

6. India Skills Report 2026

The India Skills Report 2026 has been released recently. It was based on 100,000+ candidate assessments through the Global Employability Test (G.E.T.).

Background & Evolution

The India Skills Report (ISR) was first launched in 2014 as a national-level employability assessment initiative. It is published jointly by -

1. Educational Testing Service (ETS)
2. Confederation of Indian Industry (CII)
3. All India Council for Technical Education (AICTE)
4. Association of Indian Universities (AIU)

The report has evolved into India's leading dataset on skill gaps, employability trends, industry hiring cycles, and youth readiness for the labour market.

Purpose of ISR - Provides evidence-based insights for -

1. Labour market policy formulation
2. Skilling strategies and curriculum development
3. Hiring decisions by industry
4. Education-to-employment alignment

Helps governments, industries, and institutions design future-ready workforce strategies.

Theme of ISR 2026

"The Future of Work - Gig Workforce, Freelancing, AI-Supplemented Workforce, Remote Work & Entrepreneurship."

Reflects India's rapid shift toward -

1. Flexible work arrangements
2. Digital-first employment
3. AI-driven organisational structures
4. Entrepreneurship-led youth engagement

Key National Employability Trends

Overall Employability Improvement - Employability rose to 56.35%, up from 54.81% in ISR 2025, showing -

1. Better job readiness among youth
2. Improved alignment between education and industry
3. Rise in digital literacy and soft skills

Rise of Tier-2 & Tier-3 Cities - Cities like Lucknow, Kochi, Jaipur, Chandigarh, Indore are emerging as strong employability hubs. Key reasons -

1. Growth in ed-tech and remote learning
2. Expansion of IT-BPM and startup ecosystems
3. Improved local infrastructure and corporate presence

Indicates a gradual narrowing of the urban-rural employability divide.

Graduate-Level Performance - Over 50% of graduates scored above 60% in the Global Employability Test (GET). Suggests better -

1. Cognitive ability
2. Communication skills
3. Digital readiness
4. Logical reasoning

Gender Inclusion Trends

Women Surpassing Men in Employability - Women's employability reached 54%, surpassing men at

51.5% — a historic first. Drivers –

1. Growth of hybrid and remote work models
2. Higher digital participation by women
3. Increasing enrolment in STEM and professional programs
4. Flexible gig-based opportunities

Changing Career Preferences – Women show dominant interest in –

1. Legal (96.4%)
2. Healthcare (85.95%)
3. Education and social sciences

Men prefer –

1. Graphic design (83.11%)
2. Engineering design (64.67%)
3. Manufacturing and mechanical fields

Indicates gendered pathways in skill preferences, influenced by social norms and industry exposure.

Hiring Trends & Industry Behaviour – AI Adoption in Recruitment. 70% of IT and 50% of BFSI companies now use AI tools in hiring.

Applications include –

1. Automated resume screening
2. Skill assessments
3. Behavioural analysis
4. Virtual interviews
5. Fraud detection in applications

AI adoption has moved from pilot phase to mainstream, making recruitment faster and data-driven.

Hiring Intent Indicators – Hiring intent for FY 2026–27 rose sharply to 40%, from 29% the previous year.

High demand in –

1. Technology (AI, data, cloud)
2. BFSI (fintech, risk management)
3. Healthcare & biotechnology
4. Renewable energy and EV sectors

Shows economic expansion and industry confidence despite global uncertainties.

Workforce Composition

Employment Structure – 72% of the workforce remains in permanent roles, reflecting continued demand for stable talent in core functions. 16% in gig and third-party roles, signalling –

1. Maturing gig economy
2. Rise of platform-based employment
3. Shift toward flexible work arrangements

Remaining workforce spread across internships, apprenticeships, and fixed-term contracts.

Implications – Hybrid models are becoming the norm. Gig-based roles are expanding beyond delivery and mobility into –

1. Content creation
2. Digital marketing
3. Coding
4. Consulting and design

Domain-Wise & Age-Wise Employability

Top Employable Domains – Computer Science (80%) and IT engineering (78%) lead in employability due to –

1. Surge in AI and ML roles
2. Cloud and cybersecurity expansion
3. High requirement of digital fluency

Age-Wise Trends - Highest employability (75.7%) is among the 22–25 age group. Reasons -

1. Better exposure to digital tools
2. Internships under NEP
3. Stronger industry–institute linkages

Skill Trends & Gaps

Emerging Skill Strengths - Strong rise in -

1. Digital fluency
2. Critical thinking and problem–solving
3. Communication and behavioural skills

State leaders -

1. Maharashtra (68.23%)
2. Karnataka (54.83%)

Persistent Skill Shortages - Despite rising employability, chronic shortages persist in -

1. AI & machine learning
2. Cloud architecture
3. Data engineering
4. Cybersecurity

Industries continue to report a demand–supply mismatch in high-tech roles.

State Performance

Top Employability States

1. Uttar Pradesh
2. Maharashtra
3. Karnataka
4. Kerala (new entrant in top ranks)

Kerala's Rising Role

Kerala ranks among the top 10 preferred states for women employees. Reasons -

1. High digital literacy
2. Progressive gender environment
3. Strong health and education indicators
4. Remote–work friendly ecosystems

Initiatives Strengthening India's Skill Ecosystem

Skill India Mission (2015) - Aims to train 400+ million youth. Covers -

1. ITIs
2. Polytechnics
3. Private training partners
4. Skill development institutions

PM Kaushal Vikas Yojana (PMKVY) - Provides -

1. Short-term training
2. Recognition of Prior Learning (RPL)
3. Industry-aligned certification

Helps upskill informal workers and first-time job seekers.

National Apprenticeship Promotion Scheme (NAPS) - Offers financial support for companies to hire apprentices. Helps bridge the skill–industry gap through hands-on learning.

National Education Policy (NEP) 2020 – Integrates vocational education from school to university level.

Promotes –

1. Skill-based courses
2. Internships
3. Flexible curricular structures
4. Multidisciplinary learning

Source – <https://www.thehindu.com/news/national/kerala/kerala-among-top-indian-states-in-employability-kochi-emerges-as-tier-2-talent-hub-india-skills-report-2026/article70270751.ece>

