

# PROVIDING SUSTAINABLE LIVELIHOOD AND JOB OPPORTUNITIES



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## ABOUT THE PAPER

DeenDayalUpadhyayaGrameenKaushalyaYojana (DDUGKY) is the skilling and placement initiative of the Ministry of Rural Development (MoRD), Government of India. DDUGKY has its origins in the Aajeevika Skills programme and the 'Special Projects' component of the Swarnjayanti Gram SwarozgarYojana (SGSY). The scheme focuses on catering to the occupational aspirations of rural youth and enhancing their skills for wage employment.

## About the DDUGKY Program

To create a large-scale, world-class initiative to significantly improve the prosperity of the rural poor through enhanced and sustainable livelihood and job opportunities.



## What the underlined words mean in the program?

**Large scale:** Pan-India reach; Scalable naturally which means it must be implemented in Public Private Partnership models because government cannot implement in on its own;

**World class:** Outcomes must be well defined; measurable outcomes; repeatable outcomes: transparent and auditable processes: quality processes;

**Significantly:** Measurable outcomes should validate this; potential for big upsides for the beneficiaries required

**Prosperity:** Regular income: Savings more important than income;

**Sustainable:** Affordable:implementable; high ownership of beneficiaries and stakeholders including Government; driven by ground realities; driven by continuous innovation and improvement; driven by "pull" rather than "push" strategy;

## The Need for the Government to Implement the Program

- Low target achievement forecasts for current and subsequent years
- Poor and declining capacity utilisation of two and three year partners
- Slow and declining rate of induction of new PIAs (Project Implementation Agency)
- Poor and declining placement record
- Poor motivation of PIAs
- Shortage of quality PIAs interested in becoming DDUGKY PIAs
- The state missions are in different stages of evolution to take over the DDUGKY program from the Ministry of Rural Department (MORD). Capacity creation at the state level is grossly inadequate
- Excessive and oppressive audit processes because of public money spends and scam stories have slowed down PIA payments - especially the second payment - significantly. Many PIAs are forced to stop or slow down due to financial constraints. In fact, the SOPs are changed with retrospective effect and this requires the collection of new documents on old deliveries.

## Ground Realities in 2017

*Net result: PIAs are struggling to deliver and Quality PIAs are reluctant to join the program*

### Symptoms for the need for Such Training Programs



## Root Causes for creating the Symptoms

- Unrealistic role expectations from PIAs. They must counsel mobilise, train, certify, place, monitor post placement, comply, finance when payments are delayed. Many of the PIAs may be good in training but cannot deliver all the above with equal intensity and competence.
- Placement and retention targets are unrealistic due to following factors beyond the PIA control: job growth in Indian economy is very low. The salary paid is low due excess supply over demand. Skill premium is non-existent due to lack of focus on productivity. All these factors are in fact the responsibility and are the failure of the government. But the PIA is held accountable
- Failure to treat PIAs as partners and investors. PPP model is essential for scalability of DDUGKY. But rules of PPP –trust, flexibility, give & take approach - are totally absent.
- Excessive focus on compliance to minimise fraud has killed any flexibility and innovation. Instead of severely punishing the black sheep, the SOPs have been enlarged and this penalises the genuine PIAs while the fraudulent PIAs get away.
- Failure to recognise that one cannot specify and control minutely “ both input and output “ simultaneously in any program. Entrepreneurship means that one believes that “ there are many ways to skin a cat “. But detailed Standard Operating Procedures (SOPs) have killed innovation. The focus should be on output and only on the key inputs like trainer quality, training content.
- The root cause of the above is the “ dole out and grant mindset of the government towards the PIAs. The government believes that scarce public money is spent as grants to the PIAs and hence they better be accountable to every rupee given to the PIAs. Some state missions are adding more stringent clauses to the already elaborate SOPs of DDUGKY. For example, some state missions are asking for bank guarantee before releasing the advance. This is totally misplaced. The grant is not to the PIAs. The grant is to the trainee. The PIA is investing first and getting it reimbursed. In fact, the PIAs are taking all the risks of outcome because if they fail, they must refund the advance.
- The real grant receiver or “ the trainee “ has no stakes in the program. The second beneficiary - the employer has no stakes. The PIAs who do all the work bears the cross.

## Solutions in Implementing Successful Training Programs

- Make the output expectations realistic. Do not set targets which no one including the government PIAs cannot achieve. Reduce the placement target to 50% and incentivise higher placement targets
- Fund projects which can provide common services to the PIAs like placement and mobilisation. Encourage and fund placement consultants. Fund common job fairs and mobilisation fairs. Fund an exclusive job board for pass outs.
- Capacity building of State skill missions must be taken up on a mission mode by MORD/NIRD . Hiring and training of state functionaries to be centralised for uniformity. Make the successful PIAs as Technical Consultants (TSA) if they opt not to be a PIA in the state (to prevent conflict of interest). PIAs make far better TSA than the business consultants like Accenture and KPMG
- Fund analytical studies to correlate course and on-the-job retention to candidate demographics to minimise drop outs

- Zero tolerance for fraud among PIAs. Black list the fraudulent PIAs and motivate the genuine PIAs by simplifying the SOPs substantially on the Input side. Any PIA who breaks the trust and the code of conduct must be “ named and shamed “
- Encourage and fund PIAs to run common learning forums so that the best practices can be transferred.
- Make the PIAs as the key partners. Invite successful PIAs and PIA Association like Association of Skill Training Partners (ASTP) into the policy making body as an equal partner and encourage them to co-own the DDUGKY program
- Make the trainee a stakeholder. Two models are presented.
  - o Skill coupon model: One way is the skill coupon model. Each family gets one DDUGKY skill coupon and family can give it to any family member who is keen. This chosen family member can surrender the skill coupon (which will have an expiry date and value) to any approved PIA for any course. The trainee will pay the balance between the course fee charged by the PIA and the coupon value. The PIA will claim the money after the student completes the course. The PIA will publish the coupon claim details so that the student can repudiate false claims. The student will never get another skill coupon in his/her life time and hence will be careful. Fraudulent use of the coupon by PIA will result in instant blacklisting. Promote DDUGKY by promoting the skill coupon at the school and college level. The skill coupon will become an entitlement among youth
  - o Course deposit model: In this model, the trainee will pay a deposit of Rs. 1000 before course enrolment which will be refunded when the course is completed. The small deposit will ensure that the parent is involved before the enrolment.
- o In both these models the PIAs will be graded by MORD and empanelled. The track record of the PIA and the PIA infrastructure will be published including trainee feedback and trainees will be encouraged to make “informed” choices
- Encourage employer participation by combining 3-month course with 3-month apprentice program of the skill ministry. This will deepen the program. During the apprenticeship trainee will get a stipend and the employer can claim it back from the skill ministry. A real win-win for employer and trainee
- Migration for work is a reality. Fund creation and operation of skill hostels on a PPP model in key cities where jobs are plenty and ensure the cost and risks of migration are minimised in the first six months
- The 25% advance payment of the whole project leads to an impression that the Government is fully funding the program and the PIAs are not investing in the program. This prevents the PIAs being treated as a partner. One option to make the advance linked to the first-year target instead of the whole project. This will encourage PIAs to maximise the first-year targets and eliminate PIAs with low investment capacity.
- The second instalment should be released on the business continuity principle. The PIAs are not going to run away after the second instalment. So, if there are small deviations, the second instalment should be released with small deductions. These deductions will be released once these deviations are rectified. This will prevent stoppage of training by PIAs due to lack of funds.
- Link training fee to PIA grade: The training fee per hour cannot be the same for every PIA. PIAs should be graded and the price point should be linked to the grade. This will incentivise the PIAs to move up the Quality chain.

- Flexibility in course mix: Job demand and hence training course demand changes dynamically. Hence the PIAs should be given flexibility to change the course mix in alignment with the job market without taking prior-approval
- Flexibility in student sub-category mix: Student mix depends upon the target population mix. In some states, there are more SCs than others. Similarly, women interest in skilling is not the same in all states. So, the student sub-category mix of minority, women or SCs should be a range rather than be a single figure
- Simplify SOPs: The SOP should be only a guideline. Compliance should be reduced for highly graded PIAs who meet the output norms. All changes in SOP to be developed jointly with select group of PIAs and buy-in to be obtained of PIAs before implementation. All amendments to SOPs must be only prospective.
- Interest on delayed payment to PIAs will ensure that the State Missions are accountable for their main task – to pay for the services. A payment tracking sheet with payment details and claim details should be in public domain and delays in payment should be visible to all.

## Conclusion

TMI is a DDUGKY PIA since 2016 and have trained 900+ students in Telangana. TMI provides training courses for DTH Set Top Box Installation & Service Technician; Repair and maintenance of Window and Split A.C and Auto Sales Consultant.

Some photos of the training provided



# BRAND PORTFOLIO

## DIVERSIFIED GROUPS



## MANUFACTURING



## BFSI



## PHARMA



## TELECOM



## IT/ITES



## GOVERNMENT



## INTERNATIONAL





## LEADERSHIP PROFILE



### **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.

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### **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.

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### **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.

REACH US AT

**T. MURALIDHARAN** | Email: [businessqueries@tminetwork.com](mailto:businessqueries@tminetwork.com)



Career Center, 1-8-303/48/12, Prenderghast Road,  
Secunderabad – 500003, Telangana, India.

Tel.: +91 40 66765000, Fax: +91 40 27893725

[www.tmigroup.in](http://www.tmigroup.in)

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