



## Skill Development for MSMEs Advancement

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### ABSTRACT

The present paper is an attempt to understand the significance of skill advancement for MSMEs. The purpose of the paper to visualize and conceptualize the learning profile of labour strength, segment wise presentation of skill advancement and list of key skills in require in various MSME. The data is composed from secondary sources and the paper will give a chance for new measurement in the area of MSME investigation. Adequate skilled human resources are one of the key factors for the advancement of any segment. In case of Indian MSME segment, the skilled resources are not up to the mark and this has clearly affected the development of the segment in a adequate manner. The skill deficiency's are clearly an issue and it desires particular attention. The segment which has so much of possible in terms of employment creation but it has not able to execute in this regard as deficiency of skill manpower is a main issue. It is often said that India has the demographic dividend and dissimilar other developed nation where dependence ratio is considerably Towering, in case of India it is low. This major benefit must be altered into a skilled manpower so that the industry requires can be made. Today the difficulty is not related to deficiency of employment opportunities, it is essentially related to the problem of employability.

**KEYWORD:** MSME, Skill advancement, labour and manpower.

### INTRODUCTION

Formation of business environment is not a simple task as the entire nation's socio economic circumstances has a direct link with this. A nation is investment welcoming provided the political, social, technological, legal surroundings are favorable from

the perspective of any kind of potential business actions. This is not only correct for foreign and Indian big industries; it is similarly true for small players as well. As it has been noticed that most of the manufacturing policy of India, has been paying attention on advancement of heavy industries as it was based on the concept of trickledown theory; the profits of the said industrial growth will enrich the lowest strata of the nation. But it not at all happens in case of India. The end result is irregular sharing of national income and unequal financial advancement. Today, the segment has come under center area and lots of initiatives are being implemented so that the true settlement can be utilized correctly. Here, one thing that the policy makers must appreciate that the purpose must be long term and the same need to be allied with development forecast of the nation as well as the people living in that part of the nation where MSME actions are taking place. As the segment started rising interest among the various stakeholders it also brings various issues which needs instant attention so that the true profits can be achieved in a phased approach. It clear that even after marvelous government initiatives the section is missing in some aspects and these issues must be addressed for the even functioning of the segments. The broad issues as tinted by the special Prime Minister's Task Force on MSME segments are listed underneath

### Limited access to equity capital

- Troubles in supply to government departments and agencies
- Procurement of raw resources at a competitive cost
- Deficiency of availability of adequate and timely credit

- Towering cost of credit
- Collateral supplies
- Troubles of storage, designing, wrapping and display of products
- Deficiency of admittance to global markets
- inadequate infrastructure facilities
- Deficiency of access to modern technology
- Deficiency of skilled manpower for manufacturing, services, promotion etc.

### **Skill progression:**

Adequate skilled human resources are one of the key factors for the advancement of any section. In case of Indian MSME segment, the skilled capital is not up to the mark and this has clearly exaggerated the development of the segment in an enough manner. The skill deficiencies are clearly an issue and it needs special attention. The section which has so much of possible in terms of employment cohort but it has not able to perform in this regard as absence of skill manpower is a major issue. It is often said that India has the demographic bonus and unlike other developed nation where dependency ratio is substantially Towering, in case of India it is low. This main advantage must be transformed into a skilled manpower so that the industries require can be made. Nowadays the problem is not related to deficiency of employment opportunities, it is essentially related to the problem of employability. This a major problem in most of the developing countries where young generation are educated but they deficit skills which will help them to become industry prepared. The government of India has taken various short term as well as long term occupational courses at a variety of stages of education standard so that the students can get technical information along with universal education. This system may not be likely to implement single handedly by the government alone, so government has recognized National Skill Advancement Council (NSDC) an association instrumental to implement the skill progress initiatives along with various private players who have the expertise in the necessary field. Various other segment skill councils are also developed as the specific needs of the industry may vary. The idea of providing guiding the student surely helpful to reduce the loafer rate at the same time which is a main issue in case of Indian education scheme, Reaping the profits of demographic outline looks more of a fantasy than reality due to amount and excellence gap in terms of skillful workforce in India. It is estimated that India will face a necessitate of 500 million

skillful workers by 2022. But India is still struggling with the supply of skilled workforce as currently only 2% of the total personnel in India have undergone skills training. According to the management of India estimate, 93% of personnel employment is in the unorganized or informal segment, which is not supported by a prearranged skill advancement scheme. No training on employable skills is being given to young people who can provide them with service opportunities as per present education system. Workers in the unorganized segment are often skilled in officially or on-the-job. The information channels and skill advancement procedure are not understood or not clear. India's labor force constitutes Towering number of labor force with outmoded skills. The pace at which economy is rising and the rate of development that is expected, the challenge will only augment additional as more than 3/4th of new job opportunities are expected to be skill based. The loss of employment and wages throughout the skill training program also acts as a disincentive to skill gaining. The skill advancement environment in India is quiet complex. The vocational training landscape in India has been dominated by the public segment. However, the private segment's participation and fame in the skill development space has started to grow, chiefly in services segment training.

### **Skill Advancement for MSME:**

Young in habitants is the main driving force of any nations and they are the segments who are vigorously taking part in nation building procedure. India is a nation which has a huge population base which automatically distorted into workable forces. It has been estimated that in case of India about 800 million workforces will turn out to be ready to join the personnel by 2022 and at their this development is projected to be 12 million yearly year on year growth of workforce.<sup>1</sup> Although India is having the benefit of demographic dividend but the real problem lies elsewhere. The office, in their reports suggest that till date approximately 38% of the workforce is uneducated, 25% of the workforce is educated up to primary level, 36% of the youth is cultured up to center or Towering height and most importantly only 2% of the workforce has formal vocational training.<sup>2</sup> This implies a huge gap in conditions of require and supply of skill ful manpower. So, the concept of demographic dividend can only be utilize provided the main personnel become manufacturing ready. If we look at the educational profile of youth workforce in India in the age group of 15 to 59 years a obvious

picture of mismatch can be visible. It can be observed that as the level of education increase the proportion of dropout is also increasing simultaneously. In one of its report of KPMG on Skill Advancement, 2014, it has calculated that in India, approximately 94 lakh students are taking admission at the primary level but only 12 lakh students are ultimately appearing in the class 12 board examinations. This drop out is across gender and it is fairly obvious that proportion of dropout is more among women members as compared to their male counterpart. The graph also suggests that very few proportions of employable workforces have technological knowledge. If only 3% of the educated workforce in the age bracket of 15 to 59 have technical information then surely the gap is quite noticeable and disturbing also. The agenda for skill advancement is comprehensible and the management has also rightly documented the need for the same. As the segment has the potential in terms of employment generation and overall financial advancement of the nation, the government of India, has started implementing various skill advancement initiatives to meet the shortfalls as emerged under the present situation.

As the government is more worried about entrepreneurship actions, the first focus has been given to develop a training programme to train the educated without a job youth with necessary financial support so that they become self adequate. The reason is to create a sustainable income opportunities for the required section along with so as to in near future this unit may able to generate local service opportunities. Two separate programmes are implemented by the central government, viz. Entrepreneurship Advancement Programmes (EDPs) and Entrepreneurship Skill Advancement Programme (ESDPs). The programme are prearranged in the trades like electronics, food processing, sericulture, pisciculture, poultry agricultural, horticulture etc. existing skills of the prospective players may not be adequate to sustain in the volatile business environment. These are the segment where Towering potential for growth is there but the respective players not in a position to nurture the profits as they are not have been exposed to various technologically upgraded production facilities. This small preparation can change the entire business environment as it will help to advance the skills of the labour as well as entrepreneurs who are willing to expand their business actions with the assist of small know-how. To develop a better exposure for entrepreneurship

progression programmers the administration of India has recognized The National Institute for Entrepreneurship & Small Business Advancement (NIESBUD) in the year 1983 follow by Indian organization of Entrepreneurship in 1993. These independent bodies are accountable for advancement of various training modules as per the prerequisite of the MSME segments. In order to promote the entrepreneurial actions the government has introduced the idea of 'Assistance to Training Institutions (ATI) to spread the market and business opportunities for MSME segments. The major thrust area is clearly linked to rural advancement by creating adequate self service opportunities in the deprived areas. Till date the office is able to conduct 4, 611 programmes and provided training to approximately 1, 31, 308 trainees.<sup>3</sup>As the main purpose of ATI is to create job opportunities in rural areas as well as urban areas, some of the segments recognized from the beginning where the areas have the potential. The ministry has identified many crucial areas anywhere low skill involvement is a problem and initiatives have been taken to promote the growth initiatives. The table below can throw a number of light about the section wise presentation and the initiatives taken by the ministry to generate sufficient employment opportunities for the rural youth. These segments wise development needs a clear understanding of the present market need as well as possible that the area is possessing. Without these two, a proper position may not be likely. The electronic system and IT are the two major areas where most of the preparation takes place. The government has organized these training to ful fill the job prerequisite in urban MSME segments where requires for technically upgraded manpower resources are of Towering need. As the locations of the units are urban specific, it is quite understandable that skill up gradation will also be Towering in these area. Along with this it can be experiential that the segment wise spread of trained manpower is not even and some of the segment it is not even 1%. Though the segments like equipment and finishing, leather and leather goods etc. has are quire in most of the marketplace and physical places. The information of people trained in those segments is not acceptable. It can also be observed that even if the purposes of the government to endorse self service or entrepreneurial skill progression only 4% of the total trained resources have got contact in this segment. Some of the segments like automobile, tourism, welcome etc. have the potential to create self employment

opportunities. So more training be compulsory to be provided to tap these region.

### **Social Skill Developments:**

Social category wise participation is heartening although compared to general category the percentage of trained manpower in SC and ST section is low still the overall achievement for the economically background segment is favorable. Skill map is another important initiative that the management is taking place and an in depth study has already been conducted in all the 652 districts of India in this regard. The idea is to recognize the skill gaps and preparation requirements so as to meet the need of local industries located in respective districts. The gap analysis become essential as it leads to create a talent pool which strengthen the supply of manpower for MSME section. The aim of the plan is to identify the training institutes, availability of raw resources and types of existing industries in the district so that the right skill gap can be recognized and hence training programme can be designed for benefit of local personnel. This requires gap psychoanalysis will certainly help the various stakeholders to recognize the section specific training requirement targeted towards likely beneficiaries. The MSME segment itself has the potential provided these gaps can be minimized for an improved development. Measures taken by administration of India the Government and manufacturing are well aware of this reality and trying to figure out solution for the challenges. National Skills Policy was formulated in 2009 by Government of India and special budget was also allocated in the FY 2011-12, 2012-13 with an determined target of imparting skills training to 500 million by 2022. A National Skill Advancement Corporation Board (NSDCB) and Prime Minister's National Skill Advancement committee was established. NSDCB is based on Public Private Partnership (PPP) under the chairmanship of the Deputy Chairman of the Planning Commission. It for mulate strategies based on the decision of Prime Minister's Council on National Skill Advancement. The location up of autonomous body National Skill Advancement Agency (NSDA) was approved on 9thMay 2013. The NSDA is mandated to work towards coordination and harmonization of skill advancement lab ors of the central and state governments as well as the public and private-segment industries. It look after policy changes, scheme reviews, new scheme strategies and engagement with PSUs and NGOs. The administration is constantly working to bring the

required machinery and infrastructure for training. Initiatives needs a considerable amount of innovative delivery approaches such as decentralized delivery, mobile training, distance learning/e-learning and web-based knowledge and capacity growth. Special courses offering multiple skills have been initiated at ITIs beneath the Modular Employability Scheme. People who had informally-acquired skills can get certification by taking examinations at ITIs. Public Private Partnership is also used quiet extensively where training programs are sponsor by personal financial support. Apprenticeship Act has also been implement by the Government under which every company has to compulsorily hire a fix number of apprentices from ITI's every year to work and trained the corporation. The apprentice learns hypothesis at the college and gets hand on knowledge at the company. This approach helps in alignment of industry's obligation for skilled aptitude as company's hire the candidate and then train him as per industry's requirement. Public preparation institutes are trying to promote growth of public training institute in difficult areas anywhere private segment is not accessible. NSDC has set a target of at least 70% placement among students on completion of training program so that the relevance of training imparted by its associates can be understood by the students. To improve the dignity of lab or, media campaign have also been start by NSDC at the national level. Government taking one step ahead has made some international collaboration with developed and industrialized countries like U.K, Germany, and Australia etc to swap the ideas for delivery of skills preparation. UK collaboration are:

The UK Skills meeting (UKISF) India, an initiative by the UK India Joint financial and Trade Committee (JETCO), The UK India Business committee acts as Secretariat for the UKISF. It is also the first point contact for UK skill providers, for India, it is FICCI. Because in 1958, Germany has already been provide technical and monetary assistance to develop institutes like Foreman Training Institute (FTI), National Instructional Media Institute, Chennai, or Central Staff Training and examination Institute (CSTARI).

### **Sum-up:**

It can be seen that an all out attempt is visible from various players so that the segment can grow but the problem remains at the implementation level if a sound monitor amenities unsuccessful to be

implement. The rising skill gap is a difficulty and by 2022 India may be out of skill labour forces even if it has adequate provide of manpower. A human resource without having adequate skills becomes unemployable. The concern is not related to education which they are acquiring at various stages. It is basically related to excellence of education and friendship of technical aspects which sometimes missing from the system. As a fast rising developing economy, in addition white and blue collar, India also needs Grey collar- information workers which include ICT skills, difficulty solving, analytical and effective communication skills and rust collar-skilled workers at the grass root level in currently unorganized section and un-benchmarked segments like construction, agriculture and related trade. Government, industry leaders are continually from time to time launching new skill improvement initiatives but some way it is not reaching the casual workers who dominate the Indian work-force. Stakeholders (Industry leaders, Government etc) have realize that none of them can work in isolation. They will need to collaborate as the stake concerned is huge. Obligatory Monitoring and Quality Certifications must be in place which will ensure Towering standards training programs with prime focus on ornamental the employability. Segment specific Lab or Market Information System (LMIS) at national and state level is to be established for reducing the skill mismatch which can help in the dependable and realistic evaluation of monetary trends and lab or market. Labour market analysis to be undertaken by Area specific LMIS at local levels with the help of Segment Skill council (under National Skill Advancement Corporation), Supply and require of skilled manpower can be map with the help of Human Resource Planning (HRP) which is also one of the significant constituent. These exercises can help to anticipate skill gap over a period of time at diverse levels, segments and geographical areas. A designated agency must work on generating information from the LMIS and HRP movements. Administration employers, national, state and local level training providers, trainee and prospective trainees must be dispersed with information so collated so that they can use it in their skill progression plans. The information at National level can be disseminated by NCVT by in receipt of input on or after state and local levels. Therapy, residency and guidance can be provided by intensification and upgrading the Employment dealings. In a male under opponent control civilization, there has always been a limited scope to develop their skills for women and girls in country

areas due to social, economic and cultural constraint. The payment of wages is also on lower side. Socio-economic empowerment of rural women can be attain by investing in their skill advancement. They can be provided with basic teaching, technical training and other women extension services. Hold up by self help group and NGOs can help in improving their circumstances by creation them understand the significance of basic education and also by making the change in attitude of society towards women. A designated agency must design the courses and introduce them at various levels on the basis of emerging opportunities for skill growth and employment generation. The change must be brought from education system which needs to be renovate and restructured. Young population even after having degree is not able to fit in the manufacturing due to deficiency of expertise to compete. The vocational training must start from Towering School. Students must be complete industry ready by creation the curriculum for professional courses such as manufacturing and MBA in a way that provides complete on the job training. The standard and quality of training needs to be upgrade, Soft skills training down with technological skills will bring preferred consequences.

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