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FROM EDUCATIONAL INVESTMENT TO EMPLOYABILITY: THE ROLE OF SKILL-BASED EDUCATION IN INDIA

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Abstract

In India if people are investing in any thing they expect return from it. As the Same if parents are going to invest in education. Why should not they expect the returns? Investing in education is commonly seen as an investment in human capital as it can develop knowledge, skills and confidence in individuals throughout their lives. Families invest money, time and emotional energy into their children's education with the hope that it will help improve their lives. However, investing in education is not always evident by how much individuals invest and the number of qualifications obtained. This paper will discuss how family investment in education, skills-based learning, and parental awareness can affect employability within India. Using chosen academic research and policy documents to back up points made. Human capital theory, investment in private education and employment, the National Education Policy 2020, and research into parental awareness and learning outcomes have all been used. This research is descriptive and analytical using secondary sources. Original data from surveys has not been used and there is no causal relationship identified. This discussion will highlight the importance of making informed decisions around parental investment, theory and practical knowledge, teacher and trainer development, and how skills-based education can help get individuals into paid roles, self-employment, and entrepreneurship. It will be argued that investment should not be measured by how much is paid for education but by the opportunities the individual can gain from the learning. Practical recommendations have been suggested for institutions, teachers, parents, and policy makers. However, it is important to remember that employment can be affected by other factors such as the job market, social disparities, and access to resources.

Keywords: Educational Investment, Skills-Based Education, Parental Awareness, Practical Learning, Employability, Entrepreneurship, India.

1. Introduction

Investing in education is an important aspect for families and the wider population. Parents invest in education by paying for school fees, textbooks, transport, digital devices, tutoring, and further study. They will hope that this will improve their children's knowledge and future opportunities. Economically, this can be viewed as an immediate cost with hoped for future gains. The human capital theory (Becker, 1964) explains how education and training can be seen as an investment in gaining productive knowledge and skills. Education can help improve individuals lives by helping them become more knowledgeable, improve their personal development, become involved in society, make informed decisions and adapt to change.

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An important consideration is how education can help individuals develop skills they can apply in everyday life and the workforce. Qualifications can tell individuals what they have studied but may not show how good they are at communicating, using digital tools, analysing, technical skills, and entrepreneurship. Practical training can lack theoretical knowledge which means individuals do not understand why certain methods work or when they should be adapted. Balancing theory and practical knowledge is important.

This topic is relevant to India as there is a policy in place to provide vocational education and experiential learning. The National Education Policy 2020 places great emphasis on experiential learning, vocational opportunities, and removing the strict boundaries between academic and vocational routes (Ministry of Education, 2020). This does not mean individuals are receiving the same opportunities. Some institutions may lack the resources, trained staff, practical experience, and quality learning environment.

This paper will also study that before investing in child's education, parents must inquire about that investing or should see the interest area of their ward. And after all awareness and satisfaction, then parents should move forward for investing. Parental awareness can be an important factor. Parents often make decisions about which courses to take, continue studying, and what support they can provide. This is not blaming families or teachers but looking at how education can be linked to learning.

2. Statement of the Problem

Often families are uncertain when investing in education. They may know what the costs are and how long the programme will last but lack information around practical skills, quality of resources, amount of supervised practical work, and progression opportunities. Institution face many problems such like staffing resources, time and partnership with their employees and organization.

This is not to say that academic education has no value. However, there may be issues with individuals having opportunities to turn their academic knowledge into skills. If students do not have many opportunities to practice their communication, problem solving, digital, financial decision making, and occupational skills then moving into the workforce can be difficult. However, this also depends on the availability of jobs, economic growth, discrimination, location, and social connections. This paper does not assume that skills based education will help solve unemployment.

3. Objectives of the Study

- To identify how educational investment can impact skills development using existing literature.
- To emphasise the importance of parental awareness and clear information.
- To identify relevant education and skills development policies in India (National Education Policy 2020).
- To discuss the importance of professional development for teachers and skills based trainers.
- To explore how skills-based education can contribute to employment, self-employment, and entrepreneurship.

4. Research Questions

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- How is private investment in education linked to future employment opportunities using existing literature?
- How can parental awareness and communication from the institution help make informed decisions around education?
- What role does experiential and vocational learning play in the policy of India?
- How can teacher and trainer development improve opportunities for applying theory?
- What opportunities and limitations are there when linking skills education to employment and entrepreneurship?

5. Review of Literature

5.1 Human capital and educational investment

Human capital theory can be used to explain why individuals invest in education and training from an economical perspective. Becker (1964) looks at how education can be viewed as an investment to improve knowledge. However, investment decisions will involve costs and hoped for gains. This can help explain why families and government invest in education. However, not every individual will gain the same return per extra rupee invested. This will depend on the quality of the education, individual circumstances, relevance of the learning, and the wider economy. Care should be taken when discussing investment in education.

5.2 Private investment and employment in India

Unni (2023) looks at how much individuals invest in education privately and how this links to future employment opportunities. This is mostly secondary data. This is relevant as it shows how investment in education and employment are linked. This also highlights that employment can be impacted by social and structural barriers. This has been used as background information to show how practical learning and information can complement formal qualifications. However, this study does not directly evaluate all forms of skills-based education.

5.3 Policy context: NEP 2020 and skilling

The National Education Policy 2020 provides a wide policy to improve education and encourage experiential and vocational learning (Ministry of Education, 2020). This is relevant to this paper as it highlights the importance of learning to give individuals understanding and application of knowledge. However, this does not mean that all institutions have the resources to provide all the elements mentioned in the policy. Local evaluation should be undertaken to ensure the individuals have appropriate staff, practical elements, resources, and guidance. This policy has been discussed and does not claim that it is fully or partially implemented.

NITI Aayog (2026) provides a report on school education and Virmani (2026) discusses education and skilling. This provides background on policies which encourage consideration of what individuals know and can do. Learning outcomes can vary depending on the subject and level. For Economics this can include

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interpreting data and explaining incentives. Business can include creating a basic budget. Technical subjects may involve safely completing a task. This has been used as background information.

5.4 Parental awareness and learning outcomes

Parental awareness refers to how well parents understand their child's learning and educational needs. Singh and Ranganathan (2026) look at parental awareness and children's learning outcomes in early years settings. Evidence has been found that parental awareness can be linked to aspects of children's learning outcomes. This can vary depending on the age, location, and circumstances of the household. This is a relevant source to refer to. However, this does not mean that parental awareness will determine achievement. This study looked at early years learning outcomes so does not directly show how parental investment decisions will impact future employment. However, this does show that communication and awareness can be relevant topics to research.

Overall, this shows that educational investment, employment, policy, and parental awareness are all linked topics. However, the chosen literature does not fully answer all the questions around how cost-effective skills-based education is in India. Further research would be needed to compare different programmers, track individuals, and see how resources in the household and opportunities in the institution impact outcomes. This has been used to show considerations and recommendations.

6. Research Methodology

This study uses descriptive and analytical research using secondary sources. Academic research, peer reviewed research, and policy documents from India have been used. Sources have been chosen due to their relevance to educational investment, parental awareness, skills, and employability. No primary research has been undertaken including surveys, interviews, experiments, or new statistical analysis. Conclusions have been drawn from interpretation.

7. Discussion and Analysis

7.1 Looking beyond expenditure and qualifications

Often educational investment can be seen by how much individuals pay for education, tutoring, resources, transport, and technology. This can be an important consideration for families especially if they do not have many resources. However, this is an input rather than a full indicator of learning. Two individuals may pay similar amounts but have very different teaching styles, practical opportunities, feedback, and learning environment. Individuals may gain the same qualification but from different programmes with varying amounts of supervised practical work. It is useful to consider what learning opportunities are provided and what skills individuals can develop.

7.2 Parental awareness and informed choices

Parental awareness can come in many forms. Parents who know their child's strengths and weaknesses may be more able to discuss their child's learning needs with the teachers. They may also be able to track their progress and seek support where needed. If parents are aware of the educational opportunities available they may be able to ask questions such as whether the course includes projects, fieldwork, digital practical work, internships, and vocational opportunities. Evidence has been found that parental awareness can be

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linked to aspects of children's learning outcomes in early years settings (Singh & Ranganathan, 2026). This is relevant but needs to be used carefully. Early years learning outcomes will not be the same as long term employability. Also this is a correlation not a single cause.

Making informed decisions should be realistic. Skills based programmes should provide clear information around what the aim of the programme is, entry requirements, how long it will last, assessment, and progression opportunities. Institutions should not imply that short courses will guarantee employment. Parents and students can then consider the costs and benefits of different options whilst considering the interests, abilities, location, and long term goals of the individual. This makes families part of the education process.

7.3 Connecting theory with practical learning

Theory and practical knowledge should work together. Theory provides a base for individuals to think and adapt to new situations. Practical can help individuals to put theories into practice, make decisions, and receive feedback. Depending on the subject and resources available practical learning can involve experiments, case studies, simulations, projects, fieldwork, community based tasks, supervised practical, and internships. Practical learning should have clear learning outcomes and appropriate assessment. Not all practical learning will be educational.

For example, Economics students can analyse household budgets, interpret simple labour market data, and compare costs and benefits of different choices. Business students can create a basic business plan, calculate costs, analyse customer needs, and consider financial risks. Digital skills can be practised by using spreadsheets, presentations, and information tools safely and purposefully. Not all institutions will provide the same programme. Activities should be appropriate for the age, curriculum, resources, and local area.

7.4 Teacher and trainer development

Teachers and trainers play an important role in providing learning opportunities to meet the aims of the curriculum. Providing professional development can help teachers keep their knowledge up to date, include practical assessment, use technology appropriately, and link theory to real life. Skills based trainers may also benefit from opportunities to understand changes in the workplace and work with relevant organizations. This can be a positive area to support.

Professional development is more likely to be beneficial if it is relevant to the teaching and there are opportunities to put the learning into practice. If teachers are busy, lack resources, mentoring, or support from the institution workshops may not be very useful. Peer observation, team planning, demonstration sessions, access to teaching resources, and reflection on students' work can help compliment professional development. Institutions can identify needs by gathering feedback from teachers, reviewing assessment tasks, and talking to local employers/community groups where appropriate.

7.5 Employability, self-employment, and entrepreneurship

Employment is not just about technical skills. Depending on the role employers may want individuals to have good communication, teamwork, reliability, problem solving, digital skills, and the ability to learn new processes. Skills based education can provide structure to practice some of these skills but will depend

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on the quality of the programme and relevance to the job market. Expectations from employers will vary depending on the sector and location. Institutions should not assume that a list of skills will be enough.

Self-employment and entrepreneurship can be relevant if there are not many paid roles available or if individuals see a viable service or business opportunity. Teaching entrepreneurship can help students understand customer needs, calculate costs, keep records, price products, basic marketing, financial literacy, risk, and legal responsibilities. This may help individuals to be more realistic when considering ideas. However, this does not guarantee employment opportunities, social protection, or success with a business. A business will depend on demand, finance, infrastructure, regulation, and the wider economy. Training should help individuals make informed decisions.

Institutions may want to consider local partnerships to provide students with exposure to different occupations and businesses. Ensuring this is safe, educational, and accessible. Career guidance can help students compare further study, vocational training, apprenticeships, waged employment, and self-employment. This will provide more informed options. Students should be able to use their interests and strengths to build on but understand the practicalities and uncertainties of each option.

7.6 NEP 2020 as a supporting policy framework

This is relevant due to the emphasis on experiential learning and vocational education (Ministry of Education, 2020). This provides a framework to discuss how practical learning can be included with academic learning. The policy encourages consideration of how students will be exposed to skills, work related knowledge, and problem solving. It is important to note this is a policy and does not claim to be fully or partially implemented. However, consideration should be given to how accessible, quality, and outcomes are.

A useful way to evaluate could be to consider if students have access to appropriate practical opportunities, teachers/trainers have support, parents understand the learning opportunities, and assessment covers relevant skills. Consideration should be given to urban and rural differences, stage of school, subject, and local resources. Policies are most informative when they are linked to implementation with feedback from students, parents, teachers, and employers.

8. Major Findings from the Literature-Based Discussion

- Human capital theory can provide a rationale for viewing education and training as an investment in knowledge and skills. However, returns will vary depending on the individual (Becker, 1964).
- Research into private investment in education in India shows that education levels can impact employment opportunities. However, there are wider social and job market barriers (Unni, 2023).
- Parental awareness is an important consideration in education. Research has shown that parental awareness can be linked to learning outcomes in early years settings. However, this does not mean it will determine outcomes or future employability (Singh & Ranganathan, 2026).
- Practical learning can complement theory if there are clear outcomes, appropriate resources, supervision, and meaningful assessment.

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- Teacher and trainer development should be supported by the institution. Opportunities should be provided to put new methods into practice.
- Skills based education may help individuals consider employment, self-employment, and entrepreneurship but cannot guarantee employment, income, or business success.
- NEP 2020 provides a policy framework for experiential and vocational learning. Consideration should be given to how it is implemented and accessible.

9. Policy Suggestions

The following suggestions arise from the literature-based discussion. They are proposals for consideration rather than experimentally verified interventions.

- Provide accessible information to parents and students around what they will learn, costs, practical elements, resources, assessment, and realistic progression opportunities.
- Use parent teacher meetings and simple progress reports to discuss students' learning needs and strengths. Do not blame families for structural barriers.
- Balance theory with well designed projects, demonstrations, case studies, fieldwork, and supervised practical. This depends on the subject.
- Provide support for continuing professional development for teachers and skills based trainers. This can include mentoring, peer learning, practical exposure, and time to apply new methods.
- Consider access to laboratories, workshops, digital resources, supportive resources, and community/industry partnerships depending on local needs and evidence.
- Introduce financial literacy, problem solving, communication, digital skills, and entrepreneurship awareness depending on the age. This should be appropriate for the curriculum.
- Use a wide range of indicators to understand the quality of education. This can include participation, progress, practical skills, student feedback, and progression.
- Ensure vocational and practical opportunities are inclusive, safe, and affordable. This should be available to all students regardless of gender, income, disability, or location.
- Conduct local follow-up research to compare programme costs, learner experiences, practical competencies, and longer-term pathways, while clearly acknowledging limitations.

10. Limitations and Scope for Further Research

This paper is a selective review and does not include original field data. The sources considered differ in purpose, population, and method; findings from one context should not automatically be generalised to all learners or institutions. Research on parental awareness among young children, for example, cannot by itself show how family investment decisions influence the employment outcomes of older students. Similarly, broad policy documents describe aims but do not necessarily measure how consistently programmes are delivered. These limits mean that the paper offers a framework for discussion rather than a final assessment of the effectiveness of skill-based education in India.

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11. Conclusion

The study of paper shows that the only investing in education cannot give the accurate chances to get a good job and opportunity for the student. There are number of other aspects which also majorly considerable. The practical skill of learner, communication, family education, all these things matters in getting employability. Investing in education aims to increase learners' knowledge and opportunities. However, the financial investment and qualification achieved does not show everything the learner could be capable of. This review has highlighted that investing in education should consider the quality of learning opportunities, parental knowledge, practical skills and support provided to teachers, trainers. The human capital theory by Becker explains why education and training are seen as an investment. Unni's study looks at how private investment into education relates to employment in India. Research into parental knowledge demonstrates another reason why communication between families and education providers should be considered.

Skill based education should be used to supplement a strong academic base. If designed well practical learning allows students to understand how to use concepts, explore career opportunities and build transferable skills. It may provide opportunities for employment, self-employment and entrepreneurship however it will not overcome economic barriers and cannot guarantee any success. NEP 2020 has been implemented to provide a framework to support experiential and vocational learning. Opportunities available should be looked at using empirical evidence. Taking a balanced approach will help families make informed decisions, support those delivering education and provide clear opportunities for students to link learning to their goals. Further research is needed to look at the cost, capabilities and outcomes using local and longitudinal data.

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