

LABOR MARKET TRENDS: DISCUSSION WITH ENTERPRISE CTOS

We recently presented to 30 Enterprise CTOs on labor market trends and the evolving impact of AI. The discussion sparked a number of thoughtful and practical questions. We believe bringing this Q&A to you will help extend that dialogue within your organization and support more informed conversations with your business leaders.

1. Will talent acquisition take longer now because of the amount of misinformation in the market?

Draup response: This is exactly where human recruiters become even more important. Their role in validating candidate quality, assessing authenticity, and conducting in-person or onsite evaluation becomes critical in filtering signal from noise.

2. How should organizations think about early-career talent in the post-AI era?

Draup response: Today's early-career talent is fundamentally different from prior generations. They are far more native to cloud, AI-enabled, and digital-first environments, which means they can contribute more quickly and in more adaptive ways than early-career talent in previous eras.

3. What happens to managerial talent?

Draup response: Mid-level managers will also need to evolve. Their role will shift from primarily coordinating people to increasingly driving execution through AI tools. Managers with strong business context, judgment, and decision-making ability will become especially valuable.

4. There seems to be confusion between what is already automated and what is now being classified as an agentic opportunity. How should we think about that?

Draup response: If traditional automation is already working, the next step is not to relabel everything as agentic. Instead, organizations should do a deeper analysis to determine where agents can create incremental impact. Our view is that unless the most critical tasks are automatable, achieving meaningful FTE savings will remain difficult, even if broader agentic opportunities appear promising.

5. How should organizations think about retaining talent in the new world?

Draup response: Retention will increasingly depend on an organization's ability to modernize both its skills and technology stack. Top talent wants to work with current, relevant tools and operate in an AI-enabled environment. This means upgrading the tech stack and enabling new ways of working alongside AI. Employees are more likely to stay where they can build modern capabilities and remain at the forefront of how work is evolving.

6. You are suggesting there will be more roles, but we don't hear the same sentiment from leaders like Elon Musk. How do we reconcile this?

Draup response: In enterprise environments, transformation does not happen overnight—

we are looking at a 2–3 year horizon rather than an immediate reset. While increased efficiency will likely reduce the number of low-performing talent and optimize external contractor spend, the demand for high-quality AI-aligned talent will continue to grow. Organizations need people who can effectively work with AI and help build agentic operating models. This requires capable, AI-literate talent at scale. Our analysis also shows that AI-enabled software engineers, for example, remain in strong demand.

7. If we have poorly designed processes, won't building agents just result in poorly designed agents?

Draup response: This is absolutely true. Agent effectiveness is directly dependent on the quality of underlying processes. Organizations need to be deliberate about where agents actually add value. For example, making the entire onboarding process fully agentic raises an important question—are we comfortable with a completely non-human onboarding experience? In contrast, there are areas where agents are highly effective, such as translating employee manuals into multiple languages or drafting the first version of job descriptions. The key is to selectively apply agentic workflows where they enhance outcomes without compromising critical human touchpoints.

8. What sort of opportunity does this create for senior leaders?

Draup response: Senior leadership is entering a pivotal transition moment driven by AI. As seen with leaders like Coca-Cola's James Quincey and Walmart's Doug McMillon, there is growing recognition that the next phase of enterprise transformation requires leaders who are deeply aligned with AI and can drive sustained change over multiple years.

This is not just about understanding AI conceptually—it is about having the energy, speed, and conviction to lead large-scale, AI-driven transformation. Both leaders acknowledged that while they could initiate this shift, the magnitude and duration of the change required a new generation of leadership to fully execute it.

For current and aspiring senior leaders, this creates a significant opportunity. Those who invest early in building AI fluency, rethinking operating models, and driving agentic ways of working will be uniquely positioned to lead the next wave of growth. The upside is substantial for leaders who adapt quickly and demonstrate the ability to translate AI into enterprise-wide transformation.

9. Can you give examples of how skills are changing because of AI?

Draup response: AI is reshaping skills in both subtle and significant ways across functions.

There is a clear rise in the importance of human-centric skills such as creativity, problem solving, and storytelling—these are becoming critical for interpreting and applying AI-driven outputs. At the same time, AI governance is emerging as a foundational capability across all functions, with increasing focus on risk, ethics, and responsible use.

Verification skills that include judgment skills are emerging as another key skill requirement.

We are also seeing greater demand for complex coordination skills and the ability to identify new market opportunities, as AI enables teams to operate at a much higher scale and speed.

Functionally, roles are becoming more integrated. For example, DevOps and infrastructure management are increasingly intersecting with finance, driven by cost optimization and cloud economics. Similarly, HR roles are evolving to require stronger data and analytics capabilities to make more informed, evidence-based decisions.

Overall, the shift is toward a blend of human judgment, cross-functional awareness, and AI fluency.

10. How should organizations practically start adapting their workforce to these AI-driven skill shifts?

Draup response: The starting point is not broad reskilling programs, but a clear understanding of how work itself is changing at the task level. Organizations need to identify which tasks are being automated, augmented, or newly created, and then map the corresponding skill shifts.

From there, the focus should be on targeted skill stack upgrades—prioritizing roles and functions where AI impact is highest. This includes building AI fluency, strengthening human-centric skills like judgment and storytelling, and enabling cross-functional capabilities.

Equally important is aligning the tech stack with the skills strategy. Employees cannot adopt new skills if the underlying tools and workflows are outdated. Modern, AI-enabled environments are essential for both capability building and retention.

Finally, organizations should treat this as an ongoing transformation rather than a one-time effort. Skills will continue to evolve, and companies that build dynamic, continuously updating skills architectures will be better positioned to adapt and lead in the AI-driven economy.