Re(AI)magine Conversations

Persistent Podcast | Episode 03

Humans + AI
Navigating Transformation in BFSI

Barath Narayanan, Hansa Iyengar & Jaideep Dhok

Barath Narayanan: Welcome to Re(AI)magine Conversations, a podcast exploring how artificial intelligence is reshaping the future of work in banking, financial services, and insurance. I'm Barath Narayanan, and I'm responsible for global banking, financial services, insurance business, and the Europe region at Persistent.

Today, we are diving into a transformation that's not just technological but deeply human.

This is the right time for me to have Hansa and Jaideep introduce themselves. Hansa, I'll start with you first.

Hansa Iyengar: Thank you, Barath, for having me on the show. It's a pleasure to be here and to talk about a topic that is extremely relevant and current in today's rapidly changing marketplace, specifically in the BFS sector.

Hi, everyone. I am Hansa Iyengar. I'm a practice leader at HFS Research, responsible for covering IT services and BFS from a vertical standpoint. I have been covering the IT services industry as an analyst for the last 16 years. I've seen the evolution that the sector has gone through, and I think the last couple of years have been truly transformational in terms of both the pace and the impact that the transformation has had on the BFS segment and the IT services industry as a whole.

So it's a pleasure to be here and discuss something that is at the heart of every organization and its people.

Barath Narayanan: Thank you. Thank you so much, Hansa. With that, I'll request Jaideep to introduce himself.

Jaideep Dhok: Yeah, thanks Barath.

Very glad to be sharing the podium with Barath, you and Hansa. My name is Jaideep Dhok. I work as the Chief Operating Officer for Technology at Persistent. My charter includes primarily running the business for delivery excellence, partnership and alliances, and most critically, the talent supply chain. I also contribute to the overall AI strategy for Persistent, which obviously is going to get impacted quite a bit positively, I would say, around generative AI.

But most importantly, use the innovation and technology to unlock the transformational value for our customers globally.

Very happy to be here.

Barath Narayanan: Thank you, Jaideep. Let me start with the context of where we are in the current state of affairs with respect to banking, financial services, and insurance business. But, also the evolution of AI, given the significant disruption that we are seeing, positive as well as being cautious in the journey of AI adoption across technology and business process.

I would request Hansa, for you, to chime in first.

Hansa Iyengar: Well, just like every other industry, the BFS sector has also been significantly impacted by the advent of AI, GenAI and now more, around Agentic AI workforces.

The critical difference here, compared to other verticals, such as retail, is that BFS is a lot more subject to regulations and compliance. They are there because it's a lot more critical in terms of the impact it has on people and their day-to-day lives — your wages, your home loans, your car loans — everything is residing with the banks. So, it becomes extremely important for them to make sure when they hit the AI button, they hit it right the first time. There is no margin for error.

The other aspect is that it also presents a tremendous opportunity for innovation within the BFS sector in terms of how they organize their workflows and manage their talent. Some industries, such as mortgage, even if you look at a student loan without an ecosystem, are very cyclical, right? There are certain times of the year when you see demand pick up, and then it slows down towards other times of the year. And so far, it has always been tackled by ramping workforce up and down based on requirements. But AI and Agentic AI even the playing field there.

However, the biggest caveat here is that the BFS sector is also one of the oldest adopters of technology, and hence, it is carrying a tremendous amount of debt. By debt, I mean technical debt, architectural debt, and any debts related to their processes and data specifically. And for AI to operate at scale and provide the efficiencies that it promises, all this debt has to be addressed.

So, in a way, AI is both a catalyst for innovation in the BFS segment, and at the same time, it's an enabler as well. Because AI can be used to help them deal with things like data debt, maybe software,

technical debt, and architecture debt to a lesser degree. But, at least the data part of it is something that AI is going to have a tremendous impact on.

And that is what we are seeing in terms of the experimentation that's happening within the BFS segment, where initial POCs were around reducing the manual effort required to complete a specific process, or you submit some forms or whatever. But now, with agentic in play, a lot of providers are coming up with a formula to marry agentic to manual workforce processes. I think that's going to be a game-changer for BFS, and it's an exciting place to be in and to watch this industry at this point in time.

Barath Narayanan: I absolutely agree. Hansa, thank you. Jaideep, knowing you for the past 15 months, you have spent a significant amount of time with customers and internal teams, right? From what Hansa said, what are your observations with respect to how the BFSI industry is reacting and looking at AI?

Jaideep Dhok: Yeah, no, I agree with all that Hansa said. Like you said, AI and not Generative AI, particularly Hansa, because that's a key difference for all of us to understand and appreciate. Not everything needs GenAI. Although GenAI does bring a big amount of acceleration to everything we are doing and how we are doing as well. My experience has been predominantly along the same lines. But if I have to peel the layer further, there has been a slightly distinct pattern that we are seeing across two or three broad areas. One is, how do you use GenAI on the technology side? Hansa alludes to faster development — you're bringing in more productivity, focusing on legacy modernization, and that sort of thing.

But AI for technology, as we envision at Persistent as the first way to interact with AI or Generative AI and adopt it more effectively, has seen a very good uptick in the banking and financial services world. Historically, even though they are a regulated industry, BFSI customers have been relatively more prepared to adopt technology. So, it's no wonder they're also at the forefront of experimenting and exploring AI or Generative AI for good usage and then figuring out what kind of use cases can be potentially targeted to manage that.

Having said that, to the point, the talent availability, but more importantly, how do you adapt to using this technology to change the way? It is not just about talent availability. As a developer, business analyst, and product owner, I need to know how to use this technology and be ready to change the way I work. Generative AI, in its choice form, brings a very good capability, and the entire portfolio or teams that basically use this to improve their software development.

The second bucket, where I've seen very good traction, is AI for business, which starts with some process automation, bringing in some AI or GenAI intervention. Agentic AI is a fascinating area, but what I have seen predominantly is that there are a few bridges to be crossed, particularly about the availability of data, especially with larger enterprises.

So often, I have seen us talk about, "Oh, let's use AI for agent purposes". It turns out to be, "Let's use AI to improve our data quality, to improve our data governance, and so on".

The third area, underneath both these, where the regulated aspect comes in very handy, is the whole security and privacy in the AI space. For all the right reasons, obviously, banks and financial service organizations are not very ready and not very keen to share data outside. So, one aspect is how to really build that digital trust on the security and privacy side. The second aspect is, basically, risk and compliance. People still have to deal with hallucinations, biases, and stuff like that, so it's this entire spectrum.

I've seen a lot of focus on how to really build digital trust in the BFSI customer segment globally.

Barath Narayanan: Thank you, Jaideep. I heard you saying the world has evolved a lot, but if I see what the world is going to evolve into, that is both scary and a huge opportunity for players. Fascinating as well. How would they adapt to this, right? This is interesting.

So, just to add on to what both Hansa and you mentioned, if I take the last seven months, from January 2025 to the end of July, or even the last week until early August, things have significantly shifted with the same customers with whom we spoke in January, where there was, I wouldn't say skepticism, but caution in terms of POCs or in terms of adoption of AI solutions and various things.

Today, the same client I met yesterday over lunch has a point of view that says, "No, actually, we have implemented the entire digitization of the software development lifecycle from product concept to deployment. Now, how can I scale this up? How can I accelerate my journey in terms of tech debt migration, data modernization, or legacy modernization?"

I'm seeing customers, literally 10 out of 10 conversations with customers are around AI, the adoption of AI across technology and business. Now, given this evolution, Jaideep, I will come to you now, given your new role as well as what we see in the industry.

How do we look at this change from talent, not only from Persistent's angle, where we have 25,000 employees, but as a software services industry? How do you see that whole composition of talent changing, and what would be your thoughts?

Jaideep Dhok: So there are two or three distinct layers, which I'm seeing, Barath. One is obviously the talent availability to, first of all, experiment with and adopt these technologies. Every day, there is a new model that is coming up, there is a new startup that uses this model and brings a disruptive solution. So, the first and foremost thing is, how do I get my hands dirty with something tangible so that I can experiment and leverage that particular model further? I mean, the biggest thing in this is the pace at which these things hit you every week, if not every day. That is the scariest part. It's also a great opportunity for us to learn. So, we need to, first of all, focus on talent that can keep pace with this training, to begin with.

Second, I learned as a developer, a business analyst, and a product owner, some tools are great, but the way Generative AI technology works, in particular, is very much driven by the context in which I operate.

Prompt engineering is the fundamental key, although it's not the only skill everybody needs to build. But if I'm a developer working in the highly regulated, let's say, BCBS compliance for banking. The way I'm going to ask Generative AI to help is going to be a lot different than people who do not understand or appreciate BCBS compliance.

What we call here, at Persistent, is a full context engineering aspect, where I'm not only a technology person, but I'm part domain, part process, and part functional. A combination of this is where the world is going to evolve, where the effectiveness and efficacy of these individuals will improve quite significantly. So, the talent development from not just the skills but the capability and, most importantly, the ability to keep pace with the changes that are going to happen very fast, are the key parameters and levers that I see impacting the overall talent market going forward.

Barath Narayanan: Thank you, Jaideep.

Hansa, what are you hearing from the ecosystem that you engage with almost daily? Both from customers and providers. How do you see the talent transformation evolving? Give your perspective, please.

Hansa Iyengar: The biggest thing is, as Jaideep mentioned, the pace at which change is happening. It's very difficult to keep up with a new model, or how to work with a new model every couple of weeks, because you're barely able to scratch the surface of the old one.

And in terms of what capabilities it brings, I'm seeing a lot of effort being put into a 'Human Plus Agent' workforce, where the human augmented by AI can help the human be better at what they are doing, and help them keep pace.

But given it's BFS, and you have to adhere to compliance and regulatory frameworks, so it becomes essential to build guardrails around whatever AI you put in the organization. It has to be trained on enterprise data and stay within the boundaries of that data. The IT department has to monitor AI use specifically. BFS is also well known to have a very large shadow IT deployment within the organization, where more customer-facing parts of the business love adopting new technology.

And nowadays, it's so easy. You have a credit card and can buy a $20 subscription to AI, but you don't know what's going on in it, right? So, it becomes very essential that there is a process of education within the workforce, where they are not just trained on how to use the technology behind these different tools but also how to use it safely and within the guardrails that the organization has put together.

Banks and other financial institutions are trying to make sense of how to adopt this responsibly, how to adopt it ethically, how to make sure the workforce is ready for AI at scale within the organization, and how to make sure that all of this is done in a secure and safe environment where customers can trust me to maintain their requirements for privacy around their data?

Barath Narayanan: That's an interesting point you're making, Hansa. I was speaking to one of my very close friends in the consulting industry, and he was making a statement that most of the BFSI firms are going to significantly invest in AI assurance and AI governance. While the evolution of models will disrupt the value chain in terms of concept-to-deployment at every phase of the lifecycle, how will you have an AI assurance element and the governance with the audit trail and various factors that the regulators will require?

Actually, Jaideep, we were in a full-day workshop with a bank a week ago. The whole day was about taking multiple use cases in the SDLC and starting from concept to deployment. The constructive debate was all about how the shape of the team changes in the future.

Hansa Iyengar: Mm-hmm.

Barath Narayanan: How do you make sure there are more individuals as a copilot? In fact, I'm saying the other way. It's not AI, which is a copilot. It is a human who is a copilot to AI, right? To understand what is being produced in terms of use case architecture code. In fact, the enterprise architect challenged the architecture and sequence diagram created by the model. In fact, he had an interesting way of describing a senior model as opposed to a junior model. It was a good dialogue, but that is really going to discuss the shape of the team.

Hansa Iyengar: Sure.

Barath Narayanan: Right now, with that element of how do we shape the team structure on the technology side as well as on the business process side, I want to, Hansa, have your point of view, followed by Jaideep's.

Hansa Iyengar: Okay. A lot of this is still work in progress. Nobody has cracked that code yet. I would approach it, or I would say that it is a pragmatic way to approach it, is to look at it first, see, or let me take a step back. Every business runs because of the people. Okay? It's the people in the organization, the people you serve, at the end, right? So you have to make sure that if you introduce a change because of large-scale AI adoption, your people are prepared for it. You give them an opportunity to upskill and ensure that they can take on more value-added roles.

So, the key element that AI brings is the ability to remove the mundane and rigorous daily day-to-day chores that people do, which make up about 60% of your day, and free the human up to do more valuable tasks.

Again, use AI as a copilot, use AI as an associate who works with you. Then, you kind of figure out what patterns I find in the data. What does it tell me about the customer? The biggest thing is that the data transformation has to take place first. I think the aspect that I would say to focus on is using people to build relationships with your customers, because no matter how much technology you throw at it, in the end, as people, we enjoy relating to other people, right? We are social animals, you know? So if you take up a phone and you hear a bot, then half the time you're like, "Why am I talking to bot? I want to talk to a person." Right? So, you know where to use technology. Maybe technology can be great at the backend, but have a person answer the call. Have them be more empathic and, now with AI, help them find the data and discover it to understand the context where the customer is coming from. So, that's what I would say. That should be a great way to look at talent transformation.

The other aspect is that recruitment, training, and retention have to change when you look at AI at scale, right? Not just in the BFS sector but also in the IT services sector, where Persistent operates. The way you have been regularly recruiting and training has to be completely reimagined. In the last six months, we have seen more tools come on the market that leverage AI than in the last six years, right? That changes the game in terms of how businesses interact with technology, interact with people, and interact with talent. There's a huge inflection point that we are sitting on at this point in time. And I don't think anybody's cracked the code yet, but it's a work in progress, and we'll learn as we go.

Jaideep Dhok: If you don't mind, may I add to that a bit further? At Persistent, we've been answering this in a slightly more structured manner, especially in the AI for technology space, which is more about bringing hyper productivity in the way you develop software.

We have a platform called SASVA, which is basically an acronym for Services as Software through Virtual Agents. So, all that you talked about, Hansa, we try to do the exact same thing. This very interesting pattern we've seen has been growing for the last few months. And I expect that to expedite even further, which is moving from assistive to agentic ways of working. Even if we think about how we develop software, and go back to your point about the team's composition, we still need developers and business analysts, but the way they interact will change. The SASVA platform, on our end, has seen some very good traction because it helps you build virtual agents that mimic human activities. Humans are still driving the show. The assistant helps humans to be more productive, doing more of the same, but in a fast-track manner. So that's a very different composition we're talking about.

When it goes to the agent way, though, it's not more of the same. It is re-imagining what you could do in a truly AI native experience. I mean, think about customer onboarding in the context of banking services. For example, if I were to rethink the commercial banking customer onboarding process, for the sake of the argument, in the agentic AI world, I don't think we would be doing it the way it is happening today because of the pain that one has to go through because of a variety of reasons, legacy technology, regulatory requirements, and a whole bunch of paper trails. We wouldn't do most of that, if not all of that.

So, the whole experience transformation is going to be a major key area. And the most fascinating thing, as far as I'm concerned, is the agent-to-agent experience. When you talk, I have an agent that does one small job in customer onboarding, and there is an agent on the commercial team as well, the way they'll interact and make this is going to be a lot of fun.

Hansa Iyengar: To add to that, other key processes that have usually been bottlenecks and pain points for customers, such as KYC, periodically update all your documents, with agents that can be resolved very quickly.

To add to Jaideep's point on agent-with-agent, it's so easy for a normal customer to have an agent, too. So how will that change? In one business, for example, a bank's agent talks to a payment agent and talks to a customer's agent. So where is the human? What's going on?

There are a lot of extremely manual and rigorous processes when it comes to banking, whether it is mortgage paperwork, education, loan paperwork, KYC, onboarding, or whatever. Those things are definitely problems that AI, agentic AI specifically, can quickly resolve and help. Keeping things up to date so that you don't have to constantly go back and say, "Oh, do I have to refresh this every six months or not?" It's happening on a current basis.

Barath Narayanan: I agree. Given the massive scale of BFSI as a segment, there is so much backlog. From a people standpoint, I see from customer conversations that AI will help increase productivity significantly and accelerate the journey. But from a people standpoint, people are equally needed to be the co-pilots with the agents because of the backlog and because of the amount of technology debt that has also equally been created over the past two decades.

Hansa Iyengar: Mm-hmm.

Barath Narayanan: To transform that is not easy. So that is a journey of two or three years that needs significant attention. As I said, the shape of the talent is going to change significantly.

Jaideep, let's go to you briefly, right? How would you, if you are hiring for the future, say, for the next three to six months, how would your hiring process change? When I say hiring, not the process element, but what kind of individuals will you hire? I'll give you the reason I'm asking this question. I spoke to a computer science student a week ago, and this student was part of a research program in the medical field, not in the BFSI segment. This student tells me, "I'm not using AI to develop the code and models for medical diagnosis. What am I learning in the coding process if I use AI?" Now, the student is in a dilemma. Should I do code development and research models so that I learn and do that, or should I use AI? I couldn't answer. Now, I want my COO to answer that. How do you see your change in hiring of individual talent? Hansa, I would have the same question for you after Jaideep.

Jaideep Dhok: Well, it's an interesting question, Barath. So, there are going to be different answers based on what you are trying to solve.

At Persistent, I'm trying to drive the idea of looking for talent that is ready to learn. That is going to be an extremely good soft skill, like an important skill for us to look at. The reason for that is that all of these things are going to force us to unlearn quite a few things technically as well as behaviorally, because we have to change the way we work on the ground. We still need good programmers and people who can think of the right test cases or test scenarios. At the same time, it is also important that we go back to the basics, or fundamentals of computer algorithms. Even though AI will suggest code snippets to you, at least for any foreseeable future, there is no guarantee that a hundred percent of the code or a hundred percent of the artifact suggested by the models is going to be trustworthy.

Hansa Iyengar: Absolutely.

Jaideep Dhok: Yeah, definitely not in a regulated industry like BFSI. Mind you, at the end of the day, it's going to be the human beings who are going to be accountable for the exact overall outcome. That is not going to be taken away by AI or any such thing in future. For that, we need people, and talent is going to be required to support that, going forward.

Barath Narayanan: Excellent point, Jaideep. The foundational skills are what matter: Problem-solving, analytical, and what I call creative thinking.

Hansa Iyengar: Right. That is the human hallmark, right? And you asked the question, but should that student learn how to code or use AI? If the student has to learn how to code to ensure that he or she can test what AI tells and not take it at face value. And that is a real threat that we are living in, especially for the younger generation who are still in elementary school right now, because they're growing up with AI.

It should be an enabler, as and when needed. It might be a great tool for, let's say, doing research on a specific topic, but using it to write makes absolutely no sense. And that's where the need to have those foundational skills comes from. You know, whether it's on the technological side, whether it's coding or architecture or whatever, whether it's on the more human side, if you look at certain processes where you require design-thinking, you need the creative juices to flow.

AI has to be the co-pilot. Humans cannot be the co-pilot. Humans have to be in the lead, in the driver's seat. And AI is an assistant that you can rely on, once in a while, to take inputs and help make your life a little easier, but not rely on it so much that AI takes over.

Barath Narayanan: Got it, fully take that point. I'm going to ask you both individually to give me one point as an important takeaway from this discussion. Hansa, do you want to go first to summarize this discussion?

Hansa Iyengar: We are at a pivotal junction in our evolution, both as a human species, as well as, in the technology space where we have created this piece of technology that can change how we operate and how we perceive our environment, how we interact with it, and how we live as social beings. I think you should never forget the human aspect of it. Humans are at the center. It's all about people, and the more you deal with people, especially segments like BFS, the more you have to focus on ensuring empathy, ethical behavior, and a reduction in bias. That's how technology should be used to make things more human or friendly, rather than doing technology for technology's sake.

Jaideep Dhok: Thank you, Hansa. I think this is the best time for a pure technologist to be around. I wish I were born 20 years later; I would've had a slightly longer runway to play with and enjoy Generative AI. So, obviously, this needs a lot of curiosity and the ability to make course corrections. I believe GenAI, as a technology, even in the regulated industry, has extremely good potential to do certain things that we always wish to do but could not because of whatever constraints the technology has put on us today. So, we must enjoy this to its fullest potential and ensure we get the most out of it.

Barath Narayanan: Thank you, Jaideep. I will sum up the conversation so far. Humans are in the control stage and use AI as a tool enabler and a copilot to support the journey and significantly increase productivity, velocity, and quality. But humans are in the driving seat. That's one important element, I would say.

The second important element, as a takeaway, is that the foundational skills have significantly reshaped. Coming back to the focus, analytical and problem-solving skills, communication and articulation skills, right? So those are the most important foundational skills, of course, along with the soft skills that Jaideep talked about.

The third element is that while Jaideep can't go back 20 years, he can look at the next 20 years. This is because of curiosity, change management, and everybody's willingness to look at things holistically, be willing to adopt, and be open to the best possible outcome.

This is a wonderful conversation. I thoroughly enjoyed Hansa and Jaideep. Thank you so much for joining this session.

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the World

About Persistent

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USA
Persistent Systems, Inc.
2055 Laurelwood Road, Suite 210
Santa Clara, CA 95054
Tel: +1 (408) 216 7010
Fax: +1 (408) 451 9177
Email: info@persistent.com

India
Persistent Systems Limited
Bhageerath, 402
Senapati Bapat Road
Pune 411016
Tel: +91 (20) 6703 0000
Fax: +91 (20) 6703 0008

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