

Creating an Adaptable Workforce: Evidences from India and the United States

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Introduction

The Federal Reserve's Bureau of Economic Analysis suggests the American economy has averaged 2 percent GDP growth rate since 2008 and forecasts a 1 percent GDP growth rate through most of 2013 (BEA, 2012, report). Despite frequent claims that it is technology that has killed professions and jobs, according to a May 2012 US Treasury report, high tech industries such as telecommunications and information technology are some of the slowest to recover. Another irony is that, while the US Economy is slow to recover, corporate and personal income for the top 2 percent has seen exponential growth. A recent article about income inequality in *The Atlantic* earlier in September received little fanfare or comment but it seems to highlight interesting challenges for our current societal trends. Wiessman (2012) cites a study which illustrates the income gap between the richest and poorest Americans today, which is multifold more than it was in 1774, on the eve of the American Revolution. Examining GDP growth and forecasts suggests increasing interconnectedness of the US economy with the economies of India, Mexico, and to a lesser extent, Japan.

According to Basu (2012) the Indian GDP growth rate averaged 3.4 percent pre-American recession to an expected growth rate of 5.5 percent in 2012. In addition, Basu forecasts "Indian Economy will return to a 7 percent growth rate by late 2104". Data also suggests that the most important and the fastest growing sector of Indian economy are services. Industries such as trade, transport and communication- (including telecommunication and information technology), finance, insurance and business support account for more than 60 percent of GDP (Basu, 2012). Mexican economic growth is estimated to be 3.9% in 2013 and 3.6% in 2013. The highest performing

industry in Mexico is manufacturing, specifically automotive manufacturing, which accounts for 25% of the all exports (World Bank, 2012).

The Japanese economy faces similar struggles to the American economy. According to the Japanese Center for Economic Research, GDP growth through 2012 is forecasted to be 3 percent (JCER, 2012). It is expected that the top growth industries in the economy would be the health, nursing care, and services sectors.

A compounding factor in all of this is the American unemployment rate. According to the bureau of Labor Statistics, the US unemployment rate was 7.9% which is nearly double from the hay days of October 2007. Noted within the examination of the GDP data from the United States, India, and Mexico suggest some striking interconnected industries. Noticeably, increases in the telecommunications industries in India are matched with decreases in the same industry in the US. Slight increases in the Mexican manufacturing industry are loosely correlated with decreases in US manufacturing, closely related to automobile manufacturing. Japanese growth sector forecasts in the area of health care and nursing are similar to growth sectors observed in the United States. With the stronger interconnected nature of the global economy emerges an interesting dichotomy between global aspirations and local realities. This appears to be evident in the unemployment rates in several industries in the United States as it relates to who is unemployed.

The new homeless are the chronically unemployed ones whose once valuable skills have become obsolete, thanks to globalization and the onslaught of technologies (Castro & Castro, 1995). Their new life circumstances have forced families to make hard choices about the basic necessities of life such as a

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place to live, access to health care, and food. Chronic unemployment refers to the condition of workers who are benefitted from unemployment support systems from the government and other agencies but continue to look for work. These chronically unemployed are mostly the middle aged workers between the ages of 45-64, many of whom held progressively responsible jobs in telecommunications, light manufacturing, marketing and service sector industries. Economist Steven Davis from the University of Chicago argues "Part of what set the most recent recession apart from the milder downturns of the 1990s and early 2000s, is that this recession didn't primarily strike young workers, or those with erratic work histories. It also hit productive, steady workers in the prime of their careers-people who are ordinarily the backbone of the economy" (Casselmann, 2012).

The impact which this group of unemployed will have on the country is uncertain but what is for certain is there will be a ripple effect to the next generation. According to Chan (2012) "The two decades between 40 and 60 are meant to be workers' prime years for earning and building wealth, the period when they buy homes, send children to college and save for retirement." Bureau of Labor Statistics data suggests when middle-aged people lose their jobs, it is much harder for them to find a new one. Those between 45 and 64 take almost a year on average to find a job, more than two months longer than workers between 25 and 44. Many of these chronically unemployed workers began working in the fields which have been the hardest hit by the recession and the lackluster recovery. These are the same industries which other countries have seen increases in GDP economic growth. As such, many of these industries are at risk of never recovering to pre 2007 levels.

This is not to suggest that any of these jobs were stolen or taken by other countries. Recall that corporate profits and wealth accumulation of the top 2 percent of the wealthiest Americans has increased to record levels. As such, many American companies in telecommunications and manufacturing have leveraged their increased profits to build into their business models, efficiencies, and system streamlining,

including increases in outsourcing of work which typically occurred within the US. The larger issue here is the longer term impact of these trends upon the chronically unemployed and their families.

The present paper attempts to address the abovementioned issues. By means of in-depth interviews with selected members of the workforce, we identify some key themes related to workforce adaptiveness in India and in the United States. We also explore the options available to help the affected workforce to reengage with the changed global economy. Additionally, a set of guiding principles with a view to prepare the young generation to face similar uncertainties presented by a largely chaotic future is presented.

The Adaptive Learning Competency

Adaptive competence is the extent to which an individual adapts to changes in a work system or work roles. Measures of it include solving problems creatively, dealing with uncertain or unpredictable work situations, learning new tasks, technologies, and procedures, and adapting to other individuals, cultures, or physical surroundings (Coopmans, et al., 2011). The chronic unemployment situation in many countries around the world presents us with far-reaching implications with respect to workforce adaptability.

As suggested earlier, these workers typically dedicate resources to support children in college and in early career stability. Day and Newburger (2012) suggest that workers with college degrees earn twice as much over a 40 year working career than those with a high school degree. With limited resources to support college aspirations of their children, there is a high likelihood many children of these workers will not attend or graduate from college. With lower education levels, these children will have a competitive disadvantage in a changing work force. Another impact of workers struggling to find employment in the prime of their careers is the amount of wealth which will be transferred to children and families. Long term unemployed workers typically leverage savings, include retirement equity, equity in their home or other assets to meet daily needs. These resources are diverted to

pay for day-to-day living expenses and as such will not be able to support children or future generations. Typically, as workers progress in their working lives a portion of their wealth is transferred to the next generation.

Given the intergenerational nature of this problem, short term fixes are more than likely to fail. The praxeology of adaptive learning might provide a beacon of hope. Adaptive learning provides the foundation for molding an adaptive workforce. In order to do that, however, we have to release the theory of adaptive learning from its traditional definition as 'an educational method which uses computers as interactive teaching devices'. Computers did play a very major role in the historical evolution of adaptive learning and they still do have a key role in it. Yet, we should not forget that computing and information technology are just a means to achieve adaptive learning. The central role of computers in the current system of adaptive learning is the result of the historical focus of adaptive learning as way for learning to become user-friendly. Adaptive learning systems endeavor to transform the learner from a passive receptor of information to a collaborator in the educational process. It coincided with the prominence of mass customization in every other sphere of social activity. The problem that we face currently is much less that of adapting learning resources to suit the learner than that of adapting the learner in the workforce to suit the changing requirements of work. Nevertheless, time honored adaptive principles can be tweaked to facilitate aspects of learning suiting diverse requirements (Brusilovsky, 1999).

Cross-Culturally Adaptive Learning

Cross-cultural adaptation is an essential requirement for anyone in the globalized workforce to continue to be relevant. Such adaptation include the ability to understand cultural cues and to behave in culturally appropriate ways. The process becomes complicated when one is employed as part of a team that is composed of members from multiple cultures. , i.e. the capacity of a system and its constituent components to interact effectively with systems and people of culturally diverse backgrounds. Cross-cultural

adaptation is one of the core competencies expected out of 21st century employees. Cross cultural competence refers to the capacity of an individual to interact effectively with systems and people of culturally diverse backgrounds.

Linkages between culture and competitive advantage have been extensively studied (Hall, 1993; Meehan, Gadiesh, & Hori, 2006; Fiol, 1991; Barney, 1986). Most studies reviewed herein viewed culture as either a national or organizational entity. Only a few definitions characterized culture in terms of cultural diversity and the resulting competence. However, there are studies in general agreement that differences in cultural values impact competitive advantage (Cox & Blake, 1991).

In addition to cross-cultural knowledge and skills, sensitivity to the norms of other cultures is a significant component in cross-cultural competence. Abbe, Gulick, & Herman (2007) conceived cross-cultural competence / intercultural competence as being closely related to language proficiency and regional expertise. Bennett's Developmental Model of Intercultural Sensitivity embraces two major phases in the development of cultural sensitivity in an individual - a progressive movement from the ethnocentric stage to the ethno-relative stage (Bennett, 1993).

Cross cultural competence is a factor condition. It could also be an element of strategy. Cultural competence can reduce the cost of transactions and promote more enduring relationships. It can also enhance a country's attractiveness for an additional inflow of superior talent from overseas. Cultural diversity is known to result in creativity, innovation, and entrepreneurship. These are important bases of competitive advantage. In summary, cross-cultural competency adds value to strategy, regardless of choice of strategic alternative (cost leadership, differentiation, or focus) and developing it should be a key objective of any adaptive workforce development program.

A Reflective Synthesis of Perspectives

In order to better understand the adaptive learning issues in the USA and in India, we have conducted four in-depth interviews; two in India and two in the US. During these interviews, we were guided by the

appreciative inquiry paradigm; we listened to the participants while they recounted their life stories with an open mind but with a keen interest to understand their problems from their own vantage points. Later, the key insights gained from each of these interviews were subjected to brainstorming among the contributing authors. The brainstorming was with the objective of rediscovering the meanings and

implications of these insights in the light of extant theory.

The nature of problems faced by individuals in the labor market on account of the structural changes taking place in the two countries and globally, based on our analysis of the insights from the interviews, is summarized in Table 1.

Issue	USA	India
Type of industry covered	Manufacturing and service industries	Service industries
Impetus for studying the problem	Unemployment and loss of jobs to offshore entities	Unstable job conditions and career dilemmas
Who is getting affected	Employees in the middle of their careers and their families with grown up children. Such employees are overly dependent upon their current skill levels to find appropriate jobs in the labour market	Employees in the beginning of their careers where threat of new job entrants is high. Experience on the job adding insufficient value to create competitive advantage vis-a-vis new entrants
Consequences at the individual level	Joblessness and slow erosion of living standards	Frustration towards the job and job switches
Problem framed as an issue of the context	Existing skills too over-priced in the context of globalization knowledge	New job entrants in the dynamic jobmarket displacing the workers
Reason for knowledge becoming less appropriable	Emergence of a virtual world that reduces differences of geography or time	Supply-rich job market
Nature of displacement	Displacement of industries from developed to developing countries	Displacement of individuals within firms
The larger sociological reality	Change in structure of the economy/ outsourcing/ globalization causing displacement	Huge throughput of skilled manpower with technical skills causing displacement

Table 1: Issues - USA and India

In the US, the loss of jobs is on account of the offshoring of jobs resulting in employees in the middle of their careers being impacted adversely. Such people are typically middle aged with families having grown-up children. The consequences are joblessness and erosion of living standards. The skills they presently possess are available for a lesser price elsewhere in the world. With globalization such skills can be easily accessed and deployed. In a macro sense what is

happening is change in structure of the economy, outsourcing and globalization causing displacement of jobs to less expensive regions of the world.

In India, the issue is slightly different. There is instability on the labor market on account of oversupply of skilled manpower where the threat of new entrants is very high. The routine nature of the jobs coupled with relatively less value-addition on the job creates a threat from new entrants. This is, at the individual level, causing frustration towards the job, and resulting in

job shifts. It is interesting to note that, for precisely this reason, the job placements at educational institutions (wherein employers directly recruit graduating students) are more likely places for getting employment than afterwards in the job market.

While there are macro-level structural reasons for such a state of affairs, there are also micro-level solutions that can alleviate the problems. These can be respectively termed "policy level" solutions and "individual level" solutions as shown in Table 2 below.

Solution	USA	India
At the policy level	Industrial Policy: Identify types of industries amenable to global displacement/ generation of new types of industries at a macro-level and prepare people for new job skills Adult training: Reskill the workforce to be adaptive to new job situations and be able to move up the value chain and change jobs to develop/ utilize new skills	University training: Train the workforce to not displace the existing workforce but create new jobs and new opportunities to solve the deep problems that societies in developing countries face Training on the Job: Create a workforce that can constantly grow and be adaptable so that new skills are constantly being learnt. New entrants will cease to be a threat
At the individual level	Awareness about globalization and opportunities available on account of this. Knowledge of global dimensions and resultant impact on local job realities.	Get trained in adaptive skills and enhance the ability to work in diverse circumstances. Get trained in leadership

Table 2: Towards a Solution

At the policy level in the United States what is required is an industrial policy that identifies those industries that are likely to be hit by globalization resulting in job losses and generation of new types of innovation and service industries that are less likely to be impacted by job displacement. These could also be industries that have global implications such as development of alternative fuels etc. Along with this kind of an approach, the training requirements also need to be relooked. The workforce has to be reskilled to be adaptive to new job situations and be able to move up the value chain. The need to be alive to changes in job placements, grappling with which would require new adaptive skills.

In the Indian context what is required is a shift towards creating new jobs and opportunities to solve deep problems that beset the society rather than be deterministically driven by globalization. There is need to move from being reactive to external compulsions

and become more autonomously driven by the local contexts. University training has to concentrate on training the workforce not to merely displace existing workforce but to create new jobs and new opportunities to address real social, cultural, and no doubt, economic issues. There is need create a workforce that can constantly grow, be adaptive to learning new skills and be alive to local potentialities. In such a scenario new entrants in the job market will cease to be a threat to the existing incumbents.

Conclusion

While the scope of this paper is not to delve deeply into the policy issues, it is important to point out how nationally, culturally, and technologically adaptive knowledge can be nurtured (Castro & Castro, 1995). Adaptive knowledge cannot thrive in an environment where there is an unholy hurry to make people employable on day one. Quick fixes for employability often is myopic. Perhaps it would not be inaccurate to say that today society considers knowledge (from both

supply and demand side) as merely contingent. Procedural knowledge that is situational and tactically relevant is considered good enough. A certain 'hurry' in the skilling process exists that conveniently forgets that there is no one standard industry requirement. The resulting behavior of employees in such an environment would be at odds with the long-term development of the profession or the individual.

We need to expand the idea of employability to include ideals such as entrepreneurship, life skills management, ability to balance between work and home, ethical behavior, cultural competence, etc. Currently education in general is facing a situation where knowledge is far too externalized without any consideration of the need for reflection or self-development. Adaptive skills and long-term employability may require that learners develop double-loop learning skills rather than merely single-loop learning. It would appear that double-loop learning may be considered a luxury; but, it is a critical component of future-preparedness and to some extent future-shaping.

Even if the contexts are somewhat different in the US and India, our analysis points to the need to teach and learn to create flexibility of the mind, or, plasticity, as neuroscientists are talking of (Davidson, Jackson, & Kalin, 2000). Flexibility could be at various levels. With globalization and the extent of access to information, ideas, and perspectives, we think that the flexibility that is called for is even greater. The current situation calls for higher order wisdom as opposed to merely conceptual knowledge. We believe that there is a need to rethink on what it means to be 'knowledge relevant', which is independent of the any geographical location of the world, and we hope to have planted some of the first seeds of debate in this regard.

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