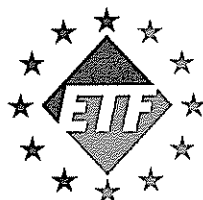




The Voice
of European
Railways



European Rail
Infrastructure Managers



THE CONCEPT OF EMPLOYABILITY IN THE RAILWAY SECTOR

RECOMMENDATIONS

During the years 2000/2001 and 2005/2006 Working Group II of the European Social Dialogue Committee for the railway sector examined in two study projects the question of whether the concept of employability is a suitable and useful concept for the railway sector. The first project resulted in a sector specific framework definition of the concept published as „The strategy “Employability”-usable for the European railways?” while the second project examined the progress of implementation of this concept in selected railway companies. The result of the second project is the attached Memorandum.

The social partners are of the opinion that further activities within this field are useful for the sector and adopt the following recommendations:

1. The railway companies in Europe should use the strategy of employability as developed in this memorandum as a central theme for human resources policy and thereby package the various instruments for *personnel and organisation development* into an *integrated* approach.
2. Employability as a strategic concept is based on prevention and aims to create a working environment which maintains and improves the capacity of the workers in respect of qualifications and competences as well as health and fitness in order to be ‘employable’ in general terms. The responsibility is a shared responsibility of the company, the employees, works councils and trade unions.
3. Aims, principles and framework conditions for the implementation of the strategy into operational practice should be agreed on the basis of social dialogue between the social partners in order to allow the benefit of the approach to be effective for both parties i.e. the company and the workers.



4. The European social dialogue on railways will promote and accompany the process of extending and implementing employability as a central theme of modern HR policy and carry out interim assessments from time to time. This can occur through various instruments: Policy conferences, conferences for exchanging work and experiences, monitoring and via the making available of instructive materials (case studies for good practice, basic guides, specimen agreements...)
5. A conference bringing together representatives of trade unions / work councils and management experienced in the issue of employability in practical terms on company level might be organised next year. This would allow exchange of experiences, benchmark of good practices and direct discussion between European and company based social dialogue on employability aspects.

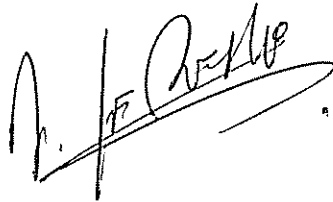
Belgrade, 4 October 2007

For CER:



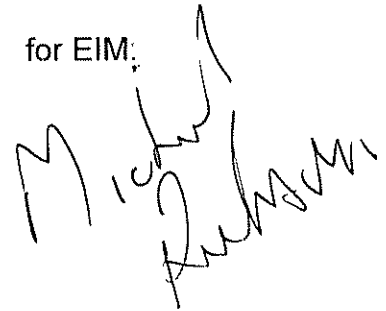
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for EIM:



Michael ROBSON
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ANNEX

EMPLOYABILITY: AN HR STRATEGY FOR SHAPING CHANGE IN THE RAILWAY SECTOR

Foreword

The working group „Employability“ for the European social dialogue on railways has up to now been involved in two study projects concerned with questions of employability in the railway sector. The results of the first study project were recorded in a report with the title „The strategy “Employability”-usable for the European railways?” in 2001. The new study project was concluded with a report in the autumn of 2006 and it gives a view of the HR policy of the railway companies visited. This memorandum resulted from the evaluation discussions of the study group. It summarises central conclusions of the study group which are to be understood in the context of the background of development in the European railway sector between the start of the first study project in 2000 and today in 2006. The recommendations at the end of this joint declaration contain suggestions as to how employability could find an appropriate role as a central theme for future HR policy.

New orientations in human resources policy

The visits to the various railway companies showed impressively that all companies are in the process of a *new orientation of human resources policy* and are thus attempting to overcome the problems inherited from the past, particularly the forces of inertia which were caused by the rigidity of personnel policy at that time.

This is the case for companies from the old EU member countries and also those from the new countries. The companies in the new member countries which we visited are under particular pressure because two requirements which other countries were able to deal with one after the other have to be dealt with concurrently: the opening up of the market on account of the European regulations with the requirements for efficiency which partly require changes in personnel numbers and a comprehensive modernisation in all areas in order to maintain competition which is becoming international in the transport markets.



Employability-Usable for the European railway companies?

The European social partners of the railway sector were still under the pressure of the immediate deep rooted change of structure in their companies when the initial question for the first project was formulated. This was: "The strategy of employability-usable for European railway companies?" in the dialogue with practitioners of the social partners from companies in four different countries it was to be clarified whether the strategy originating from the European employment policy could also be applied to *internal problem* areas.

The deep rooted changes in company policies had comprehensive movements in personnel as a requirement and a consequence and these placed considerable demands on the employees in terms of coping with changes in their personal working situation up to that time. The study group came to the conclusion: A strategy of employability transmitted to internal relations offers opportunities for a personal political focusing on the potential of individual employees.

The strategy of employability demands the personal responsibility of employees in a new way which brings both opportunities and risks. A fair putting into practice of the strategy of employability must therefore newly balance out the reciprocal responsibility of companies and employees; this will be productive and successful and of mutual benefit only within the binding framework of the social dialogue on a company level. This is what has been discovered by the study group from the first project.

Central questions of the 2nd study project

The project, at the end of which the memo is located, had three tasks:

(1) With relevance to the companies which participated in the first project, checks will take place as to whether and, if appropriate, how the strategy of employability has taken root,



(2) Companies from the new member countries are to be asked about their specific personnel political challenges and

(3) Should particular attention be paid to the security and safety relevant areas of the railway because employment of personnel in this area is particularly sensitive.

Employability: can only be developed preventively

The companies in the new member countries cannot put employability directly into practice as the urgent adaptation to the market first of all requires a reduction in the number of workers. This pressure resulting from the market was already visible in the case studies of the first project (even if in a weakened form).

Although employability is urgently needed in the current situation, it can neither be taken for granted or created in the short term. Here differentiation needs to take place between different groups of employees-some bring better conditions because of their higher levels of general qualification and their work experience but generally there is a high level of risk here: for those involved and also for the company.

This leads to a central insight: namely into the *preventive character* of the strategy of employability. Employability does not occur on an ad hoc basis but it is the result of a long lasting and job related continuous *process of learning and discovery*.

Change is the norm

When reviewing the companies from the old member countries which were in the centre of the first study, it was asked whether

- ⇒ a requirement for employability is seen and
- ⇒ whether the training of employability as a systematically structured process of learning and discovery is to be undertaken.



Then the following must be established: In all companies rapid processes of change are taking place which revolutionise the inner structure of the company and hardly leave an area of work untouched. Nobody expects that these processes of change will become less dynamic. Change is or is becoming the norm.

It continually showed that a range of personnel political strategies which the study group had associated with "employability" in the first project had gained in importance. This includes for example further training, personnel development plans etc. In reality a part of that which the study group had expected had come to pass.

Lack of definition in the understanding of employability

„Employability“ had become a current item of vocabulary; two almost opposed ways of understanding it were present: a narrow „classical“ one, which mainly associates employability with processes of „personnel mediation“ and a broad unspecific one with which each and every new demand for competences or means of conduct was made in connection with employability. The increasingly diffuse way in which the term "Employability" is used also caused problems for the study group.

Fitness for work and employability

The discussion with the security and safety relevant work areas resulted in the following clarification. In these areas medical and psychological factors and criteria play a big role. There are illnesses and deficiencies-however they may have been caused- which make working in this area out of the question either permanently or for long periods of time.

The debate concerning suitable health promoting behaviour and concerning working conditions in these areas would not be the correct one because a *continual and unlimited fitness for work* is involved. The question of alternative fields of employment only occurs when this is no longer the case. This distinction between fitness for work and employability is continual.



„Fitness for work“: relates to the continuity of employment at the same workplace/in the same field of work; consequently “employability” is only clearly defined when it is related to **change**- the change of work place, type of work or company. There are correlations and intersections between fitness for work and employability but no common identity.

Employability accordingly relates to the demands of *flexibility and mobility*-flexibility and mobility under the conditions of a modern railway operation. For workers, employability can help to ensure that they no longer experience change as a threat and a traumatic break in their work history, but rather as a normal event they can cope with and perhaps even as a new career option.

The findings from the security and safety relevant areas are as paradigmatic as the personal conditions of employment in the modern railway operation require for both continual ability to be employed at the current workplace and for preparation for change. The challenge of a modern human resources policy thus exists in a productive structuring of *continuity* and *change*.

A package of competences for coping with new demands

What then does „employability“ mean as the beginning of internal human resources policy? According to the understanding of the study group, a package of competences are involved which simplify the change of workplace, job and company and make it possible.

Individually these are competences which raise the level of understanding of the work processes in their economic, technical and social dimensions (knowledge of work processes), etc... In this it is becoming more and more important that the workers see themselves as self confident creators of their own work history and are promoted and stretched in their *own responsibility*.

The successful acquisition of these competences on the one hand depends on the *personally responsible active approach* of the workers themselves and also on whether on the other hand the structuring of work organisation, deployment of workers, work related training, of training opportunities and the promotion of professional development in the company is systematically positioned for the



learning of an *active way of dealing* with new demands and unfamiliar work situations.

Employability improves work quality

The study group asked itself: In spite of this period of continuous change, is change not, however, "the exception to the rule"? Does it not mean promoting a problematic accentuation, a development of competence about the approach of employability?

The answer can be seen when the results of trained employability are viewed, namely the changed *work approaches*. Personal responsibility, confident dealing with oneself and the working ability, distance and commitment, ability and willingness to be involved in the creation of own work and working environment, team work and consideration for colleagues, curiosity and interest in new challenges. In the result *the modern profile of workers in dynamic service providing companies* is shown. Focusing on employability, i.e. on the *change*, improves the *everyday working life* for the company and the workers.

Instead of dependence: the binding power of corresponding interests

At the same time the dependence of the individual worker on the company is reduced; he/she is no longer completely at the mercy of this company. Even if this new independence of workers appears dysfunctional from the perspective of traditional personnel policy, the study group is convinced that a new and necessary business principle is involved here as the continuing dynamic change will either not be achieved at all or only at disproportionate costs for the company and the individual.

The old and antiquated dependencies must be replaced by voluntary arrangements secured in the social dialogue, which regulate the mutual giving and taking for a specific agreed period. It is not unrealistic to assume that an employment relationship is involved here which, independently of the legal structure, is not designed for "eternity" but definitely (in extreme cases: for a complete working life) to last a long time but could also be ended beforehand, rather it is firstly in touch with reality and secondly is in no way linked to the loss



of identification with ones own work. A wealth of examples from the working life demonstrate this.

The identification with the company as a guarantor for a complete working life and even for different generations has come to an end in any case. As a conservative approach resistant to change it would also be problematic. Nevertheless a positive approach to the company is an important motivational factor for commitment and willingness to work.

A new social contract?

For this, new foundations need to be laid which are no longer based on a lifetime guarantee of employment but nevertheless may not frustrate the expectation of a solid degree of security for life planning for an adequate time ahead in the future. Therefore it is a matter of balancing out work and return favours between workers and companies in the form of a "new social contract" which means providing it with collective protection based on social dialogue. Here "employability" as a **central theme** could play a key role.

