

Demand-Driven Skill Training — The Employer Partnership Model

The employer is the last person in this chain. They are presented with trained youth and asked whether they will hire them. Sometimes they do. Often they don't — because the training was in a trade where they don't have vacancies, or the geographic location of the trainee doesn't...

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Skill Development

Published: April 2026 · Last reviewed: April 2026

Demand-driven training starts with the employer: what roles do you need filled, at what specifications, in what timeframe, and what are you willing to commit to in terms of hiring completers? The training curriculum is then designed or adapted to those specifications. Youth are mobilised with specific job descriptions in front of them, not vague promises of "employment opportunities." Training happens. Employers hire.

The difference in outcomes is not marginal. The India Skill Impact Bond — which uses outcome-based financing, paying providers only for placement and retention — reported 75% of trainees securing jobs, with 60% remaining employed beyond three months. This compares to the 43-55% reported placement rates for standard PMKVY. The SIB model is, in essence, demand-driven training with outcome accountability built in.

The DDU-GKY (Deen Dayal Upadhyaya Grameen Kaushalya Yojana) is explicitly designed as a placement-linked programme — training only happens with a committed employer. The evidence shows it works significantly better than open-ended training when implemented with genuine employer commitment.

The Employer Commitment Checklist

Not all employer "partnerships" are genuine. A common failure mode in skill programmes is MOU-based partnerships where an employer signs an expression of interest but makes no binding commitment. When training completes, the employer says vacancies have changed, hiring has been frozen, or the completers aren't quite right. Youth are stranded with certificates and no jobs.

Before designing a training programme around an employer relationship, verify these six commitments in writing:

1. Committed intake numbers. How many candidates is the employer actually willing to hire from this programme cycle? Not "up to" or "approximately" — a specific number. If an employer is unwilling to commit to a number, they are not a genuine partner for this cycle.

2. Specific job roles and specifications. What exact roles will trainees fill? What are the specific competencies required? What is the salary range? These specifications directly inform the training curriculum. An employer who can't describe the job clearly enough to train for it is not ready to be a training partner.

3. Location of employment. Where will the jobs be? For rural and tribal youth in Odisha, the distance to the job site and the willingness to relocate are critical variables. A job in Hyderabad at ₹8,500 per month is not the same opportunity for a 19-year-old girl from Nuapada as a job in Bhubaneswar or, better still, in a sector that operates in her district.

4. Written offer letters or provisional letters. The best employer partnerships result in offer letters issued to trainees on completion of training, conditional on satisfactory performance. This is the standard the India Skill Impact Bond holds its implementing partners to. Anything less leaves placement uncertain.

5. Onboarding and induction support. First-generation formal sector workers often struggle with workplace culture — reporting structures, dress codes, communication

norms, financial management — as much as or more than with technical skills. An employer who has thought about onboarding is more likely to retain placed workers than one who hasn't.

6. Six-month feedback mechanism. The employer agrees to provide structured feedback at one, three, and six months after placement on how placed workers are performing. This feedback loop improves future training design and creates the retention monitoring that is otherwise absent from most skill programmes.

If an employer will agree to all six in writing, you have a genuine partner. If they will only agree to some, understand which commitments are missing and adjust your expectations accordingly.

The Realistic Job Information Session: A Zero-Cost 18% Improvement

The most important single finding from the skill development evidence in this note costs nothing to implement.

A randomised controlled trial of DDU-GKY training in India found that including just two information sessions — in which trainees received realistic information about placement jobs including location, salary, working conditions, career trajectory, and the realities of first-generation formal sector employment — made trainees 18% more likely to stay in the jobs in which they were placed.

The mechanism: trainees who were over-optimistic about what their placement job would look like dropped out of training before placement when they received honest information. The trainees who remained were better matched and better prepared for what they were walking into. The programme's placement rate fell slightly (fewer completers); its retention rate rose substantially (those who were placed stayed).

This is one of the most actionable findings in the Indian skill development literature and is almost universally ignored in programme design.

How to implement it:

Session 1 (week 2 of training): A structured discussion facilitated by someone who has actually worked in the sector for which youth are training — not the NGO programme officer, not the employer's HR manager, but an actual worker. Topics: what is a typical working day? What does the commute look like? What does the accommodation look like if you are placed away from home? What do you do when you have a grievance? What are the real opportunities for advancement?

Session 2 (week 4 of training): A question-and-answer session with two or three alumni of the same programme who were placed two or three cycles earlier. Questions from current trainees. No facilitator filter — direct conversation. Alumni talk honestly about what they expected vs. what they found.

After these sessions, allow any trainee to exit the programme without penalty. Some will. Those who remain have made an informed choice to continue, and they will make better workers.

Local Market Connection: Why Geography Matters More Than You Think

The most common cause of poor retention in skill placements is not skills mismatch — it is life mismatch. A first-generation formal sector worker who is placed 1,500 kilometres from their family, in a city they have never visited, earning a salary that barely covers accommodation and transport, is not a rational economic success story for that individual even if the placement is counted as a programme success.

For tribal and rural youth from Odisha's interior districts, the relevant geography question is: what jobs exist within the district or the region that the youth would be willing to take? The answer is often more than the programme assumes, if the analysis is done carefully.

Demand mapping for local market connection:

Before designing a training programme, conduct a one to two-week local employer mapping exercise:

Who employs people in this block or district? Not only factories and formal employers — also: hospitals (need nursing assistants, lab technicians, ward helpers); schools (need teaching assistants, library assistants, sports coaches); government contractors (need data entry operators, field monitors, surveyors); agri-businesses (need cold chain operators, quality inspectors, equipment maintainers); tourism operations where they exist (need guides, hospitality workers, boat operators for eco-tourism); IT/BPO companies with remote work arrangements.

The inventory will surprise you. Most rural districts have a larger local formal employment ecosystem than a first scan suggests — it is just invisible because nobody has mapped it, and employers often struggle to find trained local candidates.

The remote work opportunity for Odisha's educated youth:

Since 2020, the growth of remote and hybrid work has created a genuinely new employment category that did not exist when India's skill development system was designed. Data entry, content moderation, digital customer service, transcription, annotation for AI training sets — these are jobs that can be done anywhere with reliable internet. For blocks with reasonable connectivity (most block headquarters and many GP-level areas now qualify), these represent employment that does not require migration.

Training for remote work employment requires: basic computer literacy; reliable typing speed; specific platform knowledge for the relevant role; professional communication skills; and personal discipline for home-based or centre-based remote work. This is a curriculum that can be designed and delivered locally, with buyers who have unlimited geographic flexibility and genuine interest in lower-cost skilled workers from non-metro locations.

The Post-Placement Period: Where the Work Actually Happens

Most skill programmes end at placement. The youth is placed, the programme reports the placement, the funder counts the output. What happens in the first six months after placement determines whether that placement produces sustained employment improvement or eventual churn back to the informal economy.

First-generation formal sector workers face a specific set of challenges in the first six months:

Financial management. A monthly salary, paid on the 30th, has to cover rent, food, transport, and any remittances home for the entire month. Many youth from subsistence agricultural families have never managed monthly cash flows. They run out by the third week. This contributes to absenteeism, which contributes to poor performance reviews, which contributes to dismissal or resignation.

Workplace grievance navigation. A supervisor who is unfair, a co-worker who is hostile, a working condition that wasn't described accurately — first-generation workers frequently don't know that they have rights, how to raise concerns, or when to stay vs. when to leave. Without support, they either stay in exploitative situations or exit the job entirely.

Social isolation. A young person who has moved from a village to a city for a job, leaving behind their family and peer network, is extraordinarily vulnerable to the decisions that precede dropout: the peer group that encourages them to quit, the family pressure to return home, the weekend loneliness that makes the job feel not worth the sacrifice.

Practical guidance for post-placement support:

- A helpline or WhatsApp group staffed by someone from your organisation who placed youth can contact when they face problems. Not a hotline — a relationship. Youth need to know the person they are calling.

- Monthly check-in calls with every placed worker for the first six months. Not a monitoring call — a genuine "how are you, what's hard, how can we help" conversation. Takes ten minutes; changes retention substantially.
- Peer group connections: put placed workers from the same cohort in touch with each other. They share the same experience and can support each other in ways the NGO cannot.
- Financial literacy module during training (not after) covering: how to budget a monthly salary, how to operate a bank account in a new city, how to send money home, what to do in a financial emergency.

The India Skill Impact Bond's requirement to track retention at three months — and to pay providers based on that retention — is the structural accountability mechanism for post-placement support. NGOs implementing skill training without this accountability structure should create it internally: measure and report six-month retention for every cohort, every cycle.

What This Means for CSR Funding

Many CSR skill programmes fund training — the physical infrastructure of classrooms, the curriculum development, the trainer costs. Very few fund the employer partnership development, the post-placement support, or the six-month retention tracking. This is the wrong allocation.

The infrastructure is not the constraint. The employer relationship and the post-placement support are the constraints. A CSR programme that funds a training centre in a district where no employer has committed to hiring graduates is funding a building, not employment.

The right CSR ask for genuine skill impact:

Fund the employer partnership manager — the person whose full-time job is identifying and maintaining relationships with genuine committed employers. This is not a training cost; it is a business development cost. It is also the highest-leverage

expenditure in the entire programme.

Fund post-placement support for a specific cohort for one full year after training completion. This is where youth are most likely to fall through the cracks and most need support. The cost is modest; the retention impact is documented.

Fund honest outcome measurement: third-party calls to placed workers at three and six months, asking directly whether they are still employed and whether the job matches what they were told to expect. Share the results publicly. This accountability mechanism is itself an incentive for quality.

The Tribal Youth Adaptation: Additional Considerations

Identity and aspiration. Training programmes for tribal youth that implicitly present formal sector employment as the only legitimate outcome and informal/agricultural work as failure are both inaccurate and harmful. Many tribal youth want to return to their communities with enhanced skills, not permanently relocate. Programmes that honour this — building skills that are valuable locally, supporting self-employment, building capacity for skilled work within tribal communities — are more respectful and often more sustainable.

First-generation workplace dynamics. Tribal youth in formal sector placements frequently face discrimination — from employers who have lower expectations, from co-workers who treat them as outsiders, from supervisors who don't accommodate different communication styles or religious/cultural observances. Post-placement support for tribal workers needs to specifically address these dynamics and know how to help workers navigate or escalate discrimination.

Recognition of Prior Learning as an alternative pathway. Not every tribal youth needs a full training programme. Many have substantial existing skills — in agriculture, forest management, traditional crafts, construction — that the formal

economy doesn't recognise. RPL certification, which turns informal competency into formal credential, can produce the 19% income premium documented in research without requiring youth to undergo training in skills they already have. This is both more efficient and more respectful of existing knowledge.

Related Knowledge Commons content: Skill Development Sector Primer (Sector 06) · Practice Note: Recognition of Prior Learning for Tribal Communities · Practice Note: Post-Placement Support — What Actually Improves Retention

Evidence Grade: A/B — The DDU-GKY realistic job information RCT is Grade A evidence. The broader evidence on placement-linked training outcomes is Grade B multi-study. Last reviewed: April 2026.

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