



# The Performance and Rank of Gujarat in providing Employment through Employment Exchanges in India

Jayshree D. Narang  
&  
Dinesh O. Narang

## Abstract:

*The relationship between economic growth and employment is one of the most challenging issues in theory and in practice. Economic growth should result from a suitable combination of employment growth and investment growth. This combination can be seen in Gujarat. Gujarat outshines other Indian states not just on investments but on the employment front too. In this paper an attempt is made to study the Performance of Employment Exchanges on the basis of trend and pattern of the parameters of Employment Exchanges in Gujarat during the time period under consideration. Another attempt is made to study the ranking of top five Indian States in the terms of number of Placement per Employment Exchanges. The result of the paper depicts that Gujarat is at first place according to the performance of its Employment Exchanges.*

**Keywords:** *Employment, Employment Exchange*

## 1. Introduction

Gujarat outshines other Indian states not just on investments but on the employment front too. Besides being known for its business-friendly climate and heavy weight investment outlays, Gujarat has been ranked first in terms of the overall employment scenario among the Indian States with impressive performance of its Employment Exchanges and low level of unemployment. In this paper, the performance of Employment Exchanges of Gujarat has been analyzed independently and as the percentage share to India.

## 2. Review of Literature

**Van Zoelen, R.M. (1998)** "Towards a European Employment Exchange". According to this study the rapid growth of internet specially e-mail and the world wide web has created boundless opportunities for individuals and organizations to collect and make available all forms of information. In the era of the 'Digital Revolution' many organizations and companies have placed their traditional business methods under scrutiny. In this recruitment and selection process is also re-organised because the traditional staff recruitment methods can be expensive, time consuming and labour intensive. In 1995, the idea of using the internet as a platform to couple the employment market's supply and demand in an inexpensive and effective manner was born. The decision is supported by the companies with the fact that vacancies are mostly filled by placing advertisement on websites and applicants can also search the vacancies as per their qualifications. This way if the applicants are also searching jobs through internet it will become easy to know the extent of surplus labour. In 1995, with this expectation, a survey was organized on 100 companies. The results of that are like: (1) 79 percent companies are using personal computers. (2) 30 percent are in favour of selection and recruitment through internet. (3) 52 percent companies denied to recruit candidates through internet.

In order to achieve economic growth, technology was used in 1997 in the Euro Employment Exchange site and was made online for public. Thus, best efforts were made to bring together the persons seeking employment and the employment givers.

**Vassiliev, A. et al. (2006)** “Unemployment and Employment Offices Efficiency: What Can Be Done”. The objective of the study is to examine the technical efficiency of all Regional Public Employment Offices of Switzerland by using Data Envelopment Analysis (DEA) for the period 1998-99. The other objective is to analyse the impact of external factors of the operating environment on the variation in technical efficiency scores across employment offices, through Regression Model. Methodology used to analyse the efficiency of Employment Exchange is non-parametric technique named Data Envelopment Analysis. Data are collected from 156 regional employment offices that operate during 12 months. On the basis of analysis with DEA, the authors have suggested that the efficiency of the Regional Employment Offices can be further improved, which could lead to lower level of structural unemployment. Another finding of the study suggests that differences in the operating environment have a significant influence upon the efficiency of employment offices.

**Chakraborty, D.K. (2008).** “Employment through Employment Exchanges in Assam: An Econometric Analysis”. In this paper an attempt has been made to examine the trend of growth in the number of applicants and the number of placement through Employment Exchange in Assam. Moreover, this paper has examined the causal nexus between the number of applicants on live register and the number of placement through the Employment Exchange of Assam for the period 1975-2000. Garnger’s concept of Causality has been applied to pursue the objective of the study. Results of the study reveal the existence of a bi-directional casual relation between the number of applicants and the number of placement through Employment Exchange in Assam.

**Moudgil, M. (2011)** “Employment Exchange Get Out of Work” The writer explained that the private sector establishments are not willing to list vacancies with Employment Exchanges and they should be fined for that. As per the data given in the study, only 292 private sector establishments notified vacancies to the District Employment Exchange in Delhi since 2008. However, the number of private establishments in the organized sector in Delhi was 6453 in the year 2010. The researcher showed that only 0.019 per cent of the total registered job seekers got jobs through Delhi Employment Exchange in the same year. The researcher also revealed that the money spent on the Employment Exchange got doubled in around one decade. The situation of Chandigarh Employment Exchange is also similar. As per the information provided, there is lack of quality workforce registration at Employment Exchanges which de-motivates private firms from listing their vacancies and also discourage new job seekers from getting registered. The researcher suggested that private sector firms must list their vacancies so that Employment Exchanges can attract quality workers. On the other hand, Government should come forward for proper allocation of funds and for modernization of Employment Exchanges.

**Jagad, V.P. (2012)** in “Role of State wise Employment Exchanges on Condition that Employment in India”. The objectives of the researcher were, to identify the highest state wise number of Employment Exchanges and awareness for registration among the general public in Employment Exchanges of India and to undertake notification of vacancies, submission and then maximum placement in right direction in India. The study is based on the convenient sampling method and sample units are taken as Employment Exchanges covering the entire country. The sample of the study consists of 968 Employment Exchanges and the time period of 8 years starting from year 2000 to 2008 is taken. The Ranking Statistical tool is taken as research instrument. The outcomes of the study suggest that, establishment of Employment Exchanges in each state must be increased and proper awareness should be created about the registration in Employment Exchanges through advertisement in schools, colleges, public places, television and newspapers etc. after establishment of the Employment Exchanges. The researcher also suggested that the job seekers must be required to submit the forms at the right time to get the job.

### 3. Objectives of the Study

- To study the Performance of Employment Exchanges on the basis of trend and pattern of the parameters of Employment Exchanges in Gujarat during the time period under consideration.
- To study the ranking of top five Indian States in the terms of number of Placement per Employment Exchanges.

The above objectives take in to account the following parameters:

- Number of Registrations in the Employment Exchanges;
- Number of Vacancies Notified on the Employment Exchanges;
- Number of Placements effected through the Employment Exchanges;
- Number of jobseekers on the Live Register of the Employment Exchanges.

### 4. Sources of Data

In this paper, all the tables of secondary data are calculated and complied by the researcher from the various reports entitled "Employment Exchange Statistics" and "Handbook of Employment Exchange Statistics (1947-2014), Directorate General of Employment and Training (DGET), Ministry of Labour and Employment (MoLE), Government of India. The data from the year 1980 to 2014 of Employment Exchanges of Gujarat has been collected from Directorate of Employment & Training, Gandhinagar, Gujarat. This secondary information of Employment Exchanges contains the time series data relating to Number of Employment Exchanges, Number of Registrations, Number of Vacancies Notified, Number of Placements and the Number of job seekers on the Live Registers of the Employment Exchanges in the country during the time period under the consideration.

The study is based on the secondary data and statistical tool like percentage is used for the analysis to arrive at the appropriate conclusion from the information collected.

### 5. Limitations of the Study

The study utilized secondary data. Given that there are ambiguities changes in definitions and concepts over a time period, the results derived may be affected to that extent. However, it is hoped that broad conclusions may still remain valid since they are not likely to be significantly affected by anomalies in the data.

### 6. Performance of the Parameter of Employment Exchanges in Gujarat

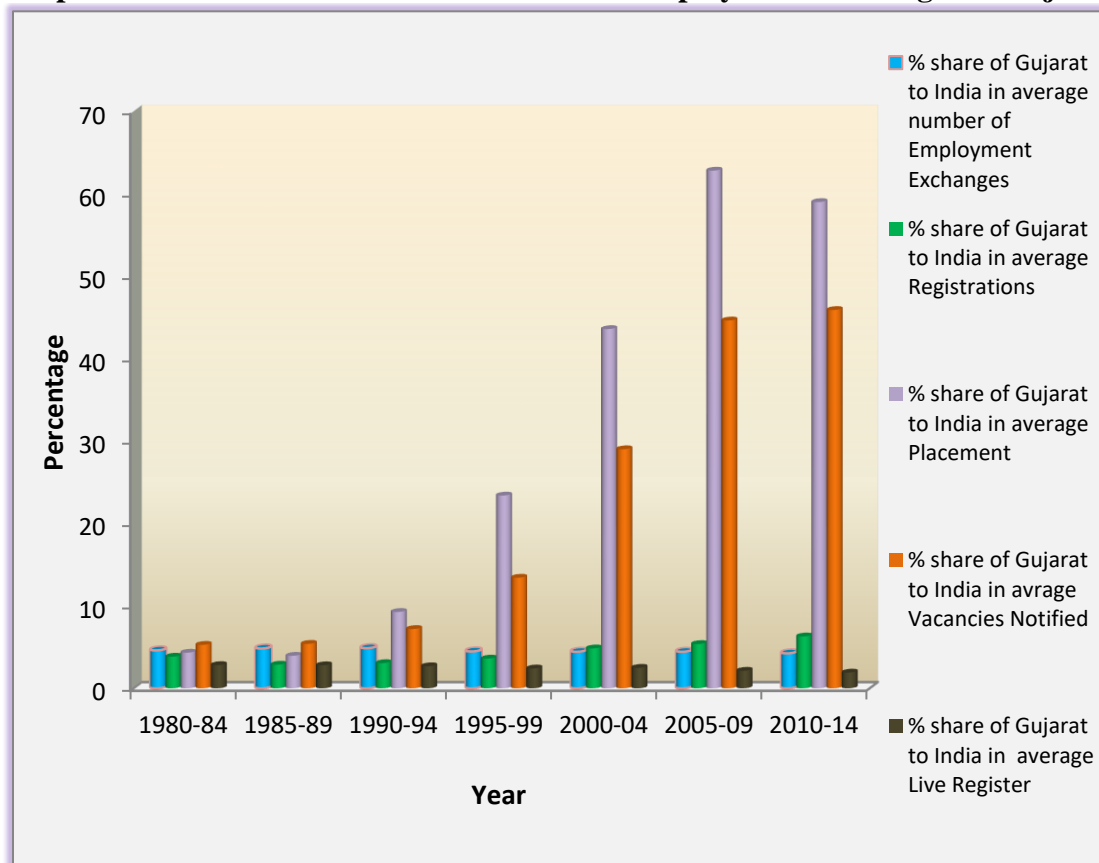
The following table shows the performance of the Parameters of the Employment Exchanges in Gujarat as the percentage share to India. The table depicts five years average of the relevant data so that short term fluctuations are leveled out.

Table – 1: Performance of the Parameters of Employment Exchanges in India and Gujarat

Year	Average Number of Employment Exchanges			Average Registration (in '000)			Average Placement (in '000)			Average Vacancies Notified (in '000)			Average Live Register (in '000)		
	India	Gujarat	% share of Gujarat to India	India	Gujarat	% share of Gujarat to India	India	Gujarat	% share of Gujarat to India	India	Gujarat	% share of Gujarat to India	India	Gujarat	% share of Gujarat to India
1980-84	634	29	4.61	6254.56	240.22	3.84	469.68	20.32	4.33	817.64	43.16	5.28	19858.30	559.40	2.82
1985-89	781	38	4.84	5981.52	171.46	2.87	338.38	13.36	3.95	608.50	32.84	5.40	29894.96	838.16	2.80
1990-94	869	42	4.88	5907.32	180.50	3.06	238.50	22.14	9.28	430.04	30.98	7.20	36131.38	968.40	2.68
1995-99	929	42	4.48	5974.04	215.58	3.61	235.50	55.16	23.42	378.06	50.82	13.44	38754.56	932.80	2.41
2000-04	945	42	4.44	5498.88	266.44	4.85	155.40	67.80	43.63	267.92	77.82	29.05	41271.40	1028.20	2.49
2005-09	959	43	4.44	5834.04	313.62	5.38	236.02	148.28	62.83	444.74	198.68	44.67	39610.98	843.40	2.13
2010-14	965	41	4.25	6808.14	429.12	6.30	419.14	247.36	59.02	696.38	319.94	45.94	43770.86	837.40	1.91

Source: Calculated and compiled by the researcher from the various reports entitled "Employment Exchange Statistics" and "Handbook of Employment Exchange Statistics" (1947-2014), DGET, MoLE, Government of India.

**Graph – 1: Performance of the Parameters of Employment Exchanges of Gujarat**



The above table depicts that the Average number of Employment Exchanges in Gujarat as percentage of Employment Exchanges in India has slightly declined from 4.61% to 4.25% during the period. However, taking into account percentage of Average Registration in Gujarat as percentage of all India Average Registration, the percentage has increased from 3.84% to 6.30% during the period, reflecting higher efficiency of Gujarat Employment Exchanges.

As far as percentage share of Average Placement of Gujarat to India is concerned, Gujarat has shown an excellent performance as its percentage increased from 4.33% to 59.02% during this period.

A similar picture is observed in terms of Average Vacancies Notified in which percentage of Gujarat to India increased from 5.28% to 45.94%. In terms of Average Live Register, the percentage of Gujarat to India has actually declined from 2.82% to 1.91%, which was possible only because of very efficient work of Gujarat Employment Exchanges

## 7. State Wise Effectiveness of Employment Exchanges

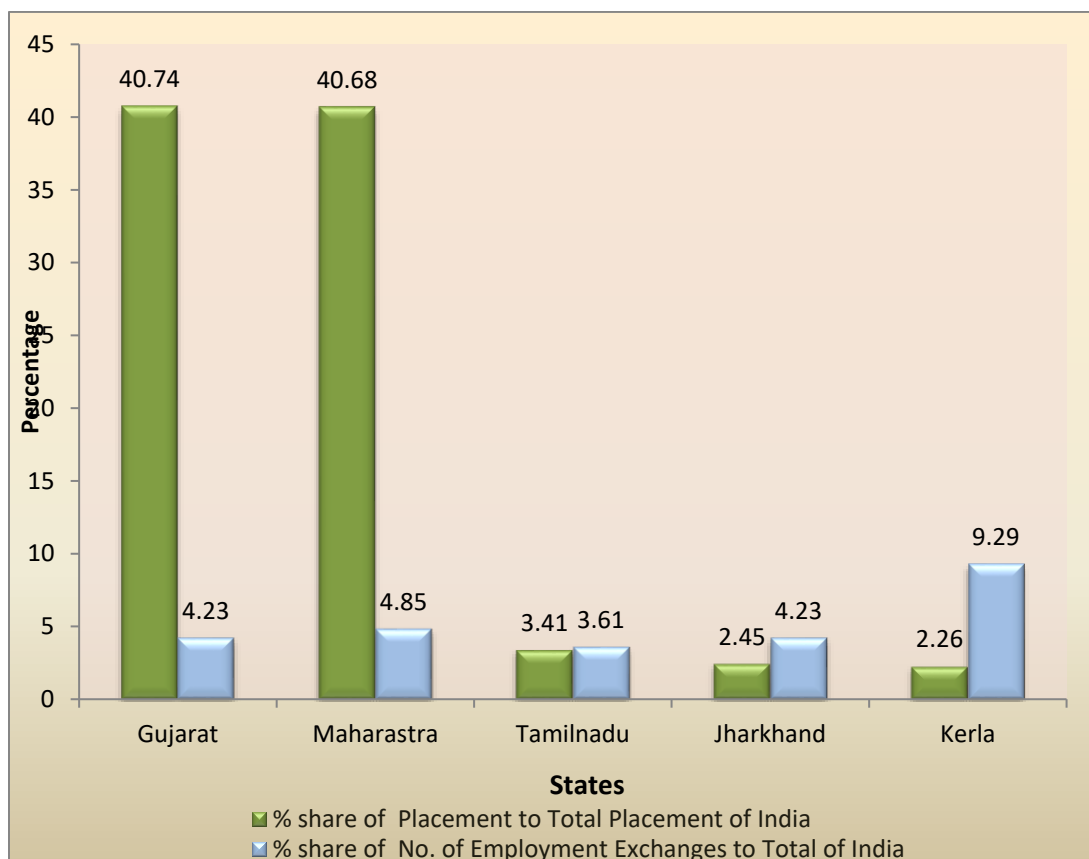
In order to determine the degree of competitiveness of Indian States on the employment front, the number of Placements effected per Employment Exchange has been used as the primary indicator of the efficiency of the State. While ranking the Indian States in the terms of number of Placement per Employment Exchanges, only states have been taken into consideration except the Union Territories. The top five states of India on this basis are listed in the table – 2.

**Table 2: Top Five States of India (In terms of Number of Placement per Employment Exchange) for the years 2010-2014**

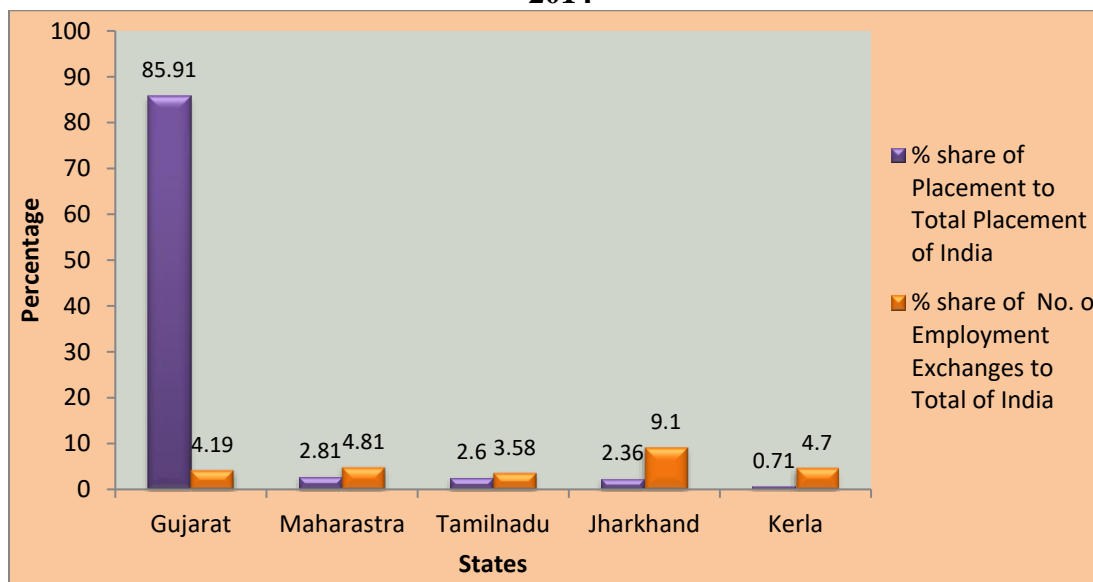
Year	Rank	States	No. of Employment Exchanges	Total Placement	Placement per Exchange	% share of Placement to Total Placement of India	% share of No. of Employment Exchanges to Total of India
2010	1	Gujarat	41	207586	5063	40.74	4.23
	2	Maharashtra	47	207300	4411	40.68	4.85
	3	Tamilnadu	35	17400	497	3.41	3.61
	4	Jharkhand	41	12500	305	2.45	4.23
	5	Kerala	90	11500	128	2.26	9.29
	Total Placement effected=509600, Total number of Employment Exchanges=969						
2011	1	Gujarat	41	225600	5502	47.85	4.24
	2	Maharashtra	47	165600	3523	35.12	4.87
	3	Kerala	89	13500	152	2.86	9.21
	4	Tamilnadu	34	11200	329	2.38	3.52
	5	Jharkhand	41	8700	212	1.85	4.24
	Total Placement effected=471500, Total number of Employment Exchanges=966						
2012	1	Gujarat	41	246000	6000	57.53	4.29
	2	Maharashtra	47	103800	2209	24.28	4.92
	3	Haryana	56	12300	220	2.88	5.86
	4	Jharkhand	41	12100	295	2.83	4.29
	5	Tamilnadu	35	10800	309	2.53	3.66
	Total Placement effected=427600, Total number of Employment Exchanges=956						
2013	1	Gujarat	41	271600	6624	77.93	4.29
	2	Tamilnadu	35	20900	597	6.00	3.66
	3	Maharashtra	47	18600	396	5.34	4.92
	4	Kerala	89	7900	89	2.27	9.31
	5	Utter Pradesh	91	4000	44	1.15	9.52
	Total Placement effected=348500, Total number of Employment Exchanges=956						
2014	1	Gujarat	41	290800	7093	85.91	4.19
	2	Maharashtra	47	9500	202	2.81	4.81
	3	Tamilnadu	35	8800	251	2.60	3.58
	4	Kerala	89	8000	90	2.36	9.10
	5	Punjab	46	2400	52	0.71	4.70
	Total Placement effected=338500, Total number of Employment Exchanges=978						

**Source:** Calculated and compiled by the researcher.

**Graph 2:Top Five States of India (in terms of Number of Placement per Employment Exchange)  
2010**



**Graph 3:Top Five States of India (in terms of Number of Placement per Employment Exchange)  
2014**





Performance of Employment Exchanges has been ascertained across the States in the table 2. The number of Placements per exchange signifies the efficiency of the Employment Exchanges at the State level. Last five years figures of the table depicts that the Placement per exchange of the Gujarat state is continuously showing an increasing trend in comparison to other four top states. The data of the year 2014 describes that Gujarat accounted for only 4.19% of the Employment Exchange of the country but it has provided a major part i.e. 85.91% of the total Placement of the India and the remaining 14.09% of the total Placement of India is affected by all other states in combined. Thus, Gujarat stands first in providing jobs to the candidates through Employment Exchanges among all the states of India.

Thus, Placement is the basic activity of the Employment Exchanges. So, it can be concluded that Gujarat stands first in providing jobs to the candidates through Employment Exchanges for the last thirteen years (from 2002-2014) as per the Employment Exchange Statistics published by the DGET, MoLE.

## 8. Findings of the Study

- During the period of 1980 to 2014, average number of Employment Exchanges has risen around 1% per year. In terms of average Registration and average Live Register, the growth rate is found varying between 1% to 2%. However, in case of average Vacancies Notified and average Placement, the average growth rates have been found between 18% and 33% respectively. The percentage of average Placement to average Vacancies Notified varied between 41 to 109 percent and percentage of average Placement to average Registration also showed an increasing trend from 8.5 % to 57.5%. It describes that Gujarat is at first place according to the performance of its Employment Exchanges.
- The Placement per exchange of the Gujarat state is continuously showing an increasing trend in comparison to other top four states. The data of the year 2014 describes that Gujarat accounted for only 4.19% of the Employment Exchange of the country but it has provided a major part i.e. 85.91% of the total Placement of the India.
- The finding of the study depicts that the share of average Placement of Gujarat to India shows an increasing trend since 1980.

## References

1. Chakraborty, D. (2008). Employment Through the Employment Exchanges in Assam: An Econometrics Analysis. *Indian Journal of Regional Science*, Vol. XXXX, No. 2 , 21-25.
2. Jagad, Vimal P. (July 2012). Role of State Wise Employment Exchanges on Condition that Employment in India, *Global Research Analysis*. 1(2).
3. Moudgil, M. (2011, December). GOI Monitor. Retrieved December 13, 2011, from goimonitor.com: <https://www.goimonitor.com/story/employment-exchange-gets-out-work>
4. Van Zoelen, R.M. (1998). Towards a European Employment Exchange: Advances in Information Technologies, *The Business Challenge*, 404.
5. Vassiliev, A. Luzzi, G.F., Flückiger, Y., & Ramirez, J.V. (2006). Unemployment and Employment Offices' Efficiency: What can be done?, *Socio-Economic Planning Sciences*, 40(3), 169-186.

## Web Sites

1. <https://www.ncs.gov.in>
2. <http://talimrojgar.gujarat.gov.in>
3. [www.labourbureau.gov.in](http://www.labourbureau.gov.in)
4. [www.vvgnli.org](http://www.vvgnli.org).
5. [www.dget.nic.in](http://www.dget.nic.in)