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## **SKILL DEVELOPMENT – A DRIVING FORCE FOR EMPLOYMENT GENERATION IN INDIA**

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### **Abstract**

Skill development refers to equipping an individual with marketable skills. Skill and knowledge, both are important factors for economic growth of any country. Skills are imparted through the process of ‘Learning by doing’ and are ‘done on the job’. Skill development is critical for achieving faster, sustainable and inclusive growth on the one hand and for providing employment opportunities to the growing young population on the other hand. The demographic window of opportunity available in India would make India the skill capital of world. India would be in position to meet the requirement of technically skilled manpower not only for its growing economy but also of the aging advanced economics of the world.

This paper helps us to understand the requirement, present status and shortcomings of skill development system in India. It is an attempt to know the gap between existing and required level of skill development in India.

**Keywords:** skill development, marketable skills, economic growth, skill capital, technically skilled



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## **Introduction**

India is world's fastest growing economy. From Primary sector of agriculture, we are moving to secondary sector of manufacturing, construction and also tertiary sector of trade, transport and finance. Work force of India is second largest in the world after China. About 70% of India's large population is below 35 years of age. Working age group of 15-60 years is increasing steadily. India has the advantage of productive work force over the world. Increasing population which was earlier drawback has turned to be an asset for the nation now. We need to have skilled workforce to contribute to the growth of the economy as skilled workers increase the efficiency and flexibility of the labour market and can be easily absorbed into the economy. It can help to remain competitive in achieving sustainable growth. The world economy is expected to witness a skilled manpower shortage to the extent of around 50-60 million by the end 2020. PM Narendra Modi launched Make in India campaign and also invited investors across the world to make their products in India and generate employment. It is a national programme designed to transform India into a global manufacturing hub. The aim is to attract investment by physical infrastructure creation, innovation, protect intellectual property and enhancing skill development. India has lowest proportion of skill youth in the world. The quantitative dimension of India's skill development challenge is that 80 percent of new entrants to the work force have no opportunity for skill training. Against 12.8 million per annum new entrants to the workforce, the existing training capacity is only 3.1 million per annum. The Prime Minister's National Council on Skill Development has endorsed a vision to create 500 million skilled people by 2022, whereas, at present, only about 2 percent of the work force has skill training.

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Development Programmes bring the employability among unemployed youths so that they may get better employment opportunities in quality and quantity. It will ultimately, lead to continuous growth of the economy.

### **Literature Review**

Saleem and Shahid (2011), conducted a study on ‘Degree of influence of training and development on employee’s behaviour’. The result revealed that the purpose of training and development is pervasive. Training and development builds a team of highly effective and efficient way. Employees who are trained regularly are well motivated, well mannered and have enhanced confidence and self-esteem. Training and development prepare and enhance employee’s knowledge and skills to enable them so that they adapt to new technology, the changes that happened inside the organization and the working environment. Training and development also creates a pool of employees and chances for promotion or to replace employees who have left the organization. This study highlights that training and development of an employee, plays an important role and higher authorities of these different sectors give feedback that all employees should be given opportunities of training and development that lead to organizational efficiency and growth.

Kaptan (2014), conducted a study on ‘Skill Development and Capacity Building – Role of Education Institution’ the study discussed about the importance, role and need of skill development and capacity building programme as the principal purpose of education. Paper discussed about the suitability of education to meet the requirement of industry and labour market, improving the quality and competency of labour through skill development programme as conventional education system lack synergy between industries and institutions. Paper finally concluded that there is a strong need of capacity



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building & skill development programmes and there should be strong active participation of education institution to accomplish the mission.

Amandeep (2015), conducted a study on ‘Skill Development in Higher Education : Trends and Issue’ studied the present scenario of India on skill and education, examine opportunities available to learners, and suggested the future prospects of skill development. Comparing the percentage of employers experiencing in filling job vacancies world-wide India rank on 7<sup>th</sup> position facing major difficulty in the field of Accounting & Finance Staff, IT Personnel, Secretaries, PAs, Receptionists, Admin. Asst. & Office Support Staff, Teachers, Engineers, Marketing/Public Relations/Communication Staff, Sales Manager, Management/Executive legal Staff, Researchers. Although there was increase in the number of universities but with the widened gap lead to introduction of skill development programme. Target are divided among various sectors with private partnership skill programmes are introduced with emphasis on quality & affordability of education.

Chavda and Trivedi (2015), conducted a study on ‘Impact of Age on Skills Development in Different Groups of Students’. The objective of the study were to study the impact of age on skills development in different groups of students, to study the effect of the gender on the development of skills, to make aware the students about their skills, to aware the students about the key role of the life skills in personality development. In the present study, Walker’s Life Skills Test (2009) was used. This test measures four types of life skills (1) Social etiquettes (2) Communication (3) Self-esteem and (4) Hygiene. 150 students were selected randomly from schools and colleges of Ahmedabad city. Age wise students were divided in three groups namely A, B, and C. Group ‘A’ consisting of students having age of 11 to 13 years, in group ‘B’ age of 14 to 17 years and in group ‘C’ age of 18 to 20 years. Group A1, B1 and C1 is for boys and group A2, B2 and C2 is for girls. Each group is of 50 students (25 boys and 25 girls in each group). ‘t’

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test was used to analyze the data statistically. The study concluded that Group A (11-13 years), B (14-17 years) and C (18-20 years) are different age groups. The result shows that B group has better Skills Development and maturity. Age is the major affecting factor for skills development. There is no significant difference found between Boys and Girls considering all age groups together. Thus, the main object of our research work is proved. Age and maturity are the only important factors for skill development.

Singh and Sanjeev (2016), conducted a study on “Need for Re-skill training towards Make in India Initiative’ The purpose of the present study was to identify the factors affecting the employee’s attitude in an organization towards skill training. An empirical study is conducted in IT Companies located in Delhi and National Capital Region (NCR). The research is Exploratory in nature. A structured questionnaire was administered to the executives in the organization. The instrument was administered to 10 or more employee in an organization drawn from different functional areas. The employees in these organizations were given a list of 18 statements that measured their extent of agreement towards the variable. The items were measured on a five points Likert scale with 1 representing strongly agree and 5 representing strongly disagree. These statements were selected after pilot testing in tow organizations and modified accordingly. Finding of the study includes that employees agree that re-skilling is important for job growth and it also helps them in learning new technology and skills. They are of the opinion that re-skilling provides them with better growth opportunities and enhances overall performance of the organization. The study also concluded that it is very important to provide the right kind of skills to employees for better employment opportunities. The companies must put more emphasis on re-skilling than hiring IT professionals for saving their time and money. The result suggest that employee attitude towards re-skilling is influenced by factors like need oriented, appropriate re-skill training, soft skill training, value addition, updated knowledge and advanced growth.

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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 analyse the challenges faced for skill development in India in terms of financial resources. Data has been gathered from the secondary sources for the study. The data mainly collected from the Ministry of Micro, Small & Medium Enterprises (MSME), websites of the respective startups companies, websites of the various Government agencies and their annual reports. The study revealed how the different types of programmes launched by Government of India can generate job opportunities in India with new Industrial skill requirement. The study finds out the overall status of skill capacity available, skill requirement, skill gap and initiatives taken by Government of India for skill development. The existing skill development policy in India needs an urgent treatment. The institutional structure needs simplification with greater investment in training infrastructure and an emphasis on supporting a casual labour force that needs to be accompanied with incentives for private sector participation.

### **Objectives**

- To understand the present status of skill development in India.
- To understand the linkage between skill development with employment and growth.
- To understand the challenges in skill development in India.
- To suggest remedies to overcome the challenges.



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## **Research Methodology**

The present research work is conceptual in nature and based on primary and secondary data. Primary data was collected from various sources, such as industries, educational institutions imparting education relating to skills and workforce engaged in business entities. Secondary data was taken from various reports, government documents and publications, journals, website, etc.

## **Present Status of Skills in India**

Reporting the benefits of demographic profile looks more of a fantasy than reality due to quantity and quality gap in terms of skilled workforce in India. It is estimated that India will face a demand of 500 million skilled workers by 2022. But India is still struggling with the supply of skilled workforce as presently only 2% of the total workforce in India have undergone skills training.

- According to the Government of India estimate, 93% of workforce employment is in the unorganized or informal sector, which is not supported by a structured skill development system.
- No training on employable skills is being given to young people who can provide them with employment opportunities as per current education system.
- Workers in the unorganized sector are often skilled informally or on the job. The information channels and skill development process are not understood or not clean.
- India's labour force constitutes high number of labour force with outdated skills.
- The skill development environment in India is quiet complex. The vocational training landscape in India has been dominated by the public sector. However, the private sector's participation and prominence in the skill development space has started to grow, particularly in services sector training.



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### **Linkage between skill development with employment and growth:**

There is a direct relationship between skill, employment and growth of the nation. Skilled-labour force will get employment, which leads to growth of the nation. Primary data was collected from various job-providers and entrepreneurs, who are running businesses and industries. Questionnaire was made to know their opinion that what abilities do they want in the human resource. Their answer was that job seeker should possess skill. They can compromise with less degree, but they need skill of doing work for which they are hiring the human resources. They also support the view that Indian degrees are degrees without skills. It as the opinion of the job providers that applicants have degrees, but they don't know how to work practically. Experience or skill is lacking, which makes applicants misfit for the jobs. It leads to unemployment in the country. They opined that revolutionary changes are needed in the Indian education system. They also reported a problem that persons having skills and less degrees are earning more than those employees, who have more degrees, but less skills.

There are various countries in the world, where grooming skills and technical ability is given high importance in the education system. Such type of practices are required to be adopted by Indian Government.

### **Challenges in Skill Development in India**

India lags far behind in imparting skill training as compared to other countries. There are many challenges in the field of skill development.

Education is the backbone of developing skill in the country. There are many weaknesses in the education system of India. India's technical education is not covering the village area. Only primary schools or some degree colleges are available just to impart basic education, which is degree based not skill based. Skill has a direct relation with technical



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education, which is growing in urban areas, but not covering rural areas. Moreover, technical education in urban areas is lacking on-the job skill development training. Mushrooming of private colleges in the country are mainly leading to earning money and providing degrees, but such colleges or universities are not giving placements. The standard of education, which leads to skill is deteriorating year by year.

Engineers of the country are first learning engineering skills in various areas, thereafter, pursuing MBA degree and joining institutions like Banks and Insurance Companies in Private Sectors. Their learning of engineering skills is suppressed, due to joining executive and management jobs.

Skill enhancement is needed in our education policy as a core area. There is a desperate need to change the education policy leading to skill development. Providing graduation and post-graduation degrees are only increasing the numbers of unemployed graduates and post-graduates without having any skill.

Only 10% of the total work force in the country receives some kind of skills training (2% with formal training and 8% with informal training). Further, 80% of the entrants into the work force do not have the opportunity for skill training.

### **Suggestions:**

Education is the most important area, which is to be taken care of for improving India's Skill Development. There is a requirement to change the India's education policy to overcome the challenges of skill development. Skill enhancement courses should be introduced at initial stage, so that students can shift to such education, which grooms their skills. Practical training of the skill is must. Arrangements are required to be made in the education system for practical training. Privatization of education is not the only remedy to improve standards of education. It is observed that government of India has privatized



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education, but there is no in-depth check on the performance of such private universities and colleges. These private sector institutions have become a market for capitalists for earning money through education. They are not contributing towards employment problems of the country. Such universities and colleges are compromising with the quality of the faculty members, resources, laboratories and research tools, etc. Their main aim is to earn profits, not grooming the skills of the students. Huge number of such engineering colleges have been shut-down, due to non-availability or insufficient availability of students. There is a need of the hour to check such malpractices of earning money through education. Colleges should contribute in the development of the nation by imparting quality education focusing on skill development.

There is an example of Germany, where Government develops an environment in the country that no work is of lower level or higher level. They develop skills at early stage of education, such as plumbing, electricity repair works, electronic repair works or driving skills. Plumbers or electricians earn more than the engineers in Germany. Such type of practices are to be adopted in our country, so that people should not focus only on adding more degrees, so that they can be called highly qualified without employment. In our country plumbing or electricity repair works are treated as low profile and nobody is inclined to learn these skills.

Graduates and post-graduates are taking degrees in Commerce, but they can't maintain accounting of a business entity. Similarly, students are doing MA in Economics, but they can't understand the budget of the country. These types of flaws in education are to be dealt with by improving education policy.

Implementation of education policy is also to be screened and checked. In our country, rules and laws of skill enhancement are made in the books and speeches of the politicians, but we can't find such skill development at ground level.



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## **Conclusions:**

The shortcomings on India's skills development system are not confined to limited capacities alone. A key shortcoming of the system is its inability to align to labour market requirements. As a result, the 'employability' of several highly educated entrants is not commensurate with their qualification either. The bias of the higher education system towards arts, science and commerce has affected employment prospects by not equipping students with the skills appropriate for industry and professional occupations. This bias and the resultant distortion could have been corrected by a matching expansions in technical education capacities. Unfortunately such capacities have not expanded by the extent that is desired. The main aim of the SDI into increase the 'employability' of the work force and to ensure that workers are able to adapt to variation in technological application and new demands arising in the labour market. The key objectives of the effort are to:

- (i) Create long-term opportunities for skills development for all in particular, for the youth, women and disadvantaged groups.
- (ii) Encourage stakeholders to own skills development initiative.
- (iii) Develop a high quality skilled workforce relevant to current and emerging employment market needs.
- (iv) Establish flexible delivery mechanism responsive to a wide range of needs of diverse stakeholders.
- (v) Facilitate effective coordination between ministries, the central government, state government and public and private skills providers.



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Thus, in order to achieve the target of 500 million skilled workers by 2022, it is imperative to have a time-bound framework for expanding institutional training capacities. In this respect, the skill development policy has outlined well defined targets for training institutes under the aegis of different ministries/departments/organizations of the central government.

The National Skill Development Corporation (NSDC) has been assigned a critical role in the capacity expansion exercise. By the year 2022, the NSDC is expected to develop capacities for training 150 million people. Such enhancement of capacity on the part of the NSDC is expected to be matched by the technical training institutions (ITs, ITCs and other institutes and centres) under the aegis of the Directorate General of Employment and Training (DGET) of the Ministry of Labour and Employment. The aggregate institutional training capacity of the DGET – recognized institutes is expected to increase from the current level of 1.2 million to 100 million. Apart from these two entities, the HRD ministry is expected to play a significant role in expanding capacity.

Skill development is critical for achieving faster, sustainable and inclusive growth on the one hand and for providing employment opportunities to the growing young population on the other hand. The demographic window of opportunity available in India would make India the skill capital of world. India would be in position to meet the requirement of technically skilled manpower not only for its growing economy but also of the aging advanced economics of the world.



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