CHAPTER-I
INTRODUCTION AND DESIGN OF THE STUDY

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1: INTRODUCTION

Management is concerned with four Ms – money, materials, machines and men. Among them, management of men is not only fundamental but also dynamic and challenging. Successful management depends upon the ability to predict and control manpower resources.

According to Patty D. Renfrow, the traditionalists use the term “Public personnel administration” while modernists prefer “Human resources management” for describing the term personnel management. ¹

Manpower management is the process by which manpower resources are organized and directed in making their contribution to achieve the goals of the organization. Manpower element is a key factor for obtaining organizational objectives in any enterprise. In order to build a team of co-operative workforce, it is essential to manage the workforce efficiently. The effectiveness with which manpower’s are co-ordinated and utilized determines the success in achieving organizational objectives. It is imperative to notice that “Managing the manpower component is the central and most important task, because all aspects depend on how well it is managed”.² Manpower resources begin to assume increased importance in modern days. The failure to recognize this fact causes immense loss to the nation. Thus, Productivity is associated to the nature of manpower.

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Physical resources will not give results unless the manpower resources are used rationally, optimally and effectively. To be precise, “Manpower is primary and elementary resources in all societies”.\(^3\)

A nation with an abundance of physical resources will not benefit by itself unless manpower resources make use of them. In fact the manpower resources alone are responsible for making use of physical and natural resources and for the transformation of traditional economies into modern and industrial economies. In essence, “The difference in the level of economic development of the countries is largely a reflection of the differences in quality of their manpower resources. The values, attitudes, general orientation and quality of the people of a country determine nation’s economic development”.\(^4\)

The shift from manufacturing to service and the increasing pace of technological change make manpower resources the key ingredient to the nation's well-being and growth. In a service-oriented industry like transport, the quality, quantity and utilization of manpower resources become all the more important.

1.1 : Role of the Government in Manpower Management Practices

The Government interferes in the Manpower management practices in industrial organizations due to the following reasons: The pressure from the trade union moment, failure of many employers to deal fairly with workers, fulfillment of plan targets and the like. The Government has enacted legislations to regulate the manpower management practices in industrial undertakings. Hence, the management of industries cannot manage


the manpower resources unilaterally, and has to abide by the legislation's rules and regulations imposed in this regard.

A manpower management practice has been duly recognized in the first four five-year plans of India. The first-five year plan extolled the worker as the principal instrument in the fulfillment of the targets of the plan and in the achievement of the economic progress generally."^5

The second five year plan stressed the creation of industrial democracy as prerequisites for the establishment of socialistic society."^6

The third plan emphasized the labour policy in India to the specific needs of the situation in to industry and the working class to suit the requirements of a planned economy."^7 The draft outline of the fourth five-year plan recognized the importance of labour and has stated that "Labour has a vital role in increasing productivity and management to create conditions in which workers can make their maximum contribution towards their objectives."^8

In the eighth five year plan it is stated that "The transport system carries excessive manpower in relation to requirements. In road transport, the present manning scales are disproportionately high. While pursuing the process of upgradation of technology, it will also be necessary to take complementary steps to redeploy all the manpower available after fresh training."^9

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5. Government of India, Planning Commission, the First Five Year Plan Report, p.570.
Though during the tenth Plan period it was thought that the incremental increase in the demand for public transport would have to be met by private operators, it has now been realized that the public sector transport undertakings would have to continue to play an equally important and a lead role in terms of upgradation of technology, in containing pollution and in the introduction of various IT applications.\textsuperscript{10}

\textbf{1.2 : Changing structure of the workforce}

Workers have entered the organization with increased level of formal education in recent years. Increased formal education led to the changes in attitude of employees.\textsuperscript{11} The well-educated employees always challenge and question the management’s decision and want a voice in the company’s affairs affecting their interest. The changing structure of the workforce has led to the introduction of new values of workforce in organizations. Consequently, it has become imperative for the management to improve the morale by providing fringe benefits, creating machinery for negotiating grievance, encouragement employee’s participation in decision making and the like.

At present, the employee’s organizations constitute one of the power blocks in many countries including India. The issues relating to employees’ interest are no longer determined by the unilateral action of the management. At present trade union representatives also have a say in the matter.

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\textsuperscript{10}Government of India, Planning Commission, the \textit{Tenth Five Year Plan Report}, pp. 513-516.  \\
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1.3 : Model Employer Concept

The public sector undertakings, including the SRTUs Act as model employer in respect of wages, working conditions, welfare facilities, workers' participation in management, implementation of labour laws, recognition of trade union rights and the like.\textsuperscript{12} The profit motive and exploitation of workers for private gain have no significance in SRTUs.

In the SRTUs, the worker has a dual role as master and servant, master as a worker of the undertaking. The efficiency of the SRTUs is not judged by the profits earned, but by other factors such as quality of services, social benefits and good industrial relations.

The National Commission on Labour has suggested that the public sector should adhere to labour laws and should ensure cordial labour management relations by evolving exemplary personnel policies, practices and procedures.\textsuperscript{13}

2 : STATEMENT OF PROBLEM

As per the Section 3 of the Road Transport Corporation Act, 1950, SRTUs came into effect in the year 1961 with 1792 buses, and is wholly owned by the Government of Karnataka. Government of India is also a shareholder in this corporation. But the employees of the SRTUs in Karnataka are not regarded as government servants.

\textsuperscript{12} Government of India, Planning Commission, the First Five Year Plan, New Delhi, 1952, pp.573-581.
\textsuperscript{13} National Commission on Labour, Report of the study Group on Labour Problems in the Public Sector, New Delhi, 1996, pp.-20s.
Further, the personnel policies of the SRTUs are different from those of the government departments. The respective corporations appoint the employees of the SRTUs independently and their service conditions differ from one corporation to another. The respective corporations determine the service conditions of the employees.

Productivity and profitability depend, to a great extent, on the interest and enthusiasm of the individual worker towards his company, and this applies to transport undertakings also. But workers’ involvement, sincerity, creativity and dedication to the job are lacking in spite of the incentives, bonus, welfare facilities, job security and the like provided to them by the SRTUs.\(^\text{14}\)

As on the 1\(^{\text{st}}\) January 2005, there are 92,665 personnel employed in the SRTUs in Karnataka. The personnel cost is a major cost and accounts for more than one – third of the total cost of the SRTUs. The success and profitability of SRTUs largely depend on effective manpower management. In NWKRTC, nearly 22,000 employees are working in different sections such as traffic, technical, administration and the like. Hence, there is a need for sound personnel policies and practices. Even though the personnel policies are common and uniform to all SRTUs in Karnataka, each of the SRTU has a separate standing order, which is enforced in dealing with the employees. The employees of NWKRTC criticize the management for showing partiality and favoritism to one set of workers at the cost of others in matters such as training, transfer, work allocation, promotion, and the like.

In the NWKRTC, there is always conflict between labour and management on issues such as wage revision, incentives, workload, welfare facilities, suspension and dismissal of employees and the like. Since its inception during the year 2004-05, 174 employees have been dismissed and NWKRTC has faced 1,230 disputes between labour and management out of which 278 industrial disputes were settled and as on 31.03.2005, there are totally 952 industrial dispute pending. The conflict between labour and management affects the productivity and job satisfaction of the workers.

Workers' participation in management provides a more rewarding work life and satisfies legitimate expectation of employees. Workers' participation in management is a pre-requisite for the success of the SRTUs, including NWKRTC. Even though every organization employing 100 or more workmen should form a workers committee consisting of equal representatives of management and workers, the SRTUs in Karnataka have no such committee, and workers' participation is found only in collective bargaining.

The SRTUs play a major role in the nation's economic progress. As one among 71 SRTUs in India, the NWKRTC also plays a vital role in the national economy. As a public sector unit, NWKRTC is supposed to be a model employer in terms of manpower management practices. Hence, it is encouraged this researcher to work in this topic. Despite a lapse of 4 decades, it is really unfortunate to note that no micro level study worth the name has been undertaken by any agency. Hence, a micro – level study which deals with the Manpower Management Practices in the NWKRTC, A Case study of Hubli Division is necessary.

3 : AN OVERVIEW OF LITERATURE

Transportation provides place and time utilities to men, materials and others. Therefore, it is indispensable and imperative for the development of trade, industry, agriculture and economy as a whole. In spite of its two-dimensional role of creating and providing time and place utilities, the transport sector has not received much attention in the past from the academicians and the researchers. An attempt is made in the following paragraphs to review a few important works relevant to this study, carried out by the researchers in the past of course, the objective is to identify the research gap that exists at present.

R S Agrawal & M K Garg\(^1\) have, in their "Performance Evaluation through Value Added – A Study of Selected STUs", stated that value added analysis is an important tool of analysis of financial statements, particularly that of profit and loss account. In the process of value added analysis, the profit & loss account is needed to be prepared in the modified form showing the value added by each contributing factor. This is said to represent the real objective for which an organization is actually working, and to lay special emphasis on the financial results of the organization in terms of positive contribution. Profit is merely one of the components in the value added process, and the welfare of the society is enhanced not by profit alone but also by other important components included in the value added process.

N. Sharada\(^2\) – in her study “Nationalization Road Transport in Karnatak: An Economic study”, a study of the working of the KSRTC, indicates the existence of two gaps (one, the gap existing between the management and

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the workers internally; two, the gap existing between the corporation and the travelling public externally) which must be bridged as early as possible. Passengers resent every fare rise on the plea that the service is unsatisfactory and inadequate. Workers keep demanding more and more without a corresponding increase in their efficiency. In such a case, productivity gets ignored. Higher efficiency on the part of workers will bring about an improvement in the quality of service. Equally important in the raising of labour productivity is the scheme of incentives. The present system of wage fixation for the traffic staff in the KSRTC does not bring forth a commitment for higher productivity among its employees.

The KSRTC requires appropriate operational strategies consistent with the changing times. Ever since the Road Transport Act, in 1950, significant changes have taken place in its macro environment. Micro or internal environment is also changing in respect of the attitude of workers, rising expectations of passengers and the not so helpful attitude of the government. In the 1990’s the KSRTC has also been made to face new challenges paced by the threat of privatization. It is the present need of the KSRTC to think in new terms and adopt new strategies to make itself more efficient and financially viable. This calls for a thorough reorientation in its priorities, activities and function.

D.K. Hoder’s \(^3\) book Urban Transport Problems — *An Economic Investigation into public utilities in Calcutta*. The study aims at assessing the economic and operational efficiency of transport in Calcutta. The study begins with a quantitative description of the traffic problem of the metropolitan city and its future plan for mass transportation facilities. Therefore, the problems of growth, organizational set-up, finance, pricing and location of the major mass transportation media units have been studied. A comparison of the performance of public and private operators has also been made. The problem of allocation of vehicles of the West Bengal Road Transport Corporation over different routs during peak and off-peak hours has been grappled with mathematical accuracy, and some possible ways of improvement in various directions have also been suggested.

M.P. Hrishikesh\(^4\) in his Ph.D. thesis, *An Evaluation of Human Resource Management in Karnataka Road Transport Corporation*, has evaluated the human resource policies, systems, procedures, programs and practices in Karnataka Road Transport Corporation. He stated that the SRTUs being service organizations, the passengers expect regularity, safety, reliability and punctuality in travel, the success of KSRTC in providing effectiveness in human resources management, which in turn depends on mutual co-operation between the workers and management. Human resources management in KSRTC, whenever found effective, has ensured reasonable service to the public at large.

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N. Markkandeyen\textsuperscript{5}, in his Ph.D theses, "\textit{Human Resources Management in State Road Transport Undertakings in Tamil Nadu - A case study of RMTC Ltd., Dindigul}"; he assesses that the indicators of human resources management such as staff-norms, personnel cost and the manpower productivity thus indicate the effective performance of the SRTUs in Tamil Nadu. But the RMTC’s fact is that the personnel policies and practices are more a political exercise rather than a managerial exercise. According to his analysis, the workers have high and low level of job satisfaction in the RMTC. Job security, salary, work-load, work allocation, training and development and constitute the importance of job satisfaction. The organizational climate in the RMTC is favourable for the implementation of the workers’ participation in management. Any scheme to be introduced for workers’ participation in the management of the RMTC will prove to be a success.

A study made by Prakesh, B.A\textsuperscript{6}, which, entitled "\textit{An economic assessment of the performance of the Kerala state road transport undertakings in the period 1959-71}" (1978), has revealed that the Transport Department has been converted into Road Transport Corporation in 1965, in Kerala. The study has also pointed out that, irrespective of changes in organizational setup, the corporation has failed to provide good quality of service. Further, it has been pointed out that after the conversion onto an autonomous corporation the losses were on the increase.

\textsuperscript{5} N. Markkandeyen in his Ph.D theses, "\textit{Human resources management in State Road Transport Undertakings in Tamil Nadu - A case study of RMTC Ltd., Dindigul}" 1994, pp-21-207.

\textsuperscript{6} Prakesh, B.A, Published Article, "\textit{An economic assessment of the performance of the Kerala state road transport undertakings in the period 1959-71}" 1975, pp-64-156.
S.K. Arora⁷, in his Research entitled "Economic of management in Road Transport Industry", has stated that an economic development is essentially a process of increasing the rate of capital formation, and the relationship is a positive one. Transport is an important component of capital providing essential infrastructure as well as serving facilities. Transport activities are connected to economy.

M. Gangadhar Rao’s⁸ Research work entitled 'Industrial relations in Indian Railways' is a study of personnel and union Management relations with special reference to the post independence period. He has examined in detail the problems of Railway employees, revealed that the operational efficiency has increased over the period and the labour productivity has gone up on account of the Introduction of Incentive plans, and emphasized the paramount necessity of bringing about harmonious relations between the workers and management.

Prof. J. Sathyanarayana⁹ in his study on "The working of the Andhra Pradesh state road transport corporation" (1985) has analyzed the cost fare relationship, organizational set-up, capital structure, financial policies, personnel practices and management information system in Andhra Pradesh State Road Transport Corporations (APSRTC). He has commented the decentralized structure of state Transport Corporations in Tamil Nadu and has recommended the same for the state of Andhra Pradesh.

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S. Sriraman\textsuperscript{10}, in his Book, \textit{"The Road Transport in India"} concludes that the road transport industry in India has emerged as the dominant part of the transport system. However, the industry is finding it increasingly difficult to meet new requirements. This may be partly due to the inadequacies of the road network, which if expanded and upgraded could go a long way in promoting efficient vehicle operations. Part of the problem also lies in the inability of service organizations, especially in the public sector, to deliver services efficiently. With the industry having suffered from a near absence of technological improvements in the design and manufacture of vehicles, there is urgent need to effect these changes immediately.

The road transport mode in India has come to occupy a pivotal position in the overall transport system in India. Over the past four decades, the share of road transport in overall traffic flows has been continually increasing with a substantial shift from rail to road. This mode is currently estimated to have a share of about 80\% in passenger transport and 60\% in freight transport. Despite such an impressive growth, it is increasingly being recognized that there is a wide gap between the demand and the supply of, road transport services, both from a qualitative as well as quantitative perspective. While the problem has been partly one of inefficient public sector management of its transport assets (especially in passenger transport services where it dominates), it has also stemmed, according to some, from restrictive policy and implementation measures as they have evolved over a period of time. In this paper, we focus our attention on some of the major emerging issues relating to efficient operations of the motorized road transport sector in India. We take up an analysis of these issues after providing a brief overview of the sector's evaluation.

\textsuperscript{10} S. Sriraman, Published Book, \textit{"The Road Transport in India"}, Department of Economics, Bombay University, 1996, p-74.
J. Madegowda\textsuperscript{11}, in his thesis entitled "\textit{Performance Evaluation of SRTC in India: With Special Reference to KSRTC}\textsuperscript{11}", has stated that, the Government should take-up the responsibility of developing and providing passenger Road Transport, by implementing promptly its own policy of progressive nationalization. The Corporation has rightly adopted decentralized organization system. The State, which takes unilateral decisions, is not reimbursing even a part of the cost of passenger amenities. The major portion of investments made by the corporation represents the investments made on the passenger vehicles, and measurement of cost. The second type investment consists of, workshop office building, printing press, bus station and passenger amenity facilities etc. Operating costs are influenced by rise in prices of various input factors, expansion of traffic operations, and influences of the personals. Therefore, the corporation has to lay more emphasis on the control of costs.

The fare policy of public transport undertakings is yet an unsettled issue. Because of revision of fare policy and failure of proper procedure, even the government is not using any systematic procedure. Therefore, government policy is very important for making changes in the corporation policy.

S.K. Mahajan\textsuperscript{12} in his study titled that "\textit{Social Accounting and Performance of Road Passenger Transport: A Case Study}\textsuperscript{12}", says that infrastructure facilities, viz. Power, transport and communication network, etc. are essential inputs for any countries economic development. Out of these, transport facilities are one of the key indicators required for economic


\textsuperscript{12} S.K. Mahajan
development because there is hardly any activity which is influenced by transport services. It also determines the fact that socio-economic activity and transportation systems are closely inter-related. Road transportation system assumes a significant position in regional development of any state. Road transport are important constituents of any transportation system. A well developed, cheap and efficient network of transportation system leads to speedy movement of human beings and material, and also connects rural population living in remote areas with the mainstream of socio-economic activities. Road transport is the more important in any hilly state especially in the absence of other mechanized modes of transport, namely, air, rail and water. Hence, the functioning of any state largely depends upon road transport.

Sanjay K. Singh in his "A note on Economies of scale in selected STUs", reveals that State Transport Undertakings (STUs) in India have a special responsibility to provide road based passenger mobility, as they are the biggest undertakings. This leads to the assumption that STUs are operating on increasing returns to scale and their average cost declines with increase in the level of production. Providing such an undertaking with an exclusive franchise is a rationalized means of protecting it from unfair competition and, thus, of increasing its viability. This analysis indicates that on an average small size STUs experienced economies of scale whereas medium and large size STUs faced diseconomies of scale. The presence of diseconomies of scale among large as well as medium size STUs may have very important policy implications. The Analysis reveals that the division of large monopolies into smaller firms covering different market segments for which they should compete would enhance productivity in the industry.

An examination of the average operating cost of sample STUs at different levels of production, assuming that they face actual input factor prices and operating characteristics, indicates that most of the STUs deviate from their efficient level of production. To operate on minimum average operating cost, mostly bigger STUs have to reduce their level of production whereas others have to increase their output. Thus, changes in the size distribution of STUs would lead to a substantial amount of cost savings.

A study entitled "Working capital problems of public enterprises in India with special reference to selected undertakings", was undertaken by Jain P.C\(^1\). The author is of the opinion that liquidity, profitability and efficient utilization of resources are the objectives of the working capital management in public enterprises. He has further reported that in transportation services current assets were kept at a fairly higher rate, due to contingent payments and large level of inventories required to be held as compared to credit of loan obtained on short term basis.

In another study the same author and his colleagues have analyzed the shortcomings in the existing bus route system in the public bus passenger transport in Delhi and have suggested that routes should meet the travel needs, extended beyond rather than at the converging points of city centers. Certain measures such as keeping off the routes from highly congested and inaccessible places, linking of neighboring routes of a locality have also been put forward.

V.A. Kadam\textsuperscript{15}, in his "\textit{Road Passenger Transport in the 20\textsuperscript{th} Century- issues regarding STUs and Urban Transport}" says that the twentieth century witnessed a revolution in the scientific research and its technological applications. Development of mechanical and later electronic devices particularly in the second half of the century made human life easy and comfortable. Transport and communication are the most important requirements for overall development in these Field facilities momentums to social interaction, educational development and to improve the overall perception of the human being. After 1950s there was real boost for roads and road transport, and there was overall development of road passenger transport at the turn of the century. (1950-51 road 26%, rail 74% 2000-01 Road-80% Rail-20%) "Regulating for reforms" to have a separate legislation for personalized transport, public passenger transport and goods transport should be persuaded to take care of the total road transport environment.

Road Passenger Transport in the 20\textsuperscript{th} century gives rise to various issues and options. The problem faced by this service industry should be converted as opportunities and accepted as challenges for the 20\textsuperscript{th} century.

Brian Ratcliffe\textsuperscript{16}, in his "\textit{Economy and Efficiency in Road Transport Operations}\textsuperscript{"}, discusses cost effective operations for gaining profit in the transport undertaking. Effective rate setting is considered to be one of the reasonable returns on capital, covers operating cost, provides a reserve fund, to cover overheads, and a reasonable profit for investment. The author points out that in transport services, critical examination of cost elements is

\textsuperscript{15} Mrs. Kadam, Published paper, "Road Passenger Transport in the 20\textsuperscript{th} Century- issues regarding STUs and Urban Transport", senior statistical officer in CIRT Pune: PP. 271-284.

\textsuperscript{16} Brian Ratcliffe, "Economy and Efficiency in Road Transport Operations," discusses cost effective operations for gaining profit in the transport undertaking. Effective rate setting is considered to be one of the reasonable returns on capital, covers operating cost, provides a reserve fund, to cover overheads, and a reasonable profit for investment. The author points out that in transport services, critical examination of cost elements is
essential to identify possible areas of savings. Cost effective operation includes location of depot and warehouses, route selection, and vehicle scheduling to achieve greater economy in fuel consumption.

Anthony R. Tomozines\(^\text{17}\) has outlined "**The efficiency measures required for running primary transportation services**". Efficiency measures of public transportation in achieving desirable objectives demand focusing upon five areas such as the unit costs, provision of service and collection of revenues. From the users point of view, efficiency measures include concern for cost of travel, quality of travel, reliability of service, safety and security of travel. These efficiency indicators help to determine the data feasibility in research analysis.

Peter J. Hovell, William H. Jones and Alan J. Moran\(^\text{18}\) have examined "**The impact of urban sprawl on transport planning**". According to them, people travel to communicate with others, to be in physical proximity to others, to provide a personnel services or for a change of environment. To meet the increased demand for public transport, it is essential to identify travel needs and patterns.

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Dr. M. Koteeswaran, Executive Director\textsuperscript{19}, ASRTU to the Committee on the \textit{10th Five Year Plan - Transport Sector}. With the abundant choice and easy accessibility to means to own personalized transport system it is only the poor, who cannot afford a two-wheeler, school children and aged people, who have to depend upon the public transport system. A close examination of the result of the auto industry's progress during the last 15 years would indicate increasing burden on the poor. Apart from this, in order to contain the pollution out of vehicular emission and de-congesting the cities and to reduce the accident rates, it is necessary to improve the public transport system. This will enable most of the users of two wheelers to switch over to public transport system, especially for medium and long distance travels within the city. For these purposes, the public transport system will have to be adequate, efficient, effective, attractive, comfortable and reliable. Though, during the 9th Plan period, it was thought that the incremental increase in the demand for public transport would have to be met by private operators, it has now been realised that the public sector transport undertakings would have to continue to play an equally important and a lead role in terms of upgradation of technology, in containing pollution and in the introduction of various IT applications. Hence, so far as passenger public transport is concerned, the existing State Road Transport Undertakings would have to be strengthened both by the Central and State Governments, unlike in the past, with the specific objective "To promote an effective, efficient, well-coordinated, comfortable and reliable environmental and customer friendly bus system in the urban areas in general and metropolitan cities in particular".

\textsuperscript{19} Dr. M. Koteeswaran, Executive Director, ASRTU to the Committee on \textit{10th Five Year Plan - Transport Sector}, IJTM, 2003, Vol.II, PP-529-612.
According to W. Dalvi\(^\text{20}\), in his *The Performance of State Undertakings and Private Operations*, the main point to be noted is the big difference between the performance of State Undertakings and private operators. While their fleet utilization is normally higher, their bus-staff ratio is much lower. Moreover, they are estimated to earn an average rate of return of 20% on their investment. It must, however, be noted that State Transport Corporations besides paying a stipulated dividend, are also subject to heavy taxation while, at the same time, they are called upon to bear certain social burdens such as operating uneconomic routes, offering concessional fares to certain classes of users, etc. The Planning Commission study noted that taxation has eroded the profitability of these units. This is especially true in the passenger tax, which is based on traffic earnings and diminishes the impact of every fare rise since a sizable chunk of the additional revenue goes to the State Exchequer and gives only part relief to the Undertakings. Moreover, fare revisions are generally inadequate and do not, invariably, compensate for increases in input costs since they come into effect after a lapse of a considerable period of time. On the other hand, evasion of taxes by the private sector is rampant, and this helps protect their margins. Considering the increasing demand for road passenger traffic, there is obviously a need to expand capacity. With the State Transport Undertakings facing an acute shortage of resources to keep their fleet intact, let alone provide for expansion, an idea emerges, and that is the private sector should be given a more significant role especially when the economy is being liberalized. From an economic theory viewpoint, we observe that the road transport market is a perfectly contestable market where there is hardly any scope for economies of scale and where exit and entry barriers are few, if not entirely absent. In such a situation, the presence of a monopoly supplier can only serve to restrict users' choice and thereby
increase cost—which has possibly been the case in the states which opted for total nationalization of the passenger road transport sector such as Maharashtra, Gujarat, etc. Deregulation would perhaps be desirable in the case of these states. Studies relating to deregulation and privatization of urban bus transit services in the countries have shown that most parties have gained from such policies.

Jerome Joseph\textsuperscript{21}, in his article `\textit{Politico Legal framework of the right to Strike – A Micro Level Case Study}' in the state owned passenger road transport corporations in South India, has explained the major causes of planned strikes such as wage settlements, bonus and working conditions, and also wildcat strikes like- busmen- traffic police alterations, busmen – public problems, busmen – student problems worker – supervisory staff altercations.

The late president of the United States, John F. Kennady\textsuperscript{22} observed, "\textit{The basic objectives of our nations}” transport system must be to assure availability of fast, safe and economical transport services needed in a growing and changing economy to more people and goods, without waste or discrimination in response to private and public demand at the lowest cost consistent with health, convenience, national security and other broad public objectives. Investment or capacity should be neither excess nor substantially below these requirements, for chronic excess capacity involves misuse of resources and lack of adequate capacity jeopardizes progress.

\textsuperscript{21} Jerome Joseph- "Politico Legal framework of the right to Strike – A Micro Level Case Study" Indian Institute of Management Ahmedabad, IJIR Vol. 25 No. 2 Oct 1989 PP- 134-142.
\textsuperscript{22} John F. Kennady observed, "The basic objectives of our nations", Washington 1987, pp-55-61.
Martin T. Farris and Forrest E. Harding\textsuperscript{23} highlight in "The role of public transport in a nation's economy", its role in maintaining ecological balance, its importance in bringing social mobility, its shares in import bill due to import of fuel, its role in bringing about urban and regional development and the challenge it poses to the engineer, the city planner, public administrator and geographer.

G.C. Patro\textsuperscript{24}, in his study entitled 'Human resources management in different manufacturing industries', has probed empirically into the personal polices, structure and functioning of personal departments, besides highlighting the practices relating to personnel administration, industrial relations and labour welfare in the industries of India.

Like the above, a number of works have been carried out laying emphasis on aspects other than the topic of present study. The details about these works are furnished in the bibliography along with other references. The survey also reveals the fact that no serious attempt has been made in the past for an in-depth study of the most important area, viz., Manpower Management Practices in the NWKRTC; A Case study of Hubli Division.

4: SCOPE OF THE STUDY

The study confines to one of the STUs in Karnataka, namely, North-Western Road Transport Corporation (NWKRTC) Hubli. The approach of the study is from the standpoint of manpower management practices followed by the managerial personnel in NWKRTC. Among the total employees of the NWKRTC Hubli Division constitutes 90 per cent of the total manpower.

The present study has attempted to measure the attitude of the employees towards manpower management practices.

5 : OBJECTIVES OF THE STUDY

The important objectives of the study are as follows:

1. To have a look at the Nationalisation of Passenger Road Transport in Karnataka.

2. To evaluate the overall operational performance of the NWKRTC, Hubli Division.

3. To study the manpower management practices relating to Manpower Planning, Recruitment, Training and Development.

4. To study the manpower management practices relating to rewards and Benefit packages for employee in the NWKRTC, Hubli Division.

5. To ascertain the factors influencing employer-employee relations in the NWKRTC, Hubli Division.

6. To study the attitude of the employees towards the manpower management practices in the NWKRTC, Hubli Division.

7. To make certain suggestions in the light of the findings as to how the Division and Corporation can improve its manpower management practices.
6 : COLLECTION OF DATA AND SAMPLING DESIGN

The required primary data were collected from the employees with the help of a comprehensive interview schedule. Before constructing the interview schedule, the researcher contacted the personnel manager of the Corporation to have a broad idea of the manpower management practices. The researcher also met a few employees and a few trade union leaders. On the basis of the information collected, and also keeping the objectives of the present study in mind, the researcher constructed the interview schedule. The interview schedule was finalized after conducting a pre-test. Besides, secondary data were collected from books, Articles, Journals, Government Orders, Transport Department (Research and Analysis Wing), Records, Performance Statistics of Central Institute of Road Transport, Pune, Annual Reports of the NWKRTC, Hubli Division and also Unpublished Records of the Corporation under the study.

For the purpose of survey, 8 per cent of the population was selected as sample. Samples were selected from the Hubli-City I, Hubli-City II, Mofussal-I, Mofussal-II depot and Dharwad Depot in Hubli Division. Proportionate stratified random sampling technique was adopted in selecting the samples. The samples were selected in proportion to the numerical strength of the three categories of employees, namely administration, maintenance and traffic. Among the total population of 3,190 workers as on March 31st, 2005, 256 employees (8%) were selected as samples. Out of 256 sample employees, 06 employees did not properly respond. Hence they were removed from the sample. For the present study, the total number of sample respondents is 250 employees, and they form approximately 7.84 per cent of the total strength. For selecting samples under the management category, 25
samples were selected through convenient sampling technique. Following table shows the sampling design of the study for employees.

Table 1: Category-wise sampling Distribution

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Category of Employees</th>
<th>Total Number of Employees as on 31.3.2005</th>
<th>Total Number of Sample Respondents (7.84%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Traffic</td>
<td>2,457</td>
<td>192</td>
</tr>
<tr>
<td>2.</td>
<td>Maintenance</td>
<td>486</td>
<td>38</td>
</tr>
<tr>
<td>3.</td>
<td>Administration</td>
<td>247</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>3,190</strong></td>
<td><strong>250</strong></td>
</tr>
</tbody>
</table>

Source: Annual Report of the NWKRTC, Hubli Division.

7: PERIOD OF STUDY

After bifurcation of KSRTC, the NWKRTC came into existence only in 1998. Hence, the study period is limited to seven years from 1st April 1998 to 31st March 2005.

8: FRAME WORK OF ANALYSIS

For analyzing the physical performance of the NWKRTC, Hubli Division, the compound growth rate as per semi-log model and trend analysis have been used. For analyzing the various manpower management practices, simple linear trend, regression analysis, and percentage analysis have been used.
The responses collected for each of the items in the interview schedule have been scored and tabulated on a master sheet.

The level of attitude of the employees towards manpower management practices has been measured with the help of 50 statements. The scoring of levels of attitude in the third part of the interview schedule is based upon 'Likert's five Point Scales'. To secure the total attitude of employees, five points are given for 'strong agree' four points for 'agree', three points for 'no opinion', two points for 'disagree' and one point for 'strongly disagree' responses. Thus, the total attitude score of the respondent is obtained by adding up the scores of all 51 statements. The extent of variation in the levels of attitude of the employees has been analyzed with the help of standard deviation and the co-efficient of variation. The relationship between the levels of attitude and their employment background has been examined by adopting chi-square test.

To compare the opinions of the employees and the management, regarding the NWKRTC, Hubli Division, Rank Correlation Co-efficient Method has been adopted. The scores of all the 51 statements have been classified into five parts. For each part, the statements are ranked as per the responses ranked by both the employees and the management. Total mean scores are given on the basis of rank for analyzing the Rank Correlation Co-efficient Technique, only the first five given by the employee and the employer are taken into consideration.

To assess the various problems and constraints encountered by the employees, Garrets' Ranking Technique has been adopted. The views of the employees regarding the problems and perceptions are analyzed on the basis of mean-scares.
9 : OPERATIONAL DEFINITIONS OF CONCEPTS

In order to present the concepts used in the study precisely and without ambiguity, the operational definitions of certain concepts are presented here.

9.1 : State Transport Undertaking

State transport Undertaking means an organization providing passenger road transport service and the ownership of the organization is by one of the following:

- the central Government or State Government,
- any road Transport Corporation established under Sec.3 of the Road Transport Corporation Act, 1950
- any Municipality or any Corporation,
- Company owned or controlled by the Central Government or State Government.

9.2 : Road transport services

Road transport services means carrying passengers or goods or both by road for hire or reward by motor vehicles.
9.3 : Route

Route means a line of travel between two terminal points of a regular service in operation.

9.4 : Mofussal Routs

Mofussal routes are the Inter- district routs operated within the boundaries of the state or operated on the basis of reciprocal arrangements with neighboring states.

9.5 : City Routes

City routes mean routes operated within the corporation or municipal limits of the cities.

9.6 : Trip

Trip means a single journey from one point to another and every return journey shall be deemed to be a separate trip.

9.7 : Scheduled Trips

All the trips planned, as per the approved vehicle schedules are known as scheduled trips.
9.8 : Scheduled Kilometres

It is a sum total of revenue earning kilometers planned and approved for all vehicle schedules.

9.9 : Effective Kilometres

Kilometers actually operated by buses for the purposes of earning revenue are known as effective kilometers.

9.10 : Dead Kilometres

Dead kilometers refer to the distance covered by the public service vehicles for which no revenue is earned.

9.11 : Gross Kilometres

The total kilometers covered by public service vehicles for earning revenue and other purposes.

9.12 : Kilometres Efficiency

The ratio between effective kilometers and scheduled kilometers.

9.13 : Occupancy Ratio

It is the ratio of passenger kilometers to seat kilometers offered.
9.14 : Fleet Utilisation

Fleet utilization is the ratio of the number of vehicles on road to the fleet held a unit.

9.15 : Productivity

Productivity refers to the total effective kilometers operated by NWKRTC Hubli division during a particular period.

9.16 : Manpower Productivity

Manpower productivity is the effective kilometers run per employee per day.

9.17 : Personnel Cost

Personnel cost is the total expenditure incurred in employing. The personnel and it covers payment to employees such as wages, allowances, incentives, bonus and welfare expenditure.

9.18 : Staff Norms

A staff norm is the ratio of employees per bus on road.

9.19 : Passengers

Person traveling in a public service vehicles, other than the crew and or employee of the permit holder is called passenger.
9.20 : Staff – Bus Ratio

It is the ratio between the total staff employed to the number of buses held for operation during a specific period.

9.21 : Year

‘Year’ means financial year. The financial year commence from 1st April and on 31st March of the following year.

9.22 : Corporation

It enjoys functional autonomy and is not subject to direct control of the head of the department (the minister) in its normal operations. Except for the formal policy directions issued to it by a minister, it is guided (in its functioning) by the statute which created it. It is managed by a board of directors appointed by the Government. One of the directors is appointed as the Chairman of the Board. The term ‘corporation’ means North-Western Karnataka Road Transport Corporation.

9.23 : Traffic Staff

Drivers and Conductors (Crew), Checking Inspectors and Driving Instructors working in the Corporation.
9.24 : Maintenance Staff

The technical staff and technical supervisory staff in the workshop for the repair and maintenance of buses.

9.25 : Administration Staff

Workers engaged in maintaining the records and accounts of the Corporation.

9.26 : Management/Employer

All top level administrative people namely, Managing Director, General manager, Department Heads, Deputy Managers, Assistant Managers, Chief Medical Officer and Branch Managers of all depots are known as Management/Employers of the Corporation.

9.27 : Division

The Corporation has to operate the services, it has been found expedient to divide the Organisation into a number of units known as Divisions where as the nature of operation is more or less uniform.

9.28 : Depot

The organizational unit of a transport undertaking directly responsible for the operation of the bus service.
9 : CHAPTER SCHEME

The thesis has been organized in Seven Chapters. In the First Chapter, the research design is presented with an introduction, statement of the problem, review of previous studies, scope of the study, objectives, collection of data, sampling design, period of study, operational definitions of concepts, and framework of analysis, along with the scheme of report.

The Second Chapter, pertains to an over-view of North-Western Road Transport Corporation Hubli Division. It deals with the Nationalization of Road Transport in Karnataka, Physical and Financial Performances and Traffic Management in the NWKRTC, Hubli Division, in particular.

In the Third Chapter, manpower planning, recruitment, training and development have been discussed.

The Fourth Chapter deals with rewards and benefit packages in the NWKRTC, Hubli Division.

The Fifth Chapter, discusses the factors influencing employer-employee relations. The factors like health and safety, disputes, trade union management, grievance management and workers' participation in management, have been discussed and analyzed through percentage analysis.
The Sixth Chapter, measures the attitudes of the employees towards manpower management practices in the NWKRTC, Hubli Division. It also analyses the opinions of the employees and the management regarding manpower management practices and the constraints and problems encountered by the employees in the Corporation.

The Last Chapter is a summary of the findings revealed by the investigation, along with some suggestions for effective and efficient manpower management practices in the NWKRTC, Hubli Division.

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