CHAPTER – I
REVIEW OF LITERATURE AND FRAMEWORK
OF THE STUDY

1.1. INTRODUCTION

Railways occupy an important place among various means of transport in India. It helped the country to facilitate gearing up of its economic growth through enlarged employment opportunities and enhancing to & fro movement of man and material. Indian Railways are the nation’s life-line, being the main mode of transport in the country with a route length of 63,221 Km, moving on an average 1.5 million tones of freight and 14 million passengers per day, during 2003-04 and employing about 14,41,521 lakh people. The reorganization divided the railway network into 16 zones by adding 7 new railway zones. The zones are further divided into 67 divisions. Northern railway is the biggest zone serving six states and one union territory with 6,808 route Km. during 2003-04.

The globalized era of civilization based on the principle of maximum social advantage and mass production advocates rampant consumption enhancing a drain on the resources. The limited natural resources are being used to the brink of exploitation. Globalization on the one hand is beneficial to the consumers and provided the companies an unlimited horizon to work but simultaneously has created an environment of cut throat competition putting severe strain on all factors of production. Human factor which is dynamic and responsive feels the pinch hardest, often leading to strained relationships amongst various segments of employees in an organization.

Labour relations which occupy a prominent place in the modern set up, is assuming increasingly dynamic importance in Indian Railways too
with its ever expanding operations. The purpose of maintaining harmonious labour relations in Indian Railway is to promote the Growth of Railways by prescribing the legitimate rights of both employees and employer, providing systematic procedures for preventing conflict between their respective rights.

Labour relations in Indian Railways in the recent years have been subjected to welcome changes and emphasis now is on the adoption of new practices. The study on Labour relations in Indian Railways is an important aid to know the past and present labour relation practices in Indian Railways. It also examines the issues affecting the relationship between the labour, management and respective Unions. It further suggests measures to make Indian Railways more efficient and productive.

1.2. STATEMENT OF PROBLEMS

Laying the foundation of Indian Economy, Indian public sector Enterprises have played the pivotal role. Since independence private capital was shy towards the development of infrastructure and it was largely the public enterprises that assumed the responsibility for expanding the infrastructural facilities in the country so as to facilitate economic growth and development.

Indian railway is no exception to the trend and occupies a place of pride in the economy in general and even amongst the public sector enterprises in particular. The expansion of Indian Railways covering a route length over 63,000 Kms and employing the largest number of employees is a notable success story. However, to ensure efficient and effective functioning of the organisation judicious and synthesized management not only of money, management, material or machinery is
required but, highly sophisticated management of human factor is an obvious prerequisite.

Labour relations is an extremely important sub system of total Management of industrial enterprise. Since long time this aspect has remained neglected. But the emergence of the forces of industrial democracy and human relations movement in management have highlighted its importance. If public sector has to function effectively it must pay much more attention to the dimension of labour relations as to other functional field.

The harmonious and cordial labour relations lead to higher productivity, greater efficiency and desirable satisfaction of both the labour and management. On the other hand poor labour relation is the impediment and hurdle in the smooth and efficient functioning of an enterprise and in maintaining industrial harmony.

The employer normally does not want to distort labour relations. However, knowingly or unknowingly discontents are created due to certain basic lapses. These issues are often very minor but once pilled up, distort the harmonious labour relations environment of the organisation some of the lapses are listed as below:

- Unsympathetic and indifferent attitude of the supervisors/superiors.
- Favouritism on the part of employer in promotion and transfer of subordinates.
- Ignoring the Resentment (silent or expressed) on the part of the employees at the relatively poor standards of living compared with that of management.
- Management discouragement to communication between the management and the workers as a normal routine of behaviour inside the work place/plant.
• Delay in redressing the grievances and disputes and referring matters to higher legal institutions.

It is not only managers but employees too make small and repeated mistakes that distort labour relations on the long run. These lapses may include the following:-

• Indiscipline in duty.

• Repeated carelessness and negligence.

• Lack of urge to improve efficiency and productivity.

• Go slow tactics on works.

The main causes of poor labour relations is the lack of prompt actions and rational thinking on the part of both management and labour. The lack of accommodation of lapses, on both the parts often turns the relationship tops turn in addition to this there are common factors responsible for sour labour and management relations for instance.

• An intolerance and indifferent attitude of labour and management towards each other.

• Mental inertia on the part of labour and management.

• Lack of human relations skills among the managers and superiors.

• General socio economic and political environment.

• Inter union rivalries.

In view of the above noted causes of the poor labour relations in the public enterprise, an attempt has been made to study the labour relations in Indian Railways with its special reference to northern zone in order to determine the conditions of labour relations in an enterprise and to suggest scalable remedies for better labour relations. In the following paragraphs a comprehensive review of literature is presented to find out the research gap and thereon to carve out the objectives, scope and hypotheses of the study.
1.3. REVIEW OF LITERATURE

Samiuddin's (1987) book entitled "Economics of Indian Railways" is an attempt to make the students to understand the railway transport and its importance in the present stage. This book gives a historical account of the development of railways and contains outdated facts and figures and information on various aspects of Indian Railways. Jain, J.K. (1987) makes a critical study relating to the economic principles of different mode of transport. It makes an analysis of the development of the different modes of transport in India, their present problems and possible solutions. A detailed analysis has also been made of the different aspects of the railways transport. Nandni, Durgesh (1988) in her thesis entitled, "A study of financial structure of public utilities - A case study of Railways" describes that public utilities deals with the provision of the services like transport, communication, supply of water, electricity, gas, etc. With increasing urbanisation and industrialization, there utilities have assumed added importance and are gradually becoming numerous. It is an attempt to highlight the financial problems and issues involved in the working and management of some related public utility concerns with special reference to railways. Significant figures on the growth of Indian Railways and their finance have been given to depict the trends of railway's development during the plan period.

Imamul Haque, S.M. (1989) highlighted the different areas of Railway management like, past and present organisation structure of the railway, personnel, supervision, government accountability, industrial relations, etc. The main objective of the book is to acquaint the readers be it railwaymen, candidates for competitions, researches, or general public with the pattern of railway management in India. However, the work neither claims perfection nor, a final estimate of the subject. Zechariah (1991) has attempted to make a comparison between the Japanese and Indian industrial relations model. He argued that the Japanese model offer
learning for the management, union, workers and the Government in India. The management need to accord a genuine recognition to union, and the union would have to be more constructive, and realistic. The workers can pick up threads from its Japanese counterpart in terms of their loyalty and commitment. The Japanese have been making adjustment in their employment patterns and the Government of India can take a leaf from such adjustments and not to remain extremely rigid in terms of employment of workers.

Venugopal, Rao & Rao (1991)\(^6\) have made a study that Trade unions to be efficient, must set sound goals and achieve them effectively. A study of 12 trade unions in Anapatur District of Andhra Pradesh in large and medium industries was carried out in order to have the efficiency of trade unions in setting and achieving the goals. The analysis indicates that the unions are efficient in setting high goals and in achieving them to a greater extent. Mamoria, Mamoria (1991)\(^7\) in the study on industrial relations covers all the relevant dimensions that have emerged in the field of Industrial Relations. Bearing in mind the need and suggestions, a host of new ideas on the dynamic patterns of research development have been carefully integrated into the format. The study is primarily done on the Indian situation through relevant references alongwith to experience and practices in other countries have given to make it comprehensive. It deals with a highly complex, ever changing and expanding field of industrial relations and is based upon the theory, principles and practices developed in India and elsewhere.

Ali Nawab (1992)\(^8\), conducted a research, entitled “Problems of Labour Relations in the Textile Mills of UP”. His thesis is divided into eight chapters. He found the textile industry is regarded as an important industry of the country. This is so because of its numerous contributions in the shape of employment. An attempt has also been made to examine empirically the vital issue affecting the relationship between labour and management in textile mills of Uttar Pradesh. The thesis suggests
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measures to make them more effective contributors for the productivity and prosperity of the textile mills of Uttar Pradesh.

Johnnie, Palmer B. (1992) in his paper 'An Account of Dunlop's Industrial Relations System Theory', critically examines and comments on Dunlop's methodology and the theoretical contribution which have been used by other scholars to further develop the frontiers of knowledge in the study of industrial relations. Although Dunlop's work attracted criticism from a good number of scholars, but the paper contends that Dunlop's work still stand as a monumental effort in contemporary industrial relations analysis.

Goel (1993), has divided his study into five sections, which examines the scope of personnel administration and management comprehensively and not merely in relation to its core functions. The study deals with the ecology of personnel administration and examines the core issues of personnel administration. The work further focuses on areas which can motivate personnel to achieve excellence and analysis the legal framework and its application tribunals. Finally, it also concentrates on modern management techniques of injecting creativity in administration.

The academic content of the study have been supplemented with case studies, empirical data, tables and charts, the data has been analysed scientifically to arrive at logical conclusion and recommendations. Besides India, he also covers the experiences of developed and developing countries, specially the U.K., the USA and France.

Kaufman (1993), has come up with his book entitled, "The Origins and Evolution of the Field of Industrial Relations in the united states" and provides a detailed account of the history of Industrial Relation and its relationship with other disciplines like personnel management and organisational performance. The book also assesses the reasons for the
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decline of the field and provide a strategy for change which would result in once again strengthening Industrial Relations.

Kaufman has presented an alternative scenario for the future. He insists on broadening the definition of Industrial Relations and even goes on to suggest a change of name from 'Industrial Relations' to 'Employment Relations' (ER) and suggests that future research should be centred on this term and the various outcomes of ER that affect efficiency, equity etc. He says that the emphasis in the 'new Industrial Relations' should be on 'relations'.

Ghosh (1995), attempted to analyse that not all industrial restructuring exercise can be lumped together in one undifferentiated category. His paper identifies three distinct patterns, which have been shaped as much by economic environment and market compulsions as by prevailing labour-management relations. He also suggests some strategic choices available to labour and management as conventional responses like bargaining or casualisation are proving inadequate in the wake of fundamental changes in work practices and employment relations.

Sodhi (1995) in his paper entitled "Issues, Trends and Developments in Industrial Relations in India and other South Asian countries" has attempted to give a brief background of the economic situation of the South Asian countries and then examines, with the help of available literature, the major issues, trends and developments in Industrial Relations in India and other south Asian countries. Major structural adjustments programme has been undertaken, particularly in India and Pakistan. The paper highlights the important policies, the response of the actors and their implications on industrial relations. Finally, he suggests measures to promote sound Industrial Relations.

Tyagi (1995), in his book 'Labour Economics & Social Welfare,' has made an attempt to discuss and analysis labour problems and felt that a correct understanding of the legal provisions and the judicious persual of
the necessary procedure is a sine qua-non for good industrial relations and so essential for rapid industrialisation and increased national income. Whether & Davis (1996)\textsuperscript{15}, in their study explain as to how proactive managers and human resource professionals share their dual responsibility for continuously improving the human contribution to organizations. The study presents key concepts, issues and practices without being encyclopaedic and also the study emphasize on the applications of theory and practice. Monappa (1997)\textsuperscript{16}, in his study provides broader outlook of the industrial relations functions. The topics covered by him and the treatment of the more traditional subjects are different. His study focuses on the ‘development aspects, rather than on the more traditional ‘control’ aspects of the function. Whereas the developmental aspect deals with long-term solutions and the various inputs that go into it, the control aspect is more oriented to a ‘here and now’ situation to take care of the problems quickly.

Another objective of the study is to provide the framework for analysis of industrial relations problems. Such a framework would include the several variables that one needs to take into account for a proper diagnostic analysis, particularly at enterprise level. The study is divided into sixteen chapters and two appendices. Each chapter, besides providing a conceptual background, deals with problems and issues in the Indian context, and suggests remedies wherever possible. The issues discussed related to the current concerns, raised either through research, publications or through reports of various Government Committee.

Ratnam & Srivastava (1998)\textsuperscript{17}, in their study provide a framework of knowledge relating to the concepts and practice of personnel management in the India and South Asian region. There approach has been to look at personnel in a systemic perspective; to relate the role of personnel to overall business goals, to underline the interlinkages in all sub-functions of personnel as subsystems of an organic whole, to incorporate the essence of the recent contributions of behavioural sciences as is appropriate; and
to provide an overview of legal framework at relevant places, while avoiding legalist approach. The study covers human resources planning approaches to analysis and design of jobs the discussion on aspect relating to human behaviour and personnel’s role alongwith and employee relations. They tried to deal with the subject somewhat comprehensively even as they tried to be concise. Some of the topics discussed in the text are not covered in most Indian textbooks. Such topics include: MBO and Quality of work life, stress management and counselling, Industrial Relations: Implications of Personnel policies, Alternative approaches to participation, Measurement in Personnel, and future scenario etc.

Rao (1999)\(^\text{18}\), analysed that due recognition has been given to human resource development by policy makers in India in recent years. He found the functions and principles of management have been undergoing a sea change since the announcement of economic liberalisations in the country in 1991. The key element in this proposition is that the values, attitudes, general orientation and quality of people of a country that determine its economic development. Venkata, Ratnam and Naidu (1999)\(^\text{19}\) in their book entitled "Industrial Relations and collective Bargaining in South Asia – Trade Union Perspective", divides the study in five chapters (covering Bangladesh, India, Nepal, Pakistan and Sri Lanka) provide details on trade unions, employer's organisations, state collective bargaining, wage fixing machinery, dispute settlement procedure etc. and provides detailed information about policies and practices on the subject which we can say, are available at one place.

David, Stephen's (1999)\(^\text{20}\) study covers issues like HRM & HRD. They completely updated the book's research base, the process, plus feedback. They begin their study with the key activities in HRM and how they interrelate. Throughout the study, a liberal sprinkling of studies describing actual human resource management practices. When theory and practices differ, they sought to 'tell it like it is' providing and inkling to the real life situation.
Monappa, Saiyadain (2000)\textsuperscript{21}, analyse that personnel function in developing countries such as India has several distinct traits. It cannot be compared with the personnel functions of advanced countries or with that of under developed countries. Their study entitled 'Personnel Management'. Apart from dealing with the established aspects of the subject, they discusses emerging areas such as the personnel audit and information systems, the role of the personnel manger as a researcher and his involvement in community relations, i.e., his social responsibilities.

An attempt has been made to systematically analyse and present relevant research data. In addition to discussing the theoretical concepts of the personnel functions, the study provides illustrative Indian cases, review exercises and questions. The study also covers some of the changes that are taking place in existing or traditional personnel functions / practices. These changes are due to the increased importance being given to functions, such as selection or training, by organizations wanting to identify and utilize human resources as efficiently as possible. There is now an increasing concern for productivity and better utilization of human resources at the plant level in an increasingly competitive environment. These changes, which are more towards expanding the role of the personnel functions, could also be to some extent, attributed to behavioural science research into the understanding of human behaviour at the work place.

Saiyadain (2000)\textsuperscript{22}, in his study entitled, 'Human Resource Management, has exhaustive and detailed coverage. He suggests that management of organization today is management of human resources. In his study, an efforts have been made not only to deal with basic issues and concerns but to suggest ways and means to effectively manage human resources. Saeed, Mohammad (2000)\textsuperscript{23}, in his paper endeavoured to analyse the current trends in participative approach towards managing corporate resources as they relate and apply to the management, employee relations process. He concluded that many companies are
downsizing and creating flatter structure, management is realizing the need for more employee involvement and responsibility for their tasks. These issues are resulting in a change in the relationship between management and employees, and leading to the emergence of a need for more participation, coaching and monitoring by managers in order to enable employees to be more productive. This in turn is resulting in higher job satisfaction, lower employee complaints and grievances, and in fact becoming a contributing factor in the decline in union involvement over the past few years.

Hans, Schmid (2001) in his paper, "Industrial Relations in changing times" provides a short overview of the different kinds of industrial relations that exist in various countries is provided. He mainly concerns with the analysis of sector wide or firm specific collective agreements. After presenting their dissemination and their advantages and disadvantages his paper takes a specific look at the peace accords within such contracts. An economic assessment of the absolute peace accords practiced in Switzerland in past few decades. This is then followed by an analysis of the often-encountered orientation crisis of the agents involved in collective agreements. He more specifically attempts to explain the behaviour between the agents taking part in collective agreements from an economic perspective and with the aid of an insurance model and a switching strategy. Absolute peace between social partners assumes that the leadership can enforce their decision on the other members. This is not always easy, as the returns from collective bargains are often long-term in nature. This and other reasons (e.g., technological advancement) have lead trade unions to an orientation and a legitimisation crisis. This fact manifests itself primarily in the reduction in the number of union members. In order to prevent this, "New Industrial Relations" are called for. Taking account of the interests of the union members remain the most important function of the union. He suggest that jobs are best maintained when firm-specific, and not sector-wide, collective agreements are made.
and a stronger engagement in improving education and participation in the
firm could improve the attractiveness of unions.

1.4. RESEARCH GAP

Thus, from the foregoing review of literature it clearly peters out that
a plethora of studies have been conducted pertaining to Human Resource
Management focusing on labour relations on Railways as well. However,
the labour relations in Indian Railways with the special reference to
Northern zone is relatively an ignored area considering the size and
economic significance of the same. Thus, it calls for conducting a research
on the “LABOUR RELATIONS IN INDIAN RAILWAYS WITH SPECIAL
REFERENCE TO IT'S NORTHERN ZONE SINCE 1991”.

1.5. SCOPE OF THE STUDY

After a careful and an elaborate review of literature in the field of
personnel management, industrial relations, labour relations, it has been
observed that no scientific study has yet been conducted in the field of
labour relations in public sector and particularly for Indian Railways.
Hence, an attempt has been made to study labour relations in Indian
Railways. As for efficient and proper functioning of Railways, it is
necessary that emphasis should be made to organise and maintain proper
industrial relations so that the railways may be able to render efficient
service to the nation.

Industrial relations are relations between employee and employer in
their day-to-day work. Hence, it is an on-going relationship. The scope of
industrial relations include:

(a) Relationship among employees, between employees and their
    supervisors or managers.
(b) Collective relations between trade unions and management. It is called union–management relations.

(c) Collective relations between trade unions, employer’s association and government.

1.6. OBJECTIVES OF THE STUDY

Against the given background the present study has persuade the following objectives:

1. To analyse the concept of labour relations and examine the emerging issues.
2. To record the performance and growth of Indian Railways in general and that of Northern zone in particular.
3. To take a stock of labour relations and trade unions in Indian railways and measure satisfaction level of employees in Northern Zone Railways.
4. To study the labour relations in Northern zone vis-à-vis Indian Railways.
5. To assess the influence of (Union – Management Relations) on the productive efficiency of the Railways.
6. To suggest appropriate measures to strengthen the Labour Relations in order to improve the efficiency of the Railways.

1.7. HYPOTHESES

Keeping in view the objectives of the study the following hypotheses have been developed and tested with suitable application of statistical tools to arrive at the findings of the study:
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**HO₁** It is assumed that the recruitment policy, selection procedure, training schemes, transfer policy, promotion policy, (personnel policies) related to personnel prevailing in Northern zone of Indian Railways are not satisfactory including employees of all categories i.e. 'A', 'B', 'C' & 'D'. The alternative hypothesis suggests that the policies under review are satisfactory including category 'A', 'B', 'C' & 'D' employees. The referred policies are found to be in accordance with the personnel policies and procedures applied in Northern Railways.

**HO₂** It is presumed that the policy with regard to wage/salaries to the employees in different categories are not satisfactory and not in accordance with the need of the employees. The alternative hypothesis however, suggests that the policy for wage to the employees in different categories are satisfactory and are in accordance with the need of the employees and employers.

**HO₃** It is assumed that the welfare facilities i.e. financial (a) Bonus (b) Provident Fund; Non-financial (a) Housing (b) Medical are not satisfactory for all the categories i.e. 'A', 'B', 'C' & 'D'. The alternative hypothesis suggests that the welfare facilities to the employees of Northern Railways of different categories are satisfactory and are in accordance with the need of the employees and employers.

**HO₄** It is assumed that the Union and Management attitude towards the workers of different categories in Northern Railways are not satisfactory. The alternate hypothesis suggests that the Union and Management attitude towards the workers of different categories are satisfactory and is in accordance with the need of the workers.

**HO₅** It is assumed that the employees of different categories in Northern Railways are not in favour of organizing the strikes. The alternate hypothesis suggests that the employees of different
categories in Northern Railways are in favour of organizing the strikes.

\( \text{HO}_6 \) It is assumed that the participative scheme, procedure of taking redressing grievances and setting disputes of the employees of different categories are not satisfactory in Northern Railways. The alternate hypothesis suggests that the participative scheme, procedure of taking redressing grievances and setting dispute of the employees of different categories are satisfactory in Northern Railways.

1.8. METHODOLOGY

To conduct the present study following methodology has been adopted:

- Primary data were collected through survey method on trade union leaders, employer and employees. Interactions were made with them with the help of designed questionnaires and interviews in order to understand the attitude of workers and management towards labour relations.

- To get these informations repeated visits were made to number of Railway stations, Baroda House and Trade Unions.

- The secondary data were also collected from the office records, annual reports of the Railways and other relevant research publications.

- Various statistical techniques have been applied for analysis and interpretation. \( t \)-Test is used to determine whether a
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sample's means are distinct. Paired two sample for means is use at 5 per-cent level of significance.

- The Graphic representations with application of statistical tools at due places have also been made to make the study more perceptible and conceivable.

1.9. SCHEME OF THE STUDY

Keeping in view the research methodology, hypotheses, objectives and scope of the study, the whole study has been divided in six chapters.

- The first chapter deals with the introduction of the study.

- The second chapter deals with the 'Labour Relation’s- A Conceptual Framework.

- The third chapter deals with ‘An Overview of Railway’ to show the Overall growth and progress of Indian Railways.

- The Chapter fourth is devoted to study labour relations in Indian Railways with its past and present practices and deals with the influence of labour relations on the productive efficiency of Indian Railways.

- The chapter fifth deals with various aspects of labour relations with special reference to Northern zone to highlight the major problems of labour.

- In the sixth chapter an attempt has been made to analyse the relevant data of Northern Railways based on the application of statistical tools.
Finally, in the last chapter the main findings of the study have been summed up and suggestions are offered for further improvements, so as to increase the overall efficiency of Indian Railways.

1.10. LIMITATIONS OF THE STUDY

Possible precautions and efforts have been made to ensure the validity of the research. However, the Study is limited in its scope. A work of the nature requires an extensive study of the available literature but the paucity of literature is a great handicap in this respect. The non-availability of statistical data and other information pertaining to the labour Relations in Indian Railway has been a major handicap for the Researcher. The survey is only confined to Northern zone. The sample has been chosen on the basis of judgement and it may not be truly represented to all employees of Northern Zone. Due to the Non-availability of fund and time, the survey was conducted for 100 respondents. Had the survey been based on more than a 1000 persons/employees on the Northern Zone, result would have been more representative.

Thus, the study has been carried out under several limitations, still researcher is confident that the conclusion drawn would be fruitful and would be able to provide a useful base for the future working and growth of the Railways as well as the Labour Relations in Indian Railways.

1.11. CONCLUSION

Railways hold a prominent position in the Indian Economy by virtue of its size, employment, contribution to national exchequers. The significance of industrial peace and harmonious labour relations need hardly be overemphasized in Indian Railways. Many studies in the field of labour relations have been undertaken by various researchers. These
studies brought out into light the significance of maintaining sound labour relations and calls for conducting the research on labour relations in Indian Railways. For conducting the study, objectives, scope, hypotheses, methodology, schemes of the study, and limitations of the study have been appropriately designed.

The next chapter “Labour Relations – a conceptual framework” is an attempt to show the concept accepted for the study, development in the field of labour relations, labour relations laws prevailing for the maintenance of harmonious labour relations and the impact of economic reforms in India on labour relations. The future of labour relations is also discussed to know the importance of the subject and the present labour relations situation prevailing in India.

1.12. REFERENCES

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