

Employment Relations in the Indian Railways - A Strong Tripod?

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Abstract

This paper is part of a larger program of study conducted on the Indian Railways (IR), through a grant by the Society for Human Resource Management (SHRM), USA, focusing on Indian Railways' human resource management and industrial relations practices. In this paper we contribute by focusing on the employment relations (ER) scenario in the Indian Railways in the backdrop of a wider industrial relations institutional environment in India. Dunlop's ER framework identified the key actors in an ER system: unions, employers and the state, also commonly referred to as the tripod of ER. In the context of the Indian ER environment, scholars have argued that ER in India is akin to a 'lame tripod'. It is in this light that we analyse empirical data collected during the 2010-2011 period and investigate whether the 'lame tripod' thesis holds good for the Indian Railways (IR). Evidence from our study suggests that this is not the case, thus, suggesting the presence of a robust and 'strong tripod' of ER in IR, as advocated by Dunlop.

Introduction

This paper seeks to contribute by focusing on the current employment relations (ER) scenario in the Indian Railways in the backdrop of a wider industrial relations institutional environment in India. We do so by identifying several ER challenges faced by the Indian Railways (IR) over time, and how these were overcome. We note that there are several gaps in the literature on ER in IR that need to be addressed. *One*, scholars have argued that there are scant studies that focus on people management and employment relations (see arguments made by Pio, 2007; Budhwar and Varma, 2010) in the context of India based studies more generally, and we argue, more specifically this is so in the context of studies on ER in Indian Railways. *Two*, there are a limited number of empirical studies on the above topic even though there are several aspects of changing employment relations affecting the IRs, thus, there is a need for further empirical studies. *Three*, the problem is compounded further as most of the studies that are published do not offer an in-depth analysis of ER in IR per se, often focusing on surface level and disparate topics such as strikes, single zone case studies, and examination of particular ER and grievance machineries in the IR. Hence, research on the larger picture involving the various ER actors is largely missing. *Four*, previous studies have not covered the vast geographic spread of the Indian railways covering its multiple zonal railways for obvious reasons (i.e. access, time and funding challenges). It thus eludes national variations, if any, in this vast diverse country. *Five*, in terms of the timing i.e. currency, recency and topicality, there is a need to tell the story of ER in modern Indian Railways. To

this end, fulfilling the above gaps in the literature, this paper contributes to the current body of literature on the Indian Railways by particularly seeking to answer the following research questions:

- (1) *How are employment relationships managed in the Indian Railways and what are the key challenges faced by different actors in the system? ; and*
- (2) *Comparatively, how is employment relations in the Indian Railways different or similar to the wider employment relations scenario in India and how does this study add to new knowledge in this area?*

Dunlop's (1958) ER framework identified unions, employers and the state as the ER tripod of key stakeholders. Recently in the context of the Indian ER environment, Budhwar and Bhatnagar (2009: 30) argue that ER in India is akin to a 'lame tripod'. Subsequent to the above rationale and research questions, analysing empirical data collected during 2010-2011, we investigate whether the 'lame tripod' thesis holds good for the IR. The evidence from our study suggests that the answer is not so, hence suggesting that ER in IR is different and still robust, as prescribed by Dunlop.

The rest of the paper is structured as follows. We begin by providing a review of ER in India and the key studies on a range of ER topics in the IR. This is followed by a review of systems and processes responsible for rulemaking in the context of the key actors in the ER system in Indian Railways. Next, we discuss the details of the research methodology employed, followed by findings and analysis. The final section includes a brief discussion and conclusion that distils our analysis in context of our above two research questions, and offers some directions for future research.

Literature Review

Employment Relations in India

Dunlop's (1958) hypothesis was that eventually developments such as national 'Industrial Relations Systems' constructed by 'industrialising elites' would lead in time to the 'maturation' and 'convergence' of employment relations systems in developing countries with those in advanced countries. From the 1980s onwards researchers began relating country-specific employment relations outcomes with the nature of industrialisation strategies followed by individual economies (e.g. Deyo, 1989; Kuruvilla, 1996). Previous arguments

have been made that labour and employment relations in India are ‘beclouded by ambiguous statements and by inconsistencies between declaration and practice’ (Kennedy 1958: 487). Recently, within the context of newer private sector industry, scholars have identified the distinctive nature of ER, which is now subject to increasing scrutiny (e.g., Budhwar 2003; Bhattacharjee and Ackers 2010; Budhwar and Varma 2010; Kuruvilla and Ranganathan 2008; 2010; Deakin and Sarkar, 2011; Krishnan, 2011; van der Y, Rodgers, and Menon 2013). However, research pertaining to the complexities and challenges within ER in the Indian public sector, especially the world’s largest commercial employer, the Indian railways is largely missing and hence a key research gap exists. However, there is an emerging body of research on ‘people management practices’ in the Indian Railways that has been recently published (see for e.g. Pereira, 2009; Pereira, 2012, Pereira, 2014, Pereira and Malik, 2014; Pereira and Fontinha, in press). The three main actors in this pivotal organisation are the state, employees, and management. Unlike the arguments made against the traditional ER tripod, the trade unions are still strong in this sector and the role and expectation of the state as an influential actor in this monopolistic transport carrier are also valid.

Editing a special issue on ‘Employment relations in India - old narratives and new perspectives’, Bhattacharjee and Ackers (2010) trace the evolution of Indian employment relations since independence and argue that theories developed in the West are of only limited value in understanding this; further, the rationale and motivation of their special issue were to overcome the allegation that some social science observers frequently regard Indian academic employment relations as ‘descriptive and a-theoretical’. In the context of public sector enterprises in India, Bhattacharjee and Ackers (2010: p. 106) assert that the “centralised union federations that are affiliated to political parties bargain with the state (as employer) at the industry and/or national level. Central and state government employees in the services sector (transportation, postal services, banking and insurance, police and firefighters, etc.) have their (typically) politically affiliated unions bargaining at the national and/or regional levels”. The authors further argue that these ‘centralised bargaining and union structures’ enjoyed stability during the period of planned industrialisation of the 1980s and 1990s when India was pursuing ISI strategies (Indian Standards Institute (ISI), is a certification mark for industrial products in India). Moreover, as the Indian economy liberalised and opened up to greater domestic and international competition, the need for decentralisation of state-owned organisations has grown, and this has intensified. Comparing India with other countries, Bhattacharjee and Ackers (2010: 106) argue that ‘there has been a

retreat of the state from its earlier role of creating permanent employment and regulating union-management bargaining'. However the Indian railways have remained immune from these developments as they still enjoyed state patronage and are still to an extent monopolistic in nature, with little in terms of competition from road or airways.

Employment Relations in the Indian Railways

An ex-manager from the Indian railways (Seghal, 2011) in his doctoral work identified a number of challenges facing the Indian Railways: managing changing customer needs and expectations of a one stop shopping experience and a technology-based interface; conflicting goals of economic sustainability and delivering a social good; complex bureaucratic structure; limited autonomy due to political interference and control; and the lack of a clear vision for the future. However, we identify ER in IR as a further challenge. Traditionally, the employees of the Indian Railways were/are not treated at par with the rest of their civil servant counterparts (James & Rao, 1969). Following the first Indian public sector employees strike in 1960, when the Indian public service witnessed its second strike action (James & Rao, 1969), it sparked an interesting debate and divided the camps regarding whether strikes are legitimate or not, especially in the case of large public sector utility undertakings, which typifies the Indian Railways. Inadequacies in the joint consultative mechanisms and poor resolution of employee concerns by the Ministry of Home Affairs led to a second strike in 1968 and there were numerous excessive and adverse consequences for its employees and other public sector undertakings such as the Indian Railways such as loss in freight and fares as a consequence of the strike. Public sector trade unions in India have since the late 1960s flourished and have been affiliated to major political parties (Thakur, 1976).

Labour Legislation & Rule of Law

Although there have been a number of labour laws enacted in the Indian ER context to protect the interests of workers, the remit of these laws are generally also enforceable on railway employees, unless otherwise specified by other acts of law. The most relevant pieces of employment legislation are:

- The Industrial Disputes Act, 1947 (the key legislation governing industrial disputes)
- The Workmen's Compensation Act, 1923
- The Minimum Wages Act, 1948
- The Factories Act, 1948

In addition to the above, there are several additional employment legislation, rules, regulations, procedures and standing orders of the Railway Board that specifically pertain to employees of the Indian Railways. These are briefly listed below.

Laws, Rules, Regulations, Procedures & Railway Board Orders

The President of India lays down conditions of service, as a part of his/her constitutional duties, under Article 309 of the Constitution of India. The President's office has promulgated various statutory rules in exercise of this power. These statutory rules that specifically apply to the Indian Railways and its undertakings include:

- Indian Railway Establishment Codes Volume I & II
- Railways Act, 1989
- Railway Servants (Hours of Work & Period of Rest) Rules, 2005
- Railway Services (Liberalised Leave) Rules, 1949
- State Railway Provident Fund Rules
- Railway Services (Conduct) Rules, 1966
- Railway Servants (Discipline & Appeal) Rules, 1968
- Railway Servants (Pass) Rules, 1986
- Railway Services (Pension) Rules, 1993
- Railway Services (Commutation of Pension) Rules, 1993
- Railway Services (Extraordinary Pension) Rules, 1993

Railway Services (Conduct) Rules

Inevitably, the multifarious spheres of railway operation impose certain responsibilities and obligations on railway employees. All railway personnel are expected to observe a general code of behaviour in regard to various matters, such as:

1. Employment of near relatives in private undertakings enjoying government patronage
2. Joining of associations or unions
3. Indulging in criticism of the Government and unauthorised communication of information
4. Maintaining and furnishing a record of movable and immovable assets

As an employee of the Central Government in the Ministry of Railways or in the Railway Administrations, a railway worker is expected to be a "good, honest and conscientious member of the railway staff and an exemplary citizen of the country".

Evolution of Unions in the Indian Railways

The history of Indian Railways' collective bargaining dates back to the 1920s when the All India Railwaymen's Federation (AIRF) was formed as the first union in 1925 and granted recognition by the Railway Board in 1930. The complex and geographical diversity of the Indian Railways and the launch of a union front by the Congress party led to the formation of the second union: the Indian National Railways Workers Federation (INRF). There were tensions and differences in bargaining positions and tactics between the two unions, right from their establishment and recognition. In addition to the political party affiliations and motivations of the unions, the traditional roles of bargaining for better working conditions for members remained a key reason for union formation in the Indian Railways (Rao & Rao, 1982). There have been allegations that the comparable rates of remuneration for employees of Indian Railways were lesser vis-à-vis comparable public sector undertakings and the transport industry as well (Rao & Rao, 1982).

Labour-management cooperation in the Indian Railways

Although there were a number of grievances and illegal strikes organised by these unions between the years 1970-1987, Rao and Narayana (1992) note that the Indian Railways, in a bid to develop harmonious collective bargaining in public sector utility undertakings, implemented a number of labour-management cooperation programs. A number of such programs that were instituted by the Indian Railways included the Permanent Negotiation Machinery (PNM), Joint Consultative Machinery (JCM), and Corporate Enterprise Groups (CEG). These machineries facilitated collective bargaining at Zonal and Divisional levels in 1950s and subsequently at the central Railway Board Level in the late 1960s. Rao and Narayana (1992) suggest further proactive changes and improvements that can be made to these programs. In particular they highlight issues such as differences in the extent to which the PNM settled claims differently for the AIRF and INRF, thus further escalating the tensions between the unions and intensifying their rivalry. Evaluating the effectiveness of PNM at a Divisional level, Reddy (1981: p.388) found that although there was a high proportion of grievances dealt with by the PNM, a number of the meetings had inconclusive decisions and a vast majority of the decisions were simply classified as 'explained' or 'to pursue further', instead of the 'accepted' or 'rejected' categories. Although it may appear that

the Railway management may be blamed for this, the unions leaders also contributed to this problem.

Rao & Rao (1987) argue that although JCM did not fuel union-rivalry it was unsuccessful in solving all the problems of the worker constituencies. Further, the unions criticised the management for not effectively implementing the agreed decisions. The inability of management committees to settle agreed claims in a timely manner resulted in productivity losses and high number of man-days lost. As a consequence of these growing issues, there was an all India strike organised by AIRF in 1974, which lasted for 18 days and led to huge productivity losses as well as aggravated inter-union rivalry (Government of India, 1975).

In view of the challenges identified above, the Indian Railways advanced a proactive approach to labour management cooperation by resolving long standing issues such as payment of bonus, cadre reclassification and reclassification of craft artisan workers (Rao & Narayana, 1992). The inter-union rivalry and tensions still persisted and an effort was made by the management to establish worker participation mechanisms for a quicker redressal of grievances. This objective led to the formation of CEG in 1972 after an agreement was reached between the management and NIFR and AIRF. With representatives from the unions, employees and the management, CEG was believed to deliver real solutions to problems but was criticised by unions for lack of commitment by management in attending the worker participation meetings and no formal recording of decisions at these meetings (Rao & Narayana, 1992). As part of the objectives of its functioning, the CEG was to support in resolution of employee grievances and was precluded from participating in any matters of collective bargaining as well as not allowed to discuss cases that were of an 'individual' nature. The most common criticism was the lack of 'active participation' by the management team. This led to a continued decline in the financial and operating performance of the Indian Railways. Where there were notable improvements in the operations or budgets, it was more due to the goodwill of the unions and the employees rather than the employer (Rao & Narayana, 1992). Distribution of authority and lack of transparent information sharing between the actors in the system led to limited cooperation in labour-management cooperation programs.

Tensions in employment relations: Causes and Consequences

Dhar and Srivastava (2002) undertook a survey of the key actors in the industrial relations system in the South Eastern Railways to investigate attitudes and perceptions of managers, employees and leaders towards trade unionism. Interestingly, in their findings, the workers were more satisfied with the management actions than that of their unions. While the managers recognised the need for unions and the role they play in industrial relations, they felt the union leadership and management were not very effective. The role of frontline managers of the Indian Railways was considered as critical in this changing environment. Line managers and all new employees were also provided with highly firm-specific training, often focusing on organisational procedures, policies and technical skills needed to perform in a large, bureaucratic and complex organisation (Chidambaram et al., 2013). Among the key strategies adopted by management were programs such as establishing direct channels of communication and problem solving for employees, often ignoring the presence of union branch leaders, who were perceived as barriers to decision-making. As a result of this interesting dynamic, and declining union membership, the tensions between the unions and the management were accentuated. The South Eastern Railways had two regional Railways South Eastern Railway Men's Union (SERMU) and South Eastern Railway Men's Congress, both affiliated to AIRF and NFIR, respectively. Union leadership had a positive association with bargaining outcomes and productivity and also had a positive association with union rivalry in multi-site union structures. Although the union leaders were satisfied with their operations and workings, evidence suggested they acknowledged the lack of participation by actors in union activities. Analysing the work-life balance issues of frontline railway employees such as the engine drivers, who operate long hours and had limited say in the operations and scheduling of their work, Ranjan and Prasad (2013) suggest that the working conditions affected their overall well-being and productivity.

Methodology

This study was conducted in the Indian Railways (IR), in the year 2010 and was sponsored by a grant from the Society for Human Resource Management (SHRM), USA. IR is managed by an overarching organization called the Railway Board, which gave permission and access to conduct the study. Indian Railways comprises 16 geographic zones covering all India, subdivided into 67 divisions. Given the size and scale of Indian Railways, it was decided to approach six zones that would represent different geographical areas of India. These were

Western Railways; Central Railways; North-Eastern Railways; North-Central Railways; South-Western Railways; and South-Central Railways. Written permission was granted to conduct the study on these six geographical areas, which encompass 30 of the 67 divisions.

The methodology involved both secondary as well as primary data. Our source of secondary data included various documents and railway websites for factual information to the background and history of ER in the IR. Our primary data was sought through sending questionnaires to all HR professionals in the personnel departments of the 30 divisions of IR included in the sample. In total a total of 2856 questionnaires were sent out, one for each HR professional working in these 30 departments. A total of 1,293 responses were received, translating into a response rate of 45.27%. After eliminating 22 respondents which had more than 25% missing values in the survey dataset, a total of 1,271 responses were included in the analysis.

The participants' average age was 45.62 years; 33.77% of the respondents were female and 66.23% were male. They had an average tenure at the organization of 21.6 years. HR professionals were distributed in four main hierarchical categories. The first category included 299 section heads and senior inspectors (23.6%), the second included 229 second line supervisors and junior inspectors (18%), the third included 595 personnel clerks (46.9%) and the fourth included 146 junior personnel clerks and typists (11.5%). All categories and all respondents were responsible in some way of employment relations in the Indian Railways. We present here a descriptive analysis of the key ER questions from our wider program to provide answer the study's research questions.

Findings

Employment Relations- Successfully Managed for Decades

Since it is such a large organisation, good employment relations (ER) are vital for Indian Railways (IR). Employees are represented by recognised trade unions in the zones, divisions and public sector undertakings (PSUs). ER was generally seen to be congenial among the three main actors: staff, management and trade unions. There have been no major industrial conflicts since the historic 1974 strike, which attracted worldwide attention. India has about 150 labour laws, and hence a large body of labour legislation has been enacted over a period of time to safeguard the interests of industrial and other employees. These are generally

applicable to railway workers unless otherwise specified by any law. We asked the respondents if they felt the relationship between the employees, top management and the current trade union was congenial. Overall, 50.2% said they either agreed or strongly agreed. In comparison, 34.2% either disagreed or strongly disagreed while 15.7% were noncommittal. Table 1 below depicts the comparative responses in the six zones:

Table 1: Congenial relationship between employees, management and unions

Zonal Railways	WR	CR	NER	NCR	SWR	SCR
<i>Responses</i>	% of respondents					
Strongly disagree	5.9	4.7	1.6	9.6	6.9	3.5
Disagree	21.3	28.3	33.1	38.0	30.5	30.8
Neither agree nor disagree	14.7	20.9	12.9	13.5	19.5	10.0
Agree	53.5	38.3	49.2	35.4	40.2	52.7
Strongly Agree	4.6	7.7	3.2	3.5	2.9	3.0

n=1271

Employee Representation by Trade Unions

We asked the respondents if there was currently a strong and active presence of Trade Unions within the organisation and if these trade unions were proactive on employee issues.

Overall, 65.3% said they either agreed or strongly agreed. In comparison, 22.4% either disagreed or strongly disagreed while 12.3% were noncommittal. The following table (Table 2) depicts the comparative responses in the six zones:

Table 2: Trade Union Presence and Pro-activeness towards Employee Issues

Zonal Railways	WR	CR	NER	NCR	SWR	SCR
<i>Responses</i>	% of respondents					
Strongly disagree	4.1	3.5	4.0	16.7	11.0	3.5
Disagree	18.3	21.1	16.9	28.5	26.0	29.7
Neither agree nor disagree	12.3	12.6	6.5	9.2	16.2	9.9
Agree	53.0	52.0	71.8	38.2	38.2	53.0
Strongly Agree	12.3	10.8	0.8	7.5	8.7	4.0

n=1271

Next, the respondents were asked if trade unions had by and large been accepting of computerisation of various processes within the IR system. Overall, 63.1% said they either agreed or strongly agreed. In comparison, 18.8% either disagreed or strongly disagreed while 18.1% were noncommittal. The following table (Table 3) depicts the comparative responses in the six zones:

Table 3: Acceptance of computerisation changes by Trade Unions

	WR	CR	NER	NCR	SWR	SCR
<i>Responses</i>	% of respondents					
Strongly disagree	2.1	4.1	0.8	4.0	2.3	00
Disagree	12.0	19.2	16.8	17.6	22.7	16.0
Neither agree nor disagree	21.9	21.9	9.6	13.7	16.9	17.0
Agree	57.3	50.3	69.6	57.3	52.9	63.0
Strongly Agree	6.8	4.4	3.2	7.5	5.2	4.0

n=1271

Involvement of Management

We asked the respondents if they believed that management involvement as one of the actors in employment relations was high and if the management was increasingly working on bringing about a positive change in ER. Overall, 64.9% said they either agreed or strongly agreed. In comparison, 21% either disagreed or strongly disagreed while 4.1% were noncommittal. The following table (See Table 4 below) depicts the comparative responses in the six zones:

Table 4: Management as a positive change agent

	WR	CR	NER	NCR	SWR	SCR
<i>Responses</i>	% of respondents					
Strongly disagree	2.6	4.7	8.7	3.1	7.0	2.0
Disagree	19.0	19.4	15.1	9.6	26.2	13.3
Neither agree nor disagree	13.0	17.6	7.1	16.2	12.8	11.8
Agree	58.2	49.9	63.5	63.8	43.0	63.5

Strongly Agree	7.3	8.5	5.6	7.4	11.0	9.4
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n=1271

Union Recognition

In order to be recognised by a railway administration a union has to be registered under the Indian Trade Unions Act, 1926 (XVI of 1926). There are two main officially recognised unions at the national level: the pro-Congress National Federation of Indian Railwaymen (NFIR) and the pro-Left Socialist All India Railway Federation (AIRF)

In 2007, for the first time in its then 154-year history, a secret ballot was introduced to accord recognition to the railway trade unions (on the directions of the Supreme Court of India). The union that secured 35% of employee votes or 30% of the total electorate in the secret ballot would gain recognition. Also if a union received over 50% of the votes, it would be the only recognised union. The following are the results of the referendum (See Table 4 below) in the six zones in which the study was undertaken:

Table 4: Referendum of Railway Workers – 2007

Railway Zone	Name of Union	Votes as % of total electorate	Votes as % of valid votes cast
Western Railway	Western Railway Employees Union -AIRF	39.7	46.7
	Western Railway Mazdoor Sangh -NFIR	37.0	43.1
Central Railway	National Railway Mazdoor Union— AIRF	39.7	45.6
	Central Railway Mazdoor Sangh—NFIR	32.3	37.1
North Eastern Railway	Purvottar Railway Shramik Sangh (PRSS)	41.8	48.7
North Central Railway	North Central Railway Men’s Union–AIRF	41.9	49.0
South West Railway	South West Railway Mazdoor Union—AIRF	40.5	45.2
	Nairuthya Railway Mazdoor Sangh (NRMS)	31.7	35.3
South Central Railway	SC Railway Employees Sangh—NFIR	34.5	37.8
	South Central Railway Mazdoor Union -AIRF	48.3	52.8

Source: *Multiple sources (secondary data from websites including www.airfindia.com, www.indianrailways.gov.in and www.govemployees.in) and authors’ own compilations.*

Redressing Staff Grievances

Redressing staff grievances is a very important aspect of employment and human resource relations with workers. Indian Railways has institutionalised arrangements for this purpose. Implementation cells ensure that the redressing machinery of staff grievance functions effectively and all commitments and agreements with the staff are implemented faithfully.

Permanent Negotiating Machinery (PNM)

A Permanent Negotiating Machinery (PNM) has been set up to maintain contact with organised labour and to resolve disputes and differences that may arise between them and the administration. The negotiating machinery works in three tiers:

1. Railway level—in which recognised unions have access to divisional and workshop officers and to officers at the headquarters of the railway administration.
2. Railway Board level—in which representatives of the recognised federations meet the Railway Board to obtain decisions on matters that have not been settled at the Railway level.
3. Tribunal level—in cases where an agreement is not reached between the federations and the Railway Board, and the matters are of sufficient importance to merit reference to an ad hoc Railway Tribunal. The tribunal consists of representatives of the railway administration and labour and is presided over by a neutral Chairman.

Departmental Council (Ministry of Railways) & National Council

With the object of promoting harmonious relations between the Central Government and its employees, the National Council and Departmental Councils have been constituted. The Councils may discuss matters relating to conditions of service and work, welfare of employees and improvement of efficiency and standard of work. No individual cases can be considered by the Councils, and in regard to recruitment, promotion and discipline, the Council members have to restrict their deliberations to matters of general principles only.

PNM and Joint Consultative Machinery (JCM)

The PNM started functioning on the Railway in 1951. The National Council started working under the JCM in 1966 and the Departmental Council (Ministry of Railways) in 1968. The PNM functions in three tiers, while the JCM operates only at national and departmental levels. Both the schemes are non-statutory in character. Under the PNM, a wide range of

subjects can be discussed but each tier is expected to dispose of matters falling within its purview and those that are not resolved are taken to the next tier.

Under the JCM, subjects relating to general conditions of service and work and welfare of employees may be discussed. Where a matter concerns only one department, it should be discussed and decided at the Department Council, and where the matter concerns more than one Department, it can be discussed only at the National Council level.

Industrial Action at the Indian Railways

The Indian Railways witnessed its first strike in July 1960. This was in response to a set of adverse decisions on matters of pay instituted by the Second 'Central Pay Commission'. The strike went on for nearly five days and was declared illegal. Personnel were harshly penalised—a term of six months imprisonment and a monetary penalty of Rs 500/- (at least for the affected group of employees at the time) for those who participated in the strike action and an even harsher penalty and jail term of Rs 1,000/- and one year for the instigators of the strike action. The intensity of the strike action is evident in five employees being killed, 160,000 arrested, 50,000 suspended from duty and several thousand dismissed from employment. In 1966/67 this led to the formation of the Joint Consultative Machinery (JCM) to encourage consultation and increase industrial harmony.

However, in the period that followed, the IR witnessed another strike in September 1968 when the Government refused to refer the demands of Central Government workers for arbitration services, which was provided for in the new joint consultative machinery scheme for dealing with disputes. The second strike also witnessed massive industrial action, although the scale of the strike action was not as large as was witnessed in the 1960 strike, the intensity of adverse actions for striking employees by the IR was much stronger. Approximately 48,000 Central Government workers were issued termination letters from their employment, nearly 4,000 railway employees were summarily discharged, another 7,000 were suspended and still another 8,000 employees had to undergo trial in different courts and jurisdictions (AIRF, 2014). Furthermore, nine people died from police shooting and the AIRF members initiated a period of indefinite fasting in front of the Indian Parliament in New Delhi, *ahimsa* (non-violence), a now well-established Gandhian approach to resolving disputes and disagreements. This action was highly successful and as a result the Indian Government withdrew its actions and reinstated discharged employees.

The climate of industrial unrest was far from being harmonious still as the IRs witnessed its third strike action in May 1974, whereby railway employees undertook strike action for nearly three weeks. In response to this strike, which was declared illegal, nearly 50,000 railway employees were arrested, 10,300 dismissed from employment, another 5,600 temporary employees' employment was terminated and four employees died. The magnitude of such industrial actions attracted global media and union federations' attention. As one of the consequences of this strike, the Indian National Congress Party suffered from a major defeat in the elections, as it was considered to be responsible for coercing workers to participate in strike action. However, in the end all the "victimised" employees were reinstated by decisions of the court and through the orders of the new Railways Minister when in 1977 the new Janata Government was sworn in.

In 1978, another strike action by the AIRF was averted when the government refused to accept the demands for bonus pay-outs to employees. The industrial action was avoided because the government conceded to offer a Productivity Linked Bonus (PLB) to employees. This PLB, which initially started with a payment of 15 days ad-hoc wages, has subsequently been embedded well and truly in the conditions of employment and it increased to a payment of 73 days wages in the year ending 2007-08.

In 1997, following the Fifth Pay Commission's recommendations for government employees, the AIRF, along with other Central Government trade unions called for strike action. The support for this call was significant; however, strike action did not follow as the management instigated immediate negotiations between the JCM leaders and the government, leading to an agreement in September 1997. The government acceded to a 20% wage increase over and above the recommendations of the Fifth Pay Commission, with an additional undertaking to resolve any inconsistencies as a result of this new arrangement.

Based on the above it appears that employment relations in Indian Railways seem to be moving from a pluralist mode to more of a unitary one. Indian Railways was proactive and aware that complacency would "destroy and finish" the traditional rail system and its monopoly. When economic liberalisation started in India in the early 1990s, Indian Railways was quick, along with the other growth sectors, to transform itself from a loss making organisation to a huge revenue earner. The trade unions were taken into confidence in this

growth and the unions' leadership showed a degree of openness to support this march toward profitability.

Generous Staff Care and Welfare Benefits

Perhaps no private or public sector company's employees can boast of the welfare and fringe benefits Indian Railways employees enjoy. Welfare measures include a whole range of fringe benefits such as:

1. Subsidised housing (46% of staff provided with housing in 2007).
2. Medical care (as of 2008: 121 hospitals; 586 polyclinics; 92 dispensaries).
3. Provision of schooling facilities at many places (although normally education is a State matter) and provision of study allowances for the children of IR employees (as of 2008, 365 schools; 130,000 students; 5,500 teachers; 1,100 support staff).
4. Establishment of recreational venues and sites for railway employees
5. Building permanent accommodation for holidays in tourist locations and offered cheap accommodation for its employees.
6. Promotion of sports and scouting activities, etc.
7. Canteens (as of 2008, 253 in number).
8. Vocational training centres for unskilled and semi-skilled railway workmen and vocational training for children of railway employees.
9. Handicrafts centres have also been established where family members of railway employees learn sewing, knitting etc., and also earn extra income.
10. Three free annual train trips and four at a third of the rate for an employee and his/her dependent family (class as per position and years of employment).
11. Allocating up to \$4 billion for strengthening the safety infrastructure and standards for track, bridges, and signalling operations.

The following welfare facilities are also unique to Indian Railways:

Railway Staff Benefit Fund (SBF)

Each Railway zone maintains a Staff Benefit Fund. The Fund is administered by a Committee consisting, among others, of railway staff nominated by the recognised union(s). The objects of the fund are:

1. Education of staff and their children.

2. Entertainment facilities for employees and their dependents (wherein, nearly 1/8th of the allocated monies were dedicated on the promotion of sports).
3. Relief from stress for employees and their families.
4. Extended schemes for sickness or maternity leave for the families of employees.
5. Additional benefits that can be approved by the General Manager of a zonal railway.

Co-operative Societies

This is a unique facility in Indian Railways that consists of two categories: (a) Consumer Co-operative Societies (b) Co-operative Credit Societies. Consumer Co-operative Societies are those that engage in retail trade to meet the needs of their members. Membership is open to all serving railway employees, who may purchase at least one share of a specified minimum value. The Co-operative Credit Societies/Banks have been set up to encourage the 'habit of thrift' among members. Its aim is to help railway employee's effect savings in their current consumption to meet their future credit needs. As of 2007 the following were functional:

- 178 registered Railwaymen's Consumer Co-operative Societies.
- 18 Railwaymen's Co-operative Housing Societies.
- 18 Labour Contract Co-operative Societies.

Discussion and conclusions

In this section we distil the above findings in context to our two research questions. In answering our first research question (i.e. how are employment relationships managed in the Indian Railways and what are the key challenges?), our evidence suggests a remarkable record of harmonious industrial relations that the IR has had for a very long time. Part of this can be attributed to the socialist ideological objectives that are expected and enshrined in the goals of the IR; other reasons that have been advanced include the presence of additional legislation for and delivering a wide range of welfare provisions and benefits and the changing agendas that have been advanced from time to time by various political parties to win over the large vote bank. We also identify several challenges. First, there was evidence of tensions that existed between the two major trade unions of IR and the diverse political ideologies and affiliations. Despite this, our evidence suggested that the state played a strong role in the contribution of harmonious employment relations in this monopolistic public

utility service provider, often overriding the rifts and tensions that exist between the two trade unions.

This above change in approach to managing employment relations brings us to the next critical aspect of employment relations in the IR (second challenge): the role played by the employer and in, particular, its line managers, who are recruited and inducted through two different national bodies for governing public service officers' employment, including the IR. While the initial recruitment of these officers is undertaken by the wider national state services selection processes, which includes all public sector roles, the successful candidates who have elected to work for the Indian Railways undergo further induction and socialisation by a centralised institution (Pereira, 2014) where they are acculturated into the norms and unique ways of the "Indian Railways Officers" guild. This socialisation is critical as it prepares the new frontline manager to the vast range of social and political pressures that are expected of them in their operational and people management roles. Our third identified challenge was that of 'resistance' where managers have to constantly deal with pressures of conformity and balance this with their own approaches of passive and active resistance to ensure they strike some balance between the competing demands of the stakeholders as well as manage their operations and people. For a detailed discussion, see our recent work highlighting the critical role played by frontline managers in supporting staff (Pereira & Malik, 2014).

Our second research question was: comparatively how is employment relations in the Indian railways different or similar to the wider employment relations scenario in India and how does this study add to new knowledge in this area? In terms of this second research question, contrary to earlier findings on the IR's employment relations, findings from our analysis suggest that the argument of a 'lame tripod' (Budhwar and Bhatnagar, 2009) of employment relations does not apply to the IR, as we found a 'strong tripod' involving the involvement of all three major actors i.e. the trade unions, the management and the state (Dunlop, 1958).

In conclusion then we provide strong evidence that employment relations in this large, diverse, complex and monopolistic railroad organisation: the Indian railways is akin to what we term a 'strong tripod', with all three major players contributing to the relationship. Over the years the ER in IR has evolved, but the principal responsibility of the relationship has

remained constant. It would be interesting to note further developments in the near future, especially now that a new government is ruling in India.

In terms of future research directions, first, we suggest that more studies are required when it comes to ER in Indian Railways or public sector undertakings (PSUs). In doing so a body of literature needs to be built where cross-comparisons can add to knowledge. Two, more empirical studies, both qualitative and quantitative, are needed on the above topic as this will also add to a body of knowledge. Three, holistic ER studies are needed as existing studies are often focusing on disparate topics such as strikes and particular ER machineries in the IR.

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