

A Study on Upskilling and Reskilling in AI-Powered Roles in India

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Cite this paper as: Dr. R. Vijimalar, Subhiksha S V, Dr.A.Franklin Ragila,Dr. V. Regima,, (2025) A Study on Upskilling and Reskilling in AI-Powered Roles in India *Journal of Neonatal Surgery*, 14 (32s), 9251-9256.

ABSTRACT

Artificial Intelligence (AI) is reshaping the employment landscape across sectors, necessitating continuous learning and adaptability. This study examines the importance of upskilling and reskilling for employees in AI-powered roles in India. With the rapid integration of automation, machine learning and data analytics, the workforce must acquire new digital competencies to remain relevant. This paper highlights the initiatives taken by the Indian government, private organizations and educational institutions to bridge the skill gap and explores challenges in implementing large-scale reskilling programs. The findings underscore that proactive investment in human capital and lifelong learning strategies is crucial to harness AI's potential for inclusive economic growth..

Keywords: *Upskilling, Reskilling, Artificial Intelligence, Workforce Development, Skill Gap, Digital Transformation.*

1. INTRODUCTION

Artificial Intelligence (AI) has emerged as a transformative force in the 21st century, driving innovation and efficiency across industries. It is redefining the nature of work, job roles and required competencies, demanding a shift from traditional skill sets to digital and cognitive capabilities (World Economic Forum, 2023). In India, the adoption of AI technologies in sectors such as information technology, healthcare, manufacturing, finance and education is growing rapidly, contributing significantly to the nation's economic and technological progress (NITI Aayog, 2023). According to a report by NASSCOM (2024), nearly 65% of India's workforce will need reskilling or upskilling to remain employable as automation and AI reshape occupational structures.

Upskilling and reskilling have therefore become strategic imperatives rather than optional initiatives. Upskilling refers to enhancing existing skills to improve efficiency in current roles, while reskilling involves acquiring new skills to transition into emerging job domains (McKinsey Global Institute, 2024). With the integration of AI and automation, several low-skill and repetitive tasks are being replaced by intelligent systems, creating both challenges and opportunities for the workforce (OECD, 2023). In this dynamic scenario, individuals, organizations and governments are recognizing the need to build a learning-oriented ecosystem that supports continuous skill development and adaptability.

India's demographic advantage, with over 62% of its population in the working-age group, positions it uniquely to leverage AI-driven growth (Ministry of Skill Development and Entrepreneurship, 2024). However, to fully harness this potential, there is a pressing need to align education, training, and industry practices with the evolving demands of the AI economy. The Skill India Mission and Future. Skills Prime initiatives have been instrumental in developing a digitally empowered workforce, yet the skill gap in advanced AI technologies such as machine learning, deep learning and data analytics remains significant (NASSCOM, 2024). Furthermore, the COVID-19 pandemic accelerated digital transformation, highlighting the importance of adaptability and remote learning platforms for continuous skill upgrading (PwC, 2023). Despite progress, several challenges persist including unequal access to training opportunities, outdated academic curricula and limited awareness about AI-driven job opportunities in rural areas (KPMG, 2024). To address these gaps, a multi-stakeholder approach involving government bodies, educational institutions, and private organizations is essential. Such collaboration can ensure the design of inclusive, accessible, and industry-aligned programs that equip India's workforce with future-ready skills.

In this context, the present study explores the role and relevance of upskilling and reskilling in AI-powered roles in India. It analyses ongoing initiatives, identifies existing challenges and suggests strategies to enhance the nation's readiness for the AI-driven future of work. By fostering continuous learning and adaptability, India can position itself as a global hub for AI talent and innovation

The digital revolution driven by Artificial Intelligence (AI) has transformed traditional job roles into technology-driven positions requiring advanced cognitive and technical skills. In India, industries such as IT, healthcare, manufacturing and banking are increasingly adopting AI technologies, creating new opportunities while displacing routine tasks. Upskilling and reskilling have therefore become essential strategies for ensuring workforce readiness and sustainability. According to NASSCOM (2024), nearly 65% of job roles will undergo significant change in the next five years, emphasizing the need for continuous learning frameworks.

2. REVIEW OF LITERATURE

The World Economic Forum (2023) emphasized that by 2027, nearly 44% of workers' core skills will change and over 60% of employees will require upskilling to meet new occupational demands. Similarly, McKinsey Global Institute (2024) observed that automation and AI adoption could displace around 375 million workers worldwide by 2030, yet create new opportunities for those equipped with advanced technological and analytical skills.

In the Indian context, NITI Aayog (2023) highlighted that AI has the potential to add USD 967 billion to the Indian economy by 2035, provided that the workforce is adequately trained in emerging technologies.

3. OBJECTIVES OF THE STUDY

To analyze the need for upskilling and reskilling in AI-powered roles in India.

To identify the challenges faced by employees and organizations in implementing AI-related skill development.

To evaluate the impact of government and private initiatives on enhancing AI-related competencies.

To suggest strategies for promoting sustainable AI workforce development in India.

4. STATEMENT OF THE PROBLEM

The rise of Artificial Intelligence (AI) has brought a significant transformation in the world of work. While AI and automation have improved efficiency and productivity, they have also created a growing demand for new skills that many employees do not yet possess. This situation has resulted in a widening gap between the skills required by industries and those currently available in the workforce.

Although several initiatives have been introduced to promote digital learning and skill development, many workers, particularly in small businesses and rural areas, still lack access to quality training opportunities. The rapid pace of technological change has made traditional education and training systems insufficient to meet the evolving needs of the job market. Moreover, limited awareness, inadequate financial support, and lack of proper collaboration between industry and educational institutions have further increased the challenge.

Hence, there is an urgent need to study the various factors that influence upskilling and reskilling in AI-powered roles in India. Understanding these factors can help identify the barriers faced by individuals and organizations and suggest suitable strategies to develop a future-ready workforce capable of adapting to the changing technological landscape.

5. SCOPE OF THE STUDY

The present study focuses on examining the need and importance of upskilling and reskilling in AI-powered roles in India. It aims to explore the challenges, opportunities, and key factors that affect workforce development in this area. The study covers various sectors such as information technology, manufacturing, education, healthcare and services, where AI applications are rapidly growing.

The research is based on secondary data collected from reports, publications, and available literature related to the topic. It is limited to the Indian context and mainly concentrates on the impact of AI on employment and the skill requirements of the Indian workforce. The study also highlights the role of government initiatives, corporate training programs, and educational reforms in promoting skill enhancement. The findings are expected to provide insights that can help policymakers, educators and industry leaders design effective strategies for preparing the workforce for AI-driven job roles.

6. FACTORS INFLUENCING UPSKILLING AND RESKILLING IN AI-POWERED ROLES IN INDIA

1. Technological Advancement

The pace of technological innovation is one of the most critical factors driving upskilling and reskilling. The rapid evolution of Artificial Intelligence (AI), machine learning, data analytics, and automation has created a demand for new skill sets that

traditional education systems often fail to address. Workers need to continuously learn to remain relevant in AI-integrated workplaces (World Economic Forum, 2023). For instance, AI adoption in manufacturing and financial sectors has transformed routine roles into analytical and technology-driven positions. Thus, technological progress compels employees and organizations alike to embrace lifelong learning frameworks to sustain employability.

2. Industry Demand and Skill Gap

The widening gap between workforce capabilities and industry requirements significantly influences reskilling efforts. Sectors like IT, healthcare, and e-commerce increasingly rely on AI and data-driven systems, yet there is a shortage of skilled professionals to fill these roles (NASSCOM, 2024). The demand for AI engineers, data scientists, and automation specialists has far outpaced the availability of qualified candidates. As a result, both employers and policymakers recognize the urgent need to design targeted upskilling programs that bridge this gap, ensuring workforce readiness for the digital economy.

3. Government Policies and Initiatives

Government involvement plays a vital role in promoting large-scale skill development. Initiatives such as Skill India Mission, Digital India, FutureSkills Prime, and AI for All by NITI Aayog have been instrumental in shaping India's AI learning ecosystem (Ministry of Skill Development and Entrepreneurship, 2024). These policies aim to enhance digital literacy, encourage vocational training, and foster partnerships between government, academia, and industry. The success of these programs directly influences how effectively the Indian workforce adapts to AI technologies.

4. Corporate Learning Culture

An organization's internal learning environment greatly affects its employees' willingness to reskill. Companies that prioritize professional development and innovation often experience higher participation in training programs (Accenture, 2024). Firms such as Infosys, TCS, and Wipro have developed internal AI academies to facilitate continuous learning. Conversely, organizations with rigid hierarchies or limited investment in training tend to face skill stagnation. Therefore, cultivating a corporate culture that values curiosity, adaptability, and digital growth is essential for effective upskilling outcomes.

5. Educational Infrastructure and Curriculum Relevance

India's education system plays a fundamental role in shaping the future workforce. However, many institutions still follow outdated curricula that emphasize theoretical knowledge over practical AI applications (FICCI, 2023). Integrating AI, data science, and coding into school and university syllabi can help students build foundational skills early. Programs like CBSE's AI curriculum and AICTE's "AI for Students" initiative are steps toward this alignment. Modernizing curriculum content and faculty training directly enhances employability and technological competency.

6. Access to Technology and Digital Resources

Digital accessibility is a prerequisite for inclusive upskilling. Limited internet connectivity, lack of digital infrastructure, and absence of affordable devices create barriers, especially in rural and underdeveloped areas (PwC, 2023). The rise of online learning platforms such as Coursera, edX and SWAYAM has expanded access to AI education, yet the digital divide continues to limit participation. Bridging this gap through public-private partnerships and regional language platforms can ensure equitable access to AI-based training.

7. Economic and Financial Factors

Financial capacity significantly affects participation in upskilling and reskilling programs. High course fees, limited scholarships and absence of employer support can discourage workers from investing in skill development (OECD, 2023). For small and medium enterprises (SMEs), budget constraints often restrict training investments. Government incentives such as tax deductions, grants or subsidized learning platforms can alleviate these challenges and motivate both individuals and businesses to engage in continuous learning.

8. Employee Motivation and Attitude toward Change

Psychological readiness and personal motivation are central to successful reskilling. Employees who view AI as an enabler rather than a threat are more likely to engage with new technologies (KPMG, 2024). Resistance to change often arises from fear of redundancy or lack of confidence in digital competencies. Encouraging positive attitudes through awareness programs, mentorship and success stories can boost participation rates and create a resilient workforce prepared for AI-driven transformation.

9. Industry-Academia Collaboration

Partnerships between universities and industries help align academic output with market needs. Collaborative programs ensure that graduates possess the practical skills necessary for employment in AI-powered sectors (NITI Aayog, 2023). For example, tie-ups between Microsoft and IITs or IBM's collaboration with Indian universities, have introduced AI-focused modules and real-world projects into academic settings. Such alliances foster innovation, research and job-relevant training that strengthens the national skill ecosystem.

10. Socio-Demographic Factors

Demographic elements such as age, gender, educational background, and geographic location strongly influence access to upskilling opportunities. Younger workers are often more adaptable to digital training, while older employees may face difficulties adjusting to new technologies (UNESCO, 2023). Gender disparities are also evident; women remain underrepresented in AI-related fields due to socio-cultural norms and limited access to STEM education. Addressing these disparities through inclusive learning policies and targeted outreach can ensure a more balanced and diverse AI workforce.

7. OPPORTUNITIES

The adoption of Artificial Intelligence (AI) across sectors in India has created a wealth of opportunities for both the workforce and the economy. Upskilling and reskilling initiatives are not only essential for maintaining employability but also for fostering innovation and productivity in AI-driven environments (World Economic Forum, 2023).

One of the most significant opportunities lies in government-supported programs that aim to promote digital and AI literacy. Initiatives such as Skill India Mission, Digital India and Future Skills Prime have been instrumental in building awareness about emerging technologies and equipping professionals with the necessary AI competencies (Ministry of Skill Development and Entrepreneurship, 2024). The National Strategy for Artificial Intelligence developed by NITI Aayog (2023) further emphasizes the creation of “AI for All,” which focuses on training the workforce for socially beneficial applications of AI in agriculture, healthcare, and education.

From a corporate perspective, several Indian companies are investing heavily in internal upskilling programs to remain competitive in the digital economy. Infosys, for instance, established its Lex Learning Platform, which provides AI-related modules to employees for self-paced learning, while TCS and Wipro have created specialized AI learning academies (NASSCOM, 2024). These initiatives enable employees to transition from traditional roles to high-demand positions such as data analysts, AI engineers and automation specialists. Accenture (2024) found that organizations with structured AI training programs experience a 35% higher rate of employee retention and innovation capability.

The integration of AI skills into the education system also presents a key opportunity for sustainable workforce development. CBSE (2023) has introduced AI as an elective subject at the school level, encouraging early awareness and competency building among students. Furthermore, universities are collaborating with global technology companies like Microsoft and IBM to co-develop AI-focused curricula and certifications (FICCI, 2023). Such academic-industry partnerships bridge the gap between theoretical knowledge and industry practice.

Upskilling in AI-powered roles also enhances India’s global competitiveness. The country has emerged as a major hub for AI talent, with a rapidly growing pool of professionals skilled in data science, machine learning, and cloud computing (KPMG, 2024). According to LinkedIn’s Future Skills Report (2023), India ranks among the top five countries globally for AI and data-related job growth. This growth not only increases employability but also attracts international investment and collaboration in the field of AI research and innovation.

Additionally, AI-driven reskilling fosters inclusive development, particularly in sectors such as agriculture, education, and healthcare, where AI can amplify human potential rather than replace it (NITI Aayog, 2023). By empowering workers with AI-related skills, India can ensure that the benefits of technological progress reach marginalized populations and contribute to equitable socio-economic advancement.

8. CHALLENGES

Despite the numerous opportunities, the process of upskilling and reskilling in AI-powered roles in India faces substantial challenges. The most pressing issue is the skill mismatch between the requirements of AI-driven industries and the competencies of the existing workforce (NASSCOM, 2024). While the demand for AI specialists, data scientists and automation experts is rapidly increasing, the current education and training infrastructure has not evolved at the same pace (KPMG, 2024).

A significant challenge is accessibility and affordability of quality AI education and training, particularly in rural and semi-urban areas. Digital literacy remains uneven across regions and limited access to broadband connectivity and advanced learning tools hinders the participation of a large portion of the workforce (PwC, 2023). UNESCO (2023) highlighted that socio-economic barriers, such as income inequality and gender disparity, continue to restrict access to technical education for many women and underprivileged groups, reducing overall diversity in AI-powered professions.

The high cost of AI infrastructure including software, hardware and specialized training programs also poses a barrier for small and medium-sized enterprises (SMEs) that wish to upskill their employees (FICCI, 2023). While large corporations can invest in AI academies and continuous learning systems, smaller firms often rely on external vendors or limited online resources that may not be comprehensive or up-to-date (OECD, 2023).

Resistance to change among employees and management is another critical obstacle. Many traditional workers perceive AI as a threat to job security, leading to low engagement with upskilling programs (KPMG, 2024). In some organizations,

management hesitates to allocate time and resources for employee training, prioritizing short-term productivity over long-term capacity building (Accenture, 2024).

Additionally, there is a lack of standardized frameworks to evaluate and certify AI-related skills in India. Unlike countries such as Singapore and Germany, which have national-level competency benchmarks for emerging technologies, India's skill certification system is fragmented and inconsistent (ILO, 2022). This lack of uniformity makes it difficult for employers to assess skill levels and for employees to demonstrate their qualifications across industries.

Another concern is the rapid obsolescence of skills in AI domains. As technologies evolve swiftly, skills learned today may become outdated within a few years, requiring continuous learning cycles (McKinsey Global Institute, 2024). Without institutional mechanisms for lifelong learning, workers risk falling behind in the digital transition. Moreover, the academic curriculum in many universities remains theory-oriented, with limited exposure to practical AI tools, case studies, and interdisciplinary applications (NITI Aayog, 2023).

Finally, ethical and data privacy concerns in AI adoption pose an indirect challenge to skill development. Professionals must be trained not only in technical competencies but also in ethical decision-making, responsible AI use, and regulatory compliance (Deloitte, 2024). Building trust in AI systems requires that human workers are capable of understanding and managing algorithmic transparency and accountability.

In summary, addressing these challenges demands a multi-pronged strategy involving policy reform, industry collaboration and inclusive education. Without systematic intervention, India risks facing a widening skill divide that could hinder its ambition to become a global AI innovation hub.

9. SUGGESTIONS

Universities and technical institutions should embed AI, data analytics and machine learning modules across all disciplines, ensuring alignment between academic outcomes and industry requirements.

Continuous education programs such as micro-credentials, MOOCs and flexible online certifications should be encouraged to help professionals stay updated with evolving AI technologies.

Collaboration between industries and higher education institutions can help design job-relevant courses and facilitate internships or apprenticeships in AI domains

India should develop a unified skill certification framework for AI and related technologies to standardize qualifications and improve employability across industries

Joint ventures between government, corporations and educational institutions can fund AI laboratories, innovation hubs and digital literacy programs.

Reskilling programs should incorporate modules on AI ethics, data protection and transparency to promote socially responsible use of technology.

Tax rebates or subsidies should be offered to organizations investing in large-scale reskilling initiatives and to individuals pursuing certified AI training

Small and medium enterprises should receive targeted support, including grants or digital infrastructure access, to enable cost-effective AI workforce training

Regular impact assessments of national and corporate upskilling programs should be conducted to ensure efficiency and continuous improvement

10. CONCLUSION

Upskilling and reskilling are vital pillars for India's AI-driven future. By fostering digital adaptability, India can mitigate employment risks posed by automation and enhance productivity across sectors. A collaborative approach involving government, academia, and industry will ensure that AI becomes a tool for empowerment rather than exclusion, driving sustainable and inclusive economic growth

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