

A Skilled Workforce for India by the way of Training and Development**Neha Kumari****ABSTRACT**

This paper discusses the ways of promoting the development of our country through the mission “Skilled India”. Millions and millions of youth should go for acquisition of skills and there should be a network across the country for this and not the archaic systems. The youth should acquire the skills which could contribute towards making India a modern country. As India has suffered in basic skills a lot as they are obsessed for book reading and white collar jobs. That is why our country needs our own national policies to strengthen the ability of our workers to adapt to changing market demands and to benefit from innovation and investment in new technologies, health and infrastructure, etc. Recently there has been a renewed interest in training and skill development by the new government of India headed by Prime Minister of India Narendra Modi. Quality education, bridging the gap between world of work and training providers, continuous workplace for training, building competencies and training opportunities for both women and men can lead India on heights of success. Ultimately each country’s prosperity depends on how many of its people are in work and how productive they are, which in turn rests on the skills they have and how effectively those skills are used .The paper underscores the need of a framework which will improve the recognition of vocationalisation and enhance the social status of the graduates of vocational training, hence, improved motivation for others to pursue vocational training. At the same time, it is important that the private sector should offer employment opportunities through increased investment and job creation.

INTRODUCTION

Skill Development is one of the essential ingredients for India's future economic growth as the country transforms into a diversified and internationally-competitive economy. Skill development is going to be the defining element in India's growth story. Firstly, we need to re-define the relationship of education, employment and skills development. Secondly, as a very large population, India would never be able to upskill all of its youth across the country through the conventional education frame work. The grim fact is that only about 4% of our graduates are employable by industries. So if we introduce the element of skill development with the knowledge and attitude that is taught in the skill eco-system, then we would be improving the productivity levels of our work force and also ensuring their employability. As we succeed in matching our productivity levels with the global best, we would see tremendous improvement in the competitiveness of Indian companies, which would enhance our exports' potential and also boost domestic sales. Such productivity gains can certainly contribute up to 2 percentage points to our GDP.

Three questions to be addressed:

1. What are the different challenges and how these can be catered as opportunities for making the India skilled?
2. What kind of framework can be adopted for bridging the training and world of work?
3. What are the different building blocks of strong training?

OPPORTUNITIES AND CHALLENGES FOR TRAINING AND SKILL DEVELOPMENT:

While India has experienced a decade of high output growth, this growth has not translated into a corresponding increase in employment. The employment elasticity of output growth in India has been low, declining considerably over the past few years. The planning process in India too, has focused much more on output growth, than employment and entrepreneurship. A common point raised by the panelists was that skilling by itself is insufficient; it needs to be backed by creation of employment through the development and expansion of enterprises.

Rigidity of Labour Laws:

Labour laws pose a significant constraint to job creation. This is illustrated by the response of different states to the positive demand shock stemming from the Multilateral Trade Agreement – states with more flexible labour laws were able to generate greater employment than others.

In urban areas, excessive regulations – in the form of caps on the number of part-time workers or interns – for hiring short-term employees, makes labor laws inflexible. Convergence of masses towards certain careers also creates a capacity constraint, and a mismatch between the demand and supply of jobs of a particular nature.

Casualization of labour:

Another challenge India faces is the massive casualization of labour, which has exacerbated in rural areas owing to the NREGA. In a study conducted, randomized controlled trials over three years were run for ultra-poor households in South India, wherein each household was given an asset in order for them to set up a micro-enterprise. However, 60% of these households sold off their assets and joined the labour force as casual workers, owing to rising rural wages and wage floors. In rural areas, this phenomenon has stifled micro-entrepreneurship and promoted casualization of labour. While casual labour allows workers flexibility, it doesn't provide the job security, benefits, and the protection that labour laws may provide.

Rising rural wages and wage floors – a consequence of the National Rural Employment Guarantee Act (NREGA) – together with cumbersome labour laws have led to technology displacing labour, as labour becomes relatively more expensive than capital.

Declining participation of women:

Declining labour force participation rates for women over the past 20 years is another disturbing trend, which needs further research and understanding. Different hypotheses have been proposed to explain this phenomenon, including an increase in years of schooling of women. These hypotheses, however, are unable to explain the magnitude of the decline in women's labor force participation. One factor that is strongly correlated with this decline is the growth in crime against women in India, but causal links still need to be established.

Growth of Enterprises:

It is clear that there is a need to shift the emphasis from job creation alone, to encouraging enterprise growth. Given the sheer scale of employment growth required in India, job creation alone is unlikely to make any giant strides. Creation and growth of enterprises, on the other hand, has a direct and a far more profound impact on job creation, as it expands the supply side to a far greater degree and is also a better predictor of demand factors.

However, creation, sustenance, and growth of enterprises in India face several challenges. The biggest challenge for small and medium enterprises is the lack of working capital and finance, and the difficulty in access to infrastructure. On the other hand, large enterprises face institutional bottlenecks like inefficient government procedures such as slow clearances, which lead to projects and resources getting tied up. These have collectively reduced India's ranking on the ease of doing business index.

India's Skilling Challenges

Job creation becomes costlier when it is not backed by labor that is skilled to perform these jobs. For this, a widespread and effective system of training and skilling employees is required, which takes into account spatial-, temporal-, and specification-matching considerations.

Where should training take place?

Spatial and temporal matching problems arise when workers with a specific skill set are unable to use these skills to secure employment at a given location or in a given frame of time. Migration of workers is a consequence of spatial mismatches. Faster training through digitalization of the learning process may help

deal with the temporal matching of skills. A specification problem arises when prospective employees do not have the specified skills needed for employment. Countries like the US and UK depend on the educational process to take care of such skills, and prefer hiring already specialized individuals. Panelists recommended that India should start working towards improving the quality of education.

Addressing divergences in the returns to education:

An important factor to consider while discussing *where* skilling should take place, is the benefits generated by – or returns to – the education process. Unlike developed countries (including the United States), where returns on experience have been found to outweigh those on education, studies on India suggest that the returns to education are always increasing. However, there are divergences in the amount of benefits different demographic groups derive from education – women, for instance, tend to receive fewer returns compared to men. Similarly, marginalized groups such as SCs, STs and, OBCs, suffer in relation to non-marginalized groups. In light of this, there is a need for both skilling efforts undertaken by firms, and the broader education apparatus to focus on such marginalized groups.

Attrition:

In regard to the discussion on on-the-job training, attrition emerged as one of the biggest concerns among employers. In the BPO and retail sectors, the attrition levels are as high as 100 percent, acting as a disincentive for employers to invest in skilling programs. Germany employs a model of skilling that utilizes government funding for apprenticeships, while companies provide skill training and job experience for a given period of time, following which interns are awarded a nationally-accredited certificate. If a similar program were to be introduced in India, factors such as proficiency and screening of apprentices would need to be addressed.

Management and administration:

In addition to imparting the necessary skills, training facilities should also focus on improving measurement systems and implementation on the ground-level. There should be an increased focus on engaging various stakeholders in the process – for instance, getting school boards to adopt vocational training within the school curricula from early on – and collaboration between various ministries and departments. Panelists also pointed out the importance of managerial skills for the growth and competitiveness of enterprises, which in turn would generate jobs. Given that coordination with/within the government, and implementation are some of the primary constraints to growth, they urged that managerial skills in government be made a national priority.

A FRAMEWORK TO BRIDGE TRAINING AND THE WORLD OF WORK:

Meeting today's and tomorrow's skills needs

International experience shows that countries that have succeeded in linking skills development to gains in productivity, employment and development have targeted skills development policy towards three main objectives:

- matching supply to current demand for skills
- helping workers and enterprises adjust to change

- building and sustaining competencies for future labour market needs.

The **first objective** is about the relevance and quality of training. Matching the provision of skills with labour market demand requires labour market information system to generate, analyse and disseminate reliable sectoral and occupational information, and institutions that connect employers with training providers. It is also about equality of opportunity in access to education, training, employment services and employment, in order that the demand for training from all sectors of society is met.

The **second objective** is about easing the movement of workers and enterprises from declining or low-productivity activities and sectors into expanding and higher productivity activities and sectors. Learning new skills, upgrading existing ones and lifelong learning can all help workers to maintain their employability and enterprises to adapt and remain competitive.

The **third objective** calls for a long-term perspective, anticipating the skills that will be needed in the future and engendering a virtuous circle in which more and better education and training fuels innovation, investment, technological change, economic diversification and competitiveness, and thus job growth.

Steps guiding strategies:

(1) **Continuous and seamless pathways of learning**, starting with pre-school and primary education that adequately prepares young people for secondary and higher education and vocational training, going on to provide career guidance, labour market information and counselling as young women and men move into the labour market, and offering workers and entrepreneurs opportunities for continuous learning to upgrade their competencies and learn new skills throughout their lives.

(2) **Development of core skills** – including literacy, numeracy, communication skills, teamwork, problem-solving skills and learning ability – which, along with awareness of workers' rights and an understanding of entrepreneurship, are not linked.

(3) **Development of higher-level skills** – professional, technical and human resource skills – enabling workers to profit from or create opportunities for high-quality and/or high-wage jobs.

(4) **Portability of skills**, based first on core skills, so that workers can apply their existing knowledge and experience to new occupations or industries, and second on systems that codify, standardize, assess and certify skills, so that levels of competence can be easily recognized by social partners in different labour sectors across national, regional or international labour markets.

(5) **Employability** (for wage work or self-employment), which results from all these factors – a foundation composed of core skills, access to education, availability of training opportunities, motivation, ability to take advantage of opportunities for continuous learning and support in doing so, and recognition of acquired skills.

Existing strategies and implementation model in India:

The current education system does not focus on training young people in employable skills that can provide them with employment opportunities. Today, a large section of India's labor force has outdated skills. With current and expected economic growth, this challenge is going to only increase further, since more than 75% of new job opportunities are expected to be "skill-based."

In the current framework, the Ministry of Labor & Employment is running various schemes and has set up industrial training institutions across the country. Other ministries such as the Ministry of Human Resource Development, the Ministry of Rural Development and the Ministry of Urban Development & Poverty Alleviation have also launched their skill upgrading programs and self-employment schemes.

Realizing the significance and need for skilled manpower, private sector entities are taking several initiatives to contribute effectively to the Government's endeavors. Across business sectors, companies and industry associations are not only boosting their in-house training facilities, but are also taking steps to make potential employees job-ready before they join organizations.

Fostering the Dynamics of Skills, Employment and Infrastructure Development

Trade and financial recovery from the crisis and renewed growth might be faster or easier than employment growth, particularly at the local level where some places stagnate or decline. Technological progress and changes in demand patterns see continuous pressures to adapt but some localities find this easier than others. Job creation does not respond to the same strategies everywhere and while the focus on infrastructure development might have priority in many areas, building skills programs in parallel can be an effective pathway for sustained and inclusive growth. The role of public policy and policy coordination is therefore crucial to facilitate and accelerate sustainable pathways for local development. How can Education, Employment and Entrepreneurship be combined and fostered within infrastructure development plans. The education and training sector to adjust skills development programs to support infrastructure development.

Innovation in Skills Development and Skills Management that reach SMEs

India are rich in entrepreneurs and small firm formation. Innovative approaches to skills and talent development can foster a high-growth business environment with higher potential for job creation particularly in SMEs. At the same time issues of accreditation and certification of skills need to be taken into consideration.

Strategies for Job Creation, Skills Development and Social Protection

There is an emerging consensus that shifting from export-led recovery and growth towards greater reliance on domestic and regional sources of demand will be critical to sustain economic prosperity. A new pattern of economic growth is emerging in India, characterised by vigorous policies to support domestic consumption and investment, active employment and labour market policies to facilitate industrial and labour market adjustments, and stronger social protection measures to accelerate inclusive growth and poverty reduction.

India has one of the youngest populations in the world and a very large pool of young English-speaking people. Therefore, it has the potential to meet the skill needs of other countries and also cater to its own demand for skilled manpower.

Ironically, most industries in India are currently struggling with scarcity of skilled labor. Although more than 40 million people are registered in employment exchanges, only 0.2 million get jobs.

In this new paradigm the strategies and policies of local governments are more at the centre-stage.

Towards an Inclusive Model of Skills Development

The design of skills and employment strategies and programmes should respond to local conditions, market failures and challenges, and should involve a wide range of stakeholders from both the public and private sectors to optimize the relevance and impact of such strategies. Policy coherence is needed at horizontal and vertical level across and within different Ministries and Institutions.

BUILDING BLOCKS OF STRONG TRAINING AND SKILLS DEVELOPMENT:**Labour market information and employment services**

Labour market information systems generate, update and disseminate information on current and future skill needs. This supply of critical information on an ongoing and timely basis is half the story.

The other half is the transmission mechanisms that make this continuous flow of timely information available to education and training institutions, private market trainers, employers, trade unions, young people and their families, and displaced workers. Public employment services (PES) have a critical role to play in making information available in the form of career guidance, vocational counselling, and material on access to training and job-matching services. PES help workers and employers make transitions in the labour market through job-matching services, information and access to labour market programmes and they help jobseekers choose the best options to improve their individual employability, through dissemination of reliable labour market information, career guidance and counselling, and a spectrum of tools and techniques to assist in searching for jobs. Many PES also administer unemployment insurance programmes as a means of providing temporary financial support to workers. Private employment agencies have an increasing role to play in improving labour market functions through job-matching and the provision of advice. Many countries have improved the regulation of private employment agencies to enable and monitor their compliance with labour standards (including in areas of equal opportunity) and mobilize them to combat human trafficking and increase training services.

Training quality and relevance

A great deal of effort is required to make sure that skills development systems deliver both the quantity and the quality of training needed. This entails in the first instance an adequate supply of qualified teachers, trainers, directors of training institutions, and master craftspersons to take on apprentices; the provision of opportunities for them to periodically upgrade their own skills; and conditions of work comparable with those in industry so as to attract the most talented staff.

Well-staffed and adequately funded training institutions are essential to skills development strategies and policies. Periodic reviews may be necessary to assess their effectiveness in meeting their goals and their efficiency in using scarce resources. Existing training infrastructure needs constant innovation to keep up with new technologies and learning methods. Flexibility and agility are vital to ensure that institutions remain able to respond to the evolving challenges posed by dynamic labour markets. Training institutions must have the capacity to periodically adapt curricula and update teachers' and trainers' skills to the changing needs of the world of work.

Good-quality training outcomes further depend on maintaining a high quality of training contents, methods, facilities and materials. Apprenticeships, and more generally the combination of classroom-based and work-based training, produce the best results. Skills standards should be set and tested by involving stakeholders

in the process. Lifelong learning critically depends on a strong integration between education, training and work.

A skills-based qualification system can accommodate multiple pathways through education, and between education and work.

Flexible workplace training and learning arrangements are conducive to development of a broad range of skills. Workplace training allows students not only to learn the technical skills related to a particular job, but also to develop soft skills, such as communication, ICT, teamwork, problem-solving and the ability to learn, that are ever more critical in changing market environments.

Broad access to training

Equal access for all to education, vocational training and workplace learning is a fundamental principle of cohesive societies. Constant attention is required to ensure it is applied in reality.

Some groups of people may require more attention than others if they are to benefit from the opportunities to develop their capacities through education and training. These include under-represented groups; minorities; people with disabilities; immigrants people from particularly disadvantaged communities; people who have been unemployed for long periods; and people caught up in large-scale redundancies as a result of restructuring.

Youth

The government of India has launched new programmes for skill development for the youth and to train them for various professions. Prime Minister Narendra Modi had on the 68th Independence Day announced that Indian youth had a lot of potential and with skill development they will rise and shine, making India a developed country from a developing one. He averred, "If we have to promote the development of our country, then our mission has to be skill development and skilled India. Millions of Indian youth should go for acquisition of skills and there should be a network across the country for this and not the archaic systems."

The Skill Government of India under the government of India is planning to launch the programme to provide vocational education and training to the youth of India. Under this programme, youth will be imparted training and courses to enhance their skills to make them more eligible and qualified for better jobs.

Not just training but using that training

Efforts of all the kinds described above show their worth in greater self-esteem on the part of workers and more productive and versatile workplaces. Training needs to be accompanied by policies and employment services to help keep skills up to date and workers employable. For the potential of education and training to be fully realized, complementary policies are needed to help families balance work and family life, to help keep older workers in productive employment, and to help young people capitalize on their training.

To be effective, then, a skills strategy cannot be developed in isolation but must be embedded in the wider economic and social policy environments. For instance, in nearly all countries there are large "gaps" in training participation between older and younger people and between the less and more educated. Moreover, many individuals already have skills that are unused or underused this is particularly the case among migrants, women and older workers. Tackling these issues requires a broader approach, going

beyond a narrow focus on education and training policies to incorporate other labour market and social policies that can also play an important role. For example, reforming early retirement provisions may improve the expected returns from training older workers, and offering more flexible arrangements for combining study and work may make it easier for people subject to time constraints, especially women with young children, to participate in training.

CONCLUSION

In a nutshell, the building blocks of any skills strategy must be solid foundation skills and stronger links between the worlds of education and work. This in turn requires good-quality education in childhood; good information on changes in demand for skills; education and training systems that are responsive to structural changes in economy and society; and recognition of skills and competencies, and their greater utilization in the workplace. To be effective, policy initiatives in these areas will also need to be closely linked with economic and social policy agendas.

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