Oh, Calcutta!

By Stacey Wagner

In the Western world, the market economy drives business competitiveness. But in some countries, closed economies have allowed businesses and their workers to become complacent. Now that more nations have adopted the free-market system, their resident companies must rethink how they do business, and employ the kinds of people who can sustain a high-performance workplace.

Sheltered for decades, the Indian economy began a liberalization process in 1991. The Indian marketplace was opened to imports and foreign investment, and local businesses suddenly faced increased competition and new technology. The old ways of working became obsolete, and the search for a competitive edge was underway.

India is well known for its highly skilled professionals. However, the country's historical seclusion allowed its business competitiveness to atrophy. Strategies are now being developed to improve workplace performance and upgrade employees' skills.

Earlier this year, I had the opportunity to question seven Indian professionals about training and development in India, environmental factors shaping skill needs, current skill gaps, and how Indian trainers are working to close those gaps. Some of the professionals I contacted work inside large organizations and some are consultants. Between them, they have an average of 10 and one-half years of experience. All of them agree that HR has become increasingly more important during the past few years to their employers and clients.

The new awareness that human capital is vital to an organization's performance has changed the way training and development in India is conducted. Once used only for hard skills (technical or functional skills such as engineering and finance), the HRD function is now taking responsibility for a host of organizational performance needs. And those needs are pressing.

Our experts identified three main areas in which skill gaps are dire: technology, soft skills, and the changing nature of business in general. Those gaps are being addressed by an enormous effort on the part of firms to provide the knowledge, skills, and attitudes training needed to facilitate the creation of learning organizations. Says K. Jayshankar, managing director of an Indian consulting firm, "The paradigms of Indian business have changed. The process of learning has begun in a very large number of companies." Skill gaps are being addressed in these broad arenas:

Management development training. The HRD professionals I spoke with said that management development is one of the highest priorities for developing their organizations' human resources. Indian organizations, like other organizations around the world, are changing quickly to meet customer demands

> The new awareness that human capital is vital to an organization's performance has changed the way training and development is conducted.

for quality, exemplary service, variety, and low cost. The companies need managers who can make the transition quickly from technical positions to managerial ones. Soft skills, such as communication, are becoming more important as technical workers rise to new responsibilities managing products, processes, and people.

Training linked to business goals. For businesses to be competitive, training should be linked directly to organizational strategies for productivity and growth. The days are over of training for training's sake or providing training as a generic solution to workplace problems. Now training is focused, targeted, and expected to bring results, which creates another strategic priority—developing evaluation systems for training.

Senior executives in India are calling on trainers to help them understand how an investment in human capital will reap business rewards. As the training and HRD functions become more integrated with business strategy and organizational performance, executives expect to see a return on their training investment.

Teamwork training. The third strategic priority in India is the creation and implementation of work teams. As organizational hierarchies flatten, the use of work teams increases. To make the best use of all employees' skills and to increase productivity, Indian organizations have begun to train employees in the techniques of teamwork and to teach cross-functional skills.

Other high-ranking priorities for developing human resources in India are the recruitment and retention of workers. Hiring the right people and keeping talented employees are key to organizational performance. Nowadays, everyone understands that it is an organization's intellectual capital that creates and supports its competitive position.

Indian employees also know that training and development provide opportunities to increase their value to an organization and to support their career objectives and goals. Workers in India are pleased that training and development are being offered to them more than in the past, says HR manager Udayakumar Menon. It is definitely seen as an employee benefit, he says.

Training professionals in India use a variety of resources to meet their training needs. In-house training programs, on-the-job training, coaching and mentoring, and outside providers such as training institutes, workshops, seminars, and universities are all part of the menu. Trainers also use technology to the extent that it's available, including CBT, videos, multimedia, and distance learning.

It's an exciting time in India right now. The world is opening up, and business is booming. Indian HR managers and training professionals have their work cut out for them, as they marshal their resources to create the Indian workforce of the future. It's quite a challenge, but one they are sure to conquer.

Stacey Wagner *is team leader of ASTD's Benchmarking Forum, 703.838. 5840; swagner@astd.org.*