MAINTAINING AND DEVELOPING COMPANY BRAND VALUES THROUGH GENERATIONS DIALOGUE
## CONTENT

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>EXECUTIVE SUMMARY</td>
<td>3</td>
</tr>
<tr>
<td>INTRODUCTION</td>
<td>6</td>
</tr>
<tr>
<td>THE CHALLENGE</td>
<td>13</td>
</tr>
<tr>
<td>THE COMMITMENT</td>
<td>20</td>
</tr>
<tr>
<td>THE L&amp;D INITIATIVE</td>
<td>25</td>
</tr>
<tr>
<td>THE IMPACT</td>
<td>32</td>
</tr>
</tbody>
</table>

words count: 3940
EXECUTIVE SUMMARY
The largest functional branch of JSC “Russian Railways” - Railway Infrastructure Business Unit - faced a challenge of ensuring the continuity of valuable working experience transferred from the mentors acting in the workplace to the students enrolled to the employer-sponsored places in the railway transport universities, future employees of Russian Railways.

The roots of the problem lie in the intergenerational gap between mentors and students as well as the imperfection of the adaptation process passed by students. Demographic pitfall caused by the violent economic downturn in 1990-s in Russia and the tendency of young people to leave small settlements where the Railway Infrastructure Business Unit operates became the negative conditions for the matters concerned.

Further aggravation of the scenario could have seriously affected the process of safety ensuring and performance of production tasks on railway transport and as a result threatened the company business development, its impact on the national economy.

What is the way to embody the company brand values - Expertise, Integrity, Renewal - through the improvement of mentoring process, students’ adaptation and cooperation with transport universities which are in charge of professional competencies of the future Russian Railways employees? That was one of the challenges to overcome.

To achieve the task JSC “Russian Railways” in the partnership with the Corporate University of Russian Railways carries out a series of activities called “Generations Forum”. Forums involved the mentors from the Railway Infrastructure Business Unit and encouraged the participation of railway transport universities.

Generations Forums benefit will fully manifest itself over time taking into account the depth level of the work performed and the necessity of comprehensive approach to solve the challenge. However, the first course of Generations Forums served as a trigger to major personnel changes in the Railway Infrastructure Business Unit related to the transformation of mentoring and adaptation processes. The carried-out Forums:

- set the development strategy for this format integrating it to the cooperation ecosystem;
- led the mentoring to the qualitatively different level by opening the door for the core changes of its nature;
- updated the necessity of organization of the adaptation process for the young specialists who make the first steps in the railway industry and brought it to the launch mode.
SCALE OF THE PROJECT “GENERATIONS FORUM”
INTRODUCTION
Russian Railways (RZD) is a unique diversified holding, which owns railway infrastructure and rolling stock, operates freight and passenger transportations, offers transport and logistics, terminal and warehouse, forwarding services to the customers.

The RZD Holding is one of the largest employers in Russia staffed with more than 1 million people to ensure the railway transport operation across the vast territory of the country.

RZD has a one-of-a-kind practice of professional training of employees. Experts training is delivered in close collaboration between RZD and industry-specific universities. They are located in the major agglomerations and give an opportunity to young people of surrounding areas to obtain a degree in the railway sector.
RZD acts as the customer of the training programs related to different professional areas. This kind of cooperation is called “Employer-sponsored (targeted) education” which is a trilateral contract between RZD, a university and a student. Upon the completion of the study the student is obligated to become employed in the Company’s division that paid for the education.

Such collaboration is aimed at lining up a conjunction “university – employer” and providing young experts all over Russia with a possibility of assured employment in one of the largest transport company directly upon the higher education.
Each year more than 7,000 students are enrolled for the employer-sponsored education, 1,500 of whom are the candidates for the Railway Infrastructure Business-Unit.

Railway Infrastructure Business-Unit manages the key production business divisions dealing with the issues of railway infrastructure maintenance and development.

Railway Infrastructure Business-Unit employs more than 240,000 people, which amounts more than 30% of all RZD employees. 75% - are in blue-collar positions.

The specific nature of the Unit activity requires the highest level of staff skills. More than in any other business units, the major challenge here is to accumulate, preserve and transfer a diverse working experience.

Moreover, it is essential for Railway Infrastructure Business-Unit to maintain a constant level of staffing.

To achieve these goals, the HR department of the Unit focused on many areas including:

- implementation of a comprehensive plan to attract, retain and develop staff;
- implementation of the talent management program;
- the quality of mentoring and adaptation processes.
Railway Infrastructure Business-Unit comprises business divisions responsible for railway infrastructure exploitation and maintenance.
About 70% of the universities graduates employed at Railway Infrastructure Business-Unit are the contract students. The share of the employees aged up to 30 currently amounts to 22%.

Every year, 2,000 students are assigned to the Unit for internship. They begin this stage by getting acquainted with RZD via mentors. Collaboration of mentors and students has revealed several problems one of which is a lack of efficient communication between representatives of different generations.

The Unit employs about 2,000 graduates from the industry-specific universities each year. Generation Z that was born after 2003 will become the backbone of our team. Therefore, we intent to develop not only young employees but students as well.

Dmitriy Bersenev
Deputy Head of Railway Infrastructure Business-Unit for HR and social issues, Russian Railways

Nowadays 10% of Railway Infrastructure Business-Unit employees (24,000) are currently involved in mentoring processes.

We pay special attention to mentors development as they play the key role in the adaptation of newcomers to the company as well as of the employees who takes up a new appointment. We have created a mentors’ pool which is constantly developed by real experts truly respected by their colleagues.

Sergey Saratov
Head of HR Department of Russian Railways

Every year, 2,000 students are assigned to the Unit for internship. They begin this stage by getting acquainted with RZD via mentors.
In an effort to overcome this the youth team of Railway Infrastructure Business-Unit developed a project “Generation Z – Mentoring in Infrastructure 2025” entailing joint events with the participation of students and mentors. This was the first step towards Generations Forums.

The main partner of the Generations Forum project became the Corporate University of Russian Railways (CU).

CU ensures corporate business education for executives and experts of the RZD Holding. The University develops and delivers unique learning products, uses modern personnel assessment tools, forms management culture, creates effective inspiring environment and disseminate the best managerial practices, ideas and initiatives.

The project “Generations Forum” required close trilateral cooperation between Railway Infrastructure Business-Unit, Corporate University and industry-specific universities. This took the partnership to a fundamentally different level.
THE CHALLENGE
The current age of the RZD Holding employees ranges from 18 to 70.

Generational values of each employee has a significant influence on RZD brand values reflecting the Company development strategy.

The RZD activities are based on the RZD brand values:

- **EXPERTISE**
  The continuity of traditions enables the transmission of knowledge from generation to generation. Accuracy, safety and reliability in everything that we do are the result of ongoing development and our skills improvement. Our loyalty to the work turns knowledge and experience into the genuine expertise.

- **INTEGRITY**
  We are always supported by understanding our role and shared duty, the proactive lifestyle approach and work towards a better future. Guided by common goals, we share responsibility for the results of our effort and decisions.

- **RENEWAL**
  We are always searching for and introducing the latest solutions and technology into our daily operations, which is a keystone of our leadership and pursuit of excellence. We are able to live in an ever-changing world, being open to opportunities and leveraging them.

Brand values implementation is influenced by internal human resources tendencies.
1. THE INTERGENERATIONAL GAP BETWEEN MENTORS AND STUDENTS

The present mentors are production workers who excel at their jobs, having worked at the company for many years. The average mentor is 40 years old. A considerable percentage of them have had hardly any additional training and sometimes do not have a higher education. Their job involves hours of hard, often non-standard work in remote locations across the country.

Mentors and students have a clear conflict of communication when interacting with each other as each draws from the values of their generation.

The students they interact with are 19–22 years old.

Both are representatives of different generational groups and their values differ significantly.
The current mentors are not sufficiently competent in understanding the mindset of today’s youth. They encounter difficulty in establishing effective communication with the latter, which is essential for effective transfer of experience.
2. CONSTRAINTS ON THE DEVELOPMENT OF SOFT SKILLS BY MENTORS

In order to compensate the lack of knowledge and experience in communication, mentors need to continuously develop corporate competencies and the related soft skills. This is CU responsibility, however CU only implements corporate development for managers of the strategic and tactical levels. Mentors don’t fall within this target audience.

Corresponding development of operational-level employees have been implemented at training centers. However, current training centers programs are aimed at the development of hard skills - professional competencies.

For 10 years, the Russian Railways Corporate University has been developing the corporate competencies of the Company’s employees. These competencies are a direct reflection of the Russian Railways values. It is extremely important that these values are laid for the Company’s employees as early as possible, in the most sensitive period. The Generation Forums is one of the effective tools in this field.

Andrey Shobanov,
Deputy Director, the Corporate University of Russian Railways
3. **FLAWS OF ADAPTATION PROCESS FOR STUDENTS**

RZD has a policy for the adaptation of new employees which speeds up the induction of new employees, reduces staff turnover, saves recruitment costs and time for managers.

However, this adaptation process isn’t clearly regulated for students. Thus a contract student encounters the same difficulties as a new employee, only with greater effect: they also need to adapt to first work experience— something they don’t receive adequate support for.

4. **LOW POPULARITY OF BLUE-COLLAR POSITIONS**

The Railway Infrastructure Business-Unit activities require that all employees have comprehensive expertise in railway transport operation issues. This means that contract students need to master a blue-collar profession first.

As a result, their first work experience is associated with hard work that is not always interesting or intellectual.

The modern youth priority is a drive for quick results and exaggerated career and financial ambitions. This leads to a decline in the overall impression of the profession and the future employer and a strong tendency of the contract students to refuse to be hired by RZD.

Instead of hiring a trained young specialist, in whose education the company invested during five years, the Unit incurs additional costs for the time-consuming selection, adaptation and continuous training of new employees.
THE PRINCIPAL CHALLENGES OF THE PROJECT

1. Ensuring continuous experience transfer in the context of impaired intergenerational communication

2. Preserving human potential in the context of a demographic drop and the trend of youth outflow from small towns

3. Implementing brand values through improved mentoring and student adaptation
THE COMMITMENT
It was essential to evaluate the project terms and scale.

Transport universities are well-located in the regions that enables the formation of trainee groups as close to their workplaces as possible. Therefore, they were invited to provide venues for the forums.

Forum practical significance for the university as well as the Company is enormous. It is great that RZD initiates such meetings, we are always ready to facilitate the right conditions for such cooperation.

Andrey Bulatov,
Vice-rector of Samara Transport University for academic issues
Joint agreements were reached to clearly define the boundaries of obligations.
The Unit HR Department decided to select mentors by their performance and further development prospects criteria. Such approach underlined the possibilities of career advancement in case of successful mentoring for other employees.

Students of final courses were invited firstly. Eventually all interested students had a chance to take part.

10 Generations Forums were held during two-month time in 2019.

To ensure the implementation of each of the 10 events, active preparation work began a month before the start date. This involved close three-way cooperation between RZD, Corporate University and Universities. We believe that the key to success in this interaction was mutual commitment and understanding of the importance of such large-scale dialogs between students and future employers.
One of the most challenging aspects of the events was establishing clear processes for conducting preparatory work in a remote format. Long hours of telephone conversations between different time-zones, video conferences, and constant online communication with a huge number of people were able to map out the project so clearly that once it began at a strictly planned time, it proceeded smoothly and as planned.

The local volunteer teams provided by the universities helped organize Forums with the great enthusiasm in these regions.
Joint partnership led to the solution allowing to solve the stated business challenge in a comprehensive manner and in a short time. The outcome was the development of a comprehensive program for the Generation Forum designed for 1 day and consisted of a series of consecutive short format events.

1. FORUM OPENING
2. MENTORS WORKSHOP ON GENERATION THEORY
3. INTERACTIVE SURVEY
4. INTELLECTUAL GAME

FORUM OPENING

The official opening concerned a joint appeal to students and mentors by representatives of the top RZD management and the Transport University. This established the importance of the Forums.
INFORMATION FAIR FOR STUDENTS

The fair was held in the form of a panel discussion. This module aimed at establishing a direct dialog between students, the employer company and representatives of the university.

This allowed students to get acquainted with their potential employer: to learn more about the structure and the opportunities that the company offers to young professionals.

The format also provided students with a clear overview of their career prospects, illustrated by the success stories of the company leaders presented at the event.

This meeting allowed the RZD representatives to expressly broadcast the Company’s level of interest in young professionals, to share the youth policy, implemented in the company, and its possibilities to the students.

Every young specialist has a reasonable desire to know how quickly he or she will be promoted within an enterprise. We have structured a systematic approach to staff development. We always support well-grounded initiative. The forum is a platform where students can get acquainted with their potential mentors still being at university, as well as obtain information relevant and important to them.

Gennady Verkhovykh, Deputy General Director of Russian Railways, Railway Infrastructure Business-Unit Head

The panel discussion allowed participants to raise many questions in real time, some of which were hard-hitting. One asset of such live dialogs is the occurrence of situations in which specific student issues were addressed (for example, requests for employment with the company or certain internships).
WORKSHOP FOR MENTORS ON THE GENERATIONS THEORY

One of the expected effects of the Forum was to shift mentors’ focus from negativity towards the values and behavior of modern young people to conscious acceptance of these differences.

CU developed an education program «The Theory of Generations as a Reference System for Mentors».

The program conveys important value differences between representatives of different generations as well as special features of generational gaps.

FEATURES OF INTERGENERATIONAL COMMUNICATION

- Speaking languages of different times
- Thinking that the best offer is the only we are interested in
- Decoding another person behavior with our own values

The module taught how to focus on the strengths of different generations and understand why and how they differ from each other.

What we should be focus on

X – experience-owners
Y – small number, serious competition for them, you have to retain them
Z – fundamentally different, requiring agility
Representatives of generation Z were born in the early 2000s. They graduate from educational institutions and are now increasingly becoming young employees of companies, including the Russian Railways holding. The creators of the theory of generations claim that their perception of information is unique, and it is important for the employer to know how to correctly build interaction with them, how to motivate and effectively cooperate. Trainings and master classes of teachers of the Corporate University of Russian Railways on this topic help mentors, chief assistants of the company’s management in adapting new employees, get practical knowledge and tools for successful work with young people.

Roman Baskin, Director, the Corporate University of Russian Railways

This understanding served as a starting point for generating and sharing ideas on how to communicate with young employees in a different way, as well as on which channels of communication to use, what needs to be changed internally and how.

The training activities managed to clearly frame an important message to mentors: «you can spend time and energy trying to change an individual, but you will never change the era that influenced them.»
I’ve noticed that people in their twenties today are different from previous generations. They never knew life without the Internet and grew up surrounded by technology. Getting them away from their gadgets can be pretty hard. During the training, I realized that it’s necessary to communicate with post-millennials in their own language. In order to motivate them professionally, we need to put their values front and center and set several goals for them at once.

Alexander Litvinov, a participant of Generations Forums, mentor, senior electrical engineer at the Ufa Alarm, Centralization and Lockdown office, Railway Infrastructure Business-Unit

This workshop allowed mentors to develop another vector of thinking: if a mentor really wants to pass on his or her experience to a young professional, he or she needs to learn to be flexible.

**INTERACTIVE SURVEY**

The key aim of the survey is to obtain feedback from students and mentors. Students assessed the efficiency of the communication with RZD units, mentors – the current mentoring system of the Company.

We made the survey anonymous and in real time in order to obtain the most reliable information and avoid socially desirable answers.
INTELLECTUAL GAME

The final event of the Forums was an intellectual game in teams. It engaged both mentors and students at the same time. This allowed participants to unite around common team goals and provided an opportunity to learn how to organize dialogs within teams.

The Forum closed with the winning team being awarded valuable and memorable prizes from the company.
THE IMPACT
2 MONTHS FOR PREPARATION

2 MONTHS FOR IMPLEMENTATION

1700 STUDENTS

650 MENTORS FROM DIFFERENT STRUCTURAL DIVISIONS

330+ CITIES

10 INDUSTRY UNIVERSITIES

9,4 OUT OF 10 FEEDBACK SCORE

91% Net Promoter Score of the participants

18 REGIONAL BRANCHES

680 STRUCTURAL DIVISIONS
Since 2020 a project of a cross-functional mentoring system was introduced: from the central management level to the level of all business divisions. Such approach will establish transparent criteria, clear rules and common principles of organizing and evaluation the mentoring process.

The Unit has declared 2020 as the Year of Mentoring and Adaptation that means serious transformation of these processes.

92 mentors, who took part in the Forums and appeared to be the most promising, passed a distances competencies SHL-assessment. This enables to create a perfect profile of a mentor and a more efficient selection process of learning and development programs.

Annual format of the Forums allows to keep the already-initiated changes, develop the motivation potential of employees and form a talent pool.

A huge number of staff trained in a short time

Enhancing a positive image of the RZD holding among the students
FOR THE RAILWAY INFRASTRUCTURE BUSINESS-UNIT EMPLOYEES:

- CORPORATE COMPETENCIES DEVELOPMENT
- MASTERING THE TOOLS TO COMMUNICATE WITH THE YOUTH AND ALTERNATIVE MENTORING ROLE MODELS
- COLLEAGUES EXPERIENCE ACCUMULATED
- CREATION OF WORKING NETWORK WITH THE COLLEAGUES FROM OTHER REGIONS AND DIVISIONS
- INCREASE OF INTERNAL MOTIVATION OF PERSONNEL

For many mentors this was their first experience of events of this nature. This allowed us to introduce new, interesting knowledge into remote structural divisions.

My mentor goal is to convey a gained experience and knowledge to young employees, tell them about the benefits of working in the company, help them adapt in the field. I have already worked for the railways for 19 years. I have trained 15 mentees. I hope, I will help a today’s Forum participant in the future.

Egor Fedin
Head of Moscow Engineering Facilities office,
Railway Infrastructure Business-Unit
FOR STUDENTS:

FORMATION OF STUDENTS’ EXPECTATIONS TOWARDS PRODUCTION WORK IN THE COMPANY

REPRESENTATION OF SPECIAL ASPECTS OF WORKING FOR RZD AND CAREER GROWTH PROSPECTS

DIRECT DIALOGUE WITH THE EMPLOYER

We’ve learned quite a lot of useful information, as most of us only have a vague idea of the RZD structure, its HR and youth policy. It’s already clear how we can improve our future careers. We know what we can do today to make sure that by the time we get our degrees, our competencies meet the requirements of the units where we’ll work.

Irina Ivanova,
Forum participant, 5th year student studying Automation and Telemechanics.
THE IMPACT

FOR CORPORATE UNIVERSITY OF RUSSIAN RAILWAYS:

AN EXPERIENCE OF PROVIDING NEW EDUCATIONAL FORMAT

STRENGTHENING PARTNERSHIP WITH RZD AND UNIVERSITIES

A TRIGGER TO DEVELOP NEW EDUCATIONAL PRODUCTS

For us it is important that each educational decision be effective solving important requests of Russian Railways. The project «Generations forum» has become one of the large-scale and ambitious projects in 2019. We see a huge potential in it: we are able to start organizing very important dialogues between representatives of different generations, universities and employers on a national scale.

Konstantin Buyanin,
Head of the Corporate Competencies Development Center, the Corporate University of Russian Railways

FOR UNIVERSITIES:

STRENGTHENING OF THE EDUCATION MARKET POSITION

ENHANCING OF THE UNIVERSITIES IMAGE OF THE GUARANTORS OF HIGH QUALITY PROFESSIONAL EDUCATION WITH SOCIAL RESPONSIBILITY

STRENGTHENING PARTNERSHIP WITH RZD AND CORPORATE UNIVERSITY

ENSURING OF DEMAND OF GRADUATED IN THE LABOUR MARKET

Teachers can also benefit from the forums to understand what needs to be improved.

Maxim Kaplyuk,
Vice-Rector of the Rostov State Transport University
The Forum is, first and foremost, a demonstration that the company is interested in its future and that the future of the company is the students involved in our training today.

Andrey Khomenko,
President of Irkutsk State Transport University

The essential outcome is actually an answer to the challenge – achieving an understanding by all partnership sides concerning the common vector for professional education and corporate development of the future RZD employee according to the Company Development Strategy.
CONCLUSION

We would like to note that the impact of the Generation Forums can be compared to a «butterfly effect». A series of short-term events instigated a transformation within the most complex processes of the Railway Infrastructure Business-Unit. Any transformation is a progressive movement towards change. The important thing is that all these steps are aimed at implementing Russian Railways brand values.

GENERATION FORUM video is available at the link:

https://youtu.be/44cZcFxtt7k