Skill Shortage - Impeding India's Growth

With close to 20 million plus Small and Medium Enterprises (SMEs) in India, it is evident that SMEs form an integral part of India's growth story and an important prerequisite for exports. Innovation, low cost management, entrepreneurial action and passion are some of the positive attributes that are closely associated with SMEs. Similarly, capital availability, R&D thrust and skill availability are some of the deep challenges that SMEs have to grapple with. While all other aspects are manageable, skill availability often becomes a bug bear for SMEs and at times stifles growth of an otherwise successful enterprise.

By **D' Oneil Vaz** *

SME's are typically characterized as entrepreneur-led enterprises and in many instances the family of the entrepreneur is also involved in the management of the business.

As the business scales and matures, these enterprises can no longer be managed by the entrepreneur either because of personal limitations or pure bandwidth constraints. Often, when such enterprises reach an inflexion point in the organization maturity, the need for professional support and expertise becomes acute without which, these enterprises find it difficult to breach through the next orbit of growth. It is generally at this critical point that most SME's find it extremely stressful and challenging to scale without the right skill sets and talent in place.

Most SME's recognize the crying need of critical skills when the company wishes to move from its cocooned ecosystem and pursue ambitions that are beyond its present scale of operations. The need also becomes essential if it wants to address newer markets because of its growth potential. The skill shortages largely exist in the managerial and business development arenas and with expansion, each department transitions into becoming a specialized vertical needing appropriate focus and the right talent to spearhead it. SME's largely need skilled talent at the second and third levels of management tier essentially to navigate these companies to higher ground. Accomplished professionals have experienced those turfs and have immense learning and expertise that they bring to the table when they join SME's

Why Skill Shortages are Caused

Acute skill shortages in SMEs are encountered because of several factors, one largely being the inability