



# **RECRUITMENT POLICIES, PRACTICES AND INFLUENCE OF SKILL DEVELOPMENT FOR EMPLOYABILITY**

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## **ABSTRACT**

*Countries at all levels of development are finding that adequate education and skills can improve the employability of workers, the productivity of enterprises and the inclusiveness of economic growth. This realization has led to increased interest in the formulation of skills development policies to drive the change necessary to meet development challenges. Many of these policies, increasingly broad in scope and outreach, are underpinned by efforts to bring the world of education and training and the world of work closer together. Skills standards have been adopted widely in Southeast Asia with different levels of implementation and arrangements. At the training provider level, national skills standards have been used as a guideline in developing the curriculum or training plan, and preparing students or trainees to take the skills assessments or certification test.*

**Keywords:** Employability Skills; Disruption Era; Technology; Labour Force; Indian Economy

**Cite this Article:** Piriya Sairaj, P.Arun Kumar and A.V.Joga Rao, Recruitment Policies, Practices and Influence of Skill Development for Employability, International Journal of Commerce and Business Studies (IJCBS), 11(1), 2023, pp. 1-9. <https://iaeme.com/Home/issue/IJRMS?Volume=11&Issue=1>

## INTRODUCTION

Skills development is attracting heightened interest in many countries. The challenges that are driving the interest are economic, social and developmental. Many policy-makers are aware that if their countries are to gain or maintain their status as high-income countries, they must produce the higher valueadded, higher quality goods and services that can yield higher wages and profits. To do this they need a skilled workforce and an education and training system that adequately prepares young people to enter the labour market. This imperative runs alongside current rethinking on the pattern of economic development which seeks not only rapid but also inclusive growth. Many countries are concerned about and committed to achieving social equity, social inclusion, poverty alleviation and peace. The policy that grows out of this increased interest in skills development as an important means of addressing economic, social and developmental concerns is usually called a National Policy (or Strategy or Plan) for Skills Development, TVET (technical and vocational education and training), HRD (human resources development) or Lifelong Learning. The policy is separate from, though often linked with, general education or labour policies. It focuses not only on young people who have completed their formal schooling, but also on adult workers, school drop-outs, workers in the informal economy and disadvantaged groups. For examples of countries that have recently adopted such policies.

The skills challenges that have led to a focus on policy, especially among low- and middle-income countries, are as follows:

- **Skills mismatch.** Skills obtained through training and those required by the job often do not match, resulting in skills shortages in some areas and, simultaneously, a surplus of workers with skills that are not in demand, contributing to unemployment.
- **Limited involvement of social partners.** Many countries lack the active participation of employers' and workers' organizations that is essential to ensure the provision of relevant and appropriate training.
- **Poor quality and relevance of training.** Weak quality assurance, too few or poorly qualified trainers, poor working conditions for trainers, and outdated qualifications, curricula, training materials and methods all inhibit the quality of training. Limited labour market information and inability to translate such information into improved training undermines relevance.
- **Limited access to training opportunities.** The outreach of formal training is often very limited, especially where distances are great and political unrest prevails, the informal economy looms large, and literacy and educational levels are low – all factors that leave a large number of people with few or no employable skills. Women and disadvantaged groups often face additional barriers in accessing training.
- **Weak coordination in the system.** A large number of actors and providers (ministries, agencies, central and regional governments, NGOs, employers and workers) are involved in skills development. Their efforts often overlap and are not well coordinated, especially in developing countries. Weakness in linking skills supply and demand also limits positive impact on employment and productivity.

## DEVELOPING A NATIONAL SKILLS DEVELOPMENT POLICY

The arguments for formulating a national skills development policy, as opposed to merely improving “programmes” of skills development, can be summarized as follows:

- To bring coherence to the system. A national policy presents a common vision of the skills system that a country is aiming to build.
- To facilitate coordinated and planned actions and reforms. The policy disseminates a set of required changes to be pursued in order to achieve the vision of the skills system in a coordinated manner. A national policy is conducive to a more holistic response to human resources planning that draws together the various government agencies and providers of education and training.
- To facilitate policy coordination and coherence. A national policy helps to clarify how skills development efforts fit in with and are an integral part of employment and other broader developmental objectives. It also helps to avoid contradiction or duplication of other related policies.
- To clarify institutional arrangements. Development of a national system often requires new institutional arrangements that provide clear leadership and responsibility for key elements of the system.
- To anchor existing good practice. A national policy facilitates continuous commitment to and promotion of good practice.
- To pledge political and collective will and commitment. A national policy enables reforms to be achieved with clear statements of responsibility shared among government, the social partners and other partners.

Recruitment and selection Recruitment is the process of gathering qualified applicants for available positions within an organization (Mathis, 2004), and deciding whether to employ the qualified applicants or to reject them. Selection involves choosing the most suitable applicants who satisfy the requirements for a particular job. The practice of selection is a decision-making activity or a psychological calculation of appropriateness Organizations that adopt appropriate selection processes are guaranteed to hire employees with the right skills and levels of confidence for a particular job (Pfeffer, 1994; Huselid, 1997). Some researchers found that prerogative recruitment and selection practices positively affect organizational performance (Harel & Tzafrir, 1996; Delany & Huselid, 1996). Delany and Huselid (1996) found that effective recruitment and selection processes positively affect organization performance. By studying the employee recruitment, retention, and performance strategies in the Nigerian civil service, Gberevbie (2010) emphasized the importance of adopting appropriate employee recruitment and retention strategies to improve organizational performance. Other researchers suggested that a significant and positive relationship exists between recruitment/selection and organization performance.

## SKILL DEVELOPMENT

Skill means the ability to do amazing well or something with correctness and development means to do develop by adding something new. This skill development means to add something more to the abilities that we have and to move it a step ahead, so as to keep on developing. Skill development is essential to absolute in this advancing globe. Skill development is serious for economic growth and social development. The demographic evolution of India makes it vital to ensure employment opportunities for more than 12 million youths entering the working-age per annum. It is expected that during the seven-year period of 2005-2012, only 2.7 million net extra jobs were created in the country.

To enable employment-ready workforce in the future, the youth need to be equipped with the necessary skills and education. The country at the moment faces a dual challenge of severe scarcity of highly-trained, quality labor, as well as non-employability of large sections of the educated workforce that possess diminutive or no job skills. The skill development problem in India is thus significant both at the demand and supply level.

## **EMPLOYABILITY SKILLS**

A group of important abilities that engage the development of a awareness base, knowledge level, and mindset that is increasingly compulsory for success in the modern place of work. Employability skills are typically measured essential education for many job positions and therefore have become compulsory for an individual's employment success at just about any level within a business background. Employability skills are a set of skill activities and behaviors that are compulsory for all job. Employability skills are occasionally called soft skills, initial skills, work-readiness skills, or job-readiness skills. Employability skills permit information with coworkers, solve problems,

understands role within the group, make responsible choices, and take charge of your own profession. Personal qualities, habits, and attitudes influence how to interact with others. Employers value employability skills because they are linked to how get along with coworkers and customers, job performance, and career success.

## **PRESENT STATUS OF SKILLS IN INDIA**

Reaping the benefits of the demographic profile looks more of a fantasy than reality due to quantity and the quality gap in terms of the skilled workforce in India. It is estimated that India will face a demand of 500 million skilled workers by 2022. But India is still struggling with the supply of skilled workforce as presently only 2% of the total workforce in India has undergone skills training. According to the Government of India estimates, 93% of workers and labors employment is in the unorganized or informal sector. It is not supported by a structured skill development system. No training on employable skills is being given to young people who can provide them with

employment opportunities as per the current education system. Employees in the unorganized sector are often skilled on-the-job. The information channels and skill development processes are not understood or not clear. India's labor force constitutes the high number of labor forces with outdated skills. The pace at which the economy is growing and the rate of growth that is expected, the challenge will only increase further as more than 3/4th of new job opportunities are expected to be skill-based. The loss of employment and wages during the skill training program also acts as a disincentive to skill acquisition. The skill development environment in India is quite complex. The

vocational training in India has been dominated by unrestricted. However, the private sector's participation and prominence in the skill development space have started to grow, particularly in services sector training.

## **CURRENT SCENARIO OF SKILL DEVELOPMENT IN INDIA**

India has seen rapid growth in recent years, driven by the advances in new-age industries. The increase in purchasing power has resulted in the demand for a new level of quality of service. However, there is a large shortage of skilled manpower in the country. In the wake of the changing economic environment, it is necessary to focus on inculcating and advancing the skill sets of the young population of the country. According to the Population Prospects, the 2015 revision, released by the United Nations, India is to become the world's most populous nation in less than a decade – or six years earlier than previously estimated. By 2022, India is expected

to have a population of 1.4 billion, and from that point, likely to overtake China as the most populous nation of the world. The earlier estimate plugged that India's population will overtake China only by 2028. Also, the proportion of working-age population in India is likely to increase from around 58 per cent in 2001 to more than 64 per cent by 2021, with a large number of young persons in the 20-35 age group. If the bulging pyramids here below are any indication, India has the huge responsibility of seeing to that the rapidly expanding working age population in the coming decades needs to be adequately prepared with education and skills to enter the world of work with confidence, and sustain their livelihoods in a market that is constantly in a flux. India, however, lags far behind in imparting skill training as compared to other countries. Only 10% of the total workforce in the country receives some kind of skill training (2% with formal training and 8% with informal training). Further, 80% of the entrants into the workforce do not have the opportunity for skill training. The accelerated economic growth has increased the demand for skilled manpower that has highlighted the shortage of skilled manpower in the country. Employees worldwide state a variety of reasons for their inability to fill jobs, ranging from undesirable geographic locations to candidates looking for more pay than what the employers have been offering. India is among the top countries in which employers are facing difficulty in filling up the jobs. For India, the difficulty to fill up the jobs is 48%, which is above the global standard of 34% in 2012. Unwillingness among youth to take up skill training, shortage of hard & soft skills among the trained candidates and their resultant nonemployability and the employer's reluctance to pay reasonable and adequate salaries are the key reasons for employers not finding suitable candidates.

As compared to western economies where there is a burden of an ageing population, India has a large workforce that is young and likely to grow in the next 20-25 years. This unique window of opportunity, widely referred to as the "demographic dividend", signifies that a higher proportion of working age population in India is in the younger age population vis-à-vis its entire population. The result is low dependency ratio, which can provide a comparative cost advantage and competitiveness to the economy. The following chart provides a glimpse of the demographic dividend that India would be able to reap if its youth are appropriately trained and employed.

India has a huge informal economy. According to the National Sample Survey Organisation (NSSO) survey (2004-05), only ~6% of the total workforce (459 million) is in the organized sector. World Economic Forum reports that only 25% of the total Indian professionals are considered employable by the organized sector. The unorganized sector is not supported by any structured skill development and training for acquiring or upgrading skills. In the unorganized sector, skill formation takes place through informal channels such as family occupations, on-the job training under master craftsmen with little linkages to formal channels of training and certification. National policy on skill development 2009 and resultant action in terms of institutional infrastructure and financial support addressed some of the key issues plaguing skill development in the country and gave great impetus to the expansion of skill development activities in the country. While scale has been achieved to some extent, quality issues are still being sorted out with institutionalizing the National Skills Qualifications Framework and Sector Skill Councils. National Policy on Skill Development 2009 had envisaged a review of the policy after five years. The same has been initiated and a new National Policy on Skill Development and Entrepreneurship 2015 has been notified.

Skill development and entrepreneurship efforts across the country have been highly fragmented till about 2009 when the first National Policy on Skill Development was formulated. As opposed to developed countries, where the percentage of skilled workforce is between 60% and 90% of the total workforce, India records a low 5% of workforce (20-24 years) with formal vocational skills.

There is a need for speedy reorganization of the ecosystem of skill development and entrepreneurship promotion in the country to suit the needs of the industry and enable decent quality of life to its population. After more than five years of application of the National Policy on Skill Development, the institutional infrastructure and funding mechanisms have been strengthened to some extent, with considerable private sector participation in the delivery of skill training through a fee based model. Even so, more than 20 Ministries/Departments continue to run 70 plus schemes for skill development in the country mainly for free or at highly subsidized cost aimed at the weaker sections. However, gaps in the capacity and quality of training infrastructure as well as outputs, insufficient focus on workforce aspirations, lack of certification and common standards and a pointed lack of focus on the unorganized sector continue to plague the sector both in the public and private domain. Recognizing the need and urgency of quickly coordinating the efforts of all concerned stakeholders in the field of Skill Development and Entrepreneurship, Government of India notified the formation of the Department of Skill Development and Entrepreneurship (MoSDE) on 31st July, 2014 which subsequently led to the creation of the Ministry of Skill Development and Entrepreneurship on 10th Nov, 2014.

## **ROLE OF THE MINISTRY OF SKILL DEVELOPMENT AND ENTREPRENEURSHIP**

Based on the mandate under the Allocation of Business Rules and taking into account the requirements of multiple stakeholders, the Ministry of Skill Development and Entrepreneurship has identified the following four outcomes to be achieved:

- Ensure youth emerging from formal education are employable with job or self employment oriented skills
- Ensure people stuck in low income jobs and in the unorganised segments can access growth opportunities through up-skilling / re-skilling and Recognition of Prior Learning (RPL)
- Improve supply and quality of the workforce for industry, contributing to increased productivity
- Make skilling aspirational for youth

To achieve these outcomes, a framework built on five central pillars representing the core requirements for skilling has been conceived by the MoSDE – to Create a pipeline of skilled people, Correct supply for demand, Certify global/common standards, Connect supply with demand and Catalyse entrepreneurship. MoSDE has developed the common norms on Skill Development and metrics on inputs, outcome measures and funding for skill development schemes across Central Ministries/Departments. Skill gap studies for all high priority sectors including key manufacturing sectors under Make in India have been completed for 24 sectors. Support to States has been extended via the State Skill Development Mission through funding and technical support to ramp up capacity and improve standards of skilling at the State level. A number of other initiatives such as collaborating with other nations to adopt international best practices, revamping the vocational education framework in the country, partnering with corporate, leveraging public infrastructure for skilling, creating a pipeline of quality trainers and leveraging technology for skill training, are being pursued by the Ministry.

## **NATIONAL POLICY ON SKILL DEVELOPMENT**

The first National Policy on Skill Development was drawn up and approved under the coordination of the Ministry of Labour and Employment in the year 2009 with an aim to support achieving rapid and inclusive growth. Given the paradigm shift in the skilling ecosystem in the country and the experience gained through implementation of various skill development programmes in the country, there was an imminent need to revisit the existing policy and the National Skill Development Policy 2015 to appropriately take account of progress in implementation and emerging trends in the national and international skill environment. National Skill Development and Entrepreneurship Policy 2015 supersedes the policy of 2009. The objective of this policy is to meet the challenge of skilling at scale with speed, standard (quality) and sustainability. It aims to provide an umbrella framework to all skilling activities being carried out within the country, to align them to common standards and link skilling with demand centres. In addition to laying down the objectives and expected outcomes, the policy also identifies the various institutional frameworks, which will be the vehicles to reach the expected outcomes. Skill development is the shared responsibility of government, employers and individual workers, with NGOs, community based organizations, private training organizations and other stakeholders playing a critical role. The policy links skills development to improved employability and productivity to pave the way forward for inclusive growth in the country. The skill strategy is complemented by specific efforts to promote Entrepreneurship to create enough opportunities for skilled workforce.

The National Skill Development Agency (NSDA) was notified through a gazette notification dated 6th June 2013. NSDA is an autonomous body of Ministry of Skill Development and Entrepreneurship, which will coordinate and harmonize the skill development efforts of the Government and the private sector to achieve the skilling targets of the 12th Plan and beyond and endeavour to bridge the social, regional, gender and economic divide:

- a) By ensuring that the skilling needs of the disadvantaged and marginalized groups like SCs, STs, OBCs, minorities, women and differently-abled persons are taken care of through the various skill development programmes and
- b) By taking affirmative action's as part of advocacy by the NSDA. The Central Ministries and NSDC will continue to implement schemes in their remit. The NSDA will anchor the National Skills Qualifications Framework (NSQF) and facilitate the setting up of professional certifying bodies in addition to the existing ones.

The NSDA will discharge the following functions:

- Take all possible steps to meet skilling targets as envisaged in the 12th Five Year Plan and beyond;
- Coordinate and harmonize the approach to skill development among various Central Ministries/Departments, State Governments, the NSDC and the private sector;
- Anchor and operationalize the NSQF to ensure that quality and standards meet sector specific requirements;
- Be the nodal agency for State Skill Development Missions;
- Raise extra-budgetary resources for skill development from various sources such as international agencies, including multi-lateral agencies, and the private sector;

- Evaluate existing skill development schemes with a view to assessing their efficacy and suggest corrective action to make them more effective;
- Create and maintain a national data base related to skill development including development of a dynamic Labour Market Information System (LMIS);
- Take affirmative action for advocacy;

## CONCLUSION

The vulnerabilities and restrictive social norms that vulnerable youth (SC, ST, OBC, PwD and girls), are born into needs to be addressed for ensuring a successful growth trajectories of vulnerable youth of the country. A systems approach rather than an ad-hoc approach would be required which addresses the root cause and not just symptoms. The employment situation can be improvised by a persistent and lasting commitment. Focus on education alone would not be sufficient it is also required to pay attention on skills and career counselling. Similarly, focus only on jobs and labour market outcomes would not suffice, it is required to monitor the education to skills continuum. Hence, skill training programs must develop not only technical skills, but also transferable skills. The skills training only builds on a requisite level of basic education and do not compensate it entirely.

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**Citation:** Piriya Sairaj, P.Arun Kumar and A.V.Joga Rao, Recruitment Policies, Practices and Influence of Skill Development for Employability, *International Journal of Commerce and Business Studies (IJCBS)*, 11(1), 2023, pp. 1–9

 <https://doi.org/10.17605/OSF.IO/QSU5J>

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