CHAPTER II

THE STUDY
A. THE SITUATION OF INDUSTRIAL RELATIONS IN INDIAN RAILWAYS

As pointed out in the previous chapter, industrial relations situation may be the important reason for the slow growth rate of Indian Railways compared to that of agricultural and industrial sector. But it had been realised even before 1950 that harmonious industrial relations are highly essential to fulfil the individual, industrial and national goals. The First Five Year Plan has clearly demonstrated the fact that "an economy organised for planned production and distribution, aiming at the realisation of social justice and the welfare of masses can function effectively only in an atmosphere of industrial peace." ¹ Moreover, much of the success or failure of Indian Five Year Plans would be dependent on the maintenance of harmonious employee-employer relations. Frequent industrial conflict not only affect the management and labour but also tend to impoverish the community as a whole. ²

The objective of the maintenance of the industrial peace is not only to find out ways and means to solve conflicts or to settle differences but also to secure the unreserved cooperation and goodwill among different groups of people in industries. It also aims at development of a sense of mutual confidence, dependence and respect. At the same time it encourages them to come close to one another for clearing off misunderstandings and redressing the grievances if any, in a peaceful atmosphere with open mind and fostering industrial pursuits for mutual benefits and social progress. Congenial employee-employer relation is highly essential in a service-oriented industry like the railways. Survival and development of this vital and crucial undertaking heavily depend upon the maintenance of harmonious industrial relations. In fact, ability of railways to meet traffic demands and in achieving high degree of safety in operation, punctuality of passenger trains and optimum utilisation of capacity in railways is heavily depend on industrial peace. Industrial peace is often disturbed by industrial conflicts. A conflict is an expression of disagreement between two groups of people.

usually employees and the management. Conflicts are often caused by changes in goals, aspirations, expectations and values of people, in addition to various socio-economic factors. But the conflicts lead to conditions undesirable for goal attainment. Strikes, lock-outs and other forms of work stoppages are the result of such conflicts.

Conflicts in Indian Railways

As is the practice in other countries, the right to strike by employees in public utility concerns has been recognised by Indian Law. Strikes were the universal phenomena in all railways during the period from 1922 to 1929, 1937 to 1939 and 1946-47. Railway administration in most of these strikes was "stiff and unconciliatory" before a strike and "soft and conciliatory" after the strike.

Strikes were also common in Indian Railways during the period from 1947-48 to 1960-61. The number of mandays lost per 1,000 workers employed were of the order of


Problems existed at the time of Independence were mainly responsible to the strikes in 1947-48 and non payment of dearness allowance, national minimum wages etc., were the reasons responsible for the strike in 1960-61.

Strikes were organised during the period 1960-61 to 1985-86 also. Table 2.1 shows total number of mandays lost and number of mandays lost per 1,000 workers employed during the period 1960-51 to 1985-86. It is observed from this table that the loss of mandays was due to strikes in 28 years out of the 35 year period during 1950-51 to 1985-86. It is further observed that as many as 14,841,747 mandays were lost (10,560.89 number of mandays lost per 1,000 workers employed) due to strike in the 1974-75. This was mostly due to organisation of an 'All India Strike' by the employees of Indian Railways in May 1974 in order to press the management to accept the employees' demands like payment of bonus, parity of wages with other public sector employees etc. As many as 16,189 employees participated in this strike were dismissed from the service.¹


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TABLE 2.1: MANDAYS LOST DUE TO INDUSTRIAL DISPUTES IN ALL GOVERNMENT RAILWAY SYSTEMS DURING 1960-61 TO 1985-86.

<table>
<thead>
<tr>
<th>Year</th>
<th>Total number of Mandays lost</th>
<th>Number of Mandays lost per 1,000 workers employed</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960-61</td>
<td>807,299</td>
<td>719.49</td>
</tr>
<tr>
<td>1961-62</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1962-63</td>
<td>409</td>
<td>0.35</td>
</tr>
<tr>
<td>1963-64</td>
<td>209</td>
<td>0.17</td>
</tr>
<tr>
<td>1964-65</td>
<td>927</td>
<td>0.73</td>
</tr>
<tr>
<td>1965-66</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1966-67</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1967-68</td>
<td>6,484</td>
<td>4.89</td>
</tr>
<tr>
<td>1968-69</td>
<td>127,961</td>
<td>97.04</td>
</tr>
<tr>
<td>1969-70</td>
<td>1,594</td>
<td>1.21</td>
</tr>
<tr>
<td>1970-71</td>
<td>327,888</td>
<td>247.28</td>
</tr>
<tr>
<td>1971-72</td>
<td>46,864</td>
<td>34.66</td>
</tr>
<tr>
<td>1972-73</td>
<td>111,270</td>
<td>81.09</td>
</tr>
<tr>
<td>1973-74</td>
<td>324,938</td>
<td>233.72</td>
</tr>
<tr>
<td>1974-75</td>
<td>14,841,747</td>
<td>10,560.89</td>
</tr>
<tr>
<td>1975-76</td>
<td>157</td>
<td>0.11</td>
</tr>
<tr>
<td>1976-77</td>
<td>30</td>
<td>0.02</td>
</tr>
<tr>
<td>1977-78</td>
<td>1,300</td>
<td>0.92</td>
</tr>
<tr>
<td>1978-79</td>
<td>47,699</td>
<td>32.31</td>
</tr>
<tr>
<td>1979-80</td>
<td>15,960</td>
<td>10.63</td>
</tr>
<tr>
<td>1980-81</td>
<td>2,233,199</td>
<td>1,469.27</td>
</tr>
<tr>
<td>1981-82</td>
<td>N.A.</td>
<td>N.A.</td>
</tr>
<tr>
<td>1982-83</td>
<td>715</td>
<td>0.45</td>
</tr>
<tr>
<td>1983-84</td>
<td>377</td>
<td>0.24</td>
</tr>
<tr>
<td>1984-85</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1985-86</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

N.A. = Not available

Four 'All India Strikes' took place during the period 1960-61 to 1985-86. In addition, a number of wildcat strikes on petty causes were organised in different railway zones. The causes responsible for these strikes were mostly of economic in nature with sufficient significance. Most of these strikes did not bear any fruit as management was stiff and un-conciliatory during the strikes. These strikes caused much inconvenience to the employees in the form of victimisation, dismissal from service, non-payment or delay in payment of wages during the strike period etc. Further, management was also in a disadvantageous position during the strike period due to loss of earnings, industrial unrest, loss of railway property etc. Moreover, much inconvenience was caused to the public who took railways for their travel for purposes of industry and business.

B. SIGNIFICANCE OF THE STUDY

At this juncture, one should not forget the role played by collective bargaining, as it helps in settlement of various issues and disputes without causing any inconvenience or loss of earnings to the workers or management on one side and to the travelling public and
business on the other. Further, collective bargaining strengthens the employee-employer relations. Thus, the effective functioning of collective bargaining helps in preventing industrial disputes and improve industrial relations.

Judged from this background, it may be viewed that the functioning of collective bargaining in Indian Railways would be one of the important reasons for avoiding industrial disputes and strengthening industrial relations in Indian Railways. An enquiry into the working of collective bargaining in Indian Railways will help in finding out the causes for the present state of industrial relations and slow rate of progress of Indian Railways. Further, it helps to know the nature of employee problems, their severity and mode of settlement of issues. It also helps in finding out the root causes and the background for industrial conflicts which provide the means for prevention and settlement of industrial conflicts in railways. Thus, this study helps in developing the ways and means for prevention and settlement of disputes in Indian Railways. This will contribute to minimisation of industrial disputes and their consequences, to strengthen industrial relations, to effective use of human resources.
and to planned progress of Indian Railways. Hence, it is felt that the study of collective bargaining in Indian Railways assumes greater significance in the interests of railways, railway employees, travelling public and the business community as a whole.

C. REVIEW OF LITERATURE

Though Indian Railways is the oldest and the largest public undertaking in the country, comprehensive studies dealing with functioning of collective bargaining in it are very limited. The South Central Railway also suffers from the same limitations. A review of existing research studies and other literature which have bearing upon the present study reveals validity of the above comment. However, there are some Government reports and research studies dealing with management of finance, human resources etc.

Acworth Committee of 1921\(^1\) studied the railway policy in respect of railway administration and recommended for separation of railway finance from general finance.

\(^1\) Report of the Committee on the Administration and Working of Indian Railways (Acworth Committee), 1921.
of the Government. Railway Finance and Administration Committee of 1908\(^1\) and Inchcape Committee 1922-23\(^2\) recommended for separation of Railway Budget from the General Budget and suggested ways and means of increasing revenue and minimising the expenditure of railways.

Indian Railways Enquiry Committee of 1947\(^3\) examined the position of state-owned railways and emphasised the need for strengthening of various departments and rational methods for calculating the depreciation.

The Railways Tariff Enquiry Committee of 1980\(^4\) through its indepth study and illuminating efforts observed that deteriorating profitability in railways is mainly due to the fact that fare and freight rates have not increased in accordance with the increase in the operative expenses of railways.

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1. Report of the Committee on Indian Railway Finance and Administration, 1908.
Regarding the safety measures, the High Power Safety Committees - Railway Accidents Committee of 1962\(^1\), Railway Accidents Enquiry Committee of 1968\(^2\) and the Railway Accidents Enquiry Committee of 1978\(^3\) - searched for various factors contributing to the train accidents and suggested many safety measures.

The National Transport Policy Committee of 1980\(^4\) forecast the trends in the growth of passenger and freight traffic and developed investment strategies for railways.

The Railway Reforms Committee of 1986\(^5\) conducted a comprehensive study regarding the working, finance, productivity, personnel policies, trade union, labour welfare etc., in Indian Railways.

The other important bodies appointed by the Government are the Pay Commissions viz., the First Pay

\[\text{Reference Sources:}\]

Johnson, in his study\textsuperscript{4} enquired into the rates and fare policies for freight and passenger traffic and the extension of railway facilities for development of agriculture and commerce to achieve the targets of Five Year Plans. Saxena, in his study\textsuperscript{5} analysed the administration, finance, operational problems including general problems of regrouping, standardisation, corruption etc.,

\begin{itemize}
\item 2. Thirteenth and Fourteenth Reports of the Cadre Restructuring Committee, 1982.
\end{itemize}
Amba Prasad, in his study on Indian Railways discussed the general administration of railways.

Saraswathy Rao, in her study made a modest attempt to explain the constitution and procedure of working of the Railway Board which is the apex body of Indian Railways.

Mahesh Kumar Mast, in his study attempted to trace the history of railway labour movement in general and pointed out main weaknesses of Indian Railway trade union movement during 1897 to 1956. An effort is also made to explain the constitution and procedure of Permanent Negotiating Machinery available for the settlement of railwaymen's problems.

The study conducted by Narasimha Reddy dealt with the objectives, structure and finance of railway trade

unions besides the working of Permanent Negotiating Machinery at the zonal and divisional level in only one chapter. As such, there is a limited scope to draw a definite conclusion. Chandrasekhar, in his study on Indian Railways Finances dealt with financial problems, fare fixation etc. in Indian Railways.

Gangadhara Rao, in his indepth study dealt with manpower development and utilisation, organisation health, wages and allowances and certain aspects pertaining to industrial relations. He also attempted to explain the role of consultative machinery in minimising the industrial conflicts and the role played by the unions and federations in maintaining harmonious industrial relations in one chapter. But the study ended with 1964-65 itself when the collective bargaining was gaining momentum. Complete reorganisation of Indian Railways including the creation of South Central Railway was not completed by 1964-65. Further, the Joint Consultative Machinery which is a part of collective bargaining in Indian Railways was also not instituted by 1964-65.


An integrated attempt to study the human resources management in Indian Railways during the period 1960-61 to 1979-80 was made by Subba Rao in his empirical study with a comprehensive coverage on various aspects of human resources management. The working of two schemes of collective bargaining in Indian Railway systems viz., Permanent Negotiating Machinery and Joint Consultative Machinery, provided for amicable settlement of disputes in Indian Railways were analysed in one chapter. Concentration was made mainly on collective bargaining at apex level of the organisation and as such little emphasis was laid on the working of Permanent Negotiating Machinery at the grass-root and the middle levels of the railways.

Thus, most of the studies referred above on Indian Railways dealt with various aspects other than human resources management. Those studies concerning human resources management covered the collective bargaining in railways briefly in one chapter. But the study on functioning of negotiating machinery would be

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complete only when it makes an indepth study at all levels. In view of absence of studies on collective bargaining in Indian Railways, with comprehensive coverage and indepth analysis and its significance, it is felt that there is an acute need for the study of collective bargaining in Indian Railways in general and in South Central Railway in particular. Hence, an attempt is made to study the working of collective bargaining at all levels in Indian Railways.

D. OBJECTIVES AND METHODOLOGY

The present study is designed and carried out with the following objectives:

(i) To examine the modus operandi of collective bargaining at different levels in Indian Railways;

(ii) to enquire into the working of Permanent Negotiating Machinery at divisional and zonal levels in South Central Railway and at the Railway Board level of Indian Railways; and

(iii) to appraise the performance of Joint Consultative Machinery at the National and Departmental levels in Indian Railways.
To attain the objectives stated above, a close study has been made on important areas of negotiating and consultative machinery in Indian Railways and of South Central Railway during 1965-67 to 1985-86. It is difficult to understand the actual position unless recourse is made to the interview method. The interview method has been adopted and the interviews and discussions with selected representatives of employees' Unions, federations and management have been organised with the help of separate questionnaires prepared for the purpose to draw rich personal opinions and experiences. Another method adopted for the study is interpretation of data collected from secondary sources. The secondary sources include official records and publications of Ministry of Railways, South Central Railway, various divisional offices of South Central Railway, monthly journals of the Railway Board, railway federations, reports of General Secretaries of the federations, minutes of Permanent Negotiating Machinery meetings and Joint Consultative Machinery meetings at the Railway Board level, minutes of Permanent Negotiating Machinery meetings at zonal and divisional levels of South Central Railway and the reports of the General Secretaries of the unions at the zonal and
divisional levels at South Central Railway.

Statistical tools like coefficient of variation and co-efficient of correlation are applied to derive effective and meaningful conclusions.

During the visits for collection of data libraries of the Railway Board, zonal and divisional offices of South Central Railway have been consulted in order to go through a number of relevant reports and books. Further, theoretical information about human resources management and particularly collective bargaining available in the libraries of Sri Krishnadevaraya University and of other Universities have also been used.

E. LIMITATIONS OF THE STUDY

A research study of this nature has had limitation in view of restricted access to Government records and the general confidential nature of working in the railway offices. Another limitation is non-availability of complete information with the railway federations and unions. These limitations, however, were reduced to a great extent through interview method. Some information could not be
obtained due to non-cooperation of some officers at different levels. Non-availability of up-to-date information is another limitation. Under these conditions, it has not become possible to present the data uniformly for the period throughout the study. However, every effort is made to evaluate the situation as accurately and objectively as possible.

F. COVERAGE OF THE STUDY

The study covers the functioning of two schemes of collective bargaining in Indian Railway Systems viz., Permanent Negotiating Machinery and Joint Consultative Machinery.

Chapter I deals with the growth and significance of collective bargaining. It also evaluates the progress of the Indian Railways in general and South Central Railway in particular. Chapter II outlines the significance of the study, previous studies, objectives and methodology and limitations of the study.

Two parties of collective bargaining viz., management and the employees' unions have been introduced in the
Chapter III, while Chapter IV explains the negotiating procedure followed in the Indian Railways.

Chapter V examines the working of Permanent Negotiating Machinery at the grass-root level i.e., at the divisional level of South Central Railway whilst the evaluation of working of Permanent Negotiating Machinery at the zonal level of South Central Railway is embodied in Chapter VI. The analysis of working of Permanent Negotiating Machinery at the apex level i.e., Railway Board level and ad hoc Tribunal level is dealt in Chapter VII whereas Chapter VIII analyses the working of Joint Consultative Machinery at national level and departmental level in Indian Railways.

Summary of major findings of the study and suggestions for effective and successful functioning of negotiating machinery have been presented in Chapter IX.