LUMO INSIGHTS

Wednesday, 9 September 2026

# AI’s work revolution: high adoption, low layoffs, New challenges

## Executive Summary

Multiple new reports this week reveal that AI’s impact on the workplace is unfolding in unexpected ways. Adoption of AI tools in business has spiked, yet the feared surge in job losses hasn’t materialised. Instead, organisations face a growing need to reskill workers, redesign job roles, and address employees’ mounting concerns about the day-to-day realities of working with AI.

## Adoption soars, mass layoffs on hold

AI adoption in the workplace has accelerated dramatically, but the widely feared wave of immediate job losses is so far nowhere to be seen. Fresh survey data from the Federal Reserve Bank of New York shows 61% of service firms in its region now use AI in their processes - up from just 25% in 2024 (rebas.co [1]). Manufacturers are catching up, with about half now using AI, roughly double last year’s share (rebas.co [2]). This broad uptake underlines that AI is no longer a niche experiment confined to tech companies; it’s becoming a standard tool across industries.

Yet despite this rapid spread of AI, companies are *not* rushing to lay off employees en masse. In the New York Fed’s August survey, only 4% of service firms reported any AI-driven layoffs in the past six months (and none of the manufacturers surveyed had cut jobs due to AI) (rebas.co [3]). National data echo the same theme: in August, US employers attributed just 3,462 of 52,881 announced job cuts to AI - about 6.5%, down from nearly 13% the month before (opendatascience.com [4]). Year-to-date, roughly one in five layoffs have been tied to AI, a significant number but far short of an economy-wide “robot takeover” of jobs (opendatascience.com [5]).

Instead of triggering massive unemployment, AI appears to be subtly reshaping the labour market in other ways. The latest US jobs report showed overall hiring remains steady, but cracks are showing at the entry level. In August, unemployment for teenagers jumped to 14.1% even as total unemployment held at 4.1%, and the information sector (which includes many tech and media jobs) shed 23,000 positions (opendatascience.com [6]). Another survey found that hiring in professional and business services - fields heavy in AI-exposed white-collar roles - declined by 188,000 in a recent month (opendatascience.com [7]). Analysts note a pattern: the pressure from AI and automation is emerging more in *hiring slowdowns* for junior roles rather than broad layoffs of existing staff (opendatascience.com [8]) (opendatascience.com [9]). In other words, companies are still holding onto their people, but they are becoming more cautious about adding entry-level jobs in roles that AI can augment or perform. This more gradual “slowdown at the gate” may be the first sign of the workforce shifts AI will bring.

References:

[1] rebas.co — https://rebas.co/blog/ai-at-work-september-2026/

#:~:text=to%20miss%3A%20AI%20use%20in,longer%20a%20niche%20story%20for
[2] rebas.co — https://rebas.co/blog/ai-at-work-september-2026/#:~:text=business%20processes%20over%20the%20past,longer%20a%20niche%20story%20for
[3] rebas.co — https://rebas.co/blog/ai-at-work-september-2026/#:~:text=tech%20companies,to%20help%20them%20use%20the
[4] opendatascience.com — https://opendatascience.com/ai-jobs-news-august-31-to-september-6-2026/#:~:text=job,22%20percent%20of%20the%20529%2C914
[5] opendatascience.com — https://opendatascience.com/ai-jobs-news-august-31-to-september-6-2026/#:~:text=job,22%20percent%20of%20the%20529%2C914
[6] opendatascience.com — https://opendatascience.com/ai-jobs-news-august-31-to-september-6-2026/#:~:text=What%20happened%3A%20The%20Bureau%20of,A%20rising%20teenage
[7] opendatascience.com — https://opendatascience.com/ai-jobs-news-august-31-to-september-6-2026/#:~:text=collar%20services%20What%20happened%3A%20The,Why%20it
[8] opendatascience.com — https://opendatascience.com/ai-jobs-news-august-31-to-september-6-2026/#:~:text=The%20month%E2%80%99s%20gains%20concentrated%20in,The
[9] opendatascience.com — https://opendatascience.com/ai-jobs-news-august-31-to-september-6-2026/#:~:text=volume,ODSC%20AI%20West%202026%20returns

## The strategy & skills gap

While AI tools are proliferating across enterprises, many organisations are discovering a critical gap: technology adoption alone doesn't automatically translate into productivity or performance gains. A new Corporate AI Talent Study released in early September found that an astounding 97% of surveyed companies report using AI in some capacity, yet only 37% provide any AI-related training for their employees (opendatascience.com [1]). What's more, one in three organisations admit they have *no defined AI talent strategy at all* (opendatascience.com [2]). In practice, that means many employees are being handed powerful new tools without guidance on how to use them effectively. It's a recipe for underperformance - teams might enthusiastically embrace AI features, but without training or a plan, they struggle to convert that activity into real value.

Emerging evidence supports this lack-of-strategy problem. Researchers at OpenAI recently analysed 17 million ChatGPT Enterprise messages across over 1,500 companies and found no meaningful link between how heavily a company used generative AI and its revenue per employee (allwork.space [3]). Simply put, more prompts do not automatically equal higher productivity or profits. In fact, many executives are realising that they've been measuring success in the wrong way. "AI adoption is easy; business results are hard," tech CEO Nick Damoulakis wrote, noting that leaders often tout metrics like number of users or hours spent on AI tools, only to fall silent when asked what tangible outcomes have improved as a result (www.forbes.com [4]). This misalignment is prompting a hard look in the boardroom: after an initial rush to deploy AI, companies now face the more difficult work of redesigning workflows and decision processes to actually capture value from these tools.

A major part of that work is closing the skills and capability gap. In many organisations, a small cohort of specialists and early adopters are fluent in using AI, while the bulk of employees remain unsure how to integrate these technologies into their day-to-day jobs. The talent survey mentioned above reflects this uneven readiness: nearly all firms have some AI in use, but a vast majority of workers haven't been trained to make the most of it (opendatascience.com [5]). Forward-thinking companies are beginning to invest in upskilling programmes, creating new internal AI academies and revising job descriptions. They're also re-evaluating recruitment criteria. Recent labour market data indicates that since 2025, tech job postings have been requiring 5% - 10% more years of experience on average and listing fewer specific skills (opendatascience.com [6]). This suggests that employers value adaptability and broad judgment in an AI-driven environment - an experienced employee can learn new AI tools on the fly - over deep expertise in any single current tool, which might become obsolete next year. In short, organisations that succeed with AI are those that invest as much in their people as in the technology, intentionally weaving AI into workflows and strengthening their teams' capabilities to work alongside intelligent machines (www.deloitte.com [7]).

References:

[1] opendatascience.com — https://opendatascience.com/ai-jobs-news-august-31-to-september-6-2026/#:~:text=respondents%2C%2097%20percent%20reported%20using,The%20announcement%20does
[2] opendatascience.com — https://opendatascience.com/ai-jobs-news-august-31-to-september-6-2026/#:~:text=respondents%2C%2097%20percent%20reported%20using,The%20announcement%20does
[3] allwork.space — https://allwork.space/2026/08/more-ai-use-isnt-translating-into-more-revenue-per-employee-openai-study-finds/#:~:text=mins%20read%20A%20A%20The,million%20ChatGPT%20Enterprise%20messages%20from
[4] www.forbes.com — https://www.forbes.com/councils/forbestechcouncil/2026/09/02/ai-adoption-is-easy-business-results-are-hard/#:~:text=They%27re%20proud%20of%20the%20momentum%2C,leaders%20who%20conflate%20the%20two
[5] opendatascience.com — https://opendatascience.com/ai-jobs-news-august-31-to-september-6-2026/#:~:text=respondents%2C%2097%20percent%20reported%20using,The%20announcement%20does
[6] opendatascience.com — https://opendatascience.com/ai-jobs-news-august-31-to-september-6-2026/#:~:text=happened%3A%20a16z%E2%80%99s%20Chart%20of%20the,criteria%20signal%2C%20distinct%20from%20the
[7] www.deloitte.com — https://www.deloitte.com/nl/en/about/press-room/state-of-ai-in-the-enterprise-2026.html#:~:text=through%20the%20better%20coupling%20of,The

## Employee sentiment: The human factor

Amid the rapid push to deploy AI, employees on the front lines are sending a clear (and somewhat unexpected) message: the experience of working with AI isn't universally positive, and how these tools are introduced makes a world of difference. Several recent reports highlight a growing sense of "AI fatigue" in the workforce. In an international survey of 2,500 knowledge workers, 65% said they already feel nostalgic for how work was done before generative AI tools were introduced (hrtechedition.com [1]). Over a third (38%) went as far as to say they would eliminate the new AI technologies entirely if given the chance (hrtechedition.com [2]). The reason comes down to what one report calls the "verification tax": 42% of these workers found that using AI actually *added* to their workload, because they spend so much time reviewing and correcting AI-generated outputs that it overshadows the time saved by automation (hrtechedition.com [3]). Instead of freeing them from drudge work, the tools have in some cases become "a second job of checking the first job's output" (hrtechedition.com [4]). This phenomenon is breeding frustration, especially among younger employees who, contrary to stereotype, turned out to be more likely than their older colleagues to want a pause or reset on workplace AI deployments (hrtechedition.com [5]).

These findings underscore a crucial point: introducing AI into workflows without careful planning and communication can backfire. If workers don't understand *why* they're being asked to use a new AI system, or if the tool's output can't be trusted without extensive double-checking, the technology can feel more like a burden than a breakthrough. In fact, half of the surveyed employees said they suspect their job performance is now being unfairly compared to AI's output, creating anxiety and resentment (hrtechedition.com [6]). This kind of sentiment can quietly erode trust in leadership and dampen engagement - a risk for any organisation trying to drive a successful transformation.

Labour unions are taking note and stepping up to ensure employees have a voice in how AI reshapes their work. On Labor Day, AFL-CIO president Liz Shuler made it clear that workers are "not anti-technology" - many are excited to use AI to do their jobs better - but they are firmly "against...using technology without our input, without our control," as she put it (www.tpr.org [7]). In a recent union poll, 95% of respondents said they want humans, not algorithms, making decisions about hiring, firing, and pay (www.tpr.org [8]). An overwhelming majority also insist on knowing if and how AI is monitoring their work (www.tpr.org [9]). These demands highlight a growing call for transparency and collaboration: employees and their representatives aren't trying to halt AI's progress, but they want safeguards to ensure the technology is implemented ethically and with respect for workers' rights.

For HR and people leaders, these voices are a reminder that successful AI integration depends as much on trust and culture as on technology. It's not enough to simply drop new AI tools into teams and expect instant enthusiasm. Clear communication, guardrails on how AI will (and won't) be used,

and genuine opportunities for employee input are all essential to alleviate fear and resistance. As one workplace study noted, hitting target metrics for AI tool usage is meaningless if employees are quietly disengaging or growing cynical about the changes (hrtechedition.com [10]). Change management in the age of AI must be as much about listening and supporting people as it is about implementing new software.

References:


[1] hrtechedition.com — https://hrtechedition.com/news/adaptavist-ai-nostalgia-verification-tax-2026/#:~:text=Generative%20AI%20was%20pitched%20as,checking%20the%20first%20job%E2%80%99s%20output

[2] hrtechedition.com — https://hrtechedition.com/news/adaptavist-ai-nostalgia-verification-tax-2026/#:~:text=A%20study%20from%20Adaptavist%2C%20surveying,desire%20to%20roll%20it%20back

[3] hrtechedition.com — https://hrtechedition.com/news/adaptavist-ai-nostalgia-verification-tax-2026/#:~:text=The%20mechanism%20behind%20the%20fatigue,AI%20in%20their%20role%20at

[4] hrtechedition.com — https://hrtechedition.com/news/adaptavist-ai-nostalgia-verification-tax-2026/#:~:text=Generative%20AI%20was%20pitched%20as,checking%20the%20first%20job%E2%80%99s%20output

[5] hrtechedition.com — https://hrtechedition.com/news/adaptavist-ai-nostalgia-verification-tax-2026/#:~:text=feel%20nostalgic%20for%20how%20work,the%20most%20AI%20enthusiastic%20cohort

[6] hrtechedition.com — https://hrtechedition.com/news/adaptavist-ai-nostalgia-verification-tax-2026/#:~:text=The%20mechanism%20behind%20the%20fatigue,not%20that%20comparison%20is%20fair

[7] www.tpr.org — https://www.tpr.org/economy-and-labor/2026-09-07/labor-unions-nationwide-are-navigating-the-explosive-growth-of-ai#:~:text=guardrails%20on%20AI%20but%20not,our%20input%2C%20without%20our%20control

[8] www.tpr.org — https://www.tpr.org/economy-and-labor/2026-09-07/labor-unions-nationwide-are-navigating-the-explosive-growth-of-ai#:~:text=these%20forces%20that%20are%20using,CIO%20has%20been%20pushing%20for

[9] www.tpr.org — https://www.tpr.org/economy-and-labor/2026-09-07/labor-unions-nationwide-are-navigating-the-explosive-growth-of-ai#:~:text=these%20forces%20that%20are%20using,CIO%20has%20been%20pushing%20for

[10] hrtechedition.com — https://hrtechedition.com/news/adaptavist-ai-nostalgia-verification-tax-2026/#:~:text=For%20HR%20leaders%2C%20this%20data,it%20and%20time%20budgeted%20for


## Leading through the AI transition

For the senior executives tasked with navigating this upheaval, the past 48 hours' revelations carry a clear takeaway: leading an AI-driven transformation is not a simple matter of technology deployment - it's a strategic, human challenge. Companies that treat AI purely as a cost-cutting or efficiency tool may find that expected gains don't fully materialise, especially if they neglect investment in their workforce. On the other hand, companies that are thriving with AI are those reimagining work itself. They are redesigning roles and workflows to let humans and AI each do what they do best, and they are equipping their people with the skills and support to adapt. As a result, these organisations report higher productivity growth and are expanding headcount faster than their peers (www.pwc.com [1]).

Visionary leadership is crucial in this moment of change. Linda A. Hill, a Harvard business professor, argues that the "winners of the AI race will be the companies whose leaders accept that their task is wayfinding" (time.com [2]). Rather than having all the answers upfront, leaders need the mindset of explorers navigating uncharted waters. In practice, that means fostering a culture of collaboration, experimentation, and continuous learning. The C-suite must encourage teams to innovate with AI while remaining grounded in clear objectives: What problem are we solving? How will AI improve outcomes or employee well-being? By focusing on these questions, leaders can guide their organisations through ambiguity.

The past days' news also highlights why boardrooms must stay engaged on the human side of AI adoption. Workforce strategy and technology strategy can no longer be separate conversations. Nearly all CEOs now say their companies see at least some benefits from AI, but the opportunity comes hand-in-hand with heightened people risks - from skills shortages to ethical dilemmas. One recent CEO survey indicates that 60% of chief executives believe their boards are moving too hastily with AI transformations, creating misalignment at the top of companies (www.bcg.com [3]). Smart CEOs are beginning to pause the "move fast" mandate just enough to ensure the foundations are in place: robust data, strong governance, and a workforce that is prepared and bought in. In short, the best leaders are doubling down on *humans* even as they scale up AI. They recognise that in this

turbulent period, people strategy is business strategy. By addressing skills gaps, setting clear guidelines for AI use, and cultivating an agile, trust-based culture, leaders can turn AI from a shiny new gadget into a sustainable engine of shared success.

References:

[1] www.pwc.com — https://www.pwc.com/gx/en/news-room/press-releases/2026/pwc-2026-ai-jobs-barometer.html#:~:text=human,level%20roles%20are

[2] time.com — https://time.com/article/2026/09/08/the-leaders-ai-innovation-needs/#:~:text=suspects.%E2%80%9D%20Even%20AI,the%20world%27s%20leading%20voices%2C%20providing

[3] www.bcg.com — https://www.bcg.com/publications/2026/how-boards-and-ceos-can-govern-ai-together#:~:text=How%20Boards%20and%20CEOs%20Can,board%20AI

## Key Statistics

- 61% of service-sector firms in New York & New Jersey report using AI in the past six months (up from 25% in 2024) ([rebas.co](https://rebas.co/blog/ai-at-work-september-2026/#:~:text=to%20miss%3A%20AI%20use%20in,longer%20a%20niche%20story%20for)).
- Only 4% of those firms reported any AI-driven layoffs in that time, and none of the surveyed manufacturers did ([rebas.co](https://rebas.co/blog/ai-at-work-september-2026/#:~:text=tech%20companies,to%20help%20them%20use%20the)).
- 42% of knowledge workers say they spend more time checking AI outputs than they save by using AI tools ([hrtechedition.com](https://hrtechedition.com/news/adaptavist-ai-nostalgia-verification-tax-2026/#:~:text=The%20mechanism%20behind%20the%20fatigue,AI%20in%20their%20role%20at)).

KEY TAKEAWAY

The data paints a nuanced picture: AI adoption is skyrocketing without the mass layoffs many predicted, but companies aren't automatically reaping rewards. Forward-looking leaders are shifting from hype to a people-centric AI strategy. That means redesigning work processes, reskilling employees, and actively addressing workforce concerns about AI. By focusing on human-AI integration - rather than simple headcount cuts - executives can harness AI's potential while keeping their teams engaged and on board with the transformation.

### Sources

The Week in AI Careers: AI Named in Just 6.5 Percent of August Job Cuts, Openings Stall in a Low-Hire Market, + More (ODSC News Roundup)
https://opendatascience.com/ai-jobs-news-august-31-to-september-6-2026/

Two-Thirds of Knowledge Workers Would Roll Back Generative AI, Research Finds (HR Tech Edition)
https://hrtechedition.com/news/adaptavist-ai-nostalgia-verification-tax-2026/

Labor unions nationwide are navigating the explosive growth of AI (NPR / Texas Public Radio)
https://www.tpr.org/economy-and-labor/2026-09-07/labor-unions-nationwide-are-navigating-the-explosive-growth-of-ai

The Leaders AI Innovation Needs (Linda A. Hill for TIME Magazine)
https://time.com/6265985/ai-leadership-innovation-linda-hill/