

PLANNED GLOBAL MIGRATION & BI FOCAL MODEL

A SOLUTION TO INDIA'S SKILL
DEMAND CHALLENGES



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ABOUT THE PAPER

In the global scenario of widening gap of skilled talent in their respective economies, it is the responsibility of the economy to bridge this gap by providing opportunities for the available talent who are dispersed across boundaries. This will enable to bridge the talent gap, shrink the employability disparities and benefit the economies in manpower quality, financial revenues from their non-resident nationals.

Many countries including India will produce more people than we can employ locally. We have to export manpower. This white paper shares an innovative model – planned global migration model - for achieving this. The planned migration model will enable the “source” countries to place their manpower in the “destination” country. The model proposes to migrate a set of trained, experienced and globally certified manpower from source companies and replace the created gap from the employable and skilled youth entering the workforce. This enables the “source” country to create employment within and outside its own boundaries.



Introduction

Talent gap in developing economies is contributed by wage inequality and unavailability of trained talent. Considering the last four decades of the fourth industrial revolution, the structural barriers in the economy, such as limited access to education and opportunity and the transition from conventional jobs to more modern and highly technical jobs are preventing people from qualifying for the required skill. During this same time period, the pay gap between the highest and lowest paid has widened.

It is the responsibility of both developing and advanced economies to find ways not only to produce high-skilled workers but also to create more jobs for the semi and unskilled workers. Solutions include moving up the value chain in developing economies (food processing creates more employment than growing export crops, for example) and finding opportunities for workers without a college education to participate in fast-growing fields such as health care and

home-based personal services—in advanced economies.

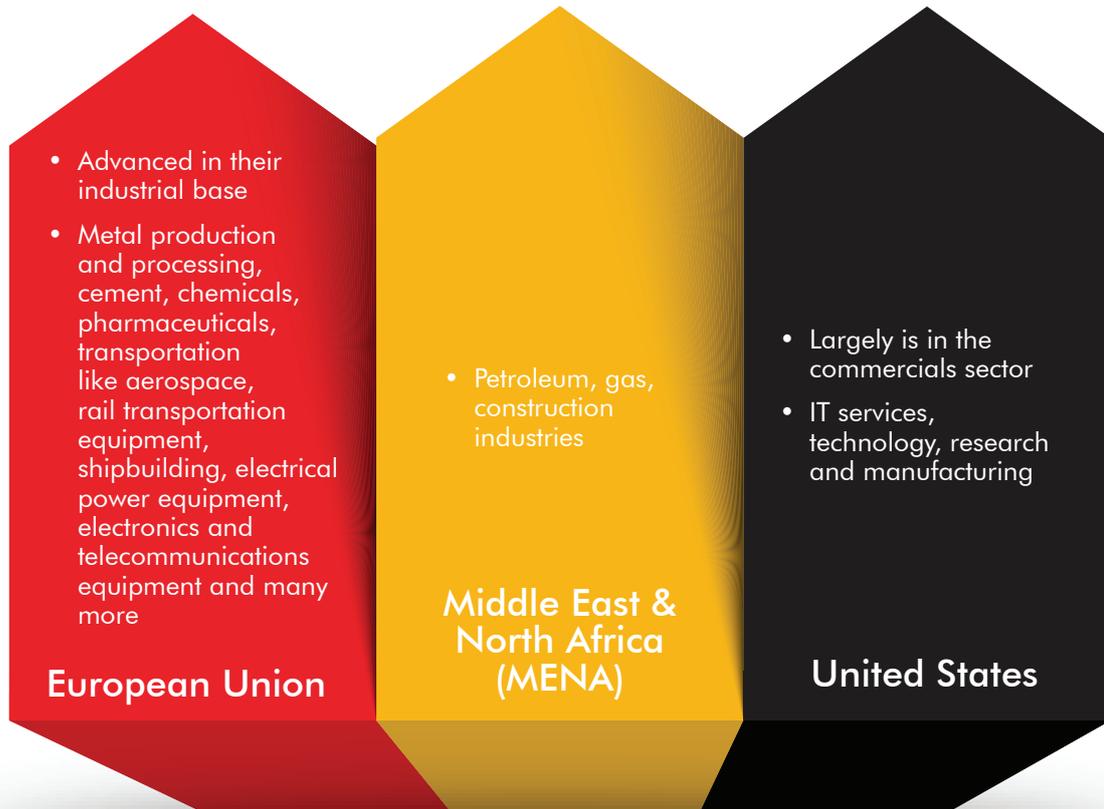
Governments and Businesses in all the economies must build strategies for hiring, retaining, and training all types of workers who will give them competitive advantage. Businesses will also need to significantly step up their activities in shaping public education and training systems in order to build pipelines of workers with the right skills for the 21st-century global economy. Employers have an interest in resolving this gap, and as a result, we may see more employers invest in training to upskill more of their labour base in the coming years.

The aim of the white paper is to understand how to address these global talent shortages, mass unemployment and growing inequality—reskilling and upskilling of today's workers due to the advanced technological changes.

Global Semi & Un-Skill Demand – An Engineering Outlook

India produces as many as 10 lakh engineers a year. There is indeed a real concern about employability because of the large number of engineering graduates that India produces every year, outdated curriculum, poor teaching infrastructure and shortage of good faculty, particularly in institutes lower down the order.

The CIA cites that the



Migrations across Nations

During the peak of the financial crisis, there was a decline in migration to advanced economies. With the global economy in a slump and fewer jobs available, people were less willing to uproot themselves for work.

Today however, the worst of the recession is behind us and people are once again crossing borders in pursuit of opportunity. This is great news for employers in areas where local supply of talent isn't meeting demand—drawing in skilled candidates from abroad can help address gaps

For example, In the United States, highly skilled foreign-born workers make up a huge proportion of the total science and technology labour force: over a quarter of science and engineering doctorate holders; around half the doctorate holders in computer science, electrical engineering, and industrial and civil engineering; and a fifth of all degree holders in engineering, computer science, chemistry and physics

Indian Migration Outlook

The China Story – Inward & Voluntary Migration to India

- The Chinese workers in labor-surplus India prompted an outcry last year, and India clamped down by making visa rules stricter. About 25,000 workers had to leave dozens of projects midway and return to China because they were on business visas and not worker visas. Construction at 14 power plants was affected.
- “We have no problems if . . . Chinese workers skilled in specialized functions come to India. We just don’t want them to displace Indian workers by doing the jobs that Indians can do,” said G. K. Pillai, India’s home secretary, who said there are a little over 15,000 Chinese laborers in India now.

Highly Skilled Indian - Migration to the US Story

India’s success in the IT industry is due to TCS or Tata Consulting Services which operated as an ISA for IT roles - called “body shopping” in addition to providing off-shore services. After TCS companies like Infosys, Wipro, Satyam, HCL mastered the art of providing “onsite” support - another term for short term migration for work.

- Indian immigration began in the mid-19th century, with more than two thousand Indians living in the United States, primarily on the West Coast, by the end of the century
- As of 2013, more than 2 million Indian-born immigrants resided in the United States, accounting for 4.7 percent of the 41.3 million foreign-born population
- H-1Bs issued to people born in India - 2016 126,692 (68%) out of 1,85,000 Fresh/Reissued/Extended Visas

- Challenges
 - Indian community highly visible
 - Low salary arrangement
 - Backlash from Trump administration

Semi & Un-Skilled Indian - Migration to Saudi Arabia Story

- Indians in Saudi Arabia (3 million in 2015) are the largest community of expatriates in Saudi Arabia.
- India and Saudi Arabia signed an agreement to manage and organize the recruitment of domestic workers in January 2014. Between January 2014 and April 2016, 500,000 Indians moved to Saudi Arabia for employment
- The agreement (short-term – typically two years) includes a provision which stipulates that sponsors must pay a guarantee of US \$2,500 for each Indian worker they recruit
- Challenges
 - Lack of regulation of smaller employers and ill-treatment of workforce
 - Illegal overstay
 - Remittance to home country and less spend in the receiving country

Challenges in Migration

Current migrants for work face many issues - unscrupulous recruitment agencies, nonimplementation of legal rights by employers and local administration at the destination.

In fact the migrant is left alone in a foreign country to fend for himself/herself and fight the odds.

This has resulted in the huge implementation deficit in implementation of the various UN and multi-lateral forum agreements

Root cause of the problem - Why is implementation weak?

Implementing skill migration in the “destination” countries is quite weak due to economical, racial and cultural issues in the countries. Individual and job security are primary causes of concern for both the “source” and “destination” countries. Following are some of the key reasons on why skill migration is weak

- Employer and destination country administration cannot be confronted for promises broken because it is an individual against the system and the risks of complaint are too high
- The “source” country is economically and militarily weak with very limited negotiating position vis-a-vis the “destination” country

Many source countries have created government organisations (not PPP Entity) to source and even train work force prior to departure. They even provide consular support in the “destination” country

Unfortunately this is not working because of two reasons

- Government cannot operate like a private enterprise.
- The role ends when a migrant lands in the “destination” country and critical support system during the migrant tenure is absent.

Building Blocks of Solution

- Legalities & Statutory Compliances

The migration has to be a legal pathway and compliant to the statutory needs of the “destination” country so as to not create a legal issues for the migrant. It must be “accountable” to the migrant for a “safe” migration in terms of no issues of invalid visa, work permits, place of stay arrangement. The “source country” must have part control to ensure the interests of the migrant and “source” country are protected primarily in the safety of the migrant. It has to be part of a governmental architecture because it must be scalable. The “source” country government must provide grants, equity, soft

loans and provide logistics support to set up a supply chain for sourcing and assessing talent.

- Competencies

The “Source” country must ensure that the migrants entering the “destination” country are competent as per the demands of the nature of work. This means training the migrant on various mandatory skill sets/ certifications that the work demands in the “destination” country. The training may include technical, language, cultural and behavioural skills that will be required to sustain and work in the “destination” country -

Solution

The solution is developed based on the building blocks of solutions through International Staffing Agencies which are to be set up and run by the government of the “source” country and also a representative in the respective “destination” countries.

Every source country should promote a large PPP based “International Staffing Agency (ISA)” with 49% state investment with board presence. This ISA will set up TEMP STAFFING operations in various “destination” countries. ISA will sign manpower supply contracts with various employers

and will sign MOUs with the “destination” country for compliance to local laws. ISA will hire migrants on “TERM” contracts ranging from 1 year. This contract will set the accountabilities of the ISA for the safety, healthcare, migration support, compliance training, language training, migration compliance and will be the SINGLE entity from orderly entry till the orderly exit of the migrant.

The ISA will handle the 2 most critical activities in the “source” and “destination” countries.

o Marketing

The ISA will be run by the PPP partner like a private entity with adequate marketing and operating freedom. ISA will focus on a few trades and roles where the migrant will have a competitive edge and focus on a few “destination” countries where these trades are in demand and where the employer is willing to pay ethical wage. The ISA will identify the companies in which migrants can be placed from the “source” country.

o Skill Development

ISA will have tie ups with companies in the “source” country to train migrants on the skills as required by the “destination” countries. ISA will also provide other global certifications (like language, technical skills, statutory requirements) as per the “destination” country

Planned Migration Model

The planned migration model will enable the “source” countries to place their manpower in

the “destination” country. The model proposes to migrate a set of trained manpower from

source companies and replace the created gap from the employable youth graduating every year from the market. This enables the “source” country to create employment within and outside its own boundaries.



Benefits for India

The Planned phased migration model will put India in the global skilling map by contributing to different kinds of talent. The benefits from this model are:

- Increase the country’s revenue through foreign employment
- Quality of its talent to be able to deliver on a global platform
- The salary band in the source companies for a particular vintage remains constant providing a better talent attraction to its employable youth passing out every year

Conclusion

The BI focus model of planned migration of talent to various countries will open opportunities for employment for the millions of graduates passing out every year. The various levels of work will ensure there are equal opportunities across the highly skilled, semi-skilled and un-skilled talent in India

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T. Muralidharan, TMI Group Chairman

T. Muralidharan is a Chemical Engineer from IIT, Madras, and an MBA from IIM, Ahmedabad. He set up TMI in 1991 and developed it into India's leading integrated HR Solutions Provider. His main area of work is Career Planning, and he is involved in senior level recruitment of professionals in leading industrial houses of India and MNCs. He has conceptualized various product and service offerings from TMI Group and led them to successful launch and roll out.



T. Sreedhar, Managing Director, TMI Network

T. Sreedhar is a Mechanical Engineer and an MBA. He started his career with Castrol India (now known as BP), later moved to Johnson & Johnson as the Regional Sales Manager, before joining TMI Network in 1994. Over the years, he has been involved in Talent Consulting, providing customer-centric solutions to both IT and non-IT Sectors. In the process, he has interacted with about 20,000 professionals and assisted them in making right career choices, many of whom today act as Brand Ambassadors of the Group.



B. Ravi Ramakrishnan, MD of C&K Management Ltd.

B. Ravi Ramakrishnan is a Chemical Engineer from the Indian Institute of Technology, Banaras Hindu University and an MBA from IIM, Calcutta. He comes with a strong Sales & Marketing experience of both — mass-distributed consumer products/ services and niche industrial and specialty chemicals. Since early times, he was IT-savvy and set up a pioneering IT network linking NOCIL's multiple marketing offices and manufacturing locations across India. Later on, he provided Business Consulting support to the Padmini Group in Bangalore (with interests in consumer products and chemicals) to set up a National Sales & Distribution network that helped build their brands.

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