CHAPTER - III

PERSONNEL POLICIES & CLASSIFICATION
Today, with the rapid expansion in the size and complexity of business organisation and industrial management, human element has become the most important factor in them. Especially the public undertakings which are employing lakhs and lakhs of people and which require a huge amount of man power are practising personnel management and made it an integral part of their industrial management.

Personnel policies and practices have also come to occupy a place of prime importance even in the nationalised road transport undertakings. It has been proved time and again that an organisation may have the best of the resources—financial, technical and material but cannot operate effectiently without an efficient
personnel who are properly selected, trained and enjoy attractive conditions of service.¹

The Andhra Pradesh State Road Transport Corporation, which is a pioneering organisation in the field nationalised road transport in the country has also got its own personnel policies and practices. But as a public utility undertaking, employing more than 1,21,000 persons, a distinctive approach towards its personnel management is of paramount importance.

PERSONNEL POLICIES:

Personnel management in all its phases must be based upon a set of principles. These set the standard of fairness, basic attitudes towards people and board goals which will guide management in the performance of personnel functions. Without such guides, the establishment of personnel programmes and the solution of personnel problems become matters of expediency, uncertainty and inconsistency. Such a state is hardly conductive to the building of effective team work.²

Meaningful personnel policy can be evolved only if it is accepted that human beings constitute the essential capital and assets of business. Without this no business can prosper. Such policy will be imbued with this philosophy and outlook which alone can survive
the challenge of change of the modern world. Finally, personnel policy cannot be divorced from the realities of the revolution of the rising expectations of our people at large and the changing complexion of our personnel in industry. It will have to play a dynamic role in the context of socio-economic and political changes and the mass awakening among people who demand a fair deal for themselves and their families.

ACCORDING TO DALE YODER:

"A policy is a pre-determined course of thought and action that is defined and established as a guide and towards accepted goals and objectives."\(^3\)

ACCORDING TO RICHARD P. KALHOON:

"Personnel policies guide for the selection of act for a work. These give the general standard or basis which could give the decisions. Their existences are found in the various values philosophy, thought and objectives of an organization."\(^4\)

Above-cited definitions if analysed we get the following things about personnel policies:

i) There is pre-determined course of rules or action.

ii) These guide the performance of objectives.

iii) They provide with standard or ground for the decision.
NEED FOR PERSONNEL POLICIES

Personnel policies are essential for perfect running of the organization. There are certain enterprises which are successfully working without any policy. According to them policies are like handcuffs to the managers, which obstruct their independence for work and decisions. They are of the opinion as Miller has put. 5

"Personnel policies are unnecessary restrictions on our freedom of action. It is a waste of money to have written personnel policies. I think each personnel problem must be handled on its own merits."

DEVELOPMENT OF PERSONNEL POLICIES

Formation of personnel policies and its development at a later time come under the scope of high officials. Its objective is to help them in some given circumstances. The development of these policies are dependent on decisions and actions on daily problems. As new problems spring up in the organization, development of personnel policies will accrue. Formation of policies and development can be under different circumstances. Workers suggestion and advices, daily obstacles coming before management, changes in social, national and international circumstances all such elements affect
this. Personnel manager acts as specialist.

While assessment and amending the policy all groups—management, Worker and Labour Union—should be represented.

For the policy's development, it is necessary that policy should not be rigid. It should be flexible so that timely and circumstantial alterations could be brought out. While framing the policies under mentioned three elements should be kept in mind—

i) Justice.

ii) Acceptance of the necessaries of workers and

iii) Consideration of Democracy and Equality.

CONTENTS OF PERSONNEL POLICIES

As said before personnel policies chief objectives are maximum development of workers, maximum use of their ability and good labour relations establishment. A good personnel policy must have the following:

i) Sources of recruitment, selection procedure and techniques knowledge.

ii) Description of working conditions including hours of work, recess, highest official, maximum status, promotion and retirement.

iii) Complete knowledge of training programmes for new and present workers, schemes and objectives of training.
iv) Description of grievance procedure with proper official to hear and remove grievance and serial number, to tell the meaning of grievance.

v) Full knowledge of accidents, removal from service in improper way. Discipline and standing order rules.

vi) Labour welfare and social security work and description of services, recreation, canteen, education, legal protection, financial help, compensation, dividend, partnership etc.

vii) Full description related to collective bargaining, or labour representative nominations for collective bargaining.

viii) Necessary full knowledge in relation to industrial relations, advisory nature.

ix) Prediscrimination of system and committees of Joint advisory nature.

x) Necessary information about public relations.

The formation and development of personnel policies have become so significant in the Andhra Pradesh State Road Transport Corporation as it has reached a dimension that requires many decision making centres to act consistently. The important sources of personnel policies of the Corporation are as follows:


2) Andhra Pradesh State Road Transport Corporation Rules, 1958.

4) Rules and Regulations of the Government of Andhra Pradesh, and

5) Board of Directors' policy decisions.

The Board Transport Corporation Act, 1950 empowers the State Government of Andhra Pradesh to act as a Personnel Agency over this Corporation. It is empowered to issue number of instructions, directives and guidelines from time to time with reference to the management of its personnel.

The Governing Board of the Corporation, as a sub-policy-making body also plays a vital role in the framing of personnel policies. In almost all meetings of the Board, there will be discussions about personnel matters of the Corporation.

PERSONNEL AGENCIES

The personnel agencies responsible to execute the personnel policies of the Corporation may be classified into two categories viz., (1) Personnel Agencies outside the Corporation comprising (a) Consultative Committee of the Legislature for Transport Department, (b) Secretariat Department (2) Personnel Agencies inside the Corporation comprising (a) Board of Directors (b) Chairman of the Corporation Board (c) Vice-Chairman and Managing Director (d) Executive Directors, (f) Zonal Managers,
As outside personnel agencies of the Corporation, the Consultative Committee of the Legislature plays a vital role in dealing with the various personnel matters of the Corporation including the Board of Directors.

CONSULTATIVE COMMITTEE OF LEGISLATORS FOR TRANSPORT DEPARTMENT

A very important arrangement pertaining to the Andhra Pradesh State Road Transport Corporation is the constitution of a non-statutory body known as 'Consultative Committee of Legislators for Transport Department at the State level. It consists of nearly 20 to 25 members representing both from ruling as well as opposition parties of the Andhra Pradesh State Legislature. It is constituted in such a way that it represents all the districts in the State. This Committee is headed by the Minister for Transport and meets at least twice or thrice a year to discuss important matters pertaining to transport including the choice of Directors to be nominated to the Board. The final decision regarding the actual choice of the Directors to be nominated to the Board is however taken by the Minister and submitted to the State Cabinet for approval.

At the Government level, the concerned secretariat
Department with the Transport Minister as the political chief and the Secretary to the Government, Ministry of Transport as the Administrative chief ensures that the personnel policies and practices are enforced properly as envisage under the Road Transport Corporation Act, 1950 and the rules and regulations made by the government from time to time.

In addition, the Secretary to Government, Transport (Roads and Buildings) Department and the Joint Secretary to Government (Finance) Department as ex-officio Directors of the Board exercise enormous powers in formulating the personnel policies of the Corporation.

The Road Transport Corporation Act, 1950 empowers the outside personnel agencies of the Corporation to appoint the Board of Directors including the Managing Directors and the Financial Adviser and Chief Accounts Officer earlier and who is now designated as Executive Director for Finance and Accounts.

As personnel agencies from inside the Corporation, the corporation board plays a prominent. The Road Transport Corporations Act authorises the Board to interfere in the personnel policies and decisions. The selection committee, Appeals and mercy petitions committee of the corporation board also deal with personnel matters
of the Corporation. The Chairman of the Board takes keen interest in the personnel matters and acts as a link between the Transport Minister and the Corporation in communicating the personnel policies and decisions to and fro. The Vice-Chairman and Managing Director as the member of the Board provides expert advice to the Board in all personnel matters. He also exercises and supervises the personnel functions as Chief Executive Officer of the Corporation.

The Executive Director for Administration assisted the Chief Personnel Manager as the Head of the Personnel Department assists and advises the Managing Director by rendering expert advice in formulating sound personnel policies, systems and procedures. He also responsible for the procurement, screening, testing, selection, indoctrination and administration of personnel policies consistent with the corporate policy.  

Further, the Zonal Manager, Regional Managers, and Depot Managers as Line Officers have been also delegated with certain powers to act as personnel agencies at their respective levels as prescribed by the rules and regulations of the Corporation.

CLASSIFICATION

Systematic classification of jobs and standardization of all staff are two of the most essential
features of Personnel System. All other problems of personnel management would be solved provided there is logical and scientific classification of personnel. As pointed out by W.F. Willoughby, 'Classification and standardisation of public employment constitute, indeed the starting point or the basis upon which the whole personnel structure must rest.'

'The systematic sorting and ranking of positions in a hierarchical sequence according to comparative difficulty and responsibility.' Thus, a judicious classification system would help in sorting-out easily the problem of pay, line of promotion, duties and responsibilities.

The Andhra Pradesh State Road Transport Corporation has now emerged as a gigantic organisation with more than 69,000 employees including 438 villages. They are performing a variety of functions and duties by occupying various levels of positions to fulfill the objectives of the Corporation. But in order to lay down the duties of the employees clearly, remove chaos and confusion and promote cordial relations between management and staff, avoid duplication and inconsistencies in work process and facilitate the processes of recruitment, training, promotion and transfer in an orderly manner, classification of employees has become
One of the prime advantages of autonomous organisations like the Andhra Pradesh State Road Transport Corporation is that it can have its own set of rules and regulations with regard to personnel management suited to its peculiar needs and requirements. At the same time the Road Transport Corporation Act empowered the State Government to give general directions and instructions to the Corporation from time to time with regard to the latter's personnel matters including classification of services. Accordingly the Andhra Pradesh State Road Transport Corporation Employees Service Regulations, 1964, Andhra Pradesh State Road Transport Corporation Employees Conduct Regulations, 1963, Andhra Pradesh State Road Transport Corporation Employees Classification, Control and Appeal Regulations, 1967, Andhra Pradesh State Road Transport Corporation Employees Recruitment Regulations, 1966 and Andhra Pradesh State Road Transport Corporation Delegation of Powers, 1977 and 1983 framed by the Corporation were approved by the State Government of Andhra Pradesh from time to time. These rules and regulations lay down the classification of services in Andhra Pradesh State Road Transport Corporation.
The basis of classification of services in Andhra Pradesh State Road Transport Corporation is linked with the historical background and administrative culture of the services. The Andhra Pradesh State Road Transport Corporation under the Nizam's State Railway as a Department, also had its own staff and fulfilled the principle of 'classification'. The RTD generally classified its employees into two categories viz., 'Workmen' and 'Other than Workmen'. This classification was based upon the pay which they were drawing. Further, the 'workmen' were employed casually and were not classified among themselves. But the 'other than workmen' were classified into five grades viz., Grade I, II, III, IV and V. The ranking of these grades were in a descending manner that is the least rank was Grade I as follows: 13

<table>
<thead>
<tr>
<th>Grades</th>
<th>Maximum Pay</th>
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<tbody>
<tr>
<td>I</td>
<td>Rs. 50/-</td>
</tr>
<tr>
<td>II</td>
<td>Rs. 50/- to 100/-</td>
</tr>
<tr>
<td>III</td>
<td>Rs. 100/- to 200/-</td>
</tr>
<tr>
<td>IV</td>
<td>Rs. 200/- to 300/-</td>
</tr>
<tr>
<td>V</td>
<td>Rs. 300/- above.</td>
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RANK CLASSIFICATIONS

Thus, the principle of Rank Classification was adopted by the NSR-RTD with regard to its employees.
Later the Andhra Pradesh State Road Transport Corporation also followed the same pattern. Rank Classification which is also termed as 'Man-Oriented Classification lays emphasis on personal status of the individual. It takes into account the rank and personal status of the incumbent rather than the precise duties inherent in the post as in the case of 'Duties' or 'Position Classification'.

The Andhra Pradesh State Road Transport Corporation, in pursuance of the Andhra Pradesh State Road Transport Corporation Employees Classification, Control and Appeal Regulations, 1967 has classified its personnel into four classes as follows:

1. Class I Services comprising
   a) Special Scale.
   b) Senior Scale.
   c) Intermediate Scale (obsolete) and
   d) Junior Scale.
2. Class II Services.
3. Class III Services and
4. Class IV Services.

As per the above classification, the bonafide total personnel of the Corporation are further classified broadly into three categories viz., Officers, Supervisors and Employees, Class I Service with the
following scales namely Special Scale, Senior Scale, Intermediate Scale and Junior Scale are categorised as Officers, Class II Services are called Supervisor Grade and Class III and IV Services are categorised as Employees. Before April 15, 1985 the Class II post were obsolete. But the Corporation reclassified the posts and all the supervisory posts which were hitherto called as selection posts were brought under Class II Services. Accordingly this classification was sanctioned by the Government. The Class I, II, III and IV Services are also classified as non-technical and technical. The Class III non-technical and technical services were further classified into selection and non-selection posts. But at present this classification is withdrawn and the erstwhile selected posts of Class III are kept under Class II services and non-selection are being continued under Class III Service as shown in Table 3.2.

The Vice-Chairman and Managing Director of the Corporation is a deputy from the State Government hailing either from the Indian Administrative Service or the Indian Police Service. Hence, the rank and cadre are decided by the Government itself.

In Class I Service, the Intermediate Scale is non-existant at present in the Corporation. Thus, the
Class I Special Scale, Senior Scale and Junior Scales come under Officers' category as they draw more than Rs.1,600/- salary per mensem as defined by Sec.2(13) of the 'Payment of Bonus Act, 1965. Further, these officers will not come under the jurisdiction of either the 'Payment of Bonus Act, 1965' or Industrial Disputes Act, 1947. Whereas the Class II, III and IV Services come under employees category who draw a salary or wage not exceeding Rs.1,600/- per mensem and do any skilled or unskilled manual, supervisory, managerial, administrative, technical or clerical work for hire or reward whether the terms or employment be expressed or implied. These employees come under the purview of Industrial Disputes Act, 1947.

The total personnel of the Andhra Pradesh State Road Transport Corporation of all classes, thus cover the following departments of the Corporation, viz., Personnel, Operation (Traffic), Mechanical Engineering, Accounts, Stores and purchased, Security & Vigilance, Civil Engineering, Management Information System (Statistics), Medical, Canteen, Public Relations, Industrial Engineering and Legal including the Board Secretary and Line Managers, viz., Zonal Regional Managers, and Depot Managers.
The Employees Classification, Control and Appeal Regulations, 1967 of the Andhra Pradesh State Road Transport Corporation further empowers the Corporation with the previous sanction of the Government and without prejudice to the foregoing classification adopt a variant of classification suitable to the administration of leave, holiday facilities or any other matter. The number and character of posts in the different classes of services shall be such as may be determined by the competent authority from time to time.

AN OVERVIEW:

Every organisation that hires people to carry out its work needs personnel policies to make sure consistency and equity in its relations with employees. A policy is a statement of the organisation's overall purpose and its objectives in the various fields with which its operations are concerned personnel, finance, production, marketing and so on. A policy permits decisions to be made on similar problems without repetition of the expensive analysis required to state the policy. A procedure is a method whereby the organisation achieves its stated objectives. In other words, policies are general instructions while procedures are specific applications.

The development of personnel policies becomes
important to a company when the organisation has reached a size that requires many decision-making centres to act consistently and situations requiring decisions occur frequently.

The Andhra Pradesh State Road Transport Corporation is a huge organisation in Andhra Pradesh which has been dealing with thousands of its employees of various categories like officers, Supervisors, Employees, classified into Class I, Class II, Class III and Class IV Technical as well as non-technical. The keep its organisation on sound and effective lines the personnel agencies both at outside and inside the organisation have adopted various personnel policies guided and directed by its statutory act, periodical directives and orders of the Government of Andhra Pradesh and the policy decisions and resolutions of the Board of Management.

Corresponding to the prescribed personnel policies, the management has also taken up the task of classifying the personnel into various categories to effectively adopt and erract these policies to various categories of personnel. To make effective of these policies and to fulfil the objectives of the corporation the task of Recruitment and Placement of various
categories of personnel is also taken up by the Corporation Management in a possible and feasible manner as discussed in the next Chapter.
REFERENCES


4. Ibid., p. 36

5. Ibid.


17. Regulation 7, Rule (3) of APSRTC Employees (Recruitment) Regulations, 1966.
