INTRODUCTION

SIGNIFICANCE

In recent years a great deal has been written about the need for manpower planning as an integral part of any programme of economic development. Formulation of the goal of full employment in structural as well as aggregate terms postulates the appropriate use of fiscal measures and also the development of a comprehensive manpower programme. But adequate attention has not been focussed upon the instruments of action through which manpower planning is made effective. Obviously, such programmes cannot be carried out in a vacuum. There has to be a focal point in the economy to provide the driving force and maintain continuity in the development, dissemination and application of the techniques for effective manpower utilisation and organisation of the labour market. A national Employment Service fulfils some of these needs.

Substantively the task of the Employment Service on the one hand is to find workers suitable for vacancies notified by employers and on the other, to help applicants find posts for which they are best suited. This by itself is an important service whether jobs are plentiful or scarce. The complex nature of modern life, the variety of occupations and the wide range in the skills and abilities of workers...
necessitate a well-organised intermediary agency to bring the two together. There is also the larger task of ensuring, in the interest of the country as a whole, the most effective utilisation and distribution of its resources in manpower among different industries and services. Organisation of the employment market or a planned programme of effective utilisation of the manpower resources is not possible without a machinery to provide information on current as well as the prospective needs. An Employment Service is an indispensable instrument for providing this information.

While an Employment Service cannot create employment, it can certainly alleviate unemployment arising from lack of information regarding the job opportunities available in the local community or outside. We are long past the stage when each village or town was self-sufficient in employment. Employers need a larger number of persons and that too with requisite skills or qualifications; similarly, workers frequently need employment suited to their qualifications and expectations, which may not be available in their neighbourhood or locality. With the provision of reliable information concerning employment opportunities in other occupations and areas, the Exchanges can encourage and facilitate geographical and occupational mobility of labour and thus adjust the supply of workers to present and prospective employment opportunities in various occupations and areas.
Whatever be the economic situation prevalent in a
country at a given time, an agency is needed to advise
candidates in the choice of their occupation or training
based on an appraisal of their abilities and aptitudes as
well as on the basis of the employment opportunities
available. The need for guidance in the choice of a career
arises from the complexity of the labour market and the
differences in the aptitude, interests, acquired skills and
physical capacities of individuals. Unless an individual
is employed in a job suited to his ability, he does not get
full satisfaction from his work and in many cases, is not
a productive employee. This results in a loss not only to
the employer concerned but also to the country as a whole.
The Employment Service provides the vital link.

Today in no country does the Employment Service
function merely as a local 'labour exchange', matching job
orders from employers with job applications from workers.
Additional services such as vocational and occupational
testing, training and retraining of the unemployed, and
gathering and distribution of labour market information, are
to varying degrees and in varying patterns carried on either
within the Employment Service agency or by closely related
manpower and labour market agencies. Countries differ
greatly in the emphasis given to these services and in the
organisational arrangements for performing them.
In India, Employment Service is primarily a post-war phenomenon. It was created to meet the pressing need for speedy resettlement of demobilised soldiers and discharged war workers during the transition from a war economy. In 1947, after the partition of India, the nascent organisation was called upon to shoulder the additional responsibility of resettling displaced persons from Pakistan. A year later, in response to public demand, the Government of India threw open the Employment Service to all categories of applicants, thereby making it truly national in character.

In 1952, the Government of India appointed a Training and Employment Services Organisation Committee, commonly known as the Shiva Rao Committee, to examine the future of the Employment Service. The Committee, which submitted its report in 1954, recommended that the Employment Service Organisation should be placed on a permanent footing without further delay, that the day-to-day administration of Employment Exchanges and Craftsmen Training Centres should be handed over to the States, the Central Government being responsible for co-ordination, supervision of work and formulation of policies and standards; and that the cost of running the organisation in the States should be shared between the Central and State Governments in the ratio of 60:40. The Committee also recommended considerable expansion in the activities of the Employment Service with regard to employment market information, vocational guidance and
occupational information and research.

The Government of India accepted the Committee’s recommendations in general. Accordingly, the day-to-day administration of Employment Exchanges and Craftsmen Training Centres was transferred to the States with effect from November, 1966, and the service was reorganized to undertake the responsibilities of a full-fledged manpower agency. But no attempt has been made since then to evaluate the functioning of the Employment Service in India as a whole. We, therefore, thought it would be useful to study the development and functioning of the National Employment Service. To ensure a deep analysis, attention has mostly been confined to the organisation and working of the Employment Service in one State—i.e. Punjab

Review of Literature

Though a good deal has been written on the employment problem in general in recent years, literature on the organisation and working of the Employment Service is scanty. The only study available on the subject is the one made by a Study Team on Employment and Training of the National Commission on Labour in 1969.

A few reports of I.L.O. experts who came to India to advise on the various functional programmes of the service are available. None of these studies, however, has evaluated the functioning of Employment Service in all its
Very few articles having a direct bearing on the subject have appeared in periodicals and journals. During 1966-1978, three articles titled "Employment Service and Vocational Guidance Machinery in India" by K.B. Sharma, "Vocational Training and Apprenticeship System in India" by S.G. Pendse, and "Employment Market Information Programmes: its Role and Constraints" by Ishwar Chandra, appeared in "Manpower Journal". A few articles published in the International Labour Review were also found useful for the present study. These are: "Economic Criteria Governing the Choice of Vocational Training Systems" and "The Case for More Systematic Evaluation of Vocational Training", both by Pierre Drostat, "Aptitude Tests and Discrimination" by D.E. Coupland and "The Validity of Occupational Aptitude Tests" by Edwin K. Ghiselli.

It would have been useful to make some comparisons by drawing upon studies of Employment Service made in other developing countries. But the only report available on the subject is "Manpower Problem: Vocational Training and Employment Service (Near and Middle East)"—an I.L.O. publication. As the report was published in 1951, it has lost much of its relevance. Thus, to have a thorough understanding of the subject we had to rely chiefly on books and reports published on the subject in the developed countries. Some of the important works which were found
useful for the present study are as follows:

Leonard P. Adams' "The Public Employment Service in Transition, 1933-1968: Evolution of a Placement Service into a manpower Agency" explains what the public Employment Service does for the people of the United States of America; its evolution from its beginnings as a not-too-well operated, unmified, poorly financed collection of State offices to a national system, its present programmes and significance as the operational centre of manpower programmes; its accomplishments and its weaknesses; and the problems it will have to face in future.

E. Night Bakk's" A Positive Labour Market Policy: Policy Premises for the Development, Operation and Integration of the Employment and Manpower Service" explains the process of decision-making in the operation and development of Employment and Manpower Services. The author brings to the writing of this book thirty-three years of observation, and participation in the development of Employment and Manpower Services in the United States and Europe.

In "The Role of the United States Employment Service in a Changing Economy" the authors, William Haber and Daniel H. Kruger, come to the conclusion that the Employment Service in the United States needs to be strengthened to serve the national interest arising out of the development and utilisation of human resources. However, the authors concede that the Employment Service cannot be expected to resolve all
the manpower problems in the labour market. There are socio-economic and political factors which affect its operation and these must be taken into account in evaluating the effectiveness of the Employment Service.

In "Manpower Planning in a Free Society" Richard A. Lester analyses the need and nature of manpower planning in a free society. He recommends, inter alia, expansion of research and analysis to give more depth to the annual Manpower Reports of the President of the United States of America, extension of the functions of the Federal-State Employment Service, including the establishment of a national clearing centre for high-talent manpower and improvements in programmes of information and training to enlarge opportunities at all levels, enabling men and women to realise more fully their potential earning power and economic contribution.

Besides, "Manpower and the Public Employment Service in Europe" by Alfred L. Green and papers on International Management Seminar on "Public Employment Services and Management" published by the Organisation for Economic Cooperation and Development (O.E.C.D.) provide highly useful information on public Employment Services in several developed countries.

Among the I.L.O. publications which provide useful background material on the subject are—'Action against Unemployment', 'Employment and Economic Growth',

Scope

The present study has been undertaken with the following objectives in mind:

(a) To trace the establishment of the Employment Service in the country and also its growth as a full-fledged manpower agency;

(b) to enquire into the allocation of functions and powers of the Central and State organisations;

(c) to critically examine the effectiveness of the organisation at the national, State and local levels in discharging the functions of a manpower agency;

(d) to examine the effectiveness of the service as an agency for the collection and dissemination of information on current and prospective labour requirements and labour supply;

(e) to analyse the quantitative and qualitative aspects of the placement programme of the service;
(f) to examine the role played by the service in diverting national manpower resources to proper occupational fields according to individual aptitudes, interests and abilities; and

(g) to assess the role of vocational training programmes of the Employment Service in meeting the needs of the changing economy and in reducing unemployment among the youth.

Methodology and Sources of Data

For an enquiry of this nature both primary and secondary data had to be collected and several research techniques made use of.

The main sources of the secondary data used in this study are the annual reports, Employment Reviews, Occupational Pattern Reports, manpower studies and surveys and career information publications issued by the Directorate-General of Employment and Training and the Department of Employment, Punjab. Extensive use has been made of the National Employment Service Manual, Training Manuals, Employment Exchange Minutes, procedural circulars, proceedings of the Working Group, proceedings of advisory committee meetings on Employment and Training at Central, State and local levels; and all inspection reports of the local exchanges in the State for the period 1966-1970.
Interviews and Discussions

To get an insight into the problems and operating methods, discussions and interviews were held with a number of officials and non-officials.

Discussions were conducted with ten officials in the Directorate-General of Employment and Training and 50 officials in the Department of Employment at the State level. Information was also sought from important officials in the Department of Industries and Industrial Training, the Department of Planning (Economic and Statistical Adviser to the Government, Punjab) and the State Bureau of Vocational Guidance, Punjab.

Besides, information was collected from the following:

(i) One hundred job-seekers who had been on the Live Register of Sub-Regional Employment Exchange, Patiala, for one year on 31st March, 1971.

(ii) Fifty employers in the private sector in the jurisdiction of the Sub-Regional Employment Exchange, Patiala.

(iii) Persons visiting the University Employment Information and Guidance Bureau, Patiala, for fifteen days; applicants who were placed in employment by the Bureau during the quarter October-December, 1971, and employers who made use of the Bureau during the same quarter.

(iv) All the 288 trainees passing out from the two
Industrial Training Institutes in Ludhiana district in 1909; and 50 employers in the same district.

Repeated visits to local offices were of particular help in gaining an insight into the working of the Employment Service in the State.

Limitations

Some of the major limitations in carrying out this study may here be enumerated:

1. There was no free access to all the records and documents of the Government which were marked "confidential" but would have proved useful for a study like the present one.

2. Good use has been made of some unpublished instructions issued by Government from time to time but details by way of footnotes have not been mentioned for obvious reasons.

3. The names of officials whom the investigator had the opportunity of interviewing in connection with this work have not been disclosed at their express wish.

4. A baffling problem faced almost throughout the study concerned a quantitative assessment of the efficiency of the employment organisation. The benefits derived from an agency like the Employment Service are often
divorce and intangible. They extend over a period of time and do not therefore lend themselves to a precise measurement.

An Overall View of the Chapters

The emphasis in Part I of this monograph is on the theory of public employment service and history of the Employment Service in India and abroad.

Chapter I brings out the need for a public Employment Service and gives a brief history of the Employment Services in some of the developed countries of the West.

Chapter II discusses the institutions which preceded the establishment of the Employment Service in India and evaluates the role played by the Service and its ancillary training organisation during 1945-1955. The chapter also includes a discussion of the main recommendations of the Shiva Rao Committee as a result of which the Employment Service was re-organised in 1956.

Part II deals with the present organisational set-up of the Employment Service in India, with particular reference to Punjab and highlights the important changes made in the organisation since 1956.

Chapter III discusses the changing Union-State relationship in the context of the Employment Service and deals with the organisational set-up of the Directorate-General
of Employment and Training at the Union level and its relationship with the Ministry of Labour, Employment and Rehabilitation.

Chapter IV makes a brief reference to the organizational structure of vocational training in Punjab and then discusses the present organizational set-up of the Department of Employment at the State headquarters and its field offices. This chapter also deals with the various types of management control exercised by the Central and State headquarters over the field offices.

Part III of the thesis analyses the major substantive fields of the Employment Service since its re-organisation in 1986.

Chapter V deals with the implementation of the Employment Market Information Programme under which detailed information is being collected on a continuous basis regarding changes in the level of employment, manpower shortages and surpluses and the occupational and industrial disposition of the working force in public and private sector establishments.

Chapter VI discusses the nature and extent of the assistance rendered by Employment Exchanges to job-seekers and employers in bringing the two together.

The Vocational Guidance Programme of the Employment
Service in all its aspects, such as occupational information, aptitude testing, individual and group guidance, individual information, programmes for students and parents, along with the measures adopted to ensure co-ordination between the Employment Service and the Education Service, are discussed in Chapter VII. A case study of the University Employment Information and Guidance Bureau, Patiala, conducted by the author to measure the effectiveness of the Vocational Guidance and other services rendered by such bureaux is also included in this chapter.

Chapter VIII discusses some of the important vocational training programmes of the Directorate-General of Employment and Training and attempts to evaluate how far the Craftsmen Training Scheme has served the needs of the nation's economy and to what extent it has helped in reducing unemployment among the youth.

Chapter XIX summarises the major findings of the research.