

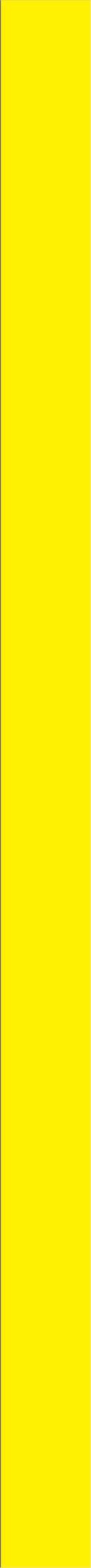


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National
Skill Development
Corporation



Executive Summary
for the State of
Punjab (2012-17, 2017-22)



1. Executive Summary

National Skill Development Corporation (NSDC) had mandated KPMG Advisory Services Pvt Ltd to undertake a District-level Skill Gap Study of the state of Punjab, involving various Departments of the Government of Punjab, and Industry Bodies, as key stakeholders. The study focused on identifying district-wise incremental skilling requirements in Punjab during the period 2012-22, for the potential growth sectors in the state. A roadmap for skill development initiatives in the state is proposed, with recommendations for key stakeholders. Extensive district level primary interactions including discussions with industries, vocational training providers and Government officers, were conducted. Focused group discussions were organized to understand youth aspirations towards employment. Global and Indian best practices in skill training have also been studied.

The demographic and social profile of Punjab presents a unique human resource opportunity for economic growth through manpower skilling. As per KPMG estimates, Punjab has a significant demographic dividend in the near term, with a rising working age population. Between 2012 and 2017, an additional 25.7 lakh¹ are expected to enter the working age group population followed by another 23.2 lakh during 2017-22² (these are Gross numbers, without netting off retirees). Considering the historical trends in labour participation rates of Punjab, the state would witness a gross addition of 11.3 lakh and 10.2 lakh people to labour force (i.e. portion of the working age population willing to seek employment and work) during 2012-17 and 2017-22 periods respectively. Accommodating for retirement from the existing pool of labour force, Punjab is expected to register a net addition of 4.6 lakh to the labour force during 2012-17, and another 3.6 lakhs during 2017-22.

Period	Demand for Human Resource due to new jobs created (Lakhs)	Gross Addition to Working Age Population-Supply (Lakhs)	Gross Addition to Labour Force – Supply (Lakhs)	Net Addition to Labour Force-Supply (Lakhs)	Gap between Demand & Net Supply (Lakhs)
2012-17	8.2	25.7	11.3	4.6	3.6
2017-22	7.9	23.2	10.2	3.6	4.3

Manpower supply has regional variations along social and gender dimensions in Punjab. District-wise incremental supply estimates indicate significant regional concentration in the leading five districts of Ludhiana, Amritsar, Gurdaspur and Jalandhar accounting for around half of the total supply. Backward regions like Muktsar, Mansa, Faridkot and Fazilka have to be given special focus, considering the seasonal work-related migration, stemming from socio-economic backwardness and lack of sustainable local livelihood/employment opportunities in these areas.

Keeping in view the current position of the state, along with possible economic growth that could be facilitated in various sectors through favorable policies, an estimate of the additional increase in incremental manpower requirement during XII plan (2012-17) and XIII plan (2017-22) periods, would be over 3.6 lacs and 4.3 lacs respectively. In XII plan period, the targets of job opportunities to be created per annum could be set at around 75,000-80,000 on an annualized basis.

¹ KPMG Analysis

² KPMG Analysis

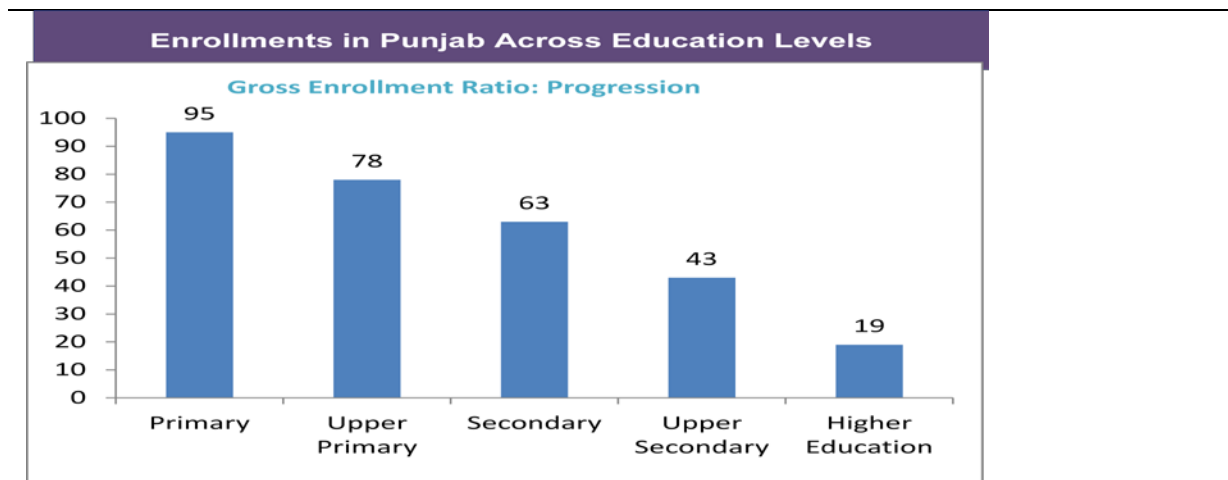
Incremental human resource requirements in the state have significant geographical and sectoral variations. Priority sectors from a manpower development perspective include Food Processing, Communication, Construction, BFSI, Healthcare and Textiles. Priority districts from a manpower development perspective include Jalandhar, Ludhiana, Amritsar, Ferozepur, Patiala and Sangrur

District	Incremental Manpower Requirement 2012-17	Incremental Manpower Requirement 2017-22	Focus Sectors
Amritsar	84085	67039	Construction, BFSI, Organized Retail
Barnala	18886	22133	Textile & Apparel, Pharmaceutical, Construction
Bathinda	32662	31120	Food Processing, Healthcare, Retail
Faridkot	16674	17268	Food Processing, Construction, Engineering Services
Fatehgarh	15819	19210	Construction, Agriculture Implements Servicing
Ferozepur	48073	43649	Food Processing, Construction, Training & Education
Gurdaspur	69989	64503	Organized Retail, Transportation & Logistics, BFSI
Hoshiarpur	48742	46953	Healthcare, Construction, BFSI
Jalandhar	103645	101426	Engineering Goods, Retail, Transportation & Logistics
Kapurthala	28313	31079	Engineering Goods, Repair Services, Transportation
Ludhiana	155957	156182	Small Auto Parts, Retail, Hospitality
Mansa	13506	15285	Food Processing, Agriculture Implements
Moga	22866	23785	Food & Dairy Processing, Healthcare, Retail
Mohali	31719	33239	Agriculture Implements Servicing, Food Processing
Muktsar	18214	19420	Dairy Processing, Retail, Hospitality
Nawanshahr	39607	34425	Cement & Chemicals, Paper Products, Transportation
Patiala	43824	49423	Food Processing, Small Repair Services
Rupnagar	29261	28609	Tractor Parts, Retail, Hospitality
Sangrur	43913	42069	Construction, Retail
Tarn-taran	43782	41696	Retail, Communication, BFSI

An overview of the current enrollment status across levels of education helps provide an estimate of emerging capacity gaps over the next decade or so. With current primary enrollment ratio in Punjab standing at 95, and middle school at 78, secondary at 63 and upper secondary at 43, the need to bring this untapped workforce into the formal job market is important.

Enrollments in Punjab across Education Levels³

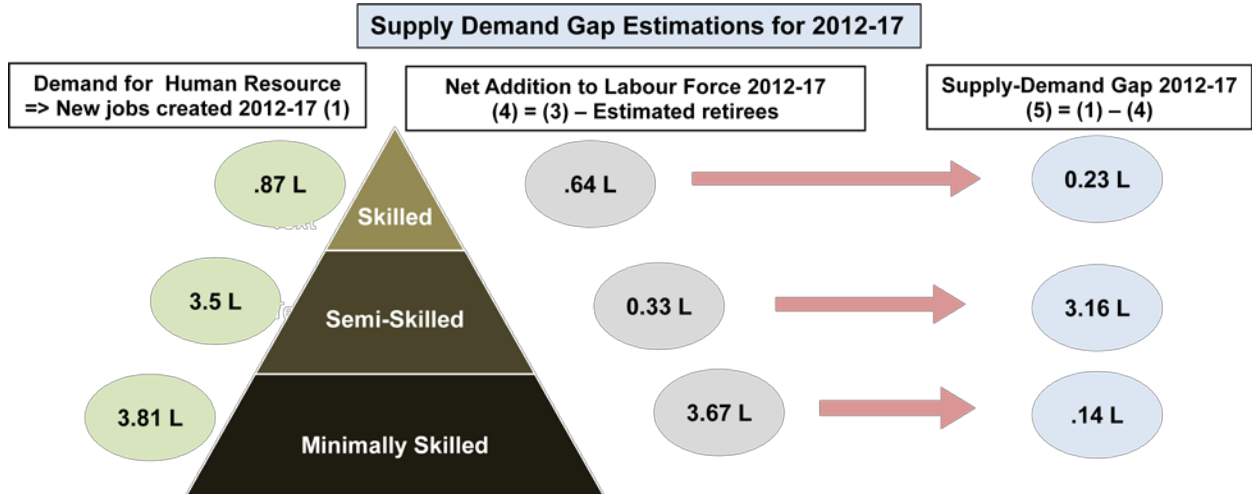
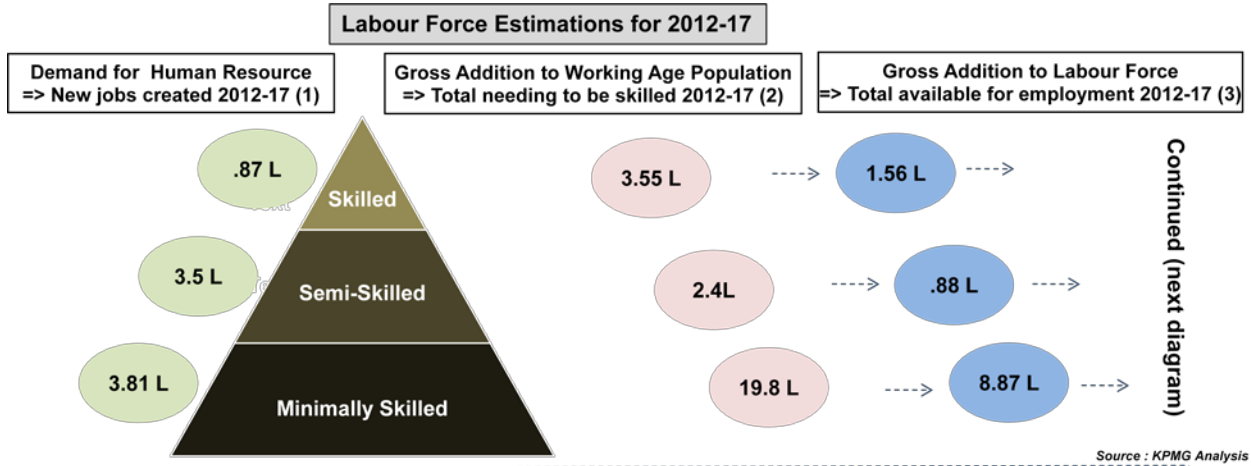
³ KPMG Analysis



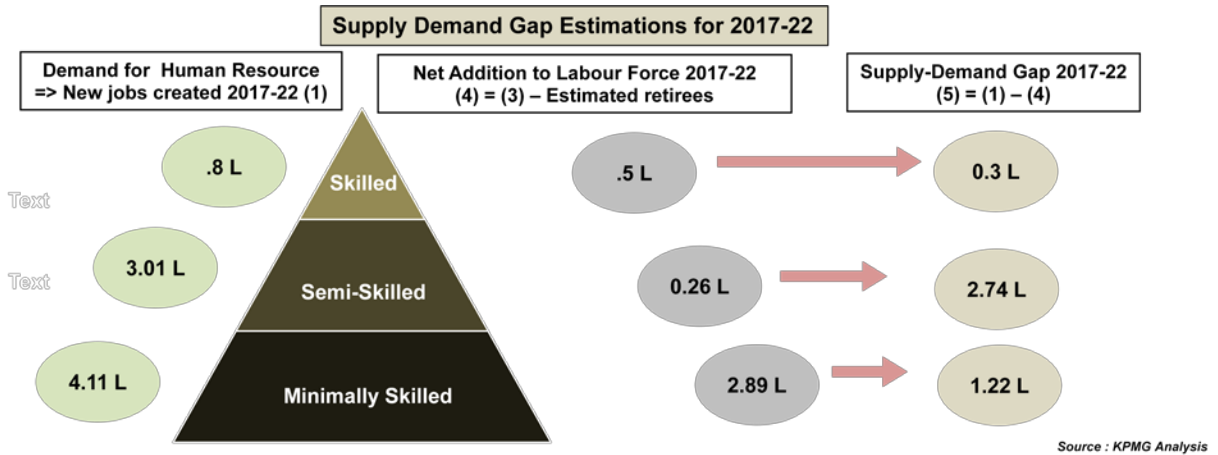
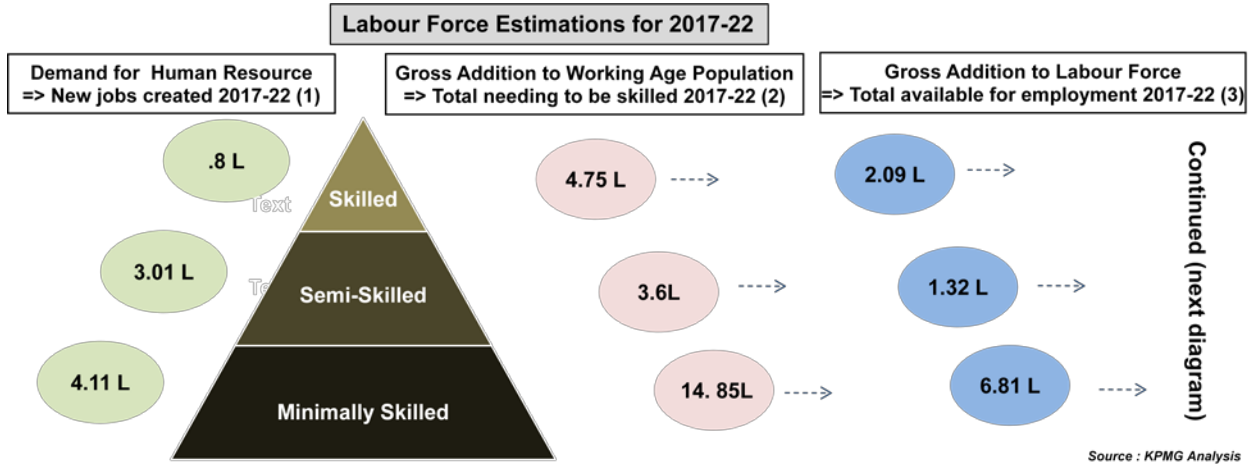
Vocational education has a key role to play in the educational system of Punjab. While dropout rates are witnessed after school education across the state, resulting in low enrollments in higher education, districts like Muktsar, Faridkot and Mansa have considerably high dropouts even at the school level. Interventions in vocational education to bridge the gaps in the educational system (within the schooling stage itself) and provide seamless options for students to pursue vocational education, would be crucial in developing a holistic approach to address the skilling needs of the state. A comparison of vocational education capacities in the state would show that density of vocational infrastructure measured as number of seats available for 1000 people is high in the districts of Gurdaspur, Mohali, Hoshiarpur and Rupnagar. Level of private participation is lower in most of the Punjab districts. Capacity expansion in vocational education and augmentation of private participation is needed through region specific initiatives considering the current level of variations among the districts.

Assessment of existing training infrastructure in comparison to human resource demand over XII Plan period, indicates significant capacity expansion requirement for semi-skilled category through vocational education. Demand-Supply gap estimates indicates a need to improve participation rates in semi-skilled categories along with providing vocational skills to high skilled labour force as well, considering the high level of employment opportunities in semi skilled category within the state. Further, employability of highly skilled graduates is an issue owing to misalignment of courses with industry needs and poor quality of institutes. Issue of low employability of graduates has to be addressed through suitable up-skilling considering local industrial requirements in order to ensure availability of industry ready manpower.

Punjab Human Resource Supply-Demand Gap Estimations for 2012-17



Punjab Human Resource Supply-Demand Gap Estimations for 2017-22



District level variations in Demand-Supply gap indicate the need for geography specific initiatives to address the skilling issues. Skill Category wise Demand-Supply gap estimations for the districts of Punjab are presented in the table below.

District Wise Supply- Demand Gap in Punjab (2012-22)								
Region	2012-17				2017-22			
	Skilled	Semi Skilled	Minimally skilled	Total	Skilled	Semi Skilled	Minimally skilled	Total
Total	23601	316,589	14,688	354,878	30,235	274,698	122293	427,226
AMRISTAR	3,408	35,176	(3,196)	35,387	2,473	23,367	589	26,429
Barnala	508	5,183	327	6,019	1,098	7,543	2,688	11,328
Bhatinda	(744)	11,933	(8,151)	3,038	(277)	9,850	(2,898)	6,675
Faridkot	(343)	3,519	(82)	3,094	33	5,414	534	5,981
Fatehgarh	(620)	2,582	590	2,552	18	4,717	2,954	7,688
Ferozepur	2,011	19,025	(11,504)	9,533	1,807	13,583	(3,423)	11,966
Gurdaspur	1,987	25,146	3,386	30,520	1,960	18,029	12,721	32,710
Hoshiapur	547	14,581	4,462	19,590	931	11,636	10,759	23,326
Jalandhar	5,168	36,308	22,627	64,103	5,310	30,004	33,594	68,908
Kapurthala	137	7,347	6,389	13,873	788	8,471	10,131	19,390
Ludhiana	6,441	57,622	23,266	87,329	7,396	48,937	42,833	99,167
Mansa	(885)	2,976	(5,761)	(3,670)	(359)	4,117	(2,912)	845
Moga	(610)	7,572	(5,524)	1,437	(25)	7,722	(1,691)	6,006
Mohali	1,642	14,918	(4,395)	12,164	2,065	15,541	(1,142)	16,465
Muktsar	(781)	6,081	(6,041)	(741)	(255)	6,439	(2,671)	3,513
Nawanshahr	2,071	15,527	3,687	21,285	1,580	10,255	7,002	18,837
Patiala	(1,234)	9,722	(1,687)	6,801	242	12,444	5,490	18,176
Roopnagar	1,333	10,016	2,333	13,682	1,456	9,414	4,553	15,424
Sangroor	181	17,749	(13,447)	4,484	598	14,399	(6,413)	8,584
Tarn taran	3,383	13,606	7,409	24,398	3,397	12,815	9,596	25,807

*(Indicates excess supply)

Youth aspiration study indicates a clear mismatch between student aspiration and job opportunities available in the state. Sectors such as Textile and Apparel, Transportation and Logistics, Construction and Food Processing need to work on building a positive image, and providing the right working environment/perks, to attract talent.

Interactions with industry in the state have revealed that challenges are often related to quality of the workforce, rather than quantity. Most of the industry personnel opined that quality issues in the state are two-fold - technical knowledge and soft skills/behavioral aspects - with prospective employees lacking in either, or both of them. Manufacturing industries are facing serious issues to employ appropriate manpower, as most skilled graduates prefer to work in services sector than in manufacturing.

Recommendations for stakeholders (Government, NSDC/SSC, Industry and Training Institutes) are aimed at developing a comprehensive approach for the skill development activities in Punjab.

Key recommendations for the Government include:

- Building systematic mechanisms to identify and assist potential school dropouts transition into vocational programs
- Setting up of Anchor Institutes in more focus Industries and broadening their scope
- Focus on Enhancing Skill Training Capacities in Districts With Low Penetration of Vocational Education
- Technology enabled faculty development model
- Effective monitoring of the current schemes applicable in the State

Key recommendations for the Industry/Industry Bodies include:

- Aligning CSR Goals (especially mandatory 2% CSR requirement) towards skilling, and play an active role in PPP initiatives. Share annual plan of recruitment with government and industry nodal agencies for skilling
- Support training institutes in development/delivery of programs
- Align recruitment policies to ensure hiring certified manpower from Govt/SSC accredited training institutions
- Invest in up-skilling of existing manpower and formulate formal HR policies and mechanisms to encourage employees to train in institutions
- Improve the work conditions to reduce attrition by providing a part of compensation in form of accommodation

Key recommendations for NSDC include:

- Facilitating development of Curriculum and Standards for Focus Sectors/ Vocational Courses in Schools
- Promoting Private Sector Participation in Focus Sectors & Supply Clusters
- Quality standardization through Sector skill councils

Key recommendations for Training Institutes include:

- Focus on high growth/ aspirational sectors where student acquisition is easier –Construction, Communication, BFSI etc
- Create capacities in districts with lower penetration of training infrastructure – Tarn Tarn, Jalandhar, Ludhiana. Districts where low penetration of training infra is coupled with high industry growth, are high potential for future growth of skilling
- Explore scheme-based training potential to address the skilling needs of under privileged/BPL population - key schemes with high training potential are SGSY, Construction and Agriculture)
- Emphasize offering accredited programs (SSC certifications) to ensure industry acceptance for certifications
- Leverage existing infrastructure to build optimal delivery models (ITI premises, PSIDC space where offered, industrial space during lean production hours etc)
- Build industry linkages in areas of development and delivery of training programs- placements, curriculum formulation, apprenticeships, faculty training
- Engage credible local networks (SHGs, NGOs, student groups such as Youth Clubs) for student acquisition

District wise skill gap details and further detailed recommendations, are provided in the full report. We suggest that the recommendations of the study should be treated in totality by all the stakeholders, to realize the intended objective of a robust skill development ecosystem in Punjab.

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