

**VARIOUS INITIATIVES TAKEN BY INDUSTRIES TO DEVELOP EMPLOYEE'S SKILLS: A REVIEW**

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**Abstract**

Skill is a very crucial asset every organization looks forward to have with their employees. With the competitiveness increasing day by day; the need to equip the workforce with upgraded skill is arising with a tremendous pace. The workforce of any organization is considered to be contributing healthily only if the employees are competent for which they must be equipped with desired skill of that particular Industry. The study aims to understand various initiatives taken by the private sector manufacturing industries in enhancement of the skills of their employees to make them suitably skilled and a better performing organization as well. The information is gathered through various articles and reports as secondary source .The study is an attempt to bring to the light the growing necessity of the developing the skill of the employees manufacturing industries to remain competitive and grow in the market. The study also attempts to give a signal to the industries about looking into their approach of enhancing the skills of their employees.

**Key Words:** Skill, initiatives, private sector, manufacturing industries, enhancement

**I. INTRODUCTION**

Skill is an individual's ability to use his or her knowledge effectively to execute a given task. Skills that are required by the employees to perform a specific job with predetermined objective to be accomplished effectively for optimal output are termed as Industrial skills. Skills in industry are classified as technical and behavioral skills. Technical skills address what an employee achieves whereas behavioral skills address how an employee achieved the result. The basic industrial skills include practical skills for using technical equipment and machinery. Ability to follow instruction and understand operating manuals for strict adherence is a crucial set of skill required at this level. The worker must possess the ability to identify and rectify it .there should be the skill to ensure minimum wastage. Team working skill, safety awareness and safety standards skills are also lined up as crucial skills required at operator level. Adaptability skills to new processes or production lines are one amongst the important skills required in the industry.

## II. MANUFACTURING INDUSTRY IN INDIA

With the dream of Prime Minister Narendra Modi “Make in India” the Manufacturing industries are gearing up to emerge as one of the high growth sectors in India. Gross Value Added (GVA) for manufacturing sector currently is 29.02%. The information is sourced from Ministry of Statistics and Programme Implementation, Planning Commission, Government of India 21 Mar 2017. The manufacturing hub in India is expected to become the fifth largest manufacturing country in the world by the end of year 2020. With GDP of \$23.86 billion, Industry Sector holds a share of 30.5% of total GDP. China is the largest contributor followed by US. Japan is at 3rd and Germany is at 4th place. GDP of Industry sector is \$495.62 billion and world rank is 12. Mr. Jagat Shah, Head (Economic Development Agency), Cluster Pulse in an article which was published on 2nd January 2017 said that the manufacturing sector’s growth remained static at 15 % for over 20 years. This can be viewed as ‘jobless growth’ for manufacturing sector as a percentile of GDP was not increasing. The Index of Industrial Production (IIP) prepared by the Central Statistics Office to measure the activity happening in three industrial sectors namely Mining, Manufacturing, and Electricity. The manufacturing component of the IIP recorded 4.4 % growth in FY17 and 8.7 % in January 2018. To increase the productivity comes the need of competent and skilled workforce which when utilized properly can yield desired productivity targets. But there is a large difference in existing skill and the desired skill. The skills that were needed previously are not relevant to the current need. For creating a knowledgeable and skilled workforce there is a need to empower the employees by training them with what is really required. This can come into reality when the manufacturing industries start feeling the necessity to proactively take initiatives by designing various skill development programmes for upgrading their employees. The movement of strategizing skill development programmes for the employees have taken a step forward and also the industries are more focused on enhancing the skills of their employees along with increased profit.

## III. NEED OF SKILL DEVELOPMENT OF EMPLOYEES

The Whitepaper summary on skill development for industry 4.0 at BRICS Skill Development working group focused on four sections. The first one gives a brief overview on Industry 4.0. The second section assesses the current level of Industry 4.0 adoption in BRICS. The third section evaluates the current skill development initiatives undertaken, skills sets required for industry 4.0, challenges faced in skill development. The fourth section presents a set of recommendations to enable collaboration among BRICS nations to address the issue of skill development for Industry 4.0. Though the Governments of BRICS nations have undertaken

independent initiatives for skill development ,there are still significant efforts required for focusing on skill development for Industry 4.0. Labour force participation rate (%) is mentioned in table 1.

Reason for shortage of talent: 34% of the employers among surveyed mentioned lack of candidates with required competence, 20% of employers mentioned lack of candidates with soft skills. Skills related challenge companies will face with Industry 4.0: Up-skilling, re-skilling, Continuous learning and mindset change. Challenges faced by BRICS nations in skill development: Demand supply mismatch, Lack of access to vocational training, Lack of Industrial Training, quality of trainers, infrastructure, and lack of resources. (World Bank data IFR; ILO, Roland Berger analysis report 2014)

The best way to prepare employees is to focus the training majorly on three major areas like soft skill development, functional skill development and compliance development. Soft skill development aimed to improve competency and behavior of employees. It comprises of communication, personnel effectiveness, problem solving and team building skills. The functional skill development mainly targets employee's improvement of hard skills which are data analysis and equipment operation. The study put forwards the idea that the company must provide opportunities for hard skill to improve bench strength and would certainly allow the organisation to adapt to evolving environmental challenges. The compliance development on the other hand includes training on regulatory and Industry mandates to workplace safety. These compliance requirements are company specific. The article reveals that employee training and development for soft skills, hard skills and compliance development need to be prioritized, nurtured and measured across full employee talent management life cycle. The successful organisations develop all three skill areas to maximize employees and organisational performance.(Rishi Rana,2015)

A systematic approach to skill mapping is through skill matrix process. The process of skill matrix helps to ensure current levels of skills and provides a pathway to build skill on the basis of skill gaps identified. The study focused on a structured approach to fill the skill gap which will further ensure increased skill levels of the employees thereby supporting the skill development in existing workforce at various manufacturing industries. The study highlights the fact that the operator develop skills over a period of time .But it also get infected with monotonous work pattern thereby lessening his skills which in turn affect his productivity. This may hamper his desire to learn new skills over a period of time. It was observed that the operators were reluctant for acquiring new skills as he

enjoyed comfort in doing the job in the same manner as he did previously.(Pravin Paritkar,2016) The article categorized skill level of operator as described in table:2.

Thus the paper discussed that the skill development is a structured process and needed to be closely monitored for effective outcomes. R.Raghuttama Rao ,MD-IMaCS (ICRA Management Consultancy services ltd) in his report on skill gap analysis on mapping of manpower skills in IT Hardware & Electronics Manufacturing Industry (September 2008) identified some skill gaps at the operator level in the manufacturing Industry. The report said that the skill gap that existed in Operator was their inability to understand material variation and take corrective action or escalate the issue so as to minimize wastage. Another skill gap identified was incapability of identifying defects at any particular point in the production and correcting it on time. The report highlighted that Operator lack the capability to handle machines of latest technology. The operators were also found to be with less learning attitude as well as inability to understand Instructions. The skills required at operator level were practical skills for using technical equipment & machinery, ability to follow instructions and understand manuals for strict adherence, ability to identify and rectify defects, ensuring minimum wastage, teamwork ,health and safety awareness, knowledge of quality standards and adaptability to new processes or production lines. (R.Raghuttama Rao Sep 2008).

#### **IV. LITERATURE REVIEW**

Mohamed S Abdel-Wahab, 2008 in his study highlighted various initiatives taken by the UK construction Industry to enhance the skill of the employees. He examined the participation of employees in skill and training initiatives in the light of current UK Govt.policy.The study highlighted the skill initiatives as into three categories i.e.NET-New Entrant Training, QEFW-Qualifying existing workforce and MSTs-Management Safety Training Scheme.

Dr. Poonam Verma, 2015 revealed the initiatives taken by ICICI Lombard GIC ltd by providing rigorous teaching in underwriting claims, health insurance, reinsurance, legal compliance of general products. Secondly Sona Koyo steering system ltd has a set up training Institute- Sona skill Development centre in October 2014. The Club Mahindra Executive Training Program provides 18 months program in food and beverage production, housekeeping and front office operation to about 50 recruits every year. The paper considered in the study leadership skills as the major critical source in successful implementation of all measures.

Dr. Harsh Dwivedi, 2011 in his article brought to the knowledge that to increase Knowledge and skills Aditya Birla Group established a centre at Navi Mumbai named as “Gyanodaya” aimed to sharpen group competencies. He also brings into the knowledge the initiatives taken by ESSAR Corporation to develop the skill of their employees which includes E Learning program and also had a separate IBM education department to train and develop employees.

Esther Martinez Hernandez, June 2017 In the article drafted in People Matters magazine explains about focusing on the effort taken by the organisations to develop its employees to a benchmark status. DHL had initiated number of skill development programmes to increase the skill level of their employees. One among those initiatives is the program named “DHL got talent” where it provides a platform to the employees to show their talent. Another initiative taken by DHL is “UMANG” which provides opportunities to the employees to complete their graduation with DHL reimbursing the fees.

Srivatsan Rajan, 2013 in the discussion paper unfolds the facts that India needs to enhance its manufacturing sector competencies to create large number of jobs. He explored the various initiatives taken by Mahindra & Mahindra, Cummins Ltd, Vardhaman Ltd to enhance the skills of their employees.

Nitin John, Sep 2011 explored in his studies various skill development initiatives taken by L&T, Bharti Group, Hero Group, and Maruti Suzuki to develop the skills of their employees.

## **V. RESEARCH METHODOLOGY**

The Study on Initiatives taken by Industries to develop employee’s skills is a Descriptive study conducted with the help of Secondary Data through online sources listed in references. The study aims at understanding the essence of the taking efforts to develop skills in employees. The scope of the study encapsulates the thoughtful review of the skill development initiatives aspects for the Organisations. The study has the scope of presenting essential influencers to Organisational performance and also the programmes influencing the skills of employees. The Authors have considered the Organisational efforts in building up their workforce by enhancing their skills on the job for better productivity and improved performance in future.

## **VI. SKILL DEVELOPMENT INITIATIVES TAKEN BY PRIVATE SECTOR MANUFACTURING INDUSTRIES**

### **A. UK construction industry**

The Initiative taken by the UK Construction company included initiative programmes like NET-New Entrant Training which generally included three types of initiative under this program. These were Traditional Apprenticeship; Program led Apprenticeship and “INSPIRE” Scholarship. In INSPIRE Scholarship there was sponsoring a new entrant a six week work placement which helps the company with the recruiting source and on the other hand it helps the student to pay their tuition fees. Another initiative program taken was QEFW-Qualifying existing workforce. In Qualifying existing workforce program the initiatives were OSAT (On site Assessment & Training), EWPA (Experienced Worker Practical Assessment). (Mohamed S Abdel-Wahab, 2008)

### **B. ICICI Lombard GIC ltd**

The initiatives taken by ICICI Lombard GIC ltd to enhance the skill of their workforce. The initiative program included Rigorous teaching in underwriting claims, health insurance, reinsurance, legal compliance of general products. It has a tie-up with Institute of Insurance and risk management (IIRM) for offering specialized trainings. (Dr.Poonam Verma, 2015)

### **C. Sona Koyo steering system ltd**

The initiative taken by Sona Koyo steering system Ltd.The organization had a set up training Institute- Sona skill Development centre in October 2014.It focused on developing professional/vocational skills of associates in manufacturing industries. (Dr.Poonam Verma, 2015)

### **D. Mahindra& Mahindra**

Mahindra Executive Training Program provides 18 months program in food and beverage production, housekeeping and front office operation. It have comprehensive induction program that incorporates training and certification. Individual training needs are assessed as a part of Performance management system and addressed accordingly. The company offer reimbursement for higher education courses that their employees may choose to take. The organization also initiated a programme named “Young Mahindra” for skill enhancement. It is a forum where youngsters participate and debate on company issue and come up with solutions. Another initiative was that it initiated a program named “Rise i4 Ideation” where teams and workmen are given ideas on improvement under the PQDSM parameters, which were productivity, quality, delivery, safety and moral.

The organization also initiated programmes named “Mahindra Skill competition” and “Mahindra Skill Excellence Programme” at two stages every year. (Dr. Poonam Verma, 2015).

### **E. Aditya Birla Group**

Aditya Birla Group established a centre at Navi Mumbai named as “Gyanodaya” aimed to sharpen group competencies. It does it in two ways .First is G-Learning where participants choose the program of their choice and E-Learning where learning is just a click away. The entire training program is classified as Multitier program, functional program and role specific program. In multi tier program need of the individual is fulfilled from different aspects. The functional program is focused on building better sales and marketing ability while the role specific program is aimed at developing competencies for specific need of an individual.(Dr.Harsh Dwivedi, 2011)

### **F. ESSAR Corporation**

The organization had a major thrust of interest to develop the skill of their employees and as an initiative it included E Learning program and also had a separate IBM education department to train and develop employees.(Dr.Harsh Dwivedi, 2011)

### **G. DHL ltd**

The organization established program named “DHL got talent” which provides a platform to the employees to show their talent. Another initiative taken by DHL is “UMANG” which provides opportunities to the employees to complete their graduation with DHL reimbursing the fees.(Esther Martinez Hernandez,June 2017).

### **H. Vardhaman ltd**

The organization established In House training sessions for employees. The company had also set training centre called as Manav Vikas Kendras where Workers are trained at Kendras run by employees. The company conducts training of workers at Vardhaman Training and development centre at Ludhiana. Apart from these initiatives the organization also takes an initiative program named as Soft skill training program for the employees.(Srivatsan Rajan, 2013)

### **I. Cummins ltd**

The organization runs a one month induction program for its employees. The company had taken initiative for the shop floor employees by providing them the platform for accessing to ongoing English and soft skill classes. The company had

set up its own leadership development classes in its centre. The company offers role related training program along with Job rotation program to ensure multiskilling. The organization had a well structured six weeks Induction program for Diploma Engineering trainees along with three week induction program for non permanent workers. The organization had also take initiative by setting up ongoing technical training and skill building program for workers/operators at their skill based training centre. It conducts visionary small medium enterprise program to train suppliers and employees under one roof to follow unique concepts. The organization contributes to skill building through adoption of an ITI at Nagina (which is also a source of talent and their supplier base).(Srivatsan Rajan, 2013)

#### **J. Larsen& Toubro ltd**

The organization established construction skills Training Institute (CSTI's) in Chennai Panvel, Ahmedabad, Bengaluru, Hyderabad, and Delhi to impart vocational training.(Nitin John, Sep 2011)

#### **K. GodrejGroup**

The organization tied up with “The George Telegraph Training Institute (the pioneer in vocational training in eastern India)” to launch specialized courses in the area of refrigeration, air-conditioning and washing machine technology.(Nitin John, Sep 2011)

#### **L. Maruti Suzuki India Ltd**

The organization tied up with 17 ITI's in Nov 2010. It had tied up with BGs Institute of Science and Management & ABT technical Institute to provide Maruti certified courses.It had set up Technical training centre (TTC) to cater the training needs of employees working in manufacturing sector.(Nitin John, Sep 2011)

### **VII. CONCLUSION**

The study reveals that companies from private sector takes various initiatives for developing the skills of employees .This clearly signals the need of time to take necessary steps regarding enhancing the capability and skills of the workforce. The steps taken by different companies vary according to their own specified needs to be addressed. This review indicates the inclination of organisations towards developing skills in employees by taking initiatives in this direction. The study would be like a pushing point for those companies who are looking forward to strengthen their employees for improved productivity and skills.



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## APPENDIX

Table: 1 Labour participation rate

Country	Labour Participation rate
Brazil	75%
Russia	73.6%
India	56.5%
China	77.6%
South Africa	56.6%


Source: World Bank data IFR; ILO, Roland Berger analysis report 2014

Table: 2 Skill level of Operator

Level 1		Operator can perform with help
Level 2		Operator can perform without help under supervision
Level 3		Operator can perform the task and train others
Level 4		Operator can perform the task, train others and suggest improvements

Source: article "enhancing performance through Skill matrix", Pravin Paritkar (2016)

## ABOUT AUTHORS

<p><b>Charanjeetsingh Dadiyal</b> has completed B.Pharm, MBA (HR), PhD pursuing in organization management. The research interests are in the field of organizational behaviour .Human Resource management and recruitment and selection, training and development. Currently he is an Assistant professor in SSR Institute of Management &amp; Research, Silvassa. He has 2 national and 1 international research paper published.</p>	
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