



Lessons learned from implementing a qualitative labour market analysis in India

The India-EU Skills Development Project

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1. Summary of lessons learned

This report has been drafted to share the lessons that have emerged through the implementation of a qualitative labour market analysis (LMA) for the automotive sector in Maharashtra. It has been written in addition to the LMA Report and should be read in conjunction with that. The intention of sharing these lessons is to highlight positive and practical learning that can be taken forward in any similar exercises, rather than criticising past activities.

The following is a summary of the lessons learned. More details and explanations can be found in the different sections below:

- Within the current policy agenda in India of having to skill large numbers of people, the purpose of implementing a **qualitative and evidence based labour market analysis** seems out of place because stakeholders seem more focused on large numbers and quick results rather than focusing on the qualitative aspects of skills development. Nonetheless, the findings from the investigation confirm that a qualitative LMA provides different and complementary results and recommendations to the on-going more quantitative approaches.
- The **roles of the project (or any outside consultant) and the involved stakeholders** in implementing the LMA must be precisely defined. SSCs in particular need to make a firm commitment to these, in terms of time, staff, information and networks, and continuously involve themselves to improve knowledge and build their own capacity. The role of an outside agent has to be limited to supporting the SSC, rather than taking the lead in design, implementation and analysis of sector specific labour market analysis.
- The **design of any LMA** requires more time and effort spent on agreeing on objectives which are realistic and linked to achievable results. This means that stakeholder expectations need to be brought in line with what is feasible with the available resources.
- The method of using **random sampling of companies** is only feasible if there is an up-to-date database of employers made available to the survey team, preferably including contact details of human resource development and training managers.
- The **questionnaire** as the main analysis tool for a qualitative LMA, cannot be standardised for all sectors and has to be adjusted to the specific purpose and objectives. It has to address the different features of the organised and unorganised sectors. This might include having separate questions for selected aspects.
- The implementation of the survey benefits from well briefed **interviewers** who understand the context and the technical area to be investigated. It was an advantage and a “door opener” to have interviewers with an existing network of automotive companies in Maharashtra.
- The implementation of a LMA requires appropriate and on-going **administrative and management support**. In particular the arrangement of interviews with companies located in different parts of a state requires strong administrative support.

- **Secondary information** on sector skills development is minimal and scattered, at least for the automotive sector. SSCs need to create a network to existing research institutions and other organisations providing data and information related to skills development, in the different states and nationally.

2. Introduction and purpose of the report

The India-EU Skills Development Project is meant to support key stakeholders in implementing selected aspects of the Indian skills development policy (2009). One component of the Project was to improve LMA systems at the national as well as the state/industrial cluster level. The intention was to build on what has already been achieved, to identify gaps, and to support improvement.

More specifically, in regards to labour market information at the state/cluster level it was planned to pilot new or amended methods of implementing sector LMA, drawing on resources allocated by SSCs. These sector LMA were meant to report on specific aspects of the labour market so that this information can be used for addressing particular labour market constraints, including developing new and amending existing skills development programmes. The first of these LMAs has now been implemented with the automotive skills development council (ASDC) in the state of Maharashtra.

As the methodologies and tools of conducting qualitative labour demand analysis are relatively new to India and have not yet been tested, the pilot implementation is also meant to identify constraints and limitations with the implementation of LMA. In this context, the Project Team has been tasked with preparing a report on lessons learned in addition to the technical report that is being produced to analyse the results of the survey.

The purpose of the “Lessons Learned Report” is to review the process of preparing for and implementing the LMA, examining what worked well and what could be done better. It is aimed at preventing mistakes and at ensuring that these successes can be repeated by others implementing a similar analysis in the same sector or State, or in others.

To learn from mistakes and achievements is an integral part of most labour market research as labour markets are subject to changes and not always predictable. Like similar institutions in other countries, those working with related topics in India have **to strive to continuously improve implementation processes** and learn from related successes and failures.

3. Task and outcomes

3.1 The task and our understanding of the task

In March 2013, the India-EU Skills Project Task Force agreed that the Project Team would work together with the Automotive Skills Development Council (ASDC) in the state of Maharashtra to create a robust and evidence based example of a labour market analysis. The task was summarised in an implementation programme with planned activities, key milestones, timeframes and responsibilities. This programme has been discussed and agreed by ASDC and the National Skills Development Corporation (NSDC).

The Project experts' understanding of the task was presented to key stakeholders at the initiation meeting in May 2013. Accordingly the objectives of the analysis have been defined as follows:

- To test a methodology for collecting primary data for skills required by technical workers/employees, in order to better understand the skills demand of the sector/sub-sectors
- To identify practical measures that could reduce the mismatch between supply and demand

Given these objectives, the approach to the task was as follows:

- To collect and analyse related secondary data, such as skills gaps studies (national/ Maharashtra), perspectives on skills development in Maharashtra, as well as relevant administrative data from employment exchanges, ITIs/VTPs, etc; and
- To collect primary data directly from employers in the sector to comply with the requirement of the labour market analysis to be evidence based.

The focus was mainly on collecting data and information directly from employers and making conclusions on the basis of this, rather than relying on secondary data and on opinions of selected individuals.

3.2 Outcomes

3.2.1 What was achieved?

The achievements include:

1. A **project plan** with activities, timeframes and a draft budget for implementing the sector LMA
2. the **survey methodology and tools** consisting of:
 - An **enterprise questionnaire** which was piloted and discussed with two enterprises in Delhi and amended based on their feedback;
 - An **approach and the criteria for selecting enterprises** in Maharashtra taking into consideration different sub-sectors, company sizes, location in the state, and addressing both the organised and unorganised sectors;
 - **Compilation of contact details for enterprises** from the three subsectors, sector organisations, internet and telephone directory and **drawing of a sample** from this list;

- **Instructions for interviewers and a contact sheet** for making appointments with the enterprises and a **letter preparing employers for the survey**;
 - The establishment of an **online database** to record the results of the survey.
3. **Selection, briefing and management of interviewers** for the survey:
 - 4 final year students of the Maharashtra institute of Technology were recruited as interviewers;
 - one day of training was organised for the students to introduce them to the Project, the ASDC and NSDC and the survey methodology and tools;
 4. **Structured interviews** with 147 companies, out of which 85 were in the unorganised sector, and capturing of data into a database;
 5. A **labour market analysis (LMA)**, which is the technical report analysing the results of the survey and offering recommendations.

3.2.2 What was not achieved?

The following indicates some aspects of the LMA which we were not able to achieve:

- **No agreed purpose and use of analysis:** It was not possible to agree on a common and coherent understanding of the purpose of this analysis among the different stakeholders and what the results of the analysis will be used for.
- **Employers received no prior information on the survey:** Although it this was originally planned employers did not receive a prior notification that the survey will take place.
- **No information on salary scales was collected:** We were not able to identify payment levels for employees during the interviews, which is usually an important element of labour market analyses. We were advised prior to the survey that it will not be possible to obtain this information from employers.
- **No agreed categorisation of jobs/skills according to existing classifications:** The categorisation of responses from employers on jobs/job roles and skills proved cumbersome and we had to further elaborate on the existing categorisation. The categorisation was made more difficult as employers use different job titles when they talk about the same jobs. Employers are also not always able to determine skills. As much as possible the categorisation of job roles has been based on the national occupational standards (NOS) as published on the website of NSDC, which were not in existence, or still in early drafting stages, at the time of planning and implementing the LMA.
- **Limited compliance with the selected sample:** We could not follow the plan to use the preferred method of stratified “random sampling” which is the most reliable sample method. Instead, the team had to resort to the non-probability sampling technique of “snow-ball sampling” or “referral sampling” rather than the planned random sampling technique of stratified sampling. This means that the selection of the enterprises for the survey was based on personal networks and availability rather than on a predetermined selection process.
- **No survey on the supply-side:** Initially it was planned to investigate the supply side of the labour market for the automotive sector in Maharashtra in parallel with the demand side survey, but this analysis had to be cancelled.

4. Achievements and non-achievements

4.1 Achievements

The **preparation and planning activities** for the LMA proved to be relatively straightforward. This included the preparation of the project plan and the survey methodology as well as the design of the questionnaire. The field check of the questionnaire helped in eliminating some, but not all of, the mistakes of the questionnaire.

The interviews of the **organised and unorganised companies of the automotive sector** allowed the experts to identify differences and commonalities. These can benefit public and private training institutions to design targeted skills interventions for companies in both organised and unorganised settings, which might have different skills requirements.

The **personal network** of the ASDC Pune representative in Pune, the government of Maharashtra, the Indo-German Chamber of Commerce, the companies TATA and Volkswagen, and of project staff and the recruited interviewers enabled interviews to be arranged with companies in the organised sector.

The involvement of a dedicated team of Project staff and consultants enabled us to implement the work within the **allocated timeframe**.

The involvement of **engineering students** from the Maharashtra Institute of Technology (MIT) was an advantage as they already had a reasonable understanding of the technical issues. In particular their technical knowledge enabled them to find a common base to talk with enterprise representatives from the unorganised sector.

4.2 Unsatisfactory achievements

The myth of labour market information and its potential use: There is a common view among most stakeholders that it will be possible to establish a Labour Market Information System (LMIS) in a short period of time and with a small amount of resources. Furthermore there is the common view that this system will provide all information needed to address all existing information needs and gaps. However, the data and information on the various aspects of a LMIS is not available in India right now and there are large data gaps and inconsistencies, which have to be addressed first before these can be used for developing a system. Furthermore for some aspects, e.g. companies in the unorganised sector, new and different means of obtaining information need to be exploited and the preferred, traditional approach of using statistics and available data might not be suitable. In our opinion, this misperception of what was possible with the time and resources available is the main reason why no common understanding on the purpose of the survey and what a LMA of this size and coverage can or cannot achieve could be reached.

The **lack of preparation of employers** for the survey has been quoted as the main reason why several participants were reluctant to collaborate. The interviewers reported that it was often difficult and time-

consuming to convince employers that the information would be used for the improvement of training and not used against employers in some way.

Limited network and lack of reliable employer databases: The lack of a reliable and up-to-date database of employers from all sub-sectors, at least for the organised sector, made it impossible to follow the selected sample method and also reduced the sample size that was achievable. Thus, it proved to be very difficult to persuade the selected companies to participate in the survey, unless some prior arrangements, based on personal networks, had been made by a third party. The lack of access also led to fewer companies in the organised sector being interviewed than originally planned. We interviewed 62 instead of 120 companies in the organised sector.

It took a lot more time than anticipated to search existing databases, websites and telephone directories and to establish the list of enterprises for the different subsectors. The sector organisations' member databases list only official phone numbers but this information was not suitable for locating and making appointments with human resource managers or others within the company who may have had the capacity to answer skills related questions. In addition, it was unclear if the members of these sector organisations are representative for their respective subsectors: for tier 2 and tier 3 component manufacturers this may well not be the case. The situation was even more difficult for the third sub sector, i.e. the dealerships/service providers. In the absence of a specific database, dealerships were located via a structured internet search. Alternatively these companies could have been located via members of other sector organisations. Service providers that offer services for cars of different brands had to be identified directly by the team while the interviews were on-going.

Limited resources and time available for the LMA resulted in the reduction of the sample frame, as it took longer to arrange for and carry out interviews with employers. This is obviously linked to the above.

The unavailability of common terminology and categorisation of occupations, job titles and skills made it difficult to categorise these for the database.

Other priorities for ASDC: Collaboration with ASDC was difficult due to the pressures on its staff to manage many other priorities.

Cancellation of the supply side survey due to the Project not being able to come to an agreement with the government of Maharashtra.

5. Lessons for future surveys

5.1 Purpose of the task and approach

The implementation of qualitative labour market analyses for selected sectors and states is a planned set of activities of the India-EU Skills Project. The usefulness of these LMA was confirmed by the Project Task Force and by those responsible from NSDC and the ASDC prior to implementation. The purpose of the LMA is to provide qualitative and evidence-based labour market information which contributes to improving skills development in India.

In this context there is a need to identify whether this overall purpose is sensible and feasible given the specific circumstances in India. In addition, the roles of the Project in relation to other stakeholders in the design and implementation of this analysis will provide some indication on whether the purpose is reachable.

Within the current policy agenda of having to skill large numbers of people in India, the purpose of collecting qualitative and evidence based labour market information seems to be out of sync with stakeholders' focus on large numbers and quick results, which does not match with the focus of the Project on qualitative aspects of skill development. Nonetheless, the findings from our investigation confirm that a qualitative LMA provides different and complementary results and recommendations to the on-going quantitative approaches.

In future, the roles of the project (or any outside consultant) and SSC stakeholders in implementing the LMA must be precisely defined. SSCs in particular need to make a firm commitment to these investigations and continuously involve themselves to improve knowledge and build their own capacity. The role of an outside agent is limited to supporting the SSC, whose responsibility it is to take the lead in design, implementation and analysis of sector specific labour market analysis. This is particularly the case as SSCs are new and emerging organisations and need to create related knowledge and understanding. Furthermore, SSCs have to create an awareness and recognition of their roles and activities among their employers, in particular in sectors for which the sector organisations are only remotely interested in skills development. In addition to obtaining required information for their labour market information system, the implementation of an LMA provides an ideal opportunity for networking and promotion of the SSC.

5.2 Specifications and briefing for the task

The main questions that need to be asked in this context are whether the objectives of the LMA are clear and realistic and if it is possible to prepare a feasible methodology for the analysis.

As has been stated above, there has not been a firm agreement on the objectives for the LMA. From the start there have been different expectations on the planned outcomes, and stakeholder expectations have always exceeded what can actually be achieved by such a limited analysis with a focus on quality rather than on quantity.

In the design of any future LMA more time and effort has to be spent on agreeing on objectives which are realistic, and linked to achievable results. This means that stakeholder expectations need to be brought in line with what is feasible within the available resources.

5.3 Preparation and Implementation of the survey

With regards to the preparation and planning of the LMA we want to identify if lessons can be learned from (i) preparing the tools, (ii) recruiting and preparing interviewers, (iii) establishing the sample, and (iv) project support and administration.

There is a lot of information publicly available that can be used as a base for preparing tools. Hence this activity did not seem to be too difficult at the start. However, there are a number of issues which need to be considered in the design of tools, e.g. the questionnaire, documentation to record contacts and appointments as well as for the database, in particular if the LMA has to be based on concrete rather than on anecdotal evidence.

The following can be learned from **preparing the questionnaire and the database**:

- Although we tested the questionnaire with selected companies of the organised sector, the questionnaire would have benefitted from some further refinement. Ample time has to be allocated to test and refine questionnaires for the specific purpose and outcomes they are designed for.
- The length of the questionnaire needs to be adjusted to the target group. In particular for small companies the questionnaire needs to be short and less detailed. A summary of the questionnaire could be prepared and given to the interviewee prior to the start of the interview so that they have an overview of what the interview will be about.
- Apart from reassuring employers' representatives about the duration of the interview, there is a need to inform them at the start about the purpose of the survey and what the information will be used for. Many employers asked if the survey was a survey about their compliance with Government regulations and were more open when told that it was about their skills requirements.
- A large number of the organised companies and all the unorganised sector companies did not know about the ASDC. The contacts with enterprises through interviews can be used to raise the awareness about the SSC and its activities. The distribution of a brochure on the objectives and main activities of the SSC in this context would have been useful.
- Questions in the questionnaire need to be suitable for the organised and for the unorganised sector. If the sector varies immensely, as is the case in the automotive sector, preferably separate, but more appropriate, questions covering the same topics could be included in the questionnaire. If this is not possible a separate questionnaire could be developed which, however, has to be used and analysed in parallel to ensure the sector is addressed comprehensively and not as two separate sectors.
- There needs to be a standard list of job roles and skills in the questionnaire which the interviewers can use to record the answers. Most enterprise representatives are not able to specify their skills needs without having a list of skills placed in front of them.
- Questions about employment status (and salary levels) were not suitable and have not been answered. However this might depend on the sector and the size of the enterprises and as such needs to be investigated for individual sectors.

- Any sensitive questions should come at the end of the questionnaire to delay potential debates and discussions.
- Questions asking about decisions involving the future such as skills and investment plans have only a very limited validity. The majority of enterprise representatives noted that these questions cannot be answered with any accuracy as the labour market changes too quickly and is influenced by internal and external economic developments. They noted that they react quickly to market developments and cannot plan far ahead.
- The use of an online database for recording the findings proved to be very useful, not only to capture the answers, but also to monitor the work of the interviewers and verify on-going developments.

For **recruiting and preparing the interviewers**, the following can be improved for similar future work:

- Interviewers need to be fully dedicated to the assignment and should not have other engagements. They have to be flexible in setting up appointments with enterprise representatives as there are often only limited timeslots available to meet the employees responsible for human resources or training. Sometimes this might also go beyond the usual working hours.
- Interviewers have to possess knowledge of the industry and some basic knowledge of related occupations, jobs and skills. The final year engineering students from MIT employed by the project had some limited technical knowledge and were reasonably well-briefed prior to the interviews. This understanding and knowledge was useful, but it could have further benefitted from a better understanding of available occupations, jobs and skills.
- Interviewers need to be well aware of the questions that they will ask, but also be knowledgeable about the SSCs and their work as well as about other stakeholders, such as the NSDC, related government organisations, etc. The interviewers received a one-day briefing session on the skills landscape which they confirmed was useful, but they were still regularly in contact with the Project to get answers to further questions, some of a very specific nature.

In the absence of employer databases, **establishing a sample** is a rather difficult undertaking and there are a number of issues that can be improved in this context.

- Informing employers of an upcoming survey saves time and effort, before and during the interviews. In this context it is helpful for SSCs to have an up-to-date database of employers for, at least, the organised sector so that employers can be informed and the selected sample can be followed. To address skills-related issues this database has to include contact details of the human resources manager or other employees dealing with skills development.
- The existing networks made available to the Project were not sufficient to meet the targets set for the survey, which resulted in only about half the sample of the organised sector (62 of 120 companies) being interviewed. SSCs need to have a good network and access to companies if they want to implement a LMA. If this is not the case, companies can be reached through snowball sampling or referral sampling, which has some disadvantages.

We attempted to eliminate as many inconsistencies and mistakes as possible prior to the **implementation of the survey**. However some lessons were learned during this stage of the LMA.

- As already noted the questionnaire needs to be tested and there should be enough time allocated prior to the survey to have a good review and adaptation of the survey instrument.
- We started with the implementation of the survey in Mumbai which, in hindsight, was a mistake, as we would have been better to start in Pune as the main centre for the automotive sector in Maharashtra, where most of the head offices of companies are based. The existing contacts of the ASDC and others in Pune would have led to contacts and access to employers in Mumbai which we did not have at the start. In order to use existing networks and facilitate the set-up of interviews it is advisable to start in a location which hosts the head offices or main companies of the sector. Future surveys might also involve the chamber of industry/commerce at district level and/or any other employers' organisation with a good local network prior to implementation.

There are a few lessons that can be learned from the **project support and administration** provided for the implementation of the LMA.

- Although the survey included only a small number of enterprises it required a substantial amount of project support and administration, which the India-EU skills project was able to provide. In particular the arrangement of appointments with employer representatives was very time consuming and required numerous follow-ups at times.
- Project support included the provision of funds for interviewers to travel to remote areas for their interviews. Any future LMA which intends to conduct a survey covering all districts of a state will have to consider the financial implications of interviewers working in different parts of the state. It is a fact that interviewers will only travel if they have a budget for this purpose, but inclusion of remote areas in any survey is important as this could have an influence on the LMA results given that companies in rural or remote areas might face different issues to those in urban regions.

5.4 Data and analysis lessons

In relation to data and analysis, we looked into the lessons learned from potential constraints in (i) the tools and methodology used; and (ii) data capturing and analysis.

In relation to the tools and methodology and in addition to the points already made in section 5.3:

Preparation of the tools, the following lessons have been learned:

- It is not possible to use a standardised questionnaire for an LMA which is suitable for all sectors. The questionnaire needs to be reviewed and adjusted to the sector and to the specific situation.
- The time spent on checking the questionnaire prior to the survey should be sufficient to enable amendments to questions which will not be understood, leading to inconsistent answers which cannot be analysed.
- The number of open questions should be kept to a minimum as this will facilitate the analysis.

The lessons learned for data capturing and analysis include:

- The training of interviewers needs to be compulsory and must be expanded to involve them in piloting the questionnaire, unless they are from the sector skills council and have existing strong experience with LMA.

- Timely data capturing ensures that details which were added by the respondents after completing the structured questionnaire are being recorded.
- Secondary data and information on the automotive industry and more specifically on skills development is scattered and not easily locatable. If SSCs want to become experts in skills development in their sector they have to ensure that relevant secondary data is accessible to them

5.5 Final thought – Value for SSCs in conducting LMA?

We believe that there is value in designing and implementing a qualitative sector-specific labour market analysis, which draws its conclusions and recommendations from primary rather than secondary or anecdotal evidence. Although time and resource-intensive, the direct contact with company representatives will establish and expand the SSC network and will establish and enhance the awareness about, and the reputation of, the SSC. Once the hurdle of getting an appointment with employers outside the ASDC network was passed, many seemed to be genuinely interested in the work of ASDC.

The timing of the LMA needs to be in line with existing priorities of stakeholders. The fact that ASDC with its limited resources had other priorities prevented them from becoming fully involved in the LMA and prevented the Project team from fully benefitting from their expertise and network and vice versa.

We believe that there is benefit for SSCs to look at companies both from the organised and the unorganised sector and to analyse the findings in parallel, rather than focusing on one part of the economic sector. In the context of the unorganised sector there is a need to better define what being unorganised means as the current classification of number of employees seems not always appropriate. The National Skills Development Authority has already had discussions in this context and should pursue a revised definition in the context of developing classifications for the national Labour Market Information System (LMIS).

The LMA ensures that real problems and constraints in the sector labour market can be identified if the objectives of such an analysis are clear and if the questionnaire has been specifically aligned to that analysis. The report reveals that existing and relevant skills needs and other areas which influence skills development for the organised and unorganised sector can be identified. These can be used to improve the relevance, quality and responsiveness of existing and new training programmes to the needs of employers and existing or new employees in both sectors.