Chapter 1

Introduction to Municipalities and Personnel Management
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1. 1: MUNICIPALITIES

1.1.1: Introduction

India is a vast country covering about 32,87,263 sq. km (Maharashtra is 3,07,690) equivalent to one-fifteenth of earth's total surface area. It Accommodates over 100 crore people equivalent to one-seventh of the world's total population. India is the world's largest democratic socialist Republic. After independence, written constitution was prepared and implemented in India on 26th January 1950. The Preamble of the Constitution of India is in the Following words;

"We the People of India having solemnly resolved to constitute India into a sovereign democratic, secular socialist republic and to secure to all its citizens Justice, social, economic and political; liberty of thought, expression, belief, faith and worship; equality of status and opportunity and to promote among them all fraternity assuring the dignity of the individual and the integrity and unity of the nation. In our constituent Assembly this 26th day of November 1949 do hereby adopt enact and give to consent this constitution".

Accordingly India have accepted federalism or federal Administration, In federal Administration centre and state these two governments are established and authorities and duties are allotted in these two governments. The Constitution of India confers the formation of Local Self-government. In the Constitution, Local Self-government subject is in the state's list. Hence almost all states in India have framed their independent acts and rules for local Self-government and according to these acts and rules they are administered.
1.1.2: History of Local self-government:

Like any other government, Local Self-Government stands with history, heritage and traditions. Democratic Government is the Government 'By the People and For the People' managed by fewer for the benefit of masses. The administration of these few is beneficial when it is run on sound principles of management.

Modern Administration is said to be Western concept and its origin accordingly is linked with the Western history. The main reason for this thought has been that the majority of history writers belong to the western world. Such a biased approach needs to be rectified. Indian history being one of the oldest histories known to the mankind is characterised by its scatterdness. The discontinuous and monarchical Indian history, though disfavoured by the biased writing, is full of administrative theories and practices.¹ The scattered existence and haphazard development of administrative practices in Indian subcontinent led the students and researchers towards Western sources rather than Indian ones. This not only created a trouble to the students but also put history of the Indian Administration in dark.² The History of Local self-government in India can be divided in three main periods, i.e. ancient period, British Period and post independence period.

Ancient period:

The shape of Indian administration, as it exists today, is not just the result of administrative law enacted by the British. It roots deep in the administrative history of the country from the ancient time. It is not merely the outward form of administrative behaviour of the citizens of a state that matters in the enactment

¹ Prof. S.P.Verma., Sr. Director and Dean, EMPI Business School, New Delhi.
² "Administrative system in India (Vedic age to 1947)," U.B. Singh, 1998, APH publishing corp., New Delhi, p.4
and enforcement of law but also the thinking and attitude of the masses of people and numerous communities which have evolved under the impact of social, economic, religious, tribal and political events in various times.

The real foundation of India's administrative system was laid during the Mauryan period of Indian History. Since the Indus Valley, a sort of urban civilization flourished in India. Archaeological remains of planned township have come to light at Harappa, Mahensodaro, Clumhodaro, Lothol, Kalinga and several other places before the coming of Aryans to India. During the Vedic period, towns like Indraprastha, Kampilya, Mithila, Kasi began to develop by local rulers.

The Municipal system was found in the 7th to 6th century B.C. The Mahagovinda Suttanta or the Digh Nikaya refer many well managed towns like Damtapura of Kalinga, Potana of Assaka, Varanasi of Kasi, etc. all of which flourished long before the days of Buddha. The early Buddhist literature revealed that the government was located in the city of Vaisali which had unique system of management of civic services through hired personnel. The rule vested in the inhabitants, who were entitled to direct participation in the city administration. In their 'House of Law' they also discussed personnel engaged in city administration. They had strong judicial safeguard for security and liberty of the citizens and personnel working in city management.

The History of Kautilya's administration shows that in India Municipal administration system was existing at that time also. Kautilya (Chanakya) was the Chief adviser and Prime Minister of Chandragupta Maurya. Patliputra, a neatly managed city under the rule of the Mauryans in the 4th century B.C. earned the fame of capital city since the 5th century B.C. and it became a very important city

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3 Digha Nikaya, (P.T.S.) Vol. 11 -.235: Dialogue of Buddha II. P. 270
in Asia. According to *Megasthenes* the city was having all the civic services provided by the personnel of city chief. *Megasthenes* stayed at *Patliputra* for about five years. He wrote a book called "*Indika*" in which he gave a detailed account of his observations of *Mauryan* Government and Indian life. Besides giving a detailed account of the civil and military administration of *Chandragupta Maurya*, *Megasthenes* has thrown light on *Patliputra* and its Municipal administration. He writes that it was situated on the confluence of the *Ganges* and the *Son* rivers and was a magnificent city. It was 15 kilometers long and two and a half kilometer broad. It was surrounded with a wooden wall with 64 gates and 500 towers. All round the wall there was a deep ditch to prevent any sudden attack on the capital. There were beautiful parks and artificial lakes in the city. From these quotations, the city plan and measurement of all particulars of the city are proved at that time, so, town planning function of municipality was well established at that time also. Also it can be seen that in these planning the safety and security of the people was also considered, for this purpose wall around the city and deep ditch was built to prevent any attack. There was a Municipal Committee of 30 members to look after the affairs of this city. The committee was divided into six boards of five members each. Each board had separate duties assigned to it. The six boards were; (i) Arts and crafts, (2) Comforts of the foreigners, (3) Registration of births and deaths, (4) Checking of weights and measures, (5) Manufacture of goods, and (6) Collection of Municipal Taxes. They also looked after; Public building, Water Supply, Sanitation, Roads, Gardens, Hospitals, Schools, Temples and other work of public utility.

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4 Journal of Asiatic Society of Bengal, Vol VII -1838, p. 993

5 "Administrative system in India (Vedic age to 1947)," U.B. Singh, 1998, APH publishing corp., New Delhi, p.4

6 Arrian Indica, Chapter X,
In the later stages, we find mention of Nagaradhyaksha [city perfects] who dealt with the affairs of urban life and enforced respect for law and order in the peoples minds. In the Buddhist and Mauryan period.\(^7\)

In Maratha Period foreign goods entering the ports or going out, had to pay a small custom duty of 2.5 percent. Transit duty known as 'Rahdari' was another tax on goods and animals passing from one place to another. This was same as the octroi is charged in recent days.

**The British Period**

As far back as 1687, Directors of the East India Company ordered that a corporation consisting European and Indian members be formed at Madras for the purpose of Local taxation. This corporation has a mayor, twelve aldermen and sixty burgesses. It was superseded by the Charter of 1726. The officer, who had the charge of the presidency town police, exercised Municipal functions also.

The system of voluntary taxation arrangement made by Hastings in 1773. The whole town of Calcutta was divided into a number of wards. Each ward was placed under a 'Kotwal', appointed with the general approval of the people. Below him was a 'Thanadar', who was assisted by a Naib or deputy and a number of 'Nikemen', whose duty was to patrol the town at night. At the head of all the divisions was placed a European employee of the Company i.e., Superintendent of Police who exercised both police and municipal functions. The Governor-General-in-Council (GGC) enacted a set of regulations in 1780. According to these regulations separate collectors were appointed to realise municipal taxes. Later according to the act of 1847 The Calcutta Municipal commissioners were declared a body corporate.

\(^7\) Internet—Chapter 14 "Local Self-Government", Home Gazetteer 'Manipur'.
In case of Bombay, the Act of 1845 established an executive body called the Board of Conservancy, consisting of seven members - two being Ex-officio and five elected by the justice (3 were to be Indians).

Present face of municipality is actually shaped by Lord Ripon. Lord Ripon’s Government took an important step in regard to municipal administration of town. The first attempt to introduce Municipal Government, outside Presidency towns, was made by an act passed in 1842. This act provided for election constituting municipalities and also the levy of local taxes. Lord Ripon’s Resolution of 1882 provided for the introduction of principles of self-Government in the Municipalities. According to it, the actual Municipal Administration was to be transferred to the elected representatives of the people working under a non-official chairman, though the ultimate supervision, control and super chairman though the ultimate supervision, superintendence remained with the government. Municipalities should spend funds on education, medical relief and local works of public utility.

Post independence period

As stated in beginning of this chapter, India has accepted federalism; in federal Administration simultaneously two governments are established consequently authorities and duties are allotted to these two governments. The Constitution of India confers the formation of Local Self-Government. In the Constitution, "Local self Government" subject falls in the state's list. Hence almost all states in India have framed their Act and rules to administer local self Government and according to these enactments and rules they are administered.

1.1.3: Importance of Local Self-Government

India has a democratic framework of Government with the paraphernalia of popular and responsible government – an elected parliament, a Ministry, an independent judiciary and a government accountable to the people through their elected representatives. But a true democracy in a democratic society cannot
sustain long unless the country has a democratic climate in the management of social, economic and welfare schemes from the bottom upwards. Inculcation of practical interest in politics and better management of human affairs among the people is needed.

If in the name of efficiency, the local bureaucrats are allowed to dominate at all lower levels, the country will fail to have trained citizens to run the democratic structure successfully. "Begin small and grow large" applies most suitably to the system of Local self-government. Those who participate in the local self-government mechanism today, gain the necessary experience and training to participate in the State and Central politics tomorrow.

Local Bodies are important units in decentralisation of political power and promotion of democratic values. They are also an indispensable part of the government machinery, contributing to the efficiency at the higher echelons of Government of relieving them of purely local tasks. As against departmental specialisation at the Central and State levels, local bodies are the media through which functional compartmentalisation can be canalised into co-ordinated plan of all-round development at the community level. Local bodies can press into the service of the citizen specialised knowledge of technical departments. They can also become affective instruments of social and cultural development of urban communities by developing large civic sense and neighbourhood consciousness.

1.1.4: Structure of Local-Government in India

Local Government system in India is organised into two broad patterns i.e. Panchayati Raj system with its three-tier bodies viz. Panchayat at the village level, Panchayat Samiti at the Block level, or Sub-divisional level and Zilla Parishad at the District level covering only the rural areas; and the other are the urban bodies which consists of the five different types viz. Municipal corporation, Municipal Council or Board, Small Town Committees, Notified Area Committees, and Cantonment Boards. Except the last viz. the Cantonment Boards, all other
local bodies are subject to the State Legislations as a result, local bodies in different states have a wide differences with regard to organization, powers, functions and. The structure of Local self Government may be diagrammatically shown as follows.

Fig. 1.1 showing Hierarchy of Governments and structure of Local Self-Government at Rural and Urban Level

1.1.5: Municipalities

All urban self-governing bodies are graded on the basis of population into Municipal Corporation, Municipal Council (‘A’, ‘B’ and ‘C’ Class), Industrial Township, Cantonment Board etc. These limits are fixed by respective acts. In Maharashtra this is fixed according to the provisions given in The Maharashtra Municipal Councils, Nagar Panchayats and Industrial Townships Act, 1965. The common feature of all these is that they are urban in character. Although the duties, functions and power of taxation granted to them differ from state to state,
but more or less they are the same. The Notified Areas and Town Areas enjoy lesser powers.

1.1.6: Classification of Municipalities

Municipal councils are divided into three different classes according to volume of population in such municipal area. The classification of municipal area in Maharashtra is given under "The Maharashtra Municipal councils, Nagar Panchayats and Industrial Townships Act, 1965" The Section 3 of the Act Gives the criteria for the classification of the Municipalities as under;

Table 1.1 showing classification of Municipal Councils

<table>
<thead>
<tr>
<th>Class</th>
<th>Criteria of Population</th>
<th>Sec. in the Act</th>
</tr>
</thead>
<tbody>
<tr>
<td>A Class</td>
<td>A Municipal Area with a population of more than 1,00,000 shall be 'A' Class smaller urban area;</td>
<td>Sec. 3 (a)</td>
</tr>
<tr>
<td>B Class</td>
<td>A Municipal Area with a population of more than 40,000 but not more than 1,00,000 shall be 'B' Class smaller urban area; and</td>
<td>Sec.3 (b)</td>
</tr>
<tr>
<td>C Class</td>
<td>A Municipal Area with a population of 40,000 or less shall be 'C' Class smaller urban area.</td>
<td>Sec. 3 (c)</td>
</tr>
</tbody>
</table>


The state Government shall review the classification made under this section after each census or when the limits of any area ceases to be municipal area, and shall, where necessary, amend Schedule I accordingly.

1.1.6: Formation of the Municipal Council

According to Sec. 8 of The Maharashtra Municipal Councils, Nagar Panchayats and Industrial Townships Act, 1965 there shall be a council for every smaller urban area. It shall be a body corporate by the name of "The (City/Town) Municipal Council". It shall have perpetual succession and a common seal, and
shall have power to acquire, hold and dispose of property, and to enter into contracts and may by the said name sue, or be sued through its Chief Officer.


1.1.7: Duties and Functions of Municipalities

Duties and functions of the municipalities are specified in The Maharashtra Municipal Councils, Nagar Panchayats and Industrial Townships Act 1965.

Some Important Obligatory functions Under Section 49 (I)
1. lighting public streets, places and building;
2. urban forestry, environment protection and promotion of ecological aspects;
3. cleansing public streets, places and sewers, and all spaces;
4. maintenance of a fire-brigade equipped with suitable appliances
5. securing or removing dangerous buildings and reclaiming unhealthy localities;
6. acquiring and maintaining, and regulating places for the disposal of the dead;
7. constructing and maintaining public streets, markets, slaughterhouses, latrines, privies, urinals, drains, sewers, drainage works, sewerage works, baths, washing places, drinking fountains, tanks, wells, dams and the like;
8. Obtaining a supply of potable water at reasonable cost;
9. Registering births and deaths;
10. Public vaccination;
11. Establishing and maintaining public dispensaries and providing public medical relief and organising
12. Establishing and maintaining primary schools;
13. converting dry latrines in the municipal area into wet latrines;
14. Improvement of the living and working conditions of sanitary staff.
15. welfare measure for Reserved Categories who are residing in municipal area;
16. Providing special medical aid and accommodation for the sick in time of
dangerous or communicable disease. and its prevention;
17. Imposing compulsory taxes which are specified in section 105.

Some Important Voluntary Functions under Section 49 (2)
1. Laying out, new public streets, and acquiring the land of or that purpose;
2. Slum improvement and up gradation;
3. Cattle pounds and prevention of cruelty to animals;
4. Establishing or maintaining public hospitals, institutions for pre-primary and
secondary education, libraries, museums, gymnasiums and homes for disabled
and destitute persons, and constructing buildings like town halls, municipal
offices, shops, Dharamshalas, open-air theatres, stadium and rest-houses, etc.;
5. Laying out or maintaining public parks and gardens, and planting;
6. Taking a census, and granting rewards for information which may tend to
secure the correct registration of vital statistics;
7. Arrangement of receiving and collecting the sewage of private premises into
sewer under the control of the Council;
8. Acquisition and maintenance of grazing grounds, and the establishment and
maintenance of dairy farms and breeding stud;
9. Establishing and maintaining a farm or factory for the disposal of sewage;
10. Arrangement of telephone lines and related matters;
11. well-being of municipal employees and their dependent;
12. providing accommodation for servants employed by the council;
13. Arrangement of transport facilities for the conveyance of the public;
14. Arrangement of supply of electrical energy or gas;
15. Arrangement of libraries and museums, hostels for students etc.;
16. Any other measure not specified in sub-section (2) likely to promote public safety, health and convenience.

The growing urban services have affected not only the daily needs of the people but also the economic structure of the society, its social pattern and cultural profile. In view of the changes concept of state’s activity, urban government have changed their role. They have not only to look after usual function of street lighting, conservancy and sanitation, roads etc., but also to promote social economic development in accordance with the aims of the directive principle of state policies. Municipalities should provide training to citizens in economic and social planning by virtually equalising living conditions. It brings the community nearer to the goal of socialism.

1.1.8: Control of Government over Municipalities

The control simply means control exercised over a local body as the case may be which has created it by its act. Naturally it is unitary in character. Central Control directly or indirectly have concerned to control over employees.

The local authority enjoys autonomous status. R.M. Jackson writes “Local authority cannot be really independent, for that would make them states and taken then out side the field of Local Govt.” Therefore very close relationships exist between the authority exercising control and the local units. There are several reasons for central control.

1. Local units are deficient in knowledge as compared to the state govt because of the skill area which they administer.

8 “Local self-Government and central control,” R.M. Jackson, p. 36.
2. Central control is necessary to maintain a reasonable degree of efficiency in local administration.

3. It becomes necessary for outside authority to save the community against such influence of local influence which may go against it good.

4. To prevent reluctant to self-taxation and forcefully adoption of schemes of social betterment.

5. Providing grants to poorer areas that cannot afford to have amenities which are enjoyed by other areas.

6. Central control is necessary for maintaining accretion of uniformity in municipal administration.

Types of control

The controls are of three types of control i.e. Parliamentary, administrative and judicial control. The central authority controls local govt. by various means.

1. Application of rules and regulations.

2. Approval or rejection of bye-laws, schemes, resolutions, and appointment and removals of municipal employees particularly of the higher category.

3. Giving advice to local bodies, because they have more experience and highly specialised staff. The advice in many cases amount to an order.

4. The higher authority appoints inspectors who visit the local government units and report on their efficiency.

5. If a local authority does not perform an obligatory function, the central authority has powers in some case to act and charge the defaulter.

6. State Govt. gives various grant-in-aids to municipalities with strings attached, this makes room for inspections. If the Municipality fails to carry out function as indicated by state, the grants may be stopped, on completion
of the work there is audit of accounts. So, Grant-in-aid is probably the most effective instrument of central control.

7. State authority may supersede local authority, if it finds incompetent to perform its duties. In India it is not uncommon to supersede local bodies.

**Role of Union government in Local Government**

Although the subject of Local bodies falls within the jurisdiction of the State govt. in our Constitution, yet govt. functions are today inter-linked. The Union Ministry of Health has a Central Council for Local Self-Government. This council has been initiated several programmes for local government benefits. But at large, the Union government is not playing an active part in growth of local bodies.

The Union Ministry of Community Development and *Panchayat Raj* have played a very useful role in the field of rural local bodies. In the field Urban Local government also, there has been development by way of establishing the Indian Institute of Public Administration a centre for the Study and Research in Municipal government. This centre has been conducting training for Municipal personnel and has been publishing a Journal Called "*Nagarlok*".

**1.1.9: Acts, Rules and Regulations applicable to Municipalities**

In 1965 “the Maharashtra Municipal Councils, Nagar Panchayats and Industrial Townships Act, 1965” was enacted and implemented on 15 June 1966. The divisional Commissioner exercises control over all local self-Governments under respectively applicable acts, rules and regulation. To all Municipalities in Maharashtra State, “The Maharashtra Municipal Councils, Nagar Panchayats and Industrial Townships Act, 1965” (hereinafter called as ‘The Act of 1965’) is applicable.

From separation of Municipal affairs from revenue department many acts was enacted which was regulating municipal council Marathwada including
In 1956 "Hyderabad Municipality Act 1956" was passed and implemented. "Hyderabad Municipality Act 1956" was applicable to municipal council in Marathwada region up to 1965. Before ‘The Act of 1965’ the pattern of municipal government in Maharashtra was not uniform. Different acts were applicable for different regions such as The Bombay District Municipalities, Viderbha region, Marathwada region.

The Act governing and administering municipal councils in Maharashtra is “The Maharashtra Municipal Councils, Nagar Panchayats and Industrial Townships Act 1965”. In addition to this, where the said act is handicapped there “The Maharashtra Civil Service (…Rules) 1981” are applicable. Some Cases are dealt with the “Maharashtra Region Town Planning Act 1966” such as Architectural, Town Planning etc.

Moreover, Under Section 321 (1) of ‘The Act of 1965’ the power to make all rules under this Act shall be exercisable by the state Govt. by notification in the Official Gazette. Under Section 322 (1) ‘The Act of 1965’ The power to make all by-laws under this Act shall be exercisable by each Council, subject to the previous sanction of the Collector or the State Government.
1.2: PERSONNEL MANAGEMENT

1.2.1: Introduction

Every organisation needs money, materials, machinery, men and other resources to develop, survive and achieve its organisational goal. Among all these resources 'MEN' is very important and management of 'MEN' is challenging task. It is not a mass of machines and technical progress but is a body of men. It fulfils its functions not by virtue of some impersonal force, but human energy. For the successful functioning of an organisation the manpower must be properly utilised. Personnel Management is concerned with tactful handling of people, assessing human requirements of an organisation and running the enterprise at its optimal level. Personnel management is an extension of general management and is concerned with the prompting and stimulating every employee to make his fullest contribution to the purpose of business.

In fact, if we look at the word management, it can be divided into "MANAGE—MEN—T." if the word 'Tactfully' is substituted for the 'T', the word 'management' would mean 'MANAGE MEN TACTFULLY'. Thus the word itself suggests the most important aspect of management, namely, of managing men or human beings in a particular manner, namely, tactfully.9

Personnel management is defined by Michael Juicius as, "that field of management which had to do with planning, controlling, various operative functions of procuring, developing, maintaining and utilising a labour force, such that;(a) Objectives for which the company is established are obtained economically and effectively, (b) Objectives of all levels of personnel are waved to

Personnel management is therefore concerned with the following.

- Manpower planning
- Employee selection, recruitment, and placement
- Career development, counselling and performance evaluation and training and development.
- Welfare, safety and health of employees in an organisation.
- Maintaining harmonious labour relations
- Discipline, control and evaluation of personnel functions
- Compensation and benefits of employees
- Job analysis and employment opportunities programme

Personnel management is the function performed in organisations which facilitates the most effective use of people to achieve organisational and individual objectives. Personnel management is known by various names, such as Industrial relations management, human resource management, employee development, Personnel administration etc.

1.2.2: Functions of Personnel Management

According to Flipo, “Personnel Management is the planning, organising, directing, and controlling of the procurement, compensation, integration, and maintenance of people for the purpose of contributing to organisational, individual, and societal goals”. This is a comprehensive definition that speaks about the functions of personnel management. The functions can be convenient grouped into two i.e. (i) managerial functions and (ii) Operative Functions.

10 "Theory and practice of Management" by Dr. Verma and Agarwal, Forward Book Depot, Delhi, p.24
Managerial functions of personnel management are planning, Organising, Directing, controlling of operatives functions which are as follows;

- procurement
- Staffing; which includes – Recruitment and selection, Placement, Promotion or demotion; and Transfers.
- Training and Development
- Compensation
- Integration
- Maintenance of cordial relations

Some other functions of personnel management are; working conditions, Motivation, and Personnel records. Apart from these functions there are two advisory functions of personnel management given by some authors i.e. Advice to top Management and Advice to heads.

From the viewpoint of personnel management, planning involves the determination of a programme of personnel that contribute effectively to the goals of enterprise. After the plan of action is determined, an organisation of resources is needed to carry out its operations. By designing structure of relationships among personnel jobs and other physical factors, personnel manager performs this organising function. Another function of managerial nature is Direction. Perhaps of all the functions of management, Direction is the most crucial because it deals with the 'motivation', leadership, and command. A Personnel manager must be a good motivator, and a good leader. He should know how to motivate employees effectively, and he must exhibit appropriate leadership style depending on the situation. After the direction controlling of activities is necessary. Controlling keeps business activities right towards its primary objective and keeps the manager aware of the productivity of his operations. It is the managerial function concerned with regulation of activities in accordance with the personnel plan.
Operational functions of Personnel Management:

**Procurement**

It is basically concerned with the hiring of personnel of right number, right kind, of right quality and at right time. This function as such deals with selection, recruitment, and placement of personnel in their respective suitable jobs.

**Training and Development**

It is related to the development of skills, ability of employees. Different methods of developing potentials of employees in work organisations are; training and education, on the job training, off-the job training and morale building.

**Compensation**

This function is concerned with the determination of adequate and equitable remuneration of the employees. For municipal council, the State Government looks after this function. For fixing the wages level the state Govt. makes use of certain techniques through pay commissions appointed for all the govt. and semi-govt. employees.

**Integration**

Another difficult and frustrating challenge before the personnel management is to integrate the individual goals with the organisational objectives. It is an attempt to bring about a reasonable reconciliation between individual needs and organisation goals. Collective bargaining negotiations with the trade unions and social implications of changes are some of the issues concerning this function of integration.

**Maintenance of Cordial relations**

It is also the function of Personnel Department to maintain cordial relations between employer and employees and among the employees. Maintenance aims at establishing good working environment and favourable attitudes toward the employees.
**Working condition**

For smooth running of organisation, the personnel must be provided with good working conditions so that they may like their work and work place and maintain their efficiency and boost morale. Working condition includes the measures taken for health, safety, and comfort of work force. This may also includes provisions of cafeteria, rest room, counselling, group insurance, education for children of employees, recreational facilities, etc.

**Motivation**

Employees work in organisation for satisfaction of their need. In many of the cases, it is found that they don't contribute to the full of their capabilities. This happen because they are not adequately motivated. There are financial and non-financial rewards as motivation. Financial rewards are bonus, etc. and non-financial rewards include appreciation letters, praise in gathering etc.

**Personnel records:**

Establishment section maintains personnel record working in organisation. It keeps full record of their training, achievements, transfer, promotion, etc. There is need to have many other records relating to behaviours of personnel like absenteeism, and labour turnover and personnel programme and policies of municipal council etc.

**1.2.3: Importance of Personnel Management**

Management of people is the most important and difficult of all the activities in an organisation. Of course, business cannot be expected to get success if it ignores the human element. The importance of personnel management is beautifully summarised by Aldrich who contends "the nearest analogy is the human body". Personnel management is not only the brain, the controller, but it is the whole nervous system. According to Rensis Liker "Managing the human component is the central and most important task among all the tasks of
management”, because all else depends on how well it is done. Personnel management is important because it is

- concerned with the employees,
- focused on the development of employees,
- Designed to get willing co-operation from the people, it is an approach, a point of view, and a technique of thinking and a philosophy of management essentially concerned with the people and their problems.

1.2.4: Need for efficient system of Personnel Management in PMC

To provide efficient civic services PMC has to introduce dynamic system of Personnel Management. After independence of India, the municipal administration and personnel management was looked as a two sides of a coin. The modern organised groups, whether industry or in education or in municipal corporations and councils are characterised by materialistic outlook and are influenced by personal or group considerations or human factors, which is the most complex one in any organisation. The employees possess a wide variety of characteristics, perceptions, needs, attitudes and habits. In spite of variation in all cited characteristics, the organisation finds it necessary to bring all the people and all the groups together so that all of them together can give the maximum possible return. Hence, it is necessary to know that how employees feel, think and act.

The world is changing fast; the service personnel as such in municipalities must keep a pace with the latest development. In this context it becomes necessary to identify the factors responsible for a sound personnel system. It is all the more important in Indian scenario, where administration has remained virtually static in spite of noticeable changes in other aspects of life. Various conferences, seminars, committees and commissions have highlighted the factors that are responsible for a sound personnel policy. These factors are – (1) The best man for the job; (2) increasing professionalism; (3) competitiveness in selection for higher administrative positions; (4) placement to be, job oriented and not status oriented;
(5) motivation for the better performance; (6) objective evaluation of performance; (7) rational promotion and personnel development system; (8) appropriate organisation of functions of government and appropriate policies and practice of enable optimum personnel performance; and (9) Intimate link between purposes of personnel system with the basic objective of the organisation.

Successful working of local self-government depends upon the team efforts and good organisational relations. To establish good organisational relations and to achieve above shown aims, efficient personnel management is necessary. In a personnel policy the main aim should be to attract people with skill, ability and knowledge at a cost that the organisation can afford. Employees must be treated as honourable individuals, justly rewarded, encouraged in their progress, fully informed, properly assigned and that their life must be given meaning and dignity on and off the job.

1.2.5: Objectives of Personnel Management

Personnel management is basically aimed at:

1. Employing the skilful, intelligent work force in the organisations.
2. Providing the organisation with well trained and well-motivated employees.
3. Increasing to the fullest the employee's job satisfaction and self-actualisation.
4. Developing and maintaining the quality of work life.
5. Helping the members to maintain ethical policies and behaviour.
6. Managing change to the mutual advantage of individuals, groups, the enterprise, and the general public.

Personnel management, thus, aims at the attainment of maximum individual development, maintaining desirable working relationships (between employees and organisation), handling the human problems in organisation, and acquiring, developing, utilising and maintaining effective work force.
1.2.6: **Personnel systems in Municipalities**

Different countries follow different personnel system in municipalities. Even in the same country, different types of systems are followed. The factors that determines a personnel system are generally the local condition according to which the municipal government has developed, the degree of autonomy it enjoys, and the structure of the central government whether federal or unitary.

In India, where the constitution has provided for federal structure and where the local government is treated as state subject, different personnel systems are followed by different state. However, the pattern followed in local government as regards to personnel reveal three different systems namely:

1. Separate personnel system for each municipal authority;
2. Unified personnel system for all the municipal government in the state
3. Integrated personnel system for state and municipal authorities.

**Separate Personnel System:**

In Separate Personnel System local authority has power to hire and fire. Each municipal authority administers its personnel system in its own way. Personnel are neither transferable from one municipality to the other, nor to the state or to national government. This system enables the municipal govt. to enjoy the local autonomy in the sphere of personnel administration. All municipal personnel are subjected to the control, direction and supervision of the local municipal authorities.

This system can ensure the loyalty to municipal authority and effective performance of municipal services. It offers as far as possible scope for local recruitment from local area. The knowledge of local conditions to personnel is added benefit. However, the separate personnel system cannot fulfil all the

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expectations of good personnel system. Municipal government with limited resources cannot secure men of high calibre into the services and it can’t provide training to them. Municipalities may not get adequate number of professional and technical personnel. There is less opportunities for further promotion. Favouritism in recruitment by municipal bodies is not uncommon.

**Unified Personnel system:**

In unified personnel system, all or certain categories of personnel of municipal authorities constitute a single cadre for the entire state. Appointments, promotions, transfers and removal of personnel in this system are usually administered at the state or national level. In this system, the personnel are transferable from one municipal area to the other.

Unified Personnel System helps needy units to get necessary competent and trained personnel. It facilitates the recruitment from extensive areas i.e. whole state or the country; hence it ensures the competent personnel. The system prevents local influences and favouritism.

But, the unified personnel system also can’t solve all problems of personnel system. It may give rise to many new problems. The personnel recruited or transferred from different municipal authorities as against smaller ones, are few in number. Therefore opportunities for promotions particularly in case of higher officers may be restricted.

**Integrated Personnel System:**

In integrated personnel system the personnel of the national or the state government and municipal govt. forms same services and are transferred from State or National government to municipal government and vice versa. Integrated personnel system eliminates difference in the personnel of municipal government and state government and scope of promotion are not restricted. Smooth functioning of integrated personnel system required harmonious relation between
municipal authority and state authority, otherwise it may lead to constant friction between the municipal and state government.

The personnel system must lead to economy, administrative efficiency, and effective civic service. It must provide control over the municipal government. Local autonomy is to receive due recognition. Considering present political conditions in the country, state can adopt a blend of all various systems. It would be feasible and desirable to have a unified personnel system when personnel required high academic qualification, training, recruitment on merit and from extensive area, scope for promotions and better service conditions. Where the State government wants to have system through which it can exercise its control, direction and supervision, an integrated system is suitable, in those cases.

Ashok Mukhopadhyaya's comparative study of unified and separate personnel system in municipal administration in Rajasthan and Gujrat although based on limited evidence comes to the conclusion that unified system is not ipso-facto better than separate personnel system and the latter when suitably reformed would be efficient instrument for serving local and be in conformity with the basic values of municipal Govt.\textsuperscript{12}

\textsuperscript{12} Ashoke Mukhapadhyaya, Municipal Personnel Administration, Centre for Urban Studies, II Public administration. New Delhi 1985 pp.104-105