CHAPTER – IV

INDUSTRIAL RELATIONS DYNAMICS IN
INDIAN RAILWAYS
In the earlier chapters, it was attempted to explain the circumstances that necessitated the rationalisation of man management policies within the organisation. Changes in the external economies have paved way for large-scale changes at the organisational level in Indian Railways. Indian Railways, which has been operating in a controlled atmosphere, is slowly experiencing the pressures of liberalisation taking place at the macro level. Therefore, it is inevitable for Indian Railways to stand on its own strength without much support from the state. This being the case personnel policies and attitude towards the employees need to be changed. During this transition period HRD is gaining prominence. The HRD is a dynamic concept with a tremendous potential to bring about a qualitative change in organizations. But the danger lies in isolating the HRD innovation from the realities of industrial relations. The qualitative change that HRD is capable of bringing about in an organization cannot be achieved if the strategy is one of the employers trying to reach out directly to individual or group of employees without taking into account the complexities and contradictions of industrial relations. Related with workers affairs is thus the issue of involvement with Trade Union Leaders in the area of HRD. American writings on HRD do mention the need of involving Unions in HRD planning, despite the fact that only a small part of workforce is Unionized in America. In an organized sector like Railways, which is a labor-intensive industry and has intense Unionization of workers, the neglect of workers and non-involvement of Unions in such a task cannot be imagined. For a huge system like Indian Railways to work round the clock, the employee – employer relationship should be cordial and smooth, which in turn necessitates a strong and healthy trade Union movement in Indian Railway. Before we embark on the real dynamics of
Unions in Railways, it will be desirable to trace, briefly, the history of labor movement in Indian Railways from its beginning to present day.

**Railway Labor Movement in Pre-Independence Era:**

The birth of the railways itself led to the genesis of a new class of modern proletariat in the country – railway workers. Construction and maintenance of railways provided employment to skilled and unskilled workers and afforded an excellent alternative employment to rural agriculturists in times of bad harvests. During the period from 1913-14, the employment of labor force in Railways was 6,33,305, which rose to 9,03,892 in year 1945. Though during 1919, there was an evidence of labor unrest, it cannot be said that labor movement had emerged. Whatever Unions existed at that time, they were merely friendly societies. The most famous labor organization in the Railway, the ‘Amalgamated Society of Railway Servants in India and Burma’, founded in 1897, as a sequel to the G.I.P. Railway Guard strike was merely a friendly society rather than a Union. Moreover, it was a Sectarian type, the membership open only to Anglo-Indian and European employees. There are, however, a few writers who brand this society as the first labor Union in India. Up to year 1919, whatever form of Unions existed were weak in membership and lacked proper and clear Trade Union consciousness. Royal Commission on Labor reported that many trade Unions came into existence during 1919-21 era. In 1919, M. & S. M. Railway Employee’s Union, the oldest Union in Indian Railways, was founded at Perambur workshops in Madras. In 1920, two Unions were established, one at Ahmedabad and another at Parel in B.B.C.I. Railway.
Railway Union also came into being in the same year. In 1921, three Unions came 
up in the Railways viz. E. B. Railway Indian Employees Associations, Kanchrapara 
Workers' Union, and G.I.P. Railway Staff Union. The railway trade unionism was 
the strongest in the country during the period 1919-21, when the organized bodies of 
the labor hardly existed elsewhere in other sectors of the industry. The Indian Labor 
movement received great impetus from the social, political and economic conditions 
following World War I, and the forces that shaped the general labor movement in the 
country influenced the railway labor also. It is apparent that the liberal attitude of 
Government during the post war period has been instrumental to the growth of the 
movement. This is borne out by the fact that recovery of the trade-union 
subscription through pay-sheets was accepted both in North Western and South India 
Railways. Railway premises were also placed at the disposal of Trade Unions.

In 1925 after several attempts by various unions, the All India Railwaymen's 
Federation was formed to coordinate the activities of the Railway Trade Unions in 
India and Burma. Practically all railway unions in India were for a time affiliated to 
it during this period. With the exception of the year 1929, in which no major strike 
was reported, the 'twenties' witnessed widespread and protracted strikes in 
Railways.

During the period 1921-28, Railway employees went on strike 48 times, as 
reported in Railways by Railway Boards' Memorandum submitted to Royal 
Commission on labor in India. Thus the period 1919-29 can be described as period 
of strikes and workers' Consolidation. This period witnessed the emergence of a
class-conscious railway proletariat and the movement attained a footing. The period from 1929-24 witnessed an era of great depression throughout the world. Its impact too was felt in Indian Railways. Accordingly, Railway Board made a reduction of 7% in employment and an emergency cut in pay of Railway employees were subjected in December 1931.

The All India Railwaymen’s Federation (AIRF) had to threaten a strike in year 1931. At the instance of the Federation, the Government appointed a court of inquiry presided over by Justice Murphy of Bombay High Court to inquire into the policy of retrenchment carried on practically by all the Railways. The court in its report (1932) vindicated the railway administrations and the methods adopted in carrying out retrenchment, and this again led to the resumption of discharge of surplus staff. From 1935 a period of recovery started in the Railway labor movement due to revival of trade and business. The period from 1939 to 1945 was an era of boom and with the breaking out of hostilities in Europe in 1939, a sudden rise in the price level gave a fresh impetus to the growth of Unionism in Railways. The All India Railwaymen’s Federation again came into prominence and demanded increased wages for Railway workers. During the war year the Government was so keen in avoiding discontentment and dislocation on the Railways that it made a regular practice to consult the All India Railway-men Federation regarding Railwaymen’s terms and conditions of service. During the period 1939-45, the trade union membership on Railway was the largest next to Textile Industry in the country.

1 I. A. Natesan – “State Management and Control of Railways in India”.

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It is also interesting to note that the practice of collection of subscriptions from the wages of the workers was in vogue till 1936 when it was made illegal under the 'Payment of Wages Act'. It is equally gratifying to note that Unions in Railways in the early period had generally been comprised of all categories of railway employees. This is evident from the Memorandum of the Railway Board to the Royal Commission on Labor. In the year 1929-30, two meetings were held with the AIRF on ad hoc basis by the then Railway Member of Govt. of India. At the second of these meetings at which the resolution of the strike on the G.I.P. Railway was the main subject of discussions, it was decided by Railway Member in February, 1930 that the Railway Board would meet a deputation of AIRF regularly twice a year. At these meetings important general questions raised by the Federation would be discussed. Thus without according a formal recognition to the AIRF, regular meetings were held since 1930 and there was regular correspondence also with the Federation. Though there was no de jure recognition, there was de facto recognition of Federation as the Central Organization of railway labor. This arrangement practically continued till 1948-49.

The year 1947 is important in the history of Indian Trade Union movement. The All India Trade Union Congress had a split and on May 3, 1947, important leaders of Indian National Congress formed the Indian National Trade Union Congress (INTUC). INTUC formed national federations of workers in several industries. All the Unions affiliated to the INTUC and belonging to the same industry were required to join the corresponding industrial federation. Out of the
twelve important federations thus formed, the Indian National Railway Worker’s Federation (INRWF) is one.

In 1948, INTUC informed the Railway Board of the formation of INRWF and claimed for recognition of the same. This was not agreed to initially. As a result of the persistent requests and persuasions of the leaders of INRWF, Railway Board ultimately agreed to officially acknowledge INRWF in December, 1949 and also decided to hold meetings and correspondence with the new federation and to extend ‘pass’ facilities on the same manner as to AIRF. The General Secretary of INTUC during the Fifth Annual Session at Modi Nagar (1952) declared that a close consultative relationship was possible to be established between INTUC and HMS, which is an organ of the Socialist Party. This unity attempt at National level had its echo on the Railways. Consequently, with successful parleys held between Shri. Khandubhai Desai and Shri Hariharnath Shastri on one side, and Shri Jayaprakash Narayan on the other, an instrument of amalgamation was drawn up on 19th April 1953. The working committees of both the Federations ratified it, and thus a new federation called National Federation of Indian Railwaymen (NFIR) came into being. Government also followed suit by recognizing this as the sole labor organization for which Shri.Hariharnath Sastri (of INRWF) was President and Shri..S. Guruswami (of the AIRF) was the General Secretary. In 1954, Shri. Sastri died and Shri. S.R. Vasavada became President of the NFIR. The progress of merger of Unions in Zonal Railways was stalled and a split occurred when Shri Guruswamy called a convention of the former AIRF group at Madras in May 1955.
In November 1955, the convention of the NFIR was held in Vijayawada presided over by Shri. Vasavada. The two wings of the NFIR again entered into an agreement in March 1956 to achieve complete Unity. There was, however, no progress in the implementation of this agreement and in August 1957, the late Shri Guruswamy's group in a meeting at Poona decided to revive AIRF. The then Minister for railways, Shri. Jagjivan Ram had made several attempts to bring about unity till 1959 but being of no avail, the AIRF and its affiliates were once again fully recognized in 1959. The NFIR retained the name taken after the merger and did not go back to its former name of INRWF.

Another attempt for unity of two federations was made in year 1974 when Shri. L.N. Misra was Minister for Railways, but till date they continue to be two federations. With the regrouping of Indian Railways, zonal jurisdictions followed in the wake of federal integration of railway systems. The trade Unions had to realign themselves to have jurisdiction co-terminus with the new zonal administration Railway Units. The early 1950s thus streamlined the trade union setup. Each of the zonal railways has two large composite Unions recognized by respective railway administration. One of the Unions on each railway is affiliated to AIRF and the other to NFIR. Similar is the pattern on the production units but with a difference that the unions functioning on the production units are not recognized and there is a concept of 'Staff-Councils' there which are considered to be advisory bodies but operate more or less on lines parallel to recognized unions.
Recognition of Unions:

The Railway Board’s attitude in the formative years was that unions conducted on sound trade union principles ought to be encouraged and that the registration of a union under the Indian Trade Union Act 1926, should predispose Railway Administration concerned to recognise a union. Such recognition must necessarily depend upon the extent to which such union is really representative of class or classes of staff, which it is supposed to represent.

The General managers of the zonal Railways have *de jure* powers of recognition of trade unions. At present the system of recognition of unions subject to their fulfilling certain conditions is fairly well established. The Railway Unions are accorded recognition on satisfying the conditions elaborated in part ‘C’ of Chapter XXXVI of the Indian Railway Establishment Manual. Some of the more important conditions are as follows:

i) The Union must consist of a distinct class of Railway employees and must not be formed on the basis of any caste, tribe or religious denomination.

ii) All railway employees of the same class must be eligible for membership.

iii) It must be registered under the Indian Trade Unions Act, 1926.

iv) Its membership should not be less than 15% of the total number of non-gazetted staff employed on the Railway concerned.
v) It should not be sectional i.e., Unions composed either of one category or a limited category of workers should not be recognized, and

vi) It should not, in the opinion of Railway administration, likely to engage itself in supervisory activities.

The recognition, apart from entitling the concerned trade union to discuss with the Railway administration matters in respect of staff, enables it to have certain facilities from the Railway administration in the conduct of its business.

As already discussed, on each Zonal Railway there are two Unions each affiliated to one of the Central Federations, viz., AIRF and NFIR, duly recognised by the railways. On the Railways, there are, as far as information could be gathered, about 80 Unions/Associations (See Annexure - IV) other than the ones that have been recognized by the Railway Administration. Majority of them is Section Unions/Associations in the sense that they cater to one or limited categories of Railway employees. There are about 700 categories of employees on the railways and each category – wise union puts forth its demands with respect to their pay-scales, job-analysis, avenues of promotion etc. and adopt agitation approach giving rise to labor unrest. There is also conflict between the demands of a particular category vis-à-vis those of other categories of staff. Categorical Associations/Unions are not recognized by the Administration. This does not deny the existence of such unions. The National Commission on Labor (NCL) have reported that in 1964-65, there were as many as 89 Unions on Railways registered under Trade Unions Act
and had submitted returns, whereas only 18 Unions on the entire Indian Railways have been accorded recognition by the Railway Administration.

According to K.N. Subramanian, the Unionization ratio was as low as 19.5 per cent in 1954-55 and 13.3 per cent in 1955-56 and yet it is on the Railways that powerful federations have existed for a long time. On the other hand, the National Commission on Labor has estimated that the rate of Unionization on the Railways was 33 per cent presumably for the year 1962-63. The National Commission on Labor has also remarked that in 1964-65, 89 unions in railways, which submitted returns, had a membership of 5,34,000 or 40 per cent of all railway employees. Industries with high rate of Unionization are Coal (61%), Tobacco manufacture (75%), Cotton textiles (56%), Banks (51%), Insurance (33%), and Plantations (28%). Trade Union membership as proportion of the total labor force in some industrially advanced countries is USA – 22%, U.K. – 40%, West Germany – 26%, Japan 20%, Italy – 35% and Sweden – 54%. From the comparative position presented above, it may be said that the rate of Unionization on the railways has improved a lot over the time and cannot be said to be inadequate. Too many unions have been formed which are small, ineffective and representing one or limited categories of employees. It is this diffusion of strength that is responsible for the weakness of the trade Union movement and not the basic inadequacy of members, which phenomena is equally applicable to the trade Union movement in the country.

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2 K.N. Subramanian – Labour management Relations in India (P.166).
3 National Commission Labour Report – (Para 20.9)
4 National Commission Labour Report – (Para 26.5)
5 National Commission Labour Report – (Para 20.9)
6 'Economist' 9-10-1968.
in general. The study group on Rail Transport, Contributed by National Commission on Labor, in 1967, have opined that outsiders in the Trade Union movement have played a notable part in building up Trade Union movement on the railways. The study group have added that the rank and file trade union leadership on Railways is by and large more prominent than in any other industry, mainly because of the prevalence of a high standard of education amongst the railway employees generally. The labor representatives in the study group considered that the fact that their association with the railway trade unions for generation resulted in creating for the continuance of outsiders. The government representatives on the other hand felt that the development of rank and file leadership should be encouraged so that the affairs of the union are entirely managed by the railway employees themselves.

From the early 1920s, there was only one central federation of labor in Railways viz., AIRF. Immediately after the independence, another Central Federation of labor was formed in the Railways viz. NFIR. Naturally when there are two central organizations of labor in the Railways, one is tempted to ask whether there was any justification for indulging in such action as it has the effect of sowing the seeds of disunity amongst employees. An analysis of constitution of both the federations reveals that their aims and objects are not too dissimilar to warrant the existence of two different organizations and it has only sowed the seeds of disunity among railway workers. It is true that the formation of the second labor federation in the Railways rendered the trade Union movement weak. The action on the part of the Railway Administration in according recognition to two unions on each Zonal Railway and to both the Federations at the center also believed to have weakened the
movement further. Option was open to the administration to accord recognition to either of the Federations and their affiliated unions. However, it is indeed gratifying to note that the Administration has made up its mind not to accord recognition to more unions, especially to the category-wise Unions, as it enables the management to identify the interest groups within the organization.

One Union in one Industry:

Since there is not much of ideological difference between the two federations, constant efforts should be made to bring about unity in organized labor by developing mutual relationship and common objectives, methods and procedures, with a view to have finally only one recognized representative body of railway men. The Railway administration should take some concrete steps to encourage consolidation of trade Union movement, though no doubt they had in the past taken some initiative in this regard.

It is widely accepted that one single composite Union would considerably help working of the Railways. Both the Railway Accidents Enquiry Committee 1962 (Kunzru Committee) and the Railway Accident Enquiry Committee, 1968 (Wanchoo Committee) have stressed that there should be only one recognized employee's Union in each Railway with a recognized Federation at the apex. The problems faced in the field of industrial relations in the whole country can no doubt be solved by the statutory recognition of representative Unions as advocated by National Commission on Labor. Till such time, such a piece of legislation is enacted,
it is suggested that the Railway Administration may follow the procedure outlined below for purpose of recognition.

The conditions for recognition of Unions stipulate that the Unions membership should not be less than 15% of the total number of non-gazetted staff employed on the Railway concerned. We suggest that in order to be recognized the Union concerned should have as members at least 15% of the non-gazetted staff of each of the major departments, if not all the departments. When the above suggestion is implemented and continued for a couple of years, the recognized Union shall have on its roll representatives of almost all categories of employees and the need for formation of category-wise Unions can thus be obviated.

Furthermore, the recognized Union should be asked to submit the list of membership to the administration who should verify that it has at least membership of 15% employees of each department. In case the membership falls short, the administration should immediately de-recognize that Union till its numerical strength comes up to the specified minimum level. This will enable the Unions to enroll as members all categories of employees.

Almost for the last three decades, the minimum membership required for recognition of Union has been kept at 15%. With the increase of more than 5 lakhs of staff during this period, this minimum membership should be raised to at least 25% of total non-gazetted staff, though the minimum membership of each department can be kept for the present at 15% level.
Further, the minimum membership fee of a Union should be at least, one rupee per month, even though statutorily it is only 25 paise per month. This will bring a lot of improvement in the finances of the trade Unions. With the improvement in finances, the Unions should commence the Social Securities and Social Assistance measures to its members. This will bind the workers with the labor organization. In addition, Unions should make a rule and more so, follow it strictly, that an employee should not be allowed to have dual membership.

Railway man as an industrial “workman”:

After having established the need for maintaining industrial harmony in railways, it is considered expedient to examine the position of the railway employee as an industrial worker. In matters like working conditions, payment of wages, industrial relations and social security, the enactment applicable to industrial labor in general also apply to industrial employees of the Government. For instance, Payment of wages Act, 1936, Factories Act, 1948, Trade Unions Act, 1926, and the Industrial Dispute Act, 1947, apply to all industrial workers including government industrial workers. However, all labor enactments do not apply to government industrial employees. For instance, the Industrial Employment (Standing Orders) Act, 1946 does not apply to workers to whom, *inter alia*, Indian Railway Establishment Code applies.7

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7 It should be noted that Sec. 13 B. of this Act makes this departure.
Similarly, Railways have been categorized as a ‘Public Utility Service’ in terms of Sec. 2 (n) of the Industrial Disputes Act, 1947, in that the rights of the workers in such “public utility services” are subject to severe constraints unlike other industrial workers in ‘non-public utility service’.

While discussing the rights of the industrial and non-industrial employees of the Central Government, the Third Central Pay Commission, 1973\(^8\), have reported that industrial employees are governed both by the statutory rules and orders framed under Article 309 of the Constitution and provisions of various labor laws. According to the Commission, these two sets of provisions lead to conflicts and anomalies particularly in matters such as the right to strike, maintenance of political funds by Unions etc.

The National Commission on Labor reported\(^9\) in regard to Government Industrial Employees “Industrial employees are governed by the various labor enactments applicable to other similar employees, the same disciplinary rules and regulations as applicable to other government employees are also applicable to them. This has often led to controversies particularly in respect of conflict between the rights available to the employees under labor-legislation and restraints imposed on the exercise of these rights by the rules made for departmental employees”.

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\(^{8}\) Central Pay Commission Report. Vol. IV – Pages 86-88 under the Caption “Industrial & Non-industrial Employees”.

\(^{9}\)
Strikes in Railways:

Since independence, there have been three major strikes in the Railways, once in July 1960, second in September 1968 & third in May 1974. Sporadic strikes or work stoppages, however, do take place here and there. During 1973/74 some of sporadic strikes were promoted by separatist craft Unions which were not recognized. The three strikes are major because they were sponsored by one of the All India Central Federations of Labor that enjoys recognition from the administration. These strikes had participation from all the categories of employees and were not limited geographically to some areas. It is apt to mention that while AIRF and its affiliates participated in the strike, the other federation viz. NFIR, and its affiliates opposed and did not participate in that strike. Most of the times strike fail because they are inspired by emotions of Trade Union leaders than a general cause affecting the interest of the majority of the employees. In fact, this tendency has been responsible for weakening of the trade union movement in the Railways.

According to Indian Railway Year Book 1974-75, during the latter part of 1973 and first half of 1974, there was a succession of strikes and disputes, largely promoted by separatist craft unions that are not recognized and these culminated into an all India strike in May 1974. Proper appreciation of the impact of these strikes, agitation etc. can be had from the number of man-days lost in the railways during the period from 1965-66 to 1974-75. Barring the year 1969-70, the loss of Man-days has been steadily increasing. However, the gravity or otherwise of the problem can

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better be obtained only from a comparison of the situation obtaining in other industries. A comparison has, however, shown that industrial relations in the railways cannot be said to be as bad as is the position in other industries.

Conflict Resolution and Permanent Negotiating Machinery (PNM):

From about 1930 onwards, Railway Board used to hold meetings with AIRF on important general questions put forward by federation. The points that could not be solved by mutual discussions were settled through machinery provided in the Trade Dispute Act, 1929. Industrial Dispute Act, 1947 provided for compulsory adjudication of industrial dispute. The legal machinery provided by I.D. Act, 1947 did not satisfy the labor, which were demanding for setting up of Joint Standing Machinery. After protracted negotiations between Railway Board and the AIRF, it was decided in a meeting on 10th November 1951 to set up Permanent Negotiating Machinery (PNM), which started functioning from 1.1.52. The other federation viz. NFIR also agreed to the proposal.

The PNM is intended to maintain contact with labor and to resolve disputes and differences that may arise between Railway Labor and Administration. The machinery is envisaged in 3 tiers, one at Divisional level where it has periodical meetings with Divisional Officer/Divisional Railway Manager (DRM), one at Headquarters level where it has periodical meeting with Headquarters Officers/General Manager (Gm), and one at Railway Board level. Matters that are not settled at divisional levels are taken up at headquarters level and those that are
not sorted out at headquarters level are taken up at Railway Board level. If the agreement is not reached at Railway Board level, reference will be made to 'ad hoc tribunal' composed of representatives of railway labor and administration presided over by a neutral chairman. It will, however, be open to the government to accept, reject or modify the decision of the tribunal. With the setting up of PNM from 1.1.52 in railways, the Labor Ministry issued instructions at the instance of Railway Ministry to the officers of central industrial relations machinery regarding their role. Accordingly, these officers should not ordinarily intervene in the disputes in the Railway except when they receive a strike notice under the I.D. Act, 1947. Since the commencement of the functioning of PNM, ad hoc tribunals envisaged in PNM have been set up four times and Government has mostly implemented the awards given by tribunals.

**Scheme for Joint Consultative Machinery (JCM):**

With the object of promoting harmonious relations and securing the greatest measure of cooperation between the Government in its capacity as an employer and the general body of its employees in matters of Common Concern, the Government established the machinery for Joint Consultation and Compulsory Arbitration. This scheme is known as "Joint Consultative Machinery" (JCM). It came into effect from October 1996 and has been extended to cover Railways, Posts &Telegraphs and Defense. The scheme visualizes two-tier structure viz. Departmental Council and National-Council. National Council deals with matters affecting all Central Government employees, while departmental council deals with matters affecting the
staff in a particular ministry. The scope of council includes all the matters relating to the conditions of service and work, welfare of employees and improvement of efficiency and standards of work. The scheme also provides for limited compulsory arbitration on three subjects viz. Pay and Allowances, weekly hours of work and leave of a class or grade of an employee.

In Department Council, both federation representatives attend the meeting and in National Council representatives of Railways, Posts & Telegraph, Defense, and few others attend. In case of disagreement, the matter is referred for compulsory arbitration and the Award has to be implemented subject to the over-riding authority of Parliament in matters having great financial stakes.

It is to the Credit of the Railway’s labor and administration to have set up Permanent Negotiating Machinery (PNM) and Joint Consultative Machinery (JCM) not only for purposes of Collective Bargaining but also to secure cooperation, consultation, discussion and negotiation between the staff and administration. The working of these machineries for the last four decades has been satisfactory although how far these have been able to achieve the objectives for which they were designed is a searching question.

Few points that immediately emerge are that I.D. Act, 1947, envisages three stages for settlement of industrial disputes such as collective bargaining, conciliation and adjudication. In other words, if collective bargaining fails before the dispute is referred to adjudication, there is another stage in between viz. conciliation. Under
PNM there is no scope for conciliation. If negotiation fails, PNM envisages reference of the matter to the 'ad hoc tribunal'. It would, therefore, appear to be expedient to provide for conciliation on matters where agreement is not reached. At this stage Central Industrial Relations Machinery, which has been debarred for such purposes, should be allowed to conciliate and mediate in the disputes. Further under section 2A of the I.D. Act, even dismissal, discharge, retrenchment of a single workman is also deemed to be an industrial dispute irrespective of the fact whether the matter is taken up by the Union or not. On the other hand, the PNM provides that all disciplinary matters and subjects like promotion, transfer etc. of the members of the staff will be excluded from the scope of discussions at all the levels. This is an anomalous situation that needs rectification.

PNM also appears to be a deterrent to unity of Federations. Since the place assigned to the Federations in the PNM Scheme is not a joint one, the decision of the Tribunal is binding only on the Federation that sponsors the disputes. The views of the parties to the PNM i.e. Railway Board and the two federations on the working of PNM are available from the evidence tendered by them to the National Commission of Labor. While the Railway Board is of the view that PNM has contributed towards promoting industrial harmony on Railways, the labor seems to be disenchanted with the scheme. The NFIR has remarked that if the machinery had been working in its proper spirit by the administration at various levels, better results would have been obtained. This highlights an element of dissatisfaction on the working of the PNM. On the other hand, AIRF is reported to be even more critical. After referring to the non-intervention by the Ministry of Labour in disputes connected with the railways
and their employees, the AIRF has added “The Ministry of Railway’s unilateral rejection of reference of all disputes remain unresolved”. The most important defect of the PNM is that when negotiations fail, there is no other remedy to secure justice. By utilizing this machinery, the employees are given an opportunity to only talk out their grievances. Discretionary powers have been kept with the administration in regard to both references of a dispute to a Tribunal and acceptance of the decisions of the Tribunal.

**Right to strike:**

It is relevant to record here the findings of National Commission on Labor who had considered in detail the question of the right to strike by public employees i.e. Government employees engaged in industrial undertakings run departmentally. The commission have concluded that in the case of Government industrial employees engaged in essential services, the prohibition of the strikes would be justified. Firstly, because any interruption in government functioning has far reaching dangers to the community’s welfare and security and secondly, because the employer, in this case the government, has no receipt of right to declare a lockout in the area of its services/operations. Such prohibition of strikes, will, however, have to be accompanied by the provision of an effective alternative for the settlement of unresolved disputes. Hence, there is a need for statutory arbitration machinery.  

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As can be seen from the dynamics of industrial relations through the Indian railways for the past few decades, industrial relations scene in the Indian railways is a matter to be proud of. Permanent Negotiating Machinery which has established itself as an effective instrument of grievance redress and also of exercising control over managerial decisions can be further strengthened by ensuring holding of meetings at all levels at prescribed intervals. In these meetings, the management may also propose a few items on the agenda so that the organized labor can take a view and come to integrative decisions. During the survey, one of the common and basic suggestions given by unions to make the existing PNM/JCM machinery effective has been found that the decisions taken in these PNM/JCM are not implemented quickly. That shows that tardiness in implementation of the decisions taken makes a scheme, however sound and brilliant, defective. Similarly, staff councils in the production units are well conceived. They are however, not in full flow. Where they are working, they have slipped by and large into collective bargaining forums. At other places, they are plagued by group rivalries, legal tangles, judicial interventions etc.

**Participation of Railway Employees in Management (PREM):**

A corporate enterprise group (CEG) has been conceived with progressive intent and could become a truly participatory forum in which issues can be discussed
in a holistic and integrative manner leading to participative decision-making. The recent constitution of Participation of Railway Employees in Management (PREM) has the object of making this effort more effective. The PREM groups at all levels should meet regularly and focus issues with clarity and purpose. Shaskin has mentioned four broad categories of participation viz. participation in goal setting, participation in decision making, participation in problem solving, and participation in change. As a generic term, participation encompasses all processes and institutions of employee influence within the organization. In this sense employee participation began with the advent of trade unions and it includes the entire spectrum of management–employee relationships from simple information given by the management through joint consultations, collective bargaining and other institutionalized forms of joint regulation, to Workers' control. The background paper in a seminar on workers participation in management held in October 1987 by the All India Organization of Employees identified four basic and essential objectives of workers participation viz.

- To improve the quality of work life and job satisfaction.
- To improve efficiency and productivity of enterprise.
- To improve industrial relations and thereby promote industrial peace and harmony.
- To secure full recognition of the importance of human factor in industry.

An analysis of various participatory schemes in operation in different countries highlight the following objective running common:
- Promotion of workers' interest in work and enterprise through removing or reducing alienation.

- Humanization and democratization of work place and processes as well as management of enterprises.

- Seeking workers involvement and cooperation in promotion of productivity through optimization of resources, economy and quality.

- Motivation of worker and promotion of Works Committees.

- Promotion of workers accountability towards organizational problems and seeking their direct involvement in solving these problems.

- Shift from conventional managerial practices to modern behavioral approach

- Creation of better organizational quality through promotion of mutual understanding and collective thinking in decision process.

- Follow up of ideas and promotion of creative thinking at all levels.

Employers and managers have agreed that there are some pre-requisites for effective participation in management. Normally these are considered to be:

1) Basic education and training for participation.

2) Attitudinal change in management, trade unions as well as workers so that the philosophy of workers participation is accepted.

3) Adequate information sharing so that the participation is based on actual facts and information.

4) Reducing multiplicity of Unions so that the participation is based on internal cohesion and strength of trade union movement.
5) Developing appropriate trade union leadership within the rank and file without involving politically affiliated external leaders.

**Participatory Management - International Scenario:**

The pre-requisites outlined above are essential for effective participation of employees in management. However, one has to recognize that the very participation process may mean a lot to the employees and, in fact, may solve some of the problems of employee-management relationship and build up the pre-requisites cited above. Since the consultative roots are strong in Indian Railway, the ground is ready for planting participation of employees by strengthening and expanding the existing structures like Permanent Negotiating Machinery (PNM) and Joint Consultative Machinery (JCM). Here an attempt is made to scan the international scenario of participatory management to suggest an appropriate model for adoption by the Indian Railways. It may be worthwhile to discuss the different perspectives of workers participation in various countries.

In Yugoslavia, a distinction is made between workers' participation in management and workers' self management in an enterprise. A system of self-management through workers council has been practiced in Yugoslavia under which all the policies of the enterprise are decided/accepted. The workers participation in management obtaining in various countries has not been according to Yugoslavian
model, which fundamentally transformed the position of the workers. In their perception, such participation may be used as a means of manipulating the worker. The major objectives of self-management in Yugoslavia are overcoming human alienation in production process, technological alienation resulting from the division of labor, overspecialization and fragmentary work leading to ‘Crippled worker’.

In the United Kingdom, there are divergent views on the participatory management objectives. Trade unions consider it as a means of extending their power and influence while the employers consider it as a means of increasing productivity. The Government views it as the panacea to all industrial relations problems. The academicians consider it as a means of close involvement of workers with enterprises and the decisions that directly effect them. Others regard it as the countervailing weight against managerial power. Thus in British Context, there are contradictory and wide ranging expectations and each party has its own ideas of the participative structures depending upon his objectives. Professor Milton Derber has observed that it is “one of the expanding workers participation in the traditional collective bargaining sphere but little or no affirmative involvement in other aspects of management.” The Government claims that employee involvement is adequate at present in Britain and should be left to the discretion of each employer. A recent comparison of British and Dutch participation practices shows that this voluntary approach doesn’t fare well when compared to countries like Netherlands, which has legislation compelling organizations to set up employee involvement mechanisms like work councils.
Wenlock and Purcell state\textsuperscript{11} "existing British practice doesn't go far enough in its provision of employees right to information, consultation and participation in the management of transfer of undertakings, where as the Dutch jurification model exceeds even the EC legislation in its provision on employees. C. Gill in his survey\textsuperscript{12} of employee participation in work organization in year 1993 further claims that in the United Kingdom there has been a shift away from the negotiation towards more consultation during the last decade and management has become increasingly paternalistic in their style. These differences are caused, he argues, by the diverse industrial relations practices in each country shaped by historical and cultural factors. Salient features of workers participation in management followed in British Railways and French Railways are given in Annexure-V and Annexure-VI.

In Germany, the system of company-determination is followed at all levels. Apart from co-determination at the top level, there was also a strong demand for removal of exploitation, reduction in industrial conflict etc. through co-determination, at various in the plant. Thus 'works councils legislation' was passed in year 1956, which was later revised in 1972. The broad features of the German Model are:

- Prevention of exploitation of workers.
- Growth of economy through democratic process.
- Settlement of disputes.


\textsuperscript{12}
- Co-determination was not intended to take over the managerial-authority.
- Sharing of financial and other information was considered important for the objective of co-determination.

Thus the main tenet of co-determination in West Germany was not to increase wages but to stop the misuse of power and authority by managerial echelons. It is also significant that though trade unions initiated the demand for co-determination, it was the government that played the key role in legalizing and legislating for co-determination. The system consists of a 'supervisory board', which is a supervisory organ of the shareholders and partly of workers. It supervises the "board of management" which conducts the day-to-day business and administration of the company. The board of management normally has three directors representing technical, commercial, and labor/personnel functions. The appointment of labor - director on the board of management is done with the consent of the workers representatives in the supervisory board. These members in the board of management are full time and not allowed to sit on the supervisory board. The supervisory board normally does not interfere in the day-to-day business and administration of the company. The function of labor director on board of management entails tight rope walking because he has to look after the functions of both the management and the workers.

The works-council represents exclusively the workers of the enterprise. It is a most important institution of co-determination. The law has conferred on it extensive rights on co-determination and consultation. It is primarily a body of workers and deals with day to day problems at the plant level. There is hardly any major decision taken by the management without consulting the council or its chairman formally or informally. The frequent formal and informal consultations with the works council have led to better communication, making the Works council a very responsible body. However, criticism has been voiced to this system both by the left and the right elements. The extreme leftist groups hold the view that by their very participation in the system of coordination, the trade unions have lost their identity. On the other hand, the rightists believe that co-determination will hinder the operation of the market mechanism.

Equal participation of workers with management may result in formation of factions and there may be danger of the supervisory Board not taking any decision due to continuous trail of strength between the representatives of the workers and the shareholders. In such a situation, the position of the neutral member becomes strategic and it may not be advisable to vest in the neutral member so much importance and responsibility. However, experience shows that neutral member has been rarely used and both parties have always been able to reach a consensus.

The Unions argue that the main objective is to ensure there is no abuse of power and authority vis-a-vis the workers. However, some trade Unions consider that if the co-determination can achieve the major objectives of the welfare of
workers and prevention of exploitation, their purpose will have been well served and they need not worry even if the trade Unions membership declines. Trade Unions are thus modifying their own aims. For example, they dedicate themselves now increasingly to improvement of welfare facilities, better housing etc, as also on the movement for worker's ownership of the enterprise.

It is, however, proved beyond doubt that by co-determination, the workers have been able to get a lot of benefit without jeopardizing the industrial or national economy, unlike in Britain, where little is conceded without a fight with consequent loss to the economy. In this system, at all decision-making levels class distinctions have started giving way to the feeling of oneness. Salient features of scheme of workers participation in management followed in German Federal Railways are at Annexure-VII.

In the USA, worker's participation in management is sought to be achieved primarily though a process of collective bargaining and the instrument of collective agreement. Unlike the practices of many European countries, the Government has remained indifferent to the promotion of workers participation through the establishment of formal joint bodies. The Labor Management Relations Act, 1947 popularly known as Taft Hartley Act, 1947 established compulsory collective bargaining in the country by declaring it an unfair labor practice on the part of both the employer and the trade Union to refuse to bargain with each other. However no legislative measure was adopted in the country to establish other forms of Joint Consultation or Co-operation.
In Japan, after the Second World War, Joint Councils were set up in individual business concerns as forums for ‘production-Recovery’ and 'Management Democratization.' These were basically of the form of collective bargaining. In year 1949, The system ‘joint councils’ was changed to a system of 'negotiating committee,' ‘a complaint handling committee’ etc. From 1955 onwards, the system of prior consultation was adopted, which gave good production efficiency. In the same year the “Japan productivity center” came into being and it launched the joint consultative system as a part of productivity drive. The concept of “Cooperation” and “consultation” was recognized as the key parameters for competing in world market and also to bring benefits both to labor and management. During 60’s and thereafter, the concept Cooperation and consultation was firmly established. Studies have revealed that more than 90% of the Japanese enterprises have adopted the “Joint consultative system”. Some distinctive features of the system in Japan are,

- A system of ‘one union - one enterprise’

- Life time employment

- Seniority based wages

- Mutuality of obligation. In every Japanese enterprise, this awareness of mutual obligation is highly developed and work ethic is mainly based on ‘obligation’ rather than rights.

- Decision making by consensus. This is known as RINGI System. All concerned are required to participate in the decision making process of the management before final decision is taken. Though this is time consuming process, once a decision is taken it had the ring of finality and it was quickly understood and implemented, without any conflicts.
Concept of productivity is a corporate mindset and an article of faith. Constant upgradation ("KAIZEN") is a living Credo and a bone deep belief.

The secret of success of the Japanese management labor system is that they have developed a style suiting their cultural ethos. They have blended modern technology with traditional wisdom and forged a winning combination. They have adopted market driven, customer oriented economy, which can be sustained only through relentless pursuit of excellence. The small group activities such as quality circle has proved to the world the potential that can be unleashed merely by giving people a chance to innovate. Such activities have heightened values and attitudes and enhance industrial harmony and quality of life.

The Indian Scene and lessons from International Experiences:

Industrial dispute Act 1947 provided for the establishment of work committee comprising equal number of employers and workers representative in large industrial undertakings'. Subsequently, Industrial Policy Resolution adopted by the government in 1956 states insisted on some joint-consultations whereby workers are associated with management for maintaining industrial peace and improve industrial relations. A group set up by the ministry of labor in the year 1962 also submitted report on the working of Joint Management Councils.
The National Commission on Labor 1969 observed that there does not appear to be much support for institution of JMC’s in their present form. Even where the councils exist they are reported to be ineffective in their functioning and unsatisfactory in many cases. In the year 1970, the concept of worker representative on the Board of Directors in selected Public Sector enterprises was also tried out. In 1975, some schemes regarding workers participation in industry at shop floor and plant levels were also envisaged. Under this scheme shop councils were established in industrial units employing 500 or more workers. A joint council for the unit as whole was also to be set up in every industrial unit employing more than 500 workers. Article 43- A was inserted in Indian Constitution under Directive Principles to State Policy in 1977 which reads “The State shall take steps, by suitable legislation or in any other way, to secure the participation of workers in the management of undertakings establishments or other organization engaged in any Industry” made a strong case for inclusion of workers in the management.

A comprehensive scheme for employees' participation in management was introduced in 1983 in place of schemes of 1975 and 1977 for the Central Public Sector undertakings. The scheme was to be operated both at the shop floor and plant levels. United front government at the center introduced a bill called "participation of workers bill" in 1990. This bill however, could not be passed in the parliament till date. Hence it has not been possible to enforce the scheme with legislative backing till date. It can be seen from the various sequences of events that participation in India has been voluntary so far. People have only paid lip service to this important management labor relations concept. However, there have been isolated incidents of
success in some of the public sector and private sector industries. The above discussions reveal that we in India may draw from the experiences and models of USA, the UK, Yugoslavia, Germany, and Japan. However, while formulating our strategies, we shall have to reckon with typical problems in India and also keep in mind any special factors, which were responsible for the success of the participation schemes abroad. While formulating strategies for our environment, we cannot overlook some of the factors like politicization of trade unions, managerial attitudes towards unions, general attitudes of employers not to share information, the historical British bias in the structures adopted, the organizational culture, and state influence on Indian entrepreneurs.

The system of collective bargaining followed in USA is not applicable in India because of third party interventions, inter-union rivalry, government control and tripartism. The Yugoslavian system of self-government of workers is also not feasible in the mixed economy like ours. In Yugoslavia, it was typical sociopolitical and economic set up. Both these factors are conspicuous by their absence in Indian scene. We have traditionally based our joint consultation on the U.K. model, which has not succeeded. The Indian experiment with British Joint Consultative system has not been a success because of its being purely consultative and advisory in character disabling it from considering substantial issues in which workers are interested. There is also a lack of congruence in the objectives of participation. Different parties have different sets of objectives and therefore, they work at cross-purposes. Thus in many cases, these consultative committees exist only in name, weakening both “collective bargaining” and “joint consultation”.

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This leaves, therefore, Germany and Japan. Japan's success is mainly because of the native genius in blending Modern technology with traditional wisdom, giving rise to work ethic firmly rooted in the indigenous cultural ethos and cemented by “superordinate” values. If we look into aspects which have given Germany success in codetermination, we find that the trade unions in Germany are not craft based as in Britain and are not linked to the political parties as in India. There is one union for one industry and almost all major industrial unions in West Germany are affiliated to one federation of trade unions. It has eliminated the problem of inter-union rivalries. There is also less supervisory staff and less hierarchy. Also the income disparity in Germany is not pronounced. In German industry, productivity increase is the main objective for the managers and workers alike and no one questions this. The work council, which is the major body of codetermination, cannot participate in industrial warfare, and therefore, even during strike periods, the management and work council have cordial relations. Trade union and workers council representatives are given opportunity for training and education for technical and codetermination efforts. There are short-term as well as long-term specialized training programs for different categories of workers, trade union leaders, members of worker council etc. covering different aspect of codetermination. In Germany trade unions take the major responsibility of educating the workers but in India unions have been lukewarm to this aspect. The unions in India have unfortunately refrained from educating their constituents on the need to improve their skills and knowledge, work to targets, improve quality of output and become members of a productive service group. They have made it out that employee development is a function of the management and have abdicated their own
responsibility to ensure that their members deserve to be developed as highflying achievement oriented personnel.

Perceptions of Management and Unions on Participatory System:

The above discussions concerning workers participation in management reveals the importance of co-opting the employees in the process of goal setting, decision making, problem solving and management of change in Indian Railways. However, the strategies to accommodate workers in this process and the methods to be adopted need to devised taking cognizance of the local conditions prevailing in a huge organization like Indian Railways. Thus, the lesson we should draw from the international experience is that while there is a lot of merit in being eclectic, we should build a system of employee participation based on the ethos and culture of Indian Railways. Experiences with systems working abroad spell out that for effective participation, Indian Railways may initially concentrate more on participation at lower level of the organization, and simultaneously have participation at the top level.

Participatory Management to be effective, sharing of information with the employees through their representatives is very essential, as it would create mutual trust, responsibility, and maturity. In addition, the presence of a strong and effective union is desirable for the success of "participation". Politicization and multiplicity of trade unions, as is the case with Indian Railways, would weaken the Trade Union movement and the merit of a scheme like employee participation may be defeated.
Further, till the participatory structures gain strength and become self-sustaining, it may be necessary for Indian Railways to have legislative support to protect the rights of the organization and the employees. Without this foundation, any structure of participation may not succeed, as has been the fate of joint councils in Britain and India. Further, workers education and training are extremely important for effective working of participatory management. The workers have always perceived information and knowledge as powerful tools in the participatory process and collective bargaining, giving rise to general demand for sharing of information. Sharing of information will be of little value unless the workers possess the necessary skills, experience and ability to evaluate, interpret and use it in a meaningful way. The training objectives as envisaged by the Central Board of Workers Education in India are primarily aimed at promoting responsible and knowledgeable trade unionism. The National Commission for Labor has also highlighted the objective of workers education to make the worker more responsible, to understand the basic economic and technical aspects of the organization where he is employed, and to make him aware of his rights and obligations. In Indian Railways, the Unions have started initiatives in worker's education. A good start has been made but a lot more needs to be done. There is a need for the management and the Unions to evolve an institutional structure for worker's education at Divisional and Zonal levels and devise courses in a comprehensive manner by proper research effort on topics relevant to employee participation.

In the earlier part of this Chapter, we have explained as to how the very social fabric of our society makes the participatory management process in a formal
structure a little difficult. However, the legal provisions concerning the resolution of worker-management relation's problems in the Indian Railways have sowed the seeds of participation. Therefore, participatory management is not totally an alien concept. In a society with communitarian character, participation ethos and culture are natural phenomena. Therefore, one has to build on the consultative exercises started already under existing legal and statutory frameworks. There is thus a foundation to build upon and we have to create a system to suit our needs and not pattern an imitative model based on Japanese or anyone else. We need to remember that we get results only through people. Further, we have to think as to how could inward looking union activities and functions be made to metamorphosize into macro outward looking approach on constructive lines. Also there are questions of generating competent leadership among workers from within and to have an attitudinal change of both unions and management.

Trade Unions have been in existence in Railways for over seven decades now. There are mixed opinions about their contributions/role in participatory style of management. A sample survey using a questionnaire [Annexure - II] was conducted to ascertain the perceptions of officers [management] and other employees in Indian Railways towards them on various aspects of human resource management. Similarly the perceptions of Unions towards officers [management] as also towards themselves [self-perception] were also obtained. In reference to this questionnaire, 102 staff-members, 56 union members and 38 officers [management] sent their perceptions that are tabulated below. The sample of respondents consisted of union members [i.e., office bearers of any union existing on Zonal Railways], Staff and Officers
mostly working on Southern, South Central, Northern and Central Railway with out restricting to any geographically specific area of operation. Survey data collected on the perceptions of different constituents of Union-management system as outlined above are presented in the following Tables from 4.1 through 4.4. The analysis of the first three tables is given after these tables and of the fourth is given after that table.
### TABLE: 4.1

**Perceptions of Staff towards Unions and Officials (Management)**

Sample Size (N=102)

<table>
<thead>
<tr>
<th>Towards Unions</th>
<th>Yes (%)</th>
<th>No (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Unions are only ‘demand oriented’ and do not really participate in problem solving / decision making process.</td>
<td>51.78</td>
<td>48.22</td>
</tr>
<tr>
<td>2. Basic sweating is done by executive and credit taken by Unions.</td>
<td>76.47</td>
<td>23.53</td>
</tr>
<tr>
<td>3. Unions try to interfere in triles and matters not connected to them directly for selfish interests.</td>
<td>75.49</td>
<td>24.51</td>
</tr>
<tr>
<td>4. Unions are not bothered about welfare issues but indulge in corrupt practices.</td>
<td>57.85</td>
<td>42.15</td>
</tr>
<tr>
<td>5. Most of the Staff Welfare measures and Acts which have come up are due to the consistent efforts of Unions.</td>
<td>59.80</td>
<td>41.20</td>
</tr>
<tr>
<td>6. Union members waste away their time in the garbs of Union work.</td>
<td>79.41</td>
<td>20.59</td>
</tr>
<tr>
<td>7. Union members want to remain in Unions to shirk their basic duties &amp; responsibility.</td>
<td>81.36</td>
<td>19.64</td>
</tr>
<tr>
<td>8. Union members want to be in union to avoid transfers.</td>
<td>79.41</td>
<td>20.59</td>
</tr>
<tr>
<td>9. Union members join the Union just for ego satisfaction.</td>
<td>64.71</td>
<td>35.29</td>
</tr>
<tr>
<td>10. Union members fritter away most of their energy in inter-union rivalry issues rather than concentrate on real issues.</td>
<td>83.33</td>
<td>16.67</td>
</tr>
<tr>
<td>11. Workers are not satisfied with working of the recognized Unions, but have no choice</td>
<td>71.57</td>
<td>28.43</td>
</tr>
<tr>
<td>12. Formal / informal meetings allowed to Union members presently are being misused to an extent that a union member spends less</td>
<td>80.38</td>
<td>19.62</td>
</tr>
</tbody>
</table>
than 20% time to his real jobs.

13. A stage has come to redefine the role of unions to make it more goal oriented. 86.27 13.73

14. Existing JCM/ PNM schemes require modification to make unions more productive and participative 86.27 13.73

Towards Officials (Management)

15. Officers shirk responsibility and decide under Union's pressure. 68.66 32.34

16. Officers are incapable of decision making. 30.39 69.61

17. Come under the pressure of unions. 64.71 35.29

18. Have a view of no decision is better than decision making. 43.16 56.84

19. Officers want postings where they are not to take hard decisions. 68.68 31.32

20. They lack grip over their areas of responsibility 57.85 42.15

21. Bureaucratic attitude is such that it will be erosion of authority for them if they decide under Union's pressure. 71.57 28.43

22. High ego level obstructs quick decision making 61.76 38.24

23. Officers are not bothered about welfare issues and indulge in corrupt practices. 48.04 51.96

24. Most of the IR problems are not due to staff/ union but the result of belated/No decision working 66.66 33.34

25. There is a lack of seriousness of management in implementing decisions taken in JCM/PNMs etc. 59.81 41.19

Labour-Management Interaction

26. There is a mutual lack of trust between official side and unions. 62.75 27.25
<table>
<thead>
<tr>
<th>Towards Unions</th>
<th>YES (%)</th>
<th>NO (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Unions are only demand oriented and do not really participate in problem</td>
<td>17.86</td>
<td>82.14</td>
</tr>
<tr>
<td>solving/decision making process.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Basic sweating is done by executive and credit taken by unions</td>
<td>25.00</td>
<td>75.00</td>
</tr>
<tr>
<td>3. Unions try to interfere in trifles and matters not connected to them</td>
<td>21.43</td>
<td>78.57</td>
</tr>
<tr>
<td>directly for selfish interests.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Unions are not bothered about welfare issues but indulge in corrupt</td>
<td>17.86</td>
<td>82.14</td>
</tr>
<tr>
<td>practices</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Most of the Staff Welfare measures and Acts that have come up are due to</td>
<td>71.43</td>
<td>28.57</td>
</tr>
<tr>
<td>the consistent efforts of Unions.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Unions members waste away their time in the garb of Union work.</td>
<td>21.43</td>
<td>78.57</td>
</tr>
<tr>
<td>7. Unions members want to remain in Unions to shirk their basic duties and</td>
<td>17.86</td>
<td>82.14</td>
</tr>
<tr>
<td>responsibilities.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. Unions members want to be in union to avoid transfers.</td>
<td>21.43</td>
<td>78.57</td>
</tr>
<tr>
<td>9. Unions members join the Union just for ego satisfaction.</td>
<td>28.57</td>
<td>71.43</td>
</tr>
<tr>
<td>10. Union members fritter away most of their energy in inter Unions rivalry</td>
<td>25.00</td>
<td>75.00</td>
</tr>
<tr>
<td>issues rather than concentrate on real issues.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11. Workers are not satisfied with the working of the recognized Unions, but</td>
<td>42.86</td>
<td>57.14</td>
</tr>
<tr>
<td>they have no other choice.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12. Formal/ informal meetings allowed to Unions members are being misused</td>
<td>17.86</td>
<td>82.14</td>
</tr>
<tr>
<td>resulting in Union member spending just 20% time on his real job.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
13. A stage has come to redefine the role of Unions to make it more goal-oriented. 46.43 53.57

14. The existing JCM/PNM schemes too require modification to make the role of Unions more productive and participative. 60.71 39.29

### Towards Management Officials

15. Officers shirk responsibility and decide under Union pressure only. 82.14 17.86

16. Officers are incapable of decision making. 35.71 64.29

17. Come under pressure of Unions. 28.57 71.43

18. Have a view of no decision is better than decision making. 46.43 53.57

19. Officers want postings where they are not to take hard decisions. 75.00 25.00

20. They lack grip over their areas of responsibility. 75.00 25.00

21. Bureaucratic attitude is such that it will be erosion of their authority if they decide under Union pressure. 82.14 17.86

22. Ego level is so high which creates obstructions in decision making speedily. 53.57 46.43

23. Most officers are not bothered about Welfare issues and indulge in corrupt practices. 78.57 21.43

24. Most of the IR problems are not due to the staff/unions but are contributed by officers due to their belated/No decision making. 78.57 21.43

25. There is a lack of seriousness of management in implementing decisions taken in JCM/PNMs etc. 57.14 42.86

### Labour – Management Interaction:

26. There is a mutual lack of trust between official side and unions. 57.14 42.86

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TABLE 4.3

Perception of Management Officials towards Unions and towards themselves

Sample Size: (N=38)

<table>
<thead>
<tr>
<th>Towards Unions</th>
<th>YES(%)</th>
<th>NO(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Unions are only demand oriented and do not really participate in problem solving process.</td>
<td>42.10</td>
<td>57.90</td>
</tr>
<tr>
<td>2. Basic sweating is done by executives and credit taken by Unions.</td>
<td>71.05</td>
<td>18.95</td>
</tr>
<tr>
<td>3. Unions try to interfere in trifles and matters not connected to them directly for selfish interests.</td>
<td>84.20</td>
<td>15.80</td>
</tr>
<tr>
<td>4. Unions are not bothered about Welfare issues but indulge in corrupt practices.</td>
<td>76.32</td>
<td>23.68</td>
</tr>
<tr>
<td>5. Most of the staff welfare measures and Acts are due to the consistent efforts of Union.</td>
<td>52.63</td>
<td>47.37</td>
</tr>
<tr>
<td>6. Unions members waste away their time in the garb Union work.</td>
<td>76.32</td>
<td>23.68</td>
</tr>
<tr>
<td>7. Unions members want to remain in Unions to shirk their basic duties and responsibility.</td>
<td>86.84</td>
<td>13.16</td>
</tr>
<tr>
<td>8. Unions members want to be in Unions to avoid transfers.</td>
<td>8.20</td>
<td>15.80</td>
</tr>
<tr>
<td>9. Unions members join the Union just for ego satisfaction.</td>
<td>50.00</td>
<td>50.00</td>
</tr>
<tr>
<td>10. Union members waste most of their energy in inter-Union rivalry issues than on real issues.</td>
<td>81.58</td>
<td>18.42</td>
</tr>
<tr>
<td>11. Workers are not satisfied with the working of recognized Unions, but they have no other choice.</td>
<td>86.84</td>
<td>13.16</td>
</tr>
<tr>
<td>12. Formal/informal meetings allowed to Union members presently are being misused to an extent that a Union member spends less than 20% time to his real job.</td>
<td>55.26</td>
<td>44.84</td>
</tr>
<tr>
<td>13. A stage has come to redefine the role of Unions to make it more goal-oriented.</td>
<td>73.68</td>
<td>26.32</td>
</tr>
</tbody>
</table>
14. Existing JCM/PNM schemes require modification to make Unions more productive and participative.

Towards Officials (Management) (Self Perception)

15. Officers shirk responsibility and decide under Union pressure only.

16. Officers are incapable of decision making.

17. Come under the pressure of Unions.

18. Have a view of no decision is better than decision making.

19. Officers want postings where they are not to take hard decisions.

20. They lack grip over their areas of responsibility.

21. Bureaucratic attitude will erode authority for them if they decide under Unions pressure.

22. Ego level is so high which create obstructions in decision-making speedily.

23. Officers are not bothered about welfare issues and indulge in corrupt practices.

24. Most of the IR problems are not due to the staff/Union but are contributed by officers due to their belated/No decision making.

25. There is a lack of seriousness of management in implementing decisions taken in JCM/PNMs etc.

Labour – Management Interaction

26. There is a mutual lack of trust between official side and Unions.
Analysis of Perceptions (Tables 4.1 to 4.3):

A close reading of the perceptions presented in Tables 4.1 to 4.3 brings out a very positive viewpoint on certain aspects and on certain other issues the response is relatively less positive. On an analysis of the data, the few interesting results emerge that can be summed up as under:

It has being generally felt that “Unions” are only demand oriented and do not really participate in the problem solving/decision making processes of the Management. 58% ‘staff group’ and 42.10% ‘Official (management) group’ were of the same opinion while only 17.86% of ‘Union-member group’ were of this opinion. There is obviously a significant divergence between perceptions of various groups on this aspect.

It has also been generally felt by the Officials (management) that most of the sweating is done by them, while the credit for a good decision is taken by Unions and in the event of a decision not being favorable to the workers, Unions generally pass on the blame to the management and do not like to share the responsibility for bad decision making. On this aspect, it is found that 76.47% ‘Staff’, 71.05% Officials (management) and 25% Union members were of similar opinion. Here too there is a significant variance between Unions and Staff/Official side perceptions.

It has been held that Unions try to interfere in trifles and even in matters not connected to them for selfish interests. On this aspect, 75.49% of Staff-group,
84.20% Official (management) group was in agreement but only 21.43% Union group agreed to this observation. It is felt that, of late, unions are not bothered about general welfare measures but indulged in corrupt practices. 57.85% Staff-group, 76.32% Official (management) group and only 17.86% Union group held the same opinion.

It has also been generally felt that most of the staff welfare measures and Acts which have come up during the past many years in the Indian Railways are the outcome of consistent effort made by Unions, else the same would not have seen the light of the day. It is found from the analysis that 59.80% staff group, 52.63% Official (management) group and 71.43% Union-group agree on this point. Thus there is a positive viewpoint on union's contributions to this area. Such positive view points imply that there is enough scope for developing mechanism which could strengthen management-worker and union-management relations at all levels in the organization.

There is feeling that Union members don't devote their time to work and, instead, waste away their time in the garb of their union work. 79.41% Staff member group, 76.32% official (management) group and only 21.43% Unions-group advocated this viewpoint. Similarly, it is being viewed that union members want to remain in unions to shirk their basic duty and responsibility as 81.36% staff members group, 86.84% official (management) group and only 17.86% Union-group subscribed to this opinion.
Under the rules, office bearers of the unions are not to be transferred unlike other employees in union's interest. As transfers are becoming quite a bit of punishment these days, it is being felt that union members want to perpetuate their existence in unions simply to avoid transfers and not for any real contribution for the welfare of the workers etc. On this point 79.41% staff members group, 84.20% Officials (management) group and only 21.43% Union-group were in agreement. The Unions group obviously is not positively inclined to accept this Staff/Official's viewpoint.

On the issue whether the Union members tend to continue as members of Union just for ego satisfaction and not for real contribution to participative mechanisms of the system, 64.71% Staff members group, 50% Official (management) group and only 28.57% Unions group shared the same viewpoint.

It has been generally expressed that union-members devote large percentage of their energies on inter-union rivalry issues rather than concentrate on real issues facing the organization and find solutions by helping the administration in a constructive manner. Analysis of perceptions shows that 83.33% staff members group, 81.58% Official (management) group have supported this viewpoint while only 25.00% Unions group agreed on this issue.

In Indian Railways the members of the recognized trade Unions are eligible for 'Special Casual Leave' and 'passes' for attending the following meetings:

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a) General/Central Council Meetings, General Body Meetings and Workshop Committee meetings subject to a maximum of 7 meetings in a year of all the meetings put together.

b) Divisional Executives Committee meetings 4 times a year.

c) Branch Executives meetings 6 times a year.

d) PNM meetings held quarterly at headquarters and once in two months at divisional and field units levels.

e) Special Informal meetings,

As per existing orders, there is no ceiling limit per year in availing special casual leave by office bearers to facilitate them to attend organizational work of the type mentioned above. Further, so far the Railway Board has not laid down any limit for membership of each branch and each railway is adopting its own norm. On the question of number of Branches, Railway Reforms committee in Chapter IV (Para 5.4) on Personnel Management had observed that the unions should be permitted to have a branch for every 5000 workers in a division and that the office bearers should not exceed five. The branches should function purely for organizational matters and not to have any facilities for negotiating. Office bearers of the main divisional units should be permitted to be away from the work for a maximum period of 4 days in a month. The Ministry of Railways has, however, not so far taken a decision on this issue. To ascertain the implications of the absence of office bearers on union work, a study was conducted on South Central Railway in the year 1984. The report reveals that an office bearer avails special casual leave of 62 days on an average in a year.
Of course, there are a few instances where such leave extends to a maximum 148 days.

Both the recognized Unions on South Central Railway put together have 243 branches with an office-bearer-ship of 2430 and they will be mostly on the Union organizational work with little contribution towards office work. Each office bearer avails 62 days special casual leave on an average and then he also avails 18 holidays, 52 Sundays, 12 second Saturdays and 30 days LAP (Leave on Average Pay) and 20 days LHAP (Leave on Half Average Pay) making a total absence of 194 days in a year that too not in continuous spells for productive sustained work. In other words, the administration will be losing 4,71,420 Mondays in a year from office bearers. This strain is further magnified if the office bearers are from categories like station masters, Assistant Station Masters, foreman, charge men, Train – examiners etc, who are required to do shift duties. If they are not be available for shift duties, there will be dislocation of leave reserve/rest giver links, and perpetual payment of overtime, long hours of duty etc. This aspect of optimum usage/misuse of the time spent in holding formal/informal meetings by office bearers of the Union was also addressed to various groups, and from the opinions gathered on this point, it has been found that 80.38% Staff members group, 55.26% Officers (management) group and 17.86% Unions-group were of the view that an office bearer approximately spends less than 20% of his time to the job to which he has been actually employed in the organization. Obviously, the rules in regard to permitting office bearers for formal/informal meeting require a review.
It is also being felt that most of workers down the line are also not satisfied with the working of the recognized Unions, but they have no other choice by to support because of their own compulsions. It is found from the analysis that 71.57% Staff group, 86.84% Officials (management) group and 42.86% Union group were in agreement of this view. Although there is a marginal divergence between the views of three groups, it appears that the thinking on this is a valid one.

In the context of some of the negative viewpoints as mentioned above, it is felt that a stage has come when the role of the Union requires to be redefined to make it more goal-oriented and not demand-oriented. In the analysis, 86.27% Staff members group, 73.68% Officials (management) group and 46.43% Unions group have perceived that the role of Unions requires to be redefined suitably. While seeking perceptions on various aspects of HRD pertaining to union working in Railways, the sample groups were also asked to give their perceptions on officials (management) working and issues concerning labor management interaction. The perceptions received are summed up below:


TABLE: 4.4

Perceptions on Labor Management Interaction (in %ges)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Staff Perceptions (N = 102)</th>
<th>Union's Perceptions (N = 56)</th>
<th>Official’ (Self) Perceptions (N = 38)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Officers shirk responsibility and decide matters only under union pressure.</td>
<td>68.66</td>
<td>82.14</td>
<td>68.42</td>
</tr>
<tr>
<td>2. Officers are incapable of decision making.</td>
<td>30.39</td>
<td>35.71</td>
<td>23.68</td>
</tr>
<tr>
<td>3. They come under pressure of Unions.</td>
<td>64.71</td>
<td>28.57</td>
<td>55.26</td>
</tr>
<tr>
<td>4. Have a view that no decision is better than decision making.</td>
<td>43.16</td>
<td>46.43</td>
<td>36.84</td>
</tr>
<tr>
<td>5. Officers want postings where they are not to take hard decisions.</td>
<td>68.68</td>
<td>75.00</td>
<td>55.26</td>
</tr>
<tr>
<td>6. They lack grip over their area of responsibility.</td>
<td>57.85</td>
<td>75.00</td>
<td>52.63</td>
</tr>
<tr>
<td>7. Bureaucratic attitude is that it erodes authority for them if they decide under Union’s pressure.</td>
<td>71.57</td>
<td>64.29</td>
<td>60.52</td>
</tr>
<tr>
<td>8. High ego level obstructs speedy decision making</td>
<td>61.76</td>
<td>82.147</td>
<td>71.05</td>
</tr>
<tr>
<td>9. Most officers are not bothered about welfare issues and indulge in corrupt practice.</td>
<td>48.04</td>
<td>53.57</td>
<td>13.16</td>
</tr>
<tr>
<td>10. Most of Industrial relations problems are not due to the staff/unions but are created by officers through their belated/no decision making.</td>
<td>66.66</td>
<td>78.57</td>
<td>55.26</td>
</tr>
<tr>
<td>11. There is a lack of seriousness of management in implementing decisions taken in JCM/PNM etc.</td>
<td>59.81</td>
<td>78.57</td>
<td>42.10</td>
</tr>
<tr>
<td>12. There is mutual lack of trust between Mgt. official &amp; Unions.</td>
<td>62.75</td>
<td>57.14</td>
<td>71.05</td>
</tr>
</tbody>
</table>

A careful reading of the perceptions reveals that mostly there is an agreement between the three sample groups on various perceptions enumerated at Serial Nos. 1,
There is, however, a significant variance on the view that most officers are not bothered about welfare issues and that they indulge in corrupt practices. Although roughly 50% staff and Union group feel that it is true, the Official’s group (87%) feels otherwise.

One of the interesting aspects that came up for analysis is the fact that most of the industrial relations problem are not the creation of the staff/unions but are being contributed by officers through their belated/no decision-making. More than half of each sample group has agreed with this viewpoint. Obviously, tardy decision making/implementation leads to increased frustration of employees and, thus, adds to unrest. This tendency requires to be curbed and the reasons for such behavior need to be diagnosed for corrective action.

The organized labor repeatedly projects that PNM/JCM meetings are not held at specified periodical intervals and that implementation of the decisions taken are not being done at lower levels. Although 59.81 % Staff group and 78.51 % Unions group agree that there is a lack of seriousness in implementing decisions taken, only
42.10% official (management) group agreed to this viewpoint. The general impression gathered on this issue is that there is a general lack of involvement/seriousness in such implementation, and that this can only be improved by effective follow up action at higher levels.

Sample groups were also asked to spell out their perceptions as to whether, with the changing environment nationally as also globally, the existing JCM/PNM schemes require modification to make the role of Unions more useful, productive, less obstructive, more participative and less demand oriented. It is found that 86.27% Staff group, 71.05% Official (management) group and 60.71% Unions group felt positively that existing JCM/PNM schemes require modification. Consequently, there is a general view emerging from the survey that such instruments that have withstood the storm for so many years, and may have got weakened over time, require a review to strengthen the bonds between the workers and managers at all levels of organization.

While furnishing their viewpoints with respect to the questionnaire on various aspects of Union working, the following useful suggestions were also received from the Staff, Officers, and Unions that are summarized below for consideration:

a) There should be a minimum qualification laid down for the office bearers of the Union so that they are quite knowledgeable.

b) There should be only one Union for one industry by secret ballot.

c) Retired employees should not be kept on the Unions.
d) The Unions should only take up no individual cases, but general interest cases.

e) Union activities should be after office hours only.

f) Caste based Unions should not be allowed to function on Indian Railways.

g) More the transparency in the system, more the faith of the employees in the system.

h) There should be ‘training’ for the Union workers on moral values, communication, and discipline to play a constructive role.

i) Responsibility should also be given to Union to achieve targets i.e., make them not only demand oriented.

j) Nomenclature of ‘Employee Relations’ instead of Industrial Relations may, perhaps, be more appropriate.

k) Protection against transfers to Union Office bearers except two at a Divisional Level should be withdrawn.

Revised Model for Participative Management in Indian Railways:

Indian Railways have had the benefit of time tested institutions like the Permanent Negotiation Machinery, Corporate Enterprise Group and Staff Councils. These institutions have helped Indian Railways to maintain a constant dialogue between management and staff in resolving grievances and day-to-day problems. In the process, the staff side had a fair degree of control over managerial decisions on aspects that affect the workforce. In fact, the record of these institutions has been a matter of pride and satisfaction evidenced by decades of harmonious Industrial Relations, despite the fact that Indian Railways employ a very large workforce of over 1.66 million people.
What is important, therefore, is to strengthen these institutions and, perhaps, modify them suitably to make them more participatory, collaborative and integrative in decision making process on organizational issues impinging on all concerned viz. the organization, the people and the customer and producing a ‘three-win’ synthesis. Participatory management is an important contributor to organizational effectiveness and such participation should be preceded by attitudinal change, participatory style of management, Information sharing, Education of workers, etc.

It is not necessary to wait till all the above pre-requisites are fully met. There is a threshold at which participation can start. The very process of participation will energize and foster the above attributes like attitudinal change. With Information sharing, Worker’s knowledge and commitment would improve. This will set in motion synergistic interplay and strengthen participatory structures. It is generally seen through case studies that participatory management flourishes in organizations that stress on training and on comprehensive safety/welfare measures. For strengthening these institutions, the following course of action is suggested:

1. Departmental Council of the Joint Consultative Machinery:

This is a meeting held at the Railway Board level with both the trade unions together. This is a very good forum to discuss common issues and need to be held regularly at intervals laid down. Apart from the matters of collective bargaining, the meeting could also engage itself on issues concerning the organization as a whole so that the staff, the customer and the organization all benefit.
2. Staff Councils in Production Units:

These have been conceived with intention of developing leadership from within and to let the staff have a say in the decision making process. While this institution is functioning quite well in some production units, it is non-existent in some units on account of internecine conflicts. Political affiliations and judicial interventions are putting a brake on the working of this well-conceived institution. However, through careful and patient handling, we should be, in due course, be able to bring about an attitudinal change and make this institution to strike roots and grow.

3. Corporate Enterprise Group:

This body has been conceived with a progressive intent, but for some reason or the other, it has not grown in stature. This could become a truly participative forum in which issues could be discussed in a holistic manner to benefit the organization, the Staff and Customers. The meetings should be held regularly and scrupulously at the Divisional, Zonal and Railway Board levels at prescribed intervals. Joint Committees could be formed with involvement from both sides to study important issues and concern in a comprehensive manner and come up with integrative solutions. Some of the areas which need consideration could be elimination of redundancies on account of factors like phasing out of steam traction changes in operational environment characterized by train load operations, Unit load running, closure of marshalling yards, containerization, computerized passenger
reservation, introduction of new technologies etc. Another step could be manpower planning so that the workforce is employed in a meaningful manner in useful activities to produce efficiency, quality of service and quality of life in general. There are other issues like human resource development, which can also be deliberated by this body. To bring about this qualitative change, Railways have recently introduced groups for ‘Participation of Railway Employees in Management (PREM).

4. Strengthening of Various Committees:

In addition to these structured institutions, there are several committees on Indian Railways like Colony Committees, Hospital Committees, Canteen Committees, Staff Benefit Fund Committees etc. in which both official and staff side are represented. Having a climate of empathy, understanding, collaboration and common endeavor towards group goals should rejuvenate the working of these Committees.

To summarize, in this chapter the industrial relations in Indian Railways is discussed in historical context. This has given us an account of the manner in which different mechanisms of resolving the conflicts within the organization have evolved over a period of time. Further, the chapter has given an analysis of the experiences in other countries in relation to the model of participatory management. In the light of these discussions, the chapter presents a suggestive new model of ‘Participatory Management Practice’ for Indian Railways.