

# Role of Skill Development in Business Management

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**Abstract:** *Skill development is an essential component of growth. Skilled persons are the valuable human resources, which leads the organisation on the path of progress. Skill is the powerful force of economic and social growth of the country. Skill development is necessary to cope with any type of challenge. Skilled manpower is the lifeblood of any business organization. In India, there is a requirement of people in millions in business sector. The various training methods mentioned in these paper can be used to develop the skills in these people so that they can contribute their best in the growth of a business organization.*

**Keywords:** Skill Development, Business Management, Skill Development Methods, National Skill Development Mission

## I. INTRODUCTION

Skill development is an essential component of growth. Skilled persons are the valuable human resources, which leads the organisation on the path of progress. Skill is the powerful force of economic and social growth of the country. Skill development is necessary to cope with any type of challenge. Skill development includes identifying the skill gaps first and developing theoretical and practical knowledge to fill the same by any strategic measure.

The process of skill development requires the provision of training and education in the systematic manner. Human resources are the valuable resources of any organisation. A well-conceived and effective skill development programme should be prepared so that every aspect of efficiency can be improved.

## II. RESEARCH METHODOLOGY

This main objective of this paper is to highlight the importance of skill development in the context of business management. This study is based on various published and online sources and covers the skill development perspective and methods for any skill training programme. Secondary data have been used as the main sources from which necessary information have been collected for the purpose.

## III. BUSINESS MANAGEMENT THROUGH SKILL DEVELOPMENT

Skill development plays very important in business management. Skill development enables the managers and workers to learn new aspects of doing the things. Following points emphasizes the importance of skill development:

1. **Change in Technology:** Today's environment is changing rapidly. In the changing scenario, a stereotyping way of working cannot be a fruitful practice. People should be well versed about the trends of new technology.
2. **Modern Management:** The modern way of management requires a strategic way of thinking and working. A skilled person can manage all the things in the efficient manner in this dynamic setup.
3. **Learning is Never Ending:** Nobody can be perfect in any area of life. Everybody needs learning and training so that he can perform without any hesitation and obstruction. The bound with the new technology, advanced education, research and training helps the individual to compete in modern environment.
4. **Institutional and Social Changes:** Our society perceives different changes related with various practices. Organisations and people are the important part of society. Acquiring the knowledge of new techniques and practices helps the managers and workers to be acquainted in society and organisation.
5. **Social Responsibility:** Change in the technology and social set up makes the people more aspirants towards social obligations by the organisations, government and individuals. The fulfillment of these obligations requires more efficient and skilled people.
6. **It Improves Performance:** New methods of working enable the people to be efficient and capable. Increase in efficiency is the base of quality of working.

7. **It Decreases Employee Dropouts:** In today's environment, the employee dropout is the big problem that can be abolished through skill development. It enables the individuals to be adaptive in the changing scenario of modern world.
8. **Economic Development:** Skilled people of any country are the valuable resources that lead to the development of economy. In India where more than 65 percent people are young, the skill development can play effective role in improving the economic position.
9. **Personal Development:** Acquiring the knowledge and experience of doing the things is the best source of personal growth. New technology and practices improves the functioning of people tremendously.

There is great need of coordination and cooperation of entire staff for the successful business organisation. Various persons are engaged in the business firm who perform various activities as per their expertise and skill. These people possess various positions in the organisation for which they are responsible. The sense of responsibility makes them accountable at organisational level. All the persons in the organisation perform their duty as per their position. As per the India Skills report 2015, in the country **only 37.22% of surveyed people were found employable** in which 34.26% are found among males and 37.88% are found among females.

According to the data released by the Periodic Labour Force Survey, 2019-20, 86.1% of the people who have the age between 15 and 59 years had not received any vocational training. The remaining 13.9% people had received training through diverse formal and informal channels. Following table depicts the incremental human resource requirements in various sectors:

**Table 1:** Break-Up Of Incremental Human Resource Requirements Across 24 Sectors (Estimates In Millions)

Sl. No.	Sector	Human Resource Requirement Estimates		Incremental Human Resource Requirements
		2017	2022	(2017-2022)
1	Agriculture	229	215.5	-13.5
2	Building Construction & Real Estate	60.4	91	30.6
3	Retail	45.3	56	10.7
4	Logistics, Transportation & Warehousing	23	31.2	8.2
5	Textile & Clothing	18.3	25	6.7
6	Education & Skill Development	14.8	18.1	3.3
7	Handloom & Handicraft	14.1	18.8	4.7
8	Auto & Auto Components	12.8	15	2.2
9	Construction Material & Building Hardware	9.7	12.4	2.7
10	Private Security Services	8.9	12	3.1
11	Food Processing	8.8	11.6	2.
12	Tourism, Hospitality & Travel	9.7	14.6	4.9
13	Domestic Help	7.8	11.1	3.3
14	Gems & Jewellery	6.1	9.4	3.3
15	Electronics & IT Hardware	7.4	15.6	8.2
16	Beauty and Wellness	7.4	15.6	8.2
17	Furniture & Furnishing	6.5	12.2	5.7
18	Healthcare	4.6	7.4	2.8
19	Leather & Leather Goods	4.4	7.1	2.7
20	IT & ITeS	3.8	5.3	1.5
21	Banking, Financial Services & Insurance	3.2	4.4	1.2
22	Telecommunication	2.9	5.7	2.8
23	Pharmaceuticals	2.6	4	1.4
24	Media and Entertainment	0.7	1.3	0.6
	Total	510.8	614.2	103.4

Source: Annual Report 2021-22, Ministry of Skill development and Entrepreneurship

Following are the main methods of skill development which should be considered while designing the curriculum:

**Transactional Analysis (TA):** Transactional analysis was developed by a psychotherapist **Dr. Eric Berne** in 1950. This model is related to the personality and dynamics of individual which helps in understanding of behaviour. This analysis makes the study of interactions between individuals. The interaction between individuals results into social interaction. During the communication between two persons, one person starts a transaction as the result of which another person also responds with transaction. This analysis is used to identify the ego of both the persons during the interaction. **Dr. Eric Berne** identified three types of egos in this analysis namely Parent ego, Adult ego and Child ego. The crossed transactions related to egos are used to identify the different types of responses from people. This model is helpful to improve the individualistic interactions, verbal and non-verbal communication and understanding of self.

**Simulations:** This method is based on various simulations that persuade the individuals for learning.

According to **Fink**, "Simulation is the controlled representation of reality."

According to **Tansey**, "Simulation is the all-inclusive term which contains those activities which produce artificial environments or which provide artificial experiences for the participants in the activity. It is reproduction of the reality."

In this method, the actual like working conditions are created so that individual can understand the working and can perceive the experience of specified job or work. This type of true-to-life environment develops the practical skills of individual. It provides a challenging and authentic environment to learners. Individual can perform his work with the retention and integration after learning through this method. This method is helpful for those people who lack creativity. Real world situation of the problem provides an interactive experience to individuals which can create an inventive confident among trainees. This method includes three basic techniques as follows:

**(i). In-Basket Technique:** This method is used to develop the skills of individuals by presenting an easy version of real situation. In this method, a basket containing documents, reports and notes etc is provided to the trainee and he is asked to present a solution to the given problem by his analysis. He uses the material of basket as the manager. The senior fellow evaluates the analysis given by the trainee. This method is helpful for developing the decision-making skill, situational analysis and cognitive ability.

**(ii). Case Study:** Under this method, a case study pertaining to real life condition is given to the trainee. The trainee discusses the case and presents his solution by analytical thinking. In this method, more than one ways of solution are available to the individual. Spontaneous judgment is discouraged in this method. Case study should be prepared with great care so that it can be made effective. This method is useful for developing the problem solving aptitude in individuals.

**(iii). Management Games:** This method is concerned with the classroom workout. A problem related to actual situation is presented to trainees for finding out the suitable solutions. This method is used mainly for executive development programmes. This method removes the uncertainty in decision making by developing the experience of given task.

**Role Playing:** It is active learning method of skill development. In this method, the individual is assigned a role to play as like the real life situation. It facilitates learning through acting. A set of oral or written instructions is given to the role players with the clarity of role to play. This method is used generally for developing involvement with the issue. This method creates the capability of individual to perform in the particular situation. The role player can learn and develop his competences for a specific job easily. Role playing method is mainly used for developing the leadership skills.

**Merits:** Following are the main merits of role playing method:

1. It build confidence among trainees.
2. It changes the attitude and behaviour in the required manner.
3. It creates self-awareness.
4. It provides a concrete solution to the problem.
5. It improves communication and language proficiency.

**Demerits:** this method has following demerits:

1. Role-playing is not an easy task for everyone.

2. Selection of role-play for the particular situation is a difficult task.
3. It takes a lot of time.
4. Sometimes the individuals feel the task of role-playing as an uncomfortable situation.
5. The creation of real life situation for a typical event is not so easy.

**Critical Incident Technique (CIT):** This method is used to collect direct observations of people in the critical incident. It is performance appraisal tool and is closely related to the behaviour of an individual. A set of procedures is used to collect data for the analysis. The main objective of this method is to measure the individual's performance related to key performance.

**Demonstration:** Under this method, the training is provided to individuals by commutating an idea through audio and video aids. This method is basically a teaching method. The demonstrations are presented in the process of various steps. In this method, a proper coordination between the visuals equipment and the contents is essential.

In our country, more than 12 million youths are joining working people every year. To make this population employable, the young people need to be trained in necessary skills. We can categories the skill development programme into two parts namely educational training and vocational training. In India, youth need training for skill development for the overall growth. World Trade Organisation has emphasized that skill development in India can increase the GDP up to 3 to 5 percent in 2035. Government of India has set up the **Ministry of Skill Development and Entrepreneurship** in 2014 to coordinate various skill development programmes in the country. Government has implemented following main skill development programme for the people under **National Skill Development Mission**.

#### IV. CONCLUSION

Skill development is the basic requirement of any business organization. Skilled people can attain the optimum level of efficiency with their improved working. In India, millions of people are required to operate business operations. These people should be trained in every aspect of their working. The various training methods mentioned above can be used to develop the skills in these people so that they can contribute their best in the growth of a business organization.

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#### BIOGRAPHY



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