

AUTOMATION TO RESHAPE JOBS, WAGES AND HIRING PATTERNS ACROSS SECTORS

When AI walks into work, the ladder shrinks

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Calcutta: The battle over artificial intelligence is no longer about whether the technology will transform the economy. The real question is what happens to workers when it does.

There are differing views globally. On one side, Anthropic chief executive Dario Amodei has warned that AI could disrupt half of all entry-level white-collar jobs within the next five years, unleashing one of the fastest labour-market upheavals in modern history.

In his recent essay, The Adversity of Technology, the Anthropic CEO argued that AI is approaching a point where it could trigger "an unprecedentedly large and rapid disruption in the labour market".

On the other side, Jeff Bezos offers a different perspective. Speaking at a technology conference in Paris, the Amazon founder dismissed fears that AI will make humans redundant.

"I totally disagree with this point of view," Bezos said. "AI is going to create a labour shortage because it is going to make it possible for people to identify more problems."

The contrasting views capture the uncertainty surrounding the next phase of the AI revolution, even as boardrooms are racing to deploy generative AI across customer service, software development, finance and operations.

India's challenge

The IT and business process outsourcing (BPO) industry has been one of the largest creators of white-collar employment and has historically

provided a critical entry point into the formal economy for graduates from across the country. That employment model is now facing its first serious technological challenge.

An IBM study estimates 85 per cent of standard operational workflows and customer interactions are earmarked for automation or significant reinvention by AI agents.

The Niti Aayog, in a report in October, estimated that the headcount in the tech services sector could go down from 7.5-8 million in 2023 to 6 million by 2031. Similarly, the headcount in the CX (customer experience) sector could go down from 2-2.5 million in 2023 to 1.8 million.

The impact is beginning to show in hiring trends. Several outsourcing firms have slowed recruitment, while industry executives acknowledge that entry-level customer-service roles are becoming less plentiful. According to a report from venture capital firm Z47, OpenAI and Zinnov, 90 per cent of the mature AI adopters have already cut their BPO spend.

Yet the picture remains more nuanced than headline predictions suggest.

"What we are seeing is not the disappearance of entry-level opportunities, but a change in the skills required to succeed in them," said Pankaj Dhanuka, chief executive of Fusion CX.

"Entry-level roles are increasingly expected to work alongside AI tools rather than perform repetitive tasks manually. The first rung of the ladder still exists. It simply looks different than it did a decade ago," Dhanuka said.

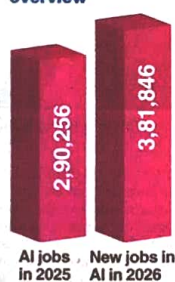
"I don't see any immediate

THE GREAT LABOUR DEBATE MASS JOB DISRUPTION OR A NEW ERA?

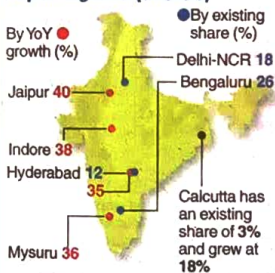
Share of AI jobs in 2025 (in %)



Market overview



Top hiring in AI (in 2025)



Source: foundit insights tracker December 2025



AI could displace half of all entry-level white collar jobs in the next 1-5 years, even as it accelerates economic growth and scientific progress

DARIO AMODEI
Anthropic CEO



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JEFF BEZOS
Amazon founder

recruitment at Adecco India.

Recent hiring data supports the trend. AI-related hiring in India reached nearly 290,000 job postings in 2025 and is projected to rise to about 382,000 in 2026, representing a growth of roughly 32 per cent, according to a report from foundit (formerly Monster.com).

Demand remains concentrated in IT and financial services, although manufacturing and healthcare are emerging as fast-growing adopters of AI.

Notably, hiring is increasingly focused on mid-level and senior professionals. Workers with four to six years of experience accounted for the largest share of AI recruitment in 2025, highlighting employers' preference for candidates capable of deploying AI systems rather than merely experimenting with them.

The result is a widening wage gap. Professionals with AI and generative AI expertise are commanding significantly higher salaries than workers in traditional technology roles, reflecting strong demand and limited talent availability.

Structural concern

Traditionally, economic development follows a sequence: workers move from agriculture into manufacturing and then into higher-value services.

India's transition has been unusual because services expanded rapidly before manufacturing became a large-scale employment engine. That creates a vulnerability.

If AI simultaneously reduces labour demand in both

services and manufacturing, India could find itself with fewer pathways for absorbing millions of workers entering the labour force each year.

There are, however, reasons for optimism.

Global Capability Centres (GCCs), which have become a major source of high-value employment, are expected to generate between 300,000 and 500,000 new jobs over the next two years. Manufacturing, electronics, renewable energy and semiconductor-related industries are also expected to expand as government incentives attract investment.

"GCCs are expected to remain one of India's largest white-collar job creators. Manufacturing, electronics and green energy sectors will also be key employment generators," said Saproo.

Disruption or adaptation

It remains to be seen whether new industries, occupations and business models emerge quickly enough to absorb workers displaced by automation.

For now, the evidence points to both trends unfolding simultaneously. AI is reducing demand for routine work even as it creates entirely new categories of employment.

Hiring is becoming more selective, wages are rising for specialised talent and productivity is improving across industries.

As Sachin Alug, chief executive of NLB Services, puts it: "The workforce must evolve beyond generic programming and focus on embedding deep data engineering capabilities into global supply chains and physical infrastructure."

threat across all sectors because the labour-cost advantage in the country is not going to entirely disappear," said Balasubramanian A, senior vice-president and business head at TeamLease Staffing.

"But there are segments where disruption will be visible. Back-office, BPO and KPO jobs are under threat. In telecom, firms are investing in autonomous networks and IoT. In BFSI, sales and collections are areas where AI is already

making a difference," he said.

High wages, few people

One of the most visible effects of AI may not be widespread unemployment but a restructuring of corporate workforces. Companies are increasingly replacing volume hiring with capability-based hiring. As AI automates routine processes, organisations are seeking fewer employees overall but paying significantly more for specialised talent.

According to staffing firm Adecco India, demand is increasingly concentrated in roles such as AI engineers, GenAI developers, machine-learning engineers, AI architects and data scientists.

"Companies are increasingly prioritising skill-based talent in AI, cloud, data and cybersecurity, resulting in a shift from volume hiring to capability-based hiring," said Peush Saproo, associate director and head of sales, permanent re-