

## **Study on Pay Scale Fixation Methodology in State Road Transport Corporation-With Reference To TSRTC**

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### **Abstract**

*Employees are considered as the ‘blood’ of an organization by which the organization can be a successful one or a failure one. If the employees are happy, they work in a better manner for the welfare of the organization. As per the factors of production, Labors reward is the Wages. If the wages are up to the expectation of the employees they will be satisfied and work for the betterment of the organization. Telangana State Road Transport Corporation is basically a service oriented corporation where the employees are dedicated to serve the public in a productive manner with prompt and secure journey of passengers. In this regard the corporation also considers the need of the employees especially the wages. There is an agreement between Union and the Management that, for every four (4) years, the Pay Scale will be revised. The current paper focuses on the revised pay Scale implemented methodology being used in the corporation and its impact on Pay of various cadres of employees in 2013 RPS and tentative RPS due from April 2017.*

### **Key Words**

Methodology of Revised Pay Scale, Fitment Benefit, Fixation pattern, Enhancement of salaries, Pay scale of different cadre of employees.

### **Introduction**

**Road Transport system** is the most popular medium of transport in India. In fact, traveling in various parts of India is very easy, if you are aware about the transportation facilities offered by State Road Transport Corporations including undertakings or institutions authorized by the Ministry of Transportation, Government of India or by the State Government authorities. All the Government authorized transport organizations have their own operational style and they try their best to provide has free services to public. Almost all the Indian states have their own State Road Transport Corporation, providing transport facility within the state and the neighboring states. Apart from the public transport corporations, private operators also play a major role in fulfilling the needs of the public. Some of the State Transport Corporations offer city bus services provide comfortable, affordable and on-time service to the public.

### **Telangana State Road Transport Corporation- A Profile**

TSRTC is committed to provide consistently high quality of services and continuously improve the services through a process of teamwork for the utmost satisfaction of the passengers and to attain a position of pre-eminence in the Bus Transport sector. Corporate Philosophy of TSRTC is to provide safe, clean, comfortable, punctual and courteous commuter service at an economic fare. To provide employee satisfaction in financial and humanistic terms. To strive towards financial self-reliance in regard to performance and growth. To attain a position of reputation and respect in the society.

The TSRTC offers safe, clean, comfortable, Punctual and courteous commuting services at lowest possible fare. It also offers supports in terms of employee satisfaction by financial and other support. TSRTC strive towards constant performance and growth to attain reputation & respect in the society. As per the need and demand of passengers, the TSRTC is introduced and launched latest types of coaches. Vennela Ac Sleeper, Garuda Plus, Garuda A.C Coach (Inter-City), Indra, Meghdoot A.C, Super Luxury Coach (Inter-City), Mini Super Luxury Coach

for Tirumalaghat road, Sapthagiri Express for Tirumalaghat road, Deluxe Coach (Inter-City), Express Coach (Inter-City), Pallevelugu Rural Bus, Metro Deluxe Coaches and Metro-Express.

### **Objectives of the Study**

1. To Study the Revised pay Scale and its impact on employees wage structure.
2. To analyze the formula on which the Revised Pay Scale was calculated.
3. To Study the various scales allotted to the Class IV Labors, Class III employees and Class II supervisors, before and after the implementation of Pay scale.
4. To Study the extent of additional burden on corporation with new pay scale implementation which is due from April 2017.

### **Research Methodology**

The study is based on the secondary data provided by the corporation’s web site and the database of RTCWAN for the usage of employees. Basically the study is an explorative one, which brings the facts and figures of the corporation in terms of compensation before and after implementation of Revised Pay Scale 2013, which was implemented in the month of June 2015.

### **Revised Pay Scale Fixation- A Framework.**

The following table shows the TSRTC Employees New Pay Scale fixation with 44% Fitment that was implemented in June 2015. New Pay Scales are calculated on April 2013 Basic Pay. 47.8% of DA as on April-13 and 44% Fitment all together merged to form new basic Pay.

### **Statement showing the formula adopted for Revised Pay Scale Calculation.**

<b>Employee</b>	<b>2009 Scale</b>	<b>DA 47.8%</b>	<b>44 % Fitment</b>	<b>TOTAL</b>	<b>NEW BASIC</b>
Attainder/ Sramik	5670	2710.26	2494.8	10875.06	10880
Junior Driver	7180	3432.04	3159.2	13771.24	13780
Senior Driver	8550	4086.9	3762	16398.9	16410
Junior Conductor	6570	3140.46	2890.8	12601.26	12610
Senior Conductor	7180	3432.04	3159.2	13771.24	13780
Mechanic	8940	4273.32	3933.6	17146.92	17150
Junior Assistant	7270	3475.06	3198.8	13943.86	13950
Senior Assistant	8120	3881.36	3572.8	15574.16	15580
Dy. Superintendent	9280	4435.84	4083.2	17799.04	17800
Superintendent	9960	4760.88	4382.4	19103.28	19110
Assistant Manager	11620	5554.36	5112.8	22287.16	22290

**FINDINGS:**

1. Before to this Pay Scale the previous pay fixation was done in the year 2009, that Scale is taken as the base for calculation of New Pay Scale 20013.
2. As shown in the table for various categories of employees the new Pay Scale fixation was done based on the DA rate prevailing as on April 2013, from where the Pay Scale was to be implemented as per the agreement, the rate was 47.8%.
3. Government of Telangana declared a Fitment benefit of 44% and it was to be calculated on the basic at the time of Pay Scale is due, i.e. April-2013.
4. 47.8% of DA and the fitment benefit of 44% clubbed that comes to 91.4% of the basic of an employee, which is merged to the current basic for arrival of new basic.
5. A rounded off method is adopted to fix the new basic and it should be in the multiple of upper ten rupee.
6. Due to the revised pay scale the basic of an employee is nearly doubled to the existing basic.

**Pay particulars of employees before and after implementation of Pay Scale**

S.No	CATEGORY	MONTH	BASIC	D.A.	HRA	CCA	GROSS	PF	NET
1.	ATTENDER/ Srmk.	MAY-15	5670	4213	1701	200	11784	1186	10598
		JUNE-15	10880	1958	3264	400	16502	1541	14961
2.	Jr. DRIVER	MAY-15	7180	5335	2154	300	14969	1502	13467
		JUNE-15	13780	3431	4134	400	21745	2065	19680
3.	Sr. DRIVER	MAY-15	8550	6353	2565	300	17768	1788	15980
		JUNE-15	16410	4086	4923	600	26019	2460	23559
4.	Jr. CONDUCTOR	MAY-15	6570	4882	1971	300	13723	1374	12349
		JUNE-15	12610	3140	3783	400	19933	1890	18043
5.	Sr. CONDUCTOR	MAY-15	7180	5335	2154	300	14969	1502	13467
		JUNE-15	13780	3431	4134	400	21745	2065	19680
6.	MECHANIC	MAY-15	8940	6642	2682	350	18794	1870	16924
		JUNE-15	17150	4270	5145	600	27165	2570	24595
7.	Jr. ASSISTANT	MAY-15	7270	5402	2181	300	15153	1521	13632
		JUNE-15	13950	3474	4185	400	22009	2091	19918
8.	Sr. ASSISTANT	MAY-15	8120	6033	2436	300	16889	1698	15191
		JUNE-15	15580	3879	4674	400	24533	2335	22198
9.	Dy. SUPDT.	MAY-15	9280	6895	2784	350	19309	1941	17368
		JUNE-15	17800	4432	5340	600	28172	2668	25504
10.	SUPRITENDENT	MAY-15	9960	7400	2988	350	20698	2083	18615
		JUNE-15	19110	4758	5733	600	30201	2864	27337
11.	Asst. MANAGER	MAY-15	11620	8634	3486	350	24090	2430	21660
		JUNE-15	22290	5550	6687	1000	35527	3341	32186

**Observations:**

1. It is observed that each category of employee’s basic pay is nearly doubled as that of may-15 to June-15 with implementation of RPS.
2. DA as compared to previous month has got reduced because the DA paid in the month of may-15 was based on the index value of April-09 and in the month of June-15 the index value is based on April-13.
3. HRA is directly calculated on the Basic so it got increased with same proportionate as that of Basic.
4. New slab rate of CCA has implemented, by this the CCA also got increased but with a less rate of increase.
5. The combination of all is the Gross amount of the employees, the Decrease in DA and increase in Basic, HRA and CCA gave a positive push to the gross Salary of the employees.
6. PF is the 12% of basic and DA. Basic increased and DA reduced but the overall impact on PF is net increase, which is a saving to the employees.
7. The NET SALARY of the employee got increased with overall effect of Revised Pay Scale.
8. The increase PF increases the burden on corporation in the form of EPF contribution from Corporation.

**Table showing the Employees Basic before and after implementation of RPS-13.**

S. No.	Category Of Employee	Post Revised Basic - JUNE 2015	Pre Revised Basic- MAY 2105	Difference between both
1.	Attainder/ Sramik	10880	5670	5210
2.	Junior Driver	13780	7180	6600
3.	Senior Driver	16410	8550	7860
4.	Junior Conductor	12610	6570	6040
5.	Senior Conductor	13780	7180	6600
6.	Mechanic	17150	8940	8210
7.	Junior Assistant	13950	7270	6680
8.	Senior Assistant	15580	8120	7460
9.	Dy. Superintendent	17800	9280	8520
10.	Superintendent	19110	9960	9150
11.	Assistant Manager	22290	11620	10670

**Upcoming Revised Pay 2017**

As per the agreement next Pay Scale is due from April 2017. There exists a difference of 19% in Basics of same cadre of employees when compared to the State Government Organizations and TSRTC. Thus, Union may demand to eradicate the difference and equate the basic of RTC

employees to that of other departments. So if assumed that the demand of Union is accepted by the Government, what will be the new Basics of RTC employees. Let us ascertain the new basics of RTC employees by applying the existing formula of 2013 RPS with a fitment benefit of 19%.

**Statement showing the formula adopted for Impending Revised Pay Scale due from April 2017.**

Employee	2013 Basic	DA 31.1%	19 % Fitment	TOTAL	NEW BASIC
Attainder/ Sramik	10880	3383.68	2067.2	16330.88	16340
Junior Driver	13780	4285.58	2618.2	20683.78	20690
Senior Driver	16410	5103.51	3117.9	24631.41	24640
Junior Conductor	12610	3921.71	2395.9	18927.61	18930
Senior Conductor	13780	4285.58	2618.2	20683.78	20690
Mechanic	17150	5333.65	3258.5	25742.15	25750
Junior Assistant	13950	4338.45	2650.5	20938.95	20940
Senior Assistant	15580	4845.38	2960.2	23385.88	23390
Dy. Superintendent	17800	5535.8	3382	26717.8	26720
Superintendent	19110	5943.21	3630.9	28684.11	28690
Assistant Manager	22290	6932.19	4235.1	33457.29	33460

**Observations:**

1. The Basics of 2013 Pay Scale is taken as Base for calculating the upcoming pay.
2. The rate of DA will be nil as existing DA will be clubbed to form new Basic, the rate of DA as on April 2017 is 31.1%.
3. The assumed Fitment benefit of 19% on existing basic is calculated and clubbed with the Basic Pay.
4. Now, the new Basic is the combination of Existing Basic, DA of 31.1% and a fitment benefit of 19%.

**Pay particulars of each category of employees before and after implementation of Pay Scale**

S.No	CATEGORY	MONTH	BASIC	D.A.	HRA	CCA	GROSS	PF	NET
1.	ATTENDER/ Srmk.	MAY-17	10880	3384	3264	400	17928	1712	16216
		JUNE-17	16340	----	4902	400	21642	1961	19681
2.	Jr. DRIVER	MAY-17	13780	4286	4134	400	22600	2168	20432
		JUNE-17	20690	----	6207	600	27497	2482	25015
3.	Sr. DRIVER	MAY-17	16410	5104	4923	400	26837	2582	24255
		JUNE-17	24640	----	7392	600	32632	2957	29675
4.	Jr. CONDUCTOR	MAY-17	12610	3922	3783	400	20715	1984	18731
		JUNE-17	18930	----	5679	600	25209	2272	22937
5.	Sr. CONDUCTOR	MAY-17	13780	4286	4134	400	22600	2168	20432
		JUNE-17	20690	----	6207	600	27497	2483	25014
6.	MECHANIC	MAY-17	17150	5334	5145	600	28229	2698	25531
		JUNE-17	25750	----	7725	600	34075	3090	30985
7.	Jr. ASSISTANT	MAY-17	13950	4338	4185	400	22873	2195	20678
		JUNE-17	20940	----	6282	600	27822	2513	25309
8.	Sr. ASSISTANT	MAY-17	15580	4845	4674	400	25499	2451	23048
		JUNE-17	23390	----	7017	600	31007	2807	28200
9.	Dy. SUPDT.	MAY-17	17800	5536	5340	600	29276	2800	26476
		JUNE-17	26720	----	8016	600	35336	3206	32130
10.	SUPRITENDENT	MAY-17	19110	5943	5733	600	31386	3006	28380
		JUNE-17	28690	----	8607	700	37997	3443	34554
11.	Asst. MANAGER	MAY-17	22290	6932	6687	600	36509	3507	33002
		JUNE-17	33460	----	10038	1000	44498	4015	40483

Observations of financial burden on Corporation with tentative implementation of RPS 2017.

1. The Basics of the employees increased with a rate of 50.1% (31.1+19) with the tentative implementation of RPS 2017.
2. The Basics of Junior Driver and Conductors will be 20690/- and 18930/- respectively.
3. The Allowances paid to the employees will also be enhanced with new Pay Scale such as OT rate, Staring & standing Allowances, Day Out, Night Out, Incentive rate etc.
4. Due to increase in the amount of PF recovered from employees, the corporation has to bare the additional employer contribution to the EPF.
5. The Settlement amount payable to employees in the form of Gratuity, terminal benefit, encashment of EL's, etc is also increased.

**Table Showing the Tentative Basic before and after implementation of RPS-2017.**

S. No.	CATEGORY OF EMPLOYEE	Basic of RPS 2013	Basic of RPS 2017	Difference between both
1.	Attainder/ Sramik	10880	16340	5460
2.	Junior Driver	13780	20690	6910
3.	Senior Driver	16410	24640	8230
4.	Junior Conductor	12610	18930	6320
5.	Senior Conductor	13780	20690	6910
6.	Mechanic	17150	25750	8600
7.	Junior Assistant	13950	20940	6990
8.	Senior Assistant	15580	23390	7810
9.	Dy. Superintendent	17800	26720	8920
10.	Superintendent	19110	28690	9580
11.	Assistant Manager	22290	33460	11170

### References

1. The Annual Financial Report published by the corporation.
2. The database provided to the employees at its wide area network (WAN).
3. The Official website of TSRTC, [www.tsrtc.gov.in](http://www.tsrtc.gov.in)
4. The Revised pay scale booklet circulated by the corporation for referral purpose.