



# Labor Policy and Industrial Relations Machinery of Indian Railways

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## 1. Introduction

The first five-year plan in India laid down the basic principles of labor policy with regard to trade unionism in the public sector as under –

“A labor movement devoted to the protection and advancement of employees is equally indispensable in the public sector undertakings. It is therefore essential to encourage the growth of healthy trade unions.”

The railways employ a larger force than any other public undertaking and thus, the success of the labor policy with regard to trade unionism in the public sector depends largely as to what extent it is effectively implemented in the railways. Time and again it has been assured by the railway administration that they would encourage the healthy growth of trade unions in the railways. The railway ministry believes that a responsible and constructive trade union is as essential a part, of the industry as the efficient management. However, on occasions, in the absence of proper conception on this behalf, certain steps have been taken by the government which in effect have tended to encourage the growth of unhealthy trade unions in the Indian Railways. Similarly, there have been occasions when a hard and rigid attitude was adopted by the administration, and the individual officers towards the trade unions which created impediments and hampered the development of the trade union leadership from the rank and file.

## 2. Industrial Relations Machinery

A contented labor force in the Railways in India is of great importance. Shri. Gopaldaswamiyenger, then minister of railways, stressing the issue in the Parliament while presenting he budget for 1949-1950 said,

*“The established of the most cordial relations, between the railway management and the railway men who worked with them will be the supreme test of the efficiency of railway administration.”*

Concerning the explanation of labor relations, the labor dictionary defines as such, “The relations between employers and employees in industry”.

According to Dale Yoder, “Industrial relations are relations between management and employees or among employees and organizations that grow out of employment.”

The modern industrial organizations are based upon two large aggregates of capital and labor having diverse interest in the undertaking. The capital owners in the form of directors, managers and shareholders would like to maximize production by maximum exploitation of the capacity available in the labor force, whereas, the labor force would like to have a maximum gainful employment with minimum taxation to their health.

Since, the voice of an individual worker is bound to be very feeble, individual bargaining is not likely to be fruitful as owing to the great unemployment prevailing, replacement of individual is no problem and it is in this context, that the collective bargaining needs to be resorted to.

The field of industrial relations is quite complex, the participants are mainly,

- 1) The workers and their trade unions.
- 2) The employers and their associations.
- 3) The agencies of the government, who are the custodians of the interests of the community as a whole.

Owing to the conflict in the interests of the participants, disputes are bound to arise and these disputes have to be settled by negotiations through some form of machinery.

## 3. Industrial Disputes

Industrial disputes may be said to be disagreement or controversy between the management and labor with respect to wages, working conditions, union recognition, violation of labor laws or collective disagreement etc. Such disputes may include controversies between rival unions also. A brief list of specific causes of industrial disputes is given below-



- 1) Economic
  - a. Wage structure and demands for higher wages.
  - b. Various forms of allowances and incentives denied.
  - c. Fringe benefits such as medical aid, housing etc.
  - d. Deductions on various fronts from wages.
- 2) Methods of production.
  - a. In-congenial working conditions.
  - b. Machinery and layout of plant etc.
  - c. Inadequate labor welfare measures.
- 3) Terms of employment
  - a. Dissatisfaction over working hours.
  - b. Issues of promotions, demotions, layoffs, retrenchment, dismissal
  - c. Transfers, job evaluations, cadre reviews etc.
- 4) Institutional
  - a. Multiplicity of labor laws
  - b. Non-recognition of the union.
  - c. Issues of the membership of union.
  - d. Subject of collective bargaining.
  - e. Unfair practices.
- 5) Psychological
  - a. Clash of leader personalities.
  - b. Behavioral mal adjustments.
  - c. Demands from the side of workers for recognition.
  - d. Lack of scope for leaders for self-expression and participation in the union.
- 6) Denial of legal and contractual rights.
  - a. Non implementation of labor laws.
  - b. Many a times there is a violation of various agreements that have been reached.

#### **4. Machinery for settlement of disputes in Indian Railways**

Redressal of staff grievances is a very important aspect of relationship with workers. Railways have institutionalized arrangements for this purpose and implementations cells have been set up to ensure that the grievances redressal machinery functions effectively, and all commitments and agreements entered into with the staff are implemented faithfully.

#### **5. Permanent Negotiating Machinery**

A Permanent Negotiating Machinery (PNM) was set up on each of the Indian Zonal Railways on the January 1<sup>st</sup> 1952 to maintain contact with labor and settle disputes which may arise between labor and the railways administration. The machinery functions on three levels as detailed below –

- 1) On the first level, the recognized union has access to district and divisional offices and subsequently to officers at zonal headquarters including the general manager.
- 2) At the second tier, matters not settled at the Zonal level, are taken by the federation with the railway board.
- 3) At the third tier, in which agreement is not reached between the federation and the Railway Board and the matter are of sufficient importance, reference is made to an adhoc tribunal composed of an equal number of representatives of the railways administration and labor, presided over by a chairman.

#### **6. Joint Consultative Machinery Scheme**

The government of India with the objective of promoting harmonious relations and of securing the greatest measure of cooperation between the government in its capacity as employer and the general bodies of its employees, a Joint Consultative Machinery Scheme was announced in 1963. This machinery covered all regular employees of the Central Government. A joint council was constituted at the national level and two lower levels – department and regional offices. The functions of the machinery included matters relating to conditions of service and work, welfare of employees, improvement of efficiencies and standard of work etc. It also framed rules for the conduct of business.

Thus, it is seen that the various problems, negotiations, negotiable issues and structures of negotiating machinery as seen above is dealt with the above institutions in the Indian Railways. The success of the disputes would always depend upon the spirit



of cooperation between parties and their mutual belief upon each other. Every organization be it small or big, works on mutual trust and a positive analysis of the issues, provide proper scope of improvement and further development of the organizations.

#### References

1. Report of National Federation of Indian Railway Men – 6<sup>th</sup> Annual Convention Report.
2. Report of National Federation of Indian Railway Men – 15<sup>th</sup> Annual Convention Report.
3. P. H. Casselman – Labor Dictionary, Page 197
4. G.P. Sinha and P.R.N Sinha – Industrial Relations and Labor Legislation, Page 236 and 237.

