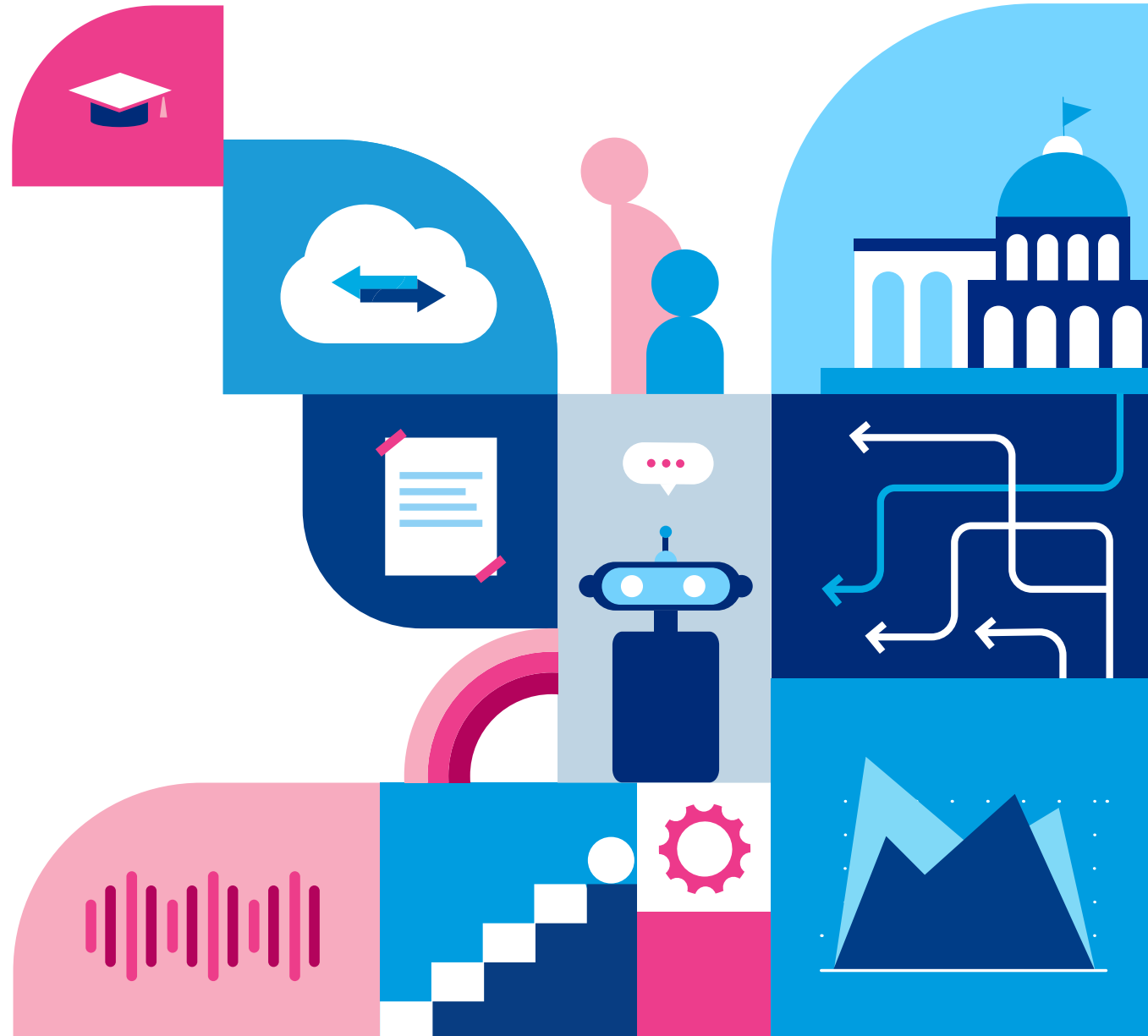


# India's Graduate Skill Index 2025

Mercer | Mettl's guide to talent  
readiness of Indian graduates  
for an AI-enabled workplace



# Foreword

As we prepare for a new year filled with endless possibilities and dreams of a brighter future, I am delighted to present India's Graduate Skill Index 2025.

The second edition of our report on the employability of India's graduates comes at a pivotal moment when the rapid advancement of artificial intelligence (AI) is reshaping industries, redefining job roles, and transforming the very fabric of our workforce. The past year has seen a hiring slump, particularly in 2023-24, influenced by global economic uncertainties and shifting market demands. However, signs of recovery are emerging, with indications of renewed interest in entry-level hiring across various sectors. As organizations recalibrate their strategies and embrace digital transformation, the demand for skilled graduates is set to rebound.

This year's report aims to contextualize the shifting requirements of the industry and their impact on graduate employability. It delves deeper into the skills that are becoming increasingly vital in an AI-augmented world. Technical proficiency in AI and data analytics is no longer a niche requirement; it has become fundamental across various sectors. Graduates must embrace a mindset of continuous learning, equipping themselves with the tools to navigate this evolving landscape.

However, as we emphasize the importance of technical skills, we must not overlook the equally critical role of soft skills. The ability to communicate effectively, collaborate in diverse teams, and demonstrate emotional intelligence will be key differentiators in a world where human interaction remains irreplaceable. Employers are seeking individuals who can not only understand complex technologies but also apply them with empathy and insight.

Looking ahead in 2025, we envision a landscape where entry-level hiring is not just recovering but thriving. Companies will seek adaptable candidates who possess a blend of technical and soft skills, capable of navigating the complexities of a digital-first economy. The ability to innovate, problem-solve, and engage with diverse teams will set candidates apart as they enter the workforce.

This report serves as a call to action for educational institutions, industry leaders, and policymakers alike. We must work together to cultivate a workforce that is not only skilled but also adaptable and resilient.

I invite you to explore the insights within these pages and join us in empowering every graduate to succeed in an AI-driven economy.

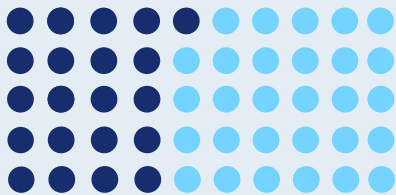


**Siddhartha Gupta**  
President, Mercer India

# Key findings

## 42.6%

of Indian graduates who apply for jobs are employable.



There was an overall drop in the employability of Indian graduates from 44.3% in 2023 to 42.6% in 2024. The drop is particularly driven by non-technical skills. Employability in technical roles has seen an increase.

As employer expectations continue to evolve, graduates continue to acquire new skills to become job-ready for an AI-enabled workplace. However, compared to technical skills, non-technical skills have a less structured learning path and require more time to develop.

## 48.4%

of the graduates in Tier 1 colleges are overall employable.

Graduates from Tier 1 colleges have the highest employability for both technical and non-technical job roles. While Tier 2 colleges have an overall employability of 46.1%, Tier 3 colleges have a slightly lower employability of 43.4%. When compared with the previous year, there has been a lesser drop in employability for Tier 1 and Tier 3 colleges, while Tier 2 colleges experienced a more significant decline, particularly in non-technical roles.

## Delhi, Himachal Pradesh, Punjab are the top three states that house the most employable talent in India.

Quality educational institutions, vocational training programs, industry collaborations, and favorable economic conditions contribute to a large pool of employable talent in these states. Industries and job opportunities further help attract and retain talent.

Delhi ranks on the top with the highest employability at 53.4%, followed by Himachal Pradesh and Punjab, at 51.1%. Graduates in Uttarakhand, Jharkhand, and Haryana are also industry-ready and highly employable in both technical and non-technical roles.

# 46%

of graduates are employable in AI & ML roles, marking a significant increase since 2023. Male and female graduates are equally employable in these roles.

AI & ML ▲

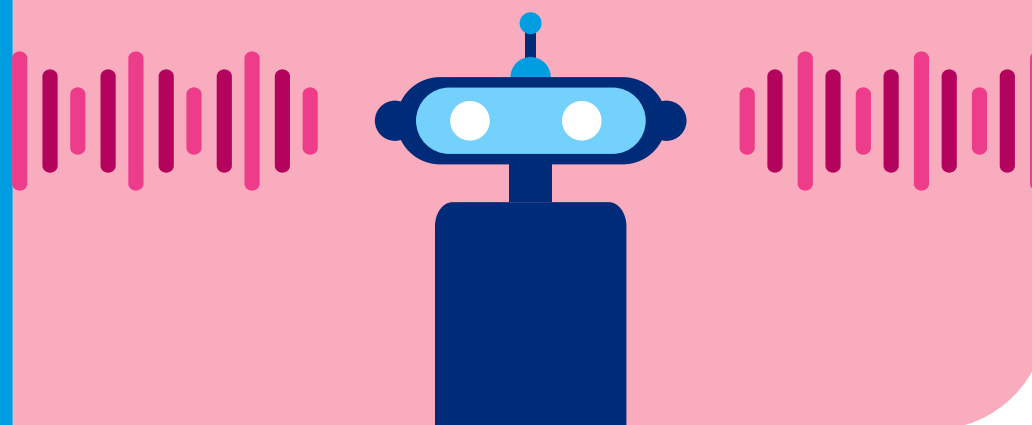
The Indian youth is gearing up for the workplace of tomorrow, with a sharp rise in proficiency in technical skills required for AI & ML job roles. As education becomes increasingly college and course-agnostic, the digitally savvy youth have access to a wealth of online courses and distance learning resources that impart training in digital technologies.

Gender-wise employability numbers show parity in AI & ML and data science roles. Females are more proficient than male candidates in digital marketing and human resource associate roles.

# 50%

of Indian graduates possess high competence in soft skills needed to interact and work with AI and Gen AI.

As automation increases, the value of soft skills, which cannot be replicated by machines, becomes significant. Indian graduates display high employability in communication skills, critical thinking and leadership skills at 55.1%, 54.6% and 54.2%, respectively. However, there is still room for improvement when it comes to creativity as a skill, which has an overall employability of 44.3%.



# Table of contents

**1**

---

Introduction

**2**

---

Methodology

**3**

---

Overall employability  
of Indian graduates

**4**

---

Employability of male and  
female Indian graduates

**5**

---

Employability of Indian  
graduates across tiers  
of colleges

**6**

---

State-wise employability  
of Indian graduates

**7**

---

Employability of Indian  
graduates for top soft  
skills in demand

**8**

---

Conclusion

# Introduction

## The evolving expectations for graduates at work in the AI-augmented world.

The AI and Generative AI-led technological disruptions across industries have caused a renewed focus on building a workforce that is skilled and has the resilience to cope with the rapid changes. **The AI market in India is projected to reach US\$17-22bn in value by 2027, clocking a CAGR of 25%-35%.** As the current workforce upskills and reskills, the country's graduate talent holds immense potential to enable sustained long-term growth.

## 70%

of the current Indian college students aspire to join IT companies. Hiring in the technology sector has already contributed to more than 20% of the technical workforce comprising of early career talent.

Employers are leveraging the fresh perspectives, technological proficiency and diversity that the young population offers. While the prospects look promising for graduates in the long run, the journey to a bright future in the AI-dominant and hyper-connected workplace is replete with challenges.

**In 2023, due to the ongoing slowdown in the IT industry that hires thousands of graduates every year, India saw an overall slump in volume hiring for graduates.**

Owing to the hiring boom in the years prior, major IT giants had to significantly reduce headcounts because of the conservative mindset of the client markets in the West, inflation, high interest rates and other geo-political changes. Industry experts, however, anticipate a turnaround in the near future. These companies are preparing for a hiring spree in the coming years, indicating a revival in demand for entry-level talent. Despite the potential for increased hiring, the dynamic play of evolving job roles and changing skill requirements continues as companies recalibrate their workforce strategies. A constant mismatch between the existing skills and the skills required for the jobs can be foreseen as AI integrates further into the workplace.

## 28%

of employers believe that a significant transformation of technical skills will be required for a third of their talent base in 2025 to remain competitive in the corporate world.

Apart from core technical and non-technical skills, soft skills like learning agility and adaptability are key requirements for companies to build an agile workforce that keeps pace with the changing needs across industries.

A regular assessment of graduates on industry-ready skills is crucial for academia and employers to ensure alignment between existing and demanded skill sets.

Such data provides valuable insights for companies to improve hiring decisions and curate training and development programs, as well as for academia to enhance their curriculum.

# Methodology

**Mercer | Mettl conducted a holistic analysis to assess the skill readiness of young India by examining data from 2700+ campuses and 1M+ students.**

The main objective of the study is to compare the top skills demanded by companies with the readiness of fresh graduates in those. The analysis covers a wide geographical spread, including data from campuses across 30+ states and union territories in India based on college tiers (Tier 1, Tier 2, and Tier 3) according to the National Institute of Ranking Framework by the Ministry of Education.

The study covers an in-depth evaluation of more than 2,800 specific skills and sub-skills. Proficiency in these core skills determines their employability in specific technical and non-technical roles, adding up to overall employability numbers.

The performance of these candidates is compared against skill benchmarks, represented by the 'Skill employability %,' indicating the percentage of candidates scoring above the employability level for each specific skill.

Proficiency in these core skills leads to the students' employability in specific technical and non-technical roles, which adds up to overall employability numbers. The study provides valuable insights into the employability landscape by setting these benchmarks based on the employability level.

To report employability for the current year, data from the last three seasons is used. Instead of using a calendar year to define a season, each season is defined as the duration from June 1 to May 31 (of the following year). For example, the 2023-24 season is from June 1, 2023, to May 31, 2024. The reason behind this is to mirror the actual campus recruiting season as closely as possible.

Using the data universe covering the last three seasons helps tide over any sudden changes due to external factors that may impact only 1 or 2 seasons (like COVID-19, a sudden downturn in IT hiring, etc.). This helps stabilize the data and provides a more accurate picture of employability.

Due to this change in methodology, numbers for 2023 employability have been recalculated, and the comparisons made in this report are with the newer recalculated numbers.

\*Note: This report on the latest employability statistics of Indian graduates, is beneficial for recruiters looking to hire in 2025.

## Mercer | Mettl data universe

**2.7K+**

campuses

**1 M+**

students

**2.8K+**

skills tested

**2K**

unique assessments analyzed

**110K+**

candidates from 100 Tier 1 college

**31**

states and union territories





## Chapter 1

# Overall employability of Indian graduates





## Amidst the changing expectations for skill-readiness, employability of Indian graduates remains steadfast.

As companies increasingly adopt and integrate AI to stay competitive and drive innovation, the expectations from fresh talent continue to rise. Alongside technical know-how, there is a growing requirement for non-technical and soft skills in the workplace of tomorrow.

The Mercer | Mettl study on the employability of Indian graduates suggests that while overall employability has remained steady with only a marginal decline, the employability of Indian graduates in non-technical roles has fallen from 2023.

Amidst Generative AI-led disruptions, employers are increasingly valuing candidates who can effectively collaborate, think critically, and have high learning agility.

This chapter discusses the overall employability of Indian graduates while comparing current figures with those from 2023. We also take a look at season-wise employability across the last three hiring seasons (June 1 - May 31).

**42.6%** of Indian graduates are employable in top in-demand jobs and skills.

**42.0%** is the employability of Indian graduates for top technical job roles.

The employability of graduates in AI & ML roles is high compared to other technical roles.

AI & ML ▲

QA automation

UI/UX developer

Data scientist

Front-end developer

**43.5%** of Indian graduates are employable for top non-technical job roles.



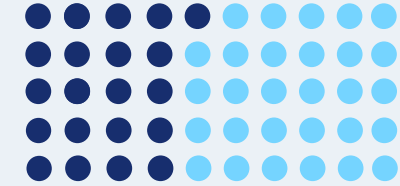
# Employability of Indian graduates

**Rising expectations from new talent have resulted in a marginal decline in the overall employability of Indian graduates from 44.3% in 2023 to 42.6% in 2024.**

As companies continue to recalibrate their skills taxonomy, the expectation from fresh talent is rising at a fast pace.

There is an overall increase in demand for graduates possessing a diverse mix of technical and non-technical skills coupled with soft skills.

According to Mercer | Mettl's data, overall employability in 2024, at 42.6%, has largely remained at a similar level compared to 2023 (44.3%), showing a slight drop of 1.7%, mainly across non-technical roles.



**Graduate employability for non-technical roles has dropped from 48.3% in 2023 to 43.5% in 2024. The employability of graduates for technical roles shows a marginal increase from 41.3% in 2023 to 42.0% in 2024.**

**Employability of Indian graduates for technical and non-technical job roles**

| Role type            | 2024  | 2023  |
|----------------------|-------|-------|
| Technical roles      | 42.0% | 41.3% |
| Non- technical roles | 43.5% | 48.3% |

The season-specific employability trends over the past three years have witnessed several fluctuations. **Employability peaked at 46.7% during the 2021-22 season, dropped sharply to 40.2% in the 2022-23 season, and rose to 45.3% in the latest season.**

# Employability of Indian graduates in technical job roles

Graduates continue to show promising potential with the highest employability in AI & ML roles.

Indian graduates exhibit the least employability in data scientist and back-end developer roles, at 39.8%. The employability for front-end developer roles and QA automation differs only marginally, with 40.2% and 40.6% of the overall talent employable for these roles, respectively.

Meanwhile, for software testing and data analyst roles, employability stands at 42.8% and 42%, respectively. Moving up the list, the employability for UI and UX developer roles is 44.7%.

Indian graduates have managed to keep pace in AI & ML roles, displaying the highest employability amongst technical job roles at 46.1%.

AI &amp; ML ▲

QA automation

UI/UX developer

Software testing

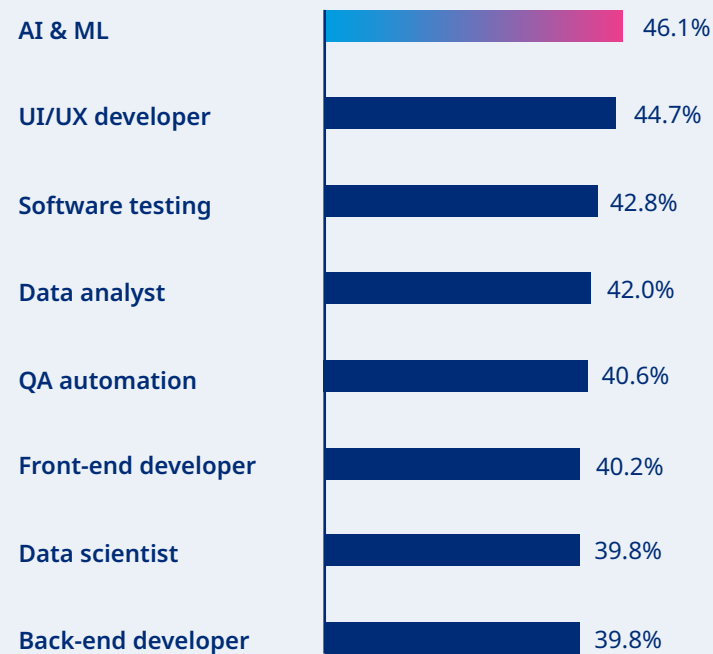
Front-end developer

Data scientist

Technical roles

Graph 1.1

## Employability of Indian graduates for top technical job roles



# Employability of Indian graduates in non-technical roles

The employability of Indian youth is above the national average in most in-demand non-technical roles.

For project management and business analyst roles, the employability is at 45.1% and 44.5%, respectively. Meanwhile, for HR associate roles, employability is the lowest at 39.9%, amongst other top non-technical job roles in demand. The employability for digital marketing roles, at 41.0%, is also on the lower side of the scale compared to other roles.

The employability for financial analysts and sales and business development in 2024 is highest at 45.4% and 45.3%, respectively.

Financial analyst ▲

Business analyst

Sales and business development ▲

Project manager

Digital marketer

Non-technical roles

Graph 1.2

## Employability of Indian graduates for top non-technical job roles



The employability landscape for Indian graduates in non-technical roles reveals varying opportunities across different fields. As illustrated in the graph, while roles in sales, business development, and financial analysis show promising employability rates, positions in human resources and digital marketing are comparatively lower.

## Chapter 2

# Employability of male and female Indian graduates





## Male graduates have a marginally higher employability than their female counterparts.

The evolving pace of AI-integrated workplace highlights a growing need for balance, diversity of ideas and human-centricity. Multiple factors contribute to making the human-machine team-up more productive, and workplace diversity is vital for building a forward-looking culture within organizations.

As fresh graduates join the workforce, having a diverse group will enable companies to leverage new skills and build a well-rounded workforce.

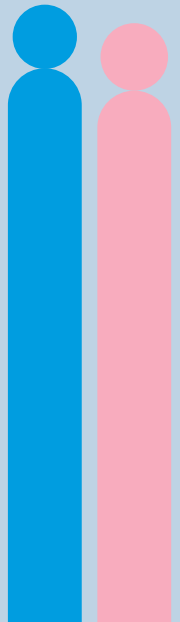
This chapter delves deeper into Mercer | Mettl's data to explore the employability of Indian graduates across the two categories- male and female, owing to the statistically high number of these categories.

**43.4%** of male graduates in India are employable.

**41.7%** of the female graduates are employable.

**44%** of male and

**42%** of female graduates are employable in technical job roles.



Employability varies marginally for both genders across non-technical roles.



# Employability of Male and female graduates in India

**43.4% of male graduates who apply for jobs are employable, while employability is at 41.7% for female graduates.**

Mercer | Mettl's 2024 data reveals that while there is a slight difference in employability between male and female graduates, male graduates demonstrate higher employability.

**Employability of male and female graduates differs marginally. This depicts a balance of competence across the two genders in new, incumbent workforce.**

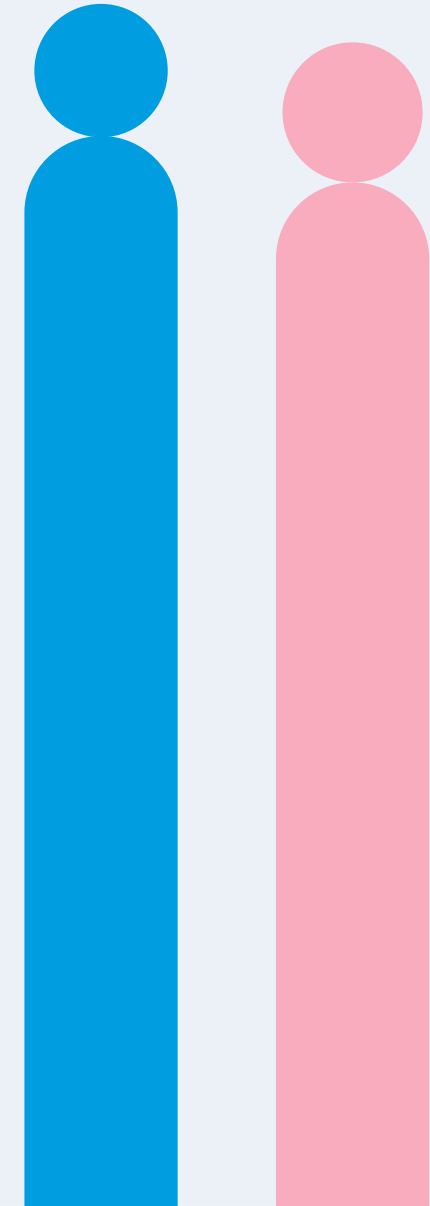
As companies continue to make the workforce more inclusive, they not only provide equal opportunities to all but also benefit from diverse ideas, points of view and strengths.

This marginal difference indicates a relatively balanced employability landscape between the two genders, reflecting similar levels of competence among the new workforce entering the job market. While the difference is minimal, it serves as a reminder of the ongoing journey toward achieving diversity in the workplace.

\*Disclaimer - The analysis presented herein is limited to the binary classification of gender for the purpose of this study. It is important to acknowledge that gender is a spectrum, and this report does not encompass the full diversity of gender identities.

Male  
**43.4%**

Female  
**41.7%**



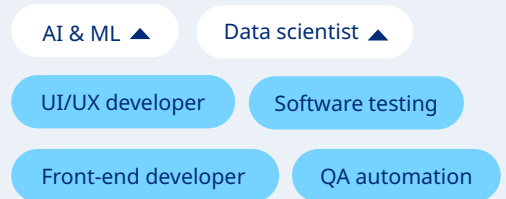
# Employability of male and female Indian graduates in technical roles

**43.9% of male and 41.9% of female Indian graduates are employable for top technical job roles.**

Employability of male graduates for technical job roles stands at 43.9% in 2024, whereas the employability is at 41.9% for female graduates (a difference of only 2 percentage points).

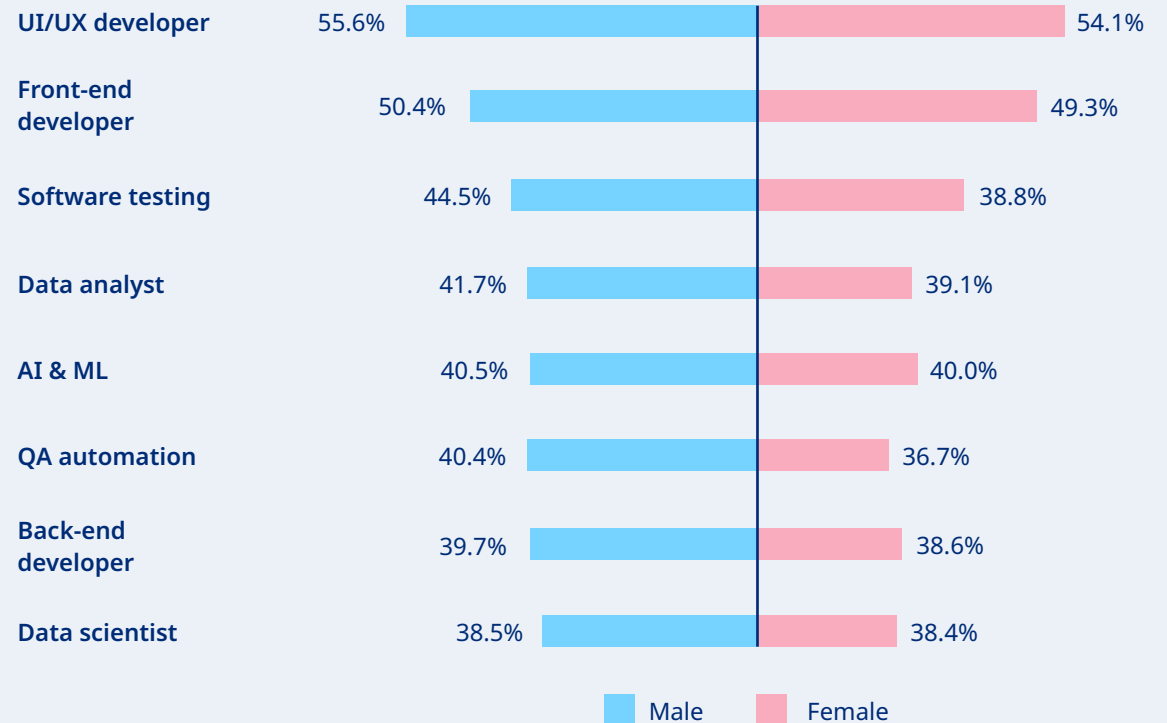
**Male and female graduates are equally employable in AI and ML, and data scientist roles.**

The highest disparity in employability is observed for software testing roles (5.7%), followed by QA automation roles (3.7%).



Technical roles Graph 2.1

## Employability of Indian male and female graduates in technical roles



# Employability of male and female graduates in non-technical roles

**42.8% of male Indian graduates and 41.5% of female Indian graduates are employable for top non-technical job roles.**

The Mercer | Mettl 2024 data showcases that the employability of both female and male graduates is almost at par for non-technical roles. Male graduates exhibit the highest employability rate for financial analyst roles at 45.2%, followed by business analyst roles at 44.6%.

The employability of female graduates for financial analyst and business analyst roles is at 41.8% and 42.8%, respectively.

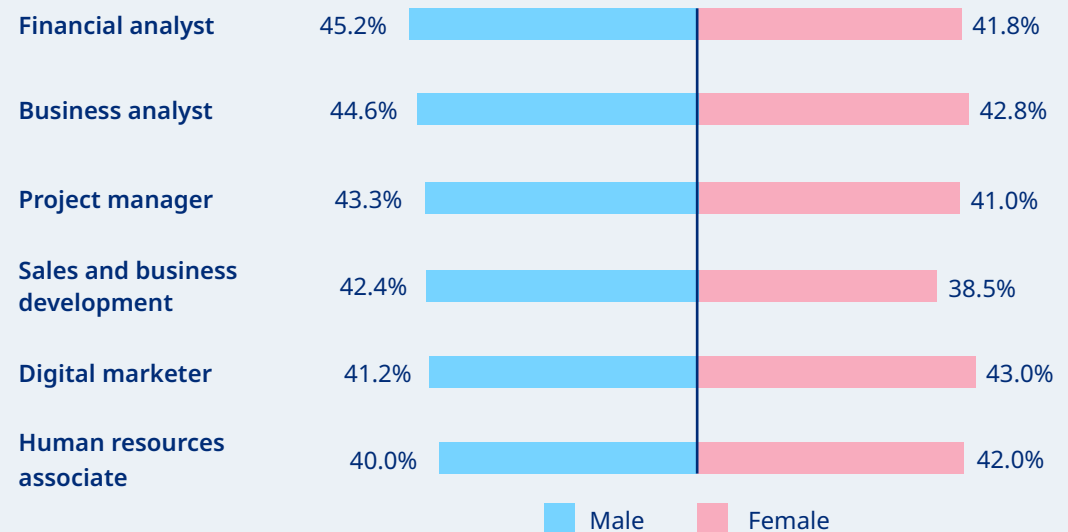
## Female graduates have the highest employability for digital marketing roles (43%).

The employability of female graduates is 42% for human resources associate roles, which is slightly higher compared to male graduates at 40%.



Non-technical roles Graph 2.2

## Employability of male and female Indian graduates in non-technical roles



While male graduates exhibit higher employability in financial and business analyst roles, female graduates show higher employability in digital marketing and human resources roles. This underscores the overall parity in employability between genders for non-technical job roles.

## Chapter 3

# Employability of Indian graduates across tiers of colleges





## **Tier 1 colleges exhibit the highest employability, while Tier 2 and Tier 3 colleges display high proficiency in technical roles and skills.**

Tiers of colleges can play an important role in influencing the overall training and development of graduates for the industry and shaping their skill-readiness. Generally, colleges and universities are categorized into different tiers based on a number of factors, including academic reputation, faculty qualification, infrastructure, placement records and accreditations.

The rapid advancement of technology and the availability of online learning resources have democratized education. This has helped level the playing field and bridge the employability gaps among students from different college tiers.

This chapter highlights the employability trends of graduates across college tiers (Tier 1, 2 and 3) for in-demand technical and non-technical roles.

There is only a marginal variation in the overall employability across college tiers.

### **Tier 1**

colleges have a higher employability of 51.09% for overall non-technical roles.

### **Tier 2**

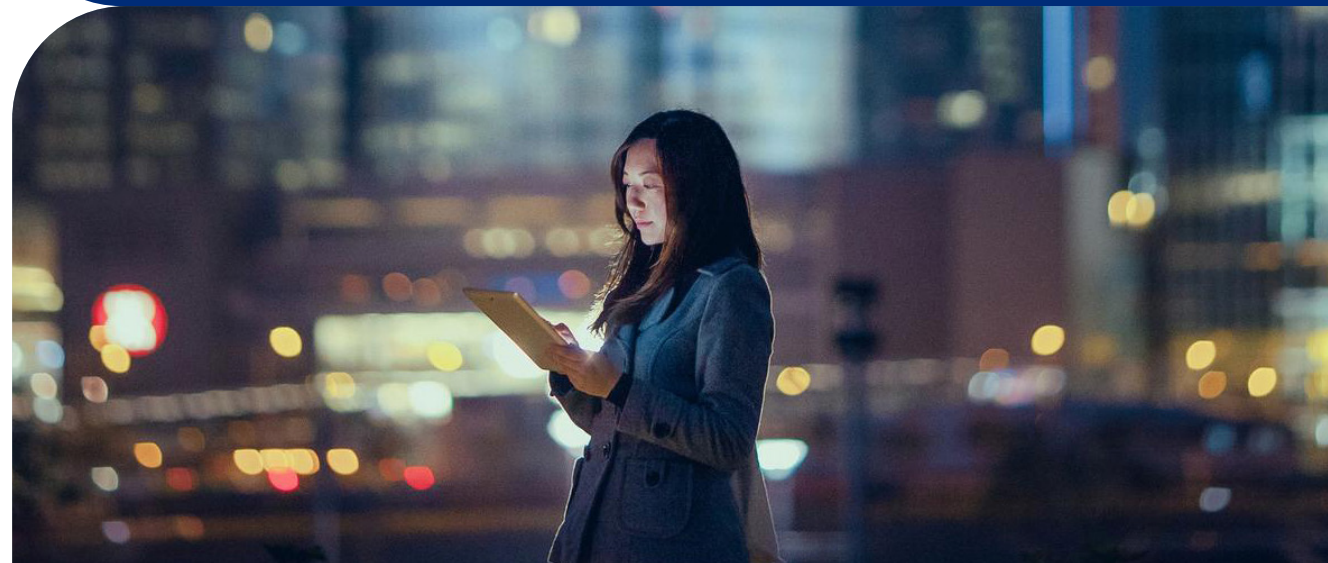
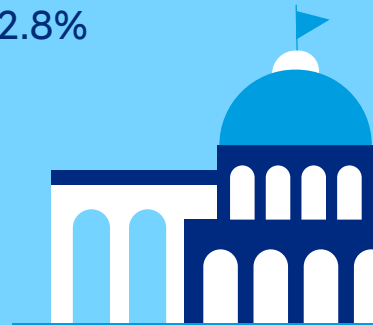
colleges have the highest employability for UI/UX developer roles at 58.3%.

Employability by college tier for technical roles:

Tier 1 - 46.4%

Tier 2 - 45.5%

Tier 3 - 42.8%



# Employability of Indian graduates across college tiers

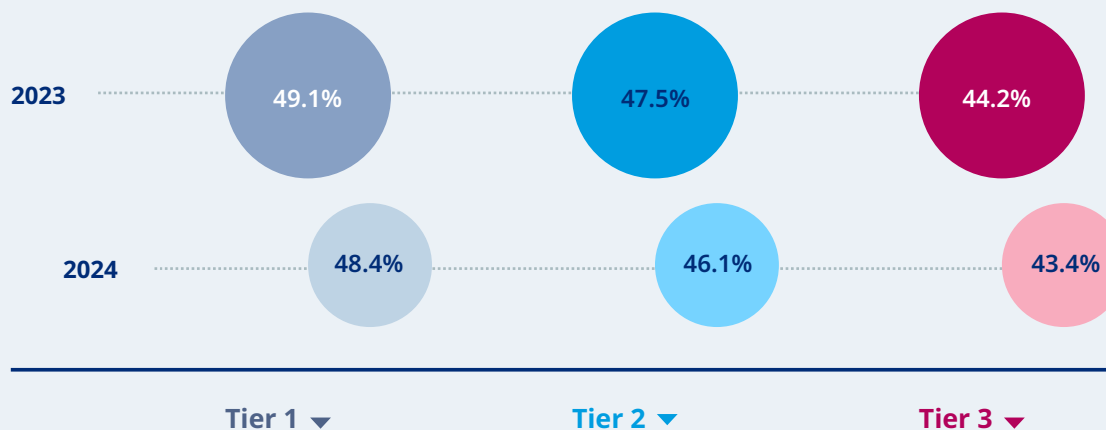
The employability of Indian graduates in Tier 1 colleges is the highest at 48.4%, followed closely by Tier 2 colleges at 46.1%.

Employability varies for different technical and non-technical job roles across college tiers. Tier 1 colleges have the highest employability of 48.4% among the three tiers in 2024. Tier 2 colleges have an overall employability of 46.1%, while Tier 3 colleges have an employability of 43.4%.

| 2024                 | Tier 1 | Tier 2 | Tier 3 |
|----------------------|--------|--------|--------|
| Overall              | 48.4%  | 46.1%  | 43.4%  |
| Technical roles      | 51.1%  | 46.9%  | 44.2%  |
| Non- technical roles | 46.4%  | 45.5%  | 43.0%  |

When compared with the previous year, there has been a much lesser drop in employability from 2023 to 2024 for Tier 1 and Tier 3 colleges of less than one percentage point. For Tier 2 colleges, the drop is the highest. The drop has largely been due to a fall in the employability of non-technical roles.

## Drop in employability of college Tiers from 2023 to 2024



# Employability of Indian graduates for technical roles across college tiers

**Tier 1 colleges showcase the highest employability rate of 46.4%, with Tier 2 and Tier 3 colleges not far behind.**

As per our data, in terms of technical roles, Tier 1 colleges have an employability of 46.4%, which is slightly higher than Tier 2 colleges at 45.5% and Tier 3 colleges at 43%.

Tier 1 colleges have higher employability across all roles except for UI/UX developer roles. The employability for QA automation and software testing roles is quite similar across all three tiers, pointing to the emergence of skilled talent in these roles across a larger breadth of colleges.

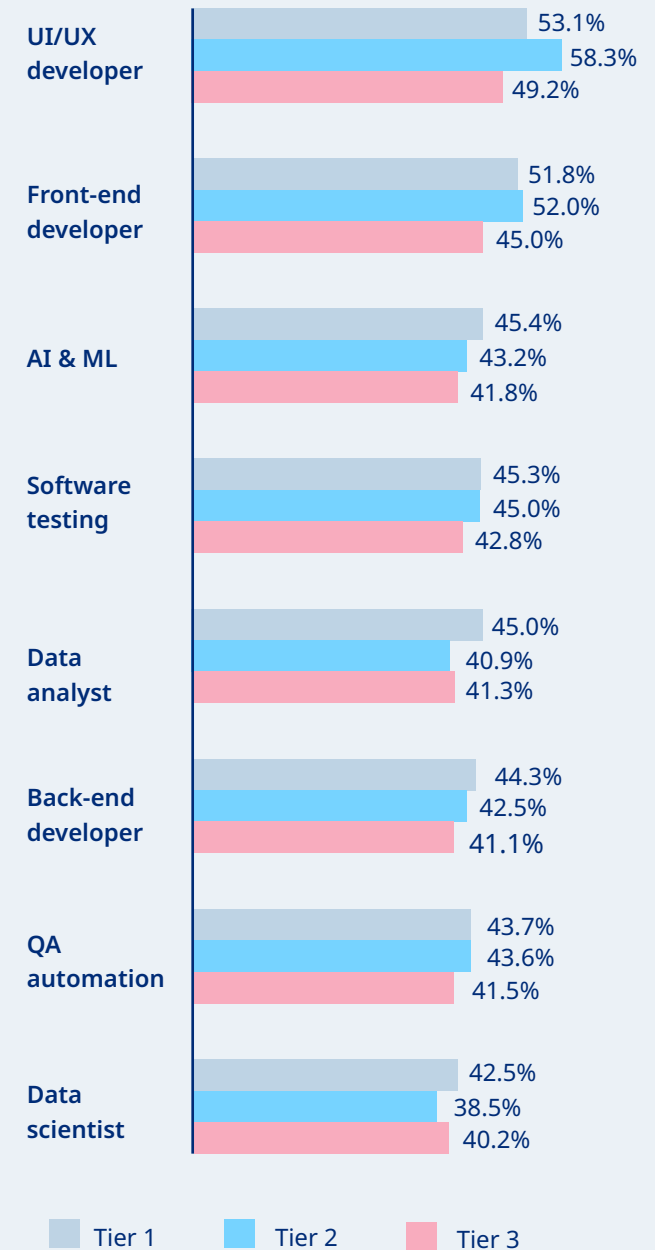
**UI/UX developer roles and front-end developer roles consistently demonstrate the highest employability for graduates across all college tiers.**



AI and ML roles exhibit one of the highest employability rates among Tier 1 colleges, underscoring the increasing demand for these technologies. In contrast, Tier 2 and Tier 3 colleges see a greater emphasis on software testing roles.

Technical roles Graph 3.1

**Employability rate of Indian graduates in technical roles across college tiers**



# Employability of non-technical roles across college tiers

**Tier 1 colleges have the highest employability for digital marketer roles at 55.1%, followed by Tier 2 at 47.9%, and Tier 3 at 41.8%.**

The employability for non-technical roles varies across different tiers of colleges. Tier 1 colleges have a higher employability of 51.1% compared to Tier 2 colleges at 46.9% and Tier 3 colleges at 44.2%. Tier 1 colleges have a higher employability across all non-technical roles.

**The employability of digital marketers tops the charts at 55.1%, followed by financial analysts and sales and business development roles, with employability at 51.6% and 50%, respectively.**

Digital marketer ▲

Financial analyst ▲

Sales and business development ▲

Project manager

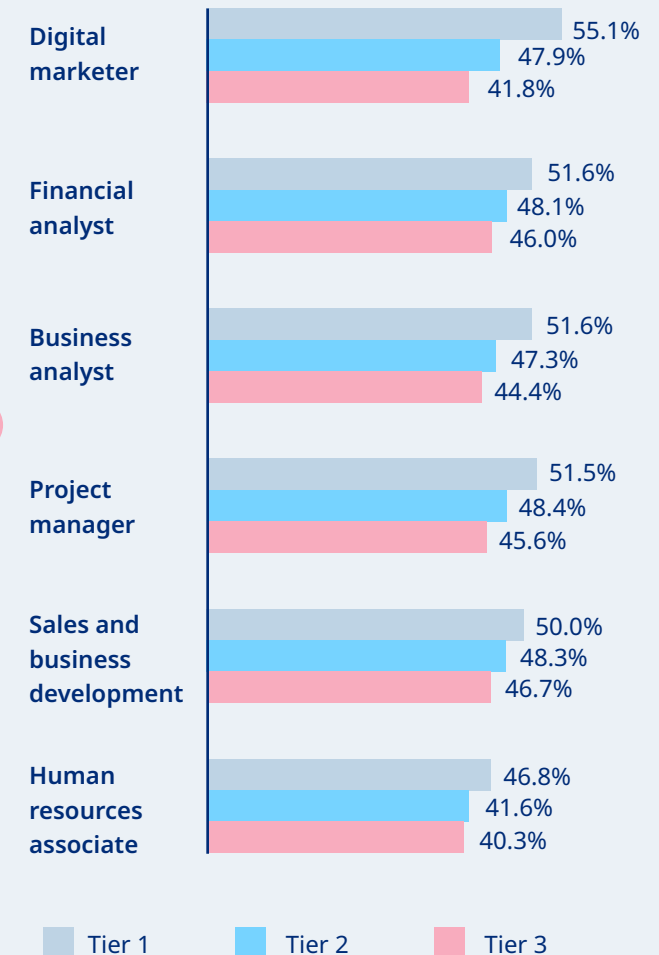
Business analyst

Tier 3 colleges lag for all the non-technical roles, with the lowest employability for human resources associate roles.

Non-technical roles

Graph 3.2

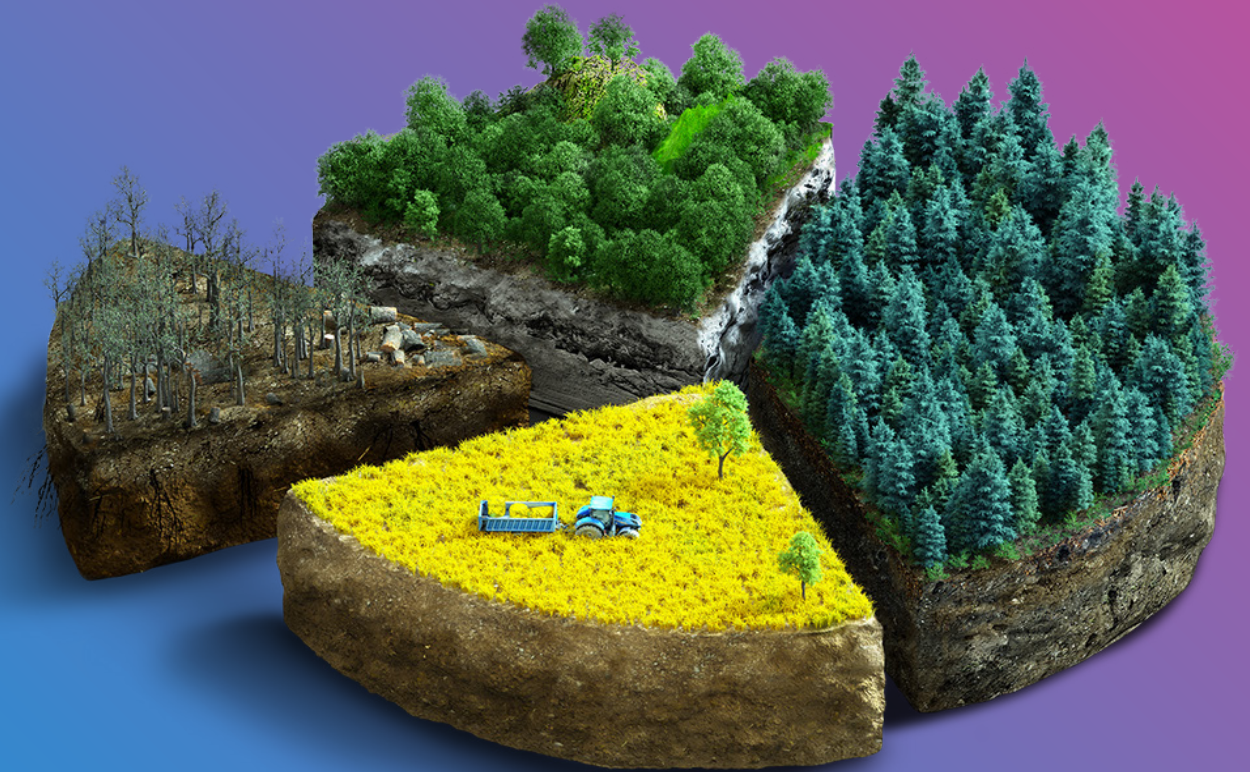
## Employability of Indian graduates in non-technical roles across college tiers





## Chapter 4

# State-wise employability of Indian graduates





## Graduates from several Indian states exhibit high employability across technical and non-technical roles.

The employability landscape in India is influenced by a multitude of factors, including the quality of education, industry demands, skill gaps, and regional disparities. It is important to note that most top educational institutes are clustered around certain parts or states of India. The young population tends to migrate across states for higher education and better opportunities.

However, India's employment landscape is already experiencing a significant transformation and Tier 2 and Tier 3 cities are emerging as new talent epicenters. This shift is driven by a cluster of factors, including increased remote work, the set-up of manufacturing and digital hubs in these cities, and the launch of training and skill development programs.

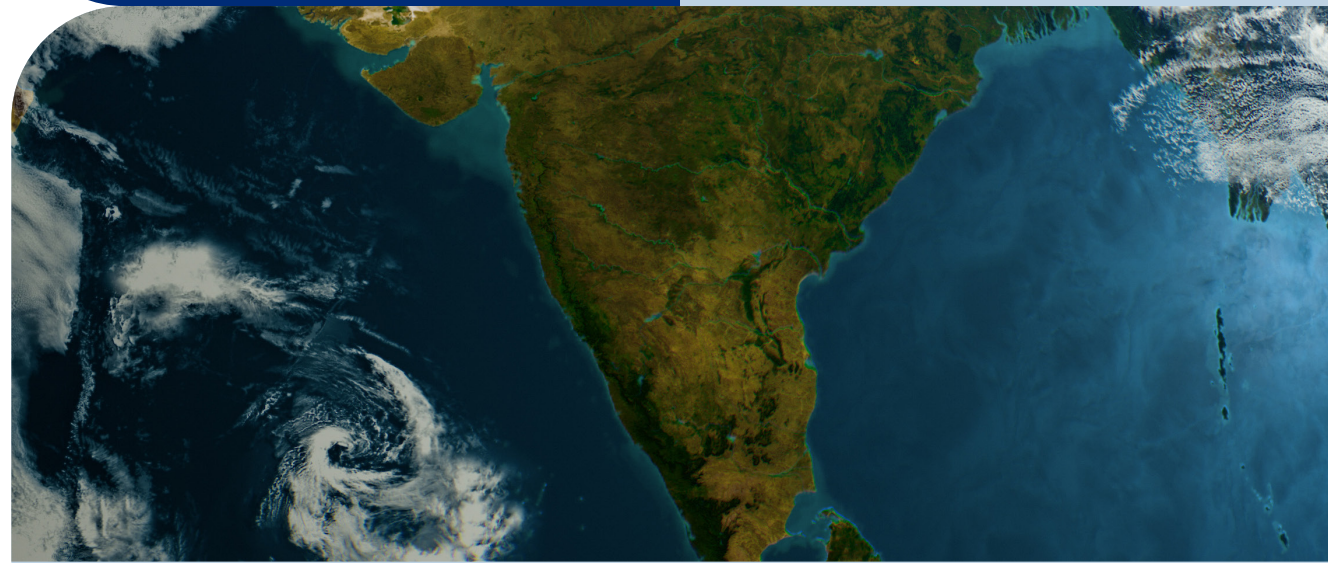
This chapter delves into the employability statistics of top Indian states and explores how graduates in these states fare across technical and non-technical skills.

Delhi, Himachal Pradesh, Punjab and Uttarakhand consistently demonstrate higher employability as compared to other states.

Himachal Pradesh and Punjab rank at the top with the highest employability in non-technical roles.

Uttar Pradesh, West Bengal, Assam and Telangana rank among the top 10 states with the highest employability.

Uttarakhand and Punjab exhibit high employability in technical roles.



# State-wise employability of graduates in top job roles and skills in India

**Delhi exhibits the highest employability rate of 53.4%, followed by Himachal Pradesh and Punjab, both at 51.1%.**

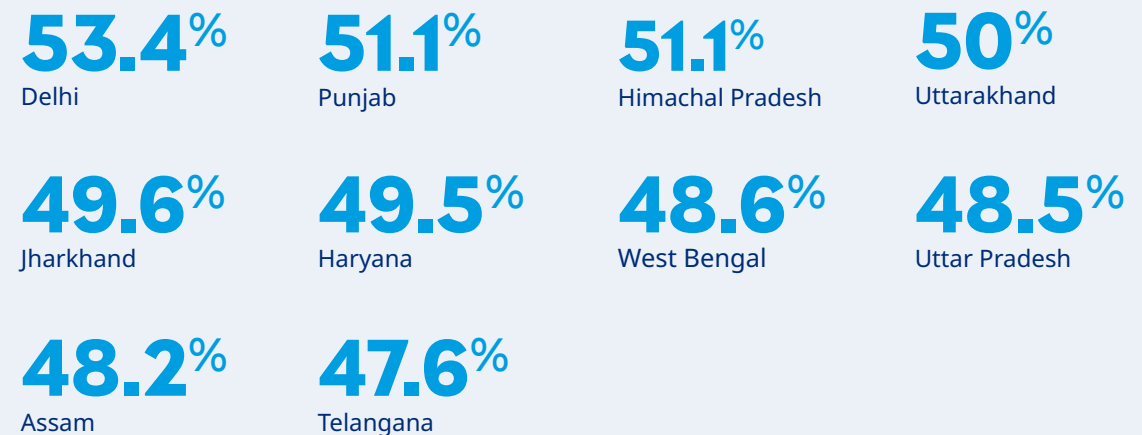
Based on the Mercer | Mettl 2024 data on the employability of Indian graduates, there are significant variations in employability across different states. Factors such as the quality of education, availability of job opportunities, and the alignment of skills with industry demands can contribute to these variations.

Delhi has the highest employability of 53.4%. Himachal Pradesh and Punjab share the second-highest spot with employability of 51.1%. Assam and Telangana have employability of 48.2% and 47.6% respectively.

**Uttarakhand and Jharkhand also have a high employability rate of 50%, and 49.6%. Haryana, West Bengal, and Uttar Pradesh have employability ranging from 49.5% to 48.5%.**

Amongst all the states and union territories, these are the top 10 states with the highest employability, indicating that a significant portion of the population has the necessary skills and qualifications for employment.

## State-wise employability of Indian graduates



# State-wise employability for technical roles

**Delhi tops the charts with the highest employability rate for technical roles at 52.6%. Uttarakhand and Punjab closely follow, with employability at 50.3% and 49.7%, respectively.**

Uttar Pradesh has an employability of 48.8% for technical roles. Interestingly, when considering the overall employability across all sectors, Rajasthan does not rank among the top 10 states. However, when specifically focusing on employability in technical roles, Rajasthan exhibits a notable employability of 48.3%. Other states among the top 10 with the highest employable talent include West Bengal, Jharkhand, and Himachal Pradesh, with employability in technical roles at 48.1%, 48% and 47.8%, respectively.

**Findings showcase the graduate employability for the top 10 Indian states that exhibit high employability across in-demand technical roles.**

AI &amp; ML

QA automation

UI/UX developer

Software testing

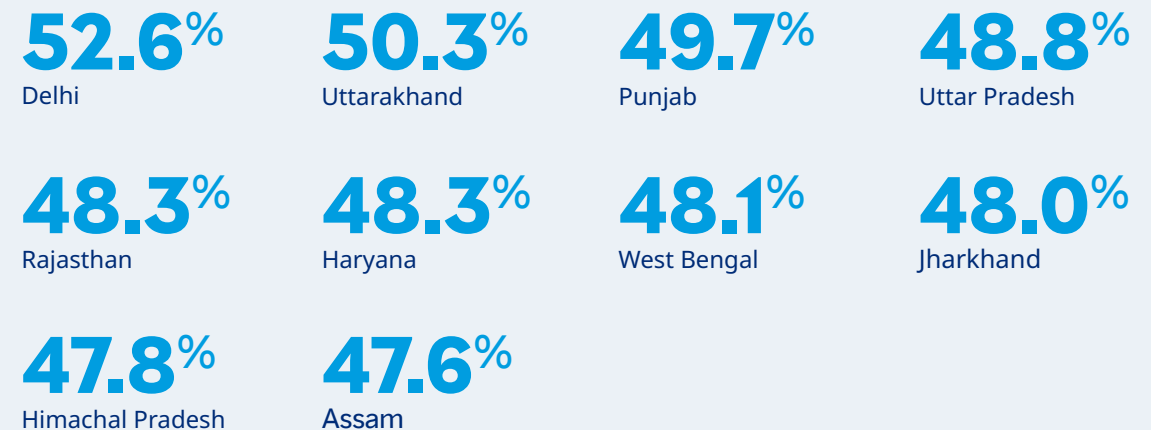
Front-end developer

Data analyst

Technical roles

Graph 4.1

## State-wise employability of Indian graduates in technical roles



# State-wise employability for non-technical roles

**Delhi and Himachal Pradesh have the highest employability rates for non-technical roles, both at 54.3%. Punjab follows closely, with an employability of 52.7%.**

There is a slight variation observed in employability rates in non-technical roles across different states in India. Jharkhand and Telangana exhibit employability for non-technical roles at 51.5% and 51.3%, respectively. Gujarat, Uttarakhand, and West Bengal have employability rates of 49.8%, 49.3%, and 49.2%, respectively.

**Employability in non-technical roles remains consistently higher than in technical roles among graduates from top Indian states.**

Financial analyst

Business analyst

Sales and business development

Project manager

Digital marketer

Non-technical roles

Graph 3.2

## State-wise employability of Indian graduates in non-technical roles

54.3%

Himachal Pradesh

54.3%

Delhi

52.7%

Punjab

51.5%

Jharkhand

51.3%

Telangana

50.8%

Haryana

50.3%

Andhra Pradesh

49.8%

Gujarat

49.3%

Uttarakhand

49.2%

West Bengal

\*Disclaimer- The state where the specific university/college/campus is located was taken as the identifier to calculate state-wise employability numbers. For example, if there were 25 colleges in Telangana, then the aggregated employability numbers for these 25 colleges were taken as the employability numbers for Telangana.

## Chapter 5

# Employability of Indian graduates for top in-demand soft skills





## As Indian graduates join an AI-augmented workplace, soft skill employability becomes a crucial factor in determining industry readiness.

Artificial intelligence continues to permeate across various sectors of the economy, leading to the employment landscape undergoing a transformative shift. Today, with machines and algorithms taking on more repetitive and analytical tasks, the spotlight on skills demanded from entry-level talent has shifted from technical to soft skills. This includes emotional intelligence, creativity, negotiation, active listening, empathy, and persuasive communication, among others.

For digital natives, navigating social complexities and collaborating effectively are essential as organizations recognize that while technical tasks can be automated, human qualities remain irreplaceable. Moreover, the responsible use of AI necessitates a workforce equipped to make ethical decisions and understand the broader implications of technology on society.

This chapter delves into the implications for employers and job seekers, emphasizing the need for a balanced skill set to operate in a machine-augmented workplace.

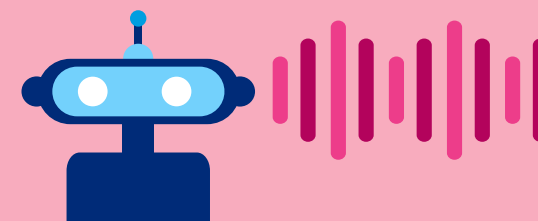
Demand for soft skills is increasingly pronounced at the end-user level of Mercer | Mettl's AI adoption pyramid.

While learning agility is a vital driver of success, it corresponds to an employability of only 46%.

**44%** is the employability of graduates in creativity skills, least amongst all soft skills.

**50%**

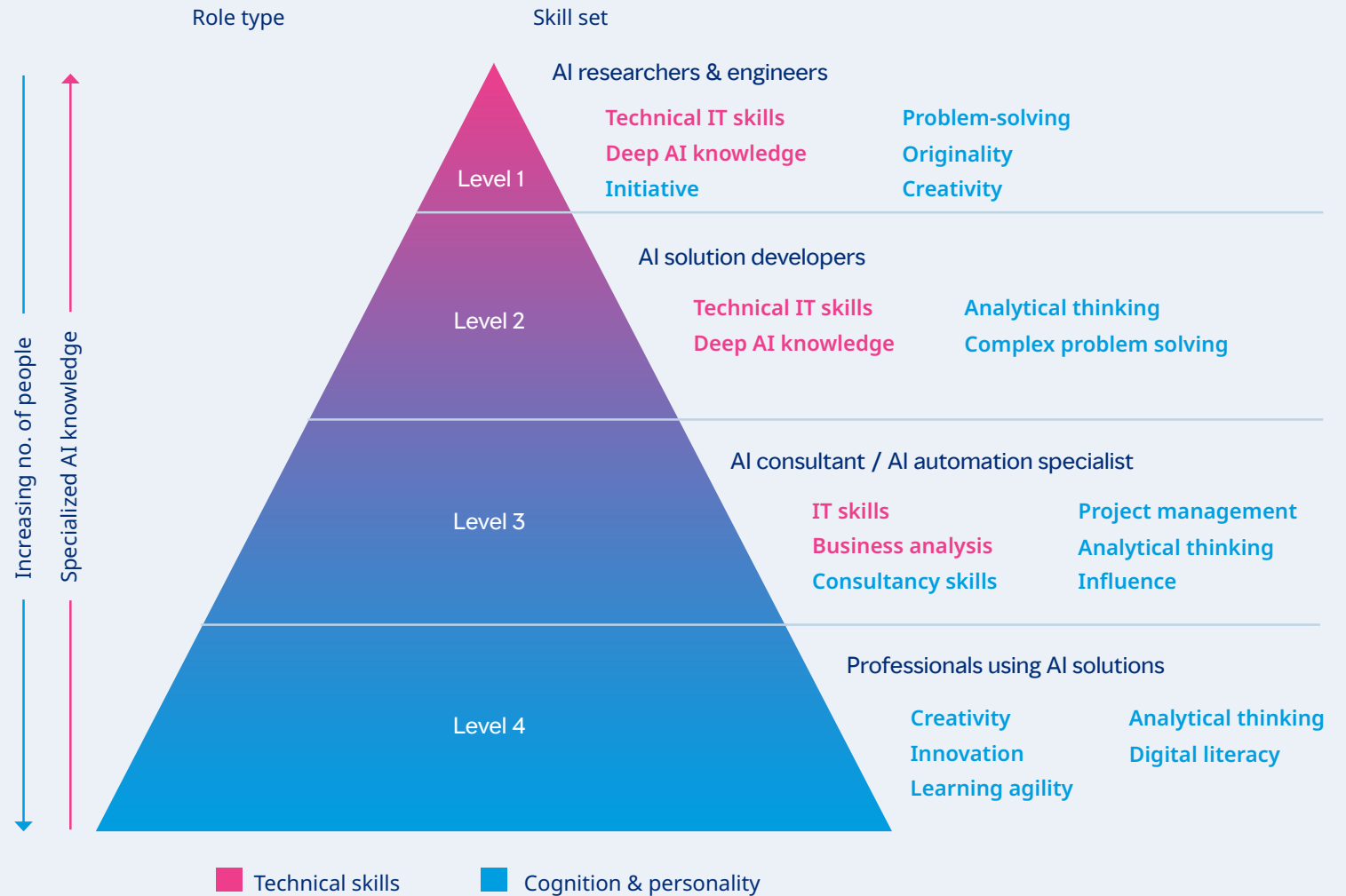
of Indian graduates who apply for jobs are proficient in soft skills that are also necessary to work with AI and GenAI.



According to Mercer | Mettl's AI adoption framework, the integration of AI into various business functions brings about a shift in the skills required for different levels of AI adoption. At the top level of the pyramid, where the number of employees is smaller and AI specialization is high, there is a greater demand for specialized technical skills to develop and implement AI initiatives effectively.

As the pyramid descends into generic job functions, the number of employees increase significantly, and the requirement for specialized technical skills decreases. AI technologies become more standardized and accessible, and the need for these soft skills continues to increase. These skills include creativity, innovation, learning agility, and analytical thinking.

**Employees at the lower levels of the pyramid need less technical and more soft skill proficiency to intuitively leverage AI and Gen AI effectively in their day-to-day tasks.**



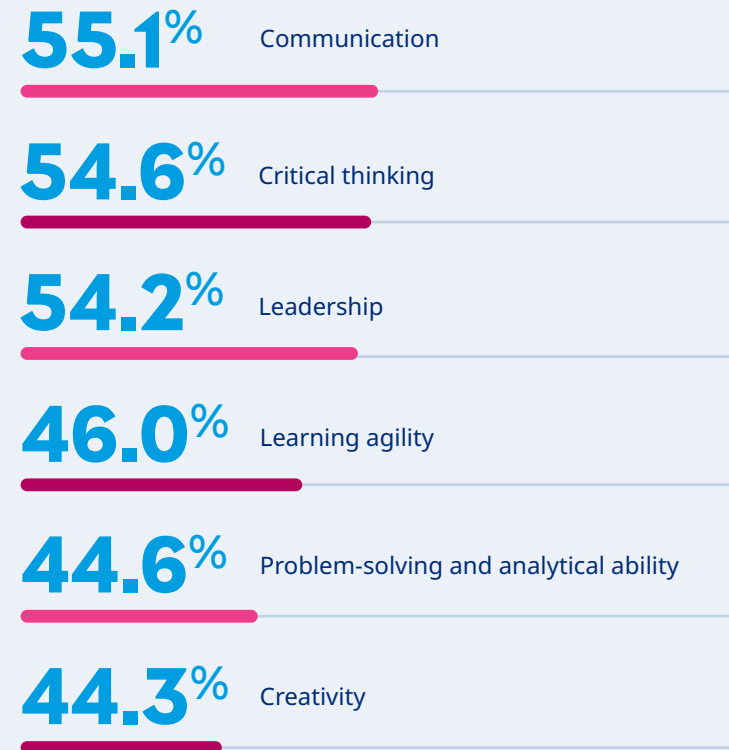
# Indian graduates display high competence in top in-demand soft skills

Many soft skills have become indispensable as AI continues to integrate deeper within our workforce.

75% of knowledge workers currently use AI at work. This rapid integration highlights the growing importance of not only technical skills but also essential soft skills. Hiring fresh talent with a well-rounded skill set, including adaptability, interpersonal communication, and creativity, is key to leveraging AI successfully. Skills around ethics and integrity have become paramount to building a safety-conscious and resilient workforce.

The Mercer | Mettl 2024 data reports that the employability of Indian graduates for communication skills is the highest at 55.1%, followed by critical thinking at 54.6% and leadership skills at 54.2%.

## Employability of Indian graduates in soft skills



# Conclusion

**The landscape of Indian graduates and employability is undergoing dynamic changes in the era of AI and automation.**

The rapid advancement of technology has created a need for skill sets that are ever-evolving and continuously changing. Employers seek a combination of technical, non-technical and soft skills to meet the demands of the workplace.

The Mercer | Mettl data highlights that the overall employability of Indian graduates has dropped marginally, primarily due to a decline in employability for non-technical roles.

Graduates from Tier 1 colleges tend to have higher employability for both technical and non-technical skills, reflecting the quality of education and resources available. However, it is essential to note that graduates from Tier 2 and Tier 3 colleges demonstrate equal proficiency in technical and non-technical roles and skills, showcasing the potential for talent from diverse educational backgrounds.

Similarly, the employability rate varies across different states in India. Delhi, Himachal Pradesh, and Punjab exhibit higher employability in both technical and non-technical roles.

Looking ahead, it is important to acknowledge that several disruptors, such as advancements in AI, automation, and emerging technologies, will continue to bring changes to job roles and the required skill sets. This necessitates a proactive approach to skill development and a willingness to adapt to the evolving demands of the workplace.

# References

---

1. [AI Powered Tech Services: A Roadmap for Future Ready Firms | nasscom](#) 

---

2. [Gen Z and Millennials DECEMBER 2022 Reshaping the Future of Workforce](#) 

---

3. [Sharpest fall in six years! Headcount at top IT companies like TCS, Infosys and others falls for four quarters; hiring takes a back seat - Times of India \(indiatimes.com\)](#) 

---

4. [Indian IT giants have hit brakes on hiring. Here's why - India Today](#) 

---

5. [Why transformation of technology skills holds the key to navigating the future of workplace | EY - India](#) 

---

6. [How AI is making soft skills more important in the workplace | World Economic Forum \(weforum.org\)](#) 

---

7. [AI at Work Is Here. Now Comes the Hard Part \(microsoft.com\)](#) 

---



# Contributors

We would like to recognize everyone from across Mercer | Mettl who contributed to the study.

---

## Core Team

---

|                    |                                |
|--------------------|--------------------------------|
| Niyaatii Swami     | <i>Author</i>                  |
| Vinita Rakheja     | <i>Co-author</i>               |
| Subhro Kanti Bera  | <i>Data and analytics lead</i> |
| Amrita Purkayastha | <i>Content strategy</i>        |
| Aditi Singh        | <i>Analyst</i>                 |
| Akanksha Bhatia    | <i>Editor</i>                  |
| Shreya Singh       | <i>Designer</i>                |
| Aman Sharma        | <i>Creative Strategy</i>       |

---

## Contributors

---

|                  |
|------------------|
| Vaibhav Dhariwal |
| Keser Kapur      |

# About us

At Mercer | Mettl, our mission is to enable organizations to make better people decisions across two key areas: acquisition and development. Since our inception in 2010, we have partnered with more than 6,000 corporates, 31 sector skills councils/government departments and 700+ educational institutions across more than 100 countries.

✉ [mettlcontact@mercer.com](mailto:mettlcontact@mercer.com)

🌐 [www.mettl.com](http://www.mettl.com)

## Important notices

Be sure to carefully read and understand all of the disclaimers, limitations and restrictions before using the assessment services, reports, products, psychometric tools or the company systems or website.

Read the complete disclaimer here:  
<https://pages.mettl.com/disclaimer>

# Robust Information Security System

