LUMO INSIGHTS

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Harvard Business Review: Redesigning work for AI nearly doubles revenue

Executive Summary

New research and surveys highlight how artificial intelligence is changing work practices and outcomes. Harvard Business Review finds that companies redesigning workflows for AI can reap substantial performance gains, while global surveys show employees already benefiting from AI even as many firms have yet to see broad productivity or profit improvements. The latest data suggest that businesses need to rethink roles and processes to capture AI's full value.

Harvard Business Review: redesigning work yields big AI gains

In its November - December issue, **Harvard Business Review** reports that companies can unlock significantly better results by rethinking how work is done. A study of 515 firms found that those which learned from how other organisations had restructured jobs around AI discovered 44% more use cases for the technology (hbr.org [1]). These firms also completed more tasks and nearly doubled their revenue compared to peers (hbr.org [2]). The research attributes the performance surge to systematically mapping workflows to identify bottlenecks and tasks that AI can take on. As the authors advise, *"Leaders should map workflows from beginning to end, identify constraints that limit performance, and redesign surrounding processes rather than simply automating individual tasks"* (hbr.org [3]). In practice, this approach encourages managers to continuously rethink processes and learn from others' AI experiments, rather than just applying AI to isolated tasks.

For executives, the takeaway is that **technology alone isn't a silver bullet** - it's the work redesign that makes the difference. By focusing on where AI can best augment or take over specific tasks, organisations can free employees to focus on higher-value activities, leading to substantial productivity improvements and growth. The HBR findings reinforce Lumo's guidance that capturing value from AI often requires *reimagining roles and workflows* first, rather than simply adding AI tools on top of existing processes.

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Productivity soars, but the ROI remains elusive

While individual employees are experiencing notable boosts from AI, broader organisational gains are not yet guaranteed. In the **latest McKinsey global survey**, 80% of respondents say AI has improved their personal productivity (www.mckinsey.com [1]), and about half report that it's helping them develop new skills and make better decisions. Yet fewer than two in five companies have seen a meaningful impact on financial performance from AI so far (www.mckinsey.com [2]), with just *"37 per

cent”* of business leaders saying that AI has contributed to their bottom line, a figure essentially unchanged from last year (www.mckinsey.com [3]). In Europe, an **ECB** study shows the use of AI at work has become mainstream - rising from 26% of workers in 2024 to **52% in 2026** (www.ecb.europa.eu [4]) - but simply deploying the technology doesn’t automatically translate into higher profits or efficiency.

One reason for the lagging returns is the cost and complexity of implementation. As AI projects scale, *“AI-related operating costs are beginning to constrain AI use for about one in five organisations”*, the McKinsey report notes (www.mckinsey.com [5]). It takes time and investment for companies to integrate AI into workflows in a way that drives efficiency. Nevertheless, business leaders remain hopeful. **Deloitte’s UK CFO survey** in mid-2026 found 73% of finance chiefs were more optimistic about AI’s potential to improve performance than a year earlier (www.deloitte.com [6]), and nearly all expect to increase tech investment in the near term (www.deloitte.com [7]). More than three-quarters of these CFOs (78%) foresee greater productivity within five years (www.deloitte.com [8]). The challenge for executives now is to bridge the gap between AI’s promise and measurable results - something that likely requires the kind of organisational change highlighted in the Harvard study.

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Morgan Stanley: AI gains tied to workforce shifts

A new analysis by **Morgan Stanley** illustrates how the most aggressive AI adopters are starting to see tangible benefits - but not without workforce changes. In research covering companies across five sectors considered most affected by AI, the firms reported an average *“11.5% increase in net productivity and a 4% net decline in headcount over the past 12 months”* (www.morganstanley.com [1]). In other words, these leading organisations achieved double-digit output gains, but also trimmed their overall staff by a few percentage points on average to get there. According to Morgan Stanley’s analysts, this reflects companies retooling operations and reallocating resources as AI automates more routine work.

Real-world corporate moves in 2026 bear out this trend of **restructuring for AI**. For example, software firm **Intuit** decided in May to eliminate about 3,000 jobs - roughly 17% of its workforce - in order to *“divert resources towards baking AI”* into its products (techcrunch.com [2]). However, not all organisations are responding with cuts alone. **IBM’s** chief human resources officer, Nickle LaMoreaux, recently overhauled entry-level roles and announced plans to triple early-career hiring in 2026 after concluding that *“the entry-level jobs that you had two to three years ago, AI can do most of them”* (www.business-standard.com [3]). And at **Dropbox**, the head of HR found that younger employees are so adept with AI that the company expanded its internship and graduate programmes by 25% to *“capitalise on the AI fluency of younger workers,”* bucking the broader trend of slashing junior roles (www.business-standard.com [4]).

These examples show that organisations can pursue different workforce strategies in the face of AI-driven change. Some are choosing to cut or redeploy staff to invest in new technology, while others are doubling down on training and hiring talent with AI-ready skills. The common thread is that roles and skill requirements are shifting. For leaders, the lesson is to plan workforce transitions carefully - ensuring that as AI takes over repetitive tasks, employees are reskilled or moved into positions where they can drive innovation and oversee AI systems. By proactively managing these shifts, companies stand to realise significant productivity gains without sacrificing long-term talent pipelines.

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Key Statistics

- Fewer than 1% - share of AI-linked layoffs that were due to actual productivity gains (Gartner, 2025 data)
- 80% - share of employees who say AI has improved their personal productivity (McKinsey, 2026 global survey)
- 52% - share of European workers using AI at work in 2026 (European Central Bank survey)
- 78% - share of UK CFOs expecting AI to improve productivity over five years (Deloitte, 2026 survey)

KEY TAKEAWAY

Audit your AI initiatives: identify key tasks to redesign with AI and upskill staff. Focus on work process changes and new role definitions to capture AI’s benefits, instead of pursuing staff cuts or expecting automatic gains.

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