Chapter 2
THE STUDY

INTRODUCTION:

Human resource is the total knowledge, skills, creative abilities, talents and aptitudes of an organisation's work force, as well as the values, attitudes and beliefs of the individuals involved\(^1\). The human resources have also been designated as human factors. According to Jucius, the human factor refers to a whole consisting of inter-related, inter-dependent and inter-acting physiological, psychological, sociological and ethical components\(^2\). The human aspects are subjective and changeable, qualitative and dynamic varying with cultural and personal backgrounds, economic events and with the passage of time; indeed a complex of perplexing forces\(^3\). As seen from these observations, it is apparent that human factor is highly dynamic in nature.

Human factor in organisations also gained significance due to the fact that most of the problems in the modern organisations are human and social in nature rather than physical, technical or economic. It is people who can make a difference and who can have an ever-lasting impact on the survival and functioning of organisation. Failure to recognise this, causes immense loss not only to the individual enterprise but also to the whole economic system. To quote Oliver Sheldon, who saw modern organisation as a sea of humanity, "no industry can be rendered efficient so long as the basic fact remains unrecognised that it is principally human. It is not a mass of machines and technical processes but a body of men. It
is not a complex of matter, but a complex of humanity. It fulfils its functions not by virtue of some impersonal force, but by human energy. Its body is not an intricate maze of mechanical devices but a magnified nervous system. The excellent companies all over the world have well neigh demonstrated that basic philosophy. They have succeeded in unleashing the potential of the individuals to the fullest extent possible. They have long ago realised the fact that tools do not substitute for thinking. Peters and waterman in their widely acclaimed research work, 'In Search of Excellence', have found 'productivity through people' as one of the important attributes that characterised the most excellent and innovative companies in the United States. The lessons from the excellent companies suggest a people oriented philosophy, the philosophy which centres around — "treat people as adults; treat them as partners; treat them with dignity; treat them with respect. Treat them — not as capital spending on automation — but as the primary source of productivity gainer". As pointed out by the noted psychologist, McGregor, "many managements would agree that the effectiveness of their organisations would be at least doubled if they could discover how to tap the unrealised potential present in their human resources. As such, successful companies are the ones who achieve extraordinary results through ordinary people. The failure to recognise this fact causes immense loss to the nation, enterprise and the individual. It is true that productivity is associated markedly with the nature of human resources and their total environment consisting of inter-related, inter-dependent and inter-acting economic and non-economic (i.e., political, religious, cultural, sociological and psychological) factors. Thus, the significance of human factor can be examined from atleast two
standpoints – economic and non-economic. Firstly, the human resources assume importance from economic standpoint at national level and at the level of individual enterprise. They have been viewed as a form of capital and as the product of investment whereby production is acquired. As Ginzeberg points out, human resources are the way to economic development. However, they are being wasted through unemployment, disguised unemployment, obsolescence of skills, lack of work opportunities, poor personnel practices and the hurdles of adjusting to change. The human resources account for a large part of national output and there existed wide scope for enhancing productivity through their proper development. The physical resources, viz., material, machine, money and energy are all important in achieving the productivity of the organisation, but they will not give results unless the human resources are applied to them. In addition to providing value to the physical resources, the human resources provide a dynamic character to the economy and to the individual enterprise.

Secondly, the importance of human resources arises from the non-economic factors. The concept of freedom of enterprise and equality of persons indicate that individuals should have maximum freedom of opportunity to avail of their potentialities. Thus, from the political standpoint, the human resources have a very prominent place in organisations as their participants. Moreover, the human resources are also of significance from religious viewpoint. We find abundance of spiritual literature on the dignity of human beings which has influenced management thought considerably. Thus, they are being considered “spiritual” creatures quite
different from other resources. The popular slogan "service to mankind is the service to God", exemplified the significance of human resources in this context. The human resources also become important from cultural and social viewpoints. Cultural values and social systems immensely influence human behaviour in work settings and provide a distinct value to them as compared to physical resources. The human resource is also significant from psychological standpoint. They require a particular psychological environment to work. The essence of psychological environment is motivation which provides dynamism to these unique resources.

HUMAN FACTOR MANAGEMENT AND ITS IMPLICATIONS:

Any organisation, be it commercial, industrial, service comes into existence when people join hands for the production of certain goods or services. No organisation can run successfully unless the human factor is managed well. Scott and Rochester said that "Organisations are only as good as the performance of the people in them. Entrepreneurial flair, financial wizard, technical brilliance, administrative efficiency are not enough to enable them to flourish". The managers in an organisation must allocate some of their time, skill and resources to human factor because of various special features and problems that call for solution.

The managers or executives require skills to use the personnel as a factor of production. But the human factor is much more than what a factor of
production implies. Human beings are members of social system of organisation inter-acting with one another. People in any organisation manifest themselves not only through individual actions but also through group interactions. When individuals come to work place, they bring with them not only their technical skills but also their personal feelings, perceptions, desires, motives and values. Beyond the more noticeable and obvious differences among people in physical appearance, voice, intelligence, race, language and general habits are the less readily apparent differences in emotional responses to various stimuli and motives, attitudes and modes of thought. In view of this, an employee in an organisation must be dealt with as a human being. Mayo and his associates in their Hawthorne studies have Gramatised the fact that the worker is not a glorified machine, an inert instrument in the production system. The concept of treating the worker as economic factor of production had become outdated with the adoption of humanitarian approach during the present century. People do not work for bread alone. They have multifarious needs – physical as well as psychological. The satisfaction of all these needs is very important. The work environment should be so designed to restore the man's dignity. To achieve this objective, the managers have to assume the responsibility for encouraging the human resources to contribute fully for the achievement of their individual, group as well as organisational objectives.

It is understandable that people – at operative, technical, professional and managerial levels – may be concerned about such matters as security, relation with fellow workers, status, roles and personal and family needs. When a person is
unsettled about these factors, his efficiency will be impeded and corporation will be
difficult to obtain. As such, it is essential to attune various dimensions of individual
to be effective in work situation\textsuperscript{18}. Jucius identified four dimensions of human factor;
viz., (i) physiological (ii) psychological, (iii) social and (iv) ethical, which are inter-
related, inter-dependent and inter-acting\textsuperscript{19}. The human factor has needs and acts in
these four major areas. There may be some differences of opinion regarding the
intensities of these dimensions but they are the basic parts of the human factor in an
organisation. it is important that a manager must be aware of the dynamic nature of
these dimensions.

It is necessary that managers must understand fully what an individual
needs and why 'the actions of all human beings are goal-oriented'. It is so because
needs or motives are the reasons underlying human behaviour. They arouse and
maintain actively and determine the general direction of behaviour of an individual.
The behavioural scientists, Abraham Maslow\textsuperscript{20}, Herzberg\textsuperscript{21}, McClelland\textsuperscript{22}, Alderfer\textsuperscript{23}
and others have emphasised need satisfaction for employee motivation. With
proper understanding of human behaviour, the manager would be able to shape it
effectively in the right direction towards the attainment of the maximum contribution
of workforce employed for accomplishing the desired objectives, increasing
organisations' productivity and satisfaction of individuals concerned. Successful
management depends upon the management of human behaviour\textsuperscript{24}. However,
dealing with human factor is a formidable and a challenging job for all managers,
especially the personnel managers.
THE PRESENT STUDY

Indian Railways have to render services to the people living in the country. To render these services effectively to the utmost satisfaction of the people, the railways must be manned by efficient and committed employees with required level of skill and knowledge. The changing trends in transport industry necessitates Indian Railways to play a crucial role in providing various passenger services. As a result, the Indian Railways require efficient and committed human resources to discharge the functions effectively and tactfully. This emphasis as the significance of human resource management in Indian Railways. This study attempts to examine the present state of human resource management, analyse the defects therein and offer suggestions for effective human resource management in Indian Railways. Hence, the study assumes greater significance in the present context.

REVIEW OF LITERATURE

In any field of study existing literature constitutes a base on which all further research is carried out. The Encyclopaedia of Educational Research says that the related literature is the embodiment of complete informational knowledge. This helps the researcher to highlight the studies and their findings related to the problem undertaken for research. The researcher feels that there is a need for review of literature which has some relation to the relevant area and considers the most important pre-requisite to actual planning and conducting the study. Therefore
the researcher made an elaborate review of the research material available on the subject. Very few researchers and institutions have tried to study and bring out the human resource management problems in Indian Railways.

Ferelon (1937)\textsuperscript{25} published a book on Railway Economics in which he explained the importance of railways, regulations of railways by the state, internal organisation, capital and revenue expenditure trends, constraints in amalgamation, passenger fares, freight fixation policies and the working of railways was extensively covered. Since the conditions now have changed very much compared to the study period, but this book provided a good base to understand the system as such in which railways operated.

Similarly, Amba Prasad (1960)\textsuperscript{26} published a book on Indian Railways. A study in public utility, "in which the author examined the administrative controls and also the effectiveness of management. He also examined the working of consumer committees in industrial relations etc., at the gross root level. This study exposed clearly the general management problems of railways and also the industrial relations during the study period.

Saxena (1962)\textsuperscript{27}, published a book on "Problems and Prospects on Indian Railways", in which he examined the working of railways, with reference to working of rolling stocks, stores, equipments from the inventory control point of view. He also studied the problems of rail-rating, staffing, operation, fuel and finances of
railways. This study exposes an understanding of working of railways and their problems.

Johnson J (1963), published a book on the “Economics of Indian Rail Transport, in which the author covered the following aspects — viz passenger and goods traffic and their contribution to economic growth, railway fares and freight policy and railway finances. He examined public relations in railways. The objective of the study was to trace the variations between the budget and the actuals.

Gangadhara Rao, M (1978) had published a book published entitled “Industrial Relations in Indian Railways” in which he conducted a dispassionate enquiry with a view to analyse the factors which have influenced the industrial relations over a period of eighteen years between 1947-48 to 1964-65 in Indian Railway systems.

Saxena R.N. (1983) published a book on Indian Railways, Financial and Commercial profile in which the author has examined the elasticity of freight, passenger fares with specific reference to suburban operations. He also highlighted the financial position of railways between 1950-51 and 1989-90, where in mostly it was with deficit situation only. He examined intensively the commercial operations and their constraints with the competitions from other modes of transport.
Gangadhara Rao and Subba Rao (1986)\textsuperscript{31} published a book on HRM in Indian Railways, in which the authors have examined personnel functions in Indian Railways. Imamul Haque S.M. (1989)\textsuperscript{32} published a book entitled "Management of Indian Railways" in which he made an attempt to present different areas of Railway Management. The Government of India, Ministry of Railways (1990)\textsuperscript{33} also conducted a survey on Indian Railway and presented a 'status paper on Indian Railways' in which it touched some issues and options on Indian Railways.

Purushotham P.W.\textsuperscript{34} published a book on "Management on Public Enterprises" in the year 1992 in which he made an inquiry to the organization and Management of APSRTC. In his book he is detailed discussed the organisational structure, Government's control and public accountability, salary administration, Industrial relations and staff welfare and computers satisfaction. This book brought into light the structural and functional deficiencies of APSRTC as a public sector undertaking.

Ovasdi J.M. (1990)\textsuperscript{35} published a book on Railway Administration and Management" in which besides covering the genesis and growth of railways, he examined the problems of decentralisation process and also the prospects of divisional administration. Khosla G.S. (1988)\textsuperscript{36} published a book entitled "A History of Indian Railways" in which the author has covered, railway legislations, inception of railways in princely states, development of railway organisations, separation of railway finances, regrouping of railways etc., and all these provide a good
background on railways for any researcher. The author also covered extensively various aspects of Indian Railways after independence, like managerial structure, financial administration, operations, industrial relations, customers satisfaction, modernisation of railway planning during the plan periods.

Saraswathi Rao, Y (1975)\(^37\) published her thesis on "The Railway Board – A Study in Administration" provided historical background on Indian Railways and also presented the composition of Railway Board, Organisation structure, powers of the Board and highlighted the Board at work on policy formulations, executive directions and functional management of the Board. Submitted by Sushendra Paramanik –to Brindavan University Likewise (1975)\(^38\) a good number of unpublished research work in various Universities have been found as such "Personnel Management and Productivity in Public Sector Industries in India.

Thus, the above studies focussed attention on various aspects of Indian Railways ignoring very important aspect Human Resources. Hence, the present study on Human Resource Management in Indian Railways is significant and is expected to be useful not only to the Indian Railways but also to the Government and the people at large.
NEED FOR THE STUDY

The success of any transport undertaking in general and the South Central Railway in particular always depends to a greater extent on two variables namely (a) administrative and organizational structure and (b) quality of personnel. The administrative and organizational structure should be designed in such a way that it facilitates efficient management. So also it should provide for the right quality of personnel. Further, the organization and management should enable itself to adopt strategic Human Resource Management so as to secure right type of persons as its personnel and also develop them professionally and personally to meet the future needs of the organization.

However, the South Central Railway which is acclaimed to be a vast public service transport undertaking is now subjected to severe public scrutiny and criticism day in and day out. The entire controversy may he pin-pointed thus whether the South Central Railway which is charged with the responsibility of providing efficient, adequate, economic and well coordinated rail transport service is really fulfilling its objectives through its personnel? And to what extent the Human Resource Management designed and adopted by the South Central Railway is adequate and suitable? There is also a hue and cry on all quarters and all levels with regard to its organizational structure, personnel policies and practices, day-to-day performance, quality of services, passenger amenities and public relations. The declaration of strikes, gheraos and dharnas, slogans raising by the trade unions and
their adoption of various agitational techniques like work-to-rule, drive-slow also show that all is not well with the Human Resource Management in South Central Railway.

Hence, an attempt is made in this study to examine the organization and management of South Central Railway, in general and Human Resource Management in particular with a view to promote the performance standards and operational efficiency of South Central Railway and make it more passenger-oriented and public spirited.

OBJECTIVES OF THE STUDY

The objectives of the present study are seven fold in character: They are:

1. to analyse the importance of Human Resource Management in South Central Railway and to highlight the Human Resource Management policies practised by South Central Railway.
2. to appraise the Human Resource Planning in South Central Railway.
3. to describe the recruitment pattern adopted in the programme of placement in South Central Railway.
4. to assess the Human Resource Development and training practices and programmes of South Central Railway.
5. to evaluate the pay and other allowances and other Reward Management Practices in South Central Railway.
6. to examine the Human Relations in South Central Railway and to review the functioning of trade unions and their contribution to sound industrial relations, and

7. to offer suggestions and conclusions for the reorganization and re-orientation of Human Resource Management in South Central Railway.

METHODOLOGY

The present study is based on both secondary data and primary information. The secondary data was collected from the records of the administrative offices of South Central Railway zone, its Divisional Offices, and its other related offices. The Annual administrative reports, the General Manager periodical performance reports, office files, circular and orders, relevant Acts, service regulations, delegation of powers, recruitment rules and various reports and publication of Indian Railways and South Central Railway as well as reports of various study teams and consulting agencies were also made use of. Further, various books and journals pertaining to the theory and practice of Human Resource Management, Transport Management, Indian Railways were also studied. Data was also collected from Railway Institutes, offices of trade unions and railway employees unions, University Libraries and institute of public enterprise. Finally, the national and regional news papers, brouchers, pamphlets and other published and unpublished literature on the subject were also studied.
The primary data was collected by means of on-the-spot studies, observations, and interviews. To make on-the-spot study of working of various wings of South Central Railway personal visits were made to Central Office, Divisional Offices and other related offices. A well structured questionnaire (Annexure) were also prepared and made available to various officers and employees of South Central Railway and necessary information was collected. Personal interviews were conducted and discussions were also held with officials recognized trade union leaders, and employees. Thus, both qualitative and quantitative approaches were adopted to collect and analyse the data.

SAMPLING

Indian Railways has a total number of 15,77,192 employees working all over India. These employees are grouped as Group A, B, C and D. The break up of employees is as given in Table 2.1.

<table>
<thead>
<tr>
<th>Group-wise break-up</th>
<th>As on 31.3.1999</th>
<th>As on 31.3.2000</th>
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<tbody>
<tr>
<td>Group A</td>
<td>7,815</td>
<td>7,722</td>
</tr>
<tr>
<td>Group B</td>
<td>6,740</td>
<td>6,863</td>
</tr>
<tr>
<td>Group C</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(i) Workshop &amp; Artisan</td>
<td>3,32,842</td>
<td>3,37,096</td>
</tr>
<tr>
<td>(ii) Running</td>
<td>87,885</td>
<td>87,572</td>
</tr>
<tr>
<td>(iii) Others</td>
<td>4,79,325</td>
<td>4,83,935</td>
</tr>
<tr>
<td>Group D</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(i) Workshop &amp; Artisan</td>
<td>1,69,740</td>
<td>1,73,433</td>
</tr>
<tr>
<td>(ii) Others</td>
<td>4,94,087</td>
<td>4,80,571</td>
</tr>
<tr>
<td>TOTAL</td>
<td>15,78,434</td>
<td>15,77,192</td>
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</tbody>
</table>

Source: Indian Railways Annual Report and Accounts 1999-00
There are as many as 1,25,706 employees working as on 31.3.2000 in South Central Railway. The details of the employees are shown in Table 2.2.

**TABLE 2.2**

GROUP-WISE BREAK-UP OF EMPLOYEES IN SOUTH CENTRAL RAILWAY

<table>
<thead>
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<tbody>
<tr>
<td>1. No. of staff as on 31\textsuperscript{st} March</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Group A</td>
<td>597</td>
<td>579</td>
<td>574</td>
<td>614</td>
<td>607</td>
</tr>
<tr>
<td>Group B</td>
<td>476</td>
<td>476</td>
<td>507</td>
<td>537</td>
<td>549</td>
</tr>
<tr>
<td>Group C</td>
<td>71454</td>
<td>72886</td>
<td>72112</td>
<td>73516</td>
<td>74290</td>
</tr>
<tr>
<td>Group D</td>
<td>53107</td>
<td>52963</td>
<td>52820</td>
<td>51676</td>
<td>50260</td>
</tr>
<tr>
<td>TOTAL</td>
<td>125634</td>
<td>126884</td>
<td>126013</td>
<td>126343</td>
<td>125706</td>
</tr>
</tbody>
</table>

*Source: South Central Railway Facts & Figures 1999-2000.*

A sample of 300 employees representing all A, B, C, D Groups were selected for the study. Each group of employees represents 75 employees.

**SCOPE OF THE STUDY**

The present study is focussed on South Central Railway in general and its Human Resource Management in particular which included the aspects like human resource policies and planning, recruitment and selection, human resource development like training practices, Reward Management with policies relating to pay scales and other allowances, employees welfare measures and Human Relations Management and so on.
PLAN OF THE STUDY

The present study is organized into eight chapters.

CHAPTER I: INTRODUCTION

It deals with the evolution of Indian Railways and the birth of South Central Railway, the importance of Human Resource Management in South Central Railway, need of the study, objectives of the study, the scope of the study and methodology adopted for the study.

CHAPTER II: THE STUDY

This chapter deals with the need for the study, review of literature, objectives of the study, methodology and sampling.

CHAPTER III: HUMAN RESOURCE PLANNING AND PLACEMENT IN SOUTH CENTRAL RAILWAY

It deals with human resource planning in Indian Railways and the process of direct recruitment of various categories of employees in South Central Railway. It also deals with human resource policies and their Appraisal.
CHAPTER IV : HUMAN RESOURCE DEVELOPMENT IN SOUTH CENTRAL RAILWAY

It deals with the training and development policies and practices in South Central Railway and evaluation of performance of training and development programmes.

CHAPTER V : PROMOTION –INDIRECT RECRUITMENT IN SOUTH CENTRAL RAILWAY

It deals with the promotional policies and criteria followed to recruit the employees – through indirect recruitment method in South Central Railway.

CHAPTER VI : REWARD MANAGEMENT IN SOUTH CENTRAL RAILWAY

It deals with salary administration, pay and allowances, anomalies and evaluation and appraisal of wage policies in South Central Railway.

CHAPTER VII : INDUSTRIAL RELATIONS IN SOUTH CENTRAL RAILWAY

It deals with organization of trade unions, their objectives, activities and the trade union policies of Railway Management and the position of relations between the administration and employees and employees’ welfare.
CHAPTER VIII: SUMMARY AND CONCLUSIONS

It deals with evaluation of the performance of Human Resource Management practices in South Central Railway and identification of problem areas and trouble-spots and offering of suitable suggestions for reorganization and re-orientation of Human Resource Management in South Central Railway so as to make it more efficient, effective, passenger-oriented and public-spirited.
REFERENCES:


3. Ibid., P.34.


6. Ibid.,


19. Ibid., PP.37-38.


38. Sushendra Paramanik – Brindavan University in 1975.

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