

INDIA INC, AI, AND THE COMMUNICATION COMPETENCE GAP

What Employers Need from Emerging Talent

A White Paper on Employability and the Emerging Communication Gap

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1. Table of Contents

1. Table of Contents	2
2. Executive Summary	3
3. Introduction	5
4. Background and Theoretical Framework.....	7
4.1 Communication Competence as a Construct.....	7
4.2 The AI-Mediated Communication Environment	8
5. Methodology.....	9
5.1 Study One: Macro Analysis of Industry Reports	9
5.1.1 Selection of Reports.....	9
5.1.2 Analytical Procedure	10
5.2 Study Two: Observational Analysis of MBA Extemporaneous Speaking	11
5.2.1 Context and Participants.....	11
5.2.2 Ethical Considerations.....	12
6. Analysis.....	13
6.1 Macro Analysis - What India Inc Expects	13
6.1.1 The AI-First Workforce Reset	13
6.1.2 The Collapse of the Workforce Pyramid	15
6.1.3 The New Human Skills Imperative	16
6.2 Interpreting the Four Pillars: Linking Industry Expectations to Observed Behaviours.....	18
6.3 Part II: Micro Analysis - What Emerging Talent Demonstrates.....	20
6.3.1 Surface Fluency Without Structural Depth	21
6.3.2 Conversational Informality and the Migration of Digital Speech Habits	22
6.3.3 Cognitive Overload and the Limits of Unscripted Articulation.....	22
6.3.4 <i>Performative Professionalism and Limited Authentic Audience Engagement</i>	<i>24</i>
7. Synthesis: The Communication Competence Gap	26
7.1 A Diagnostic Framework.....	28
8. Recommendations	30
8.1 Recommendations for Industry	30
8.2 Recommendations for Academia and Business Schools.....	31
8.3 Recommendations for Students and Young Professionals	32
8.4 Recommendations for Policy Institutions and Sector Bodies	33
9. Limitations and Future Directions	35
10. Conclusion	36
11. References	38
12. Author Details	40

2. Executive Summary

India's technology and corporate ecosystem is entering a historic workforce transition. On paper, national employment indicators appear encouraging: the India Skills Report 2026 notes that youth employability has reached an all-time high of 56.35%. Yet beneath these headline figures, organisations across India's technology, consulting, Global Capability Centre (GCC), and enterprise sectors are confronting a growing and underappreciated operational challenge.

The rapid integration of Generative and Agentic AI has fundamentally altered the architecture of entry-level work. Tasks that once formed the foundation of white-collar employment, such as coding, documentation, summarisation, data processing, and report generation, are increasingly being automated or accelerated by AI systems. As organisations move from volume-based hiring toward precision capability hiring, employers are placing growing value on distinctly human competencies: strategic thinking, verbal synthesis, problem framing, judgment, collaboration, adaptability, and real-time communication.

The central finding of this white paper is that while AI is intensifying organisational demand for higher-order communication competence, many future professionals continue to demonstrate communication patterns optimised for conversational fluency rather than managerial effectiveness. This gap between what organisations increasingly need and what emerging talent currently demonstrates constitutes what this paper terms the Communication Competence Gap.

To examine this transition, the paper combines two complementary studies. The first conducts a thematic synthesis of four major 2025–2026 industry reports, EY India, India Skills Report (Wheebox, ETS & CII), TeamLease Digital, and NASSCOM, to identify the emerging human capability expectations of India Inc. Across all four reports, communication, collaboration, problem-solving, ethical judgment, adaptability, and human–AI coordination emerged as critical employability capabilities. The second presents a micro-level observational analysis of evaluator feedback collected from 105 MBA students during extemporaneous speaking exercises. The findings revealed recurring tensions involving low confidence under pressure, conversational informality, surface-level fluency without structural depth, and limited audience engagement during spontaneous speaking.

Together, these two analyses reveal a widening gap. Contemporary students frequently display conversational confidence and digital fluency, yet struggle with spontaneous verbal organisation, synthesis, persuasion, and audience-responsive communication when digital scaffolds are removed.

The paper also introduces a conceptual distinction between disfluency - the observable breakdown of verbal fluency and surface fluency, which is the presence of expressive ease without communicative depth, arguing that the latter is the more consequential and less visible challenge facing India's AI-era talent pipeline, and proposing a diagnostic typology of four communicator profiles to guide both hiring and pedagogical intervention.

This white paper argues that India's future employability challenge may no longer primarily concern technical literacy but in developing higher-order human communication competence for AI-mediated workplaces and in building the institutional conditions that make such development possible.

3. Introduction

India today stands at the centre of one of the world's largest workforce transitions. With nearly 367 million young people aged 15–29, the country possesses what has long been described as a historic demographic advantage (State of Working India Report, 2026)¹. This demographic dividend, however, is entering a period of significant uncertainty. Globally, layoffs in the technology sector reached a two-year peak in June 2026², with over 1,00,000 jobs lost in the first five months² of the year alone. India is not insulated from these pressures.

As the world's largest contributor of technology and knowledge workers, India is especially exposed to AI-driven disruption. Technology services, consulting, and GCCs, the very sectors that have anchored India's white-collar employment growth, are among those most vulnerable to AI-enabled automation. With over 2,100 GCC centres employing 2.36 million people, India is currently the world's largest GCC hub³. Yet AI is already enabling greater output without proportionate increases in headcount, decoupling growth from hiring even as adoption continues to lag behind technological advancement. This makes India one of the most consequential laboratories in the world for understanding the future relationship between AI, employability, and human capability.

Young people are entering a labour market in which AI is reshaping not only tasks, but the value attached to different kinds of work. The consequence is not simply job disruption. It is a redefinition of what counts as workplace readiness, particularly in formal, white-collar sectors where routine analytical and communication tasks are increasingly being augmented or automated. Crucially, what is being redefined is not only the technical baseline of employability, but its human dimension.

Recent industry reports across India's technology, consulting, enterprise, and employability sectors reveal that organisations are fundamentally rethinking what makes professionals valuable in an AI-enabled economy. While technical literacy remains important, employers are increasingly emphasising distinctly human capabilities: communication, judgment, collaboration, adaptability, problem framing, ethical reasoning, and real-time decision-making (EY India & CII, 2026; NASSCOM, 2026; TeamLease Digital, 2026). Across these reports, expectations cluster around four

¹ <https://techcrunch.com/2026/06/15/the-ai-layoff-wave-is-becoming-a-powder-keg/>

² <https://layoffs.fyi/>

³ <https://www.reuters.com/world/india/indias-gcc-model-shifts-cost-capability-ai-talent-strains-bite-2026-05-27>

interconnected pillars: problem solving; human skills and communication; ethical judgment; and human–AI collaboration.

Simultaneously, the scholarship on communication and workplace readiness points toward a growing concern. Today's students and young professionals operate within ecosystems dominated by asynchronous messaging, short-form digital interaction, algorithmically mediated communication, and AI-assisted linguistic support. These environments privilege speed, conversational immediacy, brevity, and surface-level fluency (Turkle, 2015). Emerging research on cognitive offloading suggests that AI systems, by externalising summarisation, drafting, ideation, and linguistic refinement, may be reducing the cognitive demands that would otherwise build independent articulation capacity (Risko & Gilbert, 2016; Gerlich, 2025). The risk is not that students cannot communicate; it is that the environments shaping their communication may not be building the depth that managerial roles increasingly demand.

Andrews and Higson (2008) established, over a decade ago, that employers rate transferable communication and interpersonal competencies as at least as important as domain-specific technical knowledge. Morreale, Valenzano, and Bauer (2017) have consistently demonstrated that communication competence remains central to professional effectiveness, leadership credibility, and workplace success across sectors. What has changed is the urgency: as AI absorbs more of the technical baseline, communication competence is no longer one capability among many. It is becoming the primary differentiator.

It is within this broader context that the present white paper was undertaken. The study seeks to explore whether a gap is emerging between the human capabilities increasingly demanded by India Inc and the communication competencies visibly demonstrated by future managerial talent. For employers, such a gap represents an execution risk. For policymakers and sector bodies, it is a signal that employability frameworks may need to move beyond technical literacy and credential attainment toward higher-order human capability as the defining measure of workforce readiness.

This paper refers to the resulting misalignment as the Communication Competence Gap: the widening distance between the communication capabilities organisations increasingly require, and the communication behaviours future professionals currently demonstrate in unscripted conditions.

4. Background and Theoretical Framework

India's corporate ecosystem is undergoing a profound structural reset. For nearly three decades, the technology and services sector operated through large workforce pyramids built around transactional execution: software maintenance, backend coding, data processing, documentation, testing, reporting, and routine analytical support. India's position as a global services hub was built on scale, process efficiency, and large pools of technically trained graduates. The rapid rise of Generative and Agentic AI is now fundamentally disrupting this architecture.

As AI systems absorb routine and rules-based work, organisations are shifting from volume-based hiring toward what TeamLease Digital (2026) describes as "*precision capability hiring*" a model in which employability is defined not by the breadth of technical knowledge, but by adaptability, contextual judgment, and applied business capability. The result is an employability paradox: rising digital literacy and improving headline metrics coexist with deepening employer concern about workplace readiness. India is producing more formally credentialed graduates than ever, yet employers increasingly say that those graduates cannot do what organisations most need them to do.

4.1 Communication Competence as a Construct

Central to this paper is the construct of communication competence, the ability to communicate effectively and appropriately across contexts. Spitzberg and Cupach (1984) define communication competence as the combination of three interdependent components: the motivation to engage, the knowledge of appropriate strategies, and the skill to execute them in real time. Morreale, Valenzano, and Bauer (2017) extend this to professional contexts, demonstrating that communication competence is consistently among the most valued graduate capabilities across sectors and over time. Andrews and Higson (2008), in their European study of graduate employability, similarly find that transferable communication and interpersonal competencies are rated by employers as at least as important as domain-specific technical knowledge.

What distinguishes higher-order communication competence from surface fluency is the capacity for spontaneous synthesis, the ability to organise thought, construct an argument, and adapt to an audience in real time without external scaffolding. Levelt's (1989) influential model of speech production identifies this as an inherently demanding cognitive task that requires simultaneous conceptualisation, linguistic formulation, articulation, and self-monitoring. These demands intensify

sharply in managerial and leadership contexts, where communication must carry strategic meaning, demonstrate analytical depth, and remain responsive to the audience not merely convey information.

McCroskey (1977) drew an important early distinction between communication competence and communication apprehension: low confidence under pressure does not simply reflect nervousness, but the absence of practised, internalised communication frameworks that allow a speaker to function under cognitive load. This distinction is especially relevant to the current paper, where observed student behaviours frequently reflected not a fear of speaking, but a lack of the structural and cognitive resources needed to sustain communication quality when external supports were removed.

4.2 The AI-Mediated Communication Environment

A growing body of scholarship raises questions about whether contemporary communication environments support the development of higher-order competencies. Turkle (2015) argues that digital communication cultures increasingly favour asynchronous, low-friction interaction over the sustained, real-time dialogue that builds conversational depth and interpersonal responsiveness. Research on cognitive offloading suggests that AI systems, by externalising summarisation, drafting, ideation, and linguistic refinement, may reduce the cognitive demands that would otherwise build independent articulation capacity (Risko & Gilbert, 2016; Gerlich, 2025).

Kasneji et al. (2023) raise a related concern in educational settings: that overreliance on AI-assisted writing and reasoning tools may gradually attenuate students' capacity for independent argumentation and analytical expression. This does not suggest that AI tools are harmful — they demonstrably support productivity and learning. But it does suggest that their use requires deliberate counterbalancing through practice environments that demand unscripted, cognitively demanding communication. Without such counterbalancing, there is a risk that digital fluency and AI-assisted ease may quietly displace the harder-won capacity for independent synthesis and structured articulation.

Goffman's (1959) concept of self-presentation is also relevant here. Students who perform professionalism by adopting formal posture, controlled gestures, and measured tone without developing the underlying communicative depth that authentic professional presence requires may find that the performance begins to substitute for competence. What looks like communication readiness in structured, rehearsed formats may not survive the cognitive exposure of real-time, unscripted workplace communication.

It is precisely this tension between the rising organisational demand for higher-order communication competence and the communication habits shaped by AI-mediated, low-friction digital environments that this paper sets out to examine through the lens of India's evolving workforce landscape.

5. Methodology

This white paper employs a two-stage qualitative analytical design, combining a macro-level thematic synthesis of contemporary Indian industry reports with a micro-level observational analysis of MBA student communication performance. The two stages were intentionally designed to be complementary: the first provides a demand-side view of what organisations need, while the second offers a supply-side view of what emerging talent currently demonstrates. Together, they reveal a structural mismatch that neither study alone could establish.

5.1 Study One: Macro Analysis of Industry Reports

5.1.1 Selection of Reports

Four major 2025–2026 industry reports were selected for thematic analysis because they collectively represent key sectors shaping India's technology, employability, and enterprise landscape. Taken together, they provide perspectives from students, employers, employees, and senior enterprise leaders, covering over 100,000 test-takers, more than 3,800 employers and employees, and 200+ C-suite executives across India's formal economy.

Publication	Date / Period	Sample and Respondent Profile	Sectoral and Thematic Coverage
India Skills Report 2026 (ETS–Wheebox), partners: AICTE, CII, Taggd, AIU	2026 edition	103,000+ test takers across 20 states; large-scale employability testing and sectoral benchmarking	IT and Computer Science, BFSI, Manufacturing and Infrastructure, Healthcare and Pharma, Retail and E-commerce, Government and Public Sector, GCCs; employability, digital skills and workforce readiness.
NASSCOM × Indeed HR Survey, by Valuvox	May 2026	1,215 employers and 2,593 employees across India	Tech, BFSI, Telecom, Software Development, Industrial, Mechanical and Electrical Engineering, Scientific Research, Legal and Management; hiring gaps,

			AI adoption and workforce skills expectations.
TeamLease EdTech Career Outlook HY1 2026, led by Shantanu Rooj	Jan–Jun 2026	1,051 employers, including 771 fresher-hiring employers, 219 degree-apprenticeship employers and 46 overlap cases	Retail, E-commerce and Start-ups, Manufacturing, IT, FMCG, Travel and Hospitality, Healthcare and Pharma, Power and Energy, Marketing and Advertising; fresher demand, apprenticeship routes and priority skills.
EY India × CII, The Aldea of India 2026	Nov, 2025	200+ Indian enterprise leaders in a C-suite GenAI survey	Government bodies, PSUs, start-ups, Indian enterprises and Indian arms of multinationals; GenAI adoption, workforce redesign, Responsible AI and human–AI work design.

5.1.2 Analytical Procedure

The four industry reports were manually reviewed using a thematic synthesis approach (Thomas & Harden, 2008) to identify recurring patterns related to employability, organisational capability, and workforce transformation in India's AI-driven economy. Rather than treating the reports as isolated documents, the analysis focused on identifying overlapping concerns, repeated capability expectations, and converging strategic priorities across corporate, technology, and employability sectors.

The reports were systematically coded for recurring references to key capability areas, including communication, collaboration, problem solving, adaptability, ethical judgment, critical thinking, human–AI collaboration, managerial capability, and leadership readiness. Particular attention was paid to how organisations framed these competencies — not as peripheral "soft skills," but as central operational capabilities necessary for survival within AI-enabled workplaces.

Critically, the analysis did not restrict itself to explicit references to "communication skills." The reports were also examined for broader indicators of higher-order human capability, including references to synthesis, persuasion, facilitation, problem framing, relationship-building, contextual understanding, and collaborative coordination within distributed or AI-assisted work environments. This wider lens was adopted because communication competence in AI-era organisations frequently manifests in

capabilities that are not labelled as "communication" in industry discourse — such as stakeholder translation, AI output evaluation, and distributed team coordination but which are fundamentally communicative in nature. Through iterative comparison across the four reports, several recurring thematic clusters emerged, forming the foundation for the second stage of analysis.

5.2 Study Two: Observational Analysis of MBA Extemporaneous Speaking

5.2.1 Context and Participants

The second study draws on evaluator observations collected during extemporaneous speaking exercises conducted with 105 MBA students within a management education setting. The exercise was designed to evaluate spontaneous oral communication competence under conditions of real-time cognitive demand: participants were required to select a topic from a provided list and speak for three to five minutes without notes, preparation time, digital prompts, or rehearsed content.

This format was chosen deliberately. Unlike prepared presentations or scripted speaking tasks, extemporaneous speaking requires students to conceptualise, organise, and articulate simultaneously replicating the cognitive conditions of live managerial communication such as client briefings, stakeholder discussions, and unplanned meeting contributions. The exercise thereby creates what might be termed a real-time cognitive exposure zone: a setting in which the structural and analytical dimensions of a student's communication, normally obscured by preparation and digital support, become directly observable.

Four trained evaluators independently observed and documented communication behaviours during the exercise, focusing on structural coherence, pacing, audience engagement, vocal delivery, body language, conversational register, and overall communicative effectiveness. Observations were recorded in descriptive text during or immediately after each student's performance, capturing recurring verbal and nonverbal patterns.

The final dataset consisted of anonymised evaluator observations reflecting observable communication behaviours across the full cohort. It should be noted that this study was designed as a naturalistic classroom observation; evaluators compared and discussed observations following each session to identify patterns of consensus, and recurring themes were retained only where noted independently by at least two of the four evaluators. The observations reflect communication behaviour as it occurred in an authentic pedagogical setting, while acknowledging the limitations of inter-rater reliability that a more formalised coding protocol would provide.

5.2.2 Ethical Considerations

The observational data analysed in this white paper emerged from routine classroom communication exercises conducted as part of regular pedagogical activity within the MBA curriculum. The exercise was not designed as a formal experimental intervention, and no personal, psychological, medical, or sensitive information was collected from participants. The study relied exclusively on anonymised evaluator observations of observable communication behaviours within a classroom performance context. No audio or video recordings were made, no student identities were recorded at any stage, and all findings are presented in aggregated and de-identified form.

6. Analysis

The evaluator observations were reviewed using reflexive thematic analysis (Braun & Clarke, 2006), in which open coding of recurring observable communication behaviours was followed by iterative grouping into broader thematic categories. The macro-level industry data were analysed using a thematic synthesis framework (Thomas & Harden, 2008), which identified converging capability expectations across the four reports. The two datasets were then aligned to identify points of alignment and divergence between employer expectations and observed student performance.

6.1 Macro Analysis - What India Inc Expects

6.1.1 The AI-First Workforce Reset

The thematic synthesis of the four industry reports revealed a remarkably consistent pattern: across sectors and methodologies, organisations increasingly view higher-order human capability, rather than transactional technical execution, as the defining differentiator of future employability. This convergence is significant. The four reports draw on different data sources, cover different sectors, and were produced by organisations with different institutional mandates. That they arrive at the same core finding lends it considerable weight.

The reports also collectively point to an emerging employability paradox. National-level indicators, such as the India Skills Report 2026's all-time-high employability score of 56.35%, suggest a growing pool of formally qualified youth. Yet employer-focused studies by NASSCOM–Indeed and TeamLease EdTech simultaneously report persistent and in some cases widening gaps in problem-solving, communication, and workplace readiness. The data suggests that India is producing more formally credentialed candidates, even as employers struggle to find professionals who can operate with judgment, structure, and communicative depth in AI-intensive environments. Headline employability metrics and functional workplace readiness are moving in opposite directions.

Report	On Communication / Human Skills	General Recommendations	Recommendations for Human Skills & Communication
India Skills Report 2026	"The skills that define adaptability, creativity, communication,	"Measure: define outcomes, instrument workflows, and publish talent telemetry.	Skills-first hiring, role redesign, generative-AI literacy, and manager coaching raise

	<p>leadership, and critical reasoning remain inherently human... Communication and collaboration to connect distributed teams." (p. 54)</p>	<p>Modularise: break large programmes into sprints staffed by cross-functional pods. Mobilise: blend employees, independent professionals, and AI agents with clear governance." (p. 14)</p>	<p>productivity and resilience. Human and digital skills: "Creativity and design thinking... Critical thinking and problem-solving... Communication and collaboration to connect distributed teams... Digital literacy and data analytics... Emotional intelligence and resilience." (p. 54)</p>
<p>India's AI Talent Inflection Point (NASSCOM)</p>	<p>"44% of employers struggle to find candidates with strong problem-solving skills, and 38% report difficulty hiring for communication skills." (p. 8)</p>	<p>The STEP framework: Set the Direction — vision, leadership and Responsible AI foundations; Transform Workforce skills at scale and AI-enabled work design; Education and Industry Alignment curriculum, collaboration and careers; Progressive Mindset culture, change and continuous learning. (p. 10)</p>	<p>Gaps most visible in foundational capabilities: 44% of employers struggle to find candidates with strong problem-solving skills, and 38% report difficulty hiring for communication skills. "Companies are deprioritising degree requirements, re-evaluating job descriptions, and expanding hiring criteria to attract a wider talent pool." (p. 8)</p>
<p>Career Outlook Report HY1 2026 (TeamLease)</p>	<p>"Top soft skills employers expect freshers to possess are: Communication, Learning Agility, Problem Framing, Time Management and Digital Fluency." (Executive Summary, p. 5)</p>	<p>"Hiring is increasingly anchored in apprenticeships, corporate ecosystems, live projects, and early-career programmes where capability, participation, and readiness matter more than credentials alone." (Preface, p. 1)</p>	<p>"Top soft skills employers expect freshers to possess are: Communication, Learning Agility, Problem Framing, Time Management and Digital Fluency." (Executive Summary, p. 5). Key Takeaway #5: "Learning agility, problem framing, and digital fluency stand out as the most in-demand soft skills, aligned with employers' need for</p>

			adaptable talent in technology-enabled roles." (p. 44)
The Aldea of India 2026 (EY India × CII)	"AI takes on repetitive, data-heavy tasks while humans focus on judgment, creativity and relationships." (p. 37)	"Work is increasingly done in 'hybrid pods' of humans and AI agents... organisations are shifting from pyramids to diamond-shaped structures." (p. 36). RAI 2.0 shifts from "trust us" to "show us" requiring ongoing assurance mechanisms. (p. 49)	"AI takes on repetitive, data-heavy tasks while humans focus on judgment, creativity and relationships." (p. 37). "Work is becoming more 'higher-order,' making employee skilling... critical." (p. 18). "Training staff to work effectively with AI (e.g. prompt engineering, AI oversight) and instilling trust in AI-generated insights alongside healthy scepticism." (p. 35)

Read together, the four reports establish that communication is no longer a peripheral organisational concern. It has become core operational infrastructure, the mechanism through which distributed teams coordinate, AI outputs are evaluated and translated, clients are engaged, and strategic decisions are articulated. This understanding of communication as infrastructure, rather than polish, fundamentally changes what organisations need to hire for and what educational institutions need to develop.

6.1.2 The Collapse of the Workforce Pyramid

For decades, India's corporate and technology sectors operated under pyramid-shaped workforce models, with large bases of junior engineers, analysts, coders, testers, and process executives performing repetitive, rules-based tasks. This model suited the labour-intensive, volume-driven service-delivery architecture that helped build India's position as a global technology hub. AI is now dismantling that architecture from the base upward.

The EY India report argues that organisations are rapidly moving toward "diamond-shaped" workforce structures, in which lower-order execution work is absorbed by AI-assisted systems while human employees focus on judgment, interpretation, collaboration, and strategic problem-solving. TeamLease Digital similarly describes a shift away from volume hiring toward "precision capability

hiring," in which adaptability, contextual judgment, and applied business capability take precedence over narrow technical execution. The practical implication is significant: the entry-level roles that once absorbed large cohorts of graduates and through which those graduates built foundational professional competencies are shrinking or disappearing. New entrants to the workforce are being asked to operate at levels of capability that previously took years of experience to develop.

The result is a growing readiness gap. Despite rising digital literacy and improving aggregate-level employability metrics, employers continue to report significant deficits in workplace readiness, particularly in communication, synthesis, collaboration, and business articulation. The pyramid's collapse has exposed the extent to which professional communication competence was previously developed on the job through repetitive client interactions, team meetings, presentation cycles, and incremental exposure to managerial contexts rather than brought in by new hires. As those entry-level developmental rungs disappear, the gap between what new graduates demonstrate and what organisations need is widening.

6.1.3 The New Human Skills Imperative

Across all four reports, four capability clusters emerged with particular consistency and force.

Communication and collaboration were repositioned, across all four reports, from a peripheral interpersonal competency to a foundational operational capability. The India Skills Report specifically identifies communication and collaboration as essential for connecting distributed teams and operating effectively in AI-enabled work environments, framing these not as desirable attributes but as structural requirements. NASSCOM—Indeed data quantifies the gap: 38 per cent of employers report difficulty hiring for communication skills, making it the second-most-commonly cited capability deficit after problem-solving. TeamLease lists communication as the top soft skill expected of freshers. EY India frames human judgment, creativity, and relationship skills as the domains in which human workers must operate as AI absorbs the rest. The finding is consistent across four independently produced reports, covering over 100,000 data points and 200+ C-suite respondents.

Problem framing and adaptability round out the capability picture. As AI systems increasingly automate structured and repetitive workflows, organisations are placing greater value on professionals capable of navigating ambiguity, complexity, and unstructured business challenges — the situations in which predefined procedures do not apply and where human judgment, framing ability, and real-time communication become the primary tools available. The NASSCOM—Indeed report's finding that 44 per cent of employers struggle to find candidates with strong problem-solving skills underscores that this gap is already operational, not merely anticipated.

Human–AI translation has emerged as a distinct and rapidly growing capability requirement. Several reports emphasise the rising demand for professionals capable of interpreting technical AI outputs and translating them into meaningful business narratives. TeamLease Digital highlights rising demand for "AI Translators" and "Solutions Engineers" — roles that sit explicitly at the intersection of technical understanding and communication capability. The ability to translate AI-generated results into contextually appropriate business language, to frame their limitations, and to make them actionable for non-technical stakeholders is increasingly identified as a differentiating professional capability that neither purely technical nor purely communicative training alone can develop.

Ethical Judgment and critical reasoning are becoming more important because AI-generated outputs require human evaluation, contextual interpretation, and ethical oversight. EY India specifically notes that organisations increasingly require professionals capable of maintaining "healthy scepticism" alongside trust in AI systems, a stance that requires the analytical confidence to interrogate outputs, the communication capability to articulate concerns, and the ethical grounding to act on them. Passive consumption of AI outputs is an organisational liability; active, critical engagement with them is an organisational asset.

Table 3: Emerging Industry Expectations in India's AI-Era Workforce

Capability Cluster	Recurring Industry Emphasis
Communication & Collaboration	Distributed teams, stakeholder interaction, AI–human coordination
Problem Solving & Adaptability	Navigating ambiguity and unstructured business situations
Human–AI Translation	Interpreting technical outputs into business language
Ethical Judgment & Critical Reasoning	Evaluating AI outputs critically and responsibly

Together, these four clusters represent a functional description of what AI-era organisations require of professionals who must operate where machines stop, and human judgment begins. Having established what India Inc increasingly expects, the analysis now turns to the supply side, examining how those expectations map onto the communication behaviours currently visible within a future managerial talent cohort, and where the most consequential gaps lie.

6.2 Interpreting the Four Pillars: Linking Industry Expectations to Observed Behaviours

Problem-solving in the AI economy no longer refers to executing predefined technical tasks. It increasingly means the ability to frame ambiguous situations, organise thought under pressure, and move from scattered inputs to a coherent line of reasoning that can guide action. This is consistent with the industry evidence: NASSCOM–Indeed finds that 44 per cent of employers struggle to find candidates with strong problem-solving skills, while TeamLease highlights problem framing as one of the most in-demand fresher capabilities. The observational study of 105 MBA students suggests that this capability cannot be assumed simply because students appear verbally fluent. Many began confidently but lost direction midway, relied on fillers while searching for the next idea, or ended without a clear conclusion, indicating difficulty in sustaining analytical progression under real-time cognitive load. Low confidence under pressure and surface-level fluency are, therefore, not merely communication issues; they are visible indicators of a deeper challenge in live problem framing and structured reasoning.

Communication is becoming central because AI-enabled organisations increasingly depend on stakeholder alignment, distributed teamwork, client interaction, and the translation of complex ideas across teams and functions. The India Skills Report positions communication and collaboration as inherently human capabilities needed to connect distributed teams, while the NASSCOM–Indeed study notes that 38 per cent of employers report difficulty hiring for communication skills. The 105-student observations reveal that the issue is not a lack of willingness to speak, but the gap between conversational ease and professional communication control. Many students sounded conversational rather than managerial, relied on informal connectors and filler language, and struggled to convert expressive delivery into structured, audience-aware articulation. This points to a broader employability concern: students may be comfortable talking, but are not yet consistently able to communicate with the clarity, authority, and relational awareness that workplace settings demand.

Ethical judgment is becoming increasingly important because AI systems can generate plausible but flawed outputs, requiring professionals to evaluate, question, and contextualise machine-generated recommendations rather than accept them passively. EY's Aldea of India report emphasises that organisations require human oversight, healthy scepticism, and ongoing assurance as AI becomes embedded in workflows, arguing that Responsible AI must shift from "trust us" to "show us." The student data support this pillar indirectly but meaningfully. Students who showed weak synthesis, rushed analytical progression, and limited depth often appeared to prioritise expressive fluency over

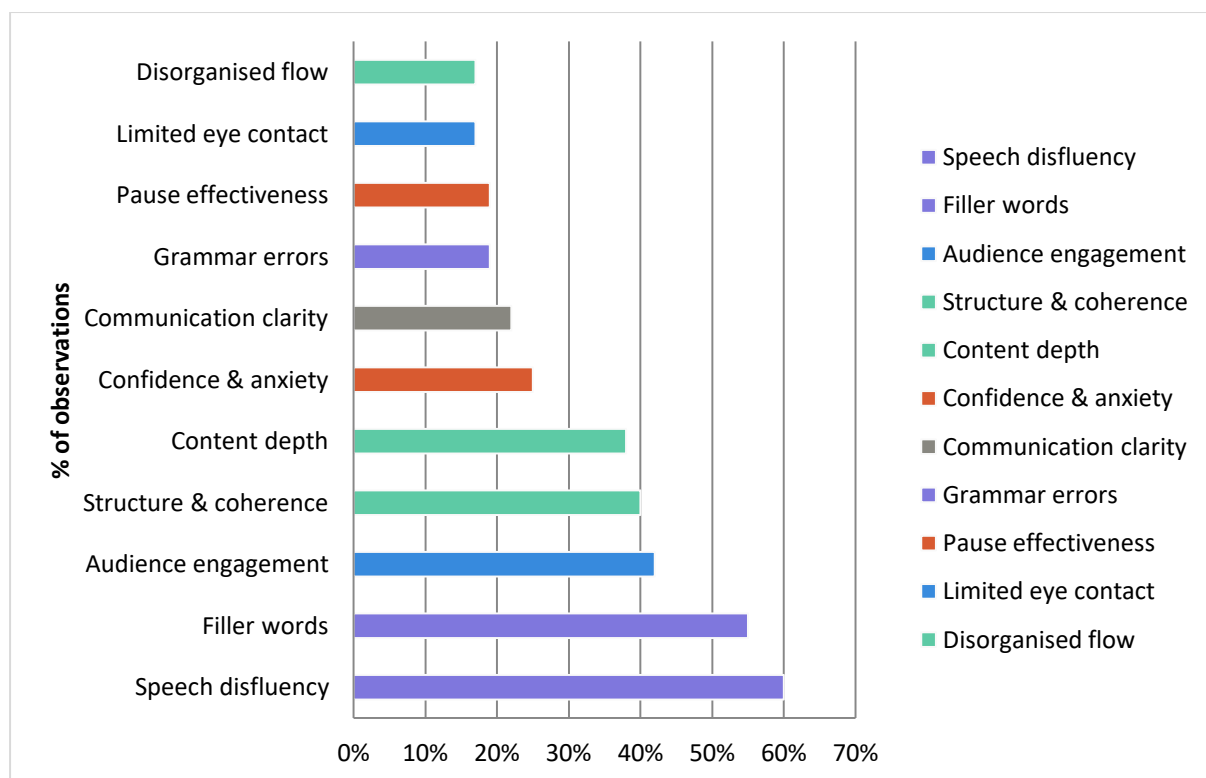
reflective thinking. Professionals who do not habitually pause, analyse, and structure their thinking in communication contexts are also likely to struggle with the evaluative rigour.

Human–AI collaboration is not simply about using AI tools. It is about knowing how to combine machine speed and processing power with human judgment, communication, explanation, and accountability. EY describes hybrid pods of humans and AI agents, arguing that work is being redesigned around human judgment amplified by AI scale, while NASSCOM's STEP framework centres human–AI collaboration as a strategic workforce priority. The student findings indicate that this capability depends heavily on communication readiness. Professionals cannot collaborate effectively with AI, explain its outputs to others, challenge its reasoning, or translate its results into human meaning if they cannot sustain structured, audience-aware verbal communication under pressure. The communication gaps observed in the student cohort are therefore not merely pedagogical concerns; they are the gaps that will limit effective human–AI collaboration in organisational settings.

6.3 Part II: Micro Analysis - What Emerging Talent Demonstrates

While industry reports have established the growing organisational demand for higher-order communication competence, an observational analysis of MBA students' extemporaneous speaking revealed a contrasting picture of how these competencies currently manifest in practice. The extemporaneous speaking exercise functioned as a real-time cognitive exposure zone: a setting in which the structural, analytical, and relational dimensions of communication, normally concealed by preparation, digital support, or scripted formats, became directly visible to evaluators.

Figure 1: Frequency of coded assessment observations



Several recurring behavioural patterns emerged from the thematic analysis of evaluator observations across the student cohort, illustrated in Figure 1. Taken together, they reveal a consistent gap between the communicative confidence students demonstrate in rehearsed and digitally supported formats and the communicative depth they can sustain under live cognitive demand. Across all the coded observations, eleven codes appeared in more than 15% of performances, a threshold that, in a

naturalistic classroom observational study of this kind, represents a pattern of considerable consistency.

6.3.1 Surface Fluency Without Structural Depth

The most consistently observed pattern across the cohort was what evaluators described as a disconnect between expressive confidence and analytical substance. Several students demonstrated strong voice projection, conversational ease, and engaging delivery qualities that, in a first impression, read as communication competence. Beneath this fluency, however, evaluators frequently noted weak synthesis, fragmented arguments, and shallow analytical progression. Students often appeared verbally comfortable yet struggled to construct sustained logical narratives, build persuasive arguments, or arrive at clear, coherent conclusions.

Structural and content-depth issues were the most consequential finding in the dataset: problems with structure and coherence were flagged in 40 per cent of student performances, insufficient content depth in 38 per cent, and disorganised or fragmented flow in a further 17 per cent. Taken together, at least one indicator of surface fluency without structural depth was present in 62 per cent of the coded observations.

Representative evaluator observations included comments such as "Engaging speaker, but no clear takeaway emerged," "Confident delivery, but ideas remained surface level," and "Good storytelling but weak analytical structure." These observations point to a pattern in which expressive performance substitutes for, rather than carries, analytical depth. The issue was not a lack of verbal confidence but the difficulty of translating conversational fluency into the structured, purposeful communication required in professional and managerial contexts. This finding is particularly significant given that surface fluency is precisely what AI-assisted environments most readily develop and most readily reward. This could be described as their distinction between knowledge-telling, reproducing information in the order it comes to mind, and knowledge-transforming which is actively restructuring ideas to meet the demands of a communicative goal (Bereiter and Scardamalia, 1987). Many students appeared to be knowledge-telling: speaking fluently and continuously, but following the path of least cognitive resistance rather than constructing a purposeful argument. Knowledge-transforming, which is what analytical professional communication requires, depends on precisely the internalised structural thinking that AI-assisted environments rarely demand and therefore rarely develop.

It is important to distinguish this pattern from disfluency. Disfluency, the observable breakdown of verbal fluency through fillers, fragmentation, and pacing collapse, is the more visible and commonly diagnosed communication failure. Surface fluency is its quieter and more consequential counterpart:

the presence of smooth, confident delivery that carries no analytical payload. In AI-mediated environments that reward expressive ease and provide structural scaffolding, surface fluency is increasingly the default output and the harder problem to address, precisely because it does not announce itself as a problem at all.

6.3.2 Conversational Informality and the Migration of Digital Speech Habits

A second prominent pattern involved the migration of informal digital conversational habits into formal speaking contexts. Evaluators consistently observed students relying on fragmented sentence structures, informal verbal connectors, trailing thoughts, and filler language characteristic of digitally mediated interaction; phrases such as "like," "basically," "you know," and "so yeah" appeared frequently in formal speaking contexts where managerial register would be expected.

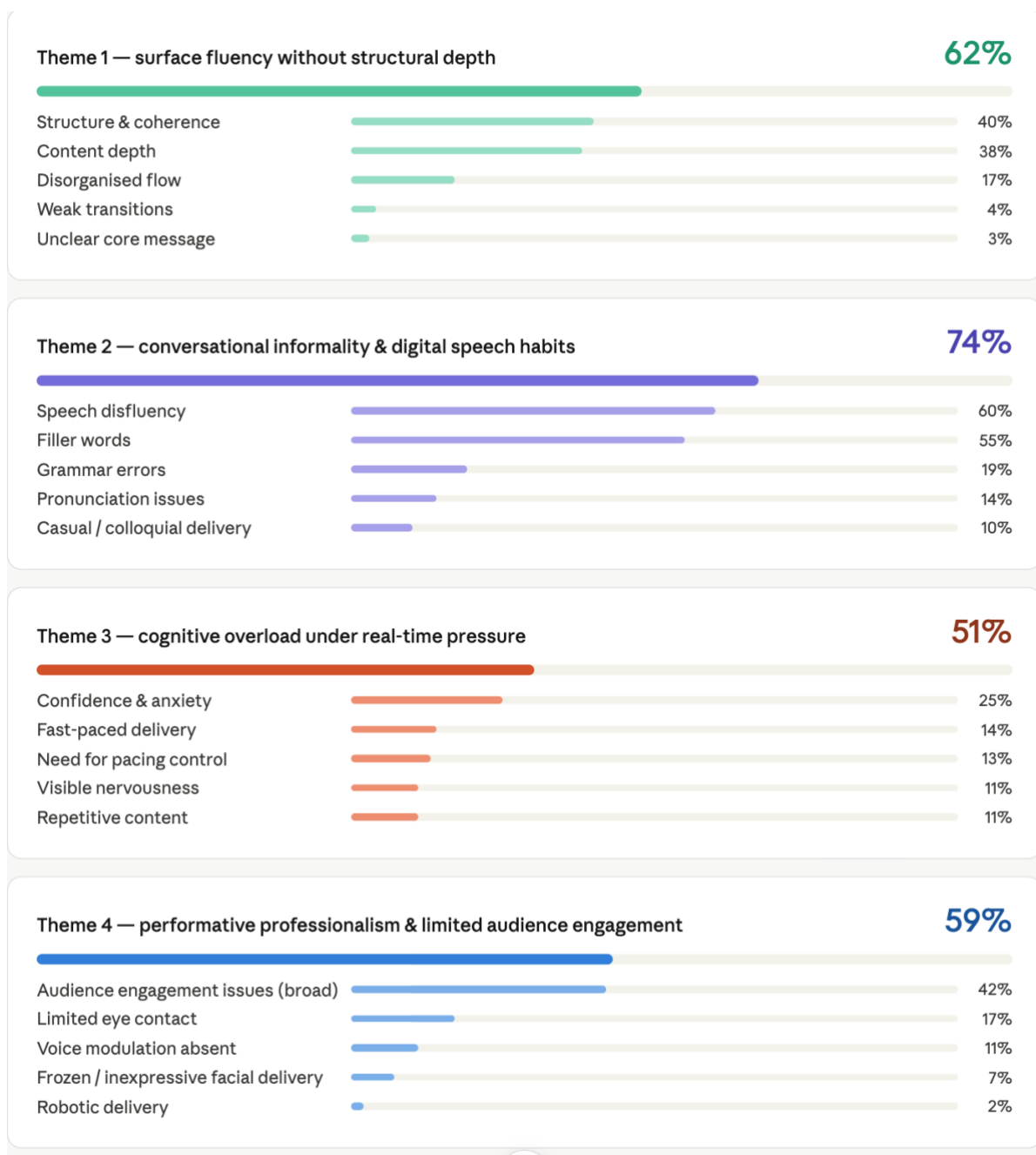
Speech disfluency was flagged in 60 per cent of performances and filler-word dependence in 55 per cent - the two highest-frequency codes in the entire dataset. Some form of informality was observed in 74 per cent of students.

Representative observations included "Too many 'like,' 'basically,' and 'you know'," "Sounded more conversational than professional," and "Casual delivery weakened authority." These patterns reflect more than individual speech habits. They suggest that the communication environments in which students spend the most time — messaging platforms, social media, group chats, AI-assisted tools — are calibrated for informal, low-friction interaction rather than the structured, register-aware communication that professional contexts demand. The informality is not laziness; it is the natural output of environments that have consistently rewarded a different mode of expression. The challenge is that these habits have become deeply internalised before students develop formal managerial communication control.

6.3.3 Cognitive Overload and the Limits of Unscripted Articulation

A third pattern, closely related to the first, involved observable cognitive overload and the breakdown of communicative coherence under the sustained demands of real-time speaking. Many students began strongly, demonstrating apparent command of their opening moments, but struggled to maintain structural and analytical quality beyond the initial phase of their presentations. Performance difficulties attributable to pressure were noted in 51 per cent of the cohort. Confidence and anxiety issues appeared in 25 per cent of performances; excessively fast delivery, a common indicator of cognitive overload as students accelerate through material to reduce the burden of sustained articulation, in 14 per cent; and loss of pacing control more broadly in 13 per cent.

Figure 2: Behavioural themes derived from coded assessment observations



As the cognitive demands of simultaneous conceptualisation, linguistic formulation, articulation, and self-monitoring accumulated, what Levelt's (1989) model of speech production identifies as the inherent load of live speaking, observable signs of strain emerged: abrupt pauses, pacing irregularities, structural collapse, repetition, and a marked increase in filler language.

Evaluator observations included "Started confidently but lost direction midway," "Too many fillers while thinking of the next point," and "Strong opening but weak conclusion." These patterns suggest

that many students have not developed the internalised structural frameworks and rehearsed mental scaffolding for organising thought, building arguments, and managing cognitive load in real time that allow experienced communicators to sustain quality under pressure. McCroskey's (1977) concept of communication apprehension is relevant here, but the observed pattern was not primarily one of anxiety-driven silence. It was, more precisely, the collapse of communicative structure once the cognitive demands of unscripted speaking exceeded the available internal resources. This distinction matters for intervention design: the solution is not confidence-building alone, but the development of structural communication frameworks that remain accessible under cognitive load.

6.3.4 Performative Professionalism and Limited Authentic Audience Engagement

A fourth pattern involved what evaluators repeatedly described as a tension between performed formality and genuine relational communication. Several students appeared consciously engaged in demonstrating professionalism, adopting a formal posture, controlling gestures, maintaining a measured tone, and making deliberate vocabulary choices, yet simultaneously exhibited a rigid, emotionally flat delivery, limited and inconsistent eye contact, and weak responsiveness to audience cues, a pattern that Mehrabian (1971) identified as reducing perceived warmth, credibility, and communicative immediacy.

The performance of professional appearance was evident; its conversion into an authentic connection and persuasive presence was not. Audience engagement difficulties were noted in 59% of the cohort. What evaluators observed in many students was a relatively developed capacity for self-regulation (controlled posture, measured delivery, formal vocabulary) alongside an underdeveloped capacity for the outward-facing dimensions of emotional intelligence: reading audience responses, adjusting delivery in response to cues, and establishing the interpersonal connection that persuasion ultimately requires. Performed professionalism (Goleman, 1998) is self-regulation without social skill, and it is the latter that audiences, interviewers, and workplace stakeholders respond to most.

Evaluator observations included "Trying hard to sound formal," "Good voice projection but emotionally flat," and "Looked professional but lacked audience connection." This pattern is consistent with Goffman's (1959) account of impression management, the conscious performance of a social role, and with the specific limitations that emerge when that performance is not grounded in an internalised communicative identity. Students who have absorbed the aesthetic markers of professional communication without developing the relational and adaptive skills that underpin it may produce performances that read as competent in low-stakes settings while failing in high-stakes ones. The limitation was not effort or intent; it was the conversion of performed formality into the authentic presence that real audiences, in real contexts, require.

Across these four patterns, a consistent underlying dynamic emerges. The communication behaviours most readily developed in contemporary educational and digital environments are not the same as those AI-era organisations most need (Table 4): structured, analytical articulation; adaptive audience engagement; real-time synthesis; and the capacity to sustain communicative quality under cognitive pressure. The gap is therefore not between communication and silence. It is between two different kinds of communication: one optimised for low-friction digital interaction, the other for high-stakes managerial effectiveness.

The four capability clusters identified across the industry reports translate, at the operational level, into seven specific workplace expectations increasingly cited by employers. Table 4 maps these to the communication gaps observed in the student cohort, as illustrated in Figure 3, which shows how an AI-mediated communication environment is shaping today's talent pipeline toward conversational fluency rather than higher-order communicative depth.

Table 4: Industry Expectations versus Observed Communication Gaps

Emerging Industry Expectations	Observed Communication Gap
Strategic thinking and Problem framing	Weak verbal synthesis and difficulty sustaining analytical progression
Executive communication and collaboration	Conversational informality; digital speech habits in formal settings
Human–AI coordination	Surface fluency without the depth needed to explain or challenge AI outputs
Persuasion and synthesis	Fragmented structure; loss of direction under sustained pressure, performative professionalism
Audience engagement	Low audience engagement; limited relational responsiveness
Leadership articulation	Performative professionalism substituting for authentic presence
Judgement and Adaptability under pressure	Cognitive overload during spontaneous, unscripted speaking

7. Synthesis: The Communication Competence Gap

The combined findings from the macro-level industry analysis and the micro-level observational study reveal a structural mismatch at the heart of India's evolving workforce ecosystem. The industry reports, taken together, establish that higher-order human communication capabilities, such as strategic articulation, synthesis, persuasion, judgment, adaptive interpersonal engagement, and real-time problem framing, are becoming the primary differentiators of professional value in AI-enabled workplaces. The observational study, by contrast, reveals that many future professionals demonstrate communication patterns calibrated for a different environment: one of digital speed, conversational informality, AI-assisted scaffolding, and rehearsed performance.

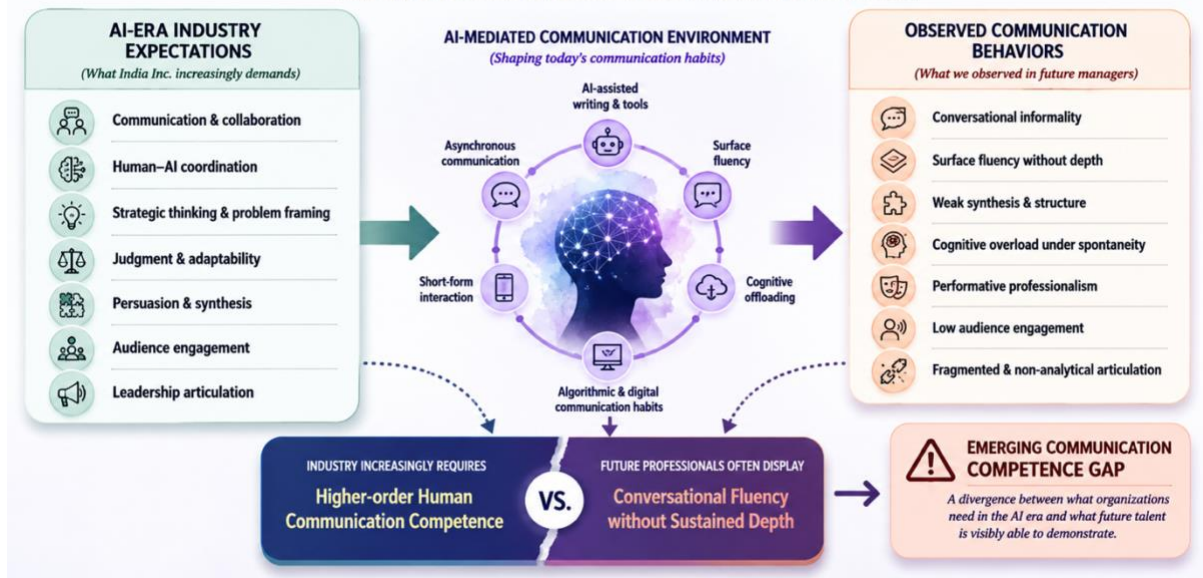
Read through the lens of the four pillars, the observational findings suggest a specific and consequential pattern of misalignment. The difficulty in sustaining analytical progress under real-time pressure, observed across much of the student cohort, directly limits students' ability to demonstrate the problem-framing capability that organisations identify as their most critical gap. Conversational informality and fragmented speech patterns undermine the professional register and stakeholder-facing communication that human skills in AI-era work require. Surface-level fluency without structural depth raises meaningful questions about the capacity for critical evaluation of AI outputs, a capability that ethical judgment in AI-mediated workplaces demands. And limited audience engagement signals gaps in the explanatory skills that human–AI collaboration, conducted in hybrid teams with multiple stakeholders in real organisational contexts, increasingly depends upon.

This paper conceptualises this as the Communication Competence Gap: a growing divergence between the communication capabilities demanded by AI-era organisations and the observable communication behaviours emerging within future managerial talent pipelines.

Figure 3: The Communication Competence Gap

The Emerging Communication Competence Gap

Industry Expectations vs. Observed Talent Pipeline in an AI Economy



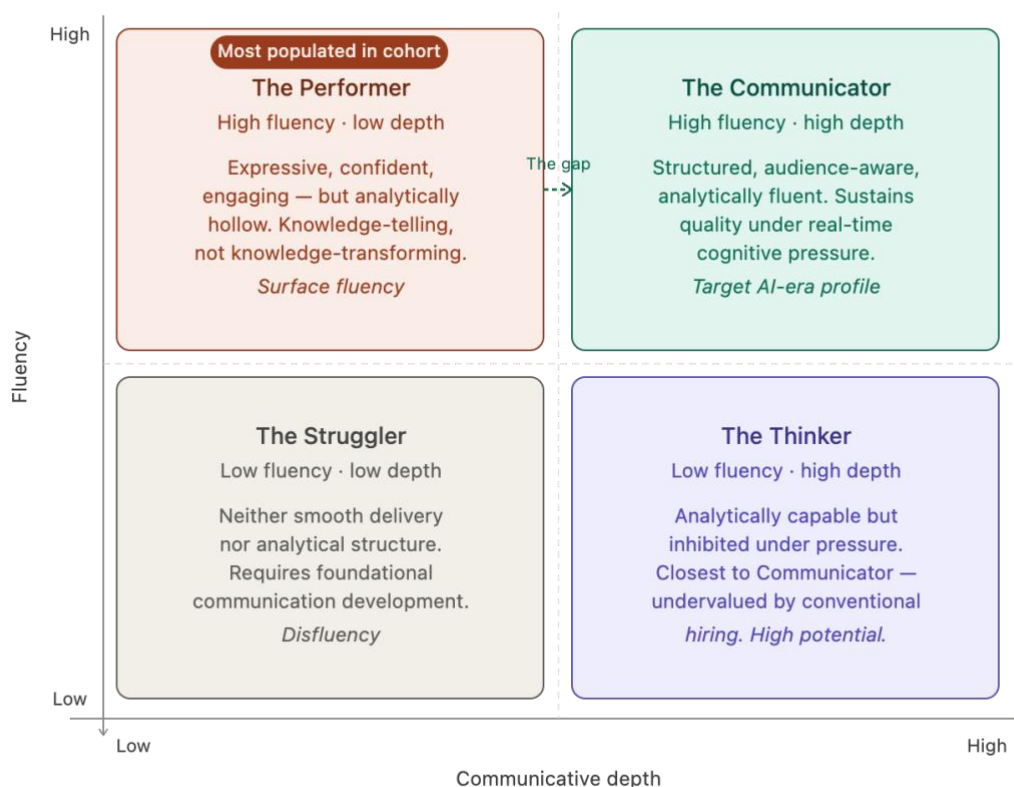
Importantly, this gap does not reflect a decline in communication per se. It reflects a mismatch between the communication environments that shape today's graduates and the communication expectations of the workplaces they are entering. As AI systems continue to take on routine work, the strategic value of distinctly human communication capabilities will rise, not fall. The challenge for institutions, organisations, and individual professionals is whether the conditions exist to develop those capabilities and whether they are being cultivated with the intentionality that this transition demands. Figure 3 illustrates this gap.

The gap is not between intelligence and its absence, or between ambition and its absence. It is between two communication cultures: one shaped by the immediacy, brevity, and low cognitive friction of digital and AI-mediated interaction, and one demanded by the sustained analytical articulation, adaptive interpersonal engagement, and real-time synthesis that managerial and leadership roles require. Students often demonstrated the former with facility. The extemporaneous speaking environment exposed the extent to which many have not yet developed the latter.

7.1 A Diagnostic Framework

The combined findings of the two studies can be synthesised into a diagnostic framework for understanding communication competence in AI-era talent pipelines. Figure 4 presents a two-dimensional typology based on two independent dimensions most consequentially revealed by the data: fluency, the ease and smoothness with which individuals speak, and communicative depth, the structural, analytical, and audience-responsive quality of what they say. These dimensions are independent, and that independence is itself a consequential finding of this paper.

Figure 4: Mapping the Communication Competence Gap: a diagnostic framework



. Note: Profiles are derived from the dual-study analysis. Fluency refers to the ease and smoothness of spoken delivery; communicative depth refers to the structural, analytical, and audience-responsive quality of communication under real-time cognitive demand.

The framework distinguishes between two failure modes that the data reveal as distinct: disfluency, the breakdown of verbal fluency under cognitive load, and surface fluency, the presence of expressive ease without communicative depth. Both represent gaps relative to the Communicator profile that AI-era organisations increasingly need, but they are distinct gaps, with distinct causes and interventions.

Conflating them, as hiring processes that screen primarily for confident presentation frequently do, risks mistaking The Performer for The Communicator and overlooking The Thinker entirely.

The distinction matters because it changes the intervention. Disfluency is visible, diagnosable, and responds to foundational fluency development. Surface fluency is invisible precisely because it resembles competence, and it is the more consequential challenge facing India's AI-era talent pipeline, because the environments producing it are the same ones that reward it.

Addressing it requires not just better communication training, but a fundamental rethinking of what communication competence means, how it is assessed, and what conditions allow it to be developed.

8. Recommendations

The evidence presented in this white paper points to a clear and urgent shift in what workforce readiness now demands. If AI continues to absorb routine work at the current pace, India's competitive advantage will depend not only on technical capabilities but also on whether its talent systems can develop communication competence, judgment, adaptability, and problem-framing at scale. The implications extend beyond classrooms and hiring teams; they carry direct consequences for enterprise productivity, leadership development, and national workforce policy. The recommendations below are organised across key stakeholder groups and are grounded directly in the capability gaps identified through the dual-study analysis.

8.1 Recommendations for Industry

Organisations should treat communication not as a peripheral interpersonal skill but as a core strategic capability requiring the same institutional investment as technical training. In AI-enabled workplaces, communication increasingly underpins collaboration, judgment, facilitation, stakeholder alignment, persuasion, and human–AI coordination. Communication capability should be integrated into leadership pipelines, promotion frameworks, and talent development systems — evaluated at hiring, developed through structured L&D, and rewarded in performance frameworks.

Traditional recruitment systems that overemphasise credentials, technical assessment, and scripted interview performance will increasingly fail to identify the capabilities that matter most. Organisations should redesign hiring to evaluate spontaneous articulation, the ability to synthesise under pressure, verbal reasoning, adaptability, and audience-responsive communication — assessed through explanation tasks, live problem framing, stakeholder translation exercises, and unscripted discussion rather than polished, heavily rehearsed performance alone.

The diagnostic framework presented in Figure 4 offers a practical starting point. A candidate who speaks hesitantly but structures thought clearly, *The Thinker*, is a different and often more developmentally promising proposition than one who speaks fluently but cannot sustain an argument, *The Performer*. Distinguishing between disfluency, surface fluency, and genuine communicative depth requires assessment conditions that remove digital scaffolding and demand spontaneous, unscripted articulation. This is precisely what conventional recruitment formats, which reward expressive confidence and polished preparation, are least equipped to reveal.

As AI tools increasingly support drafting, summarisation, and presentation preparation, organisations should simultaneously build independent communication capability within their workforces. L&D systems should incorporate technology-free communication exercises, rapid-response speaking drills, facilitation practice, unscripted stakeholder simulations, and real-time synthesis tasks, building communicative resilience that extends beyond AI scaffolding rather than depending on it.

8.2 Recommendations for Academia and Business Schools

Business schools and higher education institutions bear a particular responsibility for addressing the Communication Competence Gap, as it is within educational settings that the communication habits and capabilities of future professionals are most decisively shaped. The current balance, which privileges prepared submissions, polished presentations, asynchronous discussion, and AI-assisted writing, must shift toward greater intentional investment in spontaneous articulation, verbal synthesis, and real-time analytical communication.

Extemporaneous speaking, live debates, oral defences, rapid-response discussions, and facilitation-based pedagogy should become central rather than peripheral features of business education. Crucially, these practices should be distributed across the curriculum rather than siloed within communication modules: spontaneous verbal reasoning, structured explanation, and audience-responsive articulation should be practised in strategy classes, ethics seminars, finance discussions, and leadership workshops anywhere that professional communication is, in practice, required. Institutions should also create low-stakes, high-frequency opportunities for unscripted speaking so that students build communication skills through regular practice rather than relying solely on occasional high-stakes events.

Communication training should move beyond presentation aesthetics and language correctness to address the cognitive dimensions of live communication. Students increasingly require structured frameworks for synthesis, argument construction, audience adaptation, and verbal organisation under pressure, frameworks such as the Pyramid Principle, structured storytelling, and other verbal synthesis models that remain accessible when cognitive load is high. These frameworks are not rhetorical ornaments; they are cognitive scaffolding that enable communicators to sustain quality when the demands of unscripted, real-time communication would lead to fragmentation and overload.

Pedagogy should also help students develop a sophisticated understanding of AI as a communication tool, knowing when AI support enhances their work, when it substitutes for capabilities they need to develop independently, and how to use AI in ways that preserve rather than erode their own

communicative capacity. AI literacy and human communication capability are not competing priorities; they are complementary, and both require deliberate institutional investment.

8.3 Recommendations for Students and Young Professionals

For students and young professionals, the most important shift is conceptual: recognising that spontaneous articulation is a learnable professional capability rather than a natural personality trait that some people possess. Communication competence under real-time cognitive pressure is developed through practice — specifically, through repeated exposure to unscripted speaking contexts that demand structural thinking, audience awareness, and simultaneous verbal synthesis.

In AI-assisted environments where many communication tasks have become edited, asynchronous, and externally scaffolded, young professionals should deliberately practise thinking out loud — speaking without notes, explaining ideas spontaneously, summarising verbally, and articulating positions in real time. The ability to think clearly and communicate effectively in real time is becoming one of the most consequential professional differentiators in AI-era workplaces, precisely because it is among the hardest for AI to replicate.

The relationship with AI tools also requires active management. AI systems can dramatically improve productivity, support learning, and enhance the quality of written output. But overreliance on AI-generated articulation — using AI to draft, structure, or refine ideas that one would otherwise develop independently — may gradually reduce the cognitive practice that builds these capabilities. Students should use AI as an amplifier of capability rather than a substitute for it: leaning on AI to extend what they can do independently, rather than delegating to AI the cognitive work that develops professional competence.

Table 5: Institutional Intervention Matrix

Current Paradigm	Emerging Risk	Strategic Intervention
AI-assisted preparation	Dependence on digital scaffolds; weakened independent articulation	Technology-free communication drills and unscripted speaking practice
Scripted presentation culture	Weak adaptability; inability to respond to live audience or context	Dynamic facilitation exercises and real-time unscripted interaction
Surface-level communication evaluation	Mistaking conversational fluency for managerial competence	Cognitive and synthesis-based assessment rubrics
Informal digital communication habits	Erosion of professional register and formal articulation	Structured oral communication training with formal register practice
Passive communication pedagogy	Weak audience responsiveness and relational communication	Interactive stakeholder simulations and live facilitation practice

The extemporaneous speaking classroom is itself a model for the kind of institutional intervention this paper recommends. Because students must think, structure, and articulate in real time without notes, rehearsal, or AI support, weaknesses in synthesis, pacing, audience orientation, and verbal organisation become directly observable, making targeted developmental feedback possible in ways that polished, slide-supported presentations rarely allow. More broadly, any educational context that regularly removes digital scaffolding and demands independent, real-time communicative performance creates the conditions for building higher-order communication competence.

8.4 Recommendations for Policy Institutions and Sector Bodies

The Communication Competence Gap is not a problem that industry and academia can resolve on their own. It requires policy-level recognition that communication competence, in its higher-order, AI-era form, constitutes a national workforce priority, not a curricular afterthought. Several specific interventions are warranted.

National education and skills frameworks should explicitly incorporate higher-order oral communication competence as a measurable graduate outcome. The National Education Policy 2020

articulates admirable ambitions around critical thinking, creativity, and communication, but implementation frameworks and institutional assessment mechanisms should make these into observable, assessable standards. Outcome-based education standards should include structured evaluation of spontaneous oral communication, verbal synthesis, and unscripted analytical articulation, not only written and presentation-based proxies.

NASSCOM, CII, and other sector bodies are well placed to bridge the gap between employer expectations and institutional practice. The data from this paper and from the four industry reports on which it draws make a strong case for sector bodies to develop shared communication competency frameworks that define, at role and level, the communication capabilities that AI-era workplaces require. These frameworks, developed in collaboration with business schools and technical institutions, would give hiring managers clearer standards to hire against, and institutions clearer targets to develop toward.

Public funding for inter-institutional research into the development of communication competence is also warranted. The paper is illustrative rather than definitive. Longitudinal, multi-institutional studies tracking the relationships among communication capability, AI tool use, and workplace outcomes would provide policymakers with the robust empirical grounding needed to make investment decisions at scale.

9. Limitations and Future Directions

This white paper carries several important limitations that should inform how its findings are read and extended. The macro-level analysis focuses on formally educated, English-proficient youth preparing for AI-exposed white-collar roles in India's organised sectors. The industry reports analysed concentrate on technology, GCCs, BFSI, manufacturing, and other formal-sector employers; micro, small, and informal-sector organisations, which employ a far larger proportion of India's working population, are substantially under-represented. The findings, therefore, speak to a specific segment of India's workforce transition, not its entirety.

Industry-produced reports may reflect the priorities and framings of their producing organisations, and findings should be read alongside independent academic and government data.

The micro-level observational study is based on a single cohort of 105 MBA students from one institution. It should be read as an illustrative case study rather than a statistically representative sample. The use of evaluator observations rather than standardised psychometric instruments limits the precision and comparability of findings across contexts. The analysis also relies on cross-sectional evidence from 2025–2026, which precludes causal inference about the direction and magnitude of AI's effects on the development of communication competence over time.

Future research should address these limitations through several directions. Comparative studies across institutions, geographies, and educational levels, including vocational, regional-language, and non-metro youth populations, would substantially extend the generalisability of the findings. Longitudinal designs that track the development of communication competence alongside AI tool use would enable more precise causal analysis. Mixed-methods studies that combine observational data with standardised assessments of communication competence would strengthen the evidentiary base for institutional intervention. Research examining quantitative links between observed communication performance and actual workplace outcomes, promotion rates, client satisfaction, team effectiveness, and AI collaboration quality in AI-intensive roles would provide the empirical grounding needed to make the business case for communication investment more robust.

10. Conclusion

India stands at a defining moment in the evolution of work. As artificial intelligence reshapes organisational structures, workflows, and entry-level roles, employability increasingly depends not only on technical proficiency but on the ability to think clearly, communicate with structure, exercise judgment, and collaborate credibly with others in environments where routine tasks are increasingly automated. The question India's institutions must now confront is not whether this shift is occurring; the evidence presented in this paper suggests it is well underway, but whether the country's talent systems are developing the human capabilities that the shift demands.

The industry reports and the observational data together reveal a sharper and more specific gap than the phrase 'communication skills' alone can capture. Employers are asking for communication that enables distributed teamwork, stakeholder translation, problem framing, relationship management, ethical reasoning, and human–AI coordination. The student observations, however, show consistent difficulty in sustaining structure, maintaining audience connection, and converting conversational fluency into analytical clarity during unscripted speaking. This is the Communication Competence Gap: the distance between the capabilities demanded by AI-enabled workplaces and the communication behaviours currently visible within emerging managerial talent pipelines.

For companies, this gap is an immediate talent and execution risk, operational, and growing. For educational institutions, it is a signal that the balance between preparing students for what communication has been and preparing them for what communication in AI-era workplaces requires is shifting rapidly. For policy institutions, it is a warning that traditional employability measures centred on credential attainment and technical skill certification may not be keeping pace with the capability architecture of AI-era work.

Importantly, these findings do not suggest that contemporary students lack intelligence, ambition, or potential. They point instead to a wider and more systemic challenge: the environments that build conversational ease and digital fluency are not the same environments that develop synthesis, structural depth, and adaptive articulation, precisely the capabilities that leadership and managerial roles in AI-era organisations demand. This is not a failure of individual students. It is a signal that the institutional conditions for developing higher-order human communication competence need urgent and intentional investment.

In the AI economy, communication is becoming infrastructure: the mechanism through which organisations coordinate knowledge, negotiate uncertainty, exercise judgment, and translate technological capability into human action. The future workplace will not reward only those who can

operate AI tools efficiently. It will reward those who can think independently, communicate with depth, question and contextualise AI outputs, and collaborate in ways that machines cannot replicate. These are learnable capabilities. But they are not developed by default in environments optimised for digital convenience and AI-assisted ease. They require deliberate practice, institutional commitment, and a clear-eyed recognition that human communication competence, in all its cognitive and relational complexity, is not a soft skill. It is the hard core of what the AI era requires.

For India, home to one of the world's largest youth populations and one of its most consequential digital economies, the stakes are clear. The country's long-term workforce advantage will depend not only on how effectively it builds AI capability, but on how intentionally it invests in higher-order human communication alongside it. Converting demographic scale into durable workforce value requires treating communication competence not as an add-on to technical training, but as core professional infrastructure. In an AI-mediated economy, the ability to think, structure, and speak meaningfully in real time is fast becoming one of the clearest markers of professional readiness and one of the most consequential investments India can make in its workforce future.

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