CHAPTER - IX

Summary and Conclusion.
We have already discussed in the foregoing Chapters the financial performance and consistancy of Assam State Transport Corporation. In the chapter we shall try to summarise and advance suggestions for the overall development of this service sector industry in a systematic manner on the basis of our field survey.

The present state of affairs of Assam State Transport Corporation is not at all satisfactory in all aspects. The financial performance is going from bad to worse day by day due to the step-motherly attitude of both the Government and the management of the Corporation. The accumulated losses of the Corporation has become more than 40 crores. So, without the Government subsidy the Corporation can not function properly. The Corporation's operating income and expenditure sneaks its unsatisfactory performance. The problem of efficiency and performance appraisal of this Corporation is still baffling to all those concerned. It is one of the important State Government undertakings to generate employment opportunity in the economically backward State of Assam as well as the neighbouring State of North Eastern Region. At present it has about 500 fleet operating on the road and the total employees of the Corporation's is 6532 during 1992-93. The employees are not receiving their monthly salary for months together which compel them to detach themselves from this organisation. professional ethics and conduct cannot be carriedout due to the shrinkage financial condition of the Corporation. Some of the employees resorted to unfair practice for non-receipts of monthly salary, some employees are also pursuing alternative jobs in other organisation. Due to the financial crisis proper motivation of the workers and employees of the corporation
cannot be achieved by the Assam State Transport Corporation.

A concerted efforts be made by the Government, management and the employees and also the public to maintain the proper status and revival of this organisation. As the objectives of Assam State Transport Corporation are to offer services, we cannot expect higher scale of profit or return from the capital employed but a public service undertaking should be an organisation to earn minimum normal rate of profit to sustain its growth and survival. At the time of sponsoring the State undertaking by the Government, it was thought that this undertaking will be a model undertaking for other private sector industries but this concept has been barred through the performance of this public undertaking.

In this empirical study have analysed all the facts relating to its financial performance as well as operating performance and we would like to offer some suggestions for its proper development in the coming years.

SUGGESTIONS:

(1) It is seen that the Government of Assam appoints Chairman and Managing Director of the Corporation. The post of Chairman is changing frequently with the change of Government. Moreover, the Managing Director is also appointed from the Cadre of Civil Service. he is also transferred very frequently. As he is a deputed officer he generally does not get involved in the business of the corporation because he may be transferred at any time from this organisation.
Sometimes it may also happen that some new schemes have been formulated by the Managing Director for betterment of the business of the corporation and before implementing these schemes he may be transferred. As soon as the new incumbent comes he may not like these schemes according to his liking. He may again be transferred to other organisations. So, this is the way how this corporation is managed by the Government officers. As a result, the managerial decision making of Assam State Transport Corporation is becoming unusual and the Corporation suffers from various elements.

We, therefore would like to suggest that a technical person having experiences in the line should be engaged as the head of the Organisation. On the other hand, the Government should consider an experienced, efficient professional, personnel having exposure to service in industries to be selected as Managing Director of the Corporation.

(2) Appointment of employees of the Corporation: In our field survey it is found that staff bus ratio in Assam State Transport Corporation is 1:13 whereas the staff bus ratio in private bus operators is 1:3. No doubt Assam State Transport Corporation is to generate employment but not at the cost of the Government funds. Again, some employees were selected not on scientific basis. If right man is not selected in the right place a perennial problems will continue and its effects will be detrimental in the long run period. We therefore, suggest that to reduce the high staff bus ratio more buses are to be operated on the road. So, the efficiency of the workers can be measured with a proper ratio. The personnel department
is to select the employees according to the needs of the situation from the open market sources or external sources. We have already stated in the foregoing chapter that Assam State Transport Corporation has not initiated any training programmes for the technical as well as general employees of the corporation. Through performance appraisal the needs of the training should be ascertained and proper training should be provided to the employees of the corporation. So, that the Human Resource Development is becoming capable in the performance of their challenging works. It is a commercial venture where the employees are to attract the Computer to use the Assam State Transport Corporation's buses. It is the responsibility of the Corporation employees to make the public aware about the functioning of people organisation. All the subsystems of Human Resource Development should be initiated to increase the overall productivity of the corporation. Computer and automation can also be used to get the accurate result of the working.

(3) Human Resource Accounting: In the changing situation and changing socio-economic conditions the accounting procedures should have also be changed. The conventional accounts with Human Resource Development Accounting is to be adopted by the Corporation. Human Resource are now treated as one of the important assets of the organisation. So, it is essential that this corporation should show its human resources in the Balance Sheet like that of the other assets. It would be more convincing and more appropriate to know the human resource information from the human resource accounting. It is therefore, suggested that human resource accounting should be adopted by the Assam State Transport Corporation.
(4) Expert Manpower: In each and every bus there should be a
man who has the primary mechanical knowledge about the motor
vehicles. There are such occasion when a bus becomes out of order on
the way. At present practice is to abandon the bus on the road and
inform the division to send one mechanic to get the bus repaired. In
some cases it requires some days together to get the bus repaired.
This causes a heavy loss of the Corporation.

So, it is our suggestion that the driver or any other
person with the bus should be an expert person to make the
preliminary repairs of the bus and take the bus to a near by station.
The driving also will be pleasant when the driver knows mechanics of
bus.

(5) A high power Committee: A high power Committee with an
efficient administrator as Chairman should be appointed to look into
the present financial crisis of the Corporation. The main points of
reference of the Committee would be:

(a) Curtailment of capital expenditure and revenue
    expenditure.
(b) To examine the staff bus ratio of the Corporation.
(c) To look into the condition of the vehicles.
(d) Daily kilometres coverage of each bus.
(e) Daily income of each bus.
(f) Quality of bus service.
(g) Repairing and maintenance cost of each bus.
(h) Disposal of old buses.
(1) Fuel consumption of each bus.  
(j) Work load and responsibilities of the Corporation's officers.  

(6) Golden handshake Scheme: High staff bus ratio has been identified as the root causes of the Assam State Transport Corporation losses. To bring the ratio to an optimum level the corporation is to retrench atleast 2000 employees from its present employment. The Golden handshake scheme for the willing employees to quit the corporation may be introduced, Imposition of service regulation to compulsory retirement of some employees on the ground of ill health etc, and bringing down the number of unproductive employees to a minimus level. Considering the fact that retrenchment may not find favour with the employees of the corporation and alternative action can be taken to put more buses on the roads, so that high staff bus ratio may comdown. Again, the corporation may introduce some commercial venture to their present infrastructural facilities and transfer some of the employees to such venture which will reduce high staff bus ratio one hand and on the other it will increase the revenue of the Corporation.  

(7) Long distance routes: The Assam State Transport Corporation should concentrate mainly on the commercial viable long distance routes by placing improved buses so that it may earn more revenue from these routes to compensate the loss incurred in operating unremunerative routes.  

(8) Changing permit policy: At present the Government of
Assam has permitted to play a large number of private buses in the nationalised routes. But according to the Assam Road Transport Corporation Rules, the Government cannot issue permit to the private bus operators for playing the private buses in nationalised routes except the tourist buses. So, the policy of allowing more and more private buses in the nationalised routes be drastically changed.

(9) Modernised Instruments: The workshops of the corporation is to be equipped with modern instrument and efficient technicians so that the buses are repaired immediately to avoid breakage of the services in the routes. An innovative approach to cope with the changing situation be adopted. The workshops of the corporation may be used to repair the vehicles of the State Government departments which will increase the earning of the corporation.

(10) Record of Maintenance Cost: In every bus there should be a record file to record each maintenance cost and fuel cost. A reward may also be intiated by the corporation to the deserving drivers for the maintenance of the vehicles within the standard period of time.

(11) Commercial Complex: It is further suggested that more stress should be given on the earning from non-operating revenue like fixed assets of the corporation. The vacant land and building in the heart of city and towns can be converted to the commercial complex against advance payment from interested parties. Some of the existing wayside station may be abolished and only pick-up point can be developed. In most of the stations lavatory and rest rooms are not at all satisfactory and used by some unsocial elements. An attempt
should be made to keep these lavatory and rest rooms at a minimum standard for the travelling passengers.

(12) Special Responsibility to officers: Bus body constructions, purchasing of new vehicles, purchases of tyre-tubes, spare-parts, disposal of old vehicles should properly be scrutinised by the Board of Directors. In dealing with these transactions at least 4 to 5 responsible officers should be involved. Any loopholes in such dealing should be checked so that not a rupee being wasted away.

(13) Pick-up Centre: To increase the number of passengers it is necessary to identify some selected areas in Guwahati City and some important towns of Assam as pick-up centres. For example, in Guwahati a pick-up centre at Jalukbari on the west, one at Bhangagarh, one at Chandmari and another at Khanapara may be arranged for the satisfaction of the passengers.

(14) Remove Uneconomic routes: It is also observed that the Assam State Transport Corporation playing its fleets in remote rural areas of the state and some hilly areas are also covered. These uneconomic routes is also one of the factor inhibiting the financial performance of the corporation. The uneconomic and short distance routes should be given to the private bus operators and long distance buses through these areas may be introduced by the corporation. This way corporation may save a lot of earning from their operation.

(15) Improving Road Condition: The road condition of this
back-ward state is very much deplorable. There are a few all weather condition roads in Assam. Bad road conditions damaged the bus quickly and the maintenance cost of the bus becoming higher and higher in such areas. So it is suggested that Assam State Transport Corporation with all other concerned authorities may put effort for the maintenance of national as well as state roads in a motorable conditions.

(16) Modern vehicles: At present the corporation is having very deep financial crisis. As a result it is not possible for the corporation to replace the old vehicles. The Government may come forward to provide capital to purchase some modern vehicles to be introduced in the long distance routes. This capital may be raised from the financial institution also with promise paid back in a stipulated period of time like the private bus operators.

(17) Social Cost: The corporation is to incur heavy expenditure for the welfare of its employees. This social cost is increasing along with the Government welfare policy. The state Government should create a fund jointly with the Corporation so that the burden of the corporation will be minimum in future.

(18) Avoid Political Affiliation: The Assam State Transport Corporation is a Government undertaking and Government appoints its Chairman and Managing Director on its Political affiliation. With the change of the Government the policy is also changed and every Government is trying to recruit a large number of employees without considering the needs of the corporation. This corporation is having
excessive man-power due to the pressure of the Government. Moreover, Government interferes in its management and providing transport facilities to unremunerative areas. This has helped the corporation to increase the losses year after year. This practice of Governments interference should be reduced as far as possible.

(19) Releasing subsidy timely: The Government is not releasing the subsidy timely for which the corporation work stand still and damaged the reputation of the corporation. So it is suggested that Government subsidy be released as on when required.

(20) Proper Financial decision: The corporation does not use proper financing decision in its operation. There is no debt capital mixed which hampered growth of the corporation. A financial leverage may be used to increase the earning of the Capital contributors.

(21) Investment decision: It is also observed from our study that the Corporation's investment decision is not at all proper. No present values criteria is used in investment decision. The management should assess the profitable channel of investment. The type of vehicles, modernisation of vehicles are to be considered while investing their funds. The management should always try to invest its funds in new fields so that the profitability of the Corporation is increased.

(22) Successful Financial Operation: The norms of profitability, liquidity and solvency are not adequate in financial performance of the Corporation. It is a Commercial Service Sector
industry as such it is very much concerned with the solvency, profitability and liquidity for the successful operation of its venture.

All these measures may help the Corporation in overcoming the present crisis.

***