



## SKILL DEVELOPMENT IN INDIA – CRITICAL FOR MAKING INDIA A GLOBAL MANPOWER HUB

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### Abstract

Demographic dividend is a competitive advantage that a country can have once in its life- time. India is the only country which has working age group population in surplus when compared to other countries. To leverage the advantage of talent pool for the economic development of the country, restructuring the existing policy framework on skill development is of high priority. Identifying the talent, equipping them with the required skills, molding them to meet the demands of the industry are certain key issues to be taken care off. Though educational institutions and training centers are well institutionalized, most of the young graduates go unemployed because of the lack of skills. The present central government has focused skill- building as the critical need to reap the benefits of global workforce demand. The Ministry of Skill Development and Entrepreneurship in collaboration with other government machineries & National Skill Development Corporation (NSDC) is playing a predominant role both at central and state level in building the national skill eco-system. In spite of the efforts put in by the different bodies to craft the skill system, there are certain pressing issues and challenges to be confronted and opportunities to be exploited. This paper focuses on understanding the organization of skill development initiative in India, various initiatives taken by government bodies at state and central level, gaps in the skill eco- system, challenges and opportunities.

**Keywords:** Skill Development, Skill Initiatives, Skilling, Vocational training and education.

### 1.0 Introduction

“Skilling”- much talked about concept from the last two-three years has been the need of the hour in many countries. The deficit in skilled workforce across the globe has paved increased demand for knowledgeable, skilled and competent people who can be readily placed. Every other nation looks to India, for one of the critical resources that is human resources, not just for the reason that they are flexible, have language ability, inexpensive labor market but also because of its huge population. 62% of the India’s population constitutes youth who fall under the working age group bracket (National Policy for Skill Development and Entrepreneurship 2015) – the largest chunk. In fact, this could be the greatest advantage that the country could get to leverage its competitive edge. With the insights provided by Boston Studies, initiatives to foster the skills among the youth in many countries are well appreciated and considered of critical importance to scale up the heights of economic growth.

However in India only 2% of the population between 15-29 years of age group receives formal Vocational Training. In contrast 8% have acquired Non-Formal Vocational Training. A total of 93% of the workforce constitute the unorganized sectors. An approximate of 12.8 million new entrants adds every year to the workforce. The current existing Skill Development capacity In India covers 3.1 Million. The major challenge is to increase VET capacity from 3.1 million to 15 million. Nearly an average of 7-9% constitutes an Economic Growth year to year. It is to be estimated Global shortage of manpower will be 56.5 Million by 2020. Converting the demographic advantage to demographic dividend becomes the ultimate target for India.

### 2.0 Skill Development: Existing Perspectives

There is common belief among all the stakeholders that skills gap exists across technical and key skills. While lecturers and employees focus more on key skills and their ability to transfer them, students focus on technical skills (Mark N.K. Saunders, Denise Skinner, Richard Beresford, 2005). Today’s workforces are required to adapt to highly dynamic international and domestic economic environment. Creativity, problem-solving and communication skills are most sought after skills across the globe. Vocational training being imparted at present needs some serious look and complete reorientation made in tune with today’s intensive competition (MDR, 1997).

Even today skill is one of the under-researched construct. Skills learnt long back have no value if they are not executed on time. Skills are highly context related and are multidimensional and continuous. Skills are not same as competencies (Elizabeth Chell, 2013). Looking at the current skill building and employability training efforts, it is very evident that neither the public nor the private training institutions are not able to meet the demands of the industry. A suitable PPP model has to come into existence to address the existing gaps (Reji Edakkandi Meethal, 2014). Barring conflict resolution, social intelligence and influencing others, undergraduates when compared with others, are rated high. For pro-skill development behaviors students prefer activity based classes with extensive usage of virtual learning tools ( Jackson Denise , Sibson



Ruth , Riebe Linda , 2014). Compared with academic programs vocational education is more costly. Also, it is usually seen that pre-employment vocational training is costlier than in-service training. Training costs can be attributed to factors like training technology, trainer cost, length of the training, wastage during training, underutilization of training inputs etc. (Mun C. Tsang ,1997).

There are basically two approaches for imparting vocational knowledge. One is referred as 'instructional media' and the other one is called 'everyday practice'. If the former is text-based approach currently followed by many governments and latter is an approach which encourages trainee to participate in everyday activities. Everyday practice is better approach to impart vocational knowledge (Stephen Billett , 1996). The priorities for vocational and technical training are changing due to rapid introduction of new technology and different needs for human resource development. Though there is no change in the fundamental goals of training, the focus is now shifting from content delivery to embracing systems approach. Today, professionals associated with training understand need for more rigor in every phase of training (Clifton P. Campbell, 1987). Students' development of professional skills largely depends on both motivational factors and organizational factors. The attitudinal factor has less impact on the relationship between the organizational factors and development of professional skills. The cognitive factor entailing prior work experience actually does not have any effect on skill development (Sari Metso , Aino Kianto ,2014)

If we need to audit skills which has been accumulated through past work experience, we need to track patterns of skill accumulation from work biographies, then, using a skill metric developed by experts, compare what has been accumulated with what should be the standard (Michael Riley, 1994). Workplace as compared today will be significantly different in various aspects in the 21<sup>st</sup> century. It is imperative on the part of vocational educational graduates to equip themselves in meeting these challenges. Vocational teacher education programmes should be taken on war footing so that they prepare their students for these challenges (Comfort.B.S.Mndebele, 1997)

As we move forward vocational education & training are expected to place more emphasis on the prerequisites of professional development, working environment, educational possibilities, career progression and professional benefits (Laura Pylväs , Petri Nokelainen , Hilka Roisko ,2015). The major challenges of vocational education include poor market orientation, inadequate intellectual & physical resources, lack of financial investment, less cost effectiveness and negative perception about vocational education by large population ( G.R. Durden, G. Yang, 2006). Relearning and flexibility are two critical skill sets industry would demand from its prospective employees in future. Hence, future vocational training should be more general rather than highly specific. Government policies should consider these emerging trends and accordingly foster economically relevant training (Graham Fowler , 1989)

### **3.0 Skill Development Initiatives in India - Government Interventions**

Today, the need for Skill development initiative is well appreciated and has become a priority issue. To capitalize the benefit of demographic dividend, revamping the Skill eco-system has become an urgent need. Many government machineries were formed to address the skilling issue, but the efforts made largely remained fragmented, as all the stakeholders of the skill system could not act as a unified body. Though India has the largest pool of workforce, only 5% of the total workforce receives formal education when compared to other developed countries, where the percentage of skilled workforce falls between 60%-90%. However, there are gaps in the quality of the training provided, infrastructural facilities, outdated curriculum, shortage of the required materials, quality of the trainers, focus on the student aspirations, lack of certification and difficulty in aligning the outcome to the industry needs. To counteract the problems the system is facing, recently, Government of India formed Ministry of Skill Development and Entrepreneurship on 10th Nov, 2014. Brief note on skills development landscape in India, including key government bodies connected with skills development & schemes to foster skills development initiatives are given below:

#### **3.1 Ministry of Skill Development and Entrepreneurship (MSDE)**

Ministry of Skill Development and Entrepreneurship have identified the four outcomes to be achieved:

1. Formal education imparted to the youth should either lead to securing a job or provide skills for self-employment.
2. Upskilling and reskilling of those employees falling under low income segment and thereby support for their growth.
3. Cater to the quality workforce demand by the industry and thereby contribute to the increased productivity.
4. Make youth aspire for skilling.

A framework developed to achieve above objectives basically focuses on: to create talents, supply talents based on demand, promote global / uniform standards and also foster entrepreneurship. In order to have commonness among the skilling efforts made by various stakeholders the ministry is trying to have common metrics on inputs, outcomes and funding for skill development schemes.



Apart from the above, many other initiatives like partnering with other countries to adopt international best practice, restructure the vocational training framework in the country, collaborating with various industries verticals, utilizing public infrastructure for skilling, training the trainers and finally applying ICT for skill training, are being pursued by the ministry.

### 3.2 National Skill Development Agency (NSDA)

National Skill Development Agency (NSDA) is the key coordinating body of skills development efforts in India both at governmental and private levels. NSDA facilitates and certifies the skill development efforts both at Centre and state through National Skills Qualification Framework (NSQF).

### 3.3 National Skill Development Corporation

NSDA has set an ambitious goal of training 500 million by 2022, out of which, National Skill Development Corporation (NSDC) has got a mandate of training 150 million and acts as a catalyst between the government bodies and industry, which promote Public Private Partnership (PPP) model. To scale up the skilling efforts to meet the objective, NSDC plays three key roles: funding and incentivizing, enabling support services, shaping/ creating skill development groups. Sector Skill Councils has been set up to standardize the occupational standards in respective trades, conduct skill gap studies, organize Train the Trainer Programs, certification for trainees and development of curriculum in alignment with National Occupational Standards. NSDC operates through partnerships with multiple stakeholders in catalyzing and evolving the skilling ecosystem.

### 3.4 Directorate General of Training

Ministry of Skill Development and Entrepreneurship have now subsumed the two major bodies namely Training and Apprenticeship from DGET and MoLE. National Council for Vocational Training (NCVT) holds responsible in managing the training structures across the country. DGE&T also operates Vocational Training Schemes and employment services. Major functions of DGE&T include framing overall policies, norms, standards, training facilities and research activities etc.

### 3.5 National Skill Development Mission

To achieve the vision of 'Skill India', our Hon'ble Prime Minister launched The National Skill Development Mission on 15/7/2015 on World Youth Skills Day. The main objective of initiating this mission is to create synergy between the skilling efforts made at different levels through varied sectors both effectively and efficiently.

To achieve the objectives of the mission, MSDE comes out with three-tier structure, in which Governing Council for policy guidance being at the apex level, a Steering Committee and a Mission Directorate becomes the executive arm of the Mission. Apart from this, National Skill Development Agency (NSDA), National Skill Development Corporation (NSDC), and Directorate General of Training (DGT) support Mission Directorate ensuring its smooth functioning.

### 3.6 National Policy on Skill Development and Entrepreneurship 2015

With the objective of holistic development of Skill Development initiatives at the country, GOI restructured the earlier National Policy on Skill Development (NPSD) 2009 and made significant changes to the government policy with a saying, "Sabka Saath, Sabka Vikaas", being the Ministry as the focal point.

The objective of the National Policy on Skill Development and Entrepreneurship 2015 is to set identify the major skill gaps and fill these gaps with standardized skilling efforts which are in alignment with the industry standards, and ensuring the trained ones to be employed and become productive.

### 3.7 National Skill Development Fund

With an objective to raise funds from Government and Non-Government sectors for skill development in the country, GOI initiated The National Skill Development Fund in 2009.

NSDC extends its linkages with the industry through its funding system to harmonize the skilling efforts made by the different stakeholders of the system.

### 3.8 Major Central Government Schemes for Skills Development

There is a paradigm shift in the skills development approach from the stage of being process- based to outcome- based now. Many schemes were launched by GOI to enhance the skill system. Following are the major ones

- **Pradhan Mantri Kaushal Vikas Yojana (PMKVY):** Ministry of Skill Development & Entrepreneurship (MSDE) launched Pradhan Mantri Kaushal Vikas Yojana (PMKVY), one of the leading outcome- based training schemes, set up with an objective to impart outcome based skills and become employable. The trainees, who take part in the scheme, were provided with monetary benefits and certification from the affiliated trainers.



- **UDAAN:** NSDC implemented partnership based collaboration between the industry and Ministry of Home Affairs named UDAAN to provide employability skills to the youth of Jammu & Kashmir.
- **Vocationalisation of Education:** Vocationalization of Education is attempted both at school level as well as at higher education level. Vocationalisation of secondary education is being done through a centrally sponsored scheme in which trainings are imparted based on the National Occupational Standards set by NSDC. At present these schemes are operational only in few states which would subsequently spread to other states in due course. Also, in order to bridge the gap between industry & academia, NSDC has been making efforts in integrating skill based trainings into the university curriculum. In both school education and higher education, sector skills councils are playing an important role in vocationalising the courses through National Skills Qualification Framework.
- **Skill Banks:** The Central Government is planning to set up Skill Banks across the country which would impart skills in different sectors like medicine & healthcare, hospitality, IT, construction, automobile, retail etc. – where job opportunities exists or are likely to emerge in different countries. Before our youths immigrate to such countries adequate training would be provided in these Skill Banks.

#### 4.0 Challenges in the Skills Development Initiatives

- The number of students who pursue their graduation after their secondary level schooling is just 12%. Thus, large chunk of populace in India does not reach college.
- Vocational Education in India is not offered at the primary schooling level. And apart from this vocational skills obtained during grade 11<sup>th</sup> & 12<sup>th</sup> would be lost as students pursue their higher education
- Industries want workforce both with strong academic as well as vocational skills. However, in India most of the students are not competent in one of these skills and thus making them less employable.
- Private players are not finding vocational education field as an attractive business proposition. Hence, even today scaling of vocational education in India has been a major pain point.
- Vocational educators are very scarce in India. Quality trainers find it highly non remunerative and thus seek other professions or opportunity rather than embrace vocational training.
- Vocational education and training imparted are not in line with industry requirement. This is very evident from the fact that, though NSDC training partners have trained around 65 lac students, only 25 lac students have been placed so far.
- Students who have undergone vocational education & training find it very difficult to move from one sector to another sector. Such rigidity in a way discourages other vocational education aspirants.
- Even today vocational education is not given the same importance as given to formal education. Certifications obtained after vocational education, are not actually reflecting the worth of the candidate.
- Vocational education and training provided to the students does not meet the industry requirements and thereby, the positions in the industry remain still vacant as they could not be able to deploy people without skills.
- One more serious problem with skill development initiatives is to locate the students for training. Much of the time is spent in locating the students and motivating them to take part in the skilling initiatives.
- Though much of the funding facilities provided by the ministry under skill development, students are not making up their mind to join the courses. Even though they join, the students expect employment opportunities at their home towns as they are not ready to shift to the urban places. This makes the efforts put in by the training institutes in vain.

#### 4.0 Way Forward

1. It is high time that India shifts towards competency based training. They are more skill-oriented and put emphasis on competencies identified as vital to learn a particular trade.
2. Government should ensure that all the stages of formal education are vocationalized. Taking cue from Germany's Dual Educational System, Indian should vocationalize each and every course.
3. Government should also ensure there is mobility between vocational and formal education. This will motivate youngster to embrace vocational education & training with open mind.
4. Industry need to play a big role in collaborating with government and other stakeholders in the skills development effort.
5. On the lines of vocational university established in Gujarat, each and every state in India should set up vocational university. This helps in monitoring and certifying the vocational training endeavors in different states.
6. One of the main reasons for poor response to quality vocational education & training in India is lack of finance. If students get financing opportunities they would be more than willing to undergo vocational education seriously. Public and private players should come forward and create an ecosystem wherein we have skills development financing system.



## **5.0 Conclusion**

To leverage demographic dividend advantage it is imperative for India to focus on vocational education & training on war footing. Skill India initiative of Indian Government is a right step in this direction. However, there are many challenges in skills development endeavors. From sourcing of candidates to vocational training to staffing the trained ones, we come across various hurdles in the skilling value chain. A systematic and collaborative approach alone will bring desired results.

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