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to impact
Architecting an AI-first
workforce in the tech
services sector
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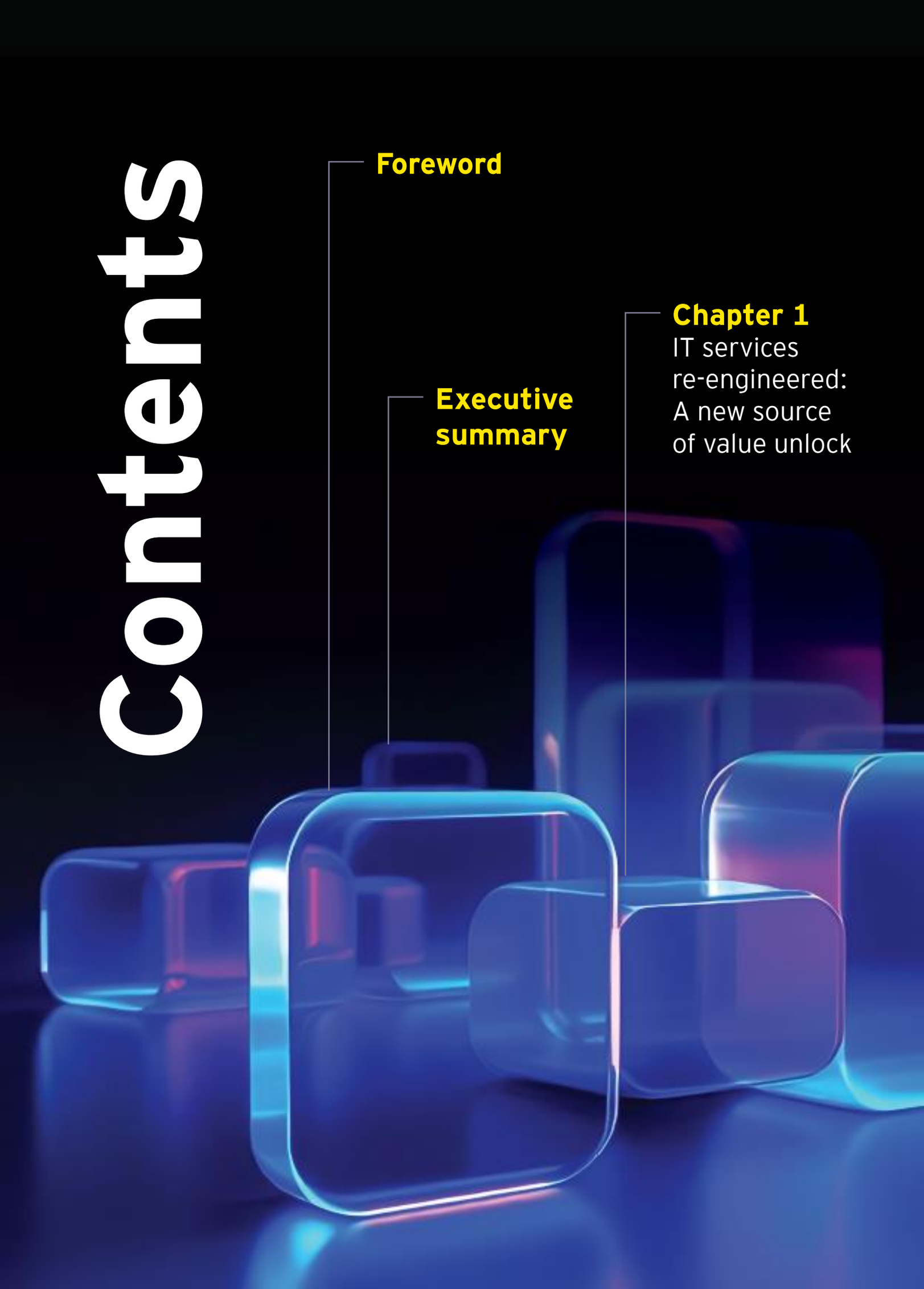
Contents



Foreword

The steam engine rewired factories. Electricity redefined speed. The internet collapsed distance. And now, AI stands as the next great catalyst — not just shifting how we work, but challenging **what work even means**.

In the past six months alone, we have seen a **dramatic acceleration**: Tech industry has moved from cautious experimentation to scaling AI across service delivery, internal operations, and even revenue generation. Yet, behind the headlines of productivity boosts and AI copilots lies a far more complex and nuanced reality. Leaders are divided between hailing it as a **growth multiplier** and raising critical questions about ROI, workforce disruption, and widening gap between **ideation and sustained execution.**

The **paradox is striking**! While AI promises to decouple growth from headcount and unlock non-linear productivity, it also risks displacing foundational roles, disrupting traditional career paths, and reshaping the bottom of the talent pyramid. Clients, too, are reshaping their expectations; no longer content with cost savings alone but demanding AI-driven outcomes, risk-sharing, and strategic alignment. As contracts evolve and delivery models get re-architected, service providers are forced to answer: ***Are we truly AI-ready, or are we dressing up legacy models in new digital wrappers?***

This report dives deep into these **tensions and transitions**. It captures emerging realities from the trenches — leaders grappling with upskilling dilemmas, delivery teams recalibrating productivity metrics, and organizations rewriting the rules of talent, structure, and value creation. We spotlight what it takes to move beyond experimentation into real impact, and how hybrid human-AI teams, redefined KPIs, and outcome-linked models are shaping the new normal.

AI is not just a technology — it is an opportunity to shape a **new working world**. Compared to the measure of a firm's technical prowess in the beginning of this journey, it is overwhelmingly becoming a test of leadership vision, organizational courage, and systemic agility and receptivity towards transformational change. The choices we make today will determine whether we ride the AI wave or get swept aside by it.

Let's get into it. Happy reading!

Nitin Bhatt
Technology Sector Leader
Partner, EY LLP India

Sangeeta Gupta
Senior Vice President and
Chief of Strategy, Nasscom

Executive summary

We stand at a rare, pivotal moment in business history — a tipping point, where long-held assumptions about talent, delivery, and growth are being rethought and rebuilt. This report brings a grounded, insight-rich lens to the evolving AI landscape, outlining how India's IT services and BPM industry must move from experimentation to enterprise-wide execution. It aspires to bring in voices from the trenches, and questions from the top. Here are five themes shaping new rules of productivity and talent:

1. Decoupling scale from size: Rethinking the workforce equation
   Growth is no longer tethered to hiring curves. For decades, revenue scaled linearly with Full-Time Equivalent positions (FTEs). But AI is severing that link. Delivery teams are now pods of humans + AI agents. Value is measured not in hours clocked, but impact created. Client expectations have followed suit — demanding outcome-linked pricing, shared risk, and faster time-to-value. This is not just commercial reform — it is a redefinition of performance itself. Leaders must ask themselves – Are we still structuring for effort when the world is paying for outcomes?

2. Fast forward, built to last: Capability-led work design
   Yes, AI boosts productivity. But value realization is not unlocked until deliberate role reconstruction accompanies it. Tasks and jobs must be redesigned from an AI-first lens to achieve this. On the flip side, removing repetitive work also dismantles traditional learning curves. Entry-level talent is skipping foundational tasks, while experienced mid-managers, the bearers of domain nuance, are being displaced in optimization initiatives. The result: Accelerated delivery but weakened depth. The real leadership challenge is not tech readiness — it is people readiness. Who is building judgment while AI handles the easy work?

3. Beyond the ladder: Rise of skill-first careers
   The linear career path is broken. Tenure is no longer a proxy for talent. In the AI-first world, career progression looks more like a lattice — fluid, skill-led, nonlinear. Roles are disaggregated and reassembled. Some individual contributors could even lead impact at the top. Skill density, not seniority, becomes the new currency. This requires a mindset and cultural shift: where a three-year specialist can mentor a 20-year veteran, and potential is shaped by contribution, not chronology.

4. Hybrid teams: Orchestrating performance in Human+AI pods
   The future is not Human or AI agents — it is Humans + AI agents. Across delivery pods, AI agents are co-performing alongside humans, recommending actions, resolving queries, and even making autonomous decisions. But performance models, interaction and risk frameworks, and governance structures have not caught up to this reality yet. We need a new leadership archetype — one that manages not just people, but systems of intelligence.

5. Rewriting the social contract: The future of work is everyone's problem
   AI is not a technology shift — it is a structural reordering of how we define work, assign value, and build institutions. It redraws the line between human ingenuity and machine capability, demanding that we rethink not just delivery, but education, employment, and equity itself. In India, the early signals are already emerging. Fresher hiring is slowing — not due to lack of work, but because the entry-level scaffolding is eroding. The issue is no longer just reskilling; it is about redesigning how talent enters, evolves, and thrives in an AI-first economy. This is a systemic challenge — and solving it lies beyond just the enterprise. Policymakers must rethink workforce readiness and safety nets. Educators must abandon static curricula for lifelong, adaptive learning. Industry must treat workforce architecture as national infrastructure, not just internal design.

The fundamental question is no longer how we use AI, but **what kind of society we build around it**. Leaders who move with vision will shape a future that is not only more **productive**, but more **inclusive**, **creative**, and **human by design**.

Chapter 1

IT services re-engineered: A new source of value unlock

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'Race to the bottom' on cost gives way to a 'race to the top' on AI capabilities

India's global technology dominance was once defined by labor arbitrage — scale, speed, and cost-efficiency delivered through vast talent pools. The next frontier is being defined by who can build smarter, faster, and more autonomous systems powered by AI. This is giving rise to technology arbitrage, where competitive advantage flows from intellectual property, automation depth, and proprietary AI capabilities, rather than cost savings alone.

AI is moving from the lab to the frontline. Leading tech firms are repositioning internal pilots as client-facing platforms, embedding cognitive automation, predictive intelligence, and AI-led workflows directly into delivery. Strategic alliances, co-development with clients, and hyperscaler partnerships are now central to scaling impact.[1]

'Skin in the game': Emergence of shared risk and outcome-based pricing models

As AI and automation become embedded in delivery, the implications go beyond operational efficiency, they are reshaping the very fabric of client–partner relationships. It is accelerating the transition toward shared-risk, outcome-based commercial models.

Traditional fixed-fee or time-and-materials contracts are giving way to dynamic structures where pricing is increasingly tied to performance indicators — be it revenue uplift, cost takeout, customer Net Promoter Score (NPS), or cycle time reduction, among several other contextual business metrics. This implies service providers must move beyond delivery roles to become co-creators of business value, often co-investing in platforms, sharing IP, or absorbing part of the upfront risk. The commercial conversation is no longer just about resource allocation; it is about solving for outcomes: at scale, with agility, and with skin in the game.

Leading firms have already started reimagining how delivery is measured, managed, and monetized. Static SLAs like average handling time or ticket resolution speed, are being replaced with dynamic, business-aligned performance frameworks that reflect real-world impact such as cost-to-serve reduction, customer retention, first-time-right resolution, or regulatory error-free operations.

A defining change is the emergence of progressive SLAs, where benchmarks must not just be met, but improved year-on-year. [2]

The bottom line? Delivery is no longer measured by effort or efficiency alone, but by sustained business value. This also means the downside is real: missed SLA targets can trigger cascading penalties, audit escalations, or even partial revenue holds, heightening the need for precision and proactivity.

In this new archetype, firms that can co-own outcomes, adapt delivery models, and prove impact will emerge as true partners of transformation. The blueprint ahead is clear: design for agility, measure for outcomes, and deliver with shared stakes in success.

> The discontinuity powered by agentic AI is like an oncoming tsunami. While we are yet to fully envision its scope and scale, it will likely follow a steep S-curve trajectory, disrupting white collar jobs at an extraordinary pace. It will significantly transform virtually all industries, and this represents an exciting growth vector for us. So, while AI will indeed disrupt many tasks and jobs across the tech services sector, it will also create new ones, offering workers an exciting environment of creativity and higher-order intellectual challenges.
>
> ***- Ravi Kumar***
> *CEO, Cognizant*

Chapter 2

Rethinking workforce productivity in the AI era

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Rethinking workforce productivity in the AI era

Early signs of AI-first operating model design

AI is no longer a question mark in workforce productivity, it is the starting point. In the Indian tech sector, the shift is underway: roles are being reshaped, processes redefined, and conventional productivity metrics rethought. The challenge is not whether AI will change the workforce – it is **how fast**, **how deep**, and **how deliberately**.

Our granular **Framework for Productivity Analysis** recognizes that AI's impact is task-specific rather than role-wide. A detailed task-level productivity analysis was conducted leveraging the **proprietary Jobs.AI methodology** by EY across **25 roles** in IT services and BPM industry. Breaking down roles into tasks offers deeper insights into where and how AI can drive improvements.

1,000+ tasks studied along with factors below to identify Productivity Uplift Potential

Exposure
Extent to which any task lends itself to improvement in productivity through the use of automation & AI

Complementarity
Degree to which the task will require human oversight and therefore AI augmented

Intensity
Frequency of tasks analysed in granular time units to estimate volume and effort

Software development:
Productivity uplift potential

50%-60%

Roles (5):
DevOps Engineer, Test Automation Engineer, Full Stack Software Developer, UI/UX Designer, Performance Testing Specialist

BPM services:
Productivity uplift potential

70%-80%

Roles (4):
Customer Support Representatives, Teleservices Representatives, Customer Retention Specialist, Tech Support Analyst

Intelligent automation:
Productivity uplift potential

35%-40%

Roles (4):
RPA Developer, Machine Learning Engineer, Data Engineer, Business Process Analyst

Infrastructure services:
Productivity uplift potential

45%-50%

Roles (4):
Security Analyst, Cloud Architecture Analyst, Network Engineer, Risk And Compliance Manager

Enabling functions:
Productivity uplift potential

50%-60%

Roles (8):
Fraud Analyst, Project Manager, Claim Processing Specialist, Client Service Partner, Logistics Coordinator, Order Processing Specialist, Risk Investigator, Medical Coders

Productivity uplift potential varies according to the role and the analysis presented here is only for these roles in consideration.

- This analysis is grounded in the maturity of GenAI as of mid to late 2024, a phase where agentic AI capabilities had just begun to emerge but were not yet enterprise-ready at scale.
- Despite surging interest, concerns persist around enterprise-grade deployment of GenAI — including data privacy, hallucinations, limited accuracy where training is sparse, and unresolved risks in high-stakes decision environments. These limitations continue to shape the adoption curve.
- Productivity analysis shared is primarily conceptual, which assumes optimal usage of available technology, in an efficient manner. In contrast, at-scale, real-time deployments are relatively nascent and could surface operational challenges yet to be fully understood.
- Productivity gains from GenAI will not arrive uniformly. Timelines vary based on organizational readiness, employee learning curves, and clarity of use cases. While many firms anticipate near-to-mid-term benefits, full-scale transformation requires significant change management and guardrails — particularly in regulated or process-heavy environments.

Decoupling headcount from output: A new paradigm

For decades, growth in the IT services and BPM industry followed a predictable equation: more business meant more people. Revenue of IT services and BPM were modeled on full-time equivalent (FTE) capacity, and scale was synonymous with headcount expansion. But the rapid maturity of agentic AI has begun to decouple this long-standing link between people and output.

Human-AI Augmented Call Center

- **80%** less headcount
- Combination of **domain-specific** bots and **process-specialized** AI agents
- **40%–50%** of tier-1 queries deflected
- **70%-80%** of remaining queries meaningfully addressed
- **Human-in-the-loop** for exceptions, approvals or unfamiliar scenarios only

Illustrative case study: Decoupling headcount from output

In IT services, tasks such as code refactoring, test case generation, and environment provisioning are increasingly being handled by **AI copilots or self-healing platforms** — dramatically reducing turnaround times and minimizing manual effort. [3] In BPM firms, several document-heavy functions such as claims processing or invoice validation are now powered by intelligent document processing (IDP) engines, reducing dependency on large teams.

What makes this shift profound is not just the technology —the **philosophical reset** it demands from organizations is equally important. Leadership teams are questioning the premise that scaling revenue necessitates growth in headcount. Workforce planning is becoming more fluid and modular, focused on '**capability pods**' rather than rigid FTE allocations. For example, a financial services client may now ask for a 'fraud detection capability' with real-time analytics and ongoing model refinement, instead of a 50-member team working batch cases across shifts.

This decoupling is also influencing **commercial models** and **performance expectations**. Clients are beginning to ask tough questions: ***"If AI handles 60%-70% of the work, why should I be billed for 100% capacity?"*** This question is prompting delivery organizations to rethink how **value is priced**, often blending fixed talent costs with output or **impact-based components**. Internally, performance management is also adapting, focusing more on **influence**, contribution to **automation**, and **business enablement**, rather than traditional utilization or effort hours.

However, this shift is ***not*** without friction. Many firms still carry **legacy metrics** tied to volume of effort, and leaders accustomed to managing large teams may find it challenging to navigate leaner, AI-augmented environments. There is also discomfort **of redefining productivity** in terms that are not always **visible or linear**. Yet many of those who embrace this new paradigm are unlocking **non-linear growth**, delivering **more with less**, and building **agile workforces** that are **future-ready**.

> There are two truths around tech spending at this point in time. One, that tech spend is increasing. Two, that discretionary tech spend has evolved. Firms and teams that look at leveraging emerging technologies including AI and platform enabled solutions will take a larger portion of the expanding yet mutating tech services spend. Companies that cling to the traditional people pyramid risk stagnation, while those leveraging AI will drive transformative growth. The shift from offshoring and cost arbitrage to AI-led innovation will separate the winners from losers.
>
> ***- Sudhir Singh***
> *CEO and Executive Director, Coforge*

The overlooked upside: From hours to impact as AI transforms work

The AI-driven shift in delivery is not just about doing the same work faster — it is about **changing the nature of work** itself. Consider an example of a BPM firm supporting clients' travel and expense (T&E) function. Earlier, a team of auditors would spend hours manually reviewing receipts, validating expense categories, and checking compliance against policy. Upon deploying AI engines trained on historical fraud patterns and policy deviations, over **85%** of claims can now be automatically validated. The team's role evolves — from administrative validation to investigating anomalies, identifying systemic risks, and advising clients on tightening controls. Human effort shifts from monitoring to **influencing policy and behavior, creating enterprise-wide impact**, not just process accuracy.

In large Indian IT services companies, multiple delivery teams managing testing for clients have introduced AI-led test automation. Earlier, teams would have to manually create test cases, execute test cycles, and log bugs across releases. Now, engineers can focus on defining edge case logic, analyzing failure trends, and influencing product design cycles. This shift has the potential to accelerate release timelines by **30%-40%** and improve **defect detection** in early stages.[4]

These examples underscore a critical shift: human work is becoming **more strategic, judgment-heavy, and outcome-oriented**. People may no longer be evaluated on time spent, but on the **complexity they solve** and the **impact they create**. As a consequence, many employees are picking up **adjacent skills** — like **behavioural insight, design foresight, customer empathy, and change management**; not because it is mandated, but because the work now demands it. However, this shift must be managed intentionally.

Avoiding the productivity trap: Empowering humans in an AI-driven world

Historically, employees **learned by doing**, starting with foundational, often transactional tasks, gaining exposure, absorbing complexities, and gradually stepping into strategic roles. A data analyst who once cleaned datasets now builds forecasting models; a customer support agent who handled basic queries now manages experience design. This **ladder of learning** has been central to **business immersion**, **role evolution** and **career progression**.

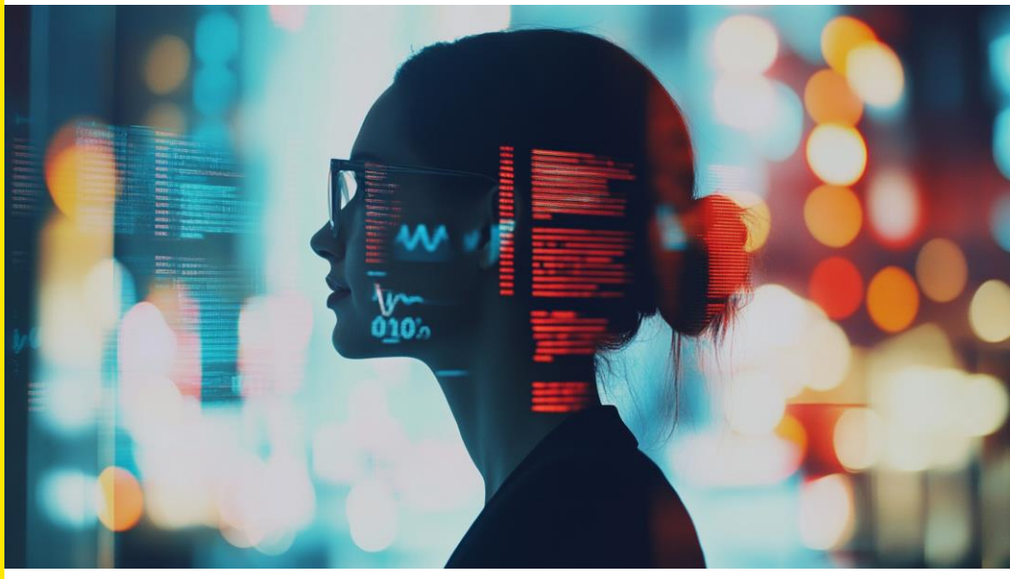
But today, many of those foundational rungs are being removed. While this frees up humans for higher-order tasks, it also **shortens the runway for experiential learning**. New joiners, especially **incoming talent from campuses**, are being thrust into complex work without the grounding needed to make sound judgments. The risk? In a few years, strategic roles may be filled with **operationally underprepared talent**, and decisions that lack lived context.

The issue deepens when **mid-level managers**, who often carry deep domain insight and first-principles thinking, are displaced in pursuit of AI-driven cost efficiencies, a trend observed in several leading firms.[5] This layer is a crucial bridge between execution and strategy. Completely replacing that tacit knowledge with AI models or lean org charts may yield **short-term savings** but can **erode institutional wisdom and resilience** over time. While it is a difficult balancing act, forward-looking firms are beginning to operate as **two-speed organizations** – one track focused on realizing immediate productivity gains through automation and AI, and another committed to building human capability in parallel. This involves upskilling, role reconstruction, structured exposure to foundational work, and mentoring from experienced managers.

While human-AI augmented work context is the need of the hour, optimizing for productivity should not come at the cost of eroding career scaffolding. Because AI can deliver speed and scale. But **judgment**, **resilience**, and **strategic context**? **That still takes time, and people**.

With AI lifting the floor…

how can humans still climb the ladder?



Chapter 3

Redesigning work: Human talent in an AI-first world

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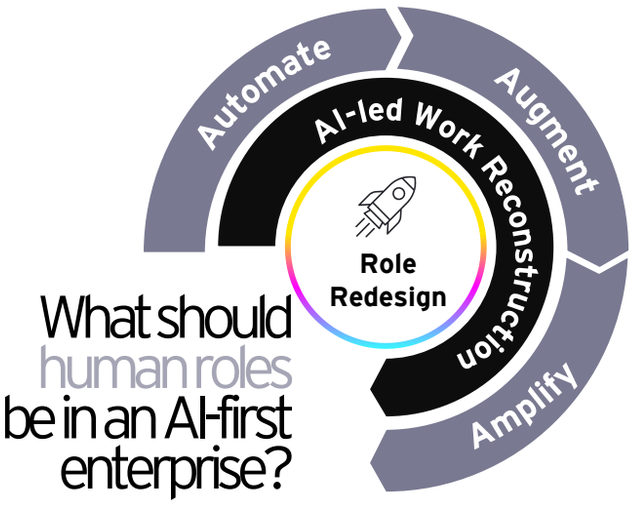
Redesigning work: Human talent in an AI-first world

Reconstructing role and job architectures: The productivity release moment

In traditional models, job architecture served as a tidy way to package responsibility: define tasks, assign to roles, link to pay bands. But the productivity unlocked through AI has exploded this linearity in many cases. What follows is not an enhancement of roles, but a breakdown and rebuild of how work gets done.



10,000+ tasks studied across industries for EY Jobs Study, 2025

24%	42%	34%
tasks can be **Automated**	tasks can be **Augmented**	tasks can be **Amplified**
Completely automated or eliminated by agents	*Enabled by AI, requiring significantly lower time to perform*	*Transformed, requiring elevated outcomes & cognitive processing*

AI is flipping the conventional BPO model reliant on labor-arbitrage to one that is reliant on technology-arbitrage. Traditional strengths of services vendors, such as large delivery centers, optimized pyramid, and shared service factories, may soon become liabilities. The decoupling of revenue and headcount, the collapse of the traditional talent pyramid, and the rise of agentic workflows demand a fundamental re-architecture of how work is organized and value is delivered. Clients will want to partner with companies bold enough to rewire their entire operating model around AI and automation. It is time to UnBPO - to move beyond legacy constructs, reimagine roles and capabilities, and build Human+AI organizations designed for exponential agility and scale.

- Ritesh Idnani
CEO and Managing Director, Firstsource

This release of human capacity is ***not*** merely a **reduction exercise,** it is a **reinvention opportunity** to rethink of how roles are constructed, combined, and continuously recalibrated. The architecture of work is being rebuilt with a focus on **clusters of capability**, replacing **layers of hierarchy**. Tasks are no longer tightly bound to one function or job family. A knowledge worker in a product firm can now orchestrate AI-led automation, interpret machine-generated insights, and advise clients, all in a single workflow.

At the core of this shift is **task disaggregation**. Tasks are no longer monolithic. They are broken into components — some completely **automated**, some human-judged (**augmentation**), some co-performed (**amplification**). As roles become more **fluid and AI-infused**, organizations are experimenting with **modular role architectures**.

The age of static job descriptions is being replaced by the emerging architecture of agility, where humans and machines co-define the shape of work in real time.

From static roles to evolving skill stacks: The end of linear expertise

The **shelf life of a skill is shrinking** — and with it, the notion of a fixed role. In the AI-first enterprise, value is shifting from **role titles or static expertise** to the ability to **recombine capabilities** in response to shifting needs. Roles are becoming fluid constructs, and careers are evolving as **dynamic portfolios of skill stacks**, as the new **talent currency**.

Consider a full-stack engineer who earlier focused on Java, APIs, and front-end integration. Today, the role demands proficiency with GenAI coding assistants, cloud-native architectures, API observability tools, and a working knowledge of secure prompt engineering. Rather than being a **new job**, it is a **new composition of skills** under the same job title.

Leading organizations are recognizing this pattern and reorienting their learning ecosystems. Instead of traditional training calendars, they are deploying AI-driven learning platforms that detect skill gaps in real time, push contextual micro-learning modules, and link skilling outcomes to live projects.[6] Importantly, evolving skill stacks go beyond technical proficiency. As machines take over routine execution, the demand for **uniquely human skills**, such as judgment, communication, ethical reasoning, and systems thinking, is rising. The most valued professionals are those who can bridge the technical and the human, the automated and the ambiguous. [7] [8]

The implication for leaders? Talent strategies must move from '***what roles do we hire for***' to '***what capabilities do we build and deploy dynamically***.' Performance conversations would evolve from scope of delivery to **velocity of learning**.

Illustrative skills evolution map for a customer service executive

In a world where AI evolves by the day, humans must evolve by design.

Evolution of current skill-stack

AI prompting and ticket validation	*Reviewing auto-summarized tickets from GenAI; editing prompts to improve next-gen ticket drafts*
Contextual retrieval via AI assistants	*Using an AI agent to fetch dynamic, personalized product/policy data during live interactions*
Sentiment analysis interpretation and adjustment	*Adjusting tone and escalation decisions based on live AI-driven emotional cues and intent mapping*
AI escalation override/support	*Reviewing AI-suggested resolutions; deciding when to follow or override based on risk level*
Edge case handling beyond bot coverage	*Taking over unresolved or low-confidence bot cases; clarifying with client and feeding learnings*
AI workflow orchestration supervision	*Verifying multi-app actions initiated by AI (e.g., refund + order cancellation + SMS trigger)*

Emergence of new skills

AI-Human Collaboration Fluency | Bot Confidence Scoring | Omnichannel Transition Management | Workflow Audit and Exception Management | Live AI Recommendation Tuning

Hybrid teams: Pods of humans + agents → Here or next?

Hybrid teams comprising humans and AI agents are no longer a futuristic vision but already operational. Across IT services and BPM industry, AI-powered copilots, chatbots, workflow engines, and decision-support systems are joining **delivery pods** as **embedded collaborators** rather than support tools. The shift from siloed automation to **integrated agentic work models** is well underway, redefining the way teams operate, learn, and deliver outcomes.[9][10]

In terms of end-use, consider a scenario in BPM firms where GenAI agents trained on domain-specific documents are embedded in customer interaction pods.

For a BFSI support process, bots surface context-sensitive scripts and compliance prompts in real time. Human agents go beyond execution to interpret, escalate, and tune the AI agent's accuracy through continuous feedback. The result: smarter conversations, faster resolution, and constant learning on both sides. These pods, in addition to blending skillsets, are reshaping workflows, dependencies, and performance levers. However, this model is not a simple plug-and-play and requires deliberate and intentional design.

To truly scale hybrid teams, organizations must deliberate and address critical enablers below:

Q1 Redefining role design and accountability

- ✓ Where does machine autonomy end – and human judgment begin?
- ✓ When outcomes are co-created, who carries the final accountability?
- ✓ Have we clearly defined how humans and agents interact – in what sequence, with what authority, and through which interface?

Q2 Skilling for Human-AI collaboration

- ✓ Do our teams know how to question AI – not just prompt it?
- ✓ Is collaboration with AI treated as a core capability, not a niche skill?
- ✓ Are we training people to supervise intelligence, not just execute tasks?

Q3 Managing performance, risk, and ethics

- ✓ Can we measure performance when responsibility is shared with machines?
- ✓ When AI fails, is there a clear chain of accountability?
- ✓ Are ethical safeguards built for speed, scale – and uncertainty?

Can we trust AI agents?

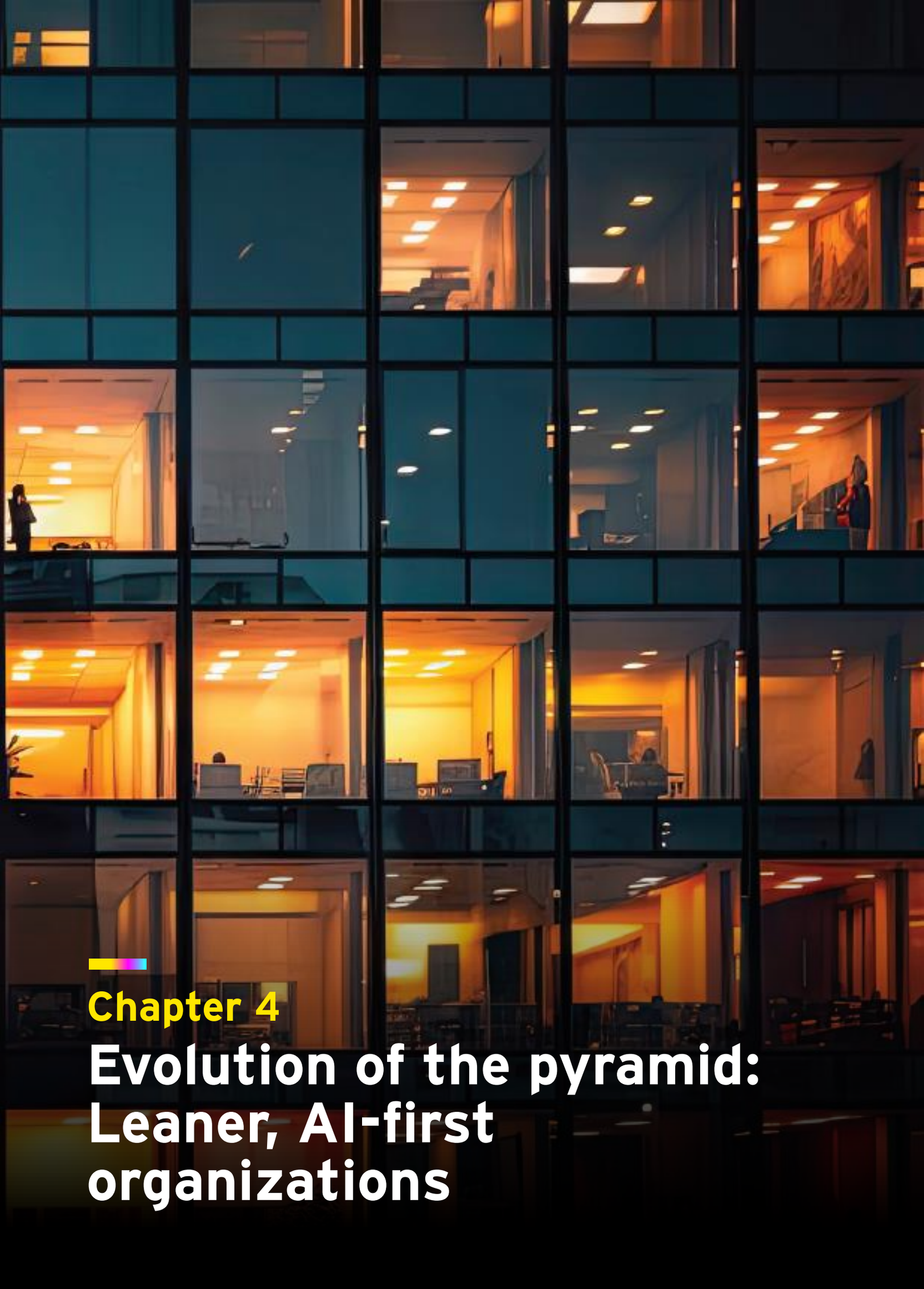
Q4 Governing data, privacy, and system trust

- ✓ How much should AI see – and who decides?
- ✓ Is every human-agent interaction transparent, compliant, and traceable?
- ✓ Are our security protocols ready for intelligent, self-learning systems?

Can we train ourselves to lead AI agents better?

AI is reshaping service delivery at an unprecedented pace. IT companies that are focused on prioritizing short-term market gains over long-term investments and innovation run the risk of losing sight of the forest for the trees. Traditional delivery models relying on labor-intensive pyramid structure are getting replaced by AI-led, platform-enabled lean models. This shift is driving the establishment of new benchmarks and SLAs focused on outcomes, transforming IT services business models.

- Sandeep Kalra
CEO and Executive Director, Persistent Systems



Chapter 4

Evolution of the pyramid: Leaner, AI-first organizations

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Evolution of the pyramid: Leaner, AI-first organizations

AI-powered IT and BPM firms: More agile, lean, fungible

For decades, the IT services and BPM industry scaled through the **classic pyramid model**: large entry-level cohorts, layered supervision, and a lean leadership apex. At the base, AI is steadily taking over transactional, rules-based tasks.

In targeted use cases, firms have consolidated **20%–25%** of these roles through intelligent automation and AI augmentation. **Entry-level hiring is slowing,** not as a cost-control measure, but as part of a deliberate pivot toward upskilling internal talent and extracting **more value per role.**

The **middle** of the pyramid is undergoing a quieter, but deeper evolution. In addition to replacing managers, AI is also **expanding their scope**. With analytics, orchestration platforms, and predictive insights handling coordination and reporting, middle managers are shifting toward cross-functional problem solving, talent development, and innovation oversight. This creates a more **adaptive, fluid mid-layer — less supervisory, more strategic**. [11]

Consider the example of a leading IT services firm that has demonstrated this shift in action. Facing rapid automation adoption across delivery functions, it scaled back entry-level hiring by nearly **30%** while increasing mid-career hiring by **20%**, particularly for roles in AI validation, orchestration, and client co-innovation. This strategic rebalancing is gradually reshaping its workforce into a more **diamond-like shape**: leaner at the base, broader and more empowered in the middle. But that is just **one of the possible archetypes.** As AI penetration deepens, various archetypes will start emerging depending on factors such as AI maturity, domain specialization and strategic intent, amongst others.

At the top, leadership roles remain intact but not untouched. AI-driven visibility is transforming the way strategy is informed and executed. The emphasis is shifting from **intuition to interpretation,** from experience-heavy to **insight-enabled leadership**.

The transformation is also altering the workforce mix. Organizations are embracing **hybrid models** — blending FTEs with gig workers, project-based specialists, and ecosystem talent. It is not just about headcount reduction, but capability expansion and bringing in the **right expertise at the right time**.[12]

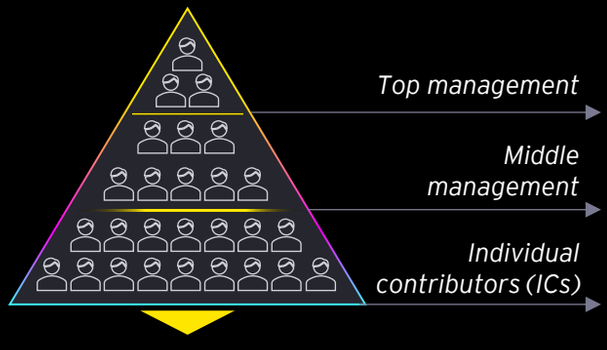
[13] As a result of reassessment of **span of control** and streamlined team structures, the emerging operating models are more **responsive and modular**, and therefore better equipped to **innovate at speed**.

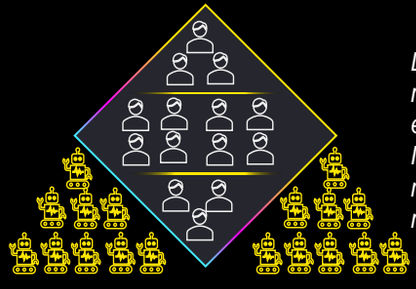
Looking ahead, the **real inflection point** lies in **rapid scaling of agentic AI** — systems capable of not just executing tasks, but initiating action, making context-aware decisions, and learning autonomously. The shift from a pyramid structure to a broader middle is not a fixed destination but a **dynamic reconfiguration** shaped by how organizations manage the compression of entry-level roles and the emergence of new role archetypes. As AI replaces or augments the base, the sustainability of the middle layer will depend on intentional talent movement, capability building, and redesigned pathways. The focus must remain on the **evolution** over time, **not just the shape**. Given the diversity of job roles and AI adoption curves, not all organizations will converge toward a single structure; **multiple models will emerge, each aligned to their own context and maturity**.

As this continues to matures, workforce of the future will not be just lean — it will be **living**, **learning**, and **constantly evolving**.

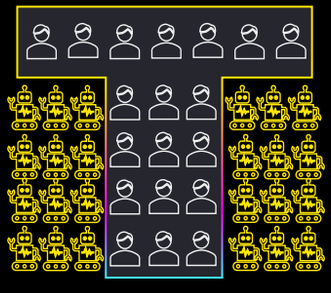
> The convergence of human ingenuity and AI is reshaping how value is created and delivered. We are already witnessing step-change productivity gains across both technical and business roles. To stay ahead, organizations must reimagine the talent model - investing deeply in reskilling, evolving roles, and building a culture where humans and AI thrive together. The future belongs to those who act with agility, embrace ambiguity, and lead with a learning mindset.
>
> ***- Amit Chadha***
> *CEO and Managing Director, L&T Technology Services*

Morphing of traditional Org Pyramids into different shapes, with Human + AI hybrid teams

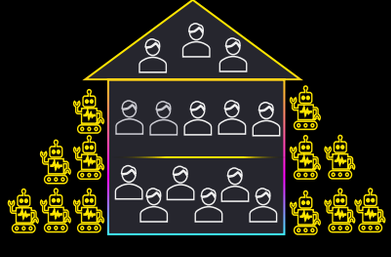




Diamond shaped model with extremely lean IC layer and reduced middle management



T-shaped model with common delivery pool / ICs (with varying expertise levels) but no people management layer



House shaped model with reduced middle management and ICs

Rethinking career ladders and the experience paradox

For decades, career progression resembled a predictable climb where advancement was tied to **tenure**, **span of control**, and **managerial capability**. **Experience was the dominant currency**. But today, this model is faltering. In an era where productivity is unlocked by automation, augmentation, and AI-led delivery, the relevance of time-served experience is being redefined, if not actively disrupted.[14]

The experience paradox is unfolding in real time. While industry veterans bring valuable domain knowledge and situational memory, those very strengths can become **blind spots** when agility, continuous learning, and comfort with ambiguity are the defining traits of success. Many mid-career professionals, steeped in legacy systems or linear delivery models, now **face stagnation**, not due to a lack of value, but because the **value they were trained to deliver has shifted**.

Tenure is no longer a proxy for expertise. Consider an example from a global IT major, where an early-career cloud engineer, self-trained in GenAI orchestration and observability platforms, was promoted to lead a cross-functional pod within 18 months, leapfrogging peers with 8–10 years of service. The deciding factor was not experience but **skill density, adaptive thinking, and the ability to deliver business impact at speed**.

The traditional '**career ladder**' is giving way to a '**career lattice**' — **fluid, skill-led, and nonlinear**. Lateral moves across functions, short-term assignments, and project-based growth are becoming more valuable than upward-only progression. Roles are increasingly fungible, as AI offloads repeatable tasks and sharpens focus on judgment, creativity, and strategic problem-solving. An operations lead may pivot into an AI training strategist role, or a business analyst may evolve into a domain-centric experience designer. These transitions are less about past titles and more about future readiness.

Even leadership models are shifting. **Executive Individual Contributor** (IC) roles, like Principal AI Architect or Chief Data Strategist, are gaining ground. These **roles command influence without hierarchical control**, exemplifying a new leadership archetype: **deep expertise, high impact, and cross-functional reach**.[15]

This reframing of career logic forces organizations to rethink how they **define potential, reward performance, and design development pathways**. The challenge is **cultural** rather than being limited to **capability-building.** How do you create environments where a three-year professional can mentor a 20-year veteran? What does it mean to lead in an organization where the org chart expands opportunities and **career velocity is shaped by initiative?**

Traditional success profile

Vs.

New-age success profile

Dimension	Persona 1: SAM (Conventional engineer)	Persona 2: MIRA (GenAI-ready engineer)
Career path	12 years experience in product teams; progressed through backend and architecture roles	Moved across DevOps, ML Ops; now focused on GenAI and agent integration in eight years of experience
Success signals	Known for stable, scalable builds with clean code and delivery hygiene	Credited for launching GenAI features that improved user engagement and reduced release cycles
Learning style	Relies on structured training, documentation, and internal peer sessions	Learns through open-source projects, rapid prototyping, and GenAI communities
Relationship with tech	Uses established stacks and patterns; prefers predictable workflows	Experiments with LLMs, agents, and toolchains to drive dynamic, context-aware features
People leadership	Mentors juniors in SCRUM pods; focuses on code quality and reviews	Leads cross-functional GenAI pods blending prompt engineers, designers, and product owners
Decision-making approach	Aligns with past patterns and proven designs	Takes real-time signals from usage data to iterate on features
Influence currency	Trusted for depth in systems and stability across releases	Recognized for driving first-of-a-kind GenAI solutions across teams
Risk appetite	Prefers roadmap-driven releases and low-variance delivery	Pilots agent-led features with fast feedback loops and adaptive releases

In a world where roles evolve faster than resumes...

the question is not,

How long have you been here?

The question is,

How quickly can you shape impact?

Conclusion

The leadership imperative: Driving the AI disruption agenda

Conclusion

The leadership imperative: Driving the AI disruption agenda

AI offers today's leaders an **extraordinary possibility** – and a **profound responsibility**. It promises exponential productivity, but only if leaders are willing to rethink everything: From tools and systems to **roles, rules, and relevance**.

This is not a technology problem. It is a leadership opportunity.

The future will not reward adoption alone – it will reward **vision, courage, and conviction**. To lead in the AI era is to see **clarity through uncertainty**, to **act with purpose** before the path is fully visible. It means setting **aspirational goals with imperfect information** – and building organizations that can evolve faster than the disruption. Here are six imperatives for today's leaders to translate this into an **enduring advantage**.

1. Illuminate the path:
From awareness to anchored vision

AI fluency is now a leadership **prerequisite**. CEOs and CXOs must move beyond episodic awareness toward a foundational grasp of what AI can unlock, and where its limits lie. The goal is not technical depth, but **strategic discernment** – the ability to ask **sharper questions, spot hype, and frame opportunity**. But this awareness must translate into a shared, enterprise-wide **AI vision** – not as a tech program, but as a **reinvention blueprint**. Where is value trapped? What must change in how we operate, deliver, and govern? Who owns what? Leaders must visualize these possibilities with curiosity, while being unhindered by today's limitations.

2. Build two clocks:
Balance the short game and the long horizon

There is pressure to move fast and rightly so. But fast, without foresight, can be fatal. AI's real advantage lies in **compounding**: intelligent systems that **learn and scale**. Leaders must run **two-speed organizations**, extracting near-term gains while investing in enduring capability, viz. scalable AI infrastructure, resilient talent, better data, and redesigned delivery models. A risk deeper than being slow is optimizing the present at the cost of the future.

3. Architect the shift:
Redesign work, roles, and accountability

AI disaggregates tasks and reframes value. Roles are being redefined, metrics rewritten. Leaders must **sponsor the reconstruction of work**: what is automated, what is augmented, and what is amplified. Performance must shift from inputs to impact. Career paths need to reflect agility, not just hierarchy. **Guardrails** must protect against **capability erosion** as foundational experiences disappear. In hybrid teams, with humans and agents working side by side, leadership must **actively design collaboration** instead of waiting for it to emerge.


The choice
is yours.
To adapt
or to
own the
disruption.

4. Lead from the edge:
Role model, relearn, rewire

This transformation cannot be outsourced to innovation labs. Leaders must **model the change**, **relearn** what leadership means, **rewire mental models**, and **reorient culture**. From hierarchy to ecosystem. From control to orchestration. From legacy to learning. The most credible AI strategy will be the one leaders **personally embody** – visible in how they think, decide, and lead.

5. Guard the core:
Ethics, governance, and human judgment

With AI comes power; and **risk**. **Hallucination, bias, and black-box decisions** can erode trust at scale. Leaders must embed strong governance frameworks such as responsible **AI principles**, explainability standards, and real-time accountability. Preserve the **human edge** — judgment, first-principles thinking, lived experience. **Wisdom** cannot be automated. Blend AI's scale with the **depth only people** can bring.

6. Reimagine the system:
Beyond the enterprise, into society

Lastly, AI's impact goes from **corporate transformation to societal reset.** It challenges how we **define work**, who we **deem valuable**, and what **skills** the next generation must carry. **Education systems** would need to pivot from rote knowledge to adaptive thinking. **Policymakers** would need to craft frameworks that protect workers, without stifling innovation. Therefore, organizations must take responsibility for not just **efficiency** but also **equity**.

The final word:
Your leadership legacy

This is a once-in-a-generation **leadership moment**.

Will AI make your organization **faster**, but **narrower**?

Cheaper, but **shallower**?

Or will it make it **smarter**, **bolder**, and **more human**?

Methodology

The methodology for this report is grounded in deep practitioner insight and industry proximity. It draws from EY research and in-depth interviews with select industry leaders in the IT services and BPM organizations, who are working closely on critical mandates like AI-led transformation programs, AI adoption roadmaps, and talent model redesigns. The perspectives presented here have been shaped by our involvement in engagements and discussions that span early-stage experimentation to enterprise-scale AI infusion.

For the productivity uplift potential calculation, EY undertook a comprehensive study to evaluate the potential impact of AI, with a particular focus on GenAI, on jobs across industries in India as a part of its Jobs Study published in the 'Aldea of India' report (January 2025)[16]. That study evaluated more than 10,000 tasks, across core industry operations and support functions. The methodology was underpinned by EY's proprietary tools, frameworks, and sectoral expertise, developed over years of client engagements and research. The current report leverages the same methodology with a specific focus on more than 1,000 tasks from the IT services and BPM industry, spanning across 25 key roles.

The initial step in the analysis involved mapping the value chain to identify core processes being undertaken by the role holder. Using EY's proprietary tools and frameworks, these processes were systematically broken down into progressively granular levels—Level 1 (L1), Level 2 (L2), and Level 3 (L3). Each L3 process was further detailed into a set of tasks, with a level of granularity that ensured consistent time valuation across tasks. By breaking down tasks into granular levels, the study ensures that the time taken for each task is consistently measured and comparable. This standardization allows for accurate analysis, forming a baseline to assess the impact of GenAI or other automation technologies on these tasks.

Each identified task was assessed using a robust framework based on three critical dimensions. First, Exposure, which measured the extent to which a task lends itself to productivity enhancements through automation and Gen AI. Second, Complementarity, which examined the

degree of human oversight required, indicating the potential for AI augmentation. Third, Intensity, which analysed the frequency of tasks in granular time units to estimate their volume and associated effort. This multidimensional framework enabled a precise understanding of the AI impact on specific tasks.

The intersection of exposure, complementarity, and intensity for each task produced a productivity percentage, indicating the proportion of time or effort that could be saved through the adoption of GenAI. These productivity percentages were subsequently aggregated at both the business process and industry levels, enabling the analysis to identify commonalities in processes across industries and to compare and contrast the potential impact of GenAI across different sectors.

A time horizon of 3-5 years was adopted to project the impact of GenAI on the identified tasks. The findings were rigorously validated by EY's sector-specific industry experts to ensure analytical robustness and accuracy.

This structured approach led to creation of a composite view, which is perspective-led, experience-backed, and attuned to both what is unfolding currently and what could come next.

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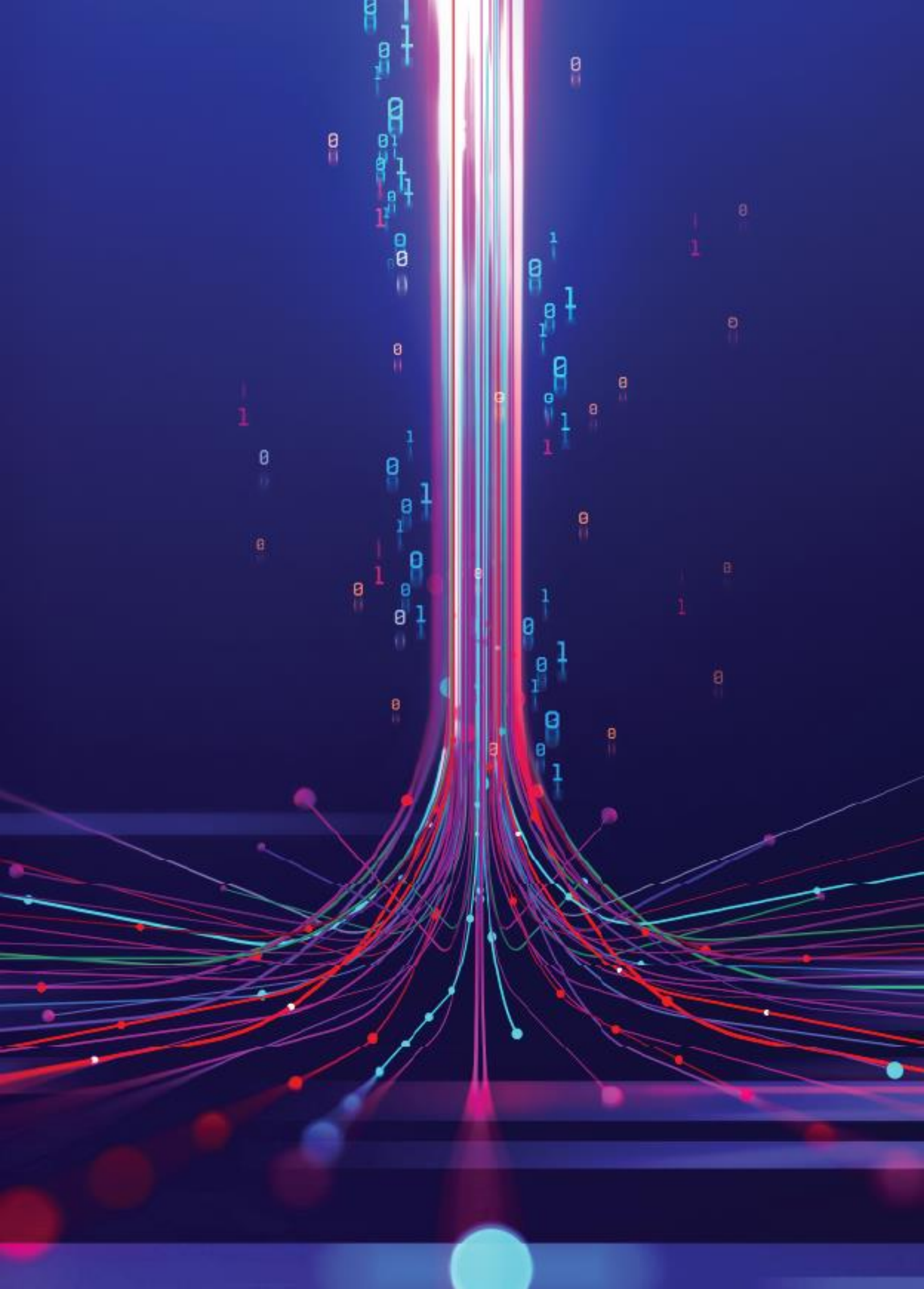

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