
BRIDGING THE SKILL GAP FOR EMPLOYABILITY IN VIKSIT BHARAT 2047: DETERMINANTS OF EMPLOYMENT READINESS AMONG EDUCATED YOUTH IN INDIA

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ABSTRACT

Purpose: This study investigates the determinants of employment readiness among educated youth in India, contextualized within the Viksit Bharat 2047 vision of achieving developed nation status. Despite rising higher education enrollment, India faces a persistent skill gap that undermines youth employability. This research develops and empirically validates a multidimensional model of employment readiness.

Design/Methodology/Approach: A cross-sectional survey design was employed, collecting primary data from 847 final-year undergraduate and postgraduate students across 12 higher education institutions in four Indian states. Structural equation modeling (SEM) was used to test hypothesized relationships among cognitive skills, technical competencies, soft skills, career self-efficacy, institutional support mechanisms, and employment readiness.

Findings: Results reveal that soft skills ($\beta = 0.31, p < 0.001$) and career self-efficacy ($\beta = 0.28, p < 0.001$) are the strongest predictors of employment readiness, followed by technical competencies ($\beta = 0.22, p < 0.001$). Institutional support mechanisms moderate the relationship between skill dimensions and employment readiness. Significant variations were observed across discipline, institution type, and socioeconomic background.

Originality/Value: This study contributes a validated Employment Readiness Index (ERI) instrument adapted to the Indian context and provides empirical evidence for policy interventions aligned with India's 2047 development goals. The findings offer actionable insights for higher education institutions, policymakers, and industry stakeholders seeking to bridge the employability gap.

KEYWORDS: Employment readiness; skill gap; youth employability; Viksit Bharat 2047; higher education; India; structural equation modelling

1. INTRODUCTION

India stands at a critical juncture in its development trajectory. With the world's largest youth population over 600 million people below the age of 25, the nation possesses an unprecedented demographic dividend. World Bank UNFPA Yet this demographic advantage risks becoming a demographic burden if the persistent gap between educational attainment and labour market requirements remains unaddressed. The Government of India's Viksit Bharat 2047 vision aiming to transform India into a developed nation by the centenary of independence places human capital development and youth employability at its core. PIB

The paradox of educated unemployment in India is well-documented. The Periodic Labour Force Survey (2022-23) reported that unemployment rates among graduates (13.4%) substantially exceed those among the less educated (3.4% among illiterates), suggesting a fundamental misalignment between higher education outcomes and employer expectations. Ministry of Statistics This pattern contradicts human capital theory's prediction that educational investment yields proportionate labour market returns. The India Skills Report (2024) estimates that only 48.7% of Indian graduates are employable, with significant variations across disciplines, institutions, and regions.

While previous scholarship has examined skill deficits in Indian higher education, most studies adopt either supply-side (educational quality) or demand-side (employer expectations) perspectives in isolation. Furthermore, existing research predominantly relies on employer perceptions or aggregate labour market data, with limited attention to students' self-assessed readiness and the psychosocial determinants thereof. This study addresses these gaps by developing an integrated, student-centred model of employment readiness that captures cognitive, technical, behavioural, and institutional dimensions.

The research questions guiding this investigation are:

1. What are the key determinants of employment readiness among educated youth in India?
2. How do soft skills, technical competencies, and career self-efficacy differentially influence employment readiness?
3. What role do institutional support mechanisms play in moderating the skill-employability relationship?

4. How does employment readiness vary across demographic, disciplinary, and institutional categories?

This study contributes to the literature in three ways. First, it develops and validates a contextually adapted Employment Readiness Index (ERI) instrument suitable for the Indian higher education context. Second, it provides empirical evidence on the relative importance of different skill dimensions, informing pedagogical and curricular interventions. Third, it generates policy-relevant insights aligned with the Viksit Bharat 2047 framework, offering a roadmap for bridging the employability gap.

2. Literature Review and Theoretical Framework

2.1 Conceptualizing Employment Readiness

Employment readiness—also termed work readiness, career readiness, or employability—refers to the extent to which individuals possess the attributes, skills, and attitudes necessary to secure and succeed in employment (Caballero & Walker, 2010). Unlike employability, which encompasses structural labour market conditions, employment readiness focuses on individual-level preparedness. Pool and Sewell's (2007) CareerEDGE model conceptualizes employability as comprising career development learning, experience, degree subject knowledge, generic skills, and emotional intelligence. Building on this framework, we adopt a multidimensional conceptualization encompassing cognitive skills, technical competencies, soft skills, and career self-efficacy, mediated by institutional support.

2.2 Human Capital Theory and Signalling Perspectives

Human capital theory (Becker, 1964) posits that education enhances productivity, which labour markets reward through higher wages and employment. From this perspective, the skill gap represents a failure of educational investments to generate productivity-enhancing competencies. However, signalling theory (Spence, 1973) offers an alternative interpretation: educational credentials may function primarily as sorting mechanisms rather than productivity enhancers. In the Indian context, credential inflation—the proliferation of degrees without commensurate skill development—may explain why educated unemployment persists despite rising enrolment. This study tests whether specific skill dimensions, beyond mere credential possession, predict employment readiness.

2.3 The Indian Skill Gap: Evidence and Explanations

Multiple studies document India's employability crisis. The NASSCOM-McKinsey report identified that only 25% of engineering graduates and 10-15% of general graduates were

immediately employable by multinational corporations. Subsequent research has attributed this gap to several factors:

Curricular obsolescence: Higher education curricula often lag behind industry requirements, particularly in rapidly evolving sectors such as information technology, data science, and advanced manufacturing (Mehrotra, 2016). The emphasis on theoretical knowledge over applied competencies exacerbates this misalignment.

Pedagogical limitations: Rote learning, passive instruction, and examination-oriented teaching predominate in Indian higher education, limiting the development of critical thinking, problem-solving, and communication skills (Tilak, 2020).

Industry-academia disconnect: Weak linkages between educational institutions and employers result in graduates who lack practical exposure, industry awareness, and professional networks (Sharma & Sharma, 2015).

Soft skill deficits: Employers consistently identify deficiencies in communication, teamwork, adaptability, and professional behaviour as barriers to hiring Indian graduates (Blom & Saeki, 2011).

2.4 The Role of Soft Skills in Employability

The growing recognition of soft skills—also termed 21st-century skills, transferable skills, or non-cognitive skills—as employment determinants represents a significant shift in labour market discourse. Meta-analytic evidence indicates that soft skills predict job performance and career success beyond cognitive ability and technical knowledge (Heckman & Kautz, 2012). In the Indian context, Wheebox's India Skills Report consistently identifies communication skills, critical thinking, and adaptability as the most sought-after attributes among employers. Yet soft skill development receives limited systematic attention in Indian higher education curricula.

2.5 Career Self-Efficacy and Employment Outcomes

Social cognitive career theory (Lent et al., 1994) emphasizes the role of self-efficacy beliefs in individuals' confidence in their ability to execute career-relevant behaviours in shaping career development outcomes. Career self-efficacy influences job search intensity, interview performance, and persistence in the face of rejection (Kanfer et al., 2001). Studies in Western contexts demonstrate that self-efficacy mediates the relationship between skills and employment outcomes. However, limited research has examined career self-efficacy among Indian youth, particularly its interaction with structural constraints such as caste, gender, and regional disparities.

2.6 Institutional Support and Employability Ecosystems

Beyond individual-level attributes, institutional factors shape employment outcomes. Career services, internship programs, industry partnerships, placement cells, and mentorship opportunities constitute the institutional support ecosystem (Bridgstock, 2009). The National Education Policy 2020 emphasizes internship mandates, skill-based courses, and industry collaboration as mechanisms to enhance graduate employability. However, significant heterogeneity exists across institution types with elite institutions offering robust support while many colleges lack basic career guidance infrastructure.

2.7 Research Hypothesis

Based on the foregoing review, we propose the following hypotheses:

H1: Cognitive skills positively influence employment readiness among educated youth.

H2: Technical competencies positively influence employment readiness among educated youth.

H3: Soft skills positively influence employment readiness among educated youth.

H4: Career self-efficacy positively influences employment readiness among educated youth.

H5: Institutional support mechanisms positively moderate the relationship between skill dimensions and employment readiness.

H6: Employment readiness varies significantly across demographic (gender, socioeconomic status), disciplinary (STEM vs. non-STEM), and institutional (public vs. private, tier classification) categories.

3. RESEARCH METHODOLOGY

3.1 Research Design

This study employs a cross-sectional survey design to collect primary data on employment readiness determinants. Cross-sectional designs are appropriate for examining relationships among variables at a single point in time and are widely used in employability research (Tomlinson, 2017). While acknowledging limitations regarding causal inference, this design enables efficient data collection across diverse institutional contexts.

3.2 Sampling Strategy and Sample Size

A multistage stratified sampling procedure was employed. In the first stage, four states were purposively selected to represent geographic diversity: Maharashtra (West), Tamil Nadu (South), Uttar Pradesh (North), and West Bengal (East). These states collectively account for approximately 35% of India's higher education enrolment.

In the second stage, institutions within each state were stratified by type (public university, private university, autonomous college, affiliated college) and tier classification (Tier 1, Tier 2, Tier 3 based on NIRF rankings and employer perceptions). Three institutions were selected from each state, yielding 12 participating institutions.

In the third stage, students within each institution were stratified by discipline (Engineering/Technology, Management/Commerce, Arts/Humanities, Science) and academic level (final-year undergraduate, postgraduate). Random sampling within strata was employed to recruit participants.

Sample size was determined using G*Power analysis for structural equation modelling. For a model with 6 latent constructs and anticipated medium effect sizes ($f^2 = 0.15$), a minimum sample of 614 was required to achieve 95% power at $\alpha = 0.05$. Accounting for potential non-response and data quality issues, a target sample of 1,000 was set.

3.3 Data Collection Procedure

Data collection was conducted between August 2025 and December 2025. Institutional approvals were obtained from participating universities and colleges. A self-administered questionnaire was distributed through both online (Google Forms) and offline (paper-based) modes to maximize response rates. Participation was voluntary, and informed consent was obtained from all respondents. Confidentiality was assured, and no personally identifiable information was collected.

Of 1,000 distributed questionnaires, 892 responses were received (89.2% response rate). Following data cleaning excluding incomplete responses ($n = 31$) and those failing attention checks ($n = 14$) the final analytical sample comprised 847 respondents.

3.4 Measurement Instruments

All constructs were measured using multi-item scales adapted from validated instruments in the employability and career development literature. Items were rated on 5-point Likert scales ranging from 1 (Strongly Disagree) to 5 (Strongly Agree).

Cognitive Skills (8 items): Adapted from the Critical Thinking Assessment Test (CAT) and Graduate Skills Assessment, measuring analytical reasoning, problem-solving, logical thinking, and information synthesis.

Technical Competencies (10 items): Discipline-specific measures adapted from professional competency frameworks. Items assessed domain knowledge, technical tool proficiency, and applied problem-solving within the respondent's field.

Soft Skills (15 items): Adapted from the Employability Skills Scale (Pool & Qualter, 2013) and the Graduate Employability Measure, covering five sub-dimensions: communication (3

items), teamwork (3 items), adaptability (3 items), leadership (3 items), and emotional intelligence (3 items).

Career Self-Efficacy (8 items): Adapted from the Career Decision Self-Efficacy Scale–Short Form (Betz et al., 1996), measuring confidence in job searching, interviewing, networking, and career decision-making.

Institutional Support (7 items): Developed based on the Career Services Quality Scale and institutional employability frameworks, assessing availability and quality of career guidance, internship opportunities, industry exposure, and placement support.

Employment Readiness (10 items): Adapted from the Work Readiness Scale (Caballero et al., 2011), measuring perceived preparedness for professional employment, confidence in securing employment, and anticipated job performance.

All scales were subjected to expert review by five academics in management and education to assess content validity. Pilot testing was conducted with 75 students (not included in the main sample) to evaluate item clarity and psychometric properties. Minor modifications to item wording were made based on pilot feedback.

3.5 Control Variables

The following demographic and contextual variables were measured as controls: gender (male/female/other), age, caste category (General/OBC/SC/ST), parental education, family income, institution type (public/private), institution tier, discipline, and prior work experience (internships/part-time employment).

3.6 Analytical Strategy

Data analysis proceeded in three phases:

Phase 1: Preliminary Analysis. Descriptive statistics, missing data analysis, and assessment of multivariate normality were conducted. Common method bias was evaluated using Harman's single-factor test and the common latent factor approach.

Phase 2: Measurement Model Assessment. Confirmatory factor analysis (CFA) was performed to assess construct validity (convergent and discriminant validity), reliability (Cronbach's α , composite reliability), and model fit. The measurement model was evaluated against standard fit indices: $\chi^2/df < 3$, CFI > 0.90 , TLI > 0.90 , RMSEA < 0.08 , SRMR < 0.08 .

Phase 3: Structural Model Testing. Structural equation modeling (SEM) was employed to test hypothesized relationships. Hypothesis testing was conducted through path coefficients, with significance evaluated at $p < 0.05$. Moderation effects were tested using multi-group SEM and interaction terms. Group comparisons (H6) were assessed using measurement invariance testing followed by multi-group analysis.

All analyses were conducted using SPSS 28.0 for preliminary analysis and AMOS 28.0 for SEM. Bootstrapping (5,000 resamples) was employed for confidence interval estimation.

4. RESULTS

4.1 Sample Characteristics

Table 1 presents the demographic profile of the sample.

Variable	Category	n	%
Gender	Male	456	53.8
	Female	382	45.1
	Other	9	1.1
Age (years)	20-22	498	58.8
	23-25	312	36.8
	>25	37	4.4
Caste Category	General	318	37.5
	OBC	287	33.9
	SC	142	16.8
	ST	100	11.8
Institution Type	Public	412	48.6
	Private	435	51.4
Institution Tier	Tier 1	198	23.4
	Tier 2	347	41.0
	Tier 3	302	35.7
Discipline	Engineering/Technology	312	36.8
	Management/Commerce	224	26.4
	Arts/Humanities	167	19.7
	Science	144	17.0
Academic Level	Undergraduate (Final Year)	502	59.3
	Postgraduate	345	40.7
Prior Internship	Yes	389	45.9
	No	458	54.1

4.2 Descriptive Statistics and Correlations

Table 2 Presents Means, Standard Deviations, Reliability Coefficients, And Inter-Construct Correlations.

Construct	Mean	SD	α	CR	AVE	1	2	3	4	5	6
1. Cognitive Skills	3.48	0.72	0.84	0.86	0.53	0.73					
2. Technical Competencies	3.31	0.81	0.88	0.89	0.58	0.52*	0.76				
3. Soft Skills	3.56	0.68	0.91	0.92	0.57	0.48*	0.41*	0.76			
4. Career Self-	3.22	0.85	0.87	0.88	0.55	0.44*	0.47*	0.56*	0.74		

Efficacy											
5. Institutional Support	2.94	0.93	0.82	0.84	0.51	0.28*	0.35*	0.31*	0.39*	0.71	
6. Employment Readiness	3.18	0.79	0.89	0.90	0.56	0.49*	0.51*	0.58*	0.61*	0.42*	0.75

Note: α = Cronbach's alpha; CR = Composite Reliability; AVE = Average Variance Extracted. Diagonal values (bold) represent $\sqrt{\text{AVE}}$. ** $p < 0.01$.

All constructs demonstrated acceptable internal consistency ($\alpha > 0.80$) and composite reliability ($\text{CR} > 0.80$). Convergent validity was supported by AVE values exceeding 0.50 for all constructs. Discriminant validity was established as $\sqrt{\text{AVE}}$ for each construct exceeded its correlations with other constructs (Fornell-Larcker criterion). Additionally, the Heterotrait-Monotrait (HTMT) ratio was below 0.85 for all construct pairs, further supporting discriminant validity.

4.3 Common Method Bias Assessment

Harman's single-factor test indicated that no single factor accounted for more than 32.4% of variance, below the 50% threshold. The common latent factor approach in CFA showed that factor loadings changed minimally (<0.20) when a common latent factor was introduced, suggesting that common method bias does not substantially affect results.

4.4 Measurement Model Assessment

The six-factor measurement model demonstrated acceptable fit: $\chi^2(764) = 1842.67$, $\chi^2/\text{df} = 2.41$, CFI = 0.94, TLI = 0.93, RMSEA = 0.041 [90% CI: 0.038-0.044], SRMR = 0.048. All standardized factor loadings exceeded 0.60 and were statistically significant ($p < 0.001$), supporting the proposed factor structure.

4.5 Structural Model and Hypothesis Testing

The structural model demonstrated good fit: $\chi^2(772) = 1958.43$, $\chi^2/\text{df} = 2.54$, CFI = 0.93, TLI = 0.92, RMSEA = 0.043 [90% CI: 0.040-0.046], SRMR = 0.052.

Table 3 presents the results of hypothesis testing.

Hypothesis	Path	β	SE	t-value	p	Result
H1	Cognitive Skills $\rightarrow$ Employment Readiness	0.14	0.04	3.42	0.001	Supported
H2	Technical Competencies $\rightarrow$	0.22	0.04	5.18	<0.001	Supported

	Employment Readiness					
H3	Soft Skills → Employment Readiness	0.31	0.05	6.89	<0.001	Supported
H4	Career Self-Efficacy → Employment Readiness	0.28	0.04	6.24	<0.001	Supported
H5	Institutional Support (Moderator)	—	—	—	<0.05	Supported

All four skill-related hypotheses (H1-H4) were supported. Soft skills emerged as the strongest predictor of employment readiness ($\beta = 0.31$, $p < 0.001$), followed by career self-efficacy ($\beta = 0.28$, $p < 0.001$), technical competencies ($\beta = 0.22$, $p < 0.001$), and cognitive skills ($\beta = 0.14$, $p = 0.001$). The model explained 58.3% of variance in employment readiness ($R^2 = 0.583$).

4.6 Moderation Analysis (H5)

To test the moderating role of institutional support, the sample was split into high (above median, $n = 427$) and low (below median, $n = 420$) institutional support groups. Multi-group SEM analysis revealed significant moderation effects:

Path	Low Support (β)	High Support (β)	$\Delta\chi^2$	p
Soft Skills → Employment Readiness	0.24	0.38	8.42	0.004
Technical Competencies → Employment Readiness	0.17	0.28	6.18	0.013
Career Self-Efficacy → Employment Readiness	0.21	0.34	7.84	0.005

The relationship between skill dimensions and employment readiness was significantly stronger for students in institutions with high support. This confirms H5: institutional support mechanisms positively moderate the skill-employability relationship.

4.7 Group Comparisons (H6)

Multi-group analyses revealed significant variations in employment readiness across categorical variables:

Gender: Males ($M = 3.28$, $SD = 0.76$) reported significantly higher employment readiness than females ($M = 3.06$, $SD = 0.81$), $t(836) = 4.12$, $p < 0.001$, $d = 0.28$.

Caste Category: ANOVA revealed significant differences, $F(3, 843) = 8.74$, $p < 0.001$, $\eta^2 = 0.03$. Post-hoc comparisons (Tukey HSD) indicated that General category students ($M = 3.34$) scored significantly higher than SC ($M = 2.98$) and ST ($M = 2.87$) students.

Institution Type: Private institution students ($M = 3.31$, $SD = 0.75$) reported higher employment readiness than public institution students ($M = 3.04$, $SD = 0.82$), $t(845) = 5.06$, $p < 0.001$, $d = 0.35$.

Institution Tier: Significant differences emerged, $F(2, 844) = 28.43$, $p < 0.001$, $\eta^2 = 0.06$. Tier 1 students ($M = 3.52$) scored higher than Tier 2 ($M = 3.21$) and Tier 3 ($M = 2.94$) students.

Discipline: STEM students (Engineering + Science; $M = 3.29$, $SD = 0.77$) reported marginally higher employment readiness than non-STEM students (Management + Arts/Humanities; $M = 3.05$, $SD = 0.81$), $t(845) = 4.58$, $p < 0.001$, $d = 0.31$.

Prior Internship Experience: Students with internship experience ($M = 3.42$, $SD = 0.71$) demonstrated significantly higher employment readiness than those without ($M = 2.98$, $SD = 0.82$), $t(845) = 8.34$, $p < 0.001$, $d = 0.57$.

H6 was thus fully supported, with meaningful variations observed across all categorical variables examined.

4.8 Soft Skills Sub-Dimensions Analysis

Given the primacy of soft skills in predicting employment readiness, supplementary analysis examined the relative contribution of soft skill sub-dimensions:

Sub-dimension	β	SE	p
Communication	0.28	0.05	<0.001
Adaptability	0.24	0.05	<0.001
Teamwork	0.19	0.04	<0.001
Emotional Intelligence	0.16	0.04	<0.001
Leadership	0.12	0.04	0.003

Communication skills emerged as the strongest soft skill predictor, followed by adaptability and teamwork. This pattern aligns with employer surveys identifying communication as the most critical employability attribute.

5. DISCUSSION

5.1 Summary of Findings

This study investigated the determinants of employment readiness among educated youth in India. The findings reveal a multidimensional structure of employment readiness, with soft skills and career self-efficacy emerging as more powerful predictors than technical competencies or cognitive skills. Institutional support mechanisms significantly amplify the translation of skills into employment readiness, highlighting the critical role of the

educational ecosystem. Furthermore, significant disparities in employment readiness exist across gender, caste, institution type, tier, and disciplinary lines.

5.2 Theoretical Implications

The primacy of soft skills over technical competencies challenges narrow interpretations of human capital theory that emphasize formal knowledge acquisition. Our findings align with Heckman's (2012) argument that non-cognitive skills are increasingly important in modern labour markets. The significant predictive power of career self-efficacy supports social cognitive career theory's emphasis on agentic factors in career development. Students who believe in their ability to navigate the job market are better prepared regardless of objective skill levels a finding with implications for career counselling interventions.

The moderating role of institutional support suggests that individual skill development is necessary but insufficient for employment readiness. This finding extends Bridgstock's (2009) graduate employability framework by demonstrating that institutional ecosystems career services, industry partnerships, experiential learning opportunities create enabling conditions that amplify individual capabilities. From a policy perspective, this implies that investments in institutional infrastructure may yield returns beyond direct skill-building interventions.

The persistence of categorical disparities particularly by caste and institution tier complicates meritocratic narratives around employability. Students from marginalized backgrounds and lower-tier institutions report lower employment readiness even after controlling for skill variables, suggesting that structural barriers mediate the skill-employment relationship. This finding resonates with critical perspectives on human capital theory that emphasize how social reproduction mechanisms perpetuate inequality despite educational expansion.

5.3 Practical Implications

The findings generate several actionable implications for stakeholders:

For Higher Education Institutions:

1. **Curricular integration of soft skills:** Given the primacy of soft skills, institutions should embed communication, teamwork, and adaptability development across curricula rather than relegating them to standalone courses. Pedagogical innovations such as project-based learning, collaborative assignments, and presentation requirements can systematically develop these competencies.
2. **Career self-efficacy interventions:** Institutions should implement evidence-based interventions to enhance career self-efficacy, including career counselling, mock

interviews, networking opportunities, and exposure to successful alumni. Such interventions may be particularly valuable for first-generation college students and those from marginalized backgrounds.

3. **Strengthening institutional support ecosystems:** The moderating role of institutional support underscores the need for robust career services infrastructure. Even modestly resourced institutions can develop partnerships with industry, mandate internships, and provide structured career guidance.

For Policymakers

1. **National Employability Mission:** The findings support the case for a dedicated mission aligned with Viksit Bharat 2047 that targets the skill-employability gap through coordinated interventions across the higher education system. Such a mission could establish minimum standards for career services, incentivize industry-academia partnerships, and fund soft skill development programs.
2. **Affirmative interventions:** The significant caste-based and institutional disparities suggest that targeted interventions for students from SC/ST backgrounds and lower-tier institutions are necessary. Mentorship programs, bridge courses, and enhanced placement support could mitigate these inequalities.
3. **Quality assurance mechanisms:** Accreditation frameworks should incorporate employability outcomes and institutional support indicators, incentivizing institutions to invest in employment readiness infrastructure.

For Employers

1. **Expanded recruitment channels:** The institution-tier disparities suggest that talent may be overlooked in lower-tier institutions. Employers could diversify recruitment by conducting assessments that directly evaluate competencies rather than relying on institutional brand as a proxy.
2. **Structured internship programs:** Given the strong association between internship experience and employment readiness, employers have an opportunity to develop talent pipelines through robust internship programs that provide meaningful skill development.

5.4 Alignment with Viksit Bharat 2047

The Viksit Bharat 2047 vision emphasizes human capital development as foundational to achieving developed nation status. Our findings suggest several priorities for realizing this vision:

1. **Scaling soft skill development:** The current higher education system underemphasizes soft skills despite their primacy for employment readiness. A systematic national initiative to embed soft skill development in curricula—potentially leveraging digital platforms for scalability—could substantially enhance youth employability.
2. **Strengthening the MSME sector:** Much of the skill gap discourse focuses on formal sector employment. However, given that MSMEs employ a majority of India's workforce, aligning skill development with MSME requirements—not just multinational expectations—is essential.
3. **Reducing structural inequalities:** The Viksit Bharat 2047 vision encompasses inclusive development. Achieving this requires addressing the caste-based and institutional disparities that our study documents, ensuring that the benefits of human capital development are equitably distributed.
4. **Leveraging technology:** Digital platforms for career guidance, skill assessment, and job matching could extend the reach of employment readiness support, particularly for students in resource-constrained institutions.

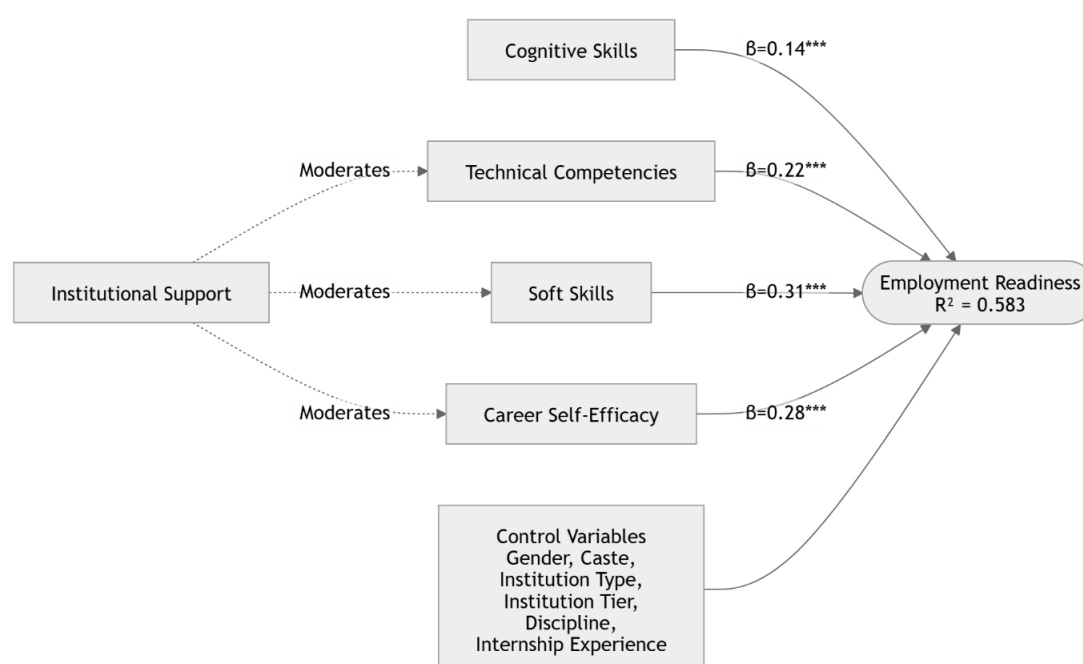
5.5 Limitations and Future Research Directions

Several limitations merit acknowledgment. First, the cross-sectional design precludes causal inference; longitudinal studies tracking students into the labour market would strengthen claims about the predictive validity of employment readiness. Second, self-report measures may be subject to social desirability and recall biases; future research could incorporate objective skill assessments and employer evaluations. Third, while the sample is geographically diverse, it may not fully represent the heterogeneity of Indian higher education; future studies could expand sampling to include states from the Northeast and other underrepresented regions. Fourth, the study focuses on student perceptions of readiness; triangulation with actual employment outcomes would enhance validity.

Future research could productively explore several directions:

1. **Longitudinal tracking:** Following graduates into the labour market to examine how employment readiness translates into employment outcomes, job quality, and career trajectories.
2. **Intervention studies:** Designing and evaluating randomized controlled trials of soft skill and career self-efficacy interventions to establish causal effects.

3. **Employer perspectives:** Conducting parallel surveys of employers to examine alignment between student self-perceptions and employer assessments.
4. **Sectoral analysis:** Examining how employment readiness determinants vary across sectors (IT, manufacturing, services, public sector) given different competency requirements.
5. **Regional comparisons:** Investigating state-level variations in employment readiness and the role of regional labour market conditions.



6. CONCLUSION

This study provides empirical evidence on the determinants of employment readiness among educated youth in India, a question of pressing significance as India pursues its Viksit Bharat 2047 development vision. The findings reveal that soft skills and career self-efficacy are more powerful predictors of employment readiness than technical competencies, challenging conventional emphases on domain knowledge in higher education. Institutional support mechanisms significantly moderate these relationships, underscoring the importance of educational ecosystems. Persistent disparities across caste, gender, and institution type highlight the structural barriers that limit equitable access to employment readiness.

These findings call for a paradigm shift in Indian higher education—from credential-focused to competency-focused approaches, from classroom-centric to ecosystem-centric models, and from uniform to equity-sensitive interventions. Bridging the skill gap is not merely an economic imperative but a social one: ensuring that India's demographic dividend translates

into shared prosperity requires that all educated youth, regardless of background, have the opportunity to develop employment readiness.

The validated Employment Readiness Index instrument developed in this study provides a tool for institutions to assess and benchmark their students' preparedness, enabling targeted interventions. As India approaches its centenary of independence, the findings offer a roadmap for human capital development policies that can realize the Viksit Bharat 2047 vision—transforming educational expansion into genuine economic opportunity for the nation's youth.

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