Preface

IR, the world’s third largest network and one among the largest employers, has been contributing to the industrial, economic and social development of the country. It faced a severe financial crisis in 2001 which resulted in abnormal hike in freight rate. This coupled with lack of customer oriented services, led to giving up of its market share to roadways. However, certain measures taken to control cost and increase revenue brought IR from the acute financial crisis to a noticeable success in 2005-06, which is technically known as ‘turnaround’. It had great relevance because the Railway was on the verge of bankruptcy in 2001 and the turnaround was achieved without pinching the rail users by increasing fares and at the same time upholding its social obligations by offering concessions to the privileged classes.

The present study was undertaken in a situation where there has been a disagreement in respect of factors that contributed to turnaround. SR, the fifth largest zone in IR, with its lines spread over the southern states of Kerala and Tamil Nadu, stood an exception to the general phenomenon of increased surplus. The performance of SR has been recording an operating ratio of more than 100 since 1973. So, the researcher makes an attempt to study to what extent the turnaround measures have improved the financial performance in SR.

The financial performance is always linked with customer satisfaction and employee satisfaction. While passengers are the beneficiaries, employees are the real providers of the services. Passenger satisfaction is influenced by quality and behaviour of employees. Only a satisfied employee can discharge his duties according to the expectation of customers. Therefore, the study is multidimensional which takes stock on the financial performance of SR in terms of revenue and expenditure, passenger satisfaction on improvement of service quality and the employees’ satisfaction.