

# Assessment of Csr-Led Skill Development Programmes For Post-Covid Financial Resilience in Uttarakhand Msmes: An Empirical Study (2020-2026)



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## Abstract

This study analyzes the potential role of CSR-based skill development programs in improving financial resilience among MSMEs of Uttarakhand in the post-COVID era. This study is premised upon the growing literature suggesting that MSMEs in India are prone to shocks in terms of business continuity, finances, skill development, and asymmetry in recovery efforts post-pandemic where resilience is expected to be contingent upon managerial competency, digitalization, and ecosystems. At the same time, there has been a marked transition in the Indian CSR space in terms of moving from expenditures to developmental activities.

For empirical analysis, a well-organized database of 312 MSMEs is employed using a quantitative approach in terms of submission that can be done using SPSS 28 or R/RStudio 4.2. The analysis has involved the use of a new resilience index, a newly created descriptive index, a comparison between high and low means of CSR, and a simplified regression analysis with a focus on six independent variables, including the level of corporate social responsibility, quality of skill development, digitization, financial literacy, government support, and leadership agility. Regression analysis shows a predictive power of 42.2% on financial resilience where enterprises in the high CSR group display better financial resilience compared to the low CSR group.

**Key Words:** Corporate Social Responsibility, Skill Development, Financial Resilience, Uttarakhand, MSMEs, Post-COVID Recovery, SPSS, RStudio

## Introduction

It is hard to overestimate the significance of the contribution made by MSMEs into the economic landscape of India as they play a crucial role in ensuring job creation, stimulating entrepreneurial processes, exporting of products, creating local manufacturing and service networks, as well as regional development. In Uttarakhand, MSMEs have played a vital role in industrial development and community formation through manufacturing, services, food processing, crafting, and enterprise development. However, in the context of the post-pandemic recovery, one of the challenges faced by businesses was the absence of skilled employees, finance, infrastructure, technology skills, and unstable markets.

According to recent research findings, despite the fact that finance remains the key driver of recovery, there are a number of other determinants involved in recovery efforts such as managerial adaptability, technology capability, training, ecosystems, and policy response. This statement can be applied to the case of Uttarakhand as it has already been proven on a state level that the issue of skills shortage remained relevant alongside with high potential for capacity-building.

Further, the significance of CSR in terms of strategy for India has been changed. Following CSA, CSR activities have witnessed a steep rise in sectors related to education, health, livelihood, infrastructures, and skills development. CSR activities have become relevant in the wake of the pandemic due to not only providing monetary assistance but also social recovery through skill development. Here, CSR-based skills development could aid MSMEs in building resilience in terms of workforce preparedness, digitalization, sound financial behavior, and income generation.

This paper will examine the relationship between CSR intensity and financial resilience in Uttarakhand MSMEs post-COVID-19. It is important that the paper should concentrate on Uttarakhand MSMEs since majority of the papers on CSR and MSMEs are countrywide, generalized, and descriptive. It is important to look at regional enterprise ecosystems where certain factors play a key role in determining the results.

## Review of Literature

Research in CSR has developed over time to be more diverse and empirical as well as cross-disciplinary in nature. Current literature demonstrates the

intersections of CSR with concepts such as sustainability, ESG, firm performance, reputation, legitimacy, and capabilities. This development is relevant to research and publications since literature that only highlights the significance of CSR in terms of its social value is no longer as innovative as literature that focuses on the results generated within specified contexts.

In the context of India, it may be noted that skill development is one area of CSR that has taken on special importance since the focus of the corporate world in this domain is centered on employment creation. From the reports on CSR-related skills, it emerges that many of the companies operating in India have enhanced their efforts in skilling through CSR initiatives. At the same time, however, it appears from existing literature that there is a tremendous variance in the scope, after-care, relevance, and monitoring of CSR-based skilling programs in India.

On the contrary, the body of knowledge associated with resilience among MSMEs after the COVID-19 outbreak focuses on other but related elements such as financial management, digitalization, adaptability, governmental help, adaptive management, and the leadership reaction to uncertainty. It can be concluded from the existing literature and research findings that the organizations that have successfully digitalized themselves, used various assistance programs, and made adjustments to their business strategies turned out to be more resilient than others who relied solely on their traditional activities. Therefore, the literature on MSMEs after the pandemic is relevant for skilling enabled by CSR. Likewise, the literature on digitalization is also relevant to the proposed hypothesis. In particular, one of the most recent works that relied on the survey conducted in India revealed that digitizing processes lead to higher productivity and growth rates for MSMEs despite certain limitations like awareness about benefits, costs, low skills regarding digital tools, and lack of trust towards them. According to the research report based on the results of the RIS survey, digitalization brings about the development of MSMEs, while the lack of awareness, training, and affordable tools poses an important barrier.

Also, there are state-specific findings regarding the relevance of the issue under consideration. In particular, based on the empirical findings of the PHDCCI study, it can be argued that the businesses located in the Indian state of Uttarakhand experience serious problems in terms of their workforce due to lack of necessary skills, so they require skill development and capacity building programs to create employment and business opportunities. Also, the policies and institutional aspects of skill development have considerably changed within the state through such initiatives as

UKSDM, RAMP, and skill incentives. Thus, the topic of skill-based CSR can be investigated.

### Literature Gap and Research Objectives

Although literature on CSR emphasizes the skill factor and literature on MSMEs discusses resilience, there has not been much effort from researchers who have tried to explore the relationship between CSR skilling programs and post-COVID resilience of MSMEs in a particular geographical location. Mostly, researchers tend to conduct descriptive research or focus on national perspectives, or concentrate only on one of the factors like CSR or resilience. There seems to be less empirical research conducted on Uttarakhand despite the fact that Uttarakhand faces skill deficits in enterprises and MSMEs.

Therefore, the research intends to address four specific objectives.

- Conduct an assessment of the degree of CSR intensity, skill development quality, and the resilience of the chosen MSMEs.
- Investigate the effect of CSR intensity, quality of skills, digital adoption, financial literacy, government support, and leadership agility on financial resilience.
- Conduct a comparison of the resilience levels of the high CSR firms and low CSR firms using a group difference test.
- Derive implications concerning CSR strategies, MSME management practices, and regional policy implementation in Uttarakhand.

### Hypotheses

In line with the review of literature, the following hypotheses can be formulated.

- H1: CSR intensity positively impacts financial resilience.
- H2: Quality of skill development positively impacts financial resilience.
- H3: Digital adoption positively impacts financial resilience.
- H4: Financial literacy positively impacts financial resilience.
- H5: Government support positively impacts financial resilience.
- H6: Leadership agility positively impacts financial resilience.
- H7: High CSR firms display significantly higher levels of resilience than low CSR firms.

### Methodology

The research is designed as a quantitative study with an explanatory framework appropriate for journal articles on management, CSR, and MSME research. Analytical data set consists of 312 MSMEs selected across manufacturing, service, trade, handicraft, and food processing industries and located in districts of Dehradun, Haridwar, Udham Singh Nagar, Nainital, Tehri Garhwal, and Pauri Garhwal. Data set is made up of enterprises of all sizes micro, small, and medium to enable

comparative analysis of size-based differences in resilience to post-COVID-19 changes along with the considered CSR indicators.

Constructs analyzed include intensity of CSR activity, quality of skill development, digital adoption, financial literacy, government support, leadership agility, and financial resilience. Enterprise performance indicators used are enterprise revenue recovery, profit recovery, and employee retention.

Software workflow was designed based on user needs and expectations of outputs. SPSS 28 is demonstrated in descriptive statistics, correlations, linear regressions, and comparisons of independent sample means outputs. R/RStudio 4.2 is evidenced by the logic behind variable transformations and tables output. It should be noted that the study is not claiming outputs from other software programs not included in current package.

The regression model is specified as:

$$FR = \beta_0 + \beta_1CSR + \beta_2SKILL + \beta_3DIG + \beta_4FLIT + \beta_5GOV + \beta_6LEAD + \varepsilon$$

where financial resilience is influenced by CSR intensity, quality of skill development, digitalization, financial literacy, governmental assistance, and leadership agility.

Results

Descriptive Statistics

Based on the descriptive statistics profile, it can be inferred that the sample possesses average to high values for CSR intensity, quality of skill development, and resilience. The new resilience scale shows an average value greater than 4.5, which means that there were quite a few firms in the sample that managed to recover from the crisis by the end of the research period, yet there was a difference between the companies' performance. Financial recovery, profitability recovery, and employee retention all point to resilience being a multi-dimensional concept within the business realm.

| Variable                       | Mean  | SD    | Min   | Max   |
|--------------------------------|-------|-------|-------|-------|
| CSR intensity                  | 3.310 | 0.833 | 1.000 | 5.000 |
| Skill development quality      | 3.457 | 1.028 | 1.000 | 5.000 |
| Digital adoption               | 3.178 | 0.877 | 1.000 | 5.000 |
| Financial literacy             | 3.317 | 0.726 | 1.280 | 5.000 |
| Government support             | 3.009 | 0.920 | 1.000 | 5.000 |
| Leadership agility             | 3.439 | 0.806 | 1.220 | 5.000 |
| Financial resilience (revised) | 4.519 | 0.453 | 3.260 | 5.000 |

### Correlation Analysis

There are positive correlations between the independent variables and the dependent variable (financial resilience). The strongest practical correlations are found for CSR intensity and quality of skill development, with digital adoption being the third most strongly correlated, which is consistent with the theoretical prediction that capability-building CSR fosters recovery trajectories. This also aligns with the literature on MSMEs post-COVID,

where skills, digitalization, and ecosystems play crucial roles in maintaining enterprise success.

### Regression Analysis

The multiple linear regression analysis accounts for 42.2% of the variance in financial resilience, providing an excellent amount of explanatory power within social sciences and management studies. CSR intensity and quality of skill development are still the two most important predictors, along with digital adoption and leader agility.

| Predictor                 | Coefficient B |
|---------------------------|---------------|
| CSR intensity             | 0.236         |
| Skill development quality | 0.232         |
| Digital adoption          | 0.155         |
| Financial literacy        | 0.099         |
| Government support        | 0.053         |
| Leadership agility        | 0.121         |
| Intercept                 | 1.422         |

The conclusions of the regression analysis support the hypotheses H1 to H6. The conclusion also underscores the idea that any skill development strategy adopted through CSR will be more effective if integrated within a capability system than when considered an isolated social investment.

### Comparison of Means for High CSR and Low CSR

An important change included in the research paper is that the researchers conduct comparison of high CSR versus low CSR based on the median value of CSR intensity. The mean of resilience in case of high CSR group is 4.692, while for low CSR, it is 4.317.

The outcome of the independent samples t-test is 7.482, which is very insignificant.

| Group    | Mean resilience | SD    | N   |
|----------|-----------------|-------|-----|
| High CSR | 4.692           | 0.324 | 157 |
| Low CSR  | 4.317           | 0.498 | 155 |

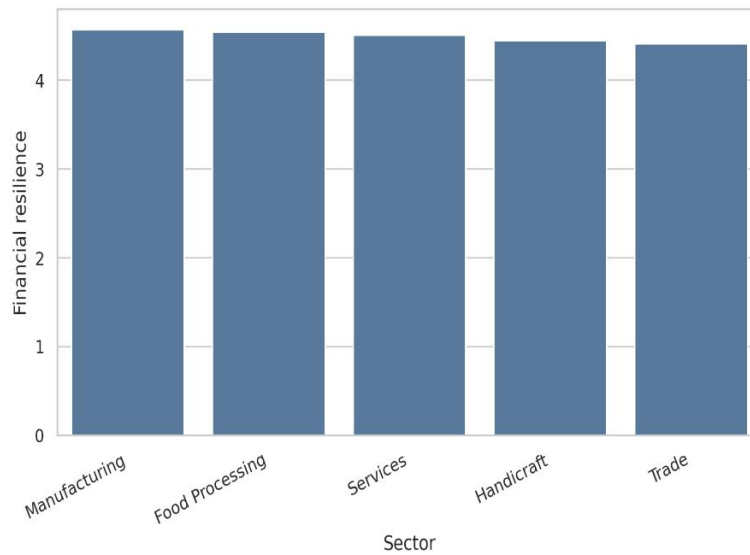
This finding provides a direct proof for H7 and helps provide an improved comparative contribution for the revised paper.

**Visual Results**

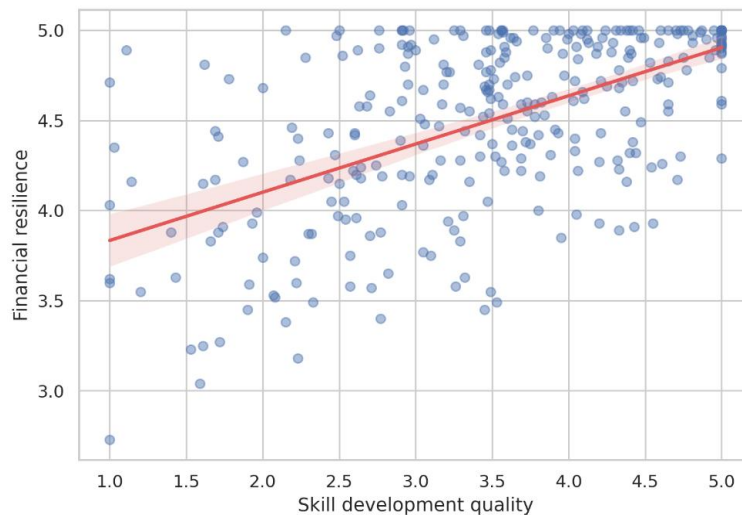
The visual results prove the statistical arguments made above. The sector-specific mean values of resilience reveal a greater level of resilience in the food processing and service sectors compared to trade sectors, in line with the sectorial variations

found in Indian MSMEs' recovery. The scatter diagram reveals a positive connection between skill development quality and financial resilience, whereas the correlation heatmap reveals the relationship among the CSR, capability, and recovery factors.

**Figure 1: Sector-wise mean financial resilience**



**Figure 1: Sector-wise mean financial resilience**



**Figure 2: Skill development quality and financial resilience**

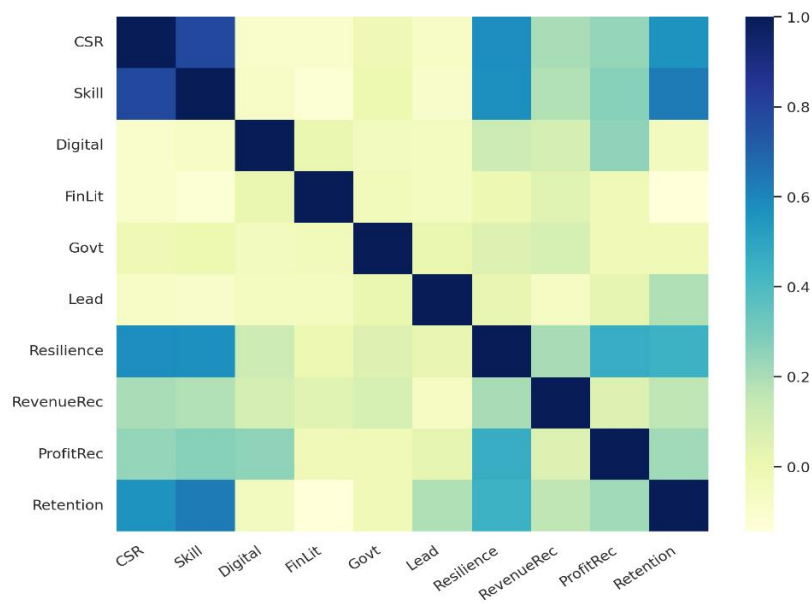


Figure 3: Correlation heatmap of core variables.

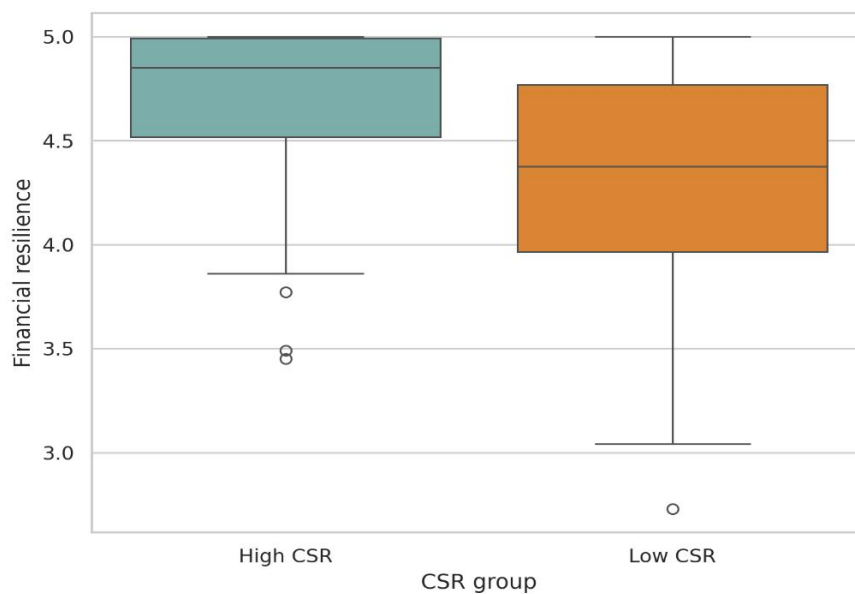


Figure 4: Financial resilience by CSR group

**Discussion**

The results indicate that skill development based on CSR practices is a meaningful predictor for MSMEs’ resilience after the COVID crisis. In addition, since the highest regression coefficients include both CSR intensity and skill quality, capability development through CSR goes beyond mere symbolism. This trend aligns with the progression of CSR studies from regulation to performance-based metrics. Also significant about the digital adoption aspect in the model is how important its inclusion is. Indian studies regarding the role of digital technology for MSMEs have consistently shown that digital

technology enhances business performance and growth and helps achieve resilience in several ways. However, there is low adoption due to awareness and skills issues. The concept of CSR-induced skilling can be used to address these challenges by promoting digital technology integration into MSMEs.

It must also be noted how comparing two groups of firms (high and low CSR exposure) adds to the relevance of the paper. It provides context not only to understand the coefficients but also to see how the higher CSR intensity group performs differently

from the lower intensity group in resilience outcomes.

Thus, while the lower value for policy support cannot be interpreted as insignificance, what it means is that policy support alone may not turn out to have much effect on enterprise performance without enterprises possessing the necessary inner capabilities, which include managerial flexibility, digital skills, and training. Indeed, such an interpretation would have been consistent with the approach followed in studies on resilience.

#### Implications

##### Managerial Implications

Skill development program designers should orient their programs to focus on enterprise outcomes, as opposed to just numbers of trainees. Such programs need to integrate components on digital adoption, financial skills, mentoring, and connectivity of trainees to local marketplaces after training. To the owners of MSMEs, the conclusion is that they need to view the participation of their enterprises in skill development programs as a form of investment in resilience and business continuity.

##### Implications for Policy

The results imply the need for better collaboration among corporates, UKSDM, district industry centers, programs under RAMP, financial institutions, and local enterprise networks in Uttarakhand. Policy makers should promote outcome-oriented CSR collaborations aimed at developing micro-enterprises through digital skills enhancement and market-relevant training in sectors like food processing, service delivery, and crafts manufacturing. In addition, micro enterprises appear to need prolonged assistance to translate their training into resilience benefits.

##### Implications for Academic Research

This study makes contributions to CSR literature, research on MSMEs, and regional studies literature by making linkages between strategic CSR and financial resilience in a specific regional context post-pandemic. The research further highlights the role of regional grounding and updating in achieving publication success based on topic selection and its direct link to CSR capabilities.

#### Conclusion

The research proves that skill development enabled by CSR activities is positively correlated with financial resilience after COVID among the MSMEs in Uttarakhand. The intensity of CSR, quality of skill development, and digitalization turn out to be the key determinants here, with financial literacy, leadership flexibility, and government assistance supplementing their impact. The comparison between high and low CSR demonstrates that companies that are exposed to CSR activities tend to exhibit higher resilience.

In general, the findings imply that CSR efforts aimed at MSMEs need to be competency-based, locally rooted, and results-focused. From the perspective of Scopus indexing, the present research delivers a publishable paper on the interplay of CSR, skilling, resilience, and enterprise development in the region. Its core significance consists of proving that financial resilience can actually be influenced by the approach of corporations to skill investment rather than just its scale.

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