

Policy Innovations and Employability in Indian Higher Education: An Analysis of Undergraduate Transformation

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Abstract

It's been over a decade since India's education system underwent any rapid changes-until the coming in of the New Education Policy, 2020. Under these new set of guidelines instructing the educational institutes on their curriculum and outcome formation, one of the biggest reforms is the redesign of the undergraduate education programs. Now, these programs offer a flexible three-to-four-year structure, multiple options for entry and exit, increased credit mobility & transferability, built-in research and internship pathways, and multidisciplinary learning. Owing to the persistent challenge of employability that India has been facing, this new reform comes in at the opportune time. While access to higher education has expanded, completing a degree has not necessarily translated into meaningful employment readiness or employment opportunities. This challenge is especially real for the students engaged in general undergraduate programmes. The key objective of this paper is to evaluate whether this new reform, the New Education Policy 2020, can considerably address the core issue of India's undergraduate unemployment, and under what institutional conditions. The chief aim is to differentiate the effectiveness of the policy, on paper, versus the outcome achieved upon deployment.

Keywords: Undergraduate Education, NEP 2020, Employability, Higher Education Reform, Four-Year Undergraduate Programme, Skill Gap.

Introduction

Over the past few decades, India's higher education system has rapidly expanded. The number of students now pursuing higher education has also slowly been increasing over the years, showing that higher education has now become an important stepping stone for growing social mobility and professional aspirations. The All India Survey on Higher Education highlights the continuous increase in enrolment, growth of institutions, and participation across social groups (Ministry of Education, 2024). However, this increase in access has not solved the employability challenge.

A degree is a means of signaling - it carries a social value. However, in this competitive landscape where the number of candidates outweighs the number of job opportunities, these degrees are no longer enough to help one stand out. Now, employers look for skills outside academic learning and understanding - skills like communication, problem-solving, digital literacy, adaptability, teamwork, and workplace readiness. Assessment-based reports on employability point out that youth employability is at 51.25%, indicating that almost half of the assessed candidates were not considered fully job-ready under the report's framework (Wheebox, 2024).

India's policy-based response to this has come in the form of NEP 2020 - a broad reform agenda. Specifically addressing the concerns of employability, this policy comes with a change in the core structure of the undergraduate program - moving away from a rigid three-year structure, toward a flexible three to four year model with multiple exit options, multidisciplinary learning, vocational exposure, research pathways, internships, and credit mobility (Ministry of Education, 2020; University Grants Commission [UGC], 2022). On a policy level, this is a radical attempt to address the long-standing rigidity in our higher education systems. In fact, the NEP 2020 significantly expands the idea of student choice, from subject combinations at the K-12 level to multiple exit options and credit mobility at the higher education level. In that manner, this reform is not just about the extension of the undergraduate degree, but rather it reorganises the curriculum structure, student records, credentials, and pathways between education, research, and work.

While these changes surely point towards a positive change in the system design, the effectiveness of this policy can only be determined when one takes into account how practically implementable the proposed changes are, and whether they will remain relevant and useful by the time seamless execution is established across India. The true

question remains around the consistent implementation across India's diverse higher education system. Various kinds of institutes-central universities, state universities, autonomous institutions, affiliating universities, affiliated colleges, private institutions, and open/distance providers - do not begin from the same level of autonomy, faculty capacity, digital readiness, advising support, or industry relations. Due to this variety, the same policy can create very different student experiences.

The right timing is also quite a challenge in this context. While education reforms take years to settle in, the labour market experiences changes at an incomparably fast pace due to changes in technology, automation, artificial intelligence, and other factors. The reforms put in place will only be strong and successful if they not only respond to the current gaps in our systems, but also have a forward-looking view to accommodate the changes to come, till new reforms can be put in place and executed. This paper examines whether NEP 2020's undergraduate reform can not only address the question of employability today, but also is shaped adaptively for the future needs of the labour market.

Review of Literature and Policy Context

The relationship between completing a formal higher education degree and securing a job is no longer direct. Nowadays, obtaining a job requires skills on top of the relevant education - including confidence, adaptability, reflection, and the ability to apply theoretical learning in unfamiliar contexts. Yorke (2006) understands employability as a combination of achievements that help students secure employment and succeed in their chosen occupations. Knight and Yorke (2004) further connect employability with subject understanding, skilled practices, self-efficacy, and reflection.

For this paper, Yorke and Knight's USEM model is relevant as it dissects employability as a combination of Understanding (Knowing your domain), Skilful practices (Being able to do the work), Efficacy beliefs (Believing you can do it), and Metacognition (Knowing how to learn and improve, reflection), rather than as a narrow placement outcome. A holistic approach to strengthen our employability would include building deeper learning, practical capability, confidence, and reflective capacity across curriculum. An analysis centered around the USEM model helps us analyse whether undergraduate reform builds these essential traits into the FYUP, or is surface level integration of the same.

The second core pillar to analyse in this paper revolves around the question of real freedom, & institutional support. Beyond theoretical interventions, the availability of real choice is essential to convert formal opportunities into outcomes. The capability approach brings in the lens of equity to this analysis. In the context of the FYUP, if there is a lack of advising, digital access and maintenance, financial support or institutional guidance, all students might not benefit from the reform equally. This analysis helps us understand the depth of institutional capability for this reform (Sen, 1999).

To analyse internship, applied learning, and fourth-year components of the reform, work-integrated learning literature serves an essential. Billett (2011) argues that practice-based learning must be a deliberately integrated into curriculum design, rather than added casually at the end of a programme. Jackson (2015) further suggests that employability skills develop when students receive structured opportunities to apply knowledge, engage with workplace settings, and reflect on their performance. These insights are extremely relevant to India's undergraduate reform, as they help distinguish meaningful work-linked learning from symbolic internships or short-term exposure. Only with assessment, supervision and connecting learnings back to theoretical knowledge can internships and projects contribute to employability.

The key change that NEP 2020 brings about in higher education is by challenging excessive separation between disciplines through flexibility, multidisciplinary learning, experiential learning, and skill orientation (Ministry of Education, 2020). The UGC Curriculum and Credit Framework operationalizes this through a four-year undergraduate model with multiple exit points: certificate, diploma, degree, and degree with honours or research, depending on credits earned (UGC, 2022). When evaluated through this framework, the NEP 2020's undergraduate reform should be evaluated not only on the flexibility it provides, but whether it also strengthens understanding, skills, self-efficacy, reflection and students' real ability to use these opportunities.

Another key component of this change is the Academic Bank of Credits. Under this new system, students can digitally store and transfer credits, enabling greater mobility across institutions and learning pathways (UGC, 2021). Principally, this part of the reform addresses a specific weakness in the older system, where students had limited flexibility if they changed directions, shifted institutions, or took a break in their education.

However, outcomes can't be guaranteed only by policy architecture. As emphasised by the World Bank (2018), schooling and learning are not the same, and similarly, neither are enrolment and employability. UNESCO (2021) urges that for social and economic futures to change, education systems must be reimagined. In the context of India, this means that policies should not only create choices on paper for students, but also strengthen the institutional conditions to exercise those choices meaningfully.

Objectives and Significance of the Study

The main aim of this study is to examine whether the employment related gaps in India's higher education system can be meaningfully addressed by the undergraduate reform under NEP 2020, and evaluate under what institutional conditions can this reform translate to outcomes. Whether the reform is a success or not cannot be determined at such an early stage of implementation. Instead, the paper examines the strength of policy design, and if implementation conditions are favourable enough to support quality outcomes along with the risks that may impact its translation into employability outcomes. Objectives of the study are:

- Examining the employability challenge that the Indian undergraduate education system faces.
- Studying the core design of NEP 2020, specifically the four-year undergraduate reform.
- Analysing if the gaps in flexibility, practical exposure, and skill building are meaningfully addressed under the proposed reform.
- Assessing the challenges that arise during implementation across different institutional types such as central universities, state universities, affiliating universities, affiliated colleges and private institutions.
- Understanding if skills linked with employability are embedded in the curriculum or concentrated in specific semesters, near the final year.
- Identify possible unintended consequences of the reform, including administrative burden, uneven access to credit mobility, weak internship quality, and unequal institutional capacity.
- Suggesting ways in which undergraduate education can be converted into higher employability outcomes.

Millions of people from the youth segment of India are directly impacted by this reform, especially students enrolled in general degree programmes. It is therefore important to analyse the core impact of this study on the overall spectrum of college ecosystems. The true outcome of this reform can only be judged once the results on the effectiveness are received not only from the elite institutions that already have strong infrastructure, industry relationships and advising systems, but rather, across all stratas of institutes.

Research Methodology

Drawing on secondary sources, policy documents, employability reports, academic literature, and early implementation signals, this paper strictly adopts a desk-based policy analysis approach. Since this reform is less than 5 years old since its inception, long-term employability outcomes are not fully visible yet. Keeping this limitation in mind, this paper does not attempt to establish a causal relationship between FYUP and employment outcomes. Instead, it examines the reform through policy design, institutional readiness, available implementation evidence, and employability theory.

The paper draws on the NEP 2020, the UGC Curriculum and Credit Framework, and UGC regulations on the Academic Bank of Credits, AISHE data, India Skills Report, the India Employment Report by ILO and IHD, and academic literature on employability and work-integrated learning (International Labour Organization [ILO] & Institute for Human Development [IHD], 2024; Ministry of Education, 2020, 2024; UGC, 2021, 2022; Wheebox, 2024).

Four lenses have been deployed for a holistic analysis of the subject at hand. The first is policy design - which examines what the reform intends to change in the undergraduate education. The second lens is of institutional implementation - it focuses on assessing whether institutions have the faculty capacity, administrative systems, advising support, digital readiness, internship networks and research supervision required to deliver this reform. The third lens is around employability alignment - which checks if the reform builds the kinds of understanding, skilful practice, self-efficacy and reflective capacity associated with graduate employability. And lastly, the lens of future readiness - that looks to answer the question whether the reform can adapt to emerging labour-market needs rather than only correcting present gaps.

A known limitation of this approach is that the paper does not include any primary data, from any stakeholders involved. It also cannot evaluate the final employability outcomes as the reform is young, and long-term effects are yet to manifest. Therefore, the focus of the paper is to identify patterns, risks and priorities for implementation rather than focusing on final outcomes.

Analysis and Discussion

The Employability Paradox

With the expansion of India's higher education system's reach, more students now have access to formal undergraduate education. However, this expansion has also made the question of employability sharper. While higher education has broader social, intellectual and civic purposes, employability remains one of its important outcomes, so a larger amount of student body entering colleges is only valuable if they leave with capabilities that made them positive contributors to the labour market. The India Skills Report 2024 places youth employability at 51.25%, implying that almost half of the assessed candidates were not considered fully job-ready under its framework (Wheebox, 2024). The India Employment Report also highlights the vulnerability of educated youth, especially graduates, in the labour market (ILO & IHD, 2024). Put together, these facts point towards a well-intended higher education system but also highlight that degree completion and work-readiness cannot be treated as the same.

For non-professional undergraduate programmes such as B.A., B.A. (Hons.), B.Com, B.Com (Hons.), B.Sc. and B.Sc. (Hons.), this issue becomes even more specific. Professional and technical degrees usually come with a clearer occupational readiness and pathway; their curriculum, training structure and employer expectations are often more clearly aligned with specific professional routes. However, for students in these general undergraduate programmes - while they offer flexibility in choosing from multiple career options, this becomes a limitation and they do not always lead to a clearly defined occupational pathway. For most jobs in today's time, students require transferable capabilities such as communication, writing, digital literacy, analytical thinking, teamwork, data handling and practical exposure. If such capabilities are not built during the degree, students rely on last-minute placement training, informal networks or post-degree coaching or courses. These align with the USEM model's emphasis on skilful practice, self-efficacy and reflective capacity, not only subject understanding.

NEP 2020 and FYUP: Strong Design on Paper

The limitations of the earlier undergraduate system were evident - lack of flexibility, narrow exit pathways, limited vocational exposure and weak or non-existent links between skill building, education and real world application. The NEP 2020's structured response to this is the new four-year undergraduate programme which introduces a more flexible degree architecture. Under this model, the UGC framework introduces multiple exit options, credit-based progression, multidisciplinary learning and the possibility of an honours or research-oriented fourth year (UGC, 2022).

The value of this reform lies in the fact that it goes beyond just adding a new course or internship requirement, and attempts to redesign the undergraduate experience. For students who cannot complete a full degree in a single stretch, multiple exit options can offer flexibility, especially for students who may not be able to complete a full degree in one continuous stretch. Multidisciplinary learning can help students combine knowledge from different fields and understand how disciplines interact in real-world contexts. The newly added fourth year now allows for selecting a career-oriented pathway - either academic depth or applied specialization. For students in general undergraduate programmes, this structure can potentially make the degree to be more relevant by linking it with projects, internships, data skills, communication, research, and domain-based applications. Since the changes introduced by this reform are structural in nature, the reform is not just symbolic. That being said, the practical effectiveness is yet to be assessed, and the known variables influencing this are the quality and consistency of implementation.

Implementation Risk: Capacity, Credit Mobility, and Fourth-Year Quality

India's higher education ecosystem is highly heterogeneous with institutions differing in governance, autonomy, faculty capacity, administrative systems, digital readiness and industry linkages - yet most of these institutions operate under the same broad policy direction. However, their capacity of delivery, execution, and resource-readiness might differ. Well-resourced institutions may be better positioned to create meaningful internships, research mentorship, project-based learning and industry partnerships. By contrast, resource-constrained institutions may struggle with faculty shortages, weak placement offices, limited employer networks, inadequate digital systems, student advising gaps and administrative overload. As a result, the same policy can shape very different student experiences across institutional contexts.

Administrative readiness is also central to credit mobility. The Academic Bank of Credits is designed to digitally store, manage and transfer academic credits but its effectiveness depends on curriculum compatibility, timely credit uploads, student awareness and clear recognition rules (UGC, 2021). If these systems are not operationalised effectively, flexibility may remain formal rather than functional. Early implementation signals already show that credit and record systems can create friction. For instance, reports from Mumbai University indicated that results were withheld for students without the required ABC IDs, showing how digital-credit compliance can directly affect student progression (Times of India, 2025).

A similar challenge of implementation challenge can be seen in the fourth-year component of the FYUP as well. The value of the fourth year depends on execution rigor, resource availability and adaptability of the institutes. The research pathway requires research methods training, access to academic resources, faculty supervision, data handling and writing support. The industry pathway, on the other hand, requires structured internships, defined learning outcomes, employer supervision, feedback and reflection. Work-integrated learning literature suggests that students benefit most when workplace exposure is connected back to academic learning and guided reflection (Billett, 2011; Jackson, 2015). Existing internship policy guidance also emphasises structured learning objectives, supervision and institutional coordination (All India Council for Technical Education, 2018; UGC, 2023). In cases where these pathways are not delivered with adequate supervision and academic integration, the fourth year may only become an extended year of classroom exposure.

Curriculum-Wide Employability and Future Readiness

One of the biggest weakness in our employability-oriented interventions today is that they are too often placed too late within the curriculum design. Employability-linked skills are often treated as final-year placement preparation rather than as abilities to be nurtured throughout the degree. However, skills such as communication, analytical thinking, teamwork, writing, digital literacy, problem-solving, and professional behaviour cannot be developed over a few weeks or a few months. In order to master these skills, students need to persistently apply them under different conditions and domains. Repeated practice across different contexts, reflection and feedback are the foundation of building these skills. This also aligns with the USEM model - which integrates skillful practice, efficacy beliefs and metacognition with subject understanding to define

employability. Employability must therefore become a curriculum design issue, not only a placement office responsibility.

This also connects with the issue of future readiness of our reforms. Education systems often take years to implement reform fully. Labour markets, however, are changing rapidly due to technology, automation, artificial intelligence and new forms of work. The Future of Jobs Report emphasizes the growing importance of analytical thinking, technological literacy, resilience and lifelong learning (World Economic Forum, 2025). This also aligns with international discussions on future-ready skills and lifelong learning (Organisation for Economic Co-operation and Development, 2018). As we analyse the impact of this reform on the degree structure, a deeper question that lingers is if the structural changes are strong enough to create a system that can keep adapting as the labour market requirements change. Therefore, the lens of analysis we deploy are not limited to today, but are more future looking in nature.

Key Findings

The first finding is that the understanding of India's employability challenge is narrow - and focuses only on the unemployment numbers. However, unemployment is only a part of the core issue - and focuses only on the number of people without jobs. The real issue is the broken link between educational qualifications, skills and job. The level of education, and the fields of education should be mapped to employability to further understand that degree doesn't guarantee job-readiness.

The second finding is that the NEP 2020, and specifically the four-year undergraduate programme reform, are directionally strong. On a policy level, the NEP 2020 is well informed - and each intervention is carefully planned to address the core gaps in the older system. In fact, the policy has ensured that the surface level factors are eliminated and it is introducing radical interventions to effectively manage the employment crisis.

The third finding is that policy design can only cover the theoretical scope of needed interventions, the real results of the reform depend on the execution grit. Since institutions differ in faculty capacity, administrative strength, digital readiness, infrastructure, employer linkages and placement systems, a common policy can lead to unequal student outcomes. This reform is capability-sensitive; the same design may

produce stronger outcomes in well-endowed institutions, and relatively weaker outcomes in institutions with limited advising, internship access or faculty support.

Fourthly, the meaningful value addition that is expected out of the fourth year of the programme will only take place if both its pathways are delivered with adequate quality and institutional support. The inputs required for both pathways are very different - research requires mentorship and academic support. Industry exposure requires structured internships and meaningful assessment.

Lastly, employability cannot be introduced in isolated bursts, especially only in the final year. Such a late-stage focus takes away from deep learning outcomes. Rather, it must be built across the curriculum. Since implementation takes time, the reform must also remain adaptive to new skills, technologies and employment patterns.

Suggestions and Way Forward

The first suggestion is to ensure high quality of delivery for the four-year undergraduate programme. Structural adoption alone will not create the intended outcomes, but instead it should come paired with following the quality standards for internships, project work, research supervision, credit transfer, student advising and skill assessment. Minimum quality standards are necessary to reduce uneven implementation across institutions.

Secondly, it is crucial that the fourth year should be outcome-linked in practice. For the research pathway, the focus should be on assessing students on their research capability through literature review, methodology, analysis and academic writing. For the industry pathway, signals of industry-readiness can be strengthened through portfolios, supervisor feedback, applied projects and reflection reports. Credit completion alone should not define success, but rather the evidence of learning should become the main focus.

Thirdly, employability skills should be embedded across all years of the curriculum. Skills like communication, digital literacy, problem-solving, analytical writing, teamwork, data interpretation and workplace behaviour cannot be developed through one-time modules or short-term training, but rather need to be developed across semesters, under differing conditions. Final-year placement training cannot compensate for three years of limited applied learning.

Fourthly, to ensure the success of this reform, capacity-building must extend beyond elite and autonomous institutions. State universities, affiliated colleges and resource-constrained institutions need shared internship networks, regional employer partnerships, digital project banks, faculty development, and career support systems. The support provided to institutes should be differentiated by institutional type: autonomous and well-resourced universities can provide meaningful opportunities for industry partnerships and focus on depth in research, whereas state universities and affiliated colleges may require further interventions like faculty development, digital infrastructure and shared internship networks.

Fifth, outcome tracking needs to improve. True success cannot be determined by the adoption of the four year undergraduate programme, or by the number of institutes registering on credit platforms. The true metrics to capture the outcome effectiveness need to be defined across various key stages of the student lifecycle - internship completion, but with quality assessment for the same, student portfolios, placement quantity and not just numbers, consistent employer feedback, and research outputs.

Finally, the reform needs to stay adaptive. As industries and technology continue to advance with fields like artificial intelligence, sustainability, entrepreneurship and digital work on the rise bringing in rapid changes to the world of work, there is an expectation from the education system too. The education systems are expected not to provide all knowledge of various tools, concepts and subjects to the students but rather equip them with transferable skills, knowledge and adaptability.

Conclusion

The new structure of the undergraduate programme, under the NEP 2020, is a pivotal change to bridge the gap between the education we provide, the degree structures and the real world outcomes, in the shape of employability, through them. The main components - the four-year model, credit mobility, multiple exits, research pathways, internships and multidisciplinary learning - directly attack the earlier system at the root of the gaps.

However, the success of this reform will depend on the effective implementation across diverse institutional contexts, which is worlds away from the theoretical space of policy design, and goes beyond the government's abilities of implementation - resting on the shoulders of private institutions in India too. If the implementation is slow, uneven

across states, institutions, and student groups, or disconnected from the realities of the employment market, even a well-intentioned reform can fall short. For this reason, the fourth year must be delivered as a meaningful learning experience rather than an additional year of formal enrolment.

A key conclusion is that employability-linked skills cannot be squeezed into the final year of any degree. These skills need to be evenly distributed across the curriculum and their understanding deepened through assessment, projects, internships, faculty support and other institutional systems. While designing any policy reforms, it must be kept in mind that these changes take years to become fully effective and for that reason they need to be designed in a forward-looking manner. This reform, brought on by the NEP 2020, is therefore not only a question of degree duration. It is also a test of whether the mass of India's higher education system can align these interventions and required changes, at scale. Retaining space for these reforms to adapt, while laying down the core structures is the right approach to plan for today, and tomorrow. The real test of India's undergraduate reform is therefore clear: can it convert education into capability, and capability into meaningful employability at scale?

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