

# Human Resource and Skill Requirements in the **Beauty and Wellness** **Sector** Executive Summary



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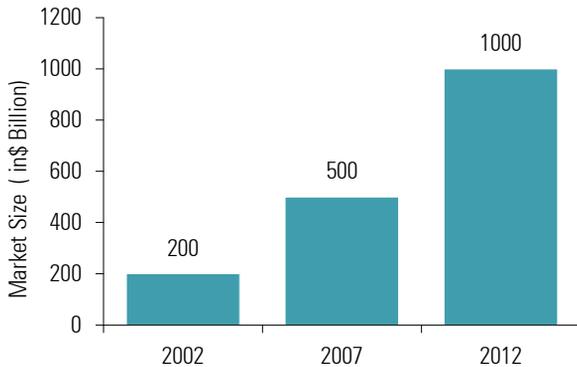
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## Industry Overview

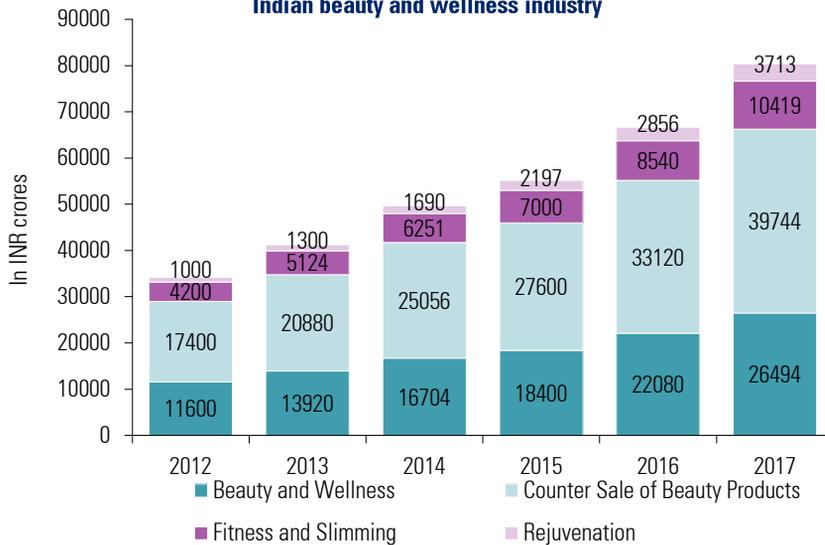
The estimated market size of the global beauty and wellness industry is around \$1.4 trillion...

Global beauty and wellness industry



- The global beauty and wellness industry is growing at a CAGR of 15 % annually over the last five years.
- The top five growth beauty and wellness markets are China, Brazil, the US, India and Indonesia.
- The rise in world's leading health problems (obesity, hypertension and cardiovascular diseases) contribute to the demand for wellness-related products and services.
- The list of other fast-growing sub - sectors include acupuncture, naturopathy, Ayurveda, meditation, biofeedback and yoga.

Indian beauty and wellness industry



- The beauty and wellness industry in India is growing at a CAGR of 18.6 %
- The sector is thriving on the increasing section of affluent and middle-class population that has started considering beauty and wellness as a necessity
- Increased emphasis on a holistic wellbeing with people's desire to look good and young are other motivators for the industry.
- The rejuvenation segment is no longer perceived as a mere luxury service but it is now acknowledged as an essential tool to de-stress

## Industry Trends:

- **Increasing level of personal spending:** According to CSO, expenditure on wellness products and services remains steady, riding on increasing share of discretionary spending.
- **Changing consumer psyche towards beauty and wellness:** Customers are willing to pay a premium for a beauty and wellness 'experience'. Spending on beauty and wellness is no longer considered a luxury
- **Emerging Unisex beauty and wellness centers:** Unisex beauty and wellness centers are increasingly finding acceptance among young. Several leading brands in the organized segment offer unisex services.
- **Expansion beyond tier 2 cities/towns:** Rising income, increasing awareness among consumers in tier 2 and 3 cities and low rental/manpower costs are some drivers for expansion into hitherto untapped regions.
- **Advent of international beauty brands:** Increased penetration of organized retail augurs well for the sales of foreign brands in India.

## Demographic characteristics of workforce

# Growth in the beauty and wellness industry is centered around top 50 cities that have high earning as well as spending potential

### Gender distribution

Over 50 percent of the workforce among salons, slimming and rejuvenation sub-segments are women. However, men are increasingly gaining interest, especially in hair styling. Segments such as physical fitness and counter sales continue to be dominated by men.

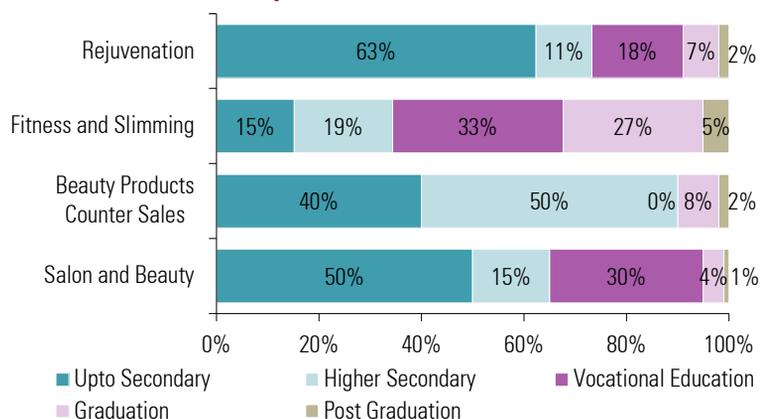
### Socio-economic background

Transitional changes are being observed in the economic profile with candidates from mid-income households taking to the sector in urban areas. In rural areas, the workforce continues to be constituted by people from lower socio-economic background

### Nativity of the workforce

- Employees are usually sourced locally. Workers from Kerala are preferred for rejuvenation services of the Ayurvedic therapy while those from the Northeastern states are preferred for generic services.
- There is an emerging trend of migrants from the Northeastern states, West Bengal and Nepal entering the sector.

### Workforce distribution by education (2013)



- Workforce distribution by education indicates towards opportunity for increased penetration of vocational education in the sector.
- Segments such as salons, beauty and fitness and slimming are demonstrating increased acceptance of candidates with vocational education than others.

### Socio Economic Challenges

- **Social Stigma:** Social stigma and low dignity associated with hair care activities have significantly dampened hair styling-related activities — caste rigidity associated with the profession is a case in point
- **Absence of Social safety net:** Lack of social security benefits, such as job security, continuity of job, paid leave, medical leave, insurance and benefits, coupled with long working hours and lack of additional benefits, lead to high attrition rate among beauty and wellness professionals as they switch jobs for minimal salary increments.
- **Migration:** Migration in labour is noticed predominantly from the Northeastern states, West Bengal, Nepal and Bhutan to major Indian cities for work. However, people in other regions are still reluctant to join the sector.
- **Women Employment:** Though women have high entrepreneurial aspirations, they usually do not have the authority to make investment-related decisions. Also, in non-metropolitan cities, it is difficult to convince women to pursue a career in hair styling.

## Incremental Human Resource Requirement (2013-22)

Segments	Workforce requirements in 2013	Workforce requirements in 2017	Workforce requirements in 2022
Beauty and salon segment	3.40	6.20	12.10
Beauty products and counter sales	0.70	1.00	1.80
Fitness segment	0.07	0.09	0.11
Slimming segment	0.02	0.03	0.04
Rejuvenation	0.03	0.08	0.21
<b>Total</b>	<b>4.21</b>	<b>7.39</b>	<b>14.27</b>

- Employment in Beauty sector is expected to grow at a CAGR of 20%, with 23% in organized and 15% in unorganized segments
- With shift in focus towards quality of service, the industry has been looking to hire skilled labor to sustain growth
- The fitness segment is expecting a CAGR of 19% with 22 % in organized and 15 % in unorganized sector
- Beauty products and counter sales sector is expected to grow at a CAGR of 20%, with 24% in organized and 17% in unorganized sector
- Slimming segment is expecting a CAGR of 22% with 29% in organized sector and 17% in unorganized sector
- Rejuvenation is expected to have the largest growth at 30 CAGR with 34% in organized and 27% in unorganized sector

# Several leading organized players have established training capacities, primarily to meet captive requirements

- Most of the training courses offered by unorganized small time players are not recognized by the industry and the candidates do not receive a premium for completion of these courses
- Courses requiring detailed theoretical study of human anatomy and complex procedures are usually taken up by those completing graduation
- Training offered by unorganized players who are not from the industry lack practical exposure
- Few organized training organisations are accredited by leading global bodies, while most others do not even have a standardized curriculum or quality trainers
- Training institutes are mostly centered around demand hubs, than sourcing hubs, such as the Northeastern states

### Prominent Training Institutes

Institute	Description
VLCC Institute	Established in 2001, VLCC has 51 institutes offering courses in 39 cities
L'oreal Academy	Launched in 2006 to attract talent into the profession of hairdressing
Ananda Spa Institute, Hyderabad	Established in March 2008 by India's premier spa operator, IHHR Hospitality; courses offered - International body treatments, Ayurveda
Jawed Habib Academy	With around 45 salon academies in India, It offers courses in hair care, beauty and skincare

### Government Schemes

#### Modular Employable Skills (MES) schemes

- The scheme has an objective to improve skill development for early school leavers and existing workers, IT/ITC graduates, etc, especially in the unorganized sector
- The skill levels of persons already employed can also be tested and certified under this scheme, i.e., certification of prior/experiential learning
- It has provided a pathway for multiple entry and exits, as well as transforming skill development from long-term skill acquisition periods (1–2 years) to short term (about 3 months)

#### STAR schemes

- The Beauty and wellness sector skill council is the national body federation for the promotion and growth of the beauty and wellness industry
- To promote skill development in the sector, the Beauty and wellness Sector Skill Council of India participate in the national certification and reward scheme — the STAR (Standard Training Assessment and Reward) Scheme — and aims to reach out to a million youngsters
- The programme rewards employees undergoing training with an average reward of INR10,000 per candidate as incentive under the National Skill Certification and Monetary Reward Scheme (NSCMRS) contingent upon the candidate clearing the assessment with minimum 90 percent attendance
- The programme is aimed at training workforce employed in the manufacturing and retail sectors across 200 cities in 23 states

### Select recommendations and implications

Recommendation	Implications
Provide long-term benefits to formalise employment and reduce attrition at various levels	<ul style="list-style-type: none"> <li>▪ One of the key benefits that employees look for is training by the employers which is valid throughout the industry</li> <li>▪ Industry should formalise their in-house training and certify it</li> </ul>
Need to increase training supply by sector-focussed training providers	<ul style="list-style-type: none"> <li>▪ Support private training providers to expand capacity for training in the industry, by bringing in greater synergy between government schemes and training providers</li> <li>▪ Incentivise industry players who offer captive training to open for retail consumption</li> </ul>
Impart vocational training for SHGs and establish common B&W retail infrastructure in rural areas	<ul style="list-style-type: none"> <li>▪ Promote vocational training for self help groups in the field of beauty and wellness</li> <li>▪ Provide common infrastructure facilities on a plug and play model for rural entrepreneurs to offer their services</li> </ul>
State/Central portal for the sector via electronic media	<ul style="list-style-type: none"> <li>▪ A mobile application for updates on the vacancies in beauty and wellness sector in key towns and cities would be useful for the workers to locate jobs. This registry of participants from both job seekers and employers can be managed by the Sector Skills Council</li> </ul>
Align captive training initiatives with SSC Assessment and Certification	<ul style="list-style-type: none"> <li>▪ Aligning captive training initiatives with Beauty and Wellness SSC's Assessment and Certification activity will provide a level-playing platform for the candidates</li> <li>▪ This will also lead to easy mobility between organisations, from an employee perspective</li> </ul>
Increased focus on language and communication	<ul style="list-style-type: none"> <li>▪ Industry bodies to increase attention on soft skills part of the beauty and wellness industry as much as the technical skills</li> <li>▪ Training tie-ups could be considered with leading English and Communication institutions such as the Cambridge ESOL</li> </ul>
Development of recognition of prior-learning framework	<ul style="list-style-type: none"> <li>▪ Development of recognition of prior learning (RPL) framework whereby current workforce across subsectors can register and be certified by the SSC increases the employability quotient</li> <li>▪ This will also assist employers in identifying the right candidate with the appropriate skillset</li> </ul>
Incentivise skill upgrading through skill premium	<ul style="list-style-type: none"> <li>▪ Encourage employees to upgrade skills to remain relevant in the changing industry scenario</li> <li>▪ Formalise the training relationship with product companies to certify and credit the employees who have undergone training</li> </ul>
Training industry to introduce B&W management programmes	<ul style="list-style-type: none"> <li>▪ Beauty and wellness management programmes can be promoted by the training institutions that offer a combination of technical and management courses</li> </ul>



*cutting through complexity*

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