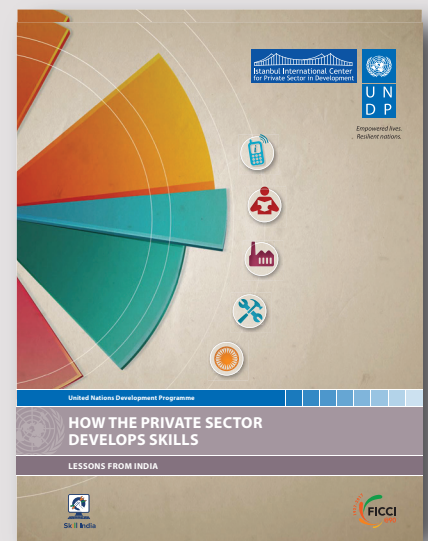




HOW THE PRIVATE SECTOR DEVELOPS SKILLS

IL&FS SKILLS: TRAINING FOR JOBS THROUGH INNOVATION AND TECHNOLOGY

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SUMMARY

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SUMMARY	As one of the leading private skilling companies in India, IL&FS Skills provides placement-driven skills training to a diverse range of groups from school dropouts to high school, higher secondary school and ITI graduates. The training programmes cover different industries from manufacturing and services to engineering and construction, ranging from CNC operator training to hospitality and textiles and apparel training. Technological solutions are of specific importance for the initiative to increase the reach of the programmes, overcoming barriers such as physical distance and time.
KEY FEATURES	• Placement linkages as the first step of training • Interactive multimedia content and K-YAN • Workplace-modeled classrooms • Complementary life skills training
RESULTS	• Trained over 1.4 million youth • 500,000 trainees are placement linked, with an 85 percent placement rate, of which 47 percent are female and 64 percent are from BPL groups • Operates 100 multi-skill institutes (hubs) and 300 single-skill schools (spokes) • Multimedia training content has been prepared by IL&FS experts on more than 80 trades across 25 sectors



Summary

IL&FS Skills Development Corporation Limited (IL&FS Skills) is a prominent employment-driven vocational skills training company that taps technology and innovation for impact. Its mission is to provide skills to 4 million (40 lakh) people by 2022 in the manufacturing, agriculture, services, engineering and construction sectors through a network of 100 multi-skill institutes (hubs) and 300 single-skill schools (spokes).¹ As a joint venture with the National Skill Development Council, it is part of the expanded space for private training providers created by the Government of India's ambitious target of delivering skills to 400 million individuals by 2022.

Providing meaningful employment and livelihood opportunities to youth is a contribution to India's efforts to achieve inclusive and sustainable growth given favourable demographics. IL&FS Skills has been a front runner in providing skills and livelihood training to people from different social groups.



Source: IL&FS

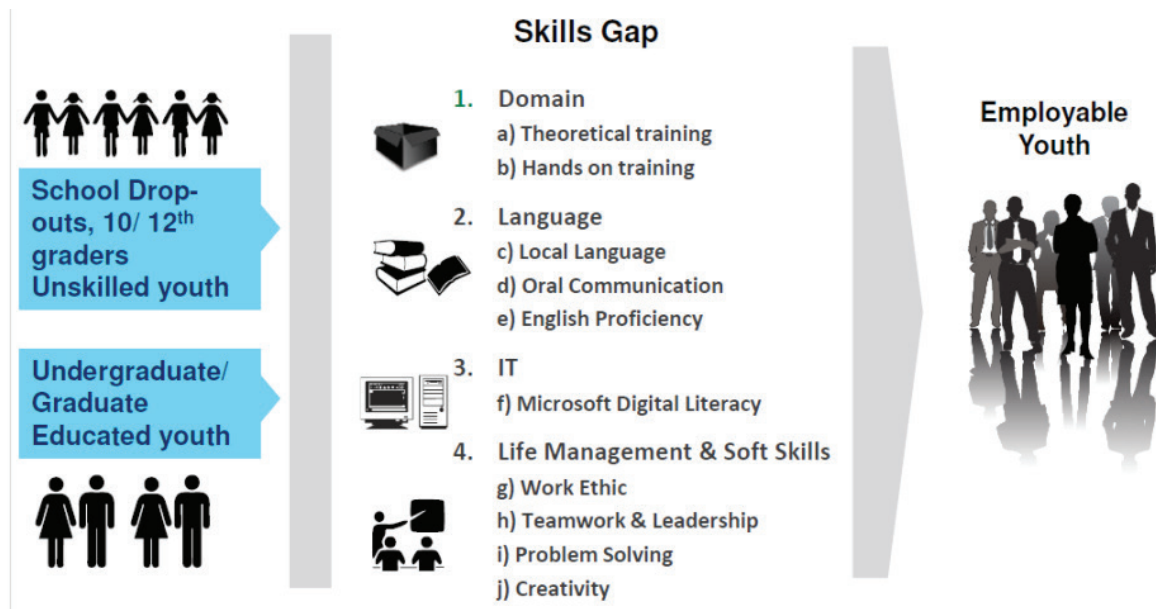


Context

The engagement of IL&FS in the skills development sphere and its innovative practices emerged out of the socio-economic challenges that India has encountered in the last 10 years. Taking an open systems approach to the organizational formation of IL&FS Skills, it can be argued that these challenges have created the need for a strong private training providers market, which allowed IL&FS to proactively grasp this business opportunity. The company lists four key factors that have shaped the skills development ecosystem of the country and that have prompted action in the last few decades.

First is the rapid economic growth that India has experienced over recent years. This brought about the need to develop skilled human resources at scale to keep up this trend. At the same time, the youth segment of the population aged between 18 and 35 years has been growing rapidly, requiring their integration into the economy. Another related challenge has been the issue of employability for the youth that have completed formal education. The 'educated youth' are not necessarily equipped with the skills required in the market, such as domain skills, language skills, IT skills and life/soft skills. Lastly, the achieved economic growth has not benefited all different groups in the society as desired, raising the issue of inclusiveness.

Figure 1: How IL&FS Skills is bridging the skills gap



Source: IL&FS Skills, Corporate Presentation, September 2014

In addition, public Industrial Training Institutes (ITIs) and polytechnics were encountering both capacity and quality challenges.² In terms of capacity, only 0.4 million individuals could be trained in a year, out of the 1.2 million demanding training. Low relevance of the training content to the industry, infrastructural gaps and lack of skilled trainers created problems in quality. On the other hand, the private skills providers were trying to identify and conduct business in niches with adequate returns, particularly in sectors such as IT and ITES.³ Large private sector enterprises were also managing in-house training facilities for their own employees, which was raising the human resource costs.



In this context, the involvement of IL&FS in skills training design and delivery corresponded with the consolidation of India's skills business ecosystem. Considering the challenges listed above, the Government of India set the ambitious target of delivering skills to 400 million individuals by 2022 and expanded the space for private training providers through the establishment of the National Skill Development Fund (NSDF) and NSDC. In this context, IL&FS initiated IL&FS Skills as a joint venture with NSDC for delivering placement-driven employability skills.

Organizational setting

Infrastructure Leasing & Financial Services Limited (IL&FS) is the parent company of IL&FS Skills. It operates in the finance and infrastructure development sector in India, building capacity for sustainable and innovative initiatives in areas ranging from transportation and cluster development to urban infrastructure and tourism. The company works on how to design, finance and implement projects in a wide variety of sectors.⁴

Realizing the importance of inclusive growth for the future of India's economy and society, IL&FS made a commitment in 1997 to focus on the areas of 'Education, Skills, Clusters, Health and Citizen Interfacing Services'. The parent company set up three subsidiaries responsible for activities in these areas, each of which has its own specific but complementary focus with the necessary tools and strategies.⁵ The three subsidiary companies expanded to 543 districts in 28 states of India and 17 countries of Africa and South East Asia. The geographical presence is complemented by a strong network of industry partners.⁶

- **IL&FS Education & Technology Services Limited** responds to changing needs and requirements in the education sphere as a result of globalization and technological advances. The strategies include providing multimedia-supported training, strengthening the administration and infrastructure of schools, training of teachers, e-learning and use of mobile technologies for teaching and other innovative solutions including community training.⁷
- **IL&FS Cluster Development Initiative Limited** identifies barriers to small and medium-sized enterprises (SME) growth such as limited access to infrastructure, recent technologies, financial services and qualified human resources, and offers SME clusters as an innovative solution.⁸
- **IL&FS Skills Development Corporation Limited** (IL&FS Skills) is the subject of this case study. It builds on the need for effective skills development to utilize the demographic dividend, the demand for a productive workforce and the support of the government to skilling, covering the whole value chain of skills. Through its Skills Programme for Inclusive Growth (SPRING) initiative, IL&FS Skills aims to train 4 million people by 2022. Infrastructure gaps, lack of skills on the trainer side, mismatch between supply-driven curriculum and private sector needs, and weak connections with the labour market are among the challenges that IL&FS is working to overcome.⁹

The skilling initiative of IL&FS emerged from its venture dedicated to cluster development, rather than from the education company.¹⁰ It operates via public-private partnership modality between IL&FS and NSDC.^{11,12} To denote this merging of the three initiatives, IL&FS referred to the venture as pertaining to 'Education, Employability and Employment.'¹³



HISTORY AND DEVELOPMENT

History and development

The first training centre offering skill development in multiple areas was established at Hi-Tech Weaving Park in Palladam. IL&FS Skills focused on designing and testing training programmes that could be implemented in a standard manner to train larger numbers of people. Delivering cost-effective and high-quality trainings that are affordable for the base of the pyramid has remained as a key aspect of the work.¹⁴ During training implementation in textile factories, for example, it was observed that the sessions were comprised of the trainer sitting at a machine while the trainees gathered around. This was an infeasible model from the perspective of standardization and upscaling across the country, so IL&FS decided to adopt multimedia teaching facilities to more effectively enable these trainings.¹⁵

Best practices guided the emerging approach. “There was no proven business model 10 years ago when we began our operations. Hence, we were left with no choice other than learning from international best practices and customizing them to local needs,” said RCM Reddy, managing director and CEO of IL&FS Education and Skills, and Chairman of FICCI Skill Development Forum.¹⁶

IL&FS Skills pioneered the concept of placement-linked skills development and has continued to provide training and ensure placement for at least 75 percent of its candidates in organized sector employment as per the requirements of its mandate.¹⁷ Though IL&FS anticipated that trainees would be willing to pay to access skills-development courses, this has not materialized and the company has relied instead on government funding.



Source: IL&FS



Business/operational model

Skills Programmes for Inclusive Growth (SPRING) is the centrepiece of IL&FS Skills. The skills development model implemented by IL&FS Skills divides interventions into six categories. Each of these areas comprises programmes that are industry-driven, technology-driven, standardized and employment-oriented, in order to respond to the specific needs of India's workforce. Together they form SPRING.¹⁸

1. **Skills for Jobs** enables employment-oriented skills delivery by providing placement linkages letters before the training starts. This industry-driven training methodology concentrates on competency training as demanded by the companies. Future employees are matched to a job offer that reflects their interest and ability to learn.¹⁹ The value chain for Skills for Jobs is at the core of this case and explained and analyzed in detailed below.
2. **Skills for Entrepreneurship** interventions include trainings on self-employment targeting Ministry of Micro Small and Medium Enterprises (MSMEs), rural artisans and woman. Livelihood opportunities are enhanced by utilizing cluster development, which helps strengthen enterprise development through collaboration.²⁰ This programme has to date trained 40,000 people whose practices for livelihood enhancement have enabled the mobilization and engagement of various stakeholders such as banks and financial institutions and the public authorities.²¹
3. **Skills @Schools and Colleges** aims to close the gap between the educational system and employability of students. Targeting the problem that students' job choices are highly dependent on the educational offer of their academic institutions, the programme gives students the opportunity to include additional vocational training in their curriculum. For schools, SPRING offers students in classes 9 to 12 opportunities to participate in vocational education under the National Skills Qualification Framework. University-certified skills development programmes that specifically target skill development necessary in the praxis are offered to undergraduate and graduate students.²² For example, 382 students from Delhi University received training to become equity dealers, which has been certified by the Banking and Financial Services SSC. So far, 28,000 students have been trained under Skills @Schools and Colleges.²³
4. **Skills for Trainers** takes into consideration that the quality of skills development is highly dependent on the trainers' performance. The IL&FS Institute of Skills (IIS) delivers a 40-hour intensive training, called the MASTERY programme, to skill trainers. The offer includes standard training content, methodology on assessment and practical lessons, as well as industry-specific best practices.²⁴ In Nahan, Himachal Pradesh, 38 candidates joined the Training of Trainers (ToT) to be able to instruct from levels 1 to 4 in the automobile sector in government schools in accordance with National Skills Qualification Framework guidelines. To date, some 1,500 trainers have been skilled under the skills trainer programme.²⁵
5. **Skills for Good Government** is a programme that aims to enhance effectiveness and efficiency of the public system by offering tailored courses for capacity building of public employees, beneficiaries of the National Rural Employment Guarantee Scheme (NREGS), Panchayati Raj functionaries and the armed forces. For example, the Government of Madhya Pradesh sponsored the training of 6,308 panchayat secretaries and rozgar sahayaks from various districts of Madhya Pradesh, equipping them with necessary IT skills.²⁶



BUSINESS/OPERATIONAL MODEL

6. **Skills Up-gradation** targets the improvement of the organized sector's output. It re-skills and up-skills individuals who are already employed. The goal is to enhance the performance of India's workforce to boost socio-economic results. Participants range from entry-level professionals to junior and mid-career workers in the private and government sectors.²⁷ In cooperation with SSCs, IL&FS trained 92,000 people under the STAR scheme, which offers monetary rewards to trainees who finish their training programme in conjunction with National Occupational Standards. A pass percentage of 85 percent has been achieved.

Nearly a million people have been trained under the Skills Up-gradation and Good Governance programmes to date.²⁸



Source: IL&FS



Skilling value chain

IL&FS Skills ensures that trainings are delivered in the areas where placement opportunities exist. Thus, the first step of its skills value chain is to identify and assess available employment opportunities and align the training offer with the current demand. In other words, IL&FS Skills trains people in touch with the industry for the available posts. Then, the organization mobilizes the relevant segments of the community to participate in the training courses through engagement at the local level. Selection tests shed light on the interest, knowledge and competencies of trainees, helping match them with the courses that suit their needs and are in line with their capabilities.

The company gives high level of importance to the skills of the instructors and that they are in line with the industry practices. Trainings are then given with a specific focus on both domain, language, IT and life skills, as per the market requirements. After assessment and certification in line with SSC and NSQF requirements, the trainees are placed in jobs, tracked and offered counseling support for their smooth transition to work life.

Figure 2: Skills value chain: quality with scale



1. Sourcing

For IL&FS Skills, placement linkages constitute the first step for the training value chain. The company identifies the human resource needs of businesses and opens up the courses linked with the demand, meaning training is conducted for ensured jobs. To understand the industry requirements for skilled workers, a local placement coordinator collects data from industry partners and prospective employers. Based on this information, IL&FS plans the training batches. This enables the company to manage capacity and provide skilling in line with employment requirements.²⁹ Each trainee receives a provisional placement letter at the beginning.³⁰ The emphasis on employment at the end of the training is an important motivation for the trainees to learn and succeed, strengthening their engagement throughout the programme.



SKILLING VALUE-CHAIN

To mobilize prospective candidates, IL&FS engages primarily in activities that include mobilization through NGOs and opinion makers and use of pamphlets, banners and posters in local languages. At the time that spoke centres were being established in the vicinity of New Delhi, IL&FS Skills connected with government-run General Resource Centres (GRCs) to spread awareness regarding training offerings and assurance of employment on training completion. The GRCs directed the company to NGOs and local opinion makers. IL&FS Skills conducted training seminars for Independent Sales Agents (ISAs), who promote the training programmes within a designated area and receive compensation. ISAs learn about the training programmes, certification and employment opportunities and are then deployed in the field to generate awareness in coordination with the IL&FS Skills marketing team. During this period, a job fair is organized by different NGOs on alternate days to provide an avenue for youth to receive information about the training courses and placements. Interested individuals may be enrolled into the training courses.³¹ Roadshows and jobs fairs are also organized in villages for effective mobilization.

Prior to initiating its training programmes, IL&FS Skills conducts a pre-screening procedure for candidates called the entry-gate assessment. Candidates are apprised of the sector and employment prospects and conditions.³² Simple but scientific methods are used to evaluate the basic suitability of the candidates for the chosen occupation. Tests like finger dexterity, colour blindness and basic language skills are not necessarily linked to formal educational qualifications, thereby improving access for school dropouts to skills that would lead to employment.³³ IL&FS Skills also offers counseling support for the prospective trainees to ensure that they can select the most appropriate training programme in line with their abilities and interests.



Source: IL&FS



2. Training standards and content

Prior to commencement of content development, IL&FS undertakes a feasibility study to determine whether it is sensible to offer training courses in a particular industry domain. Once this is decided, the content team connects with relevant companies and subject-matter experts that could assist in the content development process.³⁴

Box 1: K-Yan: An innovative way to deliver computer-based interactive training

IL&FS experts from more than 30 trades have prepared multimedia training content to increase the reach of the programmes, overcoming barriers such as physical distance and time. IL&FS Education and Technology Services has developed a patented multimedia device/community computer in partnership with IIT Bombay called K-Yan, which enables interactive training delivery with minimal infrastructural requirements. K-Yan, as a single device, has the features of a computer, TV, multimedia player, projector, etc. and provides Internet access.³⁵ In 2008-2009, the skilling initiative of IL&FS began to utilize K-Yan in extending skills development courses. As a result, the company could deliver standardized, quality training across classrooms.³⁶



Source: IL&FS Skills Presentation at UNDP Skills for Inclusive Markets Workshop, July 2015

Skilling disadvantaged groups, such as dropouts, needs to be not only affordable, but also accessible. This is why multimedia solutions are so important. The training itself should also happen in a relatively short period of time,³⁷ for which K-Yan offers an innovative solution. It is now available for 71 trades, out of which 31 are aligned to the National Occupational Standards from 15 key industry sectors. The content is readily available in English, Hindi and eight other regional languages.³⁸



SKILLING VALUE-CHAIN

The content development team – which includes instructional designers, video designers, subject-matter experts, integrators, video crew and a quality assurance (QA) team – is housed in a large space in Mumbai, which includes a studio facility.

The content may be translated into other languages as well. Development of print content costs approximately INR 1 million (\$14,600) per trade. Where the course includes multimedia content, the cost of development may reach INR 4 million to INR 5 million (\$58,000 to \$73,000).³⁹

The content development lifecycle leverages the ADDIE Model. The acronym stands for its five phases: Analysis, Design, Development, Implementation and Evaluation.⁴⁰ The ADDIE Model is an approach used by instructional designers and content developers to create instructional course materials, preferred as a result of its flexibility.⁴¹ In the case of IL&FS Skills, application of the model is as follows:

- **Analysis:** This step comprises assessment of the target audience and prospective learners (socio-economic background, educational attainment, etc.), as well as content analysis. In light of their background, trainees may be engaged by the use of multimedia content. The choice of medium depends upon the learner profile, however, and it may be the case that multimedia content is not required in certain scenarios. Industry visits are also conducted. These analyses are undertaken to design content pertaining to each course and are captured in the Training Needs Analysis (TNA) document.
- **Design:** Output from the 'analysis' stage serves as input for this stage. In this phase, the content team focuses on one module and creates a scaled-down working prototype. The team prefers to develop the most critical module using the chosen media. This involves the subject-matter expert, instructional designer and visual designer. The subject-matter expert provides the matter for the training course; the instructional designer divides the content into parts that are easy for learners to grasp; and the visual designer prepares the layout. During this phase, the Instructional Design Document and Visual Design Document are prepared as well. These are updated based on feedback, and serve as guidelines for the formulation of the remaining modules.
- **Development:** Output from the previous phase—prototype, the Instructional Design Document and the Visual Design Document—serve as input for this phase. Once these aspects have been decided, production of the remaining units is undertaken at a fast pace. The module content may contain video, animation, text or other printed material, etc. Subject matter experts are involved in shooting video content and provide information on the materials needed, the manner of performing the activity, etc. An expert operator performs the domain-related activity in the presence of the subject-matter expert. This phase also involves writers, visual designers, video crew, voice artists and post-production crew.
- **Implementation:** IL&FS Skills obtains a sign-off from the subject-matter experts and knowledge partners from the industry. The courses are pilot-tested in the classrooms and feedback is gathered from the trainers and trainees. Any resultant changes are incorporated.
- **Evaluation:** This is the final phase of collection of feedback regarding the training programmes. Formative evaluation is present in each stage of the ADDIE process, while summative evaluation is conducted on finished instructional programmes or products.



IL&FS Skills typically looks to updating the contents of its training programmes after a period of one-and-a-half to two years. The company takes into consideration the employer requirements in its content design and trainings may be tailored accordingly.⁴² IL&FS Skills is in the process of making all its training programmes comply with the requirements of SSCs, being outcome-driven.⁴³ International partnerships are also established to ensure that the training quality and outputs match the international standards, such as with the Scottish Qualification Authority.

Trainers are required to undergo a generic, one-month training programme called the MASTERY programme that appraises them of adult learning principles, pedagogy, effective training methods and content. Successful trainers are certified after this training. International partnerships are utilized to certify expert trainers, such as the cooperation with the Scottish Qualification Authority. Refresher programmes are also undertaken.⁴⁴ Trainers who join the IL&FS Skilling initiative commence their career path by providing trainings in spokes. Following this, they could progress by either deepening their business exposure by working towards becoming centre heads or furthering their technical expertise by working towards becoming programme heads for sectors within the organization.⁴⁵ Approximately 1,500 trainers who underwent this training are now qualified professionals working with IL&FS Skills.⁴⁶

3. Training

IL&FS Skills defines its training methodology as 'holistic', initiated from the first step of creating employment linkages with the private sector to the last, the placement of the trainee. It has 53 multi-skill 'hubs,' where a wide variety of trainings are offered and core activities such as training of trainers are undertaken. It also has 200 specialized training centres called 'spokes,' where more targeted skilling programmes are offered in line with the demand. This is known as the hub-spoke model. Simulated labs designed under the hub-spoke model of delivery are mapped to the shop floor and bring the workplace to the classroom. The skills offered by IL&FS Skills are sub-divided into competency levels, such as levels 1 to 4. The focus largely has been on entry-level jobs and associated sectors, as in textiles, though the company is currently expanding its focus to include higher-level trainings for sectors such as IT.⁴⁷ Programmes available in these centres differ in terms of training duration, from 240 to 600 hours, and are provided in sessions lasting from 6 to 24 weeks.⁴⁸

In training delivery, IL&FS Skills utilizes Visual-Auditory-Kinesthetic (VAK) methodology to ensure that learners have enough opportunity to digest the content. Along with the presence of the trainer, videos and simulations are used in the trainings to help trainees learn by seeing. By attending classes and listening to the trainer and the multimedia content, learners' auditory memory is activated. Through interacting physically with the equipment and machinery in the classrooms that resemble the workplace, the trainees are able to learn by doing, along with watching and listening.

The use of multimedia content enables delivery of standardized and quality training. For instance, video content showcases expert operators carrying out the work-related activities (e.g. welding, stitching, call centre services, etc.). These video demonstrations are accompanied by voice and on-screen text along with trainers' instruction.⁴⁹ IL&FS Skills currently has 18,000 hours of multimedia teaching material. This enables standardization of content, regardless of where and when a specific course is taking place. It also alleviates the problem of finding skilled trainers and suits the needs of different types of learners as a result of the flexible nature of the teaching modality. Multimedia content has enabled up-scaling and diversifying of IL&FS' skill development initiatives.⁵⁰



Box 2: LIFE – Learning for Improved Functioning and Effectiveness

IL&FS Skills offers not only employability skills through domain training, but also life skills to help trainees succeed in their jobs, functional English classes for improved communication and computer literacy to adapt better to the digital workplace.

The life skills programme is known as LIFE – Learning for Improved Functioning and Effectiveness. The company has released a second version of this programme wherein it has provided around 146 videos on 30 themes, e.g. attitude, behaviour, discipline, work ethics, interpersonal skills, honesty and professionalism. Along with the videos, materials such as a syllabus, assessment guide, handbook, session plan, etc. have been provided to drive the course delivery. The LIFE module is provided as an offering in training pertaining to all trades. Each programme includes at least one hour of a soft skills component for each day of training, with a total of approximately 30 hours of life skills training over a 45-day course. The soft skills training components are customized in line with the requirements of the domain of training.¹¹¹

Another key aspect of IL&FS Skills is hands-on learning. Each classroom is a simulation of and designed after the workplace. This enables the trainees to become ‘work-ready’ as they acquire the demanded skills in the exact conditions and infrastructure they will face in the industry. Employers are also more engaged because the training delivery is well-matched with their needs through the acquisition of practical skills.⁵² To simulate the work environment, IL&FS Skills works with private sector partners, such as Festo and InterContinental Hotels Group.

Training programmes cover a range of skills required in the manufacturing, agriculture, services, engineering and construction sectors. The education background for the trainees is also diverse. For example, leather industry trainings target school dropouts only, whereas welding and fitting trainings have a wide range of participants, including dropouts as well as high school, higher secondary school and ITI graduates.⁵³ IL&FS Skills specifically focuses on base-of-the-pyramid groups, from those who have dropped formal education to graduates. What is common with these programmes is that they are demand-driven, conducted in cooperation with private sector partners and delivered by trainers who are trained in line with recent technologies.⁵⁴

IL&FS Skills delivers more than 10 central government-sponsored and 20 state-sponsored skill development programmes, all of which are specifically targeted for the bottom of the pyramid. For example, IL&FS Skills is among those organizations that have been given the mandate by the Ministry of Minority Affairs to implement the ‘Learn and Earn’ programme. Some 3,000 young people from the unorganized sector and from diverse religious backgrounds have received training, and the trainees could earn up to approximately three times more than the minimum wage. A similar initiative trained over 18,000 youth in the Jammu and Kashmir region on skills that lead to employment, under the Ministry of Rural Development’s Himayat scheme.⁵⁵

IL&FS Skills is also active in fulfilling the corporate social responsibility (CSR) commitments of private companies through trainings. IL&FS has worked with more than 30 corporate houses as their trusted CSR



partner to implement skill development programmes. For Tata's Uttarakhand Placement Linked Skills Development Initiative, IL&FS Skills is offering placement-driven trainings in food and beverage services, retail sales and domestic business process outsourcing (BPO). Together with GAIL, a large public natural gas company, more than 40,000 candidates have been trained in various trades through CSR funding.⁵⁶

4. Assessment and certification

IL&FS Skills conducts internal assessments of its students on a weekly basis. The assessments conducted are formative or summative in nature, and may pertain to theoretical or practical knowledge. Final assessments are undertaken by third-party external assessors, either on a national or international basis. National certification is offered by regulatory bodies such as the National Council for Vocational Training (NCVT), Government of India for vocational training at the operator/entry level, and AICTE and university certification for students enrolled in BA, BSc and BCom programmes. International recognition is given by sectoral associations and awarding bodies, such as the Scandinavian Business Academy. As a result of linkages with all prominent SSCs, certification from the company is well-recognized across the industry and is also in line with the NSQF.

5. Placement

The company works with over 1,000 industry partners to sustain its approximately 85 percent placement rate.⁵⁷ The partners cut across various industries and sectors, such as retail or tourism. Prominent partners include InterContinental Hotels & Resorts, Yum! Brands and Shoppers Stop. As placement linkages are established when the trainings are being designed, trainees gain the opportunity to obtain the skills required for the currently available jobs in the market. IL&FS Skills also provides job search support for the trainees, organizing mock interviews with the experts, for example, to facilitate their engagement with the employers.⁵⁸

6. Post-placement

IL&FS Skills continues to track its trainees after their job placement for up to one year, offering counseling support in order to help trainees overcome the challenges they face while settling into the job, such as cultural adaptation and homesickness.



Innovation

Four key innovations could be highlighted from IL&FS Skills' business model in terms of delivering employability skills to the disadvantaged in an effective and efficient manner.

A major innovation is the linking of trainings to job placement from the first step onwards. As the whole skilling value chain is designed to accommodate the human resource needs of the industry, the chance of successful trainees remaining idle after training is very low. The level of engagement on the private-sector side is also higher as they are involved in the training process from the beginning, contributing to content development, training of trainers and training delivery as per their needs.

One of the most impactful practices of IL&FS Skills is the development and utilization of interactive multimedia content and the community computer K-Yan. Leveraging technology allows reach on a considerable scale, in terms of the number of people trained, and scope, in terms of the variety of areas on which the trainings are offered. In addition, it ensures quality training delivery even if there are no available skilled trainers or master trainers.

Another key practice is the emphasis of the company on facilitating the trainees' transition to work. From the implementation of the VAK methodology to building classrooms that replicate the workplace, IL&FS Skills focuses on the work readiness of the trainees. Through trainings shaped by industry demand and know-how, trainees acquire the necessary skills for productive work.

A lack of life skills can be a critical barrier to success after placement, which is why the company has also included specific modules that complement the technical training and increase the trainees' chances of success in their career.



Source: IL&FS



Financing

IL&FS undertakes implementation of government-funded skills development schemes and training for candidates under the corporate social responsibility initiative of various corporations. It has implemented training programmes for several ministries including the Ministry of Rural Development and Ministry of Textiles.⁵⁹

The company also charges fees from trainees for the provision of skill development. This is contingent upon the trade for which the training is being provided, as candidates' willingness to pay for skill development varies accordingly, and is also dependent upon factors such as the respectability associated with the trade and prospect of overseas placement. For instance, IL&FS Skills levies fees for electrician and CNC operator courses; trainees are unwilling to pay to learn basic-level arc welding, but pay fees for higher-level welding courses.⁶⁰

Private-sector employers also furnish placement fees to IL&FS Skills (which may be calculated as a set percentage of placed candidates' salaries). This is dependent on the placed candidates staying in the firm for a stipulated period.⁶¹

Following almost four years of operations, the skilling initiative of IL&FS achieved the break-even point in 2014 and has been able to cover its operating costs. Once a training centre is established, it takes two years to break even. Hence, the establishment of new centres must be done taking the performance of existing ones into account so that cash flows from extant centres may counteract the losses from newly established centres.⁶²



Source: IL&FS



CHALLENGES AND SOLUTIONS

Challenges and solutions

As with other actors in the skills business ecosystem, IL&FS Skills encounters the challenge of absence of information on the value and significance of receiving skills training. Both youth and the public in general do not necessarily believe in the necessity of training for vocational jobs. This results in low demand for training courses and early dropouts from the courses, exacerbated by the fact that vocational careers are associated with lower status. In order to overcome this challenge, IL&FS Skills engages in effective advocacy and outreach, particularly at the rural level.

In accordance with India's vast geography, many young people face the challenge of reaching the training centers. As the trainees are dispersed across various locations, it becomes difficult to deliver trainings at a scale. It becomes a significant challenge for the trainees to overcome associated financial and time costs to be physically present at central locations. In order to overcome this challenge, IL&FS Skills has leveraged innovation and technology in terms of content development and training delivery. Technology was also tapped as a solution for the lack of skilled trainers. The results given below prove that these approaches have enabled the company to skill a considerable number of people.

Furthermore, the hub-spoke model helped increase the geographical span of the training programmes offered by IL&FS Skills. As per the local market demand, IL&FS Skills opened spokes at industrial areas and inside educational facilities as well as public institutes to provide trainings.⁶³ This has increased the reach of the organization without excessive capital expenditures.

Skills mismatch in the Indian market hampers the bridging of human resource needs of companies with the available skill sets of the labour force. Towards addressing this problem, IL&FS Skills offers training only for available jobs as the workflow begins with establishment of placement linkages. In other words, the organization reverse-engineered the employment process to develop its training offer.

Skill training does not necessarily end with placement. Companies that recruit the trained candidates should be satisfied with their performance as well as their commitment to work. Early job quits would discourage the private sector from preferring the trainees of training providers. Thus, in order to avoid rapid attrition and leaving, IL&FS Skills offer post-placement and counseling support to the trainees after they complete their programme.

Results

In the 2005-2014 period, IL&FS Skills has provided training to 1.4 million individuals.

Training linked to placement has reached 500,000 youth and achieved a placement rate of 85 percent through a network of more than 300 skills centres. Of this group, 47 percent are female, reflecting a good degree of gender balance, and 64 percent come from vulnerable populations living below the poverty line.⁶⁴ Further, 29 percent of the youth belong to the Scheduled Castes (SCs) community and 29 percent of the youth belong to Other Backward Classes (OBCs).⁶⁵

IL&FS Skills is working with more than 25 corporate companies to realize their corporate social responsibility commitments through skilling. The business model of IL&FS Skills has been featured globally by McKinsey as an example of how to deliver placement-linked skills development at scale.⁶⁶



Conclusion

IL&FS Skills has developed a prominent private sector-led training model with emphasis on market demand and industry inputs. Towards this end, the organization has tapped technology and innovation and focused on the acquisition of practical skills and on-the-job training. Activities such as aligning training content with the industry needs, equipping trainers with up-to-date market knowledge and skills and improving trainees' readiness for the workplace have ensured that the youth trained at IL&FS Skills are employable. Use of technology has also allowed the company to address the issue of employability on a much wider scale.

While the company will continue to benefit from the enabling environment for skills provision by private companies, it will also face competition by other training providers that grow within the same favorable business ecosystem. The focus of the company on quality content and placement, combined with the innovative delivery methodologies, will act as a point of differentiation and source of competence. IL&FS Skills training practices have been extended to different countries as well, and the standardized content may allow for expanding to even more geographic areas.

¹ IL&FS Skills, accessed 29 February 2016.

² IL&FS Skills, Corporate Presentation, September 2014.

³ Ibid.

⁴ IL&FS website, Background.

⁵ IL&FS Education, IETS presentation.

⁶ IL&FS Skills, "Introduction Note".

⁷ IL&FS Education, IETS presentation.

⁸ IL&FS Clusters, "Cluster Development" presentation.

⁹ IL&FS Skills website, Skill development.

¹⁰ IL&FS Case Writeshop (10 September 2014).

¹¹ IL&FS Skills, "Introduction Note".

¹² IL&FS submitted a proposal to NSDC to assist with skill development, and the IL&FS Skills Development Corporation was set up in an equity partnership. IL&FS Education owned a 73 percent stake IL&FS Skills Development Corporation and NSDC owned the remaining 27 percent. Source: IL&FS Case Writeshop, 10 September 2014.

¹³ IL&FS Case Writeshop (10 September 2014).

¹⁴ "New Solutions must for upskilling," Digital Learning.

¹⁵ IL&FS Case Writeshop (10 September 2014).

¹⁶ "New Solutions must for upskilling," Digital Learning, Vol 10.7, July 2014.

¹⁷ IL&FS Case Writeshop (10 September 2014).

¹⁸ "Our Skills Model," Skills Programmes for Inclusive Growth – SPRING, IL&FS Skills newsletter, Vol 03, Issue 06, August 2014.

¹⁹ IL&FS Skills, "Introduction Note".

²⁰ Ibid.

²¹ "Our Skills Model," IL&FS Skills newsletter.

²² IL&FS Skills, "Introduction Note".

²³ "Our Skills Model," IL&FS Skills newsletter.

²⁴ IL&FS Skills, "Introduction Note".

²⁵ "Our Skills Model," IL&FS Skills newsletter.

²⁶ IL&FS Skills, "Introduction Note".

²⁷ Ibid.

²⁸ "Our Skills Model," IL&FS Skills newsletter.



- ²⁹ IL&FS Case Writeshop (10 September 2014).
³⁰ IL&FS Skills, "Introduction Note oration," August 2014.
³¹ IL&FS Case Writeshop. 10 September 2014.
³² IL&FS Case Writeshop. 10 September 2014.
³³ IL&FS Skills, "Introduction Note".
³⁴ IL&FS Case Writeshop (10 September 2014).
³⁵ "K Class", accessed 7 September 2014.
³⁶ IL&FS Case Writeshop (10 September 2014).
³⁷ Choudhury 2013.
³⁸ IL&FS Skills, "Introduction Note".
³⁹ IL&FS Case Writeshop (10 September 2014).
⁴⁰ Ibid.
⁴¹ ADDIE Model, Training Industry.
⁴² IL&FS Case Writeshop (10 September 2014).
⁴³ Ibid.
⁴⁴ Ibid.
⁴⁵ Ibid.
⁴⁶ IL&FS Skills, "Introduction Note".
⁴⁷ IL&FS Case Writeshop (10 September 2014).
⁴⁸ IL&FS Skills, "Skills and livelihood interventions," presentation.
⁴⁹ IL&FS Case Writeshop (10 September 2014).
⁵⁰ IL&FS Skills, UNDP workshop presentation.
⁵¹ IL&FS Case Writeshop (10 September 2014).
⁵² IL&FS Skills, "Skills & Jobs," presentation.
⁵³ Education Insider.
⁵⁴ IL&FS Skills, "Skills & Jobs," presentation.
⁵⁵ "Our Skills Model," IL&FS Skills newsletter, Vol 03, Issue 06, August 2014.
⁵⁶ Ibid.
⁵⁷ IL&FS Skills, "Skills & Jobs," presentation.
⁵⁸ IL&FS Case Writeshop (10 September 2014).
⁵⁹ Ibid.
⁶⁰ Ibid.
⁶¹ Ibid.
⁶² Ibid.
⁶³ IL&FS Skills, "Skills & Jobs," presentation.
⁶⁴ Ibid.
⁶⁵ "Our Skills Model," IL&FS Skills newsletter.
⁶⁶ "Education to Employment", McKinsey Center for Government.

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