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The Search For Skills

China might be the world's most populous nation, but it's short of skilled people in the services sector. Building the pool will be the nation's biggest challenge

THE 21ST CENTURY is often referred to as the 'century of the mind', when growth will be driven by manpower, not machines. Both India and China have a surplus of manpower, while the developed world, due to its ageing population, is staring at a shortage—a recent report puts that deficit at 40 million people by 2020. These countries will have no choice but to look East. China and India have a surplus, but a large percentage of which is unskilled.



India entered this century riding the offshoring boom. Most developing countries, including China, are trying to emulate India's IT-ITeS model. As a result, there is a growing demand for IT-ITeS skills in China. Looking at China's goals in IT outsourcing alone, the need is to create about five million software engineers by 2015.

In order to create a more balanced and robust economy, the services sector in China will have to make a larger contribution to its GDP than the current 30%. Gradually, the Chinese economy will have to move to a model of consumption-led growth, as opposed to being driven by exports and FDI. Sectors like IT-ITeS, BPO, healthcare, retail, banking and financial services are set to see massive growth in China, but where will the skilled manpower needed come from? China is likely to witness a huge shortage of skills in the next five to 10 years.

Learning Curve

But a large chunk of unskilled, unemployable populace can be converted to skilled manpower through innovations in education. NIIT ventured into China in 1997, through an association with the Municipal Education Arm of Pudong. A decade ago, it was not easy for an Indian company to enter its vast education market. That the Chinese government was aware of our credentials helped.

In the first three years, NIIT focused on marketing its courses, and on recruiting, training and updating its faculty. We focused on building the NIIT brand, and gaining the mindshare of the student community, the Chinese IT industry and the government. These were challenging times. Our China team had to grapple with issues such as language and cultural differences. Our early start in China also helped us build a rapport with the Chinese government.

NIIT's endeavour was to embed our curriculum and training methodology across China's higher education institutions, a task we accomplished through our 'NIIT Inside' model. Today, NIIT offers high-quality IT courses through this model in 129 universities and colleges, and niche ones like a gaming course. Students in China hope to find employment on completion of an NIIT programme, which is enabled by our collaboration with both Indian and multinational IT companies in China for placements.

Education in China needs to become more market-driven. There is a need to introduce methodologies that increase

learning effectiveness and encourage the mind to innovate. The Chinese government will have to encourage private education. China also needs hybrid education delivery methods, which include instructor-led delivery, e-learning and synchronous learning platforms. As an immediate measure, 'finishing schools', which make students more industry ready, will need to be introduced in the last term in universities.

TOP VIEW:
China needs its services sector to grow more

Prakash Menon has lived and worked in China since 1997