

The future HR Requirements and the Skill Development Achievements of India: A Review & Synthesis of Recent Government Reports

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Abstract:

Many economists have predicted that in the coming decade, India will be the third largest economy in the world following only the US and China. These predictions have also highlighted the demand for the skilled manpower for the country. At the same time India will witness a huge labour market by having the maximum young population as working population.

To meet the future human resource demands, the Govt. of India has taken many initiatives. Amongst which the Skill India campaign has proved to be much effective for creating skilled human capital for the nation.

This paper reviews and synthesises different Govt. reports to understand and evaluate the different facts and figures about future HR requirements of India and the achievements of Skill India initiative.

Keywords: future HR requirements, skilling achievements

Introduction:

The 'Make in India' campaign initiated by the Indian government has accelerated the economic growth. Many economic analysts have predicted that in the next decade, India's economy will rise to the third largest in the world, following only the US and China. Economists have also highlighted the demand for the skilled manpower for the country.

But country's low education attainment and low skill intensity create a major challenge in preparing the workforce. OECD Economic Survey India -2017 highlights very important points that around 30% of youth aged 15-29 are neither employed nor in education or in training despite Govt. taking many initiatives to decrease the dropout rates and it is also estimated that only 4.7% of the total workforce has undergone formal skill training¹.

According to the Economic Survey 2017-18, "Upgrading human capital to the demands of a technology-intensive workplace" is one of the four challenges need to be addressed seriously in order to fight off the worries of an approaching —Late Converger Stall in the process of economic development. The failure in producing skilled and quality HR will prove increasingly costly and will likely to affect India's growth in the coming years.

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Objectives

- To understand the future HR requirements of India.
 - To analyse the skill development achievements by comparing with future HR requirements.
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Research Methodology:

This study is descriptive in nature. The paper reviews and synthesises different Govt. reports to understand and evaluate the different facts and figures about future HR requirements of India and the achievements of Skill India initiative. The paper is completely based on secondary data collected from Government websites and reports, research papers and journals.

Understanding the Future HR Requirements of India and Analysing the Skill Development Achievements:

Table 1 : Future HR requirements (estimates in Millions)

	2017	2022	Incremental HR requirement	Average HR increment per year (calculated)
	510.8	614.2	103.4	20.68

Source :Table 2, Skill India – Annual Report 2017 – 2018³

Table 2 : Year wise estimated future HR requirements (estimates in Millions)

	2017	2018	2019	2020	2021	2022
	510.8	531.48	552.16	572.84	593.52	614.2

Table 3 : Skilling Achievements from 2014-15 to 2016-17 (in Lakhs)

Year	2014-15	2015-16	2016-17	Average (calculated)
No. Of persons trained	76.12	104.16	90.78	90.35

Source: Annexure -2 , Skill India – Annual Report 2017 – 2018⁴

Table 4 : Comparing incremental future HR requirements and skill development achievements (in Lakhs)

Average estimated HR increment per year	206.8
Average skilling achievement per year	90.35
Percentage Achievement	43.69%

Table 5 : Comparing total future HR requirements and skill development achievements (in Lakhs)

Year	2017	2018	2019	2020	2021	2022
Total estimated HR requirements	5108	5314.8	5521.6	5728.4	5935.2	6142
Expected Skilling	1.77%	1.67%	1.64%	1.58%	1.52%	1.47%
Achievement after comparing with current pace i.e. 90.35 lakhs per year						

Table 6 : National Skill Development Corporation's (NSDC) performance (2017-18)⁵

Placement Percentage*	47%
Placement percentage (PMKVY2)	15%
* *Placement percentage is based on trainings through NSDC fee-based training partners and Innovation Partners and does not include trainings under special schemes such as <u>Udaan</u> , <u>SSC-Non-PMKVY</u> certifications.	
Source : Table 6 , Skill India – Annual Report 2017 – 2018	

Findings:

- India is expecting approximately 4% of increment in HR requirements every year.
- But with the current pace of skilling achievement of Skill India initiatives, India doesn't seem to even meet the 2% of total future HR demand.
- Indian education system is still not impressive enough to fill the gap.
- Even after different initiatives taken by NSDC, the placement of trained persons is not even 50%.

Conclusion & Suggestions:

- In order to meet the future HR demand, India needs to intensify its Skill India movement.
- Despite achievement by Skill India campaign, the percentage is still very low. Hence the factors which are restricting to higher skilling achievements need to be addressed specifically.
- Traditional education system also needs to be linked directly with the Skill India programs.
- More efforts should be made for the placement of trained & skilled persons.

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3. Ministry of Skill Development and Entrepreneurship, Government of India (2018), Annual Report 2017-18 - Progressing Towards Empowered India , Table 2 : Break up of Incremental Human Resource Requirement across 24 Sectors
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