

BRIEFING NOTE

# MAKE IN INDIA

## MAKE IN INDIA; An Outside-In Perspective

21st November, 2019

*How do western European companies look at productivity and cost?*

*How do they evaluate an overseas investment decision?*

*What do German corporations do to ensure sustainability of talent?*

These were some of the questions debated by an August group of corporate leaders in a closed-door roundtable discussion hosted by Hunt Partners on the 21st of November, 2019. The backdrop of the discussion was to look at the flagship 'Make in India' initiative—from an outside-in perspective.

The roundtable was anchored by Herr Christian Tegethoff, Managing Director of C.T. Executive Search. Arjun Erry and Suresh Raina from Hunt Partners provided the backdrop of the roundtable discussion.

Christian provided context by describing how German companies have employee-centric policies leading to positive virtues of retention; companies lay-off workers only in extreme cases. He also talked about the attractiveness of Eastern Europe to German companies for establishing manufacturing operations. The key attraction, in addition to geographical proximity, being labour-force productivity. The room



contributed to the discussion by describing how India is creating college graduate capacity, but this cohort is not employable. The bane for companies in India is the time and cost of training entry-level talent. This is further accentuated because millennials are attracted by fields such as technology, e-commerce, media, etc. They do not want factory jobs. Christian also introduced a point about manufacturing being the national pride in Germany. This links to the point in the earlier paragraph about youth in India not wanting shop floor jobs. And further, the heavy societal bias for white collar jobs, and the attendant lack of interest in vocational training.



Participants shared experience of how vocational and technical training programs sponsored by their companies are a lot more difficult to propagate amongst the youth. Overall, the reforms of taxation and labour laws in India was contributing to the country becoming an attractive destination for FDI. The Skill India Mission and impetus toward to drive greater towards and Apprentice ecosystem was being viewed very positively. And the rule of law was a major plus for India. These were some of the concluding remarks shared by participants.