The sweeping economic changes taking place at the global level are demanding increased efficiency at the organizational levels, irrespective of the nature and ownership of organizations. Like all other state owned enterprises, Indian Railways too is under compulsion to increase the level of its efficiency. Management of its human resources is very important task in this direction. Accomplishment of such a task calls for a critical analysis of its policies concerning personnel management.

This empirical study is an attempt to make a critical assessment of the role played by the Personnel Department in the development and management of human resource in Indian Railways, and in accomplishing various personnel functions. Such a critical look into the functioning of the personnel department in a service sector like Indian Railways is desirable to know the extent to which the organization has been able to live up to the expectations of the customers, and to provide the requisite service within the constraints of the decision environment. The present study also attempts to make an appraisal of the role of the Personnel Department in maintaining harmonious relation with Trade Unions. Further, the study attempts to analyze various methods employed in the process of bargaining and in building trust and collaboration at various levels by the Personnel Department. The study, with the help of the above analysis, goes on to prescribe the measures and strategies to make the Department more vibrant, useful and effective.

1 James A.F. Stoner, Management, PHI (P) Ltd New Delhi, 1984 pp 87.
It is observed that with changes in organizational structures, management concepts have been undergoing changes to a considerable extent as desired by the changes with in and outside the organization. However, the inherent concern for efficiency and result-orientation has been consistently remained as the central objectives of all such changes. Because of this, concepts have been appearing in the new garb in a cyclical fashion with the changes in internal and external environment. The concept of Human Resource Development is not an exception to this general rule. This is not to state that Human Resource Development is just an old wine in a new bottle. Instead, to state clearly, it is emphasized here that there have been attempts to refine old concepts. In a similar vein we observe today that serious attempts are on to refine some of the traditional concepts of man-management in an enlightened fashion so as to render them suitable under changing conditions.

Although people have ever remained at the center of activities both with in and out side the organization, it is only now the concept of Human Resource Development has become the favored concept within the frontiers of management thinking. One can see that the Governments, known for bureaucratic approach, have been seriously thinking of restructuring the traditional organization based on the principles of Human Resource Development in order to bring a new lease of life to the dysfunctional and lethargic administrative machinery. No doubt, this is a welcome change, and it only

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signifies the currency, which the concept of Human Resource Management has gained in the recent past.

Concept of Human Resource Development

The history of the concept of Human Resource Development (HRD) can be traced to the Human Relations School, which originated with the famous Hawthorne experiments of Elton Mayo and his associates at the Western Electric Company. The focus of the Human Relations School is primarily on the individual human being and his behavior in an organizational Context, which is similar to that of HRD. The main point of departure is that the concept of HRD is of fairly recent origin, which gained currency during the early seventies. However, the present HRD scores over the old one in terms of its distinct focus on resource that has remained untapped so far. It is widely recognized that the merit of the concept as it has now evolved is the distinct focus it confers on the human resource employed to achieve the organizational objectives. It is stated that Lon Nadler, Edgar Schein and others popularized the concept of HRD in USA. In its earlier stages, the utility of the concept was narrowly confined to ‘training’.

During the seventies, and particularly in recent years, it

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evolved into encompassing a number of "disciplines and approaches all focussed on the central goal of developing human potential in every aspect of lifelong learning". 8

The concept of HRD has been gaining immense popularity in India too in recent years. Organizations both in the Private and Public Sector today have HRD departments supplementing, the Personnel department. HRD philosophy and culture as understood in Indian organizations is a process by which, the employees of an organization are helped in a continuous and planned way to:

1. Acquire or sharpen capabilities required to perform various functions associated with their present or expected future roles;

2. Develop their general capabilities as individuals and discover and exploit their own inner potentials for their own and/or organizational development purposes;

3. Develop an organization culture in which superior-subordinate relationships, teamwork and collaboration among sub Units are strong and contribute to the professional well being, motivation and pride of employees". 9

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The HRD concept therefore, is based on the recognition of human potential in every employee. Douglas McGregor\(^{10}\) stated in his Theory Y, where he argues that under the condition of modern industrial life, the intellectual potentialities of the average human being are only partially utilized. He believes that it is not the limits of human nature that stand in the way of Organization achieving their goals and purposes, but it is the failures of the management to create an appropriate climate and conditions in which the human beings could freely develop and apply their potentials. If this were taken care of factors responsible for sub-optimal performance of these institutions would be identified and eliminated. It may be argued that the concept of HRD, if perceived properly and institutionalized methodically, it would help in creating a climate characterized by the values of open-ness, pro-activity, trust, mutuality and collaboration.\(^{11}\)

**Indian Railways - Need for HRD:**

Indian Railways is a vast system employing over 1.6 million employees. The management of such a large number of employees is obviously quite a complicated task. The system has been working satisfactorily for the past 145 years and the 'Industrial-Relations' in the Indian Railways has been quite congenial. The organizational culture, however, has been rapidly changing to keep pace with the socioeconomic changes taking place in our country. Increasing employment by the

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Government, professionalisation of managers, increasing awareness of the workforce, persisting poverty and increasing unemployment, higher rate of growth in the service sector, swift changes in technology exerting constant pressures on skill changes and job flexibility, advent of microchip blurring the distinction between blue-collar and white-collar workers, the emerging middle class and the consumer Protection Act (COPRA), acceptance of unsympathetic market induced competitiveness, reduction in trade-barriers through globalization, liberalization and pressures for cost-advantage characterize the changes in our society. All these probably would lead us to a new kind of society during the coming decade\textsuperscript{12}. Consequent to this, the structure, content and priorities in the interacting relationships between the server and customers may undergo major changes and the organization has to rise up to these challenges.

However, experience has shown that improved equipment and technology or even new procedures and practices at work would not be of much use unless all the employees and workers are taken into confidence. Without properly tuning people and ensuring their wholehearted support nothing much could be done. Therefore important objectives like improved productivity, modernization and rationalization have seldom taken root. It appears to have been one of the important reasons why Indian Railways has failed to make major changes or achieve higher results in spite of many other advantages. Indian Railways has been experimenting with novel ideas but it has not succeeded in exploiting fruitfully its human resource, one of the most important resources. This is one of the reasons why Human Resource Development is

\textsuperscript{12} Elig Gnzeberg, \textit{Man and His Work} Ed. Dale S Beach Managing People at Work McMillan New
of significance for improving the position of railways in particular and Indian economy in general. Further, it also happens to be the need of the hour under the changing circumstances due to liberalization and structural adjustment. Proper exploitation of Human Resources in the organization may certainly provide sufficient economic strength to Indian Railways to perform in a level playing field. Human resource development is no longer a fashionable tool in the hands of progressive management. Today it may turn out to be a means of survival in a world of increased competition and recurring obsolescence. During the recent past we observe a paradigm shift resulting in human resource assuming a different dimension. Indian Railways has been continuously making attempts to build strong institutional structures to develop its human resource and to create proactive industrial relations. We also find a healthy change in the attitude of the employees and trade union representatives. The need of the hour is to build on this and to strive for better HRD and Industrial Relations practices.

Need for and Objectives of the Study:

Although many studies are conducted in terms of theoretical and empirical analysis of various dimensions of human resource management and development in relation to different kinds of organizations, no comprehensive study on this issue with reference to Indian Railways has been done so far. There are, of course, many in-house studies on different aspects of the working of Railways are done in a discrete

manner. In addition, there are many reports sponsored by the government are also available. However, there is no single study done so far concentrating on the working, problems, possibilities and challenges of personnel /HRD department. Therefore, this study becomes imperative. The study intends to make an analysis of human resource management practices in Indian Railways and attempts to suggest measures to strengthen HRD and Industrial Relations structures in Indian Railways. This is expected to make Indian Railways proactive, responsive, and customer-oriented and a significant contributor to development of the Indian economy. The following are, however, the specified objectives of the present study:

1. To highlight the current role and functions of the personnel department in Indian Railways and study the need for adequate planning of human resource in the wake of socioeconomic and technical changes taking place around the world.

2. To analyze the role effectiveness of Indian Railway Personnel Service (IRPS) in providing the requisite customer service in the area of personnel management of staff and relationship of its effectiveness vis-a-vis other interacting variables of performance.

3. To evaluate the role of personnel department vis-a-vis Trade Unions in railways in maintaining harmonious Industrial Relations and suggest changes, if required, in the existing instruments of interactions to make the negotiating/consultative structures more effective and useful.

Method of Study:

Certain policies, rules and regulations, which were designed to accomplish various personnel functions, have since become outdated. It is, therefore, important to
assess as to whether these instruments, which regulate the organizational behavior, are still relevant or have they become obsolete with the passage of time. If necessary, what kind of restructuring or reshaping is essential is to be looked into to gauge the extent to which HRD organization in Indian Railways has been able to cater to the needs of its employees.

The study is based on the data, both primary and secondary, collected through well-designed questionnaires and from published material. For the purpose of collecting primary data, the questionnaires were designed to gauge the perceptions of three segments of railway establishment viz. Management, Staff and Unions. These three segments, in fact, predominantly describe the interacting variables of HRD in Indian Railways. The I Part in the questionnaire relates exclusively "to the working of IRPS (direct recruits)" in Indian Railways. Indian Railway Personnel Service (IRPS) was constituted nearly 16 years back with the idea of injecting professionalism in the area of HRD. Through the responses from different segments it is intended to study how far the IRPS has lived up to the expectations. In case if it has fallen short of expectation, the reasons for the same are investigated. Thus it was attempted to elicit the perceptions, of the Staff, Unions, and Officers, about strength and weaknesses of the members of this service, and to enable us to appraise the degree of their effectiveness. Self-perception of the members of this service too has been obtained to attempt convergence of views on various issues amongst various interacting groups.
Questionnaire I, II and III were designed in order to collect extensive information relating to different aspects of the working of HRD, problems confronting HRD, their style of functioning and attitude of trade Union leaders in Railways and the like. 500 questionnaires (Questionnaires I, II, III), which could be commonly used by different segments, viz. Staff, Unions, members of (IRPS) were sent to Southern, South Central, Northern, Central and North Eastern Railway zones. This was done to have representation from all over the country. As the Railways is huge organization with over 1.5 million employees, stratified sampling in the form of identifying different zones as the sample units, and convenient sampling within each zone was adopted. Filled in questionnaires were collected and it was possible to have a fair representations from all the zones. Out of 500 questionnaires dispatched, we could get the views of 40 officers, 380 staff, 56 Union members, 60 staff working in personnel department, 26 members of IRPS (Direct Recruits). The number of questionnaires received from members of IRPS was slightly less as their total number on the Railways presently is not more than 150. Moreover, majority of them are still in I / II levels of postings with a total of 3 to 4 years of service (including training) only, and thus not in a position to comment specifically.

In addition to getting questionnaires filled, some interviews on vital issues were also conducted by the researcher with Union leaders and Officers who have been in the HRD field for the past few decades. Response to questionnaires from different segments on different aspects and interviews have helped in reinforcing/corroborating the general views of the researcher who too has been working in the HRD department.
of Indian Railways in various capacities for about three decades. This adds a critical view of the insider to the analysis of different issues. Thus the researcher has been able to diagnose the problems with justifiable reasons. Some of the issues concerning HRD, which the Indian Railways have been facing, could be remedied if suitable measures as suggested by the inner voices within the organization. The respondents were instructed not to reveal their identity if they so desire and not put their signature on the response sheets. This was only to make clear that it is the ideas that are needed not anything else. Thus attempts were made to extract quality information from the respondents. While attempting various Chapters of this thesis, the perceptions of various segments have been made use of to elucidate the particular characteristic/attribute, strengths or weakness in the working of the existing HRD System. The proposed study is expected reveal vital information on the contribution of trade unions in the development of people and the organization. Whether unions are really contributing in a big way for the growth of the organization or have misused their rights? These are some of the issues that need a re-look.

Chapter Scheme:

The Thesis is presented in seven Chapters. First Chapter provides the framework of the study spelling out the need for the study, objectives, methodology followed, and the limitations of the study.

Second Chapter attempts to explain how Indian Railways with a history of over 145 years has been in service of the nation. It has been trying hard to keep pace
with the changes taking place in the economy. The concept of service-sector has also been broadly explained in this chapter. Further, the chapter explains the organizational structure of the Indian Railways and the position of the Personnel Department in the structure. Indian Railways consists of 9 Zones and 6 Production Units. While the Zonal Railways are the operating-mainstays of the system, Production-Units are devoted to the task of manufacturing Diesel/electric locomotive, coaches, wheels and Axles etc. Railways being a multidiscipline organization, personnel department is one of the many departments exclusively devoted to the task of formulating personnel policies and its implementation.

In Third Chapter the role and functions of the personnel department in the Railways has been spelt out. The function of the personnel dept in general terms is to assist with procurement, development and retention of human resource necessary for the successful running of an enterprise. Its basic concern is recruiting best people with rich potentials. Having recruited right people it is essential to look after them by planning a suitable career path so that they would stay in the organization and give their best in return. "To obtain and retain employees" in nutshell is the main function and core concern of the personnel management. Human resource holds the key for organizational survival and growth more so under the new economic and competitive compulsions, which demands a series of imaginative, reformative and proactive strategies. Besides giving support in various personnel functions of the system and also giving advise in personnel matters, personnel department provides the interface
for conflict-resolution between management and Unions through continuous dialogue on various issues.

In addition to the above, based on the perception of people other than personnel, an appraisal of the working of the personnel department towards providing customer support in various functional areas and towards human resource development has been also attempted. A detailed analysis of the extent to which it has been able to come up to the expectations of other departments is being done. In the light of such analysis, the factors responsible for the results have been attempted.

Chapter four deals with dynamics of 'Industrial Relations' and its HRD mechanisms in Indian Railways. It attempts to explore the growth of Trade Unions in Indian Railways and the introduction of schemes like PNM/JCM to maintain harmonious industrial relations. In a large organization with a huge labor force like Indian Railways, it is difficult to visualize the growth of HRD system in the absence of trade unions. Industrial Relations in some foreign Railways are also looked into. The purpose of such an endeavor is to find out whether there is anything that we can draw from International practices. It was observed that during the course of implementation of the schemes like overtime, certain inadequacies have been witnessed and consequently an attempt has been made to diagnose these inadequacies. Such an observation succeeded in suggesting certain time-tested ways and means, which could be incorporated without major restructuring of the organization so as to render them more durable. The perceptions of the Management towards Unions and vice-versa too

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been dwelled upon to find a convergence in perceptions and remove distortions in the scheme, if any.

Chapter Five discusses the human resource planning to be practiced in Indian Railways consistent with the socio-technical changes taking place locally and globally. Personnel department has to enlarge its scope to make it a vibrant system and to positively affect the health of Indian Railways by addressing the vital areas of HRD viz. manpower planning, redundancies, multi skill, corporate strategies. Problem of casual laborers, who are quite significant in number in the Indian Railways, has also been dealt with so that some positive action could be suggested to ameliorate their lot.

Chapter Six deals with the evaluation of the Indian Railway Personnel Service (IRPS), a department that was constituted nearly 16 years ago to deal with personnel functions. This was considered to be an attempt to bring professionalism in the management personnel in railways. The perceptions of the customers including Unions towards the role effectiveness of IRPS members in toning up the personnel management/HRD functions of the staff have been studied. This is done in relation to the perceptions of the members of the service towards themselves or in the system in handling HRD matters. Divergence in perceptions have been narrowed down to diagnose the attributes/factors which could be conveniently used to enable the IRPS contribute more effectively and live up to the objectives responsible for its birth.
The last concluding chapter attempts, on the basis of the analyses of various issues in the preceding chapters, to present certain pragmatic initiatives on related issues to enable the personnel department of Indian Railways to integrate the functions of HRD in a successful and effective manner.

Limitations of the Study:

Human resource development in a service sector comprises of a range of functions. To encompass the whole of them is a stupendous task. The researcher in this thesis has, therefore, attempted to select the important facets/problems areas facing the HRD today in Railways. Although an attempt in this thesis is made to scan the ups and downs of the HRD System in Indian Railways over the years, it needs to be simultaneously recognized that management and HRD Styles to be more effective need to be rooted in indigenous cultural ethos. The study has certain limitations, which are presented below broadly in two categories, viz. a) Limitation based on the practical aspects and b) Limitations based on the principles.

Limitations based on practical aspects: Indian Railway comprises people from all over India who share different culture, speak different language, meaning to state that it is not a homogenous group. The volume of manpower employed is also very huge. Taking in to account the above, the study will generally have a limited reach and certain degree of approximation of results, both of which are a limitation of the study. However, in the absence of any studies on HRD in Railways, the limitations
could be overcome if further studies are conducted in the light of the results of the present study.

Limitations based on the principles: Most of the ideals, against which the findings and references made, are some of the best organizations employing HRD concepts in the world, like Japan and Germany. This is unavoidable taking in to considerations the recent developments in the field. Therefore, one has to be constantly conscious of the historical background in which such ideal conditions exists and operates. We observe that Germany and Japan as models in Industrial Relations but we can hardly transplant them in our system in toto. This is because their system is the outcome of a particular historical growth through which their economy has passed. The context and content of organizational factors shared by the historical experiences can hardly be copied by anyone anywhere. Doing so with out thought to the basic principles may result in a disastrous consequence. This calls for developing a HRD System of our own, suited to our culture and ethos. In a country like India, human resource holds the key for organizational survival and growth if strategically positioned.