CHAPTER I
CHAPTER I

INTRODUCTION

NEED OF MANPOWER PLANNING IN INDIA:

Balanced economic development in any country demands, in addition to material investment, a policy for the fullest & most rational use of human resources. One of the instrument of such a policy is manpower planning. In our country the problem of manpower planning has been felt gradually.

If we are not in a position to utilize the available manpower properly, then the investment made in any form will not do the need full for the economic growth of the country. Therefore, for the right utilization of manpower it is essential to make suitable plans, because generally decisions and plans about manpower in most countries are made randomly without studying the real need. The result is a surplus of one kind of manpower and a shortage of another on an ongoing basis\(^1\).

In developing countries, like India, it is needless to emphasise the significance of development of human resources. The main objective of this development is to improve the standard of living and to raise the per

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1. Dissertation Abstracts International
   Thneibat, Mohammad Mahmood, Ph.D.
   Paper Manpower Planning, A Critique
   Volume 44, Number 2 August 1983, Page No. 576-A.
capita income of people through rapid industrialisation. Trained manpower is required to achieve the full potential of our natural resources in land, water, minerals, power and to spread the benefits of science and technology. We can import equipment and technical know how of the high order, but this alone can not suffice, if our country's development is to be seriously persuaded. We must, therefore, develop our human resources, build up our own machines and operate with native talents.

**IMPORTANCE OF MANPOWER PLANNING IN ECONOMIC DEVELOPMENT:**

In the industrial countries economic as well as social development has revealed, chronic shortage of high level skills and future requirements of engineers, technicians and physicians. A number of countries are, therefore, endeavouring to strike the proper balance between the material investment and training of workers. Manpower planning is restricted to the more modest aim of estimating the minimum, rather than optimum resources to be directed to training purposes in order to safeguard economic planning targets. This means deducting manpower requirement at the different level of skill in the light of production aims and then drawing up the corresponding training programmes. For this an attempt is to be made to harmonise or if possible integrate economic planning, manpower planning, and educational planning, etc.

Manpower planning is thus, seen in the present
day situation also as vital element in a rational policy of balanced economic and social development. It is the indispensable complement to material investment planning and educational planning. It might be briefly defined by stating that its aim is the development of human resources and its method the correlation of the total manpower requirements with total material and human resources. In this respect manpower planning has several affinities with economic planning, it calls for a definition of the main alternatives for a long term manpower policy, forecasting of quantitative manpower requirements and qualitative indication of the training facilities needs. It must also decide various stages of implementation and also the cost of each of them.

Manpower planning is a relatively recent concept. When government established machinery of employment exchange, people welcomed such type of machinery. Government also provided various facilities to these exchanges to fulfill the needs of economic development of the country. 'Planning in the area of manpower has not reached its peak, nor is it likely to do so in the near future'. In any society or economy,

1. Dissertation Abstracts International
Thneibat, Mohammad Mahmud, Ph.D.
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educational centres play essential & nice role in developing manpower resources. It means manpower planning aim is the development of human resources and its method, the correlation of total manpower requirement with total material and human resources, by providing more educational plans.

In the developing countries where unemployment and under employment exist and there is manpower surplus, the dearth of skilled workers acknowledged to be one cause for the disappointing results of investment or at least the low level of returns. A large number of countries are, therefore, endeavouring to strike the proper balance the material investment and training the workers. Here the balanced development of economy means that the level of skill of labour force is now receiving as much attention as its quantitative aspects.

DISTRIBUTION OF YOUTH LABOUR FORCE AND UNEMPLOYMENT BY EDUCATIONAL LEVEL^{1} (1980 - 85)

<table>
<thead>
<tr>
<th>Educational level</th>
<th>Percentage share in Labour Force</th>
<th>Unemployment</th>
<th>Rate of Unemployment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Illiterate</td>
<td>48.9</td>
<td>25.0</td>
<td>3.97</td>
</tr>
<tr>
<td>Primary and Middle</td>
<td>39.6</td>
<td>41.8</td>
<td>4.17</td>
</tr>
<tr>
<td>Secondary</td>
<td>8.8</td>
<td>23.8</td>
<td>21.05</td>
</tr>
<tr>
<td>Graduates and above</td>
<td>2.7</td>
<td>9.4</td>
<td>26.97</td>
</tr>
<tr>
<td>Total</td>
<td>100.0</td>
<td>100.0</td>
<td>7.75</td>
</tr>
</tbody>
</table>

1. SOURCE - Planning Commission, Sixth Five-Year-Plan
BACKLOG OF UNEMPLOYMENT AND NET ADDITIONS TO LABOUR FORCE
1980-85 (USUAL STATUS BASIS)\(^1\):

Table No.2

<table>
<thead>
<tr>
<th>(a) Backlog of unemployed in 1980</th>
<th>12.02</th>
</tr>
</thead>
<tbody>
<tr>
<td>(b) Net additions to labour Force (1980-85)</td>
<td>34.24</td>
</tr>
<tr>
<td>(c) Total unemployed ((a + b))</td>
<td>46.26</td>
</tr>
<tr>
<td>(d) Total unemployment likely to be generated during 1980-85</td>
<td>34.28</td>
</tr>
<tr>
<td>(e) Backlog of unemployed in 1985 ((c - d))</td>
<td>11.98</td>
</tr>
</tbody>
</table>

DIRECTION OF MANPOWER DEVELOPMENT FROM AGRICULTURE TO INDUSTRY :-

Manpower is required in every sector of the economy whether it is agriculture, industry or any other service. India is an agricultural country. Agriculture can not develop in isolation as it needs certain facilities which ultimately depend upon infrastructural development. So agriculture is required for whole of the

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1. SOURCE - Planning Commission, Sixth Five-Year-Plan (1980-85), Page-204
economy. For this manpower is a must and it must be used in proper direction.

Certain broad aspects of human resources development had come to light and we have to benefit our succeeding plans by our experience during our plan period which have been completed so far. (At the outside, there has been an increase in their population). The increase in the population of working age group has been more rapid in the country than the capital available for investment.

This involves careful formulation of our programmes of development as far as possible, without, at the same time, causing serious detriment to the long term objectives. This would indicate the direction for manpower development in India as much as it would determine on of the guiding principles for our prospective planning. The aim of planning has to be a transfer of our dependance of low fielding occupation to more remunerative one's.

Development of agricultural aspects for economic growth will be developed. After looking aspects of agriculture which are simultaneously related with industry it indicates than if man becomes aquinted with the apparatus and growth of the agriculture, obviously
there will be economic development. These aspects were also discussed in seminars on 'Agricultural Development', 'A stimulus to Economic Growth' held on September 2nd of 1985 at the federation of Indian chambers of commerce and Industry. The Union Agriculture Minister affirmed the stimulus given by agricultural development to economic growth in India and he proved with the help of empirical evidence that there was a close relationship between agriculture and industry. In the year when the agricultural production showed decrease, the per capita national product at constant prices (1970-71 prices) also declined. The reverse trend happened in the years of increase in agricultural production. For instance, in the year 1979-80, when the agricultural production decreased by 16.17% over the previous year the per capita net national production at constant prices (1970-71 prices) also declined by 7.4%. Again in 1983-84, agricultural production increased by 17.0% over the previous year, and the per capita net national increased by 5.2%. This close relationship between the agricultural development and economic growth can be ascribed to two factors, the contribution of agriculture of about 40% to net domestic products at constant prices, and the dependence of secondary and tertiary industry on agriculture.

The share of agriculture in the national income has decreased from over 50% to 40% at present, and is
expected to decrease further. This does not mean that agricultural production is declining. On the contrary, in each five year-plan, the additional output is about 50% higher than the preceding year plan. It only means that the share of the secondary and tertiary industries in the national income is increasing and this is the accepted pattern of the development. But such an enlargement of the non-farm sectors will be impossible unless they receive support from the farm sector in terms of food, raw-materials markets and flow of capital.

The mutual interdependence of agriculture and industry can be further elaborated. In the first place the growing need for raw materials in industries and for food by industrial growth makes feasible greater per capita domestic consumption and greater absorption of agricultural labour force. The transfer of labour from agriculture to the higher productivity industrial sector itself becomes a source of economic growth.

Secondly, agricultural development results in higher average labour productivity, which in turn steps up the demand for consumer goods produced in the industrial sector.

Thirdly, the nature of agricultural development has undergone a transformation. Today, agriculture
depends for more on fertilizers, pesticides, farm machines and tools, processing industries etc. than in the past and such dependence on the secondary and tertiary sector is likely to grow in the future.

During the cause of sixth plan, a further 60% increase in the use of fertilizers is envisaged. There will be a very significant increase in the demand also for pumpsets, sprinkless, tractors and other farm machines during seventh plan. There will be a further increase in the demand for transport storage, processing, banking and even farm insurance services. The secondary and the tertiary sectors will receive tremendous stimulus during the seven plan the agricultural sector.

Agricultural development has not only been helpful in raising the economic growth but also in reducing the incidence of poverty. This is the most important aspect of agricultural development in the country.

The incidence of poverty in the states like Punjab and Haryana is the lowest in the country on account of agricultural advance. The wage levels in these states are amongst the highest in the country, enabling labourers to
<table>
<thead>
<tr>
<th>Size of Employment</th>
<th>Factories</th>
<th>Productive Capita</th>
<th>Employment</th>
<th>Value added</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Percentage</td>
<td>Rs. in Crores</td>
<td>Percentage</td>
</tr>
<tr>
<td>0-49</td>
<td>75,676</td>
<td>78.4</td>
<td>2,323</td>
<td>5.4</td>
</tr>
<tr>
<td>50-99</td>
<td>10,207</td>
<td>10.6</td>
<td>1,311</td>
<td>3.0</td>
</tr>
<tr>
<td>100-199</td>
<td>5,158</td>
<td>5.3</td>
<td>1,159</td>
<td>3.8</td>
</tr>
<tr>
<td>200-499</td>
<td>3,112</td>
<td>3.2</td>
<td>3,001</td>
<td>7.0</td>
</tr>
<tr>
<td>500-999</td>
<td>1,075</td>
<td>1.1</td>
<td>4,948</td>
<td>11.5</td>
</tr>
<tr>
<td>1000-1999</td>
<td>754</td>
<td>0.8</td>
<td>5,599</td>
<td>13.0</td>
</tr>
<tr>
<td>2000-4999</td>
<td>426</td>
<td>0.5</td>
<td>5,209</td>
<td>12.1</td>
</tr>
<tr>
<td>5000 &amp; above</td>
<td>95</td>
<td>0.1</td>
<td>19,070</td>
<td>44.2</td>
</tr>
<tr>
<td></td>
<td>97,503</td>
<td>100.0</td>
<td>43,120</td>
<td>100.0</td>
</tr>
</tbody>
</table>

buy more consumer goods. At the same time efforts are being made to reduce the burden of agriculture in providing employment to unskilled labour. Rural development really means to make every human being a skilled worker. So long as they remain unskilled, their income will be less. Thus the, whole challenge lies in making unskilled workers skilled. Only this diversification can provide them employment.

**DYNAMIC APPROACH TO EDUCATIONAL PLANNING :**

We have with a certain amount of planning aimed at universal education for all children upto the age of fourteen years. Due to increasing population the number of children at the age of 5-14 years has gone so high. It is the age group of school students who are the productive members in our economy in the coming plan period. What we do to them ? For what purpose can they be used for better utilisation of their manpower and in which direction society needs them ? Further, our educational preperations should have to include advancement in science and technology and their contribution to the growth of technological society.
Needless to say, that the situation calls for a dynamic approach to educational planning for the development of our next generation of manpower with reference to a wide spectrum of demands likely to be made by industrial and economic development.

Manpower planning is a relatively recent concept, whereas economic planning has gradually become an essential part of development policies as a way of obtaining maximum returns on a limited investment budget, it is only now coming to be recognised more generally that planned development of human resources is also needed.

Even in the developing countries, where unemployment and under employment means that there is a manpower surplus\(^1\). Thus all these factors indicate that even people are educated but if they don't have proper direction for education then these will be worth less. So for the utilization of every educated person.

In the educational system from the very beginning there has been a dearth of proper education

\(^{1}\) Book - Manpower Planning in developing countries.

Chapter - Importance of manpower planning in economic development.

By - N.R. Sinha.

Published for Indian Institute of Asian Studies, Bombay.
needs systematic way, when as a result of it a person getting his degree remains unemployed till he did not equip him self with some other technical or professional course. So 'Manpower planning must explore the relationship between education and employment in for greater detail'.

The Public employment service operated by the Government department of the Manpower service commission for the suitable use of manpower.

IDENTIFICATION OF STRATEGIC AREAS :

It is urgently necessary to identify these strategic areas, where trained manpower at various levels is immediately required. In these cases, it is difficult to increase substantially the inflow of qualified people from the existing educational system. The actual size of labour force is more or less fixed. New policies and


2. The Daily Telegraph Recruitment Hand Book Chapter - Using consultant and agencies.
programmes had not sufficient time to come into operation and it is difficult to recruit expert from overseas in large numbers.

Besides, there are also stages where specialized, experience and skill are in great demand. Measures that may have immediate effects on such a situation include, improving the efficiency of the employment market by speeding information and by establishing machinery for matching vacancies, with those seeking work.

It also involves, establishing system of accelerated training which would increase output of certain types of skilled people and improve the qualification of existing workers. We will have to plan for evolving a programme of better utilisation of existing skills avoiding all considerable wastes of certain categories. One can not rule out, also the recruitment of a limited number of foreign personnel in all these programmes, the important aim should be to improve the organisation for assessing the policies and programmes which have bearing on critical manpower categories.

TECHNICAL PERSONAL PLANNING :-

Manpower planning is an essential element in any policy of national development whether as a means of
building up the skills required for economic progress or as a means of providing individuals with productive and socially gainful employment. Manpower planning should be flexible in nature. Its success depends in its proper handling by proper administration. It refers that all planning regarding manpower should be systematic. It should be right from the very beginning.

At the lower level of skills the previous year have shown a manifold increase of training capacity in our craft institutions and even this is considered to be inadequate. In the estimated areas, we have to be very cautious to introduce the various aspects of qualitative needs both in terms of levels of skills and areas of specialisation.

**CONCLUSION:**

There is a vital need for undertaking continuous review of our policies and programmes in this field. How best we anticipate prospective demand for labour and coordinate these with the present day training programmes is a crucial test for dynamism in our efforts to channelize the sources fir development of human

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1. Mukerjee N.
   Manpower planning and employment policies
   A.I.C.C. Economic Review
potential. What is equally important is that apart from ensuring the manpower requirements, it would also help to eliminate the peculiar position of the educated unemployed and will help to rectify the imbalance between the shortages of personnel in certain areas & regions & surpluses elsewhere. The situation in south India and particularly in Kerala is different from what it is in M.P., U.P., Bihar and Rajasthan. Similarly West Bengal and Maharashtra present problems of their own and are not comparable to those in Punjab and Haryana. Through planning, we should be able to avoid not only such geographical imbalance but also such imbalances as are likely to arise in case of occupational skills.

For the sake of contributing to the greater well being of each individual & strengthening the nation as a whole it is necessary to ensure the further development of our manpower resources and their more effective utilization in the days to come. For this purpose, we must view over human resources as a whole, that is not only as they are now, but in the manner in which they can be developed. It involves a deliberate and conscious concept with the development of human resources upon which depend our future progress and strength.
It will be worth while to quote one of the specific terms of the reference of planning commission..........; make an assessment of the material, capital and human resources of the country, including technical personal and investigate the possibilities of augmenting such of these resources as are found to be deficient in relation to the nation's requirements".