India Skills Report 2026

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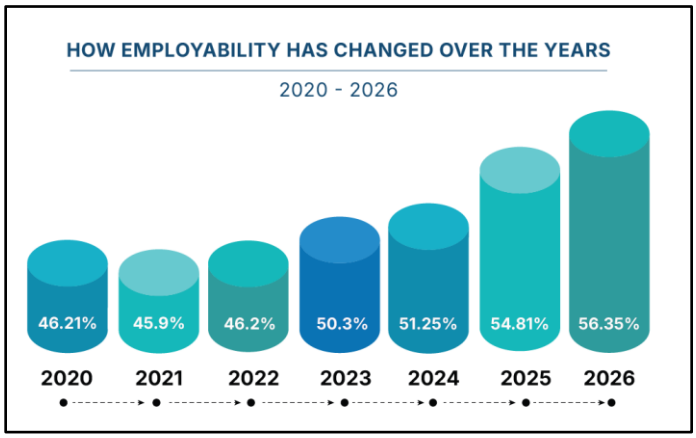
Introduction

The *India Skills Report 2026* examines how India's workforce is adapting to major transformations driven by artificial intelligence (AI), gig work, freelancing, remote employment, and entrepreneurship. Based on responses from over one lakh candidates who participated in the Global Employability Test (G.E.T.) and more than 1,000 organizations across seven industries, the report presents an overview of India's evolving employability landscape and future workforce trends.

The report highlights India's growing position as a global talent hub, particularly in AI-enabled and platform-based work models. India currently accounts for nearly 16% of the world's AI talent pool and has more than 600,000 AI professionals, with the domestic AI market projected to reach USD 17 billion by 2027. The report further notes that India's gig workforce is expected to grow to nearly 23.5 million workers by 2029–30, indicating the rapid expansion of flexible and project-based employment models.

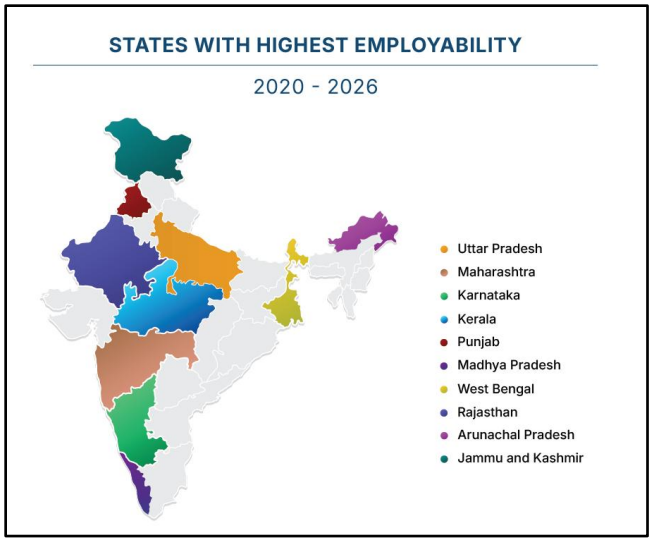
The report emphasizes that the future of work in India will increasingly revolve around AI-supported workflows, digital collaboration, skills-first hiring, and borderless employment opportunities. As organizations transition from traditional structures to agile and project-based work environments, employability, adaptability, and continuous skilling are becoming central to workforce participation.

Employability Trends in India



The report shows a steady rise in employability levels across India over the past several years. National employability increased from 46.21% in 2020 to 56.35% in 2026, reflecting stronger industry alignment, increased digital readiness, and growing investments in skill development. The sharp rise in employability after 2022 indicates stronger alignment between higher education systems, industry expectations, and digital skills training initiatives.

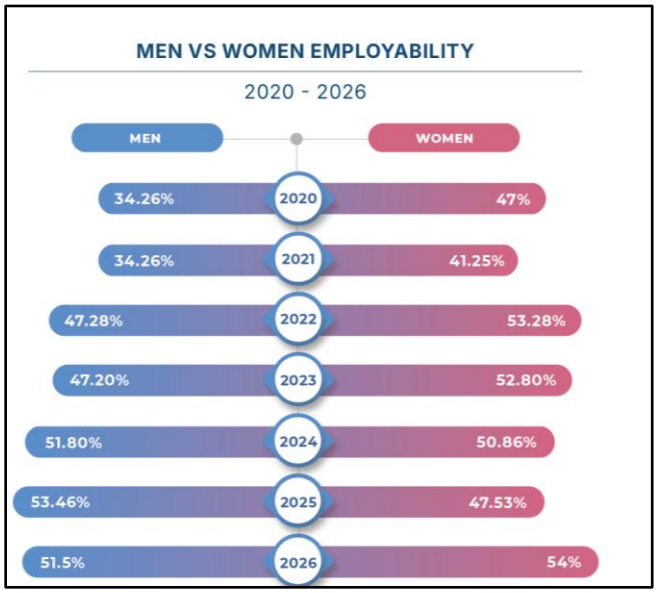
Among educational domains, MBA graduates recorded the highest employability at 72.76%, followed by BE/B.Tech graduates at 70.15% and MCA graduates at 68.25%. Within engineering disciplines, Computer Science graduates demonstrated the highest employability levels at 80%, followed by Information Technology at 78% and Instrumentation Engineering at 77%.



The report also identifies Uttar Pradesh, Maharashtra, Karnataka, Kerala, Punjab, Madhya Pradesh, Rajasthan, Arunachal Pradesh, West Bengal, and Jammu & Kashmir among the states with the highest employability levels in India.

Gender and Workforce Participation Trends

One of the report's most significant findings is the continued improvement in women's employability across India. Female employability reached 54% in 2026, surpassing male employability at 51.5%. This trend reflects increasing participation of women in higher education, digital learning, professional skilling, and flexible employment opportunities.



The report also highlights changing workplace preferences among men and women. Female candidates showed stronger preference for states such as Rajasthan, Kerala, Telangana, Andhra Pradesh, and Punjab, while male candidates preferred Uttar Pradesh, Madhya Pradesh, Maharashtra, Karnataka, and Delhi.

The growing employability of women also signals broader structural changes in India's labour market, particularly with the expansion of remote work, gig employment, and digitally enabled careers that offer greater flexibility and accessibility.

Future of Work and Hiring Trends

The report emphasizes that India's labour market is shifting from traditional employment structures toward skills-first and project-based work models. Organizations increasingly prioritize adaptability, digital fluency, AI literacy, and problem-solving skills over conventional tenure-based hiring systems. Work is being reorganized around agile, cross-functional teams where AI assists with decision-making, workflow automation, and productivity enhancement.

Hiring demand is particularly strong in sectors such as AI and advanced digital technologies, renewable energy, healthcare technology, electric mobility, and semiconductors. Emerging job roles include machine learning engineers, cybersecurity professionals, data scientists, battery engineers, and health informatics specialists.

The report further notes that project-based hiring increased significantly during FY 2025, indicating a shift toward flexible workforce strategies and outcome-based employment models. Another major trend is the rise of Tier-2 and Tier-3 cities such as Coimbatore, Indore, Surat, Trichy, and Mysore as emerging employment hubs due to remote work adoption and expanding digital infrastructure.

Workforce Digitization and AI Integration

The report highlights the rapid adoption of workforce management and HR technology platforms across sectors such as IT, BFSI, manufacturing, healthcare, retail, and government. More than 90% of large IT firms in India have adopted cloud-based HR and workforce management systems, while India's HRMS market is projected to grow from USD 9.7 billion in 2025 to USD 22.4 billion by 2035.

Organizations using AI-powered workforce systems reported productivity gains, improved employee engagement, faster onboarding processes, and fewer administrative errors. The report argues that workforce technology is evolving beyond administrative automation and becoming central to workforce planning, skills management, employee retention, and AI-human collaboration.

Challenges and Policy Implications

Despite positive trends in employability and workforce digitization, the report cautions that AI adoption is progressing faster than workforce training and reskilling systems. Many organizations continue to face gaps in AI literacy, workforce preparedness, and governance mechanisms, particularly in adapting employees to AI-supported work environments.

The report also highlights concerns around the growing gig and platform economy, where issues related to social protection, portable benefits, digital inclusion, and fair work practices remain critical challenges. It stresses the importance of continuous skilling, modular learning pathways, and portable digital credentials to help workers remain competitive in a rapidly changing labour market.

Key Learnings and Recommendations

The report recommends that policymakers, industries, and educational institutions focus on strengthening AI literacy, promoting skills-first hiring models, improving digital infrastructure, and creating fair and flexible labour frameworks suited to the future of work.

It further emphasizes the need for stronger industry-academia collaboration, workforce analytics, lifelong learning systems, and inclusive skilling initiatives that prepare workers for AI-enabled and digital employment opportunities. The report concludes that India's demographic advantage, combined with investments in workforce digitization and future-ready skilling systems, positions the country to become a major global supplier of digital and AI-enabled talent in the coming decade.

Read More: India Skills Report, 2026

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