



Role of Government, Business and the Academia in Ensuring Quality Workforce for Indian Industry

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I. TRANSFORMATION, ITS CHALLENGES AND OPPORTUNITIES

It is widely acknowledged that education plays a crucial positive role in economic development of countries. Several studies made in recent times point out the need for public-private partnership in the field of education, especially in emerging economies like India. Private organizations generally apply market logic in the production and distribution of educational services. On the other hand, government agencies providing educational facilities consider equality and expansion as prime concerns. In recent times the need for excellence, expansion and inclusion is emphasized in the discussions on educational policies. Educational efforts are directed towards providing quality work-force for the development especially of industrial and service sectors.

There is a need for quality workforce in all the major sectors especially in manufacturing and service sectors of the economy. Need differs depending upon the different segments of activities. There are manufacturing and service sectors including formal and informal segments. The human resources and skill requirements of the industry as a whole can be broadly divided into 4 categories or levels. They are listed below.

1. A very large number of workers with a minimum level of education are required to do basic operations on the factory shop-floors and basic machine operations in manufacturing units and basic retailing and customer care in service sector units. The so-called 'farm-to-work' transition requires basic skill building efforts which include behavioral aspects also. The workers should learn the work culture of a modern manufacturing or service sector unit.
2. A large number of 'skilled' workers have to enhance their employability to make them suitable for higher levels of organized work in a modern environment. Examples include stitching skills for those involved in garment manufacturing, higher level machine operations, executives in retail trade and selling skills for executives involved in sales of financial products. Skill-building efforts should be performance-oriented and outcome-based.
3. Workforce with specialized skills is required for such sophisticated areas of activity like automobile sector, high-tech manufacturing units, semi-conductors for the electronics sector and IT and ITES sectors. There is much discussion at various levels about the so-called difference between education and employability. The need for 'soft skills' among technically qualified persons is widely felt in the industry.
4. At the fourth and final level there is a growing requirement of efficient managers to run manufacturing and service sector organizations. The necessity and importance of Business Schools which impart managerial and entrepreneurial skills cannot be overemphasized in a modern economy.

II. THE EDUCATION DEBATE

Though primary education and secondary education play a vital role in the development of society, in the context of the present discussion, vocational technical and higher education are given greater attention. Vocational and technical education did not take-off in India during the post-independence period. One reason is that vocational and technical education requires more resources than general education. However, the government in partnership with the World Bank began a Rs.16000 million project in 2007 to revamp vocations education offered in Industrial Training Institutes. The project is expected to be completed by 2012. Private players are being roped in to give new perspective to streamlining of courses and modernizing of training. For example, in Delhi, the task of training is given to Educomp-Pearson – a joint venture between UK's Pearson group and Delhi-based Educomp Solutions.

There are basically three important issues in education in the context of supply of quality workforce to Indian industry.

1. public Vs. private agencies
2. efficiency Vs. equity
3. Cost of production and distribution of service vs. price charged for the service.

The public-private partnership is the new face of development in which the government and private agencies work together and cooperate with each other to impart skills required in a knowledge society. At present the share of private sector is 63 per cent in



terms of number of institutions and 52 per cent in terms of enrolment in higher education. The participation of the private sector gives a mixed picture because commercialization of higher education in India is a major concern.

The second issue is based on a basic question: can we be equal and excellent at the same time? This becomes an important question in the context of government's reservation policy in educational and employment opportunities. India has adopted economic planning with a development strategy of egalitarian growth and accordingly inclusive growth is a major objective of the Eleventh Five-year Plan (2007-12). Recent literature on public choice theory makes a strong case for voucher system of financing education for the poor and backward communities. The vouchers are to be provided to the target groups and they can exercise choice between public and private educational institutions. This competitive pressure will raise quality in both public and private institutions.

The third issue is related to administration and regulation of private institutions. In its second term, the UPA government has introduced the Right to Education Act (2009) along with other educational reforms. The recommendations of National Knowledge Commission and the Yash Pal Committee on Educational Reforms are being debated to make them more suitable for implementation. Recently the government has mentioned two priority issues – opening the door for foreign universities and setting up a high-power National Commission for Higher Education and Research (NCHER). The commission will regulate and grade academic institutions and take over the functions of all other regulatory bodies like University Grant Commission (UGC) the All-India Council for Technical Education (AICTE) the Medical Council of India (MCI) etc. Financial, academic and ethical lapses are found in many new private institutions. Charging high fees for admission, the practice of 'capitation fees' and corrupt practices in award of degrees are some of the problems. The NCHER will have to regulate private educational institutions, both domestic and foreign, so that the cost of production and distribution of educational service and the price paid by consumer match each other.

III. ROLE OF THE ACADEMIA

The importance of the academia in ensuring quality workforce for Indian industry has been widely recognized. This is particularly so in the case of Business Schools which train future managers and entrepreneurs of the country. From tiny business enterprises to giant commercial or industrial firms, the need for professional management with the goals of productivity and performance is ever increasing. The question is whether Indian B-Schools can meet the demand.

After the economic reforms of 1991, there has been a rapid growth in the number of B-Schools in India. According to one estimate there are 3000 B-Schools in 2011. Academic standards differ widely among these schools. "Good is the enemy of great", Jim Collins wrote in his book "Good to Great" (2001). A few B-Schools emerge and stay as good among the vast majority which remain satisfied with their current academic output and commercial profit. There are a few not-for-profit B-Schools which not only impart quality managerial skills but also emphasize ethics, like XLRI, XIMB, XIME and LIBA.

IV. CONCLUSION

In conclusion, we can make the following suggestions regarding the cooperation and coordination among the government, business and the academia in order to ensure quality workforce for the Indian industry.

First, the three issues mentioned in the paper namely, public vs. private, efficiency vs. equity and cost of production and distribution of educational service vs. price charged have to be resolved under the framework of needs and objectives of economic and social development. There can be more debates and at the end a consensus can be reached.

Second, the priorities of the government should be primary and secondary education. The Sarva Shiksha Abhiyan (Education for all programme) launched in 2000 for expansion of quality elementary education can be extended to secondary education.

Third, there can be common entrance examination like the GRE for everyone after class 12. One can choose a particular stream of post secondary education on the basis of his or her performance in the examination. Long term loans at subsidized interest rates can be given to students to fund their higher education.

Fourth, the Industrial Training Institutes (ITI) has to be upgraded and the courses offered by them have to be diversified. There is every reason for making vocational education free for girl students as well as for scheduled caste, scheduled tribe and backward class candidates.

Fifth, in the field of higher education the model of public-private partnership with more emphasis on private sector can be extended along with an active involvement of corporate sector in curriculum designing and training.

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