

CHAPTER - I

ORIGIN HISTORY AND ORGANISATION

STRUCTURE OF MSRTC

CHAPTER - 1

ORIGIN, HISTORY & ORGANISATION OF MSRTC.

The first chapter being introductory in nature it deals with the significance of transport, objectives & scope of study. It also consists of origin, history of MSRTC. The topic analyses organisation structure of MSRTC. This chapter is divided into following parts.

1. Significance of the Road Transport.
2. Significance of the Problem.
3. Hypothesis
4. Objectives of the Study.
5. Data & Methodology
6. Scope of the Study.
7. Chapter Scheme.
8. History of Passenger Transport.
9. Organisation.

1.1) SIGNIFICANCE OF THE ROAD TRANSPORT :

Mobility and easyness through modern transportation are the key factors in all countries of the world for the attainment of Social, Political and economic development. It is held that immobility leads to poverty while mobility is an essential ingredient of progress.

Road Transport is the oldest form of transport. In ancient times when man moved in search of food, beaten paths or foot paths were the only tracks used for the transportation. The importance of roads came to be realised only when organised governments were established. These Govts. undertook road development activities and thus we see that the ancient beaten paths have been replaced by cement concrete surfaced roads or highways. In ancient days, man used animals like horses, elephants, camels, dogs, donkeys etc. as a means of road transport. Now a days we see that modern vehicles like trucks, tempos, buses, etc. have replaced the above ancient means of transport. But still we observe bullock carts, horse carriages in village areas and also in urban areas. "Undoubtedly, rail, shipping and air transport occupy an important place in modern society but the basic need is fulfilled by road transport alone. Even the rail shipping and air transport depend upon the road transport as supplimentary service for them.

The road transport has certain advantages over other modes of transport. These includes small investments,

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multipurpose nature, freedom of movement, flexibility of services, economy of time, etc. This has made road transport more popular among all modes of transport.

Passenger transport is the branch of road transport which deals with providing travelling facilities to passengers. It provides facilities to transport men, material and things from one place to another.

Passenger transport is very much useful in our daily life. It helps us to reach at any place, in the country or even any where in the world. We can reach in time and attend the function. We can go to market and have purchasing or we can attend wedding ceremony of our relatives provided if we have necessary travelling facilities. Thus we will not be able to enjoy our daily life in the absence of passenger transport facilities.

Passenger transport links different people living in different states or countries and thus helps fair communication. These people can have exchange of ideas, customs, beliefs, thoughts, etc. Thus it helps cultural and social development of the whole world.

Passenger transport carries man, material from one place another. It brings us technological developments, inventions,

1. J.K. Jain, Transport Economics, Chaitanya publishing House, Allahabad, 1973, P. 279.

and creates a sense of mobility and usefulness. These factors can be used properly and fully for the economic development.

Transport helps every types of business. Whether it may be manufacturing, constructing, Genetics, trading, service, extracting, professional business etc.,. Thus transport helps social, cultural, political, commercial and economic development of the mankind.

Thus, transport is an indispensable part of our life. There is not an area not touched by the transport. Passenger transport is a collective demand of the public which is expected to be efficient and adequate as per the necessity. And hence, it is treated as a 'Public' utility service. Now a days we see that transport system is either nationalised or controlled by the state in the interests of public.

1.2) Significance of the Problem :

The history of the development of passenger transport in India shows an important role played by this mode of transport. The passenger transport started slowly in the earlier years of this century and picked up after first world war. The sudden growth of private bus transporters created unhealthy and uneconomic competition in this business. The Govt. quickly realised evils of this competition and tried to establish co-ordination among these private transporters. But due to conflicting objectives of private transporters and the Govt. the efforts were not succeeded.

This made Govt. to nationalise the passenger transport business. The Govt. enacted State Road Transport Corporation Act 1950 and thus allowed state Govts. to establish State Road Transport Corporations in their respective States. In case of Maharashtra the Provincial Govt. of Bombay established Bombay State Road Transport Corporation in 1948, which was then renamed as MSRTC. M.S.R.T.C. is a public sector transport undertaking as it works in the public interest. The main intension behind the establishment of this Corporation is to provide travelling facilities to public at a reasonable rates.

Since then 40 years have been passed, MSRTC is the biggest public sector Road Transport Corporation in Asia. So this study is undertaken to understand at what extent the corporation has helped to the public and also to know the present position of the corporation. Recently the Govt. of India has accepted liberal economic policy which is favourable for private sector. There was not discussion about the utility of the corporation. Though the corporation is showing slow & steady performance, it is incurring huge lasses. And hence experts suggest privatisation of this corporation.

In this respect a number of reaserch studies have carried out on the performance of corporation. However these studies doesnt provide its real performance since they have covered the limited scope for their studies. It is therefore felt

necessary to the resercher to evaluate the performance of corporation taking all the divisions & depots in the entire state of Maharashtra. Thus in this study an attempt is made to evaluate the performance of M.S.R.T.C. in respect of physical performance financial evaluation & objective evaluation. In view of this the present study has the following main objective.

1.3) Hypothesis : MSRTC has achieved majority of its objectives but it has failed to make well balanced development.

1.4) OBJECTIVES OF THE STUDY :

The present research study is undertaken to avaluate the performance of M.S.R.T. Corporation. The main objectives of the present study are as under :

1. To study the organisation structure of M.S.R.T.C.
2. To study the growth & development of MSRTC.
3. To evaluate the physical performance of MSRTC.
4. To evaluate financial performance of MSRTC.
5. To examine effectiveness of MSRTC through objective evaluation.
6. To study the problems of MSRTC and to make necessary suggestions.

1.5) DATA & METHODOLOGY :

The information required for this study is collected

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from both primary and secondary sources.

The primary data regarding MSRTC has been collected from the MSRTC officials with the help of interview method and personal discussions. For understanding the current problems of the corporation, informal interviews were also been conducted with the officials from time to time. Further for knowing public opinion regarding MSRTC an interview technique was extensively used w for the randomly selected passengers.

The secondary data were collected from various sources including Annual Administration Reports of MSRTC, Transport journals and other literature published during the last 30-40 years. The findings of certain committies such as Dhanajayrao Gadgil Committee Pardsam Committee, etc. have been reffered wherever necessary. The books published by various authors in English as well as marathi language have been refered for the study.

1.6) SCOPE OF THE STUDY : The researcher has considered whole MSRTC as the scope of this study.

The study covers period of decade from 1989.81 to 89-90. The reason for choosing this period is to judge the performance of corporation especially after 1978 i.e. reorganisation of corporation and to find out current position of the Corporation. The present study covers history of Road transport,

formation and organisation structure of MSRTC growth & development, physical performance, financial performance and objective evaluation of MSRTC etc.

1.7) CHAPTER SCHEME :

The present study is divided in to seven chapters. Chapter I being introductory in nature it deals with the significance of transport, objectives & scope of study, origin, history & organisation of M.S.R.T.C.

Chapter II analyses growth & development of MSRTC. This analysis is made on the basis of some selected indicators. i.e. no. of buses, no. of passengers travelled, total earnings, no. of employees, etc. This chapter also indicates regionwise as well as division wise growth & development of MSRTC.

Chapter III deals with the study of physical performance of the corporation. Physical performance evaluation is made on the basis of various indicators including traffic performance, Feet performance, mechanical performance & regionwise analysis of physical performance etc.

Chapter IV deals with the financial evaluation of the corporation. It consists of cost performance, revenue performance profitability and financial position of the corporation.

The present reasearch has used comparative financial statements, Ratio Analysis etc., techniques for the financial evaluation. This chapter also covers Regionwise financial evaluation of the Corporation.

Chapter V covers objective evaluation of the corporation. It cover various transport facilities provided by the corporation and the quality of service provided by the corporation. This topic also covers Regionwise analysis of quality of service.

Chapter VI highlights current problems of the Corporation and future prospects for the Corporation.

Chapter VII includes conclusions and suggestions of the present study. It also throws light on the current issue of privatisation of MSRTC.

1.8) History of Passenger Transport :

1.8.1 : Pre Independence Period :

Travelling is not a new thing for the man. The tracks of travel operated by human beings and animals existed from times immemorial. In the initial stages of life the man wandered here and there for doing his business. Later on he used different types of traditional means such as animals, bullock carts, horse carts, etc.,. But mechanised road transport has a comparatively short history in India. The first motor

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vehicle came to India in the year 1898. For several years it remained a novelty and a luxury for the rich people. As the strength of these vehicles increased, different measures taken to control the transport business. Nationalisation of the passenger transport is one of the important measure taken by the Govt. Now a days we see that passenger transport is the subject matter handled by State Govts. As far as our State, Maharashtra is concerned we see the big 'Maharashtra State Road Transport Corporation' which is the biggest public sector undertaking in Asia. So its interesting to see how these corporation came into existance, in which condition it was formed and how it has grown up to a present position.

1) Private Transport Owners in Maharashtra :

The "State of Maharashtra" came into existance in the year 1960 which was previously known as " State of Bombay" (Mumbai Prant). The rail transport facilities were available there in the region but moter transport facilities were not available up to the year 1920. The common means of transport used to reach the railway Station were bullock carts or Tangas.

In the year 1920 some people introduced "T Model Ford" moter and started providing travelling facilities to the public which travelled from Wai to Wathar. This motor having capacity of 4 passengers and without top was very inconvinient. Later on another model called as "Doj" introduced by

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"Doj Company". Some people from Wai used these moters and provided travelling facilities from Wai to pune. The seating capacity of these moters was 12 passengers which was comparatively good and became popular. People accepted and used these moters for travelling.

Later on another foreign transport Company named "Sheverlate" entered this business. The Ford Moter Co, "The Doj Moter Co". and "General Moter Co". (Sheveralate) were American Companice. There were some British transport companies such as "Roles & Riles", "Morris Transport Co., "Austin Transport Co". etc. which engaged with this business. Some Italian & French companies were also doing the same business. These companies modified their moters and increased their seating capacity up to 30. There were some Indian Moter owners providing transport facilities to the public. These moter owners used to give moters on rental basis or on monthly installment basis. Some of them were operating independently while some of them formed their partnership in the business.

Although these private transporters working hard to meet the growing demand of the public, there were many defaults in their working. These were :-

1. Irregularity, lack of punctuality in Service.

२. एम.टी. तील दिवस, न. जी.पंडीत, शुभदा सारस्वत पब्लीकेशन,
पुणे- पान-२.

2. Inconvenient services - lack of proper facilities.
3. Difference in transport charges - Each owner charging his own method- Increasing or decreasing the charges as per their mind and situation.
4. Irregular stops.
5. Misbehaviour of drivers and conductors.
6. Lack of proper Control -
Lack of legislations to control these transporters. Police Dept. was authorised to control these transporters, Having good relations with these rich motor transporters Police Dept. was not strict in giving transport Licence, Passing the Motors and controlling their activities.
7. Profit making objective.
Being private business their main objective was earning more and more profit.
8. Improper Practices - Taking more passengers than capacity. Placing them on the top of the bus, etc.
9. Tough competition.
10. Lack of proper Management. No. one aware of transport economy.
11. Improper roads.

Road-Rail Competition :

As more people entering this transport business for getting higher profit, there was tough competition among these private transport owners. At the same time after the

completion of first world war the army vehicles diverted to civilian market. This increased number of vehicles. These transporters captured most of the business in which railways were enjoying monopoly previously. And thus an unexpected moter transport revolution created a new problem of Road and Rail transport competition. This competition was unhealthy for the transport business.

ii) Transport Co-ordination Efforts :

In order to study the situation and recommend on the problem Govt. of India appointed different committees. It adopted various measures for the transport co-ordination.

These includes :-

- i) Mitchel - Kirkness Committee (1932)
- ii) Transport Advisory Council (1935)
- iii) Wedgwood committee (1936-37)
- iv) Rail - Road conference (1933)

These committees studied the situation in transport business at all India level. And recommended various measures to control the Rail-road competition and establish proper co-ordination among them.

3. S.K. Shrivastava, Economics of Transport, S chand & Co-
Delhi- P.533.

Dr. Dhananjayrao Gadgil Committee (1932) :

This committee undertook the study of economic conditions of private transport owners, merits and demerits of these transport. It studied the situation in Konkan, Pune and Solapur Region and reported the following recommendations :-

1. Buses should be constructed properly.
2. Roads should be developed.
3. Transport charges should be fixed.
4. There should be control on the speed of the vehicle.
5. The rail-road competition should be stopped.

All India Moter Vehicle Act (1939)

After studying the recommendations of previous committees, the Govt. of India enacted above act in the year 1939. The objects of passing this act were to control private road transport business, eliminate their monopoly in the business and to eliminate needless and selfish competition among the different means of transport.

This act provides for -

1. Creation of Regional & State Transport Authorities.
2. Permit system for the moter owners.
3. Restrictions on number of passengers & working hours of the moter owners.
4. Conditions regarding routes, timings, specifications

- of vehicles maintenance of vehicles etc.,
5. Appointment of Regional Transport Officer.

Tri-Partite Scheme (1945)

As per the recommendations of Transport Advisory Council (1935) and Post War Committee on Transport (1943) Several State Govts. reorganised individual private operators into bigger units. As per this scheme joint stock companies were to be organised in state whose shareholders will be i) Indian Railways ii) State Govt. iii) Moter Operators, Railways and State Govts. were to subscribe 35% capital each and Moter owners were to subscribe 30% capital. Initially this scheme was welcomed but failed due to the misunderstandings on the part of private moter operators.

During the year 1946 there was change in the Govt. of Bombay State. The new Govt. lead by Mr. Balasaheb Kher refused to continue the Tri-Partite Scheme".

1.8.2) Post Independence Period :

India achieved freedom in 1947. The new Govt. did not mentioned road transport in the Industrial Policy 1948.

i) Nationalisation of Road Transport :

With the adoption of welfare state policy, the situation forced Govt. to achieve economic reconstruction and social equality soon after independence. In order to eliminate

unnecessary and selfish competition amongst the various private transport operators it was necessary to reorganise this business. Mitchel-kirkness Committee had already recommended " Controlled Monopoly" in this business cannot be realised by re-organisation but the only other way was to bring in monopoly under Govt. ownership. There were arguments in favour of nationalisation of transport industry, as well as arguments against the nationalisation. But after studying recommendations of various committees thir was no alternative for the Govt. other than nationalisation.

Govt. enacted Road Transport Corporations Act 1950 and thus started the process of nationalisation of transport business. This act enabled state Govts. to form Road Transport Corporation under their jurisdiction. As per the plan the Central Govt. decided to participate in the formation of the corporations. The Central Govt. was to contribute 1/3 of the total capital and the remaining by the concerned State Govt. The Union Govt. contributed its share through the Indian Railway whose representatives sat on the boards of Management of Road Transport Corporations along with other members, appointed by State Govts. who included the Chairman and the Chief Executive of the Corporation. Thus the Govt. became not only the regulator of road transport but also an operator, owner of the transport business

४. न. जो. पंडीत, एम. टी. तील दिवस, शुभदा सारस्वत पब्लीकेशन,
पुणे पान-१४.

, Different state Road transport Corporations came into existence and are working on the principle of public service motto. The important examples may be given of Maharashtra State Road Transport Corporation (1948), Andhra Pradesh State Road Transport Corporation (1958), Gujarat State Road Transport Corporation (1960) & Karnataka State Road Transport Corporation (1961).

ii) Formation of M.S.R.T.C. :

In fact the Road Transport Corporation Act was enacted in the year 1950. But the process of nationalisation was actually started earlier in provincial state of Bombay. And this is supposed as the very first attempt to nationalise the transport business in our country. And hence M.S.R.T.C. also happens to be the First Road Transport Corporation in the country.

After the enactment of the Motor vehicles Act 1939, there were several attempts to unity the road transport industry. The provincial Govt. of Bombay also set up Zonal tri-partite committee in which the State Govt. the Railways and private operators were to participate. However the interim Govt. of 1946 realised that the objective of reorganising the road transport industry as an instrument of effective public service could not be achieved by tri-partite committees mainly because of dominant profit motive. The provincial Govt. therefore took historic

decision to nationalise the transport services in the State. With this view the provincial Govt. enacted "State Road Corporation Act 1948, and thus established " Bombay State Road Corporation" on 17th Nov. 1949.

Objectives of Nationalisation :

The main objectives behind the nationalisation of transport business in the State and formation of Bombay State Road Transport Corporation were as under.

1. Moulding all private operators in the State into one single operating unit.
2. Formation of uniform policies & plans for the development of transport business.
3. Carrying the activities efficiently.
4. Eliminating the unnecessary and unhealthy competition amongst the various private transport operators and maintaining co-ordination amongst them.
5. Providing Safe, regular and proper services to public.
6. Providing the services in the public interest not on the intensive of private gain.
7. Reinvestment of Profits into the transport services.

The State Transport Dept. faced various difficulties in orienting the task at nationalisation. A high power committee was set up to help the Dept. in matters relating to the

purchase of vehicles, operations, recruitment of staff, valuation of stocks taken from private operators, etc. In such a conditions the Govt. remain firm on its aim of nationalisation and thus established B.S.R.T.C. in the year 1948. The Corporation started its operations from 1st June 1948 in Poona Division. The first bus of the Corporation ran from Poona to Ahmednagar on 1st June 1948. Beginning with 36 vehicles in Poona Division in 1948, the corporation grew in 29 divisions operating 14,160 vehicles by 1989-90. After the creation of State of Maharashtra it was named as M.S.R.T.C. which is now considered as the biggest public sector transport undertaking.

1.9) Organisation :

Meaning :

The term 'Organisation' is the subject matter of Business Management. Although there are different approaches regarding this concept, we have to consider it in relation to business field.

Generally speaking organisation refers to a group of peoples who are working together to achieve a common goal. The detailed approach regarding this concept indicates that "It is a systematic performing system, indicating clear lines of authority and responsibility, groupism of men, material and activities that would lead towards the accomplishment of

common objectives. "The present study considers this detailed view of the concept 'Organisation' in relation to M.S.R.T.C. Corporation.

Every business requires a sound organisation system that would maintain business efficiency, business economy and smoothly accomplishment of the objectives. And hence the present study seeks to examine the organisational structure of M.S.R.T.C. Corporation. What type of organisational set up it has, what are the changes made in the organisational structure. Whether these changes are favourable for the corporation.

1.9.1) Forms of organisations under State Transport Undertakings

Nationalisation of passenger transport has registered a slow and steady progress. The rise of big corporations in road passenger transport made it necessary to design an organisational set up to suit the transport business. From the early days, urban transport was looked upon as a part of city's civic amenities and there were several municipalities operating the local bus services. In case of rural transport operations, Government intervention and the consequent nationalisation resulted in organising transport services as Govt. departments. Over a period of time, the various forms of organisation came into existence depending upon the years of experience. There has also been frequent changes in the organisational pattern.

There are basically four organisational types coming under the state Transport Undertakings . The moter vehicles Act. incorporate special provisions relating to State Transport undertaking, defines :

"State Transport Undertakings means any undertaking providing road transport service, where such undertaking is carried only,.

- i) The Central Govt. or a State Govt.
- ii) Any Road Transport Corporation established under section 3 of the Road Transport Corporation Act. 1950.
- iii) Any municipality or any corporation or company owned or controlled by the Central Govt. or one or more State Govts. or by the Central Govt. and one or more State Govts." 5

There are four forms of organisations under the State Transport Undertakings. These are :

1. Departmental Undertakings directly under the State Govts.
2. Municipal undertakings owned and controlled by the municipal corporation.
3. Companies or Corporations formed under the Indian Companies Act. 1956, and,
4. Road Transport Corporation formed under the Road Transport Corporation Act. 1950.

1.9.2) M.S.R.T.C. :

Maharashtra State Road Transport Corporation comes under the last category-Road Transport Corporations formed under the Road Transport Corporations Act 1950. Road Transport Corporation is the most popular form of organisation in transport business. The main attraction of Capital contribution by the Central Govt. was the reason behind the formation of these corporations. Though only 21 out of 46 State Transport Corporations are formed under this act, they account for 80% of the total nationalised business. Maharashtra State Road Transport Corporation, is one of the biggest Corporation in the country.

The basis characteristics of this corporation are as under :

1. It is wholly owned by the State.
2. It is created by a Special law-Road Transport Corporations Act 1950. This act defines its powers, duties and immunities, and prescribing the forms of managements and its relationship to the established departments and ministries.
3. It is a separate entity for legal purposes. It can sue and be sued, enter into contract, and acquire properties in its own name.

4. It is usually independently financed except for appropriation to provide capital or to cover losses. It obtains its funds from borrowings either from the treasury or the public and from revenues derived from the sale of goods and services.

i) Organisation Structure Before 1976.

The MSRTC, which was then called as B.S.R.T.C. had a very simple initial organisation structure. The following chart shows the initial organisation structure.

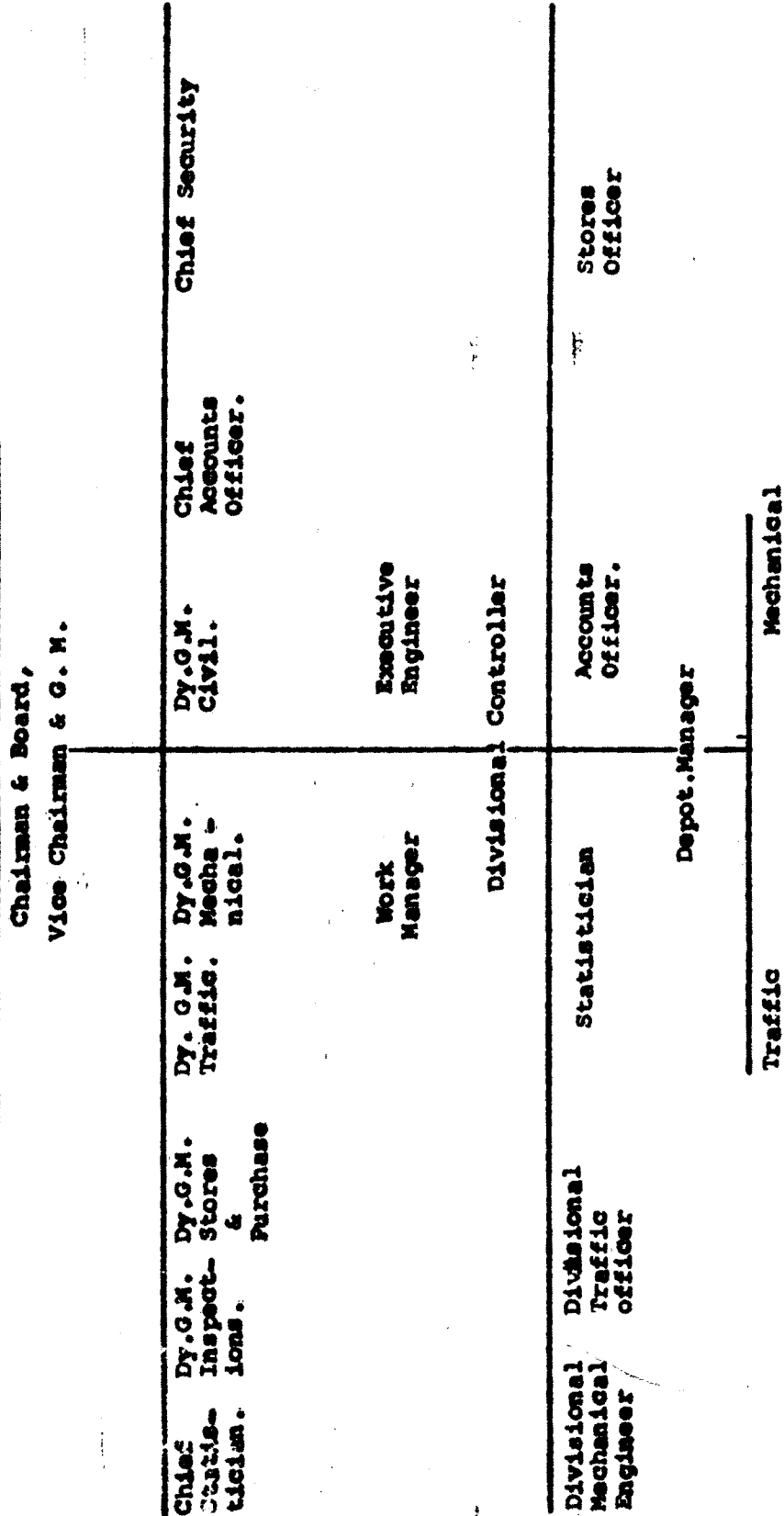
The corporation basically worked under a 3-tier system. The first tier consisted of the Central Office, The Central workshops and The Central Stores. The Second tier was the Division, the Divisional Workshops & Divisional stores. The third tier was the Depot.

The Chart clearly shows that the first tier consisting of Chairman & Board of Directors, Vice Chairman & General Manager and these were assisted by 8 Officers at the Central Office. They were : i) Chief Statistician ii) Dy.G.M. Inspections iii) Dy.G.M. Stores & Purchase iv) Dy. G.M. Traffic v) Dy. G.M. Mechanical vi) Dy. G.M. Civil vii) Chief Accounts Officer viii) Chief Security Officer.

The Central office was to lay down policy for the business and to issue directions and instructions for implementation

Figure 1.1

ORGANISATION STRUCTURE OF MSRTC BEFORE 1976.



(Source: Bus Transport in India by)
 Sudarshanam pedam

of policies. The Central stores was responsible for the purchase and distribution of stores for all units. The Central Workshop was functioning to meet the needs of the organisation in respect of body-building, reconditioning of assemblies and tyre retreading. Afterwards this work was decentralised amongst the divisions.

The Second tier, the Division was meant for co-ordination between various depots within the division and for controlling the operations of depots. The Divisional workshop was meant for the work reconditioning and assembling of vehicles, legal aspects, R.T.O. passing etc., . The Division was in charge of Divisional Officers. They are :

1. Divisional Mechanical Engineer ii) Divisional Traffic Office iii) Divisional Statistician iv) Accounts Officer, v) Stores Officer.

The third tier, the depot was headed by the Depot Manager and he was assisted by the traffic superintendent and the mechanical engineer. The depot was recognised as the main operating unit of transport service. The depot was responsible for daily and weekly maintenance of vehicles, periodical dockings or legal aspects, minor repairs, etc., Following are the main features of the initial organisation structure.

Three tier organisation system :

The M.S.R.T.C. had 3 tier organisation system including Central Office as a top level authority the Divisional Office

as middle level authority and the Depot the third or lower level authority. All the three levels are integrating units.

Clear lines of Authority and Responsibility :

The structure shows clear lines of authority flowing from top to bottom and the responsibility from bottom to top. The Chief executive transfers certain part of his authorities to Divisional Manager and the Divisional Manager transfers certain part of his authorities to Depot Manager. The Depot manager reports to Divisional Manager and the Divisional Manager directly to the Chief Executive. Thus principle of unity of command and principle of unity of direction can be maintained.

Centralisation of decision making powers :-

The decision making powers were centralised in the hands of Central and Divisional Office. The Central Office enjoying the policy making and implementation decisions while the Division was authorised to take operational decisions. Although the officers and heads of sections of a division were under the control of division, technical control was exercised by the respective departmental heads from the Central office.⁶

6. Twenty five years of State Transport, MSRTC. 1971 page 10.

Limited Scope for depots :

The corporation considered divisional as an accounting unit. The depots functions were limited to maintaining and sending the buses as per the schedule drawn and approved by the divisional office. The depot Manager had no powers of operating a bank account and directly draw the payments required to be made at the depots level. Thus the depots were weakened by limiting their authority and functions. They were considered as only traffic operating units.

Wide Span of Control for the G. M.

The organisation structure provides for the greater span of control for the General Manager. He has to look after the work of Central Office including 8 officers and the divisional office consisting of 5 officers and the Depots. This overburden him as it is difficult to control the activities of corporation spread all over the state of Maharashtra.

Pardasani Committee Report (1973)

In february 1973, MSRTC constituted a committee consisting of five members headed by Shri. N. S. Pardasani. The committee was authorised to "a)" In the light of existing organisation structure and expanding operations of S.T. to examine whether the decentralisation of day to day functions to appropriate regional set up would be desirable and if so,

to indicate the role and duties of such authorities however so as to maintain proper line and a staff functional co-ordination and achieve optimum efficiency, and (b) to advise on the other related matters if any needed to establish a system of management by objectives for the various staff levels".⁷

After an exhaustive study the committee recommended :

1. The committee recommended a regional set up envisaging substantial transfer of authority from the Central Office, so that the latter will deal only with certain essential functions relating to formation of policies, general supervision, Control of administration and dealings with Govt. and outside bodies.
2. The committee recommended that the Divisional Controller should help, guide and motivate the Depot Managers to gear up their performance and co-ordinate the functioning of depots as well as to control the activities of the various operating units.
3. The committee suggested that the depot should become a unit of accounting and function as autonomously as possible.
4. The committee suggested creation of the posts of Area

7. MSRTC. Bombay, Report of Administrative set up committee, 1974, Page-1.

Deputy General Managers. They should be responsible for the result and have authority to deal with all matters arising within the area of their region. The area Deputy General Managers should function from the head quarters, though they were to be responsible for the particular area of operations in the State.

Although a major reorganisation took place in 1976 the Pardasani Committee Report was mainly ignored.

ii) The 1976 Reorganisation :-

In its resolution No. 8467 dated 31st May 1976, the Corporation decided that as considered by the Govt. the regional set up should start functioning in all the four regions based on revenue by 15th June 1976, Regional Offices based on revenue administration were located at Bombay, Poona, Aurangabad Nagpur. The Corporation Resolution Stated. "Each Region will have its head a Regional Manager. He will function as the Chief Executive Officer to the same extent as the General Manager does for the Corporation as a whole. It will be his responsibility to ensure effective implementation at his level and at all lower levels so as to fulfil the targets of physical & financial performance".

The Regional Manager was given assistance in all functional areas as follows :-

Figure 1.2

* ORGANISATION STRUCTURE OF M. S. R. T. C. AFTER 1976.

Chairman & Board	
Vice Chairman	General Manager
Chief Statistician. Dy.G.M. Inspection. Dy.G.M. Stores & Purchase Dy.G.M. Traffic	Dy.G.M. Mechanical Dy.G.M. Civil Chief Accounts Officer Chief Security Officer
Regional Manager	
Adm. Officer. Regional Engineer Senior Statistician	Executive Engineer Accounts Officer
Divisional Controller.	
Divisional Mechanical Engineer Divisional Traffic Officer Divisional Statistician	Accounts Officer Stores Officer
Deport Manager	
Traffic	
Mechanical	

(Source - Bus Transport in India by)
Sundarshanam padam

Accounts- Finance and Accounts Officer,
 Traffic - Divisional Controller,
 Stores,- Stores Officer,
 Mechanical Engg.- Regional Engineer,
 Personnel (Admn. & labour)- Administrative Officer,
 Civil Engg.- Executive Engineers,
 Statistic - Sr. Statistician,
 Security - Sr. Security Officer.

Four Tier Organisation :

The Corporation now works in a four tier system. The 1976 reorganisation placed regional set up on between the Central Office and divisional office consisting four regions Bombay, Pune, Aurangabad and Nagpur. The Regional Office the Second tier works under the control of Central Office and seeks to co-ordinate and supervise the work of divisions under jurisdiction. The Regional Manager is the head of Regional Office and enjoys the authority as the General Manager enjoys for the whole corporation. Thus division were unified into regions and the Regional Manager works as the line superior of Divisional Controllers.

Reduction of the Span of Control of G. M. :

The 1976 reorganisation mainly reduced the span of control of General Manager. Previously G. M. was the supreme power of control for the whole corporation. It was very difficult to control the activities of corporation spread all over

Maharashtra from Central Office at Bombay. Thus Regional set up introduced to co-ordinate, supervise and control the divisions and depots under the jurisdiction. It lessened the burden of work of G. M.

Informal withdrawal of delegation :

Though the Regional Managers directly report to the General Manager, rank-wise they are junior to Deputy G.M.'s at the Central Office. There is a potential for interference in the working of the regions by the respective functional Deputy General Managers. There have been instances of Deputy General Managers calling for meetings of their functional subordinates from the regional offices, without the knowledge of Regional Managers. Thus being slightly lower in rank the regional Managers cannot influence central office. And hence though there could be formal decentralisation, in the absence of firm commitment at all levels there could be informal withdrawal of authority.

Greater interference in the operational freedom of the division:

The new tier in the shape of regional office cannot help the organisation much except in reducing the span of control of the G.M. The Regional Manager can only be the co-ordinating authority, carrying out inspections, etc. of the divisions and depots. Thus the administrative machinery given to the regional manager will not be productive. On the other hand it will result in greater interference in the operational

freedom of the divisions.

No efforts to strengthen Depots :

Although the Pardasani Committee recommended to strengthen depots there was no attempt to do so. As the Depot Managers are in charge of operations, they required greater freedom to operate services and solve the various grievances of the employees. Depots require greater operational and financial freedom. Centralisation of these at divisional level restricts the scope to Depot Managers. It restricts initiative and flexibility at depot level. This creates many impediments in day to day working of depots.

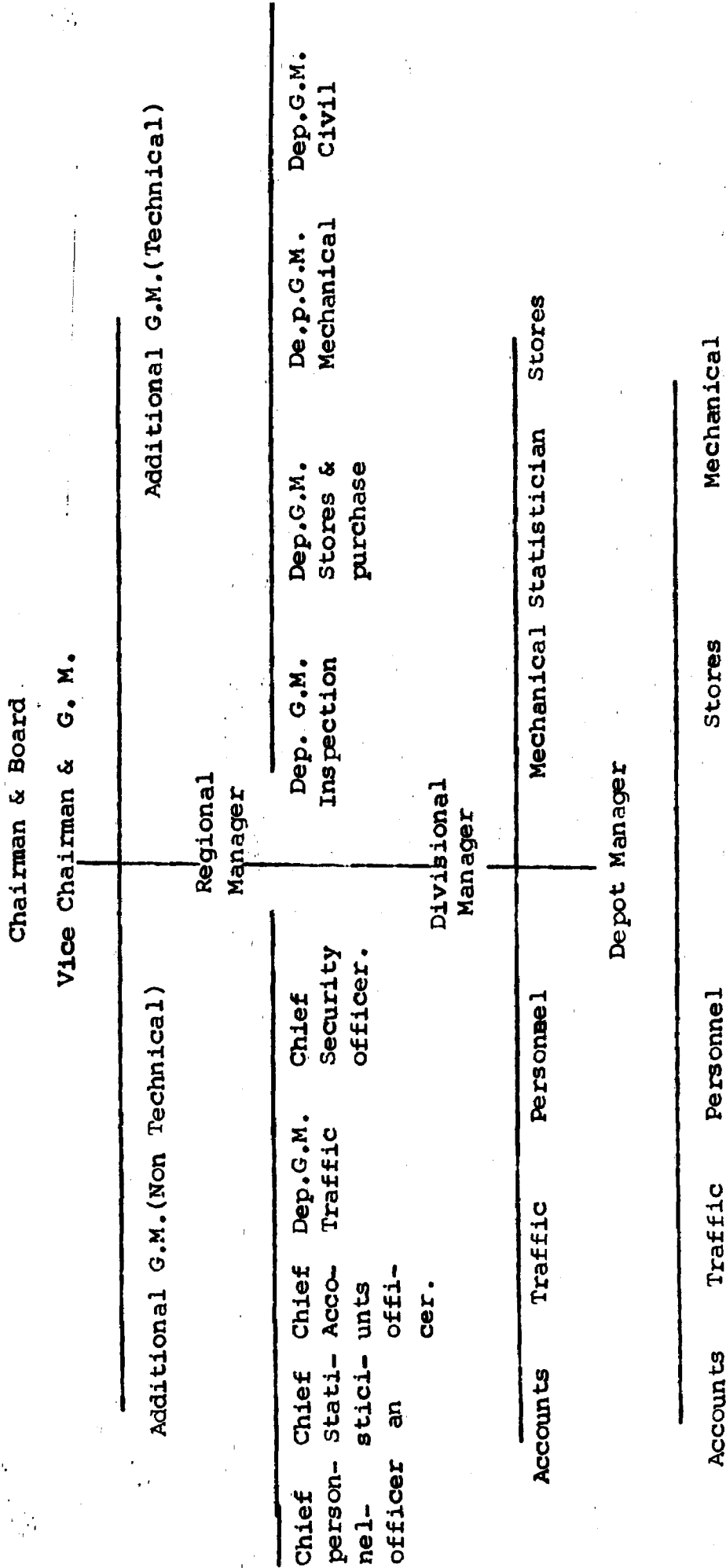
Regional Office, a mere additional Supervisory level :

The regional set up added one more tier of Managerial hierarchy. The depots, divisions and Central Office were integrating, levels with all functional assistance including workshops at the three levels. The regions did not have control over Central/regional workshops, which function under the Deputy General Manager (Mechanical) at the Central Office. And hence, the overall effect can only be the addition of one more supervisory level. It becomes an inspecting and supervising authority only. This was already being done at the divisions, even better, because the divisions were having their workshops.

The State Govt. restructure corporation in the year 1978. and added Regional Office in the middle level Management. The main objective behind creation of Regional level was proper implementation of policies and improvement in the performance of the corporation. In spite of this changes Regional set up has not produced better results as compared to other Road Transport Corporation in the Country. On the other hand it has created certain problems. As the present organisation structure of the corporation is weak both at top and at bottom level, it is necessary to make certain changes in the organisation structure. This changes includes- creation of two Additional G.M.'s posts (for Technical & Non Technical) to reduce span of control of V.C. & G.M., Raising Regional Managers post up with proper delegation of authority from G.M. and strengthening depots by giving sufficient authorities needed at operational level. If proper delegation of authority to Regional Manager is not possible then it would better to eliminate Regional set up and allow him to work as line officer. Hence, the present study has suggested following ideal Organisation structure for the corporation. This model organisation structure will help to improve the performance both at top and at bottom level.

Figure 1.3

IDEAL ORGANISATION STRUCTURE SUGGESTED FOR MSRTC



(Source : Bus Transport in India by Sudarshanam padam)

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