



PERSONNEL

Personnel of *Latvian Railway* comprise properly trained professionals and highly qualified specialists. Due to the company restructuring process, the personnel have to manage not only significant technical and technological tasks, but also prepare themselves for functional and structural changes.

Optimisation of the number and functions of the personnel has raised their mobility, developed management skills, extended their knowledge of the information technology and improved inter-functional collaboration.

The main collaboration partners for the training of railway specialists are the Railway Transport Institute of Riga Technical University, Riga Railwaymen School and Latgale Transport College. Participation in the special-purpose programme *To Education, Culture and Science* of the Latvian Foundation of Education has promoted constructive communication with the best students of business, economics and finance from various universities.

In 2001, much attention was paid to the improvement of the personnel's skills by the courses of training provided by both foreign and local consultancy companies. The company has its own Training Centre offering various training programmes and promoting the personnel's development. The aim of the training is to assist managers of different levels to gain understanding of the principles of market economy and acquire the knowledge necessary for efficient management. The yearly

training of new railway managers during informative meetings on the international activity of European railways (SIAFI) is proceeded with in order to get a wider view into the international railway business.

The awarding system of the Company plays a significant role in the assessment and motivation of the personnel. The best employees are awarded an Honorary medal (highest award), valuable rewards, badge *For Long-term Service* (30 and 40 years), badge *For Accident Prevention*, award of Recognition and Gratitude.

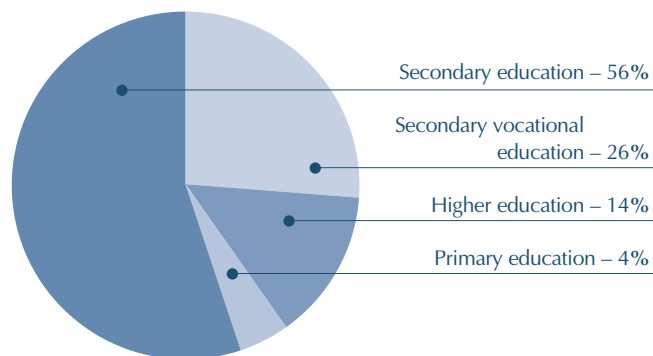
Employees

The total number of persons employed in the basic activity of the company in 2001 was 15,193 which is 126 (0.8%) persons less than in the previous year. There is a number of reasons for the decrease in the number of employees: separation or liquidation of the business units unrelated to railway operation, restructuring of the company, improvement on working efficiency, introduction of new technologies, as well as the natural reduction in the number of employees.

Salaries

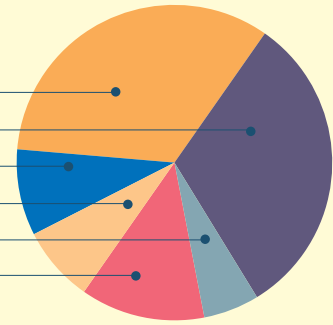
In 2001, the total labour payment fund has increased by 1.4% and the average salary – by 2.2% in comparison with the previous year.

Breakdown of employees by education in 2001



Breakdown of employees
by Latvian Railway structural units

Infrastructure Department – 34%
 Freight Shipment Department – 31%
 Passenger Service Enterprises – 9%
 Service Units – 8%
 Real Estate Department – 5%
 Rolling Stock Department – 13%



Personnel training

The motto of the Training Centre in 2001 – *Our Offer – Your Needs!* emphasises the ability of the Training Centre to react rapidly to the needs of the company, its structural units and employees and be open to any collaboration.

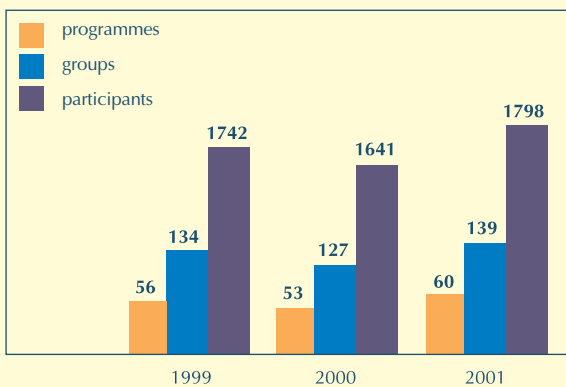
1798 persons were involved in 139 study groups by the Training Centre in 2001 – managers, specialists and members of trade unions, improving their knowledge, skills and proficiency by attending 60 training programmes. Each employee has spent 18 hours or 2 days on average for training, language and computer courses included. Management training programmes were among the most popular and were attended by 31% of all participants, the programmes for specialists were attended by 27% and the computer course – by 17% of the total number of participants. Taking into account the new projects and needs of *Latvian Railway*, the Training Centre offered 24 new training programmes, including the following:

- *process management* – Internal control system and its implementation in the enterprise, Funding and project design under ISPA programme, Investment appraisal methods, Development of the ABC model prototype;
- *legislation* – Introduction into The Commercial Law and The Group of Companies Law of the Republic of Latvia, The new Labour Law;
- *human resources management and development* – Human resources management for managers, Office

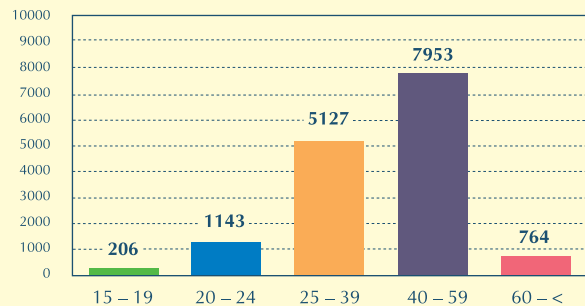


- meetings and discussions, Presentation skills, Stress management, Conducting business negotiations;
- *financial management* – Principles of the company financial management – rapid analysis of the financial activity and prospective development of Latvian Railway, Accounting of fixed assets, System of payment;
- *to members of trade unions* – Social protection of LDz personnel during the process of restructuring.

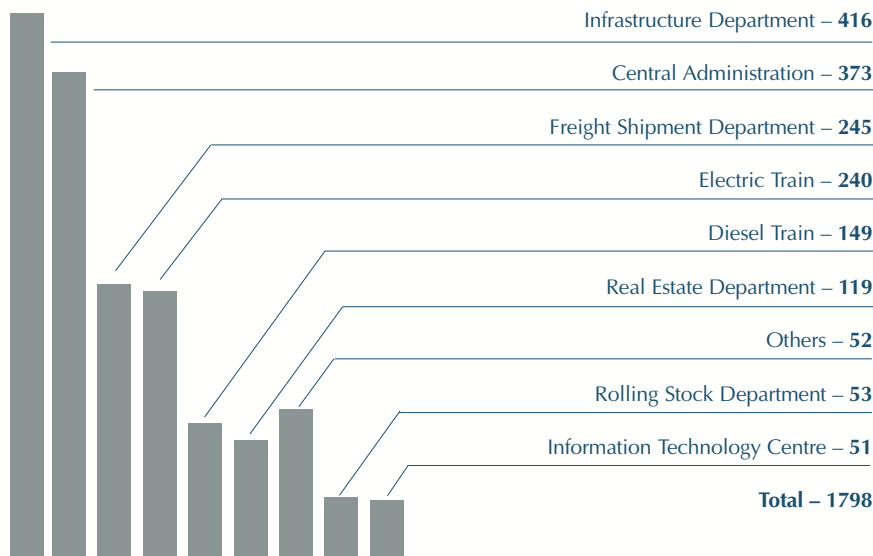
Dynamics of programmes – groups – participants



Breakdown (15 193) of employees by age groups



Breakdown of training course participants by structural units in 2001



The number of training programmes, study groups and course participants in 2001 has increased in comparison with the previous years.

Among structural units, the most active course participants came from the Infrastructure Department – 23%, Central Administration – 21%, Freight Shipment Department – 14% and the Passenger Service Enterprise *Electric Train* – 13%.

The Training Centre collaborated with 76 lecturers. 29 (38%) of them are *Latvian Railway* staff members with appropriate education, experience and competence.

In October 2001, the Training Centre organised a successful course by the International Railway Transport Committee (CIT) for the representatives from the Baltic, Belarus and Ukrainian railways. The Freight Shipment Department of *Latvian Railway* and the *CIT* were the initiators. The activity was taken in collaboration with *CIT* and the International Union of Railways (UIC) by active participation of the Public Relations Unit of *Latvian Railway*. Representatives from the International Interstate Organisation of Railway Transport (OTIF) and *CIT* were the lecturers.

Starting with 2001, the Training Centre is assigned the function of the coordination, analysis and provision of informative and methodological framework for the technical training process.

Since considerable part of *Latvian Railway* personnel are working in Latgale region, Daugavpils branch of the Training Centre was established and from the beginning of 2002 started its activity in new premises.