



TRENDS AND CHALLENGES IN SKILL DEVELOPMENT – NATIONAL AND INTERNATIONAL PERSPECTIVES

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ABSTRACT

This paper provides a synthesis of recent research on the theme of employability skills. It aims to stimulate discussion amongst the policy-making community on how best to further develop research and policy on employability skills. Substantial research highlights the importance of using information and communication technology (ICT) and communication and interpersonal skills in modern workplaces, and that these skills are now crucial to gaining and maintaining employment. The research also points out that in addition to ICT and interpersonal skills, 'aesthetic skills' are also crucially important in modern workplaces. India has seen rapid growth in recent years, driven by the growth in new-age industries. The increase in purchasing power has resulted in the demand for a new level of quality of service. India lags far behind in imparting skill training as compared to other countries. Only 10% of the total workforce in the country receive some kind of skill training (2% with formal training and 8% with informal training). Further, 80% of the entrants into the workforce do not have the opportunity for skill training. There are several challenges that are faced by the government in imparting quality skill training to the youth of the country. The country has set a tough challenge in the field of vocational education and training in its approach paper in the Twelfth Five Year Plan and also focuses on the future perspectives needed for the skill development to meet the requirements of the enterprises.

KEYWORDS: Information and Communication Technology (ICT), National Policy on Skill Development (NPSD), Challenges and predictions. Role of skill development in Sector focus, requirement by 2022

INTRODUCTION

This paper provides a synthesis of recent research on the theme of employability skills. It does not aim to provide a comprehensive literature review, as the relevant literature in this area is vast and wide-ranging. Instead it brings together some key findings on the topic from the last ten years or so, focusing mainly on literature from the UK. The paper contributes to a wider programme of work being carried out by the UK Commission for Employment and Skills on the best way to develop employability skills within the publicly funded employment and skills system (see UK Commission, 2009b). The paper aims to stimulate discussion amongst the policy-making community on how best to further develop research and policy on employability skills. To this end, we focus on the following key questions:

- What do we mean by 'employability skills'?
- Why are employability skills important?
- What works in employability skills policy?
- What are the key challenges and barriers in employability skills policy?
- What further needs to be done?

The term 'employability' has been used for many years by policy-makers and researchers in the context of debates about

employment and labor markets. It has been defined in different ways, with much depending on the group to which it is applied (e.g. unemployed people or the existing workforce). However, there is agreement at a very general level that employability relates to the ability to be in employment, and, in particular, the set of characteristics that increase the chances of an individual being in work. Sometimes definitions go a step further than simply focusing on the ability to secure employment, and specifically include the ability to sustain employment and to progress within work too. Some commentators have argued that in thinking about what makes an individual 'employable' we need to identify the full range of characteristics that increase the probability of an individual being in work.

WHY ARE EMPLOYABILITY SKILLS IMPORTANT

- First, raising employability skills has emerged as an area for attention to improve the transition from full-time education into employment, including school leavers as well as those leaving college and university.
- Second, employability skills have been identified as a key element to ensuring that the employment and skills system is demand-led.
- Third, as part of the continuing integration of employment and skills policy there has been

recognition that employers are looking for a broader set of generic employability skills and therefore to move unemployed people into sustainable work an approach that looks beyond vocational and technical skills alone is required.

- Fourth, employability skills have arisen as a theme in debates about promoting career advancement once in employment and tackling the barriers to social mobility.

For example, the UK Commission for Employment and Skills Working Futures 2007-2017 employment projections predict a continued long-term decline in employment in manufacturing and growth in services, and an associated growth in managerial, professional and associate professional and technical occupations, alongside a continued decline in manual occupations (UK Commission, 2008c).

Whilst recognizing these trends, it is important to acknowledge that not all of the jobs in the ‘knowledge economy’ are highly skilled and command high wages, requiring ‘thinking’ and advanced problem-solving skills. Some commentators have argued that instead what is happening is an emerging polarization between high and low skilled jobs. Indeed labor market information shows that a significant level of demand for jobs at the bottom end of the labor market could persist over time. Substantial research highlights the importance of using information and communication technology (ICT) and communication and interpersonal skills in modern workplaces, and that these skills are now crucial to gaining and maintaining employment. This applies to both low and higher level jobs. ICT is now widespread, and the increased requirement for team working, coupled with the customer service element of many occupations mean that most jobs, even at entry level, now involve some form of person-to-person skills as a basic requirement, as demonstrated in the UK Commission’s recent National Strategic Skills Audit for England (UK Commission, 2010b). Ambition 2020 also notes that individuals with a range of employability skills now command higher wage premiums, and this applies at all skill levels. a large scale survey found that:

- There has been a striking and continued increase since 1986 in the number of jobs involving the use of computerized equipment, with over three-quarters of people now using such equipment at work;
- There has also been a marked and sustained increase in the proportion of people who report that computing is an ‘essential’ part of their job. This rose from 31 per cent in 1997 to 40 per cent in 2001, and then to 47 per cent in 2006;
- Between 1997 and 2006 there have also been significant increases in skill usage in terms of generic skills with the use of ‘influence skills’ and ‘literacy skills’ rising most. ‘Influence skills’ are defined as a closely correlated set of activities associated with communicating, analysing and persuading.

Recent research has also pointed out that in addition to ICT and interpersonal skills, ‘aesthetic skills’ are also crucially important in modern workplaces. However, these are often overlooked by researchers. Aesthetic skills relate to the way in which individuals present themselves at work, or the need to ‘look good and sound right’. The growing importance of these skills is closely related to the expansion of customer service work, and the fact that employees are often now regarded as a crucial part of the service product they sell or provide.

In other words, the effectiveness of service transactions depend to some extent on how employees are perceived by customers in terms of their mood, appearance, general demeanour and personality. Illustrating the importance of aesthetic skills to employers, a small-scale survey undertaken by researchers at the University of Strathclyde encompassing the retail, hotel and restaurant sectors in Glasgow found that of 147 Employability Skills: according to a Research and Policy Briefing respondents, 93 per cent stated that the appearance and presentation of their staff was important to business success.

Flexibility and adaptability are also crucial to employability in another sense. Increasing competition and organizational restructuring have eroded the traditional idea of the ‘job for life’. In this context, some researchers have emphasized that employees need to think of the skills they need for employability not only in terms of their current jobs or workplaces, but also more broadly to ensure that they have the skills and qualities required in the external labor market to protect themselves from job insecurity

WHERE ARE WE ON SKILLS?

India has seen rapid growth in recent years, driven by the growth in new-age industries. The increase in purchasing power has resulted in the demand for a new level of quality of service. However, there is a large shortage of skilled manpower in the country. In the wake of the changing economic environment, it is necessary to focus on inculcating and advancing the skill sets of the young population of the country.

India lags far behind in imparting skill training as compared to other countries. Only 10% of the total workforce in the country receive some kind of skill training (2% with formal training and 8% with informal training). Further, 80% of the entrants into the workforce do not have the opportunity for skill training.

The accelerated economic growth has increased the demand for skilled manpower that has highlighted the shortage of skilled manpower in the country. Employees worldwide state a variety of reasons for their inability to fill jobs, ranging from undesirable geographic locations to candidates looking for more pay than what the employers have been offering. India is among the top countries in which employers are facing difficulty in filling up the jobs. For India, the difficulty to fill up the jobs is 48%, which is above the global standard of 34% in 2012. The lack of available applicants, shortage of hard skills and shortage of suitable employability, including soft

skills, are some of the key reasons in finding a suitable candidate for available jobs in the country.

NATIONAL POLICY ON SKILL DEVELOPMENT (NPSD)

There are several challenges that are faced by the government in imparting quality skill training to the youth of the country. These challenges include:

- Increasing capacity and capability of the existing system to ensure equitable access for all
- Maintaining quality and relevance
- Creating effective convergence between school education and the government’s skill development efforts.
- Creating institutional mechanism for research development quality assurance, examinations and certification, affiliations and accreditation.
- Mobilizing adequate investment for financing skill development

In order to provide adequate training to the youth and develop necessary skills, the Government of India took steps to improve the skill training scenario in the country. In 2009, the government formulated the national skill development policy that laid the framework for skill development, ensuring that individuals get improved access to skills and knowledge.

KEY FEATURES OF THE NATIONAL SKILL DEVELOPMENT POLICY

The skill development policy includes:

- Institution-based skill development, including ITIs/ vocational schools/technical schools/ polytechnics/ professional colleges, etc.
- Learning initiatives of sectoral skill development organized by different ministries/ departments
- Formal and informal apprenticeships and other types of training by enterprises.
- Training for self-employment/entrepreneurial development

- Adult learning, retraining of retired or retiring employees and lifelong learning.
- Non-formal training, including training by civil society organizations.
- E-learning, web-based learning and distance learning

PROJECTED GROWTH AND SECTOR DEMAND

India is expected to grow at a rate of 8%, on an average, in the next 10 years⁵. More than 700 million Indians are estimated to be of working age by 2022. Out of these, more than 500 million require some kind of vocational or skill development training.

CHALLENGES AND PREDICTIONS IN THE NEAR FUTURE TILL 2017

The country has set a tough challenge in the field of vocational education and training in its approach paper in the Twelfth Five Year Plan. It aims to increase the percentage of workforce with formal skills to 25%⁷ at the end of the plan. It is estimated that 50–70 million jobs will be created in India over the next five years and about 75%–90% of these additional employment avenues will require some vocational training. The following table presents the projected employment in the various sectors of economy for diverse growth scenarios till 2017.

SECTOR FOCUS

The government has identified 20 high-growth sectors of industries and services that have the ability to provide expanded employment. It consists of 10 high-growth sectors on the manufacturing side and an equal number on the services front. Out of these, the key sectors are manufacturing, textile, construction, automotive and health care⁸. It is necessary to develop proper skill training mechanisms as the skill sets that are required in the manufacturing and services sector are different from that of the agriculture sector.



A 9% Growth Economy needs Skilled Manpower – the Economic Growth Challenge ...

- Agriculture capacity to absorb human resources limited
- 54% of population dependent on agriculture, but contribution of agriculture to GDP is around 18%
- Need for transition of labour from farm to industry
- Incremental HR requirements till 2022 for top 15 sectors is estimated to be 178 mn
- 68% of requirement is for skilled entry-level-operators - education levels of high school and below

KEY SECTORS	Incremental Human Resources (million)
Building, Construction, Real Estate	47.31
Auto & Auto Components	35.20
Organized Retail	17.34
Textiles	16.79
Tourism, Travel	12.86
Healthcare	12.70
Education & Skills Development	5.80
IT & ITES	5.30
Leather	4.64
Gems & Jewellery	4.60
BFSI	4.49
Furniture & Furnishing	3.34
Electronics/ IT Hardware	3.22
Media & Entertainment	2.99

Source: NSDC Report on Human Resources and Skill Requirements in various sectors (2022)

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WORKFORCE REQUIREMENT TO DOUBLE BY 2022: NSDC ON HEALTH SECTOR

The Indian healthcare has diversified in offering medical services, and the use of new medical devices to lead the exponential growth. According to the industry estimates the size of the healthcare sector is expected to grow to Rs 9.64 lakh crore by 2017. Correspondingly, The National Skill Development Corporation has declared a massive requirement for skilled manpower to sustain the growth, and lead India at the forefront in the rapidly emerging scenario of medical tourism. As well as the urgent need to bridge the gap between the urban and rural healthcare service needs to be addressed.

Sustaining this growth will double our manpower requirement from 35.2 lakh at present to 74 lakh by 2022. To throw further light on the present situation, the healthcare spending in India stands at less than 5 per cent of GDP, as compared to other developed countries. The out-of-pocket expenditure comprises about 92 per cent of private expenditure as compared to international average of nearly 50 per cent.

The report also highlights the manpower requirement for allied sectors which constitute of a larger healthcare ecosystem. Consider this; nursing associates, sanitarians, medical assistants, medical equipment operators, optometrists, traditional and faith healers, physiotherapists, dieticians and dental assistants, are still short of the current demand. Currently, around 11 lakh employees in the allied sectors. The report further states that there is a significant gap in the availability of allopathic doctors (6.21 lakh) and it is a trend that is likely to continue into the next five years.

“There are over 7,50,000 registered Ayurveda, Yoga, Unani, Siddha and Homoeopathy (AYUSH) practitioners in the country. These numbers, when combined with the total number of physicians trained in allopathy, fulfil, to an extent,

the total requirement of medical practitioners required in the country,” it pointed out.

According to the report, there are only 356 registered medical education institutions. The total admission capacity is nearly 45,000 students at the undergraduate level and about 24,000 students at the post-graduate level in the country.

The report observed that highly urbanized regions, including Delhi NCR, are heavily concentrated with healthcare facilities while rural regions remain underdeveloped.

“India has become one of the leading affordable destinations for people looking for best medical care at cost much lower than that of developed countries.

“We can further leverage our position as a reasonably priced and quality healthcare solution provider, thus catering to a greater proportion of world population.

“Hence, there is a need for both qualitative and quantitative skill development initiatives in the healthcare sector. We also need to focus heavily on upgrading technical skills of the workforce for advanced healthcare services,” NSDC MD & CEO Dilip Chenoy said.

CAPACITY DEVELOPMENT IN INDIA

In India, about 12 million people join the workforce each year comprising highly skilled (constitute a minuscule part), skilled, semi-skilled and un-skilled work force. The last category constitutes the majority of the population entering the workforce⁹. However, the current skill capacity of the country is about four million¹⁰. It is therefore required to enhance skilling and technical education capacity to about 15 million (considering that even sections of the existing workforce would have to be trained)

Acceptability

- The skill development programs being imparted to learners should meet their needs in terms of quality of

infrastructure (ICT and physical infrastructure), pedagogy and skill delivery methods.

- The current education system does not lead to trained young people in employable skills who are open to immediate employment opportunities. With current and expected economic growth, this problem is expected to aggravate as more than 75% of the new job opportunities are expected to be skill-based.

As a result, there is a need to develop an advanced curriculum framework derived from industry best practices. It is equally critical to use these upcoming and widely used learning approaches to design skill development programs in order to train learners with what is relevant and not obsolete. As is

evident, the success of the aforementioned skill framework highly depends on what a learner wants. Therefore, all efforts, actions, plans should be dedicated in a channelized manner that keeps the needs, priorities and perspectives of the Learner first.

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