Interview: Ranjit Madan – CEO, Life Sciences Sector Skill Development Council (LSSSDC), India



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With his over 25 years' experience in running growing businesses and establishing start-ups, Ranjit Madan, CEO of the Life Sciences Sector Skill Development Council (LSSSDC), explains the journey of the LSSSDC and its efforts to grow the formally skilled labor force in India by involving all the stakeholders across the life sciences industry.

Mr. Madan, you have an extensive experience in working in international MNCs. What led you to pursue this leadership position at LSSSDC four years ago?

I have been in the field of chemicals and petrochemicals for a long time and my level of responsibility ranged from textile dyestuffs to defense, and petrochemicals to pharmaceuticals – both in India and abroad. A few years ago, when I came back to India from Singapore I crossed paths with the government and the CII and that was a time when skill developing initiatives were gaining momentum and the need for it was really being felt. I was asked if I would have liked to help set up a designated council to address the skill shortfall needs in the life sciences sector.

I found it absolutely fascinating as it is a mix of entrepreneurial – at the time it was something completely new – and a way to empower the skilled workforce of my country. I agreed to it as I could envision that it required a great level of collaboration with a wide range of stakeholders, such as the federal and the state governments, the industry, the academia and the student bodies. As I look back, three years down the line, I am even more passionate about it. It has been an exciting

journey so far.

The Vision of the Council is to create a robust and vibrant eco-system for the development of a skilled workforce, matching globally recognized standards. What are the skill gaps, in qualitative and quantitative terms, in the life science sector in India?

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On the macroeconomic level, India has a phenomenal opportunity in being the youngest country in the world as it turns out to be that two thirds of the population is in the working age group and no other country has such numbers, including China which is an ageing country thanks to the one-child-norm. The same applies for Western Europe, the US and Japan which are all countries with an ageing population. This results in these populations lacking skilled workforce in some 20 to 30 years' time. Given that India is in a very good position to avail of the demographic dividend, projections are that, if the country does things right, India can have a surplus of almost the same number in aforementioned countries which, conversely, are going to be deficient in skilled labor force.

However, it is a huge challenge as we realize that in terms of formally skilled people we are right at the bottom of the ladder, because less than 4 percent of our population qualifies as such. South Korea is 97 percent, China is 50 percent and the rest of the developed world is between 50 and 90 percent. The remaining segment of the population which is not included in the percentage are those who may have acquired OJT (on the job training) skills. These need to be formally assessed and certified. In India, for a long time the education system and mind-set has encouraged degrees and diplomas and, accordingly, graduates when they join the work force are not job ready – not only in the life sciences sector but in other industries as well – and employers complain that they have to invest a lot of time before they can be productive. Huge amount of time and costs are expended with regards to this matter.

When the current government decided to give a very high priority to this issue, the Skill India initiative took on shape and the Ministry of Skill Development and Entrepreneurship was set up just about three years ago. Now, every major sector has a designated skill development council and ours focuses on life sciences which comprises Pharmaceuticals and Biotechnology and Clinical Research. It addresses the manufacturing sector –from drug research up to the point of when the drug is sold and knowledge is disseminated to the doctors. On our Governing Council we have all the associations, while ensuring that we do not only have the large companies but also the small and medium ones, Indian and foreign MNCs. The way we address the skill gaps and ensure to reach

a higher percentage of formally skilled workforce is essentially by working with the small and medium enterprises across India addressing the aforementioned issues.

Having developed standards (National Occupation Standards) to which skilling will take place for the major 60 job roles, comprising 90% of total job volume of around 0.8 mn in the sector, our current focus is on the 10 major job roles constituting almost 60% of total job volume. These are mostly in manufacturing, QC and sales/ marketing—addressing both hard and soft skills, as identified by Industry. Alongside, we are first focusing on the 6 major clusters of Life Sciences activity, which are in Baddi (HP), Hyderabad (Telengana), Vizag (AP), Bengaluru (Karnatak), Gujrat and Maharashtra.

Since a high percentage of jobs are in manufacturing, capex required for equipment to provide skilling is a huge challenge. On top of this, stringent USFDA and Eu regulations, make practical training on shop floor rather difficult. To overcome these hurdles, LSSSDC is now introducing ‘Virtual Reality/ Simulation’ based skilling modules in specific manufacturing focused job roles.

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I should highlight that in a sector which directly impacts human life, quality is of utmost consequence. It must be our constant endeavor to benchmark our standards, processes and systems against the benchmarks set in few leading countries. Two years ago we did a benchmarking of standards set for 6 of the major job roles, against those in the UK. It was satisfying to note that mapping was to the extent of 85-90 percent. We therefore have transnational standards in place for these 6 job roles, and this will be handy for ‘Make in India’ initiative, where companies would want their workforce skilled to ‘International standards’.

India is now the third largest exporter of medicines and vaccines across the world, meaning that the life sciences industry is a significant contributor to India’s economy. Furthermore, the LSSSDC has always worked hand in hand with industry to make this Council a reality. Does the government fully acknowledge the magnitude of the work of pharmaceutical companies in India?

Today, Indian multinational companies such as Sun, DRL, Lupin, Cipla, Cadila are recognized across the world and have a global footprint. As regards the foreign MNCs, a large number of them have been largely in the sales and marketing space, as they have been bringing in drugs to sell them under their brands. However, the Make in India campaign encourages companies to set up shop in India and to leverage the advantages that the country has to offer in terms of demography, domestic demand, the country’s potential as a competitive place to set up one’s business and, last

but not least, the impetus of ease of doing business gradually getting better and better to invest here. I guess that this would also become attractive in the pharmaceutical space, as a lot of companies would start looking at India as a place to invest and, more importantly, start investing in manufacturing here. Furthermore, I would also assume that this will incentivize large Indian companies to further export and expand out of India to cover larger parts of the global space and perhaps also move on from the current relatively low value products to more innovative higher value products, with greater focus on R&D. Either way one looks at it, there is a great opportunity for the sector to grow.

LSSSDC is working very closely with Industry, leveraging the Associations who are represented on the Governing Body of the Council. Today, most of the top 30 companies are working with the Council in setting and validating standards, Curriculum, Content and Assessment models; nominating Master Trainers; screening and hiring those skilled, and finally in getting their existing workforce assessed and certified by Council.

In the most regulated sector (because of its very nature), we have been working very closely with, and have received very strong convergence and support from the govt via the office of DCGI. In fact, in a recent circular put out, DCGI has urged all organizations in the sector to hire those certified by LSSSDC, and to have their workforce assessed and certified by the Council.

The govt is fully cognizant of this opportunity and potential that this sector has to offer, and just recently, Pharmaceuticals, is amongst the 5 or 6 sectors identified as priority by the government for the ‘Make in India’ initiative.

How do you assess the changes that the department of chemicals proposed to the Drug Price Control Order 2013 to cap the prices of ‘expensive’ innovative medicines?

From an economic perspective and from my experience in the sector there has to be a proper balance. While there is still an undeniable need in the Developing world for example for African as well as Indian patients to have access to drugs at low prices, India has done a phenomenal job in making some of its drugs available to people in many parts of the world at very affordable prices. As India looks at higher value products, both the Government and innovative and R&D driven companies will realize even more that if one has to invest in R&D a great expenditure is needed. Statistics are very clear about the sheer number of molecules that do not succeed in trials. It is important to keep these aspects of the business in mind, for all policy initiatives—including pricing.

What is the LSSSDC doing to make the life sciences sector attractive to young people?

Mobilitization of suitable candidates for this sector is a huge challenge. The reason for this is that most of the jobs in this sector are technical in nature and they require people with a background in science. As I traveled and met with students around the world, two things come into play: firstly, as India's IT sector is emerging enormously, most people's first choice is working in a call center, with air conditioning comfort and getting good salaries. Secondly, other attractive sectors for Indians to work are finance, insurance, FMCG, media and sports – not to mention cricket which is as a matter of fact almost a religion. It is harder to convince them to become machine operators, chemists, or medical sales reps who need to wait in line to meet a doctor to inform him about the latest cardiovascular or cancer related drug. It is simply not on the radar. Moreover, those with a B. Pharm degree prefer to carry on to do a Master's or even a PhD, with either no clarity as to what they wish to do, or with intention of taking up a R&D job. In the current situation though R&D jobs are miniscule, as compared to manufacturing, QC and Sales, which do not necessarily require a Master's degree, leave aside a PhD, but few are aware of this. Student counselling in various institutions is very important.

Two years ago, the OPPI HR summit took place and the number one problem they identified was how to get people to become Medical Sales Reps. And as I mentioned earlier, foreign multinationals in India are mostly focused on sales and marketing. If global MNC companies were not able to come up with an attractive recruiting strategy, you can imagine the challenge posed to the council that was set up only three years ago. It requires efforts from every stakeholder segment constantly highlighting that it is a thriving sector in India and salaries are not bad. It is really required to speak to the youth, addressing their concerns, making them aware of their opportunities. This must be brought up through the use of social media, from Twitter to YouTube, websites and Facebook and we should continue highlighting success stories. Also, the people who do join the life sciences sector need to become ambassadors and explain how their lives have changed. However, I would to reiterate that it is a slow and complex process and it is absolutely fundamental that one is patient, resilient and crucially involves every stakeholder to contribute and make it happen.

Finally, I would like to state that DCGIs circular of which I made a mention earlier, should also give a fillip, to aspirants wishing to make a career in this sector.

The life sciences industry is one of the most innovative industries, investing USD 150 billion in R&D globally, and India is one of the largest (13th) pharma market in the world. What sort of initiatives or further investments would you like to see the Indian life sciences industry make in the country?

While many people consider me to be a government person, I come from the corporate sector – I just put on different hats. This council is a not-for-profit organization and it runs via the PPP mode. This means that a lot of funding has come from the central govt for an initial period of three years, with some contribution from the Industry. Now that the three years are almost over, we should become self-sustaining.

The government has laid down the framework within which we have to operate and they have become the enablers to smoothen the process and support us to knock down as much as possible the impediments and the road blocks (apart from infusing the capital) and, moreover, for certain job roles at the lower levels, they are even bearing the cost of skill development. In India, as you must have heard, there is a Corporate Social Responsibility (CSR) provision under which two percent of the company profit should be devoted into designated areas and skill development is one of those. We are now urging companies that do ‘in-house’ skill development to join hands with us to also become our accredited training partners. As an example Cadilla, Wockhardt, Dr. Reddy’s, Merck Group, Granules, Hetero have already joined us.

In general, I would like to see a concerted action plan, marking a move towards more innovation and higher value added products, which would then require focus on jobs with very different and higher order skill sets.

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