SUMMARY OF FINDINGS AND SUGGESTIONS TO IMPROVE THE PRODUCTIVITY AND PROFITABILITY OF TAMIL NADU STATE TRANSPORT CORPORATION, SALEM DIVISION
CHAPTER VIII

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INTRODUCTION

This study is an attempt to measure the productivity and profitability of Tamil Nadu State Transport Corporation (TSTC), Salem Division. The whole study is divided into eight chapters, and this chapter presents the summary of important findings, together with useful suggestions for improving productivity and profitability of this corporation.

The approach of the study has been both descriptive and analytical. In the preparation of the Report secondary data have been used

SUMMARY OF FINDINGS

Passenger road transport plays a vital role in Salem City. One of the major problems faced by the Road Transport Corporations (RTCs) is the persistent low rate of productivity. Low generation of value added, high wages and salaries, heavy investment in fixed assets, low load factor, high capital labour ratio and deteriorating labour management relations are mostly responsible for the low productivity.

PROFILE AND GENERAL PERFORMANCE OF TSTC

The Tamil Nadu State Transport Corporation was incorporated under the Indian Companies Act on 23.1.1973, and it is plying services in and around
Salem District. The performance of fleet and routes of TSTC during the period of 1987-1997 shows an increasing trend.

Due to reduced rate of breakdowns, the percentage of fleet utilisation during the year 1996-97 is 94.27 as against 94.1 in 1987-88. The kilometre efficiency and average daily kilometre run by TSTC have increased almost in all the years. The rate of breakdown per 10000 kilometres increased during the years of study.

In TSTC, the average kilometre run per litre by mofussil buses shows a better performance than that of the town buses. Since 1990-91, the fuel performance has improved due to better quality of maintenance management and due to arrangement of training programmes to the drivers

Number and rate of accidents, death per fleet ratio, number of fatal accidents, and number of persons died during the period 1996-97 fluctuated, even though the corporation has conducted intensive training programmes and instituted awards to drivers who operated the vehicles without any accidents.

TSTC incurred loss during the period from 1987-88 to 1996-97 due to various reasons, such as, hike in the price of diesel, tyres and tubes, spares etc., increased fixed cost due to large staff strength, increase in the wage bill, quarterly tax of town buses, and high competition from the private operators. Nevertheless, the corporation had earned profit during 1993-94 and 1994-95 due to high kilometre per litre of fuel, and longer average life of tyres through
improved training programme to crew and efficient and quality of preventive maintenance.

The total number of passengers carried and average number of daily passengers carried per day per bus are increasing every year.

PROBLEMS

There are two main reasons which provided the basis for setting up public sector Road Transport Corporations in India. First the Government could not unify the industry, which was under private ownership in a fragmented state, in spite of fifty years of effort. The individual operator refused to submerge himself in a larger cooperative.

The second main reason concerns the developmental priorities of post Independent India, which required dovetailing all allied efforts. Road Transport, being the only mode of transport capable of penetrating the country side without the involvement of heavy financial investments, was sought to be brought under the state control progressively to provide mobility to the people.

Unreasonable fare structure fixed by the government is unfavourable both to the passengers and operators. It is not favourable to the operators while considering the operating cost, and to the passengers for the quality of service they get.
SUGGESTIONS

These important findings, lead the researcher to suggest ways to improve the transport services in general and those of TSTC Salem Division in particular.

• The effective routes and bus schedules should be prepared on the basis of the following factors: density of traffic, frequency of service, and number of buses required at various timings in the day, timing of first and last trips at terminals, time and period of special trips required during peak hours, market days, fairs and festivals and availability of other modes of transport.

• Bus maintenance operations such as cleaning, lubrication and minor repairs must be carried on during lean hours of service in order to minimise the operating cost.

• The fixed cost should be reduced through minimising men per bus ratio. One man operation may be introduced with point to point services and limited stop services.

• Dead kilometres in between depot and terminal point should be kept to the minimum and if they cannot be avoided for more than two kilometres, passengers may be transported to make such drives revenue earning.
• Breakdowns due to technical defects can be reduced through effective maintenance of vehicles, and replacement of old and condemned vehicles. Such replacement will also reduce the fuel cost and time in repairs.

• Industrial Engineering cell and Employees cell may be created in TSTC to conduct scientific studies on work, methods, time and motion systematically and periodically to improve productivity in workshops.

• Conducting frequent training programmes, seminars and workshop for crew-members on fuel consumption, accidents, breakdowns, and also in human relations will improve the quality of bus services.

• Accidents can be reduced through establishing road signs, signals, guide posts, traffic control line, road lights, sufficient space for pedestrians and cyclists, enforcing strict traffic rules for passengers, arranging adequate training programmes, and awards to crew members for accident free service. Besides the public can be educated through the mass media like television, radio and cinemas on the risks and dangers of violating traffic rules.

• Effective methods must be adopted to filter malpractice and pilferage of revenue by the crew.

• During the period of unrest and communal riots, buses should be plied with security.
♦ The corporation should enforce some strict rules against intoxicated smoking and misbehaving passengers.

♦ Last, there should be proper interaction between the transport corporation and the researchers on transport so as to ensure that the fruits of research endeavour reach the needy. This can be ensured through seminars, workshops and by encouraging the research scholars by supplying necessary data.

CONCLUSION

The image of transport corporation is determined by the travelling public. Providing efficient service is the duty of the STUs. However, STUs appreciable motive will be fulfilled only when they satisfy the commuters.

From the above study, it is clear that the TSTC Salem Division has been rendering good service to the public. This study enables the measure of productivity and profitability of TSTC, Salem Division. This study may be useful to the Road Transport Corporations as the study measures to solve their problems.

The researcher feels amply rewarded, if the present study inspires further studies in future in this field.