



## Study Of CSR Activities of the Business Organisations for Skill Development

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### ABSTRACT

Although India's demographic dividend is usually mentioned as one of its strengths, this has to be understood with caution. Unless skilled, and provided with employment opportunities, the huge demographic dividend that aims to propel India onto the world stage might end up being a liability rather than an asset.

According to the National Skill Development Corporation (NSDC), a public-private partnership set up by the Planning Commission with a mandate of providing funding and direction to private skill development programmes, the growing skill gap in India is estimated to be more than 250 million workers across various sectors by 2022. Against a target of skilling 8.5 million people in 2012-13, just about 1.4 million were trained by various ministries and NSDC by mid-November 2013. The fact that employers are themselves aware of this deficiency reflected in a survey of employers where 78 percent of the respondents were concerned with the growing skills gap. With over 77 projects carried out by the NSDC over the past three years notwithstanding, it appears that the only way NSDC may cross its milestones is by involving large private companies and institutions, which have the means and infrastructure to successfully implement such large scale projects.

The private sector on the other hand, by deploying its CSR capital on skill development projects, also stands to benefit enormously from the availability of a large skilled and disciplined workforce. Such a workforce can easily translate into better levels of customer service, reduced absenteeism and employee turnover, increased productivity and efficiency, along with reduced recruitment costs.

### KEYWORDS

Demographic Dividend, Skill Development, CSR

### Introduction –

Corporate Social Responsibility (CSR) is defined as operating a business in a manner that meets or exceeds the ethical, legal, commercial and public expectations that society has of business. In the last twenty years, there has been a sea change in the nature of the triangular relationship between companies, the state and the society. (Edenkamp, 2002). Corporate social responsibility is a form of corporate self-regulation integrated into a business model. Essentially, CSR is the deliberate inclusion of public interest into corporate decision-making, and the honoring of a triple bottom line: people, planet, profit.

India's population is huge at 1.21 billion. It is fast expanding at a rate of 17% and integrating rapidly into the global economy. India is among the 'young' countries in the world, with the proportion of the work force in the age group of 15-59 years, increasing steadily. However, presently only 2% of the total workforce in India have undergone skills training. India has a great opportunity to meet the future demands of the world, India can become the worldwide sourcing hub for skilled workforce. The challenges for India get magnified, as it needs to reach out to the million plus workforce ready population, while facing an ever increasing migration of labour from agriculture to manufacturing and services. With the government launching a number of schemes to empower the young workforce, the challenges magnify as there is a need for effective implementation of the schemes at the grass root level with equal participation from all the stakeholders concerned. FICCI is playing a pivotal role in this, as a 'SKILLS Development Aggregator'.<sup>10</sup>

Several prominent industry houses have started contributing to the skilling movement, albeit in a small degree and primarily through CSR actions. While CSR activities that contribute to cater to India's skill challenge. The industry should not relegate skill development as a mere CSR activity, but embrace it as a company strategy. Going forward, industry engagement with vocational training should be moved from being a CSR activity to a core business one. Skill development initiatives Companies' Bill mandate on CSR, but the question is whether skilling 500 million people in India by 2022 set by the Gol.<sup>9</sup>

The Schedule VII of the Companies Act 2013 lists Skill Development as one of the activities that could be included under CSR. The influx of these CSR funds in Skill Development has totally changed the turf and the outlook towards Skill Development. Moreover, spending on Skill Development also makes sense for the industry as they can get the adequate skilled workforce for their own requirement.<sup>1</sup>

### Objectives –

1. To understand the role of CSR activities of the business organizations in skill development.
2. To study the CSR activities of the few business organizations for skill development.

### Research Methodology –

The paper focuses on CSR activities of the Organisations for Skill Development. The study is done to reveal the CSR activities of the selected organizations towards Skill Development. The research design adopted is the exploratory research for which case study method is used. Mainly secondary data are used & it is collected from the books & Internet. Five organizations are selected for the study purposefully as they are using CSR as a tool for skill development in their organizations which can be followed by other organizations to contribute in India's Skill Development Programme. The following five organizations are taken for the study –

Tata Motors, FIAT India Automobiles Limited, Microsoft India, Tata Hitachi Construction Machinery Company Private Limited, Mahindra & Mahindra and Adani Group.

### Case Studies –

#### 1. Tata Motors –

Tata Motors have made collaborations with 112 Industrial Training Institutes (ITI) across 19 states to promote skill-based employment for youth. They also provide training to women through Self Help Groups to empower them. The empowerment covers the way for economic self-reliance. Tata Motors Grihini Social Welfare Society, which employs more than 1000 women, achieved a significant milestone by crossing a turnover of ₹13 crores. To align community initiatives with core

business processes, Tata Motors have initiated a 'Driver Training Programme' with a target of training 3.4 million youth over a period of ten years.

To boost skill advancement of UK's workforce, Jaguar Land Rover implements initiatives such as the ASAS, an Interactive Learning Programmes and a partnership with the Institution of Mechanical Engineers (IMechE).

The ASAS scheme bridges the gap between existing skill sets and expected demand of skills in the future. The scheme, based on a programme developed by Jaguar Land Rover in partnership with leading English Universities, offers engineers the chance to develop the green and future engineering skills which will be needed to create world-leading new products and technologies over the next decades.<sup>3</sup>

## 2. FIAT India Automobiles Limited -

Fiat India has launched a social initiative, 'Diksha' for providing technical training and educational avenues for the Indian youth. The company launched this programme in association with the Don Bosco Vyvasaik Prashikshan Kendra in Pune. The main aim behind this programme is to provide a respectable means of livelihood for the poor, disadvantaged and orphans who are deprived from having good educational amenities.

Key role for Fiat India would be to support and improve the knowledge, capability, and competencies of trainers and teachers, provide company training internships for trainers and students and improve practical experience by providing its vehicles, components, workshop equipment, teaching material and also training aids. While Don Bosco is responsible for selection of students, conducting the course and to get accreditation to all the courses from the Govt. of India and Fiat provide on the job training at factory, in dealership network and train the trainer program. The Program Diksha includes courses like: Multi Brand Basic Automobiles Awareness for 4 Wheelers and Centre of Excellence: A long term programme of two years duration. Both the Programs have been accredited from the National Council for Vocational Training, New Delhi and offers joint certification from FIAT and Don Bosco.<sup>7</sup>

## 3. Microsoft India -

Microsoft has formally collaborated with Smile Foundation as a funding partner under its corporate social responsibility initiative. Microsoft is supporting one of Smile Foundation's national level programmes named 'Smile Twin e-Learning Project' (STeP) which focuses on technology skill building for employment generation of underprivileged youth. This collaboration entails a joint commitment by Microsoft and Smile Foundation to deliver effective programme for taking IT to youth, women and underserved communities in urban slums and rural India, and leverage technology skills to promote employability in fast expanding sectors of the economy like BPO, retail and hospitality.

Importance of a programme like Twin e-Learning has grown manifold with the coming in of global gains to India specifically in IT, hospitality and retail sectors leading to a subsequent increase in the demand of skilled workforce. It appears that the decades old problem of unemployment in India will get addressed with the increase in availability of jobs in private sector.

Besides Smile Foundation, NASSCOM Foundation and Saath Charitable Trust are the other two organisations which have received grants from Microsoft.<sup>6</sup>

## 4. Tata Hitachi Construction Machinery Company Private Limited -

The Company has set up an Operator Training School at Kharagpur. It rests on multiple pillars of skill building, social entrepreneurship and training. The school imparts driving and servicing skills for excavators and backhoe loaders to the unemployed youth to enhance their employability as operators

for construction equipment both in India and abroad. The school has a modern hostel, multiple class rooms supported by electronic visual aids and to add to this the company has put in place its state-of-the art machines amongst others for practical sessions and for imparting world class training. The program includes theory on equipment, practical and hands on training for aggregates. A team of well trained and experienced personnel in the field of training from the company is leading the initiative.

The Company has taken it even further wherein it maintains a data of trained personnel and shares information on its trained operators to its dealers at all levels and new customers entering the business for employment. It ultimately guide in a supply chain management system connecting supply of trained resource to its demand. This is noteworthy and is sure to make a sustainable contribution to the hugely growing infrastructure sector in the country. The training programme aims at creating a corporate sustainability programme, creation of human capital, leadership, and skill building. To further enhance the employability arena, the Company provides four wheel driver training to village youths and tailoring to ladies groups in the villages.<sup>8</sup>

## 5. Mahindra & Mahindra Ltd. -

Mahindra and Mahindra Ltd. has set up K. C. Mahindra Education Trust (KCMET) in 1956 to provide education to economically and socially disadvantaged communities. KCMET's programs include initiatives such as scholarships and education loans One of the key initiatives of KCMET is the Mahindra Pride School (MPS) program, which was set up in 2007. KCMET have set up five schools in Pune, Chennai, Chandigarh, Srinagar and Patna. MPS is a unique livelihood training program that targets underprivileged youth belonging to economically challenged and socially disadvantaged communities and trains them in market relevant vocations. The program offers three month long courses in Hospitality, Information Technology Enabled Services and Customer Relationship Management, complemented with communicative English, Life Skills and basic Computer Literacy training. In addition, distinguished individuals from various sectors are invited as Guest Lecturers every Saturday to further enrich the students' learning experience. At the end of the training program, students are placed in high growth service sector careers ranging between food chains, 5 star hotels, department stores and KPOS/BPOs.<sup>5</sup>

## 6. Adani Group -

Adani Foundation is the corporate social responsibility arm of Adani Group. Adani Foundation organises regular courses on vocational training to equip the local communities, youths in particular to develop competencies and improve their employability within the Adani group or with the other industries in the vicinity or elsewhere too. For example in Mundra, considering the future manpower requirements at the Mundra port and other ancillary industries coming up in the Kutch region, the AF initiated training courses for English speaking, Light Motor Vehicle (LMV), Heavy Motor Vehicle (HMV), Automobile repairing and so on. The trainees are paid a stipend and the training is provided by the Technical Department of Adani Group. Consistent efforts are made towards updating the training curriculum and developing a cadre of master trainers who are instrumental in transfer of knowledge and skills to the aspiring trainees. For this, the Foundation has set up "Adani Skill Development Centre" (ASDC) and also the supportive Institutional Management Committee for various Industrial Training Institutes (ITIs) in Gujarat and Maharashtra.

The Foundation organizes development and dissemination of appropriate technologies and provides support in promoting micro irrigation systems, like drip irrigation and innovative farming techniques to improve productivity while ensuring efficient water, land, and energy management. To facilitate employment and income generation, various skill-based trainings are organised for rural men and women. This includes training for rural entrepreneurship and small-scale business and

encouraging women to become self-dependent. AF organizes various skill-based trainings for the rural youth and women to facilitate employment and generate income. Training for garment-making, beautician course, leather bag making, mason work, mobile repairing work etc. are few examples.<sup>4</sup>

### Conclusion –

Although India's demographic dividend is considered as one of its strengths, this has to be understood with caution. Unless skilled, and provided with employment opportunities, the huge demographic dividend that aims to propel India onto the world stage might end up being a liability rather than an asset. Skill development will help prospective employees to get easier access to the formal job market where they can bargain for higher incomes, work under safer labour conditions and be provided better health care and medical facilities. The private sector on the other hand, by deploying its CSR capital on skill development projects, also stands to benefit enormously from the availability of a large skilled and disciplined workforce. Such a workforce can easily translate into better levels of customer service, reduced absenteeism and employee turnover, increased productivity and efficiency, along with reduced recruitment costs. As seen above some of the companies have started focusing on Skill Development Programme as one part of their CSR activities. It is required that more companies should participate in Skill Development Programme so that demographic dividend will be the major strength of the country.

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