

MGT111 FINAL TERM SHORT NOTES

(VISIT VURANK FOR MORE)

Steps in the Selection Process

The standard hiring sequence is the seven-step procedure described below:

1. Completed job Application
2. Initial screening interview
3. Testing
4. Background investigation
5. In-depth selection interview
6. Medical examination
7. Job offer

Levels at Which Selection takes Place

Selection of employees in an organization can take place at any level, both horizontally and vertically. But the most common level where selection takes place are:

1. Non managerial level
2. Managerial level

Non-managerial level is that of support staff, like clerical staff, superintendent, supervisors, personal staff, maintenance staff etc.

Managerial level is that who provide guidelines for the non-managerial staff. It is also called white collar level.

*In government the managerial level starts at BS -17. All levels above BS-17 and above are managerial positions.

Generally, speaking organizations select managers at the entry level of the manager position.

But organization may select managers at any level. The advantage of selection at entry level is that managers are trained according to the requirements of the organization

Selection of Manager

Organizations may seek to hire experienced managers for a variety of reasons. A newly created post may require a manager with experience not available within the organization; the talent to fill an established post may not be available within the organization;

A key position may suddenly open up before there is time to train a replacement; or a top performer in a competing organization may be sought to improve the organization's own competitive position.

An experienced manager who is up for selection usually goes through several interviews before being hired. The interviewers are almost always higher-level managers who attempt to assess the candidate's suitability and past performance.

Interviewers try to determine how well the candidate fits their idea of what a good manager should be and how compatible the candidate's personality, past experience, personal values, and operating style are with the organization and its culture.

ORIENTATION OR SOCIALIZATION

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Orientation or socialization is designed to provide new employees with the information needed to function comfortably and effectively in the organization. Typically, socialization conveys three types of information:

1. General information about the daily work routine;
2. A review of the organization's history, purpose, operations, and products or services, as well as a sense of how the employee's job contributes to the organization's needs; and
3. A detailed presentation (perhaps in a brochure) of the organization's policies, work rules, and employee benefits.

TRAINING AND DEVELOPMENT

Training programs are directed toward maintaining and improving current job performance, while developmental programs seek to develop skills for future jobs. Both managers and nonmanagers

may receive help from training and development programs, but the mix of experiences is likely to vary.

Non-managers are much more likely to be trained in the technical skills required for their current jobs; whereas managers frequently receive assistance in developing the skills required in future jobs – particularly conceptual and human relations skills.

Training programs

New employees have to learn new skills, and since their motivation is likely to be high, they can be acquainted relatively easily with the skills and behaviour expected in their new position. On the other hand, training experienced employees can be problematic.

The training needs of such employees are not always easy to determine, and when they can be, the individuals involved may resent being asked to change their established ways of doing their jobs.

Training programs

1. Performance appraisal. Each employee's work is measured against the performance standards or objectives established for his or her job.

2. Analysis of job requirements. The skills or knowledge specified in the appropriate job

description are examined, and those employees without necessary skills or knowledge become candidates for a training program.

Organizational analysis. The effectiveness of the organization and its success in meeting its goals are analyzed to determine where differences exist. The performance record might require additional training.

Employee Survey. Managers as well as non-managers are asked to describe what problems they are experiencing in their work and what actions they believe are necessary to solve them.

There are a variety of training approaches. The most common of these are:

1. on-the-job training methods, including job rotation, in which the employee, over a period of time, works on a series of jobs, thereby learning a broad variety of skills; internship, in which job training is combined with related classroom instruction; and apprenticeship, in which the employee is trained under the guidance of a highly skilled co-worker.

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On-the-Job Methods

1. Coaching – the training of an employee by his or her immediate supervisor – is by far the most effective management development technique. Unfortunately, many managers are either unable or unwilling to coach those they supervise.

2. Job rotation involves shifting managers from position to position so they can broaden their experience and familiarize themselves with various aspects of the firm's operations.

3. Training positions are a third method of developing managers. Trainees are given staff posts immediately under a manager, often with the title of "assistant to". Such assignments give trainees a

chance to work with and model themselves after outstanding managers who might otherwise have little contact with them.

Management development programs

Management development is designed to improve the overall effectiveness of managers in their present positions and to prepare them for greater responsibility when they are promoted.

Management development programs have become more prevalent in recent years because of the increasingly complex demands on managers.

Off-the-job methods

Off-the-job development techniques remove individuals from the stresses and ongoing demands of the workplace, enabling them to focus fully on the learning experience. In addition, they provide opportunities for meeting people from other departments or organizations.

Thus, employees are exposed to useful new ideas and experiences while they make potentially useful contacts. The most common off-the-job development methods are in-house classroom

instruction and management development programs sponsored by universities and organizations.

WHAT IS PERFORMANCE APPRAISAL

Performance Appraisal means to evaluate, judge or check the work of employee over a period of time, and then inform whether the employee achieved the objectives in that time period.

Following are the characteristics of the Performance Appraisal:

1. Agreed Objectives related to the assigned job/standard (job and position description)
2. Time period
3. Skills required to achieve objectives
4. Check that objectives are achieved or not
5. Inform the employee if the objectives were achieved or not
6. If not achieved why these were not achieved
7. If achieved, reward and motivate

Importance of Performance appraisal

It is the important task of the managers to help other employees to improve their performance. The manager who supervises the work knows the knowledge, skills and attitudes of the employees.

Performance Appraisal of employees is important for the organization because the appraisal of work of each employee determines whether the organization is moving in the direction of its objectives.

Most managers find it difficult to help others to coach and appraise performance. Judging an employee's performance accurately is not always easy. **Types of Appraisal** ∞ Formal Appraisal ∞ Informal Appraisal

FORMAL APPRAISALS

Formal systematic appraisal usually occurs semiannually or annually. Formal appraisal has four major purposes:

1. To let employees know formally how their current performance is being rated;
2. To identify employees who deserve merit raises;
3. To locate employees who need additional training; and
4. To identify candidates for promotion **How is Formal Appraisal Done?**

Human Resource manager have job and position descriptions for all jobs in the organization.

The objectives to be achieved are mutually agreed between the 'supervised' and 'supervisor'.

The agreed objectives are written down on a 'form'. This form is a special form which contains following information:

1. Name of employee
2. Job title
3. Job/position description
4. Objectives/goals to be achieved in a year or six months or three months
5. training received
6. Training to be received
7. Does the employee require special guidance
8. Strengths and weakness of employee
9. Signature of immediate boss

INFORMAL APPRAISALS

Informal appraisal is a day to day routine. Managers meet their subordinates almost daily. They use following methods:

1. Observe
2. Communicate
3. Check work

4. Give immediate feedback

So informal performance appraisal means continual process of feeding back to employees. It is information about how well they are doing their work for the organization. Informal appraisal can be conducted on a day-to-day

COMPENSATION

Compensation is the monetary return given to employee in return of the work done in a position/job in an organization.

There are three types of compensation:

1. Standard salary/ wage that one receives for being in that position

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2. Additional compensation for doing work not defined in the job and position description

3. Fringe benefits/perquisites (like provision of transport, utility bills etc.)

Compensation has traditionally been linked to a particular job or job description. The general idea is that more the responsibility a manager has, the more compensation he or she should earn. Oftentimes jobs are rated by a job evaluation system which measures such variables as

1. The number of subordinates,

2. Level in the organizational hierarchy, and

3. Complexity and importance of the job function.

In such a traditional or bureaucratic approach, senior organizational executives tend to be paid very well.

Some organization pays wages and salaries in accordance with the difficulty and risk of life involved in the jobs. E.G. Commercial Pilot

PROMOTIONS, TRANSFERS, DEMOTIONS, AND SEPARATIONS (lay off)

Employees are promoted to next higher position when their performance is in accordance with standards laid down by the organizations, i.e. when employees achieve targets over a given period of time.

Promotion serves as a major incentive for superior managerial performance. It is the most

significant way to recognize superior performance. Therefore, it is extremely important that promotions be fair – based on merit and untainted by favoritism.

Employees are transferred for variety of reasons. These include, promotion, when performance

is not satisfactory and organization cannot lay-off employee, personal reasons, job rotation etc.

Demotion is a kind of punishment. When employees have not performed according to the laid down standards, show indiscipline, disobedience, negligence, irresponsibility etc. In case of extreme and continuous negligence and indiscipline employees can be laidoff.

The movement of personnel within an organization – their promotion, transfer, demotion, and separation – is a major aspect of human resource management. The actual decisions about whom to promote and whom to fire can also be among the most difficult, and important, a manager has to make.

THE FOUR C'S MODEL

1. **Competence.** How competent are employees in their work? Do they need additional training? Performance evaluations by managers can help determine what talent is available. To what extent do HRM policies attract, keep and develop employees with skills and knowledge needed now and in the future?

2. **Commitment.** How committed are employees to their work and organization? Surveys can be conducted through interviews and questionnaires to find answers to this question.

3. **Congruence.** Is agreement, between the basic philosophy and goals of the company and its employees? Is there trust and common purpose between managers and employees? Incongruence can be detected in the frequency of strikes, conflicts between managers

and subordinates, and grievances. A low level of congruence results in low levels of trust.

4. **Cost effectiveness.** Are HRM policies cost-effective in terms of wages, benefits, turnovers, absenteeism, strikes, and similar factors?

HRM PROCESS IN ORGANIZATIONS

What is the Recruiting and Selection Organization

The Federal Public Service Commission is the recruiting and selection organization. It announces the examination date every year for selection in the Public service for around 14

occupations in the All Pakistan Unified Grades

Young graduates age not more than 26 years, can apply for the jobs in civil service. Those who are serving in the government can apply up till the age 30.

Examination is for compulsory and elective subjects. The total marks are 1200. Those who pass examination are offered job in BS 17.

A merit list of successful candidates is prepared. Generally around 150 to 200 candidates are selected, depending on the vacancies.

The selected candidate is assigned an occupational group and given job offer by the establishment division.

What is Establishment Division

Establishment Division is the Human Resource Management organization of the government.

It is expected to do human resource planning in consultation with the FPSC, make job offer, and provide for three levels of training: 1. Pre entry training

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2. Mid career training

3. Senior level training

In addition to training establishment Division maintains service record of all employees of all occupational groups (13), their career planning, transfer, promotion, disciplinary action etc.

TRAINING

In the government sector there are number of training institutions functioning to provide training to civil servants.

The Civil service Academy at Lahore provides 10 months common training to all the candidates who have been assigned to different occupational groups.

After the completion of common training the candidates are sent for specialized training in

their respective occupational group. This training is called Pre-service or entry training.

Mid level training is provided at National Institute of public Administration (NIPA).

Training at

NIPA is mandatory for promotion to BS-19.

Government has placed emphasis on the training and development of its employees. Therefore it is mandatory to attend certain number of courses before officer is promoted to next higher level.

Senior Civil servants (BS 20) receive training at Pakistan Administrative Staff College, Lahore for their promotion in BS 21. Training at Staff College prepares civil servants for higher responsibility.

Other services have their training organizations. For example, Income Tax Training Directorate, Custom training organization, Foreign Service Training Institute, Police Academy etc.

Performance Evaluation

The performance of civil servants is judged once a year and recorded on the Performa called the Performance Evaluation Report (PER). **Main Objectives of PER** ☞ It provides authentic record of the civil servant ☞ It is important for selection to new appointments

☞ It envelops the other useful information about the individual like aptitude.

Accountability of the Civil Servant

The civil servants are accountable to the government, the government is in turn accountable to the legislature and the legislature is ultimately accountable to the people. **Administrative Controls**

☞ EXTERNAL CONTROLS

☞ INTERNAL CONTROLS

External

Controls ☞

Legislative

Control ☞

Public

Opinion ☞

The

Judiciary

.

Internal

Controls

☞

Conduct

Rules

☞ Efficiency and Discipline

Rules ☞ The Grievances Cell

☞ The Hierarchy ☞ The

Mohtasib

How is HRM done in Public Service

There is compendium of laws, rules and instructions relating to the terms and condition of the civil servants. This compendium is called, 'Esta Code: Civil Establishment Code'. One of the laws regulating appointments and service conditions is 'Civil Servants Act 1973'.

This law defines civil servants as follows:

'Civil Servant' means a person who is member of All Pakistan Service or of a civil service of the Federation, or who holds a civil post in connection with the affairs of the Federation, including any such post connected with defence

But does not include:

☞ A person who is on deputation to the Federation from any province or other Authority; ☞ a person who is employed on contract, or on work-charged basis or who is paid from contingencies

☞ a person who is 'worker' or 'workman' as defined in the Factories Act 1934 **Public finance**

Concept & Definition:-

'Public finance deals with the finance of the government. The finances of the government include the raising and disbursement of government fund'.

Carl Plehm says that the term public finance is confined to the study of funds raised by government to meet the cost of the government.

The subject matter of public finance deals with not only the way in which public treasury operates, it also deals with the repercussions of policies adopted.

Musgrave calls the government sector as 'public household'. The objective of this household are:

☞ Allocation of resources: Market failure

☞ Distribution of income and wealth: Tax transfer, consumption tax ☞

Stabilization of prices and employment

Components of Public Finance

It must be mentioned here that the government operates at three levels and the subject of public finance looks into financial problems and policies of government at different levels and studies inter governmental financial relation.

The three levels of government are:

1. Federal

2. Provincial and

3. Local

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Following are the main components of public finance:

1. Public revenue: sources of government income are:

a. Taxation and its effect on economy

b. Non-tax revenues such as fee, fines, grants, interest receipt etc.

c. Public debt problems: public debt is a source of income

2. Public Expenditure: through public expenditure government participates and contributes to the financial flows of the economy. It is also a tool for implementing welfare and other policies.

3. Financial Administration: It involves issues of financial administration including public budget, its approval, implementation and audit. Without the study of financial administration the subject of public finance remains incomplete.

4. Federal finance: It studies the multilayer system of government which necessitates a division of function and resources between the layers of government and intergovernmental relations.

Similarities & Dissimilarities

Private finance means the financial problems of individual economic unit, a household, a shop, a firm etc. Private does not form part of government. We will look at the similarities and dissimilarities to develop analytical framework for public finance.

Similarities

Modern economies are monetized. That is, they create and use financial claims. Both private and public sectors are engaged in activities that involve purchases, sales and other transactions. They are thus engaged in production, exchange, savings, and capital investment and so on.

In order, to finance these operations, the government creates money (which is a financial asset), raises loans, makes payment, etc. Similarly, private economic unit lends, borrows, receive payments, make payments, etc.

Both have limited resources at their disposal and try to maximize decisions. But the similarities are few.

Dissimilarities

1. Private economic unit has to live within its own means. Its deficit budgeting can be only for limited time period. It can accumulate outstanding debt liabilities up to a limit. But the government can add to its outstanding debt with every budget.
2. It is not only the amount of borrowings but also the forms, interest and other terms that government can decide. Government can borrow both internally and externally. The high creditworthiness of government enables it to borrow at lower rates.
3. The government can create legal tender currency. That is it has the power to add to currency supply. There are formal technical restriction to the supply of money, that is how much currency supply should be added, but restriction can be waived if the government so wants.
4. The private finance follows the 'market principle' or the principle of economic rationality but the public finance follows the 'budget principle'.
5. The government is expected to take the long term and short term view of the economy, because society is perpetual entity and for its welfare many activities are needed which have no immediate economic return.
6. The government has complete power to raise money through taxes, confiscation, borrowing and printing notes; it has to use this power carefully because over borrowing by the government can starve the private sector. Similarly excessive taxation can discourage Savings and investment.

THE ECONOMIC SYSTEM AND PUBLIC FINANCE

The public sector is the important sector and it can be operated in an effective way to improve the performance of economy. The classical economist believed that private sector was always efficient because it responded to the market signals.

The borrowing by the government will lead to budget deficit and interfere with economy. It was said that government should balance the budget.

Why Organizations Need Budget

A household is a small economy, which uses inputs and gives output in the form of services that it provides. Likewise organizations use inputs and process inputs to give outputs. Organizations need to control the use of resources to ensure that these are utilized for the

purpose of achieving the goals of organization. Budgets also indicate what the organizations plan to do in future.

BUDGET

For any organization financial resources are an important input to the running of organization.

Organizations have to generate resources. Private organization price their product or services

on the basis of value of the product or service, cost in producing product

Definition ☞ It is an instrument of financial control and management

☞ It is summary of intended expenditures along with proposals for how to meet them ☞ It is a detailed plan of income and expenses expected over a period of time. It provides guidelines for managing future investment and expenses **Components of Public income Tax Receipt:** ☞ Direct ☞ Indirect **Non Tax**

Receipt:

☞ Income from Property & Investment

☞ Receipt from civil administration

TAXES

During the Moghul period and later British period government pursued the policy of laissezfaire (leave alone) which meant that government choose not to interfere with the economy or society. The taxes that were collected were for the purpose of defence or law and order and the welfare concept was non existent

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Purpose of taxation

At present taxation have many more uses. The main purpose is:

1. Redistribution of income (from rich to poor) or finance welfare activities
2. To achieve economic objectives such as control of inflation, economic growth, employment and reduction of balance of payment deficit
3. Discourage certain type of consumption, like smoking, consumption of electricity
4. Finance government spending:

Principles of good Taxation

Adam Smith the economist said that a good tax has following four principles:

1. A good tax should be equal: an individual should be called upon to pay according to his/ her ability to pay tax.
2. A good tax should be certain: people are certain about how the tax works and how much has to be paid as well as when to pay
3. A good tax should be convenient: People should be able to pay without any inconvenience

4. A good tax should be economical: the cost of collecting and administering should not exceed revenues

There are several other principles of modern taxation. These are: Tax should be impartial

It should not be disincentive to hard work The tax should be consistent with government policy.

Example:

If the government wants to encourage investment in particular industry, say, small scale industry, then it should not heavily tax it

TYPES OF TAXATION

1. Direct taxation is a tax levied directly on individual's income.
2. Indirect taxation is levied on consumers' expenditure or outlay

Direct Taxes Tax Income Tax Wealth Tax Workers Welfare Tax
Capital tax **Indirect Taxes** Custom Duty Sales tax

Excise Duty **Non- tax Revenue** Income from Property and Enterprise Profit from Railways Profit from PTCL Profit from Post office

Miscellaneous: Foreign travel, passport fee, airport tax, sale proceed on oil and tax etc.

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Other Sources Borrowings from financial sector Floating of bonds National Savings Schemes External sources

- Grants

- Loans

Advantages of Direct Taxes

1. Direct taxes tend to be progressive. People in the higher income groups pay greater taxes than poor people, i.e. income tax is graduated so that high income earner pay a larger tax.
2. It is cheap and easy to collect. Consider for example PAYE system which is used to collect income tax from wages and salary earner

IMPACT OF TAXATION

On income:

Higher taxes reduce disposable income (what people have to spend after taxation).
Direct taxes

do this by directly reducing the income

On savings and investment:

Higher direct taxes reduce individuals' and firms' ability to save and invest. To a certain extent it depends on how much of the increase in taxes is financed from savings and how much from consumption

On prices:

Higher direct taxes have deflationary effect on prices by reducing demand. However trade unions may ask for higher wages to compensate for higher taxes and effect of this will be inflationary.

On economy:

Higher taxation will, other things being equal, reduce demand in the economy which will have deflationary effect on the economy.

TYPES OF BUDGET

☞ Performance Budgeting

☞ Planning-Programming-Budgeting (PPB)

☞ Zero-Base Budgeting (ZBB)

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☞ Incremental Budgeting

☞ Medium Term Budgetary Framework (MTBF)

Performance Budgeting

After World War II, attempts to make the management approach effective were intensified, and performance budgeting was urged.

It was based upon functions, activities and projects," and was called the "performance budget."

Planning-Programming-Budgeting (PPB)

Planning-programming-budgeting (PPB) is an innovation of the 1960s. It was an attempt to

integrate budgeting with overall planning for the government and to make planning, execution, and evaluation of government policies as rational as possible

The PPB exposes programs to scrutiny as well as to requests for increases and for new programs because its essence is to raise questions about what public policies should be pursued and which programs and projects offer the best promise of achieving goals.

Zero-Base Budgeting (ZBB)

In the 1970s, another budget innovation with the objective of making public budgeting more rational was introduced called zero-base budgeting. ZBB was developed by Peter A.

Phyrr in

the Texas Instruments Company. **Characteristics of ZBB are:**

☞ Consideration of a reduced level of expenditure, that is, one below the current expenditure level.

☞ Alternative levels of expenditure for decision units. The decision unit is the lowest level program or organizational entity for which budgets are prepared. **Incremental Budget**

An incremental budget is the one which is based on the last year's actual expenditure figures, which are increased and included in the next years budget figures.

MTBF

This budgetary approach is based on medium term projection of expenditure. This is usually three years projection of expenditure. In this all departments of the government are required to give three years projections of expenditure.

BACKGROUND

The institution of budget originated in the West. During the days of absolute monarchy the treasury was controlled by the king. The struggle for representative government in England began with the right to control budget. 'No budget without representation'.

The right to control expenditure through appropriation was asserted.

A budget is an executive document. It is prepared by the executive branch of the government and put before the legislature for scrutiny and approval. According to the Constitution of Pakistan there is the Fund of the Federal Government called 'Federal Consolidated Fund'

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The Federal Consolidated Fund

It contains all revenues received by the federal government, all loans and all money received in return of repayment of loans (article 78)

Who is the custodian of the Fund

The payments of money into the fund, the withdrawal of money, the custody of other money etc. are regulated by the Act of Parliament.

Annual Budget Statement

Every year the Federal Government prepare a budget statement which shows estimated receipts and expenditure of the government. This is called 'Annual Budget Statement'. This is a

Constitutional Document.

The Budget Statement will show separately:

- a) The sums required to meet expenditure described by the Constitution as expenditure charged upon the Federal Consolidated Fund
- b) The sums required to meet the other expenditure proposed to be made from the Fund

'Charged expenditure': salary of President and expenditures relating to his office, salary of Judges, chief election commissioner, Chairman and Deputy Chairman Senate, repayment of loans. Charged expenditure are put before the assembly and discussed but these are not voted by the Assembly

Budget Preparation

Ministry of Finance has the major responsibility to prepare Annual Budget. The Ministries/ departments/ autonomous bodies are asked by the ministry of Finance in October every year to submit their estimates for the budget of the following year

It may be mentioned that the financial year begins 1st July and ends 30th June. All budget estimates are prepared and finalized before 30th May as the Budget is presented to the National Assembly by the Finance Minister in the middle of June to be voted. When the Ministry of Finance sends 'Budget Call' in October, separate estimates are prepared for:

1. Receipts
2. Non development expenditure
3. Development expenditure

Following details have to be given about receipts

i. Main heads of revenue ii. Capital Receipt

iii. Foreign aid

iv. Debt, deposits and remittances

2. Development expenditure: is the expenditure on new projects, equipment, etc.
3. Non development expenditure: it is the recurring expenditure which includes salaries of the staff, payment of utilities, running of the organization, etc.

The departments send their budget estimates to the Ministry of finance to be included in the budget.

It needs to be recalled that when planning was discussed mention was made of the project approving bodies.

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EXPENDITURE AUTHORIZATION

When the budget is ready it has to be presented by the Finance Minister to the National

Assembly for authorization. The budget is discussed in the Assembly and give assent to spend from the budget

Fiscal Federalism defined

Fiscal federalism is distribution of fiscal functions and the tax collection and distribution of resources among constituent units of federation. The federation will be responsible for distributive and regulative function. However, allocation function will have to be devolved to constituent unit.

The basic framework of the federalism comprises the following:

1. Constitutional jurisdiction of unit of government to be respected, i.e. the legislative list must be adhered to in consonance with national objectives and integrity. This means there should be financial and administrative autonomy to the federating units.
2. There should be a strong and continuous system of conflict resolution and consensus building on national issues.
3. Involve sub national government in national decision making process
4. A lean federal structure

Federalism is a mechanism to achieve unity within a population whose characteristics have diversity and variety in terms of culture, race, size, resources and population. It also refers to territorial organization of political community in which there are two or more spheres and levels of government which combine self-rule and shared-rule.

CONSTITUTION - 1973

Article 160 (1)

“within six months of the commencing day and thereafter at intervals not exceeding five years, the President shall constitute a National Finance Commission consisting: the Minister of Finance of the federal Government, the Minister of Finance of Provincial Governments, and

such other persons as may be appointed by the President after consultation with the Governors of the Provinces”.

Article 160 (2)

i) Taxes on income, including corporation tax, but not including taxes on income consisting of remuneration paid out of the Federal Consolidated Fund:

ii) Taxes on the sales and purchases of goods imported, exported, produced, manufactured or consumed;

iii) Export duties on cotton, and such other export duties as may be specified by the President;

iv) Such duties of excise as may be specified by the President; and v) Such other taxes as may be specified by the President.

The Fourth Schedule article 70 (4) of 1973 Constitution gives Federal Legislative list. Item 43 to 54 delineates all federal taxes. The interesting point is that more taxes have been included in the divisible pool; the examples are of general sales tax and octroi tax.

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Two lists

1. Federal Legislative list
2. Concurrent list

Criteria of Vertical Resource Distribution

Vertical resource distribution is distribution of resources from the federal government to the

provincial governments from the divisible pool. It is based on three factors: ☞ Defence ☞ Debt servicing
☞ Social action programme

Using this criteria the Federal government gives 37.55% to the three provinces and retains the rest

Criteria of Horizontal Resource Distribution

Horizontal resource distribution is distribution of the 37.55% amongst the provinces. The criteria used is ‘Population’. The use of this criteria is debatable and there is general lack of disagreement on this criteria

Multiple Criteria

☞ Population

☞ Distance of per capita income

☞ Area

☞ Index of

infrastructure ☞ Tax

effort

NFC 1990

1. Divisible Pool Taxes:

a) Income and Corporate Tax

b) Sales Tax

c) Export Duty on Cotton

d) Excise Duty on Tobacco & Tobacco manufactures.

e) Excise Duty on Sugar

Divisible pool be distributed between the Federation & the Provinces in the ratio of 20:80.

Provincial Shares:

Punjab 57.88%

Sindh 23.28%

N.W.F.P 13.54%

Baluchistan 5.30%

4. Special Annual grant of Rs.700 million & Rs.1000 million to Sindh & Punjab respectively.

Subventions to N.W.F.P. & Baluchistan for three years at the rate of Rs.200 & Rs.100 millions respectively.

5. Net Profit on generation of Hydro Power Stations located in the Provinces as per decision of Council of Common Interests to be guaranteed by the Federal Government. 6. Net Proceeds of Gas

Development Surcharge on production basis at well heads after deduction of collection Charges of 2%.

7. The royalty & excise duty on oil & gas according to production.

8. Practice of giving deficit grants & picking surpluses discontinued.

9. Sales tax at retail level entrusted to the Provinces. **Administrative Accountability**

According to Leonard D. White it is 'the sum total of constitutional, statutory, administrative and judicial rules and precedents and the established practices by means of which public officials may be held accountable for their official actions'

It refers to the formal and specific location of responsibility. While responsibility has a personal and moral connotations and is not necessarily related to formal status and power.

The Meaning of Control

Accountability is a kind of management Control. Control is the process of ensuring that actual activities conform to established standards and laid done procedures. Control helps managers to monitor the effectiveness of

managers **Types of Accountability** ☞

Internal Control ☞ External control

Types of Internal Accountability ☞

Administrative process ☞
Hierarchical order

☞ Performance Evaluation

Reports ☞ Administrative

leadership ☞ Budgetary

control

External Accountability

☞ Legislative

Control ☞

Questions

☞ Resolutions and
Motions ☞ Debates
and Discussions ☞
Committees of
Legislature

METHODS OF EXECUTIVE CONTROL

The executive exercises control over administration through the following methods:- **Policy-Making:**

The chief executive along with his cabinet, control the administration through policymaking.

All important policy-decisions are taken by the cabinet **Budgetary System:**

It is the main responsibility of the chief executive to prepare budget and to present it to the legislature. After the approval by legislature, the chief executive implements it through the allocation of funds among various departments, and controls it by proper utilization of funds.

Recruitment system:

The third system of executive control works through recruitments of public personnel. This is usually placed in the hands of an independent recruiting agency like Public Service Commission.

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Judicial Accountability

Judiciary is one of the important external agencies, which exercises control over administration. By judicial control means the power of courts to keep the decisions and acts, of administrative officials within the bounds of law.

L.D. White explains the importance of judicial control and says, "The system of formal external control officials and their acts which fall primarily into two main divisions – that exercised by the legislative bodies and that imposed by the courts.

The main purpose of judicial control is to determine the constitutionality and legality of administrative acts of public administrators, and thus to protect the rights and liberty of citizens from the wrongful acts of government officials.

Types of Remedies:

There are two systems of legal remedies against the unlawful acts of government officials.

One is called the Rule of law and the other Administrative law. A brief description of each is given below:

Rule of law System:

Theoretically it means that every body high or low, and official or private is subject to the same law. The public administrators are not above the law, while performing official duties.

Ordinarily the aggrieved party shall have all those legal remedies against the offending officials

DEFINITIONS OF AUDIT

- An examination and verification of a company's financial and accounting records and supporting documents by a professional
- A formal examination of an organization's accounts or financial situation. An audit may also include examination of compliance with applicable award terms, laws, regulations and policies.
- The examination of some or all of the following items: documents, records, reports, systems of internal control, accounting procedures, and other evidence, for one or more of the following purposes:
 - (a) Determining the propriety, legality, and mathematical accuracy of transactions
 - (b) Ascertaining whether all transactions have been recorded
 - (c) Determining whether transactions are accurately reflected in the accounts and in the statements drawn in accordance with accepted accounting principles. Financial audit is concerned with examination of the transactions relating to expenditure and receipts and with the form and content of the accounts.

Article 169 of the Constitution gives the functions of the Auditor General, who heads the Audit & Accounts organization of Government of Pakistan. This organization, under the Audit &

Accounts Order 1973 ensures that the public money is spent and transactions are made in accordance with the financial rules

The accounts of federation and of provinces will be kept according to the principles and methods given by the Audit & Accounts Order and rules and procedures. All the accounts will

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have to be submitted to the President in the case of federation and to the Governors in case of the Provinces who will put before the respective assemblies.

Use of Public Money

Public money is the money tax and non tax revenue and borrowed money. This money has to be spending according to the laid down procedures (Drawing and disbursing Handbook). The fundamental principle of spending public money

PERFORMANCE AUDIT OR VALUE FOR MONEY

The term “value for money” refers to the way in which resources (financial, human or physical) have been allocated and utilised by the entity.

Performance audit “is an objective and systematic examination of public sector organisation’s programme, activity, function or management systems and procedures to provide an assessment of whether the entity, in the pursuit of predetermined goals, has achieved economy, efficiency and effectiveness in the utilization of its resources”.

Performance audit, therefore, involves an independent assessment of whether economy, efficiency and effectiveness have been achieved

Economy

Economy is concerned with minimising the cost of resources (staff, materials and equipment) used for an activity in the pursuit of its objectives and whether they are in accordance with sound administrative principles and practices and management policies.

Efficiency

Efficiency is concerned with the relationship between goods and services produced (the

outputs) and the resources used to produce them (the inputs). An efficient entity produces the maximum output from any given set of inputs.

Effectiveness

Effectiveness is concerned with achieving predetermined objectives (specific planned achievements) or goals and with actual impact (the output achieved) compared with the

intended impact (the objectives). Using a range of performance measures and indicators, it is possible to assess an entity’s effectiveness. **Motivation**

Motivation is a human psychological characteristic that contributes to a person’s degree of commitment. It includes the factors that:

1. Cause,
2. Channel, and
3. Sustain human behavior in a particular committed direction.

Motivation and motivating both deal with the range of conscious human behavior somewhere between two extremes:

(1) Reflex actions, such as a sneeze or flutter of the eyelids; and

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(2) Learned habits, such as brushing one's teeth or handwriting style. This range of behavior is shown in Figure

ASSUMPTIONS

1. Motivation is commonly assumed to be a good thing. 2. Motivation is one of several factors that goes into a person's performance. Important, too, are such factors as ability, resources, and conditions under which one performs.

3. Managers and researchers alike assume that motivation is in short supply and in need of periodic replenishment.

4. Motivation is a tool with which managers can arrange job relationships in organizations.

They can tailor job assignments and rewards to what makes these people "tick." **Views of**

Motivation Need Theory:-

MASLOW'S HIERARCHY OF NEEDS:

Maslow's hierarchy of needs, developed by Abraham Maslow, has probably received more attention from managers than any other theory of motivation.

ERG THEORY:

E = existence

R = relatedness

G = growth

Clayton Alderfer agreed with Maslow that worker motivation could be gauged according to a hierarchy of needs. However, his ERG theory differs from Maslow's theory in the basic ways.

1. Alderfer broke needs down into three categories: Existence needs (Maslow's basic needs), relatedness needs (needs for interpersonal relations), and growth needs (needs for personal creativity or productive influence). The first letters of each category form the acronym ERG.

2. Alderfer stressed that when higher needs are frustrated, lower needs will return, even though they were already satisfied. Maslow, in contrast, felt that a need, once met, lost its power to motivate behavior.

THREE NEEDS.

John W. Atkinson proposed three basic drives in motivated persons:

1. Need for achievement;

2. Need for power and

3. Need for affiliation, or close association with others.

The balance between these drives varies from person to person.

David C. McClelland's research has shown that a strong need for achievement-the drive to succeed or excel-is related to how well individuals are motivated to perform their work tasks.

EXPECTANCY THEORY

According to expectancy theory, people choose how to behave from among alternative courses of action, based on their expectations of what there is to gain from each action. There are four assumptions about behaviour in organisations on which the expectancy approach is based:

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1. Behavior is determined by a combination of factors in the individual and factors in the environment.
2. Individuals make conscious decisions about their behavior in the organization.
3. Individuals have different needs, desires, and goals.
4. Individuals decide between alternative behaviors on the basis of their expectations that a given behavior will lead to a desired outcome.

These assumptions become the basis for the expectancy model, which has three major components:

1. Performance-Outcome expectancy: Individuals expect certain consequences of their

behavior. These expectations, in turn, affect their decisions on how to behave. For example, a student who is thinking about getting good marks may expect praise.

2. Valence: The outcome of a particular behavior has a specific valence, or power to motivate, which varies from individual to individual. For example, to a manager who values money and achievement, a transfer to a higher paying position in another city may have high valence.

3. Effort-performance expectancy: People's expectations of how difficult it will be to perform successfully affect their decisions about behavior.

REINFORCEMENT THEORY

Reinforcement theory, associated with the psychologist B.F. Skinner and others, shows how the consequences of past behavior affect future actions in a cyclical learning process. This process may be expressed as follows:

Stimulus→Response→Consequences→Future Response.

LEADERSHIP

Leader and leadership are two different concepts.

A leader is a person who leads a group of individuals

Leadership on the other hand defines the characteristics of the person who leads.

Thus leadership is the software that makes a leader

DEFINING LEADERSHIP

There are almost as many different definitions of leadership as there are persons who have attempted to define the concept. We will define managerial leadership as the process of directing and influencing the task-related activities of group members. There are four important implications of our definition.

1. First, leadership involves other people-employees or followers. By their willingness to accept directions from the leader, group members help define the leader's status and make the leadership process possible; without people to lead, all the leadership qualities of a manager would be irrelevant.
2. Second, leadership involves an unequal distribution of power between leaders and group members. Group members are not powerless; they can and do shape group activities in a number of ways. Still the leader will usually have more power.
3. The third aspect of leadership is the ability to use the different forms of power to influence followers' behaviors in a number of ways.
4. The fourth aspect combines the first three and acknowledges that leadership is about values. Moral leadership concerns values and requires that followers be given enough knowledge of alternatives to make intelligent choices.

Managerial Leadership

Leader and leadership is often thought of in the larger context like, political leader, reformers, prophets, thinkers, philosophers etc. But in the discussion of leadership that will

follow the emphasis is on Managerial Leadership

The five bases of a manager's power:

1. Reward power;
2. Coercive power;
3. Legitimate power;
4. Referent power and

5. Expert power

The Trait Approach

There is believe that leaders are born and that people are born with certain traits or characteristics that are peculiar to leaders. Others who are not born with those traits cannot be leaders.

What are the traits?

1. Confidence
2. Sense of direction (clear goals)
3. Human insight
4. Discipline
5. Clarity of tasks
6. Consistency
7. Hard work
8. Motivate
9. Good communication skills
10. Integrity
11. Honesty

Effective & Ineffective Leaders

Comparing the characteristics of effective and ineffective leaders are more recent studies.

One study did find that intelligence, initiative, and self-assurance were associated with high managerial performance. The study also found that manager's supervisory ability for better performance was most important.

LEADERSHIP FUNCTIONS

To operate effectively groups need someone to perform two major functions:

1. task-related or problem-solving functions
2. group-maintenance or social functions. Group-maintenance functions are mediating disputes and ensuring that individuals feel valued by the group

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LEADERSHIP STYLES

Managers who have a task-oriented style closely supervise employees to be sure the task is performed satisfactorily. Getting the job done is given more emphasis than employees' growth

or personal satisfaction. Managers with an employee-oriented style put more emphasis on motivating rather than controlling subordinates. **Tannenbaum and Schmidt**

Were the first to describe factors that influence managers' choice of leadership style. They favoured 'employee-centred' style, but they said that managers considered three sets of forces before choosing a leadership style:

1. Forces in manager: his/her knowledge, background, experience, for example a managers who believes that organization's needs are more important will be more directive.
2. Forces in employees: their knowledge, experience, background, willingness to work, attitudes etc.
3. Organizational force: organizational preferred style, culture, pressure of time

CONTINGENCY APPROACHES

Researchers using the trait and behavioral approaches showed that effective leadership depended on many variables, such as organizational culture and the nature of tasks. No one trait was common to all effective leaders. No one style was effective in all situation. Contingencies theories focus on the following factors: ☞ Task requirements ☞ Peers' expectations and behavior ☞ Employees' characteristics, expectations, and behavior ☞ Organizational culture and policies

Hersey & Blanchard's Contingency Model

Main contingency approach to leadership is by Paul Hersey and Kenneth H. Blanchard's contingency leadership model, says that the most effective leadership style varies with the "readiness" of employees.

Hersey and Blanchard define 'readiness' as desire for achievement, willingness to accept responsibility, task-related ability, skill, and experience. The goals and knowledge of followers are important variables in determining effective leadership style.

The situational leadership model has generated interest because it recommends a leadership type that is dynamic and flexible rather than static.

Personal Characteristics Of Employees

The leadership style that employees prefer will partially be determined by their personal characteristics.

Hersey and Blanchard believe that the relationship between a manager and follower moves through four phases as employees develop, and managers need to vary their leadership style.

In the initial phase of readiness high amounts of task behavior by the manager is most appropriate. Employees must be instructed.

TRANSFORMATIONAL OR CHARISMATIC

One area of growing interest is the study of individuals who have an exceptional impact on their organizations. These individuals may be called transformational leaders.

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Through their personal vision and energy they inspire followers and have a major impact on their organizations.

TRANSACTIONAL LEADERS

Leaders who determine what subordinates need to do to achieve objectives, classify those requirements, and help subordinates become confident. They do routine work of the organization and are also called bureaucratic leader.

TEAM

Two or more people who interact with and influence each other toward a common purpose.

Types of Teams

Traditionally, two types of teams have existed in organizations: formal and informal. Today, however, teams exist that have the characteristics of both formal and informal team

Formal & Informal teams

Formal teams or groups are created deliberately by managers and charged with carrying out specific tasks to help the organization achieve its goals. The most prevalent type of formal group is the command team, which includes a manager and all employees who report to that manager.

Another type of formal team is the committee, which generally lasts a long time and deals with

recurrent problems and decisions. For instance, your university or college probably has a committee for student affairs to deal with recurring issues that involve students. A quality circle is a kind of team. Problem Solving, quality circle teams meet for an hour weekly

to discuss work-related problems, investigate the causes, recommend solutions, and take corrective action. When a team has completed its investigation and identified a solution, it makes a formal presentation to the management and staff.

Some formal teams are called task forces or project teams. These teams are created to deal with a specific problem and are usually disbanded when the task is completed or the problem is solved.

Informal teams or groups emerge whenever people come together and interact regularly. Such groups develop within the formal organizational structure. Members of informal teams tend to subordinate some of their individual needs to those of the team as a whole.

FUNCTIONS OF INFORMAL GROUPS

Informal groups serve four major functions:

1. They maintain and strengthen the norms (expected behavior) and values their members hold in common.
2. They give members feelings of social satisfaction, status, and security. In large organizations, where many people feel that their employers hardly know them, informal group enable employees to share jokes and complaints, eat together, and socialize after work.
3. Informal groups help their members communicate. Members of informal groups learn about matters that affect them by developing their own informal channels of communication to supplement formal channels.
4. Informal groups help solve problems. They might aid a sick or tired employee or devise activities to deal with boredom. Quite often, such group helps the organization- , when co-workers tell nonproductive employees to “improve.” But these groups can also reduce an organization’s effectiveness

HIGH PERFORMANCE TEAMS

Some groups have characteristics of both formal and informal teams. Super-teams or highperformance teams. These are group of 3 to 30 workers drawn from different areas of a organizations. These are also called “self-managed work teams,” “cross-functional teams,” or “high-performance teams.”

Self-managed Teams

Super-teams that manage themselves without any formal supervision are called selfmanaged teams. These teams usually have the following characteristics:

- ☞ The team has responsibility for a “relatively whole task.” ☞ Each Team members possess a variety of task-related skills.
- ☞ The team has the power to determine such things as work methods, scheduling, and assignment of members to different tasks.
- ☞ The performance of the group as a whole is the basis for compensation and feedback.

Stages Of Team Development

Small groups move through five stages as they develop; ℓ

Forming ℓ Storming ℓ Norming ℓ Performing ℓ

Adjourning

MAKING TEAMS EFFECTIVE

Many managers' joke or complaint about committees being big time-wasters. In reality, a committee or task force is often the best way to pool the expertise of different members of the organization and then channel their efforts toward effective problem solving and decision making and in coordinating.

GUIDELINES FOR COMMITTEES

Committees differ greatly in their functions and activities; therefore set of guidelines will not be appropriate for all cases. The following suggestions apply to committees, which must be managed flexibly if their members skills are to be used most effectively:

1. The agenda and all supporting material for the meeting should be distributed to members before the meeting to give them time to prepare in advance.
2. Meetings should start and end on time. The time when they will end should be announced at the outset.
3. The committee's authority should be known. Is the committee to advise, recommend or implement
4. Chairperson should be selected on his/her ability to run meetings efficiently
5. Optimum size of committee should be determined. Too few members i.e. fewer than five the advantage of committee may be diminished. But size may vary according to the task.

COMMUNICATION

For all managerial activities and functions (motivation, leadership, teamwork etc.) communication is the backbone. Without communication it is not possible to run the organization

effectively and efficiently

THE IMPORTANCE OF EFFECTIVE COMMUNICATION

1. Communication provides a common thread for the management processes of planning, organizing, leading, and controlling.

2. Effective communications skills can enable managers to draw on the vast array of talents available.
3. Managers do spend a great deal of time communicating. Rarely are managers alone at their desks thinking, planning, or contemplating alternatives. In fact, managerial time is spent largely in face-to-face, electronic, or telephone communication with employees, supervisors, suppliers or customers.

INTERPERSONAL COMMUNICATION

Communication is defined as the process by which people seek to share meaning via the transmission of symbolic messages. The definition of communication has three essential points:

- (1) That communication involves people, and communication involves trying to understand how people relate to each other;
- (2) That communication involves shared meaning, which suggests that in order for people to communicate, they must agree on the definitions of the terms they are using; and
- (3) That communication involves symbols, gestures, sounds, letters, numbers, words a whole and a language can only represent or approximate the ideas that they are meant to communicate.

THE COMMUNICATION PROCESS

Communication takes place in the relationship between a sender and a receiver. Communication can flow in one direction and end there. A message can elicit a response-formally known as feedback-from the receiver.

The sender

The sender (source of the message) initiates the communication. In an organization, the sender will be a person with purpose for communicating them to one or more other people.

The Receiver

The receiver is the person whose senses perceive the sender's message. There may be a large number of receivers, or there may be just one, as when one discusses something privately with a colleague. The message must be crafted with the receiver's background in mind.

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Encoding

Encoding takes place when the sender translates the information to be transmitted into a series of symbols. Encoding is necessary because information can only be transferred from one person to another through representations or symbols.

Decoding

Decoding is the process by which the receiver interprets the message and translates it into meaningful information. It is a two-step process. The receiver must first perceive the message, and then interpret it. Decoding is affected by the receiver's past experience etc.

Noise

Noise is any factor that disturbs, confuses, or otherwise interferes with communication. Noise

can arise along what is called the communications channel, or method of transmission (such as

air for spoken words or paper for letters) or external or internal (as when a receiver is not paying attention).

Types of Communication

1. Formal (written): letters, memos, reports, any document in the organization
2. Informal: unwritten, word of mouth, gossip, exchange of information in the informal groups etc.

Other Types

1. Verbal: Instructions, discussions etc.
2. Non-verbal: gestures, dress, body language, a frown, smile, twitch a nose etc.

Emotions

Emotional reactions like, anger, love, defensiveness, hate, jealousy, fear, embarrassment etc. influence how we understand others' with our own messages. If employees are behaving

aggressively or sullenly, managers should get them to talk about their concerns-and pay careful attention to what they say.

Inconsistent

The messages we send and receive are strongly influenced by such nonverbal factors as body movements, clothing, the distance we stand from the person we're talking to, our posture, gestures, facial expressions, eye movements. **Distrust**

A receiver's trust or distrust of a message is, to a large extent, a function of the credibility of the sender in the mind of the receiver. A sender's credibility is affected by circumstances in the context in which he or she sends the message. Here is where the history of a work relationship comes to bear on communication.

Job Specialization

It usually facilitates communication within differentiated groups. Members of the same work group are likely to share the same jargon, goals, tasks, and personal styles. Communication between highly differentiated groups, however, is likely to be inhibited.

Information Ownership

The term information ownership means that individuals possess unique information and

knowledge about their jobs. For example, a darkroom employee may have found a particularly efficient way to develop photo prints.

LATERAL AND INFORMAL COMMUNICATION

Lateral communication usually follows the pattern of work flow in an organization, occurring between members of work groups, between one work group and another, between members of different departments, and between line and staff employees.

The main purpose of lateral communication is to provide a direct channel for organizational coordination and problem solving. So, it avoids the much slower procedure of directing communications through the chain of command. The benefit of lateral communication is that it enables organization members to form relationships with their peers.

One type of informal communication is the grapevine. The grapevine within organizations is made up of several informal communication networks that overlap and intersect at a number of points-that is, some well-informed individuals are likely to belong to more than one informal network

Guidelines for Negotiations

1. Have a set of clear objectives on every bargaining item
2. Do not hurry
3. Be well prepared with data
4. Maintain flexibility in your position
5. Be a good listener

Interlink age

Motivation, Leadership, teamwork Communication and Negotiation complement each other.

A leader requires all these skills which help him to keep team together

District Administration

District administration is the cutting edge of the tool of public administration (S S Khera)

District administration as a concept of public administration stems from the dispersal of state authority largely in countries with centralized administration.

Before 2000, district administration was a unified organic administrative organization. The district magistrates was responsible for the cooperation and orderly application of all resources. His task was of five kinds: Revenue Magisterial Judicial Executive Development

The purpose of district administration was:

1. Maintain law & order
2. Structural arrangement for dispensation of justice
- .
3. Assessment and collection of a number of taxes including land revenue, irrigation rates etc.
4. Maintains land records
5. Exercise regulatory and control function such as rationing of food, regulation of movement of commodities or purchase of agri. Produce
6. Responsible for immediate action of national calamities such as flood, disaster etc.
7. Responsible for development activities

Functions

1. Executive
2. Judicial
3. Revenue
4. Coordinative functions

Devolution

The transfer of resources and power (and often, tasks) to lower-level authorities which are largely or wholly independent of higher levels of government, and which are democratic in some way and to some degree (Manor, 1997)

Pakistan's devolution is based on the separation of the executive from the judiciary, and on Article 37 (i) that required government to decentralize its operations so as to bring these closer to the public. The changes included the doing away with the existing three levels of deconcentrated

provincial administration (divisions, districts and tehsils).

In its place were created new tiers of local governments comprising districts (called city districts in the four provincial capitals), tehsils (city towns in the four city districts) and union administrations and the replacement of the existing municipal bodies by these new local government.

REASONS FOR DEVOLUTION

The 1973 Constitution took a significant step in centralizing revenue responsibilities by bringing the sales tax under federal control. There is a significant mismatch between expenditure responsibility and revenue generation capacity of the lower tiers of government.

The provinces in aggregate depend on federal transfers for over 78 percent of their revenues.

The greater dependence on federal government for revenues stifles development. There is need to decentralize

Aim of devolution

Devolution has three aims:

1. to introduced new blood into a political system considered to be the domain of historically entrenched interests;
2. to provide positive measures for marginalized citizens-women, workers, peasants-to have access to politics; and
3. 3 to introduce a measure of stability into a turbulent political scene by creating a stronger line of accountability between new politicians and a local electorate.

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Principle of subsidiary

The local authorities will have the authority and responsibility to address all problems that are, in their determination, within their ability to solve

TIERS OF GOVERNMENT

First Tier Of Government: Central Government

Second Tier Of Government: Provincial Government

Third Tier Of Government: Local Government

OBLIGATORY

FUNCTIONS ∞ Supply of wholesome water.

☞ Construction and maintenance of public streets ☞
Lighting and watering public streets ☞ Regulation trades
☞ Maintenance and support of public hospitals. ☞
Establishing and maintenances of primary schools.

☞ Registration of births and deaths ☞
Naming streets and numbering houses.

DISCRETIONARY FUNCTIONS

☞ Security or removing dangerous building or places.

☞ Housing for low income groups.

☞ Promotion of welfare of municipal employees. ☞
Provision of transport facilities.

LOCAL GOVERNMENT OF PAKISTAN

☞ In 1947 the area that comprised Pakistan had not so developed systems of local government .

☞ Local government existed was under severe bureaucratic control of the deputy commissioner who played a crucial role in policy making. **1958-1969**

The “Basic Democracies” system, introduced in 1958, created 80,000 “basic democrats,” or union councilors. These local leaders constituted the Electoral College for presidential elections and for elections to the national and provincial legislature created under the constitution promulgated in 1962.

LEVEL OF LOCAL
GOVERNMENT ☞ **DISTRICT** ☞
TEHSIL ☞ UNION

Citizen Participation

Citizen Community Boards (CCBs) are set up for alternate dispute resolution, monitoring of

court conduct, promoting justice, accountability of the police and administrative grievance redressal

Administrative Reforms

These include the creation of district governments divided into 11 departments, and the

District Coordination Officer (DCO) established as the highest-ranking civil servant in the district. The office DC been abolished and its powers divided among the district and sessions judge, district nazim, the District Police Officer (DPO) and the DCO.

The LGO (14 August 2001) and the Police order, (14 August 2002), provide for an unprecedented range of bodies to encourage and accord a mandatory status to citizen engagement in local governance.

PFC

Local governments have been given the powers to raise some additional revenues and Provincial Finance Commissions (PFCs) have been established to make awards for distribution of resources between the province and local governments as well as distribution among local governments.

Responsibilities

Elementary and secondary education, primary and secondary health, agriculture, and intradistrict roads. Towns and tehsils have been assigned municipal service responsibilities including local roads and streets, water supply systems and sewers and sanitation. Although union administrations have not been assigned any major service-delivery responsibilities, they are responsible for small-scale development projects

Separation of powers

The office of the deputy commissioner was the local face of the government, having all administrative powers to implement official policy. The creation of the office of the District Coordination Officer has also entailed the abolition of the office of the district magistrate and the cadre of executive magistrate under him.

With devolution, all judicial powers of the executive magistracy are now vested in the judiciary; each civil judge now also acts as a judicial magistrate, while the District and Session

Judge exercises the powers of the erstwhile district magistrate.

POLITICAL

25,000 population of UC. It is composed of 21 directly elected members. The nazim and naib nazim (mayor and deputy major). The remaining 19 seats are as follows:

12 Muslim seats, 4 of which are reserved for women, 6 seats for peasants and workers of which 2 are reserved for women, 1 seat for minority communities.

Political Reforms

The foundation of the electoral structure for the three tiers of local government is the union council. The union is a multimember ward for the election of members of the union council that

is, each constituency is on average 25,000. Each union council is composed of 21 directly elected members.

Political Structures & Systems

District (Indirectly elected) – Nazim, Naib

Nazim, Council Tehsil/Town/Taluqa
(Indirectly elected)

– Nazim, Naib Nazim,

Council **District**

Elections

33% for women

5% for worker

5% for minorities Candidates would be at least matriculation /
secondary School.

Tehsil

Elections 33% women seats 5% for workers/peasants 5% for minorities

Qualification of at least matriculation / Secondary certificate or Equivalent.

Each tier of local government has a term of office of four years, with a two-term limit for nazimeen and naib nazimeen at all levels of government .

Functions Of

The Union 1.

Functions of

Union

Municipal

council

Finance Pubic

safety Health

Education

Literacy

Wireless

services ☞

Justice

2. Undertake development projects
3. Impose taxes, annual development plan
4. Local securities system-union guards
5. Creation of villager council, citizen community boards.
6. Changes have been made into police setup

Structure within local government

The executive branch of each district government has 10 to 14 departments, The DCO, the highest-ranking civil servant in the district, heads the District Coordination department. An

Executive District officer (EDO) heads each of the remaining departments. In tehsils, the Tehsil Municipal Officer (TMO) performs coordination functions similar to those of the DCO. There are four tehsil, or town officers (TOs) reporting to the TMO:

TO

(Regulation), TO (Infrastructure and services), TO (Finance), and TO (Planning) **Department**

Name ☞ Finance and Planning

☞ **Information**

Technology ☞

Public Transport ☞

Law (Magistracy) ☞

Agriculture

☞ **Community Development** ☞ **District**

Coordination ☞ **Education** ☞ **Literacy**

☞ **Works and Services** ☞ **Public Health**

Engineering ☞ **Enterprise** and

Industrial Promotion ⌘ **Health** ⌘

Revenue ⌘ **Livestock**

Staffing in districts

Three groups of employees were assigned to the new district governments. These were:

⌘ Federal employment groups,

⌘ Former rural district council employees; and

⌘ Provincial employment groups, particularly Public health

Reasons for Reforms

The reasons that reforms were introduced in developed countries was that it was thought that public sector does not have capability to respond to market change There were several other reasons. These were:

1. Severe resource constraints as tax revenues declined
2. The reforms in public sector was brought by political leadership
3. There was link between improving public sector management and re-structuring the national economy
4. The size of government was becoming large and inefficient

Managerial Programme

The countries that were bringing reforms in the public sector were trying to make the public sector more managerial. The features of managerialism were:

(i) To improving human resources, including performance pay;

(ii) Involve staff in decision-making

(iii) Relax controls, but impose performance targets;

(iv) use information technology;

(v) service to clients;

(vi) user charges;

(vii) contracting out

Massey argues that the reforms have had several other goals. These were:

- To reduce the role and extent of the 'state' in order to enhance the role of the private sector;

- To facilitate the acquisition of entrepreneurial skills and activities
- To prevent future expansion of the public sector, and welfare-demanding coalitions;
- To de-politicise many (mainly economic) policy decisions and these should be entrusted to professional experts, rather than the whim of politicians and bureaucrats
- to inculcate in public sector organisations the best techniques of private sector practice in order to bring the discipline 7

Main Points

Hood looks at 'new public management' as comprising seven main points.

1. Hands-on professional management
2. Explicit standards and measures of performance
3. Greater emphasis on output controls
4. A shift to disaggregation
5. A shift to greater competition
6. A stress on private sector styles of management practice
7. Discipline and parsimony in resource use

CRITICISM ON MANAGEMENT

Although now the work done by public servant may be called as management, because the focus is on the achievement of results. But there is some criticism. This is as follows:

- ↳ Economic
- ↳ Private
- ↳ Management
- ↳ Neo-
- ↳ Taylorism
- ↳ Politicisation
- ↳ Implementatio
- ↳ Unclear
- ↳ Specification

Critique

There seems to be some problems in adoption of result based management, strategic management, programme budgeting etc. it has to be seen how this will work.

(GOOD LUCK FOR FINAL EXAM)
(KEEP VISITING VURANK FOR MORE)