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## REVIEW ARTICLE

### JOB SATISFACTION OF INDIAN RAILWAY EMPLOYEES AT VIJAYAWADA DIVISION

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#### ABSTRACT

Employee Satisfaction in Vijayawada Railway Division is very much interesting topic for me. Most of the employees are satisfied with this company performance. Company has a very good image among its employees. Most of the employees know organizations strategy; they have confidence in its leadership. Most of the Employees are getting appropriate recognition for their contribution. Railways providing fair salary to its employees further work. Organization is like a family where employees have to put share of responsibilities and work in accordance with the organization goal. People always get chance to show their talents and get recognized. Management is quite approachable.

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#### INTRODUCTION

Formally defined, "Job satisfaction" is the degree to which individuals feel positively or negatively about their jobs. It is an attitude or emotional response to one's tasks as well as to the physical and social conditions of the work place. Locke defined job satisfaction as a pleasurable or positive emotional state resulting from the appraisal of one's job or job experience. Andrew Bin stated that job satisfaction is the amount of pleasure or contentment associated with a job. Further, he stated that if one likes a job intensely, he will experience high job satisfaction and if he dislikes the job intensely he will experience job dissatisfaction. Keith Davis and Newstrom defined job satisfaction as a set of favorable or unfavorable feelings with which employees view their work. Stephen Robbins viewed job satisfaction as a general attitude toward one's job; the differences between the amount of reward workers receive and the amount of reward that they believe they should receive. The above definitions of job satisfaction reveal the following characteristics.

- Job satisfaction is an inner feeling. It can only be inferred through the expression of behavior. Interestingly, it cannot be seen and it is thus intangible.
- Job satisfaction is an attitude. It is a subset of attitude.
- Job satisfaction influences the skill and energy of an individual.

- It can be positive or negative. It is expressed in a high or low degree.
- Job satisfaction is associated with emotional state of human mind.

#### Review of literature

**Schermerhorn et al.** in his book, "Organizational Behavior" defined job satisfaction as the degree to which individuals feel positively or negatively about their jobs. It is an attitude or emotional response to one's tasks as well as to the physical and social conditions of the work place. Amber Raza in his paper, "Impact of Occupational Stress on Job Satisfaction: A Survey based on Coping Mechanism" measured the impact of occupational stress on job satisfaction in the pharmaceutical units based in Korangi industrial area. The study revealed that stress level among supervisors in the pharmaceutical companies is moderate while the stress level among workers is high. The study also showed that there was a reduction in the stress level of individuals who were using effective coping mechanisms. Manjula and Srinivasan in their paper investigated the relationship between occupational stress and job satisfaction among information systems personnel. It shows that certain stressors like fear of obsolescence, lacunae in training, time pressure and technical constraints acted as significant predictors of job satisfaction among information systems personnel. The study further showed that job satisfaction is high among information systems personnel who experienced less occupational stress when compared to their counterparts who have experienced high levels of stress.

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**Sarma V.S Veluri** in his book, "Organizational Behavior" discussed the concept of job satisfaction in detail. According to him, Job satisfaction is an intangible, qualitative and psychological variable and it cannot be measured directly. It is measured indirectly by using rating scale method, personal interviews, observation of tendencies and critical incident method.

**Steven L Mc. Shane et al.** in their book, "Organizational Behavior" felt that job satisfaction is an appraisal of the perceived job characteristics, work environment, and emotional experiences at work. According to them satisfied employees have a favorable evaluation of their jobs, based on their observations and emotional experiences. Jennifer M. George and Gareth Jones in their book, "Understanding and Managing Organizational Behavior" said that job satisfaction is one of the most important and well-researched attitudes in organizational behavior. It is determined by personality, values, the work satisfaction and social influence.

**Aswathappa K** in his book, "Organizational Behavior" defined Job satisfaction as the general attitude of the employees towards their jobs. According to him, when the attitude of an employee towards his or her job is positive, there exists job satisfaction. Dissatisfaction exists when the attitude is negative.

### Indian scene

The railway system in India is one of the most valuable legacies from the British Empire, ranking alongside the defence forces and land administration. It was a key element in the rulers military plans and commercial exploitation of the country's resources, but the railways became the lifeline of the country in course of time, connecting widely separated centers of production and consumption and enabling ordinary people to traverse the vast extent of the country at reasonable speed and expense.

The early lines were constructed almost entirely by private rail operators and the rulers of princely states. Following criticism by the British Parliament and public reaction to the misuse of secured return under Government guarantee by the private investors, the British Indian Government assumed control over the companies and in 1924, the entire railway system came under it. The 1920's witnessed an expansionary phase, with extensions in the western and central segments and addition of stations and yards to other lines. The second phase of growth was notable for the construction of many bridges and tunnels, introduction of electric traction, suburban rail systems and improvements to signaling, telecommunication and rolling stock. The regulation and control of the various railway administrations passed from the Public Works Department to the Railway Board in 1905 which was responsible to the Government in the Department of Commerce and Industry. In 1924, a major reorganization was made. To take account of the impact of financial and commercial developments in the country in the formulation and implementation of a continuous railway policy, a Chief Commissioner with the status of a Secretary to Government, assisted by two functional members was appointed as the sole technical advisor to the Government. The post of a Financial Commissioner was also incorporated in

the reconstituted Railway Board to exercise the full financial authority of the government. In the same year, railway finances were separated from the general finances of the country, providing for regular return by railways on the capital invested by the government and a share of the surplus profits to free the latter from the violent fluctuations in the railways estimates and secondarily to enable the railways to carry out a continuous policy as a public utility managed and operated on commercial principles, fulfilling a complementary role in the economic development of the country.

The convention of 1924 was a fair arrangement but affected the development of railways from the early thirties when economic depression set in, forcing depletion of its reserve funds and moratorium on payments to general revenues. Maintenance was slowed down and replacements and renewals were minimized to meet only the requirements of safety of operation. As the railway was emerging from the trough of depression in 1937, the Second World War intervened in 1939 to interrupt the process of overtaking the arrears in maintenance and replacements. Traditional sources of supplies were geared to meet the exigencies of war and workshop capacity was diverted to the manufacture of arms and ammunitions. Transport of military stores and personnel imposed extraordinary strain on the railways, which parted with 4000 miles of track, four million sleepers and several locomotives and wagons for use in military projects. As many as 26 branch lines had to be dismantled. The period, however, brought financial recovery for the railways.

As the hostilities ended, the railways faced an enormous backlog of replacement of rolling stock, deteriorated track and disintegration of signaling and telecommunication equipment. The problem was aggravated by partition of the country in 1947, which reduced the available workshop capacity and trained maintenance staff. Traffic volumes rose rapidly while line capacity and yard capacity problems demanded immediate solution. The Government of the day recognized that "further deterioration in the transport system could not be tolerated, whatever may be the financial resources available to the Central Government. Hence, the Central Government acted with full appreciation of the railways situation and the latter rose with remarkable motivation and cooperative hard work to overcome the multitude of problems and difficulties and by mid-1948 some operational stability had been regained. In the words of Prime minister, Jawaharlal Nehru on April 14 1952 (Excerpts): I remember five years ago ..... when the question of then state of the Indian railways come up repeatedly before us ..... before the Government, before the cabinet. It was an obnoxious state, after the war, with our resources depleted .... Soon after that ... came the partition which involved the sudden overnight break-up of the railway system ..... This entire burden fell on our railways just when they were least capable of carrying even their normal burden. And yet we survived, and the railways not only overcome these problems, but built themselves a new ....."

### Balanced plan

Recognizing the role of transport in the expansion of the economy, the Government approved a balanced plan of

rehabilitation, better amenities for the travelling public and welfare measures. Steps were taken to bring about a new 'Convention' for the relationship of railway finance and general finance that made it possible to provide adequately for rehabilitation and accelerate other developmental projects. The recommendations of the Convention Committee which were accepted by the Government were approved by the legislature in December 1949. The new convention provided for a guaranteed dividend of 4 percent to the general revenues and a minimum annual contribution of Rs. 15 crores to the Depreciation Reserve Fund for financing expenditure on passenger amenities, employee welfare and projects which are necessary but unremunerative. Decisive action enabled the completion of important projects like the Assam rail link, a rail link for the Kandla port etc. Line capacity and yard capacity was also augmented at considerable cost during 1948-49.

There was the consideration that replacement costs bear no relation to the original cost of acquisition and the estimated life of the asset which were earlier the basis for depreciation. The most important recommendation regarding the institution of a Development Fund is due to the recognition that future railway development could no longer be conditioned by commercial considerations alone and that a system of nationalized railways must perforce to fulfill a positive and complementary role in the general economic development of the country. The commercial principle of ploughing surplus revenues of prosperous years for expansion has thus come to be an integral part of the new financial policy of the Indian railways. Further, as a part of new financial policy, IR rationalized the freight and passenger fares. Both were revised in 1948 mainly with a view to standardization and only partial recovery of the increased input costs. A small adjustment of passenger fares was also made in 1951. Towards the planned rehabilitation of the system in five years substantial funding for rolling stock was thus possible. Large number of locomotives, coaches and wagons were imported under a special procedure not involving the normal invitation of global tenders. But rapid progress on the commissioning of the Chitranjan Locomotive Works and successful revival of an agreement with Telco, both with foreign technical assistance, paved the way for quickly attaining self-sufficiency in locomotives. Similarly, with the assistance of a Swiss firm, all-steel integral coach production was commenced in 1952. Further, the spare capacity of Hindustan Aircraft Limited was also used for coach building so as to reach self-sufficiency that was a national goal.

A vital administrative reform, with a view to bringing about uniform policy and financial control, was to fuse the different railway systems into one coordinated undertaking divided into six major zonal units from 1951, based on the recommendations of a committee of the Railway Board. Important considerations were the pooling of locomotives and other rolling stock in larger jurisdictions, for intensive utilization, better rationalization of workshop capacity, reduction of controls at interchange points for fluidity of movement, centralization of purchase and handling of stores for larger economies and reduction in administrative work. Two more Zones were added in a few years and a third in 1966. The Railway Staff College at Baroda for training railway officers and the Railway Testing Center at Lucknow to assist

the railways with technical solutions were also established about this time. In the field of labor relations, permanent negotiating machinery functioning in three tiers was evolved and brought into force on all railways with effect from January 1, 1952. The various measures outlined above revitalized the railway system to make it fit for the task of nation building, growing and modernizing all the way. The railways signaled its commitment and capability with an outstanding achievement in 1951, of averting the looming disaster of famine in Bihar by meticulous planning and quick execution of transshipment yards and other works, followed by movement of several lakh tonnes of food grains. During 1951-66, covering the first three five year plans, the railways operating ratio moved between 74.7 percent and 84.4 percent, dividend was paid each year and reasonable surpluses were generated. In the subsequent period ending with the sixth plan in 1984-95, it went into the nineties and the railways defaulted in the payment of dividend for twelve years. The seventh plan (1985-90) years saw a remarkable turnaround in physical performance. Significant amounts were mobilized through revision of both passengers and freight tariff, handsome surpluses were generated and the provision for the Depreciation Reserve Fund was stepped up.

### Staff costs

Staff related costs (staff on rolls plus pension) are the highest in Indian railways.

**Table 1. Staff Costs of Indian Railways (Including pension)**

(Rs. In Crores)		
Year	Staff costs (Including pension)	Annual growth
1998-99	15,610.6	-
1999-2000	16,288.7	4.34
2000 - 01	18,841.4	15.67
2001 - 02	19,214.1	1.98
2002 - 03	19,914.8	3.65
2003 - 04	20,928.4	5.09
2004 - 05	22,552.7	7.76
2005 - 06	23,920.0	6.06
2006 - 07	24,159.1	1.00
2007 - 08	25,892.3	7.17
2008 - 09	39,993.4	54.46
2009 - 10	51,236.8	28.11

Source: Indian Railways Year Books

The staff related costs are more than 61 percent of the ordinary working expenses. The staff costs of IR have increased from Rs. 15,610.6 crore in 1998-99 to Rs. 51,236.8 crore in 2009-10 and the annual growth rate fluctuated between a low of 1.98 percent in 2001-02 and a high of 54.46 percent in 2008-09. It is pertinent to note that the human resources of IR declined by 22.57 percent between 1998-99 and 2009-10 while staff costs rose by 228.22 percent during the same period. The annual growth rate of staff costs is very high in 2008-09 and 2009-10 due to the revision of pay scales as per the recommendations of 6<sup>th</sup> pay commission.

Table 1 is indicative of the details. Hence, a tight control on staff expenditure is therefore an inherently desirable fundamental requirement. The objective should be to balance any increase in manpower in areas of growth by corresponding reductions in other areas by rationalization, introduction of appropriate technology, unbundling and outsourcing.

### Average annual wages

The average annual wages of railway employees have increased continuously from Rs. 98,731 in 1998-99 to Rs. 378,781 in 2009-10. The annual growth rate of average annual wages varied between a low of 2.21 percent in 2006-07 and a high of 56.27 percent in 2008-09.

**Table 2. Average annual wage of employees**

<b>(In Rupees)</b>		
Year	Average annual wage of employees	Annual growth Percent
1998-99	98,731	-
1999-2000	102,948	4.27
2000-01	121,281	17.81
2001-02	126,167	4.03
2002-03	133,967	6.18
2003-04	145,040	8.26
2004-05	158,140	9.02
2005-06	170,014	7.50
2006-07	173,799	2.21
2007-08	186,070	7.05
2008-09	290,784	56.27
2009-10	378,781	30.22

Source: India Railways Year Books

### Financial performance of Vijayawada Railway division

Year	Gross traffic receipts	Working expenditure	Surplus / short fall
2006-07	789.00	661.70	127.30
2007-08	891.70	695.95	195.75
2008-09	1132.03	906.93	225.1
2009-10	1498.00	1099.20	398.81
2010-11	2003.88	1088.94	914.94

Source: In-house publications of Vijayawada Railway Division

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