

INTERVIEW: SANJEEV DUGGAL

CEO & DIRECTOR, CENTUM LEARNING FE-15 Mar 2013

Skills development faces social challenges

Centum Learning is a global player in skills development and training. From its inception in 2006 as a Bharti Enterprises offshoot, Centum Learning has quickly grown into a multinational player, thanks largely to Bharti's African foray in early 2010. Today, Centum is present across of 17 African countries, besides India, Sri Lanka and Bangladesh.

The company has floated a joint venture, Centum WorkSkills India Ltd, with the National Skill Development Corporation to skill 12 million across 11 states and 383 districts. Centum is working with various ministries and government agencies to meet the target. The company has set up about 470 learning centres in rural and urban locations, says Sanjeev Duggal, CEO & director, Centum Learning.

The company has found a veritable gold mine in the experience it has gained over the years in skills development and in working with governments. It is planning to take this knowledge to more geographies, as skills development has become a global agenda now. Centum's business model is simple: identify a skills gap, develop a training method, train job aspirants, and support them on the job. The training cost is mostly borne by government agencies or companies.

Duggal says skills development faces formidable social challenges in India, in the form of "a caste system of qualifications" that under-rates vocational skills. This makes skills development a long journey in India. The CEO proudly says his elder son is training to become a chef rather than a management trainee. All stakeholders will have to work towards raising the acceptability level of "vocationally skilled workforce", he believes.

Duggal, who started his career with Xerox (among its first nine hires in India) in 1982, founded his own training firm in 1986, which he merged with NIIT in 1996 to form NIS Sparta. He sold out his stake and associated with the Bharti group a decade later. Duggal spoke to FE's Verghis Chandy recently.

How big is Centum? What are the goals for the years ahead?

Centum Learning is present across 20

countries—in Africa, India, Bangladesh and Sri Lanka. We have rich experience in the training and development domain across 21 industry verticals. With more than 1,000 training and development specialists, we work with over 350 leading global corporates and public sector undertakings. We have trained over 2,00,000 professionals annually.

As for goal, our aim is to emerge as the most admired learning and skill development partner, facilitating sustainable transformation across the globe. We will synergise our strengths and build a world-class training/skilling solutions organisation. We have aggressive plans to offer our world-class training and skilling solutions in Latin America, Malaysia, Indonesia, Vietnam, the Philippines and Myanmar. We are well prepared to take a leap onto the next level of success.

What are the major challenges in skills development?

To put things in perspective, let me quote some numbers from the NSDC's January 2013 newsletter. As on December 31, 2012, NSDC has okayed 69 training projects, approved 18 sector skills councils, trained 3,20,996 and placed 2,41,354 people. This is against NSDC's target of training 150 million people through public-private participation by 2022. These figures clearly reflect that there are ground level challenges.

The government is involving private skill development players through tenders. But some problem areas remain. First of all, for a successful and sustainable model to evolve in skills development, the involvement and interest of the training provider has to be sustained for a longer duration, say a minimum five years. However, the short-term nature of contracts discourages such planning and prevents scaling up.

Secondly, the open bidding system for awarding training contracts has led to a situation of non-serious players quoting unsustainable rates. Thirdly, in many cases, payments by the government are delayed, leading to cash crunch and high interest

costs, which make the programme non-viable for training providers.

The other challenges for the industry are the lack of a standard assessment framework and a shortage of skill instructors.

But the biggest challenge in skilling is that people who need to be skilled are not yet geared up to get skilled. A key reason for this is the wide gap in the social standing and standard of life of a skill-based job holder and a white collar employee.

What is the global experience in skills development?

Actually India can learn from the initiatives in the UK, Germany, Australia and New Zealand to improve the impact of skills development here.

The leadership, governance and strategy employed by the Sector Skills Councils (SSC) in the UK are impressive. SSCs are employer-led and are designed to ensure that the sectors they represent have a world-class workforce with world-class skills.

Germany has an 'apprenticeship system', which is referred to as "the dual system of education". It combines on-the-job training with theory, taught in public schools one or two days per week. Larger companies typically possess their own in-company training shops, but smaller companies provide practical training in group training centres shared by several companies. It is this system of education and vocational skills development that has kept Germany afloat while most of Europe is in doldrums. This initiative's objective is to provide basic skills—by strengthening counselling and information services and by recognising all forms of learning, including formal education and informal training. This system is something that we can definitely adapt in India.

In Scotland, 'Skills Development Scotland' encourages an Employer Recruitment Incentive. When employers hire apprentices who have been skilled by Skills Development Scotland, the employer receives up to 2,000 GBP. A similar system can be adopted in India to speed up skills development.