CHAPTER VI

EVALUATION AND SUGGESTIONS
CHAPTER VI
EVALUATION AND SUGGESTIONS

Human resources constitute the most important and indispensable factor in any economy. The human factor comprises skills, creativity and knowledge. Human resources are said to be the major factor behind the progress or fall of any organisation or nation. An employee is no longer treated as a mere working tool but as part of human resources, with the human element, which distinguishes human resources from machines, given importance. Mismanagement of human resources has often been cited as the cause behind the underdevelopment of certain countries. It is necessary to have the right kind of human resources and the proper approach to manage them. A factor with so much importance is bound to pose certain complex problems to the organisations. Complexities in human resources management arise mainly due to the fact that people are essentially self-managed. Further, the change in the employee's relationship with his family and his social and educational standards, technological progress and other internal factors in addition to the external factors complicate the task of human resources management. In fact, human resources management is more complex in public enterprises.

The objective of a public enterprise is not just profit maximisation as it is an important instrument of the government...
in discharging its socio-economic responsibilities. There are mainly three forms of public enterprises in India, viz., departments, public companies, and corporations. Generally, the corporation form of public enterprise is suitable to public utility services as it is based on democratic ideals, and its chief characteristics are flexibility and autonomy. Public utility services, in addition to discharging their social obligations, must operate on business lines. They provide basic infrastructure for the industrial and agricultural sectors of the economy. Transport is one of the most essential public utility services.

Among all modes of transport, road transport has a pivotal role to play. The passenger road transport assumes a great significance as it helps in building unity among people whose languages, regions, communities, religions are different, as it transports them together to different places. But private passenger transport organisations provide transport facilities only in those areas which are convenient and profitable to them. In order to provide the passenger transport facilities for all the regions of the country, the Government of India enacted the Road Transport Act in 1950, which empowers the state governments to nationalise road transport routes.

The passenger road transport industry is highly labour-intensive. The employees have to be service-oriented in their approach and have to assure maximum satisfaction and comfort to the passengers. The passenger road transport industry in Andhra
Pradesh transports people of three different regions with different geometrical characteristics, viz., Telangana, Rayalaseema and coastal Andhra. In view of the failure of the private organisations to meet the demands of the travelling public in the state, the government nationalised the passenger transport industry and set up the Andhra Pradesh State Road Transport Corporation (APSRTC) in 1958. Though the APSRTC was instituted as early as in 1958 and human resources management is its crucial function, there are only two studies on human resources management in the APSRTC and they are not comprehensive. One of them deals with only one category of employees, i.e., conductors, and the other lacks objectivity and factual information.

In view of this, there is a great need for a comprehensive and objective study of human resources management in the APSRTC. Hence an attempt has been made to study the human resources management in the APSRTC during the last one and a half decades, with the following objectives

i) to study the size and structure of employment and the practices of training,

ii) to enquire into the structure and trends in monetary emoluments and non-monetary benefits,

iii) to study the system of industrial relations and problems, if any, with a view to suggesting appropriate measures, and

iv) to measure the operational efficiency of the APSRTC, highlighting the contribution of human resources thereto.

In order to achieve the objectives stated above, information
was collected both from primary and secondary sources. The study has been presented in six chapters. Chapter I deals with the significance of the study, and the genesis and growth of the APSRTC while Chapter II discusses the employment and training of human resources. An analysis of wages and benefits is presented in Chapter III and the various aspects of industrial relations are discussed in Chapter IV. Chapter V presents the operational efficiency of the Corporation while Chapter VI evaluates the study and offers suggestions for effective human resources management in the APSRTC.

The APSRTC was set up in 1958 by nationalising the passenger transport services and by bringing the government-managed transport system in the Telangana Region into its fold. The APSRTC is managed by a Board of Directors headed by a Chairman. The Vice-Chairman and Managing Director is the chief executive of the Corporation. The APSRTC was decentralised in 1978. The total area of operation of the Corporation is divided into seven regions. Each Regional Manager is assisted by the various Divisional Managers in the area.

Progress of the APSRTC

The density of population of the state increased by 70.65 per cent, the income of the state rose by 137.63 per cent, the road length increased by 397.57 per cent, while the total
passenger buses increased by 316.17 per cent and the passengers carried per day increased nearly 20 times during the period 1960-61 to 1987-88. Thus the growth rate of the transport sector was more than that of the economy of the state of Andhra Pradesh. Further, the growth rate of the buses of the APSRTC (711.90 per cent) was higher than that of the total passenger buses in the state (316.17 per cent) during the period 1960-61 to 1987-88. Consequently, the percentage of the APSRTC buses to the total buses in the state rose from 38.43 to 74.97 during that period. The total number of divisions recorded a growth rate higher than that of the number of depots during the period 1973-74 to 1987-88 due to the creation of new divisions based on the administrative districts of the Government of Andhra Pradesh.

The growth rate of the number of buses (296.66 per cent) being higher than that of the number of buses per 1000 route kilometres (34.26 per cent) during the period under study (i.e., 1973-74 to 1987-88) shows that either the utilisation of the buses was optimum or the allotment of buses to the various Regions was less than their requirement. Allotment of buses to all the Regions based on their needs is most important. The analysis shows that there was a decline in the number of buses in the Golconda Region, the Kakatiya Region, the Satavahana Region, the Vikramsimha Region and the Sri Krishnadevaraya Region. The decline in the number of buses in some Regions shows the inefficiency of the Corporation to allot the required number of
buses to these Regions. This view is corroborated by the opinions of the travelling public and management representatives. Hence it is suggested that the Corporation should take steps to see that the required number of buses are allotted to all Regions.

The growth in the number of employees (213.41 per cent) was less than that of the number of effective kilometres operated per day (333.66 per cent). The growth rate of the number of employees being lower than that of various physical indices need not be viewed as a negative factor as the number of employees need not be increased at the same rate as that of the various parameters like number of buses, number of route kilometres, etc., as certain categories of employees need not be increased at the same rate as that of the organisation.

The growth of a road transport corporation also depends on the number of passengers carried. Though there was an overall growth in the number of passengers carried during the period of study, it declined in the Golconda Region, the Kakatiya Region, the Satavahana Region, the Raja Raja Narendra Region, and the Sri Krishnadevaraya Region during some years despite the increase in the per capita income and the need for travel. This decline can be attributed to the operation of unauthorised private services. The APSRTC compared itself favourably with the MSRTC, the GSRTC and the UPSRTC but not favourably with the KSRTC in terms of the rate of increase in the passengers carried.
The trends in the growth of the effective kilometres also indicate wide fluctuations in almost all the Regions though the APSRTC compared itself favourably with the MSRTC and the KSRTC. Hence it is suggested that the Corporation should take all possible steps like arresting unauthorised operations of private bus services, extending the operations to new areas, and minimising the cancellation of trips in order to accelerate its growth in terms of the effective kilometres operated.

The above analysis shows that though the APSRTC made considerable progress, the growth in all the Regions was not consistent. Declining trends in the growth in the number of buses, passengers carried and the number of effective kilometres are also observed which may be attributed to lapses on the part of the Corporation in supplying buses based on the needs of each Region, in arresting the unauthorised operations of private passenger transport organisations, etc. Hence it is suggested that the management of the Corporation should take effective steps to provide services according to the needs of the public, which lead to the growth of the Corporation provided the passengers are satisfied with the services. However, an effective contribution of human resources can also minimise the negative effects of the above mentioned lapses of the Corporation. The contribution of human resources depends to a large extent on the right size and structure of the human resources of the Corporation.
The analysis of employment practices in the APSRTC shows that the Corporation depended upon employment exchanges for lower level positions and upon advertisements in newspapers for higher level positions. There are other important sources for higher level positions like universities, colleges, institutes, data banks, etc., Hence it is suggested that the APSRTC should depend on these sources also to secure human resources of quality to man the higher level positions efficiently and effectively.

Though there was an increase in all classes of employees, the growth rate of class I and II employees was higher than that of class III and class IV employees and that of the total number of employees. This is an odd phenomenon as the growth of class I and II employees is generally lower than that of class III and IV employees. This might be either due to the absence of proper manpower planning or influence of various factors in the administration of the manpower planning. A higher growth rate of Class I and II employees generally results in an increase in the cost of staff and a reduction in the span of management below the optimum level. Hence it is suggested that the Corporation should take all necessary care in planning and filling the positions at higher levels.

The analysis of the growth of staff, category-wise, shows that the growth rate of the civil engineering staff was the highest,
followed by the canteen staff, the traffic staff, and the officers. The higher growth rate in the number of canteen staff was due to the fact that the Corporation set up canteens in Regional offices and work-shops during the period. The increase in the traffic staff was due to the extension of the Corporation's activities to different routes and the consequent increase in the number of buses and effective kilometres. The abnormal growth in the civil engineering staff was due to the increase in the construction work undertaken by the corporation. The growth rate of the number of officers being higher than that of the total number of employees was probably due to the appointment of more number of depot managers in order to cater to the needs of the newly set up depots, and the influence of politicians and nepotism to some extent. Hence it is suggested that the Corporation should be cautious while creating higher level jobs as otherwise there would be not only an increase in the cost of the staff, but also a rise in organizational politics.

The analysis of the Region-wise growth in the number of employees shows that there were a number of fluctuations in the growth of the staff which were not supported by either a growth in the number of buses or in the effective kilometres operated.

The traffic staff-conductors and drivers-belong to the major group of employees in terms of size. The growth rate of the
number of drivers was the highest in the Raja Raja Narendra Region followed by the Golconda Region, during the period 1973-74 to 1987-88. The growth rate was the lowest in the Satavahana Region though there was a significant increase in the number of buses, passengers carried and effective kilometres. There were similar trends in the growth in the number of conductors. This shows the disparity in the allotment of drivers and conductors to the Regions. The analysis of the staff position, category-wise, in the other state transport undertakings during the period 1980-81 to 1987-88 shows that the growth of the administrative staff was higher in the APSRTC than in the KSRTC, the MSRTC, and the GSRTC. Similarly, the growth rate of the traffic staff in the APSRTC was higher than that in the other state transport undertakings except the KSRTC. But the number of workshop and maintenance staff declined in the APSRTC, the GSRTC, and the UPSRTC due to the introduction of mechanisation in the repairs and maintenance department. Thus the growth rates are higher in the APSRTC, particularly in the administrative staff and traffic staff. It is observed that the bus-staff ratio was the highest in the APSRTC compared to the other state transport undertakings. The APSRTC has already initiated steps to reduce the growth rate of the number of employees and thereby to minimise the bus-staff ratio. The Corporation has already experienced positive results in this aspect. In view of the above analysis, it is, however, suggested that the Corporation should continue the existing
measures and initiate further steps in order to control the growth rate of the number of employees and, thereby, the bus staff-ratio.

Training

The Corporation provides training for its employees through its own training colleges like the Central Staff Training College, Hyderabad, and through other training institutes and colleges. The various training programmes organised are the induction course and the refresher course, which cover areas like mechanics, safety, public relations and service to passengers. The duration of these training programmes varies according to the nature of the course. Usually, the duration of the refresher courses ranges from one week to four weeks. As many as 144 out of 300 respondents had attended the refresher courses. Since a refresher course is essential to all employees, it is suggested that the Corporation should provide training facilities and should also make it compulsory for all the employees to attend refresher courses. Over 90 per cent of the respondents had attended the induction training courses as it is compulsory for all types of employees except cleaners to attend these courses. Over 50 per cent of the respondents had attended the safety training programmes.
The training programmes organised by an industry should have relevance to the jobs undertaken by the employees. The majority of the respondents in the APSRTC opined that the training programmes attended by them were relevant only to some extent to their work. About 30 per cent of the respondents felt that the training programmes were relevant to a large extent to their jobs whereas 27 of the 300 respondents felt that the training programmes were irrelevant. Hence it is suggested that the Corporation should improve the content of the training course and make it completely relevant to the various jobs in the Corporation. It should also see that the latest techniques of performing the job should also be included in the content of the training course.

The training programmes organised by the Corporation involve expenditure, which varies according to the nature and the number of such programmes. It is observed from the above analysis that the cost of training increased from Rs. 7.35 lakhs in 1973-74 to Rs. 23.37 lakhs in 1977-78. But it came down to Rs. 17.67 lakhs in 1980-81 due to a decline in the number of training programmes. The cost of training rose to Rs. 79.02 lakhs in 1987-88. The share of the cost of training in the total staff cost was the highest (0.82 per cent) in 1976-77 and declined to 0.29 per cent in 1984-85. But it increased to 0.52 per cent in 1987-88. It is also clear that the Corporation did not improve its training programmes in relation to the increase in the number of
employees. Hence it is suggested that the Corporation should increase its budget for training programmes in order to improve their quality so that they can satisfy the present and future needs.

The success of any training programme depends on the application of the knowledge gained during training to the job. As many as 154 out of the 300 respondents expressed the view that they applied only partially the knowledge gained in training to their job. Most of the respondents were drivers, conductors, mechanical apprentices, and traffic apprentices. Senior and junior scale officers who constituted 18.93 per cent felt that they applied the knowledge gained in the training courses completely and 36 respondents said that they never applied it to their job. To improve the situation, the Corporation should take necessary steps to develop training programmes based on the needs of the employees in performing their job and on the job analysis in the Corporation.

An evaluation is necessary for any training programme for its improvement. Over 10 per cent of the respondents (280) were of the opinion that there was an indepth evaluation of the training programme only, while 18 respondents felt that there was an indepth evaluation of both the content and the instructor. As many as 73 respondents (26.07 per cent) said that there was a moderate evaluation relating to the content whereas 45
respondents expressed the view that there was a moderate evaluation relating to the content and the instructor. As many as 105 respondents said that there was no evaluation either of the content or of the instructor.

Though training is crucial in a passenger transport organisation and the Corporation has already started enjoying the benefits of the training, it did not give adequate importance to this vital function. Consequently, it is not in a position to reap the benefits to the fullest extent. Hence it is suggested that the Corporation should prepare the contents of the training programmes in such a way as to suit the job requirements, depute more number of employees for training, intensify the evaluation programme, and correct it accordingly. The Corporation should view this technique positively and increase the budget for training programmes.

Wages and Benefits

Wages and benefits are the most important issues in human resources management. They serve two purposes, viz., to pay an employee for his past performance and to stimulate him/her to work better. The level of wages must not be too low or too high as low wages do not satisfy the minimum needs of the employees and the higher wage level affects the very survival of the organisation. The level of wages is influenced by several
factors. Important among them are the firm's ability to pay, cost of living, wages in similar organisations, and the influence of trade unions. Hence an attempt has been made to study the wage levels in the APSRTC in terms of the various factors that influence the wage levels.

The ability of an organisation to pay is the most important factor which determines the wage level in the long-run though the organisation has to take into consideration the minimum wage regulations and wages in similar organisations in the short run. The gross salary in the Corporation went up from Rs. 952 lakhs to Rs. 11,825.48 lakhs during the period 1973-74 to 1987-88. The total cost of the staff also increased from Rs. 1157.20 lakhs to Rs. 15,094 lakhs during the period of study. Thus, the growth rate of the total cost of the staff (1204.36 per cent) was higher than that of the gross salary (1149.59 per cent) during the period of study.

The gross earnings of the Corporation increased from Rs. 4165.97 lakhs to Rs. 52,667.21 lakhs whereas the gross profit increased from Rs. 1056.62 lakhs to Rs. 10,040.54 lakhs during the period 1973-74 to 1987-88. Thus, the growth rate of the gross earnings (1164.22 per cent) was higher than that of the gross profit (850.25 per cent) during the period, which was due to the higher growth rate of the working expenses (1188.88 per cent) during the period under study.
The net profit declined from Rs. 338.44 lakhs to Rs. 129.76 lakhs during the period 1973-74 to 1976-77. But the Corporation incurred a net loss during the period 1977-78 to 1983-84. However it started earning profits in 1984-85, which increased from Rs. 130.84 lakhs to Rs. 2,338.86 lakhs during the period 1984-85 to 1987-88.

The increase in the staff cost at a higher rate than that of the gross earnings boosted the percentage of the staff cost to the gross earnings from 27.78 to 29.66 during the period 1973-74 to 1987-88 (with minor fluctuations). However, the employees of the APSRTC opined that the wages were lower than those of the other Corporations. But the APSRTC compared itself favourably with all the other state transport undertakings selected with regard to the percentage of the staff cost to the gross earnings. But, the employees of the APSRTC complained that their wages were quite inadequate to meet their requirements. However, the management representatives expressed the view that its inability to pay higher wages was due to the increase in the cost of inputs at a higher rate than that of the increase in the fare structure. Hence an attempt has been made to study the prices of the inputs and the output of the APSRTC before evaluating the ability of the APSRTC to pay wages higher than the present wages.

It is observed that the cost of various inputs increased—the cost of staff per kilometre by 138.40 per cent, the cost of
diesel and lubricants per kilometre by 221.26 per cent, the cost of depreciation by 281.02 per cent, the cost of tyres and tubes by 198.58 per cent, and the total cost per kilometre by 203.48 per cent - during the period 1973-74 to 1987-88. The average passenger fare per kilometre increased by 175.00 per cent during the same period. The growth rate of the total cost being higher than that of fares reveals that the corporation has been bearing the burden of the increased cost of operations without completely shifting it on to the passengers as the common man would not be in a position to bear the burden of the increased cost. Further one of the objectives of the APSRTC as a public utility concern is to bear the social cost to a certain extent. Hence it cannot be suggested that the Corporation should increase fares to offset the increased cost of the inputs in order to improve its financial position. At the same time, it cannot also be concluded that the employees should be paid less in view of the Corporation's social responsibility. Moreover, the discharging of social responsibility is the direct obligation of the government. Hence it is suggested that the government should subsidise the social cost or exempt the Corporation from paying various taxes and thus enable it to improve its financial position. This, in turn, helps the Corporation pay better wages to its employees. It is further suggested that the Corporation should improve its financial position and its ability to pay by controlling the cost of the inputs and by improving its
productivity through operational efficiency. However, wages in the other state transport undertakings selected will give a clear picture about the level of wages in the APSRTC.

The wage level in the other state transport undertakings also influences the wages in the APSRTC as the Corporation has to pay competitive wages. It is observed that though the wage level in the APSRTC was higher than those in the GSRTC and the UPSRTC in 1980-81 and only that in the UPSRTC during the period 1980-81 to 1986-87, its wage level was the lowest in the year 1987-88. This position was probably due to lower pay scales in the APSRTC or due to more number of class III & IV employees in the Corporation. However, the opinions of the employees of the APSRTC about the wage level in other state transport undertakings will clarify the position. It is observed that 56.67 per cent of the respondents felt that the wages in the APSRTC were more or less equal to the wages paid by the other state transport undertakings. But a considerable number of respondents (85 out of 300) felt that wages in the APSRTC were less than the wages in the other state transport undertakings. As suggested earlier, the APSRTC should improve its wage level by improving its financial position.

One of the important factors that influence the wage level is productivity, though wages may not be fixed directly on the basis of productivity. It is observed that the employee
productivity in terms of the effective kilometres per employee per day rose by 41.91 per cent while the average monthly salary rose by 303.88 per cent during the period under study. The correlation between these two factors is positive and high as $r = 0.85$. Hence it is suggested that the Corporation should raise the wage level in order to improve its productivity.

Trade unions influence the management for a rise in wages and for the fulfilment of their other demands. The management takes into consideration the influence of the trade unions along with other factors in determining the wage level. It is observed that the membership of the trade unions rose by 237.22 per cent while the average monthly wages increased by 303.88 per cent during the period under study. Further, trade unions organised strikes and other forms of protest 49 times during the period under study in order to press the management to increase the wage level, in addition to bargaining with the management for the hike in the wages in collective bargaining. The average wage and the unions' strength moved in the same direction and the correlation between these two factors was positive and high as $r = +0.92$. Thus, the union through its activities, was able to make an impact on the wage level. Hence it is suggested that the Corporation should take the influence of the union into consideration in fixing the wages in order to prevent industrial disputes.
Cost of living is another major factor which determines a part of the wages, i.e., dearness allowance. It is observed that the cost of living index with 1973-74 as the base year moved to 350.50 in 1987-88. Consequently, though the money wages rose by 303.88 per cent during the period under study, the real wages increased by only 15.23 per cent which was due to the absence of a rise in money wages at the same rate as the hike in the cost of living. Hence it is suggested that the Corporation should take steps to improve the real wages in order to enable its employees to maintain the same standard of living.

This analysis clearly shows that the ability of the APSRTC to pay was less due to its adverse financial position. Consequently, its wages were less than those in the other corporations. The increase in the productivity was less than that in the money wages and the real wages rose by only 15.23 per cent during the period under study. Hence it is suggested that the Corporation should improve its financial position by minimising the cost of the inputs, maximising the revenue, getting subsidy from the government for meeting social obligations, and by getting tax exemptions from the government, which, in turn, improve the wage level, the contribution of human resources to the organisation, and the overall human resources management.

Apart from salaries, the Corporation also provides various types of fringe benefits to its employees. The most important
among them is medical aid. There were as many as 32 hospitals and dispensaries in 1987-88. On an average the hospitals and dispensaries were treating 1982 patients a day. The number of doctors and the para medical staff increased along with the number of hospitals and patients. The amount spent on medical aid was Rs. 23.51 lakhs in 1973-74, and it increased to Rs. 136.532 lakhs in 1987-88. The APSRTC also provides special medical aid to its employees who undergo open heart surgery or kidney transplantation.

The Corporation has been providing canteen facility to its employees. There were six canteens under its management. In places where the Corporation does not own canteens, it arranges food items in private canteens on subsidised prices. The amount spent on this was Rs. 6.50 lakhs in 1987-88. Assistance for education given to both employees and their children by the Corporation increased from Rs. 0.73 lakhs in 1973-74 to Rs. 23.15 lakhs in 1987-88. Scholarships were also granted to the children of the employees. The amount spent on this in 1987-88 was Rs. 4.60 lakhs.

The employees' credit societies of the Corporation had a membership strength of 63,136. In 1973-74 these societies distributed Rs. 131 lakhs among the members and the amount increased to Rs. 2,677 lakhs in 1987-88. The APSRTC sanctioned housing loans of Rs. 8.50 lakhs to 38 employees in 1973-74. The
number of beneficiaries and the total loan amount sanctioned increased to 368 and Rs. 370 lakhs respectively in 1987-88.

Uniforms are provided by the Corporation to its running staff. The amount spent on this item was Rs. 17.65 lakhs in 1973-74 and it increased to 129.41 lakhs in 1987-88. A major share of this amount was utilised for the traffic staff. The amount spent on leave encashment increased from Rs. 8.70 lakhs in 1973-74 to Rs. 425.87 lakhs in 1987-88. The Corporation granted ex gratia in lieu of bonus. The amount spent on ex gratia increased from Rs. 69.41 lakhs in 1973-74 to Rs. 954.48 lakhs in 1987-88.

The APSRTC has been contributing considerable amounts towards the Staff Benefit Fund, the Road Transport Recreation Club, the Provident Fund, the Leave and Pension Fund, and the Gratuity Fund. The amount contributed by the Corporation to these funds increased from Rs. 113.72 lakhs in 1973-74 to Rs. 1788.42 lakhs in 1987-88. The share of the contribution towards the Provident Fund and the Gratuity Fund in the total contribution by the Corporation was high. The Corporation constituted the State Benevolent-cum-Thrift Fund in 1980. Various categories of employees contribute subscriptions at different rates to this fund. In case of death due to accident or disablement, the employees get compensation from this fund. The scheme had a membership of 81,410 by the end of 1987-88. The subscription paid by its members was Rs. 173.89 lakhs.
The Corporation also maintains a women's organisation for the benefit of the wives of employees and women employees. The deposit-linked-group-insurance scheme run by the Corporation pays a sum of Rs. 11,500 to the nominee of a deceased employee. The Co-operative consumer societies run by the employees of the Corporation supply essential commodities at concessional rates.

Incentive schemes are another kind of important benefits provided by the Corporation to its employees. The incentive bonus paid to the workshop and maintenance staff increased from Rs. 6.77 lakhs in 1973-74 to Rs. 45.74 lakhs in 1978-79. Rewards to drivers for improved kilometre per litre diesel increased from Rs. 1.34 lakhs in 1976-77 to Rs. 4.68 in 1987-88.

The total cost of the welfare and retirement benefits increased from Rs. 222.98 lakhs in 1973-74 to Rs. 6,566.53 lakhs in 1987-88. As a result, the per capita cost of the welfare and retirement benefits also increased from Rs. 769.72 in 1973-74 to Rs. 7,232.50 in 1987-88. The index of real per capita cost of welfare and retirement benefits with 1973-74 as the base year shot up to 268.08 in 1987-88.

The Corporation has been providing a variety of benefits to its employees in addition to paying ex gratia in lieu of bonus and has been offering incentives through various schemes. Consequently, the per capita cost of benefits increased significantly. However it is suggested that the Corporation
should increase the benefits further after improving its financial position as the benefits to the employees result in immediate and positive returns to the Corporation.

**Industrial Relations**

A quest for industrial harmony is indispensable in developing countries like India as it helps in creating congenial industrial relations. Trade unions play a pivotal role in industrial relations as they represent the cause of the employees. Further, trade unions influence the other parties, i.e., the management and the government, in attaining their objectives.

The fundamental objectives of the trade unions are to protect the employees from the actions of the management which may be detrimental to their interests, and to improve the quality of the work life of their members. Along with the trade union movement in the country, trade unionism developed in the APSRTC also though its origin was at a later date and the growth rate was different. Presently, there are twelve unions in the APSRTC and they belong to the categories of industrial unions and craft unions. A feature of trade unionism in general, multiple unions, is also seen in the trade unionism of the APSRTC. There are two major unions organised on industrial union basis in the APSRTC. These two unions are the APSRTC Employees' Union and the APSRTC National Mazdoor Union.
Membership is the most important factor which determines the financial position, the activities, and the success of any union. The membership of the major unions of the APSRTC shows that though the APSRTC Employees' Union enjoyed the position of a major union, it lost its glory for the first time in 1982-83, but it was able to recover its original position in the year 1984-85. But it could not retain its position again in 1987-88. Consequently, the percentage of the members of the APSRTC Employees' Union to the total members of the various unions declined from 63.66 to 43.5% while that of the APSRTC Mazdoor Union rose from 31.44 to 48.45 during the period of study. A change in the membership brings more or less, a similar change in the position of the bargaining agent. The APSRTC Employees' Union was the bargaining agent until 1982 without any break. But the change in the membership brought the APSRTC National Mazdoor Union to the position of the representative union. However, the APSRTC Employees' Union managed to surpass its rival in 1985. But its declining glory could not get the support of the members in the 1988 elections, and, consequently, it lost its representative position to the APSRTC National Mazdoor Union. Hence it is suggested that the APSRTC Employees' Union should improve its activities and gain the confidence of the members once again.

The leadership of a union influences and directs most of the other factors towards the goals of the union. The general
feature of the Indian trade union movement is that the unions are mostly led by outsiders. But the APSRTC Employees' Union was mostly led by insiders as three out of the four presidents and all the three secretaries general from 1952 to 1988 were insiders. But the APSRTC National Mazdoor Union was mostly led by outsiders as four out of the five leaders who led the union from 1968 to 1988 were outsiders. Hence it is suggested that this union should gradually replace outsiders by encouraging the employees of the Corporation to lead their movement.

Finance is the fundamental resource for a union to carry out its activities. The union finances in the APSRTC are mostly drawn from the membership fee of its members and the unions could not mobilise funds from other sources like donations and delegate fees. Hence it is suggested that the unions should take steps to mobilise funds from other sources in addition to streamlining the collection of the membership subscription.

An important technique employed by the trade unions to protect their members is collective bargaining. The Management discusses and settles employees' issues through collective bargaining. The highest number of meetings of collective bargaining were held and the highest number of subjects were discussed in the year 1987-88. Issues related to the welfare measures were discussed most extensively, followed by discussions on the working conditions, shift timings, transfers, and promotions. Thus, it is clear that the trade unions in the
APSRTC were keen on improving the quality of the work life of its members. Most of the issues discussed in these meetings happened to be not very crucial and hence the management settled them in favour of the employees.

The nature of settlement of the disputes shows that more than 25 per cent of the issues were settled in favour of the employees and more than 40 per cent of the issues were under the consideration of the management. However, there were a considerable number of issues which were either postponed, dropped or rejected.

It is clear that there were a considerable number of issues which could not be settled in favour of the employees in collective bargaining. If the issues are not settled in collective bargaining either of the parties may resort to direct action which would lead to industrial disputes. The number of strikes, the number of days lost, and the number of employees who participated in strikes were relatively lower during the period 1985-86 to 1987-88 compared to the period 1973-74 to 1984-85. There were Corporation-wide strikes during 1983-84 and 1984-85. The number of hunger strikes, dharnas and demonstrations, and gheraos were the lowest during the period 1985-86 to 1987-88. It is clear from the above details that the trade unions which were active in organising gheraos until 1982-83 have almost given them up owing to certain humanitarian reasons. It is surprising
to see that the major causes behind the industrial disputes in the APSRTC had nothing to do with economic and welfare considerations, but with the assaults on the crew and the demand for revocation of suspension. Suspension is a normal punishment given particularly to the crew by the management. But it adversely affects not only the employees' economic position but also their psychological state. In addition, it has led to a considerable number of industrial disputes resulting in the loss of mandays, effective kilometres, and earnings to the Corporation. In view of its adverse effects both on the Corporation and on the employees, it is suggested that the management should be much more cautious in awarding this punishment.

Assault on crew was quite common until 1984-85. Unfortunately, it was the main reason for the industrial disputes that resulted in a great loss to the Corporation, its employees, and the public. Assaults on the crew may not be completely due to the misbehaviour of the public; they may also be due to the behaviour of the crew. The recent training programmes in human relations might be stated as the reason for the decline in the number of assaults on the crew from 1985-86 onwards. This, besides the revision of wages, introduction of incentive schemes and change in the attitude of the employees, was the reason for the improvement in the industrial relations from 1985-86 onwards.
Hence it is suggested that the Corporation should activate its training programmes to the employees and education programmes to the public through pamphlets, the T.V. and Radio in order to minimise the assaults on the crew and the consequent industrial disputes. It is further suggested that the Corporation should strengthen the existing collective bargaining machinery by providing scope for compulsory arbitration with a view to settling the issues in collective bargaining in order to avert industrial disputes and maintain harmonious industrial relations, which, in turn, help the effective utilisation and contribution of human resources to the effective performance of the Corporation. The contribution of the employees to the Corporation can be measured through operational efficiency.

Operational Efficiency

Operational efficiency mirrors the efficiency of a system as it is the scale to measure the functioning calibre of an organisation. It can be measured through different techniques like productivity, vehicle utilisation, and safety in operations. Productivity is a major indicator of operational efficiency. Productivity can be measured in terms of employee productivity, capital productivity, etc.

Productivity of employees is the number of products or service units produced/rendered by employees in a unit of time.
Though it is difficult to measure the labour productivity in the APSRTC, an attempt has been made to measure it in terms of the effective kilometres and the bus-staff ratio. The bus-staff ratio in the APSRTC was more than 10 until 1982-83 and it was more than eight during the period 1983-84 to 1987-88. The average bus-staff ratio of the different state transport undertakings who are members of the ASRTU was between 9 and 9.78 during the period 1981-82 to 1987-88. The bus-staff ratio with regard to the traffic staff in the APSRTC declined from 8.18 to 6.22 during the period 1977-78 to 1987-88. But the APSRTC did not compare favourably with other State transport undertakings in terms of bus-staff ratio.

The efficiency of the APSRTC in terms of the effective kilometres operated per employee per day rose from 24.10 to 34.20 during the period 1973-74 to 1987-88, and, that of the ASRTU increased from 26.30 to 31.40 during the period 1976-77 to 1987-88. The effective kilometres operated per traffic employee per day in the APSRTC increased from 34.96 to 48.61 during the period 1977-78 to 1987-88. But its performance in this regard was next to the KSRTC and the GSRTC.

Thus, it is clear that though the employee productivity in the APSRTC in terms of both the bus-staff ratio and the effective kilometres had been improving, it was not satisfactory when compared to that of the other state transport undertakings
selected. Hence, it is suggested that the APSRTC should take steps to improve its employee productivity by satisfying the employee needs, correcting the employee behaviour, regulating the non-human factors, and extending its operations to new areas.

The efficiency of the workshop and maintenance staff is reflected, at least to some extent, by the number of breakdowns of buses. The rate of breakdowns per 10,000 kilometres operated declined significantly during the period 1973-74 to 1987-88. But the performance of the APSRTC in this regard was not satisfactory compared to that of the other state transport undertakings. However, the performance of a workshop and maintenance employee would be the right criterion in this regard. The number of breakdowns per workshop and maintenance employee increased significantly during the period 1977-78 to 1984-85. But there was a decline during the period 1985-86 to 1987-88. However, it is clear that the performance of the APSRTC in general and the workshop and maintenance staff in particular with regard to breakdown of buses was not satisfactory.

The performance of the workshop and maintenance employees relating to buses off the road due to mechanical reasons cannot be viewed as satisfactory though there were favourable trends during 1986-87 and 1987-88. But the performance when compared to that of the other STUS, except the KSRTC, was satisfactory. In the case of the number of cancelled kilometres per workshop and
maintenance employee, the Corporation fared well. However, the efficiency of the workshop and maintenance staff was not praiseworthy. Hence it is suggested that the Corporation should take appropriate steps to improve the position.

Productivity of capital in terms of the effective kilometres operated per rupee of the capital invested declined drastically from Re. 0.81 to Re. 0.26 during the period under study. This decline was due to inflationary tendencies and due to the investment of the Corporation's funds on unproductive but passenger-welfare schemes like construction of bus depots, shelters, etc. The percentage of the net profit to the capital shows positive trends only from 1984-85 onwards as the Corporation's financial position was in red during the period 1977-78 to 1983-84. Though the profitability of the Corporation was increasing, it was not satisfactory. Hence it is suggested that the Corporation should improve its profitability through employee productivity.

Material utilisation is also an important factor that influences productivity and is influenced indirectly by human resources. Diesel is the most important material in the APSRTC. The performance of the APSRTC in diesel consumption (kilometres per litre of diesel) increased from 4.10 to 4.92 and it was higher than that of the ASRTU during the period 1976-77 to 1987-88. In view of this commendable performance, the APSRTC was
awarded the PCRA (Petroleum Conservation and Research Association) trophy for five consecutive years (from 1982-83 to 1986-87) which reflects the creditable performance of the crew.

Vehicle utilisation, in addition to other factors, also depends on employee performance. Vehicle utilisation in terms of the effective kilometres operated per bus increased during the period under study. But a number of fluctuations in the growth were observed which were perhaps due to the internal disturbances and the absence of mutual understanding between the employees and the Corporation. Hence it is suggested that the Corporation should take steps to improve the industrial relations system. Vehicle utilisation in terms of the occupation ratio (ratio of passenger kilometres to seat kilometres offered) increased from 68 to 73 in the APSRTC during the period of study. But its performance did not compare favourably with those of the KSRTC and the MSRTC. Hence, it is suggested that the Corporation should improve its performance in this regard by reducing ticketless travel—particularly in city services—by scheduling the bus services according to the needs of the travelling public, and by encouraging the crew to stop the buses depending on the convenience of the travelling public to the extent possible.

People regard punctuality as one of the criteria to assess the performance of a transport organisation. The Corporation improved its performance in regularity and also compared-
favourably with the other STUs. But it lagged behind in respect of arrival and departure and did not compare favourably with the other STUs in this respect. Hence, it is suggested that the APSRTC should motivate its employees and improve its performance in the maintenance of punctuality.

The press and the public assess the performance of a passenger transport organisation on the basis of safety in travelling. It is observed that the rate of accidents per lakh kilometres and per lakh passengers declined drastically during the period 1973-74 to 1987-88. But the Corporation did not compare favourably with the other state transport undertakings in terms of fatal accidents. Hence it is suggested that the APSRTC should intensify its training programmes in safety measures to drivers in addition to maintaining the vehicles properly and freeing the drivers from psychological tensions. In conclusion, the Corporation's measures relating to wages and benefits, and settlement of various issues were not effective. Further, lack of a proper manpower planning and/or the non-execution of manpower plan in the interest of the Corporation probably resulted in the lapses identified in this study. Consequently, the mutual contributions of the Corporation and its employees were not adequate. Hence, it is suggested that the Corporation should think of a comprehensive manpower plan, offer adequate training facilities, improve its financial position and thereby
pay its employees on par with the employees of the other State transport undertakings, and streamline its collective bargaining and minimise industrial disputes. These measures will result in an effective human resources management for the mutual benefit of the Corporation and its human resources.