



# Aligning **Education and Skilling** in the CSR Agenda

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For years, corporate social responsibility (CSR) was more a public relations activity across the world. Often companies took on social responsibilities only after a debacle - after an oil spill or being called out for polluting groundwater, etc. However, CSR is now a business imperative. When organizations advocate for a social or environmental cause, it shows many benefits of corporate social responsibility to society.

In 2013, India became the first country in the world to legislate CSR activities. The Companies Act 2013 mandated that firms with a turnover of Rs 1000 Crores or above; or a net worth of Rs 500 Crore and above; or an annual profit of 5% and above had to set aside 2% of their profits (calculated as the average of the preceding 3 year's profits) for CSR initiatives. The Act lists out a number of options for companies to support the government in nation-building - addressing nutritional goals, education, gender disparity, livelihood improvement, rural development, environmental sustainability, etc. Most CSR strategies are now rooted in the company's brand, business strategy, and work culture. This makes the CSR initiatives more actionable, achievable, result-driven, and credible.

The CSR rules declared on 22nd Jan 2021 state that every company with an average CSR obligation of Rs. 10 crores or more will have to undertake an impact assessment study of its projects through an independent agency. Impact assessment of any CSR project is not static and one-off but a dynamic and responsive process integral to any project. Companies need their CSR initiatives to be measurable and sustainable in the long term.

This report aims to provide an in-depth understanding of the direction in which industries are heading in terms of their CSR goals. This report will also highlight problem areas that companies encounter while adopting projects and some of the most effective solutions that may benefit companies.

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# KEY HIGHLIGHTS

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## Current CSR Spends

- **95.83%** of companies direct their CSR funds towards Education, Vocational Skilling, Livelihood Improvement
- **50%** for Health, Eradicating Hunger, Poverty and Malnutrition, Safe Drinking Water, and Sanitation
- **45.83%** funds are also dedicated to initiatives that promote Gender Equality, Women Empowerment, Old Age Homes, Reducing Inequalities

## CSR towards education/skilling

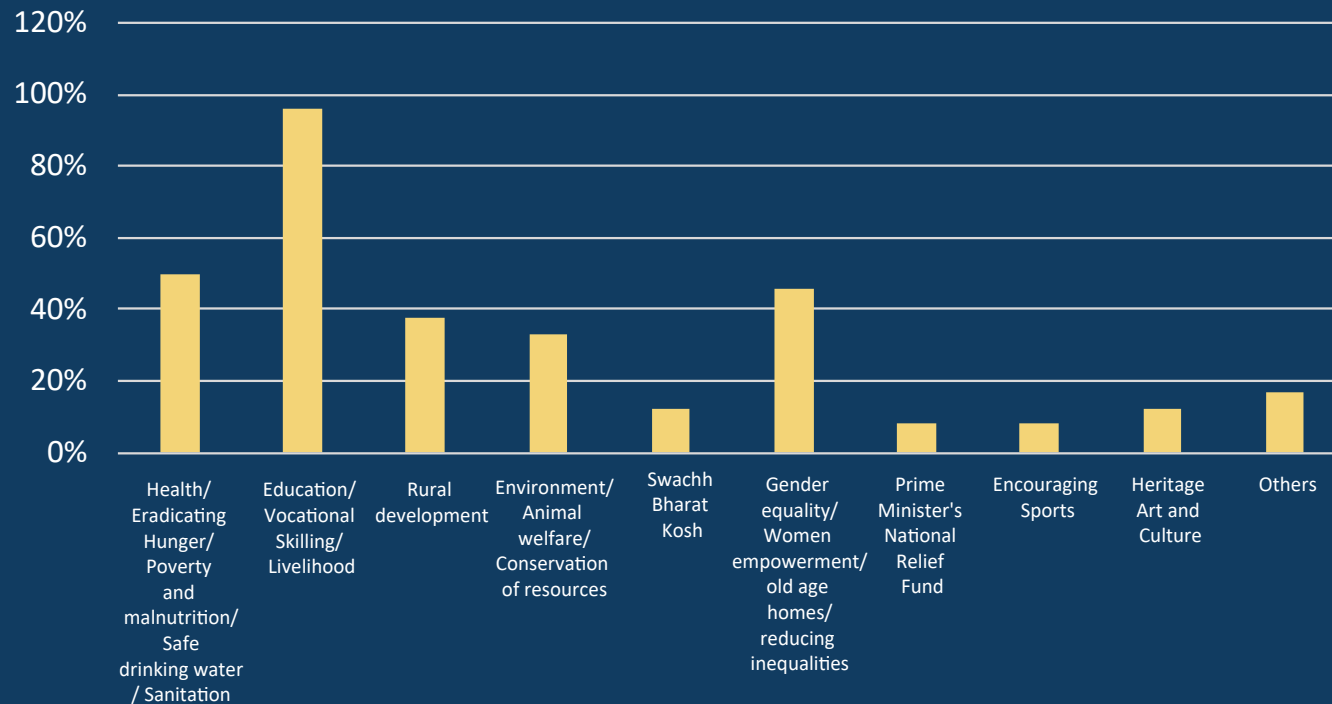
- **46%** of the companies stated that they deploy more than **50%** of their funds towards **Skilling and Education**
- Companies are directing majority of their funds towards **imparting employability skills** to **School or College Dropouts (22.8%), Women (20.4%), and People with Disabilities (18%)**

## Challenges in the skilling ecosystem

- **70%** companies mentioned that connecting the right candidates to the right opportunities is their major perplexity
- **42%** attributed lack of infrastructure as a cause for distress
- Even the pandemic hindered organic implementation of the CSR programs, especially **reverse migration**

## The future

- **70%** of India Inc. plans to increase their CSR funding towards skilling/education in 2022
- **85%** companies have already revamped their CSR initiatives, aligned to COVID impact
- **80%** companies have taken up special initiatives already to monitor and measure impact closely
- **40%** are even spending more to analyse impact better

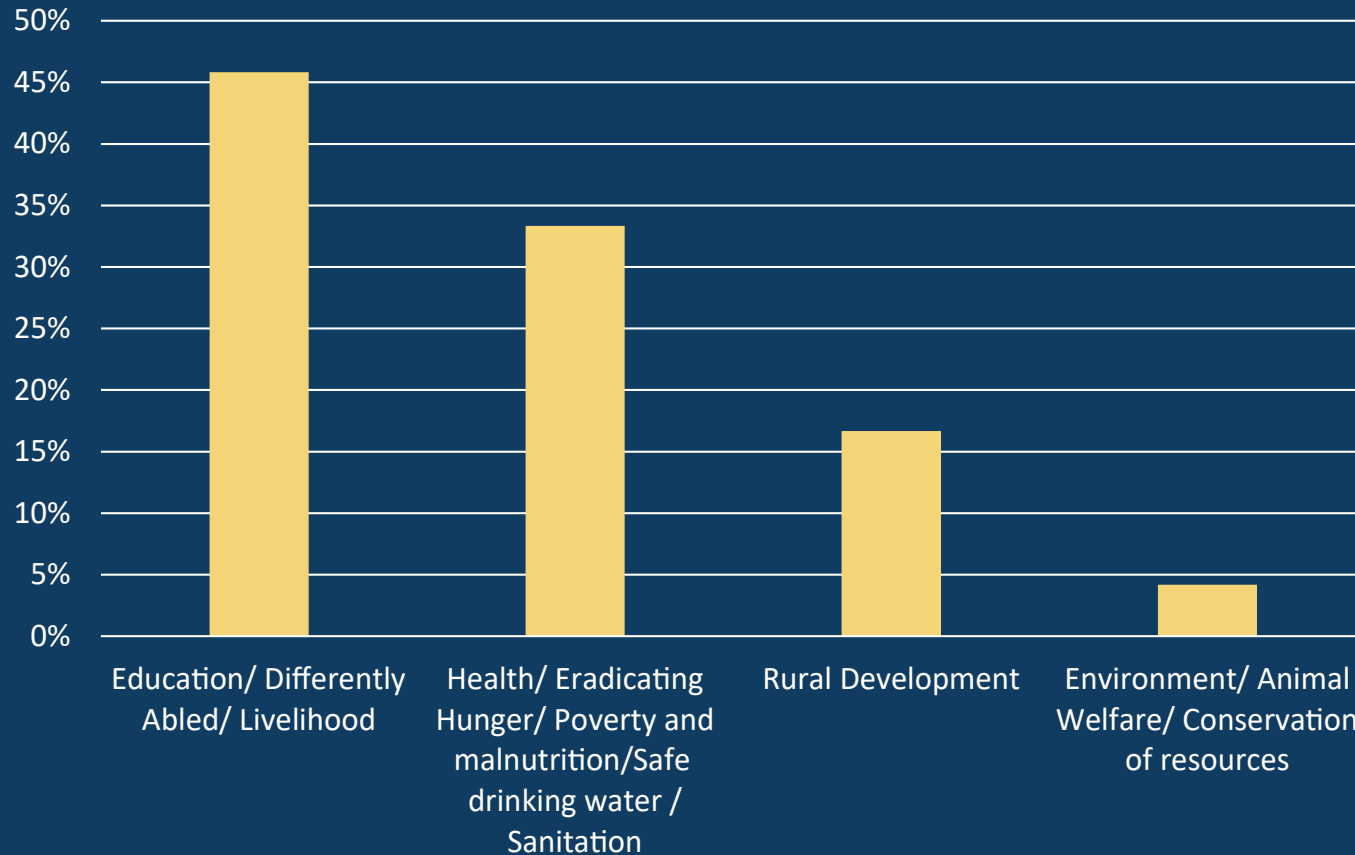


Areas where most CSR funds are being deployed

When asked where the companies are spending their CSR funds:

- **Education, Vocational Skilling, Livelihood Improvement – 95.83%**
- **Health, Eradicating Hunger, Poverty and Malnutrition, Safe Drinking Water, and Sanitation – 50%**
- **Gender Equality, Women Empowerment, Old Age Homes, Reducing Inequalities – 45.83%**

emerged as the leading areas where majority of the funds are being deployed.

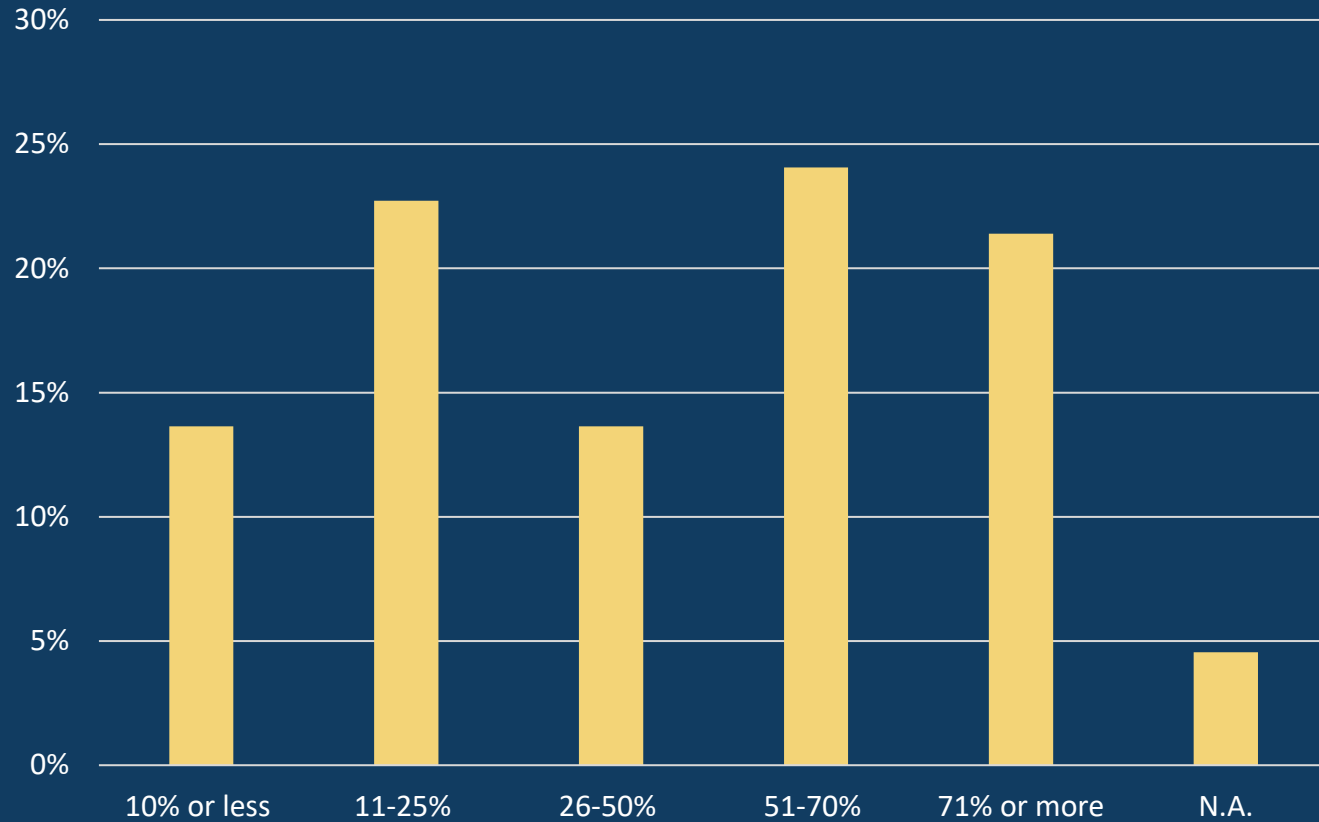


Areas that have the most quantifiable impact

50% of the respondents want to spend their CSR funds in areas such as:

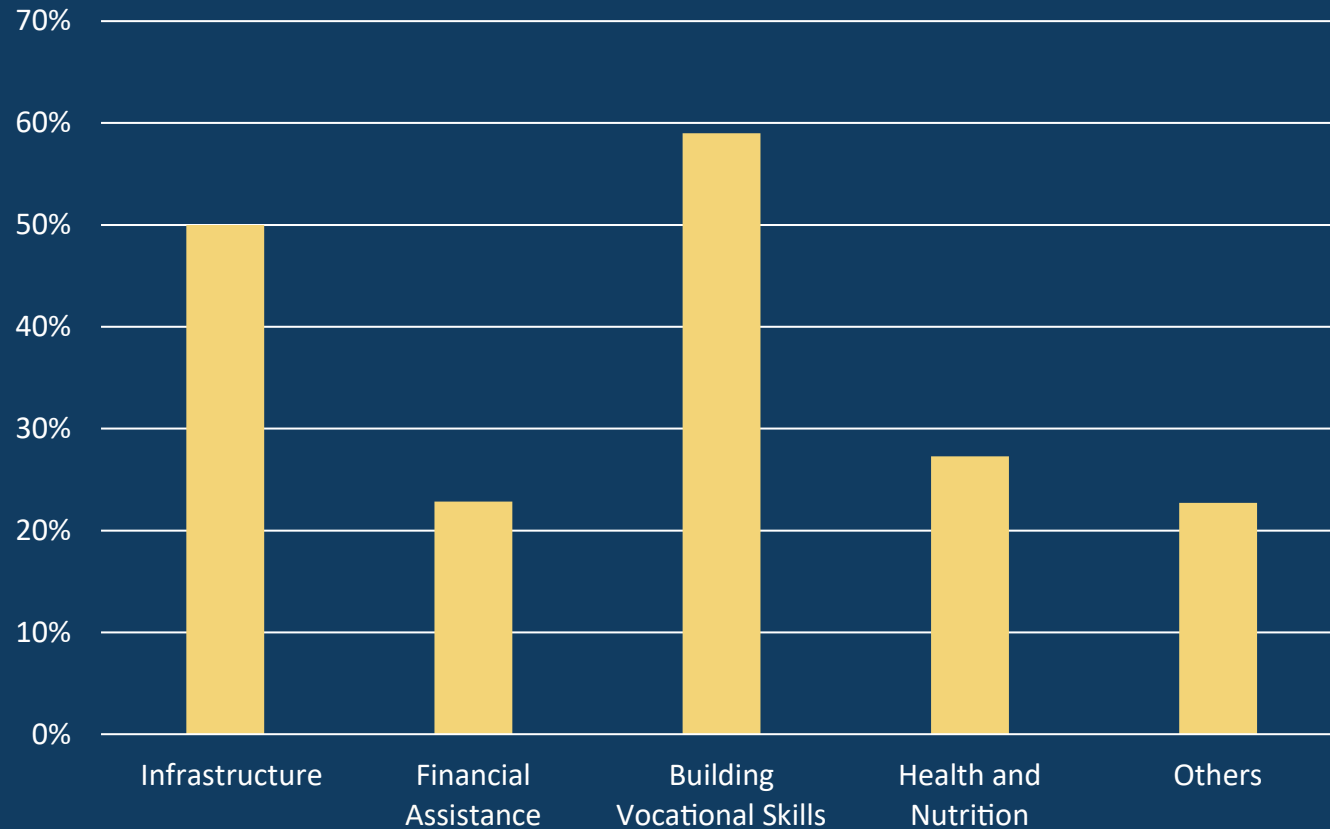
- **Education**
- **Educating Differently abled people, and**
- **Improving livelihood of people**

to create the most quantifiable impact.



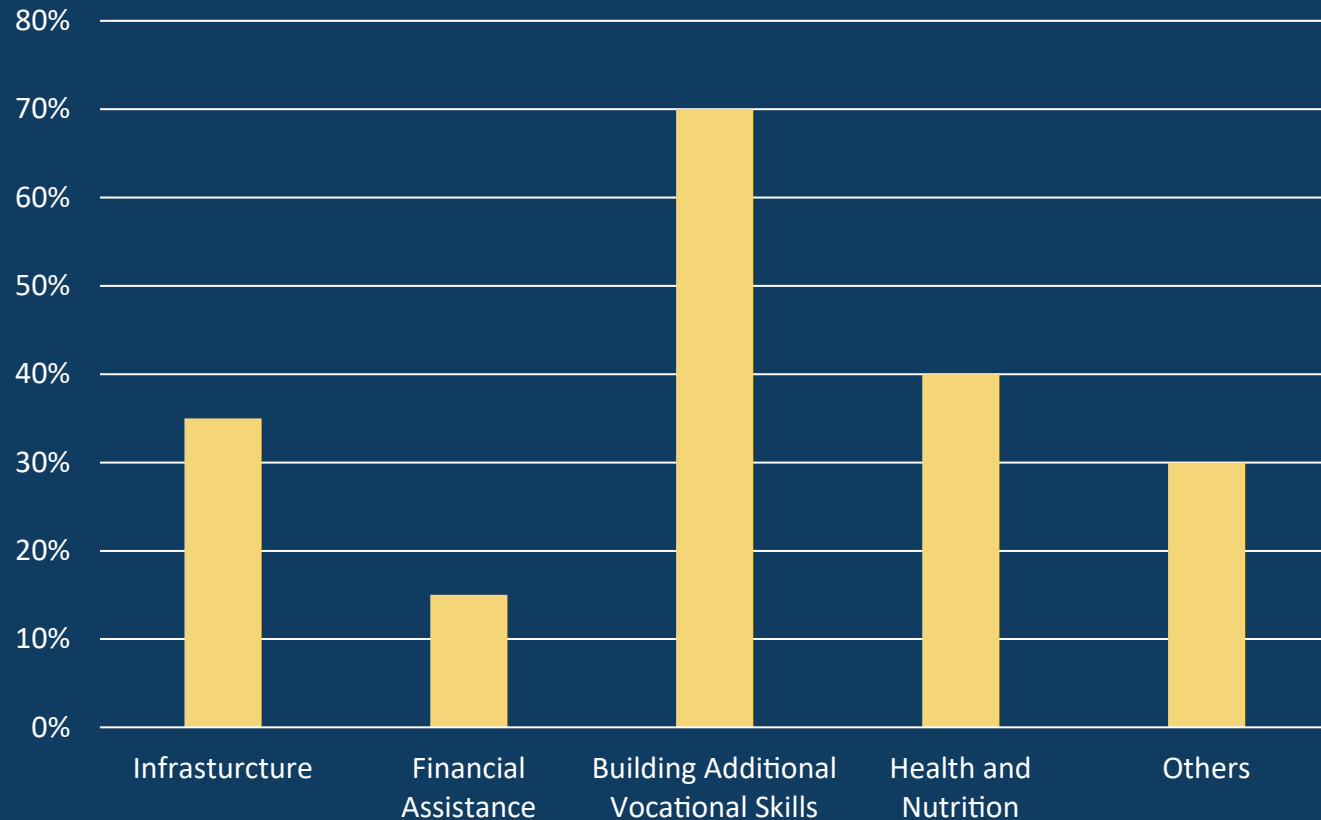
**46%** of respondents stated that they deploy **more than 50%** of their funds towards **Skilling and Education**.

Percentage of fund deployed towards Skilling and Education



Segments where CSR funds are being deployed

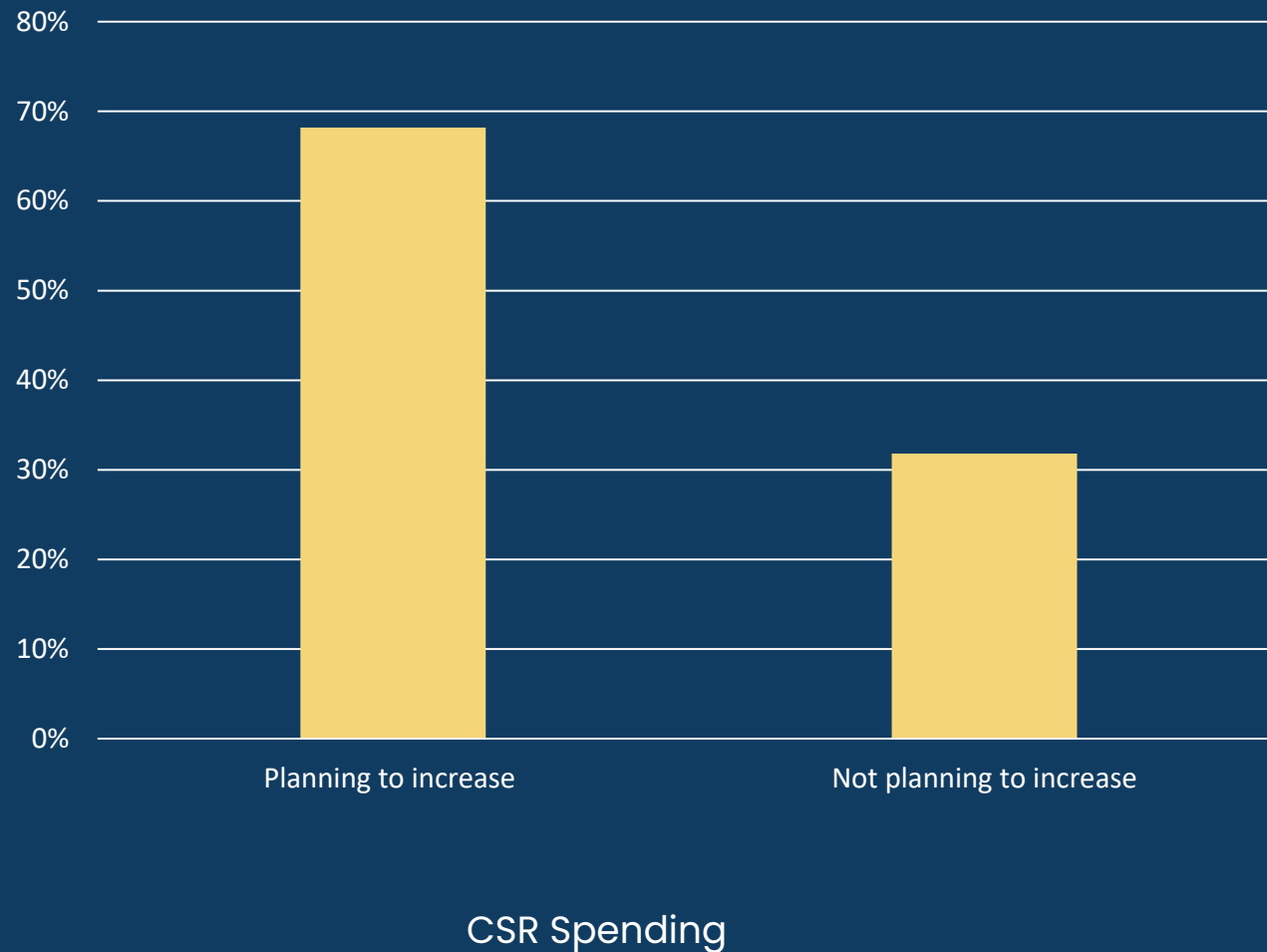
Within the Education segment, **Vocational Skilling and Infrastructure** are receiving the maximum CSR funding.



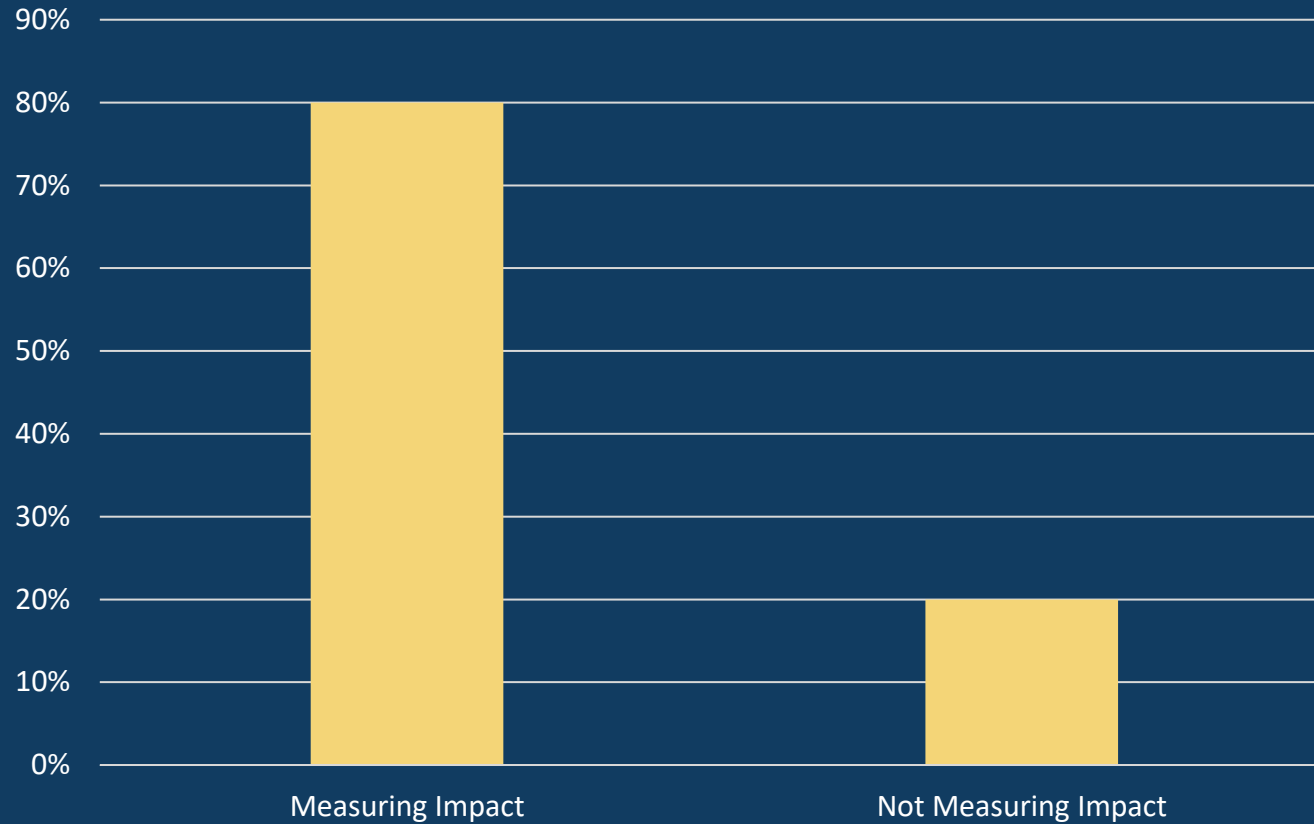
Areas with maximum social return on investment

**70%** of the respondents would like to further direct their CSR funds towards **Building Vocational Skills** to get the **maximum social return** on investment.



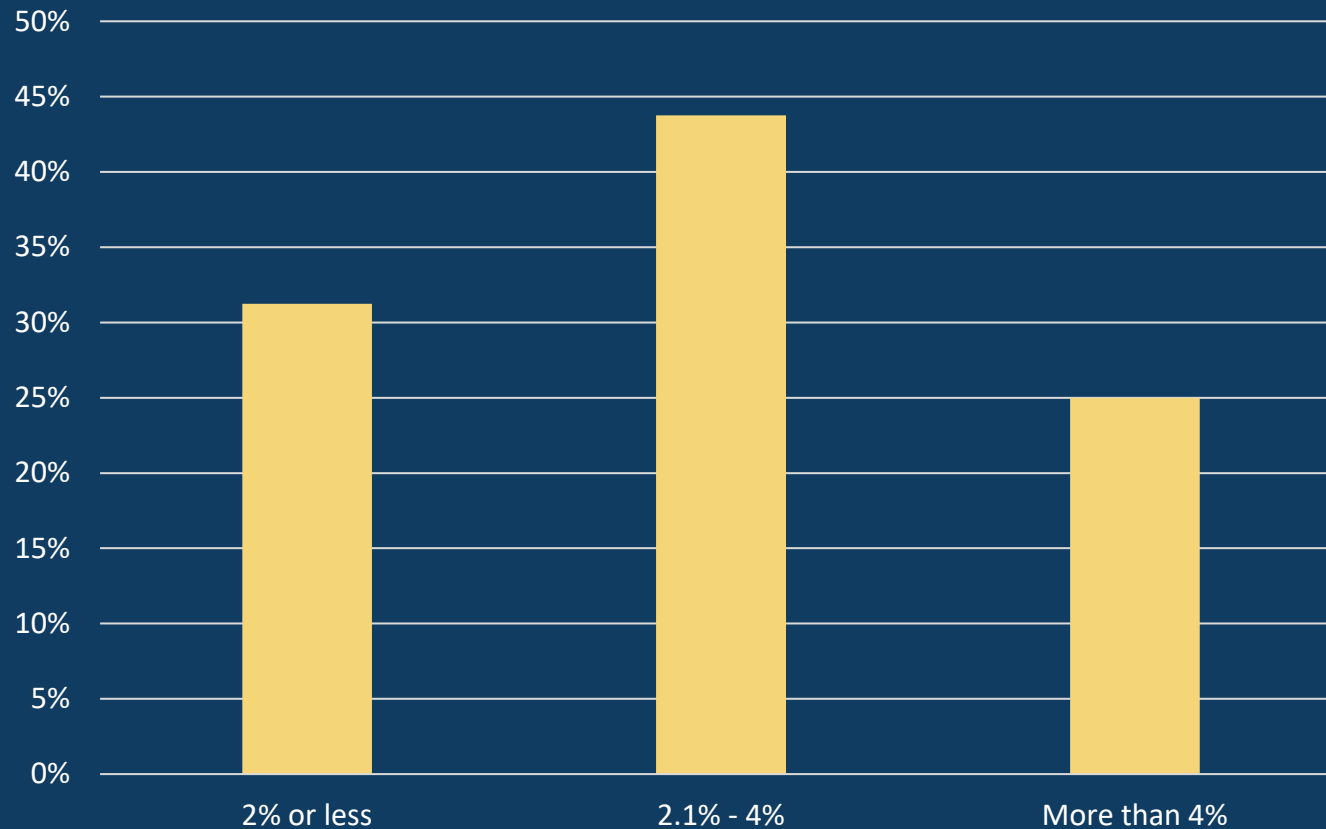


Almost **70%** of the respondents said that they plan to increase their CSR spending towards **Skilling & Education segments.**



Measuring impact of CSR initiatives

**80%** of the respondents are taking specific initiatives to measure **the impact** of their CSR initiatives.



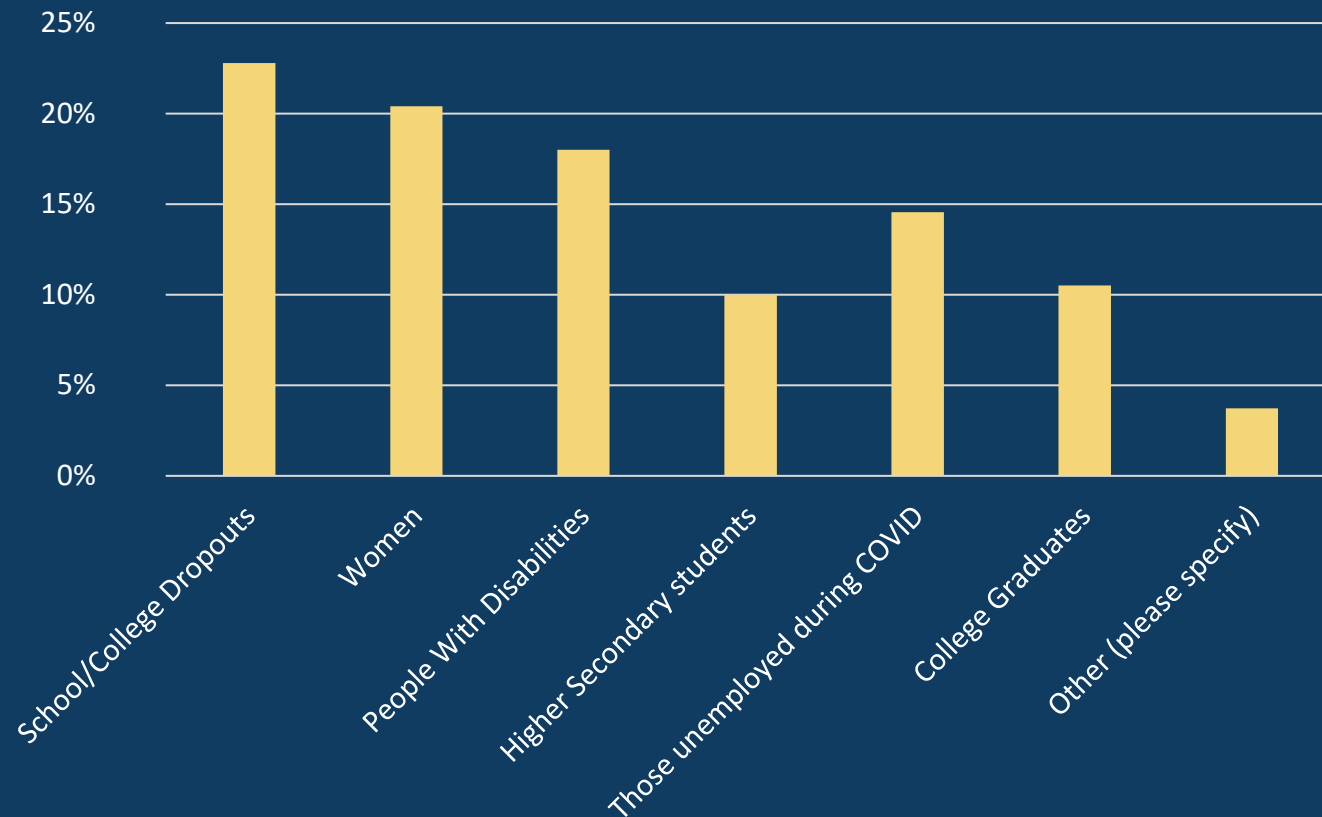
Percentage of funds towards impact assessment

Companies above a specified\* threshold have to mandatorily spend **2%** of their CSR funds on impact assessment.

The survey found that more than **40%** of the respondents are spending **considerably more funds** to measure the impact of their initiatives.

\*

(i) companies with minimum average CSR obligation of Rs. 10 crore or more in the immediately preceding 3 financial years; and  
(ii) companies that have CSR projects with outlays of minimum Rs. 1 crore and which have been completed not less than 1 year before undertaking impact assessment.

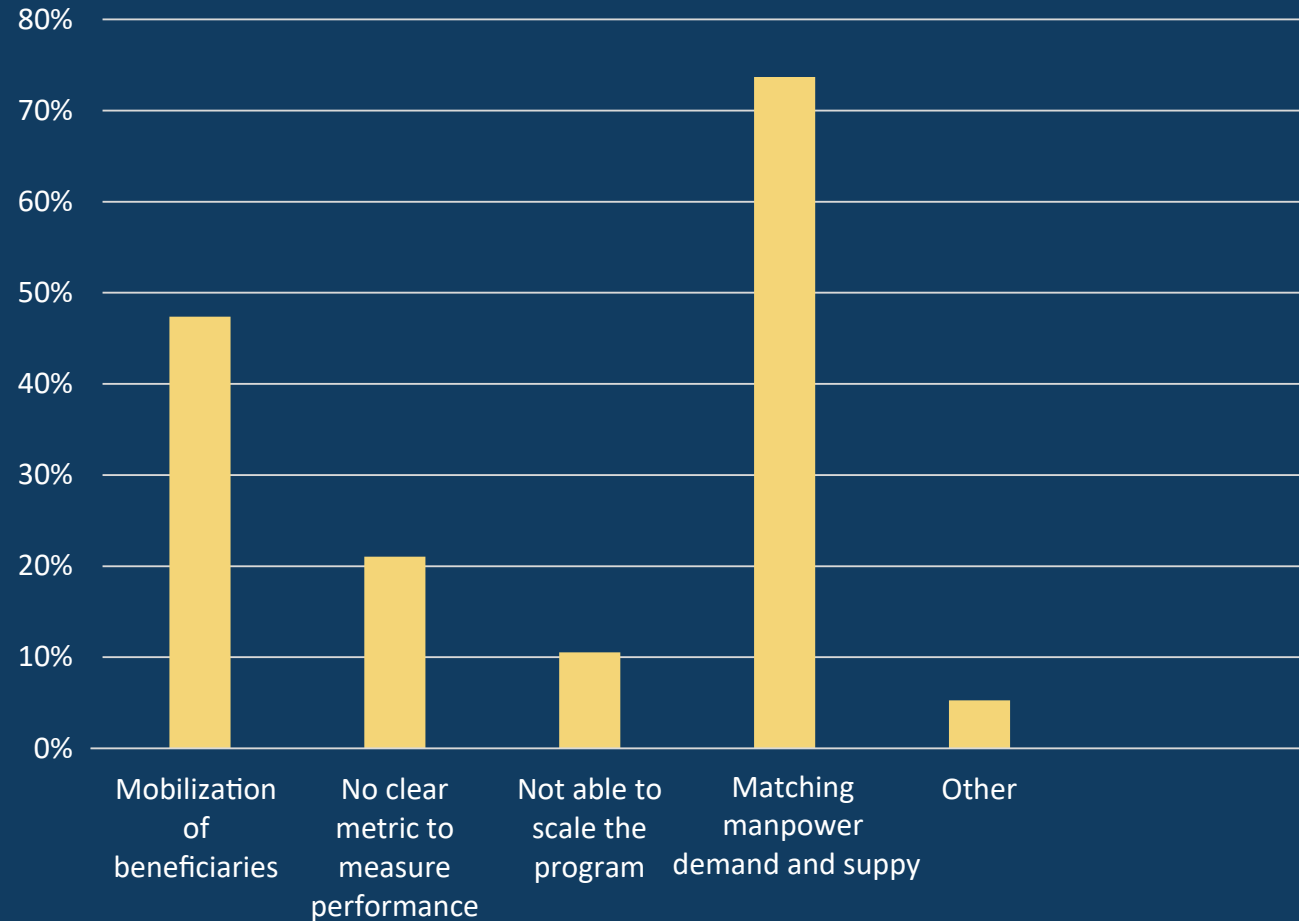


Areas with highest impact of vocational skilling

Majority of the respondents believe that providing employability skills to:

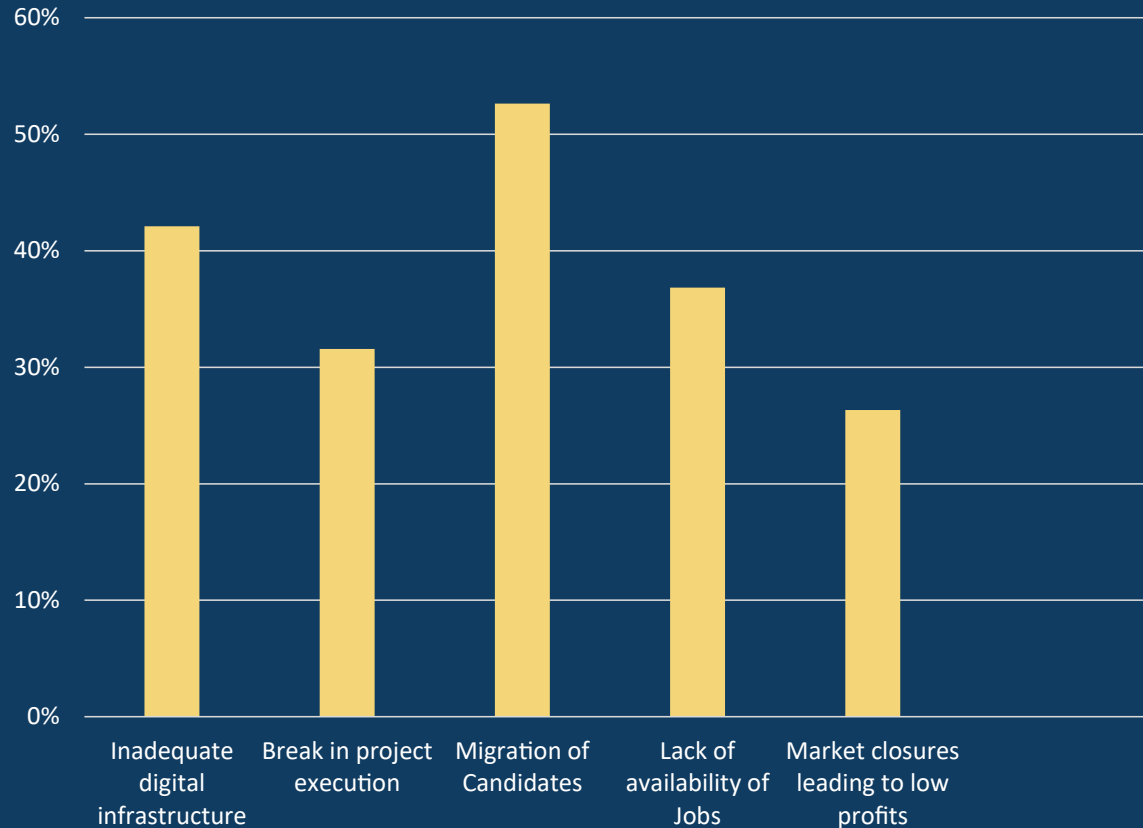
- **School or College dropouts – 22.8%**
- **Women – 20.4%**
- **People with disabilities – 18%**

creates the highest impact.



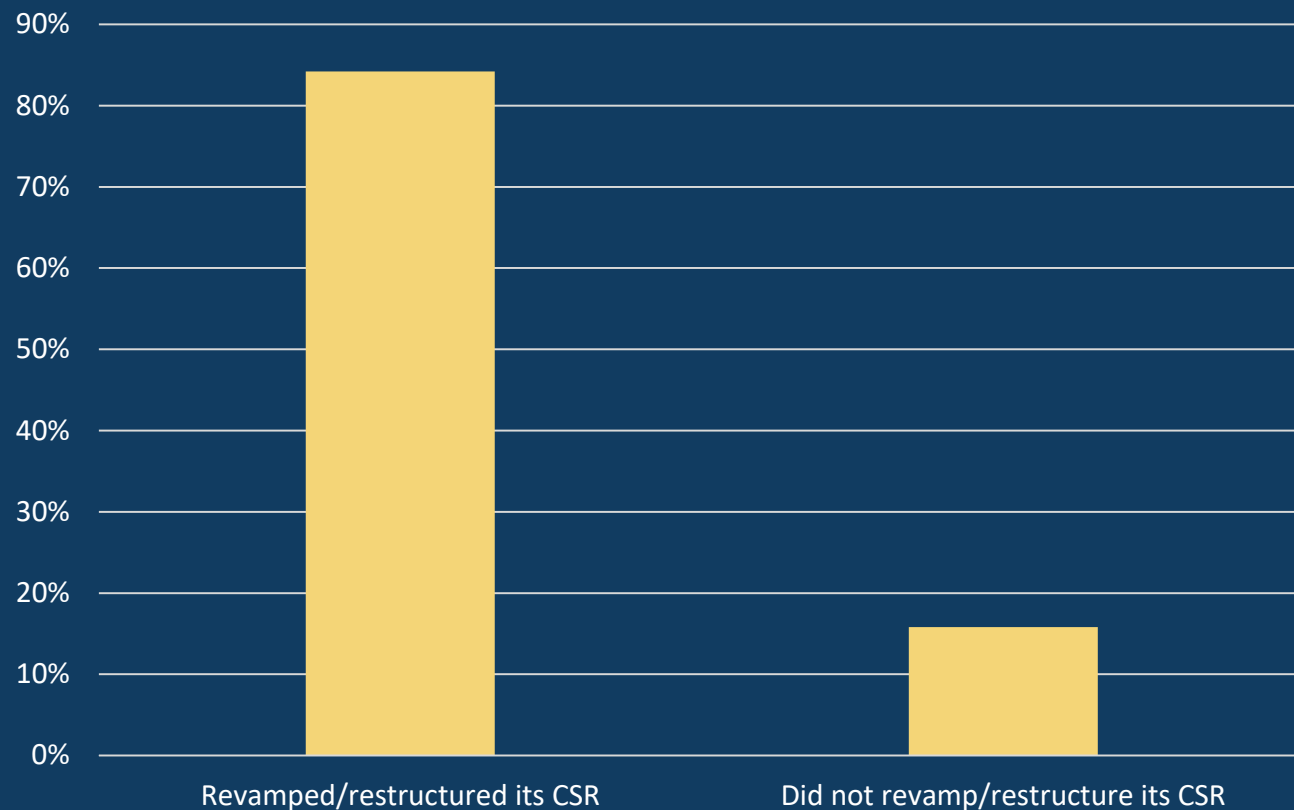
Challenges faced in scaling CSR initiatives

More than **70%** of the respondents said that connecting the **right candidates to the right opportunities** was one of the biggest challenges faced by their organization in completing their CSR initiatives.



More than **50%** of respondents said that the **migration of candidates back to their hometowns** hindered their CSR initiatives' intended implementation and impact due to Covid. In comparison, **42%** said that the lack of **adequate digital infrastructure** caused it.

Challenges faced in completing CSR initiatives due to Covid



Close to **85%** of respondents said their organization **revamped or restricted** its CSR initiatives due to Covid.

Restructuring of CSR initiatives due to Covid

When asked where the CSR funds were redirected after the restructuring, some of the most common responses were:

- **Funds were redirected towards Covid Relief**
- **Scaling up Digital infrastructure**
- **Supporting front line workers**
- **Supporting students of government and municipal schools**







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