LUMO INSIGHTS

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AI's human factor: fear, skills gaps and the future of Work

Executive Summary

Recent surveys show that human factors - not technology - are constraining AI’s promise. For example, 43% of workers worry about AI-driven layoffs (www.techradar.com [1]), and data show experienced AI users get far better results than novices (www.axios.com [2]). Leading companies counter this by aggressively reskilling and redesigning roles, while others face stalled projects and rising stress (www.itpro.com [3]).

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Workplace sentiment & labour trends

For example, a new Forrester/Goldman Sachs report finds 43% of workers worry that AI-driven automation could cause widespread job losses (www.techradar.com [1]). Around one in four feel their own role is directly at risk (www.techradar.com [2]). Leaders see this too - over half admit using AI to cut headcount (www.techradar.com [3]), and 43% expect many fewer entry-level jobs in the future (www.techradar.com [4]). In short, concerns about downsizing and skill obsolescence are spreading across organisations.

The broader economy adds to the tension. Gallup polling shows only 27% of college-educated Americans think it’s a good time to find a quality job (www.axios.com [5]), the lowest since 2013. Hiring has slowed noticeably in white-collar fields, partly due to tech-sector volatility. Meanwhile, economists warn of a subtler impact: AI-driven efficiency could put downward pressure on wages in affected roles (www.tomsguide.com [6]). In other words, even employees who keep their jobs may find their work valued differently.

Together, these trends mean employee morale is a major risk factor. Executives should note that slowing hiring, pay pressure or layoffs all amplify resistance to change. Keeping teams engaged and secure - through transparent communication and support - is now as critical as deploying the next AI tool.

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Skills divide and AI fluency

Another hurdle is a widening skills gap around AI. Data from Anthropic's new report show experienced AI users consistently achieve better outcomes than beginners (www.axios.com [1]). In effect, AI proficiency itself is becoming a competitive advantage. Employees who master prompts and toolchains pull ahead, while casual or untrained workers get left behind. This "AI fluency" divide exists even within the same teams and roles. It highlights that simply giving people access to AI is not enough - they must also be taught how to leverage it fully.

Yet organisations are struggling to bridge that gap. In one survey of tech teams, 70% of IT pros said they're optimistic about AI, but only 5% are using it daily (www.itpro.com [2]). Nearly half of respondents report having essentially no time to experiment or train with AI (www.itpro.com [3]). In short, companies are buying the future before they've prepared their people to use it. Without allocating hours or incentives for training, productivity gains from AI will be uneven at best. Early adopters earn boosts (e.g. 72% of small firms report higher output with AI (www.techradar.com [4])) but only when staff know how to exploit the tools.

Part of the problem is organisational disconnect. The same study finds 76% of IT leaders believe an AI strategy or policy is in place, but only 42% of rank-and-file staff agree (www.itpro.com [5]). In other words, lofty plans aren't reaching the workforce. Bridging this requires treating AI skill-building as a strategic initiative: mapping current skills, defining target proficiencies, and tying progress to performance goals. Organisations that integrate AI learning paths into their culture will close the fluency gap; those that don't will see opportunities slip away.

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Redesigning roles and workflows

Some leading firms are responding by fundamentally redesigning work for an AI era. Take Meta: the company's CTO now leads an internal "AI for Work" initiative (www.techradar.com [1]) to train and equip all 78,000 employees. Meta is rewriting job descriptions and even plans to tie AI usage into performance reviews. They envision every employee eventually working alongside an AI "colleague." This signals a shift from viewing AI as a threat to jobs towards treating it as a collaborator in efficiency.

Microsoft shows a similar mindset. Its HR organisation was revamped to support agility - a VP of People & Culture now heads efforts to align org structure with tech change (www.windowscentral.com [2]). Microsoft's CEO has said the pace of change "exceeds what our current model was built for," and

the company is emphatically "scaling for adaptability," not stability (www.windowscentral.com [3]). Publicly, Microsoft is applying its "AI-powered transformation" strategy to its own workforce. These initiatives suggest the company is investing in people and culture even as it pursues AI solutions.

In general, we're seeing that the companies mastering AI treat employees as active participants, not bystanders. As one industry leader advises, it's the job of management to set clear AI strategy and "define guardrails and empower teams to execute" - not to solve every AI problem personally (www.itpro.com [4]). Companies that flatten hierarchies and encourage experimentation (for example, by hosting hackathons or AI pilots) tend to capture the productivity upside quickly. Companies that stick to rigid, command-and-control approaches, by contrast, often stall or trigger worker pushback.

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Leadership, trust and governance

As organisations push AI forward, leadership stress and employee trust have emerged as key factors. A recent global leadership forecast found 71% of executives report higher stress on the job than ever before (www.itpro.com [1]), up from 63% a few years ago. The top sources of strain are attracting talent (54%) and successfully integrating AI (29%). Importantly, only about 30% of leaders feel they have sufficient time to do their job well (www.itpro.com [2]). Such overload contributes to a trust deficit: only 29% of employees say they trust their managers (a record low) (www.itpro.com [3]). When trust in leadership fades, employees become wary of new initiatives - meaning AI projects can lose built-in advocates.

Compounding this, formal policies around AI are still sparse. Roughly 40% of organisations report having no established AI governance whatsoever (www.itpro.com [4]). Even where policies exist, awareness gaps persist: 76% of leaders say there is an AI plan in place, but only 42% of staff agree (www.itpro.com [5]). On the technology side, the lack of controls is clear: one industry study finds 68% of firms can't reliably distinguish between tasks done by AI agents versus humans (www.itpro.com [6]), indicating many AI tools operate outside existing IT oversight. In practical terms, workers often lack clarity on which tools to use or what permissions AI applications should have. This kind of policy vacuum can magnify fears about privacy, fairness or job security.

Leading organisations act now to close these gaps. They form cross-functional AI councils involving IT, HR and legal; they create clear usage guidelines; and they communicate openly about how roles and rewards will change. In contrast, companies that treat AI as just another technology rollout - without guiding employees through it - end up scrambling to catch up once problems arise. The divide is already visible: businesses that proactively blend people strategy with AI rollout are moving ahead, while those that don't see confused, disengaged workforces. The bottom line is that the difference between success and failure in workplace AI increasingly rests on managing the human side as much as the machine side.

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Key Statistics

- 43% of workers are concerned that AI-driven automation might cause widespread job losses ([www.techradar.com](https://www.techradar.com/pro/some-of-our-employees-fear-job-loss-and-it-turns-them-away-from-ai-altogether-ai-is-helping-boost-productivity-for-some-workers-but-others-still-say-theyre-afraid-to-use-it#:~:text=It%27s%20the%20fear%20of%20job,within%20the%20next%20five%20years))
- 72% of 10,000 surveyed SMBs using AI report improved employee productivity ([www.techradar.com](https://www.techradar.com/pro/some-of-our-employees-fear-job-loss-and-it-turns-them-away-from-ai-altogether-ai-is-helping-boost-productivity-for-some-workers-but-others-still-say-theyre-afraid-to-use-it#:~:text=As%20for%20the%2010%2C000%20SMBs,now%20opening%20up%20to%20the))
- 70% of IT professionals are optimistic about AI's impact, but only 5% use it daily ([www.itpro.com](https://www.itpro.com/technology/artificial-intelligence/ai-adoption-rates-arent-matching-it-hype#:~:text=Findings%20from%20Auvik%27s%202026%20IT,used%20in%20core%20operations%2C%20according))
- 85% of organisations use AI agents in production, yet 68% can't distinguish AI actions from human tasks ([www.itpro.com](https://www.itpro.com/technology/artificial-intelligence/workers-cant-identify-work-produced-by-ai-agents-business-risks#:~:text=More%20than%20two,activity%20compared%20to%20human%20activity))
- 71% of leaders report rising stress in their roles (54% cite talent/retention, 29% AI integration) ([www.itpro.com](https://www.itpro.com/business/leadership/why-leaders-need-to-build-resilience-to-avoid-ai-burnout#:~:text=It%27s%20a%20quiet%20crisis%20that,keeping%20them%20up%20at%20night))

KEY TAKEAWAY

Bottleneck: people. 43% of workers fear AI layoffs ([www.techradar.com](https://www.techradar.com/pro/some-of-our-employees-fear-job-loss-and-it-turns-them-away-from-ai-altogether-ai-is-helping-boost-productivity-for-some-workers-but-others-still-say-theyre-afraid-to-use-it#:~:text=It%27s%20the%20fear%20of%20job,within%20the%20next%20five%20years)), and an AI-fluency gap is leaving many behind ([www.axios.com](https://www.axios.com/2026/03/24/ai-use-inequality-class#:~:text=Some%20context%3A%20Anthropic%27s%20new%20report%2C,not%20just%20automate%20a%20boring)). Forward-looking firms invest in upskilling and role redesign; others risk stalled adoption and disengaged staff.

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Some of our employees fear job loss, and it turns them away from AI altogether: AI is helping boost productivity for some workers — but others still say they're afraid to use it
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College-educated workers think the job market is as bad as it was in 2013
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