LUMO INSIGHTS

Wednesday, 22 July 2026

AI’s surprising impact on the Workforce: new data, new mandates

Executive Summary

Over the past 48 hours, fresh data and corporate decisions have revealed that AI’s effect on employment is more complex than initial hype or fear suggested. While large-scale job losses haven’t (yet) exploded, AI is quietly reshaping the workforce - from hiring slowdowns and new skill demands to a growing need for leaders to actively manage the human side of AI-driven change.

AI’s real job impact: myth vs reality

In the public imagination, AI’s impact on jobs has swung between fears of mass unemployment and optimistic visions of new industries. Early evidence suggests the reality is more nuanced. Many companies adopting AI say their main goals are improving efficiency and productivity, not slashing headcount (www.spglobal.com [1]). Yet, after a period of cautious optimism, global surveys indicate AI’s net impact on employment has recently tipped slightly negative, signalling that some job losses are happening - though not at doomsday proportions (www.spglobal.com [2]).

New data from the past two days is shedding light on the scope and nature of these changes. For example, Goldman Sachs now estimates that artificial intelligence is eliminating about 25,000 jobs per month in the U.S. in 2026, while creating only around 9,000 new jobs monthly - a net loss of roughly 16,000 jobs each month. Similarly, the latest Stanford AI Index report found a striking 20% drop in the number of entry-level software developer jobs for young professionals since 2024. Looking globally, the World Economic Forum projects that by 2030 AI will have displaced 92 million jobs while creating 170 million new ones - suggesting overall employment could still grow even as many roles change or disappear.

One counterintuitive trend is *how* AI is affecting hiring. Analysts have observed that AI is preventing new hiring - especially for entry-level roles - far more than it is causing direct layoffs. In other words, companies are choosing not to fill certain junior positions as AI takes over routine tasks and workflows. This subtler form of workforce reduction can be easy to overlook, but it may have long-term consequences - potentially shrinking the pipeline of young talent and depriving organisations of future leaders if early-career opportunities dry up.

Interestingly, some organisations that are ahead in AI adoption are still **increasing** their workforces. PwC’s Global AI Jobs Barometer found that companies most deeply leveraging AI have expanded headcount by 52% since 2018, versus 36% growth at the least AI-driven companies (www.pwc.com [3]). These AI “superstar” firms also enjoyed faster wage growth and dramatically higher productivity; in fact, the top 20% of AI leaders saw labour productivity improve by 163% since 2018 - roughly five times the gains of other firms in their industries (www.pwc.com [4]). In short, when used to **amplify**

human capabilities rather than just cut costs, AI can act as a growth engine and job creator at the company level, even if it streamlines away some tasks.

References:
[1] www.spglobal.com — https://www.spglobal.com/en/research-insights/special-reports/ai-impact-on-employment-2026#:~:text=enterprise%20AI%20objectives%2C%20process%20efficiency,turned%20modestly%20negative%2C%20reversing%20the
[2] www.spglobal.com — https://www.spglobal.com/en/research-insights/special-reports/ai-impact-on-employment-2026#:~:text=enterprise%20AI%20objectives%2C%20process%20efficiency,turned%20modestly%20negative%2C%20reversing%20the
[3] www.pwc.com — https://www.pwc.com/gx/en/news-room/press-releases/2026/pwc-2026-ai-jobs-barometer.html#:~:text=human,vs
[4] www.pwc.com — https://www.pwc.com/gx/en/news-room/press-releases/2026/pwc-2026-ai-jobs-barometer.html#:~:text=driving%20a%20productivity%20boom%20%E2%80%93,exposed%20companies%20overall.%20Perhaps

New roles and skills: navigating the talent gap

AI's rapid adoption is not only impacting the *number* of jobs, but also their *nature*. We are witnessing the rise of new roles and a redefinition of skills required across almost every function. LinkedIn's latest data shows a 142% year-over-year surge in demand for AI-related skills among job postings (resources.rework.com [1]). This isn't confined to a few tech jobs; companies are rewriting job descriptions for roles at all levels to require more AI literacy and the ability to work alongside intelligent systems (resources.rework.com [2]).

Entirely new job titles are also emerging. Five fast-growing AI-centric roles - including machine learning engineers, AI product managers, "prompt engineers" (specialists in designing AI prompts), AI analysts, and AI operations leads - account for over 70% of the recent growth in AI hiring needs (resources.rework.com [3]). For instance, demand for prompt engineers has skyrocketed by 194% in about 18 months (resources.rework.com [4]), making it one of the fastest-growing job titles in tech. These roles barely existed a couple of years ago and now are becoming essential in organisations deploying advanced AI.

However, the supply of qualified talent hasn't kept up. Globally, there are only about 2.3 suitable candidates for every 10 open AI positions, on average (resources.rework.com [5]). This talent gap has widened from roughly 3.1 per 10 a year earlier, meaning competition for AI-skilled workers is intensifying. In some regions, the shortage is even more acute; for example, in parts of Southeast Asia, there may be as few as 1.4 qualified AI professionals for every 10 job openings (resources.rework.com [6]). The result is that organisations are finding it difficult (and expensive) to hire the expertise they need to fully capitalise on AI opportunities.

To tackle this capability gap, leading companies are investing heavily in upskilling their people. Many have launched internal AI training programmes and are encouraging employees to adopt AI tools in their day-to-day work. Notably, Accenture's CEO Julie Sweet has made it clear that AI proficiency is now a core requirement for career advancement at her firm - employees who fail to develop AI skills will no longer be eligible for promotion, after the company has already trained more than 700,000 staff in AI tools and methods. Other organisations are following suit, incentivising continuous learning in AI and data literacy across roles. The message is that adapting to new skills internally is not optional; it's mission-critical for staying competitive when external hiring can't fill the gap.

References:
[1] resources.rework.com — https://resources.rework.com/news/ai-jobs-skills/linkedin-ai-skills-demand-surge-2026#:~:text=It%27s%20a%20signal%20that%20the,LinkedIn%2C%20roughly%20double%20the%2068
[2] resources.rework.com — https://resources.rework.com/news/ai-jobs-skills/linkedin-ai-skills-demand-surge-2026#:~:text=It%27s%20a%20signal%20that%20the,LinkedIn%2C%20roughly%20double%20the%2068
[3] resources.rework.com — https://resources.rework.com/news/ai-jobs-skills/linkedin-ai-skills-demand-surge-2026#:~:text=growth%20seen%20the%20year%20before,figure%2C%20it%27s%20worth
[4] resources.rework.com — https://resources.rework.com/news/ai-jobs-skills/linkedin-ai-skills-demand-surge-2026#:~:text=increase%3A%20machine%20learning%20engineer%20,gap%20getting%20better%20or%20worse%3F%E2%80%A6
[5] resources.rework.com — https://resources.rework.com/news/ai-jobs-skills/linkedin-ai-skills-demand-surge-2026#:~:text=growth%20seen%20the%20year%20before,figure%2C%20it%27s%20worth

[6] resources.rework.com — https://resources.rework.com/news/ai-jobs-skills/linkedin-ai-skills-demand-surge-2026#:~:text=for%20every%2010%20open%20AI,are%20facing%20a%20more%20severe

Employee anxiety and adaptation

Many workers are understandably anxious about how AI will change their jobs. In a recent large-scale public survey, 64% of Americans cited potential job loss to AI as their number-one concern about the technology (aiproductivity.ai [1]). Likewise, over the past year, employee optimism has slipped: one study found the share of workers feeling optimistic about AI's impact fell from nearly half in 2024 to just 39% by late 2025 (www.jff.org [2]). Fear of the unknown is high, and it's affecting morale on the ground.

Paradoxically, those with more exposure to AI seem *less* fearful. In the same survey, daily AI users were significantly less likely to worry about losing their jobs (54% expressed concern) than those who never use AI (70% concerned) (aiproductivity.ai [3]). This suggests that familiarity with AI can breed confidence. Employees who work with AI firsthand often develop a clearer understanding of the technology's capabilities and limits, tempering some of the anxiety that comes from hype and uncertainty.

Even so, a gap in support is feeding apprehension. Only about one-third of workers say their employer is providing the training, guidance, or opportunities they need to use AI in their jobs - a proportion that has *fallen* by almost 10 percentage points since the previous year (www.jff.org [4]). Early-career employees in particular feel the brunt of this: they report feeling AI's impact on their roles more acutely than their more experienced colleagues (www.jff.org [5]). When workers don't feel prepared for the changes AI brings, it can lead to frustration, resistance, or disengagement.

Beneath these concerns is a lack of trust. Only 15% of Americans trust AI companies to make the right decisions about AI development (aiproductivity.ai [6]) - the lowest level of confidence in any institution tested. This broad scepticism can spill into the workplace if employees feel AI is being imposed on them without transparency or input. One labour relations expert warns that employers who approach AI purely as a technical upgrade, without addressing workers' concerns, are far more likely to encounter pushback on new initiatives (news.lrionline.com [7]). By contrast, when employees have a voice in how AI is implemented in their jobs, their odds of reporting high job satisfaction more than double (www.jff.org [8]). The takeaway is clear: to navigate the human side of AI transformation, leaders must communicate openly, involve employees in the process, and provide meaningful support and reskilling opportunities. Change management and culture are as critical as the technology itself.

References:

[1] aiproductivity.ai — https://aiproductivity.ai/news/anthropic-public-record-survey-results-2026/#:~:text=64,December%2011%2C%202025%2C%20and%20the

[2] www.jff.org — https://www.jff.org/newsroom/press-releases/worker-anxiety-over-ai-is-growing-and-employers-arent-preparing-employees-for-whats-next-new-survey-finds/#:~:text=points,%E2%80%9CAs%20it

[3] aiproductivity.ai — https://aiproductivity.ai/news/anthropic-public-record-survey-results-2026/#:~:text=Daily%20AI%20users%20reported%2054,The%20fear%20is

[4] www.jff.org — https://www.jff.org/newsroom/press-releases/worker-anxiety-over-ai-is-growing-and-employers-arent-preparing-employees-for-whats-next-new-survey-finds/#:~:text=also%20found%20that%20early,nearly%20half%20of%20respondents%20felt

[5] www.jff.org — https://www.jff.org/newsroom/press-releases/worker-anxiety-over-ai-is-growing-and-employers-arent-preparing-employees-for-whats-next-new-survey-finds/#:~:text=Jobs%20for%20the%20Future%20%28JFF%29,on%20workers%20also%20fell%20by

[6] aiproductivity.ai — https://aiproductivity.ai/news/anthropic-public-record-survey-results-2026/#:~:text=match%20at%20L72%20Only%2015,that%27s%20a%20meaningful%20credibility%20problem

[7] news.lrionline.com — https://news.lrionline.com/ai-is-changing-the-workplace-unions-are-responding/#:~:text=AI%20Is%20Changing%20the%20Workplace%2C,more%20likely%20to%20encounter%20resistance

[8] www.jff.org — https://www.jff.org/newsroom/press-releases/worker-anxiety-over-ai-is-growing-and-employers-arent-preparing-employees-for-whats-next-new-survey-finds/#:~:text=workers%20who%20report%20having%20a,AJQS%20found%20that%20few%20employees

Rethinking work: leadership and culture

The divide between organisations that thrive with AI and those that fall behind often comes down to leadership and culture. Despite enthusiastic spending on new AI capabilities, most companies have yet to see significant returns. One analysis found that out of an estimated $40 /billion invested in generative AI last year, 95% of organisations saw no tangible ROI from that spend (www.analyticsinsight.net [1]). The limiting factor wasn't the technology itself; rather, researchers concluded that the primary challenges were organisational - pointing to leadership, culture, and lack of strategic clarity as key obstacles to turning AI investments into results (www.analyticsinsight.net [2]).

To address this, leaders are coming to grips with the need for fundamental change in how work is organised. In fact, 98% of executives in a recent global survey said they plan to redesign their organisations within two years to better integrate AI into their structures and workflows (www.ceotodaymagazine.com [3]). Many are exploring changes like flattening hierarchies, forming agile teams that include AI specialists, and managing "digital workers" (AI systems) alongside human employees in their operations (www.ceotodaymagazine.com [4]). However, making these changes is easier said than done. Deloitte's 2026 industry study found that only about 30% of enterprises are actually redesigning key processes around AI so far, whereas 37% admit they're merely layering AI onto existing processes with minimal structural change (www.unite.ai [5]). The forward-thinking minority that is truly reengineering work for AI is already reaping benefits - as one report put it, they are pulling ahead by 'reimagining how value is created - not just how efficiently existing work is done' (www.unite.ai [6]).

Crucially, some business leaders have realised that focusing on AI purely as a cost-cutting tool can backfire. An Orgvue survey of over 1,000 executives found 55% of those who had eliminated jobs due to AI now say they underestimated the drawbacks and believe those layoffs were a mistake (www.forbes.com [7]). In fact, research firm Forrester predicts that fully half of all AI-driven layoffs will be reversed by the end of 2026, as companies discover automation can't easily replace human creativity, judgment, and the capacity to learn (www.forbes.com [8]). Slashing too many junior roles, in particular, has led to unexpected pain: organisations that cut entry-level talent are now often forced to hire experienced specialists from outside at about a 30% salary premium to backfill missing skills (www.forbes.com [9]).

Forward-looking leadership is responding by refocusing on people. IBM is a prominent example - after its CEO paused hiring for certain roles in 2023, the company's Chief Human Resources Officer recently announced IBM will **triple** entry-level hiring next year to build future skills, calling it a strategic "recalibration" to ensure AI "reshapes, not eliminates" work (timesofindia.indiatimes.com [10]) (timesofindia.indiatimes.com [11]). And IBM is not alone: a growing chorus of CEOs and boards are putting talent development at the centre of their AI agendas. Some firms have even created new executive roles (for instance, a Chief AI Officer) to lead enterprise-wide AI integration and ensure it aligns with business strategy (www.pwc.com [12]). At the World Economic Forum's 2026 summit, global strategists emphasised that the future of jobs will be determined less by AI itself and more by leadership choices - especially around inclusive upskilling, reskilling, and responsible AI governance (www.analyticsinsight.net [13]). The companies that truly succeed with AI will be those that treat it not as a mere technology deployment, but as a holistic transformation - one that augments human potential, requires cultural buy-in, and demands visionary people-centric leadership.

References:

[1] www.analyticsinsight.net — https://www.analyticsinsight.net/leadership/leadership-experts-discuss-the-growing-impact-of-ai-on-jobs-business-strategy-and-the-future-of-work#:~:text=%2440%20billion%20investment%20in%20generative,culture%2C%20management

[2] www.analyticsinsight.net — https://www.analyticsinsight.net/leadership/leadership-experts-discuss-the-growing-impact-of-ai-on-jobs-business-strategy-and-the-future-of-work#:~:text=%2440%20billion%20investment%20in%20generative,culture%2C%20management
[3] www.ceotodaymagazine.com — https://www.ceotodaymagazine.com/2026/06/mercer-ai-workforce-redesign-report-2026/#:~:text=organizational%20restructuring,This%20is%20not%20simply%20a
[4] www.ceotodaymagazine.com — https://www.ceotodaymagazine.com/2026/06/mercer-ai-workforce-redesign-report-2026/#:~:text=currently%20combines%20human%20and%20machine,Mercer%E2%80%99s%20findings%20suggest
[5] www.unite.ai — https://www.unite.ai/state-of-ai-in-the-enterprise-2026-deloitte-maps-the-untapped-edge-of-enterprise-ai/#:~:text=Unite.AI%20www.unite.ai%20%20Another%2030,efficiently%20existing%20work%20is%20done
[6] www.unite.ai — https://www.unite.ai/state-of-ai-in-the-enterprise-2026-deloitte-maps-the-untapped-edge-of-enterprise-ai/#:~:text=or%20no%20structural%20change,not%20redesigned%20jobs%20around%20AI
[7] www.forbes.com — https://www.forbes.com/sites/joetoscano1/2026/02/18/corporate-america-is-rethinking-ai-workforce-needs-led-by-ibm/#:~:text=jobs%20that%20we%27re%20being%20told,The%20economics%20are
[8] www.forbes.com — https://www.forbes.com/sites/joetoscano1/2026/02/18/corporate-america-is-rethinking-ai-workforce-needs-led-by-ibm/#:~:text=jobs%20that%20we%27re%20being%20told,The%20economics%20are
[9] www.forbes.com — https://www.forbes.com/sites/joetoscano1/2026/02/18/corporate-america-is-rethinking-ai-workforce-needs-led-by-ibm/#:~:text=now%20acknowledge%20they%20made%20the,salary%20premium%2C%20according%20to
[10] timesofindia.indiatimes.com — https://timesofindia.indiatimes.com/technology/tech-news/3-years-after-ceo-arvind-krishna-said-ibm-will-pause-hiring-replace-7800-jobs-with-ai-hr-head-says-we-are-tripling-our-hiring-for-/articleshow/128375881.cms#:~:text=eliminating%2C%20work,Krishna%20told%20Bloomberg%20back%20in
[11] timesofindia.indiatimes.com — https://timesofindia.indiatimes.com/technology/tech-news/3-years-after-ceo-arvind-krishna-said-ibm-will-pause-hiring-replace-7800-jobs-with-ai-hr-head-says-we-are-tripling-our-hiring-for-/articleshow/128375881.cms#:~:text=triple%20entry,2023%20stance%2C%20IBM%20has%20announced
[12] www.pwc.com — https://www.pwc.com/gx/en/news-room/press-releases/2026/pwc-2026-ai-jobs-barometer.html#:~:text=primarily%20on%20automation,operating%20in%20the%20most%20AI
[13] www.analyticsinsight.net — https://www.analyticsinsight.net/leadership/leadership-experts-discuss-the-growing-impact-of-ai-on-jobs-business-strategy-and-the-future-of-work#:~:text=workers%20across%20ten%20countries%2C%20found,on%20The%20Strategic%20Questions%20Leaders

Unions and policy: The new social contract

While businesses race to adapt, workers and regulators are increasingly staking out new rules for an AI-powered workplace. In 2023, Hollywood's writers and actors went on strike to demand protections against AI - and they largely succeeded in getting safeguards written into their contracts. By mid-2026, that playbook had spread to other sectors. Unionised employees from dockworkers to hospitality staff have negotiated groundbreaking agreements on AI usage. The International Longshoremen's Association (dockworkers) won a ban on fully automated port technology, a large hospitality workers' union in Las Vegas secured the right to bargain over any use of AI in customer service, and the Writers Guild of America (WGA) won explicit limits on the use of AI for writing or editing scripts at major studios. The Communications Workers of America (representing telecommunications and media employees) even published an "AI bargaining toolkit" to help workers push for similar protections in non-union workplaces.

Regulators are beginning to play a role as well. In the European Union, lawmakers passed a landmark AI Workforce Protection Directive set to take effect in late 2026 (humansareobsolete.com [1]). This new law will require employers to give at least 6 months' advance notice before implementing AI systems that could displace 10 or more workers (12 months' notice if an entire department is affected), and to provide affected employees with funded retraining opportunities (humansareobsolete.com [2]). Covering some 200 million workers across 27 countries, the EU's initiative establishes one of the world's most comprehensive set of safeguards against AI-related layoffs, ensuring that workers have time and support to adapt (humansareobsolete.com [3]).

Still, most workers globally do not have the benefit of a union or strong legal protections in this area. In the United States, only about 6% of private-sector workers are unionised, meaning the vast majority have to rely on their employers' policies (or future regulations) for fair treatment as AI is rolled out. This puts the onus on company leadership to craft a new social contract around AI. Organisations that proactively establish clear policies on how they will use AI - addressing issues like job transitions, privacy, and fairness - and that invest in reskilling employees may find they can avoid severe backlash and build trust. In an era where technology is advancing faster than laws, the companies that get

human-centred AI adoption right will not only dodge labour conflicts; they stand to gain a more resilient, adaptable workforce for the future.

References:

[1] humansareobsolete.com — https://humansareobsolete.com/articles/european-ai-workforce-directive-passes-employment-protection-automation-standards-january-31-2026#:~:text=Standards%20Set%20for%2027%20Member,immediate%20compliance%20planning%20from%20multinational

[2] humansareobsolete.com — https://humansareobsolete.com/articles/european-ai-workforce-directive-passes-employment-protection-automation-standards-january-31-2026#:~:text=legislation%20establishing%20comprehensive%20standards%20for,Parliament%20today%20approved%20the%20AI

[3] humansareobsolete.com — https://humansareobsolete.com/articles/european-ai-workforce-directive-passes-employment-protection-automation-standards-january-31-2026#:~:text=across%2027%20member%20states,the%20bloc%20positions%20itself%20as

Key Statistics

- 62% - Share of laid-off workers in early 2026 who had never used AI at work (versus 50% among those still employed) ([www.4cornerresources.com](https://www.4cornerresources.com/job-market-news/gallup-ai-layoffs-data-june-2026/#:~:text=users%20made%20up%2062,were%20three%20times%20as%20likely))
- 142% - Year-over-year growth in demand for AI skills in global job postings (Q1 2025 to Q1 2026) ([resources.rework.com](https://resources.rework.com/news/ai-jobs-skills/linkedin-ai-skills-demand-surge-2026#:~:text=It%27s%20a%20signal%20that%20the,LinkedIn%2C%20roughly%20double%20the%2068))
- 2.3 in 10 - Average number of qualified candidates available per 10 open AI positions (global, 2026), down from 3.1 a year prior ([resources.rework.com](https://resources.rework.com/news/ai-jobs-skills/linkedin-ai-skills-demand-surge-2026#:~:text=growth%20seen%20the%20year%20before,figure%2C%20it%27s%20worth))
- 95% - Portion of companies that saw no return on $40 billion invested in generative AI in 2025, largely due to cultural and organisational shortcomings ([www.analyticsinsight.net](https://www.analyticsinsight.net/leadership/leadership-experts-discuss-the-growing-impact-of-ai-on-jobs-business-strategy-and-the-future-of-work#:~:text=%2440%20billion%20investment%20in%20generative,culture%2C%20management))
- 200 million - Number of European workers covered by the EU's new AI Workforce Directive mandating 6 - 12 months' notice and retraining for automation impacts ([humansareobsolete.com](https://humansareobsolete.com/articles/european-ai-workforce-directive-passes-employment-protection-automation-standards-january-31-2026#:~:text=across%2027%20member%20states,the%20bloc%20positions%20itself%20as))

KEY TAKEAWAY

Leaders must go beyond tech adoption and rethink their people strategy. New evidence shows companies that invest in upskilling, redesign work around AI, and build a culture of trust are pulling ahead - while those that neglect their people risk falling behind.

Sources

The AI and labor landscape 2026: Increased investment, persistent productivity gains and a recalibrated employment outlook - S&P Global
https://www.spglobal.com/en/research-insights/special-reports/ai-impact-on-employment-2026

AI reshapes global labour market into two distinct paths, rewarding human skills: PwC 2026 Global AI Jobs Barometer
https://www.pwc.com/gx/en/news-room/press-releases/2026/pwc-2026-ai-jobs-barometer.html

U.S. Workers Continue to Report Downsizing - Gallup
https://www.gallup.com/workplace/711287/workers-continue-report-downsizing.aspx

Worker Anxiety Over AI Is Growing, and Employers Aren’t Preparing Employees for What’s Next, New Survey Finds - Jobs for the Future (JFF)
https://www.jff.org/newsroom/press-releases/worker-anxiety-over-ai-is-growing-and-employers-arent-preparing-employees-for-whats-next-new-survey-finds/

European AI Workforce Directive Passes: Employment Protection and Automation Standards Set for 27 Member States - HumansAreObsolete.com
https://humansareobsolete.com/articles/european-ai-workforce-directive-passes-employment-protection-automation-standards-january-31-2026

Corporate America Is Rethinking AI Workforce Needs, Led By IBM - Forbes
https://www.forbes.com/sites/joetoscano1/2026/02/18/corporate-america-is-rethinking-ai-workforce-needs-led-by-ibm/

Leadership Experts on AI’s Impact on Jobs, Business Strategy & the Future of Work - Analytics Insight
https://www.analyticsinsight.net/leadership/leadership-experts-discuss-the-growing-impact-of-ai-on-jobs-business-strategy-and-the-future-of-work