

# Gen AI Not Just a Buzz, Can Hit 1% of India's IT Workforce

50k-60k employees' work to get impacted, but won't necessarily lead to job losses

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**Bengaluru:** The use cases of generative artificial intelligence may impact close to 1% of India's 5.4-million IT workforce, initially spread across sales and support employees, and create additional revenue potential of \$2-3 billion for the industry; a new study has said.

Currently, India's \$245-billion tech services industry employs around 300,000 people in sales and support functions. Out of this, around 50,000 employees' work will get impacted over the next three to five years, IT market intelligence firm UnearthInsight said in a study shared exclusively with ET.

It need not mean job losses; these roles will get impacted in a way that they may increasingly collaborate with AI-powered technology and coworkers, it said.

"It is not like the employees will be replaced," said Gaurav Vasu, founder and CEO of UnearthInsight. "Google and OpenAI (creators of generative AI language models Bard and ChatGPT) themselves say it will create additional jobs. There will be demand for new roles like prompt



## Inside Story TOP ROLES THAT WILL BE AIDED BY GENERATIVE AI CO-WORKER ACROSS TECH SERVICES FIRMS IN INDIA

Sub-Functions within IT Services firms	% of Total FTEs FY23	Roles	AI Co-Worker Solution	% of Total FTEs FY27
Sales/Sales support	~3 - 4	<ul style="list-style-type: none"> <li>Pre-sales/ Bid management</li> <li>Sales enablement</li> <li>Solution architect</li> </ul>	<ul style="list-style-type: none"> <li>AI assisted lead generation</li> <li>AI curated sales content</li> <li>Sales forecast</li> </ul>	~2.5-3
Internal tech/ IT support	~1-1.5	<ul style="list-style-type: none"> <li>Helpdesk/Support</li> <li>Infra monitoring</li> <li>IT project management</li> </ul>	<ul style="list-style-type: none"> <li>Virtual assistants-Q&amp;A bot</li> <li>Auto remedial bot</li> <li>Project mgmt ops bot</li> </ul>	~0.8-1
Internal finance	~0.8-1	<ul style="list-style-type: none"> <li>Financial analyst</li> <li>Modeling/Forecast</li> <li>Compliance/Regulatory</li> </ul>	<ul style="list-style-type: none"> <li>On-demand report</li> <li>AI scenarios/Predictions</li> <li>Auto alerts/Regulation report</li> </ul>	~0.6-0.8

Source: Annual reports, UnearthInsight's data analysis of 2,000 tech firms

engineers and system consultants."

It is similar to how people said "jobs will vanish" when computers came in the 1980s but it will result only in creation of newer jobs, Vasu said.

"Initially, these solutions will look like cost-optimisation initiatives but in the longer run, Indian IT services firms will generate revenues by merging business process outsourcing (BPO) services with private generative AI tech to transform enabling functions for clients," he said.

As per the UnearthInsight study, dependence on full-time equivalent, or FTEs, will reduce in sales, support and enabling divisions going for-

ward while quality of jobs and productivity will also improve.

Roles such as pre-sales, bid management, sales enablement and solution architect may get impacted by AI copilots doing lead generation or AI-curated sales content, the report said.

Similarly, some of the hiring, resource management functions such as external hiring, internal fulfilment and onboarding could be transformed by AI-generated profile screening and candidate recommendation and personalised onboarding.

Under the internal finance department, roles involved in financial

analysis, modelling and forecasting could be impacted by on-demand reports, AI-fuelled scenarios and prediction and auto alerts and regulation reports.

Generative AI solutions will be extended to clients along with SAP or Oracle's products as most sales, human resource or accounts data is hosted on their platform, the report said. Sid Pai, founder of VC firm Siana Capital, said generative AI will have a positive impact for the global economy on a net-net basis. "Generative AI now only enhances the creative efforts - code, prose or essays and is a productivity enhancer in the current form," he said.