IBM Study Finds Higher Education to Play a Pivotal Role in Bridging India's Skill Gap

61 percent of India's higher education leaders said that the education system is unable to respond to society's changing needs

New Delhi, India - 22 Jun 2017: IBM (NYSE: IBM) announced a study conducted by the IBM Institute for Business Value (IBV) in cooperation with the Economist Intelligence Unit, to evaluate India's growing skills challenge and proposed recommendations to bridge the gap. Addressing the looming talent shortage will be instrumental to prepare India for the competitive global economy. A majority of Indian executives surveyed in the study said that the quality and quantity of skills in the Indian workforce are at least comparable to those of other countries, and many reported them to be superior. However, only 40 percent indicated new employees recruited in local labor markets have the requisite job skills.

The IBM study, '**Upskilling India**' derives insights from a survey of academics, corporate-recruiters, and emerging education leaders in India. In addition, the study also analyzed results of recent surveys of startup entrepreneurs, venture capitalists and corporate executives.

Key findings

- 70% of India's venture capitalists indicated that startups cannot find employees with the right skills
- Only 40% of Indian industry executives said new employees recruited in local labor markets have requisite skills
- 73% of India's education leaders surveyed in our global higher education study say new technologies are disrupting higher education

India's education leaders identify key challenges in the nation's higher education system

- 59% of those surveyed find it difficult to maintain relevant curriculum
- 56% of the respondents are unable to provide cheaper access to education
- 54% of them believe there is a clear lack of interaction between industry and academia
- 52% blame the insufficient teaching resources

The Indian executives surveyed believe that much of the nation's current higher education system fails to meet the needs of students, industry and society. 61 percent of India's surveyed educators indicate that the higher education system is unable to respond to changing societal needs. New technologies, ever- changing skills requirements and outdated curricula are challenging India's higher education system in its efforts to equip

graduates with job-ready skills. Between 2010 and 2030, India's working population is expected to expand from 750 million to almost one billion. Without adequate education and training, such population growth poses increased risk of the emergence of a growing class of the under or unemployed who are unable to achieve the Indian middleclass dream. In an effort to align India's educational activities with industry imperatives and demands, the study recommends a transformation of higher education system. The Indian executives surveyed believe that much of the nation's current higher education system fails to meet the needs of students, industry and society. 61 percent of India's surveyed educators indicate that the higher education system is unable to respond to changing societal needs. New technologies, ever- changing skills requirements and outdated curricula are challenging India's higher education system in its efforts to equip graduates with job-ready skills. Between 2010 and 2030, India's working population is expected to expand from 750 million to almost one billion. Without adequate education and training, such population growth poses increased risk of the emergence of a growing class of the under or unemployed who are unable to achieve the Indian middleclass dream. In an effort to align India's educational activities with industry imperatives and demands, the study recommends a transformation of higher education system.

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The Indian economy has shown enormous growth potential and as a result, entrepreneurship in India has grown rapidly after 2010. However, the looming skill gap is a major roadblock for India's growth. The Indian executives surveyed highlighted that improved access to higher-quality skills will boost productivity and efficiency throughout the economy. The required skills, however, are changing as rapidly as industries and the economy itself. New digital technologies are disrupting the business landscape are largely impacting how industries are structured and economic activity occurs. Traditional value chains are becoming increasingly fragmented, and new types of business ecosystems are rapidly forming and evolving.

"Skill is emerging as the new currency across businesses globally and in India. Today's rapidly evolving economic environment makes up-skilling an imperative across job profiles and sectors. India is caught by both a skill gap and a higher education sector struggling to keep up. That is why, it is critical to take proactive measures to transform the higher education system to create a new model that better aligns with industry imperatives," said **DP Singh, Vice President and Head - HR, IBM India/ South Asia**

He further added, *"At IBM, we believe in providing a environment conducive to fostering new learning and development experiences aided by the power of technology. We are working with government bodies, academia, corporates, start-ups and recruitment firms to equip India with a "job-ready" workforce. We believe the industry is no more bifurcated into blue collar and white collar jobs. The 'new collar' job community is embracing technology, forging deeper relationships with ecosystem partners and acquiring 'in-demand' skill-sets."*

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Key recommendations of the study

Develop more practical, applied, experience-based education

Rethink higher education curricula by identifying opportunities to infuse experience-based and real-world learning experiences and embracing new teaching technologies and techniques. Higher education institutions should build alliances with industry partners, share learning and refine strategies.

Embrace technologies that improve educational access, experiences, and outcomes

Assess current capabilities and requirements, experiment with using new technologies and extend capabilities through ecosystem partners.

Build deeper relationships with ecosystem partners

Identify the right partners from academia, industry and the public sector and empower an orchestrator. Define and reach consensus with key partners around a common vision for the education ecosystem, with clearly defined commitments from all partners. Formalize and design for sustainability.

Read the full study here: https://www-935.ibm.com/services/us/gbs/thoughtleadership/upskillingindia/

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