive in private companies. Workers performing night work and going on business trips receive very good financial compensation on top of their salary. This is seen as a very attractive factor especially for young people willing to work at night and away from home in exchange for very good financial compensation.

<sup>25</sup> Interviews with trade union and HR representative of SNCF

<sup>26</sup> Interviews with trade union and HR representative of SNCF

<sup>27</sup> Interviews with trade union and HR representative of SNCF

The salary bands tend to be lower in SNCF than for other private competitors. However, these lower salaries bands are counterbalanced by a very good social package which includes amongst other things: special social security regime<sup>28</sup>, the possibility to retire at the age of 55 years old (although this would be a retirement with a reduction on the pension perceived)<sup>29</sup> and free travel (or generous discounts on train)<sup>30</sup>.

A very important factor is that these advantages are also extended to their children, partner (married or in a legal partnership) as far as healthcare and free train travel are concerned. This advantage is however used in a disparate way by employees - some use for instance free travel a lot while some do not and thus do not see the added-value and the extra-advantage. SNCF employees can also benefit from social housing and there a free medical center dedicated to the employees of the company.

HR representatives from SNCF and trade unions agreed to say that SNCF offers good working conditions. HR representatives from SNCF argued that working conditions have even improved thanks to technical progress. Indeed, machines are now more advanced and their use makes the work of employees easier. Work stations such as train drivers cabins have also been improved with time. For instance, driving seats in trains are now designed for more comfort and takes into account ergonomics whereas it used to be a simple stool in the past. Trade unions agreed that the physical pain associated with the low-skilled jobs has decreased at SNCF. However, they also expressed some concerns regarding the shift from physical pain to psychosocial risks which are becoming more and more important in the company. This was explained by the fact that part of the railway sector has been open to competition and SNCF had to adapt to stay competitive.

Concerning private companies, trade unions unanimously agreed to say that working conditions were poorer in private companies. Trade unions mentioned bad management practices where employees are often under pressure. The lack of communication and last minute changes regarding employees' timetable have also been mentioned as a practice the working life and harming work-life balance of employees.

### 3.4.6 Strategies to improve attractiveness

#### 3.4.6.1 Company strategies

SNCF is clearly very attractive for its good working conditions which are recognised both internally thanks to the results of the employee survey and externally thanks to the award of the Top Employers 2015. The company culture which enables employees to work in autonomy and knowledge to be transmitted directly from the most senior colleagues to newcomers is also appreciated by employees.

The very generous social package including healthcare, free travel for the employee and his family<sup>31</sup> (and early retirement<sup>32</sup>) have been identified as playing a role in employee retention. This is especially true when employees have children who can benefit from these advantages<sup>33</sup>. SNCF employees also benefit from lots of advantages thanks to their works councils which offer the possibility for children of SNCF employees to go on holidays in France or abroad and families to access to holiday camps. The company culture is and has always been seen as positive at SNCF. Employees still see themselves as part of the railway family even if this can be a bit less relevant than it used to be in people's mind.

Job security at SNCF is guaranteed by the civil servant type employment contract. SNCF as the publicly-owned railway company which represents most of the employees of the railway sector has therefore an attractive image for job security and the good working conditions it offers. The importance given to training with inter alia one-to-one sessions to assess the needs of the employee is also a good practice which enables to give the necessary tools for employees' personnel development.

<sup>28</sup> Contributions to the special regime at SNCF are higher for the employees and the employer compared to the general regime.

<sup>29</sup> For that reason, today the retirement age without a reduction is 58 years, gradually brought up to 62 years. The possible retirement age is being gradually brought up to 57 years (whereas it is 62 years for employees in private companies. For train drivers recruited after 2010, there is no distinction between train drivers and other SNCF employees.

<sup>30</sup> Free travel or discounts on tickets. The Number of free tickets are limited for the employee's family.

<sup>31</sup> Free travel or generous discounts. Number of free tickets are limited for the employee's family.

<sup>32</sup> Only applicable to employees who have been hired under the 'statut' before 30 years old. This is financed by higher contributions from the employee throughout his career.

<sup>33</sup> Until they turn 21 or as long as they are students.



Regarding recruitment, many initiatives which can be identified as good practices have been launched by SNCF to recruit the best candidates. The branding of SNCF as an employer has been an important positive step for the public to better differentiate the different identities of SNCF (service provider vs. employer).

SNCF has also created a very intuitive **career website** where all the offers are gathered but also offering guidance and tips to candidates thanks to job fiches describing the requirements of some jobs and including employees' testimonies on what the daily job consists in.<sup>34</sup>

SNCF is also present on various online platforms and social media where community managers can direct potential candidates to their career website. Employees are also directly intervening on some platforms and forums where they candidates receive a response to their question directly from an SNCF employee who does the job they are interested in.

To cope with the overall shortage of engineers in France, SNCF has launched a **serious game** tailored-made to the jobs of SNCF and aiming at recruiting engineers.

To bring more women to male-dominated jobs, SNCF has set-up partnerships with schools and regional authorities and organises sessions where it can present their jobs to female students studying technical studies.

Campaigns are also launched to tackle the lack of knowledge of all the different jobs existing at SNCF. SNCF regularly creates new ads posted in newspapers or in train stations. Recent examples include advertising the job of drone pilot to the public which seems to have raised awareness on the existence of not only traditional jobs at SNCF. Another recent campaign aiming at recruiting women in technical jobs breaks stereotypes of men as train drivers.

SNCF used the measure of 'Emploi d'avenir' launched by the French government which consists in giving a first job to young people aged between 16 and 25 especially in the regions most affected by unemployment. These jobs are subsidised (75%) by the state and aim at improving employability of less-skilled workers. The SNCF signed a convention with the French State. In 2013, year when the measure was launched, the SNCF had already recruited 160 low-skilled workers under 26 years old.

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<sup>34</sup> <https://www.emploi.sncf.com/fr/emploi/>

## 3.5 Germany

### 3.5.1 Enterprises

In Germany, the railway sector has been growing in terms of passenger numbers, despite the fact that there has also been an increase in other modes of long-distance passenger (and freight) traffic. In German public railway transport, there is a differentiation between short distance transport within city, municipal or county boundaries (Schienenpersonennahverkehr) and transport between cities or longer distances (schienengebundener Personenfernverkehr). The first one is regulated as part of the 'Daseinsvorsorge' a term that describes the provision of services and goods of general interest (health, infrastructure, electricity, transport etc.). Deutsche Bahn (DB) operates 99% of long distance transport, 80% of short distance transport and 66% of freight, with an increasing competition in the two markets short distance transport and freight<sup>35</sup>. Today, there are over 440 publicly or part-publicly owned and privately owned railway companies active in Germany.

### 3.5.2 Employment

The largest operator of rail services in Germany, DB currently employs around 187,000 individuals worldwide in the rail sector of which around 170,000 are based in Germany. This makes DB one of the largest employers in Germany.

### 3.5.3 New skill needs and labour shortages

Challenges outlined by representatives from the railway sector are demographic change, skill shortages, the development of technology and IT and to some extent the economic crisis. According to the employers' association of transport (VDV) it is estimated that the whole sector (including other forms of local transport) will have to recruit 30,000 additional people until 2015. Specific data for Deutsche Bahn indicate that they estimate just under 47,000 employees will retire in the next 10 years.

The number of school-leavers decreased since 2003 by 7% and will decrease by 12% until 2020.

As a result, there will be 100,000 fewer potential apprentices. The strongest declines are among pupils with matriculation standard (-18%) and high-school diploma (-12%)<sup>36</sup>. The decreasing number of employees on the labour market is already evident, in particular in urban areas such as Frankfurt, Stuttgart, Munich and Hamburg. The average age of employees in all railway companies is between 40-50 years. Therefore, companies will be even more under pressure to find employees in 10-20 years once these people will retire.

It is estimated that DB alone will have to recruit between 7000-8000 new staff on an annual basis, mainly as a result of existing workers retiring. The average age in the company is 46, but in some departments and occupations it can be much higher. DB faces the following key challenges in its recruitment efforts:

- Image of the company and the sector
- Lack of knowledge about the wide variety of professions available in DB and for which it offers apprenticeship programmes
- High employment rates in some regions
- High demand for similar occupational profiles from other companies, particularly in the south of the country

Therefore, DB and other private operators already experience a shortage of employees in technical professions and train drivers. Although there are differences across regions and sub companies, DB faces overall difficulties to recruit people responsible for the operation and maintenance of trains and infrastructure, mainly engineers, drivers and apprentices for technical occupations. It is expected that the lack of skilled employees will increase, because the decreasing number of graduates and the long qualification path (up to seven years in technical professions). Other companies in the railway sector face similar problems to recruit drivers and apprentices for technical occupations. The sector does not face recruitment problems in the administrative sector, this underlines the assumption that flexible working times and the mobile character of work are not very attractive factors of work in the sector.

<sup>35</sup> Bundesnetzagentur, Jahresbericht 2014 available here: .

<sup>36</sup> Presentation by Michael Bütow, Head of Employer Branding, DB Mobility Logistics AG, October 2015.

### 3.5.4 Image and attractiveness

The attractiveness of the rail sector in Germany is influenced by a number of key factors:

- The perception of the rail sector in the media in relation to punctuality and the wider quality of service delivery;
- The legacy perception of DB as a state-owned company with (what used to be) a high number of employees on civil service type contracts, which was perhaps perceived as not very 'modern' – a perception the company has been making significant efforts to change;
- Differences between collective agreements which have increased as a result of greater competition in the sector and the resulting emergence of employers with more or less attractive terms and conditions.

Compared to other sectors, incidents (e.g. strikes, experience of train cancellations or delays) in the railway sector have high media attention which impacts on the overall public perception of the sector. Although DB faces increased competition, all developments and media coverage in the sector have an impact on the public perception of DB as the main operator.

In terms of employer ranking in available surveys, of particular interest is the ranking among engineering graduates. Here DB is currently ranked 14th, with the company's goal being to reach the top 10. Other large rail companies do not feature in the Top 20 of these indices. Attractiveness in different rail companies is strongly influenced by the nature of collective bargaining in the sector and the resulting differentials in terms and conditions.

With regard to technical occupations in particular, other sectors can be more attractive in terms of compensation and identification for certain occupational profiles, such as the automotive industry for engineers. This varies across regions, for example the automotive industry is quite present in the south of the country, so the railway sector faces more competition there.

### 3.5.5 Working conditions

Interviewees from the employer and employee side emphasised that the sector is still considered as a relatively safe work place and salaries and benefits are a positive factor of employment in the rail sector, although in some occupations, higher salaries can be offered in other sectors (such as the automotive industry in relation to engineers). Therefore, the sector faces competition from other sectors that might be more attractive and challenges to keep up with changing job expectations, particularly on the part of young people.

The general framework for employment conditions in the rail sector is regulated by general labour laws and collective bargaining agreements. For example, the German federal labour laws regarding working time and holiday benefits can be regarded as providing for minimum social standards, with the possibility for collective bargaining agreements to establish more favourable conditions. It should be noted that general labour laws do not provide for specific social standards for employees in the railway sector.

Germany recently introduced a statutory minimum wage, but this continues to emphasise the role of collective bargaining in setting minimum wage levels. For core staff in the rail sector, minimum wage levels tend not to be particularly relevant as collectively agreed wages generally exceed such minimum levels, although this is not necessarily the case for some sub-contracted services such as cleaning/catering. Collective agreements negotiated by relevant social partner organisations are only binding on the negotiating parties and are not generally applicable (however, see below on *Tariftreuegesetz*).

For the local and regional rail passenger transport sector, since 2011, the framework agreement SPNV determines a minimum wage level and the agreement is applicable to almost 98% of railway operators. Furthermore, more favourable wage levels and conditions can be set in company collective agreements or in-house agreements, by corporate collective agreements (taking into account all the company subsidiaries and branches) and in the individual labour contract. This creates a patchwork of provisions with very different wage standards and conditions in different companies, which are, however, delimited by the minimum standards set in the framework collective agreement. The negotiation of this agreement was considered to be an

important step in preventing social and wage dumping which, it was feared by some, might result from liberalisation in the sector<sup>37</sup>.

So such framework agreement exists in the long-distance rail sector, however, as this continues to be dominated by DB, it is the company collective agreement which is of greatest significance here.

Important differences still prevail in the wages and terms and conditions in different operating companies with the best paid employees (generally those of the national operator Deutsche Bahn, henceforth DB) earning up to 20% more than their worst paid counterparts (who rely on the provisions of the framework collective agreement).

An important provision in Germany impacting working conditions in the context of increasing tendering of local and regional rail services are the so-called Tarifreuegesetze (laws on compliance with collective agreements, henceforth TTGs). These laws determined at the level the region (Land) intend to set a level playing field for social aspects among all bidders in public tendering procedures, in particular regarding wage standards, and thus prevent the risk of social and wage dumping.<sup>38</sup> At present, 14 out of 16 of Germany's regions have such legislation.

Furthermore, the Germany Parliament approved, in early 2016, an amendment to the Public Procurement Act (Law against the restraint of trade) which applies to the railway sector. As a result, any contracting authority shall require a transfer of staff in case of a change of operator in the public award of passenger rail contracts. The legislator shied away from using the terminology 'must' to allow for exceptions, and initial efforts at national level to include the bus sector were also not included. This new regulation offers further protection of social standards in cases of the competitive award of tenders for passenger rail services<sup>39</sup>.

Beyond the baseline standards set in the national collective agreement for the local and regional rail transport sector, terms and conditions in different companies in the rail sector are governed by different collective agreements. Within DB there are different collective agreements for occupations and operational entities. There is a wide range of benefits available which such as pension schemes, free trips, different travel allowances health programs and much more. Private railway companies have their own collective agreements.

In terms of working conditions, employee representatives interviewed for this study underlined that irregular shiftwork for mobile employees (train driver, train manager etc.) has a negative impact on health and private life. Especially in local transport, working time has increased compared to previous years and staff rotas are developed automatically so there is little chance for people to influence it.

### **3.5.6 Strategies to improve attractiveness**

#### **3.5.6.1 Social partner strategies**

The Employers' Association of Transport (VDV) is working on an employer image campaign (Kampagne des Arbeitgeberimages) which will start in 2016 with an increased information about the different occupations and activities in the sector.

EVG outlined the topic work-life balance as their key issue for 2016. They will discuss this at their union conference, assess the situation with companies and initiate local projects together with employers to tackle problems.

EVG and the association of railway engineers (VDEI) co-operated to the project 'Schienenjobs' (rail sector jobs), which also has a range of private and public sector as well as education sector partners and seeks to market the attractiveness of jobs in the sector more widely. In addition, it offers a portal of jobs available in the sector in a single web portal 'schienenjobs.de'.

<sup>37</sup> Gewerkschaft GDBA und Transnet (2011); Für einen Branchentarifvertrag SPNV.

<sup>38</sup> The risk of wage dumping resulting from liberalisation was specifically referred to in the proposals for the state TTG proposed by the CDU and SPD at state level in Saarland; (DS 15/96 of 23.08.2012).

<sup>39</sup> Rohrmann, M and Pfaff, S (2016); Beschäftigtenübergang im SPNV im international Vergleich; Der Nahverkehr 1-2/2016

### 3.5.6.2 Company strategies

The DB 2020 strategy of the DB company outlines the company's vision to become the world's leading mobility and logistics company. The guiding principle of DB 2020 is a sustainable business approach based on the three dimensions of economy, social affairs and ecology. These three dimensions are of equal importance and status: DB wants to become a profitable market leader, a top employer and an eco-pioneer.

DB's goal in the social pillar is to be rated among the top 10 employers in Germany by 2020.

- DB has particularly sought to raise awareness of the breadth and quality of training and career opportunities offered at DB and to this end has been running a campaign since 2012 entitled '**A job like no other**'. This long-term campaign<sup>40</sup> is aimed at different target groups (pupils, students, labour market entrants, experienced workers etc.). The choice of media to communicate the message is specifically designed and targeted to these different groups (TV spots, use of social media etc.). The campaign is linked to company's career portal. A company internal assessment of the campaign<sup>41</sup> considers that these efforts have contributed to improving the company's ranking of top employers among certain target groups (among pupils from 46 to 25 in the Trendence survey). Additionally 70% of pupils, students and experienced workers surveyed online (2012-2014) know the 'job like no other' campaign.
- The **DB career portal**<sup>42</sup>, which provides targeted information on occupations and access routes for different types of target groups (as well as direct opportunities for applications) won awards including the Trendence Employer Branding Award 2014 for the best career website and the 2013 Queb award for the excellence in an employer branding campaign. The website allows interested individuals to 'go behind the scenes' of a job at DB where information is provided by the company's own staff. The company's career portal had over 4 million visitors in 2014.
- **'Backstage DB'** - an initiative which offers access to actual workplaces and contact with employees
- **DB career development webtool** which promotes internal career development and mobility

The recently agreed Demography collective agreement at DB provides the conditions for more flexible ways of employment in different life stages.

Increased measures to support employees with care obligations are also part of the collective agreement. As an answer to changing job expectations and careers, DB offers individualised packages of conditions which can adapt around the life cycle. This includes the collective bargaining agreement designed to address demographic change (Demography CBA)<sup>43</sup>, which is an agreement with the Union for Railway and Transport Workers (EVG) and DB. Its vision is a stage-of-life model offering employees at different stages of their lives or careers a number of concrete measures adapted to their individual needs or circumstances such as flexible working time models (part-time work, sabbatical), a better work-life balance by offering child care facilities or support for employees with relatives in need for care and measures to support employees to keep their mental and physical fitness and health.

The Demography CBA also provides a life-long job guarantee for all workers employed by DB for at least two years and it allows older worker to reduce their working time by 20% with an 12.5% decrease in salary and more flexible working time arrangements for younger workers with long-term working time accounts (with the possibility to accumulate additional hours either to realise early retirement or to take family leaves for study breaks etc). Other smaller companies often cannot offer such individualised packages and underline other offers such as working climate or training opportunities

<sup>40</sup> A TV spot for the campaign can be found via this link <https://www.youtube.com/watch?v=gcqhaR-cf4s>

<sup>41</sup> Company own website accessed 21.09.2015 [http://www.deutschebahn.com/de/presse/themendienste/7716524/arbeitgeberkampagne\\_032015.html](http://www.deutschebahn.com/de/presse/themendienste/7716524/arbeitgeberkampagne_032015.html)

<sup>42</sup> [www.deutschebahn.com/karriere](http://www.deutschebahn.com/karriere)

<sup>43</sup> Demografietarifvertrag (DemografieTV).

## 3.6 Italy

### 3.6.1 Enterprises

The largest train operator in Italy is Trenitalia, which is a company of FS Group, and operates in regional, national and high speed passenger transport and in freight sector. FS Group also includes other companies, such as RFI (the infrastructure company) or Italferr (engineering company).

Besides Trenitalia, in Italy there are also few private railway companies, in particular in the regional and freight sector. Just one company operates in high speed passenger transport.

### 3.6.2 Employment

The sector employs around 70,000 people in Italy, this figure does not include supporting services such as cleaning and catering services. Most of these employees are employed by FS Group, with around 10,000 employed in private providers.

### 3.6.3 New skill needs and labour shortages

From interviews with FS, the developments which occurred in this sector in recent years brought about significant changes in the labour market (e.g. in terms of labour demand and offer, jobs profiles, skills demand etc.). Additionally, the economic crisis had a significant impact on the company's needs for new skills. The demand for new occupational profiles, which is also likely to increase in the near future, includes for example economists, engineers and experts in marketing (though likely to be few in number). Recent waves of recruitment for highly skilled positions in the company included approximately 65% engineers, 30% with economics/business/marketing background and 5% with legal background. This also means that it is essential for the company to adjust internal HR strategies and prepare HR personnel to deal with a changing internal workforce. Another key occupational profile include electrical engineers, there is an increasing demand for these type of skills, however there is also a significant skills shortage in this subsector and the company needs to implement targeted recruitment policies.

Overall, there is a certain degree of attention to continuous training and re-training strategies; however the high specialisation of tasks have also affected the training require a more strategic approach than in the past. A three year project designed to identify and support internal replacements of highly educated workers (university degrees) that have been under-recruited and/or experienced mismatch between tasks and academic background. An in-depth skills assessment and evaluation is performed to understand the competences and aspirations of these workers as well as discussing a personalised career plan and training needed.

### 3.6.4 Image and attractiveness

According to the trade union, working for the FS is still attractive for a number of reasons:

- Comparatively greater job security offered by a position in the public sector, compared to working for a company in the private sector. Although it is clear that there are restructuring procedures, working for FS is still considered a safer job than in other companies;
- the overall package offered by the national collective agreement and the company agreement of the FS is more attractive than those used by other companies which often apply agreements from other sectors (e.g. from road transport or the local transport sector) or only company agreement. Often workers start in other companies but they apply to FS as soon as an opportunity arises;
- The 'old attraction' of working for a unique company where people can learn an uncommon profession still holds for the jobs of train drivers and train conductors.

Some issues were identified by FS with regard to the attractiveness of the company:

- Lack of knowledge of the job content - there is a general lack of knowledge of the variety of occupational profiles and what jobs in the railway sector involve in terms of tasks, skills, technical knowledge, responsibilities, etc.
- The education and training system in Italy does not provide young people with experience of the world of work such as in other countries.
- There is a general lack of awareness among the public which is common to all sectors but affects to a larger extent complex sectors such as the railway which is also penalised by a negative legacy of misperceptions.

### 3.6.5 Working conditions

#### 3.6.5.1 Pay and conditions

From interviews with FS and trade unions it emerged that overall the salaries offered in the sector are competitive and higher than the average salaries in the country, this applies to all job profiles in the company.

Trade unions highlighted that FS has its own national collective agreement and company collective agreement with the best conditions in the sector. Since the national legislation obliges only to apply "a" national collective agreement the new companies 'cherry-pick' the most favourable agreements for the company weakening the protection and eroding the benefits for employees.

From interviews with FS it emerged that the company is making an effort to improve and modernise its welfare package. In addition to traditional benefits as free tickets for travelling for employees and family, a private health insurance was lately (2012) included in the company collective agreement. A supplementary pension scheme is also included in the package. In the same company collective agreement, there is the provision of legal assistance and of a specific insurance for those employees who are involved in accidents. It's also provided a specific legal assistance for employees who are victims of harassments and third part violence. Considering the increasing need of caring for older relatives at home, the company is also thinking about the possibility to include some kind of support in the private health insurance. From a health point of view, in recent years the company has also implemented a more systematic breast cancer prevention scheme with (no charge to employees). There have been taken also measures to ameliorate the mobility of employees (reduced tickets of public transport on the basis of specific agreement with public transport companies, car sharing, carpooling, bike sharing, agreements to facilitate the purchase of bikes).

FS explained that in the case of engineers the level of pay may be lower than in other sectors, in this instance the stability of the company plays an important role and also the efforts made during last years by FS Group to a technological modernization in many different activities not only in the infrastructure area (for example, environment, chemical for the study of materials, ICT, etc.)

Both trade unions and interviews with FS acknowledge that work-life balance is an area where more needs to be done. The nature of the work (for example the fact that a constant service needs to be guaranteed, long-distance services require personnel to cover inflexible schedules and high levels of geographical mobility) makes it more difficult to implement work-life measures across-the-board.

From interviews with FS it emerged that some work-life balance measures have been recently implemented to support the return to work after maternity leave. For example, 'pink shift' (turno rosa) has been an attempt of implementation for train staff in some departments of the current legislation which grants women to work two hours less per day for the first year of their babies' lives. In the high speed sector, guidelines have been drafted to support the return to work after maternity leave. The most important aspect of this measure is that the research work behind the guidelines has involved interviews with women but also their male managers. This approach has had a remarkably positive impact on raising awareness, also among male employees, about the issues related to the return to work after maternity leave and level of acceptance of the guidelines.



### 3.6.6 Strategies to improve attractiveness

#### 3.6.6.1 Company strategies

In recent years the focus of the company has been on marketing and awareness raising on the radical changes that occurred in the FS leading to the FS Group. The branding of the FS Group as an innovative Group and leader in many technological areas has been integrated in all activities of the company. The underpinning message of the branding is that FS Group includes several companies (e.g. Italferr, Ferservizi, etc...) which offer a range of opportunities in many sectors for highly qualified candidates. FS interviewees highlighted that it has proved challenging to change the stereotype of the 'old FS' in public opinion although this is slowly shifting towards thinking of FS Group rather than only FS.

In Italy FS was awarded with the Best Awareness 2015 certification and the 'Best Employer of Choice' (BEofC) award, as the company with the highest level of awareness among young graduates with reference to the job offer and the company deemed as best company to work. This was reported in the 'Recent Graduates Survey', a survey based on a representative sample of newly graduates. FS was perceived as reliable, serious and dynamic. In 2015 it ranked first among all graduates as BEofC and second among graduates of scientific subjects in 2014 and 2015. FS was selected as BEofC mainly by young graduates identified as 'informed' (29.3%) and 'optimistic' (25.3%) types. Graduates who were interested in working with FS also reported to be interested in working for companies such as Enel, Eni, Ferrari, Apple, and Google, Thus identifying these companies as direct or indirect competitors of FS. Eni and FS were identified as companies transmitting a sense of economic stability; young graduates also identified these two companies as the richest and with a solid position in the market.

A number of strategies have also been adopted by the company to attract required occupations which target university students and high education secondary schools/VET. Other initiatives with universities include:

- the FS Competition. A contest open to university students of economics and engineering where students had to present a project on their view of the High Speed: 'How do you see the High Speed in the next 50 years'? A total of 230 project ideas were received and 6 were selected. The first classified will have the opportunity to attend the World Conference on High Speed Rail in Tokyo and other prizes for the remaining winners included several other destinations. The website has also a page called 'what you don't know about FS' and is dedicated to promote all opportunities within the Group, other pages in the website sponsor initiatives the Group is involved in including cultural initiatives, masters and courses supported by the Group, job opportunities, traineeships etc....
- Grants for students - This initiative targets engineering students in their last year and provides financial incentives to complete their final thesis with a project of interest to the company. To disseminate this initiative HR visits selected universities to present the projects and discuss feasibility. The initiative was then presented to students with seminars where FS discussed the opportunity, the projects but also career prospects within the company.
- Scholarships - FS provides scholarships to students at the second year of engineer (English course) to pay towards the enrolment fees and a traineeship in the company.
- Recruiting/career days in universities - FS organises career days in targeted universities where HR present the company, career opportunities within FS, provide information on open vacancies and the recruitment process, opportunities for traineeships as well as the grants for students who wants to complete the final thesis with a project of interest to the company.



- Cooperation with universities -In partnership with six universities FS cooperates to the design and delivery of masters in Railway Systems Engineering. FS also offers a range of grants towards enrolment and for best qualified. Every year between 25 and 30 students are selected through a joint recruitment procedure. FS personnel cooperate with the universities at the tendering stage to draft the terms of reference, selection criteria and recruitment process. FS also designs and implements the dissemination campaign with leaflets distributed in universities throughout the national territory, additionally webpages and targeted emails are used to raise awareness and provide information. The message is a central role of young employees and their capacity of innovation. There is detailed explanation of FS Group from different points of view (why join FS Group, numbers of employees and specific roles in the different companies, job sites, witnesses, the ongoing initiatives for young people), a dedicated section to the international dimension and job opportunities, a dedicated page on partnerships with universities, a very well done section, distinguishing all the topics related to recruitment on the bases of degrees.
- Initiatives targeted at students in their last years of high secondary schools (in technical paths such as mechanics) include seminars, career days where FS personnel present the wide range of occupational profiles within the company as well as career opportunities and company's culture.

## 3.7 The Netherlands

### 3.7.1 Enterprises

The largest companies in the sector are ProRail (responsible for rail infrastructure) and Nederlandse Spoorwegen (NS) responsible for passenger transport. Private train operators also operate in the freight and passenger transport markets.

### 3.7.2 Employment

ProRail has around 4,000 employees whereas NS employs 30,000 staff.

### 3.7.3 New skill needs and labour shortages

Due to mechanisation and digitalisation in the train sector, all employers in the rail sector are looking for employees with these specialist technical skills. This counts for jobs requiring vocational as well as higher education.

As the pension age has increased, employees will have to keep working for longer. Also as the rail sector's work force is aging, it is in their interest now to keep employees working longer. For this it is important that employees stay healthy: several interviewees indicated their company looked at fitness (or 'labour capacity' as a result of this fitness) of both their new recruits, as well as current employees with the aim of promoting more durable employability.

### 3.7.4 Image and attractiveness

The attractiveness of the sector very much depends on the perspective. Interviewees point out that on the inside, the sector is known to have excellent collective labour agreements that provide good working conditions and benefits. The work itself is interesting and it is easy to give meaning to the work as it provides a public, socially responsible service.

On the outside, because of the sector providing a public service and its main companies being state owned, there is constant scrutiny. On balance then, even though the Dutch Railways are relatively punctual considering the load (in passenger kilometres)<sup>44</sup> and relatively not too expensive considering the level of punctuality and rail utilisation<sup>45</sup>, the public discussion is focused on the negative, not on positive outcomes. Media elaborate to great extent on such items as the parliamentary inquiry into the NS Fyra issue, the NS CEO leaving after allegations of fraud, research into violations of subcontracting laws by ProRail and more recent political discussions on the financial management at ProRail. Interviewees universally agreed that this negative media attention was a problem for the rail sector, detracting from the image and attractiveness of specifically ProRail and NS.

Operational jobs are often associated with anti-social working hours. Whether this detracts from the sector's attractiveness will depend on a person's individual priority and this may be subject to their position in their (working) life cycle, but in general interviewees agreed this may be a barrier for some who values a 'normal' social life more. This makes the sector as an employer less attractive.

For individuals outside the rail sector, similar 'tech-heavy' sectors such as the car or aviation industry are perceived as more attractive. Some interviewees point out that the railways are not seen as such because it has traditionally, and still is, a public service. When competing for labour, also taking into account anti-social hours that may not be the case in some other technical sectors, the rail sector is not as attractive as other sectors, despite offering relatively good benefit packages.

<sup>44</sup>This is reported on in the NS Year Report <http://nsjaarverslag.nl/FbContent.ashx/downloads/NS-jaarverslag.pdf>

<sup>45</sup><https://www.rijksoverheid.nl/documenten/rapporten/2011/10/25/internationale-benchmark-2011-prorail>

### 3.7.5 Working conditions

Working conditions are largely determined through collective bargaining. In the Netherlands in general trade unions and employers together agree on a *cao* (collectieve arbeidsovereenkomst: collective labour agreement). Generally these *cao*'s are renewed every few years, but if negotiations fail repeatedly the old agreements could be in force for longer. *Cao*'s exist on the sectoral and company level. One could split the rail sector in three parts, each with different applicable *cao*, although in practice there are no big differences between these three:

1. The NS has its own company-wide *cao*, but also falls under a multimodal *cao* for all organisations transporting passengers.
2. ProRail has its own companywide *cao*.
3. ProRail's Subcontractors fall under a sectoral *cao*, but may also have their own company-wide *cao*. Negotiations on the sectoral railinfra *cao* have stalled and this means it runs a risk of falling behind others in the rail sector where there is no companywide *cao*.
4. Companies transporting freight will generally have a company specific *cao*, but for some this may still be based on the old pre-liberalisation *cao*.<sup>46</sup>

Generally, pay and benefits in the whole sector are good. Attention is paid to personal circumstances which can be reflected in changes in working times. An example of a general attractive condition is free or cheaper rail travel, in combination with the work place by definition being well connected by the rail network.

For conductors and other customer facing personnel, aggression from customers is an issue. There are measures in place to try and minimise this, for example extra police, security personnel and extra staff on high risk routes after a certain time in the evening. However, it is difficult to completely remove this element.

For both conductors and train drivers' working times can also be an issue. For conductors and train drivers suicide (attempts) from people jumping in front of trains is a real issue, with some having witnessed this on several occasions. Conductors are by law required to go out of the train and check if they can offer first aid. Aftercare is provided for those that witness a suicide, but each person will deal with it differently and for some the psychological impact could mean the end of their career.

### 3.7.6 Strategies to improve attractiveness

#### 3.7.6.1 Company strategies

The NS and ProRail have similar HR strategies that address the issue of the ageing work force and the foreseen loss of skilled personnel in the long term. The first part of this strategy focuses on internal mobility, in order to keep employees within the internal labour market. This means investing in internal training programmes, but also collaborating with partners (trade unions, educational institutes).

The second part of this strategy also relates to keeping sickness absence down. In order to keep employees in work for longer.

In order to make the sector more interesting to those with technical skills, the NS is making these jobs more visible through the website [nstechwerk.nl](http://www.nstechwerk.nl)<sup>47</sup> to present vacancies at the NS. Specifically for students in vocational education there is the TechniekFabriek (Technics Factory)<sup>48</sup>. The TechniekFabriek is a NedTrain company teaching institute that links into an existing educational institute providing vocational training. Students of the vocational education institute ROC Twente who study mechatronics can choose to do this classroom study in conjunction with specific practical experience provided in the TechniekFabriek. After completion of this two year study students are offered a permanent contract as a mechanic at NedTrain, the NS branch which is responsible for maintenance of trains.

<sup>46</sup> In the 1990s the rail sector was fully state-owned and operated as the NS.

<sup>47</sup> <http://www.nstechwerk.nl/>

<sup>48</sup> <http://www.nedtrain.nl/technieklab/home/>

The Railinfra Opleidingen (RIO) institute (Rail infra training) which is more affiliated with the maintenance of the rail infrastructure (ProRail and subcontractors) is preparing to create a similar institute. The construction of the institute is due to start in 2016. The institute - called 'Railcenter' - will serve four distinct functions for the railinfra sector:

- 1. Develop craftsmanship:** the institute will offer teaching for all skill levels, will facilitate peer-to-peer knowledge learning and will use state-of-the-art technologies;
- 2. Testing and simulation:** the institute will provide an environment that allows the testing and simulation of new infrastructure and systems;
- 3. Promotion of the railinfra:** the institute will be promoting work in the railinfra through a shop-window function by organising presentations, tours and expositions. A specific aspect that will be highlighted here are improvements and innovation. The aim of this is to increase the attractiveness of the sector on all skill levels;
- 4. Meet and inspire:** the institute will serve as a platform for exchanging knowledge and experience, and to this end will host the 'Innorail', a platform that aims to enhance innovation in the rail infrastructure.

Besides this institute, the RIO has been financing 'Rail tech' (Railtechniek): an elective course at the Hogeschool Utrecht (higher education/ higher vocational training) in which students learn, for example, how to build a track switch. This course is offered in cooperation with ProRail and its subcontractors.

NS has also implemented strategies for two key target groups: individuals with limited ability to continue in their current job and refugees.

In 2013 the NS started a pilot creating jobs providing work experience for individuals no longer able to fully work in their existing occupation because of health limitations. Instead of offering work experience in temporary jobs, new sustainable jobs were created through job carving, where suitable existing tasks in working areas in the NS were combined and remodelled for people with limited labour capacity. 40 such jobs were created for 10 different limitations. The pilot was found successful in terms of the number of participants who were offered a contract at the end of their work experience. The new cao stipulates 200 such jobs will be created in two years. The NS has shared lessons learned with other companies across different sectors.

At the same time another pilot took place, which created four paid jobs with a duration of nine months for refugees with a higher education. Eligibility criteria included being able to speak Dutch and having a work and residence permit. In these jobs refugees are linked to a mentor and during their work are able to gain work experience and become familiar with the corporate culture. They are also provided with transferable skills such as PRINCE2, which is a widely acknowledged project management course. This pilot was also successful: 50% of participants found permanent work at the NS, the other half found work elsewhere. This is now also part of the NS strategy: every year, five of these jobs become available. It is part of the NS diversity and inclusion strategy.

## 3.8 Poland

### 3.8.1 Enterprises

The rail companies in Poland can be segmented depending by type of ownership and the type of market they operate in. Three types of owners can be distinguished in Poland:

- State owned companies or companies where the State has majority of the shares are responsible for managing railway lines (e.g. PKP PLK), offer passenger transport (e.g. PKP Intercity) or cargo transport (e.g. PKP Cargo). Separate collective agreements now govern working conditions in each of these companies.
- Rail companies owned by regional authorities provide passenger transport in the regions (e.g. Masovian Railways) or metropolitan areas. The working conditions in these companies are similar to state owned companies.
- At the moment private companies offer only cargo transport (e.g. DB Schenker Logistics). The representatives of employees reported huge differences between PKP Group and private companies in terms of earnings and working time. Work in private companies is task oriented and remuneration systems are simplified. These employers expect employees to be more polyvalent - e.g. train divers are also shunters. At private companies usually there are no collective bargaining agreements.

### 3.8.2 Employment

In 2012 over 33,000 people were employed in transport of goods (+0.35 pp comparing to 2011) and nearly 25,000 (-3.66 pp comparing to 2011) in passenger transport.<sup>49</sup> In recent years the employment level was mainly reduced to adjust the level and structure of employment to their current tasks related to changing market requirements - lower number of passenger transport offered.

### 3.8.3 New skill needs and labour shortages

Only of the key issues facing public rail companies is the needs to rationalise employment in administrative capacities and to rejuvenate the workforce in key occupations and employ or train specialist with skills needed to operate the modernised infrastructure and new trains.

HR managers interviewed in two rail companies indicated that in 2014, for the first time in years, there had been a need to recruit new employees.

Despite the previously mentioned unattractive elements of rail sector employment, companies do not have particular problems in finding non-specialist employees. The stability offered by the state companies and in particular the availability of full-time employment is attractive for women and young people from rural communities or small cities.

The HR representatives did however report problems with recruiting specialists e.g. control engineers and train drivers. Over half of 17,000 train divers in Poland are aged between 46-60 years old and average age of people is 50 years old. In 2013 it was estimated that shortly there will be deficit of 3,000 thousand train divers in the sector - assuming current demand for services<sup>50</sup>

For the first group, the salaries offered by rail companies are not competitive. There is generational shortage of train drivers. Training programmes have recently been launched to overcome this shortage.

In addition, there are some shortages among train managers, rail traffic controllers, mechatronic engineers, electronics engineers and signalling technicians. External experts commented on shortages of project managers who are inexperienced to manage large rail investments and construction projects.

<sup>49</sup> Główny Inspektorat Pracy (2013), Bezpieczeństwo pracy na kolei, p. 34 available at: [http://rop.sejm.gov.pl/1\\_Old/opracowania/pdf/material70.pdf](http://rop.sejm.gov.pl/1_Old/opracowania/pdf/material70.pdf)

<sup>50</sup> Główny Inspektorat Pracy (2013), Bezpieczeństwo pracy na kolei, disponible à l'adresse : [http://rop.sejm.gov.pl/1\\_Old/opracowania/pdf/material70.pdf](http://rop.sejm.gov.pl/1_Old/opracowania/pdf/material70.pdf)

For interviewees, staff turnover is not an issue for Polish rail companies as work in the rail sector is still considered to be a career for life, especially among older workers.

### 3.8.4 Image and attractiveness

The generally poor image of rail sector in Poland has been gradually improving in recent years. However, many Poles are not aware of the diversity of rail sector in Poland and still equate rail in Poland with Polish State Railways (hence-forth PKP). Therefore the image of PKP Group<sup>51</sup> has paramount impact on the perception of rail sector in general.

To address the poor image of the sector which persisted into recent years, the PKP Group made a priority to improve the customer's comfort and safety through improved cleanliness, safety at trains and stations, online ticket sales, Wi-Fi at stations and on trains. Between 2011 and 2015 PKP group improved their performance in: speed of the travel, online ticket sales, rentals of space at stations, net debt was reduced and the number of rail accidents declined. As an effect in March 2015 for the first time in years the number of the passengers increased.<sup>52</sup> In last two years there was significant increase in customer satisfaction. To communicate this more positive message arising from customer surveys, in 2015 PKP Intercity launched media campaign (TV, radio, press and internet) which aimed was to differentiate the company from other rail companies in Poland and improve its public image.<sup>53</sup>

However, the changing image of rail companies are not yet reflected in the rankings prepared by Randstad on the employers' attractiveness. PKP although widely recognised by Poles is not regarded as a desired employer. Randstad publish only names of first 20 companies considered as attractive employer and PKP is not among them.<sup>54</sup> Universum's general ranking of ideal (top 30) employers also does not include any rail companies.

Interviewees agreed that rail sector is not an attractive employer due to unattractive salaries, negative image of companies (bureaucratic, ineffective) and overall difficult working conditions. The occupation and the type of company (type of transport and ownership) has an impact on the level of salaries, the stability of work and working conditions.

### 3.8.5 Working conditions

In publicly or part-publicly owned companies, working conditions are governed by collective agreements, which is not the case among private operators.

The average salary offered in the rail sector is slightly higher than the average salary in Poland. However the interviewees agreed that the level of earnings differ depending on the occupation and position of the employees. The salaries of train divers makes this occupation very attractive. The shortage of train divers and the length of their training creates competition over this group of employees between private and public companies. Since the level of salaries in public sector is fixed and adjusted by the inflation level, the public companies are generally losing out in this competition. The salaries of administrative staff or cashiers are much less attractive. Earnings of project manager of infrastructure rail projects were described as competitive to the market or similar sectors (e.g. construction sector).

<sup>51</sup>The PKP Group was established in 2001 as the result of the restructuring process of the Polskie Koleje Państwowe [Polish State Railways] state enterprise. The PKP Group consist of several rail companies offering passenger and cargo transport services, managing railway lines, offering services for rail companies or related to railway infrastructure management (e.g. energy, IT, trainings etc.).

<sup>52</sup>Witold Orłowski, Michał Mazur, PwC (2015), Inwestycja w przyszłość Podsumowanie zmian w Grupie PKP w latach 2012-2015 [http://pkpsa.pl/dla-mediow/komunikaty-prasowe/inne/Prezentacja\\_PwC.pdf?\\_ga=1.207994768.34383834.1432749201](http://pkpsa.pl/dla-mediow/komunikaty-prasowe/inne/Prezentacja_PwC.pdf?_ga=1.207994768.34383834.1432749201)

<sup>53</sup>Rynek kolejowy, Startuje kampania PKP za 10 mln zł. Zobacz film reklamowy, available at: [http://www.rynek-kolejowy.pl/55707/startuje\\_kampania\\_pkp\\_za\\_10 mln\\_zl\\_zobacz\\_film\\_reklamowy.htm](http://www.rynek-kolejowy.pl/55707/startuje_kampania_pkp_za_10 mln_zl_zobacz_film_reklamowy.htm)

<sup>54</sup>Randstad does not provide external bodies (i.e. ICF) the results of particular companies. PKP Group was among 150 companies ranked and the report can be obtained from PKP Group.

The benefits offered currently are on a much lower level than before the companies were divided. At the moment the benefits vary across occupations, and might include:

- 99% discount for tickets
- Additional days-off
- Clothing supplement
- Coal supplement
- Co-financing of children's vacations
- Stock market shares
- Medical care schemes
- Insurance schemes
- Sport cards

Since accident in Szczekociny in 2012<sup>55</sup> les entreprises ferroviaires ont commencé à offrir un suivi psychologique aux travailleurs affectés par des accidents sur les voies ferrées.

### **3.8.6 Strategies to improve attractiveness**

#### **3.8.6.1 Company strategies**

The programme of cooperation with schools can be considered as a good practice. The program was launched in 2011 with annual budget of EUR 150,000. Annually 300 students from 150 schools receive scholarships. The amount of scholarship depends on study level - from EUR 72 in junior class to EUR 120 in the last year of study.

Additionally to scholarship programme PKP is closely cooperates with 15 secondary schools which train rail transport technicians, technicians for the automatic control of the railway traffic. In these schools PKP PLK offers:

- Scholarships for students,
- Employment guarantee for best students,
- Apprenticeships program,
- Training facilities and qualified trainers.

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<sup>55</sup>Two passenger trains collided head-on.

## 3.9 Slovenia

### 3.9.1 Enterprises

Slovenian Railways system is operated by one state owned group; Slovenian railways. The group consists of ten companies:

- Cargo transportation company (Tovorni promet, d. o. o)
- Passenger services company (Potniški promet, d. o. o)
- Infrastructure company (Infrastruktura, d. o. o.)
- Slovenian Railways (Slovenske železnice, d.o.o.)
- Towing and technique (Vleka in tehnika, d.o.o.) Railway Construction Company (Železniško gradbeno podjetje Ljubljana, d. d.)
- Company for the disabled (ŽIP, storitve, d. o. o.);
- FERSPED
- Transport Institute Ljubljana (Prometni inštitut Ljubljana)
- Railway printing house (Železniška tiskarna Ljubljana, d. d.)

### 3.9.2 Employment

Slovenian Railways group in total employs 8,069<sup>56</sup> employees. 84 per cent of employees are male and only 16 per cent are female. Companies with more than 90 per cent of male workers are: infrastructure, towing and technique and railway construction. Female workers present more than half of the workforce only at Slovenian Railways company, where more administrative, office occupations are represented.

The majority of the employees at Slovenian Railways group is between 40 and 59 years old. Young people present only 8 per cent of the workforce.

### 3.9.3 New skill needs and labour shortages

Based on information from the human resources department, the Slovenian Railways group has no problems with attracting potential employees. However, other stakeholders also noted that this current attractiveness of the company is mainly due to the weak economy and high unemployment in Slovenia after the crisis. In particular, the collapse of the Slovenian construction sector, temporary contracts and irregular payments in other sectors (e.g. transport carrier) make the rail sector attractive.

But once the economy recovers, the current advantages of the employment at Slovenian Railways could become relatively smaller. In fact, one stakeholder notes, that before the crisis the company had difficulties to recruit in the regions close to Italy, because of the proximity of a more competitive Italian labour market.

### 3.9.4 Image and attractiveness

The Slovenian Railways group is currently an attractive company in Slovenia. In the past, during the transition period of Slovenian economy after the independence in 1991, the overall image of the company was negative. The company operated with loss, employed too many workers and operated with old technology. Since then, the company underwent restructuring process and around 22,000 workers were laid off. The technology is improving and profitability is restored. But according to one consulted stakeholder, if compared internationally, the infrastructure is still old and the company does not operate with modern PR strategies like in some other European countries.

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<sup>56</sup>As of 31.12.2014



The following were described as the two most attractive elements of working for Slovenian railways:

- **Job security:** Slovenian Railways are offering contracts for indefinite period and secure contracts to their employees.
- **Pay and benefits:** Pay and benefits are competitive especially for the professions where lower level of education is required (operational jobs). Employees are entitled to various supplements linked to regulated professions and difficult working conditions. Eurofound 2012 survey noted that in general extra payment compensating for bad or dangerous working conditions is more frequent in Slovenia than in other EU countries.

### **3.9.5 Working conditions**

Based on stakeholder consultations, working conditions and social standards of the employees are good. Workers unions are ensuring the social and economic security for workers. Working conditions and social standards are agreed in the collective agreement which was last revised in 2007. Some stakeholders also mentioned that working conditions have improved in recent years due to better technology (e.g. ergonomics, optimisation of work processes, etc.).

The company offers competitive and secure jobs for the type of education needed to undertake the professions. The sector has no problem with retention of the employees and most of the employees expect to be employed by the company for their entire career.

### **3.9.6 Strategies to improve attractiveness**

Puisqu'il n'existe aucune difficulté spécifique de recrutement, aucune mesure n'a été mentionnée pour améliorer l'attractivité du secteur.

## 3.10 Spain

### 3.10.1 Enterprises

The sector is dominated by the publicly owned operator Renfe.

### 3.10.2 New skill needs and labour shortages

While in the past, there were issues to fill some occupations, particularly those which required specific higher or graduate level qualifications (i.e.: engineers, engine drivers, sales and maintenance), the current situation is very different, due to the high number of well-qualified young people seeing employment.

Similarly, high staff turnover is not considered a particular issue for the sector at present. In fact, Renfe has never had the need to implement retention policies as employees want to stay. However, should the wider labour market situation change, the company may well face significant issues in future, as it has a very ageing staff profile (average age of 54).

### 3.10.3 Image and attractiveness

Interviewees considered that overall, the rail sector remains very attractive for job seekers for two main reasons:

- The expansion of the high speed network (AVE) infrastructure and the construction of railway vehicles linked to it, as well as the increasing use of this line; and
- The job stability offered by the sector; a job in the public sector is very attractive in terms of working conditions and stability, especially in the current challenging labour market.

Despite a wage freeze imposed by the company over the last six years and the decrease of job security offered by the company, within the current labour market context, employment in the sector is still considered to be attractive.

### 3.10.4 Working conditions

The current economic situation of the country and the restructuring process the company has undertaken in the last years have had an impact on employees' perception of what are the most and least attractive aspects of working in the rail sector. The stability offered by the public sector and the salary have always been the most attractive elements of the sector, and this remains the case.

Another element which has gained great importance in the recent years is the expansion and development of the AVE. Being the longest high speed network in Europe and the second in the world, career opportunities in this field have been increasing.

In terms of the least attractive elements of the sector, it very much depends on the business area. For instance, there are certain positions subject to shift work, which can pose challenges for work-life balance.

The interviewees agreed that despite the wage freeze from the last years, the salary level can still be considered as good. Although the new comers start with more precarious conditions, for instance, lower salaries and temporary contracts, there is still some assurance that they will become permanent workers with improved conditions in the longer term.

By collective agreement, the company must allocate some budget to social purposes. In particular, the company launches regular preventative campaigns on certain diseases (i.e.: cancer, flu...) and gives financial assistance for instance to purchase glasses or to pay for dental treatments.

### 3.10.5 Strategies to improve attractiveness

In the present labour market situation, no specific measures are considered to be required to improve the attractiveness of the sector.

## 3.11 Sweden

### 3.11.1 Enterprises

The Swedish railway sector can be divided into two main sub sectors: railway operations (i.e. rail transport for passengers and cargo) and rail infrastructure<sup>57</sup>.

In the railway operations sector there are two main firms - SJ AB (passenger transport) and Green Cargo (cargo transport). Both of these were created when the government agency (Statens Järnvägar, SJ), was split into separate and independent companies in 2001. The companies are completely state-owned and operate all over Sweden.

Since the deregulation of the rail market, several large firms have entered the Swedish railway operations market. For example, the private company Transdev, formerly known as Veolia, runs several train lines across Sweden. Other operators include Abellio, Arriva, DSB, Keolis, MTR, Stockholmståg and Tågkompaniet.

Notably, SJ has in recent years lost some of its previous exclusive rights on certain railway lines between major cities such as Stockholm, Gothenburg and Malmö. This has made the Swedish railway market more attractive for competition.

In terms of rail infrastructure, the Swedish Transport Administration (Trafikverket) is the responsible government authority. The Swedish Transport Administration was formed in 2010 following a merger of a number of public transport agencies, including the Swedish Rail Administration (Banverket).

### 3.11.2 Employment

Below we present a brief analysis of employment trends in three of the largest rail companies.

**Table 3.2 Employment trends in rail companies (FTEs)**

	2014	2013	2012	2011	2010
<b>SJ</b>	4.541	4.953	4.299	4.041	4.262
<b>Green Cargo</b>	2.002	2.122	-	-	-
<b>Infranord</b>	2.122	2.577	2.682	2.754	-

Source: [http://www.sj.se/content/1/c6/17/66/09/SJ\\_Ars-och-hallbarhetsredovisning%202014.pdf](http://www.sj.se/content/1/c6/17/66/09/SJ_Ars-och-hallbarhetsredovisning%202014.pdf); [http://www.green-cargo.com/globalassets/documents/hallbar-utveckling/resultat-och-rapporter/gc\\_2014\\_sv\\_30-mars\\_final.pdf](http://www.green-cargo.com/globalassets/documents/hallbar-utveckling/resultat-och-rapporter/gc_2014_sv_30-mars_final.pdf); [http://www.infranord.se/Documents/Infranord\\_AR\\_2014.pdf](http://www.infranord.se/Documents/Infranord_AR_2014.pdf)

The table above shows a slightly mixed picture with employment increasing or remaining fairly stable up until 2013. From 2013 there has been a relatively significant fall in employment across all three companies, particularly in Infranord and SJ.

In terms of the workforce composition, the overwhelming majority of workers at Green Cargo and Infranord are men, accounting for 87 per cent and 92 per cent of the workforce respectively. The situation is slightly different at SJ where around 40 per cent of the employees are women.

The age structure is a major challenge for many companies within the rail sector. At Green Cargo, for example, 59 per cent of the workforce is aged 50 years or older. The percentage of employees under the age of 30 years was 8 per cent in 2014. Similarly, at Infranord the percentage of employees over 50 years is 55 per cent, whilst only 20 per cent is aged 40 years or younger.

<sup>57</sup> Infrastructure has been separated from operations since 1988. It was initially handled by Banverket, a public sector agency.

### 3.11.3 New skill needs and labour shortages

Given the age profile of the current workforce, there will continue to be a need for workers across a range of occupations, but particularly qualified drivers.

In terms of future skills requirements, there is, just like in many other sectors, a growing trend towards greater automation and digitalisation. Within the rail infrastructure sector, there will continue to be a need for technicians and engineers in the so-called BEST occupations (rail, electrical, signalling and telecommunications). In terms of white collar workers, and particularly for more senior positions, there can in some instances be a lack of applicants/ workers with specific rail sector experience. This is, however, not always a negative thing as experience from other sectors may bring new perspectives into the sector.

Following the deregulation of the rail sector, much of the internal training provision has disappeared. For example, SJ used to train all the drivers internally, however, given the increased competition for train drivers this is no longer seen as a good use of resources.

The externalisation of the training provision has resulted in a separation between the supply of training places and the demand for drivers. Consequently, it is much harder for railway companies to influence, and plan for, the future supply of drivers. Indeed, over the last few years there have been complaints that there is not a sufficient number of train drivers graduating from the training programmes.

### 3.11.4 Image and attractiveness

The companies and employees interviewed report that the rail sector is an attractive sector, which offers stable and secure employment as well as relatively good pay and conditions.

As such, there are generally no difficulties in recruiting for the sector (although the supply of train drivers is dependent on the number of training places available). The sector also have a very low staff turnover rate which in part reflect the worker satisfaction within the sector.

The attractiveness of the rail sector is particularly strong on the passenger traffic side, especially for drivers. Infrastructure work is, according to the interviewees, also generally considered to be attractive, although perhaps less so than passenger traffic. This is in part due to the physical nature of the job, but also a result of the fact that this type of work is less well-known than passenger traffic work. As such, there may be a greater need to promote infrastructure work.

Since the mid-1990s the rail sector in Sweden has experienced very strong growth in passenger traffic compared to other modes<sup>58</sup>. By European standards, Sweden also has significant cargo traffic, accounting for 35 per cent of land based transport. This can be compared to an EU average of 17 per cent<sup>59</sup>.

In order to improve the efficiency and continue the growth of the sector, the Swedish government has pledged to invest 745 million SEK in railway maintenance during 2015 and 1.87 billion SEK annually from 2016<sup>60</sup>. This is significantly higher than in previous years and further highlights the need to promote employment within the rail infrastructure sector.

Despite the growth of, and continued investment in, the rail sector there are some suggestions from the trade unions that the attractiveness of the sector is waning. Part of the reason for this is the increasing incidences of violence and threat (verbal and physical), as well as the intensification of the work due to efforts to streamline and optimise the rail companies.

Generally, the rail sector (both operations and infrastructure) is considered to have slightly better or comparable pay and conditions relative to other similar sectors. For example, according to the employer organisation Almega, the rail sector is more attractive to prospective employees than the urban public transport sector. Similarly, one of the employees (a train manager) interviewed suggested that the pay and conditions in the rail sector are much better than those that he had when working in the aviation sector. This was based on his own experience of working in the aviation sector.

<sup>58</sup> European Commission (2014), Fourth report on monitoring development of the rail market

<sup>59</sup> Trafikanalys (2012), Godstransporter i Sverige [http://trafa.se/PageDocuments/Rapport\\_2012\\_7\\_Godstransporter\\_i\\_Sverige.pdf](http://trafa.se/PageDocuments/Rapport_2012_7_Godstransporter_i_Sverige.pdf)

<sup>60</sup> <http://www.regeringen.se/pressmeddelanden/2015/04/framtidsinvesteringar-for-fler-jobb-och-ett-mer-klimatsmart-samhalle/>

### 3.11.5 Working conditions

Pay and conditions negotiated through the collective bargaining process play an important role in promoting the attractiveness of the sector. There are two main national sectoral collective agreements in place for the rail sector – one for railway operations (Spårtrafikavtalet) and one for rail infrastructure (Branschavtal Järnvägsinfrastruktur). These set the minimum employment standards for almost all workers in the sector.

However, many workers also mention the relative freedom and variation in the work as attractive aspects. This is the case for both railway operations and rail infrastructure workers.

However, many workers also mention the relative freedom and variation in the work as attractive aspects. This is the case for both railway operations and rail infrastructure workers.

Working times are commonly the least attractive aspects of working in the rail sector. For rail infrastructure workers, the work involves a lot of night shifts and work during public holidays. Indeed, maintenance and servicing of the rail infrastructure can only be undertaken when there are no trains on the tracks – usually after 2am.

The pay and conditions within the rail sector are generally considered to be good. The pay and conditions for train drivers have historically been, and continue to be, higher than for other staff in the rail sector. To a considerable extent, this reflects the limited supply of train drivers as well as the training required.

The pay and conditions for on-board staff and maintenance staff is considered to be relatively good compared to many other service occupations. The progression on the pay scale is also relatively steep, which is not the case in other similar service occupations. As a consequence, very few railway operation staff leave the sector.

According to the trade unions and employees interviewed, pay and working hours are generally considered as the most important areas of the collective agreements.

There has been a number of changes to the pay and conditions in recent years. For example, many workers have had their pension age increased to 65 years (for some of the older workers it remains at 60 years). Many workers have also had their annual leave reduced. This has made the working conditions less favourable relative to other sectors and may also have affected the attractiveness of the sector.

The growing number of potential employers has also resulted in increasing variation of pay – in some cases as much as 20 per cent<sup>61</sup>.

### 3.11.6 Strategies to improve attractiveness

As noted above, there are no real difficulties in recruiting new staff to the rail sector. The main issue is getting a sufficient number of drivers trained. The companies are therefore working closely with the relevant educational institutions. This challenge is likely to increase in the future with 59% of drivers (employed in 2007) expected to retire in the period between 2010 and 2025. In absolute terms this represents over 3,000 drivers. The rate of retirements will reach a peak between 2015 and 2019 when nearly 1,100 drivers are expected to retire<sup>62</sup>.

Similarly, there are not real issues in terms of retaining staff. Changes to the workforce in recent years have largely been a result of retirements.

Providing practical training for students qualifying as drivers is an effective way of attracting workers but not a guarantee for securing their employment. Indeed, there are concerns that the provision of practical training is not shared equally across the railway companies.

<sup>61</sup> Lindgren Strömbäck, K. (2011) 'Avregleringen har gett sämre anställningsvillkor', in Sekotdningen, nr 4

<sup>62</sup> <https://www.transportstyrelsen.se/globalassets/global/jarnvag/marknadsovervakning/utbildningsanordnare-inom-jarnvagsmarknaden-2012.pdf>

## 3.12 UK

### 3.12.1 Enterprises

The key employers in the sector are Network Rail (managing the infrastructure) and the different train operating companies (TOCs) which hold the 16 passenger franchises (see table below).

#### Rail franchises in the UK

Name of franchise
Essex Thameside
Thameslink, Southern und Great Northern
Southern
East Coast
Northern
TransPennine Express
East Anglia
South Western
West Midlands
West Coast
East Midlands
South Eastern
Wales & Borders
Great Western
Cross Country
Chiltern

Source: Rail Executive: Rail Franchise Schedule (published November 2015)

### 3.12.2 Employment

The UK rail industry employs more than 200,000 people, from train drivers and station staff to those responsible for managing and maintaining the network's 20,000 miles of track.

### 3.12.3 New skill needs and labour shortages

There have been changes in the way in which customers chose to interact with service providers which impact on the rail sector. For example, customers want to buy online, use smart cards and contactless payment methods. This changes the required skills and competences in the sector, with more marketing and IT professionals required. These trends also have material impacts on the future set up of stations and trains themselves which may take some time to come into effect.

There has been significant discussion regarding driverless trains in the UK in recent years, driverless trains are now used on the Docklands Light Railway in the South East of England. The extent to which the introduction of driverless trains impacts on skills requirements is not expected to be significant in the near future. Widespread use of driverless trains would require significant infrastructure investment and it is not yet clear what public opinion would be towards this development, with safety concerns likely to be raised, particularly on longer, faster routes.

Driverless trains and the associated technological improvements do, nevertheless, represent a longer term challenge and opportunity for the rail sector. Use of such technologies may bring forward opportunities to improve energy efficiency and reduced journey times.

It is noted that other technological advancements may have the overall impact of de-skilling the train driver occupation. For example, automatic breaking of the train to prevent passing stop signals.

There are also some changes that result from rail service providers and manufacturers changing their business models. New trains being introduced in the UK in future may be introduced on a manufacturer "build and maintain" basis. This means that new trains (many of which will be foreign built) will also be maintained by the manufacturer- meaning that the maintenance jobs will not be required in the UK for these companies. The purpose of this to reduce cost and risk to the operating companies, but it will reduce skills held in the UK, potentially with consequences in future.

### 3.12.4 Image and attractiveness

The attractiveness of the rail sector in the UK is influenced by a number of key factors:

Firstly, the perception of the rail sector in the media: the perception is that trains do not run on time and they are overcrowded. There is also a perception that fares are too high and they are regularly increased (at a rate greater than the rate of inflation). These are commonly reported opinions, particularly in the UK written press.

The perception that the rail industry would be better off if it was state owned. Research regularly shows a majority of the public back a return to state ownership of the rail sector (see for example: in 2014 YouGov pole 68%<sup>63</sup> of the public stated that they were in favour of returning the rail industry to state ownership; The most popular arguments put forward by the public in this regard are that railways would be accountable to taxpayers; rail fares would be more likely to go down; and, it would be more cost-effective overall to run the service<sup>64</sup>.

There is also a perception that reliability and industrial action are issues. This is particularly the case in the autumn months with reports of leaves on the line leading to delays frequently met with public anger. Additionally there is a public perception that the industry is more prone to strikes than is the case in other sectors.

All developments and media coverage in the sector have an impact on the public perception of the industry. Differences in public perception of different companies do not appear to be significant in the UK, perhaps this is due to the fact that there is not a single dominant provider as has been the case in the UK in the past - and continues to be the case in other European countries.

Regardless of the issues noted above, overall the image of the sector is still understood to be attractive by those that work in the sector with key issues of relatively good pay and job security being critical to this assessment. Important in this judgement is that the alternatives offer relatively less security (but perhaps in some professions greater pay - for example, the automotive industry).

In some occupations other sectors can be more attractive in terms of compensation and identification for certain occupational profiles, such as the automotive industry for engineers. In terms of engineers there are shortages of quality applicants in many sectors operating in the UK. In particular this is an occupation which traditionally struggles to attract female students<sup>65</sup>, as a result there are very few women operating in engineering roles in the UK.

This comparison with other sectors varies significantly across regions, another wider issues in the UK labour market. The prevalence of national rail headquarters and depots to be based in the South east means that there is greater competition for labour in that region, by comparison there is less competition in other regions. The result of this is that in occupations which can easily transfer to other sectors, rail companies have adopted different employment strategies. One impact has been increased use of agency cleaners in the South East, both to minimise employment costs but also to minimise recruitment costs where there is high staff turnover.

<sup>63</sup> <https://yougov.co.uk/news/2013/11/04/nationalise-energy-and-rail-companies-say-public/>

<sup>64</sup> <https://yougov.co.uk/news/2014/05/11/why-do-people-support-rail-nationalisation/>

<sup>65</sup> In 2013 only 14% of engineering graduates in the UK were female, only 4% of professionally registered engineers in employment in 2013 were female. <http://www.wes.org.uk/sites/default/files/Easy%20Statistics%20Women%20in%20Engineering%202014%20V3.pdf>

### 3.12.5 Working conditions

From a trade union perspective it is noted that the use of temporary workers (employed through agencies) does not provide the workers employed with terms and conditions, including holiday pay, that are on a par with permanent employees. This has a net impact of reducing the working conditions and social standards on offer in the industry. Furthermore it is noted that there are potentially negative effects for existing staff undertaking similar roles to temporary staff, morale can be diluted.

It is understood among all interviewees that a major element of working in the sector not attractive to some job seekers is shift work. This is particularly the case for shifts that take place during evening/nights and weekends - times at which family and friends are not at work or in education.

Positive elements of the pay and conditions in the sector are understood to be the pension available, holiday pay and sickness pay. It is also noted that, in general, the pay rises that have been awarded in the sector have been high compared to other sectors. For example, in the 1980s the average salary for a train driver in the UK was similar to that of a teacher. It is now significantly higher for train drivers than.

It is widely considered that historically the drivers in the rail sector have been able to negotiate better deals than other occupations in the sector on pay and conditions, with occupations such as office workers in head offices and operational service staff such as cleaners not benefitting from the same level of salary increases. This has led to a split between occupations when it comes to pay and conditions with some occupations feeling less well connected to the industry than others.

Violence from passengers is an issue which impacts on the working conditions of on-board staff. There have been initiatives from train companies to encourage reporting of instances of violence and the threat of violence as well as training measures to assist staff to deal with such circumstances. As a result the extent to which instances are subject of greater reporting or are on the rise is open to debate. The issue remains one which impacts on working conditions for on-board staff in the sector.

### 3.12.6 Strategies to improve attractiveness

If the reputational issues in the industry can be addressed it is understood from interviews conducted that these fundamentals are attractive - more attractive than alternatives open to people that would want to work in the rail sector. These attractive factors include:

- Good pay (relative to the same occupation in another industry);
- Secure job - even when franchises come to an end, the functions are still needed;
- Good pensions - relative to other industries.

There are also some developments in the rail sector which are attractive to job seekers (particularly younger graduates with engineering backgrounds), namely:

- Visible large-scale investment in new project (Reading Station, Birmingham New Street Station, Kings Cross Station, London Bridge Station). These developments add up to a sense of critical mass and an industry that is growing.
- An industry that is "green" with a growing understanding of the importance of sustainable transport solutions and reducing carbon footprint being important to people (personally and professionally).

In addition, there are a number of initiatives aimed at specific target groups.

For young people, there are a significant number of apprenticeship schemes in the UK rail sector. The sector has worked with the UK Government as part of the new Apprentice Trail Blazer scheme in order to develop programmes that ensure high standards of training are provided. For example Rail Engineering Operative and Rail Engineering Technician apprenticeships were approved in March 2015.

A National Training Academy for Rail has also been set up. The academy was established in response to a forecast skills shortage of around 8,000 people over the next ten years, caused by factors such as the technological advancement of rolling stock, an ageing workforce, and significant investment and growth in the industry.



An innovative agreement between the National Skills Academy for Rail Engineering (NSARE) and the Department for Business, Innovation & Skills (BIS) with support from the Department for Transport (DfT) has provided half the funds required to build NTAR, with Siemens contributing the other 50 per cent. The 50/50 funding agreement will release 50% of the academy's training capacity to the wider UK industry, with the remainder used by Siemens's own rail sector employees.

### **3.12.6.1 Company strategies**

Companies in the UK rail sector have undertaken significant work in recent years to improve the image of the sector among the general public. This has been undertaken through better communication of a range of issues, including:

- Required maintenance and repair work;
- Punctuality and reliability of services;
- Investment in safety and comfort on existing rolling stock; and,
- Investment in staff safety and training.

To attract more women into the sector, Women in Rail is a key initiative, set up by Angel Trains to address the under-representation of women in our industry. The company joined the steering committee comprised of Bombardier, Clifford Chance, East Midlands Trains, ESG, Northern Trains and the Office of Rail Regulation (ORR), to help give greater prominence to women who represent 17.6 per cent of employees in the sector. Women in Rail has a LinkedIn membership, and convenes regular meetings and produces a quarterly newsletter. Following its launch Women in Rail developed three priorities, networking/communications, mentoring and engaging with young women. Women in Rail set up a mentoring working group to establish a mentoring programme for the rail industry.

## 4 Image and attractiveness of workplaces in the European rail sector

This section begins by discussing the broader image of the sector among the public and in the media and subsequently reflects on the perceptions of this image among employees. It discusses how the image of the sector impacts on the attractiveness of rail companies as employers in different EU countries. Differences and similarities between the perceptions of key aspects of what makes an employer attractive between different generations are explained and differences between public and private providers are highlighted.

The following are the key findings which emerge from this section:

- The attractiveness of the sector as an employer is influenced by public perceptions of the quality of service provision (mainly of the largest operator), which is often shaped by a negative news agenda;
- Some differences reported between internal and external perceptions (internal positive, external negative, which can impact recruitment);
- Beyond this, attractiveness is influenced by the broader socio-economic context (including the availability of alternative employment), the regulatory context, sector and company specific working conditions and the industrial relations framework which shapes such conditions;
- A body of evidence is emerging on key factors which make certain employers and occupations attractive to different target groups (e.g. generations X, Y, etc.). Job security, having appropriate remuneration, good working conditions, a meaningful job and being valued by ones superiors and are key factors. It is important to understand that different age groups are looking for different things in their employer, but job security appears important for all;
- In some countries the sector is attractive in others it is not – some have recruitment difficulties despite perception of being attractive demonstrating that the latter is affected by more than just the overall image and attractiveness of the sector;
- Some differences exist between state and private providers in terms of attractiveness. In some countries state providers are considered to offer more secure and attractive working conditions, whereas in others new private providers are seen to be more attractive, particularly where they operate with more modern rolling stock and offer (in some cases) better starting salaries;
- Where the sector is attractive this is due to
  - Secure employment
  - Good remuneration
  - Good development opportunities
  - Good working conditions and positive corporate climate
- Where it is not attractive this is due to
  - Lack of investment and vision
  - Frequent management changes and significant restructuring leading to redundancies and/or recruitment freezes
  - Insufficient development opportunities
  - Difficult working conditions (for example, due to mobility, hard/dirty work, shift work, etc.)
- Attractiveness for external recruits depends on occupation and region for recruitment. In some countries jobs in the sector considered more desirable (in terms of pay and conditions) than in other sectors, although in many countries other sectors are considered more attractive, particularly for highly skilled and sought after workers, such as engineers.

## 4.1 Attractiveness of the sector as a whole and of rail companies as employers

The attractiveness of the rail sector as an employer is impacted by a number of factors including:

- Public perception of the sector, which is influenced by the performance of rail companies as service providers. This is in turn influenced by the wider socio-economic and regulatory framework they operate in;
- Perceptions vary depending on:
  - The specific nature of the job within the rail sector;
  - The nature of individual companies in the rail sector.

This section begins by discussing views regarding of the overall image and attractiveness of the rail sector from the perspective of the public and employees in the sector and subsequently looks at the attractiveness of employment in rail companies, also compared with other sectors. Furthermore, it explores the relative importance of a range of specific issues impacting on the attractiveness of working in the sector. The section concludes with a discussion of emerging findings on measures which could be taken to improve the attractiveness of the sector.

The material presented in this section is based on evidence from the surveys of employees, apprentices, and students/pupils as well as stakeholder interviews carried out for this study. These are discussed in the context of existing literature and the debates and conclusions of the workshops organised to inform this study. When looking at survey results, it must be borne in mind that these are by no means representative and in most countries rely on a relatively limited number of responses.

### 4.1.1 Public perception of service performance by national providers is key in shaping the image of the sector

The attractiveness of rail companies **depends on whether one looks at it from the inside, or the outside**. Evidence from the interviews with employer and employee representatives, as well as industry experts carried out for this study demonstrates that the general public tends to **mix the image of the rail companies as a service providers and the image as an employer**.

In this context customer satisfaction surveys can be used as an indicator of attractiveness of the sector. Created in 2013, the satisfaction index of railway stations and travel took into consideration the following aspects of:

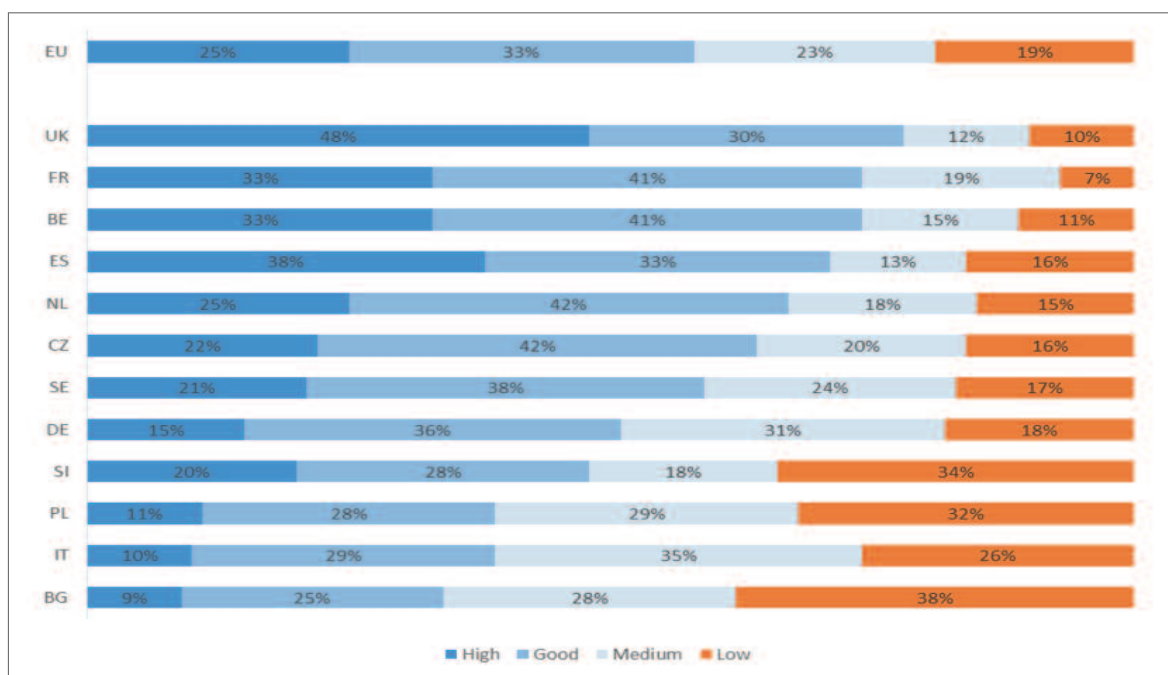
- Railway stations:
  - Information on timetables
  - Ease of buying tickets
  - Complaints mechanisms
  - Cleanliness and maintenance
- Railway travel:
  - Frequency of trains
  - Punctuality and reliability
  - Availability of through-tickets
  - Provision of information
  - Availability of staff
  - Cleanliness and maintenance
  - Bicycle access to the trains

The index groups countries under four satisfaction levels:

- High - Respondents who are satisfied with nine to eleven elements of the travel experience.
- Good - Respondents who are satisfied with six to eight elements
- Medium - Respondents who are satisfied with three to five elements
- Low - Respondents who are satisfied with two or less elements

The countries for in-depth study that ranked highest on this satisfaction index are the United Kingdom (78%), France and Belgium (74%) and Spain (71%), where over two in three respondents rank as either "high" or "good" on the satisfaction index. By contrast, respondents in Bulgaria (34%), Italy (39%) and Poland (39%) ranked lowest in this satisfaction index.

**Figure 4.1 Satisfaction index of railway stations and travel (2013)**



Source: Flash Eurobarometer 382a

#### 4.1.1.2 The media, and increasingly social media, play a role in shaping public perception of the sector

The external attractiveness of the rail sector is also highly influenced by the perception of the rail sector in the media in relation to reliability and the wider quality of service delivery. Press reviews show that rail operators are only in the media's focus when accidents occur, strikes are announced or significant delays and disruptions (or price rises) affect customer experience. This leads to a dominance of 'bad news' rather than 'good news' stories, given that punctual service and good performance do not tend to attract media attention. The increasing use of social media has in many ways heightened this 'culture of negativity', companies increasingly have to be savvy in managing. For instance, in the Netherlands customers are quick to take their discontent to social media, making the main service provider the most mentioned brand on social media, more often in a message with a negative note, than positive.<sup>66</sup> The prevalence of the 'negative news agenda' is also demonstrated by a media review on the sector carried out in the Czech Republic (see box below).

<sup>66</sup><http://www.slideshare.net/Greenberrynl/top100merken-whitepaper-greenberry>

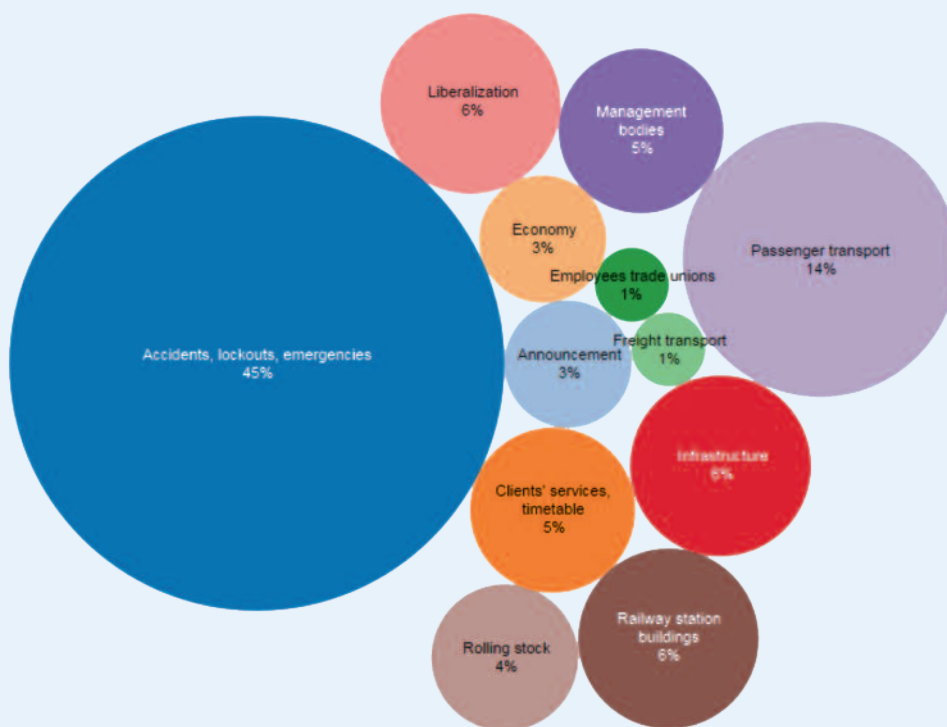
## Box 1

### Media review of railways in the Czech Republic

An analysis of coverage of the rail sector in 2014 in national press was undertaken. This analysis monitored for the following types of coverage: accidents, lockouts, emergencies; changes and amendments to passenger transport; railway station building developments; infrastructure development (such as modernisation and discussion of high speed corridors); purchase of new rolling stock; coverage of liberalisation of the railway market (competitive tenders); changes to service (such as timetable changes); coverage of developments in freight transport; coverage of developments in management and legal bodies concerned with the railways; announcements of special weekend, historical activities (e.g. team engines); violence against rail personnel; and, economy of train companies (profit and loss information).

The result of this monitoring exercise is shown below - illustrating a breakdown of the share of 7,107 articles by the main theme of the article.

#### Coverage between May 2014 and December 2014



This exercise provides an indication of the image of the railways in the Czech Republic media. The following key points are evident:

- Almost 50% of news has negative message;
- Much of the negative news is serious, accidents and loss of life or near misses.
- Other news also often has a negative spin - for example competition in railway sector is reflected as a "bloody war"

A 2011 review by Lee et al<sup>67</sup> on the design of recruitment advertisements and publicity surrounding a company shows that negative publicity and less favourable attitudes towards an organization have a damaging impact on an organisation, and can interfere and negatively impact recruitment. When faced with negative publicity, the authors recommend **detailed recruitment advertisement to improve applicants' organisational attractiveness.**

Interviewees consulted for this study pointed out that the attractiveness of individual companies depends on their visibility to the general public. More visible companies as a rule will be subject to the media attention who seem to focus on reporting negative issues, rather than positive news. Companies in rail freight or rail maintenance generally operate outside of the public eye which makes them relatively neutral in terms of attractiveness.

The ownership of rail companies (e.g. public or semi-public versus private) and the wider regulatory framework can also have an impact on the public's perception of companies. Companies where the government is the main or sole shareholder tend to be under higher public scrutiny. Moreover, interviewees in Bulgaria, Czech Republic, Germany, the Netherlands and Poland mentioned importance of political context which creates conditions for growth and modernisation of the sector and state-owned companies.

#### 4.1.2 Influence of public perception on attractiveness of the sector

For this study, interviews and survey work were undertaken to establish drivers of attractiveness for the rail sector.

Stakeholder interviews (among employer and employee representatives as well as other industry experts) indicate that the public image of the rail sector is influenced by a number of factors of varying relevance in different countries, including:

- The level of investment and resulting quality and sustainability of infrastructure and rolling stock;
- Reliability and punctuality of services as well as quality of customer service and user-friendliness of facilities, which are also (partly) linked to investment and quality of operational management;
- Regulatory environment and the impact on consumer experiences;
- Impact of industrial action and level of understanding within the public of reasons behind such actions being taken.

The survey of employees carried out for this study showed **a mixed picture of perceived public attitudes regarding the image of the rail sector.** On average almost half (47%) of surveyed employees from seven countries considered that the public view of the sector was either 'negative' or 'very negative'. Slightly over one in six (16%) rail company employees considered that the public attitude towards the sector was positive or very positive. The occupation of surveyed employees does appear to have some impact on the perception of the sector, with on-board staff and drivers more often than other occupations stating that the sector has very negative public image.

Employees were asked to rate the overall image of employment in the rail sector in their country. The data presented in Figure 4.2, show that a relatively negative public image of the sector corresponds with a rather moderate assessment of attractiveness of the sector as an employer and the image of the company compared to other rail companies.

When it comes to the occupation of respondents, **on-board operational staff (drivers, on-board crew) tend to have the most negative view of the sector as a potential employer.** One in four train drivers and on-board staff rate the attractiveness of employment in the sector as quite and very negative. Employees who do not directly deliver the services express more positive views about the attractiveness of employment in the sector. Over 40% of employees in positions such as administrative role (48%), management / supervisory role (46%), traffic management (44%), other support services (IT services / telecommunication) (43%), other roles (43%), infrastructure maintenance (41%) say that the rail sector is an attractive employer.

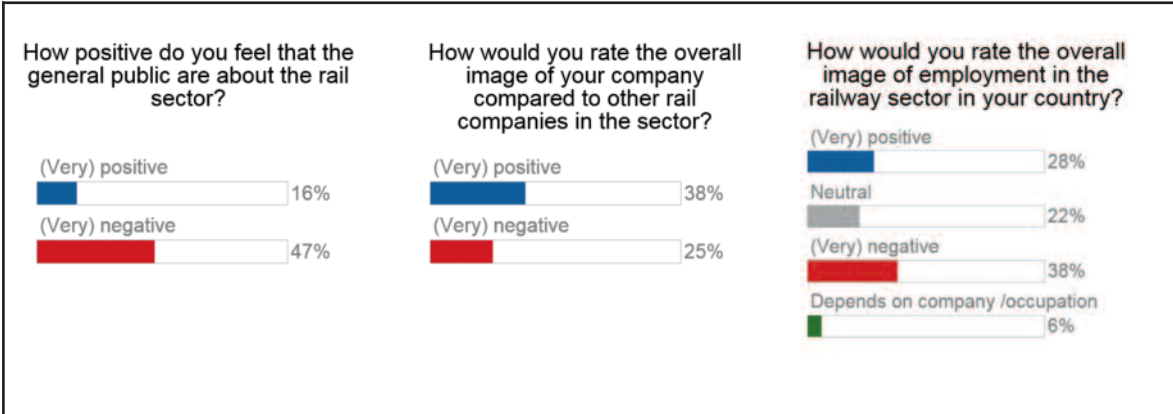
In terms of the length of employment, **employees with fewer than 5 years of experience in the sector have a more positive view of the sector.** The percentage of respondents saying that the image is (very) positive is around 10 percentage points higher among employees with less than 5 years of experience than among employees with longer work experience.

**Employees with most years of service (with 15 to 20 years of service) have a more negative view of the image of the sector.** This may be due to the fact that the rail sector has seen significant changes over the last decades, including in the regulatory environment and in some cases in relation to terms and conditions of employment, which may lead some workers with greater seniority in the sector consider that the working environment has deteriorated. Similarly, many rail companies have invested in more sustainable technologies and more pro-active (and generation appropriate) interactions with their young employees, thus potentially contributing to the more positive image among younger workers.

Generational differences are further evident in surveys of apprentices. Among this group, there is a higher share of individuals who state that the overall image of employment in the company / sector is positive (46%) than negative (30%). One in five thinks that public perception of the sector is rather neutral. Only 3% of surveyed apprentices indicated that the perception depends on the company or the occupation.

It is also important to note that no evidence was available to allow a charting of the evolution of public perceptions of the sector over time, thus making it difficult to judge whether perceptions have improved or deteriorated over time (and the relative importance of factors that may impact on this). Similarly, it was not possible to analyse responses based on whether respondents worked in public or private sector rail companies (as too few responses were received from employees declaring they worked in private sector undertakings).

**Figure 4.2 Perception of the rail sector**



Survey with employees (N=7509)

Note: For France, the results come from 63 employees responding to the survey sent out through trade unions networks

## 4.2 Attractiveness of working in the rail sector compared to other sectors

As discussed above, public perception and image of a sector is one of the factors which shape the attractiveness of employment in a sector and satisfaction with working in the sector, or a particular company. This section firstly discusses the factors which shape the attractiveness of different employers, and how the factors that matter differ between generations. Secondly, it presents the views of employees and apprentices and pupils of the attractiveness and satisfaction of workers with their employment and role in the sector (which can also impact their likelihood of recommending work in the sector to others). This is compared to the attractiveness of other sectors and the extent to which dissatisfaction with their current position leads workers to consider that they may be more satisfied working elsewhere.

### 4.2.1 An attractive workplace is not only liked to financial reward

Published assessments of the workplaces considered by employees to be the best places to work is regularly undertaken. These existing criteria are widely recognised<sup>68</sup> as useful criteria upon which to understand how the workforce considers the organisation. The most comprehensive framework produced in this respect is used in the Best Companies Guide. The criteria included in this assessment are:

- Leadership: How employees feel about the head of the company and its senior managers
- Wellbeing: How staff feel about the stress, pressure and the balance between their work and home duties
- Giving something back: How much companies are thought by their staff to put back into society generally and the local community
- Personal growth: To what extent staff feel they are stretched and challenged by their job
- My manager: How staff feel towards their immediate boss and day-to-day managers
- My company: Feelings about the company people work for as opposed to the people they work with
- My team: How staff feel about their immediate colleagues
- Fair deal: How happy the workforce is with their pay and benefit

The extent to which rail companies are contained in these ranking studies varies between countries. This reflects the fact that such studies are not undertaken systematically for all companies in operation, rather they require employees to vote or be encouraged to vote in these surveys. As such they only provide an indication of attractiveness of individual employers

A review of these sources illustrates that the most commonly cited important issues for employees are the salary paid by the company, the degree of job security, the stability of the company (financial health), followed by interesting job content and a pleasant working atmosphere (including working conditions). For female workers the issues of work-life balance and flexible working are of higher significance than for male workers.



**4.2.2 There are differences, but also surprising similarities in the motivations of different age groups**

This research is also concerned with factors which motivate different (age) groups to select a specific career or employer. There is a growing body of literature, discussing the different factors which are important to individuals from different age groups


The box below provides some evidence presented and discussed during the workshops held as part of this project. This illustrates the differing priorities and outlooks of three distinct generations (traditionalists; baby boomers; generations X and Y). An appreciation of the different priorities motivating various age groups is important in developing modern workplaces that fulfil the needs of different groups. The most significant issues for Generation brought out in this research are that they seek an open, challenging and flexible workplace which values diversity.

This evidence is of particular interest to this study as the key decision makers in rail companies that seek to attract younger workers into the sector are from a different generation – a generation more used to hierarchy and long service to a single employer.

**Box 2**

<b>Gen Y - what motivates Millenni@ls in their working lives?</b>		
There is currently a multi-generational workforce – with differing points of view:		
<p><b>Traditionalists - 1925-1945</b></p> <ul style="list-style-type: none"> <li>■ Team players</li> <li>■ Loyal to the organization</li> <li>■ Respect the authority</li> <li>■ Dedication and sacrifice</li> <li>■ Duty before pleasure</li> <li>■ Obedience and adherence to rules</li> <li>■ Seniority and age correlated</li> </ul>	<p><b>Baby boomers - 1946-1964</b></p> <ul style="list-style-type: none"> <li>■ Goal oriented</li> <li>■ Optimistic</li> <li>■ Workaholic</li> <li>■ Team oriented</li> <li>■ Uncomfortable with conflicts</li> <li>■ Personal growth</li> <li>■ Personal gratification</li> <li>■ Value money</li> <li>■ Value titles</li> <li>■ Loyal</li> <li>■ Seek flexibility</li> </ul>	<p><b>Gen X - 1965-1979</b></p> <ul style="list-style-type: none"> <li>■ Techno-literal</li> <li>■ Positive attitude</li> <li>■ Goal oriented</li> <li>■ Multi-tasking</li> <li>■ Think globally</li> <li>■ Self-Reliance</li> <li>■ Just a job</li> <li>■ Flexibility</li> <li>■ Environment</li> </ul>
<b>Gen Y - 1980-2000</b>		

**Gen Y - Top % Myths**

	<p><b>What Generation Y Needs at work...</b></p> <ul style="list-style-type: none"> <li>■ Flexibility</li> <li>■ Diversity</li> <li>■ Challenges</li> <li>■ Openness to new ideas and innovations</li> <li>■ Team oriented culture and positive relationships with colleagues</li> <li>■ Mentoring and willingness to answer their questions</li> <li>■ Constant feedback, support and appreciation from superiors</li> <li>■ Opportunities to expand skills and knowledge</li> <li>■ Attractive salaries</li> <li>■ Work - life balance</li> </ul>
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**4.2.2.1 Satisfaction or dissatisfaction with employment in the rail sector does not necessarily translate into a view of a potentially more fulfilled career in another sector**

Information on overall employee satisfaction and key factors which influence the attractiveness of employment in the sector in the eyes of current employees is presented in section 5 of this report. At this stage, it is important to note that in most countries employees are satisfied with their current role in the sector and with their employer and would recommend employment there to others and where they are not, this rarely translates into a view that they would be happier working in another industry.

When asked **whether their satisfaction would be higher if they worked in another sector** (see Figure 4.3). On average, just less than one in three (29%) of respondents to the survey reported that their level of satisfaction would be lower in another sector. One in four (24%) surveyed employees stated that satisfaction levels would be the same in another sector, with 18% of surveyed employees think that they would be more satisfied in another sector.

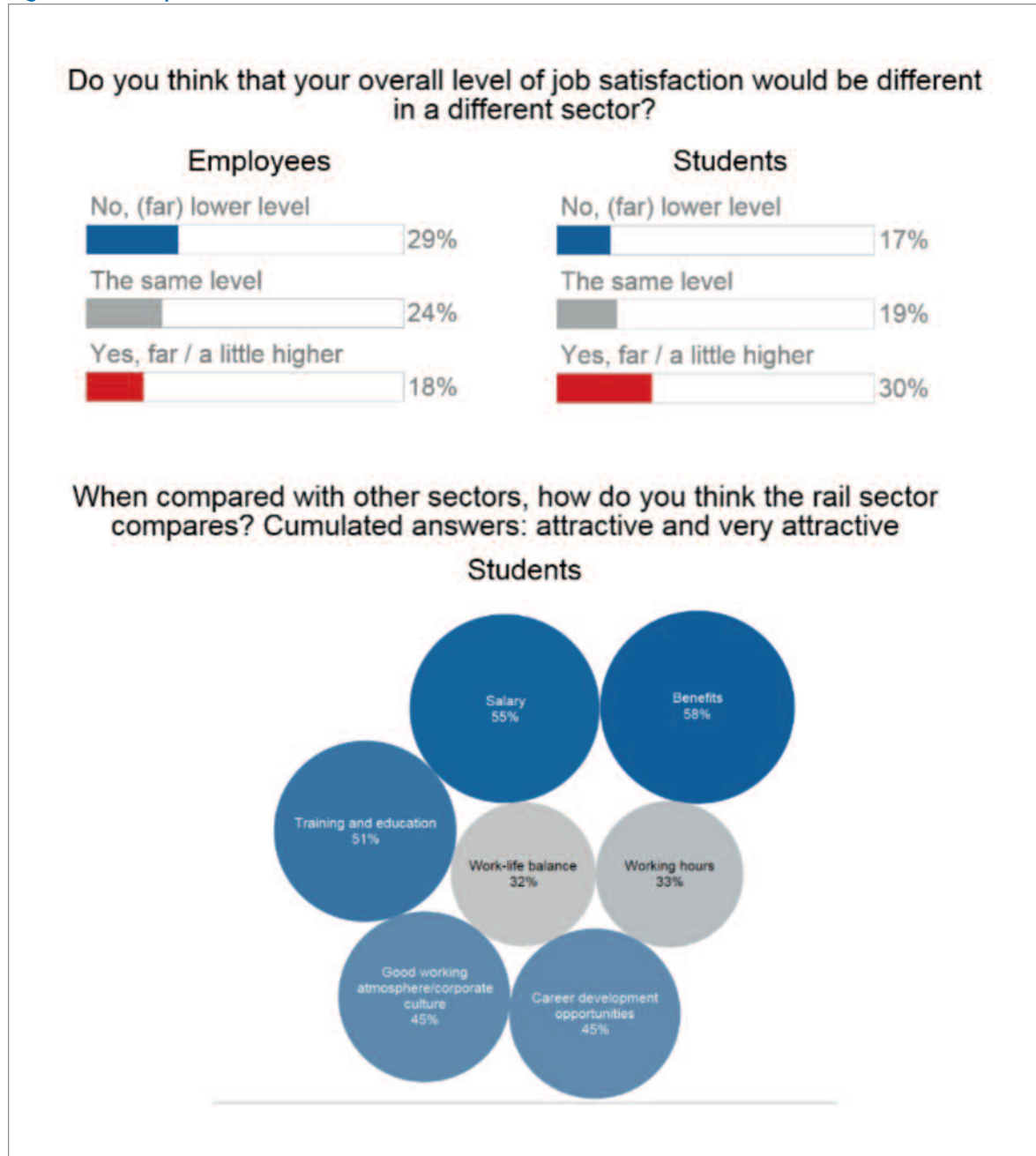
The most significant difference between men and women in the perception of job satisfaction can be found in Western Europe. In these countries, men are more likely than women to consider that their satisfaction in another sector would be higher (+12 percentage points difference between men and women) or lower (+9 percentage points). Only +1 percentage points more men think that they would be better off in another sector and +5 percentage points' men more report that they would be less satisfied.

Among younger employees there is a higher share of employees reporting that their satisfaction would be lower in another sector (40%-45%). Similarly, employees in Western Europe working in the sector for 15-20 years are more likely to think that they would be less satisfied in different sector. The latter is particularly interesting in the context of other findings reported above, which indicate that older employees are less likely to be satisfied with their work in the sector. This does not appear to translate into a perception that they would be more satisfied in a different sector.

Across different types of occupations more employees agree that the level of satisfaction in another sector would be lower than higher.

Students and pupils were also asked how the attractiveness of the rail sector compared with others and why they considered this to be the case. One third (30%) of surveyed students and pupils considered that their level of satisfaction would be higher in another sector, 17% stated that their satisfaction would be lower in another sector. When asked which particular elements of the rail sector were more attractive than other sectors, the surveyed students and pupils considered that the most attractive elements of the sector were: benefits (58% of respondents); salary (55%); and training and education (51%) - see Figure 4.3 for detail. However, potential new entrants into the sector are likely to view issues such as work-life balance and working hours negatively in the rail sector compared to others.

Figure 4.3 Comparison of rail sector with other sectors



Students (N=856)

Employees (N=7,509)

Note: For France, the results come from 63 employees responding to the survey sent out through trade unions networks

#### **4.2.2.2 The perceived attractiveness of other sectors depends on the occupation, country and region**

As indicated above, competition from, and the attractiveness of other sectors can have an important role to play in terms of recruitment, particularly in relation to certain professions. In **Germany**, it was noted that in some occupations, higher **salaries** are available in other sectors for workers (such as the automotive industry, in relation to engineers). Therefore, the sector faces competition from other sectors that might be more attractive from a financial perspective. This is particularly true for certain regions of the country which have tighter labour markets and a relatively high concentration of alternative employers. However, the rail sector, and particularly companies such as DB with its 'demography collective agreement' are seen to be able to compensate for some of the differences in salary which may exist by offering higher levels of job security which is valued by all age groups.

In **Bulgaria** the relative attractiveness of other sectors can be evidenced through higher take up of available training. Most of the professions in the rail sector (such as engineers, train drivers, mechanics, etc.) in Bulgaria require a degree of technical qualification from a higher university (either a university degree or a college degree in this particular field). There are only a few higher education institutions which offer courses in these respective fields. Courses are offered free of charge in Bulgaria. The Higher University for Transport "Todor Kableskov" and the Technical University in Sofia have reported<sup>69</sup> that there is a lack of interest from students to take on the courses related to the rail sector. The courses in the automotive sector were reported as much more attractive in the Higher University for Transport. Furthermore, courses in colleges (e.g. in the town of Karlovo) have been removed from the curricula due to lack of interest. Salary levels in the rail sector are below the average level in the transport sector as a whole. Moreover, the average salary level in the transport sector is below the average for the country across all sectors. When working conditions in other parts of the sector are considered it was noted that, in comparison to the Sofia city metro system, the rail sector is less attractive. As a result, a number of employees left the rail sector to join the metro system due to better working conditions (new trains and new infrastructure).

In **Italy** it emerged that overall the salaries offered in the sector are competitive and higher than the average salaries in the country. This concerns all job profiles even if in some cases (for example engineers) the level of pay is lower than in other sectors. In this case the stability of the company plays an important role.

Salary is also an important issue in both Poland and Sweden, though for different reasons. Although the average salary in the rail sector is above average earnings in **Poland**, for technician these salaries are not competitive, for instance with the energy and construction sectors. However, work as cashier, for instance, is more attractive at rail companies than in commerce sector because it offers full time employment, regular working hours and better health and safety standards.

In **Sweden**, the rail sector (both operations and infrastructure) is generally considered to have slightly better or comparable pay and conditions relative to other similar sectors. For example, according to the employer organisation Almega, the rail sector is more attractive to prospective employees than the urban public transport sector. This view was echoed by employees consulted for this study.

In the **Netherlands**, the sector is not seen as attractive, with other sectors such as the automotive or airline industry being preferred by many engineers. KLM (Royal Dutch Airways), for example, scores a lot better in the image and attractiveness research<sup>70</sup>.

##### **4.2.2.2.1 Competition from other regions and nations is also a factor**

As indicated above for the case of Germany, competition from other regions and countries is also an issue. In some countries, for example the **UK, as well as Germany**, it was noted that the labour market can function very differently from region to region. In London greater use of temporary and agency workers are used, by comparison in the South West and North with a smaller pool of workers such on contracts are less common. In Germany, recruitment of engineers is significantly more challenging in southern Germany where the automotive sector appears more attractive.

<sup>69</sup> According to the representatives interviewed from the employers and trade unions based on their meetings with University staff

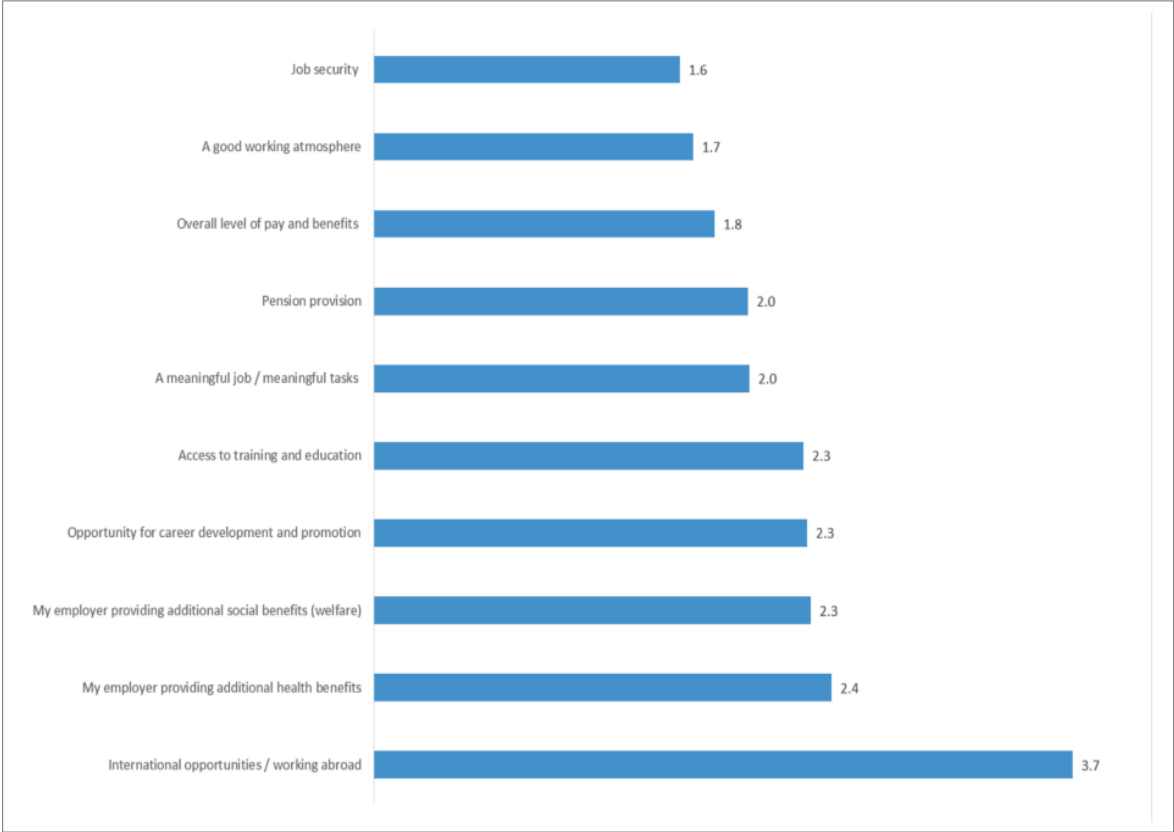
<sup>70</sup> [http://www.intermediair.nl/carriere/een-baan-vinden/bedrijven/Whitepaper-de-50-populairste-werkgevers-van-2015?policy=accepted&utm\\_referrer=](http://www.intermediair.nl/carriere/een-baan-vinden/bedrijven/Whitepaper-de-50-populairste-werkgevers-van-2015?policy=accepted&utm_referrer=)

### 4.2.3 Job security is most important factor individuals look for, irrespective of their gender or age

Employees were asked to rate to what extent various factors are important to their career, using a scale from 1 (most important) to 5 (least important). The most important factor for employees is job security, followed by good working atmosphere. Employees value also overall level of pay and benefits and pension provision. For employees it is also important that job is meaningful presents average score of importance of various factor.

Regarding the factors which are important to different types of employees, job security is the top indicated factor for the majority of occupations (sales / commercial employee / customer service, on-board staff, traffic management, maintenance of rolling stock, administrative roles, train driver, infrastructure maintenance, other roles). Train drivers value job security most, followed by overall level of pay and benefits, good working atmosphere and a meaningful job / meaningful tasks. The last one is the most important to management and other support services (IT services / telecommunication). Across different occupations international opportunities/ability to work abroad is the least important factor.

**Figure 4.4 To what extent are the following factors important to you in your career? Average on a scale from 1 (most important) to 5 (least important)**



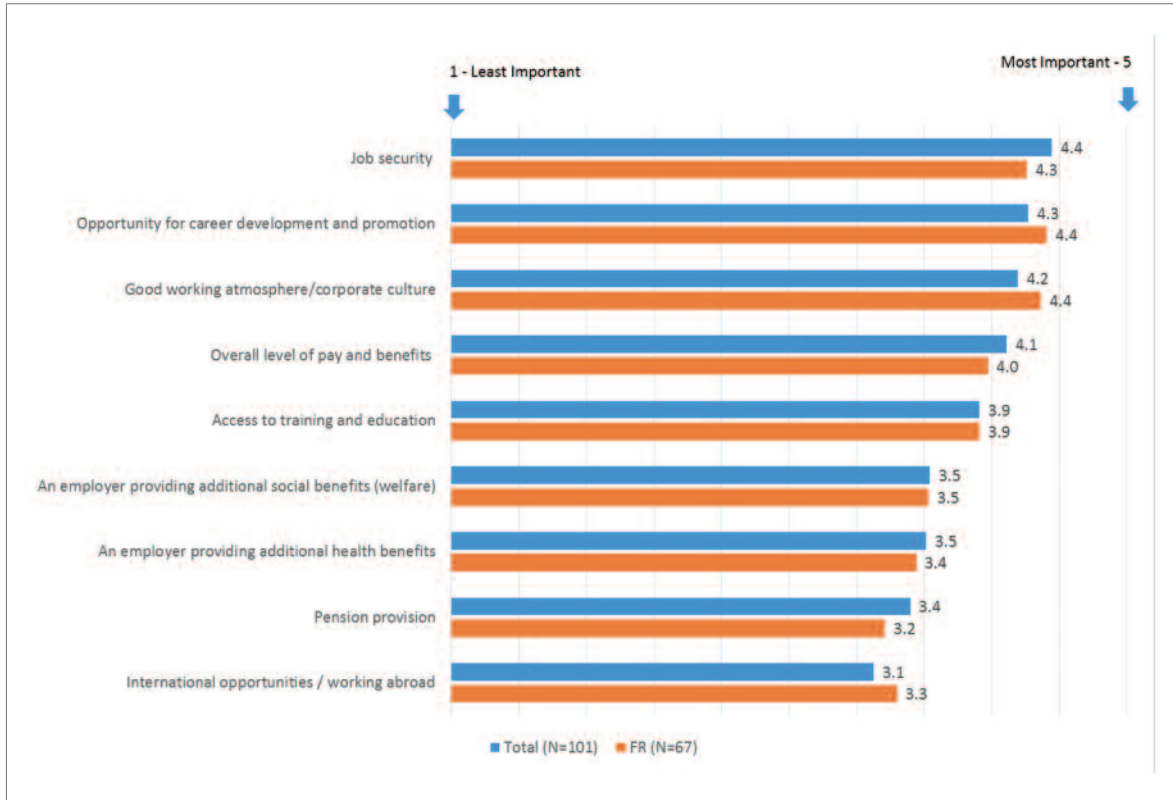
Employees (N=7,509)

Note: For France, the results come from 63 employees responding to the survey sent out through trade unions networks

Having discussed factors important to employees, we now assess how important they are to apprentices and the extent to which rail employers could meet expectations in relation to pay, benefits, career opportunities and working hours. This analysis is presented below in Figure 4.5. For apprentices, similarly to employees, **job security is the most important factor when looking for a job**. Possibility of job advancement and the overall good work atmosphere are also important for young people. Overall rail employers appear to meet their expectations in these aspects.

The biggest discrepancy between apprentices' expectations and their perception of what the sector can offer them is in the level of pay and benefits. Also according to apprentices rail companies less likely meet their expectations regarding international opportunities and working abroad. However these aspects are least important to them while looking for a new job.

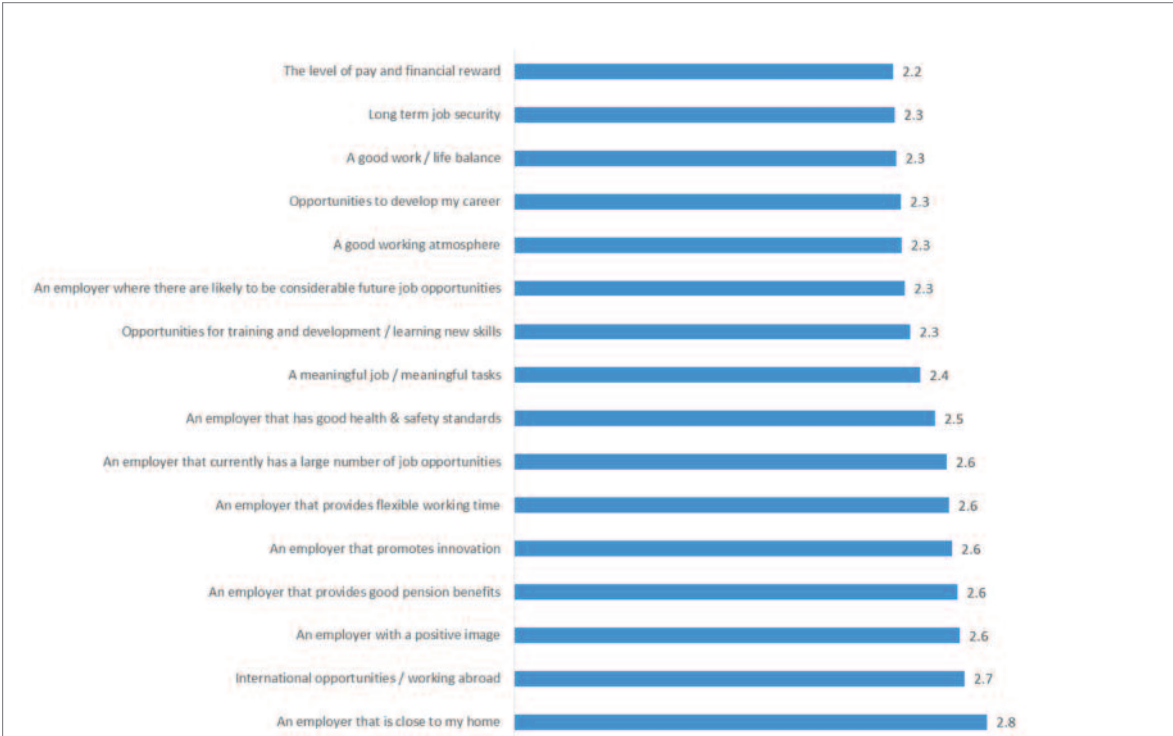
**Figure 4.5 Views about pay, benefits and career opportunities. Average on a scale from 1 (least important/ well below expectations) to 5 (most important/ exceed expectations)**



Survey with apprentices (N=102)

Finally students and pupils were asked about factors important for them when considering a future employer. The top rated response is **level of pay and financial reward**. Equally important for them is **job security** which was ranked as the most important factor also by employees and apprentices. Students responding to the survey also value good work-life balance that cannot be offered in some of the rail occupations.

**Figure 4.6** Considering the most important factors that you look for when considering a future employer, which of the following are most important to you? Average on a scale from 1 (most important) to 5 (least important)

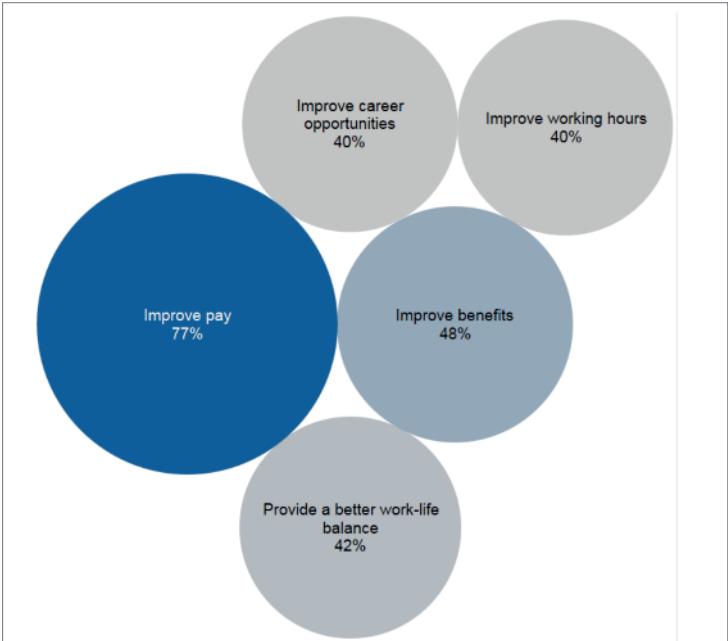


Survey with students (N=856)

**4.2.4 Improving the attractiveness of working in the rail sector**

Having discussed perceived attractiveness of the sector among different stakeholder groups, employees taking part in the survey for this study were asked to provide recommendations on **how to improve the attractiveness of the sector for employees.**

**Figure 4.7** What would need to be done to increase the attractiveness of the sector?



Note: Results do not sum to 100% due to multiple responses.

Survey with employees, N=7,509

Note: For France, the results come from 63 employees responding to the survey sent out through trade unions networks



A majority of employees suggested to **increase salaries** - over three quarters (77%) of respondents share this opinion. Almost half of employees that responded to the survey believe that **better benefits** would improve the attractiveness of the sector. **Better work-life balance, career opportunities and working hours** were identified by around 40% of those surveyed as an important element of attractiveness that should be improved in order to enhance the attractiveness of the sector.

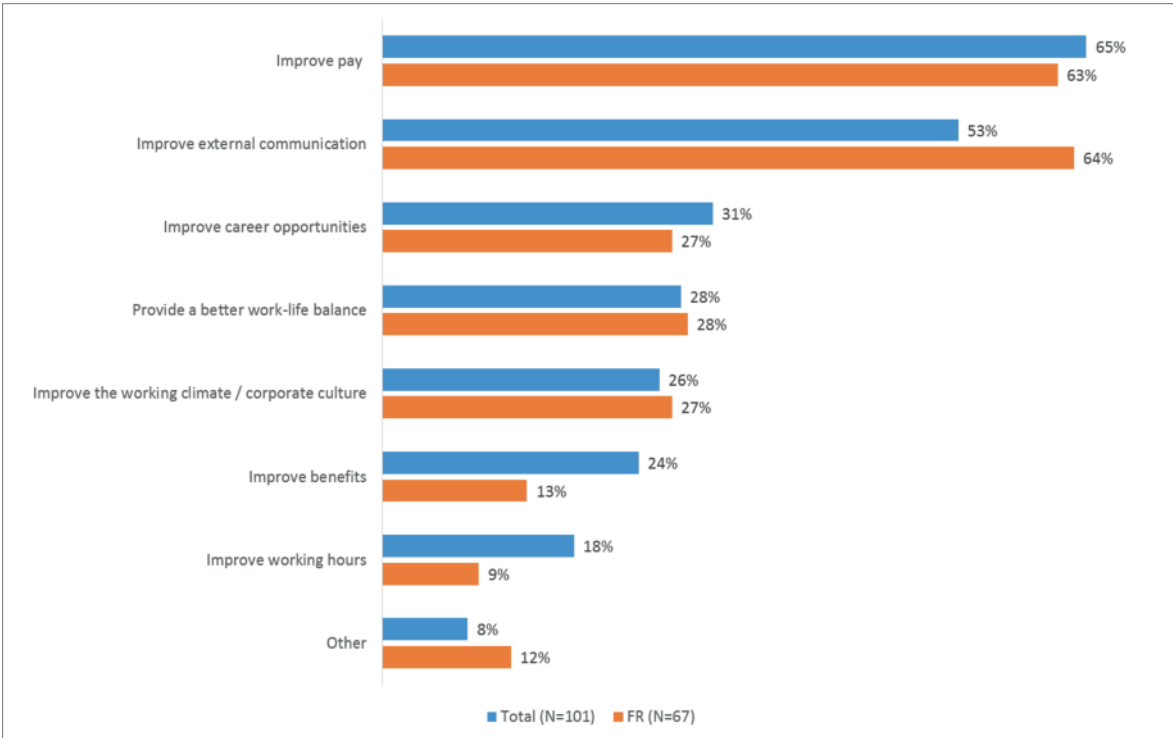
Train drivers (91%) and infrastructure maintenance (89%) workers are most likely to call for improvements in pay. Also among other professions - from 87% of maintenance of rolling stock staff to 72% sales / commercial employee / customer service staff - the level of salaries was the most frequently indicated aspect which should be changed to attract new employees. The following are the top three, additional to salary, elements which require improvement according to different types of employees:

- Office based
  - Administrative staff: career opportunities (37%), benefits (35%), better work-life balance (19%)
  - Management / supervisory role: benefits (35%), career opportunities (34%), better work-life balance (22%)
  - Other support services (IT services / telecommunication): benefits (38%), career opportunities (37%), better work-life balance (19%),
  - Sales / Commercial employee / Customer service: career opportunities (37%), better work-life balance (32%), benefits (31%)
  
- Maintenance work
  - Infrastructure maintenance: benefits (45%), career opportunities (28%), physical working conditions (25%)
  - Maintenance of rolling stock: benefits (46%), physical working conditions (38%), career opportunities (28%)
  
- Train driver and on-board staff
  - Train driver: benefits (56%), a better work-life balance (50%), working hours (49%)
  - On-board staff: benefits (45%), working hours (38%), better work-life balance (31%)
  
- Traffic management: benefits (42%), career opportunities (29%), better work-life balance (25%)
  
- Other roles: benefits (44%), career opportunities (37%), better work-life balance (25%)

Apprentices had a slightly different view regarding what could be done to improve the attractiveness of the sector when compared with employees (see Figure 4.8 below). Whilst for employees, the majority thought that improved pay, benefits, better work and life balance would increase the attractiveness of the sector, **better pay (65%) and external communication (53%)** are most often chosen by apprentices, which may still reflect on experiences regarding the quality of external communications of rail sector companies.



Figure 4.8 What would need to be done to increase the attractiveness of the sector?



Survey with apprentices (N=102)  
 Note: Results do not sum to 100% due to multiple responses.

In the next section, the report explores the links between the attractiveness of the sector and the level of skills shortages experienced.

## 5 Evidence of new skill needs and skill and labour shortages

Having established factors impacting on the broader attractiveness of the sector and of employment opportunities in rail companies, this section discusses the extent to which labour and skill shortages are in evidence in the rail sector in the European Union. It also looks at any emerging new skill needs which need to be taken into account in recruitment and ongoing training strategies.

The following are the key findings which emerge from this section:

- The fundamental skills required in the sector remain the same, but some new professions are emerging and there is an increasing need for technical, management and transferable skills
- The level of labour and skill shortages depends strongly on the country, region and occupation
- Key occupations with skills shortages are drivers, engineers and other technical professions

Having established factors impacting on the broader attractiveness of the sector and of employment opportunities in rail companies, this section discusses the extent to which labour and skill shortages are in evidence in the rail sector in the European Union. It establishes that a lack of knowledge of the wide variety of occupations in the sector is an important factor contributing to skill shortages and discusses the wide variety of measures which have been undertaken by sector organisations and particularly companies themselves to address this.

### 5.1 Factors driving changes to skills needs and labour shortages in the rail sector

This section presents information gathered as part of interviews conducted during country research to understand the key drivers of new skills needs and skills shortages and mismatches between the skills available and those required by the rail sector.

#### 5.1.1 The fundamental functions of rail sector occupations will remain in future

In the rail sector the main occupations that rail companies require workers to fulfil have remained broadly similar for many years. The organisation of the sector may have undergone significant changes but the result of this has been changes in the organisation of labour rather than significant changes to the occupational profile for the sector.

A common finding across the study countries is that there have been advances in the use of technology, improving efficiency and safety in the sector. Furthermore there is a widespread acceptance that new technologies will be a significant driver in future (see below). However, this has not led to a significant number of new occupations, rather there has been a more gradual change in the skill-sets required of existing and new employees.

Where there is some evidence of new occupations entering the sector it is in relation to company requirements relating to IT. There are some examples of new jobs that have been created, for example in **Belgium**, new professional profiles have emerged in particular related to required IT skills. Additionally, a number of jobs have also changed, with SNCB requiring more flexible multi-skilled workers.

### 5.1.2 Technological change is likely to have a significant impact on employer requirements of existing occupations

As noted above, a significant issue for rail companies is adoption of new technology and use of IT (both in terms of IT systems as part of the functioning of the business but also as part of passenger interface). There are many examples of this, for instance:

For train drivers it is noted that the drivers' cabin of high speed trains is becoming similar to the cockpit of an aeroplane, requiring a range of more advanced technical and analytical skills. Additional low carbon technology in the manufacture, installation, operation and maintenance of advanced technologies is further recognised as having an impact on demand for new and advanced skills among the wider workforce supporting the rail industry.<sup>71</sup>

There is a further distinguishable growing trend toward increased automation and digitalisation. It is noted one effect of these trends is that fewer staff are employed on-board, with more safety tasks allocated to the train driver. Reduced manning of the trains is a factor that contributes to a more pressured and precarious work situation. This has also made it more difficult reduce the effects of stress at work, and to learn something new through the experiences of others<sup>72</sup>.

The result of such trends is that all employers in the rail sector are increasingly looking for employees with these specialist technical skills and aptitudes. This relates to jobs requiring vocational as well as higher education.

### 5.1.3 The economic crisis has had an impact on skills needs

There is also some evidence that the skills needs of some companies in the rail sector has changes as a result of the economic crisis. In the case of the **Czech Republic** evidence from interviews suggests that organisations in the cargo transport sector, which is more sensitive to market contraction, reported a higher staff turnover during the crisis - as they adapted to reduced demand. These organisations have a more short-term vision and a reactive strategy. As a result, as the economy returns to a positive growth they are required to recruit and train staff in various positions.

Additionally, evidence from interviews indicated the economic crisis continues to impact companies the rail sector in both the **Netherlands** and **Belgium** in terms of job creation. The **Belgian** state budget for transport does not currently have much provision for additional jobs in the sector. Those that leave the company because they enter pension age are not replaced. This has led to a reduction of more than 1,000 employees in the recent past. Taking into account the current age structure of the company's employees it can also be expected that in 10 years about 55% of staff will retire. This creates pressure for the company to replace current staff to keep efficient performance of the railway network. Equally, the **Netherlands**, budget cuts and the reorganisation of the company has left little scope for job creation. The only change to recruitment is the shift away from more traditional jobs to specific jobs requiring higher vocational training or higher education (technical, IT).

In **Italy**, the economic crisis had a significant impact on FS's requirement for new skills. The demand for new occupational profiles, which is also likely to increase in the near future, including for example economists, engineers and experts in marketing. Recent waves of recruitment for highly skilled positions in the company included approximately 65% engineers, 30% with economics/business/marketing background and 5% with legal background. This also means that it is essential for the company to adjust internal HR strategies and prepare HR personnel to deal with a changing internal workforce. Another key occupational profile include electrical engineers, there is an increasing demand for these type of skills, however there is also a significant skills shortage in this subsector and the company needs to implement targeted recruitment policies.

<sup>71</sup> Employment in the EU Transport Sector, European Commission. (2013), p.6. Available at: [http://www.transport-research.info/sites/default/files/brochure/20140117\\_205136\\_81493\\_PB05\\_WEB.pdf](http://www.transport-research.info/sites/default/files/brochure/20140117_205136_81493_PB05_WEB.pdf)

<sup>72</sup> Nilsson, T. (2008) 'Det nya järnvägsarbetet - En grupp anställdas erfarenheter av och tankar omkring bolagisering inom järnvägen'

## 5.2 There are some long-standing and some emerging skill shortages in the sector

Technological and policy changes affecting the sector have led to changing demands for employee capacities which continue to be under-supplied. Similarly, there are a range of ‘traditional’ occupations in which companies in some countries struggle to recruit employees. Table 5.1 summarises the skills needs mentioned by interviewees in the countries assessed in-depth for this study. Countries and regions vary in terms of the level of skill and labour shortages experienced in the sector. While some countries experiencing significant economic difficulties (e.g. Spain) generally experience less significant issues with skill or labour shortages, in other countries skill shortages may be prevalent even when labour markets are not tight, if education and training systems do not provide graduates with skills relevant for this sector (e.g. Italy, Poland, the Czech Republic and Slovenia).

**Table 5.1 Skills needs in selected countries**

BE	■ Train drivers	IT	■ Economists
	■ Other on board staff		■ Experts in marketing
	■ Maintenance staff		■ Engineers with electrical, chemical, industrial, civil specialisation
	■ Administrative/commercial/IT staff		■ Applicants with economics/business/marketing background and with legal background
	■ Managerial staff		■ Engineers
BG	■ Train dispatchers	NL	■ Specialist technical skills
	■ Engineers and maintenance mechanics	PL	■ Train drivers
	■ Electro-engineers and electro-mechanics		■ Train managers
	■ Railroad engineers		■ Rail traffic controllers
	■ Train drivers		■ Engineers
	■ Signalling technicians		
CZ	■ Train drivers	■ Project managers	
	■ Train traffic controllers	■ IT skills	
	■ Smiths, electricians, power current maintenance, welders	SE	■ Language skills (Swedish)
	■ All professions in infrastructure maintenance and in repairing of locomotive and railway wagons		■ Technicians and engineers in the so called BEST occupations (rail, electrical, signalling, telecommunications)
	■ Track maintenance, communication equipment and safety technique operators		■ White collar workers
DE	■ Technical professions	SI	■ Shunters/switchers
	■ Train drivers		■ Infrastructure workers
	■ Engineers	UK	■ Engineers
ES	■ Engineers		■ Finance and management
	■ Engine drivers		
	■ Sales		
	■ Maintenance workers		
FR	■ Electricians		
	■ Train drivers		
	■ Engineers		

The following sub-sections provide further detail on some of the skills needs identified above.

## 5.2.2 Significant demand for train drivers and technical occupations

There is currently a demand for train drivers, engineers and apprentices in technical positions in almost all of the study countries. This is likely to increase over the course of the 10 years as the age profile of the sector illustrates significant numbers of employees near ages at which they will be eligible to retire.

The demand for train drivers and technical occupation is evidenced through the fact that many of the rail sector organisations interviewed as part of this study are undertaking continued efforts to identify and attract such employees:

- Both in **Poland** and the **Czech Republic**, companies are recruiting – or will be in the near future – for roles, including: train drivers, train managers, rail traffic controllers, mechatronic engineers, electronics engineers, signalling technicians, and rolling-stock mechanics.
- In **Poland**, it was found that two rail companies in 2014, for the first time in recent years had to recruit new employees. Apart from shortages in the group of rail drivers, additionally interviewees reported need to recruit train managers, rail traffic controllers, mechatronic engineers, electronics engineers, signalling technicians. External experts commented on shortages of project managers who are experienced to manage large rail investment and construction projects because they are recruited from other unrelated sectors.
- In **Sweden**, the need for qualified drivers will be significant for many years to come. The rail sector will require at least 200 new drivers. Notably, 59 per cent of all drivers (that were employed in 2007) will retire in the period between 2010 and 2025<sup>73</sup>.
- There are significant vacancies in the **Netherlands** in the retail side of the Netherlands' NS Company. Areas with the most vacancies are technical and IT related jobs. As previously discussed there is a lack of interest from young people in technical and IT related studies. This is a wider labour market problem. Another area with many vacancies is the retail at the stations. These jobs are usually filled by students, which means high staff turnover and a continuous demand for replacement.

## 5.2.3 There are also significant shortages in occupations which impact other sectors

The shortages in some occupations in the rail sector are also an issue which impacts on other sectors. This can be due to the fact that these occupations are not desirable for job seekers or that the attractiveness of other sectors is such that it is difficult for the rail sector to compete and attract and retain such employees.

Skills shortages exist at both lower and higher level of the skills spectrum. In many of the study countries skill shortages are expected to increase in the next 10 to 15 years as the economy and the transport sector return to growth and the number of people retiring from the sector increases<sup>74</sup>. The implication of this is that skills shortages are likely to become more difficult to resolve where such skills are also required by other sectors.

One such example relates to engineers, an issue which is highlighted as a skills shortage by stakeholders interviewed in most of the countries examined for this study. This is an occupation which many other industries require – and for there are detrimental impacts on the economy and society. There is a well-established evidence base which consistently identifies engineers as a key occupation that is in short supply<sup>75</sup>. Such problems clearly require cross-industry strategies and collaboration in order to resolve. In the case of engineers a collaborative approach to solving skills shortages is especially appropriate as this occupation is a most significant issue for the manufacturing sector.<sup>76</sup>

<sup>73</sup> Transport Styrelsen. Behov av och tillgång till utbildnings- och praktikplatser inom järnvägsmarknaden En genomgång, oktober 2012 (disponible à l'adresse : <https://www.transportstyrelsen.se/globalassets/global/jarnvag/marknadsovervakning/utbildningsanordnare-inom-jarnvagsmarknaden-2012.pdf>)

<sup>74</sup> Employment in the EU Transport Sector, European Commission. (2013), p.5. Available at: [http://www.transport-research.info/sites/default/files/brochure/20140117\\_205136\\_81493\\_PB05\\_WEB.pdf](http://www.transport-research.info/sites/default/files/brochure/20140117_205136_81493_PB05_WEB.pdf)

<sup>75</sup> See: Labour market shortages in the European Union, European Parliament, DIRECTORATE GENERAL FOR INTERNAL POLICIES POLICY DEPARTMENT A: ECONOMIC AND SCIENTIFIC POLICY. p.47-52. Available at: [http://www.europarl.europa.eu/RegData/etudes/STUD/2015/542202/IPOL\\_STU\(2015\)542202\\_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/STUD/2015/542202/IPOL_STU(2015)542202_EN.pdf)

<sup>76</sup> Skills Shortages and gaps in European enterprises: STRIKING A BALANCE BETWEEN VOCATIONAL EDUCATION AND TRAINING AND THE LABOUR MARKET, Cedefop (2015), p.29

There is often a regional dimension in skills shortages which should not be overlooked as it has important implications for the design and implementation of any proposed solutions to skills shortages. Regional effects can occur where there are high concentrations of particular facilities in one region (for example office headquarters or train depots) which may act to drain other areas of required skills as workers migrate to areas with greatest number of opportunities.

One useful example of regional effects is provided by the UK. In this country the prevalence of national rail headquarters and depots in the South East means that there is greater competition for labour in that region, by comparison there is less competition in other regions. The result of this is that in occupations which can easily transfer to other sectors, rail companies have adopted different employment strategies. One impact has been increased use of agency cleaners in the South East, both to minimise employment costs but also to minimise recruitment costs where there is high staff turnover.

#### 5.2.4 In some countries skill shortages are less significant

In a number of study countries there were no significant skills shortages highlighted, for example, in **Sweden, Slovenia, and the UK**. This is understood to be the current situation, however it may change. For example, the Slovenian Railways group has no problems with attracting potential employees. However this current attractiveness of the company is, in the opinion of some stakeholders, mainly due to the weak economy and high unemployment in Slovenia after the crisis. In particular, the collapse of the Slovenian construction sector and temporary contracts and irregular payments in other sectors (e.g. transport carrier) make the rail sector attractive. Once the economy recovers, the current advantages of the employment at Slovenian Railways could become relatively much smaller. In fact, one stakeholder notes, that before the crisis the company had difficulties to recruit in the regions close to Italy, because of the proximity of a more competitive Italian labour market.

In **Belgium**, generally speaking the SNCB does not encounter as such recruitment difficulties for the main functions such as drivers or accompanying train personnel. Currently there are difficulties to recruit in particular technical profiles and technical engineers. In order to make technical professions more attractive the SNCB carries out the Belgian Railways Competition for Technicians (BERT) - in which students in their third year of technical education at secondary school can put forward their ideas on a pre-defined topic. In 2014 the topic was "Creating a "green" power supply for train-driver-assistance equipment". This competition aims to strengthen links between company practice with the world of technical education, and is contributing to helping young people understand that, in order to tackle these various challenges, railway staff are constantly required to research and develop innovative and effective technological solutions. This competition might therefore encourage these future graduates to apply for a job at SNCB (Infrabel). In Belgium there are also regional differences in terms of attractiveness between the Walloon and Flanders region. While SNCB is very attractive on the Walloon side, it is more difficult to recruit in Flanders. The reason for this is the different situation of the job market. While employment opportunities are scarce in Wallonia there are more employment opportunities in Flanders. Thus it is more difficult to fill job openings in Flanders region.

In the **Netherlands** it was noted that some of the jobs offered in the rail sector, such as train drivers, are quite niche and there is enough interest from people in these specialized jobs. More generally, there have not been many issues filling vacancies. Despite the negative media attention, once prospective employees have made contact with companies in the rail sector, seen the inside and are aware of the pay and benefits, they do want to work in the sector.

In **Sweden** there are no real difficulties in recruiting new staff to the rail sector. The main issue is getting a sufficient number of drivers trained. The companies are therefore working closely with the relevant educational institutions. This challenge is likely to increase in the future with 59% of drivers (employed in 2007) expected to retire in the period between 2010 and 2025. In absolute terms this represents over 3,000 drivers. The rate of retirements will reach a peak between 2015 and 2019 when nearly 1,100 drivers are expected to retire<sup>77</sup>.

<sup>77</sup> <https://www.transportstyrelsen.se/globalassets/global/jarnvag/marknadsovervakning/utbildningsanordnare-inom-jarnvagsmarknaden-2012.pdf>

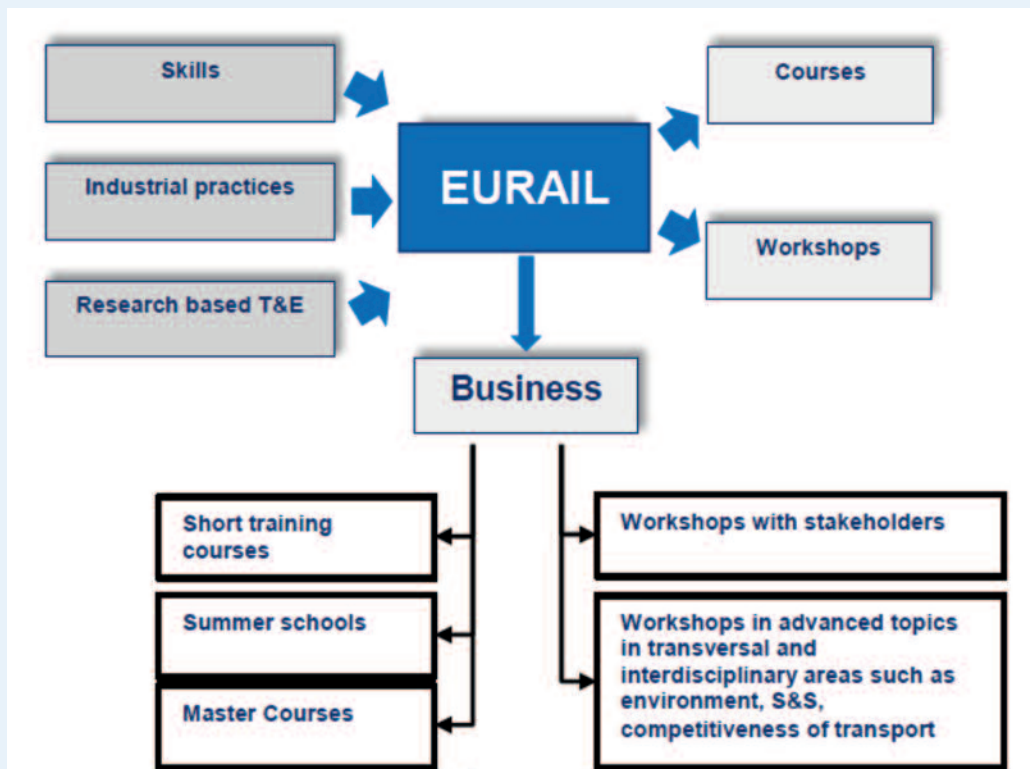
### 5.3 Measures developed to address skills shortages

The SKILLRAIL project, funded under the European Commission (EC)'s Seventh Framework Programme (FP7), a project description and results is outlined below.

#### Box 3

#### The SKILL RAIL PROJECT

The SKILLRAIL project, funded under the European Commission (EC)'s Seventh Framework Programme (FP7). The purpose of SKILLRAIL project is to contribute to European surface transport research program implementation and to the enhancement of the sector by fostering a better match between the human resources needs to make railways a more competitive and innovative sector and the offer of skills coming out of the different research based education and training institutions across Europe. The EURAIL concept is illustrated below.



Based on knowledge, experience and people from universities in Europe, EURail is virtual in nature and aspires to foster, at European level, excellence by gathering and networking the different relevant organizations and institutions around an educational project suitable to the needs of the European Rail sector.

EURail provides a concentration of high-level knowledge and expertise in one single sector/problem-oriented institution. It is expected that EURail will form a coherent community able to define lines of actions and conduct sustainable business in close liaison with the Network of Excellence EURNEX.

### **5.3.1.1 Developing further ideas for maintaining knowledge and addressing training needs**

As part of the workshops held for this research, participants discussed ideas for further developing the issues discussed above in the rail sector. These are outlined in the box below.

#### **Box 4**

#### **Box 4 Key measures maintain knowledge and address training needs in rail companies: Conclusions from workshop discussions**

- The development of training plans must be carried out following an assessment of current and future skills requirements; these must also take into account the increasing demand for core and soft skills among all employees, as well as the greater emphasis on multi-tasking
- The sourcing of competent trainers and the continuous development of skills among in-house trainers is equally important
- In the context of an ageing workforce, greater emphasis is placed on mentoring, including inter-generational mentoring
- Regular tests and examinations can play a role in maintaining up to date skills in certain functions
- Learning must be made accessible and should be tailored to the needs of individual learners (in terms of methods, geographical location and timing)
- Simulation can be a complement to the practice but not a replacement
- In the context of developing skills needs and demographic change, companies must continue to invest in initial and ongoing skills developments - in some countries this is done via the establishment of investment funds through collective agreements
- Training catalogues should contain a mix of compulsory and voluntary training to meet the requirements of specific roles and individuals. Training requirements should be a regular part of employee appraisal discussions
- Apprenticeships can be successfully combined with mentoring, particularly when offered to groups which might otherwise be excluded from the labour market
- Monitoring of the training, follow-up, retraining are also important for company learning and improvement.



## 6 Working conditions in the sector and their impact on recruitment and retention

As indicated in section 3.2.2.1 above, staff satisfaction in the rail sector is relatively high and even where satisfaction is lower, this does not immediately translate into a view that 'the grass would be greener' (e.g. satisfaction greater) in another sector.

Having assessed the overall image and attractiveness of the sector and the extent to which this has translated into skills shortages in different countries and companies, this section takes a closer look at evidence of staff satisfaction and the factors linked to working conditions which impact most on such satisfaction levels. This discussion further aims to contribute to inform and set into context the measures being taken by companies in the rail sector to boost recruitment and retention, which are elaborated in section 6 below.

### The following are the key findings which emerge from this section:

- Levels of staff satisfaction vary from country to country and according to survey results appear to be higher in the new Member States, which is partly linked to the broader labour market situation;
- Women are more satisfied with their jobs in the sector than men. This may be a result of their concentration in more administrative functions which are less exposed to unsocial working hours and difficult working conditions;
- Younger employees appear to have higher levels of job satisfaction than older employees. Many older employees may have experienced significant restructuring events in the industry, resulting in weaker employment terms and conditions. This can lead to a perceptions that 'things are not as good they used to be';
- Job security is among the key factors valued by staff and potential recruits
- Pay and conditions are also important. The level of attractiveness and satisfaction with terms and conditions depends on the country, company and occupation. Collective agreements have an important role to play in ensure high standards and comparability in terms and conditions between companies. However, company level pay and conditions can be significantly higher than sectoral collective agreement (where they exist) and impact on the attractiveness of different enterprises. This is also important in the context of declining job security following the increased emphasis on competition.
- Investment in ongoing training and career development are important factors in retaining staff and helping companies to address the impact of demographic change. A number of enterprises have invested significantly in offering ongoing training and communication information on internal career opportunities, whereas in others emphasis on internal training is considered to be more limited.
- Opportunities for work life balance are also seen an important factor and are critical in some instances in undermining the attractiveness of the sector because of high demands for mobility and working 'unsocial hours'. Efforts are being made in some companies to give individuals greater autonomy over shift patterns at local level. Other supports for work life balance are also being offered (flexible working, support for childcare etc)

## 6.1 Evidence on staff satisfaction levels

### 6.1.1.1 Levels of satisfaction with employment in the sector varies from country to country

Overall, the survey data illustrates that nearly two thirds (**63%**) of employees are satisfied with employment in the rail sector. In line with the findings on attractiveness reported above, higher satisfaction levels are **more likely to be reported by younger employees aged up to 34** than those over 55 years of age.

Overall the average number of dissatisfied workers is very small (13%). Train driver (8%), on-board staff (6%) and sales / commercial employee / customer service (6%) more often report dissatisfaction with employment in rail sector.

When asked about their specific role, survey results reveals that on average over half of employees (55%) are (very) **satisfied with their current role**. Also based on their experience most would recommend the company as an employer to friends and family (55%); 43% state that they are proud to work for the company and speak willingly about it to family and friends.

Level of pride, satisfaction and willingness to recommend the sector to other varies across occupations. Traffic managers (85%) and office staff (82%) are most satisfied and proud (both 48%) among all rail occupations. The lowest share of satisfied (67%) and proud (35%) workers are found among train driver and on-board staff. Not surprisingly they are least willing to recommend the sector to others. Over one in two office worker and maintenance worker would recommend rail sector as an employer to their family and friends. Only one in three train driver and on-board staff would do the same. Slovenian and Spanish train drives and on-board staff more likely will recommend the sector as potential employer.

The representative survey undertaken by SNCF in 2014 found that 73% of employees would recommend the company to friends and family, a far higher result than the survey undertaken for this study where only 43% stated such a view. In terms of pride felt in working for the company the SNCF survey found that 74% of respondents agreed that they were proud of their company and spoke willingly about it to friends and family, a higher percentage than the survey conducted for this study (with 56% stating a similar answer) . Among various occupations the willingness to recommend SNCF as an employer to friends and family was highest among those working in traffic management (77%) and it was lowest among drivers (67% and conductors, on-board staff (62%).

## 6.2 Factors influencing worker satisfaction

This section discusses aspects linked to working conditions which impact on worker satisfaction. However, we firstly briefly present information on how working conditions are set in different countries and in particular the part played by collective agreements, as this significantly impacts on differences (and similarities) in work conditions between different companies in the sector and different countries.

### 6.2.1 The role of collective agreements

The structure of collective bargaining in the sector is also influenced by the relative dominance of incumbents and the special status a significant number of individuals active in the sector still retain. This has led to the following picture of different levels of bargaining as presented by Eurofound is a recent study on industrial relations in the railway sector<sup>78</sup>. Our research has shown that the picture presented in this report needs to be nuanced, particularly in relation to the negotiation of terms and conditions for staff without special status in incumbents and regarding the different levels of bargaining responsible for setting core employment standards.

The extent to which national statutory minimum provisions (e.g. on wages etc) impact on collectively agreed standards should also be borne in mind. Similarly, the extent to which collective agreements can be rendered universally applicable and can be imposed on employers and employees who are not members of the negotiating parties also impacts on the setting and protection of social standards in the sector.

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<sup>78</sup> Idem, page 34.

Generally speaking, in countries where this is sectoral (multi-employer) bargaining, this sets a floor of rights which can be enhanced (but usually not reduced) through company level bargaining. Both for bargaining at company and sectoral level, different levels of pay (or even non-wage benefits) can be negotiated at regional or service specific level, leading to a complex patchwork of provisions.

**Table 6.1 Collective bargaining in the EU passenger railway sector**

Level(s) of bargaining	Countries
Company level only (often with regional or service specific variations)	Belgium, Bulgaria, Czech Republic, Estonia, France, Finland, Greece, Hungary, Ireland, Latvia, Lithuania, Luxemburg <sup>79</sup> , Portugal, Poland, Romania, Slovakia, Slovenia, Spain, UK  <sup>79</sup> Statut du personnel de la Société nationale (Commission paritaire pre- side par un représentant du ministère competent)
Sectoral level bargaining enhanced by specific company level agreements (often at regional/specific service level)	Austria, Denmark, Germany, Italy, Netherlands, Norway, Sweden

Source, Eurofound (2012), amended by ICF GHK based on research carried out for a study on the Protection of Staff in cases of Change of Operator (2014)

However, the information in the table above must be considered with a view to certain country level specificities in some of the in-depth study countries:

- In **Belgium** one collective agreement (called a ‘social protocol’ in this sector) is, in principle, concluded for the entire company for all professions. However, in the last 5 years it is not been possible to come to an agreement on a social protocol between management and trade unions, which means that since 2011 workers at SNCB have only benefitted from the salary increases negotiated as part of inter-sectoral agreement (applying to all workers). Negotiations are currently ongoing in an effort a new “social protocol”.
- In the **Netherlands** sectoral collective agreements are negotiated which can be elaborated on by company level collective agreement. There are also experiences of negotiations between employer and trade union representatives failing, in which case the old collective agreement remains in force until a new one is reached.
- In **Germany**, the general framework for employment conditions in the rail sector is regulated by general labour laws and collective bargaining agreements. For example, the German federal labour laws regarding working time and holiday benefits can be regarded as providing for minimum social standards, with the possibility for collective bargaining agreements establishing more favourable conditions. Germany recently introduced a statutory minimum wage, but the role of collective bargaining in setting sector and/or company minimum wage levels continues to be the preferred method. For core staff in the rail sector, minimum wage levels tend not to be particularly relevant as collectively agreed wages generally exceed such minimum levels, although this is not necessarily the case for some sub-contracted services such as cleaning/catering. Collective agreements negotiated by relevant social partner organisations are only binding on the negotiating parties and are not generally applicable. All partners are involved in collective bargaining at national (sectoral) and local level. Separate sectoral agreements exist between Agv-MoVe and AGVBE and its partners. There are also separate agreements for train drivers. There are also many diverse company level agreements. For the local and regional rail passenger transport sector, since 2011, the framework agreement SPNV determines a minimum wage level and the agreement is applicable to almost 98% of railway operators. Furthermore, more favourable wage levels and conditions can be set in company collective agreements or in-house agreements, by corporate collective agreements (taking into account all the company subsidiaries and branches) and in the individual labour contract.

This creates a patchwork of provisions with very different wage standards and conditions in different companies, which are, however, delimited by the minimum standards set in the framework collective agreement. The negotiation of this agreement was considered to be an important step in preventing social and wage dumping which, it was feared by some, might result from liberalisation in the sector. Such framework agreements also exist in the long-distance rail sector, however, as this sector continues to be dominated by DB, it is the company collective agreement which is of greatest significance here. Important differences still prevail in the wages and terms and conditions in different operating companies with the best paid employees (generally those of the national operator DB earning up to 20% more than their worst paid counterparts (who rely on the provisions of the framework collective agreement)).

■ In **Sweden**, working conditions and social standards in the rail sector are determined through collective bargaining. There are two main national sectoral collective agreements in place in the rail sector - one for railway operations (*Spårtrafikavtalet*) and one for rail infrastructure (*Branschavtal Järnvägsinfrastruktur*). These set the minimum employment standards for almost all workers in the sector. The railway operations agreement covers around 19,000 workers including train drivers, conductors/ train managers and maintenance staff. The employers covered include SJ, MTR, Green Cargo, Transdev, Stockholmståg, BK-tåg, Tågkompaniet and Roslagståg. The rail infrastructure agreement covers workers and companies engaged in rail infrastructure projects including redesign, construction, operation and maintenance, service and repair of railways, tramways and subways and associated operations. Examples of activities covered are those covered by the so-called BEST occupations (rail, electrical, signalling and telecommunications). This agreement was signed by the Swedish Union for Service and Communications Employees (SEKO), the Union of Civil Servants (*Fackförbundet ST*), the SACO Transport and Railway Association (*Saco-förbundet Trafik och Järnväg - TJ*), the Swedish Association of Graduate Engineers (*Sveriges Ingenjörer*) and the Swedish Association for Managers (Ledarna). Initially, the agreement only covers Infranord. Elements covered in the both the national sector and local (operation specific) agreements include the following: pay; working hours; overtime; additional hours; travelling time compensation for unsocial and on-call hours; holidays; sick pay; parental leave; leave; and, notice of contract termination. Notably, there are a number of important differences between the two national agreements. For example, the interviewees suggested that the national railway operations agreement plays a less important role in determining the working conditions and social standards. Consequently, company level agreements have a much more significant impact on working conditions and social standards in the railway operations sub-sector. This also means that there is some variation of working conditions and social standards within the sector (although the conditions cannot be any worse than those specified in the national sectoral agreement). Notably, the importance of company level agreements has increased in recent years. By contrast, in the rail infrastructure sector company level agreements have a less significant role in terms of determining working conditions and social standards, the main provisions are determined at the national sectoral level. This means that there is less scope for variation in the terms and conditions of employment within this sub-sector, compared to the railway operations sub-sector. Workers that are hired temporarily through recruitment agencies are either covered by a special agreement for recruitment agencies (*Bemanningsavtalet*) or the applicable national sectoral collective agreement. One of the reasons for introducing a collective agreement for temporary workers in 2000 was to protect the workers that are hired through recruitment agencies, but also to reduce the risk of competition in wage and other employment conditions between different groups in the workplace, thus reducing the risk of so-called social dumping. Basically, the agreement is there to prevent workers from being replaced with contracted staff that are cheaper as a result of lower pay and worse conditions.

■ In **Slovenia**, working conditions and social standards are agreed in the collective agreement which was last revised in 2007.

■ In **Italy**, as far as the collective agreements are concerned, the agreements are not legally binding (at national or local or company level) because only the parties who signed are obliged to apply them. This means that in rail sector there are three main agreements (the Collective Agreement of Mobility/Railway Area, the Local Transport Collective Agreement and the Freight Sector Agreement) that are applied and that have different contents and different level of protection. Collective agreements are also negotiated at company level, which can only provide more favourable conditions, except in case legislation admits a kind of "derogation in peius" by second level agreements. This means that the largest companies in the rail sector (such as FS Group) have a long tradition and a history ensuring good working conditions

(for example working – hours, wages, in recent years also welfare) but also grant a level of flexibility needed by a company in a free market.

- The main topics included in a collective agreement at national and company level, are: industrial relations system and unions' rights, job profiles, working hours, rights in different cases of absence (for example, maternity, illness, incident, disable persons, public functions), wages, pension scheme and funds to support workers in cases of redundancies. Among these topics wages are one of the most important provisions not only from a "quantity level" point of view but also from a "quality level": it's not only necessary have a good salary but also a "right" salary (for example, if most part of the salary is composed by overtime the quality is not the best). Also working time is an important factor of attractiveness and, in this respect, shifts can be a barrier to attractiveness for new entrants even if after entering into the sector employees understand that can be also an opportunity. Of course, during these last years the welfare has increased its importance for young people who want to enter in the sector. So, more than in the past collective agreements at company level are signed on welfare, in general but also in the railway sector.
- In France, the railway reform from 2014 foresees that all employees of the companies of the railway sector will be ruled by a sector-wide collective agreement. The employers association UTP and the different unions of the railway sector involved in the process are currently working on different subjects tackled in a sector-wide collective agreement: employment contract, wages, job categories, training, working time, In addition to this sector-wide collective agreement, the companies will have collective agreements on company level.

### 6.3 Importance of different aspects of working conditions for staff satisfaction

In order to identify aspects of working conditions for employee satisfaction and the 'draw' of the sector for new job seekers, workers were asked their views about **importance of various aspects of working in rail sector for jobseekers and their contribution to the attractiveness of the sector**, including the level of benefits, working hours, pay and working atmosphere.

**Three out of eight countries gave the highest score** – ranked as very and quite attractive for jobseekers – to **benefits offered in rail sector**.

**Working hours is the second highest scored attractive element of work in rail sector**. This element of work in the rail sector is seen as attractive mainly for office based staff and maintenance workers. Meanwhile only 27% of train driver and on-board staff stated this.

A perceived lack of **work-life balance** options available in the rail sector are considered to render the sector less attractive, this is especially the case for train drivers and on-board staff. Only one in four train drivers surveyed agreed that work-life balance is an attractive aspect of work in the sector. Meanwhile nearly half of maintenance workers and office based staff shares this opinion.

Similar difference can be seen regarding the survey results in relation to satisfaction with workload. Three in four employees in Slovenia and the Czech Republic declare satisfaction with this aspect of work, meanwhile in Spain only 41% of employees say that workload suit them.

Data from the employee survey illustrates that on average 41% of respondents stated that they were exposed to what they considered to be too much work-related pressure every day or most days. The share was highest among respondents in traffic management occupations (18% of which report too much work-related pressure every day and /or most days). The share of employees exposed to stress was similar in other occupation categories, ranging from 30% of administrative staff to 39% of staff responsible for maintenance of rolling stock and management reporting too much work-related pressure every day and most days.

### 6.3.1 Importance of job security

As previously indicated, one of the key factors of importance to existing (and prospective) employees, is the level of job security. This proves true both for men and women and for different age groups. However, there is some evidence that this important aspect is being undermined in the context of increasing competition. Levels of protection offered to staff in this context vary from company to company with some collective agreements offering significant job guarantees, while some companies count on more attractive packages to attract staff in a situation where security cannot be ensured in the long term. Evidence from the stakeholder interviews shows that:

- In **Belgium**, one of the factors most valued for workers within SNCB is the job security that is guaranteed by the civil servant type employment contract. This is more and more an attractive factor due to the increasing instability of the national labour market and unemployment.
- Similarly in **Germany**, attractive elements of the sector include that it is a relatively safe workplace, a stable employer, the quality and variety of apprenticeships, available development paths and contact with different people. In DB, a collective agreement is in place which offers job guarantees to staff in the core of the DB company, with some expectations (and support) for mobility, should certain roles disappear in the context of increased competition.
- In **Poland** it is noted that the stability and security of employment are the main advantages of employment in the rail sector. Comparing to other sectors in Poland, the relatively strong position of trade unions protects employees against radical changes in the level of employment.
- In **France**, it is noted that SNCF as the publicly-owned railway company which employs 97% of the employees of the railway sector has an attractive image for the job security and the good working conditions it offers. The job security at SNCF is guaranteed by the civil servant type employment contract.

### 6.3.2 Pay and benefits

Pay and benefits play a significant role in the attractiveness of the sector. The level of remuneration varies markedly across each of the study countries and in relation to company ownership (i.e. public or private), specific occupation and compared to other industries. The level of variation in pay and conditions is impacted by the structure of collective bargaining in the sector. Where sectoral agreements are in place (this is true for only a few countries) there can be greater similarity in pay scales, but this depends on the level at which conditions are set in national collective agreements and the extent to which they are enhanced at the company level. In some countries it is reported that company level agreements can add around 20% in terms of pay and benefits to existing sectoral agreements. As a result, in many countries certain companies are considered to be significantly more attractive as employers than others. While in countries like France and Germany, the large national operators tend to be preferred, in other countries, private operators are seen to offer better terms and conditions (at least in the short term).

In **Bulgaria** and **France**, the level of pay in the railway sector is not the same in all companies. In particular, salaries tend to be higher and thus more attractive in private companies. . This is seen as a very attractive factor, especially for young people willing to work at night and away from home in exchange for financial compensation. However, overall terms and conditions are considered to be better at SNCF (see above). The perception of improved financial packages offered, by the private providers, have the effect of attracting some of the best workers in the rail sector. Whilst salaries in the **Belgian** Government-owned SNCB have remained stable over the last 5 years, an attractive bonus pay system is in place, which considers the productivity of workers.

By contrast, the level of wages in state owned passenger transport and infrastructure companies in the **Czech Republic, Spain** and **Italy** were reported as competitive compared to other companies in the sector and similar or higher than occupations in other sectors. However, in the **Czech Republic**, whilst workers generally do not move for higher wages to Czech competitors, there is a tendency for workers seek employment with German railway companies which offer higher pension benefits. In Germany, terms and conditions at DB are consid-

ered to be around 20% higher than those offered in the sectoral collective agreement. The company also offers better job security.

#### 6.3.2.1.1 Depends on occupation

It is not surprising that in all of the study countries, pay and conditions in the rail sector were highly dependent on the occupation. For instance, in **Sweden**, whilst pay and conditions within the rail sector are generally considered to be good, pay and conditions for train drivers have historically been, and continue to be, higher than for other staff in the rail sector. To a considerable extent, this reflects the limited supply of train drivers as well as the training required.

Pay and conditions for on-board staff and maintenance staff is considered to be relatively good compared to many other service occupations. The progression on the pay scale is also relatively steep, which is not the case in other similar service occupations. As a consequence, very few operational staff leave the sector.

Similarly, the average salary offered in the **Polish** rail sector is slightly higher than the average salary in the country, but the level of remuneration varies by occupation. Train drivers' salaries, in contrast to administrative staff, are considered attractive, whilst infrastructure managers are broadly in line with similar sectors (e.g. construction sector). This again, in part, is partly due to the shortage of train drivers and the duration of training required. Additionally, competition between private and public companies to attract train drivers contributes to higher than average salaries. However, public rail companies in Poland are at a disadvantage in terms of attracting drivers as salaries in the public sector are fixed and adjusted only by inflation.

#### 6.3.3 Non-salary Benefits

There are a range of benefits offered in the rail sector, common across all study countries which include pension scheme contributions, free or discounted travel and (in fewer instances) the opportunity to take early retirement.

There are also unique benefits in some countries that specifically target improved worker health such as gym memberships, meal vouchers. **German** Bulgarian /public/ and **Czech** rail companies offer so called "health weeks" which are paid holidays in health resorts, granted through collective agreements. SNCF employees in **France** can also benefit from social housing and there are free medical centres dedicated to the employees of the company. The health care conditions offered (including, regular health checks, rehabilitation and recreation stays, high safety standards) are generally higher in comparison to companies outside of the railway sector, thus they may influence the recruitment and retention of new employees.

In **Slovenia**, a central attraction of the railway sector is the job security and education and training opportunities it offers. Similarly, stakeholders in the **Czech Republic** cited the training and career advancement opportunities as the most attractive elements of working in rail.

#### 6.3.4 Importance of ongoing training and career opportunities

Another factor important for the recruitment and retention of staff is the perception and reality of possibilities for career progression. An important factor in supporting such career progression is level of offer of ongoing training and clarity of career opportunities within the company. Again, the scope for progression tends to differ from occupation to occupation (which is also often reflected in the potential for improvements in pay throughout the career). Modern HR strategies tend to emphasise a process of regular staff appraisal which in many companies is used as the key tool to discuss performance, satisfaction, aspirations and training needs. For the good practice examples provided, a number of companies stand out in relation to the employee development offer.

In **France**, the trade unions also agreed that access to training is a priority of the company as each year SNCF spends almost 6% of its total payroll on initial and continuous training of its employees. SNCF employees have benefited from more than 6 million hours of training courses and traineeships in 2011. For SNCF, training is seen as one of the keys to career development as 70% of managers come from technical jobs. According



to the Top Employers certification in France, SNCF nurtures and develops talent and makes personal development accessible to all employees.(see also box below).

In **Germany**, DB has a system for training and development and the DB development pathways - a web-based tool that supports users to find future career opportunities. The company also differentiates between a leadership career and an expert career. However, according to the DB staff survey, development and staff appreciation of internal training within the company is yet to be improved as a result of these innovations and is also becoming more important for overall job satisfaction. Less than half of employees (41 %) indicate that they consider their professional development opportunities as good and only 42 % state that their professional development is supported. Only 47 % state that they feel informed about possibilities of professional development and 52 % state that the offered qualification measures meet the needs for a certain job. The fact that half of the employees do not feel informed about training or do not think it is accurate singles out the need to inform better about available training and to improve it. The development of the webtool and its integration into performance reviews is a way to take account of this perceived lack of information.

#### Box 5

### SNCF - Top Employer Award

In France, SNCF was recently awarded the Top Employers France 2015 certification. This has been awarded by the Top Employers Institute which certifies excellence in the conditions that employers create for their people globally. The Top Employers certification is given to organisations that achieve the highest standards of excellence in employee's working conditions. Thanks to the company's participation in the HR Best Practices Survey, a comprehensive analysis of the Human Resources environment was made critically assessing HR management and employee conditions within the organisation. Following validation and an external audit, performance scores were rated against an international standard.

This research revealed that SNCF provides exceptional employee conditions, nurtures and develops talent throughout all levels of the organisation and has demonstrated its leadership status in the HR environment, optimises its employment practices and making personal development accessible to all employees. The strengths of the SNCF mentioned were amongst others, the good communication channels with one-to-one meetings between the employee and the manager, the existence of strong works councils and employee surveys. Learning and development and well-being programs were also mentioned as strong components of the good working conditions. Finally, the compensation and benefits such as profit sharing, employee discounts on company services/products and canteens were positive points of working at SNCF.

In **Italy** FS was awarded with the Best Awareness 2015 certification and the 'Best Employer of Choice' (BEofC) award, as the company with the highest level of awareness among young graduates with reference to the job offer and the company deemed as best company to work. This was reported in the 'Recent Graduates Survey', a survey based on a representative sample of newly graduates. FS was perceived as reliable, serious and dynamic. In 2015 it ranked first among all graduates as BEofC and second among graduates of scientific subjects in 2014 and 2015. FS was selected as BEofC mainly by young graduates identified as 'informed' (29.3%) and 'optimistic' (25.3%) types. Graduates who were interested in working with FS also reported to be interested in working for companies such as Enel, Eni, Ferrari, Apple, and Google, Thus identifying these companies as direct or indirect competitors of FS. Eni and FS were identified as companies transmitting a sense of economic stability; young graduates also identified these two companies as the richest and with a solid position in the market.

In Italy, there is also attention to continuous training and re-training strategies in FS; however the high specialisation of tasks which have also affected the training require a more strategic approach than in the past. A three year project designed to identify and support internal replacements of highly educated workers (university degrees) that have experienced mismatch between tasks and academic background. An in-depth skills assessment and evaluation is performed to understand the competences and aspirations of these workers as well as discussing a personalised career plan and training needed. A specific attention and focus is dedicated to safety and security courses and projects.



### 6.3.4.1 Developing further ideas for attractive working conditions

As part of the workshops held for this research, participants discussed ideas for further developing attractive working conditions in the rail sector. These are outlined in the box below.

#### Box 6

#### Benefits which could further enhance the attractiveness of employers in the rail sector: Conclusions from workshop discussions

- Mobility benefits (free travel for employees and their families or reduced price travel on other modes of transport) constitute an attractive benefit in many rail sector companies.
- A strong commitment to ongoing training and lifelong learning is much valued by employees, particularly when this can be combined with career advancement opportunities. Strong transparency in the area of career development opportunities is a key factor in this regard.
- Financial support for more advanced studies is also offered in a number of companies, together with time off to pursue career development. Among the more innovative initiatives in this area are long-term working time banks.
- Measures and benefits which support work life balance are important for all employees, but particularly for those in operational tasks based on 24 hour operation. Relevant measures can include flexible access to affordable childcare and local level involvement in shift rostering.
- The introduction of flexible working time models (including time accounts) is another possibility to take into account the needs of individual workers at different times in their career.
- Measures to ensure limits on overtime - or ensuring that time in lieu to compensate for overtime can be taken within a reasonable timeframe were also mentioned.
- A number of employers provide access to free phone calls and IT equipment for staff (also for private use).
- Measures to promote health and welfare are becoming increasingly important, including in the context of demographic change. A wide range of measures are being offered here from company internal and sectoral sports events and activities, over advice on healthy eating and stress reduction and support for gym memberships, to relaxation rooms and active support for retraining or redeployment should individuals no longer be able to perform their job for health reasons.
- Some employers also offer support for holiday planning or holiday activities for workers' children (e.g. summer camps).
- Company specific pension plan and health insurance packages are also popular benefits among employees and potential recruits.
- A number of companies offer extended annual leave or seniority pay supplements for individuals with higher levels of seniority (in terms of number of years with the company). In some cases, the opportunity to reduce working hours in the run up to retirement are also offered.
- In order to help generate innovative ideas, bonus schemes can be introduced for individuals suggesting such innovations.
- Experimentation with different salary models was suggested (e.g. instead of offering low entry wages, increasing in regular increments to work with higher entry wages with lower seniority increments), particularly for jobs in areas of skill shortage where the sector is finding it difficult to compete with other sectors requiring similar skills.

### 6.3.5 Company culture and working relationships

The history and importance of the railway sector in the development of national economies and cultures, its role in connecting people and the specificity of some of the roles in the sector mean that there has, historically been a perception of a specific and distinct culture in the sector around a 'railway family'. The concept of a 'railway family' means that a wide group of occupations come together for a common purpose – facilitating the movement of people through providing a public service leading to a togetherness and a sense of solidarity among workers meaning that the railway workers have historically considered each other more than co-workers – but their common bond has been closer to a family than that of a professional relationship.

The result of this has traditionally resulted in many workers building a lifelong career with their company (particularly when there was – in most country – only one key, publically owned provider), which in some cases stretched back some generations within the same family.

Over the past decade a number of trends have occurred which have potentially served to challenge this perception of the sector, particularly with the advent of greater competition, the modernisation of management structures and the greater emphasis on the economic bottom line. Similarly, as already discussed above, cultural and technological changes have brought with them different priorities and aspirations among different generations of workers.

Against the background of the discussion of the broader attractiveness of this sector (above), this section explores the development of company culture. In this context company culture can be understood as the way in which a number of elements such as the work environment, company mission, company values, ethical considerations, expectations, and goals held by workforce and senior management combine. This has a clear influence on feelings of belonging and working relationships in the sector in this context.

It will be argued that in many countries, the sense of a railway family and of company loyalty has changed within a shifting socio-economic, policy and cultural context, although it potentially remains stronger in this sector, than in many others, due to its particular legacy. It will be discussed how modern rail companies are seeking to shape their human resource policies to build a new sense of belonging and corporate culture and looks at specific efforts to retain staff and engage with target groups often struggling to access the labour market, in an effort to address emerging labour and skills shortages, partly arising as a result of the impact of demographic change.

#### 6.3.5.1 *Is the 'railway family' becoming a thing of the past and can 'family' be replaced with 'corporate culture'?*

Company and workplace culture are influential factors in determining attractiveness and worker retention in the rail sector. In many countries the culture of a 'railway family' – particularly in the publically owned rail companies – have emerged historically and continue, to some extent, to be a key component of their attraction.

In **Belgium** and **France** it was argued by stakeholders consulted for this study that the unique jobs and transparent and equal career development opportunities foster the sense of belonging among rail workers. For example, the comparatively low entry requirements (except for white-collar employees and top level management) and high instance of substantive internal training, provides opportunities for career progression and job mobility (i.e. since the training is done internally, workers could easily retrain and move across job profiles) absent in many other sectors. Indeed, compared to other occupations in the public sector, which do offer similar job security, do not provide the same variety of professional opportunities.

In the **Czech Republic**, loyalty of employees to their employers and to the rail sector in general is very high. The underlying factors for the strong company identity lie mainly in the often life-long working contracts, stable benefits and job security.

In **Poland**, there is a more mixed feeling regarding company culture. The representatives of employers were of the opinion that there is a strong company culture – evident in frequent company events and high share of unionised workers. In their view general company culture might be even dysfunctional for the rail companies – due to lack of orientation to clients' needs. There are attempts to change it e.g. by introducing new values

like greater result orientation. Polish employee representatives expressed the view that company culture and general belonging to the 'rail family' is diminishing under management that is not rooted in the rail sector, rotated and appointed by politicians. In **Bulgaria**, the frequency of restructuring events and the high level of turnover in management positions in the two state-owned companies have significantly affected the working environment and restricted impacted on company culture and the sense of belonging. Similarly, in **Spain** the restructuring process (ongoing since 2006) to decentralise the company, has resulted in fewer staff seeing the rail sector as a career-long prospect. Thus, the previously strong feeling of belonging to the 'railway family' no longer resonates with many employees.

Similarly, the culture of a 'railway family' has also eroded in the **Netherlands** in recent years, as before the liberalisation of the sector, the companies sat together under one umbrella (the 'old' NS). The sense of belonging may still apply for some older workers, but generally it is no longer the case. The impact of the introduction of competition in **Sweden** also been dramatic. For example, as more companies have entered the market, workers have generally become less loyal towards their employer (although not all employers). Nevertheless, most workers tend to stay within the sector but are much more likely to move between employers. Additionally, the rail infrastructure sector, competitive tendering has resulted in more contract based work. This has changed the culture within the sector and has in some cases led to frustration among staff as they feel that the work as become overly bureaucratic.

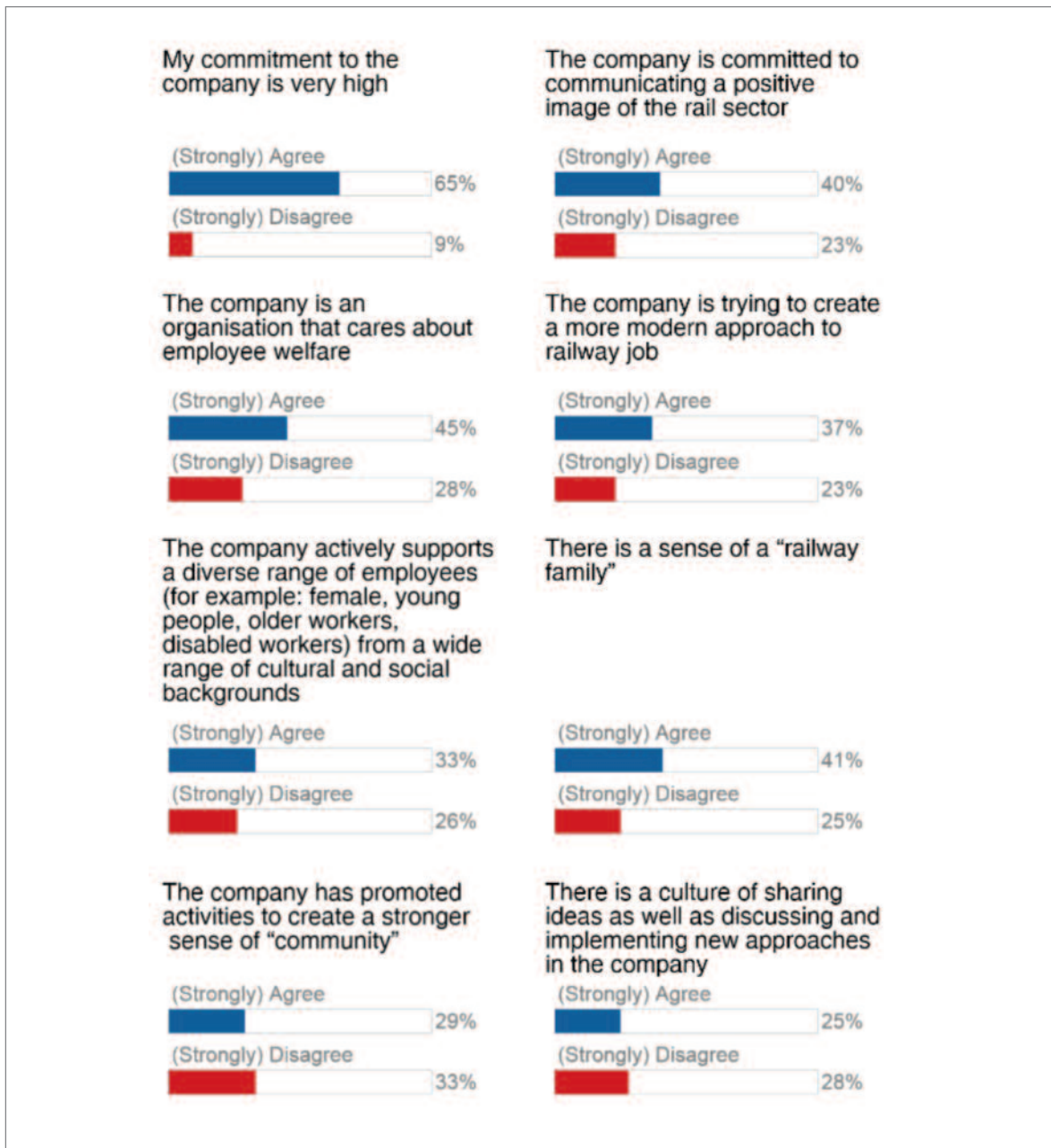
In **Italy**, a sense of belonging still exists in FS, although in recent years there have been some divisions among employees also due to the modernization FS Group passed through that have produced changes in the organization and in the "culture" of the work. This is the reason why FS believe that there is a need for more support and coaching during the induction period and in the first years of employment for young people.

In **Germany**, the DB 2020 strategy explicitly addresses company culture with the specific aim to become an attractive employer by increasing employee motivation and satisfaction. Which is why, even in spite of the current economic situation and significant structural and management changes there is still a high level of satisfaction. The high levels of satisfaction has the increases the feeling of loyalty to the company. The result of the most recent DB staff survey showed that more than 60 per cent of DB employees feel strongly connected with DB.

As part of the employee survey, employees were asked about their views on company culture promoted by management. Overall, the **commitment to their company among employees was high**. It should be noted that commitment may stem from different perspectives. Firstly, for some employees they may hold a positive feeling toward the sector as a provider of an important public service. Others may state that they have a high level of commitment because they are dependent on their employer with few alternative sources of employment.

In **France**, based on the results coming from a representative SNCF survey (2014) of 1904 employees representing approximately 150 000 the largest proportions of respondents agree that the company cares about employee welfare (59%). The results are not quite the same with the survey sent out through the trade unions networks, where only 6% by the 54 responding employees agree with the statement. From the SNCF survey the results were broadly similar for both men and women (with 60% of men and 59% of women stating that they felt the company cared about employee welfare). Most difference between respondents was found when analysed by age. Younger people were found to more frequently agree that the company cared about employee welfare (82% of under 25 year olds stated this, compared to 61% of those aged 50 and over)

Figure 6.1 Perceptions regarding company culture and support within the enterprise



Survey of employees (N=7509)

\*For France, the results come from 63 employees responding to the survey sent out through trade unions networks in all statements except 'The company is an organisation that cares about employee welfare' where the results come from a representative SNCF survey (2014) of a sample of 1904 employees representing approximately 150 000 employees.

Note: Results do not sum to 100% due to exclusion of don't knows or not stated responses and neutral answers.

### 6.3.6 Perceptions of the quality of interactions between management and employees and between employees

Changes in culture and the sense of belonging can be influenced by, and impact upon, relationships between management and employees and also between employees within a company. The perception of the quality of such relationships can also impact on the attractiveness of the sector or a company and on retention rates. The figure below shows that a good working atmosphere and corporate culture was seen to be a more important element making employment in the sector attractive in some countries than in others.

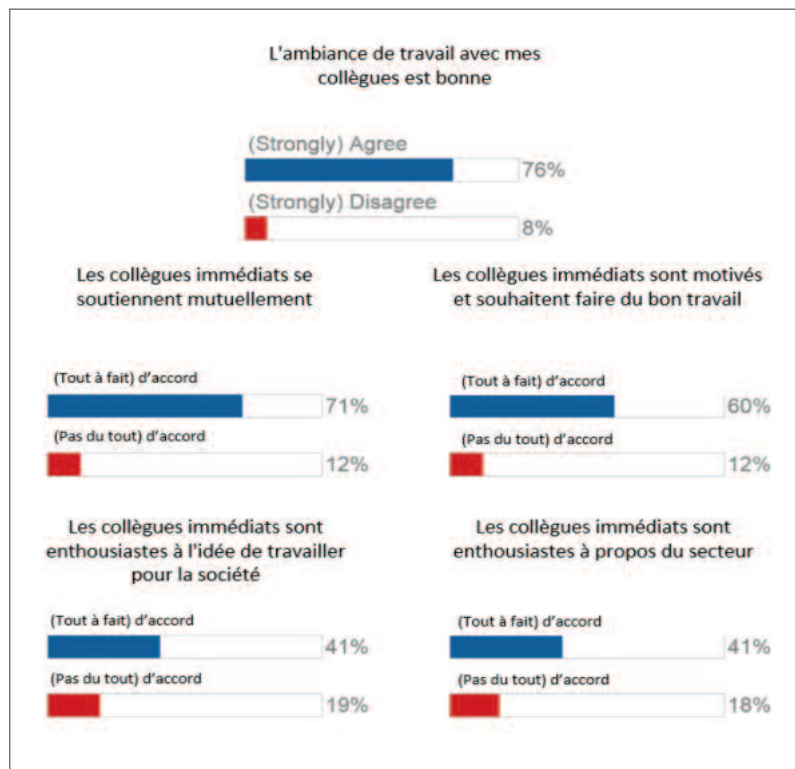
The figures below also demonstrate the importance of other factors in determining the attractiveness of the sector. Around three-quarters of respondents (strongly) agree that there is a good working atmosphere with colleagues and immediate colleagues are supportive of each other. Among different occupation groups the other support services (IT services / telecommunication) staff (83%), management (81%) and administrative staff (81%) more likely agree that immediate colleagues are supportive of each other. Lowest share of employees agreeing with this statement are among on-board staff (69%), sales (70%) and locomotive drivers (71%). Also these groups of employees less likely admit that there is good working atmosphere (respectively 70%, 72% and 68%).

60% of survey respondents stated that they work with motivated and quality oriented colleagues. More critical about their colleagues are on-board staff, locomotive drivers and sales staff.

41% of employees that completed the survey agreed that their colleagues are enthusiastic to work in the company and sector in general. Only a quarter of locomotive drivers see that their colleagues are enthusiastic about the work in company. Similarly only one in three stated that their colleagues were enthusiastic about the work in the sector.

In relation to the support provided to employees by management, the SNCF survey found that 92% of employees that responded to the survey stated they agreed that there was a good working atmosphere with their colleagues, this figure was broadly similar across different occupations and was similar for both male and female respondents.

Figure 6.2 Employee views on relationships with colleagues



Survey of employees (N=7509\*)

\*For France, the results come from 63 employees responding to the survey sent out through trade unions networks in all statements except 'There is a good working atmosphere with my colleagues' where the results come from a representative SNCF survey (2014) of a sample of 1904 employees representing approximately 150 000 employees.

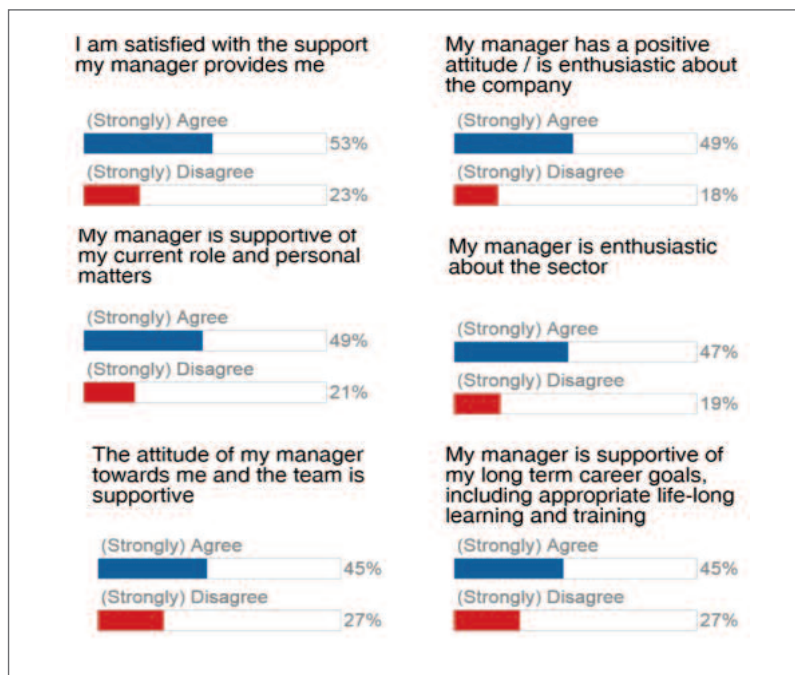
Note: Results do not sum to 100% due to exclusion of don't knows or not stated responses and neutral answers.



Similarly positively assessed are relationships between employees and their day to day managers in rail sector companies illustrates that over **half of respondents stated that their manager is supportive of employees' role and personal matters.**

Locomotive drivers are less likely to agree with all of these statements especially the ones assessing management enthusiasm towards work in the company and in the sector. Second most sceptical towards management group is on-board staff.

**Figure 6.3 Employee views on relationships with day-to-day managers**



Survey of employees (N=7509)

For France, the results come from 63 employees responding to the survey sent out through trade unions networks in all statements except 'I am satisfied with the support my manager provides me' where the results come from a representative SNCF survey (2014) of a sample of 1904 employees representing approximately 150 000 employees.

These perceptions are also underpinned by findings from stakeholder interviews carried out for this study and relevant literature and internal surveys provided. According to such an internal survey in Deutsche Bahn in **Germany**, working relations between colleagues seem to be good, although the relation between employees and management and communication could be improved. In a recent DB staff survey, 77% stated that they can rely on their colleagues if they support, however only 48% of employees rated the cooperation with other areas of work or departments as positive. It appears that there is still a 'silo mentality' that hinders efficient cooperation within the whole company. The importance is well-established and strong social dialogue was also emphasised as an important factor.

Germany has strong regulations on co-determination of employees to ensure the representation of interests of employees. This is also present in all railway companies, but is - in and of itself - not sufficient to ensure good communication with all staff. In a large company such as Deutsche Bahn, the existence of a Works Council for instance, is not enough to give many employees in such a big company as DB the feeling they are involved, as only 35 % of the employees responding to the company's own staff satisfaction survey stated that concerns of employees in important decisions are considered. Another problem is that only 37% of employees state that the internal communication is open and honest. Compared to 2012, this has even slightly decreased (from 38% to now 37%). Leadership is another important factor to influence the satisfaction rates of employees. According to some DB staff, managers do not encourage their employees to take stock (22%), and consider to a lesser extent their personal interests (19%) , or do not show that their work is meaningful and important (20%). The survey interprets the result as the need to work further on a 'culture of trust' within the company in which direct communication by leaders plays a key role.

In **France**, relationships between the management and employees and employees to employees are key elements of SNCF/rail sector culture. According to the representative SNCF survey 70% of the 1904 responding employees are satisfied with the support their manager provides them (whereas this is only the case for 19% of 63 employees responding to the survey distributed through trade unions network).

In **Italy** the size of FS often means that young employees need to receive the highest support to ensure a full integration into the culture of the company and the world of work in general. A number of initiatives have been implemented by the company to improve the communication with employees and ensure that workers are aware of strategies and objectives. Initiatives include the 'story telling project' where a series of work-life stories have been collected and included in a specific section of the intranet; training of 'opinion leaders' employees across different sites working to support and motivate other colleagues. The company is increasingly investing in these types of HR strategies to support retention of staff as well as recruitment, all the more so within a social context where the public opinion is not aware of the many changes that occurred in the last years in the railway sector and the potential for highly qualified positions and career paths.

### **6.3.6.2 Identifying future challenges in relation to company culture and working atmosphere**

As part of the workshops held for this research, participants identified future challenges and priorities in the rail sector. These are outlined in the box below.

#### **Box 7**

#### **Challenges in developing a positive company culture and working atmosphere**

- Workshop participants found it difficult to define the term company culture, which is often seen as "the way that things are done around here". Culture is a central idea which is constantly changing. This is an issue that therefore needs constant attention.
- How do we translate company culture across different countries / occupations / departments? Generating a positive working environment should be the atmosphere generated from company culture. This requires:
- Flexibility to fit with the demands of employees but under the constraints of rules and deliverables of the industry.
- Communication: can be a challenge if changes are not well explained to employees. In some countries there are frequent changes in employers as a result of the franchise system. In other countries there is a stronger, better understood culture and railway family. In most countries, however, a culture of the railway family persists regardless of employer changes.

Strength of the working atmosphere depends:

- on the specific job role / occupation.
- Workload, shift design
- Relationship and communication with employer
- Nature of customer needs

### **6.3.7 Work life balance**

Particularly in occupations which require a high level of mobility and working outside of normal office hours, the issue of work life balance was highlighted as a factor which might limit the attractiveness of the sector. A number of employers provided examples of offering crèche facilities or vouchers, flexible working and local autonomy over rostering. Other initiatives to support work-life balance across the life cycle include working time accounts (see also Box 7 above). Teleworking is also increasingly being offered as a possibility to administrative staff.

### **6.3.8 Other factors**

Other factors mentioned in stakeholder consultation were seen to impact the quality of working conditions in the sector include increasing trends towards outsourcing, with staff in outsourced functions generally not benefitting from the same terms and conditions as individuals working directly for rail sector companies.



## 7 Joint approaches taken by social partners to increase the attractiveness of the sector

Social partner actions can play a key role in enhancing the attractiveness of the sector. Such activities can be initiated at different levels and involve various types of co-operation. Social partners have been active at European sectoral, national sectoral, regional sectoral and at company level.

Social partner actions can be taken unilaterally and jointly and in this section focus will only be placed on joint activities. This focus excludes, for instance, a planned campaign by the association of German transport companies (*Verband Deutscher Verkehrsunternehmen, VDV*) to increase the attractiveness of the sector.

Finally, such measures can be implemented via collective agreement (at national, regional or company level) or via other joint actions, declarations, agreements or projects.

As highlighted in the contextual part of this report (see section 2), the attractiveness of the rail sector is significantly influenced by the surrounding policy, regulatory, economic and industrial relations framework. Social partner particularly at European, national (and regional) level have an important role to play in seeking to shape these contextual factors. However such higher level 'political' activities will not be discussed further in this section, which will instead emphasis more practical, direct measures to enhance the attractiveness of the sector.

Overall, this study has revealed that the vast majority of the actions jointly taken by social partners which can contribute to the attractiveness of the sector are currently taken at company level and focus around the following issues:

- Stability and security of employment;
- Ensuring attractive salaries and terms and conditions;
- Providing opportunities for flexible working (including adapting shift patterns to individual requirements);
- Adapting to demographic change and ensuring work ability and employability throughout working life and the potential for partial or early retirement measures;
- Ensuring suitable training plans and an attractive training offer;
- Introduction of measures to encourage the recruitment of women into occupations where they are currently under-represented.

Regional or national collective bargaining and activity in this field is currently limited. It must also be noted that a complicating factor when presenting measures taken at the company level throughout this report (e.g. in section 3 summarising country level information and the in the subsequent thematic sections), is that it is not always clear how many of these measures were indeed agreed jointly by social partners at company level and how many are unilateral initiatives by the employer side.

Furthermore, the level of activity by sectoral social partners at the national and regional level needs to be seen against the background of collective bargaining structures in different countries (and in the sector specifically), as well as the extent to which skill or labour shortages are identified as a significant concern in the sector. With regard to the countries studied in depth for this report it is therefore notable that sectoral level bargaining (at national or regional level) only takes place in Germany, Italy, the Netherlands and Sweden and is at its beginning in France.

Even here, company level collective agreements are arguably much more significant in setting standards which shape the attractiveness of the sector and therefore no important (national or regional) sectoral collective agreement could be identified which contains measures significantly impacting the attractiveness of the sector, beyond setting out basic wage and terms and conditions applicable which shape the basic standards with which employers in the sector compete against other sectors seeking to recruit staff with similar qualifications. The main focus in what follows is therefore on company level collective agreements.

### 7.1.1 European level social partner actions

The European social partners discuss social and personnel related issues in their joint work, which are relevant for railway companies, infrastructure managers and their personnel in all or many EU member states. Every year, the social dialogue committee adopts a work programme that follows current developments in the sector. The work programme covers the following areas

- Information and consultation on EU railway legislation (tripartite part of the dialogue). This is the formal European social dialogue, where the European Commission is included.
- Negotiation, implementation and follow-up of agreements. The social partners negotiated two autonomous agreements in 2014 (see below), which were implemented in EU legislation in the form of Council Directives. The implementation and respect at national level as well as a possible review are regular topics in the work program of the European social partners.
- Joint recommendations is the second most important instrument of the European Social partners. They are legally not binding but morally binding for the signatory parties. Joint recommendations usually address the CER and ETF member organisations and are intended to be implemented at company level.
- Joint positions on EU railway legislation and social politics, if common points are identified
- Regular contact and formal consultation by the European Railway Agency on its work programme and draft recommendations regarding the social dimension is ensured by EU legislation
- Joint projects on social topics: CER and ETF organise joint projects and studies, to achieve results according to the objectives of the annual working programmes.

Two agreements were signed in 2004, these agreements social partners defined their own terms and conditions for the workers concerned. The two agreements define common qualification standards, safeguard the health and safety of mobile railway workers and attempt to avoid social dumping. Further details of the two agreements are outlined in the table below.

Social Partner Agreements	
<p><b>Agreement on a "European licence for drivers carrying out a cross-border interoperability service" (2004)</b></p>	<p>The agreement aims to ensure qualification standards and thus ensures safety and improve the mobility of drivers. They receive a European operation licence card and a complementary certificate, indicating the infrastructure and rolling stock which the train driver is authorised to operate. The content of the "European license for locomotive drivers" agreement was integrated in the Commission's draft directive "on the certification of train drivers operating locomotives and trains on the railway system in the Community" within the 3rd Railway Package and became Directive 2007/59/EC</p>
<p><b>Agreement "on certain aspects of the working conditions of mobile workers engaged in interoperable cross-border services" (2004)</b></p>	<p>It contains a limitation on driving hours and stipulations regarding breaks, minimum daily and weekly rest periods and the maximum number of rests away from home. The agreement aims to improve safety and avoid social dumping. This agreement was transformed into Directive 2005/47/EC (application of Art. 155(2) of the TFEU) and adopted by national legislatures.</p>

The social partners produce joint recommendations with significant implications for the companies and trade unions. These agreements are process-oriented texts, which, albeit not legally binding, should be followed; progress in implementing these recommendations must be regularly assessed. Details of Social Partner Joint recommendations are outlined in the table below.

<b>Social Partner Joint Recommendations</b>	
<b>Better Representation and Integration of Women in the Railway Sector (2007)</b>	<p>The social partners CER and ETF prepared joint recommendations to support equal opportunities for women in the railway sector in 2007. The social partners wanted to contribute to better representation and integration of women in the sector, which traditionally is a male-dominated.</p> <p>According to the joint recommendations from 2007, a follow-up project was conducted in 2012: "Follow-up of the CER / ETF Joint Recommendations 'Better Representation and Integration of Women in the Railway Sector': Implementation - Evaluation - Review". The aims of the study were to compare developments to the situation in 2003, to update statistical data with a view to improving representation of women in the railway enterprises and the respective trade unions, and to monitor and evaluate implementation of the joint recommendations. The result of the study was a set of joint recommendations.</p>
<b>The Concept of Employability in the Railway Sector (2007)</b>	<p>With the recommendations on employability, the European social partners CER, EIM and ETF advise their member organisations and affiliates to use the strategy of employability as described in the memorandum of 2007 as a central guideline for human resources policy.</p> <p>The strategic concept is based on prevention and aims to create a working environment, which maintains and improves the qualification, competences, health and fitness of workers. All involved parties - company, employees, works councils and trade unions - share responsibility here. The strategy should be agreed on the basis of social dialogue between the social partners with a view to obtaining maximum benefit for all partners.</p> <p>In 2010 a follow-up project on "Employability in the face of demographic change" was set up, where best-practice examples were collected and the situation in the companies was presented in a survey.</p>
<b>Promoting Security and the Feeling of Security vis-à-vis third-party Violence (2012)</b>	<p>In issuing these joint recommendations, the European railway sector social partners intended to support their members - affiliated unions and companies - in taking measures that help to increase security and confidence of staff and passengers vis-à-vis third-party violence. They also want to contribute to improving working conditions in rail passenger transport and to initiate strategies aimed at preventing and handling third-party violence at work using practical measures.</p>

Social Partner Joint Recommendations	
Identify and prevent Psychosocial Risks within the Railway Sector (2014)	The joint recommendations aim to contribute to improving working conditions in the rail sector by tackling the problem of psychosocial risks and identifying sector-specific measures that help to reduce the problem. The specific objectives of the joint recommendations are to increase employer and worker awareness and understanding of work-related psychosocial risks and to draw their attention to signs indicative of risk. The social partners would like to see strategies and action initiated in their affiliated unions and companies with the aim of preventing and managing work-related psychosocial risks.

Joint opinions denote joint positions of the European social partners on certain aspects of policy. They are designed to influence European policies and to help share knowledge.

Social Partner Joint Opinions and Reports	
Social aspects and the protection of staff in competitive tendering of rail public transport services and in the case of change of railway operator (2013)	<p>Although the European social partners differ in their view on the need for further liberalisation and market opening, they share the conclusion that the consequences of competition should not affect the working conditions of staff providing services by requiring, at national, regional or local level, binding social standards and/or the compulsory transfer of staff in cases where the operator is changed.</p> <p>On 23 September 2013 the European Social Dialogue Committee for Railways adopted the joint opinion. CER and ETF agreed on the "joint opinion". Five principle statements explain the social partners' position in this joint opinion. In its first reading of the 4th railway package the European Parliament adopted the main propositions of the "joint opinion" that the EU social partners CER/ ETF had agreed upon.</p>

Additionally there have been a number of joint projects undertaken by European Social Partners, such as:

- Employability and demographic change (3 studies from 2004 to 2010); Rail freight business restructuring and its impact on employment (2008-2009);
- Social dialogue in new member states and candidate countries (3 projects in 2004, 2006, 2014);
- Equal opportunities (3 projects: 2004/2005, 2007 and 2012);
- Insecurity and third-party violence (2012);
- Identify and prevent psychosocial risks (2013); and,
- Social aspects and the protection of staff in case of change of rail operator (2013)

## 7.1.2 Social partner actions at the company level

In Germany, the social partner at DB negotiated a wide ranging collective agreement aimed at addressing the impact of demographic change. The so-called 'Demography collective agreement' (Demographie-Tarifvertrag) was first negotiated between DB and EVG in 2012 and entered into effect in 2013. Continuous evaluation of the impact of the collective agreement is an integral part of its implementation and the first such evaluation took place in late 2013. As a result, the collective agreement was developed further in 2014 and was again evaluated in 2015 and has again been developed since then. The main developments in 2014 and 2015 related to the scope of the agreement (e.g. in 2015 similar agreement was reached for the bus sector) and the development of partial retirement options and long-term working time accounts.

The idea behind the collective agreement was to fundamentally rethink future HR, collective bargaining and social policy in the company with on the one hand the recognition that employees' individual needs had to be taken into account more strongly in setting employment conditions, while at the same time giving greater responsibility to employees for their own personal development. Individual companies within DB were also to be given greater room to find tailored solutions locally on working time, shift scheduling, operational planning and projects on health promotion and ergonomics.

The emphasis of this collective agreement is on ensuring the work ability and employability of staff throughout life cycle and the recognition what individual requirements (for instance in relation to working hours and the need for work-life balance measures) changes throughout their career. There is therefore a strong emphasis on initial and continuous training, as well as on health and safety, job and workplace adaptation measures and the use of long-term working time accounts.

A key feature of the collective agreement is the commitment to secure employment (no economic redundancies) which is a significant commitment given the challenges posed by increasing competition in the sector.

The agreement also develops partial retirement options which follow on from the possibility of taking staged retirement which was, at one time supported in government policy (but was phased out a number of years ago).

Furthermore, it includes more detailed measures for the operation of long-term working time accounts and the ability of individuals to use such time, for instance for ongoing career development measures.

Also included in the package of measures are initiatives to support work ability (health promotion measures) and the commitment that individuals who can no longer perform their current job for health reasons will be supported to find alternative employment in the company.

In the FS Group in Italy, social partners are represented on the National Training Committee which is the result of a company level collective agreement. Similar agreement regarding the cooperation, investment and commitment to training measures also exist in other companies, including SNCF.

In France, the social partners at SNCF negotiated a wide range of collective agreements about topics which increase the attractiveness of the company (which represent most of the employees of the railway sector):

- Collective Agreement on modalities of management of the social and cultural activities within SNCF ("Groupe Publique Ferroviaire" = "Public Railway Group"): The Central working council of SNCF is in charge of the management of the social and cultural activities with a national character. The activities include: access and creation of libraries, SNCF vacation centres available for families, vacation camps for kids in summer and winter, supra legal participation of canteen cost, sport activities.
- Collective Agreement on part time work: part time work makes it possible for workers to work less than the weekly time expected normally. The working duration may be reduced between 50 % and 91.4 % of the expected working time which is normally 100%.

- Collective Agreement in favour of professional gender equality: this agreement has established four points of improvements: Increasing the professional gender equality; Ensuring fair rules in career development; combating sexism; encouraging work-life balance.
- Collective Agreement in favour of disabled workers. This agreement has established several points of improvements: recruiting 100 persons in situation of disability per year between 2015 and 2017; improving existing measures; encouraging a work-life balance; and, changing the opinion and stereotypes on disability.
- Collective Agreement to improve the policy of housing assistance of employees: Promoting the social access to property/ownership by developing the right partnerships; Experimentation of flat share; Accompanying measures for the geographical mobility of the employees; Reaffirmation of a guarantee mechanism for housing loans; Participation of housing costs for new employees; Support of employees having temporary financial issues after examination of their individual situation; and, Increasing the rental offer of temporary furnished housing.
- Collective Agreement on Time Saving Accounts: To increase flexibility in using Time Saving Accounts (removal of the condition of 1 year seniority to open a Time Saving Accounts, possibility to use the Time Saving Accounts to complete a paternity leave). Now every Time Saving Accounts can be monetized at the request of the employees.

Finally, social partners through company level collective agreements also have a key role to play in setting terms and conditions which make the company more attractive to external recruits. This often includes not only a package of attractive benefits, but also measures to support work life balance and health promotion, among other things.

## 7.2 Country Collective Agreements

The table below provides a summary of collective agreements in the study countries.

Country	Details
Bulgaria	The Recommendations of the European social partners from the rail transport on Insecurity and on Better representation of women have been included in the Sectoral CBA and the CBAs of the railway and urban transport companies by separate clauses and a Chapter on Gender equality and Prevention of workplace violence.
Belgium	<p>The protocol of social agreement is applicable to all staff, but most of the topics relates mainly to staff who work as an official.  The collective agreement applies only to staff working with an employment contract.  Provisions in the agreements between the social partners within the Belgian Railways (at company level) relate to</p> <ul style="list-style-type: none"> <li>■ Employment of staff</li> <li>■ Administrative and pecuniary career</li> <li>■ Internal mobility</li> <li>■ Duty- and rest times</li> <li>■ Measures on leave</li> <li>■ Re-employment of staff that is unsuitable due to health reasons</li> <li>■ Social affairs</li> <li>■ Well-being at work</li> <li>■ Diversity and neutrality</li> </ul>

Country	Details
Czech Republic	<p>Each organization has individual collective agreements. These provide the following benefits:</p> <ul style="list-style-type: none"> <li>■ Transportation benefits</li> <li>■ Working hours: 36 hours per week (selected employees) / 37,5 hours per week</li> <li>■ Contribution to meal vouchers</li> <li>■ Holidays - maximum 30 days</li> <li>■ Contribution to recreation, to pension insurance, to life insurance, and to cultural and sport activities</li> <li>■ Reconditioning treatment program for selected employees</li> </ul>
Germany	<p><b>Collective agreements</b></p> <ul style="list-style-type: none"> <li>■ Grundsatzregelung zur gemeinsamen Gestaltung der Personal-, Sozial- und Tarifpolitik in den Unternehmen des DB Konzerns (DemografieTV) Essential topics: <ul style="list-style-type: none"> <li>- Obligation of taking over trainees after successful graduation</li> <li>- Perspectives for every phase of work and life (from vocational training to retirement): Recruitment of young professionals; Encourage potentials; Employability; Profession and biography; Career change; Employee loyalty ; Demographic working time model for employees over age 59; Further development of reconciling work and family; Job Security; Temporary work / equal pay</li> </ul> </li> <li>■ Tarifvertrag über arbeitgeberfinanzierte Leistungen zur betrieblichen Altersvorsorge für die Arbeitnehmer verschiedener Unternehmen des DB Konzerns (bAV-TV)</li> <li>■ Tarifvertrag zum Job-Ticket für die Arbeitnehmer verschiedener Unternehmen des DB Konzerns (KonzernJob-TicketTV)</li> <li>■ Tarifvertrag zur Führung von Langzeitkonten für die Arbeitnehmer verschiedener Unternehmen des DB Konzerns (Lzk-TV)</li> <li>■ Tarifvertrag für Nachwuchskräfte verschiedener Unternehmen des DB Konzerns (NachwuchskräfteTV) Topic: Young professionals' working conditions</li> <li>■ Tarifvertrag zur zukunftsfähigen Weiterentwicklung der Funktionsgruppen und des Entgeltsystems (TV Arbeit 4.0) Purpose of this collective agreement is the further development of our collective agreements considering the demographic change and the change of working environment (digitisation).</li> </ul> <p><b>Employer / works council agreements</b></p> <ul style="list-style-type: none"> <li>■ Konzernbetriebsvereinbarung Bildung</li> <li>■ Konzernbetriebsvereinbarung DB Planet (KBV DB Planet) "DB Planet" is the social intranet for all employees of Deutsche Bahn.</li> <li>■ Konzernbetriebsvereinbarung zur Integration und beruflichen Förderung behinderter Beschäftigter innerhalb des DB Konzerns (KBV Behinderte integrieren)</li> <li>■ Konzernbetriebsvereinbarung zur Förderung der Gesundheit der Mitarbeiter im DB Konzern (KBV Gesundheit)</li> <li>■ Konzernbetriebsvereinbarung Nachwuchskräfte</li> <li>■ Rahmen-Konzernbetriebsvereinbarung zur Vereinbarkeit von Beruf, Familie und und Biografie</li> </ul>
Spain	RENFE Collective Agreement
Italy	<p>FS Group: CCNL della Mobilità/Area contrattuale delle Attività Ferroviarie 20.7.212 Contratto aziendale di Gruppo FS 20.7.2012 Include the overall package offered by the FS (pay, welfare see paragraph "Social partner actions at the company level", enhanced maternity provision). Agreement 25 February 2011 on a National Training Committee for FS Group. Agreement 15 June 2015 on prevention and contrast third party violence Other companies: Often apply agreements from other sectors (e.g. from road transport).</p>

Country	Details
Netherlands	<p>Collective agreements (Collectieve arbeidsovereenkomst or cao in short are in place for the following groups:</p> <ul style="list-style-type: none"> <li>■ The NS has its own company-wide cao, but also falls under a multimodal cao for all organisations transporting passengers.</li> <li>■ ProRail has its own companywide cao.</li> <li>■ ProRail's Subcontractors fall under a sectoral cao, but may also have their own company-wide cao. Negotiations on the sectoral railinfra cao have stalled and this means it runs a risk of falling behind others in the rail sector where there is no companywide cao.</li> <li>■ Companies transporting freight will generally have a company specific cao, but for some this may still be based on the old pre-liberalisation cao</li> </ul>
Poland	<p>At companies for which the State owns a majority of the shares (those responsible for managing railway lines (e.g. PKP PLK)) have separate collective agreements. At private companies usually there are no collective bargaining agreements.</p>
Sweden	<p>There are two main national sectoral collective agreements in place for the rail sector - one for railway operations (Spårtrafikavtalet) and one for rail infrastructure (Branschavtal Järnvägsinfrastruktur). These set the minimum employment standards for almost all workers in the sector. Elements covered in the both the national sector and local (operation specific) agreements include the following: Pay; Working hours; Overtime; Additional hours; Traveling time allowance, etc.; Compensation for unsocial and on-call hours; Holidays; Sick pay, etc.; Parental leave; Leave; and, Notice of termination.</p>
Slovenia	<p>Collective Agreement for Railway Transport (Kolektivna pogodba za dejavnost železniškega prometa)</p>
UK	None



## 8 Strategies to increase the attractiveness of the sector and improve recruitment and retention

Rail companies in the European Union are undertaking significant efforts to address the issues highlighted above with regard to the image of the sector and the emerging labour and skills shortages. The extent to which such efforts are undertaken varies between companies and countries and depends partly on the scale of the challenge faced, but also on the resources available. This section begins by outlining the more general context of broader Human Resource Management approaches adopted by rail companies. It then discusses the awareness among pupils, students and job seekers of companies in the sector and the variety of career opportunities they can offer and subsequently presents measures taken to address what will be shown to be a lack of appreciation among these target groups of the breadth of job profiles required by modern rail passenger transport and network operators. Subsequently, it discusses measures aimed at recruiting and retaining different target groups, e.g. young people, women, older workers and migrants.

The following are the key findings which emerge from this section:

- Significant efforts have been taken by many rail companies in the European Union to increase the attractiveness of the sector and to modernise their recruitment and retention efforts;
- In a number of cases a strong link is being made with employer branding and recruitment strategies, presenting rail companies and modern and sustainable employers offering a meaningful job in a company with good environmental credentials;
- Addressing misconceptions about the type of job and career opportunities available in the sector is an important part of such strategies;
- Most significant efforts are being targeted at young people including research to understand their motivations, information campaigns targeting them through suitable channels, and partnerships with schools, colleges and universities;
- In shortages occupations, some rail companies invest in funding students through college/university;
- Apprenticeships are also a core part of the approach in attracting young people, particularly in countries which already place strong emphasis on school to work transitions via apprenticeships;
- Particular efforts also exist to attract target groups which are currently under-represented (e.g. women, individuals with a migrant background);
- In the context of the policy emphasis on tackling youth unemployment and the migrant crisis, some rail sector companies are particularly involved in offering opportunities to disadvantaged young people and recent migrants and refugees;
- Less work is being done in relation to the recruitment and retention of older workers, although some efforts exist to enhance work ability and allow experienced workers to mentor young recruits;
- More limited activities are visible in relation to the improvement of terms and conditions, partly as a result of ongoing restructuring efforts and the emphasis on competitiveness. Where such initiatives exist, the mainly target work life balance measures.

## **8.1 Approaches to strategic human resources planning in European rail sector companies**

Theoretical and practical approaches to human resource management have evolved significantly in recent years and are generally favouring more holistic approaches, recognising the importance of integrating HR strategies with wider businesses goals and planning in order to be successful. As part of this (and as already indicated above), in some companies, an increasingly 'scientific' approach is being taken to understanding the requirements and motivations of different groups of potential recruits and existing employees. The latter is generally done through the more 'quantitative' approach of regular employee satisfaction surveys, as well as more 'qualitative' and individual approach of regular appraisal and career planning.

### **8.1.1 Linking employer branding with human resource management measures**

An approach which combines efforts to create positive and modern employer branding with a holistic recruitment and employee development and retention strategy is clearly visible in the approaches being taken by Deutsche Bahn in Germany, SNCF in France and FS in Italy. All companies have recently invested in advertising campaigns demonstrating the cultural and economic importance of the sector, as well as its green credentials and investment in modern infrastructure and customer service. This is clearly done with one eye on its impact on recruitment, with Deutsche Bahn, for instance, reporting a significant increase in job applications following the airing of such advertisements via various media.

### **8.1.2 Increasing the understanding and use of different media for recruitment and staff development purposes**

Companies are equally increased their investment in understanding the use of – and subsequently utilising different channels to engage with different target groups. A clear understanding of the use and impact of these different media is critical, not only to maximise impact but also efficiency, as very different levels of financial investment are attached to their use.

The utilisation of web-based (interactive) media to provide information on job profiles and vacancies was reported in many companies and countries. Similarly, online tools are increasingly supporting staff development, e.g. through the internal advertising of vacancies; making available information about internal career paths and associated required training, etc.

### **8.1.3 Different balances are struck between emphasising external recruitment and the development of the internal workforce**

Depending on the precise skills requirements, existing workforce structure and the nature of the external (regional, national and international) labour market, different companies are variously emphasising external recruitment over internal staff development and vice versa. For instance, stakeholders in Italy and the Netherlands emphasised the importance of developing existing staff.

### **8.1.4 In some companies and countries there is still an emphasis on restructuring and associated job losses**

It is important to note that in a number of countries and companies, there remains a preponderance of restructuring and associated perceived need to shrink the workforce. This can affect the private and public sector to different extents. In the Czech Republic, for instance, it was reported that the public sector continues to reduce its workforce while private providers are more likely to recruit. At the same time, however, it was often noted that employment among private providers can be more precarious in a more competitive market, particularly where public providers have made commitments to ensure job security.

### **8.1.5 The EU Quality Framework for Restructuring**

A useful approach to anticipating and managing restructuring is provided through the EU Quality Framework for Restructuring. The framework is a soft law instrument setting out best practice for the anticipation and monitoring of restructuring for stakeholders involved.

The QFR is based on practical examples identified within a variety of contexts. It is acknowledged that practices may not be automatically transferable. However, they are to act as inspiration and guidance to different stakeholders to prepare for and manage restructuring situations in a socially responsible way. As such this is a useable framework for the rail sector which can be considered within the different national contexts tha the sector operates.

The QFR communication was issued in December 2013 and requested that:

- Member States to support, disseminate and promote the wide application of the QFR
- All stakeholders to conceive and implement its principles and tools
- Member States to consider also applying the QFR to SMEs and to public sector employees
- Social partners to contribute to reinforcing the QFR and to ease the economic adaptation process by drawing up and negotiating at the relevant level frameworks of action on anticipation of change and restructuring and internal flexibility.

The QFR contains a set of around 30 good practice actions and instruments to be adapted and used by different actors in the process of anticipating and managing change and restructuring (outlined in the table below).

**Table 8.1 Actions et instruments à adopter dans l'application du QFR**

Stakeholders	Anticipation of change	Management of restructuring
Employers	<ul style="list-style-type: none"> <li>■ Conduct strategic long-term monitoring of company financial performance and technological and market developments</li> <li>■ Engage in continuous mapping of skills needs</li> <li>■ Implementation of measures targeted at individual employees (flexibility measures, training and career development measures to support internal and external flexibility)</li> </ul>	<ul style="list-style-type: none"> <li>■ Building of internal consensus through joint diagnosis in line with comprehensive information and consultation processes</li> <li>■ Help to organise personalised support for individuals affected by restructuring</li> <li>■ Involve internal actors at an early stage</li> </ul>
Employees representatives	<ul style="list-style-type: none"> <li>■ Engage in continuous mapping of skills needs</li> <li>■ Implementation of measures targeted at individual employees to support internal and external flexibility</li> </ul>	<ul style="list-style-type: none"> <li>■ Establishment of joint diagnosis with management</li> <li>■ Agreement company specific procedures on dealing with restructuring situations</li> <li>■ Contribute to design and implementation of specific measures to support employees</li> <li>■ Follow up and assist workers made redundant</li> <li>■ Participate in external partnerships to support affected workers</li> </ul>

Stakeholders	Anticipation of change	Management of restructuring
Individual employees	<ul style="list-style-type: none"> <li>■ Collect information needed to understand the situation of the company</li> <li>■ Review own skills and update career orientations</li> <li>■ Strengthen own employability and mobility</li> <li>■ Exercise rights to training and education</li> </ul>	<ul style="list-style-type: none"> <li>■ Seek information on company strategy, restructuring plans and available support measures</li> <li>■ Explore possible actions to avoid being made redundant</li> <li>■ Make use of individuals support measures being made available (for internal or external redeployment)</li> </ul>
Social partners and sectoral organisations	<ul style="list-style-type: none"> <li>■ Mapping of future jobs and skill needs</li> <li>■ Drawing up frameworks for worker involvement</li> <li>■ Preparation of measures for affected workers, including to support internal and external flexibility and mobility</li> </ul>	<ul style="list-style-type: none"> <li>■ Support joint diagnosis</li> <li>■ Explore and negotiate possible options as alternatives to redundancies</li> <li>■ Support redundant workers individually</li> </ul>
National and Regional authorities	<ul style="list-style-type: none"> <li>■ Continuous mapping of labour and skills needs</li> <li>■ Develop measures target at individual employees to boost flexibility and mobility</li> <li>■ Develop measures to promote regional economic adaptation</li> </ul>	<ul style="list-style-type: none"> <li>■ Support joint diagnosis</li> <li>■ Explore alternative options to prevent redundancies</li> <li>■ Support redundant workers individually (including through PES)</li> <li>■ Facilitate partnerships between actors</li> </ul>

## 8.2 Tackling the challenge of lack of awareness of career opportunities in the sector

In addition to issues surrounding the overall attractiveness of the discussed above, the rail sector faces a number of other recruitment challenges, which company initiatives are increasingly seeking to address. An important pre-requisite for successful recruitment is awareness of companies in the sector and among young people, students and experienced workers, as well as knowledge of the range of job profiles available in rail companies. The latter is also linked to prevailing perception of who 'employment in the rail sector is for' (e.g. mainly highly skilled or low skilled staff, women or men etc.).

### 8.2.1 Overall awareness of companies active in the rail sector is high

A survey was also carried out among students and pupils in six countries in order to establish how aware these target groups were of rail companies and career opportunities within these companies, and indeed the perceived attractiveness of such careers. Findings here are of particular relevance between of the impending (or existing) skill and labour shortages facing the sector in many countries as a result of the impact of demographic change. In some cases, results have been contrasted with findings from the survey of apprentices to compare the views of individuals who have yet to enter the sector with that of those new to the sector and undertaking apprenticeships.

Overall, the **vast majority of students and pupils in all countries where survey was conducted could name at least one rail company** in their country. Interestingly, over three quarters of students in four countries (France, the Czech Republic, Sweden, and Italy) could also name rail companies in other countries, potentially revealing the impact of the increasing entry of such companies onto domestic markets, or simply the greater 'internationalisation' of world views resulting from the possibilities of information and communication technologies, as well as the greater experience of foreign travel. Except in Germany and Italy students are quite aware of

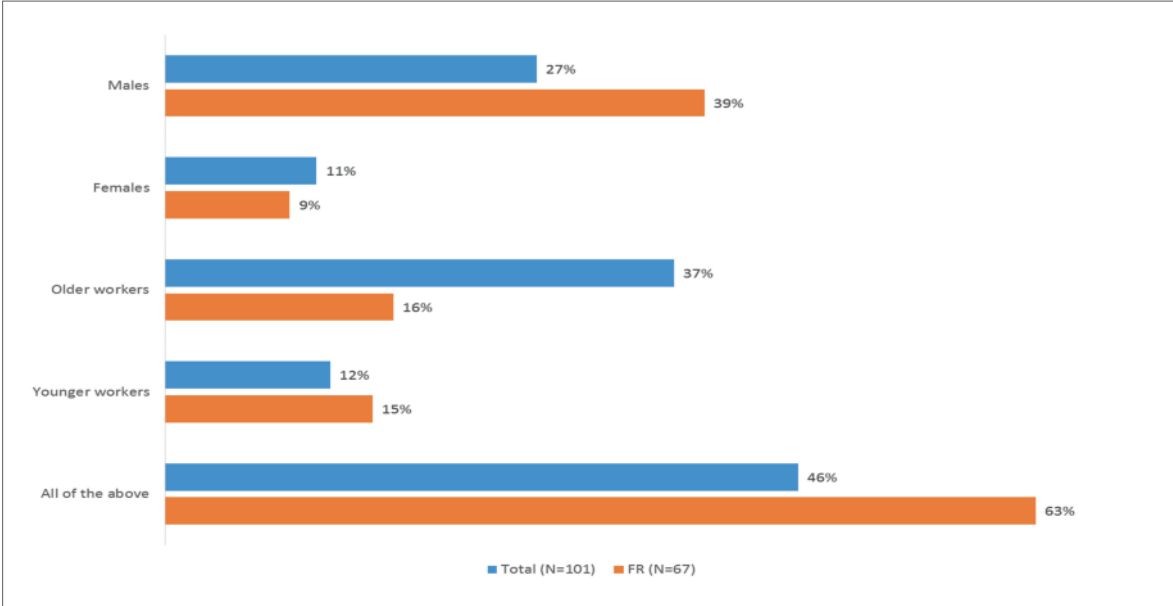
positions offered by rail companies. Difference in this regard might be due to the profile of respondents and do not necessarily reflect negatively on the efforts of the industry and companies in these countries to market their careers.

**8.2.2 Sector is considered to be dominated by men and older workers and is often not considered to be ‘modern’**

Students and pupils were also asked about their knowledge of the profiles of jobs in the sector and who they would be likely to be attractive for. In five countries the respondents, in common with apprentices, mostly indicated a belief that the rail sector is **dominated by males and older workers**. Only French students indicated a view that the employment in the sector is more gender balanced, with larger presence of young employees. This result is similar to the view found in the French apprentice survey.

Apprentices were also asked about their perception of types of employees in the railway sector (these data are illustrated in the Figure below). The highest shares of respondents (46%) stated that all types of employees are represented in rail sector. Respondents were more likely to indicate that the sector is a male dominated sector (27%) with an old workforce (37%).

**Figure 8.1 When you think of the railway sector, which types of groups would be most likely to work in the railway sector?**



Survey with apprentices

Note: Results do not add up to 100% due to multiple responses.

**8.2.3 The significant number of job opportunities are often not known to job seekers**

In most of the study countries there were interviews that identified the issue of a misconception regarding the jobs which exist in rail companies and those that prospective employees believe are available. A common reason given for this is that passengers are only exposed in their daily life to certain jobs on board of trains or in train stations and do not understand that there are jobs that are less known.

**8.2.3.1 Importance of the presentation of vacancies**

The employee survey asked some questions which provide information relating to job selection criteria for job seekers. This part of the survey is analysed below. These data illustrate the importance of how companies present vacancies in adverts and the extent to which respondents were willing to relocate to another country for a job in the rail sector.

Employees working with the company for less than two years were asked about the **importance of the presentation of the recruitment advertisements in attracting them to the sector**. Since only in the Czech Republic sufficient number of respondents replied to the question the analysis is limited. Just over 40% of employees argued that presentation played a role in attracting them to work in rail sector and within this number 10% agree that presentation played very important role. Women and employees over 55 years of age more often report the importance of presentation of job advertisements in taking the decision of starting work in rail sector. However, for every third employee the way of presenting the job was irrelevant (20%) or not important (13%). One in four Czech employee could not answer to the question or were unsure of the importance of the presentation of the job. The high share of such responses can be explained by the time which has passed since they started their career and the fact that other channels (e.g. family traditions) might have a more significant impact on their decision.

#### **8.2.4 Important efforts have been undertaken by rail companies to raise awareness of opportunities in the sector - particularly among young people**

Rail companies in many EU countries have increasingly invested in measures to raise awareness of job and career opportunities in the sector in an effort to address skill shortages and the impact of demographic change. Such initiatives are primarily aimed at young people and include, among others:

- Research into factors driving the attractiveness of a sector or profession with different target groups
- Holistic re-development of recruitment and career planning strategies
- Use of targeted communication tools for different groups to raise awareness of available job profiles (including the increasing use of social media)
- Partnerships with schools, colleges and universities
- Financial support for students in shortage subjects
- Public competitions to help raise awareness and drive innovation
- Offer of apprenticeships
- Open days and girls days

##### **8.2.4.1 Increasing awareness of career opportunities in rail companies**

In order to address information gaps about the range of careers available in the rail sector, a number of companies have run awareness raising campaigns.

In **Germany** the rail sector offers a significant number of different job profiles, which is often not well known to young job entrants or job changers. DB has been running a campaign ('a job like no other' - see box below for further information) to raise awareness of the occupational and career potential within the company and a careers page on its website offers substantial information about the nature and requirements for these different occupational profiles. Because of the size of the company, the range of apprenticeships and occupations offered within DB is greater than in other rail companies, which nonetheless still offer a wide variety of career opportunities. DB has developed a very **comprehensive recruitment strategy** and tools that communicate across all available channels (print, online, flyer, TV and cinema, event communications, job fairs, radio, social media, outdoor advertising) with a particular focus on online communication and runs campaigns targeted to certain groups (see below). There is a new mobile friendly career website with optimised information and ad-hoc-ads for regional needs in specific occupation groups.

## Box 8

### Deutsche Bahn - A job like no other

Deutsche Bahn has raised awareness of the breadth and quality of training and career opportunities offered at DB through a campaign that has been underway since 2012 entitled 'A job like no other'. This long-term campaigns aimed at different target groups (pupils, students, labour market entrants, experienced workers etc.).

The choice of media to communicate the message is specifically designed and targeted to these different groups (TV spots, use of social media etc.<sup>80</sup>). The campaign is linked to company's career portal.

An internal company assessment of the campaign<sup>81</sup> considers that these efforts have contributed to improving the company's ranking of top employers. Additionally 70% of pupils, students and experienced workers surveyed online (2012-2014) know the 'job like no other' campaign.

*"With some 300,000 employees, of which around 200,000 in Germany, we are one of Germany's largest and most diverse employers. Each year we seek to fill jobs in more than 500 different occupations with up to 7,000 enthusiastic new employees, who help us to connect people and markets. Here, you can launch, transform and advance your career. Here, your contribution is important. Here, you are important. In other words - A job at Deutsche Bahn is a job like no other"*  
DB A job like no other

In France, SNCF ran an advertising campaign in 2014/2015 to raise awareness of the range of opportunities available in the company.

## Box 9

### SNCF 24/24

SNCF undertook an advertising campaign, titled "SNCF 24/24" from May 2015 and planned until the end of 2016. The campaign consisted of around 50 commercials delivered before the evening news on French television station TF1. The advertisements were a new advertising concept: 30 second short movies, produced on the day of transmission, in style they were more of a journalistic movie than an advertisement.

Purpose of the adverts was to give a new perspective on the company and on the complexity of its activities and to provide a clear communication about the variety of occupations available in SNCF.

The impact of the campaign was positive, the campaign was well received by customers. As a result SNCF has strengthened the relationship with clients who now better understand SNCF's commitment and the range of skills the company needs.

As well as showcasing the range of occupations and content of the work there were other benefits felt by staff internally, staff stated that:

- "It's a great initiative. We need to communicate about our jobs if we want our clients to discover the company and to understand the complexity of our activities."
- "Congratulations for taking this initiative. The subject is well covered, the videos are lively and reflect the reality of our occupations."
- "Congratulations! Everyone was waiting for it, it was time to show work on field of our agents."

*"This is an incredible initiative. I'm sure it will inspire other ones, but for now (...) SNCF positioned herself as a pioneer".*  
Nonce Paolini, CEO of TF1

*"It worked! Actually the videos were already watched around 10 million times, and SNCF's employees are happy to relay the campaign on Twitter".*  
Le Figaro

<sup>80</sup> A TV spot for the campaign can be found via this link <https://www.youtube.com/watch?v=gcqhaR-cF4s>

<sup>81</sup> Company own website accessed 21.09.2015 [http://www.deutschebahn.com/de/presse/themendienstleistungen/7716524/arbeitgeberkampagne\\_032015.html](http://www.deutschebahn.com/de/presse/themendienstleistungen/7716524/arbeitgeberkampagne_032015.html)

In **Italy** general lack of knowledge of the variety of occupational profiles was also noted and what jobs in the railway sector involve in terms of tasks, skills, technical knowledge, responsibilities, etc. The education and training system in Italy does not provide young people with experience of the world of work such as in other countries. Therefore there is a general lack of awareness of job profiles in the public which is common to all sectors but affects to a larger extent complex sectors such as the railway which is also penalised by a negative legacy of misperceptions. The 'old attraction' of working for a unique company where people can learn an uncommon profession still holds for the jobs of machinist and train conductors.

In order to address this lack of awareness, young people are the main target of FS employment strategies.

#### **8.2.4.2 Use of competitions and awards to raise awareness of the sector**

Competition has been used in a number of countries not only to raise awareness of the sector, but to foster innovation. Such initiatives are reported to have been well received by young people and specialists alike.

- In **Belgium**, SNCB organises a specific competition for young people to get them interested in technical questions pertaining to the rail sector and to drive innovation. An example is the SmartestTrainBrain competition - where a specific task/exercise is provided by SNCB and young people have to build a team to solve the task and make a proposal. In 2014, 28 such teams were created.
- In addition there is BERT - Belgian Railways Competition for Technicians which is addressed at those undertaking studies in technical or engineering fields. Similar to the SmartestTrainBrain competition, an exercise is provided by the company which needs to be solved by the team. In 2014 more than 20 teams participated.
- Both types of competitions are organised to demonstrate the breadth of technical skills required by the sector and to raise young people's interest.
- In **France**, in order to address the shortage of engineers, SNCF launched for the second year an online game made of very complex questions tailored-made to the work of the engineers at SNCF<sup>82</sup>. Extra-points were given to engineering students who would upload their CV online or linked their profile to their LinkedIn account. This game was available online and aimed at catching the attention of the elite of the French engineering schools. This recruitment campaign was a success as 150 schools competed, 5000 students played this online game.
- In **Italy**, a marketing campaign: the FS Competition. A contest open to university students of economics and engineering where students had to present a project on their view of the High Speed: 'How do you see the High Speed in the next 50 years'. A total of 230 project ideas were received and 6 were selected. The winning project team will have the opportunity to attend the World Conference on High Speed Rail in Tokyo and other prizes for the remaining winners included several other destinations. The website has also a page called 'what you don't know about FS' and is dedicated to promote all opportunities within the Group.

#### **8.2.5 Initiatives aimed at young people**

Among the initiatives undertaken to enhance recruitment efforts among rail sector companies, measures addressing young people have by far been the most commonplace, as employers seek to enhance their profile in what in some cases has been described as a 'war for talent'. With the decline in cohort groups leaving the school and tertiary education system in most countries, employers in the rail sector are increasing their efforts to understand young people's motivations in selecting a career and employer, tailoring their marketing and recruitment tools to their needs and are working in partnership with schools, colleges and universities to raise awareness and support promising students seeking qualifications in shortage professions.

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<sup>82</sup> <https://www.youtube.com/watch?t=1&v=3klVdnYWLgY>



### 8.2.5.1 Understanding young people's motivations is key

As indicated in section 3 above, there is a body of literature which argues that the factors which are considered of importance in the choice of an occupation or employer vary from generation to generation and can be different from country to country, in the context of different underlying cultural and labour market parameters. In order to understand these motivations better and to better target recruitment campaigns and processes, a number of companies have carried out their own research on the factors which motivate individuals from different target groups in their choice of employer.

A detailed survey and assessment of this nature carried out by Deutsche Bahn in Germany (and in some other countries, where its subsidiaries are active) has contributed to a review of the company's recruitment and career development processes, and in particular its approach to communicating with young people. The results of this research are summarised in the box below and demonstrates the multi-faceted nature of factors of relevance.

#### Box 10

### What do young people look for in a job?

DB research found that the following elements are important in young people making a choice of employer:



In order to enthuse pupils, a 360 degree employer branding strategy throughout all relevant applicant touchpoints



A number of actions have been taken to take account of the findings of this work. This was done in line with the company strategy DB 2020 introduced in 2012, which involved a modification of DB's recruitment strategy to ensure an integration of recruitment, staff development, working conditions and broader corporate culture. The responsible department for recruitment in DB has 150 employees with recruitment centres located in different parts of the country. This includes specialist recruiters with expertise in particular sectors/occupational profiles (e.g. for engineers). The key elements of the recruitment strategy are:

- Innovation - always exploring and developing new recruitment mechanisms in a full understanding of what is attractive to different target groups
- Big data - developing a clear understanding of the company's requirements and the labour market (at international, national, regional and local level) and knowing what works and does not work in terms of recruitment strategies
- IT - developing a user friendly system to submit applications and ensuring these are appropriately dealt with in such a way to encourage applicants, as well as being able to deal with a high number of applicants
- Good working conditions and corporate culture - word of mouth is an important recruitment tool and existing employees should feel valued in their work and recommend a career at DB to others
- Leadership is considered critical in ensuring positive corporate culture and well-being at work

As part of this, DB has significantly strengthened targeted communication to young people through a variety of media channels, making particular use of social media including YouTube, Facebook and Twitter, among others. Parts of the company's career website are targeted at pupils and students which include a self-test tool to find out preferences with linked apprenticeship offers. In order to increase awareness of young people, in addition, apprentices are encouraged to blog about their experiences and the company encourages career networks and talent pools among its employees. Such activities are considered to be particularly important for college and university students who join DB for work experience and then return to their courses, in order to keep them in touch with former colleagues and the employer, in the hope that they will return when their course is completed.

#### **8.2.5.2 Partnerships with schools, colleges and universities, including job fairs and recruitment seminars/events**

In most countries, rail sector companies have developed partnerships with primary, secondary and tertiary education institutions. Work with pupils and students involves awareness raising of careers in the sector, work placements, as well as financial support for students undertaking subjects in particular shortage areas. Some of these activities are targeted broadly, whereas others are more specific, aiming mainly at recruiting future engineers etc. Examples of such activities include the following, not all of which have been found to be equally successful, thus also providing lessons for other companies contemplating similar activities:

- In **Belgium**, SNCB also participates in specific actions organised by schools to attract more young people to technical professions. Contacts are also established with vocational training schools to inform students about rail sector specific technical occupations.
- In **Bulgaria**, the two state-owned companies have been in contact with the main higher education institutions but more targeted efforts are needed to attract students and stimulate take up of courses in the field of rail. (As mentioned above, specific university or college degrees are required for specific occupations, such as train drivers, engineers, mechanics, etc.) According to the trade union representatives, measures were proposed to employers for the introduction of a recruitment scheme for graduates/graduate placement (whereby the employer covers expenses for the student in the duration of the studies and in exchange after the completion of studies, the graduate spends a certain period of time working in the company). However, such scheme has not been introduced so far.

- In the **Czech Republic**, České dráhy runs a scholarship programme called “Čédés”. Students of the last grade of basic schools can apply for a scholarship if they choose one of the suitable technical fields of study and sign an agreement to work the company for five years after completion of their studies. However, the experience is that many of these students drop out from their commitment, despite the financial sanctions attached.
  
- In order to attract students/pupils before they finish their course of studies, České dráhy organizes a “Student Cup” every year in several cities. This event aims at pupils aged 13-15 years to enhance their interest in professions needed in the rail sector. During these events participants receive the information about individual professions in the company and about the relevant schools in which they can study. The company has also signed a co-operation agreement with 17 vocational education schools and 6 Universities. The activities concentrate on lecturers on specific current topics and on promotion events. This cooperation is evaluated as being using in attracting new talent and contributes to the improvement of the image of the company.
  
- In **France**, SNCF has partnerships with schools and attends job fairs to attract young talent. It is also present on social networks where SNCF tries to create a real exchange with young people, e.g. on forums or online platforms like Pathmotion where e-recruiters respond to questions raised on the company and the jobs in the company<sup>83</sup>.
  
- In **Germany**, DB works with schools, colleges and universities. At present there are around 360 school collaborations in place where DB offers career guidance, work experience, tours of specific workplaces and other services. Work experience and careers guidance is also offered to college and university students. DB participates in a wide range of job fairs and takes part in around 400-500 career events for potential recruits on an annual basis. ‘Backstage DB’, an initiative which offers access to actual workplaces and contact with employees, is particularly popular and pupils, students and apprentices are able to network via internal networks and social media with employees of DB to find out more about career profiles and day to day jobs. There is also advertising in popular youth magazines and TV shows.
  
- A specific measure to address shortages of specific groups of workers are dual university courses. In terms of future recruitment, DB has also changed criteria for recruitment, now every applicant who submits CV and cover letter is invited to an online test that asks about abilities of particular interest for future jobs.
  
- Other rail companies in Germany such as Transdev and Vias also work with schools and attend job fairs. Vias Logistik and Vias GmbH offer information seminars for applicants. Moreover, every applicant gets an ‘internship’ for 3 days before starting the job. According to the Vias representative, 50% of these people realise after these 3 days that they would like to work in another sector, which in their view reduces costs associated with beginning to train individuals ultimately not suited to working in the sector.
  
- In **Italy**, a number of strategies have been adopted by the company to target students in tertiary and secondary education institutions. Initiatives with universities include:
  - In partnership with six universities FS cooperate to the design and delivery of masters in Railway Systems Engineering. FS also offers a range of grants towards enrolment. Every year between 25 and 30 students are selected through a joint recruitment procedure. FS personnel cooperate with the universities at the tendering stage to draft the terms of reference, selection criteria and recruitment process. FS also designs and implements the dissemination campaign with leaflets distributed in universities throughout the national territory, additionally webpages and targeted emails are used to raise awareness and provide information. In the last year 432 applications were received and out of these 32 students were selected. The first step involved the selection of CVs based on criteria such as subjects of degree and final grades. A total of 120 possible candidates were then selected for a 6 days of assessment tests (technical and psychometric tests) and interviews with teachers and FS personnel. The teaching modules of the masters include courses jointly run by the university and FS personnel. In April FS presents the traineeships opportunities available across different sites to be completed in June-July. The matching between the open position in traineeships and the particular interests of the student as well as career aspirations are a priority in the selection process, geographical mobility is

<sup>83</sup> Interviews with HR representatives at SNCF

also an important criteria. These traineeships are one of the main resources for the company to recruit high quality candidates, therefore it is important to ensure that students are motivated and understand the implications of the job.

**Box 11**

**FS Group - La Sapienza University - Italy The Master of Science in Transport Systems Engineering**

Students are going to study in English **how to:** design, plan, operate, monitor

**What:** technologies, operational measures.

**On:** Infrastructures (Railways, Roads, Sea, Air), Vehicles (Trains, Trams, Trucks, Buses, Cars, Motorbikes, Bicycles, Ships, Planes), Services (Passengers, Freight)

**On Infrastructures ...**

- Network planning
- Design
- Construction
- Tests
- Operation
- Maintenance
- Scrapping

**On Vehicles ...**

- Definition of functional requirements
- Design
- Construction
- Homologation
- Operation
- Maintenance
- Scrapping

**On Passengers Services ...**

- Public transport networks
- Metro and tramways systems
- Intermodal exchange nodes
- Local railway services
- High speed railways
- Air services
- RO-PAX maritime services

**On Freight Services ...**

- Local and urban distribution
- Combined transports
- Stocks and logistic services
- Intermodal terminals
- RO-RO maritime services
- Tran-shipment terminals
- Air cargo services

**How the study programme is organised ... 120 ECTS**

- 4 modules concerning the characterizing disciplines (48 ECTS)
- 4 modules concerning the characterizing disciplines chosen by the student in a optional group (24/48 ECTS)
- 2 modules concerning integrative disciplines (12 ECTS)
- 2 modules freely chosen by the student with suggestions in coherence with educational purposes of the Master Degree (12 ECTS)
- Other education activities proposed by the student (3 ECTS)
- Thesis work (21 ECTS)

**How to be admitted ...** Open for Students with Engineering Bachelor's Degree Minimum curricular requirements: minimum amount of ECTS in some scientific sectors of disciplines Knowledge integration needed for students not meeting the requirements

23 enrolled students over 4 countries & 3 visiting professors over 3 countries

- Feedback sessions are organised with students twice per year to collect general feedback on the courses and the organisation of the course. More specific feedback is also collected on the traineeship experience.
- This year the terms of reference reserved a number of grants for women to motivate young females to enter male dominated subjects. Initiatives in schools such as career days and seminars often involve female personnel as a way to raise awareness and motivate young women to consider male dominate jobs such as machinists and engineers.
- Initiatives targeted at students in their last years of secondary school (in technical paths such as mechanics) include seminars, career days where FS personnel present the wide range of occupational profiles within the company as well as career opportunities and company's culture (see box below).

- In the Netherlands, both ProRail and NS have networks for young people, organise internships and apprenticeships, visit schools, and have graduate programmes. They also link into national and sectoral initiatives such as the national Girls day (aimed at getting more girls interested in technical studies and professions) and the Sector plan OV (OV: Public Transport), which aims to provide work experience for young people.
- In Poland, in 2011 Polskie Koleje Państwowe (PKP, the Polish State Railway company) started a cooperation with secondary schools. In 2014, PKP PLK dedicated 72,346 EUR for cooperation with schools. Around 141 students are supported through the programme to become rail transport technicians. PKP PLK offers grants (from 72 to 120 EUR per month per student, the amount depends on the study level), an employment guarantee for the best students. It also offers apprenticeships programmes, provides teaching facilities and qualified trainers.<sup>84</sup> In addition to the scholarship programme PKP is closely cooperates with 15 secondary schools which train rail transport technicians, technicians for the automatic control of the railway traffic. In these schools PKP PLK offers:
  - Scholarships for students,
  - Employment guarantee for best students,
  - Apprenticeships programmes,
  - Training facilities and qualified trainers.

However, interviewees reported problems in securing qualified trainers who will train students and prepare study curricula / materials and reported moderate interest of pupils in the programmes.

There are also some countries which do not currently focus on specific activities to target young people as the labour market situation mean that recruitment issues are limited. In Slovenia the overall employment strategy of the group is to recruit younger workers since the majority of current workers at Slovenian Railways group are older workers. However, because of the economic climate and high number of applicants to open positions, there is no specific strategy in place to promote young employment.

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<sup>84</sup>TSK24.pl (2015), Stypendyści PKP PLK w ZSTM <http://tsk24.pl/szkolnictwo-i-oswiata/9628-stypendysci-pkp-plk-w-zstm>

## Initiatives with Schools – FS Group - Trenitalia - Italy

### Objectives:

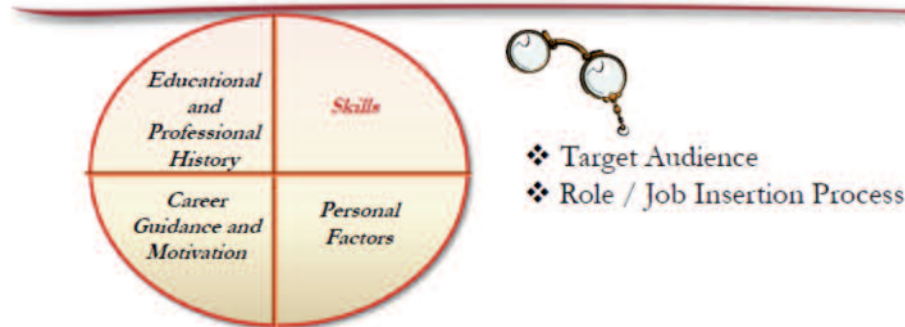
- To guide young generation so as to make them familiar with the railway industry and give them skills they can use in the labour market
- To identify, nurture and train a pool of graduates and undergraduates to fill job vacancies in the infrastructure and rolling-stock maintenance areas



### Activities

- Agreements with the best Technical Schools in Italy (so far 15) for training and career-guidance initiatives
- Since 2013, around 3,400 students of the last three years of the upper secondary schools have been involved in:
  - Open days and company presentations
  - On-site visits
  - Work-linked training periods
  - Summer internships
  - School-leaving dissertations
  - Training modules in the railway culture [both in and outside the P.O.F. (Educational Offer Plan)]

### What we assess:



### What we offer: Great opportunities of career development through

- Career plan solidity through standard employment contracts
- A high-quality training courses through a structured job insertion programme, based on continuing education and personal and professional development
- The opportunity to experience a multidisciplinary, dynamic environment of technical excellence, open to innovation and in which individual skills, abilities and know-how can be tested.
- Ongoing assessment, job rotation and intragroup mobility for the development of a cohesive vision of all corporate processes
- A real opportunity to successfully contribute - on a daily basis - to achieving the objectives of a large industrial Group



## Initiatives with Universities – FS Group Trenitalia – Italy

## Initiatives with Universities and Employer Branding

### PURPOSES

- CAREER DAYS** To present the Group, our positions and job opportunities  
Career-guidance days at the Group's target universities
- MASTER COURSES** To develop excellence training to meet business needs:
  - Master Course in Railway System and Infrastructure Engineering
  - Master Course in Homeland Security
  - Master Course in Procurement Management – 'Tor Vergata' University
  - Master Course in Economics and Management of Transport (MEMIT) – 'Bocconi' University
- COURSES & SEMINARS** To bring the university supply closer to Company demand:
  - Specialist/career-guidance seminars, business contributions in degree courses
  - Ad hoc projects and events in universities (e.g. FIGI, "A cocktail with the CEO", etc.)
  - Partnerships with degree courses in engineering fully taught in English
- THESES & INTERNSHIPS** To create value for the Company and the youth through:
  - An osmotic bond between corporate and university know-how for the development of theses on innovative topics
  - Quality of internship projects and selected, strongly motivated interns
- AWARDS FOR IDEAS** To reward the best students and graduates to promote research and innovation:
  - Business games and university competitions, 'competitions of ideas'
  - Higher Apprenticeship PhDs
- WEB CHANNELS** To win over young people and attract HRs of interest through:
  - A "Work for us" web section
  - Company profile on other web channels dedicated to the labour market

### The Winning Mix

### 8.2.5.3 A significant range of apprenticeship opportunities is being offered

In important route into employment in rail sector are apprenticeships, usually lasting between 2-3 years. Among the awareness raising activities are efforts to disseminate information about the wide range of apprenticeships on offer. The extent to which apprenticeships are used is clearly linked to the wider national context and the importance of the apprenticeship route in supporting young people's transitions into working life. In recent years, this route has clearly been boosted by efforts at the EU level to promote apprenticeships, including within the framework of the Youth Guarantee. With reference to this policy emphasis at EU level, some Member States have been boosting the supply of apprenticeships, which is also reflected in some of the initiatives in the rail sector.

However, there are some countries where recent changes in labour legislation have limited the extent to which companies draw on this route to recruit younger workers.

■ In **France**, SNCF is also very active in offering apprenticeships to young people who study at the same time. As such, 6,000 new apprenticeship contracts are concluded at SNCF every year<sup>85</sup>. Furthermore, SNCF has internal training centres, for example, for train drivers which enable less-skilled workers willing to become train drivers and benefit from theoretical and practical training and become qualified<sup>86</sup>

■ In **Germany**, DB offers apprenticeships within the dual system (on-the job training in the company and additional education) for 50 occupational profiles and aims to recruit approximately 4000 pupils per year.<sup>87</sup> Moreover, DB offers 14 different dual study courses in the areas engineering, economics and IT. Shorter apprenticeships (around 9 months) are also offered to career changers. At the moment there are

<sup>85</sup> <http://sncf.publispeak.com/brochure-rse-2014/com/ipedis/publispeak/client/contents/pdf/SNCF-BrochureRSE2014-FR.pdf>

<sup>86</sup> Interviews with HR representative at SNCF and <http://www.sncf.com/fr/emploi/fiche-metier/7303>

<sup>87</sup> Deutsche Bahn mit Schüler-Kampagne für facebook und YouTube, accessed 4/12/2015, available here: <https://www.saatkorn.com/deutsche-bahn-mit-schueler-kampagne-fuer-facebook-und-youtube/>

around 11,000 people in an apprenticeship or a dual study course. Apprenticeships at DB overall are over-subscribed with around 200,000 applications per annum, but there is a shortage of applicants for technical profiles. Other railway companies offer also apprenticeships or trainee programmes for graduates in order to identify and quality future leaders and experts.

- In FS in Italy, Young people are the main target of FS employment strategies. In FS one of the main employment paths at the entry-point for young people is traineeship followed by permanent contracts. The company considers using apprenticeship schemes as the most important recruitment path for young people even if the complexity of the Italian legislation on apprenticeships make it difficult for them to use this instrument. Even in this situation apprenticeship is still used for some job profiles in the railway sector and in many other sectors.

### **8.2.6 Initiatives aimed at under-represented or disadvantaged groups**

Many employers in the rail sector have also implemented special initiatives to attract and work with targeted groups which are either currently under-represented in the sector or which struggle to access the labour market. This is done in order to balance, for instance, the gender profile of the sector and specific occupations (in recognition of the fact that a more balanced gender profile in the workforce better reflects client profile and can lead to improved working relationships and productivity), to address labour and skill shortages, but also to demonstrate the emphasis placed on corporate social responsibility in some companies. Among such initiatives are measures to attract women into the sector and into occupations where they are currently under-represented and measures to offer opportunities to disadvantaged and low skilled job seekers, older workers and migrants.

#### **8.2.6.1 Initiatives for disadvantaged young people**

Examples of such initiatives were identified in France and Germany.

- In France, SNCF used the measure of 'Emploi d'avenir' launched by the French government which consists in giving a first job to young people aged between 16 and 25 especially in the regions most affected by unemployment. These jobs are subsidised (75%) by the state and aim at improving employability of less-skilled workers. SNCF signed a convention with the French State to offer such apprenticeships. In 2013, year when the measure was launched, SNCF had already recruited 160 low-skilled workers under 26 years of age.
- At DB in Germany, a special programme are also being offered to young people who have only completed (or have not completed) basic education in order to qualify them for an apprenticeship placement. This initiative entitled 'Chance Plus' (opportunity plus) is offered to 300-400 young people per annum. They complete a year of pre-apprenticeship training and support and can later apply for full apprenticeship placements.

#### **8.2.6.2 Specific measures aimed at female workers**

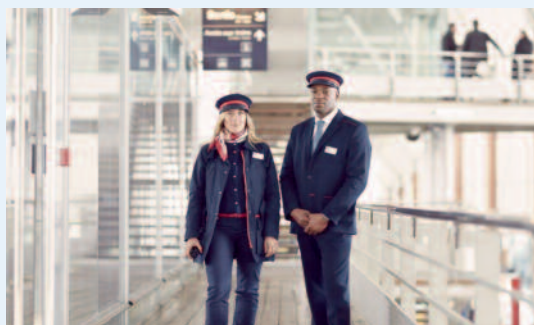
As measures aimed at attracting women into employment in the rail sector have been the subject of a separate initiative (see box below), relevant initiatives mentioned by stakeholders as part of the research for this project will only be mentioned briefly here. Such initiatives are particularly relevant given the current under-representation of women in the sector (see section 2).



## Box 14

### WIR – Women In Rail (CER/ETF Project)

In 2007 the EU social partners CER/ETF set up joint Recommendations for a better representation and integration of women in the railway sector. In 2012, a follow-up of the CER/ETF joint Recommendations continued to develop common objectives, strategies and actions on this issue. The **WIR Good practices and Implementation Guide** from 2012 provides measures and initiatives in order to increase and ameliorate female employment in the railway sector



#### Position of women in rail

Last quantitative survey was conducted between June and December 2014. It was returned by 38 railway companies and one employers' association from 21 countries out of a total of 71 CER members.

- Important share of women among on board personnel (32,4%)
- Moderate share of women in the fields of engineering (17%), traffic management (18,6%) and management (19,2%)
- The average share of women in railway companies participating in the research is 19,8%, it increased since 2013 (19,5%)

In **Belgium**, SNCB does not want to target women specifically in recruitment campaigns. However in order to de-mystify the technical professions within SNCB for women, the company started an exposition in the biggest Belgian train stations (such as Brussels, Liege, Gent, Courtrai, Antwerp and Namur) explaining more about the different job profiles in the company using current female employees as examples.

In **Bulgaria**, A separate chapter dealing with the gender equality and social conditions for women is included in the current Collective Agreements for 2014 of public companies. . It includes flexible working hours for pregnant employees and female employees with young children up to 3 years old as well as additional training after returning from maternity leave. In SENRIC, women are less than 1% of the total staff totalling around 120 women most of which at administrative jobs.

In **France**, SNCF makes a particular effort to recruit women in occupations where they are underrepresented. Overall, women represent 22% of SNCF Group employees and 25% of white-collar employees (cadres) and around 30% of the board. In addition, technical jobs at SNCF like train managers or train drivers are not seen as attractive by women as there is a poor image on work-life balance in these positions. Concerns are often raised in relation to safety at work as women tend to suffer more from harassment and physical assault. The same reluctance also applies to night work as women tend to not feel safe when coming back from a shift late at night. There is a strong will from SNCF to increase the role and the female representation in their company thanks to various methods consisting of presenting their jobs to female students in technical paths or targeting their advertisement campaign to women.<sup>88</sup> A gender equality agreement has been negotiated to support the company in achieving its goals (see box below).

<sup>88</sup> Interviews with HR representatives at SNCF and <http://www.resonanceshumanitaires.org/wp-content/uploads/2012/11/CR-Conf%C3%A9rence-RH-de-la-SNCF-10112012-final.pdf>

## Box 15

### SNCF's Agreement on Gender Equality

#### Objectives:

- To recruit more women on railway and technical jobs
- To reaffirm that recruitment processes are based on objective criteria such as experience, qualification and competences
- To ensure equal pay for men and women
- To fight against prejudices

*This agreement is a result from SNCF's will to give the teams some dynamism thanks to professional gender diversity and gender equality.*

*With this agreement (...), SNCF strengthen its involvement as an employer of choice and to position itself as a social, innovative and responsible actor.*

*Jean-Marc AMBROSINI, HR Director*

To attract more women, the SNCF is working in cooperation with regional education authorities to raise awareness about the possibilities for young women to work at SNCF. To recruit more women in jobs where they are underrepresented, SNCF is active in presenting its jobs to girls studying technical studies<sup>89</sup>. There is also a SNCF female network (*Réseau SNCF au féminin*) for SNCF female employees. This is managed by the HR and Communication department where currently 5,000 women working at SNCF help and mentor each other in their daily job.

In **Italy**, FS has placed a strong emphasis on the recruitment of female staff and in the last waves of recruitment (since January 2015) 57% of newly recruited employees were female. However, the trade union highlighted that little is done across the sector in the area of work-life balance and to support female staff; this for reasons which include the nature of the sector as well as cultural resistances. On the one hand, the sector requires a continuous flow of service delivery and rigid working hours, such as for example the long hours opening required of front desk services or long journeys on the train. On the other hand, in Italy this is exacerbated by a lack of culture and attention towards flexible working arrangements and work-life balance.

In Italy, as far as part time is concerned, this kind of contract is more common in some sectors (services) and more rare in others, including the railway sector. This is due to the specificity of the professions and the necessity of finding the right balance with companies' service requirements and organisation of labour connected to the guarantee of a regular railway service. Examples of flexible arrangements and good practices in work-life balance can be found in ad-hoc cases but are not common practice and not evenly spread across the country, where no great attention is spent for women and family policies in general.

Some work-life balance measures have been recently implemented to support the return to work after maternity leave. The 'pink shift' (*turno rosa*) has been an attempt of implementation for train staff in some departments of the current legislation which grants women to work two hours less per day for the first year of their babies' lives. In the high speed sector, guidelines have been drafted to support the return to work after maternity leave. The most important aspect of this measure is that the research work behind the guidelines has involved interviews with women but also their male managers. This approach has had a remarkably positive impact on raising awareness among male employees about the issues related to the return to work after maternity leave and level of acceptance of the guidelines.

In **Slovenia** only 16 per cent of employees are female. The collective agreement for the activity of railway traffic<sup>90</sup> states that women have special rights in terms of the length of annual leave, conditions for night shift working and safety working conditions. Those relate to women employees during pregnancy, childbirth and in connection with motherhood.

<sup>89</sup> <http://www.pole-emploi.fr/actualites/la-politique-ressources-humaines-de-la-sncf-@/article.jspz?id=60910>

<sup>90</sup> Ibid.

### 8.2.6.3 Measures for older workers

Given the significance of the challenge associated with the demographic ageing of the population and the recognition of the importance of this issue among rail companies, it may be considered surprising that the number of initiatives targeting the recruitment or retention of older workers is relatively limited, with a much greater focus being placed on recruiting young workers. This may be due to a number of reasons, depending on the special country of company context linked to the overall labour market situation and age profile. The desire by some companies to 'rejuvenate' their age profile and efforts to 'modernise' the skills profile of the workforce through external recruitment have lead many companies to continue to emphasise avenues into early retirement rather than focussing on measures to maintain work ability among older workers.

Where specific measures exists, they tend to be focussed on health protection and promotion measures and, where possible, the transfer of workers to different, less physically demanding tasks.

Among the most comprehensive measures in this field are included in DB's demography collective agreement (*Demographiekollektivvertrag*) in **Germany**. A well as offering employment security to all workers in the core company, it provides for health promotion measures, the possibility to transfer to other tasks and the ability to take partial early retirement and combine this with reduced hours working on a salary which is higher than the hours actually worked.

In order to ensure the transfer of knowledge from older to younger workers, FS in **Italy** is considering using older workers as coaches (*maestri di mestiere*) for younger employees and trainees. Older workers also participate to information and career days; this provides young people with the possibility to talk with someone that has been working for the company for long time and ask questions about the company culture and career possibilities. Furthermore, a pilot project of skills profiling has been recently launched to map the competences of old workers (maintenance technicians). The project has the twofold objective of revisiting the work life of employees and assessing the transferability of employees to other tasks.

In the **Czech Republic**, there are no special measures/priorities for any groups of employees besides the older workers that may enjoy social or health programmes (e.g. recreation or fitness holidays), but these programs are rather marginal and present only in state owned companies. The working conditions for older workers in the physically demanded profession are not very attractive. Therefore the state owned company helps them to transfer to less demanding jobs within the company through special training for older workers.

In **Sweden** in recent years, the railway companies have also had to deal with a growing number of retirements. This trend is likely to continue given the age structure of the employees. Indeed, despite a large number of retirements in recent years, the percentage of employees over 50 years old remains relatively high at 59 per cent at Cargo and 55 per cent at Infranord. The measures introduced to deal with the large number of retirements has been to retain the retirees on an hourly basis. This has particularly been used by Green Cargo but also by SJ. Using retirees in this way is a useful short to medium-term measure to deal with temporary skills shortages and provide a more flexible workforce.

### 8.2.6.4 Recruitment of migrants

With the issue of migration moving to the top of the policy agenda in the EU, it is important to note that a number of rail companies are already taking initiatives aimed at the integration of migrant workers. Both DB in Germany and NS in the Netherlands are running specific schemes to recruit and train (particularly non-Western) migrants. Whist in Germany, this scheme is mainly targeted at recent refugees, in the Netherlands, the focus is also on non-Western migrants who have arrived in the country some time ago. The recruitment of this significant target group is seen by those working with them to be a challenge as typically young people in this group tend to prefer a job with a white-collar status, while NS needs people with a technical background (often more blue-collar work). In the Netherlands, the NS has recently started to influence choice of managers by setting them the aim to consider at least one non-Western immigrant in every four short-listed candidates. This means that no quotas are being introduced and people are hired based on their competences, while training recruiters to change their perceptions and bias in general. An evaluation of the impact of this policy is already planned.

Another pilot project is taking place in NS, which created four paid jobs with a duration of nine months for refugees with a higher education. Eligibility criteria included being able to speak Dutch and having a work and residence permit. In these jobs refugees are linked to a mentor and during their work are able to gain work experience and become familiar with the corporate culture. They are also provided with transferable skills such as PRINCE2, which is a widely acknowledged project management course. This pilot was also successful: 50% of participants found permanent work at the NS, the other half found work elsewhere. This is now also part of the NS strategy: every year, five of these jobs become available. It is part of the NS diversity and inclusion strategy, but it also acknowledges the added value people who are refugees can bring: they can offer different perspectives, an international focus and possess other competences that are valuable to the employer.

#### **8.2.6.5 International cooperation**

In **Belgium**, SNCB has agreements with other European rail companies to “hire out” their train drivers. This is a voluntary programme for SNCB employees. In general a train driver can drive trains outside Belgium after 2 years of experience. Working for Thalys or Eurostar is seen in particular as a promotion opportunity for train drivers or train service personnel. This has been also subject of an internal agreement between the unions and management.

In **Germany**, in recent years, recruitment in other European countries has become more important, with efforts to recruit pupils and graduates from Spain and Italy who are recruited in country and then offered language training prior to starting their apprenticeships in Germany.

In **France**, international cooperation is not a significant focus of SNCF as the railway activity of SNCF is mainly based in France<sup>91</sup>. Career opportunities abroad at SNCF are very rare and only concerns railway experts<sup>92</sup>.

In **Italy**, FS has been recently activating networks with other European partners to improve training methods and exchange schemes for apprentices. For example, apprentices in mechatronics engineering have been sent from the German agency for apprentices to complete a period of training in Trenitalia.

Another project aims at creating a network with UK universities as the joint initiative “The RiFLE EU project and the Dual Degree Masters Programme in Rail and Transport jointly delivered by NewRail (Newcastle University) and DICEA (Sapienza University of Rome).

<sup>91</sup> SNCF is understood here as the company and not the Group and its subsidiaries which are indeed based internationally.

<sup>92</sup> <http://www.resonanceshumanitaires.org/wp-content/uploads/2012/11/CR-Conf%C3%A9rence-RH-de-la-SNCF-10112012-final.pdf>

## Box 16

### The RiFLE project

RiFLE was a CURRICULUM DEVELOPMENT project funded under the ERASMUS Programme (Lifelong Learning Programme) of the European Commission. This project began on 1 October 2010 and ended in September 2013.

Specifically RiFLE was a curriculum development multi-lateral project which was aimed at developing curricula, course and modules for an innovative MSc in rail freight and logistics by using an innovative multidisciplinary approach, equipped with curriculum modelling tools. The series of courses delivered have been implemented in the Universities of the participating institutions to form separate but shared programmes.



#### The RiFLE Consortium

1. The University of Newcastle upon Tyne (UNEW) represented by NewRail, UK
2. Sapienza Università di Roma represented by Dipartimento di Ingegneria Civile Edile e Ambientale (DICEA), Italy
3. The Higher School of Transport "Todor Kableshkov" (VTU) represented by Department of Technology, Organization and Management of Transport, Sofia, Bulgaria
4. The University of Applied Science in Ingolstadt represented by Faculty M (FHI), Germany

As a result of the RiFLE project Newcastle University established the Master of Science in Rail Freight and Logistics and Newcastle University and Sapienza University of Rome are together planning to establish a Double Degree in Rail and Transport for the A.Y. 2016/2017. The full Double Degree programme in Rail and Transport will cover 120 ECTS.

Students participating to the Double Degree programme must spend semesters 1 and 2 at Newcastle University and semesters 3 and 4 at Sapienza University of Rome in order to obtain the final degree from the awarding institutions.

## 8.2.7 Developing further ideas for effective recruitment and retention

As part of the workshops held for this research, participants discussed ideas for further developing efforts to attract and retain recruits to the rail sector. These are outlined in the box below.

## Box 17

### Effective recruitment strategies: Conclusions of workshop discussions

- Effective channelling of recruitment campaigns is important: This includes the use of new technologies: social networks, newsletter, online chats, web tv, publicity on TV and other channels, recruitment first contact with employees, website of good quality, quick responds online, high quality content.
- Effective communication of the "offer": innovative ideas, girls day, back to school programme, employees discuss railway related topics with pupils, present everyday work of the sector, risks and benefits, 16 years old people, what the rail sector has to offer and build an image of the sector.
- Express the offer in line with worker motivation: why taking up work in the rail sector? it is a community, in whole Europe, huge entities with a lot of possibilities, many possibilities to develop, a lot of solutions for young graduates, not necessary to stay with the same job the whole life, has to be communicated, life-long training programs, openness and freedom should be the companies values, companies shall expand and be present at international market, Erasmus students are more mobile, experiences, in the society all equal but different, gender equality, establish contact with local communities.
- Highlight the sustainability of the rail sector and its contribution to a greener environment, as well as its role in bringing people together.

### **8.2.8 Enhanced recruitment strategies are showing signs of paying off**

To conclude, it is interesting to assess the extent to which initiatives aimed at increasing the attractiveness of the sector are paying off with some of the 'core audience'. Interviews carried out with pupils and studies for this study appear to indicate that such renewed recruitment efforts and strategies show signs of paying off, but a career in the sector is often seen as medium term, rather than a long-term career, with variations from country to country.

Among the students and pupils responding to the survey conducted for this study the level of awareness of initiatives which aim to attract students into the sector is low but must be understood in light of the nature of the target group interviewed (and the limited number of responses received).

Data from the survey of students shows respondents awareness of recruitment activities (presence at careers fairs, adverts on television, magazines, internet) undertaken by employers in the rail sector. Students were asked if these activities had changed their view of the sector. 24% of all respondents to this question stated that they had changed their view in favour of future employment in the sector.

## 9 Conclusions and Recommendations

### 9.1 Headline findings

The image and **attractiveness** of the rail sector and efforts to promote employment and the quality of work in the sector in the European Union are clearly **impacted by policy, technological and socio-economic developments** which have affected the labour market more broadly and the rail sector specifically. Among the key general trends which have shaped and continue to shape developments are:

- Technological advances;
- The impact of the economic crisis;
- Wider industrial relations trends which have led to an increasing focus on decentralised bargaining.

Of particular relevance to the rail sector are:

- regulatory changes linked to the separation between operations and infrastructure and the policy emphasis on increased competition in the market;
- Resulting restructuring often linked to long recruitment freezes and only more recent efforts to open up recruitment again to deal with the impact of demographic change and such recruitment freezes on the age profile of the workforce.

**These factors set the context for the attractiveness of the sector**, which – to differing degrees in the EU Member States – is seen to be more traditional and dominated by men and older workers. Depending on the level and timing of restructuring and its impact, it is also often perceived as a sector shedding, rather than recruiting workers. The emergence of new operators and greater competition in the sector, makes perceptions regarding the attractiveness of employment and terms and conditions more complex, as these increasingly vary from company to company, depending on the importance and impact of collective bargaining. **The broader labour market context, and the availability of other employment and terms and conditions in such alternative workplace also have a key role to play.** The experience here varies from country to country, region to region and occupation to occupation and cannot be presented in a unified picture.

This study clearly shows that the **attractiveness of the sector as an employer is influenced by public perceptions of the quality of service provision** (mainly of the largest operator), which is often shaped by a negative news agenda. Perceptions of employees are to some extent also shaped by such media perceptions, but tend to be more positive than the ‘external view’ of the sector.

Against the context of a body of evidence which finds that different factors are of relevance to different generations in making a sector/job attractive, it is particularly interesting to note that stakeholder feedback and survey evidence gathered for this study shows that **job security is the most important factor for all groups in terms of the attractiveness of the sector.** Also important are a meaningful job, being valued by ones superiors and having appropriate remuneration and good working conditions are key factors.

Some differences exist between state and private providers in terms of attractiveness. In some countries state providers are considered to offer more secure and attractive working conditions, whereas in others new private providers are seen to be more attractive. However, insufficient evidence was available from the employee surveys to contribute to a clearer assessment on this issue.

As indicated above, broader labour market conditions and the specific attractiveness of the sector, employer and occupation in a particular country impact on the extent to which labour and skill shortages have emerged in the sector. Even in countries where the sector remains broadly attractive, or in companies which are seen to be good employers, skill shortages can still exist, but it is clear that **there are some occupations and countries where recruitment difficulties are greater** than in others. Key occupations with skills shortages are drivers, engineers and other technical professions.



It is interesting to note that in terms of current role and working conditions, younger workers tend to be more satisfied than older workers, which could be linked to perceived trends in working conditions in the sector over time. In relation to the key factors linked to working conditions which impact the attractiveness of the sector, the following trends can be noted:

- **Job security**, which is shown to be highly valued, **has declined** overall in the context of greater competition, although some employers offer greater levels of protection to their (core) staff in this regard;
- The level of attractiveness and satisfaction with terms and conditions depends on the country, company and occupation. **Collective agreements have an important role to play in ensure high standards and comparability in terms and conditions between companies.** However, company level pay and conditions can be significantly higher than sectoral collective agreement (where they exist) and impact on the attractiveness of different enterprises. This is also important in the context of declining job security following the increased emphasis on competition. While in some countries, pay and **conditions are seen to be more attractive in private sector companies, this is considered by some staff to be balanced out by greater job security in among public providers.**
- **Investment in ongoing training and career development are important** factors in retaining staff and helping companies to address the impact of demographic change. A number of enterprises have invested significantly in offering ongoing training and communication information on internal career opportunities, whereas in others emphasis on internal training is considered to be more limited.
- **Opportunities for work life balance** are also seen an important factor and are critical in some instances in undermining the attractiveness of the sector because of high demands for mobility and working 'unsocial hours'. Efforts are being made in some companies to give individuals greater autonomy over shift patterns at local level. Other supports for work life balance are also being offered (flexible working, support for childcare etc.). In a limited number of companies, opportunities are also available to accumulate longer term working time accounts which again provide the possibility over a career life cycle to take some time out for family, further training or other personal development projects, which can be very attractive to employees.

In relation to these fundamental factors there is an **"insider-outsider" split when it comes to a judgement regarding the attractiveness of employment in the rail sector.** The research for this study indicates that once individuals are employed in the sector they value the overall employment offer. In contrast, those that have not worked in the sector do not perceive the employment offer to be as attractive.

One of the key findings of this study is that **significant efforts have been taken by many rail companies in the European Union to increase the attractiveness of the sector and to modernise their recruitment and retention efforts.** In a number of cases a strong link is being made with employer branding and recruitment strategies, presenting rail companies and modern and sustainable employers offering a meaningful job in a company with good environmental credentials. Also of importance are initiatives to address misconceptions about the type of job and career opportunities available in the sector is an important part of such strategies.

The recruitment efforts of most companies have **focussed on young people.** This includes in some cases including research to understand their motivations, information campaigns targeting them through suitable channels, and partnerships with schools, colleges and universities. Such initiatives tend to have attracted very positive feedback. **Apprenticeships** are also a core part of the approach in attracting young people, particularly in countries which already place strong emphasis on school to work transitions via apprenticeships.

In the context of the policy emphasis on tackling youth unemployment and the migrant crisis, some rail sector companies are particularly involved in offering opportunities to disadvantaged young people and recent migrants and refugees.

Overall, **less work is being done in relation to the recruitment and retention of older workers, although some efforts exist to enhance work ability and allow experienced workers to mentor young recruits.** More limited activities are visible in relation to the improvement of terms and conditions, partly as a result of ongoing re-



structuring efforts and the emphasis on competitiveness. Where such initiatives exist, the mainly target work life balance measures.

Social partner actions can play a key role in enhancing the attractiveness of the sector. Such activities can be initiated at different levels and involve various types of co-operation. Social partners have been active at European sectoral, national sectoral, regional sectoral and at company level.

Such measures can be implemented via collective agreement (at national, regional or company level) or via other joint actions, declarations, agreements or projects.

Overall, this study has revealed that the vast majority of the actions jointly taken by social partners which can contribute to the attractiveness of the sector are currently taken at company level and focus around the following issues:

- Stability and security of employment;
- Ensuring attractive salaries and terms and conditions;
- Providing opportunities for flexible working (including adapting shift patterns to individual requirements);
- Adapting to demographic change and ensuring work ability and employability throughout working life and the potential for partial or early retirement measures;
- Ensuring suitable training plans and an attractive training offer;
- Introduction of measures to encourage the recruitment of women into occupations where they are currently under-represented.

Regional or national collective bargaining and activity in this field is currently limited. It must also be noted that a complicating factor when presenting measures taken at the company level throughout this report (e.g. in section 3 summarising country level information and the in the subsequent thematic sections), is that it is not always clear how many of these measures were indeed agreed jointly by social partners at company level and how many are unilateral initiatives by the employer side.

Furthermore, the level of activity by sectoral social partners at the national and regional level needs to be seen against the background of collective bargaining structures in different countries (and in the sector specifically), as well as the extent to which skill or labour shortages are identified as a significant concern in the sector. With regard to the countries studied in depth for this report it is therefore notable that sectoral level bargaining (at national or regional level) only takes place in Germany, Italy, the Netherlands and Sweden and is at its beginning in France.

Even here, company level collective agreements are arguably much more significant in setting standards which shape the attractiveness of the sector and therefore no important (national or regional) sectoral collective agreement could be identified which contains measures significantly impacting the attractiveness of the sector, beyond setting out basic wage and terms and conditions applicable which shape the basic standards with which employers in the sector compete against other sectors seeking to recruit staff with similar qualifications. The main focus in what follows is therefore on company level collective agreements.

Social partner through company level collective agreements also have a key role to play in setting terms and conditions which make the company more attractive to external recruits. This often includes not only a package of attractive benefits, but also measures to support work life balance and health promotion, among other things. This report highlights a number of important examples in this area.

## 9.2 Recommendations

Based on the key findings outlined above, what kinds of actions could be taken by social partners at different levels to increase the attractiveness of the sector? The extent to which action is required at the national level clearly depends on the wider socio-economic framework and the extent to which image and recruitment challenges are currently present in a country. Having said that, even where a challenging overall labour market situation currently means that skill shortages are more limited, this could change in the future and social partners still have to pay attention to underlying trends and the potential impact of demographic ageing in the sector.

Key issues to address emerge as the following:

- Negative media coverage of the rail sector;
- Overcoming the 'insider-outsider phenomenon' which means that those external to the sector often have significantly more negative perceptions of the quality and attractiveness of employment. Linked to this is also a lack of undertaking of the breath of job opportunities available in the sector;
- Addressing skills mismatches and the impact of demographic change;
- Tackling the factors which can make the sector appear less attractive in some occupations (e.g. linked to working hours or shift patterns and in some cases less attractive salaries and those offered in sectors competing for similar talent);
- Exploiting and ensuring the continuation of factors which make the sector attractive such as relative security of employment and career development opportunities;
- Addressing emerging differences between incumbents and private sector operators which can impact the overall attractiveness of the sector.

The issue of negative media coverage and the resulting insider-outsider phenomenon could be addressed by social partners both at European and national level. In doing so, the importance of the surrounding regulatory, economic, industrial relations and social environment has to be borne in mind and can be (and is being) addressed by social partners.

- In addition, information/awareness raising campaigns about the economic, social and environmental importance of the sector and the range of job profiles available could be envisaged. Examples of using media campaigns and new methods of communication highlighted in this report could be used as examples/inspiration for such activities.

The study has shown that skills mismatches are best addressed through the development of a clear understanding of the current supply of skills and future requirements based on demographic and technological developments. Due to differing training profiles at national level, a presentation of the need for future skills needs (beyond the relatively general) appears difficult at the European level and it therefore seems sensible that emphasis be placed on the development of clear company level assessments of such future requirements - although it is feasible that where common requirements are identified, companies in the sector - or even in other sectors with similar requirements could work together with training providers to ensure a future supply of such skills. A number of examples of such co-operation are presented in this report and could act as inspiration.

Social partners at sector and company level have an important role to play (through collective agreements) to set standards for wages and working conditions in the sector which are attractive when compared with other sectors. With the emergence of competition and a higher number of providers in the sector, differences between company level collective agreements are likely to play an increasing role on attractiveness and it is therefore notable that the number of countries having national (or regional) sectoral agreements is limited and most of the activities to enhance conditions highlighted in this report are being taken at company level.

Sectoral collective agreements are likely to have an important role to play in securing adequate standards for the entire sector which continue to make this attractive in the 'war on talent' which is likely to intensify with the impact of demographic change.

In light of the latter, it appears necessary for companies and social partners to intensify their activities to plan ahead for significant numbers of workers in the sector retiring in the coming 10-15 years and the measures which need to be taken to recruit but also to retain staff.

- Further research would therefore be important in the impact of demographic change and measures taken to ensure work ability throughout working life as such initiatives appeared to be under-represented in the information gathered for this study.
- The workshops undertaken for this study have illustrated that there is a large degree of interest from companies and trade unions in measures being introduced in different countries. This knowledge sharing environment provides a forum to share ideas and tackle issues of common interest.

Other joint actions could include:

- The promotion of the benefits to companies of the measures to attract and retain workers - such as flexible working and measures to attract young people. A key element in this should be the costs of inaction in these areas - without continued effort in these areas the rail industry image will not improve and will lose workers to other sectors. In this respect visibility of such actions is very important.
- The promotion of the large range of training on offer in the industry for career development would also seem important given the importance of this to personal and professional development. Agreeing and renewing a shared understanding with companies and employees (through for example joint training pledges) regarding investment in training that goes beyond legal compliance is a potential action.

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