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Reorganise or fall behind:
The real race in the AI decade

Industry and academia speak:
The unfiltered reality of AI-led transformation

July 2026

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Table of contents

Contents

Topic		Page No.
Foreword – Nasscom		4
Foreword – KPMG in India		5
Executive summary		6
ACT 1 – The Ground has shifted		7
1.1	The big reframe: From automation to AI-led operating models	7
1.2	The adoption trap: Your AI pilots are busy. Your outcomes aren't moving.	9
ACT 2 – The Human Equation		11
2.1	The new talent equation: Stop counting heads. Start measuring readiness.	11
2.2	The pyramid is shifting: The org chart is over. Outcomes run the show now.	13
2.3	The human edge: AI made generalists cheap. It made experts priceless.	14
2.4	Redesign first, reskill second: You're training people for jobs that no longer exist	15
ACT 3 – Building the Capability Engine		16
3.1	From training events to capability systems: A two-day workshop is not a capability building.	16
3.2	The ecosystem advantage: Why no organisation can build readiness alone	18
3.3	Skilling as strategy: Workforce development is now a competitive weapon	19
3.4	The policy multiplier: Government as ecosystem architect	21
From insight to action		23
Closing – The path forward		25
Acknowledgements		26

Foreword - Nasscom

As AI becomes the core logic of enterprise operating models, India's technology ecosystem faces a structural rupture. Winning the AI decade requires more than mere technology adoption; it demands the strategic courage to fundamentally reorganise structures, workflows, and leadership.

This is no longer just a technology conversation; it is a fundamental workforce reset. We must redesign career paths, build applied AI capability across the broader workforce, and rethink the economic model of delivery in a human-plus-AI world. Ultimately, this is about defining the industry's next operating model for work, talent, and value creation.

It is time to present a confident new narrative to the world: evolving India's global value proposition from talent at scale to intelligence at scale.

At Nasscom, we recognise this structural evolution hinges entirely on the human equation. As AI absorbs routine execution, the ultimate human premium shifts toward deep domain expertise, ethical governance, and complex judgment. Consequently, the industry's traditional reliance on headcount is breaking, replaced by a mandate for absolute workforce readiness.

Driving this mandate is the core mission of the **Nasscom Talent Council**. We are aggressively focused on bridging the industry-academia gap to future-proof our workforce, prioritising applied learning to ensure our pipelines deliver deployable, day-one readiness over traditional credentials.

To succeed, we cannot operate in isolation. We are calling on the ecosystem to build common frameworks, shared standards, and collective advocacy to shape this AI-led transformation. By architecting this shared infrastructure, we can turn workforce readiness into India's next national competitive weapon.

The AI decade will not reward the comfortable; it demands deliberate, anticipatory leadership. This white paper is a clarion call for the industry to move beyond simply managing this transition and to start leading it.

Kritika Murugesan
Senior Director ,
GCC & Talent
Nasscom

Foreword - KPMG in India

Over the past few years, in boardrooms across industries, a pattern has become increasingly clear. The conversation around AI has never been louder. Budgets have been approved. Pilots have launched. New dashboards track adoption metrics that did not exist earlier. These measures suggest that AI maturity in Indian enterprises appears to be accelerating.

And yet, when the question shifts from **activity** to **actual change** — *What has meaningfully transformed because of this adoption?* — the room often becomes noticeably quieter.

That silence is the starting point of this white paper.

This research was built from the field, not from assumptions. It draws on candid conversations with leaders, structured interviews with senior executives, and cross-industry inputs and what emerged is the central argument that runs through this paper:

Organisations are not behind on AI adoption; they are behind on what adoption was always meant to change.

AI is already altering how work is structured, how people develop, and how capability must be built. The real lag is in the operating models, workforce models, and leadership systems that have not yet reorganised around this shift.

This is not a gap that another pilot, another tool, or another townhall on 'the future of work' can solve. It is a structural gap — and it is unlikely to close unless leaders choose to act before market forces make the choice for them.

This white paper does not offer reassurance. It offers a mirror. It reflects the voices of organisations already in mid-transformation, and data that does not flatter the status quo. Some of what follows may be uncomfortable if your organisation recognises itself in these patterns.

That discomfort is intentional. Transformation rarely begins from comfort.

Our hope is that this research gives leaders the clarity, the vocabulary, and the urgency to make those decisions with intention — and to build organisations that are not simply adopting AI but reorganising around what AI makes newly possible.

Sunit Sinha
Partner & Head,
Human Capital Advisory,
KPMG in India

Executive summary

> The question is no longer "Should we invest in AI?" That decision was made. The real question, the one keeping leaders up at night is blunter:
>
> **Why hasn't anything actually changed?**

This white paper is built from the field, not the desk. It brings together perspectives from industry and academia on work transformation through roundtable discussions, structured one-on-one interviews with senior industry leaders, insights from a focused Tech Industry Skilling Initiatives Survey led by Nasscom with select technology organisations and relevant industry researches.

One pattern cuts through the noise:

The organisations winning with AI are not the ones running the most pilots, but the ones willing to ask what must be reorganised to deliver meaningful impact.

That distinction is everything.

This is the core message of the paper:

Many organisations are not behind on adoption. They are behind on what adoption was always supposed to change.

Across leaders, one message is consistent:
AI is no longer an 'add-on'. It is becoming the logic work runs on, reshaping operating models, decision flows, and the way value is created.

The signal from the field is unambiguous:
AI and GenAI capability building is emerging as the strongest common skilling priority, for current employees and early-career talent alike. Readiness is now one of the most critical lever an organisation can pull. Not headcount. Not tooling. Readiness.

Yet many enterprises are still measuring progress through activity, such as training completion, tool rollout, and usage. Leaders are increasingly challenging this comfort with a blunt test. The implication is unavoidable. If the operating model is changing, the workforce model must follow.

This paper frames the shift in three acts:

Act I

What has structurally changed and why adoption alone can be a false comfort

Act 2

What that means for people, where readiness replaces headcount, and judgment and domain depth become the defining differentiators

Act 3

How organisations build a capability engine that sustains advantage through always-on learning and ecosystem collaboration.

The leaders who move first may not necessarily be those who understand AI best. More likely, they will be those who reorganise around it earliest — with clarity, sequence, and intent.

ACT 1

The Ground has Shifted

Before leaders can act, they must accept what has actually changed!

AI is being spoken about as an inflection point on the scale of earlier technology revolutions, a before-and-after moment that reshapes how value is created and how work is executed. Yet of the most important shift is not the presence of new tools. It is the silent rewiring underneath: workflows, decisions, and operating rhythms are being redesigned around AI, not merely enhanced by it.

What makes this moment harder is that it is unfolding amid real constraints and mixed signals. Leaders are tracking a set of practical bottlenecks such as energy, compute, data center capacity, even as organisations face pressure to move faster. At the same time, workforce narratives have become polarised: anxiety about job displacement on one side, overconfidence driven by adoption metrics on the other.

The question is no longer "*Are we adopting AI?*" It is "*Are we changing what adoption was supposed to change?*"

1.1 The big reframe: From automation to AI-led operating models

The first wave of AI adoption was characterised by point-solution automation, taking a discrete task and finding a machine that could do it faster. That wave has broken. The organisations pulling ahead are not automating their existing workflows; they are redesigning those workflows from first principles, with AI at the center. This is not a semantic distinction. It changes everything about how work is structured, how decisions are made, and how value is created.

What leaders surfaced through the roundtable discussion is that AI is arriving with unprecedented scale, pace, and impact, demanding a reframe: **AI is moving from a tool organisations use to the logic organisations run on**.

This is the distinction that separates incremental progress from structural advantage. In an additive world, organisations could deploy AI in pockets andstill operate with the same organisation design. In an architectural world, that approach breaks. Thesystem itself must change, because the value of AI compounds only when work is redesigned around it.

Automating a broken process does not create transformation. It just makes the broken parts move faster.

And while the ambition is large, constraints are real. The discussion explicitly raised limits around energy and data center capacity, signalling that AI strategy cannot be separated from infrastructure reality.

Leaders echoed that the question is not only

> **"what can AI do?" but also "what can we actually scale responsibly and where?"**

What the reframe demands from leaders is a different set of questions. Not "How many processes can we automate?" but:

What parts of our value chain are now re-designable because AI can compress cycle time and coordination overhead?

Where do we need functional AI literacy versus deep capability versus risk awareness, and how do we build those layers deliberately?

In other words, this is no longer a technology rollout. It is the early formation of AI-led operating models, and the organisations that recognise this shift are already widening the distance from those still optimizing the old frame.

The question, then, is not whether AI has been introduced.

It is whether it has changed anything that matters, and that is exactly where the adoption trap begins.

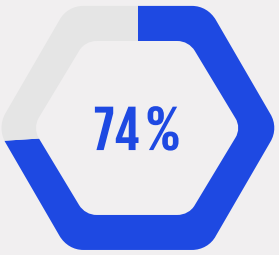
1.2 The adoption trap: Your AI pilots are busy. Your outcomes aren't moving.

The most dangerous place an organisation can be right now is being confident about its AI progress

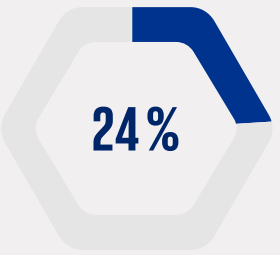
There is a dangerous gap between AI activity and AI outcomes. Across organisations, AI adoption activity is evident in the form of pilots, proof-of-concepts, training initiatives, and vendor partnerships. **Far fewer have achieved the organisational outcomes that justify the investment.** Understanding why this gap exists, and how to close it, is the central leadership challenge of this moment.

Leaders increasingly challenge adoption metrics with a blunt reality: deployment only matters if it alters how value is created. The real work begins after rollout, redesigning workflows, redefining roles, rebuilding decision rights, and establishing scalable governance. The gap between activity and outcome is no longer abstract. It is measurable.

According to **KPMG Global Tech Report 2026**[1],



Report AI use cases are providing business value



Report achieving ROI across multiple use cases

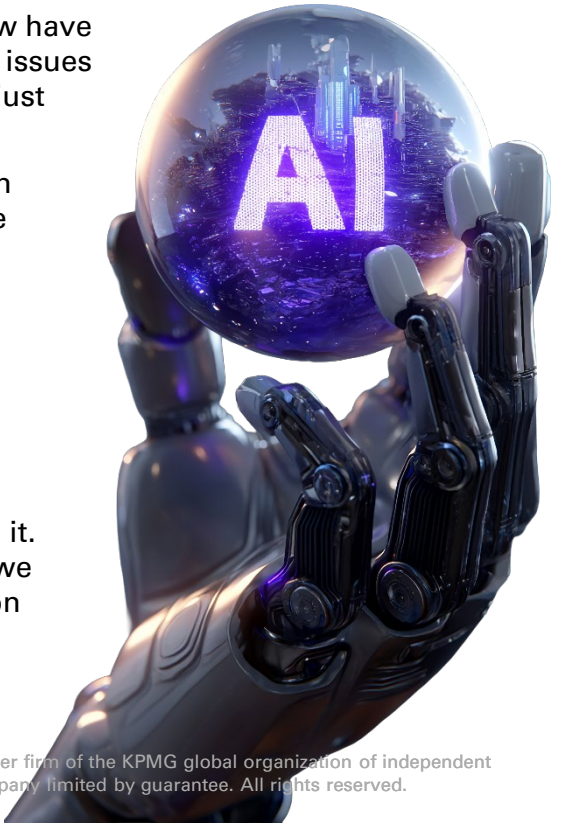
Tech executives struggle to demonstrate and communicate AI's value to stakeholders/shareholders

This indicates that while many can point to **isolated wins**, few have crossed into repeatable and scalable outcomes, highlighting issues of **measurement, governance, and operating discipline**, not just tooling.

There is also a strategic blind spot embedded in the adoption trap. Organisations are measuring internal deployment more than external advantage. Leaders noted that AI progress is visible in horizontal functions and in how work is built (development, testing, documentation), yet there is less evidence of AI being used to systematically capture new market opportunities or reshape revenue models.

When adoption becomes the goal, ambition quietly shrinks to efficiency.

The data makes the trap visible—but it does not fully explain it. To understand why activity fails to translate into outcomes, we must look beyond deployment metrics and into how adoption is actually playing out across the workforce.



1. KPMG International - Global Tech Report, 2026

While GenAI adoption is skewing earlier than any technology curve before it, the majority of the workforce still sits as 'uninspired skeptics' and 'late majority' — proof that being early on the curve and being ready for what it demands are two entirely different things.

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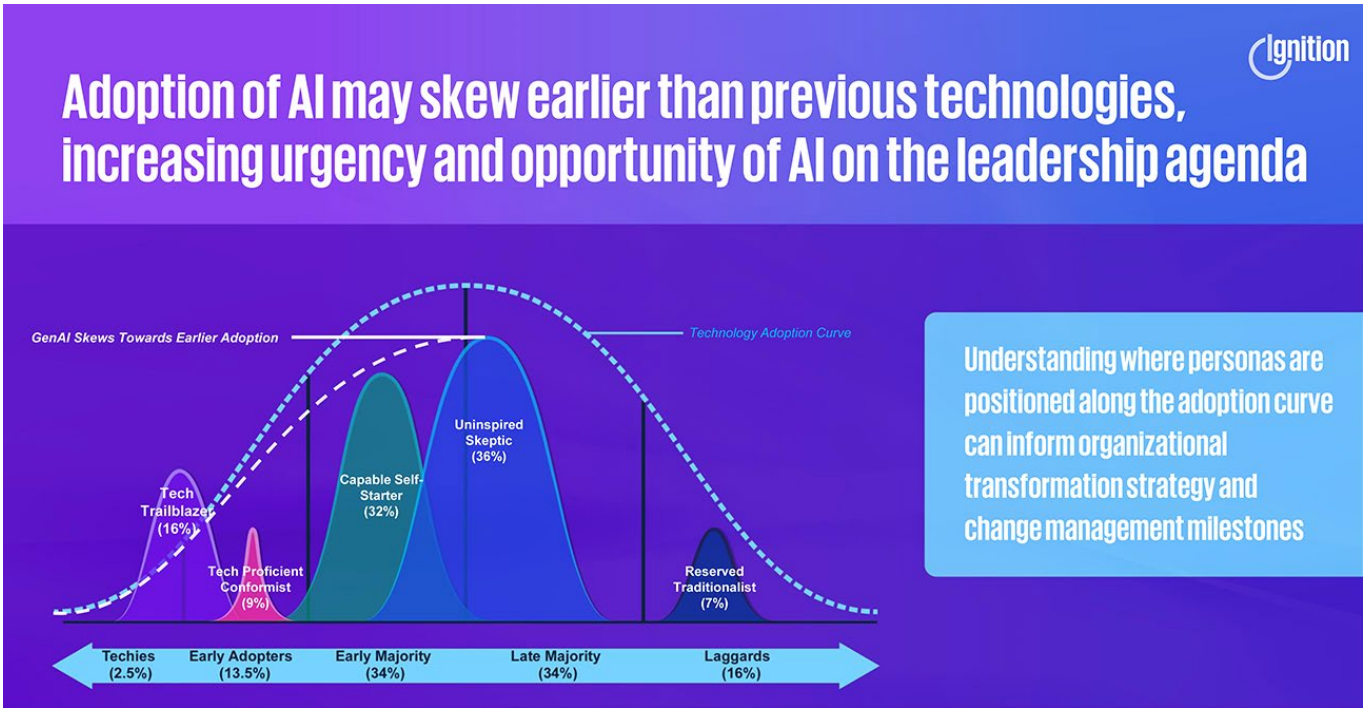


Figure 1: KPMG U.S. - The human story behind AI adoption[2]

This uneven distribution of adoption highlights why outcomes are not keeping pace with activity. While pockets of the organisation may be experimenting aggressively, enterprise-wide readiness remains fragmented.

The result is a growing mismatch between where AI is being introduced and where it is truly understood, absorbed, and applied.

The consequence is not slow progress; it is misdirected progress. Organisations can become 'high-adoption, low-outcome' enterprises: active and busy, yet structurally unchanged.

Every dashboard tracks AI adoption. None of them measure the question that actually decides who wins:

2. The human story behind AI adoption: Understanding personas for your organisation by KPMG U.S., 2025

ACT 2

The human equation

Act I established the uncomfortable truth: the real lag isn't AI adoption. It is what adoption was supposed to change. Act II goes one level deeper, because the most consequential thing it needs to change is not the tech stack. It is the way organisations **think about, structure, and develop their people**.

Once AI becomes embedded in workflows and decisions, the organisation starts running on a different logic. And the moment that logic changes, every assumption about workforce begins to strain, quietly at first, then all at once.

External signals reinforce the urgency. The emerging constraint is not talent availability, but talent readiness. Organisations are entering an era where competitive advantage will depend less on the size of the workforce and more on how quickly people can adapt, learn, and operate alongside AI. Scale remains important, but deployable capability has become the scarcer resource.

At the same time, workforce response is becoming more complex. As per **Q2 2026 Pulse Survey conducted by KPMG U.S.,** one in five employees now express resistance to AI agents, up sharply from 5 per cent in the previous quarter, indicating that adoption and readiness are diverging. [5]

As per the IMD World talent rankings[3], India fell from 58th (2024) rank to 63rd (2025), despite producing 1.5 million engineering graduates annually as reported by Forbes India[4]., underscoring the challenge of translating educational output into workforce readiness.

2.1 The new talent equation: Stop counting heads. Start measuring readiness.

For decades, the services industry ran on a simple equation: more people meant more output, and headcount scaled with demand.

That equation is now breaking.

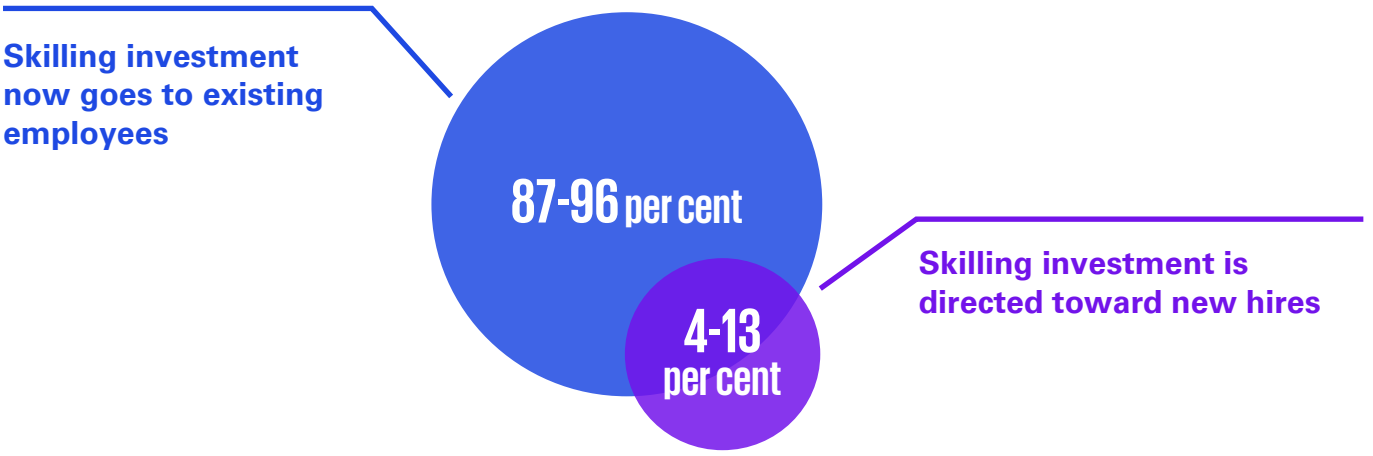
What replaces it is not **'fewer people'**. It is **'readiness'** — the organisation's ability to deploy people who can operate alongside AI, step into reshaped roles faster, and deliver higher-value outcomes with AI assistance.

India's AI workforce numbers look reassuring — until you disaggregate them.

According to India's AI Workforce Report by Quess Corp[6], India's AI talent pool stands at **920,000 professionals**, a number that signals scale. **But only 28 per cent — approximately 257,000 — carry core AI depth**. The remaining majority hold AI-embedded skills at best.

3. IMD World Talent Rankings 2025 - Talent Competitiveness profile India
4. Article by Forbes India - Why are so many of India's 1.5 million fresh engineers every year unemployable?, 2025
5. KPMG U.S. - AI Quarterly Pulse Survey Q2 2026 (June 2026)
6. India's AI Workforce Report by Quess Corp, 2026

The tech industry skilling initiatives **survey reveals how sharply this shift is already reshaping skilling models as shown below.** This is more than a budgeting signal. It reflects a structural pivot.



What this investment pattern signals is a fundamental reframing of how organisations think about talent supply. As AI reshapes work, enterprises are shifting from volume-based hiring to strengthening the core: deepening the capability of the workforce they already have, accelerating the time it takes for employees to become productive in AI-enabled roles, and reducing dependence on scale-driven staffing models. Skilling is no longer a support activity. It is becoming a strategic capacity, embedded into workforce planning, productivity design, and operating models.

At the same time, the definition of 'ready' is becoming clearer. In the tech industry skilling initiatives survey, **AI/GenAI literacy and application is ranked the most critical skill for employees and early-career talent by 80 per cent of the organisations** followed by core engineering and business skill priorities.

Leaders have shared two important realities that sit side by side

The entry-level paradox:

There is anxiety that AI will absorb a large part of traditional entry-level execution work. But leaders were equally clear that AI can make early-career talent productive faster than before, raising confidence in deploying early-in-career talent across streams.

The new expectation from clients and business:

The HR tech market is projected to 'Deployment-ready' capability is becoming the baseline, not a post-joining milestone. This shifts the center of gravity upstream: into curriculum, internships, pre-joining training, and tighter industry-academia mechanisms.

This is where academia adds a crucial layer of realism: employability is moving from knowledge-first to capability-first, but the applied learning gap remains the central constraint. One of the insights from the academic roundtable was: **"There is a knowledge part, there is a skill part and there is an application part."** The gap is increasingly evident in the third layer, i.e., application, because knowledge is abundant while real execution environments and credible validation are scarce.

Once readiness becomes the currency, the pyramid model which is built for coordination-heavy delivery, starts to strain and the nature of managerial work changes with it.

2.2 The pyramid is shifting: The org chart is over. Outcomes run the show now.

The pyramid isn't breaking because it is inefficient—it is breaking because the reason it existed is disappearing.

Traditional organisational pyramids were built for a world where information flowed up and decisions flowed down. AI collapses that logic. Information is now abundant and accessible at every level. **The scarce resource is judgment.**

Leaders described how the old status markers in services delivery model are losing relevance. The identity of 'scale' which is reflected in large spans, large teams, large delivery structures, is being challenged by a world where AI can absorb coordination overhead and compress execution work

This is where the shift from coordination to outcome leadership becomes critical. AI can increasingly support task allocation, information movement, and routine coordination. The human premium moves to orchestration: combining domain context, stakeholder judgment, and AI capability to deliver outcomes.

This change has direct implications for middle management. Leaders called out that many middle-management roles contain repetitive work 'below their level' simply because that's how career progression evolved in a high-growth services pyramid. As that work gets automated, the insecurity is real and so is the requirement to 'elevate' roles to higher-value work.

During one of the leadership interview, leader of a leading IT organisation highlighted - **Their annual onboarding volumes have reduced from roughly 20,000 post-COVID** hiring surge **to ~7,500 in FY25**, underscoring how significantly entry-level pipelines are tightening and why scale-based models are no longer dependable

Roundtable discussions pointed to an emerging organisational reality: the **future workforce** may **resemble a 'diamond' more than a pyramid**, with thinner execution layers, a broader concentration of AI-augmented specialists, and leadership focused on judgment, governance, and enterprise-wide context. As AI-led workflows increasingly absorb coordination and routine execution, traditional scale-based structures are being reshaped into outcome-driven models.

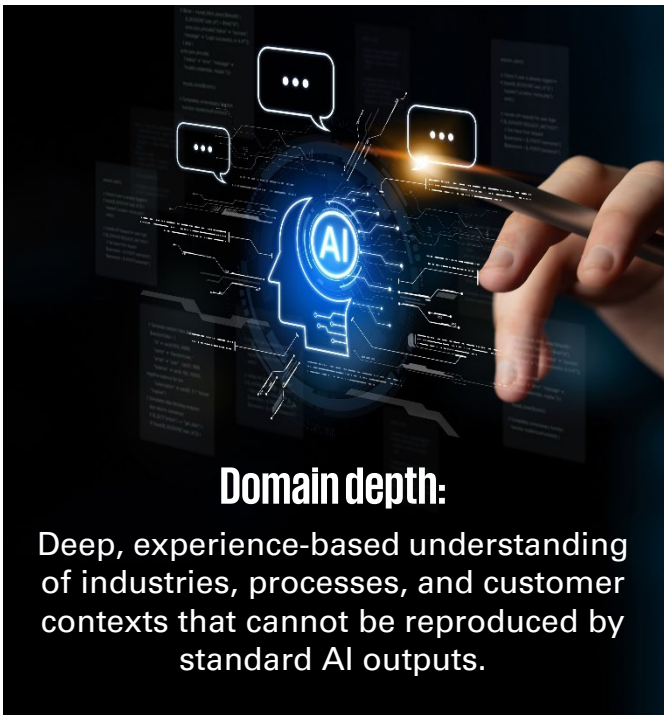
The workforce challenge here is not just structure. It is transition: moving people from coordinating work to owning outcomes and doing it without creating panic.

2.3 The human edge: AI made generalists cheap. It made experts priceless.

AI has made general competence abundant—and true expertise scarce.

As AI capabilities expand, a counterintuitive truth is emerging: **deep human expertise is becoming more valuable, not less.** AI makes generalist work abundant and cheap. It makes genuine domain depth rare and precious.

With AI absorbing routine cognitive work at scale, a more fundamental question comes into focus: ***where does human advantage now lie?***



Domain depth:

Deep, experience-based understanding of industries, processes, and customer contexts that cannot be reproduced by standard AI outputs.

Human judgment:

The ability to make decisions under ambiguity, balance trade-offs, navigate stakeholders, and apply ethical and risk-aware reasoning.

These are not 'soft skills' relegated to HR conversations. They are the new architecture of competitive differentiation.

Problem-solving and critical thinking emerged as the most critical capabilities for employees and early-career talent across both survey findings and leadership interactions. This shift is already evident in evolving talent valuation practices, with organisations placing greater emphasis on holistic skill sets. Notably, **Q2 2026 Pulse Survey conducted by KPMG U.S.**[5] indicates that **54 per cent of organisations** now **prioritise social and interpersonal skills alongside technical expertise**.

This reflects a broader reality: succeeding in the next decade may depend less on simply 'using AI well' and more on systematically building human judgment and embedding it into decision-making, customer trust, and risk governance. As AI increasingly neutralises differences in individual execution speed, the source of advantage is expected to shift toward how teams think, navigate ambiguity, and execute together. But understanding the human edge is not enough. Organisations must avoid the most common and costly mistake in workforce transformation today: reskilling people before redesigning the work they are being trained for.

5. KPMG U.S. - AI Quarterly Pulse Survey Q2 2026 (June 2026)

2.4 Redesign first, reskill second: You're training people for jobs that no longer exist.

Reskilling before redesigning work is not transformation—it is expensive confusion scarce.

Many organisations approach AI transformation by asking: *how do we train our people on AI tools?* The right question is: **how do we redesign the work, and then build the skills to do it? Sequence matters enormously.** Reskilling people for roles that no longer exist or haven't yet been properly designed is expensive and demoralizing.

What holds is a simple order of decisions:

Begin with role clarity — define what 'ready' looks like in the new role

Leaders repeatedly pointed to the missing layer: how does 'day in the life' change once AI is embedded into workflows and decisions? Without this clarity, skilling becomes generic and difficult to translate into outcomes.
The tech industry skilling initiatives survey indicates this role redefinition is already underway, with organisations reporting new/redesigned roles introduced over the last 2–3 years and **AI/GenAI Engineer** emerging as the most common across respondents.

Manage the transition like a workforce evolution & not a restructuring exercise

Leaders emphasised that workforce transformation does not require disruptive action. As noted by one of the leaders during leadership interview, the industry experiences **around 15 per cent natural attrition each year,** a built-in buffer that allows organisations to introduce redesigned roles, redeploy talent, and backfill into higher-value work gradually. When used intentionally, this natural churn enables a steady, predictable transition instead of panic-led cuts or rushed reskilling efforts.

Then align the early-career pipeline, it is now integral to workforce readiness.

As roles evolve faster than education cycles, misalignment becomes unavoidable—graduates are prepared for roles that no longer exist in the same form. This issue emerged strongly in the academia discussions, where leaders highlighted that institutions are now expected to equip students for roles that are still being defined. This is further reinforced by the recent early-career talent study undertaken by the Nasscom Talent Council which is led by TCS[7], **the half-life of modern technical skills has compressed to just 12–18 months**, while **most academic and organisational planning cycles still operate on 2–3-year refresh horizons,** widening the gap between how fast work evolves and how slowly talent systems respond.

The implication is direct: internships, and early-career readiness must be anchored to emerging role outcomes, not legacy task lists. This also requires curriculum to move from periodic updates to continuous alignment with evolving role outcomes.

Act II therefore lands on a clear message: the workforce transformation is not solved by more training alone. It is enabled by redesigning work, redefining roles, and building readiness as a strategic capability while strengthening the human differentiators of domain depth, judgment, and collaboration.

7. Early-career talent study led by TCS under Nasscom Talent Council – Workforce Transformation-Entry Level & Academia, 2026

ACT 3

Building the capability engine

Act II established why the workforce challenge is now structural: readiness has replaced headcount as the defining constraint, roles are being redesigned around AI, and the human edge has become a central differentiator.

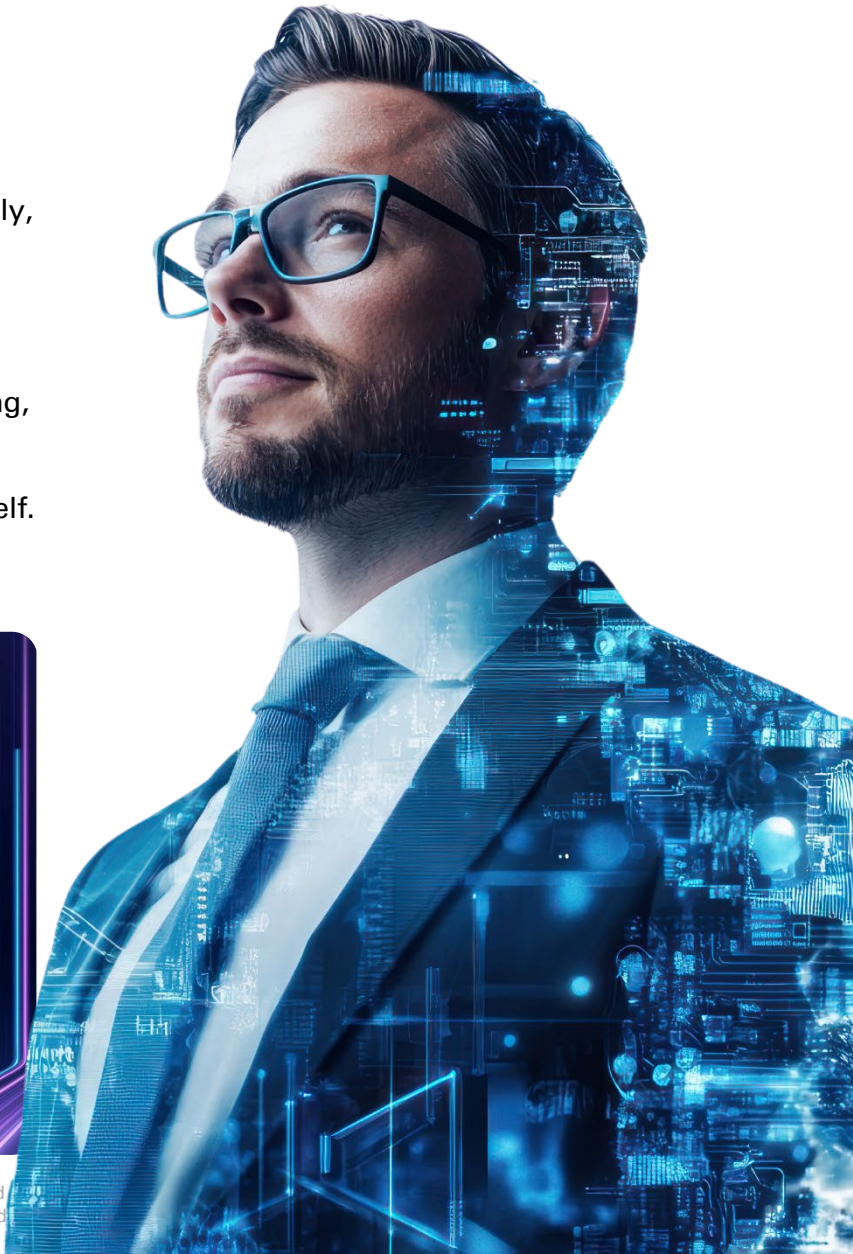
This section answers the operational question that follows: **how do leaders build a capability engine that keeps pace with work that is being restructured in real time?**

3.1 From training events to capability systems: A two-day workshop is not a capability building.

A two-day AI workshop is not a capability strategy. Neither is an annual e-learning module. Building an AI-native organisation requires always-on learning infrastructure, with systems that build capability continuously, in context, at the pace of change.

The reason is straightforward. The pace of change has quietly made traditional learning models obsolete. When leaders describe a world of continuous unlearning and relearning, they are also signalling that 'training as an event' can no longer keep up. Learning now has to be embedded into the flow of work itself. What replaces it is a capability system that is engineered as infrastructure.

If your learning strategy still looks like a calendar of programmes, you are not building capability—you are managing the appearance of it.



Five shifts define this system:

1 Role-anchored learning: capability built for redesigned work

Capability design begins with what the role must now deliver in an AI-embedded workflow because that is where value is created and where the adoption-to-outcome gap shows up. When learning is not anchored to role outcomes, it becomes activity that does not convert into readiness.

This challenge is amplified by the curriculum-market disconnect highlighted in the recent early-career talent study led by TCS as part of the Nasscom Talent Council's initiatives[7] - institutions lack real-time signals on industry requirements, leading to talent entering the market with knowledge that already lags behind job realities.

2 Applied proof as the basis for readiness

Capability must be evidenced through applied work such as projects, labs and scenarios, and not just absorbed in classrooms. The roundtable discussion on academia emphasised that assessment must shift toward scenario-based evaluation of judgment and application.

A critical implication follows: once applied work becomes the evidence, validation must be credible and aligned to industry expectations, not academic familiarity.

This aligns directly with the recent early-career talent study led by TCS as part of the Nasscom Talent Council's initiatives about the identification[7] of a national **'credential deficit'**: the four-year degree provides **zero granular evidence of job-ready skills**, forcing employers to rely on redundant assessments and contributing to 6–18 per cent verification friction.

3 Digital-first scale

The tech industry skilling initiatives survey conducted shows how organisations are scaling learning in practice: **digital/self-paced learning accounts for 50 per cent–76 per cent of total training hours**. What was once positioned as 'always-on learning' is now the dominant model for enterprise workforce development. Organisations have been pushed toward digital-first scale because skill relevance is eroding faster than traditional training models can respond.

4 Outcome-based measurement

A capability engine is defined as much by its measurement as by its content. The tech industry skilling initiatives survey indicates a clear shift: **organisations are prioritizing deployment rate and internal fill rate as core indicators, and most of the organisations now assess programme outcomes between 3 and 12 months post-completion.**

This shift is essential to avoid recreating the adoption trap inside learning. This is further reinforced by the recent early-career talent study led by TCS as part of the Nasscom Talent Council's initiatives [7], India faces a **₹10,000–20,000 crore** annual **'remedial training tax'** due to lack of day-one readiness — a direct signal of why outcome measurement, not volume reporting, must anchor capability design.

5 Enablement capacity that can scale

Building capability also depends on strengthening the capacity of those who deliver it. As stated by one of the academicians during the roundtable, **faculty cannot teach what they have not experienced**, making enablement capability a core part of the system, not a peripheral concern. For organisations working with partners and academia, this means the ability to teach, coach, and translate real-world contexts becomes as critical as the content itself.

Taken together, these shifts make clear that always-on learning is not 'more training'.
It is an operating rhythm that is role-anchored, application-driven, digitally scalable, and measured through deployment.

7. Early-career talent study led by TCS under Nasscom Talent Council – Workforce Transformation-Entry Level & Academia, 2026

3.2 The ecosystem advantage: Why no organisation can build readiness alone.

No organisation will win the AI talent race alone—and the ones that try will fall behind first.

No organisation, however large, can build AI readiness alone. Talent pipelines, research, infrastructure, and standards increasingly depend on collective action. The survey signals that leaders already recognise this. The tech industry skilling initiatives survey findings reflect this: **all organisations identified stronger partnerships with academia** and ecosystem players as a key skilling priority for the next 12 months.

In practice, this ecosystem approach typically includes:

Scale applied learning through shared assets

In the roundtable on academia's role, participants emphasised that the applied learning gap cannot be addressed through isolated campus-level efforts. Instead, they recommended **shared assets such as a repository of real industry projects**, enabling students to work on market-relevant problem statements regardless of local industry access.

Move from 'engagement' to measurable outcomes

A clear concern from the roundtable was that industry–academia collaboration often becomes a list of activities, while impact remains weakly measured.

What works instead is a Minimum Viable Plan (MVP) approach: pilot with a manageable set of institutions, track outcomes, refine the model, then scale, because what works in metro or urban contexts may not translate directly to rural and tier-3 ecosystems.

Solve for uneven capacity through structured support models

The discussion on academia acknowledged a hard reality: capability will scale unevenly unless the ecosystem explicitly designs for inclusion. The proposal was a **hub-and-spoke model**, where stronger institutions support others, reducing capability inequity and accelerating uplift beyond the top tier.

What this means for leaders: ecosystem advantage is not a 'CSR adjacency'. It is a delivery constraint being solved upstream through pilots that prove outcomes, shared project assets that scale applied learning, and structured models that reduce uneven capability.

Once ecosystem readiness is treated as a design problem, skilling stops being an initiative and becomes talent pipeline architecture.

3.3 Skilling as strategy: Workforce development is now a competitive weapon.

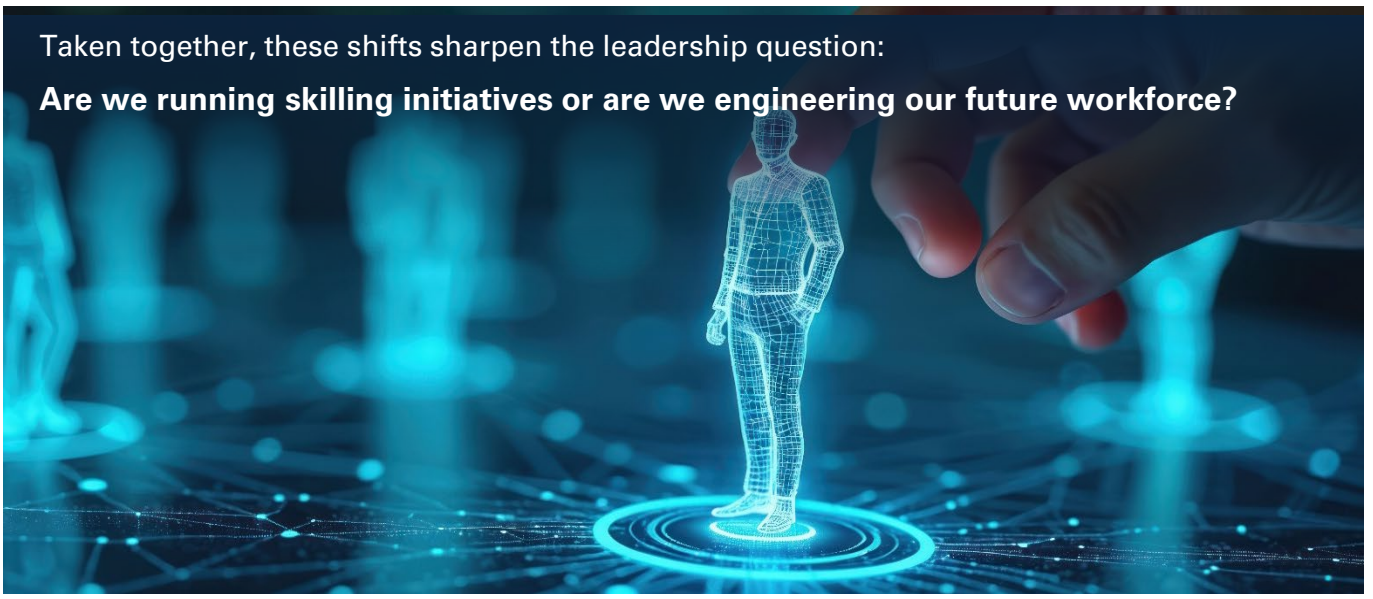
The moment you label external skilling as CSR, you remove the expectation of returns—and with it, your competitive edge.

Workforce development has long been treated as a corporate social responsibility obligation, a cost center with reputational benefits. The organisations winning the AI talent war have reframed it entirely: skilling is a strategic investment, as fundamental to competitive advantage as R&D or capital allocation.

This shift is reinforced by a broader change in how talent is evaluated. Hiring is moving away from traditional academic indicators toward a sharper assessment of real, demonstrable capability, with organisations increasingly prioritizing applied skills over credentials. Academic leaders are observing the same reset: strong grades alone no longer guarantee readiness for contemporary roles. Together, these trends signal a realignment in how talent is assessed, with performance, practical competence, and job-ready capability becoming the markers of employability.

A second signal is emerging from how organisations are now engaging academia. Instead of generic partnerships, leaders are creating role-specific, deployment-ready talent pipelines by shaping curriculum and capability upstream. One model that surfaced in leadership discussions is the creation of specialised Centres of Excellence, such as a cybersecurity CoE embedded within a college. Through such CoEs, the organisation works with faculty over multiple semesters to co-design curriculum, embed applied learning, and hire directly from these specialised cohorts. This marks a strategic shift from broad engagement to precision skilling, where colleges become extensions of the capability engine, producing talent that arrives closer to billable readiness.

Building a future-ready workforce, however, requires more than redesigned curricula and talent pipelines. It demands deliberate change management to embed continuous learning into organisational culture and drive adoption of new skill expectations at scale. Leading organisations increasingly track both lead metrics that signal progress in skill readiness and capability development, and outcome metrics that measure workforce impact, and strategic goals.



What it means to treat skilling as pipeline strategy?

Pipeline strategy has three characteristics:

1) Demand-led, not content-led

Skilling starts from redesigned roles and future taxonomies, not generic course catalogues. It is built around what functions will actually need as AI shifts work from execution to outcomes.

2) Assess First, train second

One of the most underleveraged pipeline levers is how organisations define 'job-ready'. The Nasscom 'Work Reimagined' report[8] points toward assessment shifts: projects, hackathons, GitHub portfolios, and measurable outcomes because credentials alone don't signal readiness in AI-shaped roles.

3) Designed to compound, not conclude

This is the capability-engine logic applied to pipeline building: skills frameworks must stay current, learning must be continuous, and transitions must be supported so talent can move up the value chain rather than churn out of relevance.

When organisations invest in external skilling with strategic intent, three things happen:

- They shape the curriculum signal toward future roles (and away from tool-specific bias)
- They reduce time-to-productivity by creating readiness upstream
- They create a flywheel: the ecosystem becomes a renewable talent source rather than a one-time hiring pool.

The tech industry skilling initiatives survey insights reinforce that this shift is already underway. Organisations are now **training anywhere from a few thousand to well over 200,000 individuals externally each year**, signalling that capability building is extending beyond organisational boundaries. Partnership-led delivery models are becoming the default, confirming that pipeline architecture is no longer conceptual but already operating at scale.

Key takeaway

Skilling becomes strategy when it is designed as a talent supply chain, built before demand becomes urgent and reinforced through a culture of continuous learning, effective change management, and measurable business outcomes.

8. Nasscom Work Reimagined – The Rise of Human-AI Collaboration, 2026

3.4 The policy multiplier: Government as ecosystem architect.

Policy that regulates without enabling is not governance—it is gatekeeping

If ecosystems build capability, policy determines whether that capability can scale. Leaders were unequivocal: national AI readiness cannot be achieved through isolated organisational action. At this moment, policy may need to evolve beyond regulation and infrastructure to address three system-level questions that are likely to influence India's trajectory in the AI decade.

Building the social capital of AI

AI readiness depends as much on trust and access as on skills. Policy must ensure capability diffuses beyond top-tier firms to small enterprises, tier-2/3 institutions, and non-technical segments by:

- Democratizing access to tools, compute, and datasets
- Embedding foundational AI literacy
- Creating responsible-AI frameworks

Without this, AI becomes an elite accelerant. With it, AI becomes a productivity layer that elevates the entire economy.

Navigating the job displacement vs. Services export paradox

AI will compress entry-level and coordination-heavy work, but it also expands India's potential in AI-led services. Policy must frame AI not as a labour risk but as a services export accelerator by

- Incentivizing AI-driven service innovation
- Enabling GCC growth and capability hubs
- Aligning skilling to emerging service lines

The goal is to grow India's share of global digital value creation.

Protecting India's talent capital advantage

India's advantage has never been mere talent volume—it has been deployable, globally trusted capability. Policy must drive a shift from:

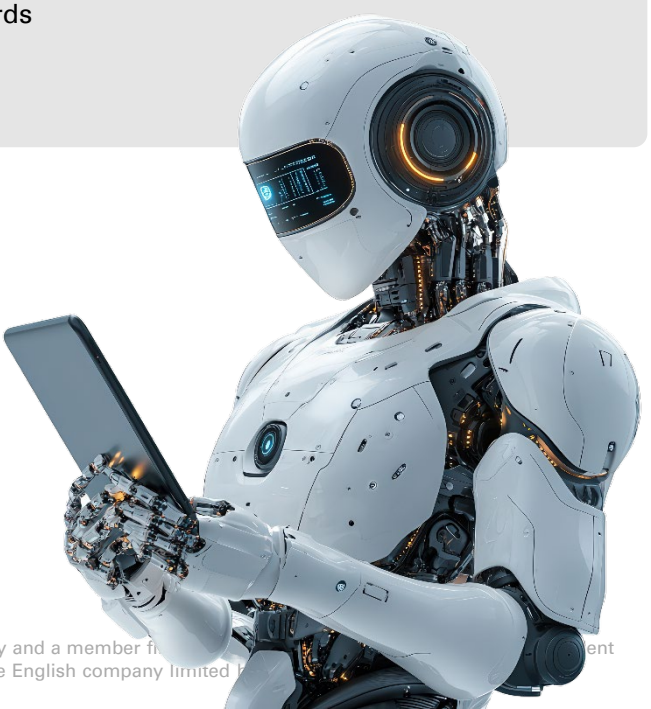
- Degrees to verifiable, deployable skills
- Static curricula to continuous industry alignment
- Fragmented credentials to trusted national standards

This requires faculty development, applied learning infrastructure, and digital credentialing ecosystems.

From regulator to architect

Structural gaps—curriculum mismatch, credential deficits, experience vacuums—are system failures, not institutional shortcomings. Policy must evolve to:

- Provide clear demand signals
- Create shared digital infrastructure
- Ensure diffusion beyond top-tier institutions



This shift from regulator to ecosystem architect is no longer conceptual—it is already taking shape in India's national AI agenda.

The Government of India, through the **IndiaAI Mission**, has identified seven strategic pillars to drive AI readiness at scale—spanning compute infrastructure, data platforms, talent development, startup enablement, and responsible AI frameworks.

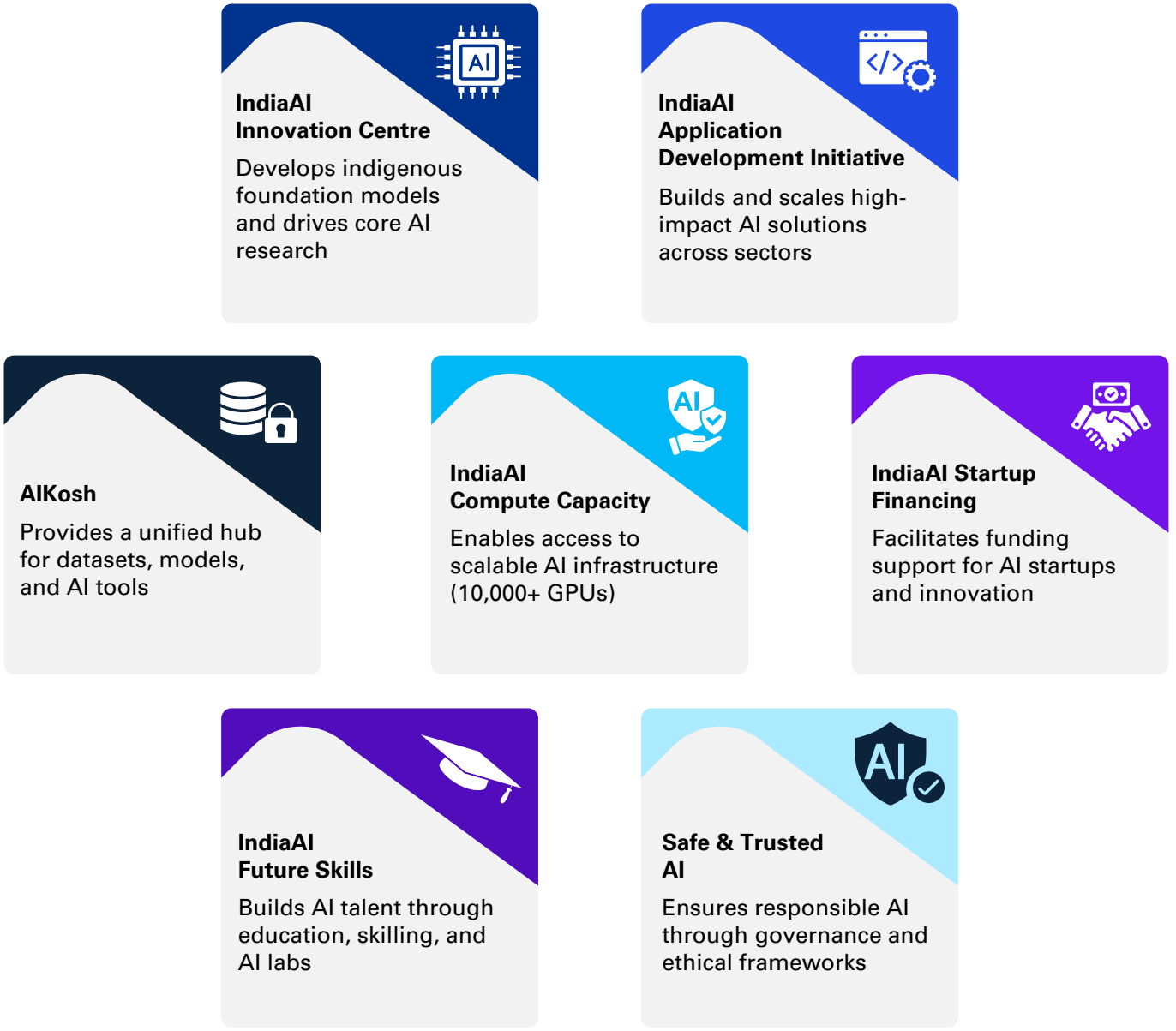


Figure 2: Transforming India with AI, PIB, 30 Dec 2025 [9]

A clear example of this intent is visible in the Talent Enablement pillar. Under the IndiaAI mission, the Government of India is establishing a sovereign AI talent pipeline spanning core, advanced, and research-grade capabilities. This effort is anchored across 73 institutes, 31 AI and data capability hubs in tier II/III cities, and 174 Industrial Training Institutes (ITIs) and polytechnics designated for lab deployment. [10]

The Takeaway

Policy will determine whether AI remains an enterprise advantage—or becomes a national capability multiplier.

9. Transforming India with AI, PIB, 30 Dec 2025
10. KPMG - Artificial Intelligence (AI) for Bharat: Innovation and inclusion at scale, 2026

From insight to action

The question is no longer whether AI is entering the organisation. It already has. The real question is whether leadership is willing to reorganise around what that changes.

The findings across this paper point to a clear reality: the gap is not in technology adoption, but in organisational alignment. Closing that gap requires deliberate, leadership-led action across operating models, workforce strategy, and ecosystem design.

What follows is not a checklist. It is a leadership agenda.

The next wave of competitive advantage will not be won by the organisations that deployed AI the earliest. It will be won by those that reorganised around it most deliberately — redesigning roles before they became obsolete, restructuring teams before the pyramid became a liability, and building capability systems before the talent gap became a crisis.

The move from reactive to anticipatory is the single most important leadership shift of this decade. It starts with the CEO asking not "how do we use AI?" but "what does our organisation need to become?"

Organisations must stop managing the transition and start leading it

CHROs must move from the back of the room to the front of the strategy.

Workforce transformation at this scale is not an HR initiative. It is a business imperative that happens to live in HR's domain. The leaders generating the most impact are those where the CHRO sits at the strategy table — not to report on training completions, but to co-architect the organisational design, the capability roadmap, and the talent ecosystem that the business needs to compete.

The future belongs to organisations where human capital strategy and business strategy are the same conversation.

Training alone will not close the readiness gap. Organisations need capability systems that are role-anchored, application-driven, digitally scalable, and measured by deployment rather than completion. This is not an L&D upgrade. It is the creation of a capability engine that can move at the same speed as work itself.

The organisations most likely to pull ahead are those that stop treating learning as an event and start building capability as core operating infrastructure.

Capability must be built as infrastructure, not as intervention

Government must move from regulator to enabler.

No organisation, however capable, can build the future workforce in isolation. The real challenge is no longer participation. It is orchestration. The transition now demands a new model of coordination across industry, academia, and the state. Government's role is not simply to enable adoption. It is to multiply readiness — by aligning standards, investing in access and infrastructure, and creating demand signals that orient the wider ecosystem toward future skills.

As work is being redefined in real time, the systems that build capability are struggling to keep pace. Roles are evolving faster than curricula, and readiness is being redefined faster than institutions can respond. The result is not a shortage of talent, but a growing mismatch between how talent is prepared and how it is expected to perform.

What academia must do differently is not incremental. It is structural. Institutions must move from static curricula to continuously evolving, industry co-created learning models; from knowledge transfer to capability building; and from placement pipelines to genuine talent development partnerships.

The institutions that move first will not just improve employability. They will become critical nodes in the capability systems the future workforce will depend on.

Academia must fundamentally rewire its relationship with the world of work.

The real imperative

The advantage now will not come from understanding the shift. It will come from acting on it — early, deliberately, and at the level of system design. The organisations that move first will not be the ones that simply adopted AI. They will be the ones that reorganised around what adoption demanded.

Closing : The path forward

The future of work is not arriving gradually. It is being rewritten now — in workflows, in roles, in decisions, and in the systems that support them. What this paper makes clear is that the defining challenge is no longer whether organisations are adopting AI. It is whether they are willing to act on what adoption was always meant to change. Across the conversations, interviews, and survey inputs that shaped this paper, the same tension kept surfacing: activity is accelerating, but structural response is not keeping pace.

That is why the real divide now is not between organisations that are using AI and those that are not. It is between those using AI to accelerate yesterday's model, and those using it to build tomorrow's. The difference will not come from who experimented first. It will come from who reorganised first — who redesigned work before old structures became liabilities, who built readiness before talent gaps hardened, and who aligned capability, leadership, and ecosystem action before the pressure became unavoidable.

This is the leadership test of the decade. Not whether AI has been introduced, but whether it has changed anything that matters. Not whether teams are busy, but whether the organisation is becoming meaningfully different because of it. The leaders who move first will not simply respond to disruption. They will define the terms on which the next era of work is built.

Because in this moment, **advantage does not come from adoption. It comes from reorganisation.**

And that advantage compounds only for those who move before they are forced to.

The only question left is whether you are one of them.

Acknowledgements

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We extend our sincere appreciation to the organisations whose leadership teams contributed to the roundtable discussions and enriched the insights presented in this paper

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