# AI reshapes workforce as firms rethink layoffs and prioritise upskilling



The integration of artificial intelligence into the workforce is creating a complex landscape of opportunity and challenge for businesses and employees. A recent survey by Orgvue, a British personnel management platform, found that while many firms are using AI to boost efficiency, more than half of executives who made layoffs due to AI now regret those decisions.

The findings reveal that 39% of business leaders had cut staff following AI adoption, with 55% of that group later viewing it as a mistake. This reflects wider uncertainty about AI’s role in workforce transformation. As the technology reshapes job functions, many organisations are now prioritising upskilling over redundancy.

Eighty per cent of executives surveyed plan to train existing staff to use AI tools, with 41% increasing education budgets to support this shift. The trend aligns with data from PwC, which highlights rising demand for workers skilled in AI. Specialists in the field are commanding higher wages, and generative AI tools are driving a need for employees who can use them to improve productivity.

The changing skills landscape is especially evident in professional services and IT, where productivity growth is outpacing more traditional sectors. But the transition is uneven. Mid-level professionals and smaller firms are facing challenges in adapting to the rapid pace of AI integration, contributing to a widening skills gap.

The so-called “Great Resignation” is also shaping the employment market. A PwC survey of 56,000 workers globally found that 28% are considering changing jobs within the next year. As AI tools increase workloads and expectations, employees are seeking to upskill, with many believing that AI can enhance their output and earning potential.

Despite early fears of widespread job losses, many experts believe AI will reshape roles rather than eliminate them. Companies such as Ocado and Moderna are using AI to boost employee productivity and develop new business models. The focus is increasingly on redesigning jobs to highlight tasks best suited to human abilities, creating a more collaborative approach between people and machines.

Investment in AI education is growing, with PwC committing $1 billion to AI development and workforce integration. As AI capabilities evolve, industries are under pressure to balance innovation with talent retention and development.

Employers and employees now face a pivotal moment in the shift towards AI-driven work. While the risks of disruption remain, the emerging narrative is one of potential—where productivity, creativity and value are redefined through human-AI collaboration.

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## Bibliography

1. <https://zn.ua/TECHNOLOGIES/rabotodateli-zhalejut-o-sokrashchenii-shtata-iz-za-iskusstvennoho-intellekta-opros.html> - Please view link - unable to able to access data
2. <https://www.ft.com/content/5009fd1e-85db-433f-aa2b-55d9b88b6481> - This article examines the significant impact of artificial intelligence (AI) on the workforce, highlighting both its disruptive and transformative effects. Companies like Ocado have enhanced efficiency through AI and robotics, leading to job reductions. While some businesses are still exploring AI deployment, many have begun integrating generative AI into operations, reshaping work across sectors. Industry leaders acknowledge AI's potential to alter nearly every job, raising concerns about potential large-scale layoffs, especially in white-collar roles. Despite these concerns, experts emphasize that AI is more likely to redesign roles than eliminate them, promoting a shift toward higher-value, human-centric tasks. Some businesses, such as Schroders and Moderna, are using AI to enhance employee productivity rather than reduce headcount, while others like IBM and Klarna have replaced substantial parts of their HR and customer service functions with AI, sometimes at the cost of service quality. The demand for AI-literate employees is rising, with AI-skilled workers earning significantly higher wages. However, a growing skills gap exists, particularly for mid-career professionals and those in smaller firms, as the pace of required skill changes accelerates in AI-exposed roles. A divide is emerging between firms actively investing in AI and those falling behind.
3. <https://www.reuters.com/business/great-resignation-enters-third-year-workers-embrace-ai-upskilling-pwc-says-2024-06-24/> - A PwC survey of over 56,000 global workers reveals that the trend of employees planning to switch jobs, known as the "Great Resignation," persists into its third year, with 28% likely to move in the next 12 months compared to 19% in 2022. The study highlights employees' increasing embrace of generative artificial intelligence (GenAI) and focus on upskilling amid rising workloads and workplace changes. Approximately 45% of respondents have experienced higher workloads recently, and 62% noted more workplace changes this year. Ninety percent of daily GenAI users believe it will boost their efficiency, and nearly half expect it to raise their salaries. PwC emphasizes the need for businesses to invest in employee skill growth and technology to retain talent and adapt to these changes. Carol Stubbings of PwC notes that job satisfaction alone is insufficient now.
4. <https://www.reuters.com/technology/ai-intensive-sectors-are-showing-productivity-surge-pwc-says-2024-05-20/> - The use of artificial intelligence (AI) in business is leading to a significant increase in worker productivity, particularly in professional, financial services, and information technology, with a growth rate of 4.3% between 2018 and 2022 compared to 0.9% in sectors like construction, manufacturing, and retail. PwC reports that AI's rise could spur economic growth, higher wages, and improved living standards. Job ads requiring AI skills have surged, underscoring AI's contribution to productivity. This trend is expected to accelerate as companies adopt generative AI, usable by non-specialists. However, the rapid changes pose challenges. The IMF notes that AI could impact 60% of jobs in advanced economies soon. AI-skilled jobs offer average premiums of 25% in the U.S. and 14% in Britain.
5. <https://www.axios.com/2023/04/26/ai-pwc-microsoft-chatgpt> - PwC US is set to invest $1 billion in AI over the next three years, focusing on enhancing client services, internal operations, and workforce upskilling. This initiative includes partnerships with Microsoft, leveraging the Azure OpenAI platform and its advanced ChatGPT/GPT-4 capabilities. The investment aims to develop AI tools with improved data transparency and human factor considerations to build trust in AI technologies. A recent Goldman Sachs report indicates that up to 50% of U.S. job workloads could be replaced by AI, underscoring the significant impact AI might have on the workforce. Atkinson of PwC highlights that the rapid changes in AI can be disruptive, but PwC's private ownership allows for thoughtful, non-investor-driven decision-making in its AI strategies.
6. <https://www.ft.com/content/68d5de6b-6823-4637-a7ce-fcb443d143ba> - PwC UK is undergoing a significant reorganization under its new chief, involving the creation of a standalone technology and AI unit aimed at becoming a leading firm in digital innovation. This restructure will impact about 2,700 staff and partners, forming a dedicated "digital delivery unit" that focuses on tech innovation, AI engineering, cloud, and data. Furthermore, parts of PwC’s consulting, deals, risk, and tax practices will merge into six new teams to streamline operations and reduce duplication. Although this major internal overhaul may cause disruption, with around 10% of PwC's UK workforce being transferred into new teams, no redundancies are planned. The reorganization follows a challenging period for the industry, with PwC experiencing a drop in partner pay due to slower revenue growth and higher costs. The changes, set to take effect in January next year, are part of PwC's broader strategy to enhance collaboration and better serve clients.
7. <https://www.weforum.org/stories/2025/01/how-ai-impacts-value-creation-jobs-and-productivity-is-coming-into-focus/> - PwC’s latest annual CEO survey shows that a significant majority of CEOs (70%) expect generative AI (GenAI) to transform how their company creates value. At the same time, 82% say that AI has increased or caused no change in headcount in the past year. This is exactly what we are seeing in our work with clients as well. AI transforms companies’ ability to apply intelligence and information at speed and scale, enabling them to build new business models and tap different value pools. Pioneering companies in areas from AI-supported healthcare to AI-enabled mergers & acquisitions are using the technology to create breakthroughs in the value their people can deliver. After all, AI is much more than a chatbot; it can revolutionize any activity that involves insight or decision-making, paving the way for business offerings and human achievements that were not possible before the AI era. Investors also see the promise of AI. A full two-thirds of investors expect GenAI to deliver significant productivity gains within the next 12 months for the companies they invest in, with a similar number expecting that to positively impact the bottom line. Importantly, investors do not expect this boon to come at the expense of jobs – equal numbers expect headcount increases as decreases. Turning to employees’ views, four out of five workers who use GenAI daily expect it to make their time at work more efficient. Our research shows that far more employees expect AI to have positive than negative impacts on their roles – from helping them learn new skills to enabling them to be more creative. Half of all workers who use GenAI expect the technology to lead to higher salaries. This suggests they feel AI can improve the value they deliver and increase the demand for staff.