

Laid Off or Lifted Up? AI's Two Paths for the Future of Work

Executive Summary

A flurry of new developments over the past 48 hours underscores that AI's impact on the workplace is complex and often counterintuitive. Some firms are citing AI as they cut jobs, even as new research shows organizations that embrace AI are growing their workforce and productivity. Meanwhile, employees are experiencing both excitement and anxiety about AI at work – highlighting the need for leaders to pair technological change with thoughtful people strategies.

AI's Mixed Impact on Jobs

On Wednesday, work-management software firm Monday.com announced plans to cut around 600 employees – roughly 20% of its staff – as part of an AI-focused reorganization, with leadership insisting the move 'was not made to reduce costs or replace people with AI' but rather to refocus the company around an AI-first vision (www.pwc.com [1]). This high-profile layoff is part of a broader pattern of companies citing AI as a factor in job cuts. Citing new outplacement data, TechCrunch noted that tech layoffs in 2026 have topped approximately 120,000 so far – an "epidemic" of cuts even as many firms report record revenues – with AI touted as both the engine of growth and a reason for reductions. May 2026 alone saw the highest monthly surge of job cuts in years, and nearly 40% of all layoffs that month were explicitly attributed to AI, the largest share on record (techcrunch.com [2]). Many companies appear to be using the promise of AI-driven efficiency to justify "leaner" operations, though it's often unclear whether these layoffs are truly caused by automation or simply traditional cost-cutting under a new banner.

As striking as these job cuts are, new data reveals a very different story for organizations that are embracing AI as a growth driver. PwC's Global AI Jobs Barometer found that companies most adept at using AI have actually been expanding: their headcounts grew by 52% on average, far outpacing the 36% growth at less AI-focused peers (www.carscoops.com [3]). These AI leaders also saw higher wage gains for their workforce – 24% versus 17% in low-AI companies (www.carscoops.com [4]). Even more impressively, "super-star" firms at the forefront of AI adoption achieved a 163% leap in labor productivity, dramatically outperforming other businesses (www.carscoops.com [5]).

The rise of AI is concurrently creating new roles and shifting skill demands. PwC's analysis shows that job postings requiring specific AI skills have increased by 69% since 2019 – nearly eight times the growth rate of overall job postings (just 9%) (www.pwc.com [6]). These AI-related positions command substantial pay premiums too, with average salaries about 62% higher than comparable roles without AI expertise (www.pwc.com [7]). Even at the entry level, the landscape is changing: in the US, "AI-exposed" junior roles are now seven times more likely to demand skills traditionally associated with senior positions (such as leadership and strategic thinking), and these roles have grown 35% since

2019 while other entry-level jobs declined by 10% (www.pwc.com [8]). In short, while AI is automating certain tasks and contributing to some job losses, it is simultaneously driving job creation and higher skill requirements in areas where humans and AI collaborate.

References:

- [1] www.pwc.com — <https://www.pwc.com/gx/en/news-room/press-releases/2026/pwc-2026-ai-jobs-barometer.html#:~:text=skills%3A%20PwC%202026%20Global%20AI,Release%205%20%20minute%20read>
- [2] techcrunch.com — <https://techcrunch.com/2026/07/25/the-running-list-major-tech-layoffs-in-2026-where-employers-cited-ai/#:~:text=,AI%20as%20a%20stated%20factor>
- [3] www.carscoops.com — <https://www.carscoops.com/2026/07/hyundai-workers-strike-robots/#:~:text=The%20AI%20Robots%20Won%E2%80%99t%20Strike%2C,before%20humanoid%20robots%20reach%20factories>
- [4] www.carscoops.com — <https://www.carscoops.com/2026/07/hyundai-workers-strike-robots/#:~:text=The%20AI%20Robots%20Won%E2%80%99t%20Strike%2C,before%20humanoid%20robots%20reach%20factories>
- [5] www.carscoops.com — <https://www.carscoops.com/2026/07/hyundai-workers-strike-robots/#:~:text=The%20AI%20Robots%20Won%E2%80%99t%20Strike%2C,before%20humanoid%20robots%20reach%20factories>
- [6] www.pwc.com — <https://www.pwc.com/gx/en/news-room/press-releases/2026/pwc-2026-ai-jobs-barometer.html#:~:text=gains%20of%20163,level>
- [7] www.pwc.com — <https://www.pwc.com/gx/en/news-room/press-releases/2026/pwc-2026-ai-jobs-barometer.html#:~:text=gains%20of%20163,level>
- [8] www.pwc.com — <https://www.pwc.com/gx/en/news-room/press-releases/2026/pwc-2026-ai-jobs-barometer.html#:~:text=seven%20times%20more%20likely%20to,AI%20is%20rapidly%20reshaping%20the>

Redesigning Work for the AI Era

In many organizations, leaders are recognizing that capitalizing on AI requires rethinking the very design of their enterprises. According to Mercer's new Global Talent Trends 2026 study, 98% of executives plan to reconfigure their organizational structure within the next two years to better leverage AI, and 99% expect AI to result in at least some reduction in their workforce (www.ceotodaymagazine.com [1]). Boardrooms are shifting focus from touting AI adoption to ensuring it delivers tangible results – investors and directors are pressuring management to show real returns on technology investments, not just ambitious plans.

Crucially, technology on its own is not a magic bullet. As Mercer's report bluntly puts it, many companies find that AI 'does not automatically produce productivity gains when layered onto existing structures' (www.ceotodaymagazine.com [2]). In other words, simply introducing AI tools into an old process doesn't guarantee efficiency. To truly benefit from AI, businesses are redesigning work itself. Executives report plans to flatten hierarchies, simplify reporting lines, centralize AI governance, and deploy more agile, cross-functional teams to integrate AI into daily operations (www.ceotodaymagazine.com [3]). Some pioneering firms are even exploring ways to treat AI systems as "digital workers" – managing advanced AI agents alongside human employees within the same workflows (www.ceotodaymagazine.com [4]). The guiding principle is to restructure roles so that employees can focus on uniquely human strengths like creativity, complex decision-making, and relationship-building, while AI handles repetitive or data-heavy tasks.

These structural shifts are accompanied by new leadership roles and oversight. In a noteworthy move, Bank of Ireland just appointed its first Chief Artificial Intelligence Officer to 'safely accelerate' its AI transformation and ensure the technology "unlocks meaningful value" for the business (www.bankofireland.com [5]). We are also seeing more companies establish AI committees and senior steering groups, reflecting a belief that strong leadership and governance are essential for successful human+AI integration. Notably, 63% of C-suite leaders in the Mercer survey identified redesigning work around AI as the most impactful people initiative for ROI, yet only 32% believe their workforce is effectively blending human and machine capabilities today (www.ceotodaymagazine.com [6]). This gap between ambition and current reality is driving many leadership teams to take bold action, rethinking not just technology investments but talent strategies and organizational culture.

References:

- [1] www.ceotodaymagazine.com — <https://www.ceotodaymagazine.com/2026/06/mercer-ai-workforce-redesign-report-2026/>

- [1] [www.bcg.com — https://www.bcg.com/press/3june2026-ai-reshaping-jobs-faster-than-companies-reshaping-work#:~:text=Quickly%20Fades%20Without%20Strategic%20Clarity%3B,is%20no%20longer%20simply%20boosting](https://www.bcg.com/press/3june2026-ai-reshaping-jobs-faster-than-companies-reshaping-work#:~:text=Quickly%20Fades%20Without%20Strategic%20Clarity%3B,is%20no%20longer%20simply%20boosting)
- [2] [www.bcg.com — https://www.bcg.com/press/3june2026-ai-reshaping-jobs-faster-than-companies-reshaping-work#:~:text=Work%20Itself%20Two,into%20Value%20Employees%E2%80%99%20AI%20Honeymoon](https://www.bcg.com/press/3june2026-ai-reshaping-jobs-faster-than-companies-reshaping-work#:~:text=Work%20Itself%20Two,into%20Value%20Employees%E2%80%99%20AI%20Honeymoon)
- [3] [www.bcg.com — https://www.bcg.com/press/3june2026-ai-reshaping-jobs-faster-than-companies-reshaping-work#:~:text=Half%20of%20Respondents%20Now%20Spend,per%20Week%2C%20but%20Most%20Organizations](https://www.bcg.com/press/3june2026-ai-reshaping-jobs-faster-than-companies-reshaping-work#:~:text=Half%20of%20Respondents%20Now%20Spend,per%20Week%2C%20but%20Most%20Organizations)
- [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=points,%E2%80%99CAs%20it](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%99CAs%20it)
- [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=life%2C%20a%20a%20new,flipped%3B%20more%20workers%20now%20say](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=life%2C%20a%20a%20new,flipped%3B%20more%20workers%20now%20say)
- [6] [www.carscoops.com — https://www.carscoops.com/2026/07/hyundai-workers-strike-robots/](https://www.carscoops.com/2026/07/hyundai-workers-strike-robots/)

releases/2026/pwc-2026-ai-jobs-

barometer.html#:~:text=to%20perform,other%20businesses%20Jobs%20requiring%20specific))

- “Super-star” companies adopting AI achieved 163% higher labor productivity than their peers ([www.pwc.com])([https://www.pwc.com/gx/en/news-room/press-releases/2026/pwc-2026-ai-jobs-barometer.html#:~:text=to%20perform,other%20businesses%20Jobs%20requiring%20specific\)\)](https://www.pwc.com/gx/en/news-room/press-releases/2026/pwc-2026-ai-jobs-barometer.html#:~:text=to%20perform,other%20businesses%20Jobs%20requiring%20specific))))

- Nearly 79% of companies that tried to replace human tasks with AI had to backtrack when the technology fell short ([www.comptia.org])([https://www.comptia.org/en/blog/one-in-three-companies-already-mandate-ai-training-businesses-warned-not-to-fall-behind/#:~:text=degree%20of%20growing%20expectations%E2%80%9D%20for,%E2%80%9D%20Adoption%20remains\)\)](https://www.comptia.org/en/blog/one-in-three-companies-already-mandate-ai-training-businesses-warned-not-to-fall-behind/#:~:text=degree%20of%20growing%20expectations%E2%80%9D%20for,%E2%80%9D%20Adoption%20remains))))

- Only 34% of companies mandate AI skills training for employees; another 36% make it optional ([www.comptia.org])([https://www.comptia.org/en/blog/one-in-three-companies-already-mandate-ai-training-businesses-warned-not-to-fall-behind/#:~:text=processes%20and%20skills%20training%20for,of\)\)](https://www.comptia.org/en/blog/one-in-three-companies-already-mandate-ai-training-businesses-warned-not-to-fall-behind/#:~:text=processes%20and%20skills%20training%20for,of))))

- 66% of regular AI users at work report higher job satisfaction, but 41% also say AI has increased their cognitive load ([www.bcg.com])([https://www.bcg.com/press/3june2026-ai-reshaping-jobs-faster-than-companies-reshaping-work#:~:text=Half%20of%20Respondents%20Now%20Spending,per%20Week%2C%20but%20Most%20Organizations\)\)](https://www.bcg.com/press/3june2026-ai-reshaping-jobs-faster-than-companies-reshaping-work#:~:text=Half%20of%20Respondents%20Now%20Spending,per%20Week%2C%20but%20Most%20Organizations))))

KEY TAKEAWAY

AI is not a magic fix – success depends on investing in people as much as technology. Companies that pair AI adoption with workforce development and job redesign thrive, while those chasing cost cuts risk eroding trust and long-term value.

Sources

[Monday.com is the latest tech company to blame AI for layoffs — here are 20 others \(TechCrunch, July 25 2026\)](https://techcrunch.com/2026/07/25/the-running-list-major-tech-layoffs-in-2026-where-employers-cited-ai/)
<https://techcrunch.com/2026/07/25/the-running-list-major-tech-layoffs-in-2026-where-employers-cited-ai/>

[AI redesigns jobs, not cuts them: JLL study reveals business leaders expect workforce growth ahead \(JLL press release, July 14 2026\)](https://www.prnewswire.com/news-releases/ai-redesigns-jobs-not-cuts-them-jll-study-reveals-business-leaders-expect-workforce-growth-ahead-302825107.html)
<https://www.prnewswire.com/news-releases/ai-redesigns-jobs-not-cuts-them-jll-study-reveals-business-leaders-expect-workforce-growth-ahead-302825107.html>

[AI Is Reshaping Jobs Faster Than Companies Are Reshaping Work \(BCG – Global AI at Work Survey 2026\)](https://www.bcg.com/press/3june2026-ai-reshaping-jobs-faster-than-companies-reshaping-work)
<https://www.bcg.com/press/3june2026-ai-reshaping-jobs-faster-than-companies-reshaping-work>

[One in Three Companies Already Mandate AI Training – Businesses Warned Not to Fall Behind \(CompTIA Blog, 2026\)](https://www.comptia.org/en/blog/one-in-three-companies-already-mandate-ai-training-businesses-warned-not-to-fall-behind/)
<https://www.comptia.org/en/blog/one-in-three-companies-already-mandate-ai-training-businesses-warned-not-to-fall-behind/>

[German Firms Scramble to Meet AI Training Mandate as Fines Loom in 2026 \(Stocks Today, June 26 2026\)](https://stockstoday.com/german-firms-scramble-to-meet-ai-training-mandate-as-fines-loom-in-2026/)
<https://stockstoday.com/german-firms-scramble-to-meet-ai-training-mandate-as-fines-loom-in-2026/>

[Every major tech layoff in 2026 that has name-checked AI \(TechCrunch, July 6 2026\)](https://techcrunch.com/2026/07/06/the-running-list-major-tech-layoffs-in-2026-where-employers-cited-ai/)
<https://techcrunch.com/2026/07/06/the-running-list-major-tech-layoffs-in-2026-where-employers-cited-ai/>

[Challenger, Gray & Christmas – May 2026 Job Cuts Report \(Press Release\)](https://www.challengergray.com/blog/challenger-report-may-job-cuts-rise-16-from-april-highest-may-total-since-2020/)
<https://www.challengergray.com/blog/challenger-report-may-job-cuts-rise-16-from-april-highest-may-total-since-2020/>

[AI reshapes global labour market into two distinct paths, rewarding human skills: PwC 2026 Global AI Jobs Barometer \(Press Release, June 15 2026\)](https://www.pwc.com/gx/en/news-room/press-releases/2026/pwc-2026-ai-jobs-barometer.html)
<https://www.pwc.com/gx/en/news-room/press-releases/2026/pwc-2026-ai-jobs-barometer.html>

[Mercer AI Warning Leaves Workers Asking Which Jobs Are Still Safe \(CEO Today, June 1 2026\)](https://www.ceotodaymagazine.com/2026/06/mercer-ai-workforce-redesign-report-2026/)
<https://www.ceotodaymagazine.com/2026/06/mercer-ai-workforce-redesign-report-2026/>

[Bank of Ireland appoints Prag Sharma as Chief Artificial Intelligence Officer \(Press Release, July 20 2026\)](https://www.bankofireland.com/about-bank-of-ireland/press-releases/2026/bank-of-ireland-appoints-prag-sharma-as-chief-artificial-intelligence-officer/)
<https://www.bankofireland.com/about-bank-of-ireland/press-releases/2026/bank-of-ireland-appoints-prag-sharma-as-chief-artificial-intelligence-officer/>

[Worker Anxiety Over AI Is Growing, and Employers Aren't Preparing Employees for What's Next \(Jobs for the Future – Press Release, March 11 2026\)](https://www.jff.org/news/worker-anxiety-over-ai-is-growing-and-employers-arent-preparing-employees-for-whats-next-new-survey-finds/)
<https://www.jff.org/news/worker-anxiety-over-ai-is-growing-and-employers-arent-preparing-employees-for-whats-next-new-survey-finds/>

[The AI Robots Won't Strike, So Hyundai's Workers Did It First \(Carscoops, July 13 2026\)](https://www.carscoops.com/2026/07/13/the-ai-robots-wont-strike-so-hyundai-s-workers-did-it-first/)
<https://www.carscoops.com/2026/07/13/the-ai-robots-wont-strike-so-hyundai-s-workers-did-it-first/>

<https://www.carscoops.com/2026/07/hyundai-workers-strike-robots/>

Employers who laid off workers for AI are reversing their decisions (CNBC, July 1 2026)

<https://www.cnbc.com/2026/07/01/employers-who-laid-off-workers-for-ai-are-reversing-their-decisions.html>

