Chapter 7

Employability Skills in Higher Education Sector in India

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ABSTRACT

The youth of India constitutes 28 percent of the Country’s population and never before have there been so many young people; never again is there likely to be such potential for economic and social progress. How we meet the needs and aspirations of young people will define the common future. India as a developing Country needs to invest heavily in young people’s education and health and protect their rights. The formal system of skilled workforce creation by way of Industrial Training Institutes/Industrial schools produces only 2 percent people. It is very meager when compared to the skilled workforce of 47 percent in China and 80 percent in Japan. Livelihood opportunities are affected by supply and demand mismatch. On the supply side, India is failing to create enough job opportunities; and on the demand side, professionals entering the job market are lacking in skill sets. This results to the rising unemployment rates along with low employability issues. Skilling is the key to unlock this mismatch between the existing educational scenario and the industrial requirement.

INTRODUCTION

The current employment crisis is not just a short-term problem caused by the recession. Changes in levels of employment and the nature of work caused by advances in technology suggest longer term structural changes, which have led to a global crisis where unemployment and skills shortages are occurring simultaneously. Technology is playing a major role in unemployment today. The disruptive technology is changing the pattern of work and the skill demanded. According to “The Economist”, the world is about to experience a further wave of technology-enabled innovation. Technology’s impact will

DOI: 10.4018/978-1-5225-1880-8.ch007
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feel like a tornado, hitting the rich world first, but eventually sweeping through poorer Countries too. No Government is prepared for it.

In India also, majority of educated and uneducated job seekers in rural and urban areas have no skills. 90% of employment is in unorganized sector. By 2020, 220 million students will pass out from school - out of which 150 million will not enroll for College Education; they need training in Vocational trade. Those entering into Higher Education require skill building to be employable in industry.

The Planning Commission of India has estimated that around 500 million skilled persons are required by 2022 while the current capacity of the Skill Development Program is 3.1 million. Considering issues like population growth, unplanned rural-urban migration causing urban poverty, high school dropout rates, India is likely to witness a deficit of 5.25 million employable graduates and vocationally trained workforce in next few years (Deloitte, 2013). It also aims to increase produce workforce in organized and unorganized sectors especially among youth, women, disables, disadvantage sections. Out of this 500 million, National Skill Development Corporation (NSDC) will train 150 million, Ministry of Labour will train 100 million, MHRD 50 million and the rest 230 million shall be trained by 21 ministries, departments and various other organizations.

India would need skilled HR over across following sectors: Auto and Auto Components, Building and Construction Materials, Building and Construction, Real Estate Services, Electronics and IT Hardware, Education and Skill Development Services, Food Processing, Gems and Jewelry, Healthcare, Textiles, Leather and Leather Goods, Organized Retail, Tourism and Hospitality, Transportation and Logistics, Media and Entertainment, BFSI, Chemicals and Pharmaceuticals, Furniture and Furnishings, IT and ITES. While there are millions of jobs opportunities across these sectors; industry continues to struggle for skilled talent.

Keeping in view the growing concern of employability of the educated youth in India, this paper focused on reviewing the efforts of government in skill development in higher education sector in India and also focusing on the review of existing literature. Further it moves on to the suggestions what needs to be done further.

EMPLOYABILITY SKILLS DEVELOPMENT IN INDIA: GENERAL SCENARIO

Skills and knowledge are the dynamic forces of economic growth and social development for a country. Countries with higher and better levels of education and skills are more likely to adjust effectively to the challenges and opportunities of the world. Following dramatic increases in enrolment in higher education in India and fundamental shifts in the graduate recruitment market, a degree is no longer enough to guarantee a graduate a satisfying future career. The skill shortage is still one of the major constraints in most industries in India, (World Bank, 2009). Stake holders of skill development in any economy are:

1. Informal education.
2. Formal education.
3. Employers at work place.

The informal or hereditary mode of education for skill development in India is mainly through passing on cascading skill sets from one generation to the next and difficult to be tapped although government of India is putting lots of efforts to identify and categorize such set of skills.