



Continuous issue-15 | September- December 2015

Knowledge Management: Indian Perspective of the Thirst for Sustainable Economic Growth and Prosperity

Synopsis:

India is having potential of lifetime. We are on the crossroads of never before opportunity. Apposite efforts for appropriate knowledge management will enable us to grab this golden opportunity.

New Indian Government allocating of Rs.3000 crores for skill development is a welcome initiative to bridge the skill gap. Nevertheless, it raises more questions than answers. First, why is there a skill gap? Second, what are the loopholes in system? Third, are the efforts adequate and sincere? Fourth, is the amount sufficient for skill development?

Satya Nadella (Microsoft), Indra Nooyi (PepsiCo), Anshu Jain (Deutsche Bank), Sundar Pichai (Google) etc are the Indians heading global organizations. We take pride on them. But, the questions ponder upon are; Why can't we create Microsofts in India? Why don't we have a knowledge society led by acute learners? Why are not we so conducive with skill retention?

The *objective* of this write up is constructive insight ensuing feasible suggestions. The author proposes a model:

- Environment + Ecology + Encouragement = Skill Development + Skill Retention
- Skill Development + Skill Retention = Knowledge Management
- Knowledge Management is a path for Sustainable Economic Growth and Prosperity

Key Words: Knowledge Management, Skill Development and Retention, Sustainable Economic Growth and Prosperity

Perspective

India is a nation of abandon opportunities. Unlike China or Unites States, we are not dependent on exports. By the time this write up is developed, Indian exports fell by 24.3 percent in September 2015 which is a dip for tenth straight month (Business Standard, October 16, 2015). Even if exports are falling, economy is able to

witness sound industrial growth (IIP Growth of 6.4 percent in August, 2015 which is highest in last three years), backed by strong domestic demands. As per Amitabh Kant, Secretary, Department of Industrial Policy and Promotion (DIPP), "We are on track... acceleration switch has been pressed... We are pushing ourselves to move towards high-growth trajectory". Simultaneously, there is a report of Ernst and Young which says, "India is the most attractive investment destination globally" (Business Standard, October 15, 2015).

These citations and statistics are adequate enough to portray India as one of the strongest economies with great potential for development. Policy makers are well aware with the opportunities lay ahead. At the same time, other economies like China, Russia, Brazil, Korea, Iran, Iraq, Saudi Arabia and Greece are trapped in their internal concerns which further open the doors for India. In the list, developed nations like United States and Japan are also no exception. In order to grab these opportunities, we require comprehensive efforts at grass root level right from clarifying path ahead to creating mindset as well as to build sustainable economic resources and apt knowledge management.

Being the youngest nation, with the median age of 26.5 years, India is well posed to shoulder the responsibility to lead the world on the growth front. This needs a clear vision and concrete action. Young nation needs to start count on the strength and channelize the potential. In this perspective, this write up *aims* to represent a constructive insight for knowledge management. *This aim is set up* considering the vast knowledge force that the country is benefitted with and the need of apposite knowledge management embark the sustainable economic growth and prosperity.

Knowledge Management – A Closer Perspective

"Knowledge is the currency of 21st century", as well cited by US President Mr. Barak Obama, the world is rightly moving in the direction of being a knowledge economy. In the era of revolutionary information technology, knowledge has not remained monopoly of developed nations. Any country looking to scale up in the development path has to crave for appropriate knowledge creation and retention leading to apposite knowledge management. Here apposite knowledge management means knowledge that leads to essential skill development which will be contributory in development of the national economy. When India is assertively marching forward on the path of development, apposite knowledge management is inevitable.

According to one report, the total skilled manpower requirement in India will climb up to 248 million till 2022. Government and policy makers are adequately aware and concerned about these requirements. Government has allocated Rs.3000 crores towards skill development in recent budget. This is a welcome move to bridge

the skill gap. Nevertheless, in the democracy of bureaucrats and red-tapeism, it raises more questions than answers.

1. **First**, why is there a skill gap?

Total allocation for education in recent budget is Rs. 68,968 crores which is 3.8 percent of the total spending. This budget in itself is too less for meeting even primary education requirements in India. This unfolds further questions. Why do we need separate efforts for skill development? (Why education does not include skill development?)

It becomes evident that efforts towards education and skill development are not in proper synchronization. If at all this synchronization is achieved the objective will become more achievable.

2. **Second**, what are the loopholes in system?

At present, skill development mechanism of government is having target to train 5,00,000 students per year against that last year 75,000 students were trained, which is just 16 percent achievement of the target. The evident reason for the same is lack of training infrastructure. According to a report, at present there is a gap in training infrastructure for 24.32 million students. This in itself is adequate enough to expose the loopholes in the system.

3. **Third**, are the efforts adequate and sincere?

There are no quantitative measures to map the sincerity of the efforts. Assessing results over time periods can only be the indicator of sincerity. In the write up so far, presented statistics reveal the sincerity (?) of the efforts. But, author is optimist with a reason that there is awareness about need for skill development.

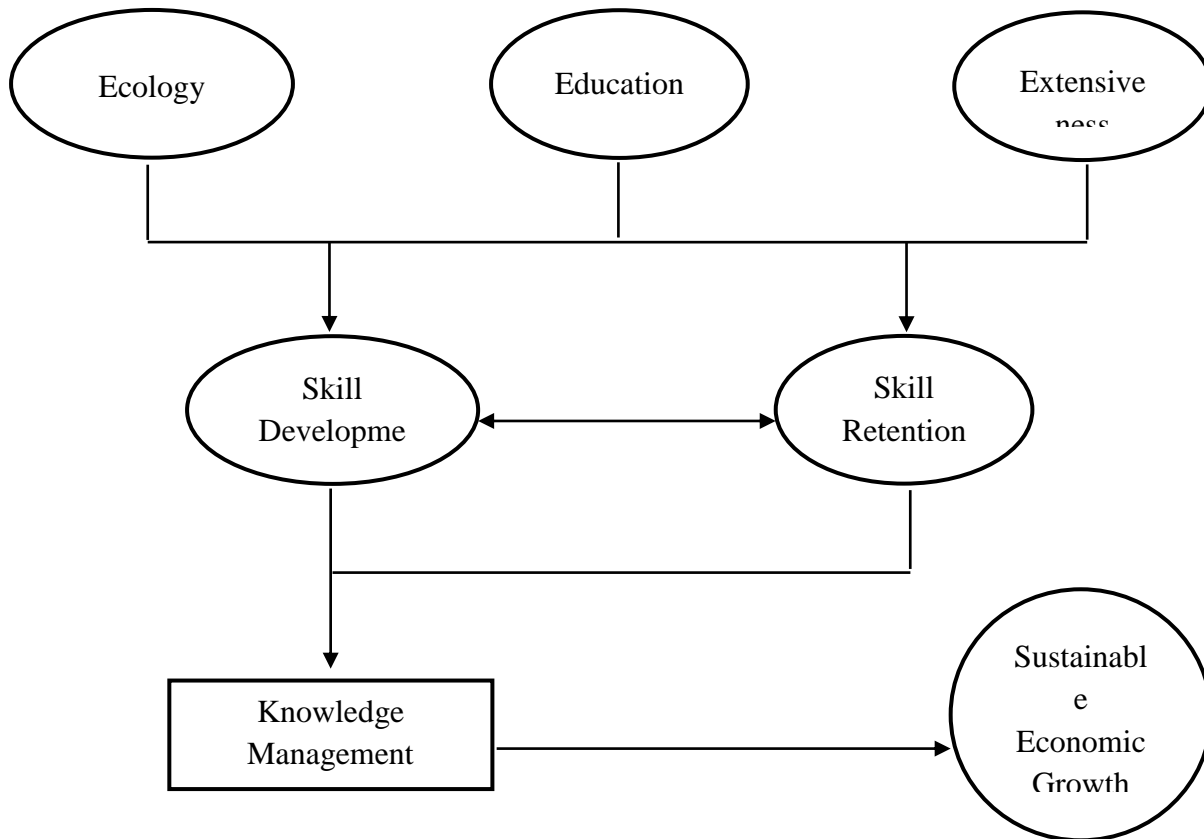
4. **Fourth**, is the amount sufficient for skill development?

Where amount of Rs.68,968 crores is petite for education, how would Rs.3,000 crore help in skill development? If Rs.3,000 crores will be seen as an impetus to have a fresh beginning with, then it would be adequate. But, eventually it requires huge monetary allocations.

Knowledge Management for Economic Growth and Prosperity – Proposed Framework

In democracy, whether we accept or not, but plans of any government will be to secure their “vote bank” till next elections. A country cannot afford to have such plans. Any framework for skill development should be

sustainable and contributory to economic growth and prosperity. By the word “prosperity” the author means concept of “feeling of having more than required”.



- Environment + Ecology + Encouragement = Skill Development + Skill Retention
- Skill Development + Skill Retention = Knowledge Management
- Knowledge Management is a path for Sustainable Economic Growth and Prosperity

Ecology

We often articulate in research that, a clearly identified problem is half solved. For knowledge management first we need to diagnose the problem. Only proper diagnosis will lead to proper medication. First step for this is to accept that we are lacking in skills. We always hide our shortcomings by highlighting what we have achieved. There is a need to have a serious relook at this tendency. Unless we accept that we have a long way to go and learn many things, otherwise the world is ready to beat us, we cannot reach to the real problem.

Here ecology means setting up the environment for skill development at grass root level. Efforts can be made from school level education where a child will be in a position to accept all kinds of learning that is imparted in it. Those students who are in secondary schooling at present will be graduated after 2020. The expected skill gap of 248 million in 2022 will be narrowed down significantly if efforts are made from school level.

Education

There is a mindset which says that skill development is only for blue collar jobs or for entry level jobs. The reality is not such. Reports say that 70 plus percentage of our engineering and management graduates are not employable. If students of technical courses are made aware and encouraged about necessity of being skilled, then their employability will surely increase which will have its all round benefits right from lower unemployment to higher development.

Simultaneously, illiterate or less qualified people should also be made aware about need and benefits of skill development. It is observed that they are dominated with the belief that government will pay money (scholarship) for being skilled. So, they join the skill development only for getting money and not employment. There is a need to educate illiterates about necessity of skill development for the employment and overall well being of their family. Efforts are surely made by government but they are not enough. Even in some cases government has not remained trustworthy for such things. So, the model of public private partnership (PPP) can be thought of in order to spread culture of skill development.

Extensiveness

There are two facets author is trying to unfold with the word “Extensiveness” in the model. One, the skill set should be catering the needs of all industries (i.e. Agriculture, Manufacturing and Service). Two, the spread of skill development should be reaching in semi urban and village areas also.

Skill Development

Government has appropriate plans for skill development. But the question is, are the plans adequate enough. Another question can be, are they formulated according to the need of the economy. The author believes that the concept of IIIC (Industry Institution Interaction Cell) which is well required in traditional academic set up is also implementable in skill development framework.

In traditional academic set up we build the graduates with the knowledge base (?) that is not useful in industry. There is a threat that the case will be similar in skill development also. We need to impart skills that are useful in industry.

We can incorporate industry to design for identification of the skill set required to be imparted. Extending the same industry can also be asked to take the responsibility for development of necessary skill set up, because there are significant chances for the skill gaps. For this, government funding can be utilized more efficiently.

Skill Retention

We take pride on India being the youngest country in the world, having around sixty percent population in the age range of eighteen to thirty (median age 26.5 years). China and US median age are 35.6 years and 37.2 years. So, there is nothing wrong in saying that we are the youngest country having the maximum potential.

Asking right questions, right time gives one the better diagnosis. If one asks any Indian youngster about their dream career, then majority would reveal their secret of being settled in abroad. If opportunity will be given majority of Indian youth would be ready to settle outside India. NASA has large pool of Indian scientists, why don't we have NASA in India. Skills work in circle. If we retain talent, they will create talent.

Conclusion

India is having potential of lifetime. We are on the crossroads of never before opportunity. Youngest country, pro development government with clean majority, China easing up, global turmoil leading to economic and other problems to many nations, these all are perfect characteristics for India to leverage upon. Knowledge Management is just one small step which will have its all round impact to facilitate the nation in grabbing this opportunity.

India was always known as '*sone ki chidiya*', looted by many parts of the world by different means. This is the time to excel, this is the time to blossom, this is the time to plant a seed for the tree of "growth and prosperity" to attract '*sone ki chidiya*' to make a nest on it.

Key References:

- http://articles.economictimes.indiatimes.com/2015-02-28/news/59613038_1_national-skill-development-corporation-skill-training-skilled-workforce
- http://articles.economictimes.indiatimes.com/2015-03-02/news/59683987_1_national-skill-development-corporation-31-sector-skill-councils-monetary-reward-scheme
- http://economictimes.indiatimes.com/articleshow/49394340.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst
- <http://economictimes.indiatimes.com/news/economy/indicators/narendra-modi-government-presses-acceleration-switch-as-reforms-start-having-impact-on-ground/articleshow/49394340.cms>
- <http://profit.ndtv.com/news/economy/article-factory-inflation-data-reflect-economic-resilience-analysts-1231691>

- <http://timesofindia.indiatimes.com/business/Global-companies-headed-by-Indian-CEOs/photostory/29891173.cms>
- <http://timesofindia.indiatimes.com/budget-2015/union-budget-2015/Just-3-8-percent-budget-for-education-sector-Students-Federation-of-India/articleshow/46412796.cms>
- http://wap.business-standard.com/article/economy-policy/india-most-attractive-investment-destination-globally-says-ey-report-115101400204_1.html

Dr. Abhay Raja
Associate Professor
Shanti Business School
Shela, Ahmedabad

Copyright © 2012- 2016 KCG. All Rights Reserved. | Powered By: Knowledge Consortium of Gujarat