

ROLE OF HUMAN RESOURCE DEVELOPMENT IN SUSTAINING GROWTH OF INDUSTRIAL INDIA

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ABSTRACT

The paper tries to approach the whole issue examining the validity of interventions at the human factor level in the education system of India and how it associates with the needs of the industry in India.

India is seen as one of the most upcoming economy with variety of setup ranging from agri-business, service industry to manufacturing industry. The workforce availability and consumption of the existing work force remains an issue. The dichotomy between the skill set required and the skill set produced by the training centers of the education systems remains. The education sector in India is growing many folds with growth rate of 12-15%. The mushrooming of technical and management institutes across the nations suggest the availability of a willing population for training but do these institutions have the skill set to train the incumbents to the requirement of the industry? Secondly, do the trained professional moving out of these institutions have an easy slip –in into the organizations? Thirdly, If they are hired what value addition they are doing to the organization, and the henceforth contributing in the further growth of economy.

Further, another potent issue remains that weather the individuals coming out of these professional institutes just remain the “**job getters**” or do they have the capability and the capacity to be the “**job creators**”. The education system may just not create employees but also business leaders, who have the capability and the confidence to utilize their creativity and innovation for better business opportunities. The paper aims at unfolding the **capability building practices** in the current educational scenario and identify and bridge any gaps in the skill set available, skill dimensions transferred and the role of this skill set in sustaining and as well creating the growth for an economy as volatile as India.

KEYWORDS: Education, Leaders, Capability Building, HRD, Economic Growth

INTRODUCTION

The current population of 1.2 billion of India is increasing at an exponential rate of 17% thereby constantly increasing the work force between the age group of 17 to 55 years. Seeing to the global economic growth it can be said that India has a potential of becoming a global hub for sourcing skilled manpower. The Indian economy consists of a variety of sectors ranging from agriculture, manufacturing, service, etc. The last five years has witnessed growth in profit as well as size of many companies in various categories, like, metal industry, technology, telecommunication, power, refineries, automobiles, banking -finance, pharmaceuticals, etc. Indian companies are on a high development trail and have doubled their revenues in five years.

- *To quote Montek Singh, deputy chairman of the Planning Commission “India’s economic growth is turning around and the country’s GDP could hit the 9 percent growth mark by the end of the 12th Five Year plan”*
- *According to a report by Mecklai Financial, “India has been the favored investment destination in Asia. India has received inflows worth US\$ 11 billion in equities and US\$ 4.7 billion in debt investments on a year-to-date basis”*

The slowdown in the global economies in 2008-09 can be described as one of the darkest and longest night in the global job market. Even the leading Indian Institutes for Management, Technologies and other professional programs had difficulty in placing their students. In 2012, the slowdown has come back, but this time the effects are not the same.

Post recession scenario, India has acquired a rapid growth of 9.7 per cent in 2010-11. The Indian job market has bounced back strongly. **Besides unfolding considerable job opportunities in a variety of sectors, it has also created promising openings for entrepreneurs.**

I further strengthen my views by quoting few authentic sources validating my stance that India is the most upcoming destinations for job seekers and as well as job provides.

- “Jeff Joerres, chief executive officer at Milwaukee-based Manpower Group, says the strongest hiring plans are in India, where nearly six out of 10 employers in the services sector will add workers in the coming months.”
- The optimism of the headhunters is not speculative. As per the “Graduate Management Admission Council’s (GMAC) Global Management Education Graduate Survey, the 2011 global job market for business school graduates “has rebounded from 2010 levels.”The survey reveals that “54% of all graduate business students seeking employment, received at least one job offer at the time of the survey, compared to only 32% of their peers at this time in 2010.”

Another factor that has always loomed over the growth of job market in the country was the potent fear of “BRAIN DRAIN” With the rest of the world still facing economic lows, it can be resolved that this potent fear can finally be faced if not eradicated completely. Experts opine that with recessionary fears ominous over several economies, it is not the right time to move abroad for a job. In fact, the study of current macroeconomic environment of the global market, point towards a pronounced future trend of a reverse brain drains in Indian market.

Problem Identification

The discussion above brings into light the following points that project Indian scenario quite favorable for job seekers and providers, given certain hitches are addressed to. The above points are conclusive of the following facts:

- The growth rate of the Indian industry is impressive
- That India job market revived
- The current recession does not have a negative impact on job opportunities
- Head hunters are viewing it as a big prospect
- The existing workforce has the challenge of meeting the job crunch caused by the prospective reverse brain drain.
- Availability of skill work force and the PERSON-JOB fit to sustain the projected growth of the Indian industrial economy.

Interventions Made by the Indian Government & Private Sector to Meet the Skill Workforce Requirement

While addressing to the need of the hour, the government of India has taken initiatives by setting up the “National Skills Policy” in 2009 which aims at providing skilled training to 500 million persons by 2022.

The Prime Minister’s “National Council on Skill Development” (NCSD) has been set up as the topmost body for policy direction, review, vision setting and laying down core strategies. The NCSD is further assisted by the National Skill

Development Coordination Board (NSDCB) and the Planning Commission for coordinating skill set development both in the public and the private sector.

The problem of skilled manpower development is widely prevalent for all the sectors – right from manufacturing industry to services and agriculture industry. The main stall holders for the development of skills are the service Industry, Manufacturing sectors, labour, Academia, and the Government.

The development of skill set greatly effects the growth and productivity in any sector which in turn has an effect on the economy of a country. Thus we can say that the productivity of any sector is directly proportional to the efficiency of its labour and capital inputs. Therefore, skilled manpower development needs to be seriously targeted and monitored as per the changing industry dynamics, in order to contribute to growth.

Schemes of the Ministry of Human Resource Development

Schemes/Programs	Duration	Target group	Details
Vocationalisation of Secondary Education (6800 schools covered)	2 years	Students who have passed 10th class	<ul style="list-style-type: none"> Vocational education is provided in 9,619 schools with 21,000 sections covering around 1 million students. The scheme proposes to expand vocational education to 20,000 schools and the intake capacity to 2.5 million by 2011-12.
Polytechnics (1244) + Institutions for diploma in pharmacy (415), hotel management (63), architecture (25)	3 year- diploma	Students who have passed 10th class	<ul style="list-style-type: none"> These offer diploma courses in civil, electrical, mechanical engineering, electronics, computer science, medical lab technology, hospital engineering, architectural assistantship, etc.
Community Polytechnic Scheme (675 CPS)	3 to 6 months	Poor sections of society in rural and urban areas	<ul style="list-style-type: none"> CPS acts as a focal point to promote transfer of science and technology to the rural sector.
Jan Shikshan Sansthan (JSS) (157 Vocational Training Centers run by NGOs offering more than 250 courses)	Need based (1- 4 weeks)	Disadvantaged groups of adults – priority being given to adult neo-literates/ semi literates, SC and ST, women/girls, oppressed people, migrants, slum/ pavement dwellers and working children	<ul style="list-style-type: none"> These act as district level resources to organize vocational training and skill development programs.
National Program on Technology Enhanced Learning (NPTEL) – Support for Distance Education & Web-based Learning	Designing course material – time-bound project	Engineering and physical science under-graduate/ post-graduate and all teachers/ faculty members in science and engineering fields	<ul style="list-style-type: none"> Launched in 2003, it is meant to enhance the quality engineering education in the country by developing curriculum-based video courses (at least 100) and web-based e-courses (at least 115) that will be prepared at the seven IITs (Delhi, Bombay, Madras, Kanpur, Kharagpur, Guwahati, Roorkee and IISc).
National Institute of Open Schooling (NIOS) – Distance Vocational Education Programmes	6 months to 2 years	5th, 7th and 8th and 10th pass	<ul style="list-style-type: none"> These constitute a network of 11 regional centers and around 2,067 study centers. There are around 1,063 accredited vocational institutes in the the country. The cumulative enrolment in VET during the last five years is 93,000.
Apprenticeship Training for students of +2 Vocational stream	One year	Students graduating from a 10+2 vocational stream	<ul style="list-style-type: none"> Vocational courses are covered in different areas of the Apprentices Act 1961.
National Programme on Earthquake Engineering Education (NPEEE)	Faculty development through short-term crash programs	Recognized engineering colleges/ polytechnics and schools of architecture with related academic degree of diploma program	<ul style="list-style-type: none"> NPEEE was made with the objective of training teachers in engineering colleges, polytechnics and schools of architecture, and to develop suitable curricula.

Source: FICCI-Ernst & Young: Knowledge Paper on ‘Strategic and Implementation Framework for Skill Development in India. September 2011

Figure 1: Schemes of the Ministry of Human Resource Development

Other Ministry Initiatives

Ministry/Department	Vocational education and training programs
Agriculture	<ul style="list-style-type: none"> ▶ Training in agricultural extension (21 training centres) ▶ Training in use of agricultural implements and machinery ▶ Soil conservation training center ▶ Cooperative education and training ▶ Educational Institutions: <ul style="list-style-type: none"> ▶ One central agricultural university ▶ 31 state agricultural universities (SAUs) ▶ 4 National Institutes of Indian Council of Agricultural Research
Food processing	<ul style="list-style-type: none"> ▶ Established of more than 300 food processing and training centers ▶ Training institutions: <ul style="list-style-type: none"> ▶ Central Food Technology Research Institute ▶ Paddy Processing Research Centre (FHTC) ▶ Council of Entrepreneurial Development Programme ▶ Entrepreneurship Development Programme for development of human resources
Health and family welfare	<ul style="list-style-type: none"> ▶ Promotional training of female health assistants in 42 training centers ▶ Basic training to health workers through: <ul style="list-style-type: none"> ▶ 470 Multipurpose Health Worker Training Schools (MPW) for women ▶ 28 Health and Family Welfare Training Centers (HFWTC) and 30 MPW for men
Heavy industries and public enterprises	▶ Counseling, retraining and redeployment of workers of Central Public Sector Enterprises (CPSEs)
Information technology	<ul style="list-style-type: none"> ▶ DOEACC - O level ▶ CEDT: conducts courses in the field of electronics, telecommunications, IT, process control and instrumentation
MSME (Small Industries Development Organization (SIDO))	<ul style="list-style-type: none"> ▶ Entrepreneurship Development Programme ▶ Skill Development Programme (SDP) ▶ Management Development Programme
Khadi & Village Industries Commission under Ministry of MSME	▶ 61 training centers run 35 types of programs
Social justice and empowerment	<ul style="list-style-type: none"> ▶ National Institute of Mentally Handicapped ▶ National Institute for the Orthopaedically Handicapped ▶ Institute for Physically Handicapped ▶ National Institute for the Hearing Handicapped ▶ National Handicapped Finance and Development Corporation ▶ National scheme of Liberation and Rehabilitation of scavengers and their dependents
Textiles	<ul style="list-style-type: none"> ▶ The Integrated Skill Development Scheme (ISDC) for the textile and apparel sector with the launch of ATDC-SMART (Skill for Manufacturing Apparels through Research and Training) ▶ Decentralized training program with 24 weavers service centers, 13 power loom centers and many other boards and councils
Tourism	▶ 15 Food Craft institutes under state governments
Tribal affairs	▶ Vocational training centers (VTC) in tribal areas
Urban development and poverty alleviation	▶ Urban Self Employment Programme under Swarna Jayanti Shahari Rozgar Yojana (SJSRY)
HUDCO and others in construction sector under Ministry of Urban Development & Planning Commission	▶ Construction Industry Development Council (CIDC)
Women and child development	<ul style="list-style-type: none"> ▶ Support to Training and Employment Programme for Women (STEP) ▶ Women Empowerment Programme in collaboration with IGNOU (training program on "Empowering women through SHG")

Source: FICCI-Ernst & Young: Knowledge Paper on 'Strategic and Implementation Framework for Skill Development in India. September 2011

Figure 2: Other Ministry Initiatives

Private Sector Initiatives

Manufacturing sector ¹³		
Sector	Company name	Training initiative
Construction	Larsen & Toubro	<ul style="list-style-type: none"> ▶ L&T has established Construction Skills Training Institutes (CSTIs) in Chennai, Panvel, Ahmadabad, Bengaluru, Hyderabad, Delhi and Kolkata to impart construction vocational training.
Textile	Vardhman Group	<ul style="list-style-type: none"> ▶ The group has established the Vardhman Training and Development Centre (VTDC) at Ludhiana to enhance employee skills across all functions.
Electronic goods	Godrej Industries	<ul style="list-style-type: none"> ▶ Godrej has recently tied up with The George Telegraph Training Institute (the pioneer in vocational training in eastern India) to launch specialized courses in refrigeration, air-conditioning and washing machine technology. On completing the course, deserving students will be offered employment with Godrej.
Automotive	Maruti Suzuki India Ltd. (MSIL)	<ul style="list-style-type: none"> ▶ MSIL has tied up with 17 ITIs (in November 2010) and has placed nearly 400 students in its service network. It plans to ramp up its network to 53 ITIs and absorb 500-600 more ITI students in coming months. ▶ The company has also tied up with other institutes such as the BGS Institute of Science & Management and the ABT Technical Institute to conduct Maruti-certified courses. ▶ MSIL has also set up a Technical Training Centre (TTC) to cater to the training needs of employees working in the manufacturing domain and train them on the latest technologies.
Services sector ¹⁴		
Sector	Company name	Training initiative
Retail	ITC	<ul style="list-style-type: none"> ▶ ITC Wills Lifestyle has tied up with professional courses provider NIS Sparta, which is a part of the Reliance ADA Group, to provide training in retail management.
Hospitality	Grand Hyatt	<ul style="list-style-type: none"> ▶ Hyatt Hotels Corporation has its in-house training initiative, School of Hospitality at Grand Hyatt Mumbai. ▶ It also has three more schools of learning – the School of Leadership, the School of Management Studies and the School of General Studies.
Information technology	Infosys	<ul style="list-style-type: none"> ▶ Infosys' global training center in Mysore is one of the largest corporate training establishments in the world and can accommodate 15,000 people.
Financial services	ICICI Bank	<ul style="list-style-type: none"> ▶ ICICI has established ICICI Manipal Academy (IMA), In association with Manipal Education, to train newly recruited junior managers of the bank in banking and finance. The institute has an intake of 550-600 students every three months.
Aviation	Pawan Hans Helicopters Limited (PHHL)	<ul style="list-style-type: none"> ▶ PHHL's training institute provides Aircraft Maintenance Engineering (AME) courses and imparts knowledge on helicopters and their systems to students.

Source: FICCI-Ernst & Young: Knowledge Paper on 'Strategic and Implementation Framework for Skill Development in India. September 2011

Figure 3: Private Sector Initiatives

EDUCATION SYSTEM OF INDIA

As per the statistics provided by department of education in India it is known that as of now there are about 376 million degree holders in India, out of which there are 25 million graduate degree holders other than technical degree and 3 million engineering *degree holders*.

Every year almost 60000 engineering graduates pass out of universities wherein the preferred studies are Science, Engineering and management. There are nearly 7 million post graduate degree holders. In India all the technical universities, along with universities and Research institutes who got a grant-in-aid offer the PhD degree in-order to enable students to participate actively in research.

The need for quality education can be achieved collectively only when there is continuous growth and strengthening of the major section of our population especially the students.

The education system will be greatly affected in a positive manner if we find ways to create a more socialistic form of society. We need to bring a balance between welfare and profit so that the corporate industry is attracted towards the education sector. This would further help in improving the sustainability.

If finally the private sector institutions and industries collaborate with the higher education organizations in the areas of research and development, faculty enhancement, infrastructure up gradation, student scholarships and governance then definitely there would be a marked improvement in the overall improvement of the education sector.

The need of the hour is thus to make the higher education system more robust and useful so that the corporate is attracted and willing to invest in this sector. The government should also in parallel be involved with the industry to invest in the currently existing institutes and also setting up new institutes and knowledge hubs.

DELIVERY OF THE INTERVENTIONS

As per the data available for the education sector and development of skill sets it is concluded that the although the work force present in India is the second largest in the world next to China, however, still the workforce needs to undergo a training at all four levels of the workers i.e white-collared, blue-collared, grey-collared & rust collared. Thus, bringing about a bridge between the market trends and the job opportunities available.

In India the major portion of the youth is below the age of 25 years who are not fruitfully involved in activities leading to the economic growth of the country. The main reason attributed for this can be said to be a mismatch between the skill set available and the job requirements. Such a mismatch aggravates the problem thereby leading to job dissatisfaction and inactiveness of working age persons.

In order to bring an improvement and radical change in the above identified problems and thereby take advantage of the growing opportunities the initiatives to further develop the skill set need to lay stress and focus on the areas quantitatively, qualitatively as well as keeping in mind to increase the accessibility of the geographic terrains involved.

Immobilizing Factors which are to Bring the Change that is Required in the Skill Sets

- Growing Life expectancy of humans
- Automation and regular advancement of Technology
- Increase in the rate of sensing and processing power of computers
- Increasing usage of New Media Environment
- Usage of new social tools thereby creating super-structured set up's
- Increasing of fast global connectivity network.

PROPOSED MODEL TO FILL IN THE GAP

Keeping in mind the report as published by FICCI along with the effect of educational trends, technological advancements, demographics & other related areas, an attempt was made to analyze and filter the same to identify the key thrust areas along with the skill areas that would be most important for developing the HR skill sets for the future.

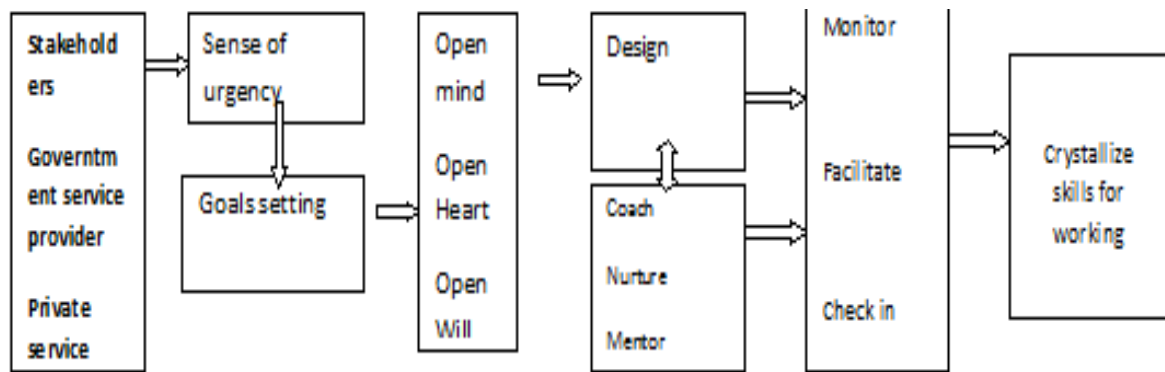


Figure 5: Proposed Model to Fill the Gap

Proposed Model to Fill in the Gap

The model depicts that the stakeholders have to sense the urgency to set competitive and effective goals for the strengthening of the education policy, procedures & modes of delivery that would require an open mind, heart and most importantly the “Will” to design education and training system that provide for the effective and efficient skill acquisition through proper coaching, nurturing of creative minds and ideas and instilling smart skills into the service seekers i.e students or learners in our case. Such a system will have to imbibe a good monitoring and checking-in facilities to keep sync with the required and delivered knowledge and training and also will facilitate for flexible systems to enhance multi-skilling ability in the workforce. This would create a synergetic environment for learning and evolve a system of developing a skilled and efficient workforce to meet the dynamics of the changing work requirement in the working world.

CONCLUSIONS

Over the next decade, Individuals will need to reorganize their approach to their careers and education to accommodate to the changing scenario. They need to equip themselves for multiple careers and lifelong learning to prepare for occupational change. The organizations on the other hand will have to reorganize the conventional career tracks and instead generate more multiplicity and elasticity in its role definitions. Establishment of colleges may provide for meeting the quantitative requirement, but the college needs to create an environment to translate nascent mind into a well-developed, talented mind. Workforce needs to equip themselves to learn and enhance their talents.

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