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AI’s Workforce shake-up: new roles, new risks, new rules

Executive Summary

Fresh evidence from the past 48 hours shows AI’s impact on jobs is more nuanced than predicted. AI is both cutting certain positions and creating new ones, pushing companies to rapidly rethink people strategy. Meanwhile, employees are anxious yet eager to adapt, and unions are negotiating guardrails to guide this massive workplace shift.

AI’s double-edged impact on Jobs

New data is challenging the notion that AI will either wipe out jobs or create infinite new ones. Stanford’s newly released 2026 AI Index report highlights a stark example: employment for the youngest software developers (ages 22 - 25) has fallen nearly 20% from its 2024 peak (resources.rework.com [1]). This drop in entry-level coding roles is not a blip tied to the broader economy; it coincides with the rise of AI coding assistants that automate routine programming tasks, suggesting a structural shift (resources.rework.com [2]). In other words, AI is already cutting off some traditional entry points into tech careers.

However, the same report also shows AI generating new opportunities at an astonishing pace. Job postings for roles focused on 'agentic AI' - positions dedicated to designing and managing AI-driven autonomous agents - have skyrocketed by 10,854% year-over-year (resources.rework.com [3]). And in areas like AI oversight, new jobs are emerging rapidly (AI governance-related roles grew 17% last year, the fastest-growing AI-adjacent job category) (resources.rework.com [4]). Globally, LinkedIn data indicates that AI investments have already created about 1.3 million new roles (such as AI engineers and prompt specialists) along with more than 600,000 AI-enabled data centre jobs to support the needed infrastructure (www.weforum.org [5]). The labour market is clearly being reshaped - not just reduced - by automation.

What’s evident is that AI’s net effect on jobs is complex. S&P Global’s latest analysis finds that while 2025 saw a slightly positive balance of job creation from AI, the past 12 months have turned modestly negative: a global net impact of " 5 percentage points (more firms reducing headcount due to AI than increasing) with a further net " 2 points expected in the coming year (www.spglobal.com [6]). Notably, only 24% of organisations say headcount reduction is a primary objective of their AI investments (www.spglobal.com [7]). Far more are aiming for process efficiency (64% of firms) and greater employee productivity (59%) (www.spglobal.com [8]), indicating that for most employers, job cuts are a secondary consequence of AI adoption rather than the main goal.

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Redesigning Work for the AI Era

In response to these shifts, forward-looking companies are not just automating work - they are reimagining roles and team structures around AI. A case in point: Box, a Silicon Valley software firm, has created 13 entirely new categories of jobs because of AI, with titles such as AI architect, AI solutions manager and AI platform leader (www.thestar.com.my [1]). With these additions, Box expects to have more than 3,000 employees by early 2027, up from 2,900 at the start of 2026 (www.thestar.com.my [2]). As CEO Aaron Levie put it, "We ourselves are selling AI to our customers, so that’s actually causing us to need to hire more people," he said, explaining that as a user of AI, the company is "getting new forms of productivity" that justify additional hiring (www.thestar.com.my [3]).

Other tech giants are also realigning their organisations to be 'AI-first'. Meta’s Mark Zuckerberg, for example, has both lavishly invested in AI talent and restructured teams to pursue his "personal superintelligence" vision. Last year, Meta went on a big-ticket hiring spree (reportedly offering $100 million bonuses to top AI researchers) and more recently carried out an AI-driven reorganisation - laying off around 8,000 employees (about 10% of its workforce) while reassigning nearly as many to new AI-focused teams (finance.yahoo.com [4]). The company is even investing in roles it can’t hire fast enough: this week Meta announced a $115 million 'Workforce Academy' to train data-centre technicians for its AI data centres, with guaranteed jobs for graduates (finance.yahoo.com [5]). In effect, Meta is simultaneously shedding some traditional roles and doubling down on building new ones, as it races to align its workforce with its AI ambitions.

This drive to redesign work for AI extends into the executive suite. It’s unlikely that roles like Chief Financial Officer will disappear, but the competencies that make a great CFO are changing. A recent Harvard Business Review analysis found that by 2025, AI and tech-related skills had become common requirements in CFO job postings - attributes that were mostly absent in 2019 (hbr.org [6]). In practice, senior leadership and boards are adding more AI expertise to their ranks, and some organisations have even created new C-level positions (such as Chief AI Officer) or board committees focused on AI strategy and ethics. Leading a company in the AI era may demand a different kind of leadership and knowledge base than in the past.

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Employees: anxiety and adaptation

For many employees, the rapid advance of AI is as disorienting as it is exciting. According to Mercer's Global Talent Trends 2026 study, the share of workers who report feeling 'thriving' in their jobs has plummeted to just 44% - down from 66% in 2024 - amid AI-related uncertainty (www.ceotodaymagazine.com [1]). Employees are voicing growing concerns about job security, AI-driven disruptions, and the overall economic outlook (www.ceotodaymagazine.com [2]). Indeed, more than half of workers worry whether their skills will remain relevant as AI becomes more embedded in daily work, and many say they would voluntarily trade future pay raises for opportunities to develop new AI and digital skills (www.ceotodaymagazine.com [3]).

This anxiety has real implications for change management. Employees who fear for their future may resist or undermine new AI-driven processes if they don't feel supported. Microsoft's latest Work Trend Index highlights a 'Transformation Paradox': 65% of workers using AI feel pressure to learn new tools to avoid falling behind, yet 45% say it feels safer to stick to familiar ways of working (c5insight.com [4]). In other words, people know they need to embrace AI, but many won't fully reinvent their workflows unless they feel genuinely supported and rewarded for doing so. It's a classic leadership challenge: encouraging innovation and agility without triggering pushback or fear.

How organisations handle the disruptive side of AI also sends a powerful cultural signal. Some recent AI-driven layoffs in tech have been handled clumsily - even mistakenly notifying the wrong employees - which can erode trust. Research shows that companies conducting layoffs poorly experience 34% higher voluntary turnover among remaining staff in the following year. In short, even employees whose jobs aren't directly affected by automation may decide to leave if they feel their employer treats people as expendable. To avoid that fate, leaders are realising they must pair technological change with empathy, transparency, and robust support for their workforce.

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The race to reskill

The rapid growth of AI has made skills a focal point of the future-of-work conversation. Employers are finding that demand for new capabilities is arriving faster than traditional talent development can accommodate (www.ceotodaymagazine.com [1]). The good news is that employees want to adapt: in Mercer's survey, over half of workers said they would give up a future pay increase to develop AI and digital skills (www.ceotodaymagazine.com [2]). The challenge - and opportunity - for organisations is to harness this appetite for learning before frustration or skill stagnation lead valuable people to exit.

Just in the past two days, several big companies have announced bold workforce upskilling initiatives. Meta, for instance, unveiled a $115 million 'Workforce Academy' to train a new wave of data-centre technicians for its AI operations, offering free training and guaranteed job placement for those who complete the programme (finance.yahoo.com [3]). It's one of the most concrete efforts yet to build an AI-era talent pipeline at scale. This move is part of a broader trend of firms (from retail to finance to logistics) leaning into large-scale AI training as they pivot existing staff into emerging tech-focused roles, rather than relying solely on outside hiring.

Even so, closing the skills gap remains an urgent task. While many companies now offer AI training to their employees, major skills mismatches persist (www.ceotodaymagazine.com [4]). High-performing organisations set themselves apart by making AI learning continuous and ubiquitous, and by updating job architectures to clearly define new “AI + human” roles and career paths. By embedding continuous upskilling into their culture, these organisations not only fill critical skill gaps but also show employees that they are serious about investing in their growth in the AI era.

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Leading through the AI Transformation

At the board and C-suite level, there’s growing recognition that successful AI adoption is less about technology and more about people, process, and purpose. Boston Consulting Group (BCG) finds that having a clear AI strategy is so critical that it boosts AI’s impact even at companies with limited tools (www.bcg.com [1]). In short, leaders and boards must guide a top-down reinvention of workflows, team design, and incentives to ensure that human+AI collaboration actually delivers value.

However, even the best technology agenda can stumble without organisational alignment. Mercer’s research points to a potential rift: while executives are prioritising AI integration and workforce redesign, many HR leaders are still focused on traditional employee experience and talent management practices (www.ceotodaymagazine.com [2]). This misalignment can slow transformation at the very moment companies need to accelerate. Effective leadership in the AI era requires bringing HR and people managers into the strategy so they can help drive (rather than inadvertently hinder) new ways of working.

Finally, leaders face an external environment where formal regulations are falling behind the pace of change. To date, no major economy has enacted laws that directly address AI-driven job displacement, and even the EU’s pioneering AI Act does not explicitly tackle the impact of AI on employment. In this void, organisations must set their own ethical boundaries and work closely with employees to manage AI’s deployment responsibly. Labour unions are already pressing for such guardrails: for example, SAG-AFTRA, the U.S. actors’ union, just won a new contract with Hollywood studios that further restricts 'synthetic' AI performers and strengthens protections for human actors (deadline.com [3]). Across industries, unions and worker groups are increasingly negotiating limits on algorithmic management and demanding commitments to retraining. The takeaway for executives is clear - don’t wait for regulators. Proactively establish policies and collaboration with your workforce now to ensure AI-driven transformation is effective, inclusive, and sustainable.

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Key Statistics

- Employment of software developers ages 22 - 25 fell ~20% from its 2024 peak ([resources.rework.com](https://resources.rework.com/news/ai-jobs-skills/stanford-ai-index-2026-workforce-restructure-chro#:~:text=still%20hiring%20to%20last%20cycle%27s,that%20the%20demand%20for%20human)).
- Job postings for 'agentic AI' roles surged 10,854% year-over-year ([resources.rework.com](https://resources.rework.com/news/ai-jobs-skills/stanford-ai-index-2026-workforce-restructure-chro#:~:text=10%2C854%25%20year,it%20confirms%20that%20AI%20is)).
- 98% of executives plan organisational redesigns for AI; 99% anticipate some workforce reduction ([www.ceotodaymagazine.com](https://www.ceotodaymagazine.com/2026/06/mercer-ai-workforce-redesign-report-2026/#:~:text=Trends%202026%20study%20found%20that,HR%20leaders%20and%20investors%20globally)).
- Employee 'thriving' scores fell from 66% in 2024 to 44% in 2026 ([www.ceotodaymagazine.com](https://www.ceotodaymagazine.com/2026/06/mercer-ai-workforce-redesign-report-2026/#:~:text=systems%20were%20designed%20to%20handle,that%20decline%20presents%20an%20operational)).
- 74% of frontline workers now use AI at least weekly (up 23 points from 2025) ([www.bcg.com](https://www.bcg.com/publications/2026/ai-at-work-why-strategy-matters-more-than-tools#:~:text=strategic%20clarity%20is%20crucial%20to,plan%20is%20so%20crucial%20that)).

KEY TAKEAWAY

Nearly all CEOs plan to redesign work around AI ([www.ceotodaymagazine.com](https://www.ceotodaymagazine.com/2026/06/mercer-ai-workforce-redesign-report-2026/#:~:text=Trends%202026%20study%20found%20that,HR%20leaders%20and%20investors%20globally)) - but to succeed, leaders must treat AI as a people transformation, not just a tech upgrade. The winners will invest in upskilling and address employee anxieties, unlocking AI's value without losing people.

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