

IRCTC: A CASE OF SERVICE FAILURE

Shipra Singh*

Mohd. Aamir Khan**

INDIAN Railway Catering and Tourism Corporation (IRCTC), a subsidiary of the Indian Railways handles the catering, tourism, and online ticketing operations of the railways. The catering service of IRCTC serves breakfast, lunch, dinner, and snacks to one of the largest and busiest rail networks in the world. Indian Railways transports over 18 million passengers and more than 2 million tons of freight daily.

Indian Railway Catering and Tourism Corporation Ltd. (IRCTC) is a Public Sector Enterprise under Ministry of Railways. IRCTC was incorporated on 27th September, 1999 as an extended arm of the Indian Railways to upgrade, professionalize and manage the catering and hospitality services at stations, on trains and other locations and to promote domestic and international tourism through development of budget hotels, special tour packages, information & commercial publicity and global reservation systems.

While discharging its mandate, the Company has made a significant mark in its passenger-services oriented business lines like setting up of Food Plazas on Railway premises, “Railneer”, Rail Tour Packages and “Internet Ticketing” is bringing great deal of professionalism into the operations. In addition to above, IRCTC is managing on Board catering services in Rajdhani/Shatabdi/ Duronto and Mail/Express Trains and Static Catering Units such as Refreshment Rooms, AVMs, Book Stalls, Milk Stalls, Ice Cream Stalls, Petha & Peda stalls etc. across the Indian Railway Network.

Organization Structure: Corporate Officer of IRCTC is situated at New Delhi, which is headed by the Managing Director. Managing Director is being assisted by three Directors, Director (Catering Services), Director (Tourism & Marketing) and Director (Finance) and nine Group General Managers.

For smooth operations of the business across all over the country, five Zonal Officers are working at Delhi, Kolkata, Mumbai, and Chennai & Secunderabad. South Zone Office is headed by Regional Director and all other Zonal Offices are headed by Group General Managers. All Group General Managers have vast experience of working in Indian Railways. These Zonal Offices are assisted by ten Regional Officers at Luck now, Chandigarh, Jaipur, Bhubneshwar, Guwahati, Patna, Bhopal, Ahemedabad, banglore and Ernakulam, which are headed by Chief Regional Managers/Regional Managers.

Manpower: At present IRCTC has 4453 employees on its roll. The employees comprise of IRCTC Direct Employees, Deemed Deputation absorbees, Deemed Deputations and fixed term employees. For bringing professionalism in the work culture, IRCTC has recruited professionals in different field like HR, Tourism, Catering and Finance, through direct recruitment or campus recruitment.

* Assistant Professor, Delhi School of Professional Studies and Research (Approved by AICTE), Delhi, India.

** Student, Delhi School of Professional Studies and Research (Approved by AICTE), Delhi, India.

IRCTC Loses Contract: Plagued with passenger complaints, failure of IRCTC to meet the expectation of the travelers, and as a result of many complains and no action on the problem of service and quality of food, Railways have decided to strip the PSU of its catering responsibilities in Rajdhani, Duronto, Shatabdi and all other mail and express trains. The Catering Policy-2010 finalised by Railways have clearly spelt out that “Railways shall progressively take over management of all mobile catering services including base kitchens, pantry cars and all food stalls in railway premises”, with an objective to provide hygienic, good quality affordable food to the traveling public by adopting best trade and hospitality industry practices. The policy will have an inclusive approach where from the least advantaged passenger to the relatively affluent will be provided catering services in a socially responsible manner. It should meet all the social objectives of the Government, including provision of reservations as per Government Directives issued from time to time.

Railway Board shall determine the menu and tariff for the standard meals, breakfast, tea, coffee and catering charges for meals, etc., which are included in the fare. Zonal Railways will determine the menu and tariff for all other items including a-la-carte items and Jan Ahar outlets. IRCTC will be primarily responsible for running of Food Plaza, Food Courts, fast food units within the ambit of this policy. A specialized team of ex-cadre supervisors and officers upto senior scale will be formed which will be filled by incumbents from existing Railway cadres having necessary aptitude, through redeployment as per extant rules by the zonal railways for monitoring of catering services and will be trained by providing in-service training by reputed institutions. Zonal Railways will be responsible for ensuring that the standards, as laid down for different services, are maintained and policy directives issued by Railway Board from time to time are strictly complied with. Zonal Railways will institutionalize a mechanism for monitoring the catering services.

Quality Assurance Programme: IR shall have the mandate to frame an efficient quality assurance programme to ensure good quality and hygienic food to the passengers. Progressively ISO 22000 Standards & relevant international standards in vogue from time to time will be implemented for all major contracts/units. Standard Bidding Documents shall be drafted by the Railway Board by engaging suitable professional agency. This will be co-ordinated and supervised by a cross functional team comprising Executive Directors of 3T&C, Finance, Stores, Health and Mechanical Directorates of Railway Board. Domain knowledge experts may also be co-opted from reputed institutions having expertise such as Food craft Institutes, Quality Council Institute run by the Government. Two Packet Systems of Tendering will be followed while selecting the successful bidder for award of major contracts and GMUs at A, B and C category stations. With a view to ensuring high quality hygiene, cleanliness and use of standard ingredients for food served on trains, the mobile catering units will pick up meals from nominated base kitchens. The base kitchens would be managed and controlled by zonal railways progressively in phases to ensure quality of the food served on trains.

Scale of Catering Services through Static Units: Zonal Railways will prepare a blue print for the catering units at each station. Zonal Railways should ensure that adequate facilities are available for providing affordable food to passengers before permitting any other type of outlets. Jan Ahar outlets should be set up by converting existing available Refreshment Rooms/Static units into Jan Ahars. Janta Meals and Economy combo meals with stress on regional cuisines should be served and vended from the Jan Ahar outlets.

Base Kitchens: Zonal Railways will set up a grid of modern mega, medium and small base kitchens to ensure that all mobile catering are serviced through these base kitchens to improve quality, hygiene, cleanliness and use of standard ingredients for food served on trains. The base kitchens would be set up on railway premises for which the existing base kitchens/cell kitchens available on platforms shall be developed. In case of non-availability of existing base kitchens or Cell kitchens, the zonal railways shall take immediate steps for construction of the base kitchens as required. The base kitchens would be managed through departmental catering by zonal railways in phases. During the interim period the base kitchens may be managed by zonal railways by engaging reputed professionals for creating state-of-the-art base kitchens conforming to international standards like ISO-22000.

Catering By Mobile Units: Mobile catering services shall be provided from suitably designed pantry cars and providing equipments with state of art technology. There should be progressive switch over from gas burner to safer electrically powered equipments. Panels, counters, etc. should be made of stainless steel. Zonal Railways will manage mobile catering services through departmental management. During the period of non-availability of departmental staff, Railways may award service contracts to be supervised by departmental supervisors for service of meals picked up from nominated base kitchens. In order to maintain effective control over on-board services, the Division responsible for the primary maintenance of the train would own the rake of the train and also undertake maintenance of the pantry car. For any complaint in this regard the division concerned would be accountable.

Catering By Train Side Vending: Since all trains are not provided with pantry cars, Train Side Vending will be provided from a suitable unit of nominated station/stations on route. For this purpose, arrangements will be made through static units by either segmentation of run or on end to end basis, as practicable. Zonal Railways will take over the management of trains through departmental supervision and pick up meals from nominated base kitchens and/or major static units enroute to ensure quality of meals.

Automatic Vending Machines (AVMs): Zonal Railways shall manage through licencees the automatic self vending machines which would be provided at stations and would be governed by policy guidelines issued by Railway Board. Automatic Vending Machines shall be permitted only in the form of stand-alone self dispensing units. The operations of the AVMs shall not involve any manual interface i.e. all operations shall be through coin-operated dispenser.

However, in case of AVMs dispensing beverages, the same may be installed inside the Refreshment Rooms or existing stalls to reduce congestion. In case of existing AVMs they would be allowed to continue until the currency of the existing contract. No renewal would be permitted in any of the existing contracts. Existing AVM contracts allotted by IRCTC, which are in excess of the ceiling limit, should be terminated.

The new policy is expected to break the cartel of private caterers supplying food for trains as the zonal services will be exercising considerable control over the catering services.

Questions

1. What is your understanding of IRCTC losing the catering contract ?
2. Critically analyze the step taken by Indian Railways to better the food services ?
3. What other suggestions you have to better the services apart from that provided in the case ?