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Volkswagen’s AI Copilot rollout highlights shifting roles over cuts

Executive Summary

Volkswagen’s mass deployment of a generative AI assistant and a major bank’s tech-driven job cuts are the latest signs of how artificial intelligence is reshaping work. While the Australian bank’s layoffs have raised concerns about automation replacing roles, new research suggests AI may change the nature of jobs more than their number. These developments reinforce the need for organisations to redesign tasks and develop employee skills to capture AI’s benefits while managing its impact on the workforce.

Volkswagen’s AI assistant rollout

Volkswagen has embarked on one of the largest corporate AI deployments to date. On 21 October, the German automaker announced it has equipped more than 330,000 employees with Microsoft’s Copilot - an AI-powered assistant integrated into everyday workflows (news.microsoft.com [1]). The aim is to help staff work more efficiently by automating routine tasks and supporting decision-making. The company’s Head of Group Data and AI, Sophie Vassarotti, said the "real value of AI comes from making it available at scale in everyday work" (news.microsoft.com [2]), reflecting Volkswagen’s strategy to embed AI widely rather than in isolated pilots.

This broad-scale rollout is the culmination of a deliberate, phased approach to AI adoption by Volkswagen (news.microsoft.com [3]). The initiative began with providing all employees access to an AI chatbot (Copilot Chat), which quickly attracted around 300,000 monthly active users internally (news.microsoft.com [4]). Now the company has moved on to integrating AI assistants into core business processes across departments from engineering and production to procurement and sales (news.microsoft.com [5]). In the past month alone, more than 26,000 AI-based software "agents" were active across the company (news.microsoft.com [6]), delivering productivity gains by performing tasks and analyses alongside human team members. By freeing employees from repetitive work and helping them make better decisions, Volkswagen’s organisation-wide AI adoption is intended to enable staff to focus on higher-value tasks (news.microsoft.com [7]). The scale of this implementation stands out - most companies are still far from revamping work practices for AI, with 84% of organisations globally yet to redesign jobs or workflows around AI technologies (digital-skills-jobs.europa.eu [8]).

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NAB cuts jobs amid tech changes

National Australia Bank (NAB) - one of Australia's largest banks - announced on 20 October a major restructuring that will eliminate up to 2,500 roles (approximately 6% of its workforce) by 2027 (www.straitstimes.com [1]). The lender said it needed to "simplify its operations" in the face of rising costs, intensifying competition and "rapid technological change" (www.investordaily.com.au [2]). Most of the cuts will fall on corporate and back-office positions, with minimal impact on customer-facing staff (www.straitstimes.com [3]). In addition to the redundancies, NAB will sharply reduce its use of external contractors and consultants as it redirects resources towards technology and growth priorities (www.investordaily.com.au [4]).

While NAB's leadership has denied that artificial intelligence is the primary driver of these job cuts (anz.peoplemattersglobal.com [5]), the announcement has prompted calls for transparency about the role of automation. A corporate governance expert argued the bank must be clear on whether it is using AI to replace workers (www.investordaily.com.au [6]). Employees told local media that the "writing was on the wall" amid NAB's push to adopt AI and shift work offshore in recent months (www.abc.net.au [7]). The Finance Sector Union condemned the timing of the layoffs as "disgraceful" - coming just before Christmas - and warned that such a move would "entrench a culture of anxiety" among remaining staff (www.abc.net.au [8]). For business leaders, NAB's situation underscores the need to manage AI-driven operational changes with care. Without transparent communication and support for reskilling, efforts to streamline work through new technology risk damaging workforce trust and morale.

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Early-career roles redefined, not removed

New research suggests that AI may not spell the end of entry-level jobs as many feared. In an international survey of organisations and young workers across 13 countries, talent firm Korn Ferry found that 81% of employers plan to increase early-career hiring over the next two years (www.kornferry.com [1]). This finding runs counter to widespread narratives of AI "destroying" junior

jobs. Instead, companies appear to be preparing to reshape these roles for an AI-enabled future rather than eliminate them.

According to the survey results, over three-quarters of talent acquisition leaders said entry-level jobs are not disappearing from their organisations (www.kornferry.com [2]). Nearly 75% of businesses believe junior roles will change in nature rather than be abolished, although roughly half have not yet figured out exactly what these new responsibilities will be (www.kornferry.com [3]). At forward-looking companies, entry-level employees are already moving away from repetitive tasks and taking on work that leverages uniquely human skills - researching and synthesising information with AI, reviewing AI-generated outputs, automating workflows and applying judgment to machine-driven results (www.kornferry.com [4]). The survey's authors note that as AI takes over routine work, investing in young talent and defining clear career development pathways for the "AI generation" will be crucial for long-term growth (www.kornferry.com [5]). For executives, the message is that nurturing entry-level talent remains essential: the first rung of the career ladder isn't vanishing, but it is being reinvented for the age of AI.

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Key Statistics

- 84% - share of organisations yet to redesign jobs or workflows around AI (Deloitte, 2026)
- 80% - global CEOs who say AI will impact roles and skills more than headcount (EY, 2026)
- 81% - employers planning to increase early-career hiring in next 2 years (Korn Ferry, 2026)
- 28% - business leaders expecting AI to reduce headcount (Workday, 2026)

KEY TAKEAWAY

These developments show AI is affecting tasks and roles more than headcount. Leaders should redesign key roles and upskill staff before adopting AI to harness its benefits and avoid workforce backlash

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