

THE KARNATAKA STATE GOVERNMENT POLICY INFLUENCE ON KSRTC-ITS ISSUES AND CHALLENGES

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ABSTRACT:

The Karnataka State Road Transport Corporation (KSRTC) is one of the largest state-run public transport undertakings in India, established in 1961. Despite serving millions of passengers daily, KSRTC faces multiple challenges that affect its sustainability, efficiency, and public perception.

KSRTC, despite being a backbone of Karnataka's public transport system, is facing multiple challenges that hinder its growth and efficiency. A combination of financial reforms, operational modernization, employee welfare measures, customer service improvements, and policy support can help KSRTC transform into a sustainable and competitive public transport undertaking.

KSRTC's operational issues are rooted in *financial stress, ageing infrastructure, and competition*. While it fulfills a *social responsibility* of connecting Rural Karnataka, its operational inefficiencies reduce competitiveness against private operators.

The state government has its own transportation, they have their and flagship and welfare programs. Current trends in KSRTC include *fleet modernization with new luxury and electric buses, enhanced technological features such as CCTV and USB charging ports*, increased demand and service expansion due to the *Shakti scheme*, plans for introducing *cashless travel and telematics systems, and expansion of services to coastal regions*. The corporation is also focused on improving operational efficiency, modernizing infrastructure like bus stands, and undergoing staff-related issues such as pay hike strikes.

Current trends in KSRTC include operating electric vehicles and implementing digital ticketing like e-ticketing and UPI payments, alongside the introduction of *the Shakti scheme, which offers free bus rides for women*. Other trends involve improving operational efficiency through increased vehicle utilization and fleet size, focusing on passenger safety, and addressing financial challenges like rising operating costs.

Key Words: KSRTC, Finance, Technology, Transport, Service.

INTRODUCTIONS:

"Transport" is derived from the Latin word "Transport," which means "to carry." Mobility refers to the movement of products and people from one location to another, with continuous and uninterrupted mobility being a fundamental requirement of society. The adequacy, effectiveness, regularity, safety, and fairness of a nation's conveyance system have a significant impact on its economic growth. Transport is essential to a nation's economic growth and social and cultural existence¹

Karnataka State Road Transport Corporation (KSRTC) manages the public bus transport in Karnataka. It was established in 1961 with the objectives of providing adequate, affordable, accessible, efficient and properly coordinated, effective road transport services. Karnataka state road transport system is showing a progressive improvement in all the spheres, with KSRTC being the leading one, which has not only satisfied the customers within the state but also the people of neighbouring states.²

KARNATAKA STATE GOVERNMENT POLICIES ON KSRTC:

1. **Shakti Scheme:** The Karnataka government's Shakti scheme, launched in June 2023, provides free bus travel for women, transgender individuals, and students on non-premium State-run buses across Karnataka. This facilities available within-state services offered by the four state road transport corporations, including KSRTC.
2. **Fare Policy:** The government of Karnataka periodically reviews and adjusts fares, such as the 15% hike in January 2025, to cover the corporation's financial deficits and generate revenues, because already the corporation's have been facing financial problems and Loss, to reduce the loss, the government revised the Fare policies.
3. **Concessional Passes Policy:** the KSRTC issues monthly passes at concessional rates to daily travellers like students and employees, Handicapped men and women, and transgender, this passes valid for one year with a photo ID.
4. **Luggage Policy:** The government of Karnataka Passengers are allowed a free luggage allowance of 30 kg for adults and 15 kg for children, in case we carry excess luggage is chargeable, and personal baggage is prioritized.
5. **Employee Welfare Policies:** The government of Karnataka introduced different welfare Policies to protect employees and workers, and to support employee well-being, including a de-addiction program to combat alcohol abuse and promote a safe working environment.

OPERATIONAL POLICIES ON KSRTC:

1. **Electric Buses:** The government of Karnataka introduced KSRTC has introduced electric buses on a Gross Cost Contract (GCC) model, a government-approved initiative to enhance its fleet and services.
2. **Contract Services:** The government of Karnataka introduced Policies dictate rates and terms for casual contract services, including concessions for schools and colleges, and charges for tolls, entry fees, and inter-state permit costs.
3. **Operational Efficiency:** The government of Karnataka introduced Policies focus on improving operational efficiency through metrics like increasing average vehicle utilization, extending average tyre life, and managing effective kilometers run.

LITERATURE REVIEWS:

Dr. Seema S V (2017): attempt has been made to analyze the Karnataka State Road Transport Corporation in Karnataka. The study is based on secondary data collected from secondary sources. The Study gives a brief Picture about the Karnataka State Road Transport Corporation in Karnataka. Karnataka has greater potential to increase Public Transport to make the Karnataka economy and Service sector more prosperous and sustainable

Dr. Medha Wadhwa, (2018) Observed that, It is crystal clear that employee welfare is the most important machinery in any organizations to get the productive result from the workers.

It has been understood that for last few decades the proper welfare facilities are constantly generating motivation of the workers towards their work and that ultimately is reducing the attrition rate in the organization. There are many statutory and non-statutory welfare facilities are being offered to workers such as establishing proper industrial harmony, examining working condition, consistent monitoring on disease, accident and unemployment of employees and their families. Despite that there are many gaps are being observed between employee welfare and its impact on job performance

Prof. R. N. Mangoli (2021): Explained transportation in India involves shipping and travelling by land, water and air. Public transport is the primary mode of road transport for most of the Indian citizens, and India's public transport systems are among the most heavily used in the world. The present research work deals with public transportation of Karnataka state, which includes the history of the transportation, public transportation, structure of public transportation system in Karnataka and introductory details of the Karnataka State Road Transport Corporation (KSRTC).

D. Paul Dhinakaran, M. Rajarajan (2022): identified the welfare measures used by Public Sector Transport Corporation are clarified by research on labour welfare measures in the organization. The many labour welfare measures that are given to the labours are analysed in this study. It draws attention to how the labour force views the several welfare programs offered by Tamil Nadu State Transport Corporation, as well as how satisfied they are with them overall.

Gangadharswamy and Mahesha (2023): examines the impact of HRM planning on labour productivity among bus drivers in KSRTC. Utilizing ANOVA and Chi-square tests, the study revealed a significant relationship between HRM practices and employee productivity. These findings align with the existing literature reinforcing the importance of tailored HRM practices in enhancing productivity. The study suggests that KSRTC management should recalibrate their HRM practices to better align with organizational objectives and improve the communication and implementation of HR policies.

Dr.M.Fathima (2024): observed the welfare measures used by Public Sector Transport Corporation are clarified by a research on labour welfare measures in the organization. The many aspects of labour welfare measures as seen by workers are examined in this study. It draws attention to how the workers at Public Sector Transport Corporation perceive and are satisfied with the various welfare measures and how to make the benefit programs better.

Dr. Pravin Mane (2025): explores the relationship between labour welfare measures—both statutory and non-statutory—and employee satisfaction A descriptive, cross-sectional study was conducted using primary data collected through structured questionnaires and interviews. The results highlight the importance of welfare amenities in boosting employee morale, health, and productivity. The study aims to provide actionable insights for enhancing welfare schemes to ensure better employee engagement and satisfaction. The study is significant keeping industry 5.0, transportation and sustainable development in mind.

SIGNIFICANCE OF THE STUDY:

The government policies are crucial for the Karnataka State Road Transport Corporation (KSRTC) to balance its core mission of providing affordable public mobility with operational efficiency and sustainability. the Policies address KSRTC's social obligations, financial challenges, and the need for modernization, ultimately shaping its service delivery and long-term viability, And to Providing essential connectivity of peoples As a state-owned enterprise, the KSRTC must serve even non-profitable rural and remote routes where private

operators are unwilling to operate. Here Government policies are necessary to mandate and fund these services, ensuring equitable access to transportation for all citizens. In Karnataka.

SCOPE OF THE STUDY:

While studies on Government Policies on public transportation services abound, there exists a notable research is concerning the specific context of Karnataka State Road Transport Corporation (KSRTC) and its challenges in managing expenses while maintaining service quality and passenger satisfaction. Limited empirical research directly addresses the interplay between financial constraints, operational efficiency, and passenger satisfaction within KSRTC, highlighting the need for empirical research that identifies factors influencing on Government policies and explores innovative strategies for KSRTC to enhance service quality, optimize resources, and navigate financial challenges effectively.

RESEARCH GAP:

Research Gap Despite the extensive research highlighting Importance the Government policies practices in enhancing organizational performance and Developments, there remains a Research gap in understanding how these Government policies practices specifically influence on the public sector organizations like Karnataka State Road Transport Corporation (KSRTC). While existing literature provides insights into the effectiveness of Government Policies, majorly focusing on management and Administration of employees and Organisation, there is limited research focusing on Shathi Scheme policies, Concession Pass Policies, Luggage Policies, and Welfare policies in public transportation entities. Thus, there is a need for further empirical research to bridge this gap and provide actionable recommendations for optimizing Government policies Implementation and practices to enhance the enhancing organizational performance and Developments,

OBJECTIVES:

1. To Identifies the Exiting Government Policies of KSRTC in Karnataka
2. To analyse the existing Government Policies influencing on KSRTC in Karnataka
3. To explore the Government Policies Implementation in KSRTC in Karnataka.
4. To identify the Present issues and challenges Facing of KSRTC in Karnataka

Hypotheses:

H1: Effective Government Policies positively influences on the enhancing organizational performance and Developments.

H2: Effective Government Policies influences on the decision making processes in KSRTC.

Research Methodology:

The research methodology integrates the qualitative data collection methods, to provide a comprehensive understanding of the Government Policies Implementation and practices. To gather detailed information on policies, Researcher collected data's Through Annual reports and various published reports in KSRTC. By integrating these methods, the research will triangulate the findings to ensure robustness and validity, offering actionable recommendations.

The Government Policy Influence on Karnataka State Road Transport Corporation (KSRTC) - its Issues and Challenges:

Table No-01

<u>Major Issues</u>	<u>Major Challenges</u>
<ol style="list-style-type: none"> 1. Financial Issues 2. Employees Issues 3. Technological Advancements 4. Operational Issues 5. Passenger and Public Perceptions. 6. Management and policy Issues 	<ol style="list-style-type: none"> 1. Financial Sustainability 2. Operational Challenges 3. Competitions from Private Operations. 4. Employees Management 5. Political Inference 6. Technology Gap 7. Passenger Perceptions 8. Limited Infrastructure

(Sources: Self Development)

Major Issues:

- 1. Financial Issues:** KSRTC faces major financial issues primarily driven by surging fuel and operating costs, the Shakti scheme's directly impact on revenue, high staff costs from pay revisions, and insufficient fare revisions compared to expenditure. These challenges have led to significant operating losses, Gratuity dues and dues Fuel, and Accidents, requests for government financial aid and fare increases to ensure long-term sustainability.

Liabilities of KSRTC:

Table No; 01

SL No	Contents	2024-25
1	Provident Fund Dues	3595.29
2	Gratuity and EL	399.29
3	Fuel Expanse	659.25
4	Spare Parts	146.78
5	Accidents	153.54
Total Amounts in Crores		4954.15

(Sources: Annual Report 2024-25)

- 2. Employees Issues:** the main recent issue facing Karnataka's KSRTC is an Employees dispute involving demands for a 25% salary hike and the payment of 38 months of salary arrears from January 2020 to February 2023, leading to a series of strikes. Employees also want improved allowances, medical facilities, and the regularisation of contract staff, particularly those operating new electric buses. The government has made partial offers for arrears but has also cited the corporations' poor financial state, creating a stalemate that led to significant disruptions in bus services across the state.
- 3. Technological Advancements:** The corporation is incorporating new technologies, such as the Vehicle Tracking & Monitoring System (VTMS) and a mobile app, to improve overall operational efficiency. Focus on Comfort and Technology, New buses are being equipped with advanced engine technology for better performance and fuel efficiency,

alongside enhanced features for passenger comfort, such as increased space and headroom

- 4. Operational Issues:** it's included rising losses, increased accident rates, and challenges in maintaining vehicle utilization and fleet quality. Financial constraints, the need for last-mile connectivity, ensuring vehicle accessibility, safety, and providing welfare benefits to employees also present operational hurdles for the corporate.

Operational Loss of SRTC:

Table No; 02

		2024-25 (in cores)
1	KSRTC	295.43
2	BMTC	575.45
3	NWKRTC	322.48
4	KKRTC	161.12

(Sources: Annual Report 2024-25)

- 5. Passenger and Public Perceptions:** Passenger perceptions of KSRTC highlight a mixed experience, with satisfaction for its wide reach and services like the Shakti scheme, but concerns over punctuality, security, and fare issues such as rounding-off practices. While many are aware of the facilities and the general quality of KSRTC services, issues with overloaded buses, occasional conductor rudeness, and a lack of secure travel options in some buses persist. Passenger and public perception of KSRTC varies, with studies indicating general satisfaction with services but also highlighting specific areas of concern, such as safety, fare inconsistencies, and infrequent instances of ticketless travel and alleged driver negligence. While some commuters appreciate KSRTC's government-backed service, there is a recognized need for continuous improvement in customer satisfaction and operational efficiency, especially concerning the implementation of new safety measures and ethical practices in fare collection.
- 6. Management and policy Issues:** KSRTC faces management and policy challenges including financial losses, a need to improve operational efficiency to reduce accidents and breakdowns, managing the welfare of its workforce, ensuring compliance with various rules and regulations, dealing with an aging fleet, and addressing passenger safety and security. Policies are in place for employee welfare, de-addiction, and security but continuous updates are needed, such as managing the Government polices of Shakthi Schem implementation to integrate services and funding for safety

CHALLENGES:

- 1. Financial Sustainability:** KSRTC's financial sustainability shows mixed results; while it achieved robust revenue growth and operational efficiency in FY 2024-25, historical challenges like high operating ratios, rising costs, and dependence on subsidies remain. To achieve long-term viability, KSRTC must focus on cost rationalization, fleet modernization, workforce optimization, revenue diversification, and strategic policy reforms to balance its social mandate with fiscal responsibility. **Revenue Growth:** KSRTC's traffic revenue increased by 13.8% to ₹4,547.99 crore in FY 2024-25, with gross revenue rising by 18.4% to ₹5,379.85 crore.

2. **Operational Challenges:** KSRTC is expanding its fleet and aims to improve vehicle utilization to increase operational efficiency. KSRTC is undertaking a significant fleet expansion, with plans to induct approximately 2,000 new buses, including 500 e-buses, and 1,000 refurbished buses in 2024 to improve rural connectivity and cater to the increased demand following the Shakti scheme. While specific utilization figures vary, the corporation aims to enhance operational efficiency through new technologies and services. *Efficiency and Sustainability is* There is a growing emphasis on improving operational efficiency and adopting sustainable practices, including the integration of electric vehicles. KSRTC enhances efficiency and sustainability by introducing electric and bio-fuel-blended buses for reduced emissions, investing in modern and fuel-efficient fleet technology, and integrating GPS tracking and digital payment systems for improved operations and passenger experience. Sustainability also includes water harvesting, afforestation programs, and obtaining ISO certifications for its facilities
3. **Competitions from Private Operations.** KSRTC faces competition from private bus operators, which can pressure the state-run corporation to offer better services and facilities to attract passengers, as seen in the induction of high-tech Volvo buses to compete with private premium offerings. While some fear private operators will dominate the market, proponents argue competition benefits the public by fostering better services and more choices, requiring state carriers to become more efficient and technologically advanced to remain competitive.
4. **Employees Management:** KSRTC faces major challenges including ongoing staff strikes demanding wage revisions and pending salary arrears, passenger complaints about unfair fare rounding, issues with online booking reliability, significant occupational stress for drivers, gender-specific difficulties for female conductors, the increasing cost of inputs, the need for substantial infrastructure investment, and the ongoing challenge of providing last-mile connectivity to passengers.
5. **Political Inference:** the state government against using coercive measures like invoking the Essential Services Maintenance Act (ESMA) against striking employees of the transport corporations. Alleged that the reason behind the strike called by KSRTC trade unions is purely political. Meanwhile, uncertainty over the payment of salaries for April continues in the corporation.
6. **Technology Gap:** KSRTC is actively adopting technology with initiatives in computerizing driver recruitment, deploying AI-based software for bus scheduling, and introducing cashless payments. However, challenges remain, including an aging fleet that requires significant refurbishment, a substantial number of villages lacking adequate bus services, and the need for greater technological investment in some areas like bus terminals. Karnataka State Road Transport Corporation (KSRTC) has been working towards carving a niche in the public transport system with a vision to be the best transport service provider in the World, which is safe, reliable, courteous, economic and environment friendly to commuters. KSRTC is the first and leading State Transport Undertaking in the country to adopt Information and Communications Technology in its administrative and operational processes. KSRTC's primary objective is to adopt IT in its day-to-day operations and bring every staff under the Information Technology net. KSRTC has been deploying the IT tools in the best possible measures to optimize its efficiency and reduce operational cost and at the same time, providing quality services to its customers.

Recommendation/Suggestions:

1. **Modernization, digital adoption, fleet renewal, and PPP models could help overcome these challenges.**
2. **Cashless Travel:** KSRTC is moving towards enabling cashless travel options for its passengers.
3. **Vehicle Tracking & Monitoring System (VTMS):** The Corporation plans to introduce VTMS and a mobile app to improve tracking and monitoring of its fleet.
4. **Improved Passenger Amenities:** Newer buses are being equipped with advanced features like USB and C-type charging ports, reading lamps, and CCTVs for passenger safety and convenience.
5. **Electric Buses:** The Corporation has plans to introduce electric buses into its fleet, with the Mangaluru division being one of the first to plan for them.
6. **Digital Ticketing:** To strengthen the Shakti scheme and overall service, the KSRTC is focusing on implementing e-ticketing and UPI ticketing. The KSRTC's digital ticketing system uses Android-based Smart Electronic Ticketing Machines (ETMs) that allow conductors to generate dynamic QR codes for passengers to scan and pay through the various UPI Applications, and the credit, or debit cards. The online transaction system directly or indirectly replaces traditional cash payments, offering a convenient, cashless, and paperless experience and generating performance data for the corporation. Passengers can also book advance tickets online through the KSRTC website and present a soft copy, Digi Locker document, or printed e-ticket during travel.

CONCLUSION:

The KSRTC, despite being a backbone of Karnataka's State public transport system, it has been facing many challenges that hinder its growth and efficiency and Administration. A combination of financial reforms, operational modernization, employee welfare measures, customer service improvements, and policy support can help KSRTC transform into a sustainable and competitive public transport undertaking. Moreover, qualitative insights highlighted challenges in Government Policies implementation and identified potential areas for improvement, emphasizing the importance of strengthening performance organizational systems KSRTC

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