CHAPTER - I

INTRODUCTION

A. Significance of Human Resource

The prosperity of any organisation depends upon the endeavours of human beings employed in it. If every employee is suited to his job, does it efficiently and enthusiastically and actively promotes the interest of that organisation, it will prosper to the fullest extent allowed by external influences. Due to appropriate recruitment and selection, there will not only be a creation of a sweet environment within the organisation to which they pertain but they will also make their the fullest contribution towards the attainment of predetermined objectives. "There is no doubt that there is only the human factor which is the active factor of production. Therefore, entire development depends solely on its size, composition and its efficiency. Rapidly increasing population and its efficiency. Rapidly increasing population is a great hindrance to economic progress. The size of population, its size of working force and particular rate, its attitude and outlook toward scientific innovations and its human skills etc., determine to a very great extent the course and pace of development of a nation/region."¹

The human resource plays dominant and crucial role in the development of any country. Human resource occupies a pivotal position in any organisation and is just like its life blood which can not function without it. History fully
replete with the rise and fall of societies—mostly attributed to the quantitative and qualitative aspects of the human resource and qualitative aspects of the human resource precisely societies have emerged rich with a great potential for growth because they are endowed with people rich in drive, vision, ingenuity, creativity and the spirits of enterprise.

Human resource is a dynamic element and a potent force having the capacity to alter the destinies of the nations themselves not to speak of the organizations at the micro-levels. The existing disparities can be examined in the economic development of different countries, are mainly because of difference in the quality of work-force available. They act as a catalytic agents in acceleration of the process of economic development of a country.

As Meier and Baldwin have put it, development does not occur spontaneously as natural consequences when economic conditions or agent is needed, and this requires people with the derive and vision. It should be noticed in this context that paucity of human resource of right quality is mainly responsible for the backwardness of the otherwise rich nations. Therefore, human resource is to be developed, nurtured and properly organized in order to bring about prosperity in any country. It should be noted that development is a reflection of the quality and potential of the human force. Among the various factors of production, human resource is the critical and crucial factor. Nothing can be turned out until the other factors of production are
galvanized into action by the human resource.

Hence, human resource comprises one of the most valuable assets and is better source of capital than non-human fixture who give continuity to any organisation i.e. productive or service oriented and coordinates the best of machines money and even men to the optimum advantages of the organisation.

According to Harbison, “Human Resources are the energies skills, talents and knowledge of people which are or which potentially can or should be applied to the production of goods or rendering of useful services.”

The situation has been most aptly dramatized by Curle Adam, an economist, who said that ‘if underdeveloped countries have remained underdeveloped it is largely because the people are underdeveloped having had no opportunity to realise their maximum potentialities.’ The maximum utilization of people and their potentialities is the key to the growth of nations. Drucker while addressing the CIOS conference in Tokyo a few years ago said that the major problem in developing countries is the problem of under management of resources particularly the abundant human resources in the country like India.

Human resource is the total knowledge skills, creative abilities, talents and aptitudes of an organisation’s work force, as well as the values, attitudes and beliefs of the individuals involved. The human resources have also been designed as human-factors. According to Jucins, the human factor refers to a whole
consisting of inter-related, inter-dependent and inter-acting physiological, psychological, sociological and ethical components. The human aspects are subjective and changeable, qualitative and dynamic varying with cultural and personal backgrounds, economic events and with the passage of time, indeed a complex of perplexing forces. As scrutinized from these observations, it is apparent that human factor is highly dynamic in nature.

Human resource in organisations also gained significance due to the fact that most of the problems in the modern organisations are human and social in nature rather than physical, technical or economical.

It is people who can make a difference and who can have an everlasting impact on the survival and functioning of organisations. Failure to recognise this cause immense loss not only to the individual enterprises but also to the whole economic system. The importance of human resource has also been advocated by Oliver Shelton, Peters and Waterman and McGregor. Hence, it is advocated that human being must be recognized as a forceful factor for the nations and also for the success of organisations.

The significance of human factor can be examined from at least two standpoints — economic and non-economic. Firstly, the human resources assume importance from economic standpoint at national level and at the level of individual enterprise. They have been viewed as a form of capital and as the product of investment whereby production is acquired. As Ginzeberg points out, human resources are the way to
economic development. However, they are being wasted through unemployment, disguised unemployment, obsolescence of skills, lack of work opportunities, poor personnel practices and the hurdles of adjusting to change. The human resources account for a large part of national output and their existed wide scope for enhancing productivity through their proper development. The physical resources, viz., material machine, money and energy are all important in achieving the productivity of the organisation, but they will not give results unless the human resources are applied to them. In addition to providing value to the physical resources, the human resources provide a dynamic character to the economy and to the individual enterprise.

Secondly, the importance of human resources arise from the non-economic factors. The concept of freedom of enterprise and equality of persons indicate that individuals should have maximum freedom of opportunity to avail of their potentialities. Thus, from the potentiality standpoint, the human resources have a very prominent place in organisations as their participants. Moreover the human resources are also significance from religious viewpoints. They are being considered 'spiritual' creatures quite different from other resources.

The human resources also become important from cultural and social viewpoints. Cultural values and social systems immensely influence human behaviour in work setting and provide a distinct value to them as compared to physical resources. The human resources are also significant from
They require a particular psychological environment to work. The essence of psychological environment is motivation which provides dynamism to these unique resources.

Any organisation of today is producing product or rendering services which were unknown in the past and thus providing more material comforts in life than ever before. The significance of human factor is that all these comforts are possible through the effective utilization of human resources. It is the human resource which has to harness all other resources effectively. It is the only human resource which appreciates with time whereas all other resources undergo the process of depreciation. All the firms buy the same materials and machines but it is people in the firm who build the organisation and make a difference in the final product. A machine's maximum value reaches the day it starts producing. Man never reaches an ultimate value throughout the lifetime at work, but is able to change, grow and enrich his value. Success of an organisation mainly depends on the quality of its manpower and its performance. Perhaps this is the reason why efficient management of human resources has become the foremost and central task of any organisation.

**Human Resource Management and its Implications:**

The management of man is very important and challenging job; important because it is a job, not of managing 'men', but of administering a social system. The management of men is a challenging task because of the
dynamic nature of the people. Two persons generally are of similar in mental abilities, traditions, sentiments and behaviour, they differ widely also as groups and are subject to many and varied influences. People are responsive, they feel, think and act. Therefore they cannot be operated like a machine or shifted and altered like a template in a room layout. They, therefore, need a tactful handling by management personnel. If manpower is properly utilized, it may prove a dynamic motive force for running an enterprise at its optimum results and also work as an elixirs for minimum individual and group satisfaction in relation to the work performed. Manpower management is a most crucial job because managing people is the heart and essence of being a manager.16

Any organisation, be it commercial, industrial, service comes into existence when people join hands for the production of certain goods or services. No organisation can function smoothly and successfully unless the human resource is directed well. Scott and Rochester said that, organisation are only as good as the performance of the people in them. Entrepreneur flair, financial wizard, technical brilliance, administrative efficiency are not enough to enable them to flourish.17 Edward Flippo states Personnel Management is the planning, organisation directing and controlling of the procurement development compensation, integration, maintenance and separation of human resources to the end that individual, organisation societal objectives are accomplished.18 The managers in an organisation must
allocate some of their time, skill and resource of human factor because of various special traits and problems that call for solution. 19

The manager plays a vital role in an organisation around whom various activities cluster. The smooth and effective function of an organisation is based on the caliber of his work which he has to perform. Hence, managers must require skills and expertness to mobilize the personnel as a factor of production. But the human factor is much more than what a factor of production implies. Human beings are members of social system of organisation interacting with one another. People in any organisation manifest themselves not only through individual actions but also through group interactions. When individuals come to work place, they bring with them not only their technical skills but also their personal feelings, perception, desires, voice, intelligence, race, language and general habits are the less readily apparent differences in emotional responses to various stimuli and motives, attitudes and modes of thought. 20 In view of this, an employee in an organisation must be dealt with as a human being. May and his associates in their Hawthorn Studies have dramatized the fact that the worker is not a glorified machine, an inert instrument in the production system. 21 The concept of treating the worker as economic factor of production had become out dated with the adoption of humanitarian approach during the present century. 22 People do not work for bread alone. They have multifarious needs physical as well as psychological. The
satisfaction of all these needs is very important. The work environment should be so designed to restore the man's dignity. To achieve this objective, the manager's have to assume the responsibility for encouraging the human resources to contribute fully for the achievement of their individual group as well as organizational objectives.

Hence, it is important that manager must comprehend fully cooperate to an individual needs and why the actions of all human beings are goal-oriented. It is so because needs or motives are the reasons underlying human behaviour. They heave and maintain actively and determine the general direction of behaviour of an individual. The behavioural scientists, Abraham Maslow\textsuperscript{24} Herzberg,\textsuperscript{25} McClelland,\textsuperscript{26} Alderfer\textsuperscript{27} and other have emphasized need satisfaction for employee motivation. With proper understanding of human behaviour, the manager would be able to shape it effectively in the right direction towards the attainment of the maximum contribution of work force employed for accomplishing the desired objectives, increasing organisations' productivity and satisfaction of individual concerned. Successful management depends upon the manipulation of human behaviour.\textsuperscript{28} However, dealing with human factor is a formidable and challenging job for all managers, especially the personnel managers.

Importance of Human Resource in Municipalities

The successful management of human resources is one of the indispensable concomitants of the sound performance of
an organisation. According to Mathis and Jackson, better management of human resources can be a major source of productivity improvement. Human Resource, it should be remembered are the greatest asset of an organisation, because as rightly pointed out by Peter F. Drucker man alone, of all the resources available to man, can grow and develop. The resources capable of enlargement can only be human resource. All other resources stand under the law of machines. They can be better utilized or worse utilized, but they can never have any output greater than the sum of inputs. In order to utilize the human resources fully, it is necessary to have careful planning so that the right man can be placed on the right job. Planning in any respect is that which bridges the gap from where we are to where we want to go. Planning certainly helps in exploiting their talents and capacities thoroughly and realise their potential. According to Sikula, maximum productive use of any organizational input can only be attained through the conscious and prolonged attention to planning details. Human resource planning provides a sound basis for most other functions of personnel management. It has also a vital nexus with economic planning at the national level.

In task of advising the civic leaders and maintaining and delivering services to the citizen, municipalities require an administrative framework supported by alert and devoted personnel. There is minimum of mechanization in municipalities. hence municipalities have to depend heavily on the competence and devotion of their personnel in
performing the required services to the public.

The municipal function are highly labour intensive; some services are crucial in day to day urban living like water supply, drainage and sewage garbage disposal, street lighting, public health functions and so on, are dependent on proper functioning of the municipal personnel. There is generally a high frequency of citizen's contract with municipal personnel. The public image of municipal administration, hence, depends on the functional efficiency of municipal employees. The issues and problems which the personnel deal with and decisions they are called upon to take, are obviously 'Local' in nature. Municipal personnel should work in the full gaze of public criticism at the local level by the local consumers of municipal services. Further, almost a face to face relationship exists between municipal personnel and local political leadership which often determines the quality of performance of the former.

Due to the creation of numerous and complicated problems and functions which are being rendered to the public in urban areas, the personnel in municipalities require special skills and expertise to cater to the needs of the public. It is often felt that by rendering better the financial resources of municipalities the municipal services can be ameliorated. But it should be recognized that each service greater financial resources are available. Municipal services may not improve if municipal personnel are not properly motivated and managed. Even well thought out development plans would fail if the work force who implement
them are not systematically recruited, compensated, trained and managed. Hence, there is a priority for the management of human resources so that relevant civic amenities can be furnished to the public when they require.

Role of Municipalities

The word "Municipal" has a variety of meanings in our state constitutions and statues. In some instances, it is employed to designate cities, villages, and incorporated towns; in others it has been applied to any unit of Government below the level of the country. But, whether used in either the strict or elastic sense, "municipal" applies to a unit of Government which acts as an agent of the state. Municipality is a legal entity embodying the organized legal will of the community. Its main justification for the existence is that it seeks to provide for the welfare of all of its citizens through the efforts of its work-force. It levies taxes; it can sue or be sued; it has the right of eminent domain and, in general, it has the right to impose such restraints upon the individual as it deems consistent with the good of the community. As an artificial person, it is endowed in stability with responsibility for administering local affairs.

Due to the migration of people from rural to urban areas, the life for the urban dweller has become augmentingly very intricate. Gradually, as the individual found himself unable of dealing with numerous problems around him, municipal intervention took place on his behalf. The harness
of encouraged and quick urban advancement was modified by the introduction of many municipal services in ancient times. Municipalities occupy a central position in urban areas around which numerous civic amenities cluster which are of great demand to the public. The dawn of the Indian independence and the consequent transformation of India into a sovereign democratic republic has given a special significance to the role of local government in the country because it constitutes the foundation of democracy-Government of the people, by the people, for the people can be strengthened by local government. The local government's jurisdiction is limited to a specific area and its functions relate to the provision of amenities to the people living with in its jurisdiction.^

Municipalities constitute an important segment of Local Government. Nair defined municipality as an organisation for the self-Government of a city or town for the administration of those matters which concern the inhabitants of the city or town and which do not directly affect the nation at large.^

It is significant that municipalities are the base for the democratic set up in the urban areas of the country. Policies can best be formulated and executed by municipal officials for the benefit of the people. Municipalities serve as a training ground for politician in the beginning of their career. It gives an opportunity of public security of official actions, facilitate decisions and promotes personal identification in the individual with the local units of Government which cover
a small area. The Ex-Prime Minister, Pandit Jawahar Lal Nehru, speaking on a motion of thanks to the President for his address emphasized the need for Municipal Government as it could develop in the people the spirit of self-reliance and new thinking of the new ways and understanding.

The purpose served by municipalities is valuable not only on account of the services it renders for the common welfare of the community but also on account of the opportunity it places before the citizens to have free, intelligent and active participation in the Government of their local area and thereby enhancing their creative interest, enthusiasm and local patriotism. In the view of Lord Ripon, municipal institutions were desirable as an instrument of political and popular education through which the people of India could be trained to take an intelligent share in the administration of their own affairs.

The significance of municipalities is enhanced because the whole edifice of municipal administration rests on the council consisting of local representatives elected by the people living in the municipal area. The idea behind this set up is that the representative so elected takes care of local needs and suggest programmes of work for their respective areas. Moreover, central or state Governments cannot understand and undertake the local problems. In almost all the countries of the world, Municipal Organisation is an autonomous body. Of course, it has limits imposed by law, but notwithstanding free in many respects. The limits are imposed to have a control over municipalities by the
state. It is to be examined here that municipalities, on the one hand undertake the duties of the Central or State Government and to the contrary, carry out their functions in an independent and responsible manner.

The municipalities accomplish all the domestic requirements of a civilized community. It generates among the citizens personal interest in their common affairs and throws the field open for their constructive and creative activities. It serves as an expression of political education and renders the citizens fit for their civic duties and responsibilities by enabling them to participate in public affairs. It also originates in people an esthetic sense that makes them beautify and adorn the land they inhabit. It provides the best opportunity to men and women to bring their local knowledge and enthusiasm to bear on the solution of their own peculiar problems.

Functions

The functions of local bodies may be defined on the basis of the following three principles:

i) A local body may do anything which it considers to be for the good of the civic community provided it is not specifically prohibited by law.

ii) No local body may do anything which it is not definitely entitled to do by virtue of an Act of the State/Centre Legislatures.

iii) That whereas by law there is nothing which is ultra-virus of the local body, its actions may be over-ruled by any
higher authority.

Germany is an outstanding example of the first of the principles Great Britain of the second while the third principle operates in U.S.S.R. only. Municipal Government affects the ways of living of the residents within the jurisdiction limit to a considerable extent and can not be permitted to do anything beyond its jurisdiction limit.

Dr. Finer has also mentioned the functions of local bodies "these local authorities supervise, direct and control our lives, awake and sleep at work and at play. They provide for all citizens a common minimum of health, education, welfare services, roads, peace and security of environment. The scope and detail of their work are not easily discernible; both are immense. It has been stated by the Rural Urban relationship committee that: "an unrepaiired pit in the road, failure of water supply, breakdown in sanitary services and choking of a sewer are not only sources of inconvenience, but can also seriously dislocate the social and economic life of the city."

In Himachal Pradesh, as elsewhere in India, Municipal Bodies are resolving various functions by the way of specific grant for defined activities on British pattern. These powers however are emanated from the State Legislature and they can exercise only those functions which are expressly vested in them by law. Any function performed by a Municipal body beyond its legal framework, would be ultra-virus and illegal. If the history of municipalities of Himachal
Pradesh is traced out, it can scrutinise the functions of various municipalities of the Pradesh which have been changed from time to time during the past. In modern days, municipalities pay more attention toward the accomplishment of sanitary and general conditions of the public within their jurisdiction limit. The importance of the municipalities can be measured through the quality of services which they have to render to the public. The functions performed by the municipalities encompasses a very wide range. Some ones are related to human material - the welfare of mother, child and very aged people, education of people of all ages and care of helpless and affected. The other functions are concerned with animate things - maintenance i.e., construction and repairs of roads, buildings, paths, public urinal/latrines, rain-shelters etc. and to beautify the town in all respects through improving drainage system, light-system and through others developmental works. The municipality also take case to supply water which a basic necessity for the greater convenience and comforts of people. They also furnish some basic health services to public.

There are other functions too which municipalities have to render to public. These functions concerned with the establishment of trades and businesses, namely, the licensing of cinemas, the registration of nursing homes, the control of offensive trades etc.

The modern city is different from the city of our grand-father. Because of this modernisation the role
municipalities have also changed to cater with the needs of the public. Hence the municipalities also facilitate industry and commerce, help the needy, safeguard life and property and provide uncounted convience for the householders. Due to the dependence of the public upon municipalities, it has become essential that municipal activities be performed well and economically.

The growth of urbanisation has been a prominent feature all over the world. In India, the urban population is enhancing at a fast rate creating a disorderly growth of towns and cities. More people are migrating from the rural to urban areas on account of better opportunities of employment or availability of facilities for a richer and fuller living. This rapid growth of urbanisation increases the role of municipalities to provide more services which are interwoven with the economic and social variations.

"The need for efficient administration in Local Government", say Prof. Robson, "is so obvious that its attainment may be regarded as end universally acknowledged to be desirable". He added, "The achievement of efficiency in administration depends upon a combination of four distinct factors; first an enlightened electorate; second, councillors possessing freedom, public spirits, integrity and imaginations, third a scientific constitutional structure; and fourth, a local government service of high mental ability and good moral calibre. A study of the organisation and functions of any department would be incomplete without a close look at the staff working in the department. In the
words of Prof. Glen Stahl. "No Government can be much better than its civil service it to be Political leadership, however, all and well intentioned, can not push very far beyond its bureaucracy.¹⁴⁰

Municipalities by their very nature are service oriented. Municipal service is the backbone of the whole organisation and the success and failure of a Municipal Government will almost precisely turn upon its quality. The primary objective of the municipalities is to serve the citizens with maximum efficiency through the efforts of its work-force.

Genesis of Municipalities in India

There is a mass of literature on the theory of Local Government. John Srauct Mill, the great philosopher in one of the earliest writers who expounded a theory of local government and even today his ideas are welcomed. These may be compared with those of Sidgwick, Bryce, Laski, Cole and others who have written on the subject subsequent to him. Local Government is that part of Government of a Nation of State which deals with such matters as concern the inhabitants of the particular district of place, together with those matters which parliament has deemed it desirable, should be administratively by local authorities subordinate to the Central Government.¹⁴¹

In fact, local institutions are indispensable for the success of democracy and it is here that the programmes of national development is put in action and people learn their
first lesson of democratic rule. Urban local bodies are units of Local Self Government. In India the history of local self government dates back to a very early period. Municipal Administration in some form or the other flourished in Harappa and Mohanjodaro, thousand of years back. The trace of the indigenous system of local administration, however, vanished with the passage of time and by the time the East India company started its activities in India the system was almost extinct.

In modern sense municipal administration was first introduced in Madras in 1687. Under the orders of the court of Directors, a Corporation was set up in Madras. The Corporation was authorized to levy certain direct taxes and to provide certain amenities like education cleaning of roads, building of a Town Hall etc.\(^43\) It was empowered to levy taxes for the construction of jail and school buildings, for taking necessary measures for the protection of the inhabitants and for the payment of salaries to its employees. The underlying idea was that the people would tax themselves. But the people opposed the taxation proposal and so in 1726, the corporation was abolished and in its place Mayo’s court was established which had primarily judicial function. However, the next step was the passing of the charter Act of 1793 which enabled the establishment of Municipal Administration in the three presidency towns of Madras, Bombay and Calcutta.\(^45\)
The Bengal Act X of 1842\textsuperscript{46} extended to the district towns in Bengal the power to set up town committees for sanitary purposes upon application made by two-thirds of the householders in the town. The Act was replaced by Act XXIV of 1850.\textsuperscript{47} provided the inhabitants were desirous of making better provision for repairing, cleaning, lighting, and for the prevention of nuisance or for improving the town in any manner. This Act also like its predecessor was permissive in nature.

The Government was convinced that all attempts for the provision of municipal services would meet with failure as long as the introduction of the Act of 1850 depended upon the general consent of the people. Therefore, the Provincial Governments recommended in 1855, that the Act should be amended and its voluntary basis should be abrogated. The Town Improvements Act, 1865, was enacted.\textsuperscript{48} The main aim of this Act was to impose tax for the maintenance of the police in towns.

In the year 1882 Lord Ripon\textsuperscript{49} succeeded Lord Mayo. His resolution said that local bodies should have elected members and chairman and the control over local bodies should be reduced. The resolution further said that these bodies should have the right to levy taxes which are to be augmented by grant in aid and local government personnel should work under local authorities. In 1909, Royal Commission on decentralization reported that the municipality should elect its own chairman.
The Government of India Act, 1919 is a turning point in the field of Municipal Government. Eminent persons like Pandit Nehru, Sardar Vallabh Bhai Patel and Purusottam Das Tandon entered municipal council to work for the municipal councils. However, due to lack of education, civic sense and experience of council in managing municipal affairs, this democratic venture did not make such headway. The local politicians became very influential and, as such, local civil services began to work for their interest rather than for the common good.

A new phase of development of Municipal Government began with enforcement of the Government of India Act, 1935 in provinces which established provincial autonomy. This Act of 1935 replaced with India Act 1919. The administration of Local Government was attached to the ministers. This led to the democratization of local bodies by the abolition of nominations and the separation of deliberative functions from the executive ones. The constitution of India, 1950 made the Municipal Government a State subject for the convenience of control over them. Later, each State had developed its own Municipal Act.

Municipalities in Himachal Pradesh
(a) Genesis and Growth

The genesis and growth of municipalities in Himachal Pradesh has proceeded on lines similar to those in the other parts of British India. Earlier the few areas of Himachal
Pradesh had been connected with Punjab. Shimla which is the capital of Himachal Pradesh was also deemed to be a part of Punjab. But with the re-organisation Act of Punjab on 1st November, 1966, it along with other hilly areas merged in Himachal Pradesh and became the permanent Headquarter of Himachal Pradesh. Shimla Municipal Corporation is a very old municipality. It is the only corporation in Himachal Pradesh. In the year 1851, for the first time a town committee for Shimla Town was constituted under the Act, 1850 clause XXVI. Since the year 1851 to 1969, Municipal Corporation Shimla was known as Municipal committee (MC), but in the year 1970 it was converted into Municipal Corporation (M.Corp.) under the Himachal Pradesh Municipal Corporation Shimla Act, 1979. Earlier this Municipality had various departments such as, Municipal Transport, municipal Schools, Bhargwa Municipal college, Ripon Hospital and dispensaries of Chhota Shimla and Dhar Phagli, Fire Brigade, Electricity, Food Laboratory, Octroi, Water supply pumping station and Municipal Library which have been taken away from this corporation with the passage of time due to paucity of funds, work force and for better facilities to public in these fields. At present there are six departments, namely, General Establishment Department, water and sewage Department, Health Department, Forest Department, Tax Department and Buildings and Roads Department. The list of departments taken away from Municipal corporation has been depicted below under table A:-
### Table A

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Name of the Departments</th>
<th>Years in which taken away</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Municipal Transport</td>
<td>1956</td>
</tr>
<tr>
<td>2.</td>
<td>Municipal Schools</td>
<td>1957</td>
</tr>
<tr>
<td>4.</td>
<td>Maintenance of Roads</td>
<td>1962</td>
</tr>
<tr>
<td>5.</td>
<td>Ripon Hospital and Dispensaries of Chhota Shimla and Dhar Phagli</td>
<td>1968</td>
</tr>
<tr>
<td>6.</td>
<td>Fire Brigade</td>
<td>1972</td>
</tr>
<tr>
<td>7.</td>
<td>Electricity</td>
<td>1974</td>
</tr>
<tr>
<td>8.</td>
<td>Food Laboratory</td>
<td>1976</td>
</tr>
<tr>
<td>10.</td>
<td>Water Supply pumping Stations and rising mains transferred to HPPWD (Irrigation Public Health Department) of the State</td>
<td>1984</td>
</tr>
<tr>
<td>11.</td>
<td>Municipal Library</td>
<td>1986</td>
</tr>
</tbody>
</table>

**Source:** Municipal Office Record

Thus it is obvious that such various departments departed away from this corporation after 1950s.

Municipal committee (MC) Dharmshala is the second oldest Local body in Himachal Pradesh. It was established in May 6th, 1857. Similarly Municipal Committee (MC), Dalhousie came into existence on July 17, 1867. The majority of Municipal committees/Notified Area Committees (42) came into existence after independence. The clear picture of the emergence of these local bodies has been presented in Table B:
<table>
<thead>
<tr>
<th>No.</th>
<th>Name</th>
<th>Date of Existence</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>M.Corp. Shimla</td>
<td>Dec., 1851</td>
</tr>
<tr>
<td>2</td>
<td>M.C. Rampur</td>
<td>Sept. 9, 1949</td>
</tr>
<tr>
<td>3</td>
<td>M.C. Theog</td>
<td>Aug. 25, 1949</td>
</tr>
<tr>
<td>4</td>
<td>NAC Rohroo</td>
<td>March 3, 1978</td>
</tr>
<tr>
<td>5</td>
<td>NAC Chopal</td>
<td>1964</td>
</tr>
<tr>
<td>6</td>
<td>N'C Jubbal</td>
<td>June 13, 1978</td>
</tr>
<tr>
<td>7</td>
<td>t.C Kotkhai</td>
<td>May, 1985</td>
</tr>
<tr>
<td>8</td>
<td>NAC Narkanda</td>
<td>1985</td>
</tr>
<tr>
<td>9</td>
<td>NAC Suni</td>
<td>1985</td>
</tr>
<tr>
<td>10</td>
<td>NAC Dhali</td>
<td>Dec. 2, 1964</td>
</tr>
<tr>
<td>11</td>
<td>M.C. Solan</td>
<td>N.A.</td>
</tr>
<tr>
<td>12</td>
<td>M.C. Nalagarth</td>
<td>1921</td>
</tr>
<tr>
<td>13</td>
<td>NAC Parwanoo</td>
<td>March 8, 1985</td>
</tr>
<tr>
<td>14</td>
<td>NAC Arki</td>
<td>1858</td>
</tr>
<tr>
<td>15</td>
<td>M.C. Nahan</td>
<td>1868 AD</td>
</tr>
<tr>
<td>16</td>
<td>M.C. Paonta Sahib</td>
<td>Dec. 1949</td>
</tr>
<tr>
<td>17</td>
<td>NAC Rajgarh</td>
<td>Dec. 14, 1974</td>
</tr>
<tr>
<td>18</td>
<td>NAC Sarahan</td>
<td>1983</td>
</tr>
<tr>
<td>19</td>
<td>M.C. Bilaspur</td>
<td>Oct. 3, 1961</td>
</tr>
<tr>
<td>20</td>
<td>M.C. Sri Naina Devi</td>
<td>April, 1953</td>
</tr>
<tr>
<td>21</td>
<td>NAC Ghumarwin</td>
<td>Oct. 7, 1970</td>
</tr>
<tr>
<td>22</td>
<td>NAC Talai</td>
<td>1981</td>
</tr>
<tr>
<td>23</td>
<td>M.C. Una</td>
<td>Jan. 21, 1955</td>
</tr>
<tr>
<td>24</td>
<td>NAC Gagret</td>
<td>Sep. 21, 1979</td>
</tr>
<tr>
<td>25</td>
<td>NAC Daultipur Chowk</td>
<td>Sep. 21, 1979</td>
</tr>
<tr>
<td>26</td>
<td>NAC Mehatpur</td>
<td>June 16, 1979</td>
</tr>
<tr>
<td>27</td>
<td>NAC Santokhgahr</td>
<td>1970</td>
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<td>28</td>
<td>M.C. Hamirpur</td>
<td>Dec. 14, 1985</td>
</tr>
<tr>
<td>29</td>
<td>NAC Nahan</td>
<td>Jan. 8, 1974</td>
</tr>
<tr>
<td>30</td>
<td>NAC Sujampur</td>
<td>April 24, 1976</td>
</tr>
<tr>
<td>31</td>
<td>NAC Bhota</td>
<td>April 2, 1988</td>
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<tr>
<td>32</td>
<td>M.C. Dharmsala</td>
<td>May 6, 1857</td>
</tr>
<tr>
<td>33</td>
<td>M.C. Kangra</td>
<td>Jan. 19, 1907</td>
</tr>
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<td>34</td>
<td>M.C. Palampur</td>
<td>1943</td>
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<td>35</td>
<td>M.C. Nurpur</td>
<td>Jan. 2, 1945</td>
</tr>
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<td>36</td>
<td>NAC Dehra</td>
<td>Nov. 18, 1971</td>
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<td>37</td>
<td>NAC Jawalamukhi</td>
<td>Jan. 18, 1974</td>
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<td>38</td>
<td>NAC Nagrota</td>
<td>Aug. 31, 1973</td>
</tr>
<tr>
<td>39</td>
<td>M.C. Chamba</td>
<td>1949</td>
</tr>
<tr>
<td>40</td>
<td>M.C. Dalhausie</td>
<td>July 17, 1867</td>
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<tr>
<td>41</td>
<td>NAC Chowari</td>
<td>Sep., 1979</td>
</tr>
<tr>
<td>42</td>
<td>M.C. Mandi</td>
<td>1950</td>
</tr>
<tr>
<td>43</td>
<td>M.C. Sundernagar</td>
<td>1962</td>
</tr>
<tr>
<td>44</td>
<td>NAC Sarkaghat</td>
<td>Aug. 12, 1982</td>
</tr>
<tr>
<td>45</td>
<td>NAC Jogindernagar</td>
<td>Dec. 26, 1982</td>
</tr>
<tr>
<td>46</td>
<td>NAC Rewalsar</td>
<td>April 26, 1988</td>
</tr>
<tr>
<td>47</td>
<td>M.C. Kullu</td>
<td>1973</td>
</tr>
<tr>
<td>Name</td>
<td>Date of Existence</td>
<td></td>
</tr>
<tr>
<td>--------------</td>
<td>------------------</td>
<td></td>
</tr>
<tr>
<td>NAC Manali</td>
<td>July 11, 1961</td>
<td></td>
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<tr>
<td>NAC Bhuntar</td>
<td>Sep. 1, 1974</td>
<td></td>
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<td>NAC Bunjar</td>
<td>1988</td>
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<table>
<thead>
<tr>
<th>No. of Municipal Corporation</th>
<th>1</th>
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</thead>
<tbody>
<tr>
<td>No. of Municipal Committees</td>
<td>19</td>
</tr>
<tr>
<td>No. of Notified Area Committees</td>
<td>30</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>50</strong></td>
</tr>
</tbody>
</table>

Source: Office of the Local Bodies, Shimla

At present there are 49 urban local bodies in the Pradesh including municipal corporation Shimla. The demarcation of various types of urban local bodies in Himachal Pradesh came into force under the Punjab Municipal Act, 1911.

As per formation of Municipal Committee no criteria has been adopted but in practice population and importance of the place are taken into consideration. The State Government by notification proposes any local area to be a municipality. No military cantonment can be included with in a municipality. of in notified area committee.

Due to limited sources of income of these urban local bodies the Government has been sanctioning grant in aid every year to enable them to provide civic amenities to the public. During the year 1995-96 a sum of Rs. 566.31 Lakh (Rs. 403.90 lakh under plan and Rs. 162.41 lakh under non-plan) has been provided as grant in aid to these urban local bodies for maintenance and upkeep of development works in the jurisdiction limit. But during the year 1996-97 a sum of
Rs.1145.55 lakh (Rs.489.47 lakh) under plan, Rs.4.90 lakh under special component Plan and Rs.651.18 lakh under non-plan) has been provided in the budget which is being sanctioned as grant-in-aid to these Urban Local Bodies for maintenance and upkeep of developmental works in the urban areas out of which a sum of Rs.92.78 lakh has been provided to spend on Establishment of Directorate. Urban Development.

Due to abolition of Octroi from April, 1982, the Government has been giving grant in aid to the urban local bodies which have been deprived of their major source of income for sustaining their normal activities and to ensure normal functioning. During 1995-96 an amount of Rs. 406.07 lakh has been provided for the purpose. But during the year 1997-98 this amount was of Rs.446.68 lakh. Under the Civil Rights to liberate the scavanging sight soil on head provision of Rs.4.90 lakh has been made under Special Components Plan. During the year 1996-97 five community lavatories are to be constructed each in Hamirpur, Jawalamukhi Mandir, Rewalsar and Sunni.

Urban Basic Service Scheme is going on in three towns viz., Nalagarh, Paonta and Kangra. An amount of Rs. 32.77 lakh has been provided for this scheme during the year 1996-97. Under the Nehru Rojgar Yojana Scheme an amount of Rs. 7.44 lacs has been provided for creating employment opportunities for urban Youth as grant during the year 1996-97.

Integrated Development of small and medium towns scheme has recently been transferred from Town and Country
Planning Department to Urban Local Bodies Departments. The scheme is in operation in three towns viz. Nahan, Una and Dharamshala. During the year 1996-97 an amount of Rs.5.00 lakh has been provided under this scheme. Under Norad Project Rs. 53.66 lakhs are being provided to the Urban Local Bodies for improving the garbage handling system.

The details of amount allocated to the urban local bodies as grant in aid during the year 1996-97 for carrying out developmental activities are as per table given below:-

<table>
<thead>
<tr>
<th>Head of Account</th>
<th>Plan</th>
<th>Non-Plan</th>
<th>Special Component Plan</th>
<th>Total</th>
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<tbody>
<tr>
<td>3054 Road &amp; Bridges</td>
<td>0.00</td>
<td>94.41</td>
<td>-</td>
<td>104.41</td>
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<tr>
<td>2215 Water Supply and Sanitation</td>
<td>61.00</td>
<td>31.39</td>
<td>-</td>
<td>92.39</td>
</tr>
<tr>
<td>2217 Urban Development</td>
<td>488.47</td>
<td>74.72</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2225 Welfare of SC/ST and OBC</td>
<td>-</td>
<td>-</td>
<td>4.90</td>
<td>4.90</td>
</tr>
<tr>
<td>2235-Social Security and Welfare</td>
<td>-</td>
<td>3.98</td>
<td>-</td>
<td>3.98</td>
</tr>
<tr>
<td>3604-Compensation and Assistance to Urban Local Bodies</td>
<td>-</td>
<td>446.68</td>
<td>-</td>
<td>446.68</td>
</tr>
<tr>
<td>Total</td>
<td>484.47</td>
<td>651.18</td>
<td>4.90</td>
<td>1145.55</td>
</tr>
</tbody>
</table>


B. Review of Literature

Human resource occupies a pivotal position in any organisation. It is just like a mind in the body of an
organisation to which it pertains. The whole performance of an organisation is based up on their loyalty and diligence. Hence, the manipulation of personnel becomes imperative. Keeping in view the importance of Human Resource Management, the present section deals with the review of different studies conducted by various authors. Very few researches and institutions have conducted the studies on municipalities to bring out the different problems of the municipalities from time to time. But negligible work has been done in the management of Human resource in municipalities. James in his study on Municipal Administration in Andhra Pradesh has studied the relationship between Chairman and commissioner. He also analyzed the significance of state administrative control over municipalities. Nater Singh has made an attempt to understand as to how for the municipalities in Jammu and Kashmir discharge their functions with available meager resources and how far the local leaders have succeeded in fulfilling the aspirations of the people. Mallkarjuna (1989) in his work on organisation and working of Greater Hyderabad Municipal Corporation highlighted various organizational problems of municipal corporation. Barnabas studied the grievances of citizens and municipal administration. He identified various problems of public with building department in sanctioning their house plans. Bose highlighted the problems of administration of urban areas. Chandra Prakash in his empirical research work analysed the financial aspect of the municipalities of Rajsthan. He suggested various measures to improve tax
revenue. Rama Rao delted in his study the problems in administration of autonomous tax as well as no-tax sources of revenue. Apparao worked on municipal Government in Viskhapatnam and found that the administration was not effective. He suggested to undertake the facilities like, housing slum clearance, land development etc. Apparao has studies in his Book on Municipal corporation the history, constitutions, administration, functions finances and political aspects of major municipal corporation in South India.

The various studies reviewed as above tried to focus the attention of various administrative and organizational problems of municipalities and made suggestions to strengthen and develop the municipalities in India.

Ramaswamy Naidu has worked on Local Finance in Andhra Pradesh wherein he examined various resources of finance and suggested various measures for strengthening the structure of financial resources. Basra made a critical analysis on evaluation organisation and working of Municipal Government. Rajadhyaksha in his book Municipal Council in Maharashtra studied the structure composition and functioning of municipal council. Gopal conducts a comprehensive survey of working and administration of the four categories of municipalities in Meerut Division since independence. The administration of Madras city Municipal corporation the first municipal corporation in South India a centenary clibility and State Administration control over it was studies by Kalyanan in 1977. The influence of policies in the
functioning of municipalities was analysed by Rodney Joney in his work 'Urban Policies in India'.

Jagannathan and Bakshi critically analysed the attitude of citizens on municipal bureaucracy and suggested various measures to solve the citizens problems. Murali Manohar has analysed specifically the problems of municipalities. He touched the problems of executive wing of municipalities with the State Government. The organisational framework of metropolitan planning and development was studied in 1979 by Batta.

Srivastava has studied that if local bodies are to function efficiently and democratically the present system should be thoroughly reformed and the State Local Body relationship has to radically changed. This also demands a change in the attitude of State Government towards local bodies. These should be looked upon not as a necessary evil but an institution essential in a democratic set up with whom the State Government nurturing of democratic values in our society. Pandit in his work 'A Comprehensive Study of Selection Grade Municipalities in Andhra Pradesh' assessed the political capacity to manage the civic institutions and deliver civic services to the public. Singh and Khan have studied the leadership aspects in Municipal Government in detail and highlighted the need for orientation and training to number orientation and training to number of Municipal Government.

Prof. Ajit Datta has made a selection of the articles dealing with different aspects of local Government
both urban and rural. The article selected brought out the complexities of the problems whether they be of paucity of finances or of State Control of personnel system or of the sole and relationship with other agencies. Some of the articles examines the lines on which efforts for improvements can be made.

Rao attempts in his study to meet the exigency and help in human resource development specially in training. He suggested that it serves an aid to management and managers and administration and administrators in the various sections of the economy.

In addition to the above the Government both the Union and State had appointed various commissions and committees from time to time to study, analysis and review the various aspects of municipalities. Immediately after independence, the Local Finance Committee (1951) reported on the financial situation of the local bodies suggesting a number of changes. The taxation Enquiry Commission (1953-54) observed that the growth of municipal revenue is inadequate in relation to the growth of expenditure on important services. The Commission on augmentation of Financial Resources of urban Local Bodies (1963) suggested to take up remunerative activities which would create a source of personnel non-tax income. It made a plea for setting up of a statutory urban development board in each state to acquire lands and properties where ever necessary and undertake various aspects of town development.
Thus, all the above studies are related to organisation, administration and finances of municipalities. The field of municipal personnel management was almost neglected under studies.

The Nur-ud-din Committee\textsuperscript{76} made a turning point in the history of Municipal Government in India. For the first time an attempt was made to highlight the importance of training of municipal employees and specific recommendations were made for the establishment of appropriate institutions and for evolving particular type of courses for the different categories of employees and councillors. The recommendations of the committee were fully endorsed by the Rural-Urban Relations Committee\textsuperscript{77} which dealt inter-alia with the structure of personnel and finances of urban bodies. The committee on the service conditions of municipal employees (1968)\textsuperscript{78} pointed out the absence of proper employment rules and management of municipal employees. The committee suggested a system of State-wise cadres and that the posts are to be made transferable.

The problem of Municipal Personnel Administration was touched by Task Force\textsuperscript{79} while discussing the general problems of urban management. It found that deficiency lies at the level of supervisory staff, and that the most distressing aspect of municipal administration is independence on State level administrative and technical personnel. It opined that unified municipal cadre is helpful to place the services of qualified technical and administrative personnel within the
reach of local bodies.

In 1968, the Indian Institute of Public Administration organized a conference to discuss the need for change in the existing personnel system with a view to making it more task oriented. The Institute organized another conference at New Delhi in 1969 and discussed a wide range of issues relating to the implementation of the major personnel reforms suggested by Administrative Reforms Commission. In 1971 a seminar was held at Indian Institute of Public Administration on 'Municipal Personnel Administration'. Except the proceedings of the conference and seminar, there is not much printed literature on this important theme. Some text books contain a chapter of municipal administration which is generally a summary of the views of the different official committees.

Amrutharao worked on 'Personnel Management in the Municipal Corporation of Hyderabad' in 1977. He touched the aspect of recruitment, emoluments and retirement benefits of employees in Municipal Corporation. He studied only one Municipal Corporation in the State. There are precise distinction in the management of personnel in a Corporation and a council. Hence, this study is not applicable to the Municipal Personnel in the state.

Ashok Mukhopadyay made a comprehensive study of unified and separate system in the municipal personnel administration. He analysed the types of Municipal personnel systems and municipal personnel practices and thinking in India. He neglected the integrated system in comparing with
the other two systems. He also neglected to study recruitment and development activities of personnel.

The above studies largely focussed attention on administration, structure, political and financial aspects of municipalities. These studies and the literature available has ignored the human factor to a large extent. This factor has not been dealt in detail. Since the study of human factor in municipal services as has been discussed is a service oriented organisation assumes a greater importance. Thus the present study deals with this topic exclusively and comprehensively.
References


8. Ibid., p.34.


11. Ibid.


62. Gopal, B.C., 'Critical Sample survey of the working and Administration of the four categories of Municipalities in Meerut Division since Independence,


