LUMO INSIGHTS

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Imperial Brands’ tech-driven cuts and UK survey highlight AI job risks

Executive Summary

Imperial Brands has become the latest major employer to announce thousands of job cuts as part of a technology-led restructuring. Meanwhile new survey data from the UK’s Chartered Institute of Personnel and Development (CIPD) shows many employers expect artificial intelligence to reduce headcount - especially in junior roles - unless workers are retrained for higher-skill tasks. Other research suggests companies that redesign work around AI are achieving productivity gains and even expanding their teams, underscoring the importance of how organisations manage the workforce impact of AI.

Imperial Brands’ AI-linked job cuts

British tobacco group **Imperial Brands** said on 17 November that it will eliminate up to **4,600 roles** by 2030 as part of a broad cost-cutting and digital transformation plan (www.lse.co.uk [1]). The reductions amount to almost 18% of **Imperial’s** global workforce, based on its headcount of 25,800 employees at the end of 2025 (www.lse.co.uk [2]). The cuts will occur in two phases: around **2,100 jobs** were already in the process of being removed by September 2026, and another 2,100 - 2,500 positions will go by 2030 (www.aol.com [3]) (www.lse.co.uk [4]).

Announcing the cuts alongside its annual results, **Imperial** said the layoffs were not simply about efficiency gains but part of a programme to become a more **“data-led”** organisation that can innovate faster and better meet changing customer demand (www.rte.ie [5]). The company aims to achieve **£320 /million** in annual savings by 2030 through what it called “new technologies” and a sharper focus on its core tobacco alternatives business (www.lbc.co.uk [6]) (www.lbc.co.uk [7]). Industry reports indicate that **Imperial** plans to use automation and artificial intelligence (AI) to streamline finance, procurement and supply-chain tasks, and will **outsource about 400 support roles** to technology services firm **Capgemini** (www.newshub.co.uk [8]). The move follows a wider trend of AI-related job cuts at large firms: **Barclays** said last month it would cut **5,000 jobs** (5% of its staff) in an AI-driven efficiency drive (news.sky.com [9]). The scale of **Imperial’s** restructuring highlights how some companies continue to view AI mainly as a cost-reduction tool - raising concerns about its impact on employees and the need for a more human-centred approach to technological change.

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UK employers expect AI to shrink junior roles

A new UK survey suggests many employers anticipate AI will lead to workforce reductions if nothing is done to retrain at-risk staff. In its Autumn 2026 Labour Market Outlook published **16 November**, the **CIPD** - the UK's professional body for HR - found that **25% of employers who are using AI expect it to reduce headcount in the next 12 months** (www.cipd.org [1]). The risk of AI-driven job cuts was highest at larger companies, where **33%** of organisations with over 250 staff foresaw AI prompting layoffs, compared with **12%** of small and mid-sized firms (www.resultsense.com [2]). Early-career roles could be hit hardest: nearly two-thirds of those predicting cuts believe **clerical, junior managerial or administrative jobs** are most likely to be lost as tasks become automated (www.cipd.org [3]).

The **CIPD** warned that without intervention, AI's benefits could leave many workers behind (www.cipd.org [4]). The group urged the UK government and employers to launch a "national drive to retrain and upskill people of all ages and career stages" so that staff can transition into higher-skilled work as basic tasks are automated (www.cipd.org [5]). With overall hiring intentions already at low levels - just **58% of private-sector firms** plan to recruit in the next quarter (www.cipd.org [6]) - experts say investing in skills and redesigning junior roles will be critical to prevent an **"AI-driven"** loss of future talent.

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Leaders eye augmentation over automation

Despite these concerns, other data indicates many companies are harnessing AI to augment employees rather than replace them. According to property services firm **JLL's 2026 Future of Work Survey**, a majority of senior business leaders globally expect their workforces to **grow (60%)** thanks to AI, not shrink (finance.yahoo.com [1]). Most of the 2,200 executives surveyed believe AI will **"reinvent human roles"** by taking over routine tasks and freeing people for more valuable work, rather than making their jobs obsolete (finance.yahoo.com [2]). In the most AI-progressive organisations this trend is even clearer: leaders in these firms report using technology as a **"workforce augmenter"** and focusing on strategic expansion, even as they acknowledge some roles will change (finance.yahoo.com [3]) (www.pwc.com [4]).

Industry analysts say companies that proactively redesign jobs and invest in their people are reaping tangible benefits. A global study by **PwC** found that companies in the most AI-exposed sectors saw combined **headcount growth of 52%** since 2022 - far outpacing the **36%** growth at firms slow to adopt AI (www.pwc.com [5]). Those advanced adopters also enjoyed faster wage growth and significantly higher productivity gains (www.pwc.com [6]). Likewise, a **BCG** survey reports that 42% of frontline employees who use AI regularly have freed up a full workday's worth of time each week, although most employers have yet to convert those time savings into new value (www.bcg.com [7]). As one **JLL** executive observes, "Most forward-thinking leaders…are investing in their people [and] pursuing a strategy of human-machine enhancement to create additional roles, boost productivity and drive sustainable growth" (finance.yahoo.com [8]). The contrast between these findings and the recent wave of AI-linked layoffs highlights a growing gap in approach: organisations that treat AI as an efficiency tool are cutting staff, while those that treat it as a catalyst for **role redesign and upskilling** are seeing better performance without mass redundancies.

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Key Statistics

- 4,600 jobs - positions Imperial Brands plans to eliminate by 2030 (nearly 18% of its workforce) ([www.aol.com](https://www.aol.com/articles/uks-imperial-brands-cut-2-071217000.html#:~:text=Britain%27s%20Imperial%20Brands%20will%20cut,and%20a%20push%20into%20smoking))
- 25% - share of UK employers using AI that expect workforce cuts in the next year (CIPD Labour Market Outlook) ([www.cipd.org](https://www.cipd.org/en/about/press-releases/master-press-release112/#:~:text=of%20UK%20employers%20shows%20that,that%20it%20will%20reduce%20headcount))
- 60% - proportion of senior business leaders who expect AI to expand (not shrink) their workforce, JLL 2026 Future of Work survey ([finance.yahoo.com](https://finance.yahoo.com/technology/ai/articles/ai-redesigns-jobs-not-cuts-130000641.html#:~:text=workforces%20to%C2%A0grow%20%2860,as%20a%20workforce%20augmenter%20and))
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KEY TAKEAWAY

This month, gauge how AI-driven changes are affecting your staffing plans - especially in junior roles. To capture AI’s benefits without eroding morale or skills, invest in upskilling and redesign jobs now rather than resorting to cuts.

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