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## MAKE IN INDIA – THE LEARNING AND DEVELOPMENT OPPORTUNITIES AND CHALLENGES LOOMING AHEAD



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### ABSTRACT

The clarion call 'Make in India' transforms into imminent globalization of the workplace. This would become a fact for a considerable section of the Indian manufacturing and service industry, leading to a remarkable development and possibility of effective workforce management, competing with international standards. The project 'Make in India' is in its nascent stage and has the potential to transform the manufacturing and services arena. This also presents an array of opportunities and challenges for the Indian industries. One of these opportunities and challenges is in the area of learning and development. In this paper an attempt is made to describe a cross-cultural scenario and to identify the skill set required to effectively perform in an international set-up

**KEYWORDS** : Learning and development, Make in India, cross culture, workforce, manufacturing and services

### INTRODUCTION

#### 'MAKE IN INDIA'

In one of the famous cartoons of Dennis the Menace, the irrepressible boy tells his father with logic beyond his years: "Dad, if everything is made in China; then God must be living in China". When the Prime Minister's vision of "Come, Make in India" is realised, and India becomes an enviable manufacturing hub of the world, Dennis may perhaps find God shifting his residence to India!

It is essential for the Indian industries to rise to the global competitiveness, for the benefit of

long term development and growth. The concept 'Make in India' is a pioneering initiative, in the global scenario. Indians who thus far looked outside the country for quality products and jobs can henceforth be assured of quality within the country. This initiative also ensures many fold benefits to the nation in terms of

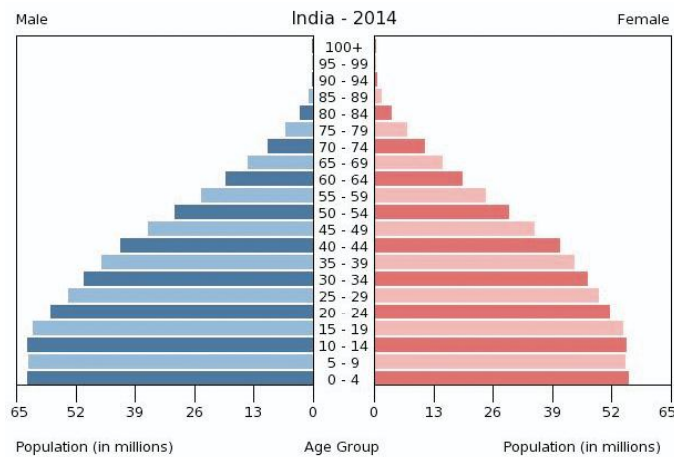
- Enhanced job opportunities within India
- Minimize trade deficits by reducing imports
- Improve exports
- Bring in latest technologies and expertise, from around the world into the country

The above seems plausible, given the size of our domestic market and the abundant availability of skilled and technical manpower at low cost is a influence that we need to put to use consciously to encourage foreign investors to make India as a manufacturing hub in their operations. If there is one example India can discover from the Chinese, it is how the volume of the domestic market and the ease of use of skilled and disciplined manpower could be put to effective use for the industrial and technological development of the country with foreign investment.

#### INDIA ADVANTAGE – 'MAKE IN INDIA'

Since independence in 1947, the world and Indians have looked at the Indian population as a problem with the need to effectively find a solution to it. The growth of Indian population was a major negative issue and the need to control it was always at the forefront.

However as a blessing in disguise, India today, with a population of 1.21 billion, the second largest in the world, expanding at the rate of 17 percent it is the second largest in terms of young population. Today India leads in the supply of 'young' population, which means India has the potential and the resource that consists of one of the youngest population in the world.



Source: CIA World Factbook - last updated on June 30, 2015

#### INDIA OPPORTUNITY – ‘MAKE IN INDIA’

‘India received \$19.78 billion FDI from nations visited by Narendra Modi in FY15’ (The Economic Times, 6<sup>th</sup> August, 2015).

A strong increase in the number of foreign direct investment (FDI) projects in India is a clear indication that global investors view the country as an attractive investment destination. The basic fact that makes India attractive to foreign investors is the high potential of the domestic market, which is driven by an emerging middle class, cost competitiveness and a large and talented young population, makes India the choice for investors. Investors come to India to find development prospect for their industry and the opportunity to function at lower cost.

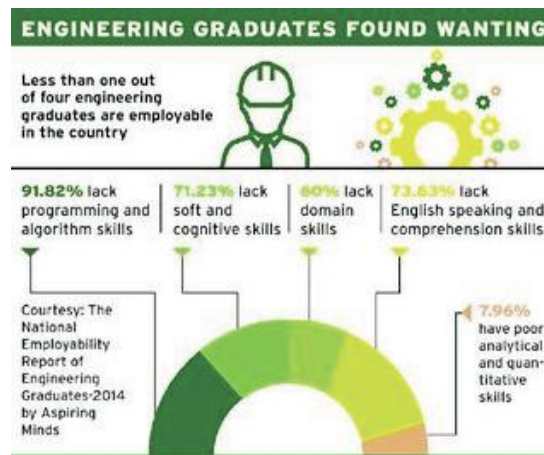
India is evolving into a higher level of the growth cycle. Manufacturing is likely to play a major function in the Indian growth course. Today India leads the world as a shared service destination. By 2020, India will be among the world’s leading three destinations for manufacturing. The new National Manufacturing Policy introduced by the government of India (GOI) is expected to further boost manufacturing activities in the country.

#### INDIA CHALLENGES – FOR ‘MAKE IN INDIA’

India is an emergent economy and has the interest of world players for investment and growth. Due to this begins a necessity for ready-for-the-job individuals. But contradictory to this, there is a large set of employees who need to be skilled, re-skilled and up-skilled to meet the needs of the changing environment. This is only possible through the active role of industry in sharing the know-how and expertise and academia in developing programs and solutions to fill the gap. India has stock of some 22 million graduates, including 6 million science graduates, 1.2 million with engineering degrees and 600,000 doctors, according to the data compiled by The Economic Times Intelligence Group, the NASSCOM and other industry sources. In a survey by McKinsey Global Institute showed that multinationals found only 25% of Indian engineers employable. The India Labour Report 2009 in its finding said by 2026, 1.4 billion youth will enter the labour force. The reality, however, is different. At present, about 53% of employed youth suffer from some degree of skill deprivation which makes them unemployable.

In today’s era of neck to neck competition, a blend of knowledge, skills and abilities is a precondition to endure in the market. Given the current high-paced growth and dynamic investment climate in India, the demand for knowledge workers with high levels of technical and soft skills will only increase. Over the past fifteen years, India has produced 1.6 million professionals and faces the uphill task of producing many more in the coming years. In this demand-supply gap scenario, it has become complicated to create a group of voracious and industry oriented human resource. According to the All India Council of Technical Education, the number of technical schools in India, including engineering colleges, has increased three fold in the last decade. According to official statistics, not more than 7 per cent of Indians in the age group 18-25 go to college. Leaving aside higher education, the scenario of elementary education in India is very disheartening as nearly 40 per cent of people over the age of 15 are illiterate. The best and most selective universities generate too few graduates, and new private colleges are producing graduates of uneven quality. To further aggravate the problem, the syllabi and curricula of universities and educational institutions is obsolete, irrelevant and a total misfit in the everyday changing technological and competitive environment. Therefore these students are not accustomed to working in the practical industrial environment and companies have to shun out extra money and time to orient and train them. To make the dream of ‘Make in India’ a reality, the industries

have to compete at the global level; the criteria for selection of industry ready people have also intensified. The new brigade of students should be competent in transformational leadership, business ethics and values, group dynamics and team building to make a faction of highly informed, industry acquainted knowledge workers.



The Hindu, January 21, 2015, 'Yawning skill gap cause for concern'

There is a strong argument that, now in India, the problem is that of employability and not that of unemployment. In its India Skills Report for 2014, Wheebox, an online talent assessment company, has stated that only ten per cent of MBA graduates and 17 per cent of engineering graduates in the country are employable. In its National Employability Report of Engineering Graduates for 2014, Aspiring Minds has stated that "less than one out of four engineering graduates is employable in the country." The study further shows that "of the 1.2 lakh candidates surveyed across multiple states, 91.82% lack programming and algorithm skills, 71.23% lack soft and cognitive skills, 60% lack domain skills, 73.63% lack English speaking and comprehension skills and 57.96% have poor analytical and quantitative skills."

#### LEARNING AND DEVELOPMENT:

On the Learning and development scenario, linked to the aspect of knowledge, skills and abilities, to work in an international working scenario, the following factors would play a significant role on the part institutions of technical education, higher education, The National Council on Skill Development, India and industry together

- Language and comprehension skills
- Soft and cognitive skills
- Work culture in a multinational environment

#### **LANGUAGE AND COMPREHENSION SKILLS**

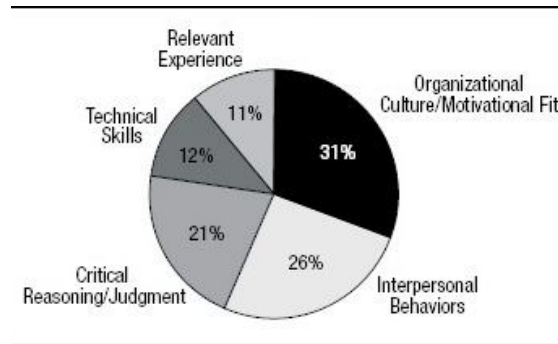
Multi-national companies (MNCs) are multi-lingual almost by definition (Luo & Shenkar, 2006) and every MNC will need to find a way to deal with the language barrier it encounters when expanding into countries that do not share its home country language. It is therefore surprising that language diversity has attracted so little attention in the field of international management and business. This is all the more remarkable as research into the role of language in organizations is well established; especially in critical management studies (see e.g. Tietze, Cohen & Musson, 2003).

Corporations that fail to formulate a language strategy are fundamentally restraining their growth opportunities to the markets where their language is spoken, evidently putting themselves at a disadvantage to competitors. The bitter pill to swallow is 73.63 percent of Indian Engineers, who would form the core employees for the growth in the manufacturing sector, lack English speaking and comprehension skills.

While a lot of emphasis is laid upon developing vocational skills at the national, it is evident that little is done to address the issue of the lacuna in boosting language and comprehension skills

#### **SOFT AND COGNITIVE SKILLS:**

The organization's culture and the professional's interpersonal behaviours and critical reasoning and judgment heavily outweigh technical skills and relevant experience. The combination of functional expertise and soft and cognitive skills is important for success.



Personality traits such as integrity, confidence, accountability, attitude, common sense, positive approach, and behavioural competencies that include analytical thinking, result orientation and desire to learn, sense of accomplishment, effective communication, teamwork, flexibility, time management, conflict management, customer orientation and attention to details are the most important traits of soft skills, with the skill set varying from organization to organization and sector.

According to a recent report in The Hindu, January 21, 2015, ‘Yawning skill gap cause for concern’, 71.23 percent engineering graduates in India lack soft skills and cognitive skills. Non-technical aspects of engineering such as communications, relationships, temperament, emotional intelligence and risk management make a difference between success and failure. Understanding and adapting to the working environment is just as crucial as getting the job itself. As organizations become more global, soft skills are highly sought-after and a prerequisite for interactions with global peers, customers, virtual teams and cross-cultural discussions, in more positions now than ten or even five years ago.

**WORK CULTURE IN A MULTINATIONAL ENVIRONMENT:**

Culture is “first and foremost a shared way of making sense of experience, based on a shared history”; a “shared system of meaning, ideas, and thoughts”; and “a set of taken-for-granted assumptions, expectations, or rules for being”. These definitions portray culture as a set of shared attitudes, values, goals, and practices that characterize an institution, organization, or group. In this way, culture influences people on a very deep level but is often invisible and difficult to describe or define. Culture is learned, culture is practiced, but above all culture represents a dynamic symbol used to interpret and navigate the world.

Intercultural skills becomes a basic ability in international business functions, what’s more, finding a common language and communicating successfully is a crucial criteria to build up long-term relationship with foreign partners and clients.

The notion that cultural differences are a barrier to doing business abroad is now commonly accepted (Adler & Gundersen, 2008; Hofstede, 1980; 2001)

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Cultural differences involving Indians and other employees can considerably include costs to the Indian engagement and generate a negative impact on benefits. Without a proper understanding of intercultural dissimilarities between members can lead to numerous areas of complexity, frustration and reduced productivity. Developing global cultural competency is one of the most demanding aspects of working globally. Managing the innumerable work and management styles that companies face across geographies, businesses, functions and projects can be overwhelming. With the call 'Make in India', multicultural diversity at home has now become a rule, rather than an exception.

#### CONCLUSION:

'Make in India' is a significant initiative, on one hand it is imperative that it will surely take India to the next level on par with the developed nations of the world, on the other, the issues of skill development, with the proper implementation of Learning and Development practices will be mandatory to make this initiative become a reality. 'Make in India' has a grand vision but the numerous impediments that exist in its way must be dealt with and foremost among them are poor language and comprehension skills, soft and cognitive skills and understanding of the work culture in a multinational environment. The National Council on Skill Development, India will have to adopt new methods and strategies to train and produce the best and unsurpassed human resource to survive and succeed globally in the highly commercially and competitive world economy. These strategies, looking ahead, should range from identification of required skills and shortfalls which are existing, formulate means to impart required skills, and adapt present skills by familiarizing to new demands. A comprehensive development of all the sectors of India will help to surpass its competitors and be successful in its endeavour to become a developed economy at the global platform. Efforts will have to be made to bringing institutions of technical education, higher education, The National Council on Skill Development, India and industry together to ensure that the requirement of quality is understood and delivered both ways.

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