

Evolving Indian Skilling Ecosystem in times of COVID-19: Understanding the agility of skilling models is key

The COVID-19 pandemic has profoundly impacted the global population in their economic well-being and long-term livelihoods. While the crisis has taken a toll on all socio-economic sections, the disadvantaged sections stand more vulnerable to the crisis due to the augmented risk of informal sector jobs, uncertain incomes, low savings, and low accessibility to resources including technology. According to a joint report by the International Labour Organisation (ILO) and Asian Development Bank (ADB), 14.8 million youth are estimated to lose jobs across 13 countries in the Asia-Pacific due to the pandemic. In India, an estimated 6.1 million youth (age 15-24) may lose jobs in 2020. This coupled with the prevailing challenge of low employability among the youth poses a critical threat to the Indian economy and socio-economic security of its people.

As the menace of COVID-19 remains unabated, the uncertainty in reopening of work sites, availability of jobs, labour and the types of job roles that will emerge in the coming years has become an area of widespread concern. In this background, Sattva Consulting Pvt Ltd and NASSCOM Foundation have been commissioned by J.P. Morgan to conduct a study related to the Impact of COVID-19 on the skilling ecosystem. In collaboration with knowledge partners - Accenture, CISCO, Michael & Susan Dell Foundation, and IBM India among others, the study aims to inform the funders and skilling institutes about the possible strategies to prepare for the post-COVID world.

As a part of this study, we would be publishing a series of articles to disseminate the findings. This first article attempts to map the existing gaps in the ecosystem at the intersection of emerging market demand and skills supply using secondary research. Five sectors (healthcare, construction, retail, ITeS and BFSI) have been analysed due to the high proportion of entry-level roles and skilling courses being imparted to potential employees.

Dual impact on the market due to COVID-19: Huge losses of entry-level jobs & changing job roles

18.9 mn salaried people lost jobs in India since April 2020¹

India's country-wide lockdown implemented to contain the spread of COVID-19 has disrupted businesses across both informal and formal sectors. Many companies, facing constraints on capital and liquidity, have had to cut costs. These measures impact incumbent graduates, who may face a heightened risk of termination, or reduction/freeze in remuneration. As per the ILO-ADB report, out of 6.1 million estimated job losses, four million entry-level roles have already been lost so far².

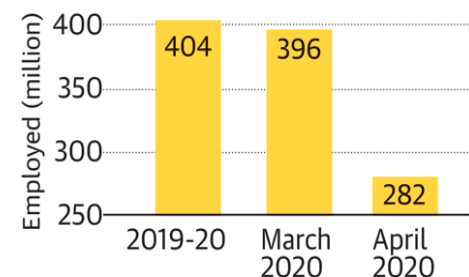


Figure 1: Average employment in India

Job reductions are projected to be the highest (55%) for graduates in key private sector industries, such as finance, manufacturing, IT / ITeS, as well as in government and education jobs. Retail Industry is also

¹ CMIE data. "[Salaried Job Losses](#)", Published August 17, 2020

² The Hindu Business Line. "[41 lakh youth lose jobs in India due to COVID-19 impact: ILO-ADB Report](#)". Published August 18, 2020.

expected to be affected with an estimated 25% of workers losing jobs as per the Retail Association of India (RAI). By 2022, India will add 23 million graduates, but overall employment growth will be stagnant as it is predicted that there would be **7 million fewer jobs for graduates**.

At the same time, there is an emergence of 25+ new and changing job roles across industries.

There is an emergence of new skills for the distance economy. Digital talent-marketplace platforms are bridging the supply-demand mismatch, serving as the connection between companies that are hiring and workers who will need some degree of reskilling. BFSI, IT, Healthcare, Retail and Construction (60% of private-sector jobs) are going to see an emergence of new skills with **at least 25 new job roles** evolving across the industry. Some of these emerging work roles include:

Healthcare	ITeS ³	Retail	Construction ⁴	BFSI
Quarantine facility management	Domestic IT helpdesk attendant	Warehouse quality inspectors	Sanitisation job roles in construction sites	Forensics and cybersecurity
Emergency medical technician	UI developer, Android / iOS developer	Supply chain management for digital commerce	Smart machine installers (IoT installation in buildings)	Insurance sales
General duty assistant	Networking engineer	Customer-facing logistics roles	Labour safety inspectors	SME lending
Mental health counsellors	Media animation developer			Online banking executive

The need for reskilling and up-skilling across job roles should be aligned with the career aspirations of graduates, especially disadvantaged youth.

Members of the workforce may not have the ability to work from home (e.g., lack of space, laptops, high-speed internet), may lack communication and digital skills to pivot their earlier jobs to emerging needs across sectors and are more resistant to adapting to new models of education and work. They may need to be re-skilled or upskilled through training models that need peer interaction and learning opportunities to stay motivated. There may be merit in building talent pools in local areas due to mobility restrictions and providing access to low-cost technology solutions for ensuring online learning of skills. Specifically, those skills which are relevant to their local economies.

Gaps prevalent at all levels including funders, skilling organisations and candidates to be resolved for successful implementation of skilling programs in a post-COVID world

Funders need a framework to compare different models given the absence of standard measures of outcomes, high market uncertainty, limited CSR funds.

The scarcity of funds coupled with huge uncertainties in the market scenario and lack of adequate data constrains the funders from making informed decisions. Sattva’s data shows that the efficacy and cost-effectiveness of the existing models of implementation vary across the sectors and geographies - cost per candidate ranges from INR 7,000 to INR 45,000; Training of Trainers program duration ranges between a 5

³ LiveMint. "Covid-19 impact: IT-ITeS sector may trim workforce to cut costs." 27 Mar. 2020, Accessed 23 Jul. 2020.
⁴ KPMG. "Assessment of economic impact on construction sector in India." 3 May. 2020. Accessed 23 Jul. 2020.

hour-long course to 60 days residential model; placement process of different skilling organisation varies from personal references to the technology-driven matching of competencies and job roles. Most importantly the absence of a consistent framework to assess the skills of the candidate leads to a lack of standardized outcomes to measure program impact⁵.

The funders struggle to standardise the input costs and returns across similar programs. Comparative cost-benefit analyses of the models being implemented across sectors are unavailable to aid the decision making of funding organisations. The need for an outcomes mapping framework has become crucial in the COVID-19 scenario to drive impact with newly emerging models, uncertain markets, and limited funds.

Skilling organisations need to identify best practices to strengthen the value-chain and align the career aspirations of candidates to changing market needs

Due to COVID -19, majority of the skilling institutes have expressed concerns regarding funding support as majority of the funds have already been diverted for COVID relief work. Additionally, a greater number of youths are likely to be out of jobs and need to be reskilled or upskilled aligned to the market demands. This paradox poses a critical challenge for the skilling organisations to continue their operations at a larger scale, especially when the situation demands an overhaul of their delivery models with significant input costs.

Emerging difficulties in the skilling value chain include the remote mobilization of the candidates, instituting tech-enabled systems for end-to-end delivery, building trainers' capacity and assessments. Skilling organisations reported facing difficulties connecting with candidates as only 50% - 60% of the enrolled candidates owned smartphones with mobile internet connections. Affordability of technology is a challenge both for the candidate and the organisation. Moreover, poor digital skills among the target group to be able to take online training, taking assessments and finding job opportunities remotely make it difficult for Skilling organisations to support their candidates effectively.

On the other hand, the changing world of work and increased demand for futuristic skills has widened the skill gap even further in the low skilled youth. The organisations will have now possibly revamp their existing courses, add new courses, align aspirations of the candidates with the changing market demands and enabling adequate remote work opportunities with decent wages.

Candidates need access to digital infrastructure for the continuation of learning and connect with emerging and evolving job opportunities

Although smartphone ownership is significant in India with an expected 820 million users by 2022⁶, only 15% of rural households have an internet connection as compared to 42% of urban households⁷. Moreover, even among the youth who have access to the internet, inadequate digital skills as essential as connecting via videoconferencing excludes them from taking part in any online courses. NSDC and a few other organisations have started training candidates digitally, however, these sessions are available only in a few languages, limiting the access to only candidates from a handful of regions.

⁵ British Council. "[Skill Assessment in India.](#)" Published October 2014. Accessed August 24, 2020.

⁶ The Economic Times. "[India to have 820m smartphone users by 2022.](#)" Published July 9, 2020.

⁷ Eshan Prashar. "[EdTech in India: Promising Present, Questionable Future.](#)" Published July 12, 2020. Accessed August 23, 2020.

Apprentices and new trainees who ‘learn by doing’ under the supervision of a trainer in the laboratory or a shop floor are negatively impacted as over 60% of apprenticeship and 75% of internship⁸ opportunities have been disrupted. As per Sattva’s observation in previous studies, the awareness of local job opportunities and potential career path is already quite low among the youth leaving them unaware of which path to take for fulfilling their aspirations.

This necessitates youth awareness about emerging opportunities and aspirational alignment. Reskilling and upskilling of candidates is an immediate need with the rapid shift towards digital modes and is the most crucial lever to overcome the economic impact of COVID-19 with a digitally skilled workforce prepared to take on the job roles of the future⁹.

A need for understanding agility of skilling models and ROI mapping for informed decision-making

Enabling skill ecosystem stakeholders with right decision-making levers and recommendations during the pandemic and beyond is critical for navigating through this uncertain time. J.P. Morgan, Sattva and NASSCOM Foundation along with other knowledge partners such as Accenture, CISCO, Michael & Susan Dell Foundation, and IBM India are conducting this ecosystem-level study to understand the changes in the skilling ecosystem focussing on three important stakeholders - skilling organisations, industry and underprivileged youth. Few areas we plan to explore through the study include:

- Skilling models from the perspectives of the pre-COVID Return on Investment (ROI) and the post-COVID adaptability.
- Shifting needs and hiring strategies being adopted by the industry given the change in the external environment – changing priorities in the service workforce vs high skill workforce and demand for employability skills vs domain skills.
- Impact of the pandemic on the candidate availability and job availability across rural, semi-urban and urban markets and skills currently relevant to those markets.

As we progress further, we hope to explore more areas of interest and generate ecosystem-level insights. The findings will be disseminated widely to augment the decision making and recommend adaptation strategies during and post-COVID time that could be used by the funders, skilling partners, and all other important stakeholders. We seek partnerships with more funders and skilling organisations to make this study more inclusive. If you are interested in partnering, please write to us at impact@sattva.co.in.

⁸ Asian Development Bank. “[Tackling the COVID-19 Youth Employment Crisis in Asia and the Pacific](#)”. Published August 2020. Accessed August 24, 2020

⁹ Organiser India. “[COVID-19: This crisis must transform India’s education and skilling](#)”. Published May 27, 2020. Accessed August 12, 2020.