

Role of Skill Development in Employment in India

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Abstract

India is recognized as one of the youngest nations in the world with over 50% of the population under 30 years. It is estimated that by about 2025, India will have the 25% of the total global workforce. Hence, there is a need to further develop and empower the human capital to ensure the nation's global competitiveness. Youth plays a crucial role in achieving economic prosperity of the country. This study is to investigate the existing literature for the skill development programmes and leveraging the demographic proportion in India by making them more skilled and employable. Hence, the paper will highlight the needs, challenges and scope of the skill development programmes.

Keywords : Population, Skill Development, Programmes, challenge.

A growing economy such as India requires a large pool of skilled workers. While India's population growth rate had declined over the last two decades, the labour force is projected to grow by close to 2 per cent; adding over 7 million per year for the next few years. Also, while the labour force is moving away from the traditional sector of agriculture, it still employs the highest percentage of the total labour force. As the workers migrate from the rural and predominantly agricultural sector to other urban sectors, India realises that it has the need for a well thought out and executed strategy to provide a new set of skills through vocational training in order to effectively absorb this additional workforce and sustain economic growth. However, it is necessary to also build a robust infrastructure of trainers and training institutes for the same.

The National Policy on Skill Development was approved by the Indian cabinet in February 2009 with the objective of creating a workforce that has improved skills, knowledge and internationally recognised qualifications that can result in gaining access to decent employment and enhancing India's competitiveness in the global labour market. Demand driven system guided by labour market signals in order to reduce skills mismatch Expansion of outreach using established as well as innovative approaches National Vocational Qualifications Framework, which will include opportunities for horizontal and vertical mobility between general and technical education, recognition and certification of competencies irrespective of mode of learning System to deliver competencies in line with nationally and internationally recognised standards Emerging occupations, pre-employment training and life-long learning Adequate participation of women, disabled persons and disadvantaged groups including economically backward classes and minorities, and enhancing their access to training; improving employability and increasing employment opportunities Stress on research, planning and monitoring Involvement of social partners with responsibility for managing and financing shared with all stakeholders and greater space for public-private partnerships (P-P-P) Promoting excellence and use of modern training technologies Skill up-gradation of trainers, quality assurance and improvement of status

The policy covers the following areas of skill development: Institution-based including ITIs, ITCs, vocational schools, technical schools, polytechnics and professional colleges Learning initiatives of different ministries and departments Formal and informal apprenticeships and other types of training by enterprises Training for self-employment or entrepreneurial development Adult learning and retraining of retired or retiring employees Informal training programmes, including those by civil society organisations E-learning, web-based learning and distance learning. National Skill Development Council has been established with a central government commitment of Rs 10 billion and Rs 150 billion is envisaged to be generated from other governments, public sector entities, private sector players, bilateral and multilateral sources. The government plans to launch an advertising campaign to popularise skills training and attract youngsters to vocational courses that will equip them for jobs in industries ranging from automobiles and auto components to retail and real estate. In the first year, the advertising campaign will run in the states of Maharashtra, Uttar Pradesh, West Bengal, Orissa and Tamil Nadu at an expected cost of Rs 420 million. In the 2013-14 annual budget, the government announced a Rs 10 billion corpus to give one million students Rs 10,000 each as an incentive to pursue skills training.

POTENTIAL SECTORS FOR SKILL DEVELOPMENT :

As the proportion of the working age group of 15-59 years increases, India has the advantage of a "demographic dividend". Harnessing the demographic dividend through appropriate skill development efforts would provide an opportunity to achieve inclusion and enhance productivity within the country and also effect a reduction in global skill shortages. More than 700 million Indians are estimated to enter the working age group by 2022, of which more than 500 million will require some form of vocational or skill training. Large scale skill development is thus an imminent imperative.

The government has identified 20 high-growth sectors and services that have the ability to provide expanded employment in the coming years; of which 10 are in manufacturing and an equal number are in services. The most prominent sectors are manufacturing, textiles, construction, automotive and healthcare. It is necessary to develop proper

skill training mechanisms, as the skill sets required in manufacturing and services sectors differ significantly from those required in the agriculture sector– the existing majority employer. Construction industry, auto sector, textile, retail, transport, healthcare and the unorganised sector in general, are few of the highest employment generating sectors. Year-on-year growth in employment, however, is high in organised retail, healthcare, IT, electronics and media & entertainment.

Given that all the industries would require a varied profile of skill sets, the following section presents an overview of the skill requirements as derived from an IMaCS study of human resource requirements across different sectors. Considering the diversity of skill requirements across various levels for construction, chemicals and pharmaceuticals, construction materials and building hardware, electronics and IT hardware industry, food processing sector, furniture & furnishing industry, gems and jewellery industry, leather industry, organised retail and textile and clothing industry; a skill pyramid for the industry as a whole has been created considering the weighted averages. The skill pyramid, in summary, captures where the overall industry stands relatively in terms of skills (a function of activity, educational requirements and the amount of ‘preparatory’ time required to inculcate a specific skill). As can be observed, the lower portion of the pyramid, ‘Skill level 1’, has the highest incremental requirement of human resources. It requires persons who are minimally educated, but can still handle

simple and/or repetitive tasks (e.g., persons such as cutters, those engaged in polishing, etc). Such skills can also be attained in a lesser time duration as compared to engineering or ITI. Skill level 2 relates to areas where substantial skill building efforts would be needed (e.g., carpenters, electricians, welders, operators, plumbers). In the 10 sectors listed below, as many as 370 million persons are required across various skill levels outlined above by 2022. Out of this, Skill level 1 accounts for over 66 per cent of the human resources with skilling requirements.

Table : 1
Skill requirement across sectors

Segment	Skill level 1	Skill level 2	Skill level 3	Skill level 4	Total employment in 2022 in '000s
Construction industry	80-81%	14-15%	3-4	1-2%	83,270
Chemicals and pharmaceuticals	20-40%	25-30%	44-45%	5-6%	3,548
Construction materials and building hardware	35-40%	40-45%	15-18%	2-5%	2,497
Electronics and IT hardware industry	19-21%	25-27%	49-50%	4-5%	4,129
Food processing sector	80-81%	9-10%	8-9%	1-2%	17,808
Furniture and furnishing industry	80%	12%	7%	1%	4,873
Gems and jewellery industry	74-75%	4-5%	18-20%	1-3%	7,943
Leather industry	88.5-89%	4-4.5%	6-6.5%	0.5-1	7,139
Organised retail	53-53%	10-15%	30-33%	4-5	17,625
Textile and clothing industry	85-86%	10-11%	3-3.5%	0.5-1%	61,600
Industry average	60.0	12.6%	18.5%	2.9%	369.059

Source: IMaCS study

Sector-specific technical skills, machine operations and services are the main areas of skill gaps, i.e., where the industry demands skilling of personnel.

INITIATIVES FOR SKILL DEVELOPMENT:

About 20 ministries of the Union Government of India have created infrastructure for skill development in their respective areas. These ministries have either set up their own training centres in specific sectors. Most state governments have also set up state skill development missions (SSDM) as nodal bodies to anchor the skill development agenda in the state. SSDMs are expected to play a significant role in escalating the pace of skilling. Their mandate pertains to identification of key sectors for skill development in the state, and enabling coordination between union ministries and state departments, as well as industry and private training organisations. Each state has adopted a structure of SSDM that best suits the local environment and its vision for skill development. Many states are beginning to set year-wise targets for skill development, specifying the state budgetary allocation, and complementing government efforts by encouraging private investment. According to the Planning Commission, there are 1,896 ITIs (under state governments), 1,244 polytechnics, 669 community polytechnics, 9,583 secondary schools with vocational education and training (VET) stream and 3,218 industrial training centres (ITCs) in the private sector. Besides, Ministries of Rural Development (RD), MSME, Health, Tourism and several others have their own training centres. The Directorate General of Employment & Training (DGE&T) in the Ministry of Labour is the apex organisation for development and coordination at the national level for the programmes relating to vocational training.

Several laudatory steps have certainly been taken by the government like the 'Pradhan Mantri Kaushal Kendras' (PMKKs). These 'model training centres' have been established in 356 districts. Other schemes such as the Skills Acquisition and Knowledge Awareness for Livelihood Promotion (SANKALP), Skill Strengthening for Industrial Value Enhancement (STRIVE) and National Apprenticeship Promotion Scheme (NAPS) are being actively rolled out. The SANKALP programme has a \$250 million loan assistance from the World Bank to boost the National Skill Development Mission. It is integral to incorporate them into the education system. A system that integrates skills and education can go a long way in ensuring that the youth are better equipped to handle a challenging employment market.

The Rashtriya Madhyamik Shiksha Abhiyan (RMSA) is a centrally sponsored scheme of 'vocationalisation' of secondary and higher secondary educations. Yet, its biggest drawback is that its modules are not customised to suit the requirements of children in different age groups. The same approach for skill training a 12 or 14-year old child cannot be followed for an 18-year old because skills need to be looked at more dynamically

THE CHALLENGES OF SKILL DEVELOPMENT :

In India, the unemployment rate among youth is almost 13 percent (compared to 4.9 percent overall). Underemployment is even higher. Given the kind of opportunities available in the country, it is disheartening to note these dismal figures. The missing link here is skill development which is the key ingredient to robust economic growth.

Education and skills are what normally comprise human capital. While educational qualifications are essential for entering the labour market, it is the skills that will finally determine one's employability strength. Young people desperately search for entry-level jobs while employers, ironically, are unable to find people with the right skills. They face regular attrition and a monthly turnover sometimes as high as a fifth of their workforce.

At the same time, 40 percent of employers blame skill shortage for entry-level vacancies. The imperative for skilling young people is well-recognised and has been flagged as a national priority for almost a decade, with significant initiatives being launched by the government. The sad part is that only 10 percent of the total workforce in the country receives some kind of skill training.

India is poised to become the youngest country in the world by 2020, with an average age of 29 years. Its 869 million strong workforce accounts for around 28 percent of the world's workforce. Although India's huge demographic dividend is considered to be one of its strengths, our optimism needs to be moderated. If the youth are not skilled and face unemployment challenges, it might turn out to be a liability rather than an asset.

India faces a huge skill development challenge. It is estimated that around 50 to 70 million jobs will be created in India over the next five years and about 75 to 90 percent of these will require some vocational training. For India's demographic transformation to be considered a "dividend," the youth will need to acquire necessary knowledge and skills to contribute towards nation-building. Development programmes and their allied industries should develop the capability to cross-train the youth and build a culture of learning.

According to the National Skill Development Corporation (NSDC), a public-private partnership providing funding and direction to private skill development programmes can be beneficial in plugging the growing skill gap in India, which is estimated to be more than 250 million workers across various sectors by 2022.

The benefits of skill development have been clearly articulated by the government and the industry with regards to addressing the nation's unemployment problem and creating jobs. Skill development will help prospective employees get easier access to the formal job market where they can bargain for higher incomes, work under more congenial labour conditions, have greater job security and better access to healthcare and medical facilities. Considering the fact that the academic curriculum is more or less similar across universities and colleges, graduates from tier two and tier three towns typically lose out due to a severe lack of exposure and soft skills in the race for employment.

The results of several programmes have, however, been mixed. Programmes have reported high dropout rates, low employment percentages and continued attrition post-placement, leading to dissatisfied employers as well as frustrated youth. Providing 'skill-training and certification' alone cannot be a solution to the problem.

It is also important to ensure that specific skills are not scaled across multiple areas in the same region as it saturates the market with limited opportunities for those who are trained. If everyone is trained in becoming a blacksmith, there will be too many blacksmiths and not enough jobs.

To this end, governments should boost investment in life-long learning to retrain, retool, and de-skill. For example, governments could use individual skill accounts to provide training grants throughout people's working lives, conditional on stronger private-sector involvement in training and skills development. Governments should also reinforce the supply of skills by strengthening incentives for educational institutions to harness the power of digital technology and new business models.

Four lessons stand out, which redefine the economics of skilling. First, they noticed that investment for skilling needs to be comprehensive, covering not only the training itself but also screening, matching and mentoring. Second, programmes need to have measurable outcomes for the person seeking a job that will encourage other young people to get involved. Third, the generation has established a close link between skilling and business profitability that should stimulate employers to hire skilled people and finally, they should shift the measure for the efficacy of skilling from cost (and occasionally placement rates) to a broader metric, measuring social return on this investment. It may not have direct tangible benefits but the employers can leverage them for boosting their brand, and thereby enhance market penetration.

REVIEW OF LITERATURE :

The final and specific reason for reviewing related literature is to know the recommendations of the previous researchers for further research which they have listed in their studies. The length of the review will depend upon the number of relevant articles and the purpose for which the research report is being written.

Singh & Kaur (2018), conducted a study entitled “A Study on Skill Development of Paint and Coating Industry”. This study aims to identify the reasons for shortage of skills in paint industry and to determine how to deal with skill gap among painters. Primary data sources were used for the study. A self-administered questionnaire was used to collect data from 130 painters working in Kurukshetra district. The findings of the study indicated that lack of formal training and inadequate provisions for the training of painters are the main reasons behind the shortage of skills in paint industry. The results of the present study indicate that there is shortage of skilled workforce in paint industry. Skills are always shown in the quality of work. Poor quality of works could be the results of the lack of skilled painters. Unskilled painters produce poor quality of works. Training has a positive and significant effect on performance of workforce.

Gupta and Agarwal (2018), conducted a study on “Training Prospects in Power Sector in India”. The objective of the study were to find out the various training activities going on in the power sector. It also focuses on the kind and level of trainings provided, kind of organization involved in imparting such kind of trainings and the duration of the training. The study will cover public and private players involved in imparting training in power sector.

Shrivastav and Jatav (2017), conducted a study entitled “An Analysis of Benefits and Challenges of Skilling India” The main aim of this paper was to study the prospects and challenges for skilling in India. The specific objectives of the study were to study and analyze the Indian experience of skill development in India and analyze the challenges faced for skill development in India in terms of financial resources. Data has been gathered from the secondary sources for the study.

OBJECTIVES :

1. To study the role of Skill Development on employment in India
2. To study the Problems of skill development and employment in India

RESEARCH METHEDODOLOGY AND DATA COLLECTION :

The present study is based on the secondary data. The required data and literature for the study purpose were collected from the number of reference books, Journals and Internet.

CONCLUSION :

Although the need for skill development initiative is understood and realized by many sectors still there are few sectors where awareness needs to be created. Also ministry of skill development and entrepreneurship, National skill development council and sector skill councils are formulated still more work is to be done on identification of employability attributes, design and modify curricular course to cater the demand of the sector. The age group available to Indian economy is more influenced toward the learning traditional concept, if skilled can contribute to make the economy stronger instead of becoming the liability. The skill development will raise the efficiency level of the work force and raise the employability of youth, who otherwise feel alienated after being educated but not getting a job to earn.

Realising the need for skill development Government of India has taken several initiatives such as: Setting up institutional capacity: NSDC and Sector Skill Councils Increasing the vocational training institution network Launching various schemes for skill development Identifying potential employment demand industries The government has identified 20 high-growth sectors and services that have the ability to provide expanded employment in the coming years. Of these, 10 each are in manufacturing and services. Depending on the type of industry, the skill requirements fall in different levels ranging from one to four. In the key sectors identified, Skill level-1 accounts for over 66 per cent of the human resources with skilling requirements. Hence, it is of crucial importance to impart basic entry level training to a large number of workforce in order to make them employable. In addition, state governments and other stakeholders such as industry associations, international organisations, and industry players are also contributing via various types of financial aid, schemes and programmes in order to achieve the skill development objective.

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