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An Examination of Employee Recruitment and Retention in the U.S. Railroad Industry

Office of Policy and Program Development
Washington, DC 20590

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13. ABSTRACT

This report presents findings of a study to better understand the challenges involved in recruiting and retaining qualified U.S. freight railroad employees to (1) replace the large number of employees who recently retired or who will be reaching retirement in the next several years and (2) meet the current and forecasted increase in demand for freight rail transportation service. Representatives from U.S. Class I freight railroads participated in structured interviews and 56 railroad employees, representing 5 different labor unions, participated in focus groups in 3 different cities across the United States. Results suggest that major challenges or barriers to recruiting new railroad employees include railroad work schedules, an incremental pay rate system for some crafts, and finding individuals with the right skill sets for the job. Major challenges to retaining railroad employees include reducing the need to relocate employees, reducing or eliminating furloughs, providing a realistic job preview during the hiring process, and improving work schedules. Despite these challenges, many focus group participants were planning to remain in the industry for their entire careers, were generally satisfied with their jobs, and would recommend the railroad industry to friends and family members.

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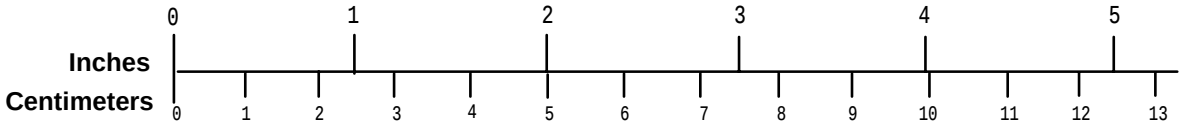

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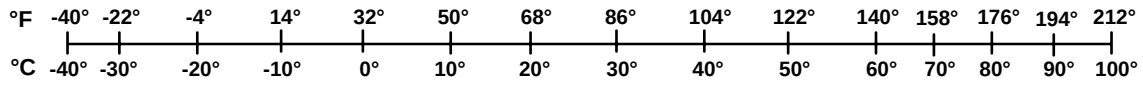

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Preface

The U.S. railroad industry, after a period of railroad mergers and streamlining, is currently experiencing significant demand for services. At the same time, the industry has an aging workforce and a large number of railroad employees are retiring. The Federal Railroad Administration (FRA), as part of the U.S. Department of Transportation (DOT), is interested in better understanding the challenges involved in recruiting and retaining qualified railroad employees to (1) replace the large number of employees who recently retired or who will be reaching retirement in the next several years and (2) meet the current and forecasted increase in demand for freight transportation service.

To this end, structured interviews were conducted with representatives from U.S. Class I railroads and focus groups were conducted with new railroad employees to gain their perspectives and experiences on recruitment and retention challenges the railroad industry currently faces. This research was conducted for the FRA Office of Policy and Program Development (Office of Policy) under Contract DTFR53-01-D-00029. Mr. Scott Greene, FRA Office of Policy, served as technical monitor. The program was originally conceived and developed by Mr. John Murphy, FRA Office of Policy (retired).

The authors would like to thank a number of individuals who assisted in the research. First, the authors would like to express thanks in particular to Mr. Scott Greene for his leadership and support of the program. We would also like to thank Ms. Jane Bachner, FRA Deputy Associate Administrator, Office of Policy, for supporting the program and contributing her insights and knowledge of the railroad industry during the kickoff and progress review meetings. The authors also wish to thank Mr. Michael Lestingi, FRA Office of Policy, for providing technical inputs and creative thinking throughout the program. Thanks also to Dr. Thomas Raslear, FRA Office of Research and Development Human Factors Program, for providing programmatic support.

Next, the authors wish to thank representatives from all seven U.S. Class I railroads for participating in this research through provision of their time, expertise, and familiarity with the subject matter, as well as Mr. Jeff Moller, Association of American Railroads (AAR), for facilitating the collection of data from a number of the Class I railroads.

We would also like to thank representatives from each of the five labor unions that participated in the study for their extensive time and energy in helping to recruit focus group participants: Mr. James Stem, United Transportation Union (UTU); Mr. Tom Pontolillo, Brotherhood of Locomotive Engineers and Trainmen (BLET); Mr. Rick Inclima, Brotherhood of Maintenance of Way Employes Division (BMWED) of the International Brotherhood of Teamsters; Mr. Tim DePaepe, Brotherhood of Railroad Signalmen (BRS); and Mr. Alex Novakovic, Transportation Communication International Union (TCU). Thanks also to all of the local and general chairpersons involved in helping to recruit focus group participants. Perhaps most significantly, thanks to all of the railroad employees who participated in the focus groups. Their willingness to openly share their experiences and opinions provided an important and unique perspective on railroad recruitment and retention challenges.

Finally, thanks are due to several individuals at Foster-Miller who assisted the authors in carrying out the research and producing the final report. Mr. Tom Bauer provided human resource expertise and assisted in developing the initial set of structured interview and focus

group questions. Ms. Judith Gertler served as an occasional sounding board to allow the authors to test out new research approaches and ideas. Finally, Ms. Susan McDonough provided program administration support and offered valuable feedback on a draft manuscript of the final report.

Executive Summary

The U.S. railroad industry is currently in the midst of an economic renaissance, and government projections suggest that demand for freight will continue to rise. According to data collected by the Association of American Railroads (AAR), U.S. Class I total carloads, tons moved, ton-miles, and train-miles have all steadily increased over the last several years. Furthermore, U.S. government projections indicate that U.S. rail freight demand will continue to rise. For many years, since the Staggers Act in 1980, railroads worked to consolidate their operations and increase efficiencies through incorporating new technologies and automation, eliminating duplicate or unproductive lines, and reducing the total number of employees through natural attrition and limited hiring. The result is an aging workforce. In addition, the railroad industry has recently experienced a large number of retirements due to changes to retirement eligibility laws.

The combination of heavy employee retirements, an aging workforce, relatively few new hires, and significant increase in business has recently resulted in a number of challenges to the U.S. railroad industry. In 2004, for example, one Class I railroad turned away business because of a lack of capacity. In response, the U.S. railroad industry has begun to take steps to accommodate growth in the industry and increase capacity.

The overall goal of the study was to better understand the challenges involved in recruiting and retaining qualified railroad employees to replace the large number of employees who recently retired or are reaching retirement age in the coming years and meet the forecasted increase in demand for rail freight transportation service. The railroad industry and the public have an interest in ensuring that trained, qualified employees are available to work on the freight railroads. For the railroads, the forecasted increase in demand for freight transportation service represents a unique opportunity to expand their business and improve their financial performance. For the public, the efficient transportation of goods is critical to continued economic growth. The ability of the railroads, however, to meet the growing demand for freight transportation is dependent, in part, upon their ability to attract and retain highly qualified personnel.

To achieve the overall study goal, the following technical objectives were established:

- Collect 2004 new hire railroad recruitment and retention data.
- Collect supporting information on railroad recruitment and retention practices, strategies, challenges, and experiences.
- Collect information on new hire motivations for joining the railroad and views on long-term employment in the industry.

A two-pronged approach was used to address the technical objectives:

- Interview human resource (HR) representatives from U.S. Class I railroads to collect information on railroad recruitment and retention practices, strategies, challenges, and experiences.

- Conduct focus groups with new railroad employees to identify motivations for joining the railroad and gain insight on their perspectives on long-term employment in the industry.

Structured interview data collection involved U.S. Class I railroads, which represent a majority of freight railroading in the United States. Over 500 railroads operated in the United States in 2005; however, the 7 U.S. Class I railroads employed 89 percent of U.S. rail employees. Though operational and other differences may exist between the U.S. Class I railroads and shortline and regional railroads, this approach was the most efficient to obtain an overall picture of the state-of-the-industry with respect to recruitment and retention issues facing the industry. Focus groups were limited to those crafts that were considered unique to the industry because it was expected that railroads may have the most difficulty in attracting qualified employees. The following five crafts were identified: locomotive engineers, conductors, signalmen, carmen, and maintenance of way (MOW) employees.

To collect consistent information and data from each of the seven U.S. Class I railroads, a structured interview guide was developed. The structured interview guide contains two parts. The first part focuses on 2004 recruitment and retention quantitative data. The second part contains questions of qualitative nature concerning recruitment and retention practices, strategies, challenges, and experiences.

HR representatives from two railroads participated in the structured interviews directly with researchers, while HR representatives from the other five railroads participated through the intervention and support of the AAR. In the latter case, the structured interview guide was sent to the AAR for distribution to representatives from the five participating railroads. AAR collected and collated written and/or oral responses provided by the five railroads and then submitted one document that contained collated answers to each question. A follow-up face-to-face meeting was held to enable direct follow up with representatives from the five railroads to clarify answers provided in the AAR written response to interview questions. After each interview, a draft summary was sent to the participating railroad or AAR (which distributed material to each of the five railroads) for verification and validation to ensure the information captured was accurate and successfully de-identified (so as not to reveal the identity of a railroad with respect to a particular answer). The iteration also enabled outstanding questions to be answered.

Some railroads chose not, or were unable, to provide data for certain questions in the first part of the interview. A railroad's ability or willingness to provide specific data depended on the question and the railroad, based on such factors as whether or not data were available or how sensitive data were to a particular railroad. The result was that it was not possible to collect consistent and thorough 2004 recruitment and retention data from all seven railroads. Consequently, only answers and information related to the second part of the interview guide, the qualitative information, were collected, since this information could be consistently collected from all seven railroads and therefore provides a complete data set.

To complement information provided by the railroads on industry recruitment and retention practices, strategies, challenges, and experiences, focus groups were conducted in three major cities around the United States with railroad employees with less than 2 years of experience. Focus group questions concentrated around four major themes: means and avenues for learning about job openings in the industry, motivations for joining and expectations for staying in the

industry, job satisfaction, and suggestions for improving recruitment and retention. For each theme, 2-6 questions were posed.

The purpose of the focus groups was to obtain participants' experiences hiring onto the railroad industry and their perspectives on attracting and retaining employees. In each city, separate focus groups were held with conductors, locomotive engineers, signalmen, carmen, and MOW employees. Representative labor unions assisted in the recruitment of focus group participants. Participants could come from any freight railroad in the area where the focus group was being held and could be working, furloughed, or out on disability/sickness leave at the time of the focus group. Those with less than 2 years of experience were invited to participate but not required to RSVP their attendance. Each focus group lasted up to 1½ hours and was led by a moderator and a moderator's assistant. A pre-established set of questions guided each focus group. The same focus group questions were discussed in each focus group with each craft in each city. At the completion of each focus group, participants were compensated and thanked for their time. Fifty-six railroad employees from five Class I railroads—Union Pacific Railroad (UP), BNSF Railway (BNSF), CSX Transportation (CSX), Norfolk Southern Railway (NS), and Kansas City Southern Railway (KCS)—participated in the focus groups. All five crafts of interest were represented in the focus groups. A majority of participants, 54 of 56 (96.4 percent), were male. Participants' average age was 36.5 years (range 18.9 – 57.9), and over 62 percent of participants were married.

Key findings from the structured interviews with railroad management and focus groups with new railroad employees are organized into the following categories: general findings, recruitment successes, recruitment challenges, retention successes, and retention challenges.

General findings

- *Employee demographics will continue to match the areas or regions across the country in which employees are hired and work.* The result is likely to be greater ethnic and racial diversity within the railroad industry over time, matching trends across the country as a whole.
- *The railroad industry will need to accommodate the various and sometimes disparate needs of multiple generations of employees.* As identified by participating HR representatives in the structured interview, the newest generation of railroad employees appears to have different priorities than those of previous generations. Railroads, as large employers of multiple generations of workers, will need to adjust to, and be able to accommodate, the needs of its complex workforce.

Recruitment successes

- *The internet has become a critical recruitment tool in the U.S. freight rail industry.* Most, if not all, Class I railroads require those interested in a job to apply online. Prospective employees are referred to a railroad's Web site. Furthermore, the Internet is becoming a major marketing and advertising tool. Railroads are placing more and more information about available jobs on their own Web sites and are advertising jobs on other Web sites, including job placement and railroad-related sites.
- *Employee referrals, i.e., word of mouth, are still a major source of new hires.* Many focus group participants indicated that they would recommend a railroad job to friends

and/or family, and in fact, some already have. This recommendation, however, may depend on the person and/or their specific situation.

- *The U.S. Class I railroad industry has found recent success partnering with or hiring from the U.S. Military and the National Academy of Railroad Sciences (NARS).* Among the likely reasons that the railroad industry has been successful recruiting employees from the military is that the railroad industry and military share similar job attributes, such as 24/7 operations, operation of heavy equipment, and outdoor work. NARS provides technical training and education to individuals preparing for a career in the railroad industry.
- *According to focus group participants, railroad benefits, especially health insurance, retirement, and salary, are major attractions to working for the industry.*

Recruitment challenges

- *Adjusting work schedules to achieve an attractive work-life balance*
- *Overcoming an incremental pay scale for some crafts*
- *Finding individuals with the right skill sets for the job*. For example, railroads prefer to hire carmen with welding experience and signalmen with technical (electronics) backgrounds. Further complicating this problem are certain rural areas where a railroad operates and where the working-age population is relatively small.
- *Attracting women to the industry*. Railroads reported that many of the jobs women filled in the past have been eliminated (e.g., clerical positions); furthermore, railroads felt that many of the blue collar jobs that the railroad industry does have to offer may be less appealing to women.

Retention successes

- *Common features that many focus group participants liked about their job included the job variety, their coworkers, the pay and benefits, the lack of direct supervision, and a feeling of job security.*
- *Most focus group respondents intend to make a career out of working for the railroad industry and were generally satisfied with their jobs*. Factors that were identified that will affect their decision to stay or leave include changes to benefits (e.g., if employees have to pay more for their benefits), pay (e.g., a lack of pay raises), and work schedules, including furloughs.

Retention challenges

- *Hiring individuals locally rather than forcing employees to relocate to undesirable locations*
- *Reducing or eliminating furloughs*
- *Providing realistic job previews*
- *Improving work schedules*. Suggestions included greater predictability and less time away from home. Further, according to focus group participants, working for the railroad industry creates a strain on family relationships and has caused some focus group

participants to lose friends because of their work schedules and unavailability. The upshot is that many focus group participants noted developing strong friendships with those with whom they work.

- *Common features that many focus group participants disliked about their job included work schedules, labor-management animosity, and issues related to pay.*
- *Generally, if an employee leaves the railroad industry, he/she does so within the first 5 years or so of employment*. Representatives from the Class I railroads gave the following reasons for the drop off in withdrawals: railroad employees become fully vested in their retirement benefits after 5 years, employees receiving incremental pay receive 100 percent of their salary after 5 years, employees have become familiar with the railroad lifestyle and have accepted this lifestyle after 5 years, and employees have had positive exposure to older employees who have made a career out of working for the industry. U.S. Railroad Retirement Board (RRB) data support this observation.

These key findings provide a snapshot of many of the recruitment and retention issues currently facing the U.S. freight railroad industry. Given the qualitative nature of the research, however, no one key finding should be viewed as more or less important than any other key finding.

1. Introduction

Section 1 presents background information and data to set the stage and context for the study. Section 1.1 presents historical and projected data and information on the U.S. railroad industry. Remaining sections present the study objectives, overall approach used to conduct the study, study scope, and organization of the report.

1.1 Background

The U.S. railroad industry is currently in the midst of an economic renaissance, and government projections suggest that demand for freight will continue to rise. According to data collected by the AAR, U.S. Class I total carloads, tons moved, ton-miles, and train-miles have all steadily increased over the last several years (see Table 1). In addition, U.S. Class I operating revenues reached a record high of over $46 billion in 2005, an increase of over 14 percent from the previous year (AAR, 2006a). U.S. Class I railroads account for 89 percent of rail employees and 93 percent of railroad freight revenue (AAR, 2006a) and therefore these data reasonably serve as a proxy for the overall railroad industry.

Table 1. U.S. Class I Railroad Growth Metrics, 2001-2005

	Total Carloads	Tons (Thousands)	Ton-Miles (Millions)	Train Miles (Thousands)
2001	27,205,415	1,741,967	1,495,472	499,546
2002	27,907,367	1,766,671	1,507,011	499,668
2003	28,870,049	1,799,066	1,551,438	515,999
2004	30,094,796	1,844,202	1,662,598	534,696
2005	31,142,217	1,898,721	1,696,425	547,566

SOURCE: AAR Railroad Facts (2006a)

U.S. government projections suggest that U.S. rail freight demand will continue to rise. The Federal Highway Administration's (FHWA) *Freight Analysis Framework* projects a 55 percent increase in tons moved by rail, from 2.3 billion tons in 1998 to almost 3.6 billion tons projected in 2020 (FHWA, 2002). Rail shipments of coal, which made up over 23 percent of total U.S. Class I rail carloads in 2005 (AAR, 2006a), are expected to increase substantially due to the projected increase in coal consumption over the next 25 years. The Department of Energy's Energy Information Administration (EIA), in its early release of its 2007 *Annual Energy Outlook*, projects a 57 percent increase in coal consumption (tonnage) in the United States, or a 1.8 percent annual growth rate, between 2005 and 2030 (EIA, 2006; Table A-15). Increases in international imports and the concomitant demand for the transport of intermodal units (trailers and containers that can be easily transported from origin to destination using multiple modes of transportation, including truck, rail, and/or ship) are also expected to drive the growth of the railroad industry.

Since the Staggers Act in 1980 deregulated the U.S. railroad industry, railroads have labored to make their operations more efficient while, at the same time, they have faced steeper and steeper

competition from trucking. For many years, railroads worked to consolidate their operations and increase efficiencies through incorporating new technologies and automation (e.g., elimination of the caboose and block towers), eliminating duplicate or unproductive lines, and reducing the workforce through natural attrition and limited hiring. For example, in 1980, Class I railroads owned 270,623 miles (mi) of track and employed 458,000. In 2005, they owned 164,291 mi of track and employed 162,000, a one-third reduction in track miles and a nearly two-thirds reduction in the workforce over the 25 years period (AAR, 2006a).

Now U.S. railroads are facing an expanding economy and an opportunity to grow their business. As part of their effort to maximize the efficiency of their operations over the last 25 years, however, U.S. railroads tended to hire few new employees. 2004 RRB data on railroad employee years of service illustrates the result of railroads' hiring practices over the last 25 years. Examination of these data illustrates that few railroad employees were added to railroads' payrolls in each of the last 10 years except for the most recent year (i.e., employees hired in 2004 who have less than 1 year of service). See Figure 1.

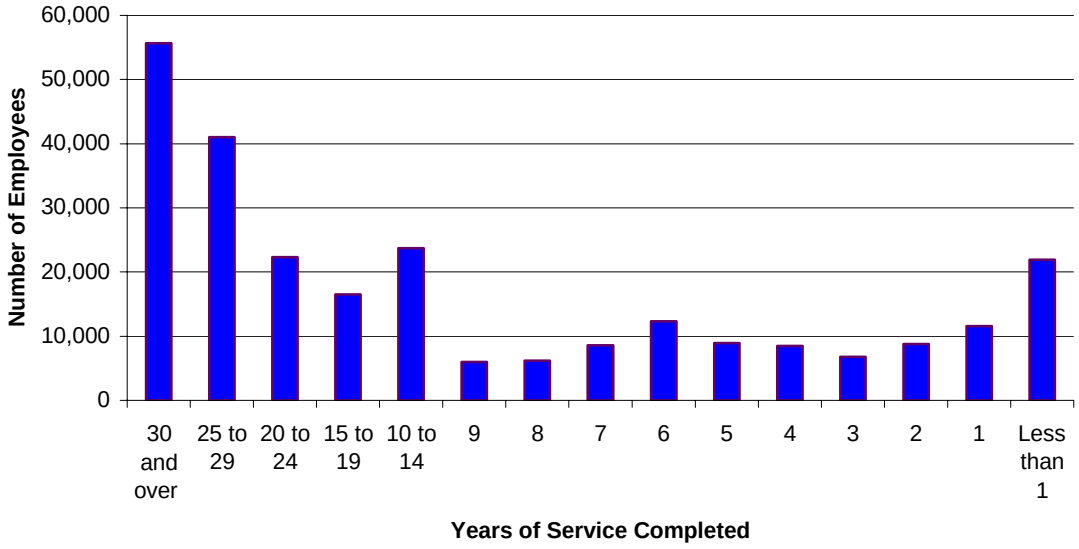

Figure 1. Number of Employees by Years of Service Completed, 2004 (SOURCE: RRB Annual Railroad Retirement Act and Railroad Unemployment Insurance Act data, statistical tables, section D: employment and compensation statistics, Table D-11, n.d.)

In general, the overall U.S. labor force is aging. The median age of all workers in the United States in 2004 was 40.3 (Toossi, 2005). The railroad work force is no exception, and in fact, it is older than the general U.S. work force as reflected in the median age of its workforce. The median age of all railroad employees in 2004 was 47 years (RRB Annual Railroad Retirement Act and Railroad Unemployment Insurance Act data, statistical tables, section D: employment and compensation statistics, Table D-11, n.d.). Another measure of the age of the workforce is the proportion of employees 55 and older (Toossi, 2005). Figure 2 illustrates how the proportion of railroad employees 55 and older has increased over time.

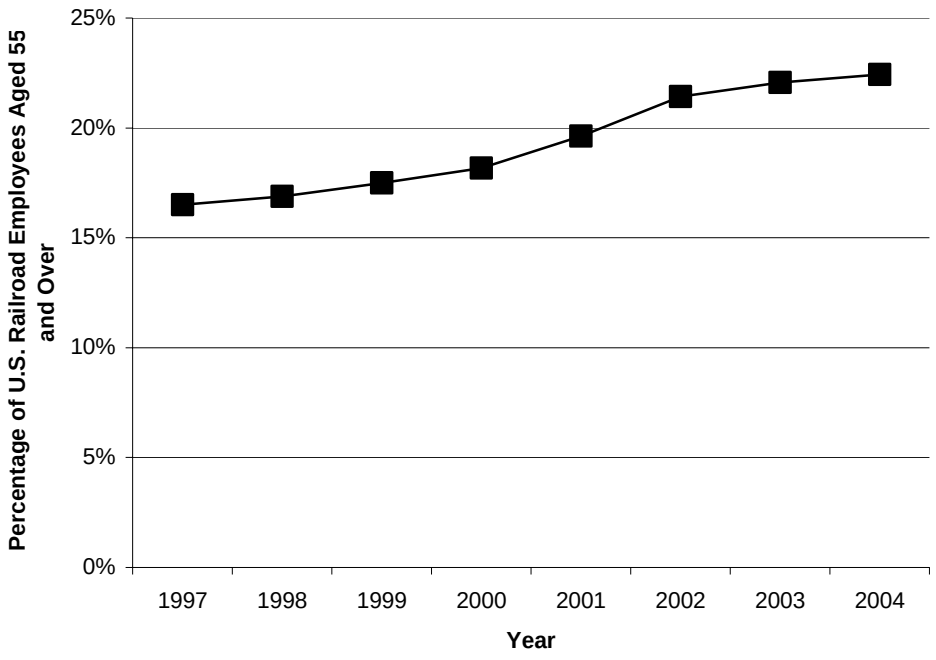

Figure 2. Percentage of U.S. Railroad Employees Age 55 and Older, 1997-2004 (SOURCE: RRB Annual Railroad Retirement Act and Railroad Unemployment Insurance Act data, statistical tables, section D: employment and compensation statistics, Table D-11, n.d.)

Examination of the overall age spectrum for railroad employees further illustrates the aging of the railroad workforce. Figure 3 shows the recent shift in the peak number of employees from the 45-49 age range in 1997 to the 50-54 age range in 2004.

Furthermore, according to RRB age and years of service data, almost half of the 2004 workforce—48.4 percent, or 125,233 of the 258,929 railroad employees—will be eligible to retire by 2019 (RRB Annual Railroad Retirement Act and Railroad Unemployment Insurance Act data, statistical tables, section D: employment and compensation statistics, Table D-11, n.d.) (see Table 2). The U.S. railroad industry faced a similar dilemma almost 30 years ago. *Modern Railways* magazine ran an article in April 1978, entitled, *Who will run the railroads?* The article reported that half of the U.S. railroad work force was expected to retire over the next 10 years (Shaffer, 1978).

In addition to the large number of employees poised to retire based on their age and years of service, a large number of railroad employees have recently retired. Figure 4 illustrates the significant jump in the number of retirees starting in 2002, when the *Railroad Retirement And Survivors' Improvement Act of 2001* became effective, in particular, a provision that enabled railroad employees to retire, with full benefits, at age 60 (instead of the previous 62 year age minimum) after completing 30 years of service. Figure 5 illustrates that, starting in 2002, over 50 percent of new retirees were 60-61, thus a large number of those retiring are taking advantage of the new law.

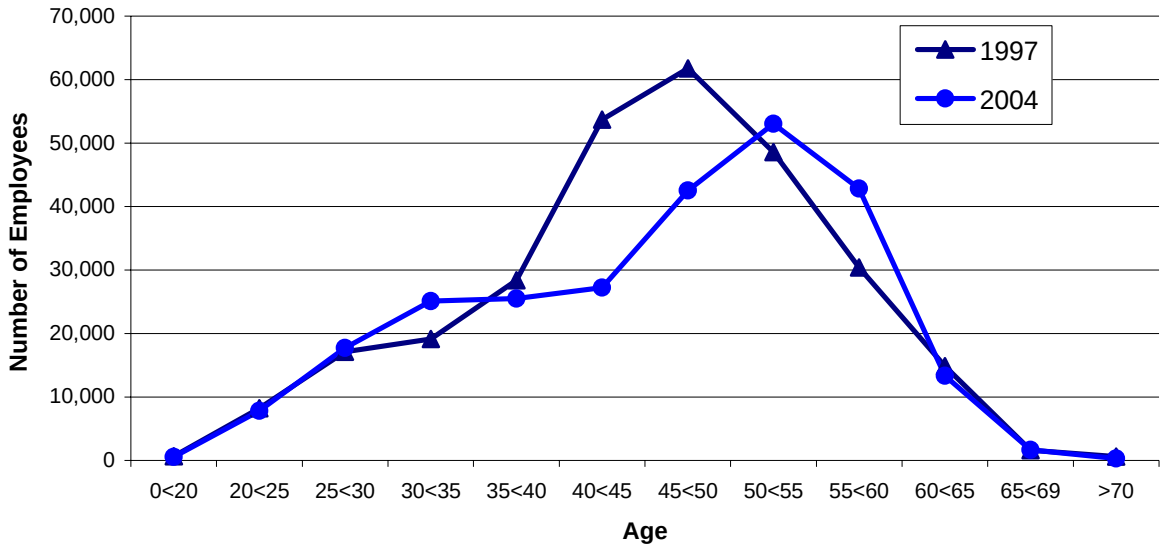

Figure 3. Railroad Employee Age Distribution Shift, 1997-2004 (SOURCE: RRB Annual Railroad Retirement Act and Railroad Unemployment Insurance Act data, statistical tables, section D: employment and compensation statistics, Table D-11, n.d.).

Table 2. Percent of U.S. Railroad Workforce Eligible to Retire

Year	Percent of all U.S. railroad employees eligible to retire based on 60/30
2009	17.4
2014	35.1
2019	48.4

SOURCE: RRB Annual Railroad Retirement Act and Railroad Unemployment Insurance Act data, statistical tables, section D: employment and compensation statistics, Table D-11, n.d., http://www.rrb.gov/act/pdf/ST05partd.pdf

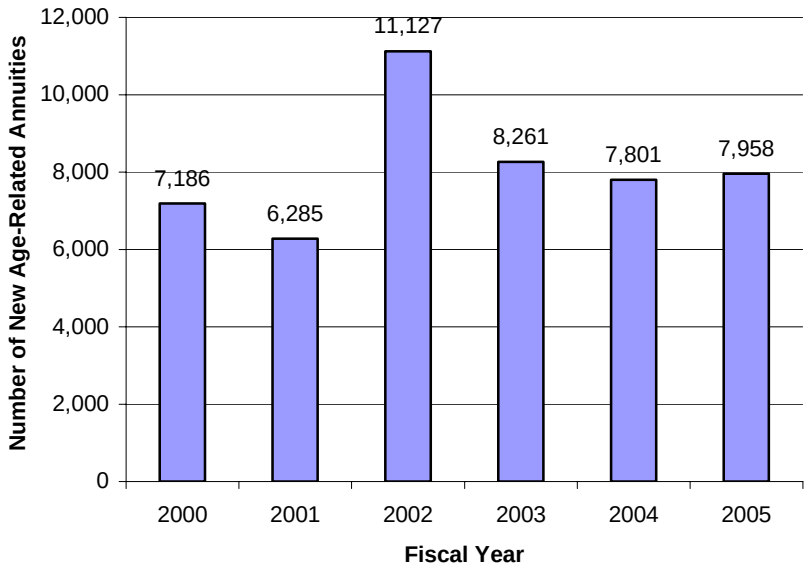

Figure 4. Number of New Age-Related Annuities by Fiscal Year, 2000-2005 (SOURCE: RRB Annual Railroad Retirement Act and Railroad Unemployment Insurance Act data, statistical tables, section B: retirement and survivor benefits, Table B10, n.d.)

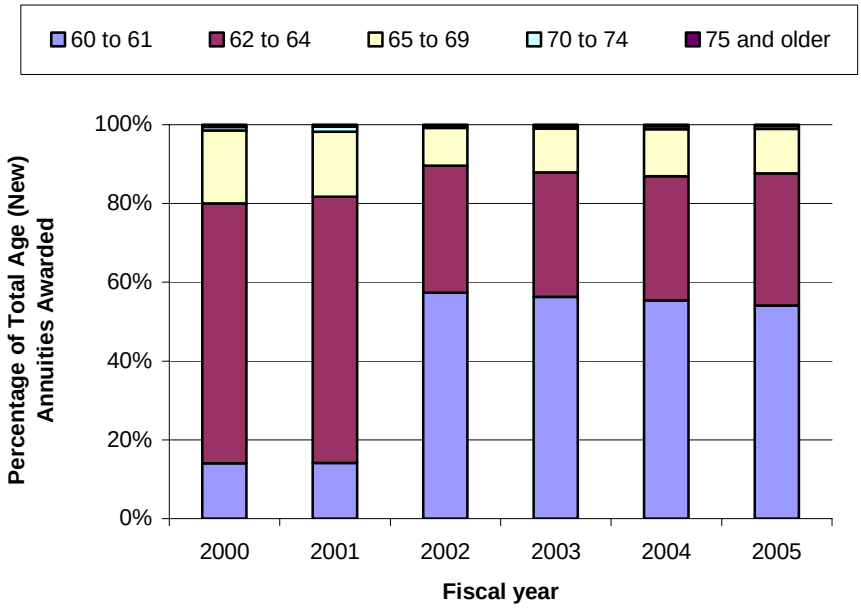

Figure 5. Percentage of New Annuitants by Age, 2000-2005 (SOURCE: RRB Annual Railroad Retirement Act and Railroad Unemployment Insurance Act data, statistical tables, section B: retirement and survivor benefits, Table B10, n.d.)

The U.S. railroad industry has begun to respond to these challenges. For instance, the AAR published a press release in April 2004 to announce that the Class I railroads expected to hire 80,000 employees over the next 6 years (AAR, 2004). Examination of RRB new entrant data show that the railroad industry as a whole has recently begun to increase its hiring efforts to replace retiring workers and meet increased business demands: 2004 marked the third straight year of increases in the number of new hires. According to RRB data (RRB Annual Railroad Retirement Act and Railroad Unemployment Insurance Act data, statistical tables, section D: employment and compensation statistics, Table D-2, n.d.), there were 11,000 new entrants to the railroad industry in 2002, an increase of 1000 over the previous year. There were 13,000 new entrants in 2003 and 22,000 new entrants in 2004. Furthermore, overall employment data, which reflect existing employees plus new hires minus those who retired or left the industry (i.e., net difference), show a gradual increase in the total number of railroad employees over the last few years, indicating that the industry is, in fact, beginning to adjust to the recent increase in retirements and business (see Figure 6).

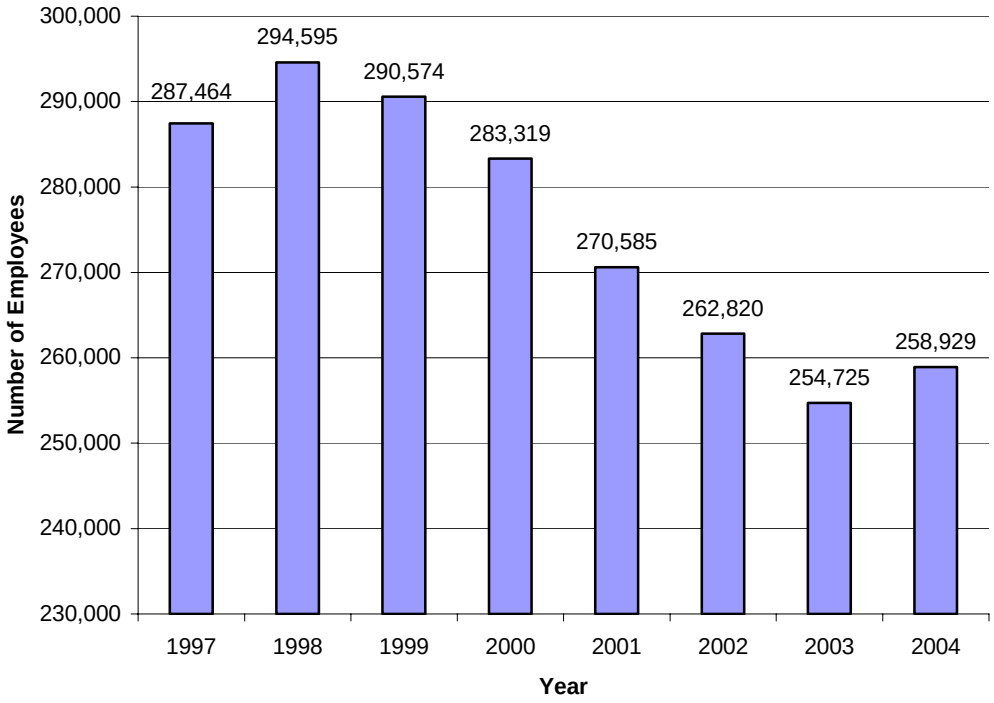

Figure 6. Total Number of U.S. Railroad Employees by Year, 1997-2004 (SOURCE: RRB Annual Railroad Retirement Act and Railroad Unemployment Insurance Act data, statistical tables, section D: employment and compensation statistics, Table D-11, n.d.)

Examination of AAR data for the Class Is reflects a similar story: after reaching an all-time low of 155,000 employees in 2003, the railroads have increased their ranks, to 158,000 in 2004 and 162,000 in 2005 (AAR, 2006a). Examination of monthly railroad data submitted to the Surface Transportation Board indicates that the Class I railroads are continuing this upward trend. In October 2006, the most recent month for which data were available, the Class Is reported

167,642 employees as of the middle of the month (Surface Transportation Board, 2006). The greatest growth has been among train and engine service employees (see Figure 7).

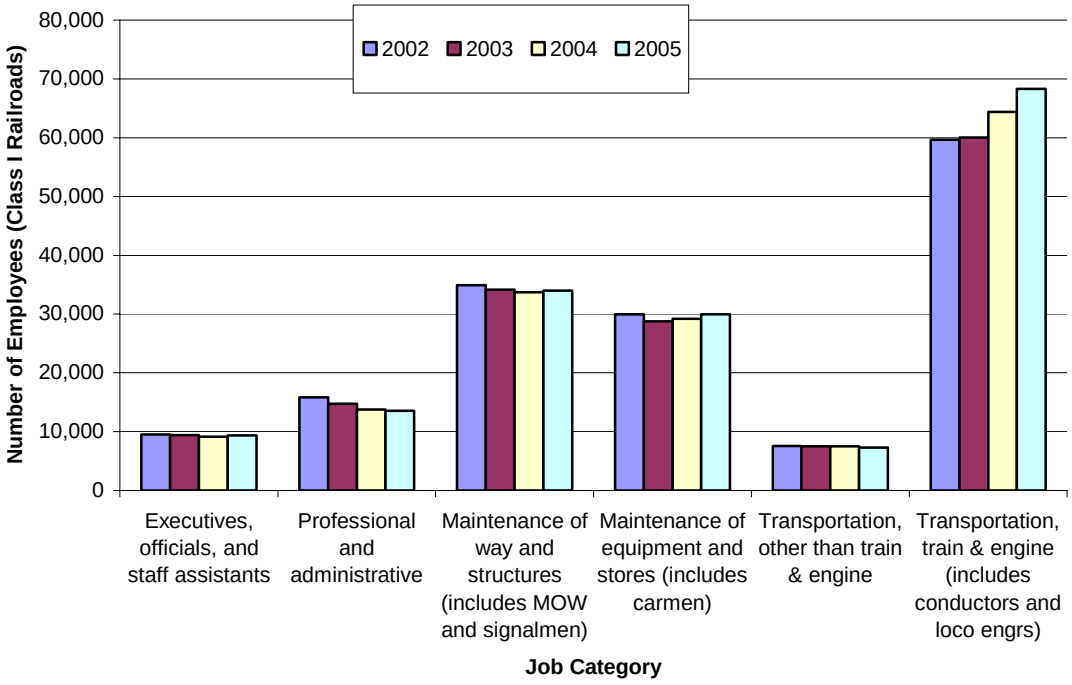

Figure 7. Railroad Employees by Job Category, 2002-2005 (SOURCE: AAR Railroad Facts, 2003-2006, p. 57)

Railroads are responding to the increase in business in other ways, too. According to the AAR, U.S. Class I railroads projected investing a record $8.3 billion in infrastructure and equipment improvements in 2006, a 21 percent increase over the previous year's investments (AAR, 2006b).

While the U.S. railroad industry has worked to adjust to the recent retirements in its experienced workforce by hiring thousands of new employees, the industry continues to improve its safety record. According to FRA train accident and casualty data, 2005 was safer than 2004. Furthermore, examination of safety data for the first 9 months of 2006, the most recent data that are available, suggest that 2006 will be the safest year yet (see Table 3). Thus, railroads continue to post positive safety gains while working to (1) hire large numbers of employees to replace those that are retiring and (2) meet the operational adjustments imposed by the increased demand for freight.

The combination of heavy employee retirements, an aging workforce, relatively few new hires, and a significant increase in business has recently resulted in significant challenges to the U.S. railroad industry. FRA, as part of the U.S. Department of Transportation (DOT), is interested in better understanding the challenges involved in recruiting and retaining qualified railroad employees to replace the large number of employees who recently retired or are reaching retirement in the next several years and meet the forecasted increase in demand for freight transportation service.

Table 3. Railroad Industry Safety Data, 2004-2006

	2004	2005	2006 (first 9 mo.)
Overall accident/incident rate*	18.78	17.66	15.97
Train accident rate*	4.38	4.08	3.52
Casualty rate**	2.62	2.36	2.07

* Per million train-miles
** Per 200,000 hours worked

SOURCE: FRA Office of Safety, http://safetydata.fra.dot.gov/officeofsafety

Some railroads recognized the importance of proper staffing as early as 1917, when a railroad in Germany used a locomotive simulator as a sophisticated selection tool to test locomotive engineers before admitting them to engineer school (Gundlach, 1997). Public interest in railroad staffing is also not new. Morris (1973) examined railroad officer recruitment practices around the turn of the 20th century. Krueger (1975) examined personnel staffing ratios in the railroad industry in the mid-1970s. Patton, Langley, Bronzini, Rochelle, and Googe (1980), in an FRA-sponsored study, looked at the educational needs of the railroad industry, especially railroad management and engineers.

The railroad industry and the public have an interest in ensuring that trained, qualified employees are available to work on the freight railroads. For the railroads, the forecasted increase in demand for freight transportation service represents a unique opportunity to expand their business and improve their financial performance. For the public, the efficient transportation of goods is critical to continued economic growth. The ability of the railroads, however, to meet the growing demand for freight transportation is dependent, in part, upon their ability to attract and retain highly qualified personnel.

The railroad industry, FRA and DOT, and the public will have a better understanding of some of the recruitment and retention challenges facing the railroad industry through examination of recent railroad recruitment and retention experiences and new railroad employee experiences and expectations. This study may also facilitate the sharing of recruitment and retention best practices across the industry as a way to assist the industry in optimizing its recruitment and retention practices. Finally, the experience of the railroads may provide useful lessons for other employers in the transportation system that are also facing increasing growth and labor shortages, including trucking companies, ports, and warehouses/transloading facilities.

1.2 Objectives

The overall goal of the project was to better understand the challenges involved in recruiting and retaining qualified railroad employees to replace the large number of employees who recently retired or are reaching retirement age in the coming years and meet the forecasted increase in demand for rail freight transportation service. To achieve the overall goal, the following technical objectives were established:

- Collect 2004 new hire railroad recruitment and retention data.

- Collect supporting information on railroad recruitment and retention practices, strategies, challenges, and experiences.
- Collect information on new hire motivations for joining the railroad and views on long-term employment in the industry.

1.3 Overall Approach

The following two-pronged methodological approach addressed the study's technical objectives:

- Interview HR representatives from U.S. Class I railroads to collect information on railroad recruitment and retention practices, strategies, challenges, and experiences.
- Conduct focus groups with new railroad employees to identify motivations for joining the railroad and gain insight on their perspectives on long-term employment in the industry.

Structured interview data collection was limited to U.S. Class I railroads, which represent a majority of freight railroading in the United States. Over 500 railroads operated in the United States in 2005, the 7 U.S. Class I railroads, however, employed 89 percent of all U.S. rail employees (AAR, 2006a). Although operational differences may exist between the U.S. Class I railroads and shortline and regional railroads, this approach was the most efficient to obtain an overall picture of the state-of-the-industry with respect to recruitment and retention issues facing the industry.

Focus groups were limited to those crafts that were considered unique to the industry because it was expected that railroads may have the most difficulty in attracting qualified employees. The following five crafts were identified: locomotive engineers, conductors[1], signalmen, carmen, and MOW employees. Figure 8 illustrates the overall approach used in the study.

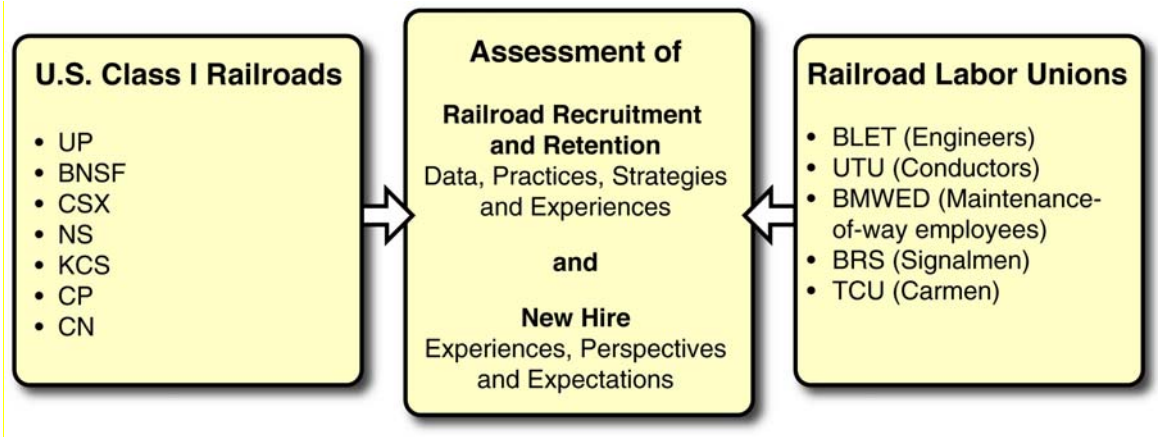

Figure 8. Overall Study Approach

[1] Conductor is used throughout the report to generically refer to all train service employees. The specific job title depends on the railroad and the particular function of the position. Train service employees are variously referred to as conductors, brakemen, switchmen, trainmen, yard foremen, groundmen, helpers, and/or utility men. For example, on some railroads, a train service employee responsible for a road train is called a conductor, while the same employee may be called a yard foreman when in charge of a yard switching job.

1.4 Scope

The study focused on recruitment and retention challenges that the U.S. freight railroad industry currently faces. Recruitment and retention are the bookends of an overall staffing approach to organizations (see Figure 9). According to Heneman and Judge (2003), "Staffing is the process of acquiring, deploying, and retaining a workforce of sufficient quantity and quality to create positive impacts on the organization's effectiveness" (p. 4). Thus, staffing includes not only recruiting and retaining employees, but also the selection, hiring, and training of employees.

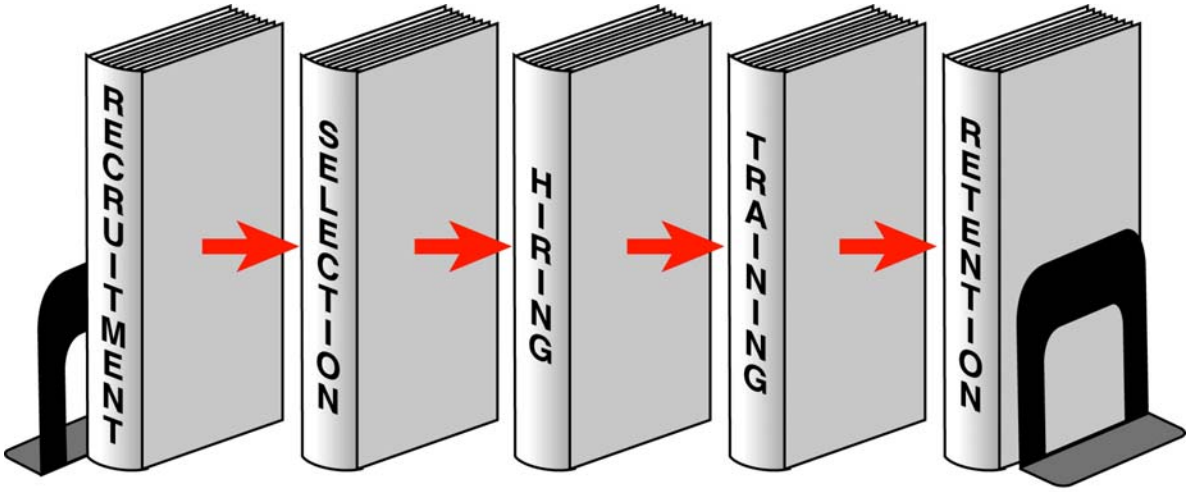

Figure 9. Staffing Continuum

Other aspects of staffing, though equally important in terms of a company's success, were not explicitly addressed in the study. Occasionally, information was gleaned on other staffing components, such as selection and training, based on discussion of how one of these components impacts recruitment or retention. For example, a railroad's training program can directly impact a railroad's ability to recruit new employees in that, for example, if a railroad provides welding training to its carmen employees, the railroad then does not need to require welding experience as a prerequisite job requirement. This provides flexibility in how to recruit job candidates.

Recruiting and retaining a quality workforce are critical to an organization's success. Recruitment addresses the processes through which an organization attracts high quality job applicants. It is through recruitment that an organization first determines the quality of its workforce. On the other end of the spectrum, retention is critical to keeping those employees who excel in their work performance. It, therefore, behooves organizations to keep highly qualified employees since they impact the success of the organization. Retaining a high quality workforce, however, is important in other ways as well. Heneman and Judge (2003, p. 22) note that "Unless attention is…paid to employee retention…maintaining adequate staffing levels and quality may become problematic." In other words, time and effort spent on retaining good employees pays off in terms of a less strained staffing system and a reduced need to train new employees. The cost of turnover can be high. Reasons for turnover are complicated and multiple means exist for measuring the cost of turnover. Some estimate that it costs anywhere from ¾ to 1½ times an individual's annual salary to replace an employee (See Creelman, 2005; Arthur, 2001).

Two types of recruitment exist: internal and external. Internal recruitment is the process of filling positions by promoting individuals from within the organization. External recruitment addresses the process of attracting outside job applicants to fill a position within the organization. This study focused on the *external* recruitment of individuals for four specific crafts: conductors, signalmen, carmen, and MOW employees. The study focused on retention issues related to these four crafts and locomotive engineers.[2] These crafts were identified as the focus of the study because these crafts were considered to be the most unique crafts in the industry in terms of job tasks. Therefore, it was expected that the railroad industry would have the most difficulty filling these positions. Recruitment and retention of other crafts, as well as railroad managers and executives, are not addressed, though it is recognized that recruitment and retention of these other jobs are clearly important to the industry. In fact, recently, Michigan State University has been exploring the need for an educational and training program to provide future railroad officers and leaders with the skill sets necessary to succeed (see Neilson & Wick, 2006).

The study focused on freight rail operations because a majority of U.S. railroad operations are freight carriers. Thus, to the extent that passenger and commuter operations are unique, some railroad recruitment and retention challenges may not be addressed.

To provide an efficient approach to the data collection, the study focused on the U.S. Class I railroads. According to the AAR (AAR, 2006a), there were over 500 freight railroads in the United States in 2005. The 7 U.S. Class I railroads, however, made up 93 percent of the freight railroad revenue and 89 percent of the freight railroad workforce. Thus, concentrating on the Class Is provided an economical and efficient approach to data collection. Where recruitment and retention challenges unique to shortline and regional railroads may exist, however, those issues may not be covered in this study.

Finally, the study focused on 2004 data because, at the time the study began in 2005, 2004 was the most recent year for which complete data would likely be available from the railroads to analyze and review.

1.5 Organization of the Report

Section 2 presents results from the structured interviews with representatives from the U.S. Class I railroads. Section 3 contains abridged results from the focus groups with new railroad employees from three cities across the country. Section 4 summarizes the study's key findings. Section 5 presents a list of references used in producing this report. The report also includes three appendices. Appendix A contains a copy of the structured interview guide used with the U.S. Class I railroads. Appendix B contains a copy of the new railroad employee focus group questions. Appendix C contains the unabridged results from the focus groups with new railroad employees. Finally, the report presents a list of abbreviations and acronyms used throughout the document.

[2] Locomotive engineers are typically promoted from within a railroad.

2. U.S. Class I Railroad Perspectives on Recruitment and Retention Practices, Strategies, and Challenges

Section 2 presents a state-of-the-railroad-industry based on results from structured interviews with HR representatives from U.S. Class I railroads. Section 2.1 discusses the methods used to obtain the information, and section 2.2 presents the results from the structured interviews.

2.1 Structured Interview Methods

To collect consistent information and data from each of the seven U.S. Class I railroads, a structured interview guide was developed. The structured interview guide contained two parts. The first part (Part I) focused on 2004 recruitment and retention quantitative data. The second part (Part II) contained questions of qualitative nature concerning recruitment and retention practices, strategies, challenges, and experiences. FRA vetted a draft set of interview questions. The draft questions were pilot-tested with representatives from one participating railroad to ensure that the questions were understandable and that answers to the questions could probably be provided in a reasonable amount of time and effort. Pilot test feedback was used to improve and finalize the structured interview guide (see Appendix A).

HR representatives from two railroads participated in the structured interviews directly with researchers while HR representatives from the other five railroads participated through the intervention and support of the AAR. In the latter case, the structured interview guide was sent to the AAR for distribution to representatives from the five participating railroads. AAR collected and collated written and/or oral responses provided by representatives from the five railroads and then submitted one document that contained collated answers to each question. A follow-up face-to-face meeting was held with representatives from the five railroads and AAR to allow researchers to clarify answers provided in the combined written response. After each interview, a draft summary was sent to representatives from the participating railroad or AAR (which distributed material to representatives from each of the five railroads) for verification and validation to ensure the information captured was accurate and successfully de-identified (so as not to reveal the identity of a railroad with respect to a particular answer). The iteration also enabled outstanding questions to be answered.

2.2 Structured Interview Results

Although HR representatives from all seven U.S. Class I railroads agreed to participate, some railroads chose not, or were unable, to provide data for certain questions in Part I, the quantitative 2004 recruitment and retention data. A railroad's ability or willingness to provide specific data depended on the question and the railroad, based on such factors as whether or not data were available (e.g., some railroads collected data on a particular issue while others did not) or how sensitive data were to a particular railroad. The result was that it was not possible to collect consistent and thorough 2004 recruitment and retention data from all seven railroads. Consequently, only answers and information related to Part II of the interview guide (qualitative information) are presented in the report, since this information could be consistently collected from all seven railroads and therefore provides a complete data set. Data and information provided by the AAR and the two separate railroads were integrated into one set of responses.

The remainder of this section is organized by theme or topic. For each topic, an amalgamated answer that represents all seven railroads is provided. All information is de-identified in terms of which railroad(s) provided a specific answer since the focus of the study is on the overall railroad industry and not the practices or experiences of any one particular railroad.

2.2.1 Railroad Recruitment Process and Methods

First, railroads were asked to describe the general process for recruiting, screening, and selecting new hires at their railroad and to identify who is involved in the process. Participating railroads use a myriad of different processes to recruit new conductors, carmen, signalmen, and MOW employees.[3] The primary recruiting tools used by participating railroads are Internet-based. Potential applicants may browse a railroad's Web site and job descriptions, apply for open jobs, and complete an online profile to be advised of future job postings. Railroads may also place job postings on Internet recruiting sites, such as America's Job Bank and CareerBuilder.com, as well as railroad-related Web sites such as those belonging to RRB and various labor unions. Railroads may also recruit through advertisements in newspaper, radio, community organizations, and area community/technical colleges and universities. Some railroads may also employ a more personalized approach to recruiting in which HR employees and hiring managers partner with local state and community organization representatives and attend job/career fairs at various locations throughout their systems. It depends on the job and the location as to what specific types of methods are used to recruit new hires.

Railroads note that attracting applicants is a fluid process: a railroad may try different approaches to see what works. Railroads also look back to see what method has worked in the past, and then they try to apply this recruiting method to a new location or craft to see how it works there.

Interested candidates typically apply for a railroad job online on the participating railroad's Web site (most railroads now require job applicants to apply online). Once an applicant has completed an online profile, answered prescreen questions, and submitted a cover letter and résumé, the screening process begins. Applicants who meet job-specific qualifications are invited to an orientation session that includes a realistic job preview, skills assessment, and personal interview. Candidates may complete application documents at this time as well. One railroad described its skills assessment test as comprising 100 questions. The 1-hour test is primarily composed of story-based questions and measures work style, disposition, job-related experience, math skills, and decision quality. Job applicants for all four crafts of interest take the same test at this railroad.

The same railroad described its 1-hour orientation as covering the seniority system and work schedules, including work hours and responsibilities (for instance, new employees will likely have to work holidays, be on call, and will miss family events). During the orientation, the railroad also tells job applicants that they will need to pass a drug/alcohol screen and a physical exam. The purpose of this orientation is to expose job applicants to the reality of working for the railroad. According to this railroad, a number of individuals leave after this orientation and do not return.

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[3] Since locomotive engineers are typically promoted from within the ranks of other crafts, primarily conductors, they are not included in the discussion of recruitment practices and experiences unless explicitly noted.

After the job preview and review of the application documents, applicant's qualifications/experience, and assessment results, railroads invite a subset of applicants to participate in a personal interview. According to one railroad, interview questions address job-specific requirements and probe the job applicant's background. The interview explores, among other issues: work-related experience, including shift work and outdoor work experience; attendance at previous activities; safety training; driving record; confrontation skills; thoughts about safety; and propensity to be an individual versus team worker. Some interview questions depend on the position (craft) being filled.

Of these applicants, those best suited for the positions as depicted in the job description are given contingent job offers. Upon offer acceptance, applicants are given a pre-employment physical/medical exam that may include a strength test depending on the railroad and a drug screen. A background investigation is also initiated. Applicants who pass the medical exam, drug screen, and background check are hired.

Individuals that are involved in the hiring process may include HR representatives, hiring managers, department heads or technical staff, and trainers.

One participating railroad recently changed their recruitment process for conductors. In the past, the participating railroad used the more traditional approach described above to recruit conductors. Currently, all conductors are recruited through NARS in Overland Park, KS. Transportation department staff from the particular railroad visit NARS to provide students with an orientation to the railroad and interview students. Orientation stresses the railroad's history and the required work hours and railroad life. Those who pass the interview are referred to the railroad's HR department, which examines the railroad's Equal Employment Opportunity (EEO) policy to ensure they are meeting their EEO objectives.

Next, railroads were asked to identify which recruiting methods were most successful and whether some recruiting strategies and sources were more effective than others for attracting job candidates to specific crafts. According to participating railroads, the following recruitment methods were considered the most successful:

- *Company Web sites and the Internet*. In recent months, railroads have been using the Internet more aggressively than ever before. Railroads actively seek to direct people to their Web sites. These sites provide information about the organization and available jobs (e.g., one railroad's Web site includes video clips that acquaint people with the nature of different jobs), and individuals can apply for jobs online. To draw people to their Web sites, railroads have begun to place their Web site address on company vehicles, locomotives, and apparel. Other approaches have included the use of advertising banners posted on Web sites frequented by truck drivers. Railroads feel that it is also important for their own employees to know the company Web site and be able to share it with friends and family because the industry has a very high employee referral rate.
- *Employee referrals*
- *Working with military transition assistance programs*
- *Job fairs*
- *Newspaper advertising*

- *Radio advertising*
- *Working with the National Urban League*
- *Industrywide effort to increase awareness of jobs in the railroad industry*. More recently, an industrywide effort led by the AAR is spreading the word that railroads are hiring. For example, AAR recently sponsored a booth at the Workforce Innovations 2006 national conference. In addition, AAR put out a prominent press release in 2004 announcing the need to hire 80,000 employees industrywide over the next 6 years.
- *Technical/community colleges.* Railroads look at technical colleges and schools to hire some crafts, such as signalmen, where a technical electronics background is important.
- *NARS.* One railroad reports fewer conductor turnovers from NARS students than conductors who were recruited through traditional job services. The railroad attributes this decline in NARS student turnover to the fact that NARS students have researched the job and therefore know what they are getting into when they start and have paid to go to school in order to get the job. Any railroad can recruit students from NARS.
- *Impact of predecessor railroad(s) on a community*. One railroad noted that their recruiting is affected by the impact of their predecessor railroads on local communities. According to this railroad, in locations where one well-known, popular predecessor railroad operated, people still come looking for jobs, whereas in locations where a lesser-known predecessor railroad once operated, people are not as aware of the railroad and railroad jobs, thus the participating railroad must do more active recruiting in these latter locations.

Two recruiting sources that were considered to be less successful included:

- *Job placement and State employment agencies.* One railroad explained that it tries to provide as much information about the job as possible to state employment agencies so the agencies can convey this information to prospective job applicants; however, in general, the railroad has had less success recruiting new employees through job placement services.
- *RRB.* One participating railroad notes that they receive few applicants through the RRB Web site.

2.2.2 Railroad Screening Methods

Next, railroads were asked to identify screening methods that they find to be most effective. They were also asked whether some screening criteria and methods are more effective than others for any of the crafts.

Participating railroads note that screening is a lot more common now than 20 years ago, and that this screening is effective in helping to select a qualified workforce. Participating railroads identified the following screening methods, tools, and approaches as most effective:

- *Job orientation*. Railroads identified two specific components of the job orientation that were particularly effective: the job preview and the requirement to submit to a drug/alcohol test. One railroad noted that many applicants leave during the orientation after they find out they will need to submit to a drug/alcohol screen. Thus, it is not the

drug/alcohol test itself but the requirement for such a test that screens out a number of prospective job applicants.

- *Telephone prescreen and review of application documents.* The telephone prescreen involves basic questions such as determining the applicant's willingness to submit to a drug test and background check. With respect to application documents, railroads look for consistency in information, spelling errors, gaps in job timelines, reasons why applicants left previous jobs, and previous experience (e.g., for MOW, they may look for machine operators).
- *Hire individuals who reside in an area on the line where there is an existing need.* According to at least one participating railroad, an approach that has proven effective in hiring and retaining employees, especially those often required to work away from home, is to hire individuals who live in an area near the rail line where a need exists for employees. That is, railroads try to attract people who live close to the locations where they will be working. Less desirable locations may have a greater need for new hires because employees may bid out of the location as soon as they have enough seniority to do so. To combat this particular problem, one participating railroad has a hiring requirement that the individual must live within 30 miles of their work location. Hiring individuals near where they will be working reduces the need for employees to travel long distances to work or to relocate to the area.
- *Relevance of prior experience.* One participating railroad explains that if they have more good quality applicants than they can hire at a particular location, they generally decide between applicants based on the relevance of their prior experience through subsequent review of applications.
- *Off-the-shelf behavioral and reading comprehension tests.* According to participating railroads, behavioral tests tap into issues that are difficult to ascertain from the interview or prescreen questions, so they are a valuable addition to the screening process.

2.2.3 Reasons Railroad Job Applicants are Not Hired

Railroads were asked, "What are the major reasons that job applicants are not hired?" Major reasons given are that job applicants:

- *Cannot pass the reading comprehension test*
- *Have a criminal history*
- *Have large gaps in their work history*
- *Have problematic driving records*
- *Have work experience/history that does not match the job requirements.* Several railroads elaborate that this is an issue especially for carmen, signalmen, and track laborers (MOW). These railroads look for job applicants for these crafts that have certain technical backgrounds. For example, they may look for carman job applicants who have a mechanical background and who have welding experience, and they may look for track laborers who have experience working outdoors, operating mechanical equipment, and/or doing physical labor. In fact, one railroad estimates that 90 percent of those not hired

after their interview are because of a mismatch between work history/experience and job requirements.

- *Provide non-truthful information or inconsistencies in the information supplied.*

According to participating railroads, other reasons a job applicant is not hired include:

- *Failure to complete required sections of the job application*
- *Illegible application documents*
- *Unstable work history (e.g., a pattern of "for cause" terminations)*
- *Failing the pre-employment medical exam and/or drug test*
- *Failure to disclose relevant information which would be revealed on a background check*
- *Failure to meet alcohol/drug-related conviction requirements for safety-sensitive positions*

2.2.4 Barriers and Obstacles to Attracting Qualified Employees

Railroads were next asked to identify the biggest barriers or obstacles to attracting qualified employees. Participating railroads identified the following barriers and obstacles to attracting qualified employees:

- *Incremental pay rate system, and more generally, seniority versus performance-based hierarchy of rights and privileges.* Wages and seniority rights accrue over time rather than based on merit or performance. Under an incremental pay rate system, for example, new hires enter at a fraction of their full earning potential. For instance, conductors typically begin at 75 percent of their salary. Their pay rate increases 5 percent each year, therefore it may take a conductor 5 years to earn 100 percent of his/her salary. One railroad notes that it has lost employees to other railroads who were able to waive the incremental pay rate system.
- *Universal pay rates system*. Universal pay rates, where a railroad employee working for a particular railroad is paid the same wage regardless of whether they live in New York City or Wichita, KS, do not reflect local labor market conditions. As a result, a wage which is competitive in one area may be less competitive in other areas.
- *Work schedules.* The unpredictability of some crafts' work schedules remains a challenge to the industry. Although railroads have made progress in this area, work-life balance continues to be a challenge. The railroad industry continues to look for ways to ensure that applicants fully understand the job requirements for which they are applying.
- *Literacy*. At least one railroad has observed low literacy levels in some cities, resulting in a barrier to recruiting qualified employees in these locations.
- *Job requirements and work environments.* Some job requirements and work environments are themselves barriers to recruiting otherwise qualified employees. For example, some railroads have a strength requirement to be able to carry an 80 lb knuckle, or to be able to walk 1 mile to check the condition of a train. This can occur at night in an unsafe area. This is especially problematic for conductors and MOW employees.

- *Competition with other railroads for employees.*
- *Branding*. One railroad noted that job seekers do not necessarily think of working for a railroad. A major obstacle is getting the word out that jobs exist in the industry and that the participating railroad is a good place to work.
- *Lack of qualified job applicants in some locations*. One railroad noted that there are not a large number of individuals with the skill sets that are required in certain pockets, or small regional locations, where the railroad operates.
- *Lack of sufficient population to draw from in some areas*. In some areas, the local population is small; therefore, a large pool from which to draw skilled job applicants does not exist.

2.2.5 Recent Changes in the Way Railroads Attract Employees

Railroads were asked how they have changed the way they attract qualified employees over the last few years. Participating railroads report that they have made a variety of changes recently to increase their abilities to attract qualified employees. The most significant changes include:

- *Partnerships with armed forces personnel* (e.g. Army Partnership for Youth Success, or PaYS) to recruit military personnel transitioning to the civilian workforce.
- *Partnerships with community colleges and participation in more job fairs.* Goals here are to attract job applicants and let them know that the railroad industry is a career choice. One railroad noted that they have begun to participate in high school job fairs to try to increase awareness of railroad jobs to a younger audience. They have also begun to work with some community colleges to attract job applicants for the signalman craft, such as those who have an associate's degree in electronics.
- *Internet advertising and Web site development* to attract prospective employees to their company's Web sites.
- *Use of NARS to recruit conductors.* One railroad changed from a general recruiting approach to recruiting almost exclusively NARS students. Currently this railroad recruits approximately 90 percent of new conductors through NARS.

2.2.6 Railroad Employee Demographics

The next series of questions addressed a variety of employee demographics—educational levels, gender and race, regional differences (in terms of success in recruiting), urban versus rural differences, and challenges unique to certain crafts.

Employee educational levels

Railroads were asked, "In general, how do the educational levels of those hired over the last few years compare to the educational levels of those hired in the past?" and "To what do you attribute any new trends?" According to participating railroads, in general, the educational level of recent hires is greater than those who entered the industry a number of years ago. Participating railroads attribute this to several factors:

- *Opportunity for personal development*. At least one railroad attributed the increase in educational attainment to the railroad's emphasis on personal development. The railroad felt that personal development, such as tuition reimbursement for continuing education, was attractive to younger and more educated workers interested in career advancement.
- *More individuals seeking college degrees before starting careers*. Some railroads attributed this change to the general change that is taking place in society, where the norm for educational achievement has increased over time (i.e., more individuals are earning college degrees before seeking full-time work).
- *Changes to the local economy*. According to one railroad, in some locations where it operates, high school graduates may have been laid off from unskilled jobs, and to avoid being laid off again, these individuals may have returned to college to gain additional knowledge and skills before eventually finding a job at the railroad. Other railroads report that they have recently been employing a number of individuals with bachelors' degrees who have lost their previous jobs to outsourcing.
- *More efficient prescreening*. According to railroads, prescreening has become more efficient with Internet-based prescreening tools, so railroads have been able to be more selective. Consequently, railroads may be selecting candidates with higher educational attainment as part of their improved prescreening ability.
- *NARS*. One railroad credits some of the change in educational levels to NARS, since, although NARS requires only a high school degree, some NARS students enter the program with some college experience. In fact, according to this railroad, a high percentage of new hires in all five crafts of interest in this study have at least some college experience now.
- *Active pursuit of a more highly educated workforce*. One railroad explained that it has been recently pursuing college and trade school graduates to match job candidates with the skills required by certain jobs such as signalmen.
- *Job stability*. According to one railroad, college educated job applicants are looking for job stability that railroads offer.

Gender and race

Railroads were asked how workforce demographics such as gender and race/ethnicity have changed over the last 5 years and what additional changes to workforce demographics they anticipate over the next 5 years. According to most participating railroads, workforce demographics have changed over the last 5 years and will continue to change over the next 5 years, reflecting changing demographics in general. Participating railroads have increased their recruitment of ethnic/racial minorities over the last few years, but they have been less successful at recruiting women. One reason participating railroads gave for this disparity was that many of the railroad jobs that women historically worked, such as clerical positions, have been eliminated through automation. Furthermore, participating railroads felt that many of the blue collar jobs that the railroad industry does have to offer may be less appealing to women. In the future, most participating railroads believe that the workforce will continue to be more diverse, reflecting the diversity of the local communities in which railroads hire.

One participating railroad explained that it has not seen any significant changes since 1994, when the railroad implemented a new policy to increase the number of minority employees. Similar to the other participating railroads, this railroad notes that the demographics of their workforce match the demographics of the regions in which they recruit. This railroad does not anticipate any big changes, however, looking ahead over the next 5 years.

Regional and urban/rural differences

Railroads were asked whether or not their railroad experienced any differences in filling positions in 2004 across different regions of the country. The country was divided into four regions (West, Midwest, Northeast and South) according to how the U.S. Census Bureau divides the country (U.S. Census Bureau, n.d.). A number of participating railroads felt that this regional division of the country was too broad to be meaningful. These railroads explained that, instead, they have observed differences between rural and urban locations as well as differences between specific locations. Other railroads, however, were able to identify some regional differences, primarily in the Midwest. For example, one railroad found that craft positions (e.g., carmen) that require specific skills are more difficult to fill in the Midwest, especially in Kansas City. A second railroad explained that in some rural parts of several Midwestern states, the participating railroad competes with casinos for employees, and that casinos are favored by the local populations. This railroad explains that it prefers to have a ratio of five job applicants for every position so that they can select the best possible job applicant, but in some places it is not possible to sustain that favorable ratio.

Next, railroads were asked whether or not they experienced any differences in filling positions in 2004 between urban (i.e., large, metropolitan) and rural settings. Participating railroads did not identify specific differences in filling positions in 2004. Instead, they identified general challenges and advantages associated with recruiting new employees in urban and rural settings.

Challenges with filling positions in urban areas include:

- *Higher test failure and illiteracy rates*. One participating railroad has observed that job applicants from urban areas have a higher failure rate on the screening test used in the selection process than their rural counterparts. Other railroads have observed a greater rate of illiteracy among urban job candidates compared to their rural counterparts.
- *Greater drug use among urban job candidates*
- *Greater competition for employees*. For example, one railroad explains that some urban employers may offer more desirable job characteristics, such as weekends off.
- *Lack of railroad name recognition*
- *Less reliable transportation to and from work*. Having reliable transportation to travel to and from work is more of a challenge in urban areas where more people depend on public transportation. The participating railroad has found that, in rural areas, almost everyone has a personal vehicle.

Challenges with filling positions in rural areas include:

- *Smaller labor pools*
- *Greater alcohol use among job candidates*

In spite of the challenges, rural areas also offered some advantages when it comes to recruiting new hires. These include the following:

- *Greater (railroad) name recognition in rural areas*
- *Employee referrals*. Often, the applicant has been referred by a current railroad employee, and therefore, he/she has greater knowledge of what to expect.
- *Greater recruitment directly out of high schools*. More individuals are hired directly out of high school, in part because they already have machine operator experience working on farms.
- *Lack of competition for jobs*. According to participating railroads, often no other jobs are available or nearby, so many individuals seek work with the railroad.

Participating railroads noted that differences also exist between specific cities. City to city differences include different literacy rates and differences in competition for other jobs (i.e., local economic competition).

Railroads were then asked whether or not there were any regions of the country or any settings (urban or rural) that they anticipate are going to be particularly challenging when trying to fill positions over the next 5 years. According to participating railroads, challenges will always exist in filling positions. In urban areas, such as the mid-Atlantic coast and Northeast, filling positions is difficult because railroads are competing not only within the transportation industry, but also with a great number of other industries located in that area. Furthermore, advertising is expensive, and railroad advertisements are competing with a number of other advertisements. Consequently, maintaining a sustained recruitment impact/media presence in these areas is difficult. For example, the cost of advertising per hire in the Northeast is three times that of other areas of the country. One railroad noted that they will periodically advertise in urban areas, but it remains hard to get a message to stand out in populated areas where so many advertising dollars for everything compete for limited space and time. Participating railroads note that standing out among the advertising "noise" in urban areas such as the Northeast is difficult.

In rural areas, fewer media choices exist, so each has a longer reach. Furthermore, advertising is less expensive. A billboard rented for a year in the country might cost the same as a few column inches in a major metropolitan paper. A challenge in less densely populated areas, such as central Nebraska and the Powder River Basin in Wyoming, however, is having a large enough pool of applicants available to fill the positions. According to participating railroads, one reason for this difficulty is the recent rural flight from very rural areas to other communities.

One participating railroad feels that, over the next 1-5 years, regional and urban/rural challenges will depend on the specific, local economies and competition for qualified job applicants. For example, if a local employer has closed, the participating railroad would likely see more job applicants for a particular position.

Finally, one railroad does not anticipate any locations to be more challenging than other locations. This railroad has begun a pilot program to identify prospective new employees and place them in NARS. The railroad pays for their schooling, and at the end of their schooling, the student is committed to working for the participating railroad for a certain number of years. Students are informed upfront that they may have to move up to 1000 miles away for their job, thereby enabling this railroad to place these individuals anywhere in their system.

Craft differences

Railroads were next asked whether or not any of the crafts of interest in this study and for which they hired off the street (i.e., all but engineers) were more difficult to fill positions for than others. Participating railroads note that, in general, MOW, signalmen, and carmen positions are most difficult to fill for the following reasons:

- *MOW and signalmen jobs can require employees to work away from home* for a week at a time, for a number of weeks, with work locations changing as the work progresses.
- *The variable pay that results from the seasonality of the work.* MOW and signalmen crafts are subject to being furloughed during winter months in northern climates, depending on the work and weather.
- *Signalman positions require a technical background.* Participating railroads note that finding skilled workers has become more difficult recently because high schools have discontinued traditional shop classes.
- *Certain work experience, such as welding, is desirable for carmen positions*. Participating railroads observed that few people have welding experience these days. To get around this obstacle, some railroads hire carmen who have no welding experience, and the railroad provides welding training to their carmen and enables them to obtain their State welding licenses.
- *Competition from other industries*, especially the telecommunications industry, for the technical skills required for signalman positions.

Two participating railroads note that the difficulty in hiring is related more to the state of the local labor market (i.e., the local unemployment rate and competition with other industries for the same workers) or to the region than it is to the craft. For example, one railroad explains that they have the most difficulty filling positions for all crafts of interest in this study in the Midwest (one state in particular).

2.2.7 Recent Successful Approaches to Attracting Railroad Employees

Railroads were asked to describe one or two recent, particularly successful approaches to attracting railroad employees at their railroad, including what has made each approach so successful. Participating railroads noted the following recent, particularly successful recruitment practices:

- *Development of relationships and partnerships with a range of recruitment sources.* Sources include colleges and technical schools, community organizations, State employment agencies and job services offices, minority and military organizations, the Transportation Communications International Union (TCU) Job Corps, and Veterans Administration (VA). These relationships and partnerships allow the railroads to educate representatives from these recruiting organizations on the railroad work environment, the industry, and the skill sets that the jobs require. These relationships and educational exchange enables representatives from these recruiting organizations to better prepare and prescreen potential employees they refer to the railroads. These relationships also expand a railroad's exposure to a multitude of individuals who may or may not have been aware of the opportunities offered them by a railroad. For example, one participating

railroad's HR and signal department staff have been working with community colleges to raise awareness of signalmen jobs at the railroad and recruit those who are graduating with associate's degrees in electronics or a similar field. One railroad also noted that by working closely with State agencies, they have been able to identify a number of highly qualified minorities and military veterans.

- *Recruitment through military outplacement services.* Recruiting via military outplacement services has yielded some excellent applicants both in agreement and non-agreement positions, according to participating railroads. In some cases, they have invited candidates who live outside the area in which a hiring session is taking place and have made some good hires.
- *Placement of job announcements on CareerBuilder.com*. According to one railroad, although most of the job announcements posted on Careerbuilder.com are management positions, some union jobs have been posted there as well. This railroad reports receiving a diverse pool of job applicants through Careerbuilders.com.
- *Placement of individuals in NARS*. A number of railroads recruit NARS students. One participating railroad has begun to place individuals in NARS. These individuals agree to work for the railroad for a minimum number of years after graduating. The railroad has just begun this program but, according to this railroad, it appears to be a promising approach.

2.2.8 Knowledge, Skills, and Abilities Needed to Succeed

Railroads were next asked to identify the key knowledge, skills and abilities that tomorrow's railroaders will need to succeed. According to participating railroads, several knowledge, skills, abilities, and other attributes (KSAO) exist that future employees must possess for a long successful employment within a railroad. These include the following:

- *The ability to work autonomously*
- *Flexibility in work scheduling and work locations*
- *A belief in corporate value*s such as continuing education and development in order to succeed within the organization
- *A sense of personal responsibility and commitment.* According to one participating railroad, employees who have these two qualities will learn what they need through training and will adjust to the challenges of the railroad lifestyle.
- *A "can do" attitude*
- *A dedicated work ethic*
- *A college degree*. The participating railroad is looking for individuals with college degrees that they can place in the transportation department to get some experience on the ground and then promote them to management positions such as trainmasters, yardmasters, and superintendents.
- *Electronics experience (for signalmen).* One railroad explains that they would like incoming signalmen to have electronics experience but this is not necessary, as the

railroad is prepared to take someone with little or no electronics experience and train them.

- *Computer proficiency and ability to work with technology*. Tomorrow's railroaders will need to be computer and technology literate due to the increased use of computers and technology on the job and in the industry. For example, conductors must use a desktop computer to pull off work orders and tie up at the end of their shifts. Further, some of the equipment used by track laborers (MOW) is operated through a computerized interface. At even a more basic level, anyone interested in a job as a conductor, signalman, carman, or MOW employee must apply online using a computer and the Internet. Further, railroads are providing more and more employee-related information on their Web sites so that employees can access the information whenever and wherever they choose. Lastly, use of computer-based training (CBT) has increased, requiring employees to have computer skills to complete the training.

2.2.9 Top Recruitment Challenges

Railroads were asked to discuss their railroad's top 3 recruitment challenges over the next 5 years. Participating railroads identified the following top recruitment challenges:

- *Providing accurate and realistic job previews* to reduce culture shock upon entry into the workforce
- *Focusing on person-job fit and placing individuals into jobs for which they are best suited*
- *Offering the work-life balance that new hires desire*
- *Understanding and adjusting to what future hires will expect and need from the job.* Railroads explain that the expectations of future railroad employees will be different from those of previous generations. For example, railroads note that more and more young workers require a family-friendly work environment. One railroad has also observed that the most recent generation of new employees seeks more personal time and a more regular work schedule than have previous generations of employees, even if it means earning less money. Those responsible for recruiting need to keep abreast of these issues and need to educate their organization's leaders on these issues in order to manage their leader's workforce expectations.
- *Creating pools of pre-qualified applicants ready for training when and where needed*. Pools of pre-qualified employees are those who have submitted applications and who have passed the prescreen, so that when a need arises, for example, to fill a conductor class, a railroad can call individuals off a list to ask them to show up to a hiring session on short notice.
- *Improving the railroads' ability to attract high quality and diverse candidates*
- *Diversifying the job applicant pool and ultimately the workforce*, for example, so that employee populations will mirror local populations from which railroads draw their employees.
- *Making the railroad more attractive to women*

- *Determining where to recruit good employees*. According to one railroad, NARS has been successful, but they are eager to identify other successful sources.
- *Making employment packages more attractive* to prospective employees

2.2.10 Railroad Retention

Reasons new hires from different crafts leave

Railroads were asked several questions about why railroad employees leave. First, they were asked whether or not different reasons exist for why employees from different crafts leave.

One participating railroad identified the following significant reasons why employees from different crafts leave:

- *MOW*: MOW employees leave because of the physical demands of the job.
- *Conductors and engineers*: Conductors and engineers leave because of the 24/7 nature of the job; working weekends, nights, holidays, and early mornings; and the schedule variability.
- *Signalmen and carmen*: Signalmen and carmen leave for better paying jobs. According to this railroad, however, few signalmen and carmen leave.

A second participating railroad observed no noticeable difference among crafts in terms of why railroad employees leave. According to this railroad, most employees remain with the railroad since many are looking for a career. Those who leave do so because of the railroad lifestyle, for example, working outside, being on-call, and the 24/7 nature of the operation.

According to other railroads, many reasons exist why individuals leave specific crafts, aside from retirement. For instance, some individuals leave crafts due to promotions and craft transfers (e.g., an employee may leave MOW to become a conductor). Oftentimes individuals are hired without fully understanding the culture and lifestyle of railroad life and leave because they prefer a different work environment.

Reasons new hires leave during training and probationary period

Railroads were asked why new hires leave during training and, separately, their probationary period. According to all participating railroads, new hires typically leave during training due to recognition of poor person-job fit, i.e., the railroad lifestyle. This is especially true for engineers and conductors, according to one railroad. According to participating railroads, even though job applicants receive a thorough job preview during the selection process and employees successfully complete training, some newly hired employees do not fully understand the demands of the railroad lifestyle until they have experienced it. Some may also be dismissed during training because of failed promotional or rules tests.

According to participating railroads, employees leave during their probationary period because the railroad lifestyle does not suit them, they are dismissed because they do not perform satisfactorily (i.e., work safely), or they fail a drug/alcohol test.

Reasons why employees with different amounts of service leave

Railroads were asked whether or not different reasons exist for why employees with different amounts of service leave (e.g., those with less than 5 years of service versus those with over 20 years of service). According to participating railroads, those who leave within the first 5 years of service leave for the following reasons:

- *Initial earning potential.* As unionized industries operate, with seniority comes better pay and choices such as work locations and shifts. Seniority takes time to accrue; therefore, within the first 5 years, new hires may grow weary waiting to gain seniority and the privileges (e.g., full pay for those crafts that have an incremental pay rate system in place) that accompany it.
- *Railroad lifestyle.* Many of the craft jobs operate in a 24/7 work environment. Although restrictions exist for hours of work, employees in these crafts are often away from home. This can lead to a negative impact upon life at home. Thus, the new hires that do not have the seniority of preferred locations and shifts may leave the railroad industry.
- *Generational differences.* Participating railroads observe and cite research (e.g. Jeffries & Hunte, 2004; Ross, 2005) that individuals from the newest generations of workforce employees (i.e., Generation Xers and Millenials) are more likely to move around from job to job compared to older generations, especially while young. Thus, participating railroads feel that the likelihood of turnover within the first 5 years for these new hires is, and will continue to be, a real challenge.
- *Low pay*. One railroad explained that signalmen and carmen may leave within the first 5 years for better paying jobs, though few signalmen and carmen leave.
- *Physically demanding nature of the job*. One railroad noted that MOW employees may leave within the first 5 years because of the physically demanding nature of the job.

Those who leave after 5 years do so because of unforeseen life changes such as an injury, illness, or family commitment. Similarly, railroads observe that those who leave after 20 or more years of service are usually retiring or do so because of unforeseen life changes such as those described earlier. Railroads observe that after 30 years of service, employees leave because they are retiring.

Several railroads explain that a major driving force in retention is being able to quickly promote individuals. The sooner employees are promoted from conductors to engineers (assuming this is part of their career goals), the more likely they are to stay with the organization. According to railroads, the effectiveness of this is due in part to the immediate pay increases. Quick promotion also helps individuals see the long-term possibility of having a career which provides for continuous growth in the company.

Amount of time before becoming a career railroader

Railroads were asked whether or not there is a certain amount of time (years of service) after which employees generally become career railroaders and to what do they attribute this threshold. Although one railroad has found that if an employee stays at least 1 year, he/she is more likely to make a career out of the railroad, most participating railroads have observed that employees who stay with the railroad for 5 years, barring any major change within their lives or

the company, are most likely to become career railroaders. Railroads attribute this drop-off in attrition around 5 years to the following reasons:

- *Employees become fully vested in their retirement after 5 years.*
- *Exposure to career railroaders.* One railroad explains that these employees have been around a number of more experienced employees and have seen what it can be like to make a career out of working for the railroad and what the railroad can do for its employees.
- *Conductors on many properties attain full wage pay after 5 years.*
- *Employees have become familiar with, and accepted, railroad operations and the associated lifestyle.*

2.2.11 Changes in Railroad Company Employment Practices to Promote Retention

Railroads were asked to describe any changes in company employment practices to promote retention that have occurred over the last few years. Participating railroads noted several changes they have made to their employment practices to increase retention. These include:

- *Placing a greater emphasis on realistic job previews.* Railroads noted that they have placed a greater emphasis on realistic job previews during the screening process before individuals are hired.
- *Improving work-life balance.* An example that was provided was improving work-life balance through local efforts to modify calling and assignment rules in ways that meet railroad service needs and improve employees' work-life balance by increasing conductors' and engineers' work schedule predictability.
- *Employing more individuals near their hometowns (i.e., local hires) to reduce the need to relocate employees.*
- *Hiring individuals from industries with similar cultures and lifestyles.* For example, recently railroads have found success hiring individuals who have left the military.
- *Currently working to waive the incremental or step pay requirement for certain crafts.*
- *Starting a retention bonus where the railroad reimburses an employee for their NARS tuition.* To receive the tuition reimbursement, the employee must remain with the railroad for at least 3 years.
- *Changing compensation strategies from mileage-based wages to hourly wages for train and engine service employees.* At least one participating railroad has changed from mileage-based wages to hourly wages with a guaranteed day off.
- *Reducing the number of away-from-home days for train and engine service employees.* At least one participating railroad has tried to reschedule train meets so that, instead of a crew leaving their home terminal with a train and traveling all the way to an away terminal and returning the following day with a second train, a crew can now meet another crew half-way along a route, swap consists or entire trains, and then return home with the second train.

- *Allowing crews in northern climates that would otherwise be furloughed during winter months to work jobs in southern parts of the railroad's system*. For example, crews in the Midwest could work in the South during winter months.
- *Negotiating labor contracts at a local level to preserve local seniority districts and other local aspects of the job*. The alternative is to migrate to one large system-wide contract or set of contracts. Among the advantages to negotiating contracts at a local level is the fact that local seniority districts keep employees closer to home.
- *Providing management training to frontline supervisors to improve how supervisors manage their employees*. According to one railroad, this has likely had a positive impact on retention in the crafts of interest to this study.

2.2.12 Recent Successful Approaches to Retaining Railroad Employees

Railroads were asked to describe one or two recent, particularly successful approaches to retaining railroad employees at their railroad, including what has made each approach so successful. Participating railroads identified several recent, successful approaches to retaining qualified employees. These include:

- *Local promotion of an informal mentoring program*. Individuals who have spent at least a few years on the railroad are encouraged, with union support, to mentor new hires and teach them not only the technical matters of the railroad, but also the railroad culture. This has helped to assimilate new hires into the railroad at a faster pace, thus reducing the likelihood of turnover within the first 5 years.
- *Improvements to the work environment and working conditions*, including a lot of attention to work/rest issues; improvements in the locomotive cab environment; cleaner offices and yards; access to fitness centers, day care centers, and wellness programs; and more nutritious offerings in vending machines.
- *Better, more accurate train lineup information* to help employees predict their work schedules.
- *Lifestyle education and training.* Participating railroads explain that they educate employees on how best to manage the work-life balance and variable work schedules through the use of lifestyle balance videos and training.
- *Early exposure to career opportunities within the railroad.* Within 1 week of their hire date, one participating railroad exposes new hires to all career opportunities that will be available to them over the next 10 years. As part of this orientation, the railroad lays out the job and performance requirements to be promoted to these jobs (e.g., good safety record). Employees then meet with a manger once per year for their first 2 years. The manager reviews the employee's performance, suggests ways to correct work performance deficiencies to help him/her remain eligible for promotions to these other jobs (if necessary), and discusses promotion opportunities with the new employee.
- *Annual family train rides* for employees' families.
- *Recruiting the entire family.* One railroad employs "Family Days" where they invite the families of employees within their first 3 months of employment. This event takes place

offsite at a local hotel. The time is used to educate the whole family on railroad pay and benefits, among other issues. Railroad managers also come in to explain how important the job is. The railroad has found that early exposure to management has had a positive impact on employees, for example, employees learn what it means to be a part of the business and that he/she is valued.

- *Tuition reimbursement program.* According to one railroad, their education tuition reimbursement program, where the railroad reimburses the new employee for their NARS tuition, appears to be successful at retaining quality employees.

In answering the question about successful retention-related approaches, one railroad referred to its successful recruitment approaches, suggesting that successful recruitment approaches are also successful retention approaches.

2.2.13 Top Retention Challenges

Railroads were asked to discuss their railroad's top three retention challenges over the next 5 years. According to one participating railroad, retention is not a problem for the crafts of interest. Other participating railroads, however, were able to identify retention challenges over the next 5 years. They include:

- *The inability to change the unpredictability of the nature of work schedules*
- *Increased retirements due to an aging workforce*
- *Competition among blue collar industries attempting to attract the same people*
- *Reducing employees' time away from home*
- *Reducing forced relocations.* At least one railroad is trying to reduce forced relocation by hiring employees close to the work. Critical to this approach is finding ways to identify people in these areas to come work for the railroad.
- *Making forced relocation easier for those employees who must relocate* by helping them adjust to moving and working in a new location.
- *Improved communications with employees*, including increased employee recognition. For example, one participating railroad described a weekly newsletter that it publishes and that includes stories about employees who went beyond the call of duty or excelled in their jobs. Examples that were mentioned include a MOW crew that helped identify a hot journal bearing on a train that was rolling by their work site, and a locomotive engineer who saved fuel through exceptional train handling.
- *Improved job previews*. The goal is to make it clear to job applicants what the job entails and requires. Participating railroads have found that the more relevant and realistic the information that job candidates receive before agreeing to come aboard, the more likely employees are to stay with the organization for a longer period of time.
- *Determining how best to successfully retain individuals*. Examples include whether it is critical to make the job more interesting to retain employees, or whether a railroad must offer more money. With respect to the latter, one railroad reports that, to some extent, their hands are tied because of collective bargaining agreements that govern pay scales

for certain crafts. An example is conductor pay, where conductors start at 75 percent of their full pay and reach 100 percent of their pay after completing 5 years on the job. This participating railroad has started an innovative practice to combat this problem by offering tuition reimbursement. Specifically, the railroad reimburses NARS-trained conductors one-third of their previous tuition expenses each year for three consecutive years, as long as the individuals possess a clean safety and discipline record each year.

3. Railroad Employee Perspectives on Joining the Railroad Industry and Attracting and Retaining Employees

To complement information provided by the railroads on industry recruitment and retention practices, strategies, challenges, and experiences, focus groups were conducted with railroad employees with less than 2 years of experience to obtain their recent experience hiring onto the railroad industry and their perspectives on attracting and retaining employees. Focus group interviews are a qualitative data collection research method in which, typically, 8-10 open-ended questions are posed to a group of 6 to 9 individuals. Each focus group lasts 1-2 hours, is conducted at a neutral, offsite location, such as a hotel conference room, and participants are compensated for their time. Participants are encouraged to answer from their own experience. Group consensus is not sought; rather, individual expression of ideas is encouraged. Results are de-identified and reported in aggregate, based on the topic being addressed. There is no one correct answer when participating in a focus group, and no attempt is made to quantify focus group responses. The advantages of focus groups are in the richness, or quality, of information gathered in the group setting and the broad range and depth of information and insights, sometimes unanticipated, that can be obtained from participants. Focus groups tap participants' experiences, opinions, and attitudes toward a topic, and they are well-suited to enable further exploration of recruitment and retention challenges facing the railroad industry.

3.1 Focus Group Methods

Focus groups were conducted in three major cities around the United States in the Fall of 2006. Since the scope of this study was focused on five railroad crafts—conductors, locomotive engineers, signalmen, carmen, and MOW employees—the five labor unions that represent these crafts were engaged to help identify focus group locations and recruit participants. The five labor unions were:

- Brotherhood of Locomotive Engineers and Trainmen (BLET), representing locomotive engineers
- Brotherhood of Maintenance of Way Employes Division (BMWED), representing MOW employees.
- Brotherhood of Railroad Signalmen (BRS), representing signalmen
- TCU, representing carmen
- United Transportation Union (UTU), representing conductors

Three large cities were identified where a number of new railroad employees were available to participate. Labor unions were provided with participant selection criteria and a set of instructions to recruit participants. Experience-based selection criteria included the following:

- Conductors, signalmen, and MOW employees who qualified on or after August 31, 2004 (i.e., who have less than approximately 2 years of on-the-job experience as conductors, signalmen, or MOW employees).

- Carmen who began their apprenticeship on or after August 31, 2004[4] (i.e., who have less than approximately 2 years of on-the-job experience).
- Locomotive engineers who qualified as engineers on or after August 31, 2004 (i.e., who have less than approximately 2 years of on-the-job experience as engineers).

In addition, focus group participants could come from any freight railroad in the area where the focus group was being held and could be currently working, furloughed, or out on disability/sickness leave, as long as they meet the experience-based selection criteria.

A standard invitation letter was distributed to each labor union, which then distributed the letter on their own letterhead to all of their members that met the selection criteria. Each union used its own membership database to identify qualifying individuals; unions did not share their database or any identifying information with the researchers. Each union was also asked to follow up by telephone or face-to-face with as many of these new hires as possible in each location to encourage their participation. This was typically accomplished through one or more local chairpersons.

Those who received the invitation to participate were not required to let researchers know of their intention to participate. Ordinarily, those who are invited to participate in a focus group are asked to confirm their participation to ensure sufficient numbers of participants. After discussion with labor union representatives, however, it was determined that due to the nature of the seniority system, individuals who met the selection criteria may not know their work schedule ahead of time or may not be able to reliably commit to extracurricular activities because of working on an extra board, where they fill in jobs as necessary.

Five separate focus groups were planned in each of the three locations, thereby enabling researchers to identify any craft-specific issues, experiences, or observations related to recruitment and retention. Krueger's *Focus Groups: A Practical Guide for Applied Research* (1994) was used to help structure the focus groups. Each focus group lasted up to 1½ hours and was led by a moderator and a moderator's assistant. A pre-established set of questions (see Appendix B), vetted by FRA, guided each focus group. The same focus group questions were discussed in each focus group with each craft in each city. At the completion of each focus group, participants were compensated and thanked for their time. All focus groups were audio taped for later transcription.

3.2 Focus Group Participant Profile

Fifty-six railroad employees from five Class I railroads—UP, BNSF, CSX, NS, and KCS—participated in the focus groups. All five crafts of interest were represented in the focus groups. Due to a technical error with communications with one of the participating labor unions, letters were never distributed to carmen at one location. To recruit participants, instead, a copy of the union's letter was posted at the last minute at several local yards. This resulted in a number of qualifying carmen attending but also led to the participation of three carmen with more than 2 years of experience (who ordinarily would not have received the invitational letter). One participated the entire time while the other two arrived about two-thirds of the way through the

[4] Carmen generally work as apprentices for 2 years prior to becoming a qualified journeyman carman, but carmen begin their on-the-job training (OJT) immediately and therefore have equivalent on-the-job experience as the other crafts.

focus group. Consequently, demographic data on focus group participants are presented two ways: first, data on all 56 participants are presented, and then a second column of data is presented that excludes these 3 more senior carmen. See Table 4 for demographic information on focus group participants. It was not possible to parse out senior carmen responses to focus group questions, however. In several cases, a focus group participant listed only a month and year for date of hire (n=2) or date of seniority (n=6); in these cases, the 15th of the month (i.e., the midpoint of the month) was selected as a data conversion convention so that these data could be used to calculate average railroad experience and seniority.

An overwhelming majority of participants, 54 of 56 (96.4 percent), were male. Participants' average age was 36.5 years (range 18.9 – 57.9), and over 62 percent of participants were married. The average amount of railroad experience was 28.4 months, though this number is inflated due to the presence of 5 engineers and 3 more experienced carmen. Average seniority is 24.0 months; excluding the 3 senior carmen, average seniority drops to 11.7 months. Finally, half of all focus group participants previously worked in a skilled labor trade (i.e., build, install, maintain, inspect, and repair) (33.9 percent), as an equipment operator (10.7 percent), or in logistics/transportation/warehousing (10.7 percent).

Table 4. New Hire Focus Group Demographic Information

		All Participants (n=56)	Senior Carmen Excluded (n=53)
Gender	Male	54	51
	Female	2	2
Craft	Conductor	12	12
	Locomotive engineer	5	5
	Signalman	1	1
	Carman	22	19
	MOW employee	16	16
Age (year)	Mean	36.5	36.0
	Median	34.2	33.8
	Range	18.9 – 57.9	18.9 – 56.8
Marital Status (Percent)	Single	25.0	26.4
	Married	62.5	62.3
	Separated	1.8	1.9
	Divorced	5.4	5.7
	Other	1.8	1.9
	Missing Data	3.6	1.9
Number of Children	Mean	1.5	1.4
	Range	0 – 5	0 – 5

		All Participants (n=56)	Senior Carmen Excluded (n=53)
Railroad Experience (mo)	Mean	28.4	19.1
	Range	2 – 396	2 – 191[5,6]
Seniority[7] (mo)	Mean	24.0	11.7
	Range	2 – 322	2 – 31[8]
Type of Prior Job[9,10] (Percent)	Skilled Labor – Trades (Build, Install, Maintain, Inspect, Repair)	33.9	35.8
	Equipment Operator	10.7	11.3
	Logistics/Transportation/Warehouse	10.7	11.3
	Unemployed	5.4	3.8
	Clerical/Admin (Financial/Legal)	3.6	3.8
	Education	3.6	3.8
	Food Service/Restaurant	3.6	3.8
	Retail	3.6	3.8
	Unskilled Labor	3.6	3.8
	Design	1.8	1.9
	Human Resources	1.8	1.9
	Law Enforcement/Security	1.8	1.9
	Manufacturing	1.8	1.9
	Military	1.8	0
	QA-Quality Control	1.8	1.9

[5] Most locomotive engineers have prior railroad experience as a conductor, thus inflating average railroad experience. Average railroad experience for the 5 participating engineers is 75.8 mo. When the 5 engineers are excluded from the analysis, average railroad experience for focus group participants drops from 19.1 mo to 13.0 mo and the range of experience changes from 2-191 mo to 2-24 mo.

[6] One employee noted that he had been a hostler for about 5 years before being laid off. He eventually returned to the railroad industry (not immediately). He did not include these 5 years of experience in his calculation of total railroad experience; in other words, he determined experience based on his current position.

[7] Carmen apprentices are excluded from analysis of seniority because apprentices do not obtain seniority until they complete their apprenticeship after 2 years and a selection criterion was that participants should have less than 2 years experience in their craft.

[8] Seniority exceeds 24 mo because 1 engineer had 31 mo seniority. Excluding this engineer from analysis of seniority, the range of seniority is 2-20 mo, and the average seniority is 11.0 mo.

[9] Locomotive engineers were asked to provide the job they held prior to becoming a conductor. Most new engineers were conductors prior to qualifying as engineers, i.e., they are promoted from within the railroad industry.

[10] Yahoo hotjobs and CareerBuilder.com job categories were used to classify specific jobs into generic job categories.

		All Participants (n=56)	Senior Carmen Excluded (n=53)
	Missing Data	10.7	9.4
Highest Education (Percent)	Some high school	3.6	3.8
	High school/GED	53.6	56.6
	Associate degree	16.1	17.0
	College degree	16.1	17.0
	Some graduate	7.1	3.8
	Graduate degree	1.8	1.9

3.3 Focus Group Results (Abridged)

Due to the extensive amount of information that was collected in the focus groups, results are presented in two forms to facilitate the usability of the information. An abridged version of the results is presented below. The full results, including extensive quotations and anecdotes, are presented in Appendix C.

Focus group questions concentrated around four major themes:

1. Means and avenues for learning about job openings in the industry
2. Motivations for joining and expectations for staying in the industry
3. Job satisfaction
4. Suggestions for improving recruitment and retention

Consequently, results are organized according to each theme. For each theme, 2-6 questions were posed. Appendix B contains a complete set of focus group questions.

The nature of focus group research is to rely on participant opinions, attitudes and experiences. Results are based on what participants reported. No attempt was made to validate any statements. Furthermore, these focus groups are based on a convenience sample (i.e., minimal selection criteria and only those interested in the research participated) rather than a random sampling of new railroad employees; therefore, results may not be representative of all new hires. Finally, some focus groups experienced low turnout. One likely reason for this low turnout is that it simply may have been a bad time of day for some employees to attend, probably because these employees were working at the time the focus group session was held. For example, signalmen likely had difficulty attending a 2:30 p.m. focus group because they may have been working during that time. Despite some low turnouts in certain focus groups in certain locations, in total, 56 railroad employees participated to provide a robust sample of respondents. Results have been de-identified to protect the anonymity of focus group participants and the carriers for whom participants work.

3.3.1 Means and Avenues for Learning about Job Openings in the Industry

First, respondents were asked how they became aware of employment opportunities in the railroad industry.

The majority of respondents across all crafts identified the following means of learning about employment opportunities in the railroad industry:

- Word of mouth from family and friends who work(ed) for a railroad
- Newspaper, primarily job postings in the classified sections
- The Internet, including railroads' Web sites and job postings on job placement Web sites

Next, respondents were asked what their image of the railroad industry was before applying for the job.

Many respondents did not have any preconceptions of the railroad industry before joining. Others knew what to expect based on conversations with friends and family members who work(ed) for a railroad. Several others explained that they had a positive view of the industry that stemmed, for example, from conversations with family members who worked for a railroad and who noted how challenging and rewarding the job was and that it could sustain a family.

3.3.2 Motivations for Joining and Expectations for Staying in the Industry

Respondents were first asked why they chose to work for a railroad.[11]

A majority of responses explained that the benefits, including health insurance and retirement, and/or salary, attracted them to the industry. Several other respondents said that they were looking to try something different with their careers. One respondent explained the challenge and mystery of working for a railroad attracted him to the job. Lastly, one respondent simply noted that he was unemployed.

Next, respondents were asked to identify other jobs they were considering at the time that they took the railroad job.

Most respondents were not actively looking at other jobs when they took the job in the railroad industry. The railroad job was viewed as an opportunity. Those who were looking at competing jobs at the time they took the railroad job had been looking at a variety of industries, jobs, or positions, including truck driving and equipment operator positions, various skilled trades such as electrician and boilermaker, and several professional positions such as a police officer and firefighter.

Respondents were next asked why they selected their particular craft.

MOW employees selected their craft because they felt that MOW was the easiest position to apply for and/or was a foot in the door. A few other MOW respondents explained that the MOW position was the first position, among several, that became available. Additional MOW respondents noted that MOW was the only craft available to apply for at the time they were

[11] Only data from locomotive engineers who discussed their motivations for joining as conductors off the street were included in this analysis.

looking. Locomotive engineers are typically promoted from within the ranks of train service employees, i.e., conductors. Most, if not all, locomotive engineer respondents elected to qualify for engine service because it offered better and safer working conditions, or better pay, than work as conductors, or the promotion was a way to expand their job skills. Conductors gave a variety of reasons for joining as conductors: the pay, because it involved less physical work than other crafts, it was the only craft hiring at the time, and it was a foot in the door. Lastly, carmen identified several reasons for applying for their jobs. Reasons included that: they were told to apply for the carman job, they wanted to work a regular schedule, and it was a good opportunity.

Respondents were next asked to briefly describe the experiences applying for, and getting, their job.

With only minor exception, respondents' experience applying for their job was similar across signalmen, carmen, conductors, and MOW employees. The process through which these respondents applied for the job generally involved the following stages: learn about the job through an ad or friend; complete a paper-based or online application; participate in a hiring session; submit to a drug and alcohol screen and physical, and complete any remaining tests and paperwork; and finally, await notification from the railroad. Generally, respondents waited up to a month to hear back from the railroad with regard to a job offer and instructions to report to work. With few exceptions, the overall selection process from initial job application to job offer lasted 1-4 months, according to respondents. The exception to this experience was a few conductors who went through NARS at Johnson County Community College.

Locomotive engineers had a different process because they are promoted from within their own organizations. In general, when a railroad needs more engineers, the railroad posts a bid sheet for conductors to sign up if they want to qualify as locomotive engineers. Currently, all engineers are informed when they start work as a conductor that they can expect to have to qualify as a locomotive engineer sometime within their first 2 years on the job, so most conductors expect to be promoted sooner or later.

Respondents were next asked to what extent they saw themselves making a career out of working for the railroad.

Most respondents indicated that they intend to stay with the railroad for their entire careers. Older respondents consistently expressed interest in staying long-term. Some of those who desire to stay with the railroad for their careers plan to stay in their current craft or position, while others would like to advance into supervisory and management positions within the organization. A few respondents were undecided. Their decision to stay or leave depended on a variety of factors, such as the ability to reduce the amount of time spent working away from home or the ability to avoid annual layoffs. At least one respondent explained that changes to benefits may affect his decision whether or not to stay. A few others explained that they have experienced a negative culture that may influence their decision whether or not to remain in the industry.

Finally, respondents were asked to identify the personal, social, and job-related factors that will affect their choices to stay with the railroad over the long term.

According to respondents, major factors that may affect their decision to stay or leave over the long term included work schedules (and more specifically, the time spent away from home), long and variable work hours, pay, and changes to benefits, in particular, retirement and medical

insurance. Many participants explained that they spend a lot of time away from home and/or family because of their work schedules, and that this could be a reason to leave. Most respondents wanted more time with family and/or at home. Examples of pay factors included minimal pay increases (e.g., a 1 cent per hour annual cost-of-living adjustment, or COLA) and the incremental step pay system, where individuals receive increasing fractions of pay over several years (e.g., 80 percent one year, 85 percent the next, and so on) before receiving 100 percent of the wages for their particular craft.

3.3.3 Job Satisfaction

Respondents were first asked about what expectations they had entering the job, and to what extent, and how, they have been met.

Some respondents reported not having any expectations entering the job, while others stated that the job was as expected, easier than expected (or conversely, they expected the job to be more difficult than it turned out to be), or even better than expected. A number of respondents, however, identified expectations that were not met. For instance, MOW respondents felt that there was less opportunity for advancement, more furloughing, and more travel than expected. On the other hand, most locomotive engineers' expectations were met because of prior exposure to the job. Some engineers, however, expected better training than they received. Several conductors reported that they expected labor and management would work together better than they do and expected the railroad to be more concerned about safety than they perceived the railroad was. Lastly, several carmen expected better training and better work organization.

Respondents were next asked to what extent they were satisfied with their job.

A significant majority of focus group respondents reported being generally satisfied with their jobs. Respondents identified a variety of reasons for their satisfaction, including the nature of the job, pay and benefits, and the camaraderie associated with the work. In spite of their general satisfaction with their jobs, though, respondents occasionally identified areas where a railroad could improve to further increase job satisfaction. Suggestions included improving pay, work schedules, and working conditions.

Respondents were next asked how working for the railroad has affected their relationship with immediate family (spouse, girlfriend/boyfriend, children, parents) and friends.

Although some respondents reported no changes in their relationships to their family and friends as a result of working on the railroad, most respondents reported positive or negative impacts, depending on their specific circumstances. More negative impacts existed than positive impacts for each set of relationships. Most respondents explained that working for the railroad has had some type of impact on their relationship with their families. Some explained that it has improved the relationship, for instance, allowing an individual to see his daughters because he works third shift, or allowing an individual to work second shift so his family does not have to pay for childcare. For many others, however, working for the railroad has created a tremendous strain on family relationships. For example, some respondents reported that they have gotten divorces since joining the railroad. Other respondents explain that, although working for the railroad has been difficult, a key factor in the success of their relationship with family is that their family has been very supportive.

The most common theme with respect to respondents' relationship with friends was that working for a railroad has caused respondents to lose a number of their friends because of their unavailability to socialize and get together. The converse, however, is that these same individuals have made strong friendships with those with whom they work and see all the time.

Respondents were next asked whether or not they would recommend working for the railroad to a close friend and to explain their reason(s).

A number of respondents reported that, in fact, they have already recommended a railroad job to one or more friends. Reasons given included the pay, the benefits, job security (e.g., it can be a career), and/or the challenges that the work provides. Some respondents who have recommended the job to friends, however, reported that some of these friends had been turned off by the nature of the work or job demands (e.g., because of the extensive travel). Many more respondents than not reported that they would recommend working for the railroad. Of those respondents who said they would recommend working for the railroad to a friend, however, many said the recommendation (to work for the railroad or not) would depend on the person or the person's particular circumstances or situation. Many respondents said that when recommending the job, they would be sure to provide a full description of the nature of the work and the job demands up front, so the friend does not have unrealistic expectations about the job. A couple of respondents said that they would recommend working for the railroad, but indicated that they would recommend working in another craft and/or for another railroad. Lastly, a few respondents said they would not recommend working for the railroad to a friend.

Respondents were next asked to discuss what they like about their job.

Focus group respondents identified a number of factors that they like about their job. Common themes include positive experience working with coworkers and with different people, the nature of the job and the work, the job variety, the lack of immediate supervision, the pay and benefits, and job security.

Next, respondents were next asked to discuss what they dislike about their job.

Focus group respondents also identified a number of factors they dislike about their job. Some common themes across various crafts include work schedules; labor-management animosity, discipline practices, and the work culture; training; and issues related to pay.

Finally, respondents were asked what the railroads could do to increase their job satisfaction.

Some common themes that were suggested include hiring more people; improvements to pay, including abolishment of the step pay system; providing adequate resources to do the job; and improvements to training.

3.3.4 Suggestions for Improving Recruitment and Retention

Respondents were asked where they would look for, and how they would attract, qualified new railroad employees.

Respondents suggested a number of avenues for looking for and attracting qualified new railroad employees. Some of these include word of mouth; internet, television, newspaper, and radio advertisements; the military; high schools, vocational schools, trade schools, community

colleges, and 4-year colleges; the construction and automotive industries; prison release programs; railroad contractors; and employment agencies and unemployment offices.

Railroads currently use many of the approaches suggested by focus group respondents. Furthermore, a number of respondents felt that the railroads already do a good job recruiting and selecting employees. Examples given include the current online application process and basic requirements to be able to read, write, and understand English.

Lastly, respondents were asked what recommendations they would make to their railroad if the railroad wanted to make sure that they and others like them remain with the railroad for a long time.

Focus group participants provided a number of recommendations, many of which cut across multiple crafts. These include improvements to wages and benefits, training, work schedules and work planning, and morale. Suggestions also include less furloughing and contracting out of the work and hiring more people to do the work.

4. Key Findings

Section 4 presents the report's key findings based on the results of the descriptive and qualitative information provided by the structured interviews with railroad management and focus groups with new railroad employees. Since quantitative data were not collected or were unavailable, it was not possible to examine some of the more common recruitment and retention-based measures of performance, such as time-to-hire and cost-to-hire, etc. Based on the information collected, however, some conclusions can be drawn in the form of key findings. Key findings provide a snapshot of many of the recruitment and retention issues currently facing the U.S. freight railroad industry. Given the qualitative nature of the research, no one key finding should be viewed as more or less important than any other key finding.

Key findings are organized first into general findings, then recruitment successes and challenges, and finally, retention successes and challenges.

4.1 General Findings

Results from the structured interviews and focus groups yielded the following general recruitment and retention observations:

- *Employee demographics will continue to match the areas or regions across the country in which employees are hired and work.* The result is likely to be greater ethnic and racial diversity within the railroad industry over time, matching trends across the country as a whole. For example, UP and BNSF were recently identified as two of *LATINA Style* magazine's top 50 employers for Hispanic women in 2006 (Latina Style, 2006).
- *The railroad industry will need to accommodate the various and sometimes disparate needs of multiple generations of employees.* As identified by participating HR representatives in the structured interview, the newest generation of railroad employees appears to have different priorities than those of previous generations. Railroads, as large employers of multiple generations of workers, will need to adjust to, and be able to accommodate, the needs of its complex workforce. Some of these differences are reflected in other key findings, such as challenges associated with finding attractive work schedules (where, for example, previous generations of workers may have been more accepting of the railroad lifestyle, the newest generation of workers desire more personal time even if it results in less pay). Fred Green, President and CEO of Canadian Pacific Railway, recently acknowledged generational differences among railroad employees and prospective employees in the September 2006 edition of *Railway Age* (Railway Age, 2006): "If we are going to capture their [the "echo boom" generation; the children of baby boomers] imagination, we have to ask ourselves: How can we build on our past while changing our industry to make it more appealing to younger workers and to experienced workers who may be looking for career advancement?" (p. 48).

4.2 Recruitment Successes

Structured interview and focus group results revealed the following railroad employee recruitment successes:

- *The internet has become a critical recruitment tool in the U.S. freight rail industry.* Most, if not all, Class I railroads require those interested in a job to apply online. Prospective employees are referred to a railroad's Web site. Furthermore, the Internet is becoming a major marketing and advertising tool. Railroads are placing more and more information about available jobs on their own Web sites and are advertising jobs on other Web sites, including job placement and railroad-related sites.
- *Employee referrals, i.e., word of mouth, are still a major source of new hires.* Many focus group participants indicated that they would recommend a railroad job to friends and/or family, and in fact, some already have. This recommendation, however, may depend on the person and/or their specific situation. For example, focus group participants may recommend a railroad job to a person who is single but not to someone who has young children.
- *The U.S. Class I railroad industry has found recent success partnering with or hiring from the U.S. Military and NARS.* Among the likely reasons that the railroad industry has been successful recruiting employees from the military is that the railroad industry and military share similar job attributes, such as 24/7 operations, operation of heavy equipment, and outdoor work. In fact, four of the seven U.S. Class I railroads (UP, BNSF, CSX, and NS) were recently identified as among the top 50 military-friendly employers in the United States by *GI Jobs* magazine (GI Jobs, 2006). Several participating railroads also reported success recruiting conductors that have come through NARS.
- *According to focus group participants, railroad benefits, especially health insurance, retirement, and salary, are major attractions to working for the industry.*

4.3 Recruitment Challenges

Structured interview and focus group results revealed the following railroad employee recruitment challenges:

- *Adjusting work schedules to achieve an attractive work-life balance*
- *Overcoming an incremental pay scale for some crafts*
- *Finding individuals with the right skill sets for the job*. For example, railroads prefer to hire carmen with welding experience and signalmen with technical (electronics) backgrounds. Further complicating this problem are certain rural areas where a railroad operates and where the working-age population is relatively small.
- *Attracting women to the industry*. Railroads reported that many of the jobs women filled in the past have been eliminated (e.g., clerical positions); furthermore, railroads felt that many of the blue collar jobs that the railroad industry does have to offer may be less appealing to women.

4.4 Retention Successes

Structured interview and focus group results revealed the following railroad employee retention successes:

- *Common features that many focus group participants liked about their job included the job variety, their coworkers, the pay and benefits, the lack of direct supervision, and a feeling of job security.*
- *Most focus group respondents intend to make a career out of working for the railroad industry and were generally satisfied with their jobs*. Factors that were identified that will affect their decision to stay or leave include changes to benefits (e.g., if employees have to pay more for their benefits), pay (e.g., a lack of pay raises), and work schedules, including furloughs.

4.5 Retention Challenges

Structured interview and focus group results revealed the following railroad employee retention challenges:

- *Hiring individuals locally rather than forcing employees to relocate to undesirable locations*
- *Reducing or eliminating furloughs*
- *Providing realistic job previews*
- *Improving work schedules*. Suggestions included greater predictability and less time away from home. Further, working for the railroad industry creates a strain on family relationships and has caused some focus group participants to lose friends because of their work schedules and unavailability. The upshot is that many focus group participants noted developing strong friendships with those with whom they work. One focus group respondent summarizes working on the railroad as follows: "It's affected my social life. It's affected my relationships. I don't get to see my friends or family like I used to. It's all encompassing. It's your life." Another respondent summarizes with some hyperbole about the general trade-off involved in working for a railroad: "If you want to make some money, you can, but you have to give up everything."
- *Common features that many focus group participants disliked about their job included work schedules, labor-management animosity, and issues related to pay.*
- *Generally, if an employee leaves the railroad industry, he/she does so within the first 5 years or so of employment*. RRB data support this observation. Figure 10 illustrates this trend from 1999 through 2002 using data collected by RRB. The withdrawal[12] rate drops from a high of almost 20 percent during the first 30 days to around 5 percent after 5 years of service. After 5 years of service, the average withdrawal rate plateaus, dropping from 5 percent at 5 years of service to 2 percent by 15 years of service (RRB, 2006). Representatives from the Class I railroads gave the following reasons for the drop off in withdrawals: railroad employees become fully vested in their retirement benefits after 5 years, employees receiving incremental pay receive 100 percent of their salary after 5 years, employees have become familiar with the railroad lifestyle and have accepted this

[12] Withdrawals are those who leave the industry but do not draw retirement or disability and are synonymous with separations.

lifestyle after 5 years, and employees have had positive exposure to older employees who have made a career out of working for the industry.

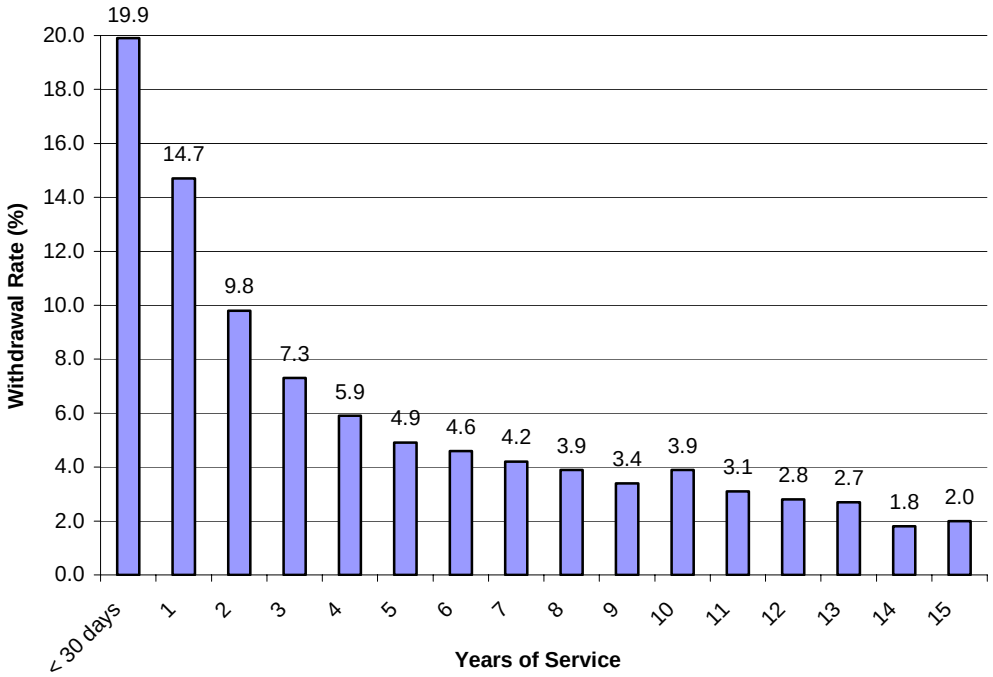

Figure 10. Withdrawal Rate by Years of Service, 1999-2002 (SOURCE: RRB, 2006; Table S-34)

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Appendix A.
Railroad Structured Interview Guide

General instructions

Thank you for agreeing to participate in our FRA-sponsored research study examining recruitment and retention issues in the railroad industry. We realize that you are very busy with day-to-day railroad responsibilities, so we will try to minimize the amount of time that is required to address our research questions.

Questions are organized into two major sections: (1) quantitative data on 2004 new hire recruitment and retention, and (2) qualitative information on recruitment and retention practices and challenges. All questions, unless otherwise specified, refer to a railroad's U.S. operations, and refer to the five specific crafts that are the focus of this study: locomotive engineers, conductors (including switchmen and remote control operators), carmen, signalmen and maintenance of way employees. Further, we are focused on *off-the-street new hires*, not those who have transferred from another craft.

Part I: 2004 recruitment and retention historical data and information

Part I concentrates on quantitative recruitment and retention data. Part I contains nine questions; seven focus on recruitment and two focus on retention. These questions were designed with the assumption that much of this information is archived and available in a computer-retrievable format to minimize your time in gathering the information. Responses to questions in Part I can be prepared and sent to Foster-Miller separately from the responses to questions in Part II. It is anticipated that email will be the most convenient means for participating railroads to provide the data and information contained in Part I. These data and information can be provided either before or after the scheduled telephone interview. All eight questions in Part I include a table where data can be inserted; however, you may choose to provide data in another format that is more convenient to you. Note that most questions in Part I concentrate on individuals hired by the railroad (i.e., new hires) in calendar year 2004.

Part II: Current recruitment and retention practices, strategies, and experience

Part II contains 20 questions that focus on current recruitment and retention practices, strategies and experiences. A structured telephone interview is ideal to address the questions contained in Part II. We will make every attempt to limit the telephone interview to 1 ½ hours. However, follow-up telephone or email conversations may be necessary, depending on participants' schedules.

If you have any questions as you review these questions, please do not hesitate to contact me at 781-684-4259 or sreinach@foster-miller.com. I look forward to speaking with you in the near future.

Regards,

-Stephen Reinach
Principal Investigator

Part I: 2004 recruitment and retention historical data and information

Recruitment data

1. How many employees, both active and furloughed, did you have at the beginning and end of 2004?

Craft	No. of employees as of Jan 1, 2004	No. of employees as of Dec 31, 2004
Company-wide[13]		
Locomotive engineers		
Trainmen[14]		
Carmen		
Maintenance of way		
Signalmen		

2. In 2004, how many employees left due to (1) disciplinary action, (2) a reduction in force (i.e., downsizing), and (3) voluntary separation?

Craft	Total separations	No. of employees who left due to disciplinary action	No. of voluntary separations
Company-wide			
Locomotive engineers			
Trainmen			
Carmen			
Maintenance of way			
Signalmen			

[13] Company-wide includes all U.S. employees, and includes all six major employment groups.

[14] Trainmen include train service employees, typically conductors, brakemen, switchmen, and remote control operators.

3. How many positions (for which a requisition was created) did you need to fill in 2004, how many applicants applied for jobs, how many were interviewed or otherwise went through some type of selection process, how many applicants did you hire, and how many vacancies did you have at the end of 2004?

Craft	No. of positions needed to fill	No. of applicants	No. of hires	No. of vacancies
Locomotive engineers		N/A	N/A	
Brakemen/switchmen				
Carmen				
Maintenance of way				
Signalmen				

4. How many of the new hires in 2004 attained as their highest level of education, the following degrees:

	Highest degree earned, 2004 new hires			
Craft	No. with high school degree or GED	No. with associate's degree	No. with 4 year college degree	No. with graduate degree
Brakemen/switchmen				
Carmen				
Maintenance of way				
Signalmen				

5. On average, how long did it take to fill a position in 2004 (i.e., from the time a requisition was completed to the time a job applicant was hired)?

Craft	Avg. time to fill position
Brakemen/switchmen	
Carmen	
Maintenance of way	
Signalmen	

6. What is the average duration of training (includes both classroom and on-the-job)?

Craft	Avg training duration
Brakemen/switchmen	
Carmen	
Maintenance of way	
Signalmen	

7. How long is the probationary period?

Craft	Length of probationary period
Brakemen/switchmen	
Carmen	
Maintenance of way	
Signalmen	

Retention data

8. How many new hires in 2004 completed their training (i.e., assumed full-time positions), how many completed the probationary period, and how many remained with the railroad after one year of employment (one year includes the training and probationary periods, i.e., one year from the date of hire)?

Craft	No. of new hires who completed training	No. of new hires who completed probationary period	No. of new hires who remained with railroad after one year
Brakemen/switchmen			(See footnote[15])
Carmen			
Maintenance of way			
Signalmen			

[15] NOTE: This cell includes brakemen hired in 2004 who have subsequently qualified as conductors and/or RCOs.

Part II: Current recruitment and retention practices, strategies, and experience

RECRUITMENT

1. Describe the general process for recruiting, screening, and selecting new hires at your railroad. Who is involved in this process?
2. Which recruiting methods are most successful? Are some recruiting strategies and sources more effective than others for attracting job candidates to specific crafts?
3. Which screening methods are the most effective? Are some screening criteria and methods more effective than others for any of the five crafts?
4. What are the major reasons that job applicants are not hired?
5. What are the biggest barriers or obstacles to attracting qualified employees?
6. How have you changed the way you attract qualified employees over the last few years?
7. In general, how do the educational levels of those hired over the last few years compare to the educational levels of those hired in the past? To what do you attribute any new trends?
8. How have workforce demographics such as gender and race/ethnicity changed over the last 5 years? What additional changes to workforce demographics do you anticipate over the next 5 years?
9. Did your railroad experience any differences in filling positions in 2004 across different regions of the country? We have broken down the country into four regions: the West, Midwest, Northeast and South; please refer to the map provided.
10. Did your railroad experience any differences in filling positions in 2004 between urban and rural settings?
11. Are there any regions of the country or any settings (urban or rural) that you anticipate are going to be particularly challenging when trying to fill positions over the next 5 years?
12. Are any of the crafts more difficult to fill positions for than others?
13. Tell us about one or two recent, particularly successful approaches to attracting railroad employees at your railroad? What has made each approach so successful?
14. What key knowledge, skills and abilities will tomorrow's railroaders need to succeed?
15. What are your railroad's top three recruitment challenges over the next 5 years?

RETENTION

1. Why do railroad employees leave?
    a) Are there different reasons why employees from different crafts leave?
    b) Why do new hires leave during training? Why do new hires leave during their probationary period?
    c) Are there different reasons why employees with different amounts of service leave (e.g., those with less than 5 years of service versus those with over 20 years of service)?
2. In your experience, is there a certain amount of time (years of service) after which employees generally become career railroaders? To what do you attribute this drop-off in voluntary separations?
3. What changes in company employment practices have there been over the last few years to promote retention?
4. Tell us about one or two recent, particularly successful approaches to retaining railroad employees at your railroad? What makes each approach so successful?
5. What are your railroad's top three retention challenges over the next 5 years?

WRAP-UP

1. Are there any other lessons learned or best practices related to employee recruitment or retention that you would like to share with us?

Thank You!!

Appendix B.
New Railroad Employee Focus Group Questions

Means and avenues for learning about job openings in the industry

1. How did you become aware of employment opportunities in the railroad industry?
2. What was your image of the railroad industry before applying for a job?

Motivations for joining and expectations for staying

3. Why did you choose to work for the railroad? In other words, what about the job or the industry attracted you?
4. What other jobs were you considering before you took the position at the railroad?
5. Why did you choose the position/craft you did?
6. Briefly describe your experience applying for, and getting, your current job?
7. To what extent do you see yourself making a career out of working for the railroad?
8. What personal, social and job-related factors will affect your choice to stay with the railroad over the long term?

Job satisfaction

9. What were your expectations entering the job? To what extent, and how, have they been met?
10. To what extent are you satisfied with your job? Please explain.
11. How has working for the railroad affected your relationship with your immediate family (spouse, girlfriend/boyfriend, children, parents) and friends?
12. Would you recommend working for the railroad to a close friend? Why or why not?
13. What do you like about your job? In other words, what attracts you to work for the railroad?
14. What do you dislike about your job? In other words, what are your concerns about the job?
15. What could the railroad do to increase your job satisfaction?

Suggestions for improving recruitment and retention

16. If it were up to you, where would you look for, and how would you attract, qualified new railroad employees?
17. If you wanted to make sure that you and others like you stay with the railroad for a long time, what recommendations would you make to the railroad?

Appendix C.
New Railroad Employee Focus Group Results (Unabridged)

Appendix C presents the unabridged results from the focus groups with new railroad employees.

Focus group questions concentrated around four major themes:

1. Means and avenues for learning about job openings in the industry
2. Motivations for joining and expectations for staying in the industry
3. Job satisfaction
4. Suggestions for improving recruitment and retention

Consequently, results are organized according to each theme. For each theme, 2-6 questions were posed. Appendix B contains a complete set of focus group questions.

The nature of focus group research is to rely on participant opinions, attitudes and experiences. Results are based on what participants reported. No attempt was made to validate any statements. Furthermore, these focus groups are based on a convenience sample (i.e., minimal selection criteria and only those interested in the research participated) rather than a random sampling of new railroad employees; therefore, results may not be representative of all new hires. Finally, some focus groups experienced low turnout. One likely reason for this low turnout is that it simply may have been a bad time of day for some employees to attend, probably because these employees were working at the time the focus group session was held. For example, signalmen likely had difficulty attending a 2:30 p.m. focus group because they may have been working during that time. Despite some low turnouts in certain focus groups in certain locations, in total, 56 railroad employees participated to provide a robust sample of respondents.

Where commonalities exist across craft responses, results are combined into one descriptive summation along with supporting quotes. Where differences exist, these differences are preserved. Results have been de-identified to protect the anonymity of focus group participants and the carriers for whom participants work.

C.1 Means and Avenues for Learning about Job Openings in the Industry

First, respondents were asked how they became aware of employment opportunities in the railroad industry.

The majority of respondents across all crafts identified the following means of learning about employment opportunities in the railroad industry:

- Word of mouth from family and friends who work(ed) for a railroad
- Newspaper, primarily job postings in the classified sections
- The Internet, including railroads' Web sites and job postings on job placement Web sites

Next, respondents were asked what their image of the railroad industry was before applying for the job.

Several MOW employees said that they expected hard, physical work, and among them, two respondents said they had images of working on a chain gang. Many respondents did not have any preconceptions of the railroad industry before joining. Notes one respondent, "…I never, ever thought about working for a railroad. It never crossed my mind." Another respondent explained that he simply knew "that they made a whole lot of noise." A third respondent said that he never had any intention to work for a railroad, and that his notion of the railroad industry was that whenever he was in a hurry to go somewhere, there was a train blocking the road. A fourth respondent explained that he never thought he would work for the railroad industry, since growing up, some neighbors worked for the railroad and he noticed that the fathers were never home for the holidays. Another respondent explains, "I had always read that they were falling on hard times, back in the 80s…you didn't hear too many things about the railroad anymore. [I] really didn't give it much thought until I read articles in the paper that the railroads were making a comeback."

Others knew what to expect based on conversations with friends and family members who work(ed) for a railroad, although most did not elaborate. Several others explained that they had a positive view of the industry that stemmed, for example, from conversations with family members who worked for a railroad and who noted how challenging and rewarding the job was, and that it could sustain a family. Explains one respondent, "That's the place you wanted to be." Finally, one respondent thought the job would be a hobby, but that once he started, "…it's a job…[and] it's a lot more work."

C.2 Motivations for Joining and Expectations for Staying in the Industry

Respondents were first asked why they chose to work for a railroad.[16]

A majority of responses explained that the benefits, including health insurance and retirement, and/or salary, attracted them to the industry. Other attractions that were identified included:

- Job security
- Job variety/options
- Travel and the ability to meet different people
- The ability to return to the military reserves while holding the job

Separately, several respondents said that they were looking to try something different with their careers. One respondent explained the challenge and mystery of working for a railroad attracted him to the job. Finally, one respondent simply noted that he was unemployed.

Next, respondents were asked to identify other jobs they were considering at the time that they took the railroad job.

Most respondents were not actively looking at other jobs when they took the job in the railroad industry. The railroad job was viewed as an opportunity. Those who were looking at competing

[16] Only data from locomotive engineers who discussed their motivations for joining as conductors off-the-street were included in this analysis.

jobs at the time they took the railroad job identified the following types of industries, jobs, or positions:

- Heating, ventilation, and air conditioning installation/repair/maintenance
- Industrial equipment maintenance/mechanic
- Internal promotion
- Electrician
- Heavy equipment operator
- Boilermaker
- Police officer
- Firefighter
- Laborer
- Long-haul truck driver
- Local delivery truck driver
- Airline industry
- Returning to college or attending graduate school
- Project management or customer service positions in the telecommunications industry
- Real estate
- Chemical plant
- Post office
- Steel mill

Respondents were next asked why they selected their particular craft.

Results are presented separately by craft. The participating signalman chose the signalman job because he was told about it. Notes the signalman, "I had no idea what it entailed when my friend told me about it…but the more I learned about it…I…realized it was something I liked…."

<u>MOW employees</u>

MOW employees provided several common reasons for joining their particular craft:

- *It was the easiest position to apply for and/or a foot in the door.* A number of MOW employees felt that MOW was the easiest position to apply for and/or was a foot in the door. For example, one respondent explained that he originally wanted to work in train service but he did not see any job postings for that position, so he hired on as a MOW employee specifically to get his foot in the door. One respondent observes, "I needed to get in the door." Several respondents believed that MOW was the easiest position on the railroad and therefore the easiest way to start working for a railroad. One MOW respondent pointed out that to become a conductor or signalman required a lot of work.

- *It is the first position to become available.* A few respondents explained that they applied for a number of different railroad craft positions and that the MOW position became available first. These reasons are similar to getting a foot in the door.
- *Respondents did not realize that they could hire on in any other craft*. Specifically, one respondent believed that he had to start his railroad career as a track laborer. A second respondent did not realize craft distinctions existed.
- *It was the only position for which the railroad was hiring at the time.* A few respondents noted that the MOW position was the only one available to apply for at the time they were looking.
- *Lifestyle*. One respondent wanted to work in train service but when he learned about the lifestyle of a conductor during his testing and interview session, he chose to work as an MOW employee instead because it would be a more regular job.

Locomotive engineers

Locomotive engineers are typically promoted from within the ranks of train service employees, i.e., conductors. Conductors, however, may qualify to become locomotive engineers at different times. Sometimes conductors are required to qualify as engineers based on local seniority and need for engineers. Other times, conductors have the opportunity, within limits, to elect when they become engineers. Most, if not all, respondents elected to qualify as engineers when they did (i.e., they were not required to qualify). Reasons given for marking up as engineers included:

- *Better and safer working conditions.* Several respondents remarked that, compared to being outside in harsh, inclement weather riding the point of a movement or walking a train, they preferred the safety and comfort of riding in the locomotive. Explains one respondent, "One morning, one winter in 2004, it was 4 degrees below zero, it was 4 a.m., it was raining, snowing ice, and I had to ride the shove of an auto train...into the yard. I froze, I froze my butt off. I had never been that cold in my life…. I went home and I went to bed and when I woke up, my face was cut. I had little cuts on my face from the ice. That was the day I made up my mind to go to engine service." One respondent also noted that they elected to qualify as engineers because they felt it was easier working as an engineer. Another respondent explained that, compared to MOW employees who may be gone for an entire week, at least engineers are home every other night.
- *Better pay*. One respondent noted that he qualified as an engineer because engineers receive higher pay than conductors
- *Job skill expansion.* The respondent who reported qualifying because of the higher pay also explained that he qualified because he was interested in obtaining all of the skills necessary for the company.

Conductors

Conductors provided various reasons for choosing their craft. Reasons included the following:

- *The pay (money)*
- *It involved less physical work than other crafts*
- *It was the only craft hiring at the time*

- *It was a foot in the door*

One respondent thought he was applying to become a locomotive engineer because the ad mentioned promotion to engineer.

Carmen

Carmen identified and described several reasons for applying for their jobs. Reasons included the following:

- *It was a second choice.* One respondent applied and began work as a conductor before his physical came back indicating that he was color blind and therefore could not continue to work as a conductor. This individual then elected to become a carman. A second respondent explained that he wanted to be a conductor and applied for it but the railroad was not hiring conductors at the moment, so he applied for everything (and ended up working as a carman). A third respondent explained that the railroad was interviewing for several different positions at the time he applied. He wanted to become an electrician, but he felt that he did not have the right qualifications to be an electrician so he applied to be a carman because he felt he had a better chance of obtaining the carman job.
- *They were told about the job*. One respondent said that he applied for almost everything and that a railroad representative contacted him and told him to apply for the carman position. Another respondent said that his cousin, who is a carman for another railroad, told him to apply for the carman job.
- *Work schedule*. Two respondents noted that they applied for the carman job because they wanted a regular schedule. One respondent wanted a straight shift without having to be on call 24 hours per day, while a second respondent explained that he wanted an 8-hour day, 40 hour week, and he liked being at home.
- *Opportunity*. One respondent explained that he applied for the carman job and took a test, and a year later the railroad called him. This respondent did not provide an explicit reason for applying to become a carman; instead, he simply explained, "I didn't know any better." Another respondent explained that he considered all the railroad jobs he was able to do and the locations in which he was willing to live; eventually, he was hired as a carman in a satisfactory location.

Respondents were next asked to briefly describe the experiences applying for, and getting, their job.

With only minor exception, respondents' experience applying for their job was similar across signalmen, carmen, conductors, and MOW employees. Only engineers had a different process, and this was because engineers are promoted from within the organizations. The process through which most signalman, carman, conductor, and MOW respondents applied for the job generally involved the following stages:

1. *Find out about the job through an ad or friend.*

2. *Apply online*[17]
3. *Participate in a hiring session*. Some respondents were notified to attend a specific hiring session by telephone while others were notified by email. The hiring session location varied; at least one respondent had to drive 3 ½ hours to attend the session. Hiring sessions consisted of a job preview, various tests, and interviews and lasted up to 1 day.
4. *Submit to drug and alcohol screen, physical, and complete any remaining tests and paperwork.* Respondents reported taking a drug and alcohol test and physical exam either sometime during the hiring session or at a later date. Furthermore, a few respondents reported that they took some tests, such as a strength test, subsequent to the hiring session. Any remaining paperwork might be completed subsequent to the hiring session as well.
5. *Await notification from the railroad.* Generally, respondents waited up to a month to hear back from the railroad with regard to a job offer and instructions to report to work. Based on respondents' experiences, with few exceptions, the overall selection process from initial job application to job offer lasted 1-4 months.

The length of time between applying for the job and first hearing from the railroad, and/or the length of time between interviewing and receiving a job offer, was a frustration for some respondents. One respondent noted that railroads may lose a lot of job applicants because the railroads take so long to call these people back. Another respondent felt he was not given adequate time to notify his current employer once he received his job offer.

The exception to this experience was a few respondents, conductors, who went through NARS at Johnson County Community College. One respondent's experience at NARS was that he went to school for 6 weeks. He interviewed with the railroad during the 5th week, and he was offered the job during the 6th and final week at NARS.

Engineers, because they are promoted from within an organization, had a different experience. In general, when a railroad needs more engineers, the railroad posts a bid sheet for conductors to sign up if they want to qualify as locomotive engineers. According to one respondent, conductors must look for the bid sheet or must be told about it by a friend. Currently, all engineers are informed when they start work as a conductor that they can expect to have to qualify as a locomotive engineer sometime within their first 2 years on the job, so most conductors expect to be promoted sooner or later.

Respondents were next asked to what extent they saw themselves making a career out of working for the railroad.

Most respondents indicated that they intend to stay with the railroad for their entire careers. One respondent observes, "At this time, there's no reason to leave as far as I can see. The business is booming, the jobs are pretty secure, and there's all kinds of advancement opportunities…." Older respondents consistently expressed interest in staying long-term. Observes one

[17] A few reported completing paper-based job applications, but for the most part, railroads currently accept online applications only. Those who completed paper-based applications typically completed them at a hiring session that was announced in a job advertisement.

respondent, "At my age, this is the last stop." Some of those who desire to stay with the railroad for their careers plan to stay in their current craft or position, while others would like to advance into supervisory and management positions within the organization. A few respondents were undecided. Their decision to stay or leave depended on a variety of factors. Examples include one MOW respondent's ability to reduce the amount of time he spent working away from home, and another MOW respondent's ability to avoid annual layoffs. This latter respondent explains, "If I can survive these layoffs, I might think about it…. I just want to have a little bit of stability…[and] security and not have to worry about dealing with this layoff every winter or whatever." At least one respondent explained that changes to benefits may affect his decision whether or not to stay. This respondent explains, "I always keep an eye on that insurance because of the kids, and …the retirement…is obviously a big attraction." A few others explained that they have experienced a negative culture that may influence their decision whether or not to remain in the industry.

Finally, respondents were asked to identify the personal, social, and job-related factors that will affect their choices to stay with the railroad over the long term.

The one signalman who participated did not explicitly identify any factors that would affect his decision to stay. In contrast, respondents from the other four crafts identified a variety of personal, social, and job-related factors that may affect their decision to stay with the railroad over the long term. Some factors are similar across crafts, while others appear to be unique to the craft. Some respondents identified one factor, while others discussed several possible factors that could influence their decision to stay or leave over the long term. The following is a summary of the major issues that were identified by each craft.

<u>MOW employees</u>

- *Fear of being laid off.* Several respondents noted that continued downsizing, furloughs, and contracting out work could cause them to decide to leave the industry.
- *Personal safety/health.* Several respondents expressed concern over the safety of their work, and noted that their personal safety is a factor that will affect any decision to remain or leave. Some discussed safety in the context of contravening a manager's request to perform a task that they perceive as unsafe, while others discussed safety in the context of working with fewer personnel.
- *Work away from home*. At least two respondents discussed the negative effect of working away from home in the context of work-related factors that may affect one's decision to stay or leave. One respondent explains, "When I first started, I didn't have any seniority…. I was in [different parts of two different states working], and my boy, he was just born. I saw him Saturdays, and that's it. I got home Friday, probably about 11 at night, he's already in bed. [I would] wake up, spend Saturday with him, Sunday I was gone. And that was for months, you're talking 6-7 months like that, until I finally got a job close to home, and I'd be there for a little bit and I'd get bumped, and I was gone again."
- *Pay.* One respondent felt that he was underpaid, and a second respondent explained that if he were offered a job with more money and he was not growing with the railroad, he would leave. This second respondent said he would probably stay with the railroad, however, if his pay scale remained commensurate with the times.

- *Union contract.* At least two respondents noted that their union did not have a contract with the railroads and implied concern over the future. Explains one respondent, "We'll see what happens when they work out these contracts."

Locomotive engineers

- *Work schedules*. Almost all engineers mentioned that they spend a lot of time away from home and/or family because of their work schedules, and that this could be a reason to leave. Most respondents wanted more time with family and/or at home. One respondent suggested providing flexibility in work schedules to enable employees to make their own schedules in order to enable employees to meet family commitments.
- *New child*. One respondent explained that his family was expecting a new child soon and he will want more time at home.
- *Pay*. One respondent said that if he were offered a job that paid more, this may cause him to leave.
- *Workload*. One respondent said that workload could be a factor if it changed (i.e., increased).
- *Rule bending*. One person explained that management may uphold a rule only when it is convenient, and that this could cause this respondent to leave the industry.

Conversely, one female respondent noted that one factor that would be a plus would be more women in the workforce.

Conductors

- *Changes to benefits*. A few respondents mentioned that [changes in] benefits could affect a decision to stay or leave. Benefits discussed included retirement and medical insurance.
- *Pay*. Two respondents said that pay could be a factor in the future.
- *Number of work hours*. One respondent observed that the number of hours he works could be a factor.
- *Animosity between labor and management*. One respondent said that the animosity between labor and management could be a reason for his leaving.

Carmen

- *Changes to benefits*. Several respondents expressed concern over changes to their benefits and that some changes, such as to their retirement and/or medical insurance, could lead them to leave.
- *Pay*. Several respondents felt that they should be paid more or that if a better paying job were offered, they might leave. Several examples of pay-related problems were provided. For instance, some respondents note that they recently received only a 1 cent per hour COLA. Others felt their starting pay should be higher and were discouraged by the existing step program where they are paid a partial percentage of the full wage for their position for several years before earning a full salary. Respondents felt that they should be paid the same as everyone else doing the same work.

- *Government takeover of the railroad.* One respondent suggested that he might leave if the U.S. Government were to take over control of the railroad.
- *Mergers*. One respondent noted that future mergers could cause him to leave.
- *Work schedule*. One respondent who currently works 2nd shift prefers another shift because his shift does not allow him enough time with family.

In summary, the major factors that could influence an employee's decision to stay or leave over the long term and that cross craft lines include work schedules and work hours, pay, and changes to benefits.

C.3 Job Satisfaction

Respondents were first asked about what expectations they had entering the job, and to what extent, and how, they have been met.

Although some similarities exist in expectations across crafts, respondents from each craft had some unique craft-specific expectations. Consequently, expectations are presented by craft.

Signalman

- The single signalman respondent did not have any expectations entering the job. He explains, "I really had no idea what I was getting myself into."

MOW employees

Some respondents simply stated that the job was as expected. However, further discussion elicited a few specific areas where the job exceeded or did not meet specific expectations. In some cases, expectations were consistent across multiple respondents, while other times, expectations differed. Furthermore, some respondents discussed more than one expectation. Expectations were grouped into a few general themes, and are presented below.

- *Less opportunity for advancement*. A number of MOW employees felt that less opportunity to advance existed, or that advancement was more difficult, than they expected. Several respondents explained that during the hiring process, it was conveyed to them that they would have opportunities for advancement within the company. However, respondents have found the reality to be different. As an example, several respondents explained that information about job openings is not always forthcoming and/or available to everybody. One respondent explains, "Even in your own department, [when] the roadmaster [position] comes open, they're going to tell two guys who they might want to have that job. They're not going to let everybody else know about it that might show interest in that job." Regarding opportunities for advancement, observes another respondent, "You gotta know somebody." A third respondent explains, "You really gotta go out there and really, really assert yourself and say, 'hey, I want this job'…." Separately, one respondent explained that during the interview process, MOW job applicants were told that they can plan to spend their entire careers in MOW; yet, later during the hiring process, he was told about opportunities for advancement. Based on his experience, this respondent notes, "They need to stop telling these people when they're hiring them that advancement is endless, because that's a lie."

- *Furloughs not as expected*. Several respondents noted that furloughing was not what they expected. One respondent explained that he expected to be furloughed his first year but thought he would have enough seniority to avoid being furloughed his second year, but he was, in fact, furloughed. A second respondent felt that he was misled when he was told during the hiring session that he would not have to worry about layoffs.
- *More travel than expected*. One respondent explained that there has been more travel involved than he expected.
- *Less safe than expected*. One respondent explained that he thought the operating environment would be safer than it is. Specifically, he felt that the potential for a HAZMAT car to derail and leak in the yard was greater than expected.
- *Rule book not used as expected*. One respondent explained that he did not expect the rule book to be used, as he perceived it, to protect the railroad.
- *Not as hard as thought*. One respondent reported that he felt the job was not as difficult as he thought it would be.
- *Pay and benefits*. Several respondents noted that the pay and benefits were good, as expected, while at least one respondent noted that the money was not up to his expectations.
- *Learning opportunities*. One respondent explained that the opportunity to learn on the job has exceeded his expectations. A second respondent, however, noted that he expected to learn how to operate more equipment than he has so far.

Locomotive engineers

Locomotive engineers were asked about their expectations entering their job as engineers. Answers that reflected entrance to the industry as a conductor were excluded.

- *Expectations met because of prior exposure to the job*. At least one engineer explained that he had a good idea what the job would be like because he had been a conductor (and therefore had been around engineers and train operation).
- *Expected better training*. Most respondents explained that they had expected better training, such as more thorough training, more training, or better preparation. One respondent explained that she had to seek out additional training on her own rather than being provided with it. Another respondent noted that some engineers mentor a student engineer because of the pay and not because the engineer wants to teach the student engineer, and not necessarily because management believes that he/she is a good engineer. Notes another engineer, "I expected more training, but they cut us loose too early."
- *Expected more pay*. One respondent expected more income.

Conductors

- *Expectations met because of careful consideration of the job beforehand*. One respondent explained that he expected the worst—he would always be gone and never see his family—and that his expectations were accurate. This respondent discussed the situation with his family prior to taking the job.

- *Expected the work to be worse than it is.* One respondent explained, "They painted the worst possible scenario, to make you really think. For me, it's been better than they were making it out to be."
- *Expected labor and management to work together better*. One respondent explained that, although the railroad said that it wants labor and management to work together hand in hand, this respondent had not found this to be his experience. This respondent explains, "…How can we work together hand in hand if I don't trust you and you don't trust me? You stood behind the bushes all the time to find out something I'm doing wrong, but it's very rare that you come up to me and shake my hand and say, 'you did a really good job.'" The respondent then continues, "You're not going to look in[to] your [personnel] file and see that you've done a really good job on this thing, but you…sure will see in your file when you screw it up…."
- *Expected railroad to be more concerned about safety*. Several respondents felt that, although railroads talk safety and tout their safety record, safety takes a back seat to other concerns. One respondent explained that, in his experience, local railroad officers such as trainmasters are more focused on pleasing their superior, and that his organization as a whole is more focused on maximizing profits than on operational safety. Several other respondents discussed how being tired was not an excuse to skip work. One respondent provided an example where he was working on the extra board with a lack of sleep and he did not feel this was a safe practice.

<u>Carmen</u>

- *Expected the job to be more difficult.* Several respondents reported that they expected the work to be harder than it was or that the work was easier than they expected.
- *Expected better training.* One respondent was disappointed that the training was not more organized. A second respondent expected the training to be more systematic. A third respondent said he thought there would be more training and gave an example of where, sometimes, two new hires are paired together, therefore neither gains the benefit of being matched with a more experienced carman during their apprenticeship.
- *Expected better organization.* One respondent said he thought the railroad and the car department would be more organized. Another respondent said he thought the railroad would be run a little better. This second respondent provided an example where his railroad had been reducing its workforce so that the railroad could do the same amount of work with fewer employees. This respondent explained that recently he has observed some new employees making mistakes and he felt that there are not enough carmen at his location.
- *No expectations*. Some respondents had no expectations entering the job. Explains one respondent, "I came in…I'm gonna probe it, see what it's like and see if I like it."

Respondents were next asked to what extent they were satisfied with their job.

A significant majority of all respondents were generally satisfied with their jobs. In addition to identifying reasons for their satisfaction, and in spite of their general satisfaction with their jobs, respondents occasionally identified areas where a railroad could improve in order to further increase job satisfaction. Responses are summarized by craft.

Signalman

The one signalman respondent reported being somewhat satisfied, although he noted later that his pay could be better. He was careful to point out that the railroad and labor union were currently working on this issue.

MOW employees

Most MOW employees were satisfied with their jobs. Reasons given include the physical nature of the work, the camaraderie (with those whom they work), the benefits, and the fact that they face something new every day. MOW employees identified a variety of factors that could, if improved, increase their job satisfaction. These included the pay; the travel (and the commute that is associated with it); getting bumped, working in bad weather and dealing with the elements, e.g., snakes and spiders; being blamed for derailments (notes one respondent, "You're guilty until proven innocent."), and being called out in the middle of the night to repair a track.

Locomotive engineers.

Generally, locomotive engineer respondents reported a high level of satisfaction. Reasons given include the following: one respondent recently switched to a work schedule that is more in her comfort zone and that allows her to work with more experienced engineers who are willing to answer questions; another respondent notes that because the railroad told him what to expect, he knew what he was getting into. A third respondent explained that the job was not hard as long as you can read, understand, and apply the rules. Locomotive engineers identified a couple of factors that could, if improved, increase their job satisfaction. These included: frequently-changing rules, the ever-present threat of a railroad officer jumping out of a bush, and the possibility of FRA visiting anytime. Additional suggestions to improve job satisfaction included using higher quality hotels away from home, enabling engineers to take personal days off rather than being forced to lay off sick or missing a call, and providing a more predictable work schedule.

Conductors

Most conductors were also satisfied with their jobs. Reasons that conductors like their work that were identified include: the job is not confining like working in an office; one can keep a low profile and avoid personal politics; the nature of the job; and according to one respondent, his railroad provided all the necessary equipment, knowledge and training to enable him to work safely. According to conductor respondents, areas of improvement included improving the negative atmosphere that exists between labor and management, the working conditions, and the incremental, or step, pay system, where new conductors earn an increasing fraction of their full pay over several years. Regarding the step pay, one respondent explains, "As far as the job goes, I'm satisfied with the work, but I'm getting paid at 80 percent, but I have 100 percent responsibility of the job and 100 percent responsibility of what goes on that job; but I get 80 percent of the pay for that job. That makes absolutely no sense to me."

Carmen

Most carmen reported satisfaction with their jobs with succinct descriptions such as, "It ain't killin' us," "If I didn't like it, I'd quit," and it is a "steady job." Areas where the job could be improved, according to respondents, included (better) pay, pressure to satisfy car quotas or counts (including pressure not to bad order cars), and the car leader position in at least one railroad. The car leader works on paperwork and takes care of the payroll and bills. This

position, however, can be awkward according to respondents. For instance, management may ask a car leader to ask the carmen to hurry, but the car leader has no authority over the other carmen to ask them to hurry.

Respondents were next asked how working for the railroad has affected their relationship with immediate family (spouse, girlfriend/boyfriend, children, parents) and friends.

Responses were dichotomized around the impact that working for the railroad had on family and friends. Although some respondents reported no changes in their relationships to their family and friends as a result of working on the railroad, most respondents reported positive or negative impacts, depending on their specific circumstances. More negative impacts existed than positive impacts for each set of relationships. Answers cut across craft lines; therefore, responses are combined across crafts.

Relationship with family

Most respondents explained that working for the railroad has had some type of impact on their relationship with their families. Some explained that it has improved the relationship. One respondent explains, "It's easier on the finances, so you don't argue about money as much." Several others note that it enables their spouses to stay home with their children. One respondent explains, "I think it's better because I make more money now in less time…[than] my other job….[and] it gives time for my wife to stay home with our little girl…." A second respondent notes, "It's made my relationship with my wife a lot better because she stays home with my boy, and that helps out a lot." Other respondents pointed out that working second or third shift has been good for their family. One respondent noted that by working second shift, he does not have to pay child care, while another respondent said he is able to see his daughters by working third shift.

For many others, however, working for the railroad has created a tremendous strain on family relationships. One respondent explains, "It kills my wife every time I leave….It strengthens the weekends we have together, but over time you're going to become estranged." A second respondent notes, "I find it tiring and trying [on my family]….There's things we want to do but we can't do, there's a lot of times when you're on the extra board [and] you really can't make plans like you want, so it's a little stressful….I've put off things with friends and family because I couldn't [attend because]…I had to go to work….It's been a negative, yes." A third respondent points out, "Since I worked at the railroad, I haven't had a girlfriend." Others reported that they have gotten divorces since joining the railroad. One respondent plainly explains, "It cost me a relationship." This strain does not just affect the younger respondents. One respondent explains, "I've been married for 20 years, have 4 kids, and there's more stress on my marriage now than ever due to this job. Not knowing what I'm going to make from half to half [because of being bumped from job to job] kills us…. That has put a lot of stress on our family, and that's why I am not gonna stay… because I cannot live without budgeting, without knowing what we're gonna have…." In addition to the financial strain and the stress of not having time to spend with family, the safety aspect of the job can also be taxing on a relationship. One respondent explains, "Before I leave every night, I get a kiss and hug from everyone, and it's because fatalities do happen on the road…. When I leave for work…there is that possibility that I'm not coming back through that door again if things don't go right. So there is a little tension when it's time for me to leave."

Other respondents explain that, although working for the railroad has been difficult, a key factor in the success of their relationship with family is that their family has been very supportive. One respondent explains, "There are times when I don't get to see my children for a whole day, and it bothers me, but they understand that if Dad didn't work, we don't eat. It's been a good opportunity, because I can provide more for my family, and do more for them. It's good that I have a family that's supportive."

Relationship with friends

The most common theme with respect to respondents' relationship with friends was that working for a railroad has caused individuals to lose a number of their friends because of their unavailability to socialize and get together. The converse, however, is that these same individuals have made strong friendships with those with whom they work and see all the time. One respondent explains, "[I] …don't have any friends any more because we work every weekend." Another respondent notes, "I'd say it's kinda harder a little bit. People don't call you do stuff anymore, because they get tired of you saying 'I'm on call'…." A third respondent says, "All the friends I have are railroaders."

One respondent summarizes working on the railroad: "It's affected my social life. It's affected my relationships. I don't get to see my friends or family like I used to. It's all encompassing. It's your life." Finally, one respondent summarizes with some hyperbole the general trade-off involved in working for a railroad: "If you want to make some money, you can, but you have to give up everything."

Respondents were next asked whether or not they would recommend working for the railroad to a close friend and to explain their reason(s).

A number of respondents reported that, in fact, they have already recommended a railroad job to one or more friends. Reasons given included the pay, the benefits, job security (e.g., it can be a career), and/or the challenges that the work provides. One respondent explains, "It's a good career, good people, it's interesting, there's satisfaction there. You're doing something different…there's always something going on there. There's not a lot of monotony." Another respondent explains, "I always do. I tell them that there's a great number of people that are going to be retiring from the railroad, and that even though it's something that you do over and over again, for a person that's looking for a way of retiring and getting a good pension, I tell them 'It's a good opportunity, you should look into it'…." Some respondents who have recommended the job to friends, however, reported that some of these friends had been turned off by the nature of the work or job demands (e.g., because of the extensive travel).

Many more respondents than not reported that they would recommend working for the railroad. Of those respondents who said they would recommend working for the railroad to a friend, many said the recommendation (to work for the railroad or not) would depend on the person. One respondent explains, "This job ain't for everybody. There's some people that don't want to get hurt, they don't want to get dirty. And I got friends that…I wouldn't want them working with me." Another respondent explains, "Really, it is a lot hard[er] work than a lot of jobs out there, and a lot of people just don't like to do that." A third respondent says, "To a close friend no, to other people, yes."

Others' recommendations depended on the person's particular circumstances or situation. One respondent explains, "…if he has a family with small kids, I would tell him no…if you wanna

spend time with your kids and watch them grow up, I wouldn't recommend [the job]. But if he was single, and really just wanted to make some money, [I would recommend the job]. And it's a career. You can make a career out of this." A second respondent, an MOW employee, explains, "It's kinda neat if you're single and don't have to he home. It's kinda neat to travel." But this respondent reports that he would not recommend the job to anyone married. A third respondent explains, "I've had some young kids …ask me about the railroad, and I've kind of discouraged them. You know, right out of high school or something, I don't think I would want to. But maybe someone older, I guess, just because it's just so hard to have any kind of personal life. It's more of a lifestyle than a job." A fourth respondent explains that it would depend on the person's situation. Specifically, he would recommend the job to someone who has never had a job that was financially secure, i.e., someone who has always struggled financially.

Many respondents said that when recommending the job, they would be sure to provide a full description of the nature of the work and the job demands up front, so the friend does not have unrealistic expectations about the job. One respondent explains, "I would, but I would definitely put the cards on the table, so he doesn't come in blind. Say 'hey, if you wanna work here, this is what it's gonna be.'" Another respondent explains about becoming a MOW employee, "I would give him warning about the layoffs and saving money for the layoff times…."

A couple of respondents said that they would recommend working for the railroad, but indicated that they would recommend working in another craft and/or for another railroad.

Finally, a few respondents said they would not recommend working for the railroad to a friend. One respondent explains, "No [I would not recommend a railroad job]. It's not because the railroad is not a good job, it's because the railroad is not for everybody. If you're not willing to give up your weekends, and give up your social life, and marry the railroad, and a lot of people are not willing to do that, so this job is not for everybody. I wouldn't recommend a person to apply with the railroad, but I wouldn't discourage them either…because it's purely about choice." A second respondent, a conductor, explains that he would not recommend working for the railroad due to the bumping and the relationship between labor and management.

Respondents were next asked to discuss what they like about their job.

Focus group respondents identified a number of factors that they like about their job. Although much similarity exists in what respondents in each craft like about the job, results are organized by craft to preserve craft distinctions. After each craft category, those factors about the job that respondents liked are presented.

<u>Signalmen</u>

- *The job variety*. The signalman explains, "It's never the same thing every day." Examples include electrical, mechanical, and analytical work.

<u>MOW employees</u>

- *The coworkers.* Notes one respondent, "Some [of] the people you meet are pretty cool." Another respondent points out, "I've made some good friends, and guys that you only see at work, but you actually trust your life to them, and they trust to you, so you get pretty tight with [them]."

- *The nature of the work.* Several respondents identified working outdoors and/or traveling as positive aspects of the job. One respondent explains that he enjoys visiting different states and meeting different people. Another respondent explains, "I like being outside, outdoors. And not being stuck in one place….[I like] seeing the country a little bit." A third respondent notes that he enjoys seeing the natural landscape where he works. A fourth respondent explains that he likes the physical and mental nature of the work.
- *The job variety*. One respondent observes, "I like the way you can change your position. You can be whatever you want to be." Another respondent illustrates the job diversity by explaining that you can be a trackman swinging a hammer, or a machine operator, or you can operate a piece of equipment that replaces the rail.
- *The work schedule*. One respondent said he liked his schedule of working 8 days on followed by 7 days off.
- *The pay and benefits*. Observes one respondent, "The money is good when you go out [on a gang]." Another respondent explains, "It's good pay, it's good benefits…."
- *Job security*. One respondent explains, "It's good security...[providing] you don't break any of their rules."
- *The responsibility*.
- *It is rewarding*. One respondent explains that he enjoys seeing the trains traveling over the track he puts together.

<u>Locomotive engineers</u>

- *Lack of immediate supervision.* One respondent explains, "I like [that] you don't have immediate supervisors around you all the time…it's nice having the responsibility yourself."
- *The work schedule.* One respondent explains that he likes working different hours.
- *The coworkers and working with different people.* One respondent says he enjoys working with different people while another respondent notes that she likes working with her coworkers; she says, "I'm a people person."
- *The nature of the job.* One respondent explains, "I like being able to say that I'm a professional."
- *The responsibility.* Several respondents explained that they liked the responsibility they had. One respondent explains, "I like the fact that I have a hand in moving commodity. Moving commodity to me is building America, and I like the fact that I have a hand in building America."
- *Pay.* One respondent observes, "It pays the bills."
- *The job variety.* One respondent explains, "I like the challenge of every day…. I haven't gone to the same place every day…it keeps it exciting…." Another respondent says, "I like the change…[of] scenery."
- *The nature of the work*. One respondent explains, "I like the fact that I do not have to get on the ground."

Conductors

- *The coworkers and working with different people.* Numerous respondents identified working with their coworkers and working with different people as a positive aspect of their job. Explains one respondent, "Nine times out of ten, you work with guys [that you like]. People, they won't hesitate…to help you… We look out for each other out there." Another respondent explains that he likes the possibility of seeing a new face each time he goes to work. A third respondent confesses, "More than anything else, and more than any other industry I've worked in, I like the people. Because in this particular industry, your coworkers are really your family. They really look out for you…." A fourth respondent explains, "I like the fact that you can basically pick who you want to work with." This respondent goes on to explain that you can select another job assignment if you do not like somebody.
- *The nature of the work.* One respondent notes, "Just the nature of the work. I can work one job where I'm outside all day, humping cars or whatever, working nonstop. That's something that I like. I think if I was behind a desk with a stack of papers in front of me, that would be a real drag."
- *The job variety.* One respondent explains, "I like that it's not the same exact thing every day. Every day is a little different."
- *The novelty of the job.* Observes one respondent, "It's new. It's something I've never done before…."
- *Job security*. One respondent described a sense of security that he felt in the job.

Carmen

- *The nature of the work*. One respondent explains, "You can work there 30 years and not leave with a broken back." Another respondent explains, "It's an easy job, overall." Another respondent explains that he enjoys taking things apart, putting things together and figuring out how things work. Several respondents say they like that they learn new things on the job all the time.
- *The job variety.* "I like the spontaneity [the variety in the work] of it," says one respondent. This respondent goes on to explain that he never knows what kind of car he will be working on that day. Another respondent says he likes the different types of training they receive, such as welding and air brakes.
- *The nature of the job.* One respondent explains that he likes the fact that he sees some interesting things and provides an example where he saw a load of new BMWs passing through.
- *Coworkers.* One respondent says the people that are there are decent people and are not hard to be around, and that they all get along. Another respondent says he gets along with his coworkers. This respondent explains, "The people I work with are pretty good."
- *Lack of immediate supervision.* Several respondents said they like the lack of immediate supervision and being left alone by management.
- *Job security*. One respondent liked that his job was secure.

- *Pay and benefits.* Various respondents said they like the pay (e.g., earning overtime), the ability to support their family, or the benefits.
- *Safety culture.* One respondent explains that he likes that his railroad "preaches safety" and railroad staff want employees to be safe.

A host of general categories of factors exist that are common to at least two crafts, and some factors are common to all five crafts. They include working with their coworkers and with different people, the nature of the particular job and the work, the job variety, the lack of immediate supervision, the pay and benefits, and job security.

Next, respondents were next asked to discuss what they dislike about their job.

Focus group respondents identified a number of factors that they dislike about their job. Results are organized by craft to preserve differences.

Signalmen

- *Differences between the more experienced and less experienced signalmen.* This respondent explains that it can be difficult to get an experienced signalman to carry out a procedure the way he (the younger employee) was taught; instead, the more experienced signalman prefers to carry out the procedure the way he has always done it and may view the younger employee as a "know-it-all."

MOW employees

- *Operating, safety, and FRA rules and their application*. A number of respondents expressed concern over the operating and safety rules and their application, as well as FRA rules where an individual can be fined for violating a rule. Specific complaints were that too many railroad rules exist; rules were always changing, and therefore it was difficult to keep up with the rules; safety takes a back seat to being blamed for breaking a rule; and rules exist for everything. Observes one respondent, "At any given time, you can be cited for doing something wrong. That's just how many rules are out there." Respondents felt that the rules existed more to protect management than anything else. With respect to FRA rules, respondents felt that it was not fair that they could be fined for violating an FRA rule since they work for the railroad, and they are not told what they can and cannot be fined for.
- *The culture surrounding injury reporting.* A number of respondents also express frustration at the culture that encourages or rewards employees for not reporting injuries, or blames employees for the injuries. According to respondents, the employee is inevitably blamed for the injury. Notes one respondent, "Pretty much, if you get hurt, you did something wrong." Another respondent explains that the first thing his railroad does when an injury occurs is not to see if that person is OK but rather to administer a drug test. Furthermore, according to respondents, no one wants to jeopardize safety-related incentives by reporting an injury. One respondent explains, "[If] anybody gets injured, they don't want to report it….They don't want anybody mad at them because they got hurt. So it is better to keep their mouth shut and [to] deal with it later."
- *Fear of losing job to contractors.* A few respondents expressed concern or frustration over the fear of losing their job to contractors.

- *Pay*. A couple of respondents commented about the pay. One simply says, "No money." Another clarifies by noting that one can earn money on the system gangs and implies that the money is less if working locally. This respondent wanted to be able to make better pay and be able to go home.
- *Labor-management animosity.* One respondent explains that he dislikes "the pettiness that goes on there, the bickering and the infighting and back biting that management does to each and every individual."
- *Training*. One respondent felt that there was not enough training on what to do and why they are doing it.
- *Seniority system.* One respondent was frustrated with the seniority system that involved a large geographic area and multiple types of jobs that made it difficult for him to hold down a preferred job in a preferred location.
- *Lack of available tools.* One respondent explains, "We don't have the tools to do the job" and explains that everything seems to always be backordered. The respondent goes on to point out that this is related to injuries because one may end up using the wrong tool because the correct tool was not available, and someone can get hurt as a result.

Locomotive engineers

- *Work schedules.* Problems with work schedules were the biggest issue for locomotive engineers. Problems were related to the unpredictability of the schedule; the inability to schedule personal time, including time with family and time for rest; the long hours and little time between shifts; the 24/7 nature of operations; and the lack of guaranteed start times.
- *Napping policy*. One respondent explained that a discrepancy existed between the official napping policy and what dispatchers allow you to do [implying that dispatchers may not let engineers take naps].
- *Operational testing*. One respondent felt that the railroad's operational testing procedures were unfair and excessive.
- *Discipline*. One respondent did not like the discipline system that was in place, including policies related to rule violations and missing calls or excessive layoffs.
- *Lack of familiarity with some yard locations and procedures*. One respondent notes that as a new engineer, she sometimes finds it difficult to enter a yard (with which she is unfamiliar) since different procedures exist for entering different yards.
- *Harassment*. One respondent notes that she dislikes the harassment she receives from time to time, including verbal harassment over the radio, whistling, and cat-calling.

Conductors

- *Training*. A number of conductor respondents discussed problems with training. Issues that were identified include inadequate training (e.g., one respondent notes, "They just kinda throw you out there"), variability in the quality of OJT (i.e., some crews are good to train with, while others are not helpful), and a lack of train-the-trainer training (one

respondent notes that a foreman receives an additional monetary incentive for taking a student but receives no training on how to prepare the student).

- *Work schedules.* Several respondents note that their work schedules are problematic. Issues discussed include the uncertainty of the work schedules, the amount of work, the difficulty obtaining adequate rest, being bumped, and the general amount of fatigue they feel on the job. One respondent notes that bumping creates animosity among employees.
- *Step pay*. Respondents expressed frustration with the step pay, where starting conductors earn 80 percent of a conductor's salary and earn 100 percent after 5 years on the job, even though they do the same amount of work as more experienced conductors who receive full pay.
- *The working environment.* One respondent feels that the working conditions in some yards are unsafe and that the railroad should make repairs, such as to track conditions. A second respondent expressed unease with working the bowl sometimes when cars are moving at both ends of the track.
- *Working with inexperienced crewmembers*. One respondent disliked when a new conductor class came out because the railroad may pair two of the inexperienced crewmembers together with an engineer, and one of them would be the foreman in charge of the train. A second respondent notes that he feels more comfortable working with more experienced crewmembers. Concerns revolved around safety and crewmembers not knowing what to do.
- *Labor-management animosity.* One respondent explains, "There's a real bad trust issue." He feels like he must always look out for himself.
- *Supervisory micromanagement.* One respondent explains that a supervisor once followed him around for 4 hours.

<u>Carmen</u>

- *Rule bending related to bad ordering cars*. Several respondents expressed frustration at being pressured not to bad order cars[18] or being disciplined for bad ordering too many cars.
- *Low status of the craft.* Several respondents note that carmen have a low status within the railroad. One respondent succinctly explains, "We're the New Jersey of the railroad." Another respondent explains, "They [the railroad] look at us as a liability. We cost them money because we delay freight."
- *Pay and incentives*. Several respondents feel that carman pay is inadequate and that, unlike other industries such as the auto industry, the railroad does not provide any monetary incentives to carmen. One respondent also feels that the railroad does not pay carmen adequately when they are sent to school.

[18] Respondents explained that if the bad order had to do with the safety of the car's operation, it was not a problem to bad order the car. Rather, the issues were with other problems with freight cars.

- *Labor-management animosity.* A few respondents describe negative experiences with their supervisors, who, according to respondents, are focused on disciplining these carmen.
- *Work schedules.* One respondent reports that he does not like working weekends and nights.
- *Working in inclement weather*. One respondent notes that he does not like working in the rain.
- *Blame for accidents.* At least one respondent notes that often, train accidents are attributed to mechanical failures. An example is provided where a train couples too hard to a car and breaks a knuckle, but the cause is recorded as a mechanical failure [implied here is that a carman is somehow responsible for the mechanical failure].
- *Discipline associated with attendance.* One respondent says that it is always in the back of his mind that if he is late to work, he will be disciplined. This causes him to lose sleep over worrying that he will miss his alarm clock.

A few common themes appear across multiple crafts. For example, problems with work schedules was identified as an issue by conductors and locomotive engineers (and one carman). Themes that were identified among respondents in three of the five crafts include: labor-management animosity (MOW employees, conductors, and carmen) and issues related to pay (MOW employees, conductors, and carmen).

Finally, respondents were asked what the railroads could do to increase their job satisfaction.

Suggestions are itemized briefly by craft.

<u>Signalmen</u>

- *Provide advanced notice of future jobs.* This respondent says that it would be helpful to have a clearer picture, or advanced notice, of what jobs will be coming up, when, and where, to allow his family to plan better.

<u>MOW employees</u>

- *Hire more people*. Respondents suggested hiring more MOW employees so that people would not be rushed and less potential for an injury would exist.
- *Eliminate furloughs*.
- *Provide adequate resources.* Suggestions included properly maintaining service trucks and ensuring the availability of tools necessary to do the job. Respondents provide examples including not having the right tools, not having trucks available, and having trucks without heat.
- *Show employees they are valued.* Respondents suggested providing employees with occasional rewards. Among the items discussed were providing cookouts, warm clothes to wear at work, safety boots, and even a drinking canteen.
- *Be more lenient when it comes to rule violations.* A few respondents discussed increasing leniency toward rule violations. One respondent explains that when you are concentrating on what you are not supposed to do, you are not thinking about what you

are supposed to be doing.

- *Improve the pay*.
- *Increase the company's 401K match.*
- *Provide employees with hotel rooms* [when traveling].
- *Provide an accurate job preview.* Respondents suggest that job applicants should know precisely what they are signing up to do. Two respondents expressed concern that those conducting the hiring may not best know the jobs.

Locomotive engineers

- *Improve training*. Suggestions include expanded and more extensive training, a rules class once per month to discuss safety-related issues, periodic refresher training, and locomotive troubleshooting classes to enable engineers to perform some troubleshooting when an engine breaks down rather than having to call someone for help.
- *Eliminate the step pay system.* Several respondents suggested eliminating the step pay system, since they are working the same as those who receive 100 percent of their salary. One respondent explains, "I'm paying 100 percent insurance, I'm paying 100 percent retirement, I'm paying 100 percent union dues, but I'm only making 85 percent. I'm doing 100 percent of the work. I get up when that phone rings like everybody else."
- *Improve work schedules*. Suggestions include increasing the predictability of work schedules, more days off, scheduled days off, and starting an engineer's held-away-from-home-terminal time earlier to encourage railroads to arrange for crews to return home sooner rather than allowing crews to spend significant time at their away-from-home terminal.

Conductors

- *Improve safety processes.* Suggestions include cleaning up facilities, improved communication about accidents to learn from them, better safety briefings, and eliminating the perceived double standard with respect to getting as much done as quickly as possible but then disciplining an employee when he breaks a rule. One respondent adds that, in addition, if you follow all the rules and are not getting as much work done, you are asked why it is taking so long.
- *Improve yard training.* This suggestion focused on increasing familiarity of the yard.
- *Show employees they are valued.* One respondent suggests showing "A little appreciation for what we do" and talks about how managers do not say anything to them unless something has gone wrong, and never anything positive. A second respondent adds, "A few [positive] words can go a long way."
- *Eliminate the step pay system.* One respondent suggests, "Get rid of the 75 percent rule and pay everybody for the job they're doing."
- *Hire more people*. A suggestion was made to hire more people so that the extra board does not rotate so quickly.

- *Install managers who are familiar with the work and make these positions long-term.* Respondents discussed managers to whom they report have not come up through the ranks and do not know how you are supposed to do your job. Further, they observe that these managers also cycle through different parts of the railroad's network and therefore may not be familiar with the territory. Respondents suggest installing managers who are familiar with the job and make the positions long-term.
- *Better communicate the chain of command*. One respondent explains that he does not think many of his peers know who their immediate supervisor is to be able to discuss problems. This respondent suggests the result is a lack of connectivity with the company. He suggests a better defined chain of command to improve communications.

Carmen

- *(Management) Stop walking around all the time looking to write up carmen for minor rule infractions*. At least one respondent suggests stopping the practice of walking around looking to write up carmen for rule infractions. This respondent points out that it is one thing if the individual is consistently making mistakes, otherwise, it puts employees on edge.
- *More consistency with application of the rules*. At least one respondent discussed the need for consistency in the application of rules to determine when to bad order cars.
- *Improve communications*. Suggestions focus on improving communication about schooling, such as when and if a carman has been enrolled in a class or unenrolled, and training, such as when and how much time to spend on CBT.
- *Provide adequate resources.* Suggestions include access to the proper tools, setting people up with the tools they need to do the job, and better maintenance of the trucks and vehicles.
- *Improve the pay*. Observes one respondent, "The wages could be a little better."
- *Pay 100 percent of insurance*.
- *Hire more people*. Several respondents suggested adding people to the rosters.

Several common themes appear across crafts. Respondents from four of the five crafts suggest hiring more people (signalmen, MOW employees, conductors, and carmen) and improvements to pay, including abolishment of the step pay system (MOW employees, locomotive engineers, conductors, and carmen). Respondents from two of the five crafts suggested providing adequate resources to do the job (MOW employees and carmen) and improvements to training (conductors and locomotive engineers).

C.4 Suggestions for Improving Recruitment and Retention

Respondents were asked where they would look for, and how they would attract, qualified new railroad employees.

A tremendous amount of overlap occurred in respondents' suggestions. Consequently, suggestions are combined and presented below. Where a suggestion may be craft-specific, the particular craft is discussed. Railroads currently use many of the suggested approaches. In fact, a number of respondents felt that the railroads already do a good job recruiting and selecting

employees. Examples given include the current online application process and basic requirements to be able to read, write, and understand English.

Respondents provided the following specific suggestions for where to look for, and how to attract, qualified new railroad employees:

- *Word of mouth.* A number of respondents suggested word of mouth as an effective way of attracting individuals to the industry. One respondent suggests railroads inform their employees when and where they want to hire new employees, since existing employees could help with the process (through spreading the word).
- *Television advertisements.* Respondents suggested the advertisements show the kind of work that the different crafts do and they should emphasize the job's pay, benefits, and retirement opportunity.
- *Radio advertisements*
- *Internet advertisements.* Some discussed the railroads' own Web sites, while others suggested job placement sites, e.g., CarreerBuilder.com.
- *Newspaper advertisements*
- *The military.* Suggestions include recruiting at military-related job fairs and VA programs. One participant observes, "I would go to the military, because those guys already have the discipline, and they're used to being shipped out, going to different states…and they have the radio skills too."
- *High schools*. Suggestions included job fairs, posters, working with guidance counselors, advertisements in football game programs, and other methods or programs to expose seniors to what working for the railroad industry is about.
- *Vocational and trade schools.* Several respondents suggested vocational schools. One respondent suggested making small cards available that a student can take with him/her.
- *(4-year) Colleges.* Suggestions included job fairs, advertisements in college football programs, and coop programs where the railroad would pay for an individual to go to school in return for working for the railroad for a certain minimum number of years.
- *Community colleges.* At least one respondent mentioned recruiting at community colleges. NARS was given as an example of a good approach for recruiting new railroad employees.
- *Prison release programs*. A few respondents suggested looking at prison release programs where the job gives ex-prisoners a second chance.
- *Job fairs.* In addition to high school, college, and military job fairs, some respondents suggested general job fairs.
- *Look for people in the area in which the work will occur.* One respondent suggested hiring locals to carry out the work rather than hiring someone from one location and then moving them.
- *Construction industry.* A MOW employee suggested looking at the construction industry for new employees.

- *Automotive industry*. One respondent suggested that auto workers may be good recruits since they are familiar with working in a unionized environment.
- *Contractors*. One MOW employee suggested looking at contractors who work on railroads since these individuals are already familiar with the nature of the work and have received some of the same training.
- *Employment agencies and services*. Several respondents suggested recruiting through various employment services.
- *Unemployment offices.*
- *The Federal government.* One respondent suggested looking at those who work for the Federal government. A second respondent suggested advertising in Post Offices.
- *Flyers around the community*. One respondent suggested posting flyers in churches and bulletin boards in local communities.
- *Low income neighborhoods.* At least one respondent suggested looking for people who are seeking financial stability.
- *Improve wages*. Several respondents suggested that, by increasing wages, railroads may be more successful attracting prospective railroad employees. One MOW employee suggested increasing pay for equipment operators to match what heavy equipment operators earn in other areas. Separately, one engineer suggested that some good conductors opt not to be promoted to engineer because they have to take a temporary pay cut (as a result of the incremental pay rate associated with becoming a student engineer) during their engineer training.
- *Employee qualities and experiences to look for.* Respondents identified a few qualities or experiences that they felt would make for a good railroad employee. Suggestions include looking for those who are self-motivated, mechanically inclined, and have similar work experience (e.g., have worked outdoors and in bad weather).

Lastly, respondents were asked what recommendations they would make to their railroad if the railroad wanted to make sure that they and others like them remain with the railroad for a long time.

Responses are summarized by craft, although a number of recommendations cut across two or more crafts.

<u>Signalmen</u>

- *Do not contract out the work.* This respondent felt it was dangerous and made him nervous to contract out the work to non-railroaders.

<u>MOW employees</u>

- *Pay better wages.* Several respondents suggest improvements to their wages to match the current economy, job skills, and/or locations. One respondent explains, "They need to start bringing people's wages up…. In the urban areas, their pay scale [is poor] and they need to pay skilled people more money." Several respondents suggest increasing COLAs. One respondent explains, "Increase our pay with what the economy is doing."

- *Stop furloughing employees*. A number of respondents suggested eliminating these temporary but annual layoffs. One respondent explains, "People don't want a job where [they] have to look forward to being laid off at the end of the year."
- *Provide a better job preview*. One respondent said he was told that travel would be involved, but not that he would be living on the road so frequently.
- *Allow enough time to get the work done right*. One respondent suggests allowing enough time for crews to get the work done properly.
- *Work at home/keep people near home*. Several respondents suggest that it was important to them to be able to work near home. One respondent confides, "Personally, I won't stay here more than a couple of years if I don't get to work at home."
- *Provide adequate resources to do the job*. One respondent suggested the railroads ensure that employees have the resources, such as equipment and tools, they need to do the job. He suggests an improved inventory process as one specific means of providing adequate resources.
- *Abide by union agreements*. One respondent suggests that railroads should be sure to "keep good faith" in the contracts they have with labor unions, and provides an example where he was asked to cover another position but was not going to get paid the higher rate that is associated with that position.
- *Improve training*. One respondent suggests railroads provide more training in general, including training on why they do the tasks they do as part of the job (not simply that these tasks are to be done).
- *Hire more people*. At least one respondent suggests hiring more people.

<u>Locomotive engineers</u>

- *Improve work schedules.* A number of locomotive engineers suggest work schedule improvements, including more scheduled days off, a standard work schedule, more flexible and more routine hours, more time/nights at home (rather than in an away location), at least one Friday or Saturday off per month, and paid holidays and sick time.
- *Improve morale/relationship between labor and management*. Several respondents suggest improving the relationship between labor and management. Respondents explained that they feel that management is there to discipline or fire them. One respondent feels that a railroad hires individuals and then spends its time trying to fire them.
- *Improve benefits*. A few respondents suggest providing monetary bonuses, incentives, or gift certificates, to reward employees, and one respondent suggests railroads provide matching funds for their 401K programs. Another respondent would like to change the retirement system so that he/she can designate to whom Tier 2 benefits go. This single parent notes that she pays into retirement, including Tier 2 (spousal benefits), but that if she does not marry, she and her family do not receive that benefit, although she paid into it. She would like to be able to allocate that money to her child.

Conductors

- *Improve morale/relationship between labor and management*. One respondent explains, "They have to do better with their management and labor relations. It's not management and labor, it's management versus labor." Another respondent discusses a poor attitude (by management) toward employees.
- *Pay better wages.* One respondent suggests eliminating the step pay system, i.e., pay conductors 100 percent of their salary from the start.
- *Do not change benefits*. One respondent suggests that railroads do not "mess with our benefits."
- *Share profits*. One respondent suggests profit sharing and points out that, even though railroads are currently earning record profits, employees do not receive any of these profits.
- *Hire more people*. At least two respondents suggest hiring more people.
- *Better working conditions*. Suggestions include improved maintenance and working conditions.
- *Improve work schedules.* One respondent suggests better working hours. Another respondent suggests making job assignments more stable (i.e., less rotation of job assignments). This respondent feels that working in a new environment (due to job rotation) reduces safety.
- *Increase job security*. One respondent says he feels less secure in his job since hiring and would like to have a better idea of what's going to happen with regard to his job. This respondent talks about one-person crews as well as elimination of jobs and says that he would like to know that he will be around in 10-15 years.

Carmen

- *Improve the training*. Suggestions include annual refresher training, more structure in the apprenticeship training, and paying for continuing education.
- *Increase FRA visits*. Several respondents suggest increasing the number of visits made by FRA inspectors to "…get everybody on their toes." These respondents suggest that railroads would provide better training if FRA visited more often.
- *Ensure car foremen have proper technical background.* One respondent suggests that car foremen have a mechanical background and know what the job that they are supervising entails.
- *Stop contracting out work.* Several respondents were concerned about losing work to contractors. The concern was that if the railroad contracted out a lot of the work, no one would be left to support their retirement years later.
- *Improve morale/relationship between labor and management*. One respondent suggests eliminating the petty writing up (for rule infractions) that occurs. Others observe that management feedback is often negative and suggests management provide some positive feedback to employees once in a while. One respondent suggests, "Treat 'em better." Another respondent suggests less pressure from administrators with respect to taking

days off or coming in late. This respondent says he wishes he did not have to worry about missing a call.

- *Share profits*. Respondents suggest railroads share their profits with employees.
- *Pay better wages*. One respondent explains, "Even just a cost of living raise would be nice."
- *Improve work schedules*. Suggestions include providing an occasional Saturday and Sunday off rather than having weekdays off, alternating days off, and enabling more of the junior carmen to work 1st shift by paying a shift differential that would entice some more senior carmen to take 2nd and 3rd shifts to earn extra money and thereby open up jobs during 1st shift for newer carmen and also spread the experience out across all shifts.

In summary, a number of recommendations cut across multiple crafts. These include improvements to wages and benefits, training, work schedules and work planning, and morale. Suggestions also include less furloughing and contracting out of the work and hiring more people to carry out the work.

Abbreviations and Acronyms

AAR	Association of American Railroads
BLET	Brotherhood of Locomotive Engineers and Trainmen
BMWED	Brotherhood of Maintenance of Way Employes Division
BNSF	BNSF Railway
BRS	Brotherhood of Railroad Signalmen
CBT	computer-based training
COLA	cost-of-living adjustment
CSX	CSX Transportation
DOT	Department of Transportation
EEO	Equal employment opportunity
EIA	Energy Information Administration
FHWA	Federal Highway Administration
FRA	Federal Railroad Administration
HR	human resources
KCS	Kansas City Southern Railway
lb	pound(s)
MOW	Maintenance of way
NARS	National Academy of Railroad Sciences
NS	Norfolk Southern Railway
OJT	on the job training
PaYS	Partnership for Youth Success
RRB	Railroad Retirement Board
TCU	Transportation Communications International Union
UP	Union Pacific Railroad
UTU	United Transportation Union
VA	Veterans Administration