

## Building Human Capital through Skilling

Sachin Adhikari



*...our primary education system has been unsuccessful in improving quality of school education being imparted at rural, government schools. These school children will be our future workforce and if the number of dropouts is so huge, we will be facing a crisis. We need an education system aligned with skills that can help students to be employable and skilled by the time they pass out*

Studies reveal that India, one of the fastest growing economies in the world, will be the youngest country with over 64 per cent of its population being of the working age. With the aid of talented and employable workforce, India's demographic employability profile in 2020 will be a goldmine.

Considering the current high-paced growth and dynamic investment climate in India, the demand for resources with high levels of technical and soft skills will only increase. It is estimated that by 2015, India would require a workforce of 2.3 million employees in the IT and IT-enabled services sectors. Unfortunately, over the past fifteen years, India has produced only 1.6 million professionals which means it faces the uphill task of producing another 0.8 million in the next two years. The World Economic Forum indicates that only 25 per cent of the total Indian professionals are considered employable by the organized sector. The unorganized sector is not supported by any structured skill development and training system of acquiring or upgrading skills.

An estimated five million graduates will be passing out in India, in the year

2015, out of which only 34 per cent of them would be employable as most of them lack necessary skills required for any role in the industry. Employers are looking for candidates with developed domain specific and soft skills, which implies training alone is the key to solving the crisis of employability. A university degree alone can no longer guarantee a job in a reputed organization. Most young candidates have similar degrees and skill sets when they apply for a job, but only a few amongst them get chosen. Though knowing technical skills can help one perform better in academia and an interview, but it is the employability skills of the candidate that finally gets him the job and helps him sustain it. This is because we have transitioned in a society where technical knowledge is important but soft skills that determine how effectively one can communicate, be a team player and gain the confidence to work in the corporate environment is much more important. Here is where Transformational training can help to integrate technical knowledge and interpersonal and management skills, which can prepare students to keep pace with the growing challenges of the corporate world.

Additionally, according to NASSCOM (National Association

The author is Founder and Director of Global Success University, a Global Training, Education and an Empowerment system and Chief Mentor of Viztar International Pvt. Ltd. He has worked with Maharashtra Chamber of Commerce, Industry and Agriculture (MACCIA), Rajasthan Skills & Livelihoods Development Corporation (RSLDC), Centre for Entrepreneurship and Development (CED), Government of Gujarat in the area of skills training. He is currently authoring three books. Conferred 'The Udyog Rattan Award' in the field of Training and Development Activities across the globe and for 'Excellence' in productivity, Quality, Innovation and Management. 'Success Prism' and '360 Human Transformation' are some of his acclaimed works.



of Software Companies), each year, over 3 million graduates and post-graduates are added to the Indian workforce but only 25 per cent of technical graduates and 10-15 per cent of other graduates are considered employable by the industry. Not only does the current education system lack its focus on training young people in employability skills that can provide them with employment opportunities, but also a large section of India's labour force has outdated skills. With the expected economic growth, this challenge is going to only increase further, since more than 75 per cent of new job opportunities are expected to be skill based. The government, thus, strongly emphasizes on upgrading People's Skills by providing vocational education along with training to them.

Considering human resources will also be involved in different levels of leadership and decision-making activities, employers are aware that professional and technical skills alone cannot help achieve organizational goals and objectives. They will also need to communicate effectively within the organization with their customers and other stakeholders and therefore, a person who is better equipped in such employability skills is more likely to be hired.

There is a constant debate about whether it is possible to imbibe employability/soft skills in a person through external training, especially when one considers the fact that a person has lived with those traits all his life. It is true that the basic personality traits of a person are difficult to change but we need to understand that effective training metaphors can help strengthen the latent traits that lie in every individual.

In fact, training on soft skills/employability skills becomes all the more relevant in a country like India where the education system does not delve enough into personality development. Corporates need to have an open mindset where they are receptive to new ideas, suggestions and recommendations from the entrants

who would like to contribute and share their inputs with the team. Additionally, what is also important is the student's ability to familiarize with the corporate environment, learn the processes, understand people behavior and be a positive contributor.

Some of the traits which organizations look for in potential candidates include interpersonal skills, communication skills, and behavioral traits such as attitude, motivation, time management, leadership skills and social grace. To be employable, students should participate in trainings which helps build employability skills parallel with their formal education so that they are ready for their professional roles when they pass out from their educational institutes.

**training on soft skills/employability skills becomes all the more relevant in a country like India where the education system does not delve enough into personality development. Corporates need to have an open mindset where they are receptive to new ideas, suggestions and recommendations from the entrants who would like to contribute and share their inputs with the team. Additionally, what is also important is the student's ability to familiarize with the corporate environment, learn the processes, understand people behavior and be a positive contributor.**

'Transformational training' can help bridge this gap and prepare organizations to keep pace with the growing challenges of the corporate world. Such training has a 360 degree approach and aims at developing its trainees from within and equip them with employability skills.

One of the most important factors of soft skill development training is that they can help one be a better person, which reflects in all aspects of

his life whether professional, personal or social, culminating in career growth and success.

Considering that vocational training or any skill initiative cannot succeed in isolation from education, the recently released ASER report clearly shows how our primary education system has been unsuccessful in improving quality of school education being imparted at rural, government schools. These school children will be our future workforce and if the number of dropouts is so huge, we will be facing a crisis. We need an education system aligned with skills that can help students to be employable and skilled by the time they pass out. At the same time, the quality and ratio of trainer/teachers need to be at par, who can build interest and knowledge in their candidates.

Globalisation and trade liberalisation in India have led to a series of changes in the Indian labour market. The direct consequences are the inflow of technology, encouraged by the economic reforms, and its impact on the growth of a skill-based workforce, opening up a whole new window of opportunity even for the small enterprises in the informal sector. Skills are a method of improving human capital, which ensure income security to the workers, particularly for the poorly educated workers in developing countries such as India, and therefore a key to enriching this huge workforce which can directly and indirectly help boost the market.

The term "informal economy" refers to all economic activities by workers and economic units that are—either in law or in practice—not covered or insufficiently covered by formal arrangements. In developing countries, informal labour force is primarily comprised of self-employed people working from home or street-vending. They have neither official nor permanent places of business. Experts agree that in most developing countries, the informal economy is a crucial economic force for the foreseeable future.



The present generation is born in the age of technology and will respond much better if internet and M-learning are used as tools of learning. These technologies have high portability, small size and low price, and can reach out to large numbers at once. If mobile applications can be developed to make learning possible through personal phones, it is the easiest and cheapest way to educate millions of youth across the globe.

The National Commission for Enterprises in the Unorganized Sector (NCEUS), an advisory body of the government, was set up in 2004 to bring about improvement in productivity in this sector by generation of large-scale employment opportunities on a sustainable basis, particularly in rural areas. India currently has 59 million enterprises that provide work to 127 million people, of which 17 million new enterprises have been added since 2005.

The informal segment of the workforce is defined by a number of common characteristics: On limited professional skills, low incomes, low productivity and low capital investment. Developing new marketable job skills through education and training can disrupt cyclical poverty by increasing productivity and job opportunities in the informal economy and workers' formal-sector employability. Thus, it is important to train this group to optimise their productivity and uplift the nation.

Increasing informal economy productivity requires a holistic approach by raising informal workers' education and skill levels. However, merely investing in workforce programmes doesn't necessarily result in greater productivity. It is not that the current population is not receiving any training or education, but where they may be going wrong is that they focus solely on technical skills without integrating non-cognitive or soft skills. Across industries, skills to communicate effectively, organise efficiently, and solve unanticipated problems are desired, and often required, in a valuable worker. Employers often

## National Policy for Skill Development and Entrepreneurship 2015

National Policy for Skill Development and Entrepreneurship 2015 supersedes the policy of 2009. The primary objective of this policy is to meet the challenge of skilling at scale with speed, standard (quality) and sustainability. It aims to provide an umbrella framework to all skilling activities being carried out within the country, to align them to common standards and link skilling with demand centres. In addition to laying down the objectives and expected outcomes, the policy also identifies the overall institutional framework which will act as a vehicle to reach the expected outcomes. Skill development is the shared responsibility of the key stakeholders viz. Government, the entire spectrum of corporate sector, community based organizations, those outstanding, highly qualified and dedicated individuals who have been working in the skilling and entrepreneurship space for many years, industry and trade organisations and other stakeholders. The policy links skills development to improved employability and productivity in paving the way forward for inclusive growth in the country. The skill strategy is complemented by specific efforts to promote entrepreneurship in order to create ample opportunities for the skilled workforce.

find these skills lacking in the pool of potential workers.

Embedding new skills in a widely varied workforce is crucial for determining how productivity growth can translate into employment growth, and for whom. Developing human capital in the informal economy requires highly effective, market-driven education and training programmes.

Employers should articulate their own needs to ensure that their labour demand is correctly aligned with the newly-trained workforce supply. Complementary education and training programmes include school-based education, on-the-job learning, and learning through non-governmental and for-profit private training centres.

Raising skill levels of informal economy workers can contribute to economic growth and wealth creation. But merely investing in workforce programmes doesn't necessarily result in greater productivity. The effects skill development can have on the productivity of informal workers cannot be separated from other changes in their economic environments.

The National Skill Development Agency has been partnering with several organisations to coordinate various disorganized training efforts of

different ministries, state governments and industry. Skilling and placement targets have been set at aggregate and sectoral levels and a robust national tracking system is in place.

The goal of Skill India is to create opportunities, space and scope for the development of the talent of Indians and identify new sectors for skill development. It aims to provide training and skill development to 500 million youth by 2020.

We have to design training programmes on the lines of global standards so that the youth of our country can not only meet the domestic demands, but also of other countries such as the US, Japan, China, Europe and those in West Asia.

However, it is not that we do not have any skill development programs. The government has always considered skill development as a national priority but earlier, the emphasis was on traditional jobs whereas Skill India will now focus on all kinds of jobs. Structurally, also the government has made changes for instance; earlier the responsibility was divided among various ministries but this time, these are being clubbed together, only to make the system more efficient and transparent. □

(E-mail: mehjaheen.sajid@viztarinternational.com)