

# Companies urged to chip in towards skill initiatives

**NSDC, which has already got ₹44 crore this year, is in talks with more firms to raise additional ₹250 crore**

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Prime Minister Narendra Modi's per project Swachh Bharat has resonated with corporates. The government's announcements on 15 July to mark 'World Youth Skills Day' are likely to trigger another round of corporate interest as the National Skill Development Corp. (NSDC) is already out there wooing corporates to allocate their corporate social responsibility (CSR) funds towards skill development.

The NSDC—which comes under the ministry of skill development and entrepreneurship—has already got a CSR commitment for ₹44 crore this year from companies such as Power Grid Corporation of India Ltd, NTPC Ltd, Essar Group and Cholra Investment and Finance Company Ltd.

It is in conversation with 28 more companies to raise ₹250 crore more as CSR funding this year to meet the target of imparting skills to 150 million Indians by 2022. "Three-and-a-half million people were trained last year, and the target for this year is to train 6.5 million. The amount of money needed for this is huge. We are aiming to tap in at least 20% of the CSR funding that would be available every year," said Delhi-based Mahesh Venkateswaran, head of CSR engagements for NSDC.

With talent shortage emerging as a common theme across industries, almost every company, as part of its CSR spend, engages in its own skills initiative—either implemented through NGOs as government agencies such as Industrial Training Institutes (ITI).



**Job creation:** The government has pumped ₹1,763 crore into NSDC, which was created in 2009.

NSDC, which was set up in 2009, has created 33 sector skill councils such as Agriculture Sector Skill Council and Automotive Sector Skills Council. And each skill council is responsible for identifying job roles needed for the respective industry and setting up a course curriculum that will, in turn, be used by NSDC-recognised—implementation partners.

About ₹1,745 crore has been pumped into NSDC by the government. Companies' CSR funds will augment this reserve, and NSDC will channelise the committed funds to implementation partners to train people in skills the company wants.

Venkateswaran said the main challenge in attracting corporates has been the lack of awareness about the ecosystem built by NSDC for skills development, and the turnaround time taken for companies to align what they

want with what NSDC has to offer. Skill initiatives of companies are currently run in a very piecemeal fashion. They don't converge on standards and there is no certification for the skills imparted. "NSDC addresses that problem as it issues certification for various levels in a particular skill and this will also help the skill seeker upskill subsequently," Venkateswaran said.

For instance, Toyota Kirloskar Motor Pvt. Ltd runs a technical education programme for underprivileged youth who are trained in automotive skills. But the students felt the need for a recognized certification on their education from an authority. For this, the company signed a memorandum of understanding (MoU) with the NSDC's Automotive Sector Skills Council to obtain a certificate for its students, which could help them get a job in any automotive com-

pany, said Navreen Soti, vice-president, CSR, Toyota Kirloskar Motor.

Companies have not been able to scale up their skill initiatives as their implementation partners, too, have not been able to absorb the capital for scaling up, said Venkateswaran.

Essar Foundation, the CSR arm of the Essar Group, spent about 20% of its ₹50 crore CSR budget last year on skill initiatives. In the last five years, they have trained 3,000 youths in retail sales and BPO operations with the help of NGOs and government agencies as implementation partners. But scaling up became a problem.

"There is a huge cost involved in expanding the programme on our own as it results in a 30% drain in budget in just setting up infrastructure," said Navdeep Singh, head of CSR, Essar Foundation.

So in May, the firm signed an MoU with NSDC, where it will give ₹40 lakh to NSDC in the first phase. These funds will be used to train 1,000 youths across eight cities in customer service, tele-calling and marketing and sales skills.

Essar will, however, continue with its own skill initiative as it is seeking in areas where NSDC is not present right now.

"Through NSDC, we are looking to scale up in a low-cost model. We will look to increase commitment to NSDC based on the success of the programme and gradually make the transition," Singh said.

Like Essar, CSR consultants expect more firms to deploy CSR capital towards skill training as it has a direct impact on them.

"Skill initiatives generate the highest return on investment on CSR money for companies," said Abhishek Humbad, co-founder of NexGen, a Bengaluru-based CSR management company. "We have seen a cumulative CSR spend of about ₹2,000 crore in FY18 from about 25 large companies, based on their annual reports, and of that, about 10-15% of CSR funds are going towards skill development and livelihoods," said Humbad.

"Many companies have not figured out the right way to go about it—whether to do it on their own, or through an NGO. Working with NSDC gives them an easy option in terms of both compliance and implementation," he added.