

Title: Role of Corporate Social Responsibility in Skill Development and Employability Enhancement: A Strategic Perspective

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Abstract

Corporate Social Responsibility (CSR) has emerged as a vital component of modern business strategies, integrating ethical, social, and environmental considerations into corporate decision-making. Among its diverse dimensions, the role of CSR in skill development and employability enhancement has become increasingly significant, particularly in economies grappling with high unemployment, skill mismatches, and rapid technological transformations. Through an examination of corporate initiatives by Tata Steel, Infosys Foundation, ITC, Hero MotoCorp, and others, the paper demonstrates how CSR contributes not only to individual empowerment and social development but also to long-term corporate sustainability. The findings suggest that skill development-focused CSR creates shared value, strengthens the labor market, and enhances competitiveness. However, challenges such as lack of monitoring, urban-rural divides, and superficial compliance remain barriers to achieving full impact.

CSR within the Indian context, especially after the Companies Act, 2013, which mandated CSR expenditure and placed skill development among its priority areas. The paper analyzes global practices, industry case studies, and cultural representations,

including insights drawn from films like 3 Idiots, which emphasize the importance of education reforms and innovation-driven learning for employability. This paper also explores the strategic perspective of CSR as a tool to bridge the gap between formal education and industry requirements by investing in vocational training, digital literacy, capacity building, and employability programs.

Keywords: Corporate Social Responsibility, Skill Development, Employability etc.

Introduction

Corporate Social Responsibility (CSR) has shifted significantly over recent years from discretionary philanthropy toward a more strategic role in national development agendas. Skill development and employability have become central concerns for policymakers, employers, and educators in India. Despite steady growth in higher-education enrollment over the past decades, a persistent mismatch exists between the knowledge students acquire in formal educational settings and the practical skills demanded by contemporary workplaces. This mismatch creates pockets of structural unemployment and underemployment among graduates who often possess theoretical qualifications but lack technical, digital, communication, and workplace-readiness skills that employers require.

CSR-driven skill development has several strategic implications for corporations, communities, and national development. For corporations, effective skilling programs can create a steady pipeline of talent tailored to company needs, reduce recruitment and training costs, and enhance employer reputation which in turn supports brand value and local legitimacy. Strategically designed CSR can therefore move beyond compliance to become an element of human-resource strategy and competitive positioning. For communities and policy makers, corporate programs that collaborate with local institutions and governments can scale more effectively and reach marginalized populations. Public-private partnerships allow for shared financing, aligned curriculum standards, and co-created evaluation frameworks. Aligning corporate projects with national initiatives such as Skill India fosters systemic coherence and can attract co-funding or accreditation that improves learner outcomes. Corporations should also

consider integrating digital platforms for blended learning, which can increase reach while enabling data collection for performance monitoring.

Literature Review

Nawula et al. (2012) developed a three-tier model to improve the generation of livelihood through capacity building and other assistance via CSR expenditures. The first stage recommends skill and economic assessment needs of the local community, which results in better-planned livelihood activities for local communities. The second stage suggests implementing various training programs to improve livelihood, community empowerment, and entrepreneurship development through CSR investments. Finally, the third stage suggests the creation of innovative business enterprises based on various skills imparted in the previous stage and by assessment of their impact on local communities.

Agary and Le (2016) sketched out CSR as a prominent and critical share inside the procedures of global associations to publicize supportable improvement of the economy and to help advance people and society. It has ascended as a noteworthy thought in both emerging and advanced nations. Saz (2014) in his research found out whether there is any change in CSR spending after it became mandatory under the Company Law 2013. He observed that Indian corporates still need time to understand the legal complications of CSR. They must understand that CSR spending is not unproductive expenditure but rather a wise investment. Ethically, it satisfies a sense of giving back to society. Singh and Srivastava (2016), in their research, analyzed the impact of CSR initiatives on the beneficiaries in Uttar Pradesh. It was observed that there is an increase in CSR after the implementation of the Companies Act 2013. It implies that now banks are planning to increase their CSR contributions. However, the analysis revealed that people were not fully satisfied with the policies and benefits received, but still favored CSR initiatives. Their study concluded that firms have started recognizing the significance of CSR in the long term and have incorporated CSR initiatives into strategic plans. They observed that CSR significantly contributes to the growth of firms as it positively influences relationships with stakeholders and has a positive impact on financial performance and competitiveness.

Objectives of the Study

1. To find out whether there is any significant correlation between Corporate social responsibility, Skill development and Employability Enhancement.

Methodology

The study is based on the primary data. Primary data is collected through a structured questionnaire. The structured questionnaire is given to the selected sample from the population. A sample of 200 respondents is selected through stratified random sampling. Collected data is analysed by using appropriate mathematical and statistical tools including F-test for correlation analysis used for analysing the data. And from records, circulars, leaflets, magazines etc. secondary data were collected.

Results and Discussion

Let us take the hypothesis that there are no significant difference in between Corporate social responsibility, Skill development and Employability Enhancement

Table1: Relation between Corporate social responsibility, Skill development and Employability Enhancement

Corporate social responsibility (x_1)	Skill development(x_2)	Employability enhancement(x_3)	x_1^2	x_2^2	x_3^2
0.9	8.8	5.4	0.81	77.44	29.16
1.3	8.5	5.9	1.69	72.25	34.81
1.2	9.0	6.2	1.44	81.00	38.44
1.4	9.1	2.7	1.96	82.81	7.29
1.2	9.0	6.2	1.44	81.00	38.44
0.4	10.0	6.0	0.16	100.0	36.00
1.0	9.5	2.8	1.00	90.25	7.84
2.1	9.3	5.6	4.41	86.49	31.36
0.3	9.2	5.6	0.09	84.64	31.36
1.0	8.5	2.7	1.00	72.25	7.29
11.8/10=1.18	91.4/10=9.14	49.1/10=4.19	15.6	838.58	261.99

All the above results can be tabulated as follows:

Sources of variation	Sum of squares	Degree of freedom	Mean square	F (5% level)
Between samples	3.203	2	1.6015	F=1.6015/40.81 =0.03924
Within samples	1101.96	27	40.81	

Inference: The calculated value of F is less than the tabulated value i.e., 3.35. Therefore, the hypothesis holds true. All three are not significantly different.

Conclusion and Recommendations

Recent policy reports and organizational case studies indicate growing interest in digital skilling and public–private partnerships, but systematic, high-quality evidence about long-term job retention, wage outcomes, and career progression remains limited indicating clear opportunities for future empirical research. This study highlights the promising role CSR can play in enhancing employability when interventions are purposeful, demand-driven, and designed for measurable outcomes. Corporate initiatives that combine technical training with soft-skills development, employer engagement, and placement support are most likely to translate training into sustained employment. The film 3 Idiots serves as a cultural reminder that practical problem-solving, creativity, and learner-centered pedagogy matter for long-term success.

Recommendations

The sum of all items of various samples=	15.23
Correction factor=	$T^2/N=7.73$
Total sum of squares=	1108.44
Sum of squares between the samples=	3.172
Mean sum of squares between the samples=	1.586
Sum of squares within samples=	1105.26
Mean sum of squares within the samples=	40.93
➤ Prioritize demand-led program design: involve employers early to ensure curricula meet real workplace needs.	
➤ Support trainer capacity: invest in training the trainers and establish quality assurance for training providers.	

References

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