

CHAPTER - II

ORGANIZATION STRUCTURE OF INDIAN RAILWAYS AND POSITION OF PERSONNEL DEPARTMENT

Indian Railways for long has remained a symbol of modernization process taking place in the country. It has been instrumental in creating time and place utility for goods and people. Indian Railways is one of the principal modes of transport in the Country. In 1995-96, Indian Railways carried over eleven million passengers per day and lifted more than a million ton of freight traffic daily. Indian Railways has a large network spread over 62,915 kms., which covers 7,068 stations. This network consists of Broad, Metro and Narrow gauges totaling 1,08,336 track kms. The Indian Railways with more than one and a half million work force including half a million workshop / industrial workers, is one of the largest employer in the country. The nationwide network of Railways is also the world's largest railway system under a single management. It is not only a Government department, but also a semi-commercial public utility with an independent budget and considerable autonomy.

The Railway network is organized in nine zonal Railways, which are further, divided into fifty-nine administrative divisions. In addition, there are workshops, sheds and depots for repair and maintenance of rolling stock under zonal railway administration. Each Zonal Railway has a separate construction wing for creation of plan assets. Besides Zonal Railways, there are six manufacturing units in the Railways viz. Chiittaranjan Locomotive Works in West Bengal, Diesel Locomotive Works in Uttar Pradesh, Integral Coach Factory in Tamil Nadu, Rail Coach Factory in Punjab, Wheel & Axle Plant in Karnataka, and Diesel Component Works in Punjab. There is a Research, Design and Standards Organization (RDSO) in Lucknow. RDSO is an attached office of Railway Board and functions as a

technical adviser and consultant to Railway Board in the choice and evaluation of technology. It also provides R&D support to Zonal Railways and Production Units. The Railway Board, which is both the apex executive as well as the Ministry of the Government, is responsible for administration and supervision of Railways and formulation of policies and planning for development of the system. The Government has recently decided to regroup the existing nine zones and create the following six additional zones:

1. North Central Railway, Allahabad
2. South Western Railway, Bangalore
3. East Central Railway, Hajipur
4. East Coast Railway, Bhubaneswar
5. West Central Railway, Jabalpur
6. North Western Railway, Jaipur

Railway Board at present consists of seven members including the Chairman, who is an ex-officio Principal Secretary to Government of India. The other members are, Member Engineering, Member Mechanical, Member Electrical, Member Staff, Member Traffic and The Financial Commissioner. Additional members assist the Board members in different functional disciplines. These functions are organized in different directorates, which are headed by Executive Directors in Senior Administrative grade. The Executive Directors are in turn assisted by Directors, Joint Directors, and Deputy Directors. Organized Group "K" Railway Service Officers man the posts in different Directorates of Board.

Each Zonal Railway has generally 5 to 8 Divisions under its control. Each Division has a workforce generally ranging from 20,000 to 30,000 employees. It is the important center of activity of Railways. A General Manager (GM) assisted by Additional General Managers heads all the Zones in Railways. There are 10 departments in a Zone, under General Manager. They are: Civil Engineering (generally called "Engineering" in Indian Railways) and Mechanical Engineering Department, Electrical Engineering Department, Signal Department, Telecommunication Department, Stores Department, Traffic Department including Operating Department and Commercial Department, Accounts Department, Medical Department, Security Department and Personnel Department.

The Personnel Department is endowed with all HRD functions in the Zonal Railways. Normally each department has a Principal Head, in the scale Rs.22400-24500/Rs.18400-22400. Principal Heads of departments are assisted by Heads of departments in the grade Rs.18400-22400, deputy Heads of departments in the grade Rs.14300-18300/Rs.12000-16500, Senior Scale and Junior Scale Officer in the scale Rs.10000-15200 and Rs.8000-13500/6500-10500 respectively. Divisions in Zonal Railways are headed by Divisional Railway Manager (DRM) in the scale Rs.18400-22400. All departments mentioned in the Headquarters are working in the Divisions also under Divisional Railway Manager. These departments are headed by Branch Officers in the scale Rs.14300-18300/Rs.12000-16500 and designated as Senior Divisional Mechanical Engineer, Senior Divisional Electrical Engineer, Senior Divisional Personnel Officer and the like. These divisions have a sub-divisional

offices located at different important stations in Divisions. These subdivisions are usually headed by officers in the Grade Rs.8000-13500/Rs.6500-10500 and sometimes by officers in the grade Rs.10000-15200. Under these subdivisions or directly under these subdivisions or directly under the branch officer in the divisions there are a number of inspectors usually called Senior Subordinates. These positions are the basic field units responsible for managing the running of the Indian Railways.

Production units and Workshops are spread over the length and breadth of the Indian Railways, so as to ensure proper services. In each workshop staff strength generally varies from 5000 to 10,000 employees. Production Units are headed by General Managers, who are supported by other heads of departments in various functional areas like Mechanical, Electrical, Finance, Personnel and the like. Workshops are headed by Heads of Departments / Deputy heads of Departments depending upon the size of the unit. Indian Railways is thus a large organization that has generated 1.6 million permanent employments in 700 categories and casual employment for about 57,000 persons. This is significant for a country like India, which is endowed with a huge population spread over a wide geographical area. The strength of Railway employees under various groups, together with total expenditure on them, for selected years is as under:

TABLE 2.1**Number of staff (in '000) as on 31st March and Expenditure (Rs. Crs.) on staff**

Year	Grp. A & B	Grp. C	Grp. D	Total Staff	Expenditure
1950-51	2.3	223.5	687.8	913.6	113.8
1960-61	4.4	463.1	689.5	1,157.0	205.2
1970-71	8.1	583.2	782.9	1,374.2	459.9
1980-91	11.2	721.1	839.9	1,572.2	1,316.7
1990-91	14.3	891.4	746.1	1,651.8	5,166.3
1991-92	14.3	887.2	752.6	1,654.1	5,760.6
1992-93	13.6	891.5	740.2	1,645.5	6,562.4
1993-94	13.8	894.5	717.2	1,625.5	7,286.5
1994-95	13.5	895.5	693.0	1,602.0	8,076.9
1995-96	13.7	891.7	681.0	1,566.4	9,378.3

Source: Indian Railways Year Book 1995-96. Since the survey was over by 1997, data pertaining to the subsequent years was not presented.

It is apparent that group "D" Staff, skilled and unskilled staff, form almost 50% of the total staff strength of Indian Railways. In non-gazetted cadres, the ratio of group "C" to group "D" changed from 2:5 in 1950-51 to 56:44 in 1995-96, indicating a shift towards employment of people with better skills. The total amount of cost (excluding payment towards pension and gratuity) constituted almost 51% of the total working expenses and annual average cost per employee has been steadily

increasing. That makes the human resource a very important resource for the system and it will continue to do so in the years to come. In the corporate plan drawn up by Indian Railways for 15 years period 1985-2000, which provides a basic framework for planning, has the objectives as follows:

I. Build up capacity of Railway System to carry by 2000 A.D.

- a) 370-400 billion NTKH of freight traffic
- b) 310-330 billion PKM of Non suburban passenger traffic and
- c) 105-110 billion PKM of suburban passenger traffic.

II. Achieve 15% reduction in cost of Transport in real terms.

To achieve these objectives, Indian Railways plans to adopt the following strategies:

- a) Optimize Investment and improve productivity of assets.
- b) Upgrade technology.
- c) Bringing down cost by
 - i) Optimization of fuel consumption
 - ii) Careful and effective consumption of material
 - iii) Proper maintenance and the like.
- d) Adopt cost based tariff policy.
- e) Rehabilitate and maintain assets particularly track and rolling stock.
- f) Development of Human Resources.
- g) Divest auxiliary activities.

It is apparent from the above plan that Human Resources Development has been identified as one of the key areas based on which it is intended to achieve the objectives stated in the Corporate Plan of Indian Railways.

Indian Railways is an important department of the Central Government as mentioned already. There are four important groups of employees in the Indian Railway Service. These are Group A, Group B, Group C, and Group D. Of these, Group A and Group B of Railway Servants represent Officers on the Indian Railways. In the organizational hierarchy Group C comprises subordinate staff (including skilled staff), which occupies supervisory and non-supervisory positions. The last category in the ladder is Group "D", which includes generally unskilled staff who uses their muscles more than the mind.

Direct recruitment to the lowest level (Junior Scale) posts of Group A in the Indian Railways is predominantly done through Union Public Service Commission. A small percentage of posts at direct recruitment level (in Junior Scale) are also filled through promotion. This is mainly to recognize the meritorious services of the employees in the organization. Staff that is selected on the basis of promotion generally mans group "B" posts. Recruitment to various entry levels in Group C posts is being done through Railway Recruitment Boards in the country. The idea behind such a policy is to recruit the best talents in the country so as to build the organization. However, as already stated, Group "D" posts are of unskilled nature they are generally filled by calling persons from local employment exchanges.

Personnel Department and Human Resource Development:

Chief Personnel Officer is the head of the Human Resource Department (presently known as "Personnel-department") in Zonal Railways and is assisted by officers like Deputy Chief Personnel Offices, Senior Personnel Offices, Asst. Personnel Officers etc. These posts presently are mostly manned by Officers from Indian Railway Personnel Service which is one of the many organized Group 'A' Services on the Indian Railways. Chief Personnel Officers report to GM for various HRD functions in the Railways. Similar hierarchical structure exists in the production Units. In Divisions, Senior Divisional Personnel Officer is the head of the personnel functions in a division and he has to shoulder dual responsibility of Divisional Railway Manager (DRM) and Chief Personnel Officer.

At the top of hierarchy in the Railway Board, Member-Staff is the highest post, which is responsible for formulation and implementation of HRD policies in the railways. Member-staff is assisted by Additional Member (staff) in the Railway Board and Executive Director heads various functional directorates in the area of HRD.

Personnel department, that carries out various personnel functions, formulation of personnel policies etc., also carries out a continuous dialogue with the Trade Unions representatives of the railways to maintain harmonious industrial relations. This department deals with one of the important inputs i.e. people, crucial in the deliverance of service. Trade Unions are consulted in order to understand the

aspirations and ambitions of its members for ultimately it is the mindset of the people that will have a telling effect in the deliverance of services. It also becomes necessary to balance between legitimate claims and scarce resource of the general public obtained through budgetary allocations. This point is being hotly debated at present in the wake of large scale restructuring of the economies that is affecting the developing countries. It is generally argued that public corporations and Government departments have allegedly eaten up huge resources and have not been successful either in rendering quality services or in increasing the profitability. The economic environment is undergoing a sweeping change and Indian Railways too, unlike past years, can hardly think of depending on public money through budgetary allocations. Therefore there is an urgent need to rise up to these changes taking place elsewhere or everywhere in the world. In this respect, there is an urgent need to motivate people within the organization to make good use of the Human Resources, to raise the productivity both at the individual and the organizational levels. A pragmatic approach with appropriate technology needs to be incorporated in to the organization.

An important area, which complicates the basic HRD model, is concerned with the introduction and application of technology into employment in organizations and the changing environment in which the system has to operate and find equilibrium. Services of employees are used in combination with capital resources, such as land, buildings and machines. Services rendered could be adjusted in response to the market pressure and productivity initiatives. There is heavy pressure to bring down the cost and management is inevitably required to produce output at the least possible cost. It

is observed that in the case of new technology, the cost (both in absolute and relative terms) tends to fall over a period of time, whereas in case of the human resource it tends to rise. Trade unions have been consistently arguing for an increase in wages to ensure decent living standard for its members, and better terms and conditions and opportunities of employment so that labor productivity will go up. However employees in the Indian Railways have not been able to understand the ground realities of the changing economic scenario world over and the need to build up competitiveness for survival. Any organization in the world is not able to function in a protected atmosphere. Opening up of the market has made it not only essential but also inevitable to develop efficiency. Therefore, organizations have to concentrate on cutting the cost, optimum utilization of resources, and reorganization of the structures. It is very much essential to communicate this message and convince people within the organization to put a combined defense in the changed economic situation.

Consequent to the changes as explained earlier, Human Resource Development emerges as a device to maximize the contribution of human resources towards building organizational efficiency and competitive strength. Therefore, efforts should be on to increase the human contribution and combine the same with doses of new technology to increase the total output. It is generally feared that in the long-run Human Resource Planning has a tendency to replace labor for capital in the form of mechanization and new technology. Indeed the fear of a machine-dominated society has been threatening humanity for a long time now. Today we are confronted with a situation, which offers no short-term solutions to building long term capabilities. Employees and public are to be educated of this development. It is not for growth that we have to accept this

reality but because our very survival depends on our response to this change at the earliest. Rationalization and high cost technology is no more a luxury but a necessity for retaining the employment opportunities with in an organization.

Management must, therefore, explore the possibilities of combining technology with human resources and other inputs to develop a competitive edge. In accordance with this, changes will have to be made in the other functional areas like production, marketing, finance, etc. The workforce would be closely linked with this decision of using technology in terms of new technological interface, training, and diffusion of technology at various places etc. This results in conspicuous socio-technical changes in the working environment, and gradual changes in the living style and behavior of the employees at home and the workplace. Therefore, Human Resource Department has to anticipate the direction and intensity of these changes and provide positive assimilation. With the passage of time, it will therefore become important to integrate the work culture with new technological requirements.

As rapid technological changes are already taking place in various levels of Indian Railways, HRD department is required to play a comprehensive and significant role towards arranging new skill mix of persons, an overhaul of the existing HRD policies and deal with the problems of redeployment/readjustments of surplus staff in a big way. It is with this background of the structure of Indian Railways, and the position of Personnel Department, the next chapter attempts to analyze the role and functions of Personnel Department in Indian Railways.