JCSS OPEN ACCESS Journal of Computing Systems & Softwares Chirenanya International Publications

JOURNAL OF COMPUTING SYSTEMS & SOFTWARES (An open access journal) www.chirenanyapublications.in/journal

Journal of Computing Systems & Softwares Vol.1, Issues-1, June-2026

News

AI Reshapes India's IT Sector, Driving Productivity and Skills Transformation

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Received: 01-10-2026; Revised: 05-10-2026; Accepted: 08-10-2026;

Available Online: 13-10-2026; DOI: https://doi.org/10.68857/jcss.2026.v1i1-01



Artificial Intelligence (AI) is very rapidly transforming India's information technology sector, which is changing how companies make software, manage operations and deliver services. While automation mechanization is putting burden on repetitive and entry-level jobs, industry data shows

that AI is also generating demand for specialized skills. India's IT sector added about 1.35 lakh jobs in FY-2026, reaching near about the 60 lakh employees, according to government data of India, although junior support and routine technology roles are facing big problems due to automation burden. Most important IT companies are progressively shifting employees toward AI, cloud computing, cyber security, data science and advanced engineering. Wipro, for example, described that its AI initiatives freed capacity equivalent to around 20,000 employees, with workers being redeployed into other roles. Research by ICRIER, based on a survey of 651 Indian IT firms, found that AI implementation has moderated hiring mainly at entry level while creating productivity improvements through better output, time savings and cost reductions. The transformation proposes that the future of IT employment will increasingly depend on AI literacy, continuous reskilling and the ability to work alongside intelligent systems, rather than simply performing routine technical tasks.

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