LUMO INSIGHTS

Wednesday, 14 October 2026

IMF warns of AI job upheaval as Kroger cuts 3,000 roles

Executive Summary

A global economic warning and a major corporate restructuring this week underscore how AI is rapidly reshaping work. US grocery giant Kroger says it will eliminate 3,000 corporate roles as it automates repetitive tasks (kelo.com [1]). And at an IMF-World Bank forum on Monday, the International Monetary Fund's chief warned that artificial intelligence could alter nearly half of all jobs worldwide (www.cnbc.com [2]). Meanwhile, new survey data show that many employees aren't getting the training support they need, highlighting the urgency for business leaders to redesign roles and upskill their workforce as AI transforms everyday work.

References:

[1] kelo.com — https://kelo.com/2026/10/12/kroger-plans-to-cut-about-a-third-of-corporate-roles-over-the-next-three-years-bloomberg-news-reports/#:~:text=use%20%7C%20KELO,have%20been%20rethinking%20corporate%20structures

[2] www.cnbc.com — https://www.cnbc.com/2026/10/12/imf-world-bank-ai-jobs-inflation-.html#:~:text=have%20to%20absorb%20most%20of,The

Kroger slashes head-office jobs for AI efficiency

US supermarket chain Kroger plans to eliminate about 3,000 corporate roles over the next three years as it rolls out more artificial intelligence (kelo.com [1]). In an internal memo to staff on 12 October, CEO Greg Foran said the layoffs - roughly 37% of Kroger's head-office workforce - will help remove duplicative tasks and "adapt with technology" (kelo.com [2]). The cuts, which follow 1,000 corporate job reductions last year, are intended to reduce costs and free up resources to invest in front-line store employees (kelo.com [3]) (kelo.com [4]).

Kroger's decision is part of a wider corporate shift towards leaner headquarters as companies adopt AI to streamline processes (kelo.com [5]). In September, the retailer outlined a broad AI strategy that uses machine learning models to manage workflows and personalised shopping tools like an AI assistant (kelo.com [6]). As routine administrative tasks are automated, leaders in all sectors are rethinking which roles are mission-critical and how to redeploy talent. The aim is to focus human workers on customer-facing and strategic activities while intelligence systems take over repetitive work.

References:

[1] kelo.com — https://kelo.com/2026/10/12/kroger-plans-to-cut-about-a-third-of-corporate-roles-over-the-next-three-years-bloomberg-news-reports/#:~:text=use%20%7C%20KELO,have%20been%20rethinking%20corporate%20structures

[2] kelo.com — https://kelo.com/2026/10/12/kroger-plans-to-cut-about-a-third-of-corporate-roles-over-the-next-three-years-bloomberg-news-reports/#:~:text=Kroger%20plans%20to%20cut%20roughly,Foran%20took%20over%20as

[3] kelo.com — https://kelo.com/2026/10/12/kroger-plans-to-cut-about-a-third-of-corporate-roles-over-the-next-three-years-bloomberg-news-reports/#:~:text=integrates%20AI%20into%20its%20workflow,The%20grocery

[4] kelo.com — https://kelo.com/2026/10/12/kroger-plans-to-cut-about-a-third-of-corporate-roles-over-the-next-three-years-bloomberg-news-reports/#:~:text=seeking%20to%20cut%20prices%20%E2%81%A0to,last%20year%2C%20the%20company%20cut

[5] kelo.com — https://kelo.com/2026/10/12/kroger-plans-to-cut-about-a-third-of-corporate-roles-over-the-next-three-years-bloomberg-news-reports/#:~:text=Kroger%E2%80%99s%20CEO%20in%20February,to%20manage%20workflows%20%E2%80%8Band%20leverage

[6] kelo.com — https://kelo.com/2026/10/12/kroger-plans-to-cut-about-a-third-of-corporate-roles-over-the-next-three-years-bloomberg-news-reports/#:~:text=and%20cutting%20jobs%20as%20they,Details%20on

IMF chief sounds alarm on global job disruption

At the International Monetary Fund's annual meetings this week, Managing Director Kristalina Georgieva warned that AI is already hitting labour markets like a "slow-moving tsunami" (www.cnbc.com [1]). Speaking on 12 October, she cited IMF analysis that 40% of jobs worldwide could eventually be "augmented, downgraded or eliminated" by AI-driven automation (www.cnbc.com [2]), with higher exposure in advanced economies (around 60% of jobs) than in developing ones (www.cnbc.com [3]). Young workers entering the job market are "first in line to be knocked down" as entry-level routine roles vanish, Georgieva said (www.cnbc.com [4]) (www.cnbc.com [5]), prompting calls for "crisis-era" support for graduates and displaced workers (www.cnbc.com [6]).

Global policymakers are increasingly shifting from debating AI's impact to planning safeguards for those at risk (www.cnbc.com [7]) (www.cnbc.com [8]). However, technology leaders note that AI is also generating new types of work. The president of the World Bank pointed out that "small AI" tools can create opportunities in emerging markets, even as mature economies grapple with shrinking demand for college graduates (www.cnbc.com [9]). Recent research likewise suggests AI will change employment more by reorganising jobs than eliminating them outright. According to PwC's Global AI Jobs Barometer, "professionalised" entry-level roles - where AI handles basic tasks, leaving humans to focus on higher-level work - grew 35% from 2019 to 2023, even as other junior roles declined by 10% (www.pwc.com [10]). The challenge for leaders will be ensuring workers can move into these new skill-intensive roles as old ones evolve or disappear.

References:

[1] www.cnbc.com — https://www.cnbc.com/2026/10/12/imf-world-bank-ai-jobs-inflation-.html#:~:text=%40in%2Fanniek,World%20Bank%E2%80%99s%20Banga%20said
[2] www.cnbc.com — https://www.cnbc.com/2026/10/12/imf-world-bank-ai-jobs-inflation-.html#:~:text=have%20to%20absorb%20most%20of,The
[3] www.cnbc.com — https://www.cnbc.com/2026/10/12/imf-world-bank-ai-jobs-inflation-.html#:~:text=have%20to%20absorb%20most%20of,The
[4] www.cnbc.com — https://www.cnbc.com/2026/10/12/imf-world-bank-ai-jobs-inflation-.html#:~:text=%40in%2Fanniek,World%20Bank%E2%80%99s%20Banga%20said
[5] www.cnbc.com — https://www.cnbc.com/2026/10/12/imf-world-bank-ai-jobs-inflation-.html#:~:text=fallout,are%5D%20young%20people
[6] www.cnbc.com — https://www.cnbc.com/2026/10/12/imf-world-bank-ai-jobs-inflation-.html#:~:text=panel%2C%20Singapore%20President%20Tharman%20Shanmugaratnam%2C,upon%20graduation%2C%20is%20now%20seeing
[7] www.cnbc.com — https://www.cnbc.com/2026/10/12/imf-world-bank-ai-jobs-inflation-.html#:~:text=from%20debating%20whether%20artificial%20intelligence,person%20wants%20to%20be%20a
[8] www.cnbc.com — https://www.cnbc.com/2026/10/12/imf-world-bank-ai-jobs-inflation-.html#:~:text=panel%2C%20Singapore%20President%20Tharman%20Shanmugaratnam%2C,upon%20graduation%2C%20is%20now%20seeing
[9] www.cnbc.com — https://www.cnbc.com/2026/10/12/imf-world-bank-ai-jobs-inflation-.html#:~:text=infrastructure%20boom%20shows%20no%20signs,with%20the%20wage
[10] www.pwc.com — https://www.pwc.com/gx/en/news-room/press-releases/2026/pwc-2026-ai-jobs-barometer.html#:~:text=AI%20skills%20are%20growing%20almost,AI%20is%20rapidly%20reshaping%20the

Upskilling lags behind accelerating AI adoption

Even as companies invest heavily in AI, many are struggling to realise returns from these technologies. A global S&P Global survey this summer found only 46% of recent AI initiatives were on track to achieve positive return on investment within a year (www.spglobal.com [1]). Analysts say one culprit is a lack of complementary workforce preparation. A study from London School of Economics showed that employees who receive AI skills training use the tools more and are twice as productive, saving 11 hours per week versus 5 hours for untrained colleagues (www.lse.ac.uk [2]). Yet organisations are not yet doing enough to bridge the skills gap.

In Workday's most recent Global Workforce Report, 79% of employees said they know which new skills they need as AI changes their job, but only 66% believe their employer is helping them develop those skills (newsroom.workday.com [3]). This 13-point "upskilling gap" risks leaving workers unprepared just as AI adoption in the workplace accelerates. Generative AI is diffusing through offices at a pace comparable to the personal computer boom of the 1980s (www.frbsf.org [4]), enabling rapid productivity gains but also heightening workforce anxiety. By redesigning roles and providing targeted training ahead of AI rollouts, business leaders can capture efficiency benefits while retaining talent. Those that fail to do so may see productivity stagnate - or face backlash from employees who feel technology is something being done to them, not for them.

References:
[1] www.spglobal.com — https://www.spglobal.com/en/research-insights/special-reports/ai-impact-on-employment-2026#:~:text=displacement,Building%20on%20our%20previous
[2] www.lse.ac.uk — https://www.lse.ac.uk/news/ai-boosts-productivity-by-the-equivalent-of-one-workday-per-week-new-report-finds#:~:text=younger%20generations,AI%20project%20teams%20reported%20that
[3] newsroom.workday.com — https://newsroom.workday.com/2026-10-05-Workday-Global-Workforce-Report-AI-Is-Rewriting-Jobs-More-Than-Its-Cutting-Them#:~:text=keep%20pace,those%20heavy%20AI%20users%20said
[4] www.frbsf.org — https://www.frbsf.org/research-and-insights/publications/system-research-st-louis-fed/2026/10/new-survey-findings-ai-adoption-effects-employment-productivity/#:~:text=Adoption%20of%20artificial%20intelligence%20,potential%20but%20uncertain%20productivity%20growth

Key Statistics

- 3,000 - Corporate jobs Kroger plans to cut over 3 years as it automates workflows (Kroger internal memo via Reuters)
- 40% - Share of jobs worldwide that will be altered by AI, IMF estimate
- 7.5 hours - Weekly time saved per employee using AI tools, LSE study (global, 2025)
- 46% - Share of companies' recent AI projects on track to deliver ROI within 12 months, S&P Global survey (2026)
- 163% - Productivity increase at "super-star" companies most exposed to AI, PwC Global AI Jobs Barometer (2026)

KEY TAKEAWAY

Identify which tasks in key roles can be automated or augmented by AI, and then redesign these roles to focus on higher-value work. At the same time, invest in upskilling - especially for junior staff - so your workforce can adapt and thrive alongside new AI tools.

Sources

Kroger plans to eliminate 3,000 corporate roles, memo shows, as it expands AI use – Reuters (Juveria Tabassum)
https://kelo.com/2026/10/12/kroger-plans-to-cut-about-a-third-of-corporate-roles-over-the-next-three-years-bloomberg-news-reports
World Bank jobs council urges 'crisis-era' support as IMF warns of AI 'tsunami' (CNBC)
https://www.cnbc.com/2026/10/12/imf-world-bank-ai-jobs-inflation-.html
Workday Global Workforce Report: AI is rewriting jobs more than it's cutting them (Workday newsroom press release)
https://newsroom.workday.com/2026-10-05-Workday-Global-Workforce-Report-AI-Is-Rewriting-Jobs-More-Than-Its-Cutting-Them
AI boosts productivity by the equivalent of one workday per week, new report finds (LSE News)
https://www.lse.ac.uk/news/ai-boosts-productivity-by-the-equivalent-of-one-workday-per-week-new-report-finds
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 (PwC press release)

https://www.pwc.com/gx/en/news-room/press-releases/2026/pwc-2026-ai-jobs-barometer.html