



# REPORT OF THE WORKING GROUP

*DRAFT*



ON

# HUMAN RESOURCE DEVELOPMENT FOR CONSTRUCTION SECTOR



12<sup>th</sup> PLAN



(2012-2017)



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## 1.0 Preface

In the context of the formulation of the Twelfth Five Year Plan, Planning Commission has set up a Steering Committee on Construction to study and analyze the Indian Construction Industry to suggest policy framework and to recommend the measures for self regulation for the constituents of the Construction Industry along with the mechanism for implementation of the recommendations.

For facilitating work by the Steering Committee, a working group on Human Resource Development for the Construction Sector has been constituted as per CIDC Letter No.2253/12<sup>th</sup>-National Plan/WG2011 dated 22<sup>nd</sup> September, 2011 (Annexure-1). Composition of the Working Group is as below:

1. Shri B D Mundhra, MD, Simplex Infrastructures Ltd. - Co-Chairman
2. Shri Chander Verma, Chairman, CIDC - Co-Chairman
3. Shri Sunil Mahajan, Director, CIDC - Convenor
4. Mr. Rajan Malhotra, Regional Manager, Larsen & Toubro Ltd., ECC Construction Group
5. Shri V. P. Das, Chairman & Managing Director, National Building Construction Corporation Ltd.(NBCC)
6. Mr. Nilesh Rajadhyaksha, Vice President , IDFC Foundation
7. Mr. Firdose Vandrevala, Chairman and managing Director, Hirco Development Pvt Ltd
8. Shri Aromar Revi, Director, Indian Institute for Human Settlements
9. Shri Aromar N Krishnamurthy, Sr. Fellow, HSMI
10. Mr. G S Johar, Chairman, Project Exports Promotion Council
11. Mr. Anil Kohli, Regional Head - North, Universal Construction Machinery & Equipment Ltd.
12. Mr. B Chakraborty, AGM, Engineers India Ltd
13. Mr. S Mukherjee, AGM, Engineers India Ltd
14. Dr. Akshaya Sen, AGM(eco), Housing & Urban Development Corporation Limited
15. Mr. Parminder Gabri, Director- Sales, PUTZMEISTER Concrete Machines (P) Ltd.
16. Shri. Pravin Kumar, , Engineering Projects (India) Ltd.
17. Shri O P. Gupta, VSM, Sr. Advisor, ICC
18. Shri B Majumdar, Former DG, CPWD
19. Mr Gyan Ghosh, , B G Shirke construction co. ltd
20. Shri Vishwas Bhatt, , Team Universal Infratech Pvt Ltd
21. Shri. Chandra Shekhar Prasad, Director General, Central Public Works Department (C.P.W.D)
22. Shri Raj Sharma, Asst. Vice President (HR), Era Group
23. Shri Shailendra Kumar, President, M Tech Developers
24. Shri R K Gosain, , Interconti Projects Pvt. Ltd.
25. Shri Tarun Bhasin, Director, Bhasin Associate Projects Pvt. Ltd.
26. Shri Shreedhar Venkat, , Reliance Group

27. Ms. Jayashree Kurup, , Times Group
28. Shri S K Chaudhary, Executive Director, HUDCO
29. Mr. Shivaprakash , Sr. Vice President & Head – Business Strategy, Lanco Group
30. Dr. Manoj Kulshrestha, , IGNOU
31. Prof. K N Vaid, Former, DG, NICMAR,
32. Shri Sanjeev Kumar Jha, , GMR Group
33. Shri Sirpal Kanchan, , SIKA India Pvt. Ltd.
34. Mr. Radhakrishna , Sr. Manager (HR), C & C Infrastructure
35. Mr. Deepak P. Singh, GM (HR), C & C Infrastructure
36. Mr. G S Bawa, General Manager (PR), Airport Authority of India
37. Mr. Sanjay Rana, , Parsan Overseas (P) Limited
38. Mr. Anand Gopal Bhatnagar, Chairman, Overseas India Peoples Foundation
39. Mr. Gurpreet Singh, Application Engineer, Trimble Navigation India Pvt. Ltd.
40. Mr. C. Ramana Kumar, Sr. Manager Sales, Tractors India Pvt. Ltd.
41. Mr. Soumava Aich, Head - Business Development - India, Trimble Navigation India Pvt. Ltd.
42. Mr. Anuj Kaistha, , Miraj Group
43. Mr. Vijay Vasandani, , Jaihind Projects Ltd.
44. Mr. Siraj Haq, , Hilti India Pvt. Ltd.
45. Mr. A. K. Sharma, Chief Engineer, CPWD

This report of the Working Group has been prepared based on the discussions held during the working group meetings, Planning Commission document – Approach to 12<sup>th</sup> Plan and the study of similar initiatives being undertaken globally.

## 2.0 Overview

- Construction Sector is an integral part of India's economy. The realization of Indian Vision 2025 to emerge as a major economic power requires rapid growth in Infrastructure. Construction industry plays a pivotal role in developing country's infrastructure and accounts for nearly 45% of the total investment in the Infrastructure. Construction sector is also the second largest employer after the agriculture sector.
- Construction industry cannot be visualized as a single industry in view of the wide range of types and sizes of construction works. It covers a spectrum of activities carried out by a group of linked organisations providing design and engineering, supplying materials and equipment, carrying out construction work and providing operation and maintenance services.
- Construction industry can be broadly classified into two sectors i.e. organized and unorganized. The organized sector includes more than 30,000 organisations whereas the standalone contractors in the unorganized sector number more than 120,000.
- Significant contribution of the construction sector to the Indian Economy needs to be given more thrust in the 12<sup>th</sup> Five Year Plan. One of the reasons of indifferent state of Construction Industry, and rampant time and cost overruns experienced while executing the construction projects, is lack of formal training and systems related to skill assessment and certification of construction workmen.
- The approximate number of persons employed in Construction Industry are 37 million, where over 85% are serving as workers.
- There are acute shortage of work hands specially in mechanized trades.
- On account of Natural attrition and the need of skills of contemporary trades, Construction Industry needs infusion of at least 6 million persons/ year.
- The total training capacity is woefully inadequate.
- The ITI's established both in private and public sector are not able to offer trades to young persons to join the Industry.

- Schemes such as NREGS have further reduced the state of fresh entrants to Construction Industry.
- Skill upgradation schemes launched by the Governments both at State and Central Government level are not really adequate and the Industry needs to start several apprenticeship schemes.
- The funding requirements for training and skill upgradation and extension of loans by NSKDF are neither practical nor workable.

### **3.0 Impediments faced by the Industry**

- a) No apprenticeship schemes are being run in Construction Industry
- b) The Government support is just not available to the training providers, inspite of all State Governments collecting construction Workers Welfare cess which remains grossly unutilized.
- c) There is no Central Plan to support this important initiative.
- d) The National Skill Development Mission, created recently, only lends the resources, which is not a viable mode of availing resources..
- a) Formally trained & certified skilled / semi skilled labourers are not available.
- b) There is no regulation to insist on Certification for employment.

### **4.0 Thrust Areas**

The following thrust areas were outlined that need to be addressed by the Working Group on human resource development for the construction sector for the 12<sup>th</sup> plan.

- Training
  - a. Workers
  - b. Supervisors
  - c. Engineers/ Managers
- Institutional initiatives in Training
- Review of roles of Institutions/ organizations involved in Training & Certification

## 5.0 Good Practices Recommended

- Planning Commission Govt. of India & CIDC: must organize one day work shops at every state capital: for the respective state Govt's Engineering Universities & Construction entities therein: to put forth on the funds available at the Govt. of India for the various categories & the mandate extended by the Govt. of India, National skill development council: to CIDC for augment of Human Resources in.

- (i) Construction & Engineers
- (ii) Construction & skilled workmen.

- Planning Commission, Govt. of India & CIDC: create a structured interface with Ministry of HRD, UGC, AICTE: on mandate extended to CIDC of Govt. of India, National skill development council augment of Human Resources in.

- (iii) Construction & Engineers
- (iv) Construction & skilled workmen.

## 6.0 Way Forward

Although 3.2 crore people are employed in the Construction Industry, there is acute shortage of trained manpower. There are training programs for workers, but their quality is not very good. Moreover Trainers are also not available.

Strategies to train manpower on a huge scale were outlined.

The members of the Working group made following observations:

- 1) Corporates should adopt villages, in order to attract talent and train people.
- 2) SDI Scheme has the resources. These resources can be utilised to train manpower.
- 3) Retired Engineers/ Managers should be encouraged to teach and impart Training.
- 4) Training and Testing Boards should be established.
- 5) To reach to the young unemployed people, Youth Clubs are to be approached. Construction Training should be taken as Youth training.
- 6) Campaigns should be organised for careers in Construction. And these campaigns should be linked to awareness programs.

- 7) Lectures, Literature and short films should be prepared, so as to create awareness among the people. The idea is to make the people convince that with adequate training, they will not only be able to secure employment not only in India, but also anywhere in the World.
- 8) Trainers should be sent to villages through CIDC and Nehru Sangatham.
- 9) Incentives should be given to petty contractors for engaging skill/ certified workers. Based on the productivity of the workers, incentives can be decided.
- 10) Steps should be taken to arrange classrooms at Site. There should be one training room at Site, and attendance should be made mandatory.
- 11) Curriculum for Construction should be developed and harmonised.
- 12) Steps must be taken to establish Department of Construction Engineering in Colleges/ Universities.
- 13) There is a need to evolve a mechanism to allow following:
  - i) Workers
    - a) Making training mandatory to provide allocated funds under all Rural development projects.
    - b) Permit the dormant resources lying with the Workers Welfare funds/PF to be used for training and skill development.
    - c) Providing tax concessions to the training providers from the Industry.
    - d) Improve the employment conditions of the workers for encouraging them to join the Industry.

ii) Engineers & Supervisors

- Apprenticeship and field working should be introduced in the syllabus of the Engineering programmes.
- Hybrid branches such as “ Construction Engineering” instead of Civil/ Electrical/ Mechanical Engineering be started.
- Continuous faculty skill up gradation programs to be introduced.