



SKILL MAPPING FOR MSME SECTOR IN INDIA



Government of India
Ministry of Micro, Small & Medium Enterprises
(An ISO 9001:2008 Certified Organisation)

dcmsme.gov.in

udyogaadhaar.gov.in

msme.gov.in



हर कदम स्वच्छता की ओर



KALRAJ MISHRA

Minister of
Micro, Small & Medium Enterprises
Government of India



GIRIRAJ SINGH

Minister of State for
Micro, Small & Medium Enterprises
Government of India



Udyami Helpline [Toll Free]

1800 - 180 - 6763

1800 - 180 - MSME

October 2015

Copies 500

Published by:

Office of the Development Commissioner (MSME)

Ministry of Micro, Small & Medium Enterprises

Government of India, Nirman Bhawan, New Delhi - 110 108



SKILL MAPPING FOR MSME SECTOR IN INDIA

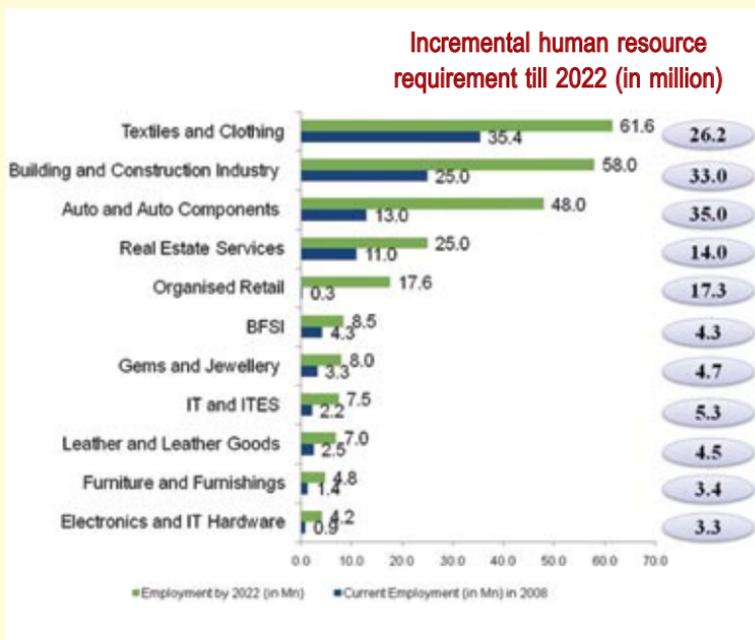
INTRODUCTION

India is a young country having more than 45% of its population in the age group of 20-35 years of age. In order to ensure that this large work pool is productive and contributes effectively to the growth of the Indian economy, skill development should be undertaken on a priority basis. In addition to being the driver of growth, a skilled workforce also contributes to the development of an entrepreneurial spirit in the economy.



The Ministry of Micro, Small & Medium Enterprises is the Administrative Ministry in the Government of India for all

matters relating to Micro, Small & Medium Enterprises. The Ministry of MSME facilitates the promotion of MSME sector by implementing various schemes in the areas of credit, marketing, infrastructure and skill development. The schemes are implemented through its field organisations and attached offices. A key aspect in all the schemes implemented by the Ministry, is the focus on skill development. Skill development is a pre-requisite for starting any micro, small or medium enterprise. The skilled manpower requirements in the MSME sector by 2022 is projected to be around 150 million.



Data Source Forbes India, 2015

The Ministry is implementing several skill development schemes such as the following:

1. Enterprise and skill development:

- Entrepreneurship /skill development programmes launched by the Ministry is one of the key elements for promotion of MSEs (Micro and Small Enterprises) particularly for the first generation entrepreneurs.
- The Entrepreneurship Development Programmes (EDPs) are conducted through MSME-DIs (Development Institutes), which focus on improving entrepreneurial skills and developing industry specific skills in areas such as electronics, electrical, food processing, etc. to develop and enhance the skill of the entrepreneurs.

2. MSE- Cluster Development Programme (CDP)

- The implementation of MSE-CDP is for the holistic development of selected MSEs clusters through value chain and supply chain management.
- The Ministry has adopted a cluster development approach as the key strategy for enhancing the productivity and competitiveness as well as capacity

building of Micro and Small Enterprises (MSEs) and their collectives in the country. Clustering of units also enables providers of various services, including banks and credit agencies to provide their services more economically, thus reducing costs and improving the availability of services for these clusters.



3. National Competitiveness Programme (NMCP) Schemes

- The Ministry announced the formulation of National Competitiveness Programme (NMCP) in 2005 with the objective to support the Small and Medium Enterprises (SMEs) in their endeavour to become competitive and attune themselves to the competitive pressure caused by liberalization.

New Initiatives

Skill Mapping is the process of identifying the specific skills, knowledge, abilities, and behaviours required to operate effectively in a specific trade, profession, or job position. The Ministry has compiled district-wise Skill Development requirements (skill maps) for 652 districts of the country. The District-wise skill development needs have been formulated on the basis of industry clusters situated in the respective districts. Further, on the basis of industry clusters, the type of skills required to produce products and subsequently, the need for training programmes to be conducted for skilling un-employed youth have been identified. The skill map of each district contains details on the number of training institutes and engineering colleges in each district, including the names of the technical institutions (ITIs, Polytechnics, and Engineering Colleges with the facilities), availability of various raw materials and types of existing industries in that district. The Office of the Development Commissioner (MSME) has also prepared district industrial profiles of each of these districts, to enable entrepreneurs find the most suitable place to locate their business.

The district-wise skill profiles have been prepared in consultation with stakeholders, such as the State Governments, Industry associations, and various universities

and have been validated by Industry associations and universities.

An illustrative list of key skills in Demand in select sectors is indicated below

Sector	Key Skills in Demand
Textile and Clothing	Power loom operators, Apparel Manufacturing, Fashion Design, QA, Knitwear Manufacturing, Sewing Machine Operators.
Building and Construction Industry	Crane Operators, Electricians, Welders, Masons, Plumbers, Carpenters, Painters, etc.
Auto and Auto Components	Auto OEMs, Auto Component Manufacturers, Drivers, Sales, Servicing, Repair, Financial Services sales, Insurers/Valuers.
Organised Retail	Shop floor executives, back-store operations, merchandising.
Banking, Financial Services, and Insurance	Financial Intermediaries (including Direct Selling Agents), Banking and Insurance (including agents), NBFC, Mutual Funds.

Gems and Jewellery	Jewellery Fabrication, Grading, Faceting, Polishing, Cutting.
IT and ITES	IT – Software Engineering, Maintenance and Application Development, End-to-End Solutions, Infrastructure Management, Testing, etc. ITES – BPO, KPO – Legal, Medical, STM, Analytics and Research.
Leather and Leather Goods	Tanning, Cutting, Clicking, Stitching, Lasting, Finishing.
Furniture and Furnishings	Carpenters, Operators engaged in Stitching, Sewing, Stuffing.
Electronics and IT Hardware	Computers, Telecom, and Consumer Electronics Manufacturing, Sales, Servicing/ After Sales Support of electronics goods, High-Tech.
Tourism and Hospitality Services	Front office staff, F&B Services and Kitchen and Housekeeping staff, Ticketing and Sales, Tour Guides.

Objectives

The Ministry is a key facilitator for the Government policy on “**Sabka Saath, Sabka Vikaas**” and is committed to enlarging the base of skilled population to meet the growing needs of the industry. Skill mapping should aim to provide an umbrella framework to all skilling activities being carried out within the country, to align them to common standards and link the skilling initiatives with demand centres.

Benefits

- Skill mapping address the concerns of MSMEs with respect to skilled workers. As skill maps are developed according to industry needs, it assists an industry/MSME to understand the effectiveness of an individual in a specific trade, minimum level of expectations and provides a realistic matrix of his/her best fit. The difference between the expectation and the performance can be examined for identifying the possible gaps in effectiveness. Competency maps help to identify the competencies that employees may acquire, sharpen, and ultimately master over the course of their career.
- A Skill map provides information on the supply side of skill availability in each district at a

glance. This will enable the further development of the infrastructure for the development of skills, improvement in the required areas of expertise/ competence, and deficiencies that need to be addressed to provide need based skills.

- Prime Minister's Kaushal Vikas Yojana aims to provide Skill training to youth and to bridge skill gap through up- skilling/re-skilling . The district skill map scaled up to the National level will be useful for the success of the Kaushal Vikas Yojana.
- The other benefits of skill mapping are –
 - (i) An engaged and motivated workforce enjoying greater job satisfaction, higher motivation and morale.



- (ii) Reduced non-attendance and employee turnover
- (iii) Reduced recruitment costs
- (iv) Increased productivity and efficiency.
- (v) Skill mapping can also be used for job-evaluation, recruitment, training and development, performance management, succession planning, etc.
- (vi) A positive point of difference for recruits. A visible demonstration of how prepared the company is to invest in individual advancement for future success will be the key to attracting top talents.
- (vii) A Skill map focuses on the general areas of competence, which are major units of work that employees perform. Then it drills down to the skills, knowledge, abilities, and behaviours required for each unit of work. This approach makes the Skill map a very useful and practical tool for organizations. In a skill based system, the Industries/ MSME and the skilled force benefit, as it provides a transparent blueprint for recruitment, job expectations, performance assessment and advancement paths can be established.

Strategy

Network mapping – Nationwide mapping was done to identify the ITIs/Engineering Institutes/Technical Institutes etc. that have the capability to provide need based skill.

Cluster Mapping – To know the exact position for which skill is required in MSME Sector, the Ministry carried out mapping of Clusters countrywide, so the arrangements of demand and supply chain could be materialised. A Cluster is a geographical concentration of micro, small & medium firms producing the same or a similar range of products (Goods or Services). Units in a cluster face same or similar set of threats for example., lack or no market and opportunities (e.g. increasing turnover through quality up-gradation of exports).

Course type Mapping – This identification is based on type of industry and their requirement in particular which can be met by intermediating and implementing by various schemes and initiatives taken by the Ministry. MSME has been rendering many services through its network for small scale industries. Specialised services of Marketing, Export promotion and International co-operation are also available through a series of schemes and incentives.

Skill Gap Analysis

A skill gap analysis is useful to map and select the target audience for drawing and designing appropriate training courses and for organising learner centric training for the selected target audience.



Target Group

This is a generic task of MSMEs for enhancing their productivity, they need to equip their skill force/workforce from time to time for which the area of skill required and the institution/establishment who provides the particular skill interact as demand – supply chain.

The target group will be extended to undergraduates and school dropouts. The existing 18 Tool Rooms provide skill development to new and existing entrepreneurs, who are mainly engineers. The 30 MSME –DIs across the country will also provide training based on the clusters of the area

concerned and on need basis to the undergraduates and school dropouts with an emphasis on developing women entrepreneurs. Further, encouraged with the success of the existing tool rooms, the Ministry is also planning to set up 15 more Tool Rooms (Technology Development Centres) with World Bank assistance.



Way Forward

The initiatives taken by the Ministry for skill development are to be attuned with the future needs of skill development in the country, particularly the MSME sector. In order to upscale the activities relating to skill development, the Ministry proposes to formulate schemes with the following broad objectives:

- To propose a structured and practical solution to address the lack of relevant skills amongst the current and potential workforce of India.

- To deliver a structured, sustainable and scalable framework to impart skills to the unemployed, underemployed, uncertified and un-benchmarked workers.
- To facilitate the larger national framework of skilled human resource to meet the dynamic needs of industry and further the economy.
- Removal of disconnect between the demand for and supply of skilled manpower through vocational and technical training, skill up-gradation, building of new skills, Mapping of existing skills and their certification etc.
- To identify the various institutional frameworks which can deliver the expected outcomes.

Global challenges have given India an opportunity to leverage its young work force for maintaining its growth. A proper mapping of competencies and skill requirements can be useful to assess the skill



gaps and help reformulate policies for meeting the skills requirement of the various sectors of the economy.

MANUFACTURING



CONSTRUCTION



TRANSPORTATION



SERVICES



ENGINEERING



SKILL ENHANCEMENT





Government of India
Ministry of Micro, Small & Medium Enterprises
 (An ISO 9001:2008 Certified Organisation)



MSE-CDP
 Micro and Small Enterprise Cluster Development programmes for holistic development of selected MSEs clusters through value chain and supply chain management on co-operative basis



Prime Minister Employment Generation Programme(PMEGP)

A credit linked Scheme to facilitate participation of financial institutions for higher credit flow to micro sector. Its objectives are to generate continuous and sustainable employment opportunities in Rural and Urban areas of the country through start-ups.

[Read more...](#)



National Manufacturing Competitiveness Programme

To promote growth oriented enterprises through 10 interventions like lean manufacturing, design clinic, quality management systems etc.

[Read more...](#)



ASPIRE

To promote Innovation & Rural Entrepreneurship through rural livelihood incubator, technology business incubator and fund of funds To establish Technology Centre Network to promote Innovation, Entrepreneurship and Agro-Industry. I propose to set up a fund with a corpus of Rs.200 crore, *105B.*

[Read more...](#)



Scheme of Fund for Regeneration of Traditional Industries(SFURTI)

Making traditional industries more productive and competitive by organizing the traditional industries and artisans into clusters.

[Read more...](#)



Performance & Credit Rating Scheme

To create an eco-system of MSEs for easier/cheaper access to credit for the rated enterprises. The rating done for MSEs generates an awareness about the strengths and weaknesses of the operators and creditworthiness of the enterprise.

[Read more...](#)



Assistance to Training Institution

To promote entrepreneurship and skill development through capital grant for creation/strengthening of infrastructure and programme support for conducting entrepreneurship development and skill development programmes

[Read more...](#)



Marketing Assistance

To assist MSMEs to organize/participate in exhibition of their products and services in domestic and global markets. Organizing Buyer-Seller Meets, Intensive Campaigns and Marketing Promotion Events are also included

[Read more...](#)



Credit Linked Capital Subsidy Schemes(CLCSS)

To enable micro and small enterprises to adopt modern technology to improve their productivity

[Read more...](#)

