India Skills Report 2025

A VentureBean Industry Analysis

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This analysis distils key findings from the source report and frames them through VentureBean's lens, helping scaling Indian enterprises (₹10Cr–100Cr) translate macro insights into leadership and growth strategy.

VentureBean's Perspective

The India Skills Report 2025 puts a hard number on a problem every scaling SMB founder already feels. Only 54.81% of Indian graduates are globally employable, management graduates lead at 78%, and women's employability has actually fallen from 50.9% to 47.5%. For businesses scaling from ₹10Cr to ₹100Cr, the headline is not the macro percentage. It is what sits underneath it. The candidates who clear technical bars consistently fail on communication, critical thinking, and leadership agility, the exact skills your second-line managers need to run a function without escalating every decision to you. The report frames this as a national skilling challenge. We see it as the single biggest constraint on founder-led businesses trying to professionalise.

GCCs, IT majors, and BFSI players are now hiring with FY26 intent of 9.8% to 20% in their core segments, with banking leading at 20% and IT firms onboarding 82,000 freshers. They are absorbing the top quartile of the employable pool at salary points and career narratives that mid-market Indian businesses cannot match. If you run a ₹50Cr business in Pune, Bengaluru, or Mumbai, the same three cities the report flags as primary talent hubs, you are not competing for talent in general. You are competing for the residual pool after large enterprises have picked first. That pool is technically capable but soft-skill-light, and the gap shows up the moment they are asked to lead a team, present to a board, or own a P&L outcome end to end.

This is where the founder-as-bottleneck problem becomes structural. When second-line managers lack leadership capability, founders compensate by absorbing decisions, reviewing every deliverable, and taking the last customer call themselves. The Wheebox data on the 22 to 25 age cohort, where employability peaks at 75.7%, tells you the raw material is there. What is missing is the deliberate development that turns a competent young manager into a leader who can run a business unit. Plugging that gap is not a training-budget problem. It is a leadership architecture problem. Until founders stop treating people development as an HR line item and start treating it as the core operating system of the business, the skills gap the report quantifies will continue to cap their growth at the founder's personal capacity.

Significance of the Report

Released in December 2024 at the CII Global Summit on Skill Development, the India Skills Report 2025 is the 12th annual edition produced by Wheebox (an ETS company) in collaboration with the Confederation of Indian Industry (CII), the All India Council for Technical Education (AICTE), the Association of Indian Universities (AIU), Pearson VUE, and Taggd. It draws on Wheebox's Global Employability Test (GET) administered to over 6.5 lakh candidates across more than 7,000 institutions, paired with hiring intent and skills demand data from 1,000+ corporations spanning 15 industries. The 2025 edition is themed Global Talent Mobility and quantifies the supply side (graduate employability by stream, state, city, gender, and age cohort) alongside the demand side (top skills employers want, sectoral hiring intent, and the AI-readiness gap). For Indian businesses, particularly the ₹10Cr to

₹100Cr segment competing against GCCs, MNCs, and domestic IT majors for the same talent pool, it is the most authoritative annual baseline available on what the workforce can actually do versus what employers actually need.

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Findings

Overall graduate employability has risen to 54.81% in 2025 from 51.25% in 2024, a 7% jump year-on-year and a 17 percentage point improvement over a decade.

The headline looks encouraging, but the flip side is that 45% of graduates remain not work-ready out of college, a reality every hiring manager confirms.

Gender employability has reversed direction.

Men's employability rose to 53.5% from 51.8%, while women's employability fell to 47.5% from 50.9%. The gap is now nearly 6 percentage points, undoing recent progress and signalling that workforce participation initiatives are not translating into job readiness for women graduates.

Maharashtra leads state-level employability at 84%, followed by Delhi at 78%, Karnataka at 75%, Andhra Pradesh at 72%, Kerala at 71%, and Uttar Pradesh at 70%.

The same three cities, Pune, Bengaluru, and Mumbai, are flagged as the top talent hubs, which is exactly where most scaling SMBs and GCCs are concentrated, intensifying competition for the same shortlist.

By stream, management graduates top employability at 78%, followed by engineering at 71.5%, MCA at 71%, and science at 58%.

Computer Science graduates lead at 80% and IT engineers at 78%, reflecting strong industry demand for AI, data analytics, automation, cloud, and cybersecurity roles.

The 22 to 25 age cohort leads with 75.7% employability, the strongest entry-level pool in the country.

This is the segment most likely to staff your management trainee, junior manager, and first-time-leader pipeline, which is why retaining and developing them is more decisive than any other people decision a scaling founder makes.

Top skills employers demand cluster around two buckets.

On the technical side: AI, data analytics, cloud computing, and cybersecurity. On the human side: communication, critical thinking, learning agility, teamwork, and leadership. Employers consistently report that soft skills are the harder gap to close, and graduates who clear technical screens regularly fail on communication and judgement.

AI readiness is the central tension of the report.

The global AI market is projected to reach USD 1.81 trillion by 2030 and India's AI sector is tracking USD 8 billion by 2025 at a 40%+ CAGR. Employers want AI-fluent workers, but the report flags a shortfall in candidates who can actually apply AI tools to business problems rather than just describe them.

Hiring intent for FY26 is led by BFSI at 20% and IT services with top firms expecting to onboard 82,000 freshers, alongside continued growth in GCCs, manufacturing, pharma, healthcare, and FMCG.

For mid-market businesses this is a competitive headwind: the largest hirers are absorbing the best of the employable cohort first.

Internship and apprenticeship interest is at an all-time high. 93.22% of surveyed candidates expressed strong interest in internships, with Tamil Nadu, Uttar Pradesh, Kerala, and Karnataka leading and Kerala specifically reporting 96.05% interest among its youth.

This is a structural opportunity for SMBs that have historically not run formal internship programmes.

Vocational and skilling targets remain ambitious: roughly 50% of secondary and tertiary students are expected to receive professional training by 2025, with critical thinking and numerical skills strongest in Telangana and Karnataka.

Even if these targets are met, the gap between training completion and on-the-job leadership readiness remains the binding constraint for employers.

The report's Global Talent Mobility theme highlights that Europe alone needs 20 million digitally skilled workers and 1.6 million additional healthcare workers by 2030, opening international pathways for Indian talent.

For Indian SMBs this is a double-edged signal: the best of your second-line is now exportable, which raises the cost of inaction on retention and leadership development.

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Thought Triggers

Provocative questions for CEOs, founders, and CXOs of scaling Indian businesses:

1. If 45% of Indian graduates are not employable, what makes you think the candidates landing in your hiring funnel are the employable half? Most scaling SMBs receive resumes that have already been filtered out by larger employers. Hiring well requires a sharper screening process and a real plan to develop the people you do hire.

2. Your top engineers and managers are 30% to 50% cheaper than what GCCs and BFSI majors will pay them. The report makes the competition explicit. If you are not building a leadership career narrative your best people cannot get at a GCC, salary alone will not hold them.

3. Soft skills are now the binding constraint, not technical skills. Can your second-line managers run a customer escalation, present to a board, coach a junior, and own an outcome without your intervention? If the honest answer is no, the gap is not technical training. It is leadership development.

4. Women's employability fell by 3.4 percentage points in one year. Your hiring practices, promotion pipelines, and leadership development programmes are either fixing this gap or compounding it. Which one, on the evidence of your last twelve months of decisions?

5. The 22 to 25 cohort has the highest employability in the country at 75.7%. Are you building a deliberate first-time-manager development track for them, or are you promoting on tenure and hoping leadership emerges? The cost of getting this wrong is a stalled middle layer that forces the founder back into operations.

6. 93% of candidates want internships and apprenticeships. Are you running a structured internship-to-hire pipeline, or still relying on lateral hiring from competitors who pay more? Building talent at the bottom of the funnel is one of the few areas where SMBs can structurally beat large employers.

Ready to Apply These Insights?

If this report resonated with you, let's explore how VentureBean can help your organisation navigate these challenges.

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