

# Lacking of HR Department the incessant loss cause in Kerala State Road Transport Corporation (KSRTC)?

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## ABSTRACT

*Public transport presents an interesting situation where the primary objective is that of public service on a self-sustaining basis. With the view to provide affordable, safe and reliable bus service to people both in rural and urban areas, the Road Transport Act was promulgated in 1950. This enabled the State and Central Government to form Road Transport Corporation. The institutional set up of the Road Transport Corporation is a crucial factor in providing road transport services and facilities. This paper examines the structure of operation of a state transport undertaking. It is to be agreed that the institutional structure is an important factor affecting the quality and efficiency of transportation. The mode of recruitment of the Corporation was through Government agency called the Kerala Public Service Commission. As per the Report of Bureau of Public Enterprises 2004-05, KSRTC is the largest enterprise based on employment. There is no proper planned career development scheme in KSRTC. The introduction of HR Department in the Corporation is recommended and this would lead to labour welfare measures which in turn would increase the labour productivity. The upper middle management holders are educationally and technically unfit to hold the post. Direct recruitment may be made in the middle management level in all three sectors such as operation, administration and maintenance.*

**KEYWORDS:** Recruitment Selection Process, HR practices, Kerala State Road Transport Corporation.

## 1.1 Introduction

Upon gaining independence in 1947, the government took on the responsibility to provide its people an affordable means of transportation and thus nationalised most public transport operations. Except the Railways and Airways, all other modes of transportation were the responsibility of the respective state governments. With the view to provide affordable, safe and reliable bus service to people both in rural and urban areas, the Road Transport Act was promulgated in 1950. This enabled the State and Central Government to form Road Transport Corporation.

The Road Transport Corporations Act was passed in 1950 with the aim of encouraging and providing appropriate institutional set-up for individual states to operate road transport services in their state.

The main objective of the corporation is to provide an efficient, adequate and economical system of road transport service. Basically it is a service oriented organization and is obliged to provide economical services.

## 1.2 Organisational Structure of the KSRTC

The organisational structure is one of the important factors which influence the effectiveness of an Organisation. The passenger road transport industry, with its unique features of geographically wide spread operations, labour

intensive nature, non-storability of potential service if not utilised at the time that it is offered, and requires a distinct organisational set pattern suited to its nature of activity. The effectiveness of an organisation mainly depends upon the need and the extent of centralisation and decentralisation within the organisation. Particularly in the case of a large, unitary, monolithic organisation, which covers the entire state in its operations, a highly decentralised set up may perhaps be inevitable if the organisation were to be effective.

### 1.2.1 Administrative Set up

The Central office of the Corporation 'Transport Bhavan' at Thiruvananthapuram, which houses the various departments, is the controlling and co-ordinating agency headed by the Chairman and Managing Director (CMD). The CMD is assisted by the General Manager, Executive Directors, Senior managers, the Chief Accounts Officer, Industrial Relations Manager, Management Studies, Law Officers and the Secretary. The Chief Accounts Officer (CAO) controls the entire accounts section. He is assisted by the Deputy Chief Accounts and Audit Officer (Dy.AO) and their subordinates like Assistant Accounts Officer (AAO). Industrial Relations Manager (IRM) is assisted by Chief Labour Officer (CLO) and Assistant Labour Officer (ALO). Manager of Management Information Studies (M.MIS) is assisted by the Assistant

Statistical Officer (ASO). The Law Officer (LO) is assisted by Deputy Law Officer (Dy.LO). The decision making power of the Corporation vests with the top level management.

### 1.2.2 Operational Sectors

The various operational sectors are divided into depots, sub depots and the actual responsibility of the operation of schedules rests with these units. At the time of its formation there were altogether ten depots and two sub depots under the Corporation. With the expansion of operation, new units came into existence and in 2012 there are 14 revenue district, 28 depots, 45 sub depots, 18 operating centres, 5 workshops and a staff training centre. Thus in one revenue district, there are depots, sub depots, operating centres and workshops but the number in each district varies. In the late 1980's the depots and sub depots had been divided into three divisions or zones with a view to improve the efficiency and quality of operation through some decentralized decision making. The zones are under the control of 3 Senior Managers (SM) whose reporting person is the Chairman and Managing Director directly. The traffic branch is headed by a Senior Manager, who is from within the Corporation and he is assisted by the Traffic officer, Works Officer and Works Manager of the Regional workshop for the repairs and maintenance of the fleet.

#### 1.2.2.1 Depots

The Depots in each region are engaged in the operation of service of the charge of a District Transport Officer (hereafter D.T.O). A sub-depot is smaller than a depot and it is put under the charge of an Assistant Transport Officer. The job of D.T.Os and A.T.Os involves resources management of each depot which implies the efficient utilization of men and materials. These officers are promoted from the cadre of conductors on the basis of seniority. The Chief Transport officer is under the control of operations manager. This is also a promotion post and the selection is by seniority from among D.T.Os.

#### 1.2.2.2 Maintenance Organisation

The maintenance organization consists of a divisional, central, regional and depot workshop. The divisional workshops mainly attend to half yearly maintenance and repairs for obtaining fitness certificates from the Regional Transport Authorities. The Central Workshop at Thiruvananthapuram and regional workshop at Alwaye were taken over (March 1965) from the erstwhile departmental undertaking. The Central

and regional workshops are under the control of works manager and they concentrate only on major repairs to vehicles. The central Workshop and the regional workshops carry out major overhauling and reconditioning of vehicles, engines, and other major repairs, the depot workshop concentrates on the minor repairs of vehicles and daily and weekly maintenance of the vehicles. The routine maintenance, lubricants, top-up of oil levels, and so on, on the basis of kilometres operated and major repairs and replacement of reconditioned units are done at the depot garages. Assistant Works Manager (AWM) is responsible to the Works Manager (WM) and they are responsible to the Mechanical Engineer (ME) who is further responsible to the executive directors. The Civil Engineer (CE) is responsible to the Executive Director of Traffic.

#### 1.2.2.3 Stores Depot

The importance of a stores depot in the corporation is undeniable and a central store is set up in Thiruvananthapuram, a regional central store at Alwaye and sub stores attached to the units. The stores department discharges its function through four branches via (a) Stores, (b) Purchases, (c) Stock accounts and (d) Stock Verification. The activities of these branches are controlled by the Controller of Purchase and Stores (CPS). The central store and regional store is under the immediate control of the chief store keepers who are directly responsible for the Assistant Controller of Purchase and Stores (ACPS). Every operating unit is provided with stores.

From the description above it is quite evident that the organizational set up is fairly elaborate. Despite such a structure it is noticed that it has impinged on the functioning of the thirty three corporations and consequently its effectiveness.

Besides organizational effectiveness, coordination by the Government and control and monitoring of the corporation is very important. To do this effectively it is necessary to ensure that the decision making level is not far removed from the base operations.

### 1.3 Mode of Recruitment of KSRTC

Recruitment refers to the process of attracting, screening, selecting, and taking on board a qualified person for a job. In KSRTC direct recruitments are made only to the posts of Driver, Conductor and Mechanic, through a Government agency called Kerala Public Service Commission. All other posts, except that of the Chairman are filled by the promotion from the

feeder posts. Temporary recruitment was also made by the Corporation through direct interview. This stops the Corporation from making the candidate's qualification of the direct posts to the minimum and hence minimizing the labour problems to a great extent. The important point to be noted in this labour intensive firm is that the organizational set up does not have a separate wing for Human Resource Welfare.

For small businesses and large conglomerates alike, the human resources or personnel function can be helpful for much more than simply processing payroll or handling the open enrolment season once a year. Human resources play an essential role in developing a company's strategy as well as handling the employee-centred activities of an organization. HR Department helps in different areas like Human Capital Value, Budget Control, Conflict Resolution, Training and Development, Employee Satisfaction, Cost Savings, Performance Improvement etc.

KSRTC is the largest Public enterprise in employment. The employment satisfaction should be measured continuously for the maximum utilization of the resources.

### 1.5 Findings & Suggestions

The Corporation has a well-knit organisational set up consisting of Board of Directors with nine members including the Chairman who governs the Organisation. The administrative setup of the Corporation is basically a two-tier system, the chief office being the controlling and coordinating agency, while the unit offices are established for the effective operation and smooth administration of the Corporation.

The mode of recruitment of the Corporation was through Government agency called the Kerala Public Service Commission. The direct recruitment was made only to the posts of the Driver, Conductor and Mechanic and all other posts were filled up by promotion from the feeder posts. As per the Report of Bureau of Public Enterprises 2004-05, KSRTC is the largest enterprise based on employment. There is no proper planned career development scheme in KSRTC. As a result certain category employees are forced to retire in the same job to which they are recruited. It is surprising that there is no labour relation or HR Department in this highly labour oriented organisation.

The upper middle management holders are educationally and technically unfit to hold the post. A conductor entering in service becomes the

head of operations and a clerk entering in service becomes the head of administration. This is a major hazard found in KSRTC. Direct recruitment may be made in the middle management level in all three sectors such as operation, administration and maintenance.

The introduction of HR Department in the Corporation is recommended and this would lead to labour welfare measures which in turn would increase the labour productivity.

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