CHAPTER - I

INTRODUCTION
Personnel management is that part of the process of management which is primarily concerned with the human constituents of an organisation. Personnel administrators deal with people, who are not mere 'machine', commodities' or 'cost', but who are as human as any human beings are and who constitute the principal assets of our business and industry. The purpose of personnel management is to establish and maintain sound personnel relations at all levels of the organisation and to secure the effective use of personnel by ensuring such conditions of employment as will enable all persons in the enterprise to contribute most effectively to its purposes in the performance of their duties, as well
managers have a great responsibility to shoulder in promoting the optimum utilization of the abundant human resources by providing expert professional and competent advice to management in the area of selection of employees, training and development, job evaluation, wage and salary administration, union management relations, human relations, etc. They should assist employers not only in formulating proper, human and progressive personnel policies and procedures but also in implementing them effectively in an industrial organization. The mission of personnel administration is to create a humane and worthy environment in industry and business where every individual human being—employer, employee, manager, supervisor—is in a position to make his maximum contribution towards growthmanship. Its mission is to place before the people the exciting challenge of national reconstruction and to unlock that divine power, possessed by each individual, which can move mountains and harness it in the cause of one's country.

DEFINITIONS OF PERSONNEL MANAGEMENT

The term 'Personnel Management' is called
by different names. For example in certain public enterprises in India, it is known as 'Personnel Administration', while in others it is described as 'Labour Management', 'Industrial Relations', 'Employee Relations' or 'Manpower Management'. In essence, personnel management is concerned with the proper use of the human factor in business. Today the science of personnel administration encompasses the entire human aspects of management. Certain definitions of personnel management may be outlined as below:

1. Edwin B. Flippo. "The personnel function is concerned with the procurement, development, compensation, integration, and maintenance of the personnel of an organisation for the purpose of contributing towards accomplishment of the organisation's major goals of objectives. Therefore, personnel management is the planning, organising, directing and controlling of the performance of those operative functions."^2

2. Paul Pigors and Charles A. Myers. "Personnel Administration is a line responsibility and a staff function. It is a basic management responsibility, permeating all levels and types of management in
all organisations. Personnel specialists help line managers in providing advice, counsel, service and various types of controls to secure uniform administration of personnel policies designed to achieve organisational objectives.  

3. Professor Michael Jucius. Personnel management is that field of management which has to do with planning, organising, and controlling various operative functions of procuring, developing, maintaining and utilising a labour force in such a way that the (a) objectives for which the company is established are attained economically and effectively; (b) objectives of all levels of personnel are served to the highest possible degree; and (c) objectives of the community are duly considered and served.  

4. The Institute of Personnel Management (U.K.) had provided us with a good definition of this term, thus: "Personnel Management is an integral but distinctive part of management, concerned with people at work and their relationships within the enterprise, seeking to bring together into effective organisation the men and women who staff
the enterprise, enabling each to make his own best contribution to its success, both as an individual and as a member of working group. It seeks to provide relationships within the enterprise that are conducive both to effective work and human satisfaction." This definition has also been adopted by the Indian Institute of Personnel Management.⁵

Personnel Management has come to be recognised as an established part of the management function which is primarily concerned with the human resource within an organisation. Its objective is the maintenance of better human relations in the organisation by the development, application and evaluation of policies, procedures, and programmes relating to the individuals in the organisation to optimise their contribution towards the realisation of organisational objectives.

Personnel management is concerned with the basic function of management of getting better results with the cooperation of people. In this process it is mainly concerned with methods of recruitment selection, training, and placement of the personnel and their terms of employment, methods
and standards of remuneration, working conditions, motivation, morale etc. It is also the duty of the personnel manager to maintain and use effectively the facilities for joint consultation between the employer and the employees. Thus we can define personnel management as that part of management which is responsible for advising on all matters affecting human relations in the organisation and in particular performs certain administrative functions relating to the employment, development, and compensation of the personnel and the provision of working conditions, and welfare measures to maintain a good working force in the organisation.  

**Scope of Personnel Management**

Management is personnel administration. This statement is attributed to Lawrence Appley, who was the President of American Management Association for sometime. This statement reflects the viewpoint of human relationists that management is simply the job of getting things done with the active, whole-hearted and cooperative effort of a group of people within the framework of certain structured
relationships and roles. This is true partially because management has to manage both the human as well as non-human resources. No doubt, it is very difficult to manage the human beings, but it is not that easy to manage the material resources like money, materials and machines.7

Management carries out its functions of planning, organising, directing and controlling the affairs of the enterprise through the cooperation of the people working therein. Human resource helps in converting the raw materials and other resources into useful products and services. So it is essential for the management to develop a team of personnel which can assist the management in achieving the organisational objectives. Management should not treat the employees as a mere commodity. It must give due consideration to the needs and aspirations of its employees. Their needs must be satisfied to achieve full integration of their goals with those of the enterprise. Thus management of people is an integral function of the management of any enterprise. But is is somewhat simplistic to equate management
with personnel management. Personnel management is only a part of management which is concerned with the people at work and with their roles and relationships within the enterprise.

**Responsibility for Personnel Function**

Personnel management is an important aspect of management. The importance attached to this aspect has so much increased that in modern organisations, it is regarded as a specialised function and is entrusted to a separate department under the charge of Personnel Manager. Personnel function is a staff function. Therefore, the personnel manager must be a specialist in the techniques of personnel management to advise and help the managers at various levels to perform their personnel function properly.

The primary responsibility for personnel management must be assumed by the top management of the enterprise. Top management must establish the broad objectives, plans and policies of the personnel department. It must assign various subordinate manager the duties they are to carry out and must also coordinate their efforts. However, the top
management cannot, except in small organisations, perform all the functions of personnel management. It can entrust the detailed functions to personnel department. In most enterprises, personnel department serves by helping to hire employees, train and develop them, and compensate and motivate them.

Since personnel department does so much personnel work, it is often assumed to be personnel management. While the contributions of this department may be great, its role must be that of a companion to the line managers. It should not be assumed that personnel function is the sole responsibility of personnel department. Personnel management is inherent in the process of management and as a consequence this function is performed by all the line managers throughout the organisation rather than only by the incharge of personnel department. If a line manager is to get the best of his people, he must perform this function. He must undertake the basic responsibility of selecting people who would work under him and to develop, motivate and integrate them and to develop their morale. Thus, Personnel function is the prime
responsibility of line managers. The personnel department can do a great deal by assisting them in discharging this responsibility. "Personnel management is a responsibility of all those who manage people as well as being a description of the work of those who are employed as specialists. It is that part of management which is concerned with people at work and with their relationships within an enterprise."

**Aims and Objectives of Personnel Management**

Personnel Management aims at getting the 'best' out of the people by winning and maintaining their wholehearted collaboration. It does not exist for any such primary purpose as 'making conditions easier' or 'improving the lot of the workers'; this is one of the means, though best regarded as one of the ordinary social responsibilities of management. The Major Objectives of personnel management are: (1) to ensure that the organisation gets the right type of people, in right quantity, at right time and place; (2) to optimize the utilisation of the organisations'
manpower; (3) to create and maintain an organisational climate conducive to the development of the people; (4) to establish desirable working relationship among the members of the organisation; and (5) to maintain a high morale by ensuring the development of highly effective work-groups.

**Functions of Personnel Management**

Personnel management occupies an important place in the organisation of an enterprise. The accompanying chart reflects upon the place of personnel management in an enterprise as also the various functions which may be undertaken by the department of Personnel Administration of Management. These functions may be bifurcated into different sections or they may be performed by one unit, as may be convenient according to the nature and size of the business enterprise. W.R. Spriegel has divided the functions of Personnel Department into six categories, which are as below:

1. **Employment.**
   1. To cultivate and maintain an adequate source of labour supply.
   2. To get information regarding job requirements and prevailing wage rates.
3. To hire through the effective use of application blanks, tests, physical examinations, interviews and checking references, records and supervisor's approval.

4. To maintain records of prospective employees, present employees and former employees.

5. To introduce the new employee to company policies and his supervisor and to follow him up for an early adjustment.

II. Promotion, Transfer and Termination. 1. To aid the establishment of lines of promotion and to follow up, as far as possible, in order to see that company policies are followed.

2. To aid in the establishment of company policies regarding transfer for the convenience of the company and employee, to correct misplacement of employees, to increase flexibility of employees as a part of a work-stabilization programme and to provide the necessary records to carry out the policies.

3. To aid in the formation of policies regarding termination as well as separations initiated by the employees.

4. To remove as much as possible the causes for discharges.

5. To aid in the formulation of company policies regarding discharges, to see that this information is passed on to all employees and supervisors and to see that detailed records are made regarding the cause of discharge.
6. To check the cause of all voluntary separations, to strive to remove the cause when possible and to maintain adequate records of all separations.

III. Training. 1. To aid in the formulation of policies governing training of new employees, employees being upgraded, apprentices and supervisors, and, in some cases, to supervise certain aspects of this training.

2. To provide for training in safety and company policies.

3. To co-operate in the preparation of a special annual report for employee.

4. To collaborate in promoting employees' suggestions.

IV. Wages and other incentives. 1. To collaborate with others or be responsible for wage plan.

2. To write job specifications and evaluate all jobs.

3. To participate in the formulation of policies governing payment for suggestions, pension plans, profit-sharing programmes, mutual savings programmes, credit unions, insurance plans, hospitalization, insurance, loans to employees or advances on wages, to aid in tuition for evening school attendance and the sale of the company products to employees.

V. Service Activities. 1. To supervise restaurants and recreation facilities.
2. To provide counselling concerning personal affairs.

3. To publish the plant magazine.

4. To engage in any activity not directly related to the work situation, but designed to improve morale.

VI. Collective Bargaining and Employees' Representation. 1. To conduct union negotiations and to co-operate with union representatives.

2. To co-operate with an employees' club which is not on the union level.

3. To participate actively in handling grievances.

The above is the functional method of classifying the personnel functions. The sequential approach of classification is as below:

Table 1.1
Sequential Method of Classifying Personnel Functions

<table>
<thead>
<tr>
<th>Procurement</th>
<th>Retention</th>
<th>Development</th>
<th>Relations</th>
<th>Administration</th>
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Personnel policies may be defined as "guides which chart the course of an organisation and govern its activities toward the achievement of the purpose for which it was set up." Policies are not the objectives; they are merely means to an end. Policies are formulated to achieve personnel and organisational objectives. For example, the policy of 'promotion from within' may be formulated with the objectives of individual development. Personnel policies are positive declarations and they help the subordinates
in taking quick decisions. In order that the personnel policies of an enterprise may be consistently followed by all the departments, the best practice would be to reduce them to writing. This can be done in the form of an employee handbook or manual. Some companies also distribute special letters or bulletins explaining their personnel policies. It is very important that all the supervisors must know the established personnel policies in order to assure uniform application and results. The following extract from the folder of a foreign concern issued to the supervisors, illustrates policy matters covered in such manuals:

It is the policy:

1. To pay all employees adequately for services rendered.
2. To maintain reasonable hours of work and safe working conditions.
3. To provide continuous employment consistent with business conditions.
4. To place employees in the kind of work best suited to their abilities.
5. To help each individual to progress in the company's service.
6. To aid employees in times of need.
7. To encourage thrift.

8. To cooperate in social, athletic and other recreational activities.

9. To accord to each employee the right to discuss freely with executives any matter concerning his or her welfare or the company's interest.

10. To carry on the daily work in a spirit of friendliness.

**Principles of Personnel Management**

Personnel Management, like any other profession, is incomplete without a set of basic principles that guide the conduct of the personnel administrators. These principles are usually reflected in general statements or policies of a company. According to Halsey, certain principles of sound personnel management useful in building good worker morale are as below:

1. Care and skill should be exercised in the selection of employees.

2. Introduction to the job should be friendly skilful and adequate.
3. Each employee should be made to feel that his efforts are really appreciated.

4. Careful and thoughtful considerations should be given to the probable effect each rule, each notice, and each practice will have on the feelings of all concerned.

5. Employees should have a part in planning those things which affect their working conditions (whenever it is practical to do so).

6. There should be a sense of security and reasonable freedom from worry.

7. There should be constant and intelligent effort on the part of management to be absolutely fair in every policy and every practice.

8. Each employee should have a feeling of pride in the worthwhileness of his work and his company.

9. The organizational setup be such that there is no confusion in anyone's mind as to his duties or responsibilities.

10. Conditions should be such that working proves to be satisfying social experience as well as means of making a livelihood.
ROLE OF PERSONNEL MANAGER

Personnel Manager is considered one of many specialists who has been appointed in the organisation as a result of the growth of the organisation. He is assigned the personnel functions like recruitment, selection, salary-fixation, and promotion of the personnel. The personnel function is not an unimportant function. Now there is a tendency to establish personnel department in every undertaking to deal with personnel matters. The personnel departments on the personnel matters. Though personnel officer is a staff officer, his functions are sometimes also line functions when he is directly responsible for wage section, time office, canteen, induction, training and for the day-to-day negotiations with the union. But in relation to all other executives, his position is of an adviser.

Personnel management has gained an important status in the modern industrial organisation. As said earlier personnel management is the art and
science of managing the people who are engaged in productive occupations. The rationale behind recognising the role of personnel management is that persons who are employed in an industry are human beings with some aspirations and ambitions in life. Though they are utilized as means to an end in the productive processes, they are ultimate sharers of profits and consumers as well, being part of the community. Now it is realised that an industry cannot be viewed in isolation, but as a part and parcel of the social system. These factors have led to the modification of employers' outlook that an industry can prosper only if the labour force is happy and contented with the organisation. In order to give better treatment to the workforce in the industry, the appointment of a personnel officer is a must. ¹¹

Personnel management will enable the industry to secure both efficiency and economy consistent with the principles of natural justice and equity, while guaranteeing the reasonable demands
of the different groups in the industrial system. The policy of personnel management should be one of firmness combined with flexibility, resulting in human approach, as it is personnel management which is intimately concerned with human resource from the first stage of recruitment in an undertaking to the final stage of recruitment in an undertaking to the final stage of retirement.

A personnel manager has to perform both managerial as well as operative functions. He is a manager and performs the basic functions of management like planning, organising, and controlling in relation to the functions of his department. He also performs like recruitment, selection, training, placement, etc., which the other line managers may entrust to him. He is basically a manager whatever may be the nature of his operative functions. He has the following role to play in an organisation:

1. To aid management in the preparation, adoption and continuing evaluation of personnel programmes and policies.
2. To stimulate personnel research that will keep management continually informed so that better decisions can be made by management on matters affecting personnel.

3. To develop an effective appraisal system which will be used by the management to provide a current inventory of manpower resources in the organisation.

4. To maintain a programme of education and training which will provide members of the organisation with information required to do these jobs and develop their effectiveness.

5. To aid management in assuring the effective communication throughout the organisation.

6. To aid management in maintaining relations with the general public.

7. To establish the mechanism for the administration of personnel services that are delegated to the personnel department. This includes the maintenance of a stable workforce, a programme of training and development, employment benefits, etc.

The personnel function is of a specialised nature. It has its own techniques which are studied and mastered by specialists. Being a specialist in this field, a personnel manager assumes the following responsibilities:
1. Motivation of employees.

2. Development of morale of employees.

3. Building up harmonious relationship among the personnel and achieving sound labour-management relationship.

4. Assistance to line officers in designing recruitment, hiring, selection, training, promotion, transfer and termination policies.

5. Various other services such as employees counselling concerning their personal affairs.

6. Executive responsibilities in running his own department.

**Origin and Development of Personnel Management in India**

One can trace the origin and development of Personnel Management in India to not a very distant past. Personnel Management has gained gradual recognition with the growing industrialization of the country and has become increasingly accepted as a comprehensive function embracing all aspects of a business. It is said that personnel management
practices were partly born out of the sheer need for fulfilling the statutory requirements of the Factories Act, 1948 and later on, the Plantations Act, 1951 and the Mines Act, 1952, out of which were born the welfare officers to fulfil the statutory welfare measures meant for workers in factories, in plantations and in mines having a certain work-force. These welfare officers were later on entrusted with other functions by their employers, which went beyond the statutory limits, all for the sake of providing specialized services to the employees, and thus, these specialized staff handling welfare matters, later on, developed still further to become the part and parcel of the so-called Personnel Departments, which concentrated their attention on the workers' needs and what not. Since 1947, there has been a lot of discussion with regard to the increasing role of personnel administration in Indian industrial sector. A growing amount of attention has been, at present, devoted to the personnel administration by the top managements who have increasingly realised th
necessity of contribution of labour for successful operation and, at times, to the survival of the industrial organization as corollary of scores of factors. Some of these are growing enlightenment of management towards organised labour force and compelling pressure being exerted by laws enacted by the Government.

Truly speaking, personnel management practices had developed to cope with the practical business needs of the employers only after independence. With the growing import of know-how in the field of industrialization, huge industrial complexes had started coming up in India; hence, a need was also simultaneously felt by the managements of some of the more progressive industries, to import modern personnel management practices to deal with growing labour problems in a more systematic and effective manner. There were other pressing reasons too, which accelerated the growth of modern personnel management practices in India, such as, more and more doses of protective labour
legislation which were gradually injected upon industrial undertakings and the like. Then there was the increasing state intervention in industrial disputes, as a third party, which was on the increase. Side by side, the trade unions too were growing, becoming militant, tough, bargain-minded and out to talk reason with employers. Also, a sort of 'social consciousness' or awareness among the workers, to have a bigger share in the economic cake, were some of the other pressing reasons which accelerated the growth of modern personnel management practices in India. With the growing industrial development programme after launching the fiveyear plans, there has been increasing awareness of the need for providing facilities for training in the field of personnel administration.

Personnel administration is still in its infancy in India. It has virtually a welfare origin. It has roots in the philanthropy of social workers and some employers who initiated British social workers and industrial employers.
Hurdles in the Path of Personnel Administration

Professor Jucius has mentioned the following hurdles in the path of personnel management:

1. Precise methods of measuring labour's interests or contributions are lacking; 
2. The human factor is difficult to interpret and its probable future actions are difficult to forecast; 
3. The common human shortcomings of ignorance, selfishness, and prejudice interfere with the application of logical methods.

Personnel management can be split into three parts:

1. Welfare aspect concerned with working conditions and amenities such as canteens, crechees, housing, recreation, etc.,
2. Labour aspect concerned with recruitment, selection, placement, remuneration, promotion, training, incentives, etc.,
3. Industrial relations aspect concerned with trade union negotiation, settlement of disputes, collective bargaining, etc.,

But these aspects are bound to merge into
one another as these are concerned with the human element in industry as distinct from technical.

In broad terms we may define management's task as that of putting together and maintaining an effective organisation which can accomplish the aims of the enterprise. This task has both a human side and a technical side. On the technical side management must provide an efficient plant with necessary machines and processes. On the human side, management's task is that of building a cooperative organisation and organisation of people with drive and enthusiasm, who work together and who are responsible to management leadership in the common effort to achieve the economic aims of the enterprise.

**Personnel Management in Public Enterprises:**

Personnel management has great relevance to Public Enterprises their large size and complexity of organisation, and also because of the need to manage them professionally. Personnel management aims at obtaining capable people for achieving the objectives of the organisation and for ensuring
that their efforts are utilised effectively. As the success of any organisation largely depends upon the quality of its personnel and the extent to which they are motivated, personnel management requires special significance in an enterprise. Unfortunately, personnel management is one of the weakest aspects of our Public Enterprises. The reason is the low quality of personnel managers in terms of training and exposure to modern management approach. This is largely the result of the top management attitude towards personnel function. In most Public Enterprises this function is given a somewhat lower status as compared to finance, production, engineering and commercial functions. Consequently personnel management's normal functions like long-term detailed planning, clear job specifications, scientific recruitment and selection, training and development, etc., do not receive adequate attention in a large number of Public Enterprises.

The ARC Study Team on Public Undertakings reported that personnel managers in Public Enterprises were often not professionally qualified and
personnel departments more or less resembled the establishment sections of government departments with their activity often decaying into a lifeless routine. It recommended recognition of personnel management as a staff function of the highest impgnition and the department dealing with it to be equipped with the nortance expertise in industrial engineering, labour relations, mecessary planning, etc., and attached directly to the chief executive of the enterprise.

The Committee on Public undertakings in its report on personnel policies and labour manage­ment relations, somehow emphasised only the industrial relation aspect of personnel management when it remarked that the officer in charge of personnel matters should be accorded astatus of importance comparable to that of Director/Manager to facilitate the industrial relation problem to be considered at the highest level, and this person should have required aptitude, training and considerable experience of industrial relations and labour manage­ment, and be a specialist in labour management
relations. Surely, industrial relation is an important area of activity, and if necessary, an industrial relation manager could be appointed for this purpose. But it would be wrong if the personnel manager were to neglect his equally important specialist functions stated above and concentrate mainly on industrial relations.

Road Transport Under Public Sector in Andhra Pradesh

Andhra Pradesh is one of the Premier States of the Indian Union. It ranks as the Fifth largest State in terms of territory and population and is the largest State in South India. It was formed on November 1, 1956 by merging the nine telugu speaking districts of the old Hyderabad State with the eleven districts of the Andhra State which was separated from the State of Madras in 1953. This is the first Linguistic State in the Indian Republic, with the city of Hyderabad as its Capital.

Andhra Pradesh lies in the eastern sea board of the Indian peninsula, occupying 2,76,314 sq. Kms.
comprising 8.4 per cent of the total land area including a largest coastal line of 960 Kms. Bounded by the States of Madhya Pradesh and Orissa in the North, the Bay of Bengal in the East, the States of Tamil Nadu and Karnataka in the South and the State of Maharashtra in the West, it formed the major link between the South and North India.

The total area of Andhra Pradesh is divided into 3 distinct regions comprising 23 districts. The first is the 'Coastal Region' with 9 districts generally called as 'Andhra Region', the second is the 'Interior Region' consisting of 4 districts collectively known as 'Rayalaseema' and the third is the 'Telangana Region' having 10 districts. As per 1991 census, its total population is 66304854 sharing 12.73 percent of country's population with rural base and bias.

It abounds in a variety of natural resources, having agriculture as the primary source of employment and income. Although, agriculture is the main stay of the 70 per cent of population of the State,
the State is acquiring another phase, a phase which has taken definite contours over the last few years—the phase of modern industrialisation. The State has now acquired a reckonable industrial status in the country accounting for 419 major and medium industrial units with an investment of Rs. 1,965.63 crores.  

The Government of Andhra Pradesh, followed the Industrial Policy Resolution of 1956 and established various Public Sector Undertakings. It has also responded to the 'New Industrial Policy Statement of 1980 made by the Government of India and moulded the public sector to cater to the needs and requirements of the people of Andhra Pradesh.

These public sector undertakings are striving to dominate the economic sphere both in intensive and extensive coverage. They are covering a wide spectrum of business activities; such as advancing loans, regulating trade, organising promotional and development activities, manufacturing heavy machinery and machine tools, instruments,
The Public Sector in Andhra Pradesh has also realised the importance of road transport. As the prosperity of the State is mainly wedded to agriculture and the people living in rural areas are proportionately more than some of the states in India, the road transport has a vital role to play in operating up the countryside and offering transport facilities to the remotest areas. It is also occupying prominent place even in the industrial economy of the State because, there are already many industrial centres which do not enjoy direct railway connection.

Industrial non-accessibility by rail is far higher in many parts of the State. In the Telangana Region, excluding Hyderabad and Secunderabad, about two thirds of the industrial workers are outside proximate railway influence. Especially, in the Rayalaseema Region which is adjudged as backward area, there are certain nook and corner and
interior villages where the inhabitants might have seen neither a railway track nor experienced a railway journey.

Under these circumstances, the Public Sector brought road transport under its scope and sphere and necessitated the application of the Road Transport Corporations Act, 1950 to passenger road transport in Andhra Pradesh which consequently resulted in the establishment of the Andhra Pradesh State Road Transport Corporation on January 11, 1958.

ANDHRA PRadesh STATE ROAD TRANSPORT CORPORATION—FROM A PUBLIC CORPORATION PERSPECTIVE.

The form of organisation has an important bearing on the success of the enterprise. Because it is the form of organisation and management that will have to secure the requisite degree of autonomy in operation that is necessary for efficiency. The right choice would promote good administration which would lead to sound management and efficient production of goods and services. On the other hand, a wrong
choice would hinder good administration which would result into uneconomic production, inefficient service and unscientific management. Whatever form of organisation is adopted, it has only to ensure economy in management and quality of products but also to seek what Herbert Marrison has rightly called 'a combination of public ownership, accountability and business management for public ends. Speedy decisions and willingness to assure responsibility are essential if the enterprise is to succeed. Thus the decentralisation of authority in management also assumes considerable importance. In other words the form of organisation and management in the public sector has to satisfy (a) popular control of policy (b) Responsibility, competitive efficiency, administrative and financial autonomy on the managerial side and (c) Consumer's sovereignty, large scale production, commercial operation and industrial democratisation on the operational side.

Of all the various forms of organisation, the Corporation form is favoured to the industrial
and commercial undertakings in public sector. The principal benefits of the Corporation as an organisational device are its freedom from the unsuitable government regulations and controls and its high degree of operating executive and financial flexibility. On account of the above advantages the Corporate form is being adopted by a number of industrial and commercial undertakings and the Andhra Pradesh State Road Transport Corporation is a case in point.

The Andhra Pradesh State Road Transport Corporation which was originally started as a limb of the Commercial Department of the Nizam's State Railway and witnessed a number of stages of development and experienced a variety of organisational and administrative changes. Finally, the Departmental form was dispensed with and a Public Corporation was set up in pursuance of the Road Transport Corporation's Act, 1950. The important factors which influenced the switchover to a Public Corporation were as follows:
1. The inherent weaknesses of the Departmental form hampered the smooth functioning of the RTD. It was prone to excessive centralisation, rigid and strict financial rules, inadequate delegation of powers and red-tepism in decision making. Hence, the twin angles of flexibility and initiative were conspicuous by their absence which were highly essential for a state road transport undertaking.

2. There was lack of specialised skills and abilities because the recruitment of personnel was not based on commercial expertise.

3. The RTD laid down rigid rules with regard to purchases and contracts which conflicted with the accepted commercial practices.

4. It was also not permitted to use or reuse its internal revenues or to keep aside unspent balance of appropriation at the end of every fiscal year. With that the developmental and extension programmes got affected.

5. Managerial continuity was also badly lacking in the RTD as the occupants of the top posts looked at the whole gamut of government establishment to boost up their own personal prospects.

6. The Corporation form was preferred by the government mainly to counter-act the unhealthy competition between rail and road and
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6. The Corporation form was preferred by the government mainly to counter-act the unhealthy competition between rail and road and
to achieve rail-road coordination. This corporate devise offered an institutional form in which the Railway could have financial interest and proper representation on the Governing Board of the Corporation. The Central Government considered it as a very good arrangement to safeguard the interests of the railways and also exercised supervision over the Corporation through association.

7. In connection with the administration of road services, the Planning Commission also observed, "we are of the opinion that wherever road transport services are run by the State, a Corporation should be formed for the purpose as it would provide the necessary autonomy and would lead to more efficient administration."

Further, the State Governments were warned by the Ministry of Finance in December 1957 that with effect from April 1958 assistance from the Centre whether by way of loans or grants would not be available for road transport undertakings owned and managed departmentally unless they were incorporated under one or the other of the special enactments or as a Company under the Indian Companies Act, 1956.

8. The Public Accounts Committee and Estimates committee advocated the idea of adopting corporate form of organisation for nationalised road transport.
9. Lastly, the positive advantages of the Corporate form like, free from legislative interference, legal, financial and administrative autonomy, independent personnel policies and flexible frame work also favoured the Road Transport Department in Andhra Pradesh to choose the set-up of a Public Corporation.

Whether and to what extent the theoretical and conceptual perspectives of a Public Corporation are realised by the APSRTC is a pertinent issue which should be resolved on the basis of the Act framed in this regard.

Objectives

The objectives of the APSRTC as outlined by the Road Transport Corporations Act, 1950 were as follows:

a. the advantages offered to the public, trade and industry by the development of Road Transport;

b. the desirability of co-ordinating any form of transport;

c. the desirability of extending and improving the facilities for road transport in any area and of providing an efficient and
ANDHRA PRADESH STATE ROAD TRANSPORT CORPORATION - AS A PUBLIC UTILITY SERVICE

The important characteristic features of the APSRTC as an industry is that it is a public utility viz., 'business' affected with public interest'. The features of a Public Utility are as follows:

a. an organisation to render service at reasonable and non-discriminatory prices to all who apply to it;

b. It needs large investment in fixed plant;

c. its services are non-transferrable from the point of view of buyer;

d. it can be supplied efficiently under the condition of monopoly; and

e. it must be in the public sector.

The APSRTC to a greater extent fulfills the above characteristic features of a Public Utility Undertaking. Hence, the Government of Andhra Pradesh also declared the APSRTC services as Public Utility Services in May 1958.
The Andhra Pradesh State Road Transport Corporation as a public utility undertaking has very much realised the importance of Personnel management and evolved itself its own Personnel Policies in order to carry on its activities and fulfil its objectives of providing an efficient, effective, economic and well Co-ordinated passenger transport services to its public in the State.

AN OVERVIEW

Personnel Management as an integral part of Public Administration and as an inseparable activity of Public Enterprises has assumed greater importance especially in developing country like India. Road Transport Organisations have mainly opted to embrace Corporation form of organisation in order to have flexibility and autonomy in their day to day matters as well as in matters relating to Personnel Management. The Road Transport Corporation in Andhra Pradesh which was earlier under Nizam State Railways experienced various types of management since its inception and finally
emerged as the Andhra Pradesh State Road Transport Corporation after the formation of the State of Andhra Pradesh. The Andhra Pradesh State Road Transport Corporation has become the second largest Organisation in the State and one of the biggest employer employing thousands of persons in order to execute its policies and fulfil its objectives of providing efficient transport services to the general public of in and out of the State. It has also evolved its own mode of personnel management policies and practicies in an convenient way as discussed in the foregoing chapter.
REFERENCES


7. Ibid.


17. Ibid.


20. Government of India, Planning Commission; First five year Plan, p. 484.


22. Road Transport Corporation Act, 1950, Sec.3 (a), (b) and (c).

23. Ibid., Sec. 32.
