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Capability building for business scale

Today, companies are moving aggressively towards outsourcing training, skilling and capability building

OPINION

India is still considered to be the fastest growing economy among the major economies in the world and its continued rapid growth will be largely predicated on the ambition and passion of Indian business leaders. One of the main ingredients for organizations to succeed is to be more bold and ambitious, which will enable them to secure greater advantage in the market.

Strategically, when planning for growth, manpower is invariably a key ingredient in driving and supporting the growth. However, there needs to be a positive outlook towards forward planning and bold decision making on training, upskilling manpower and continuously building capability. In the services sector, particularly the IT, ITES, Banking, Telecom and Retail sectors, we find that the larger companies are moving aggressively and engaging with partners like NIIT for training, skilling and capability building.

Organizations today are dealing with two main problems — on one hand, organizations have to deal with rapid growth which involves large additions to human capital at the bottom of the pyramid (entry-level), and setting up reliable supply chains for greater access to such manpower. The main challenge here is to execute this at a consistent speed, quality, cost & efficiency that is required along with maintaining the organizational culture. On the other hand, the organizations face the task of building a strong internal management capability to be able to absorb, engage and integrate new talent in the organizational culture, make them productive and then to ensure continuous improvement of performance, outcomes & productivity through continuous reskilling/upskilling.

Competence and performance are the key differentiators for any organization. Companies in India are competing both domestically and internationally today. Therefore, there is a need for organizations to strategize and plan for the current workforce to avoid unprecedented situations, by skilling and upskilling efforts organized under a long term strategic program.

To be able to overcome such challenges, training departments need to move towards becoming true centres of excellence, strategic and closer to the business. IT can be considered to be an example here. It was seen as a support function, focused internally, but gradually it moved to become a more strategic enabler of businesses, which happened in the process of segregating the demand IT (strategic and close to

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the business needs and program management) and the supply IT (management, execution, support and maintenance). Such a segregation enabled organizations to outsource the supply IT and focus only on the demand IT. Similarly, internal training organizations need to focus on understanding business needs and outcomes expected from individuals and teams, and building a learning strategy to support that. To enable this, the training COEs can be staffed by professionals from the business units themselves who understand the training requirements and have a strong program management capability to function along the other teams. And then work with best of breed partners to get training supply delivered to meet the business demands.

Today, companies are focusing more on their core competencies and are outsourcing their other operations such as training, which has significantly enabled companies to deal with challenges pertaining to human capital. For example, NIIT offers 'Source Train Hire' solutions which encompass all aspects involved in on-boarding employees such as recruiting, hiring, orientation, training and long-term integration. These solutions bring the new hires 'into the tribe' while preparing them to be productive, billable resources. When analyzing the performance of 'Source Train Hire', NIIT considers the full lifecycle of the freshers, from the time they join to when they become routinely billable and productive resources.

However, decisions pertaining to outsourcing are usually not based on the scale and reach that the training execution will require, or the access to best-in-class technology and practices. The trigger will always be competition and the ability of businesses to respond to the market changes and conditions at the speed required.

In the case of Indian businesses, when leveraging the power of outsourcing, there is minimum cost arbitrage to start with, but the value addition outsourcing can provide in terms of flexibility, scale, access to experts, quality and consistency of training delivery is big. One of the main drivers of value for learning organizations is the access to technology especially when scaling in terms of numbers, reach, consistency and quality of the output. Technology enables companies to create scenarios, gamify learning and provide continuous upskilling interventions to create an on-going learning effort which class-room training cannot provide. Of course, technology requires an up-front investment but progressive organizations see its value in terms of the ROI it generates.

Today, companies are also realizing that they cannot build such capabilities themselves and it is best to partner with organizations that already have such capabilities. For example, at NIIT, programs like the Critical Mistake Analysis (CMA) methodology (NIIT proprietary), a quality improvement methodology, is based on identifying



Outsourcing can provide value addition in terms of flexibility, scale, access to experts, quality and consistency of training delivery

the most common and costly mistakes made by novices deploying target skills, performing a root-cause analysis to determine the underlying causes of these mistakes, and prioritizing training targets based on the business value of the potential improvement that can be made by addressing each. It has enabled many organizations to measure results, improve time efficiency and generate profitability, which cannot be executed internally by the organizations.

Such programs are effective as they guarantee performance improvement of the training programs. At NIIT, the focus is to see training as a business enabler which means that there is a need to demonstrate outcomes. 🟡

(As told by Rahul Keshav Patwardhan (Pat), CEO, NIIT Limited)