

Skills Harvesting for the 21st Century: Emerging Human Capital in India

Mona Prashar

Research Scholar

University School of Business

Dr Bhupinder Pal Singh Chahal

Associate Professor

University School of Business

Dr Rajni Lamba

Anthropologist& CEO

The REEDS

Mona Prashar, Research Scholar, University School of Business

Dr Bhupinder Pal Singh Chahal, Associate Professor, University School of Business

Dr Rajni Lamba, Anthropologist& CEO, The REEDS

Abstract

Human Resources comprise the career, managing people, and contributions of HR within an organizations. It gives information about human resources management, human resources development, how to manage and supervise people, and how to work with people at work. These are essential resources needed to start, manage and develop all aspects of business and work.

A human resource thus, is a single person or employee within an organization. Human resources refer to all of the people that are employed by an organization or an employer. Human Resources have been taken to be too concerned with the careers of people. Managing people and assessing and appraising the contributions of HR within any organization is the comprehension of Human Resources.

It is the sum total of the knowledge about managing human resources in tandem with developing human resources and also the science of supervising people and people management and even how to work with people at work? The Human Resources is most essential that is required to start, manage and develop most aspects of business and work. In the past century it has been the visible evolution of HR functionality that has given credence to the fact that it is people that are at the heart of an organization's most potent resource. Thus, it is pertinent to state here that it is the people who are the most significant assets.

Key Words: Human resource, human capital, economic growth, development, sustainability, management, leadership, career, managing people, people at work, personnel.

There is a dynamic undercurrent in the country today, as it stands poised to join the developed economies of the world. The youth of India is expecting to find employment in some of the most lucrative areas like IT, communications, markets and sales. They have many ambitions and lofty dreams. This may direct the researcher to the

belief that 'Achchae din ayengae or the 'Good days are yet to come'. This is a misnomer because a large part of the population will be left in the side lanes of this progressive wave unaware of the following reasons:

- i. The progress is exclusively for those handful who have availed themselves

- of the opportunities to study in various disciplines
- ii. Those who have had the means to pursue all forms of academic formal training and hands-on apprenticeship.
- iii. Those who are living proximal to industrial complexes where they can be absorbed after initiation in specific skills

And yet, this is a glaring fact that the larger proportion of the population in the country that is in the prime of their earning years is either

- (i) Semi skilled
- (ii) Unskilled
- (iii) Under employed
- (iv) Unemployed

These observations are based on the Census 2011 data. There is also the gender gap of unemployment and wages earned. The women, especially in the unskilled or semi-skilled sectors, continue to earn much less than their male counterparts. Another fact is that the presence of women is seen to a large extent, only in the unorganized and least visible parts of the nation's economy.

Wither Progress and Development?

The 2001-2011 Census data says the same things about the development initiatives. They are definitely on the increase. Infrastructure has seen a tremendous input and a similar impact is seen in the vast area of communications. Yet somewhere in all this frenzy to promote world class facilities the human face was lost. Dams and roads were translated into displacement and compensation driven despair that did not give the required relief to even the local population. The rhetoric of progress was overshadowed by the silent despair and dissatisfaction of a large part of the

development partners at the bottom of the triangle. Those who received the benefits of this progress and development seemed to belong to some other nation.

Many of the anomalies apart, like collapsed flyovers and the like the human resource of the country struggled under debt, farmers suicides and a large-scale misrepresentation of the larger proportion of the population. The past few decades had taken their toll on the will of the people.

With the advent of the Modi government, however, there seems to be a visible upswing. The slogan of 'Make in India' and 'Assemble in India' has given new heart to the youth. The gap between the rural and urban, though wider, is no longer seen as a deterrent to winning over the hamper of skill development and skill upgradation of the youth of the country – its vital human capital.

Introduction: Human Resources and Context

Human Resources have been taken to be too concerned with the careers of people. Managing people and assessing and appraising the contributions of HR within any organization is the actual comprehension of Human Resources.

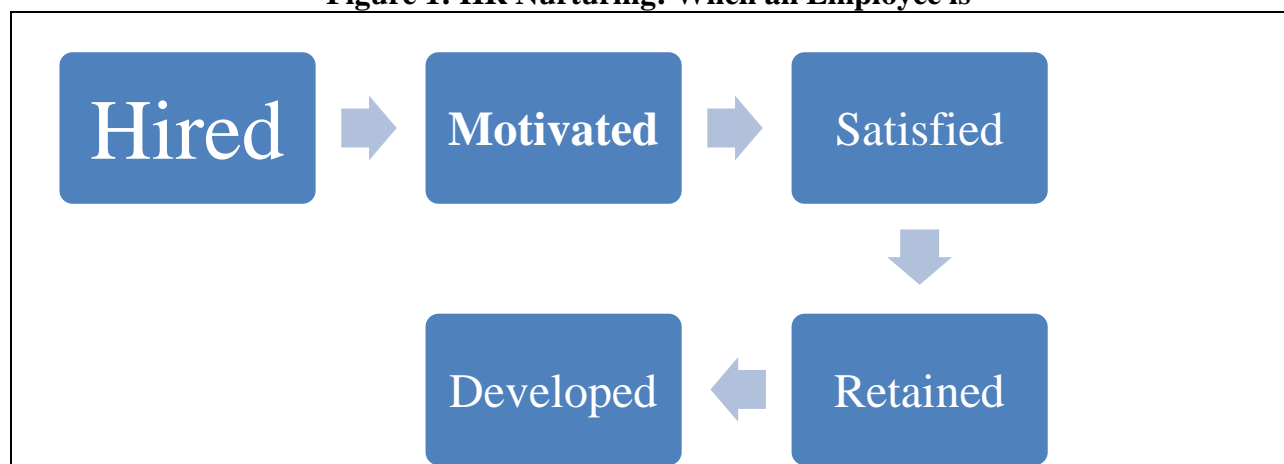
It is the sum total of the knowledge about managing human resources in tandem with developing human resources and also the science of supervising people and people management and even how to work with people at work? The Human Resources is the most essential element which is required to start, manage and develop most aspects of business and work. This is in sharp contrast to the thinkers who adjudge higher importance to material and financial resources of an organization. A human resource is an individual - a single person or

a single employee within an organization. Human resources refer to all the people that are employed by an organization or an employer.

Human Resources seemed to have evolved from the term, 'personnel'. It was not in any way limited merely to the functions of the field because it has moved beyond simply employing or even paying employees and subsequently managing those same employees' benefits.

In the past century it has been the visible evolution of HR functionality that has given credence to the fact that it is people that are at the heart of an organization's most potent resource. Thus, it is pertinent to state here that it is the people who are the most significant assets. Therefore, employees must be nurtured according to the following diagram:

Figure 1: HR Nurturing: When an Employee is



The most frequent question on which the entire concept of HR is pivoted, has been: 'What are the functions of Human Resources'? This is no small query. It opens up vistas of capitalizing on Human Capital. The researcher attempts to answer this query through a discussion on what entails Human Capital and how it can be best utilized.

Research Objectives and Basic Premise of Human Capital

The essential resources required to effectively begin planning and then start and manage and finally efficiently develop a human resources complex can be listed as follow:

1. Leadership
2. Supervision
3. Management

4. Business Management
5. Workplace Management
6. Motivation
7. Training
8. Coaching
9. Policy Development
10. Information
11. Knowledge
12. Awareness
13. Education
14. Performance
15. Appraisals
16. Stress Management

It is the task of the Human Resource Manager to build up on what he has available. They need to reinforce his or her potential. Several search engines help to build a career by first building awareness and education about a career, the planning required for it, counseling sessions by

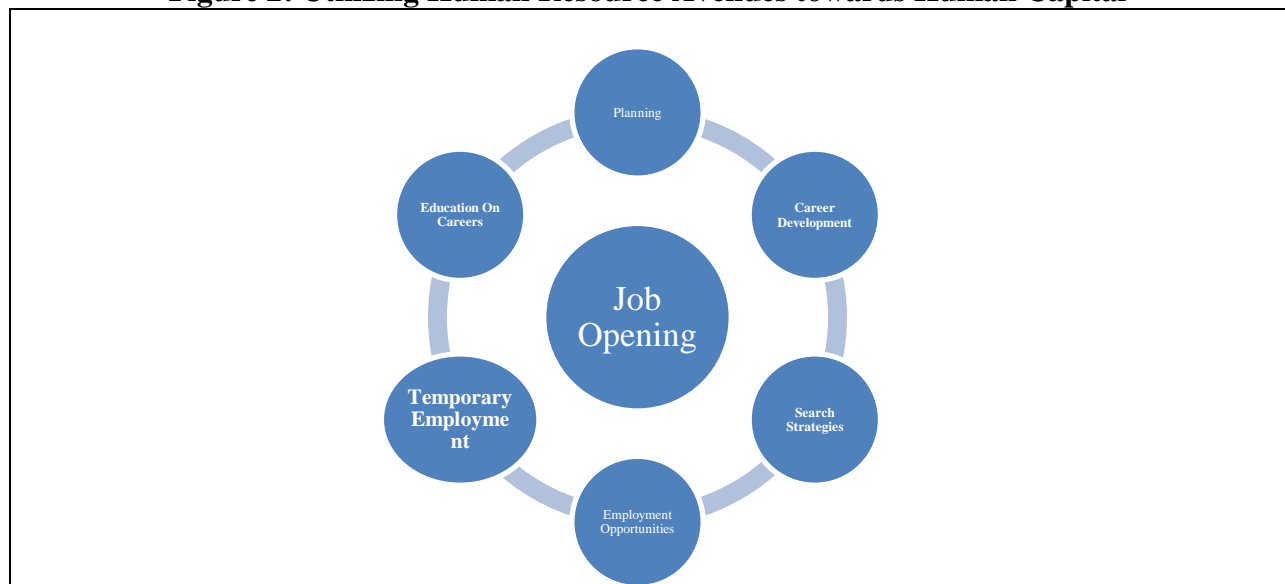
experts, opportunities to develop ones career, job hunting related information that enables fruitful searches for job openings.

Human Capital: India's Real Wealth

An economist, (Pettinger, 2017) regarded Human Capital as the complex of education, skills, capacity and earning potential. The understanding of Human Capital is approachable along two lines of thought and subsequent implementation. These are:

- Human Capital (Individual potential)– the composite whole of the abilities, talents and skills of a particular individual
- Human Capital Signifies Economy of a state – The collective human capital that impacts upon an economy. It is determined by the standardized national educational potential.

Figure 2: Utilizing Human Resource Avenues towards Human Capital



Crisis of Human Capital: Rising Unemployment Predicament

The decline in human capital is a reflection of the unemployment and underemployment besides the steady decline in payouts and wages over this span of time. It simply relies on the potential of earnings and gives a very restricted view of the human potential or capital.

There are a number of factors that can determine the consolidation of human capital

1. Qualifications
2. Skills Set

3. Knowledge levels inherently obtained
4. Experience of work in a particular field
5. Social skills including communication and other soft and hard skills
6. Inherent Intelligence
7. Emotional attachment to work and work culture
8. Judgement tempered with understanding of local ethos
9. Personal traits pertaining to hard work
10. Habits and work ethics
11. Work culture
12. Brand image and product endorsement

13. Peer pressure and comfort level
14. Local environment
15. Expectations
16. Attitude towards responsibility and work

Measuring Human Capital

Human capital can be statistically measured especially in the terms related to money and payouts. It is an approximate estimate of the entire earnings potential of a working age population. This, captures only a limited part of the total part of human capital and is therefore only an approximate measure having limitations.

In the manufacturing and agriculture spheres, human resource capital is more convenient to measure in the agriculture and manufacturing sectors. The human capital is therefore measured, simply in relation to productivity – e.g. the production per hour. The human capital in many instances can be found to be intensely related to the actual physical strength of a population in any labour intensive sector.

Human Capital in the Services Sector

The services sector has the greatest variation in job types. These may require varied skills. These skills are mostly a challenge to measure in terms of output. In most jobs like management the important characteristics can be considered to be interpersonal skills and also the capacity and capability to work in a team. It would also involve the creativity to solve the problem conclusively.

Therefore, it can be conclusively said that the economy in other words has led the evolution of the theory of human capital. It has also, as a consequence, expanded to the extent that it includes a wider range of the skills of human capital.

Since the advent of the 1960's and through the 1970's, the functional human capital was considered more as an economic concept. This was one of the approaches to making greater use of the versatile range of human capital.

Special Attributes and Greater Use of Human Resources

Specialisation in skills and management activities allows the workers to take up specific tasks that require this increased specialisation of skills. Specialization of skills and tasks can lead to performing the similar kind of jobs repeatedly and thus resulting in very limited development of skills among workers. For this reason constant upgradation, appraisal and evaluation is necessary.

Various organizations have witnessed that the enrichment of human capital depends upon the inherent upgradation of soft and hard skills which are attained gradually through following avenues that are open to individuals as well as the group. Some of the requisite skills are as follows:

- a) **Education:** A foundation course of basic education is necessary to improve the literacy rate and improve the numbers of literate persons which in turn tends to have an important impact on the foundations of human capital.
- b) **Vocational training:** The on-the-job training of various types of skills that are related to the jobs for example nursing, electrician, carpenters, fitters, plumbing etc. all require proper and extensive training. It is essential that a professional be equipped with the requisite skills through particular vocational training.

- c) **Promoting creativity:** The current need is to enable children to think out of the box on a global scale. It increases human capital much more effectively than mere 'rote learning'. The latter may have an impressive accumulation of facts but practical knowledge is evidently absent.

There are several factors that impact upon Human Capital's effective use:

- a) **Infrastructural Inputs:** Infrastructural inputs directly influence human capital. The infrastructural inputs are considered to be conducive transport facilities, communication networks, accessibility of mobile phones and its internet connectivity are significant feature of the human capital development especially in the under developed world.
- b) **Healthy Competition:** A work environment that encourages self-employment and expression of individual creativity enables greater exploitation of the Human Capital potential in any economy.

Review of Scholarly Literature on Human Capital

According to Theodore Schultz in his "Investment in Human Capital" (1961), which was among the earliest proponents of the concept of Human Capital, the best definition of the term in his words is: "Although it is obvious that people acquire useful skills and knowledge, it is not obvious that these skills and knowledge are a form of capital, that this capital is in substantial part a product of deliberate investment"

A few years later it was Gary Becker (1964) the author of "Human Capital" who gave his view on human capital, saying that it is determined by the attainment of adequate education, requisite training, effectively contribute to a sizeable means of production. In a similar view, it was Howard Gardener (2006) who described the different sorts and classes of human capital. He emphasised on these different categories of human capital. He said "One could increase education, but be a poor manager. A successful entrepreneur may have no education. Human capital is not unidimensional".

Another version of the definition emphasizes the fact that human capital must be studied from the point of view of the capability to adjust and adapt. How do workers condition themselves to the dynamic and frequently changing labour market? Thus, a labour market that is gradually moving on from the round-the-clock manual working processes in manufacturing to a marked level of flexibility of work in the service sector.

The various definitions of Human Capital can be concretized into one thought – the wealth of a nation in terms of its potential to produce goods and services based on its human resources. The ability, skills, creativity and innovation potential of a nation are all linked to the strength of its Human.

Research Questions

There are some inherent yet latently projected research questions that are hammering out the issues that have lasting impact on world economies in terms of current status of their Human Capital. These are:

- a) Social upbringing: The eminent sociologist, Pierre Bourdieu (2000) presented his argument that human capital is “strongly related to social upbringing. This influences cultural, social and symbolic forms of capital”. In India the public school culture holds strong but in reality the caste and regional affiliations have strong undercurrents of solidarity.
- b) Signalling: Social capital improves upon the idea that what constitutes human capital is more often just a matter of ‘signalling’. For example, gaining a degree from Oxbridge improves status in the workforce and enables a higher salary on the other hand, however, three years of studying for a degree in modern history would probably not amount to much as it is not related directly to work environment.
- c) Discrimination: Job opportunities and the wages congruent to the jobs are not necessarily due to human capital differences. In fact they can result from discrimination on the basis of labour market imperfections or even many of the non-monetary benefits of jobs.

Methodology

The methodology used is of empirical research where both primary and secondary sources of data collection were used. The Census data of the 2011 Census was used to obtain a nation-wide preview of the human resource, employability and future potential for sustainable propagation of human capital in the country. A statistical analysis was carried out and a quantitative and qualitative analytical format was utilized to present the current report.

Research Gaps

There are several areas of concern that can be seen as research gaps in this study. They are:

Structural Unemployment: There are several individuals who tend to perpetually struggle to gain steady and sustainable employment. This is why their human capital is inappropriate for modern employers. However, the impact of rapid de-industrialization has resulted in several manual workers suffering as they have said different norms for thriving labour market.

Sustainable Employment Quality: There is increased divergence in the modern economy among the low-skill demanding, low-paid jobs that are largely temporary. High-skilled workers gifted with creativity tend to have greater opportunities. They can even opt for self-employment or can leverage worthy contracts of employment.

Sustainable Productivity for Steady Economic Growth: Sustainable economic growth is increasingly dependant upon the improvement of human capital. Thus, persons who are educated, creative and highly innovative form workforce that helps increase the labour productivity to the highest levels.

Capital Sustainability: Skilled workers have moved from many of the developing and low-income countries in this age of globalization and this had led to a wide spread movement of workers. This transmigration has had adverse effects on the developing economies that tend to siphon off their rich human capital.

Sustainable Access to Requisite Raw Materials: The scale of economic development in countries having limited accessibility natural resources, e.g. the

South East Asian countries like Japan, and Taiwan tend to rely totally on a high-skilled, workforce by adding value to the manufacturing process for their economics growth.

Resilient Sustainability : We should take necessary steps today such that the generations who will be following us in future will not lack for resources. They should have enough to provide for themselves and have a share of opportunities at least as significant as the one we have in the current generation.

Roadmap to Future Sustainable Human Resource Management

It is essential to have a workable roadmap that will provide sustainable help to organizations and potential HR managers understand some of the foundation elements which are essential to be in place to foster a grade of performance excellence which is sustainable for the organization. HR professionals play key role in helping a company attain sustainability. This can be read in the company CSR objectives. It is important as involving each employee is a discerning factor to ensure success. Human resource managers have to equip themselves with the tools and opportunity that are essential for leveraging employee commitment to, the organization's CSR strategy. A sustainable roadmap for Human Resource management in an organization can help in the leverage of this opportunity.

The organizations that adhere to a roadmap to sustainable Human Resource Management tend to foster a culture of CSR wherein the employees are adept at fully integrating all forms of CSR activities all through their activities and operations. Infact, offering a reward and recognition or even incentivizing CSR decisions and

initiatives becomes well spun into the organization's work culture. Thus, it is demonstrated for a fact that most employees show a marked preference for working for organizations that are aligned with their inherent values. This alone is sufficient to create a distinct branding for employees, which may lead to supporting the efforts of recruitment as well as retaining talent, especially in challenging labour markets. Such a roadmap is most essential when applied to the human resource practitioners especially those who wish to follow the organizational norms and make an effort to contribute towards the achievement of their organization's business aspirations and sustainability. Thus, they end up improving social and environmental conditions within the organization while generating numerous business benefits outside the organization.

Conclusion

The foregoing discussion has brought to the fore the vital observation that there is much to be done to prepare the Human Capital of the country to the point that it is at par with the world. Indian largest boon and bane has been its population. China's regulatory policies have managed to bring some semblance of control into the collective lives of the country's populations. However, India has a lot more to gain by channelizing the potential and energies of its human resources in a manner that it rises above the determinants of poverty, unskilled vast labour force into productivity. Knowledge inputs awareness generation and the will to pick up skills and innovation could change the potential of economy.

India has a large agricultural and industrial presence. The field would be further enhanced if the skill building initiatives being conducted all over the country are channelized towards the above two sectors.

Upgradation of skills, capacity building of semi-skilled workers as also the motivational aspects for promoting innovations are the way forward. The Human Capital of the country has tremendous potential for growth and consequently the nation's economy.

References:

1. Brualdi, A. C. (1996) 'Multiple Intelligences: Gardner's Theory. ERIC Digest', Eric Digests, [http://www.ericdigests.org/1998-1/multiple.htm. Accessed June 15, 2008]
2. Bruner, J (1960) The Process of Education, Cambridge, Mass.: Harvard University Press.
3. Gardner, Howard (1975) The Shattered Mind, New York: Knopf.
4. Gardner, Howard (2006) Changing Minds. The art and science of changing our own and other people's minds. Boston MA.: Harvard Business School Press.
5. Gardner, H., Csikszentmihalyi, M. and Damon, W. (2001) Good Work: Where Excellence and Ethics Meet, New York: Basic Books.
6. Gardner, H., & Hatch, T. (1989). Multiple intelligences go to school: Educational implications of the theory of multiple intelligences. Educational Researcher, 18(8), 4-9.
7. T. Hatch and H. Gardner (1993) 'Finding cognition in the classroom: an expanded view of human intelligence' in G. Salomon (ed.) Distributed Cognitions. Psychological and educational considerations, Cambridge: Cambridge University Press.
8. Kornhaber, M. L. (2001) 'Howard Gardner' in J. A. Palmer (ed.) Fifty Modern Thinkers on Education. From Piaget to the present, London: Routledge.
9. Project SUMIT (2000) SUMIT Compass Points Practices. [http://pzweb.harvard.edu/Research/SUMIT.htm. Accessed June 15, 2008]
10. Scherer, M. (1999) 'The Understanding Pathway: A Conversation with Howard Gardner', Educational Leadership 57(3) [www.georgejacobs.net/MIArticles/Gardner%20ASCD%201999.doc. Accessed June 15, 2008].
11. Smith, L. G. and Smith, J. K. (1994) Lives in Education. A narrative of people and ideas 2e, New York: St Martin's Press.
12. Sternberg, R. J. (1985) Beyond IQ: A triarchic theory of human intelligence. New York: Cambridge University Press.
13. Sternberg, R. J. (1996) Successful intelligence. New York: Simon & Schuster.
14. White, J. (1998) Do Howard Gardner's multiple intelligences add up? London: Institute of Education, University of London.
15. Williams, W. M., Blythe, T., White, N., Li, J., Sternberg, R. J., & Gardner, H. (1996). Practical intelligence for school. New York: HarperCollins College Publishers.