

Seeking Growth The **ESG** Way



EMPLOYABILITY

Skill & jobs – Mind the gap

- ▲ Literacy rising, skill sets lag—a mismatch and social risk
- ▲ By 2023, 46% of jobs in India will need radically different skill sets
- ▲ Big government push for skill development
- ▲ Opportunity for businesses to skill employees to their needs
- ▲ IT services, temporary staffing and education direct plays on formalised employment

Skills and jobs – Mind the gap

India's literacy has been on the rise, but without skill development, and this has affected employability of the educated. Let's gaze deeper: only 5% of India's workforce is skilled vis-a-vis 60–90% in developed countries. As a result, only 20% of India's fresh graduates find employment straightaway. Unemployment among postgraduates – much more striking – is nearly thrice relative to non-graduates. On top of it, employment prospects swing wildly from one state to another.

The chronic education-employability disconnect has social, economic and, to say the least, political implications. The Government of India recognises the issue and has launched the Skill India campaign, e.g. National Skill Development Mission. For corporate India, this is a big opportunity to add substantial 'social quality' to its growth matrix.

To not do so is actually not an option. That India will still be a young nation in 2030 with a median age of 31 years makes it imperative to channelise youth via skill development to enhance their employability. India's job market is rapidly changing as well. Advancements in automation and artificial intelligence are eating into the traditional labour-intensive jobs in agriculture and manufacturing. In fact, about 9% of jobs in India will require altogether new skill sets by 2023 while 37% of jobs will need skill sets that are radically different. While the government has launched various schemes for skill development, it is really Indian businesses that must step up and impart the skill sets needed in their respective industries.

What makes this challenge unique among the six we highlight in this report is its 'people' dimension. Over the next five years, employment will be mainly driven by sectors such as construction marked by low skill levels and formalisation. Besides, we view people-driven businesses such as IT services and temporary staffing as direct plays on this social aspect of employability since they have done a great deal for skill development and formalisation. For instance, the gender ratio of male to female stands at a healthy 25% in IT services. By extension, the solution to promote employability and skill development in other sectors of the economy must not ignore women.