CHAPTER VII

THE ADMINISTRATIVE SET-UP
The administrative organisation and management forms the main plank on which the efficiency of an undertaking hinges to a great extent. Proper communication and control in between different tiers of management also necessitates that there is a sound administrative set-up at different levels with proper decentralisation of authority. Co-ordination and co-operation among different wings or tiers is also a must. Besides, humanisation must be given preference if industrial strifes have to be avoided and the full utilisation ideal has to be achieved.

With these objectives the present chapter deals primarily with the organisational set-up which existed in Indian Railways prior to independence and since then what changes have undergone in them. The functions of each department or the departmental head follow next. The chapter also throws light on the employee-management relationship including the cost contribution ratio of the railway staff in terms of input-output relationship.

Organisational set-up Prior to Independence

The organisational set-up of railways in India had been quite different from what it was in other countries. In India the circumstances under which the railways began to operate were not the same as found in other places. Since their very inception the Government of India had exercised full control over their supervision, organisation and development. Railways were not
left to the commercial exploitation of the entrepreneurs; a close
contact was maintained between the railways and the State.

The Secretary of State for India established his full
rights over the activities of company-managed railways. The head-
quarters of Indian Railway Companies were located in London, where
the Directors of the Companies' Boards also existed, who were ex-
officials of the Government of India. Under these Directors were
the local agents to manage the railways. They worked according to
the instructions of the Directors. A Chief Consulting Engineer
was also appointed to co-ordinate the activities of all Provincial
Consulting Engineers, so that a uniform railway policy was followed
in the country. In 1869, Railway Branch of the Public Works Depart-
ment of the Government of India was evolved so as to have a sort of
centralised control. In 1874 a State Railway Directorate was
established to help in keeping the control centralised. In order
to improve the efficiency of the Directorate, the State Railways
in Northern India were divided into three systems, viz.,

1. The Western System for the Railways in the Punjab (Head-
quarters at Rawalpindi and Murree).

2. The Central System for the Railways in Rajputana, Central
India, etc. (Headquarters at Agra and Naini Tal).

3. The North-Eastern System for Railways in Bengal (Head-
quarters at Darjeeling).
A Fourth Director was at the same time appointed for State Railway Stores. Their appointments were, however, not approved by the Secretary of State for India and in 1879 a Director-General of Railways was appointed, who also worked as the Deputy Secretary to the Government of India, Railway Branch of the Public Works Department. He held the charge of the Guaranteed as well as the State Railways, especially in the control of Rates and Fares, general working and compilation of Statistics and administration. A Director of Traffic was appointed to study the problems relating to railways. Thus the following officers controlled and managed the railways:-

(1) Director General of Railways,
(2) Director of Stores,
(3) Director of Traffic,
(4) Accountant General, and
(5) Consulting Engineer.

In 1897, the office of the Director General was merged with the Government of India Secretariat, and separate Directors were appointed for Railway Construction and for Railway Traffic. This system continued till 1905, when the Railway Board was instituted.

Working and Management of Railways

The working and management of open lines of Indian
Railways were divided into eight departments viz., (1) Management or Agency, (2) Audit and Accounts including Cash and Pay, (3) Engineering, (4) Locomotive, (5) Carriage and Wagon, (6) Traffic, (7) Stores, and (8) Medical.

The Officer-in-Charge of a railway was called a Manager or Agent. All other Departments were controlled and guided by that officer. His Assistants were known as Deputy Agents, Secretary and Assistant Secretary.

The Audit and Accounts Department checked the accounts of receipts and expenditure incurred by different departments, compiled the half-yearly accounts, sent to the Government Treasury, the cash received daily from the Stations and other sources and made disbursements and payments on bills submitted by the Departments. The Officer-in-Charge was known as Examiner of Accounts on the State systems and Auditor or Chief Auditor and Accountant on the Companies Railways.

The Officer-in-Charge of the Engineering Department was known as Chief Engineer or Engineer-in-Chief. There was a horde of Executive and Assistant Engineers to maintain, repair and renew the road called the permanent way, bridges and buildings of all kinds and departments.

The Superintendents-in-Charge of the Locomotive and the Carriage and Wagon Departments were Mechanical Engineers. They had to look after the rolling stock and control the staff of
Engine Drivers and Carriage Examiners. The Officer-in-Charge of Workshops was called the Works Manager, and Foremen, Chargemen etc. all worked under him. At the Headquarters they had extensive workshops for heavy repairs, renewals and construction of new rolling stock and machinery.

The Traffic Department had the charge of Railway Stations and of receiving booking, carriage and delivery of both goods and passenger traffic. It was the revenue-earning Department of the railways. The financial success, comforts and conveniences of travelling public, supply of wagons and working of goods and luggage depended entirely upon the efficiency of this department, which fixed rates and fares of all kinds of traffic and regulated them so as to meet the requirements of the public.

One of the important branches of railway administration was for the purchase and supply of stores. Very large sums were spent on this account. The Indian Stores Department under a Director General of Stores arranged for the supply of stores of all sorts for Government Departments, Railways and quasi-public bodies.

The Medical Department was concerned with the general health of the railway personnel; and provided medical aid to railway servants and to passengers in cases of accidents.
The attainment of independence did not bring much change as regards administration, control and management. Railway Board continued to be the chief body of controlling the entire railway organisation. Only its working was often examined by different committees and changes were introduced from time to time, suiting to the needs of the changing economy.

The chart given opposite gives the present administrative set-up of the railways. According to this the Minister of Railways is the highest authority in which the entire administration is vested. The overall policy decisions originate from his office and he has to keep himself in contact with all the members incharge of different functions. In 1952 a Deputy Minister was appointed instead of a Minister of State for Transport and Railways. Since 1957 as Transport was taken away from the charge of the Minister, he is designated as the Minister for Railways. He controls and guides the Railway Board.

The Minister has to be a capable administrator and a railway expert. In our country also the persons who were incharge of this portfolio possessed business experience combined with excellent administrative ability.

The Minister has to look to the financial side of

administration as well. He presents a separate budget to the Parliament in advance of the General Budget and is solely responsible for this budget and other accounts.

He stands out as the sole administrator with many departments working under him. He has to answer to every question within reasonable time that comes up for discussion in the Parliament. Thus, the entire functioning of the railways revolves round him. He is assisted in his operation by the Deputy Minister for Railways who shares the responsibility with him. The post of Deputy Minister came into existence in 1952 by abolishing the post of the Minister of State for Railways. He assists the Railway Minister on all matters including general and financial.

The Railway Board functions as the top Railway Executive for administration, technical supervision and direction of the Railways. It is at the same time a Ministry of the Government of India responsible for Planning the development, construction, maintenance and operation of the Railways and acts in consultation with the Planning Commission and other Ministries in line with the planned and co-ordinated development of the country.

The Railway Board consists of the Chairman, Financial

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2. The Railway Board which came into existence in 1905, was reconstituted many a times on the recommendations of various committees. When India attained independence, this highest executive authority was retained for the better administration of railways.
Commissioner and four other members, all of whom are ex-officio Secretaries to the Government of India in the Ministry of Railways, the Chairman being the Principal Secretary. The portfolios of staff, Civil Engineering, Mechanical Engineering Finance (Accounts) and Transportation are held by the Chairman and the four members. By virtue of the inclusion of the Financial Commissioner, the Railway Board exercises the full powers of the Government of India in regard to the railway budget, finances and funds.

The Board holds regular weekly meetings with the Minister in which several questions pertaining to the policy are discussed and decided. The Chairman looks to the overall co-ordination of different departments. He has to take decisions on technical questions. The Minister is kept informed about important matters through him. He has the power to over-rule other members of the Board except the Financial Commissioner. There is also a Secretary in the Railway Board to co-ordinate the work of different branches and to keep the Railway Ministry connected with other ministries of the Government of India.

Due to too heavy work-load, the Railway Board has often been strengthened and additional members have been added so as to get a speedier completion of work. These Additional Members are each for Civil, Commercial, and Mechanical Engineering and staff. These officers are of the General Manager's Status. They are the
connecting link between the members and Directors of the Board.

Each Additional Member possesses complete autonomy in his own department, though they can take the advice of their senior members for any clarification. They can also make a direct approach to the Minister. As the load of work is less for the Additional Members, they are free to move about and supervise and give instructions on the spot.

One more Additional Member, an Officer-on-Special Duty with the status of Additional Member was positioned in January 1968 to rationalise the freight structure.

The Financial Commissioner is the principal adviser to the Railway Minister in matters of Railway Finance. No doubt he is part and parcel of the Railway Board yet he possesses unique position of watching and thus harmonising the entire working from outside. He has a very strong position in the Railway Board as he cannot be over-ruled by the Chairman. He is the direct representative of the Finance Department on the Board. He has a special function to perform e.g., of co-ordinating railway policy with the general financial policy and of securing economy in railway expenditure. He has been recognised as the ex-officio Secretary to the Railway Ministry.

The Vigilance Organisation in the Railway Board, headed by a Director General, looks to the overall functioning of the entire set up. The Department keeps an alert eye over all the
departments in order to improve the operational efficiency of the Railways.

Under this organisation is the Functional Directorate. There are different sections under it and there is a Director for each Section. The Directors are assisted by Joint Directors, Deputy Directors and Assistant Directors. The Director is responsible for direct disposal of day-to-day professional or technical work within the policy set by the Government and the Railway Board. They are the actual bodies for giving a practical shape to railway policies. They push the administration forward. Whenever there is disagreement between Directors, the case is submitted to the member for final orders.

The number of Directors has varied from time to time depending upon the pressure of work. In the beginning (1924) there were only four Directors, at present there are 19 departments each under a Director, namely, Accounts, Civil Engineering, Efficiency Bureau, Electrical Engineering, Establishment, Finance, Health, Mechanical Engineering, Mechanical Engineering (Production and Distribution), Metropolitan Transport, Railway Electrification, Railway Planning, Railway Stores, Safety and Coaching, Security, Signalling & Tele-communication, Statistics & Economics, Traffic Commercial and Traffic Transportation. All these departments cover the entire field of railway administration, each department has its own importance as it tries to solve the various problems.
under each head. The modernization and operational efficiency of the railways depend on the efficient running of these directorates as the railway Electrification, Planning, Signalling & Telecommunication, Engineering, Railway Stores etc. The Directors look to the current routine work and dispose of all matters connected with their directorates as efficiently as possible. They, being the experts in their respective departments, are able to tackle the technical problems in a better way.

There are two Advisers under the Directorate - one Economic and the other Joint Secretary & Legal Adviser. They are also of the Director's Status. The Economic Adviser supervises the statistical work in the Board's Secretariat. The other adviser is in charge of giving all sorts of legal advice on all controversial issues. He also holds the post of Joint Secretary under the Secretary of the Railway Board who is responsible for the general conduct of work in the Ministry. There is one Additional Director who is in charge of the entire Establishment of the Railways.

The Research, Designs and Standards Organisation (R.D.S.O.) at Lucknow, which is an attached office of the Railway Board, is headed by a Director General for the production of standard designs and specifications for railway equipment. The working of this unit has already been examined in Chapter III.

The Indian Railways are divided into nine zonal systems, each zone being headed by a General Manager who is responsible to
the Railway Board for operation, maintenance and financial position of the zone. The General Managers are assisted by functional heads of departments at the headquarters. For quick and effective disposal of work, the General Managers are delegated with wide powers in establishment matters and in matters relating to works, contracts, procurement, etc. All the nine Zonal Railways, namely, the Central, Eastern, Northern, North Eastern, North East Frontier, Southern, South Central, South Eastern and Western Railways, are all organised on the 'Divisional Pattern', under which adequate authority is delegated to the Divisional Superintendents for effective administration and inter-departmental co-ordination.

Under this system the zone is divided into a number of territorial units of definite size. Such divisions are the actual working units of the Railway. The Divisional Superintendent is a miniature General Manager, completely in charge of his unit. He is the co-ordinating link between the different departments. He is also in close contact with the consumers of the service on the one hand and labour on the other.

The three Production Units, namely, the Chittaranjan Locomotive Works, Calcutta, the Integral Coach Factory, Perambur (Madras), and the Diesel Locomotive Works, Varanasi are under the General Managers who look after the production in these units. A detailed account of the production has already been given in Chapter III.
The control over railway finances and policy is exercised by Parliament through the discussion and voting on the Railway Budget and Railway Demands for grants and also through Parliamentary Committees like the Public Accounts Committee and the Estimates Committee. Members of the Parliament also sit on Advisory Committees like the National and Zonal Railway Users' Consultative Councils and the Informal Consultative Committees of Members of Parliament for each Zonal Railway. Public opinion and co-operation are also secured through Advisory Committees at various levels and for specific purposes.

There are certain official and non-official committees, as stated above, which assist the Railway Board in administration and smooth functioning which are as below:

(a) **Estimates Committee**

It was created in 1950. It is a Committee composed of 25 members (it has gone up to 30 since then) elected by the Lok Sabha from its members by proportional representation for a term of one year, though for a large number of members continuity has become a normal practice. The Committee works under the control and guidance of the speaker and is staffed by the Parliamentary Secretariat. A number of sub-committees have been set up under it. The Committee examines, witnesses, procures information from the Ministry concerned. It prepares draft report which is sent to the Ministry for verification marked confidential and then prepares
its final report. The Ministry has to report the action taken and answer further enquiries and explanations called for by the Committee. This procedure makes the Ministry work thoroughly and effectively. As the reports are vigorous, they serve to effect economy and efficiency. It submits a number of reports in a year and the recommendations have a tremendous weight with the ministry which help considerably in improving the economy, efficiency and administration of railways.

(b) Public Accounts Committee

The Audit Report of the Comptroller and Auditor-General forms the basis on which the Public Accounts Committee functions. Its duties and functions include an examination of accounts, showing the appropriation of sums granted by the Lok Sabha. Though its functions are primarily financial-examination of technical irregularities - they are not confined in fact to these alone. The scope generally extends to the whole realm of 'waste', 'extravagance', lack of administrative control and even 'unsuitable organisation'. It is a kind of watch-dog of Parliament to guard against official negligence and corruption.

3. The Committee owes its origin to the British period. At that time it consisted of about eight to ten members, presided over by the Finance Member of the Viceroy’s Executive Council, with Secretariat Staff also drawn from the Finance Department. The procedure of its working and constitution were revised in 1950-52. It started with 15 members and now its strength has been raised to 22, elected annually by the Lok Sabha. The Chairman is appointed by the Speaker from among its members.
Public Co-operation and public opinion is as important as any other thing. The public must have a voice in the management of their own railways. Acworth Committee, after a close examination came to the conclusion that 'new scheme of reform can attain its purpose of fitting the railways to the needs of the Indian public unless the public has an adequate voice in the matter'. In foreign countries such committees worked very efficiently. 'They had no powers but they had great powers'.

(d) Central Advisory Council

After the Regrouping of Railways, these Committees, both

4. Acworth Committee Report, 1921, para 139.
5. Ibid., para 141.

Similar bodies were also recommended for Indian Railways as well. It was emphasised that the railways would be saved from much hostile criticism if representative of the people could bring forward their grievances directly to the railway administration and could, at the earliest possible moment be acquainted with the steps that were being taken to redress these complaints.

6. This Committee owes its origin to the British period, when it was set up in 1922 to develop friendly relations among the railways, the public and the businessmen. Questions of general policy were also discussed in it. Its functions mainly were - (1) to advise the railway administration in the formation and adoption of railway policy; (2) to advise the administration on the provision of increased passenger amenities, and considered the just demand of the travellers; (3) to advise on the conditions of service of railway staff and suggest improvement in them; and (4) to suggest ways and means of improving efficiency.

One great drawback of the Council is that its meetings are held only once or twice a year. Hence its significance has diminished. The elected members do not possess the practical experience and thus cannot be of much help. The Kumburu Committee in 1949 had recommended that the members should be representative of trade

....footnote continued.....
Central and Local, were reconstituted in 1953 'with a view to securing better representation of railway users'. The Central Advisory Council was given a new name, viz., National Railway Users' Consultative Council and various Local Advisory Committees were called Zonal Railway Users' Consultative Committees and Regional/Divisional Railway Users' Consultative Committees. Thus the present set-up is a three-tier pattern -

(1) **National Railway Users' Consultative Council**

Except for the change in name and composition, it is just like the old Council, remaining to be a part of the Government machinery. Its Chairman is the Minister for Railways, its Secretary is Joint Director, Traffic Railway Board. Except the ex-officio representatives of ministries or representatives of zonal committees, the members are appointed by the minister for railways. The Railway Board draws its agenda, its proceedings are confidential as before, as well as its scope and functions.

and commerce so that their practical experience might increase the utility of a Council and be of some help to railway administration. The number of meetings in a year should also increase.

Local Advisory Committees were also set up on the recommendation of the Acworth Committee for railway administration. They were to deal with special questions of a local character. It was an advisory body in relation to the Government of India on matters of railway policy.

Such Committees were important links between railway administration and the public. They provided opportunities for expression of public opinion on matters which affected millions of passengers in the country.
Zonal Railway Users' Consultative Committee

At the headquarters of each of the nine Zonal Railways is a committee representing the 'general users' in the territory served by the Railway. The General Manager of the Railway concerned is the Chairman of the Council. Members of this Council include one representative of each of the States served by the railway, one representative of the State Legislature, seven representatives of Merchants' Associations, Chambers of Commerce, etc., two elected representatives of the Zonal Committees, one representative of the Port Trust and one member of the Parliament.

Divisional/Regional Railway Users' Consultative Councils

Each of the Zonal Railways have as many Divisional or Regional Consultative Committees as there are divisions in the Railway. Each Committee is presided over by Divisional Superintendents of the local division. Each Committee consists of 12 members including representatives of trade, passenger associations, etc. The Committee holds discussions on new projects, extensions, improvements, provision of amenities in the area concerned.

For the convenience of railway users' Complaint Books are maintained at all stations, important goods-sheds and refreshment rooms. These complaints are scrutinised daily by Supervisory Officials concerned and attended to promptly. There is also a complaints' organisation in Delhi where complaints are lodged in person with the Assistant Secretary.
A large number of Advisory Committees such as Catering Committee, Suburban Users' Amenities Committee, Book-stall Advisory Committee, Time-table Committee, Railway Equipment Committee, etc., have also been appointed with a view to make railway administration amenable to public opinion.

**Railway Conferences**

They serve a very useful purpose as they bring the railway management and railway users' in close contact. Such meetings help in discovering and solving problems. They help in obtaining increased acceptance of the decisions made, and also in improving the ability of the people who attend them.

The above study leads us to conclude, that -

(a) From the commencement of the railway operation in India, the control of both the companies and State Railways was vested with the Provincial Governments. Later on it was centralised in the Government of India. This centralisation created some difficulties as the administration became too onerous a task for the Indian Government to manage. Complaints of various nature were constantly made by the public against the management of Indian Railways, but the Railway Board failed to remedy them.

(b) During pre-independence days the Railway Board was not free and independent to frame its own policy or to decide matters independently. Even over matters of trifling importance the Board had to apply to the Government of India or the Secretary—
of State for India. There was constant interference by these authorities. The Acworth Committee brought about certain changes by which independence of Railway Board was restored and it could prepare its own programme of work and expenditure. But it had become a vast impersonal machine, quite indifferent towards public needs and grievances. The Imperial Legislative Council, through resolutions, questions and discussions always impressed upon the Board the public utility character of the Railways. Insistence was on the removal of inconveniences suffered by the third class passengers, economy in working, better treatment of the labourers and removal of financial irregularities.

(c) The attainment of independence did not bring any satisfactory change in the Railway Board, though its working was often examined by different committees. The Kunzru Committee in 1949 recommended the control and management of Union Railways to a Statutory Body as the working of the Railway Board was not upto the mark. Again in 1956, the question of setting up a 'Central Controlling Authority' was reviewed by the Estimates Committee of Parliament, so that the Parliament was unable to interfere with the budget and programmes prepared by it. There was an impersonal touch in the administration as the Board was far away to look into the day-to-day problems of the Railways. The Board is still being criticised for not possessing initiative and flexibility of private enterprise which the Public Utility Corporation generally
has. The Board is not quick in taking appropriate decisions when the occasion calls for promptness of action.

(d) The policy making and executive functions have been merged together and the Railway Board has to perform them, whether the Board is able to execute them efficiently or not. The statement of Mr. Hammond is applicable to some extent even to-day as the railways in India are subservient to political parties and so there are certain brakes put into the fast working of the entire machinery. The administration has become complex and costly. The Board lacks interest in the vital aspects of Railway Administration. Smaller points often receive more attention than bigger issues, the Board is often ignorant of vital issues. The members of the Lok Sabha do not show much interest especially when the Railway Budget comes up for discussion. If there is any criticism it is much milder.

7. "Under the present system, a minister of Railways (usually not a railway expert) represents the interests of Government generally rather than those of railway transport, and a political Board (Railway Administration today is not free from political dogmas and its machinery is a slow moving one) ratifies his decisions, whilst the only expert representative of railway interests is the General Manager already over-burdened with executive duties. Under such a system the administration of railways on commercial principles becomes impossible". - F.D. Hammond, "Memorandum on the Statutory Control of Railways" (1931), p.9.

8. Budget debates are perfunctory and the Railway Ministers have admitted the mildness and friendliness of the criticism of their Budget - Amba Prasad, 'Indian Railways, p.145.
(e) In the Divisional and Departmental Organisational set-up of the Railways, there is lack of co-ordination at a lower level, resulting in delays. The system has not promoted team spirit so necessary for efficient working. The officers take a narrow point of view and press the claims of their own departments leading to inevitable delays.

Very often opinions have differed on the administrative machinery on the railways. Is the present Railway Board or a modified one competent to manage the affairs efficiently or should it be replaced by an autonomous corporation or a Transport Board?

(a) Autonomous Corporation

There is a school of thought who advocates the establishment of an Autonomous Corporation for railways for better management as such a Corporation would be free of bureaucratic rigidity. If such a Corporation is introduced they claimed that the railways would begin to enjoy the greatest possible autonomy, thus eliminating the officialdom and rigid administration. It was expected that this form of independent railway management would introduce initiative and flexibility in the administrative set-up. The railways require an organisation which is more flexible and fearless in working - this can only be possible when there is an Autonomous Corporation to manage its affairs. The railways would thus receive all the advantages of consolidation and nationalisation.
One is constrained to ponder over whether such a change will bring about the desired end? Whether it will be possible to keep the Corporation away from ministerial influence? Whether efficiency will change to any appreciable extent if the railways are managed by a Corporation? Whether the efficiency of railways as managed by the Railway Board is inferior or doubtful in any way?

There is the other side to the picture. The setting up of a separate Corporation for railway administration does not appear to be desirable for certain reasons. Firstly, the change would upset the administrative machinery. Secondly, it would not be possible to keep the Corporation away from ministerial influence. There would be every possibility of a change in the policy with a change in the Ministry which might not be in the general interest of the country. Thirdly, it is doubtful whether the operational efficiency and performance on the railways, would increase with this change in administration. Moreover, Indian Railways are a big organisation and it would be rather difficult for an Autonomous Corporation to manage them. The best course would be to give greater autonomy to the Railway Board itself, rather than introduce any administrative change.

(b) **Transport Board**

It has often been argued that the problem of administration can be solved if an alternative arrangement is made and
railway management and control is entrusted to a Transport Board organised on the model of Transport Commission of Britain. This Board, it is being felt, might remove the short-comings of railway administration as under such a system a publicly owned undertaking would be accountable to Parliament to some extent and would also be free from the bureaucracy of the Government organs. The Government would not interfere on matters of day-to-day affairs, but the Minister would have power in respect of matters of policy and matters relating to general management.

But it is quite doubtful if such a change be economical and efficient. Again, the problem remains as to how the system be put into practice. Railway administration under such a Board, too, will not be very effective in solving the problem of organisational set-up as railway management would then lack flexibility and initiative. It is believed that Transport Minister would not be free to look to the interests of railways only and the Board would not have a free hand in administration as the policy would be dictated from above.

(c) Railway Board

In order to cope with the developing economy of the country, the present set up i.e. the Ministry of Railways (Railway Board) at the top, the Zonal Railway Administration and the Divisional Administration at the field level, are exceptionally suitable to Indian conditions. For better achievement it is
desirable to give greater autonomy to the Railway Board. There should be more decentralisation and delegation of powers to the Divisions so as to enable them to function as independent units. When the procedures of the Railway Board are streamlined and practices are revised, it will definitely work more efficiently than an Autonomous Corporation or a Transport Board. Replacement of the Railway Board will not solve the problem of administration but a modified Board representing the interests of the business community will go a long way in streamlining and gearing up railway administration. The question, 'Is the efficiency of railways as managed by the Railway Board inferior or doubtful in any way?' Can now be answered in the negative because the railways have been giving a good account of themselves and their performance has been quite commendable. Under such circumstances the change over would not be desirable.

PERSONNEL RELATIONS

The personnel which constitutes the administrative set-up must also be studied in matters like recruitment, service conditions, emoluments and incentives, humanisation and employer-employee relationship.

Railways are the biggest nationalised enterprise of India. Its working and efficiency depends on the efficiency of
its personnel organisation, recruitment and welfare schemes. Indian Railways provided employment to 1.35 millions in 1968-69. The personnel is selected with utmost care by Selection Boards. After this selection they undergo specialised training under the guidance and control of specialists in order to make them fit for their jobs.

The railway employees are classified under four heads, viz., 'intensive', 'continuous', 'essentially intermittent' and 'excluded', on the basis of hours of employment. The railways have taken due care in providing training to their staff and in introducing various intensive schemes, besides improving service.

9. The railways continue to provide varied training facilities for the staff in about 40 Basic Training Centres which train unskilled labour to become artisans and 50 Training Schools which give theoretical and practical training in railway operation. These Vocational Training Centres improve the prospects of the employees for promotion to higher grades. About 60 employees and 533 children received Vocational Training at about 25 Training Centres in 1968-69.

- Indian Railways, 1966-69, p.72.

10. A Productivity Cell in the Railway Board's Office is working on the improvement of productivity in railway workshops. More than 74,000 staff in 38 mechanical workshops, i.e. 90.4 per cent of the staff, were working under the scheme by the end of 1969. Improvement in productivity in workshops has enabled diversification of output including the building of wagons, cranes, etc.

The incentive scheme in operation in the electrical sections attached to mechanical workshops, and in the civil engineering and signal and tele-communication workshops covered 71 per cent, 27 per cent and 68 per cent respectively of the staff expected to be brought within the purview of the incentive scheme - Indian Railways, 1968-69, p.68.
conditions and welfare facilities.

For maintaining harmony in labour management and

11. i) The Staff Benefit Fund:
This fund is managed at the Headquarters and Divisions by Committees of representatives of recognised unions and administration. The fund received a contribution at the rate of Rs 4.50 per non-gazetted employee on the Zonal Railways. Of the total amount of Rs 7.83 millions disbursed from the Fund in 1968-69, Rs 3.80 millions spent on relief of distress and assistance to sick employees, Rs 2.45 millions on the education of the children of the staff, Rs 0.34 million on sports, Rs 0.92 million on recreation and amusement, Rs 0.22 million on scouting and Rs 0.20 million on other miscellaneous items.

ii) Schools and Vocational Training Centres:
749 schools functioned on the railways for the education of children of railway employees in 1968-69, 145,103 children attended these schools at the end of 1969.

Scholarships awarded during 1968-69 numbered 3,234 involving an expenditure of Rs 1.46 millions.

iii) Holiday Homes:
Besides 19 holiday homes located on different railways there are two All - Railway Holiday Homes at Srinagar and Pahalgam. About 3,100 employees availed themselves of the holiday homes for Class III and Class IV Staff.

iv) Sports:
Railway teams participated in various sports' events and national tournaments and won championships. 7 railwaymen were members of the Indian Olympic Contingent which participated in XIX Olympic Games held in Mexico in 1969. The Railways had a fair share in National Teams - as many as 27 railwaymen were selected as members of the various teams which took part in international contests.

v) Co-operative Movement:
Towards the end of June 1969, there were 26 Co-operative Credit Societies with a total working capital of Rs 469.3 millions and a membership of & 763,098. There are 437 Consumer and 29 Co-operative Housing Societies. The number of Co-operative Labour Contract Societies was 87 by the end of 1969.

vi) Staff Quarters:
During 1968-69, 6,380 houses and 6 barracks were constructed for the staff.

..... footnote continued.....
relationship there is the permanent negotiating machinery for maintaining contacts with labour. There is a Joint Consultative and a Compulsory Arbitration Machinery which provide for meetings of Joint Councils at national level. Fifteen Advisory Committees on labour welfare are functioning on Zonal Railways. With a gradual evolution towards an industrial democracy, association of labour with management is being striven at all suitable stages in order to promote productivity for the general benefit of all. The existence of a strong and self-confident trade union is another element for employee-employer relationship.

On account of these facilities the productivity of staff has increased from 121 in 1955-56 to 173 in 1968-69.\textsuperscript{12} The incentive schemes have also increased the productivity in railway workshops as is evident from the following statistics:

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\textbf{vii) Health Activities:}

About 138,521 railway employees attended various health units. There are about 636 hospitals and health units.\textsuperscript{-}{\textsuperscript{12} Indian Railways, 1968-69, pp.71-74.}

TABLE NO. 7.1

Increase in Productivity and Improvement in Man-power ratio in Indian Railway Workshops

<table>
<thead>
<tr>
<th>Year</th>
<th>Repair work done during the year in terms of equated 80 Wagon units</th>
<th>Man-power ratio (staff per standard unit of repair)</th>
<th>Percentage increase in productivity with 1957-58 as base year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1957-58</td>
<td>335,050</td>
<td>14.9</td>
<td>1.49</td>
</tr>
<tr>
<td>1958-59</td>
<td>335,535</td>
<td>14.5</td>
<td>1.45</td>
</tr>
<tr>
<td>1959-60</td>
<td>376,857</td>
<td>13.6</td>
<td>1.36</td>
</tr>
<tr>
<td>1960-61</td>
<td>378,212</td>
<td>13.2</td>
<td>1.32</td>
</tr>
<tr>
<td>1965-66</td>
<td>427,752</td>
<td>9.9</td>
<td>0.99</td>
</tr>
<tr>
<td>1966-67</td>
<td>431,403</td>
<td>9.8</td>
<td>0.98</td>
</tr>
<tr>
<td>1967-68</td>
<td>436,287</td>
<td>9.7</td>
<td>0.97</td>
</tr>
<tr>
<td>1968-69</td>
<td>445,003</td>
<td>9.6</td>
<td>0.96</td>
</tr>
</tbody>
</table>

But we have discussed in Chapter III, Table No. 3.11 that the cost of staff (average) has increased from Rs 1,263 per employee in 1950-51 to Rs 2,932 per employee in 1968-69. We have also shown that the per capita cost of employees (indices of cost) has increased during the last twenty years in Table No. 8.6 in Chapter VIII. These statistics point out that whereas the railways are doing their best in ameliorating the service and living conditions of their employees, the latter are not contributing.

13. Ibid., p. 88.
their best in terms of input-output relationship. It is incumbent upon the railway staff to be as much honest and sincere in their duties as they are mindful of their rights.

Efficiency and sufficiency of staff are two necessary adjuncts of any administrative set-up. Along with these, it is also necessary that 'economy' and 'responsibility' should also be given due consideration in any assessment of the administrative machinery.