CHAPTER-I

INTRODUCTION
Transport is the basic need of mankind. Time and space utilities are two important ingredients that make it indispensable for human beings. Transport in other words means mobility and the latter is considered as index of progress of modern society. In fact, modern civilized life can not be thought of without adequate means of transport. Transport have several dimensions like technical geographical, social and economic. A person can develop fully in all these respect only when transport is developed. The basic importance of transport was stated by Alfred Marshall in “Industry and Trade” in 1927 which was restated by H.P. white and M.I. Senior in ‘Transport Geography” in 1983 as the transport which undertakes nothing more than the movement of persons from one place to another, have contributed one of the most important activity of man in every state of Civilization. It is not only a basic human activity but also movement in space. The transport system is a mix of many modes like road, water and airways. The extent and availability of road transport reflects the level of actual and potential mobility of people, goods and information. It can function in an unexceptionally flexible and diversified manner in relation to other means of transport. This characteristic accounts for the prominence of road transport over all other forms. It plays an important role in passenger transportation of the country and is particularly suitable for all short and long distance. Since 1960 there is substantial amount of long distance travel by the business community and passengers. However, growth of long distance bus travel is still inhibited in India by poor highways and restricted licensing policies, but the sharp upward trend in bus traveling can be expected to continue as these obstacles are gradually overcome.
1 Statement of the Problem

As the Haryana is marching ahead to become number one State in India and the Haryana State Transport being the only public Roadways for both long and short distance users in Haryana, the Haryana State Transport (HST) has been selected to evaluate its performance vis-a-vis other neighbouring States of Punjab, Rajasthan and Uttar Pradesh. Evaluation of performance of HST has given an opportunity for the factors affecting its analysing performance so that the HST may be suggested some suggestions to improve its functionings from the point of view of the ultimate users and the HST itself.

2 Objectives of the Study

The followings are the main objectives of the study:

1. To evaluate the performance of HST in terms of operational efficiency, profitability and growth.

2. To make comparative study of HST vis-a-vis other Transport Corporation/Undertakings.

3. To see whether present organizational structure of the State transport fits for in the competitive environment of the today. Whether it is result and growth orientated so as to avoid the need of its privatization.

4. To judge the position of HRD and how it relates to the efficiency of people working in the organization.

5. To assess user’s satisfaction in the terms of quality of service, safety, cost and environmental effect.

6. To pinpoint the specific problems of state transport & suggest measures to overcome them.
3 Research Methodology:

A- Collection of data: Both types of data are used for the purpose of this study i.e. primary as well as secondary. Secondary data are made available through the Annual Reports, Extracts and other related published & unpublished information of the State Transport. The secondary data will also be collected from the body corporate, research institutes, academic institutions, Govt. departments which are directly and indirectly engaged in this type of research work.

B- Selection of samples and respondents: The primary data are collected through a questionnaire distributed among users which are selected through random sampling for knowing their satisfaction. In total 200 respondents are selected i.e. 160 for Intra States and 40 for Inter State.

C- Statistical Tools applied: The data so collected are analysed through conventional tools like percentage ratios, means S.D etc. The statically tools, T-Test, Chi. Square Test are also applied according to the requirement of the study. However, using various types of Graphs, Charts and Tables, the researcher has tried to make things more presentable.

4 Period of the Study:

The period covered under this study is of 15 years (1993-2008). The study period of 15 years is covered on account of the reasons that during this period Haryana has made tremendous progress in different economic fields.

5 Scope of the Study

The findings will be applicable to HST. However, these are examined comparatively with other State Transport Corporations presuming that they perform more or less in the same manner.
Three neighbouring states i.e. Punjab, Rajasthan and Uttar Pradesh have been taken into consideration for making comparative study.

6 Review of Literature

P.G. Patankar has studied the road passenger transport in all its dimensions since 1950s and analysed the operational economics, productivity and efficiency of STUs for the period 1973-74---1979-80. He was of the opinion that the future of road transport sector in India would brighten only with productivity –oriented planning.

Having classified the area of operation as plain and hilly regions and the State Transport undertakings as corporations, companies and departmental units. A team under the leadership of 11.0 expert Ali A.EI Mezawie35 made a thorough study of the performance, problems and prospects of STU in India.

P.G. Patankar in another macro-study of the financial performance of STUs for the period 1976-77-1982-83 indicated that the operational cost as whole has not increased in the same proportion as the prices of major inputs, which means that transport operation in the nationalized sector were not in any way more efficient, if not better than the private operators. On the other hand, the possibility of evasion of taxes by private operators for want of centralized control can not be entirely ruled out. By adopting rank criteria, the planning commission 36 has made a comparative analysis of the physical and financial performance of STUs for the period 1980-81---1984-85.

The Luthra committee report (1988) pointed out that there are wide differences in the performance, efficiency and productivity of the STUs. Most of them face serious financial constraints as they need capital contribution from government for augmentation and replacement of their overaged buses and expansions of the fleet.


K. Hanumanthappa searchlighted the structural aspects of Karnataka State Road Transport capital, cost and employment, pricing procedure, investment policy and managerial controls. He analysed the problems of economic viability and the potentiality of road transport as a vehicle of regional development (1975).

S.K. Arora has made a comparative assessment of the privately managed road transport industry and the state managed road system in Punjab (1977).

Alwin Prakash analysed the physical and financial performance of the Kerala State Road Transport Corporation during 1959-1972 and deduced that the operation of the transport in Kerala was not efficient because of its high vehicle staff-ratio due to under-utilization of transport manpower and fall in kilometre per litre due to bad road, overloading and incidence of overaged buses (1977).


A critical re-examination of the administrative structure of the APSTRC with a view to promote performance standards and operational efficiency was made by P.W. Purushotham (1987).

D.C. Datta has researched the effects of percentage of vehicles in scheduled services, vehicle utilization and kilometres run per litre of diesel oil on the rate of return from investment.
and calculated the correlation coefficient between pairs of the above variables and the rate of return from investment.

A.V. Raman highlighted that the conventional methodology of ratio analysis cannot be applied in isolation, as in the above study of the real situation or the characteristics of the industry. After analyzing the financial results of 9 states road transport corporations in the State of Andhra Pradesh, Bihar, Gujarat, Rajasthan, Kerala, Karnataka, Uttar Pradesh, Madhya Pradesh and Maharashtra. He derived that the present capital structure is entirely debt in nature even in respect of the capital contributions by Central and State Governments on which STUs pay interest as a charge on expenditure and a restructured capital content would result in improving their financial performance.

Y. Satyanarayana focused on some of the important measures in fuel conservation in the road transport sector, like better fuel efficient engines, weight reduction through lighter bodies, better maintenance of vehicles, better roads, better driving habits etc.

Sanlosh Sharma has made a pioneering study in the productivity parameter in the road transport system and also discussed economics and diseconomies in nationalized bus operations in the area of cost components, fuel and tyre management, materials management, traffic management. He advocated a total system approach while searching for an optimal solution.

The Regional Transport Survey of NCAER (1967) made an elaborate study of trends in passenger traffic with projections and also a comparative analysis of rail road traffic with anticipated traffic demand. It has pointed out that "the long distance bus services will divert substantial portions of the traffic from the railways over the long distance routes as well if they continue to grow as fast as they have done since 1959-1960r".

S.S. Murthy has made an inter-firm analysis of 15 State Transport undertakings (11 corporations from Tamil Nadu) in terms of parameters like fixed cost, variable cost, average fleet...