

CHAPTER IX

ORGANIZATIONAL STRUCTURE

Almost the whole of the organization is housed in and around the Head Office which is situated at Jalan Pasir Putih, Kota Bharu. The only sizeable section of the organization which is housed away from the Head Office is that of the traffic department which is located at the terminal two miles away.

The Organizational Plan^a

The structure of the organization is a simple departmental line organization. At the top of the hierarchy there is the Board of Directors which consists of five members. Three are appointed by the majority shareholders, the Rural Industrial Development Authority. These consists of the authority's officers; the Chairman of the RIDA, its chief accountant and its local officer. The other two members are from the remaining shareholders.

Next comes the chief executive of the company, the General Manager who is appointed by the Board of Directors. The organization is divided into three departments viz. the Traffic Department, the largest, which employs about three hundred men; the workshop or Maintenance Department, the second largest with just over one hundred employees. These two are under the Traffic and Workshop Manager who is one of the two immediate subordinates of the General Manager. The third department, the smallest is the administrative department with about seventy office-workers. This department is directly under the Assistant General Manager-cum-Secretary.

Each of these departments has a simple line organisation. Let us consider each department in turn:

The Traffic Department

The head here is the Traffic Superintendent who is directly responsible to the Traffic and Workshop Manager. Under him he has one Chief Inspector, twenty-six (Route) Inspectors to check on the drivers and

^a See Appendix 'B'

conductors. The inspectors are responsible for a control type of duty with supervisory powers. The Chief Inspector has administrative powers in this department. He prepares roster duties, allocates duties of Route Inspectors, makes surprise checks and is also responsible for traffic investigations. This gives the Chief Inspector a line authority over the drivers and conductors. The inspectors see to it that the drivers and conductors observe the Chief Inspectors' orders. The six Regulations of the outstation depots have similar authority - transmitting these orders and seeing to it that they are adhered to. The other officers in the department perform administrative work for the department. They are the two time clerks (E & F^m), the Station Master (G^m) and the Assistant Station Master (H^m).

The Workshop Department

This department is under the charge of the Workshop Superintendent who is directly under the Traffic and Workshop Manager. Here again there is clean line relationships in the various sections of the department. There is an administrative section where the Administrative Chief Record Clerk is at the top. He has a line authority over his seven subordinates. The maintenance section is divided into two shifts - morning and evening with one foreman in each. The Dock Section has a foreman and labourers under him. The storekeeper reports directly to the Workshop Superintendent. The rest consists of small teams of technicians each with a foreman who is directly responsible to the Superintendent.

The Administrative Department

This department is directly under the Assistant General Manager-cum-Secretary. There are two main sections and three smaller sections. The main section is primarily concerned with the administration of the company where clerical work is concerned. It is also charge with the responsibility of preparing statistics for use in the periodical reports (The operations of the company is divided into 13 periods of 4 weeks each per year.) The head of this section is the Chief Clerk whose duties include the preparation of statistics and periodical statements, and general administrative duties.

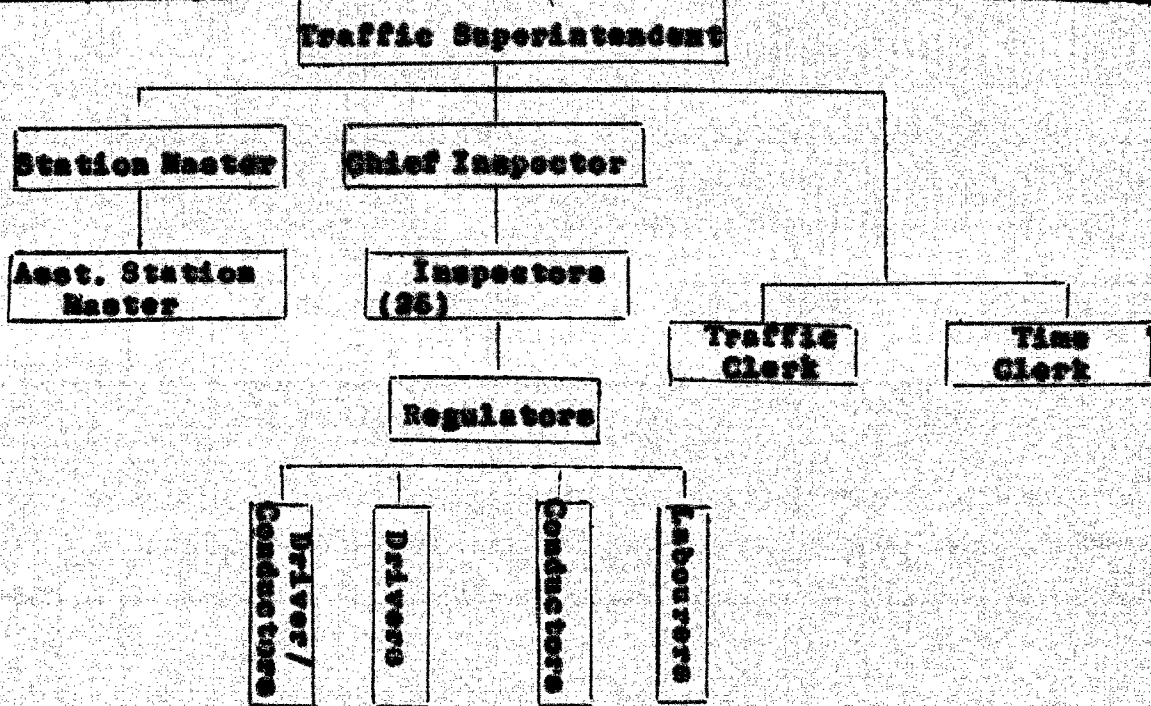


Chart 1 Showing The Lines of Responsibility in the Traffic Department

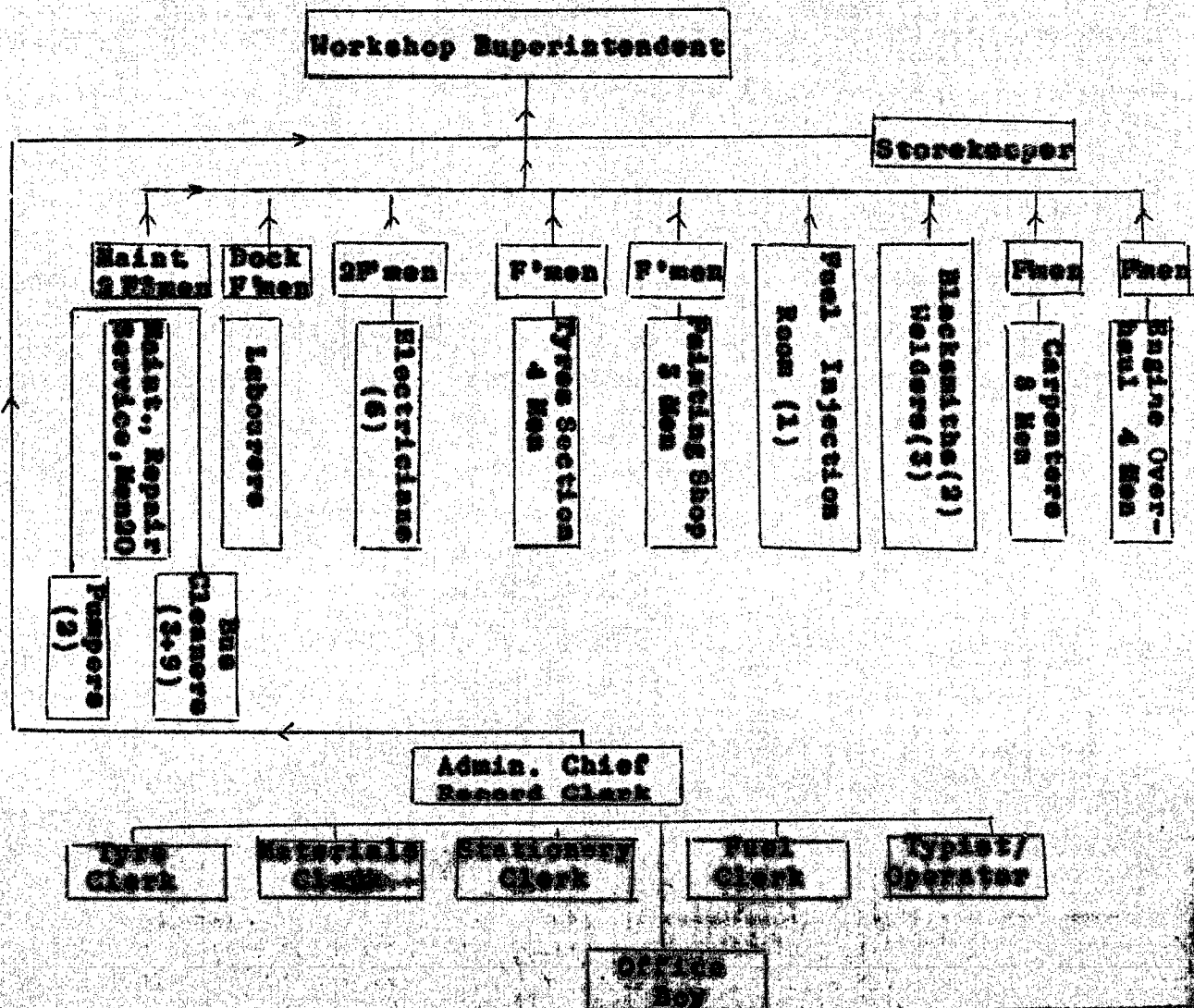


Chart 2 Showing The Lines of Responsibility in the Workshop Department

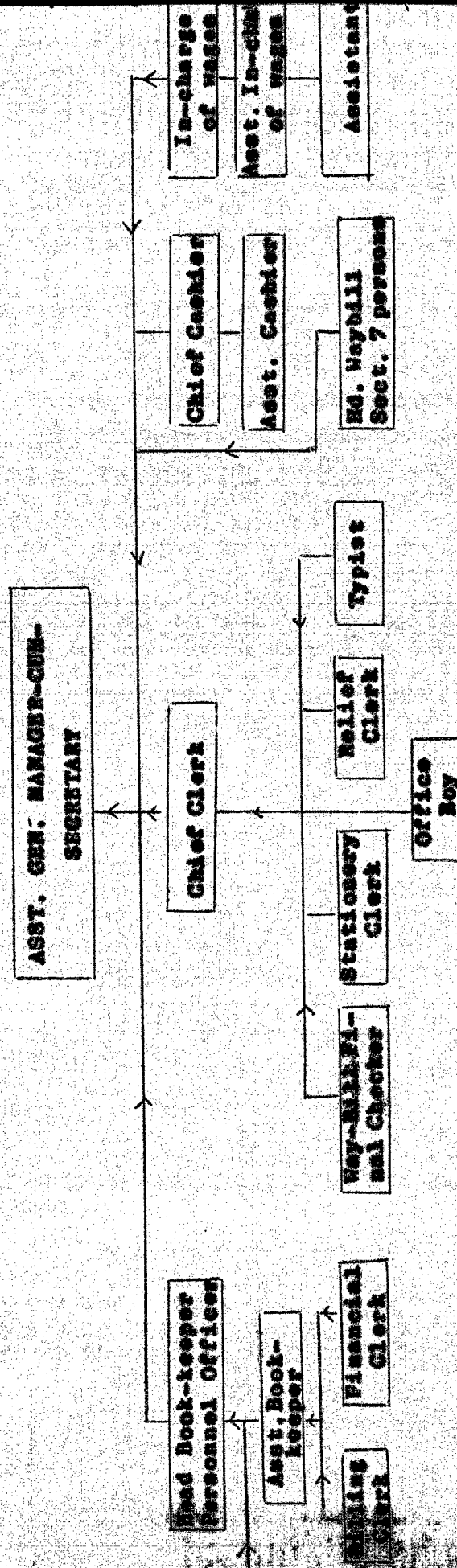


Chart 3 Showing the Lines of Responsibility in the Administrative Department.

The other main section is the accounting section which is under the Head Book-keeper who supervises all accounts. He is also in charge of personnel. As a whole the work of this section of the department is what may be called pre-dural accounting work i.e. joinalising, posting, pricing and analysis of purchases, preparation of statements, etc. (These are listed in Appendix 'C').

Comments

As far as the administrative section is concerned three aspects struck me as having room for a great deal of improvement. First, the office, the work environment appears to be cramped, drab and ill planned. However to improve this will need heavy capital investment. At the very least it needs renovation. Secondly, the layout of the work positions do not seem to confirm to the paper flow. Three quarters of the tables are placed as if they were classroom desks, in three rows and the rest are placed parallel to two of the walls. Thirdly, looking at the list of the distribution of duties, I find that a redistribution and combination of the task of several persons is necessary in the interest of economy and efficiency. It appears to me that some repetition is done and some unnecessary paper work is involved. There seem for example too much of analysis being done. If such entries could be made into separate books in the first instance for example in the adoption of some modern accounting systems like the one write system much time would be saved. More important still, this would enable the company to release or not to replace a substantial number of persons and thus reduce costs. However, I realise that definite recommendations can only be made by an expert in work study.

The workshop seems too small for the maintenance of up to between 15 and 20 buses per day. However, it is fairly well equipped. An adequate stock of spare parts here means a larger stock than is necessary in the West Coast because of the distance from local suppliers. The Workshop engineer, a qualified mechanical engineer is of the opinion that a rethreading plant is required since it would be more economical for the company to rethread its own tyres.

It seems very logical to place the Traffic Department and the Maintenance or Workshop Department under one man. This will facilitate the much needed coordination between the two. It would be very detrimental to the reputation of the company if the traffic

department requires a certain number of buses on a special day and if the workshop cannot put on the road that number of buses. Any timetable drawn by the traffic department requires the cooperation of the workshop if it is to be adhered to.

Tools of Management Control

A look at the list of the duties of the various personnels (Appendix 'C') will show that numerous returns, reports, analyses and summaries are available to the management for control purposes. These are compiled into one report the periodic Operating Statement (an illustration is given in Appendix 'D'). As mentioned above the annual operations of the company is divided into 13 periods of 4 weeks each. This division into 13 periods rather than 12 in a year is necessary so as to have periods of equal length for comparison purposes. Using this statement the management is able to compare operations with those of the same period last year and those of the last period. An estimate of revenue and costs is also made so that at the end of any one period the management is able to gauge how far the operations are short of or in excess of the estimates.

It is all very well to have all these information, beautiful tables and graphs. But, I feel that these are not fully made use of. For instance, the management knows that more people travel on Wednesdays and Thursdays and the number of passengers on Fridays are below average. But they do not adjust the schedules accordingly.

Internal control could be increased by a reshuffling of the duties allocated to those members dealing with purchasing, ordering, billing, receiving of payments from debtors and journalising the same. For instance, the first three duties of the Billing Clerk, (1) prepare bills, (2) post bills to individual accounts, (3) posting payment to the individual accounts, could be separated and placed in the hands of two individuals in order to increase internal control. Banking, daily collection and posting all collections should in the interest of increased control be done by two individuals. At the moment the cashier is doing both. Since he has an assistant cashier the posting could be done by the assistant.