CHAPTER – IV

LABOUR RELATIONS IN INDIAN RAILWAYS

4.1. INTRODUCTION

Since labour is given in the concurrent list of distribution of powers in the Constitution of India, therefore, both the union as well as the constituent units, i.e. states/Union Territories, have been empowered to enact laws in the field of labour. This has given rise to a plethora of labour legislations numbering more than one hundred. Some of these legislations were enacted in the pre-independence days like Payment of Wages Act, 1936, Industrial Employment (Standing Orders) Act, 1946, Industrial Disputes Acts 1947, etc. These legislations basically had a negative orientation; they believe in regulation of industrial disputes on an adversarial plane and not to harmonies and resolve industrial relations keeping the identity of interests of the social partners as the paramount strategy.

Besides, laws like Industrial Disputes Act come into operation only if there is a layoff or retrenchment or strike or lockout and not otherwise. They operate by exception and not by rule. They rest more on the premise of third party intervention in a set of limited situations (public utility service establishments employing 100 and above) and not on the premise of pre-empting a crisis situation. Apart from the fact that several of these legislations have become antiquated and totally out of tune with the requirements of the labour market. They rest on wrong premises such as luring the workers into a false sense of employment and job security by protecting their employment which is neither in the interest of the workers nor in the interest of the industry (example section 9-A and chapter V-B of the Industrial Disputes Act). Such provisions and practices for protecting
jobs lull people currently in employment into a sense of complacency instead of inculcating the urge to be competitive by professional evolution and empowerment. They also prevent induction of fresh blood which is so essential in a globally competitive environment. At a time when competition is the law of nature and the global markets are fiercely aggressive and aggressively competitive, what we need is a new brand of workforce which is agile, alert, aware, highly skilled. Which believes in keeping itself abreast of the latest changes and developments in the labour market and acquire the necessary knowledge and skill to grapple with the changes in the market so that the mismatch between individual skills and requirements of the labour markets could be mitigated.²

Along with mismatched legislation adequate attention has also not been paid to the pivotal role of education and training in terms of building up a stable base of knowledge and skill of the workers both before and after recruitment. It is well known that access to such knowledge, information and skills are required not only for maintaining competitiveness and ensuring adaptable and productive enterprises but also for achieving personal and social development. Vocational training in India has remained largely government funded and government controlled with negligible private initiative (barring a few reputed industrial houses). Most of these programmes are being implemented in a very rigid and centralized framework without much flexibility and autonomy on the part of the enterprises to plan their own in house strategy for vocational skill training. Consistent with the norms of standardisation and quality control it is necessary and desirable to create a climate where industry should be encouraged and facilitated to invest in skill training to build up human capabilities of its workforce and to use such capabilities in a globally competitive environment.

Simultaneously, it is necessary and desirable to create appropriate institutional mechanisms within industrial enterprises which should be able to resolve grievances of industrial employees through bipartite means.
such as Joint Negotiating Councils. If there is an institutional mechanism which takes cognisance of grievances as they emerge and resolves them positively and constructively they will not acquire the shape of industrial disputes later straining industrial relations and warranting third party intervention. Such a mechanism will minimise the interventionist role of the third party such as conciliation machinery and will promote much greater trust, goodwill and understanding amongst the social partners.³

Till this is done by way of amendment of the existing statute, it may be appropriate to give a fair chance to the successful functioning of the Work Committees which appear to have been left in a moribund state in most of the industrial enterprises employing hundred and above.

The process of reforms (economic, fiscal, financial) will not be complete without reforms in labour laws and reforms in labour laws can be initiated only after a consensus has been reached amongst the three social partners, i.e. government, employers and workers, through a process of social dialogue. It will be possible to reach such a consensus only when the three social partners realise that in a world of sweeping changes they cannot afford to shut themselves off in a cocoon.⁴

In the preceding chapters an attempt has been made to develop a conceptual framework on labour relations so as to understand the in and out of the labour relations. To understand the pattern of Indian Railways, effort has been also made to give a brief profile to the Indian Railways reflecting the growth pattern in the Indian Railways. The significance of industrial peace and harmonious labour relations need hardly be overemphasized in the Indian railways. A very large number of Central Government employees are working in this undertaking. The labour policy followed in this organisation has a great bearing on the labour relations not only of this organisation but in the other sectors of the economy too. Inspite of the measure taken from time to time, to prevent the strikes, labour relations were not satisfactory upto 1990’s. The strikes were
responsible for enormous losses on all fronts of the national economy and caused inconvenience to the public. There were two contrasting trends in the labour relations of the railways. The chapter attempts to highlight the causative factors for these trends.

The present chapter before taking up the causative factor for the trends in Indian railways deals with Labour Relation Machinery i.e. Trade Unions, Collective bargaining scheme, Workers participation schemes, and labour disputes in Indian railways. It also seeks to find out the extent of mutual cooperation of labour and management in collective bargaining scheme and in workers participation scheme.

4.2. THE ECONOMIC REFORMS AND LABOUR RELATIONS

New economic reforms are emphasizing liberalization and globalisation of the economy. This implies greater reliance on the market forces both within and outside the economy so that we promote efficiency and productivity leading to competitive capacity in the world economy.

A railway has, therefore, started restructuring, downsizing and reducing overheads with a view to effecting cost reduction. In an attempt to enhance productivity automation. Modernization is the call of the day. It has been observed in following discussion that the total number of employees since 1991 has marginally fallen. This is a polemic issue which is often raised by alarmist like left parties, and is more of a political issue. This issue does not impinge on the labour relations to the extent that it may lead to strikes. However, a substantial increase in average income of the employee has led to higher satisfaction levels during the similar period and hence nurturing the labour relations and almost no strikes. All these efforts at restructuring and downsizing imply loss of jobs. Obviously, new economic reforms are leading to a process of jobless growth.
As already explained that the railway finances are in red, and was suggested to stop wasteful expenditure on motor vehicles and luxury items, streamline procurement of stores, contractual payments, etc. and also to exert pressure on the Government to increase its budgetary support, so that hefty interest payment on IRFC loan can be minimised. But without taking those measures, the Railway Ministry has chosen to reduce the staff strength. With this means, Railway’s finances will not improve and it will be counterproductive. In the process of manpower planning, the strength of Group ‘C’ & ‘D’ employees has been arbitrarily reduced, while there has been increase in the strength of gazetted cadre. The whole manpower exercise is lopsided. While the vacancies of Group ‘C’ & ‘D’ posts are not being filled up, the indents for the recruitment of Group ‘A’ are being placed with the UPSC.

In the opinion of Railway Ministry unless and until the staff cost is contained and reduced, the Railway finance can not be managed. In this bid the strength of Group ‘C’ and Group ‘D’ has been reduced from 1,765,050 in 1978-79 to 1,578,800 i.e. strength has been reduced by 10.56% where as in case of Gazetted Cadre the strength has been increased from 9,931 to 14,100 i.e. an increase of 41.98%. The strength of staff in the Railway Board has been increased by 102% during the same period. There have been vacant post of more than 1.20 lakh in Indian Railways in Group ‘C’ and ‘D’.

It may be noted that there is a marginal fall in the total number of employees. However, there is a rapid restructuring of the total employment. There is a substantial jump on the higher rank employees. While the number has fallen in ‘C’ and ‘D’ grade categories. This is mainly because of the need generated at of automation and modernization. The trend is likely continue in future to meet the increasing requirement of more educated and high technique savvy.
Restructuring and downsizing both aim at reducing the labour force to raise productivity. Industry has been demanding a policy of flexibility in employment of labour. Flexibility implies the right to 'hire and fire'.

The basic problem with all attempts at economic reforms is not to treat labour as an asset, but as mere instrument which can be dispensed with when, in the judgement of the employer, it is no longer useful. This is a very mechanical view of labour, which is resented by trade unions on the one hand, and judiciary on the other. For the employer, it is an attempt at cost reduction but for the employees, it is the loss of job.

It has been found that though theoretically a plan for redeployment and retraining of workers is also part of the package, very little effort has gone in for redeployment and retraining.

4.3. TRADE UNION MOVEMENT IN RAILWAYS

Indian railway workers began to assert their trade union rights in an organised fashion after the 1914-1918 war. The earliest strikes on Indian Railways were promoted by mixed motives: the workers struggle to improve their economic condition and to register their protest against an alien rule. In 1921-22 there was a wave of strikes, lasting from 1 to 90 days. About 7000 men of the Liluah carriage and wagon shop were on strike for several weeks leading to riots at Howrah station in Feb. 1922. Workers resorted to these strikes not purely from the motive of forcing railway management to give them higher wages and better working conditions, but also to give expression to the national upsurge against a system, which had been largely exploited to serve the political ends of a foreign power. The first articulation of the railway workers physical distress and emotional discontent was the formation in 1923, of the All India Railwaymen's Federation, to which a dozen unions, with a membership of about 2,00,000 were affiliated.
There were strikes by the Loco staff of the GIP at Agra and workshop staff of Rohilkhand and Kumaon at Izatnagar in March 1921, the Indian Loco running staff on the EIR at Jharia in January 1922, the English workshop staff of the Madras and Southern Mahratta at Arkonam in September 1922 and by the Ikoco and Carriage and Wagon men of the Oudh and Rohilkhand in June 1922. Question regarding these strikes were put in the Council of State and the Legislative Assembly. There was also a threatened strike on the Oudh and Rohilkhand Railway on economic grounds, which is salaries in the case of low paid staff were insufficient.

In the papers of the Railway Board for the 1920s, there is no such entry as 'unions' by 1930, unions had been established on a number of railways, BB & CI, EIR, GIP & SM, Mysore and NWR. The All India Railwaymen's Federation was, formed in 1921, combining some of the unions in the various Railways. The federation was one of the most powerful trade unions in the country and at times played a key role in the entire trade union movement of India under eminent leadership. Over the years, the leadership of some of the unions caused shifts in the policy and very often coloured by political overtones. Till 1948, AIRF was the only organisation, which had the privilege of the exclusive recognition and negotiation with the administration.

Soon after independence, the Indian National Trade Union Congress (INTUC) was formed and under its aegis, a new organisation of railwaymen, viz. the Indian National Railway workers Federation (INRWF) was formed. As it had gained some strength the Ministry of Railways and accorded recognition to INRWF and its affiliated unions in 1949.

To enable the movement to increase the bargaining power of the railwaymen, the leaders of the INRWF felt the need for organisational unity between the two federations. In April, 1953, the two were merged and a new Federation, the National Federation of Indian Railwaymen (NFIR) came into existence. However, the unity did not last long and ultimately the
federations fell apart. From 1959, the set up of trade Unions in the Railways consisted of two federations and their affiliates on zonal Railways, as the recognised bodies of labour.

The NFIR, a successor of the INRWF, followed mainly the philosophy of INTUC. The AIRF followed the HMS and some unions in the AIRF were led by the communists. In March 1974, the CPI formed a third federation, viz, the Indian Railways Workers Federation (IRWF) under the Presidentship of S.A. Dange, the Chairman of the CPI (Communist Party of India).

From 1960's due to the general economic situation in the country and particularly the adverse financial position of Railways, the government could not meet some of the economic demands of employees. Some employees in various categories of Railway staff attributed this to the ineffectiveness of the recognised federations, as they had not adequately represented the interests of all sections of the workers. This situation was exploited by some political parties and public leaders. As a result, a spate of category wise unions emerged.

After the co-existence of the two rival camps for about four years, the AIRF and INRW were merged into a new federation called National Federation of Indian Railwaymen. But this unity could not service for long and the federation was divided into All India Railwaymen's Federation (AIRF) and National Federation of Indian Railwaymen. Thus presently there are two recognised federations viz. AIRF and NFIR.

Instead of improving Labour relations, recognition of the second federation, according to the representatives of the AIRF, contributed to inter-union rivalries and to non-settlement of grievances.

Union rivalry resulted in the absence of cooperation not only between unions but also between unions and management affecting the achievement of railway goals like productivity, profitability, safety in travel etc. In an attempt to improve their membership support, these unions field
grievances and organised illegal strike frequently during 1970-71, 1973-74, 1977-78, 1978-79, 1983-84 and 1986-87. Since 1990-91 no strikes held in Railways. It is being observed that the trade unions are playing a constructive role in maintaining cordial atmosphere on Indian Railways.

Impact of Trade Union on Labour Relations in Indian Railways

With the formations and recognition of the trade unions, the management cannot make unilateral decisions that affect employee relationships. Decision relating to policies on employment, transfer, promotion, training, adoption of latest technology, wages, layoff are no longer determined by the unilateral action of management and must now, be discussed with union representatives. Management is restricted in the areas where it can make decisions independently as trade unions are themselves becoming more sophisticated. Decisions on the administration of these policies, may still rest with management. But they are frequently subject to questions and criticism by union representatives under a formal grievances procedure.

Naturally the trade unions in Indian Railways have their impact on the Labour relations. The federations and unions regulate the functioning of the railway administration as far as personnel management concerned. Railway administration takes the decision on staff matters after consulting the recognised federations and their unions. recognised railway federations and unions give the employees, a mean of taking action, in case of employee dissatisfaction, not only by approaching the immediate supervision, but also by reaching higher in the management hierarchy with their demands through permanent Negotiating Machinery (PNM) meetings at Railway Board level. The federations and unions try to claim credit for improvement in wages, allowances, bonus, benefits etc. The awareness that the federations are ready to challenge managements actions particularly with respect to promotions, transfers, seniority etc. Stimulate railway management at various levels to exercise more care in shaping
personnel policies and their implementation. Thus the growth and development of trade unions in railways have been an input to the development of sound personnel policies. Certainly it forces management to consider carefully the impact of such policies on the labour relations.

The railways federations are being consulted through the meetings of permanent Negotiating Machinery and Joint Consultative Machinery before a final decision is taken by the Management on staff matters. Regarding other matters, management and labour representative exchanging ideas, opinions and information through the meetings of Corporate Enterprise Group before a final decision is made. This the participation of railway management at all level in railway federations and unions helps to strengthen the Railway trade union movement and develops sound labour relations in railways.

4.4. COLLECTIVE BARGAININGS

There are two schemes of collective bargaining in Indian Railways viz. Permanent Negotiating Machinery and Joint Consultative machinery.

1. Permanent Negotiation Machinery (PNM)

As a result of the discussion between the Railway Board and representative of labour. A Permanent Negotiating Machinery was set up on January 1, 1952 for maintaining contact with labour and for resolving disputes between labour and the administration. The establishment of the Permanent Negotiating Machinery was considered a great step forward for ushering in a new era of goodwill, understanding and cooperation. The PNM gives a wide scope for dealing with general individual and collective grievances. The meeting between the organized labour and the Railway Administration are arranged in three tiers viz. (a) the railway level (b) the railway board level and, (c) the ad-hoc tribunal level. The PNM functions at three levels, the District or Divisional Officers
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should meet the branches of the recognised unions at least once in two months. Each workshop is considered as a district. At the district and railway levels, subjects for discussion will comprise those which are within the purview of the officers concerned. If a matter discussed at the district levels was not settled by agreement, it could be raised at the railway level for further negotiation. Similarly a matter not settled at the Railway level may be brought up by the federations to the Railway Board for discussion.

At the Railway Headquarters (Zonal Level), the General Manager of staff would meet the Unions at least once a quarter. All disciplinary matters and subjects like promotions, transfer of individual members of the staff which do not involve any general principles are excluded from the scope of the discussions at all these levels, except at the discretion of officer concerned.

At the centre, once in a quarter, negotiations are held between the Railway Board and the AIRF and NFIR. Questions concerning pay scales, allowances alone will be discussed between the Federations and the Railway Board and not at lower level. If discussions between the Railway Board and the federation failed to reach an agreement on any matter of importance, it could be referred to an ad-hoc Railway Tribunal which would be set up for dealing with them at the centre.

The Tribunal consists of an equal number of representatives of Railway Labour and the Railway Administration with a neutral Chairman. The Government may accept, reject or modify the decisions of the Tribunals. In all cases where matters are settled by agreement or where the Government accepts the decisions of the Tribunals, it would not be open to the federations to raise the issues again for a period of two years. Cases in which the Government rejected or modified the decisions of the Tribunal, may be raised at the end of one years.  

In the earlier periods of the scheme, however meeting were not held regularly at the level of the Railway Board and the machinery was
practically at a standstill. Except for the five meetings in 1952-53 and one meeting in 1953-54, meeting did not take place during 1954-55, 1955-56 and 1956-57. The general feeling was the meeting at all levels should be more frequent and regular.

Yet, Railway staffs were a lot dissatisfied and disappointed over the working of the Machinery. Over the years they have lost the faith in the arrangement, for very often decisions were arbitrary and the original spirit of arriving at a settlement through negotiation was absent. Another complaint was that decisions taken at PNM meetings were inspired more by the prestige of the administrations than by the merits of the case.

It was observed from the proceeding of the meeting and the nature of discussions, the working was more like that of consultative committee at the apex of the system than that of a Joint Negotiating Machinery.

Many items on the agenda of PNM meetings were of routine nature which could otherwise be settled at lower levels of administration. Having failed to obtain redressal of grievances locally, issues were forced to enter the PNM agenda to compel attention of Divisional Superintendents and the General Managers.

The main cause for the failure of the machinery is the Bureaucratic attitude of the Railway Administration. Often the spokesmen of the administration were arrogant, indifferent, and unsympathetic towards the representatives of the employees.

2. Joint consultative Machinery (JCM)

Indian Government established a scheme for JCM and compulsory Arbitration in 1966. The objectives of this schemes are promotion of harmonious relations and securing of the greatest measure of co-operation between the Government and the General body of its employees with a view to increase the general efficiency of the public service.
So far as the Railways are concerned, introduction of the JCM does amount to a duplication of the PNM. However, the JCM Scheme operates only up to the level of the Railway Board and it has not been extended to the Zonal Railways. As a matter of fact, the JCM was introduced only for a period of five years on an experimental basis. The Government took care not to disturb the existing established arrangements in the department, for they were not sure of the success of the JCM Scheme. In case the JCM ceased to function, the departments would not lose much because of the already existing arrangements.

By accepting the JCM Scheme, the Railway employees as well as the Railway Administration were benefited more than other departments in two respects. The employees gained further opportunities to meet the Administration thrice in a year jointly, to solve their problems. The distinct advantage of the JCM, compulsory Arbitration, was made possible on subjects like pay and allowances, working hours and leave of a class or grade of employees, which was absent in PNM. The Railway Administration can meet the federations more frequently, separately in PNM and jointly in JCM. Staff relations may improve under the JCM on account of the compulsory Arbitration provision. This important forum of negotiation between the Central Government and its employees has been rendered ineffective as per constitution of the JCM National Council should meet once in four month, i.e. three in a year but the cabinet secretary did not concern its meeting despite having given assurance several times. Only in the year 1993 and again in year 1997. When Central Government employees organisations served strike notices. Thereafter, again this machinery become ineffective and after repeated letters and reminders from the staff side to the Chairman the Council to convene the meeting of National Council, the cabinet secretary convened the meeting of the council on 4th December 1999. But the functioning of the two machineries did not result in the settlement of important grievances of the workers like shortage of staff of crucial categories i.e., station masters,
drives, guards and train examiners leading to overload of work of the existing employees and abnormal delay in confirmation of services resulting in employees dissatisfaction.

The NFIR criticised that the management created crisis in industrial relations by not implementing the agreed decisions regarding re-classification of staff, cadre restructuring. Non-implementation of the decision of the cadre restructuring committee created a dead lock in the functioning of PNM and JCM. Both the federations criticised that from the management side meetings were conducted with least seriousness, there was always a tendency to brush off subjects without resolving the issues. More than anything else, bureaucrat and highhanded behaviour of the officers had spoiled the purpose for which these machineries were set up. The federations further felt that the machineries did not achieve their objectives, because of the non-cooperation on the part of the management. The management, on the other hand, felt that absence of co-operation and co-ordination between the federation and the lack of cooperation on the part of the federations in conducting meeting were responsible for the limited success of PNM and JCM.24

4.5. CORPORATE ENTERPRISE GROUP

In order to have better and systematic participation of Labour in management for improvement in working of Railway system and appropriate changes for improving efficiency and viability, a Corporate Enterprise Group was set up at Central level in Ministry of Railways in the year in 1972 specifically to provide for a free flow and exchange of ideas on the running and shaping of the enterprise of Railways. This group consist of Chairman, members and Secretary of Railway Board on one hand and on the other hand three representatives each of the National Federation of Indian Railways and All-India Railwaymen's Federation and one representative of the Officers Federation.
It was felt that the labour leadership, with its wide-base of communication at the grass roots would be able to provide access to viewpoints at the working level and enhance contribution to the corporate efforts by reciprocally interpreting down the line, and broader aspect and objectives of the functioning of the Organisation. This would also tend to dispel any possible atmosphere of secrecy and destruct, which may at present be attributed to the functioning of top management.

The broad objectives of the Corporate Enterprise Group are to –

(a) evaluate the functioning of the Railways and exchange data and ideas on ways and means for improving the efficiency and viability of the enterprise;

(b) apprise the investment programme, particularly in regard to housing and welfare services.

(c) Identify areas and devise action-oriented methods for maximising organisational effectiveness, the use of technology and towards building up the image of the Railways as a service organisation.

Staff matters including those which come within the purview of the Permanent Negotiating Machinery and Joint Consultative Machinery, are not to be discussed by the Corporate Enterprise Group.

Corporate Enterprise Group has been set up on Zonal Railways from 15.07.1977 to achieve the above objectives. At Zonal Railway level ‘CEG’ consists of three representatives of each of the recognised Unions affiliated to AIRF and NFIR and one representative of the Association affiliated to the All Indian Railway Officers Federation. The official side is consisting of the General Manager and the Heads of Departments of the Railway, and –

(i) Those who area actually working on the Railway should be nominated to the Zonal CEG.
(ii) The General Manager shall be its Chairman and CPO shall be the Secretary.

(iii) The Zonal CEG shall meet at least once in every two months.

A quarterly narrative appreciation in regard to the functioning of the scheme shall be sent to Railway Board within 15 days following the quarter to which the report relates.\textsuperscript{25}

The CEG was required to meet once in three months. But only 24 meetings were held during the period from 1974-75 to 1977-78 and in 1979-80, 1980-81 and 1982-83. The performance of CEG in respect of number of meetings held was quite disappointing as the meetings were irregular.

The frequency of CEG meetings indicated that the programme of workers' participation in management existed more on paper than in function. Labour representatives commented that the meetings were organised according to the convenience of Chairman, Railway Board, and other nominees of the management.

The CEG was meant only to supplement and not to substitute the collective bargaining in Indian Railways, and hence it was not permitted to discuss issues or problems connected with collective bargaining or issues falling within the sphere of union relations.

The CEG was not allowed to discuss cases of individual employees or group of employees disciplined for absenteeism, accidents and corruption. It was, however, encouraged to discuss policies on absenteeism, accidents, punctuality etc. and to offer suggestions for improving employee attendance and minimisation of accidents for improving employee attendance and minimisation of accidents caused due to human failure etc. The rate of accidents per million train Kilometers were 1.80 in 1970-71 and it increased to 2.52 in 1980-81. But declined to 0.90 in 1988-89 in 1998-99 it was declined up to 0.56 then in 1992-2000.
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rises to 0.64 but in 2001-2002 declined to 0.55. Thus, there was significant improvement in the incidents of accidents.

The discussion of these items. The percentage of punctuality of trains on broad gauge and meter gauge improved from 82.33 and 87.78 in 1970-71 to 90.44 and 92.31 in 1977-78 but decelerated to 88.50 and 91.50 respectively in 1983-84. The percentage of Ticketless travel of number of passengers originating increased from 0.10 in 1970-71 to 0.25 in 1988-89 in 1998-99 it was 12.15 lakh and in 2001-02 it was 14.10 lakh.

The financial position of the Railways were experienced deficit in their financial position in eight years during the period from 1970-71 to 1988-87. However, Railway recovered their financial position and enjoyed net revenue receipts to the tune of Rs.3789.50 millions in 1983-84. But the amount of net revenue receipt declined to Rs.216.70 million in 1988-89. In 1990-91 it rises up to 187,640 million in 2001-02 cash excess in working results up to Rs.1000.35 crore.26

The Minister for Railways in his budget speech in Lok Sabha on 24th Feb, 1994 said that the CEG would be restructured at all levels and will be named as 'Participation of Railway Employees in the Management' (PREM). Although this was for greater involvement of the workers in the management, but no effective steps were taken to implement the proposals announced by the Minister for Railways in the Parliament.

To facilitate meaningful and effective participation of workers in the management process, it was decided in March 1994, that the Corporate Enterprise Group at the Board, Zonal and Divisional levels should be restructured and designated as Group for participation of Railway Employees in Management (PREM). Also to make the working of PREM more purposeful, a separate cell headed by a Joint Secretary was set up under the direct control of Secretary, Railway Board. The Joint Secretary shall assist the Secretary in convening the meetings of the Group
periodically and monitor the implementation of various decisions taken. He will also monitor the working of PREM at the Zonal and Divisional levels.

The broad objectives of PREM are:

- Evaluate the functioning of the Railways and exchange data and ideas on way and means for improving the efficiency and viability of the enterprise;
- appraise the investment programmes, particularly in regard to housing and other welfare services;
- Identify areas and devise action-oriented methods for maximising organisational effectiveness, the use of technology and towards building the image of the Railways as a service organisation;
- to facilitate effective and meaningful participation of the Railways employees in the management process;
- to give them a sense of involvement and pride in the organisation's works; and
- to discuss and identify the measures for improving the quality of service to the rail passengers and safety operations.

Meetings

The meetings of the group will be held once in a quarter at the Board's Zonal and Divisional levels. In addition, informal meetings may be held to throw up and crystallise ideas. The Railways should, before holding the meeting of the Group, identify critical issues/specific problems requiring changes/attention for having an indepth discussions. Adequate supporting information for the same should be compiled and shared with the members preferably beforehand. The issues could be formulated by holding informal consultations, if required.
Thus, the Improvement in the financial position, reduction in the rate of accidents and punctuality of trains according to respondents, were mostly due to the cooperation extended by the employees and their positive contribution and not due to employers' commitment. The scheme provides for the participation of railway labour at national, zonal, divisional level. Quarterly meeting's of PREM are to be held at all these levels. To make participation of railway labour in management meaningful, the scheme provide participation of Railway Federation in meetings of the General managers, Principal Offices meeting (POM) at zonal level and DOM at divisional level. But, there is hardly any participation in many of divisions. Divisional Railway Managers have been avoiding these meetings. The participation of labour at the national and zonal level has also become a ritual. The functional members of Railway Board at the national level do not come prepared to discuss the issues on the agenda. On many occasions they faced embarrassing situation when their attention was drawn to certain remarks contained in the replies to the issues raised in the agenda.  

4.6. INDUSTRIAL DISPUTES

After going through the status and function of Railway Unions of Railway Union, Labour Laws, Labour relation mechanism. The major objectives of these federations, union, machinery etc is to protect the interest of workers and employees and try to have to bridge the gap between employees and employers. However in spite all these efforts sometimes certain disputes arises in the railways and effects the labour relations.

A dispute is an expression of disagreement between two persons or two groups of persons usually employees and management. Widespread employee dissatisfaction or issues between management and labour
which are not settled during normal course of negotiations lead to disputes. Disputes are often caused by changes in goals, aspirations, expectations and values of peoples. Besides, the cultural, social, political, educational and economic changes bring difference of opinion between labour and management and it becomes a source of disputes. Further, conflicts are common particularly in unionised industries, and they are integral part of collective bargaining. But the conflict leads to conditions undesirable for goal attainment. Strikes lockouts and other forms of work stoppages are the result of such conflicts.

A strike has great significance because on the one hand it shows the extent to which workers are dissatisfied and on the other it indicates the failure of negotiations between workers and management. In fact, the occurrence of a strike is a reflection on the spirit of co-operation of these two parties.
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Source: Compiled and calculated from the Annual reports by the Railway Board on I.R., and various year books.
Table - 4.2: RAILWAY WISE NUMBER OF MANDAYS LOST DUE TO INDUSTRIAL DISPUTE ON GENERAL RAILWAYS, RAILWAY BOARD AND THE RAILWAY OFFICES FOR GROUPS OTHER ‘A’ AND ‘B’ FROM 1952-53 TO 2000-01

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NC – Not Created; DLW – Diesel Locomotive Works; DCW – Diesel Component Works, WAD – Wheel and Axle plant

Source: Compiled and calculated from the Annual Reports by the Railway Board on I.R., Vol. IR II from 1960-61 to 1971-72 and India Railways Annual Statistical Statements for the remaining years.
4.6 (a). Industrial Disputes (1950-51 to 1990-91)

The failure of the Railway management to settle employee problems like retrenchment of temporary staff, delay in confirmation, anomalies that had arisen as a result of the implementation of the recommendations of the first Pay Commission and uniformity of conditions of service in all Zonal Railway was responsible for conflicts and loss of 760.90 mandays per 1000 workers employed during the period from 1950-51 to 1959-60.

High incidence of loss of mandays (0.81 million) during the year 1960-61 was the result of non settlement of the grievances like payment of dearness allowance on the basis of the First Pay Commission's recommendations, grant of a national minimum wage, appointment of a permanent wage board, recognition of unions, etc. Strikes were organised during the period from 1961-62 to 1973-74 (except in 1961-62, 1965-66 and 1966-67) in order to demonstrate the discontent of the employees in the matter of wages, dearness allowance and problems of the craft unions.

An All India Strike was organised in May 1974 for 18 days, in view of the absence of cooperation from the management regarding the demand for the payment of bonus, parity in wages between railway employees and those in other public sector undertaking, etc. This strike was organised by the AIRF and all other unrecognised unions and federations. These strikes resulted in a loss of 14.84 million of mandays (or 10,561 mandays per 1000 workers employed) and inter union rivalry between the AIRF and the NFIR was aggravated. Thus the cooperation between the two recognised federations and between the labour and managements was altogether non existent during the period.

However, it was observed that labour extended their cooperation to the management during 1965-66 and 1966-67 despite their discontent regarding economic standards and working conditions. The Railway management stated that labour also extended their cooperation during 1981-82 and 1985-86 in view of the settlement of the problem of the
payment of bonus and due to the enlightened approach in the matters of
cadre restructuring, re-classification of artisan workers and in issues raised
by organised labour which were pragmatically resolved. Labour
federations criticised that labour management cooperation in Indian
Railway meant cooperation from the labour to the management and not
management to labour.  

Although the management conceded to the demands of the unions
in the above cases, the fact remains that the management was
"adversarial" in its labour relations orientation. It is evident from the strikes
and management wanted to project the unions as weak organisations by
refusing at the first instance to concede to union's demands however
genuine they were.

4.6 (b). Industrial Disputes (1990-1991 to 2000-2001)

The labour relations on Railways although broadly peaceful become
at time uneasy. Due to threat of privatisation in several spheres particularly
catering. Railwaymen become restive and organised anti-privatisation
movement and "Rail Bachao' weeks in May and June 1994.  

There was a strain on Railway Labour relations, because of delay and injustice by 5th
CPC. With observance of massive demands day by Central Government,
employees against CPC in Feb. 1996, there were continued rallies and
demonstrations culminating in the eventually hungers strike by JCM
leaders on 8th July, 1996 and a huge demonstration by railwaymen on
10.07.1996 outside parliament compelled the Government for a
settlement.  

The labour relations on railway were peaceful in the sense that
there were no strikes. The employees has been agitating against the anti-
working class policies of the government and also against the downsizing
of the workforce, surrender of posts, including higher grade posts, and ban
on recruitment.

There was confrontation also between the unions and the
Administration at the divisional and zonal levels against the high-hand-
inders and arbitrary attitude of the bureaucracy. There were also demonstration against the recommendation of the expert group for cooperation of the Indian Railways, and also against the proposal for privatisation of some of the important railway activities viz. production units, medical services, residential colonies, printing presses, schools / colleges, security, hotels, sanitation, catering and others on broad services etc. The employees appear to be agitated on arbitrary surrender of posts and offloading of the perennial nature of work in violation of the contract labour (Regulation Abolition Act, 1970). On the call of AIRF, the affiliated unions have been organizing meetings, demonstrations and dharnas against these measures.

A joint letter has been sent by the two federation, viz AIRF and NFIR to the Chairman, Railway Board, expressing anguish and concern on the statement in the settlement of issues in the cadre restructuring and the anomalies arising out of the recommendations of the 5th CPC. The government decision to appoint a group of Ministers to examine the matters, referred to it by the individual ministers for the Cabinet approvals has become handy to deny justice to the Central Government employees. But for conceding the railway employees demand to withdraw the decision to levy Income Tax on the passes and PTOs of railway employees and also the Govt’s decision not to freeze D.A., there would have been confrontation between the Government of India and its employees.

The staff problem, created on account of formation of the new additional railway zones has added new dimensions of problems of the employees, who will be declared surplus in the offices of the General Managers of the parent railways. There is apprehension that their promotional prospects will also be adversely affected.

Bench marking is coming in the way of compassionate appointments. The employee stated that several decisions regarding downsizing, closure of Departments, corporation, Privatisation and contractorisation, the Government is taking results in reduction of posts unilaterally.
It appears that in the post liberalization period the management did not want to disturb the peace and tranquility in the railways. The demands of the unions in all the cases were given due consideration by the management. In those cases where the management could not concede to the union demands, it had explained its position to the unions.

A search for the Causative factors of the above two trends in productive efficiency of the Railways revealed that it was largely the management’s approach to its work force (management’s labour relation orientation) and its strategy for dealing the Trade Unions which were responsible for these trends.

From the fact that the Railway did not introduce any technological changes for Railways handling operations since it being declared the biggest Railway network in Asia, it may be inferred that technological change as one of the potential factors of productive efficiency in the Railways set up was not at all existing in Railways. Management’s approach to its work forces and its strategy for dealing with unions are closely related to each other.

During 1991, ever since the Railway witnessed harmonious labour relations. Although there were strikes, demonstrations during the period, the same did not cause any alarm, the number of mandays lost per strike was very less as compared to that of the previous period.

Restructuring and downsizing both aim at reducing the labour force to raise productivity. In other words productivity is raised by merely reducing the denominator ‘labour’, i.e. the number of workers. Thus, even when the enterprise’s net income remains unaltered, productivity per workers can be seen to rise. It implies that downsizing is a negative instrument to raise productivity. The analysis for the causes for the strikes during this period indicates that like in the previous period, the Railway workers unions resorted to work-stoppages in pursuance of demands most of which were genuine. But, unlike in the present period, the Management did not want to disturb the peace in the Railways. This approach had
brought about a very significant change in the Indian Railways Labour Relations Scenario.

The demands of the unions in all cases (industrial dispute and strikes) were given due consideration by the management and most of the genuine demands were fulfilled. In those case where the Management could not concede to the unions' demand, it had explained its position to the unions.

On the whole, management's strategy was one of allowing the unions to maintain status quo (there was no attempt to weaken the unions) and seeking their cooperation in the smooth functioning of the Railways.

4.7. A FRAMEWORK FOR THE TWO CONTRASTING APPROACHES AND STRATEGIES:

The above two contrasting types of labour relations orientations and strategies adopted by the management of Railways during the periods 1950-51 to 1990-91 and 1991 to 2000-01 by and large, fit into the framework given by Walton (Walton, 1987), which is presented in Fig.4.1(A)

**Fig. 4.1(A) Labour Relations Orientation Adversial Cooperation**
Strategy – A: Attempt to weaken Union power in order to secure deep economic and work rule concession, and accept Adversarial relations.

Strategy – B: Attempt to generate a cooperative relationship with union in order to support participative improvements in quality and productivity and accept that economic concessions and formal work rule modifications may be modest.

- If the Management adopts a “cooperative” labour relations orientation, and allow the high power union to maintain status quo and seeks its cooperation in the management it efforts to enhance the productive efficiency of the organization.

- Conversely, if the Management adopts an “adversarial” labour relations orientation and adopts the strategy of weakening the high power union, the same may prove detrimental to the management’s efforts to improve the productive efficiency of the Railways.

In the regard, the study provides a suggestive framework for effective management of trade unions and labour relations as contributing to the productive efficiency. The study further reiterates that managerial militancy is equally responsible, though not more than the union militancy, for low productive efficiency.39

4.8. CONCLUSION

The policies, programmes, rules and regulations of the Government have affected the labour relations of the Indian Railways. It is the responsibility of the Government, more than employee in Indian Railways, to maintain harmonious relations by solving the problems in a peaceful manner by consultation and willing cooperation of the employees, which may ultimately lead to staff participation in management.

The ineffectiveness of the labour relations on the railway is mainly due to the lack of positive efforts to formulate and implement well thought
out policies and programmes in the field of labour relations on Indian Railways.

The next chapter Northern Railways and Labour Relations — A perspective Analysis is devoted to highlight the major problems in Northern Zone with the help of survey.

4.9 REFERENCES


2. Ibid, p.18.


15. Ibid, p.325.

16. The Railway Minister presenting the Railway Budget Expressed his feelings.


27. Sharma, K.P., op.cit, pp.733-734.


38. Ibid, p.111.