LUMO INSIGHTS

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Microsoft’s AI-driven shake-up, Walmart’s training payoff and Europe’s unions

Executive Summary

This week’s developments illustrate how artificial intelligence is prompting organisations to rethink their workforces. Walmart’s sweeping AI training has boosted employee confidence and adoption of new tools, while Microsoft’s costly AI ambitions have led it to offer buyouts to a quarter of its staff. In Europe, labour unions are increasingly negotiating AI safeguards into contracts, underlining a broad shift in how technology and talent decisions are made

Walmart’s AI training boosts worker confidence

Walmart, the world’s largest private employer, reports that its company-wide push to educate employees on artificial intelligence is paying off (www.cnbc.com [1]). The retail giant recently surveyed its 2.1 /million associates after offering free AI training programmes through partnerships with OpenAI and Google (www.cnbc.com [2]) (www.cnbc.com [3]). According to the company’s chief people officer, 77% of office staff said they are excited by AI’s potential to improve their work, and 84% of Walmart’s US frontline associates now feel confident using new digital tools in their daily roles (www.cnbc.com [4]).

Walmart says those who completed its AI certification courses saw a 27% increase in confidence with the technology (www.cnbc.com [5]). The company credits this approach with closing the “trust gap” that still exists in the wider labour force, where over half of American workers express more concern than excitement about AI (www.cnbc.com [6]). By lowering barriers and providing a “safe space for people to feel comfortable trying and getting things wrong”, Walmart has managed to “boost morale and drive innovation” while embedding AI at scale (www.cnbc.com [7]) (www.cnbc.com [8]).

Rather than replace employees, Walmart is using automation to streamline routine tasks and refocus human work on judgment and customer service. The company has deployed robots in warehouses to take over some physical tasks, but “[is] finding ways to use AI to reduce some of that friction and use robotics to help, and then really focus the work on human judgement” (www.cnbc.com [9]). At an innovation centre in Texas, Walmart found that automated processes in fulfilment led to the creation of new quality-assurance roles instead of job losses (www.cnbc.com [10]). And despite the rise of self-checkouts, Walmart notes that customers “actually like talking to a human at checkout”, freeing staff to tackle more complex problems with AI support (www.cnbc.com [11]). In one case, a store manager in Mexico used a customised AI agent to analyse sales data and sharply boost fresh produce revenues (www.cnbc.com [12]). Walmart’s experience suggests that if businesses invest in reskilling and give employees practical AI tools, they can improve productivity and worker sentiment without cutting headcount

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Microsoft seeks 60,000 buyouts to fund AI plans

Microsoft took a starkly different approach this week, offering voluntary exit packages to around 60,000 employees on 26 October (www.usnews.com [1]). The offer, open to roughly 27% of Microsoft's global workforce, spans four countries and is aimed at capping operating costs as the company doubles down on artificial intelligence (www.cnbc.com [2]). The tech conglomerate is pouring resources into AI infrastructure - it expects to spend $175 /billion on data centres and chips this year (www.usnews.com [3]) - and a company memo indicated the buyouts give teams "another way to adapt their workforce to changing needs" (www.usnews.com [4]).

Microsoft's chief people officer said the voluntary exits would allow those "considering a future outside the company" to leave with support (www.usnews.com [5]). The move comes after a smaller U.S.-only retirement programme and thousands of direct layoffs earlier in 2026 (www.usnews.com [6]). Microsoft's pivot highlights the pressure some firms face to fund expensive AI ambitions - and raises the stakes for delivering returns on those investments. More broadly, it underscores the value of having a clear AI strategy for roles and skills. Leaders who proactively redeploy staff and invest in upskilling may avoid the need for large-scale cuts down the line, even as they integrate advanced AI systems

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European unions push AI onto the bargaining table

In Europe, labour organisations are moving to shape how AI is introduced in the workplace before it displaces or disempowers employees. A new study by the Friedrich-Ebert-Stiftung and UNI Europa examined 108 collective bargaining agreements in the services sector that include provisions on AI and algorithmic management (www.uni-europa.org [1]) (www.uni-europa.org [2]). Such agreements have been on the rise since 2023, and more than half of surveyed union representatives were aware of negotiations over workplace AI, particularly on issues like training, data protection and human oversight (www.uni-europa.org [3]).

Union leaders say that the rapid spread of AI at work is “not only a technological question. It is about power: who decides how AI is used, and in whose interests” (www.uni-europa.org [4]). They argue that workers should have a voice in how algorithms are deployed to manage staff performance, monitoring and pay (www.europarl.europa.eu [5]) (www.europarl.europa.eu [6]). The trend in Europe suggests that collective bargaining is becoming a key tool for setting guardrails on automation and ensuring employees are consulted and retrained as their jobs evolve. Employers, especially those operating in Europe, may need to engage proactively with employee representatives to address AI-related concerns and co-create fair guidelines for AI’s use in management decisions

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An AI-first workplace offers a glimpse of the future

Anthropic, a fast-growing artificial intelligence company, has published an internal analysis showing how drastically its own workplace has changed since adopting generative AI throughout its operations (techcrunch.com [1]) (www.anthropic.com [2]). By August 2026, AI agents at Anthropic were logging six hours of work for every hour of human work, as automated systems took over many routine coding and analytical tasks (www.anthropic.com [3]). With coding assistants now fixing bugs and writing software, non-technical teams have been able to do more technical work, and hiring managers increasingly prize candidates with adaptability and judgment over basic programming skills (www.anthropic.com [4]) (www.anthropic.com [5]). The share of junior technical hires at Anthropic fell from 27% in early 2025 to just 9% in 2026, reflecting a sharp decline in demand for entry-level programmers (techcrunch.com [6]).

Employees at Anthropic report that their jobs have evolved from "actually doing work to managing [AI]" (techcrunch.com [7]). One engineer described the feeling of overseeing multiple AI systems as like “babysitting… an army of Claudes, with every one asking for my attention” (techcrunch.com [8]). Company data indicates that this shift has made human attention a new bottleneck: on average, reading the output of AI assistants consumes half of non-technical employees’ time (www.anthropic.com [9]). The result has been an unexpected 20% rise in time spent in meetings, as staff coordinate and supervise AI-driven work (techcrunch.com [10]). In response, Anthropic has set up an “early warning system” to track roles at risk of automation and emphasised internal

redeployment and upskilling rather than traditional layoffs (www.anthropic.com [11]). For leaders elsewhere, this provides a real-world case study of how fully embracing AI can change which skills are needed and how teams collaborate day-to-day

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Key Statistics

- 60,000 employees offered voluntary exits by Microsoft to fund AI investments (Microsoft, Oct 2026)
- 84% of Walmart frontline staff confident using AI-powered tools after training (Walmart survey, 2026)
- 27% average AI confidence boost for Walmart associates after OpenAI training (Walmart, 2026)
- Share of technical hires at Anthropic at junior level in 2026, down from 27% in 2025 (Anthropic, 2026)
- 3-in-10 mid-career professionals would leave their jobs if AI fails to deliver value (Thomson Reuters, 2026)

KEY TAKEAWAY

Audit your organisation’s AI readiness. Ensure staff at all levels have training and support to integrate AI into their work, and identify roles likely to be reshaped by automation so you can start planning reskilling or redeployment now

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