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Skill Building: An Imperative Need of India

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ABSTRACT

The present paper emphasizes the need to promote specific skill development programmes of a higher order with a Public Private partnership involving the Government and Industry, various educational institutions, NGO's etc. Further, as preliminary steps are being taken by the Government under the name of Skill Development Initiative, the Corporate houses & industrial associations can play a vital role under the umbrella of the new CSR law to make the 'Make in India' mission a ground reality. The paper also goes on to critically assess the ongoing programmes implemented by the Central Government as well as the State Governments including both the Public and Private sectors, to nurture the talent of youth so that they can become employable and also understand various aspects of industrial activity required for setting up their own businesses. For this purpose relevant data have been collected from secondary sources and analysed to draw a meaningful conclusion. In addition various strategies and interactive approaches to skill development and knowledge attainment have been proposed that may be used to enhance employee learning for narrowing down the skill-gap in India.

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Introduction

Sustainable high economic growth in any country depends upon its skilled and knowledgeable workforce. Although India's demographic dividend is usually lauded as one of its strengths, it might end up becoming a liability rather than an asset unless the world's youngest workforce is provided with the necessary skills and employment opportunities. The state of economy in any country depends in ameliorating the long-standing structural problems that undermine its long-term growth potential. A majority of Indian workforce does not possess marketable skills which is an impediment in getting decent employment and improving their economic condition. Absence of proper education and required skills among the country's workforce on a continuous basis is considered as an important structural constraint that poses a bigger challenge for the country's sustainable development. The defining challenge in India today is not only generating employment and growth but also developing matching marketable skills among its workforce so that they can best fit the job. And this has to be done in a planned and coherent manner.

India with a large and young population has a great demographic advantage. The average age of the 125 billion-strong Indian population will be 29 years in 2020, even younger than the 37 years of China and the US. The proportion of working-age population is likely to increase from approximately 58 per cent in 2001 to more than 64 per cent by 2021. This will add about 63.5 million new entrants between 2011 and 2016 with a large number of young persons in the 20-35 years age group (Economic Survey: 2013-14). Though this provides a great opportunity, it also poses an

enormous challenge. There is always a difference between 'knowing' and 'performing', and the gap is explained by inadequacy of skill. A vast majority of the educated Indian workforce do not possess the requisite employable skills needed for getting decent employment. To reap the demographic dividend, it requires timely designing and executing development strategies on the part of the policymakers targeting the large young population. Making them healthy, educated and adequately skilled is of paramount importance. Investment in narrowing the skill-gap at the national level must be turned into effective utilisation of those skills if national output is to be increased on a sustainable basis.

The Government of India has realised the magnanimity of the issues involved and has been adopting various approaches to ensure that the skill shortage across Industry sectors do not become a hindrance in keeping the country on a sustainable path. The establishment of the National Skill Development Council (NSDC) is a major step in this regard. Some other initiatives undertaken by the government include greater involvement of Public Sector Enterprises, Private Sector Enterprises, Public-Private Partnership, Industry-Academia interfaces, NGOs and using Corporate Social Responsibility(CSR) activities to facilitate skill and knowledge development among the youth of the country.

Skill Building Initiatives in India

A wide variety of programs and schemes have been initiated by the Government to address the issue of Skill development. The objective of any Skill Building initiative is to gain access to decent employment by creating a workforce empowered with the necessary and continuously upgraded

skills, knowledge and internationally recognized qualifications. It aims at increasing the productivity and employability of workforce (wage and self-employed) both in the organized and the unorganized sectors. A sustained renaissance of high growth is possible through increased participation of youth, women, disabled and other disadvantaged sections, synergizing the efforts of various sectors, and reforming the present system with the enhanced capability to adapt to changing technologies and labour market demands.

NSDC is a first-of-its-kind Public Private Partnership (PPP) in India which was set up to facilitate the development and upgrading of the skills of the growing Indian workforce through skill training programmes. NSDC acts as a catalyst in skill development by providing funding either as loans or equity, and supports financial incentives to enterprises, companies and organisations that provide skill training. It also develops appropriate models to enhance, support and coordinate private sector initiatives. Since 2010, job-oriented skills training have been provided to a total of 19, 54,300 persons through its various skilling partners. Out of these, 60% have been placed in different sectors. Till March 2014, the NSDC has approved 158 proposals (129 training proposals and 29 sector skill councils) at a total commitment of Rs. 2215.89 crore. And during 2013-14, NSDC partners have trained 10,05,074 people across a wide array of sectors ranging from healthcare, manufacturing, electronics and hardware, tourism, hospitality and travel to banking, financial services, retail, information technology, and textiles in 366 Districts (Economic Survey: 2013-14).

National Skill Development Agency (NSDA), an autonomous body, coordinates and harmonizes the skill development efforts of the Central Ministries/Departments, State Governments, the NSDC and the private sector to achieve the skilling targets under various plans. The NSDA anchors and operationalizes the National Skills Qualifications Framework (NSQF) to ensure quality and standards in skill training and facilitate the setting up of professional certifying bodies in addition to the existing ones. Under the Skills Innovation Initiative, the NSDA encourages innovators to bring their ideas and practices to the national level and send their proposals and presentations to the National Skill Development Agency. It also organizes Regional Workshops along with the Department of Labour and Employment at the state level to appraise the States, NGOs about the changes that have been made to many Schemes, provide a common platform to share experiences and work out modalities and strategies for new initiatives.

The Ministry of Labour & Employment, Government of India launched a Modular Employable Skills (MES) under Skill Development Initiative Scheme (SDIS) through Directorate General of Employment & Training (DGET) in May 2007. The MES Scheme is 100 % centrally sponsored scheme. The Central Government through various Industrial Training Institutes (ITIs), Vocational Training Providers (VTPs) and Women Training Institutes (both the national and regional level) facilitates and promotes training in close consultation with industry, public and micro enterprises in the unorganised sector, State Governments, experts and academia. The main objective of the scheme is to provide employable skills to school leavers, existing workers especially in an unorganised sector, and ITI graduates, etc. Existing skills of the persons can also be tested and certified under this scheme.

Since January, 2012, the online implementation of the SDI Scheme has also been launched for the benefit of the candidates. As a special training initiative called Udaan, a private sector-led skills training programme for diploma holders, graduates, and post-graduates of Jammu & Kashmir, 61,893 people from 47 corporates across the country have been trained in different skills. By 31 March 2014, 4318 people had joined training from 36 corporates, of whom 1451 have completed their training. And it has taken a target to train 8000 people from Jammu & Kashmir for the coming year (Economic survey: 2013-14).

The National Skill Certification and Monetary Reward scheme of 2013, popularly known as STAR aims in motivating the youth to voluntarily acquire a new skill or upgrade the existing skills by providing monetary rewards on successful completion of approved training programs. With a budget outlay of Rs. 1000 crore, the Scheme aims to provide skill training in high-market-demand growth sectors to approximately ten lakh youth within a span of one year through Public-Private and Public-Public partnerships, at an average monetary reward of Rupees Ten Thousand per candidate. The scheme became operational on September, 2013 and has enrolled more than 4 lakh trainees in 206 courses. As on 31st March 2014, 3, 44,545 trainees have completed their training with 559 partners in 6402 centres across the country (Economic survey: 2013-14).

The Office of Development Commissioner (DC), Micro, Small and Medium Enterprises (MSME) play a catalyst's role by developing the human resources through training and skill upgradation. It imparts training through the modality of apex organisations namely National Institute for Entrepreneurship & Small Business Development (NIESBUD), Indian Institute of Entrepreneurship (IIE), National Institute for Micro, Small and Medium Enterprises (NI-MSME, and National Small Industries Corporation Ltd. (NSIC). It also conducts a large number of vocational and Entrepreneurship Development Programmes (EDPs) like Entrepreneurial Skill Development Programme (ESDP), Management Development Programmes (MDPs), Industrial Motivation Campaigns (IMCs), Vocational and Educational Training etc which focuses on developing entrepreneurial skills coupled with specific skills relating to trades like electronics, food processing etc, which enables the trainees to start their own ventures.

Towards having an inclusive development, the government has also incorporated many social-sector programmes taking the human development dimension into consideration. Notable among them is The National Urban Livelihoods Mission (NULM) which aims to provide gainful employment to the urban unemployed and underemployed. It focuses on organizing urban poor in Self Help Groups (SHGs), creating opportunities for skill development leading to market-based employment. The NULM also helps them in setting up self-employment ventures by ensuring easy access to credit. During 2013-14, 6, 83,452 and 1, 06,250 persons were skill trained and given assistance for self-employment respectively, incurring an expenditure of Rs 720.43 crore (Economic Survey: 2013-14).

More recently on the occasion of World Youth Skills Day, the government launched Skill India Campaign that aims to train 40 crore people in the country in different skills by 2022. Other four landmark initiatives include National Skill Development Mission, Pradhan Mantri Kaushal Vikas (RPL) Yojana- PMKVY, 'Recognition of Prior Learning' and the skill loan scheme.

The flagship scheme PMKVY will incentivise skill training by providing financial rewards to candidates who successfully complete skill training programmes. It aims to skill 24 lakh youth, across India. Further the skills of 10 lakh workers in the unorganised sector who lack formal certification will be assessed and certified under the initiative RPL. In the next five years loans ranging from Rs 5000-1.5 lakh will be made available to 34 lakh youth in the country seeking to attend skill development programmes. These steps are the pointers showing the sheer seriousness and importance of developing a skilled workforce on the part of the Government.

The launch of this mission assumes much significance as "India currently faces a severe shortage of well-trained, skilled workers. It is estimated that only 2.3% of the workforce in India has undergone formal skill training as compared to 68% in the UK, 75% in Germany, 52% in USA, 80% in Japan and 96% in South Korea. Large sections of the educated workforce have little or no job skills, making them largely unemployable. Therefore, India must focus on scaling up skill training efforts to meet the demands of employers and drive economic growth" (National Mission for Skill Development: 2015).

Corporate Social Responsibility (CSR) approach to Skill Development

CSR has assumed a new meaning in today's world. Through CSR, Corporates can put a high impact on society. They can support the Government directly or indirectly in generating social inclusiveness by providing the socially and economically vulnerable population a chance to be a part of the mainstream economy. Understanding the importance of corporate contribution, the Government has taken a proactive step and introduced CSR rules in New Companies Act, 2013 under which it was made mandatory for the Companies to spend 2% of their profit for the betterment of the society. CSR, with appropriate business and social rationale can become a perfect vehicle to fulfil the mandate voluntarily. By using the CSR fund industries can explore vast opportunities in skill development for the youth so that a win-win situation could be created for both, industry and society.

Many State Governments have taken initiatives in working with the Public Sector Enterprises (PSE) so that they can be a role model for the private sector. Creating/adding to skill development infrastructure, helping the existing ITIs acquire equipment needed for vocational training, creating Skill Development Centres where none exist, financing per-student training costs especially of higher cost trades etc. are some of the CSR activities which they are undertaking to facilitate skill development.

The private sector on the other hand, by deploying its CSR capital on skill development projects, also stands to benefit enormously from the availability of a large skilled and disciplined workforce. They could increase the employability of youth through effective skill development programmes. And such a step should be central to corporate strategy and not merely an afterthought resulting from difficulties in recruitment. Companies have realised that dissemination of skills to the bottom of the pyramid is clearly a matter of core competence. For e.g. Maruti-Suzuki India Limited (MSIL) as a part of its CSR activity has established an Automotive Skill Development Institute (AMDII) with an objective to impart technical training to school pass-outs and absorbing the students at its service workshops, manufacturing facilities depending on the manpower requirements. Besides technical training, they are also trained in proper value systems of work culture and team work. An interesting aspect of this project is

that the students are free to join any organisation after completion of their training. Similarly, Ashok Leyland and MRF, the noted commercial vehicles and tyre manufacturers respectively have focussed on driving institutes so as to reduce the shortage of trained drivers and enable better transportation services. NIS Sparta which is a part of Reliance ADA Group offers training solutions to organisations and employability linked skill based programs to individuals. It has also partnered with the government in that direction. The Aditya Birla group as a part of CSR activity focuses on sustainable livelihood especially in the rural areas. It aims to provide livelihood in a locally appropriate and environmentally sustainable manner through vocational training at the Aditya Birla Technology Parks and conducting integrated training programs in collaboration with the ITIs.

The Confederation of Indian Industry (CII) which renders advisory/consultancy services and technical assistance to industry on social development aims to build CSR capacity, competency within companies. It became a catalyst in creating a skills movement in the country by launching the Skills Development Initiative in 2004 and took up the task of "Making India the Skills Capital of the World". By aligning itself with the National Skill Development Agency, it has set an ambitious target of skilling 500 million people by 2022. The key features of the Skills Development Initiative are its localised and skill based approach, scalability output-orientation, practical hands-on skills, focus on training and testing, accessibility, quality and cost-effectiveness, independent assessment and verification, joint certification by awarding bodies and partners, centrally administered 'Train the Trainers', and most importantly 'benchmarked international standard of performance'. To take the movement further, CII has registered a skills Development Trust, have been hosting seminars & summits, conducting "Skills Gap" studies across the country to help understand the dimensions of problem and create mechanisms to fill these gaps and address the need of both the organised and unorganised sector. The CII Centre of Excellence for Skill Development is a first initiative of its kind set up through private partnership attempts to enhance employability of the youth after completing the training successfully. It has also established partnerships with over 120 NGOs across the country to carry forward CII initiatives in integrated development. Such a service from CII is to create a platform where industries could work closely with the NGOs to execute their CSR activities.

The Way forward

Today, in India there is a coincidence between the priorities for the long term and the priorities for the short term. The enormity of India's skilling challenge for the short term is aggravated by the fact that skill training efforts cut across multiple sectors and require the involvement of diverse stakeholders such as: multiple government departments at the centre and state levels, private training providers, educational and training institutions, employers, industry associations, assessment and certification bodies and trainees. All these stakeholders need to align their work together in order to achieve the target of 'Skill India'. Considering the rate at which the eligible working population is growing, matching skilling initiatives have been accelerated for continuing its growth. The government has to play a vital role in funding and establishing effective technical and vocational education and skills development systems.

The journey to prosperity is primarily about utilising the capital and human resources better.

The government may take some of the recommended steps to make skill building fully inclusive and achieve the training targets. The government no doubt is providing financial support to vocational training. In those training programmes which are being funded by the government, the candidates have no stake in the programme and hence leave without completing their training. A refundable training fee must be taken from the candidates so as to ensure that only serious candidates turn up. The current vocational training programs can be improved tremendously by setting standards and issuing certificates upon completion of the skilling program. Detailed guidelines on the curriculum framework, the teaching faculty, and the training institutes be issued in accordance with the best industry practices. Though government is already encouraging private sector participation in vocational education through NSDC and other schemes, they need to work together further to train the youth and the women folk. Participation of women in vocational education and training is especially low as compared to men may be due to socio-cultural norms and family responsibilities. Therefore, a combined effort with the local NGOs and Panchayats on informing women and their families on the advantages of vocational training which may lead to employability is required to increase enrolments. It is desirable that companies instead of depending mostly on in-house training models can evolve participatory and integrated approaches to training and skill development. In the present context, since the private sector is occupying wider space in the economy, persons in both the organised and unorganised sectors can look forward to industry organisations to drive fast the skill development agenda through CSR platforms. Many companies in the private sector have already initiated steps towards achieving this end.

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