Firat the good news – India’s Construction Sector is booming and the demand for real estate as a result of unprecedented urbanization is growing at an enviable rate. The bad news – the realty and construction sectors are facing a grave situation of manpower shortage. For such an upsurging demand, whether it is skilled or unskilled manpower – the sector needs both of them equally and unfortunately, the sector has unavailability of both of them. Many realty projects have witnessed indefinite delays due to such shortage especially labour shortage which also leads to more expensive manpower. This invites an additional financial encumbrance which finally affects the cost of the real estate, affecting in turn the buyers. While unskilled manpower crunch has hit the construction sector the most, there exists skilled manpower shortage too for jobs like Project managers, Mid-level engineers, Equipment operators etc. The supply of skilled and unskilled manpower for the construction sector is being estimated of falling short by over 10 million.

The Royal Institution of Chartered Surveyors (RICS), the world’s leading professional body for qualifications and standards in land, property and construction, in a recent research titled “Real Estate and Construction Professionals in India by 2020” has revealed a startling demand-supply gap of 82-86% in the core profession of civil engineers, architects and planners. Mr Sachin Sandhir, Managing Director, RICS South Asia, adds, “The construction and infrastructure sectors have been reeling under the pressure of rising input costs of materials, which have steadily increased by as much as 30% over the last few years. Inflationary pressures and high interest rates, coupled with a severe...
Manpower Crunch

shortage of semi-skilled and unskilled manpower have adversely affected the performance of the sector and resulted in execution challenges with project delays becoming common place.”

Why the Shortage?
Causes for manpower shortage are multitude – one of them being the inadequate training due to lack of specialized courses, standardized curriculums and professional faculty. The All India Council for Technical Education (AICTE) has validated the fact that of a total workforce of about 440 million, only about 12.5% has received some kind of formal/informal vocational or education training. Education also needs to be targeted to produce skilled labors. Mr. Sandhir elucidates the basic qualifications that firms within the built environment seek in employees as degrees/diplomas in civil engineering, architecture and design, construction management and finance. “The non-technical skills that employees should have are no different from what is required in the other service industries. Typically, people with a combination of strong deal-making and interpersonal skills with the ability of analyzing, negotiating, researching and planning head are sought,” he adds.

Migration and brain-drain also lead to shortage of skilled manpower. How surprising it is that Indians are responsible for the creation of world class infrastructure in the form of buildings and flyovers in hi-tech countries like Dubai (including the Burj Khalifa) but back home their country is grappling with manpower shortage.

Also, the development of some states in particular like UP, Bihar and Gujarat (from where the maximum workforce used to originate) has led to shrinkage in the migration of the workers from there.

Many acts or job guarantee programmes have been blamed for this shortfall too like the MGNREGA (The Mahatma Gandhi National Rural Employment Guarantee Act) that came into being in 2005 and similar other programmes like the Jawaharlal Nehru National Urban Renewal Mission. MGNREGA provides guaranteed 100 days employment to a member of each family in a financial year in a rural household who are willing to do unskilled manual work. Such programmes have assured minimum wages to the workers who then don’t feel the need to migrate for work. The programme though established with good intentions has been in the limelight for its controversy surrounding corrupt officials, deficit financing, poor quality of completed public works, the absence of major infrastructure changes as a result of the program, the issues of workers not being fully paid and the absence of bestowing them with new skills.

“Through such welfare and growth programmes, the flow of migratory workers has drastically reduced to Tier I and other cities that have an existing pipeline of infrastructure projects under development. This has affected the availability and cost of labour to a sector which remains labour intensive to a large extent even today,” adds Mr. Sandhir.

Dr. P R Swarup, Director General, Construction Industry Development Council (CIDC), set up by the Planning Commission, Government of India is of the opinion that the implementation of such schemes reveals both positives and negatives. He elaborates, “On the progressive front, it shows great results in the rural areas in the fields of economic empowerment, teamwork, encouragement of women in villages to come out of their veil and work and bridging of caste bias in rural areas. But on the negative side, an immediate spurt in income disproportionately increases the propensity of consumption, and if it is backed with illiteracy and lack of awareness, the outcomes are hazardous. Since the basic requirements are fulfilled with
such schemes, there is less inclination to acquire any other skill as well; which results into issues from job reduction to shortage of manpower. The fall in supply of unskilled workers is affecting SMEs more than large scale industries as the former has less paying capacity."

There have been some other issues which have led to a gap between the employers and employees. Last year there was uproar from the labour department who believed that builders were not providing them specific details of their projects, the number of workers employed by them and the duration of the project which would have aided them in extending support to construction workers.

Mumbai, the financial capital of India is blamed for its ‘unfriendly political and social atmosphere’ as the reason for its mitigating manpower resources.

**Efforts and Achievements**

Technological advancements to a certain extent have helped developers to mitigate the need of labour; but with time the technology would again need skilled workforce to operate them. New techniques which are less labour oriented like slipform construction, prefab construction and dry wall techniques are taking over.

Professional Construction Recruitment Agencies have opened up which help in bridging the gap between the demands between recruiters and such workers – from Plumbers, Supervisors, Pipe Fitters, Tile and Plaster Masons, HVAC Technicians, Aluminium Fabricators, such agencies have almost every skill on board. Dwelling on their contribution Mr. Sandhir says, “Given the lack of education and training in the country, employers struggle to find workers with the adequate and required skillsets to fill a wide variety of jobs within the sector. Additionally, with large number of international realty firms having entered the market, a majority of skilled professionals at mid-senior level management and entry level professionals are opting for employment with these entities. Therefore, to coordinate the identification and recruitment of professionals who possess the right skill-set for a particular job function, the services of specialized recruitment, consultant
and HR firms are sought by several developers. These firms need to possess the influential intelligentsia to identify the right talent. However, such firms are few and far between."

The government is pondering over the possibility of a credit guarantee fund to create 26 crores skilled manpower by 2018. This fund will be used for extending loans for vocational programmes at a subsidized interest rate.

Organisations like CIDC along with the Construction Industry have initiated activities like the training & certification of construction workers and supervisors. CIDC concentrates on theoretical knowledge as well as the hands-on training at a project site. Citing their outcome Dr Swarup informs, "Consequently, the numbers of trainees is increasing steadily, who are offered as on the job trainees (OJT) to construction companies for deputing at any of their work sites for an apprenticeship period of minimum 45 days and maximum 60 days. Construction companies while giving practical training, utilize their services by sponsoring the boarding & lodging support to the trainees. At the end of OJ training, companies have the option to absorb any or all the OJTs at their project sites at a reasonable salary. Further, there is scope for large investment through channelizing the CSR funds which most of the PSUs are willing to spend. CIDC has made an attempt to utilise the CSR funds to train the skilled manpower for construction. We have been able to convince organisations like NTPC, HML, SJVN, EPIL, REC, GMR, SIMPLEX, etc for the same. However, the kind of requirements this sector has, it is going to be very difficult to achieve the targets, if the efforts are made the way they are being made at present."

Construction and infrastructure sector companies through individual efforts are trying to beat this crisis too. Some firms like L&T and JCB India Limited have set up skill development training centres, while others are collaborating with equipment vendors to provide operators. There are various tie-ups happening with various training institutes. In some cases skilled workers are being imported from abroad like Nepal, Bangladesh, Singapore, Thailand, Australia, and New Zealand.

Mr Sandhir admits RICS’s sensitivity to the various capacity and technological impediments that exist in the Indian real estate and construction sector and explains that through the medium of their training workshops, RICS aims to educate the decision makers and employers of organisations to employ qualified professionals and contribute towards their professional training and development needs. RICS has training workshops on specific themes which are targeted at professionals working in varied real estate and construction related fields. Their recent workshops include niche topics such as contract and risk management, Building Information Modelling (BIM), Valuation, Prefabrication in Construction etc. RICS India has also launched specialised learning programmes which focus on skill development for professionals who will be employed in the sector and who are looking at real estate as a ‘career of choice’. Also available are distance e-learning courses in valuations, quantity surveying, project and facilities management.

Industry bodies like CREDAI (the apex body for private Real Estate developers in India) and some training institutes like Ideal Construction Practices have initiated training programmes in different set of skills.

Mr J P Shroff, CREDAI Member is also the President of the famous Kushal Project and he feels that getting skilled labour is day by day becoming an uphill task in the construction industry. For the same, the National Skill Development Corporation (NSDC) along with CREDAI Pune Metro has initiated a unique program called Kushal whose main objective is to impart practical skills to unskilled & semi-skilled labourers. It consists of 80% on-site training and 20% classroom-based training. Dwelling on Kushal, Mr Shroff proudly adds, "Kushal is now appreciated on pan India basis for its unique training model which offers training to construction workers in six trades, i.e. shuttering carpentry, bar-bending, masonry, plumbing, painting and tiling. The uniqueness lies in providing learning opportunities to poor construction workers on the job and on the site free of cost. Workers learn while they earn. Since its inception, Kushal has trained and certified more than 1000 trainees in various trades."

Critical Areas for Immediate Government Attention

Whether it is Gurgaon, Mumbai, Hyderabad or Tamil Nadu—every city is facing extensive labour crisis. Kolkata faced an acute labour shortage in Dec 2011 where the shortfall was estimated to be at 50%; the effect felt here was additional due to the lower wages as
compared to the south or west.
To attract personnel to construction industry, Dr Swarup points out the following areas that need immediate attention of the Government and the Industry - living conditions (shelter, water, electricity, medical, crèche, toilet for men/women); wages (that need to be paid in full and in due time irrespective of who pays); extra working hours (which need to be duly compensated); safety of workers (which needs to be made the top priority); fresh entrants (to be given handholding and support to adapt to the working conditions) and a chalked out career/growth path for every construction worker.

Mr Shirreff states that the people who work should feel some sense of belonging. He elaborates, "Since they are migratory, they do not have any bank account or ration card. So it is important to see that they get some kind of identity, get a bank account and that their lifestyle is improved. They should find their trade to be important to work for. In Rajasthan, a carpenter or 'Sutar' as they are famously called gets a lot of respect. But it is not happening everywhere. The trade has not been able to give that kind of respectability as they are not getting any formal training. This is to be taken very seriously and a great movement of upgradation of skill improvement must start."

Ways to Improving Skills and Increasing Workforce
Mechanisation needs to step in where a concrete mixer, power cranes, mechanical instruments for excavation or processes like Mawan shuttering (in which an entire floor comprising walls and roof is made of concrete) are used. Brickwork being a tough challenge without labourers can be solved with this. But then again, this kind of a process will have its own limitation of being used in larger projects only which include a repeated usage of moulds. Builders would also need to do away with the 'very labour-intensive construction practices of the country' and opt more for pre-cast slabs, walls and panels, reducing time and doing away with brickwork.

However, debates do arise if getting mechanized and technology driven is the right way to combat the problem of manpower shortage since it would mean driving away employment opportunities.

Mr Sandhir feels that the construction sector should ensure that workers are provided with necessary facilities at sites along with the adequate training and wages, which will ensure that workers see value in pursuing a career in construction and infrastructure development.