



Evolving Together:

AI, automation and
building the skilled
workforce of the future



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Introduction

Since 2023, BSI has been exploring the growing societal impact of AI – looking at both how it can benefit us and act as a force for good, and equally, what it means for humans.

In 2024, we published Evolving Together: Flourishing in the AI Workforce. This revealed a strong emphasis among business leaders on investing in AI to gain a competitive edge, while underscoring the need to complement it with human insight, emotional intelligence and creativity. It also highlighted the growing recognition that AI can be a powerful tool for strengthening teams and fostering an empowered, high-performing and adaptable organizational culture.

Our latest research explores how AI is increasingly impacting global business, highlighting its implications for entry-level workers and managers and its influence on skills and cognitive demands. It also examines the use of automation to replace certain roles and functions, alongside AI more broadly contributing to the emergence of entirely new roles.

Report contributions from:

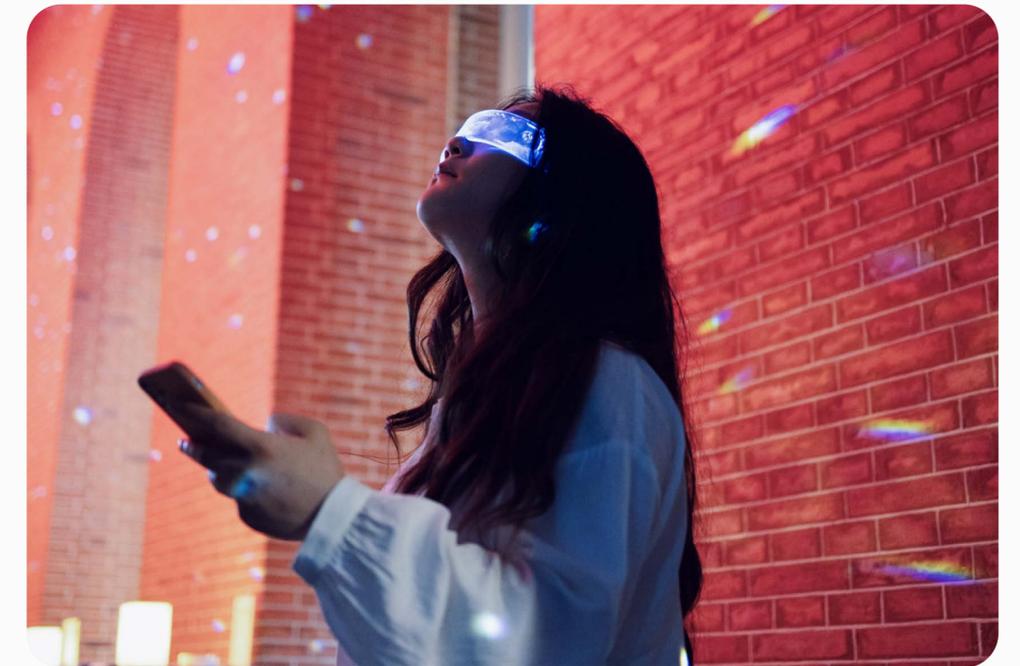
850
business leaders

8
countries

123
companies

We look at what businesses are saying and doing, and what leaders think this will mean in the long-term. This includes how they plan to ensure their organization maximizes AI's potential while still creating a culture where their people can flourish.

This report draws on the perspectives of more than 850 business leaders across eight countries and multiple sectors¹, ranging from large multinationals to small businesses or start-ups. Alongside this, we utilized AI to



review the annual reports of 123 companies² and assess how frequently certain words or themes co-occurred, to understand business priorities with regards to AI.

Our research is clear. AI is not going to change our workforce at some point in the future – its impact is already being felt. What happens next, and what this means for businesses globally and the people at the heart of them, is of vital importance.

Key findings

Automation overshadows workforce development

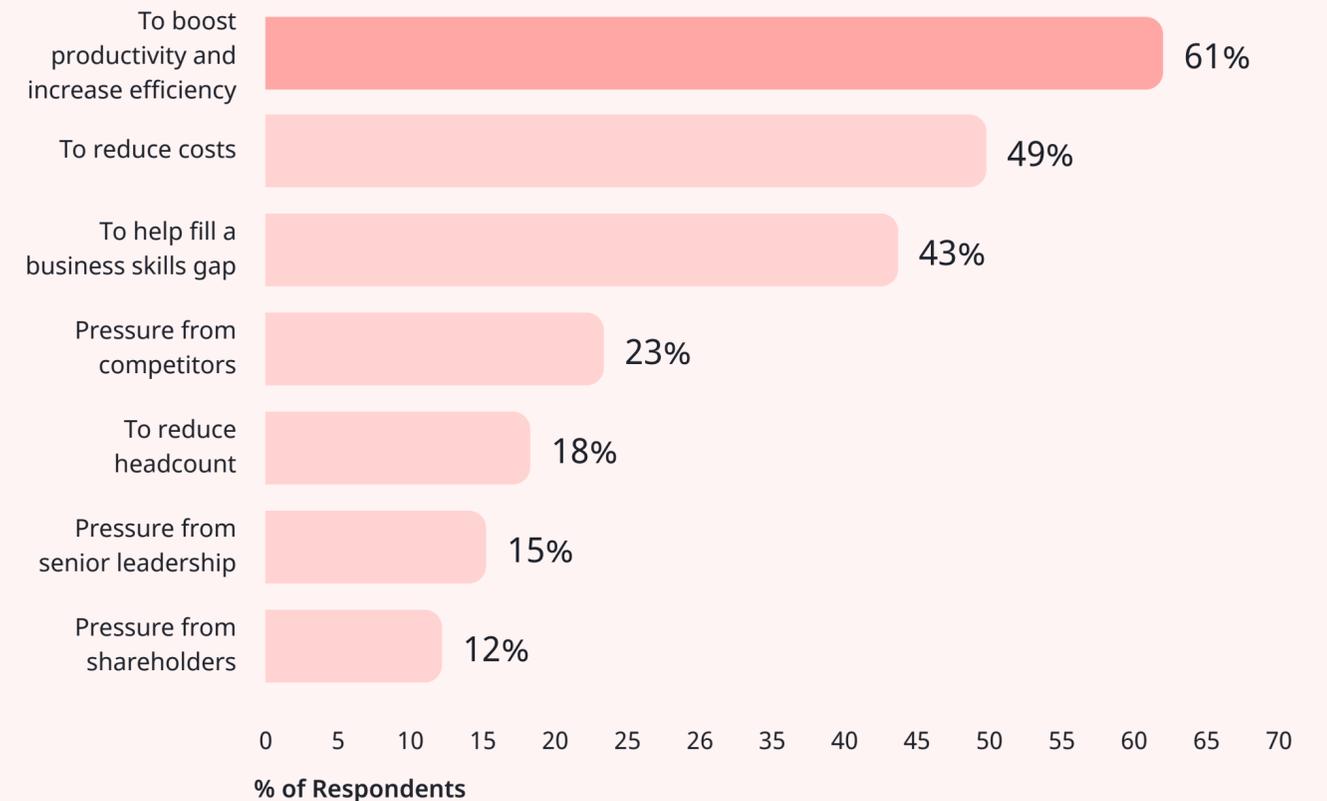
In the study of annual reports, the term “automation” is nearly seven times more prominent than upskilling, training, or education. Businesses are also framing AI primarily as a driver of innovation and competitive advantage, with less emphasis on its implications for workforce. This may be driven by a fear of being seen to be behind their competitors rather than necessarily reflective of actual dynamics, given that annual reports also serve as a shop window for businesses. Either way this raises important questions about how they are preparing their employees for the AI-driven future.

This is especially so when our data shows that 62% of business leaders expect their organization to increase investment in the next year and a similar 59% contend that AI is crucial to their organization’s growth. The top reason given to invest in AI is to boost productivity / efficiency (61%), followed by costs (49%).

While automation is undoubtedly a key aspect of AI’s impact, the relatively lower prominence of workforce-related topics suggests businesses may be underemphasizing the need to invest in human capital alongside technological advancement. This highlights a potential gap in the business narrative around AI, one that could have significant implications for workforce readiness and societal adaptation to AI-driven change.

What’s clear is that when introducing AI, there is no strong focus among business leaders about the implications on people. More than one in two business leaders (55%) say the benefits of implementing AI in organizations are worth the potential disruptions to workforces.

Figure 1: Top reasons driving organizations to invest in AI according to global business leaders



The rise of 'Generation Jaded'

43% expect to reduce junior roles due to AI efficiencies in the next year

56% of business leaders say they are lucky to have started their career before AI transformed their role or industry.

More than two fifths of business leaders take the view that AI investment in their organization is being driven by a need to fill skills gaps (43%). The implication of this is that AI is being perceived as a tool to replace roles.

Indeed, this is already happening. A fifth say a reason to invest is to reduce headcount (18%) and nearly a third say their organization explores AI solutions before considering hiring a human for that role (31%), with two fifths expecting this to be the case within five years.

This is most apparent at the start of the career ladder, where a strikingly high proportion (39%) say junior / entry level roles in their organization have already been reduced or cut due to efficiencies made by AI. This can include using AI to conduct research, admin and briefing tasks. And a further 43% expect to reduce junior roles / entry level (either by cutting jobs or reducing recruitment for new starters) due to these efficiencies in the next year. Notably, we have already seen advertising of jobs for an AI resource – with an accompanying wage³.

Overall, one in two (50%) specifically say AI is helping to reduce headcount. The picture that emerges is a risk of “Generation Jaded (jobs automated, dreams eroded)” – a cohort already impacted by disruption from Covid-19 to their schooling and adolescent development, now facing an uncertain employment future with potentially little opportunity to hone their skills or build industry knowledge. Already, the race is on to create the first one-person company valued at \$1bn⁴.

Business leaders may feel sanguine about the impact on junior workers, but, in a view that may not surprise younger generations convinced their predecessors have had it better, they also feel relieved to be past this point in



their career. 56% say they are lucky to have started their career before AI transformed their role or industry, and 43% acknowledge they would not have developed the skills they have today if AI tools had been around when they started. More than a quarter (28%) do not expect their current job or role to exist by 2030 because the work could be done by AI.

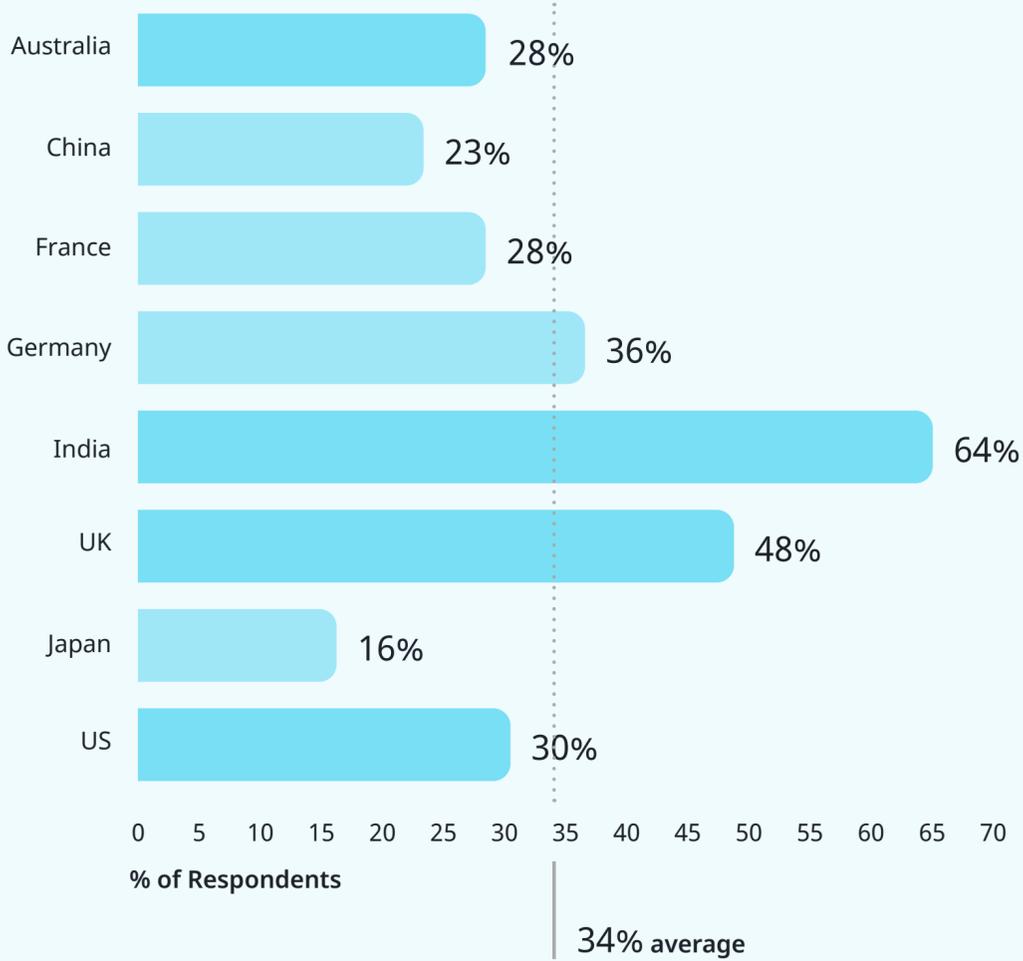
Of course, the consensus is that new roles will be created even as others are lost, something that has certainly been the experience of past industrial revolutions. Already, many workers are doing roles that did not exist a generation or two ago; for example those working in digital media, or software engineers.

An uneven AI training landscape

There is some complacency among business leaders that the workforce is well equipped to navigate the disruptions of AI and the new skills required to get the best out of it. Over half of leaders globally (56%) are confident their entry level workforce has the skills needed to use AI, and 57% say their entire organization currently possesses the necessary skills to effectively use AI tools in their daily tasks. 55% are confident their organization can train staff to use generative AI critically, strategically, and analytically.

Yet in a world where middle managers, in particular, may be charged with leading teams reliant on automation rather than the skills of a junior workforce, it is striking that just 34% have a learning and development programme to ensure successful delivery of AI training. More positively, a higher proportion (64%) say they have received the training needed to use or manage AI in a safe and secure way. This could reflect the fact that 'fear' around AI is a higher priority than actually building the capability to respond to it.

Figure 2: Organizations with an L&D programme to ensure successful delivery of AI training



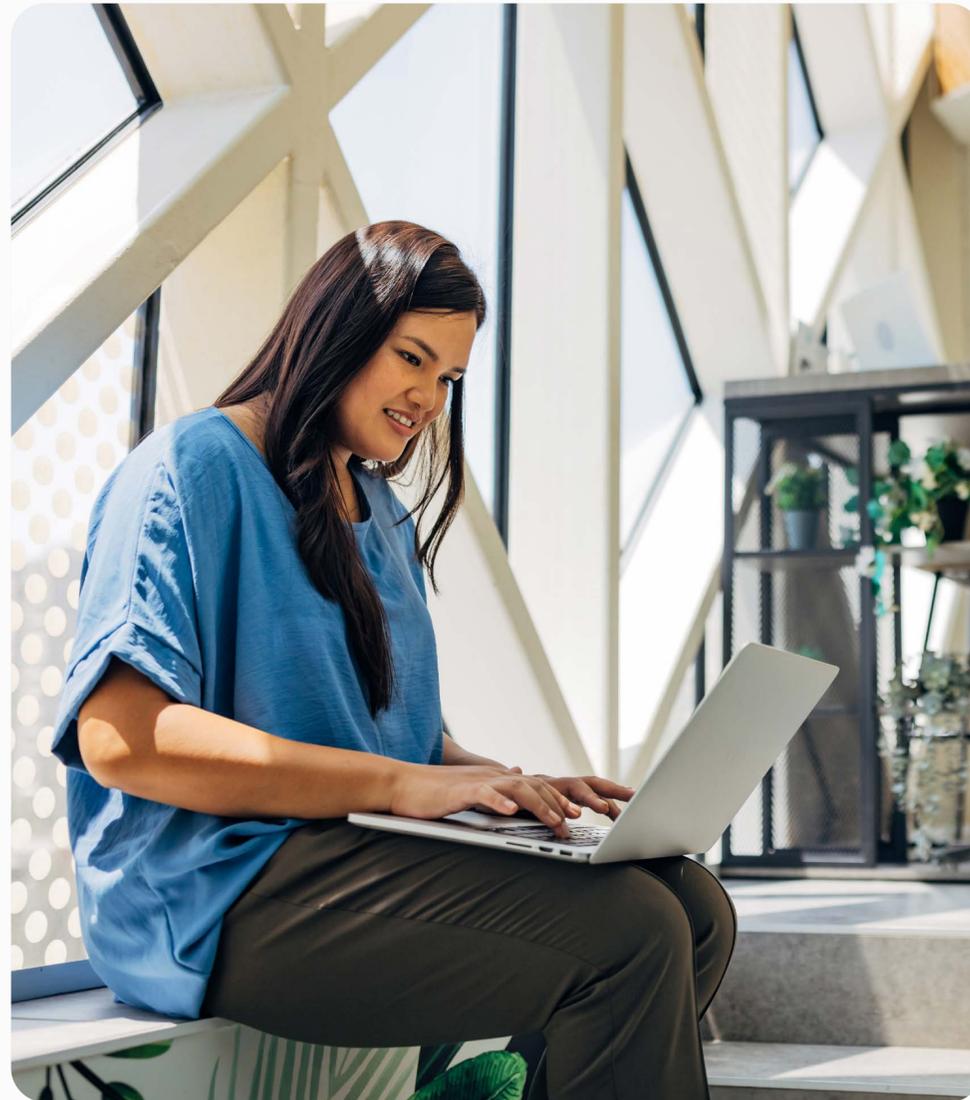
Businesses are becoming increasingly reliant on AI

In just two years, generative AI has gone from being a technology used in select pockets to something that is increasingly business critical. Only one in two business leaders express confidence that if generative AI tools were unavailable for a period of time their entire business could continue operating uninterrupted (48%) – and 17% explicitly acknowledge that in this situation parts of their business would be unable to operate. This creates some interesting business continuity questions; whilst IT outages, or cybersecurity breaches may make it onto the business disruption risk, has losing AI tools been incorporated into continuity planning? After all, if the AI tools have replaced a human, there may be no human to then step back in.

The impact of AI on skills retention

Experts are mixed as to what the impact of AI will be on cognitive skills (including critical thinking, research and creativity), with some studies suggesting the effects will be negative⁵, although research into this topic is only in early stages. There is concern over whether and to what extent reliance on AI may be hindering skills acquisition, and equally over whether use of AI is resulting in skills decay.

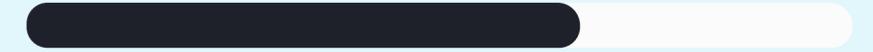
Our research suggests business leaders are fairly optimistic about the impact of AI on skills retention. Three quarters expect their own information gathering skills to be improved by AI (73%) and two thirds say their creativity will be improved (67%). A slightly lower 61% say their critical thinking skills will be improved (albeit a quarter anticipate these will be reduced). Of course, most leaders will have acquired these skills earlier in their career, so may be using AI on top of them, and the research did not ask about whether they expect their skills to hold up if AI becomes unavailable. Notably, however, leaders are similarly positive regarding the skills of junior employees, who may not yet have had the chance to develop those skills in the first place, reflecting wider optimism about the benefits of AI for society.



73% expect their own information gathering skills to be improved by AI

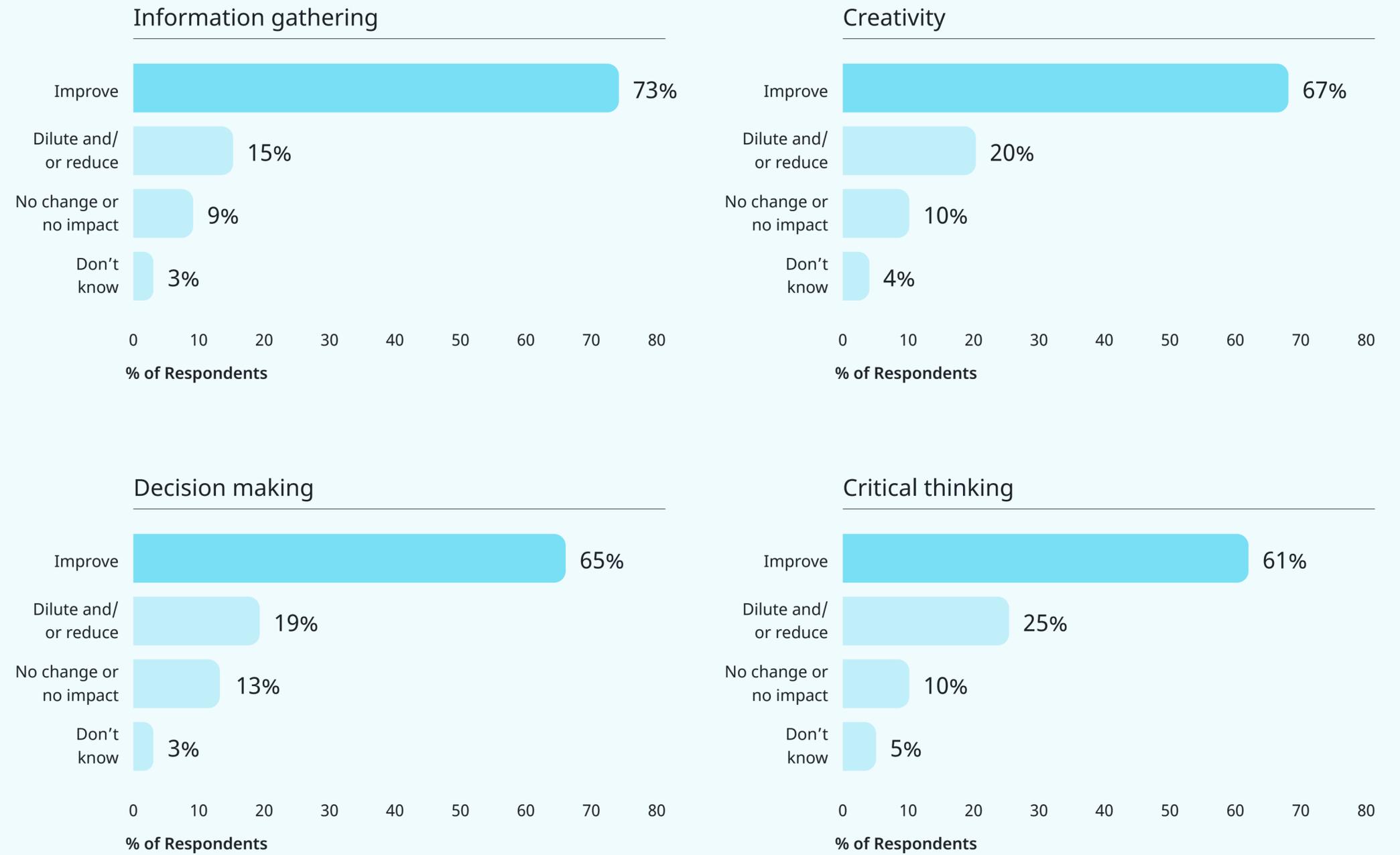


67% of business leaders say their creativity will be improved by AI



At the same time, only 54% agree junior staff are developing the skills they need to progress (e.g. decision-making, critical thinking) while having access to AI tools to now do parts of their job. And some business leaders think AI can equal or even outperform human ability, with a quarter saying that all or most tasks done by an entry-level colleague could be performed by AI, and a further 35% saying some could be performed by AI. Not only that, but one in two (52%) say AI can help low-skilled employees hide performance issues, although that may be an issue of recruitment and performance management rather than one of AI.

Figure 3: Business leader expectation around the impact of AI on their skills



A mixed picture

As the subsequent pages demonstrate, while the impacts of AI are being felt on workforces everywhere, this is more pronounced in some countries than other, raising the risk of a future business landscape divided between the automated and the human. India is charging ahead with leveraging AI rather than investing in human capital; equally larger businesses are more focused on reaping the efficiency and productivity benefits than SMEs that may not have the budget or internal expertise to turn to AI to the same degree.



India

- Half of Indian business leaders say junior / entry level roles have been reduced or cut due to AI
 50%
- Optimism that junior staff are developing the skills they need despite having AI tools is highest in India
 83%
- Most Indian leaders (79%) agree that the benefits of implementing AI in organizations are worth the potential disruptions to workforces (highest globally)
 79%
- Headcount reduction from AI was most significant in India
 65%
- 56% were confident their entry level workforce has the skills needed to use AI (highest globally)
 56%

Australia

- 57% of Australian business leaders said AI is helping to reduce headcount at junior levels
 57%
- 47% noted their first role in the workforce would not exist today if AI tools had been widely available when they started
 47%
- 42% (highest globally) said it will never be the case that their organization's default approach will be to first explore AI solutions before considering hiring a human
 42%
- They are most the concerned (highest globally across each skill) about the impact of AI in diluting junior employee skills: decision-making (40%), critical thinking (43%), information gathering (40%) and creativity (42%)
 40%  43%
 40%  42%

China

- 61% of Chinese business leaders agreed (highest globally) their organization will reduce junior / entry-level roles to AI

61%

- 45% (highest globally) said they expect their current job / role to no longer exist by 2030 because of AI

45%

- 52% agreed (highest globally) that their organization's default approach is to first explore AI solutions before considering hiring a human

52%

Japan

- 16% of Japanese business leaders (lowest globally) said their organization has a learning and development plan for AI

16%

- 65% (highest globally) were not confident that their organization's entry-level workforce currently possesses the necessary skills to use AI tools in their daily tasks effectively

65%

- 61% (highest globally) were not confident that their entire organization currently possesses the necessary skills to use AI tools in their daily tasks effectively

61%

- Only a quarter (26%) said they received the training needed to use or manage AI in a safe and secure way in the last year

26%

France

- A quarter of French business leaders (26%) say in the last year junior / entry level roles have been reduced or cut due to efficiencies made by AI

26%

- 40% say AI can help low-skilled employees hide performance issues

40%

- Almost half (47%) think AI will reduce the critical thinking skills of junior employees

47%

- 28% expect AI to diminish the decision-making skills of the future generation of junior employees

28%

- A quarter (23%) think AI will reduce their own information gathering skills

23%

Germany

- Two fifths (38%) of German business leaders say in the last year junior / entry level roles have been reduced or cut due to efficiencies made by AI

38%

- 45% expect to see junior jobs cut due to AI in the next year

45%

- Germans are most optimistic about AI improving their critical thinking skills - with 66% expecting it to improve this

66%

- Two thirds (57%) said that AI can help low-skilled employees hide performance issues

57%

- 56% say access to AI tools at the start of my career would have enabled me to progress faster

56%

US

- 40% of US business leaders said junior / entry level roles had been reduced or cut due to AI

- 53% said AI is helping to reduce headcount currently

- 56% said they wish AI tools had been widely available at the start of their career

- Three fifths (61%) of US business leaders feel lucky to have started their career before AI transformed their role or industry.

- 7% said their current job / role will no longer exist by 2030 because the work could be done by AI


UK

- 38% of UK business leaders expect to reduce junior / entry level roles due to AI efficiencies

- 70% said boosting productivity and increasing efficiency is a top reason for investing in AI

- 76% said AI is helping to reduce headcount, and 12% cited reducing this as a top investment driver


- 30% acknowledged that their first role would not exist today if AI tools had been widely available, and 50% said they would not have developed the skills needed for their current role if it had been in place in their early career



Business size

There were marked differences in the attitudes and expectations of leaders from large and small businesses, with those from bigger firms more likely to highlight jobs being lost to automation. Although the majority were in agreement that AI is helping to reduce headcount, this varied between SMEs (54%) and large organizations (57%).

More strikingly, while half of large business leaders said junior roles have already been reduced, only 30% said the same from SMEs. When asked about the prospects of this happening in the next 12 months, again 53% from large businesses said this compared to 34% at SMEs. And two thirds (66%) of those from big firms said the benefits of implementing AI in organizations are worth the potential disruptions to workforces, against 46% from smaller companies.

Across all sizes, boosting productivity and increasing efficiency is the biggest driver for investing in AI, closely followed by reducing costs. Yet, learning and development to support this varies; nearly half (46%) of senior leaders from large businesses say their organization has a learning and development programme to ensure the successful delivery of AI training, falling to just 23% for SMEs.

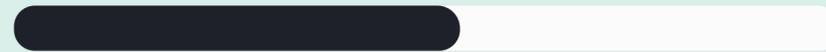
54% of SMEs agreed that AI is helping to reduce headcount



57% of large organizations agreed that AI is helping to reduce headcount



46% of large businesses said their organization had a learning and development programme



23% of SMEs said their organization had a learning and development programme

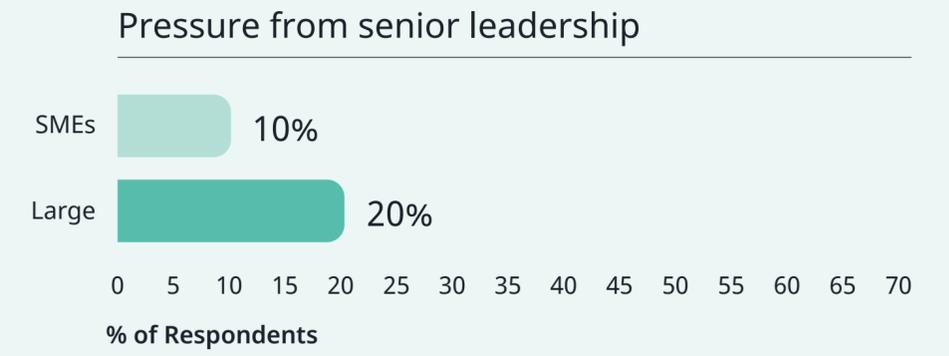
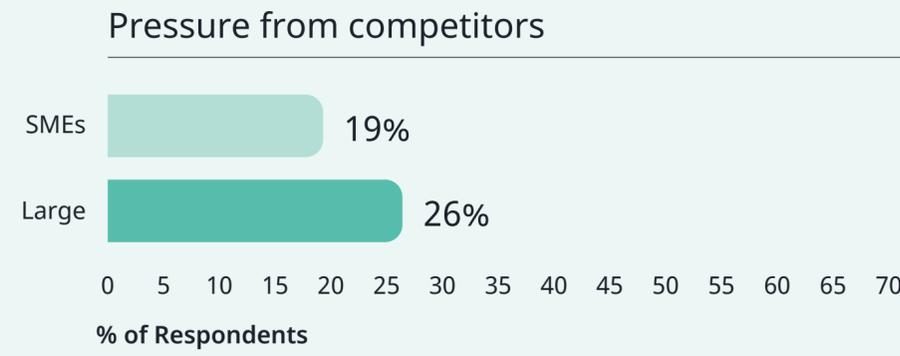
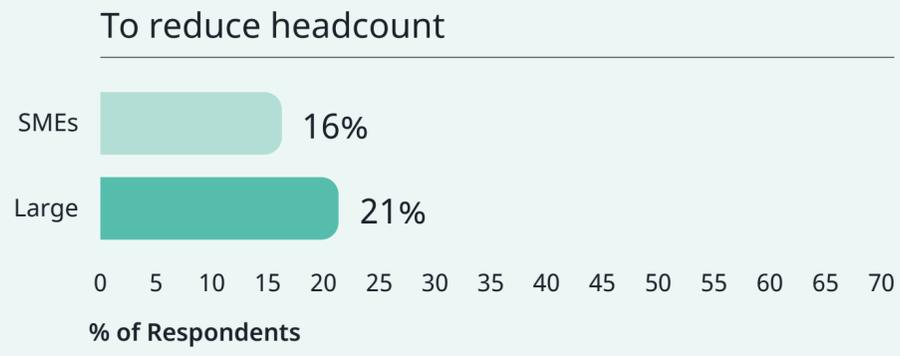
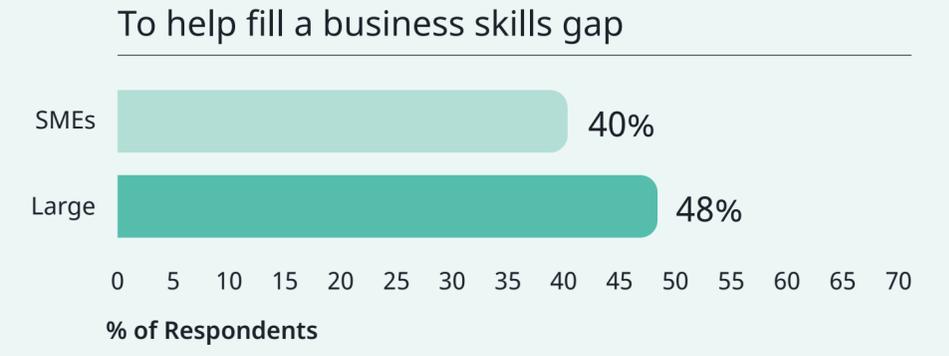
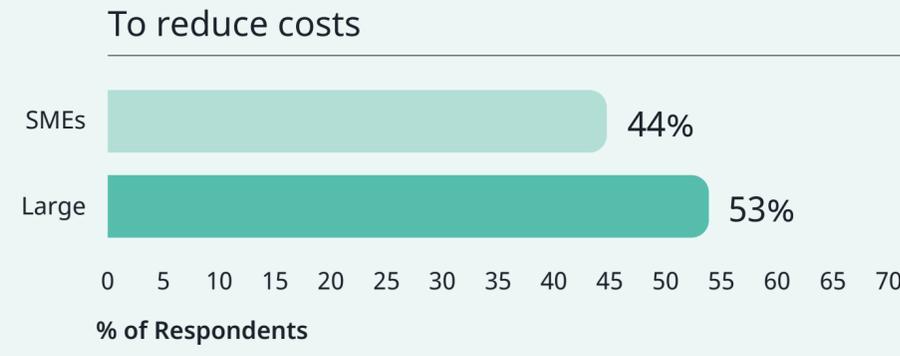
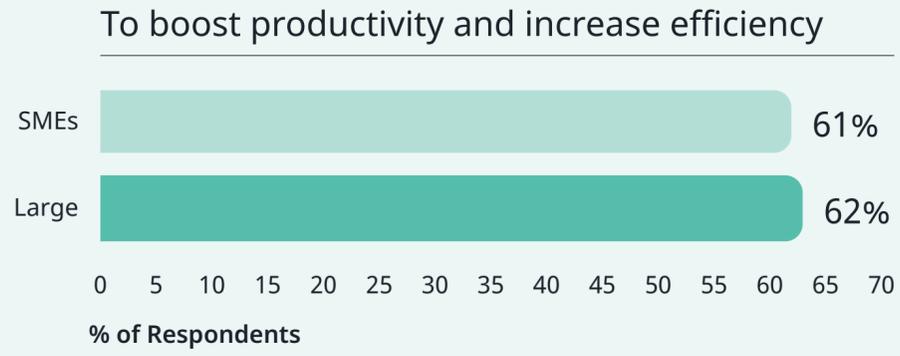


The picture that emerges is that larger firms are downsizing their workforce and turning to AI at a faster pace than their smaller counterparts. This suggests that in the future, large firms may need to look to smaller firms for skilled workers rather than building their own talent base. This raises questions of fairness and where the costs of training and people development will be felt.

BridgeAI

BridgeAI, a UK Government funded programme of which BSI is a partner, is dedicated to supporting SMEs that have the potential to experience high growth in the AI sector. BridgeAI helps smaller organizations develop and/or adopt AI systems through funding, expertise, training and best practice – helping bridge the AI divide.

Figure 4: Top reasons driving the organization to invest in AI



Differences across sectors

Financial Services (FS)

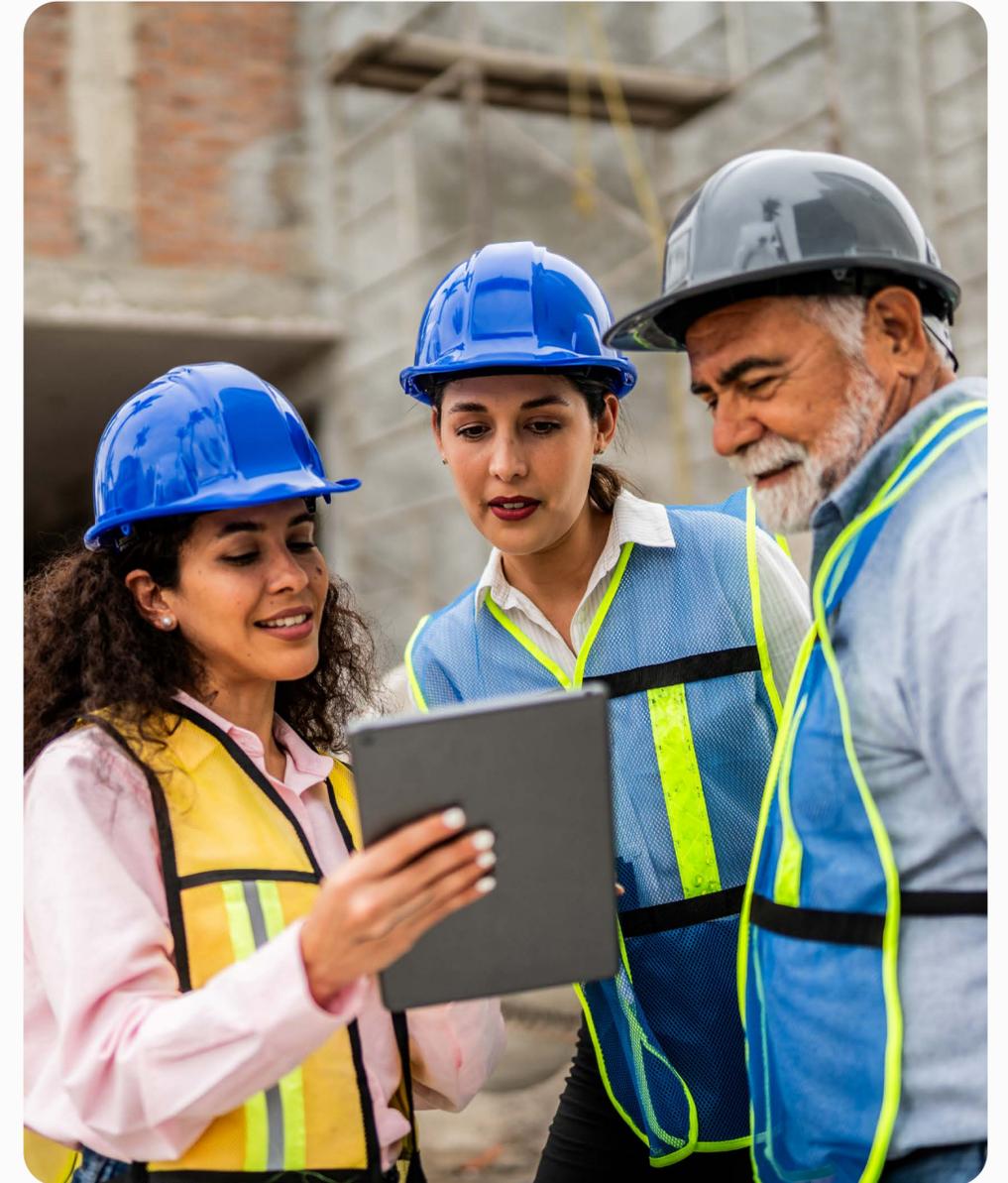
The FS industry is leading the way with AI adoption, according to our data. Nearly three quarters (73%) of leaders have received training to use the technology safely and securely in the past year. It is therefore unsurprising that it is seeing significant widespread workforce impact.

- FS has reduced the most junior and entry level roles in the last 12 months (50%) and anticipates further staff reductions (53%, higher than other sectors). 'Reduce headcount' is a key driver for using the technology (22%), well above average.
- Signifying the extent of the change the sector is going through, nearly half of all FS leaders (45%) said that their first role would not exist today if AI had been widely available. 36% believe their current job will no longer exist by 2030 and 62% said that they feel lucky to have started their career before AI was introduced.

Built Environment

The built environment stands out as the sector least likely to adopt AI as a staff reduction exercise. Rather, it is looking to the technology to boost productivity and increase efficiency (64% – the most of all industries).

- The sector reduced the fewest junior roles in the last year because of AI (25%) but noted a small uplift when looking at the next 12 months (36%).
- Only 18% of built environment leaders believe their current job will no longer exist by 2030 because the work could be done by AI. Yet nearly a third (27%) suggested their first role in the workforce would not exist today if AI tools had been widely available AI.
- 41% said very few entry-level roles could be performed by an AI.



Healthcare

Healthcare leaders are embracing AI as a powerful enabler, primarily viewing it as a tool to enhance information management, accelerate career progression, and unlock new dimensions of decision-making and creativity.

- More than half (54%) wish AI tools had been widely available at the start of their career. 57% said having access to AI tools at the start of my career would have enabled them to progress faster.
- Leaders in the sector look favourably on how the technology will enhance skills, 67% said AI will improve information gathering, 60% said similar for decision making.
- Only a quarter (24%) believe their current job will no longer exist by 2030 because the work could be done by AI.

Retail

Retail remains cautious on AI's strategic value and its impact on people, with growth seen as secondary to cost-cutting and a notable gap in training holding back broader adoption.

- Retail business leaders are least likely to view AI as crucial for growth (49%), lowest of all industries. Yet, 'cost reduction' is a key driver for using the technology (54%), the most of all industries.
- Retail leaders do not look favourably on how AI will impact human skills, 31% say it will reduce creativity. However, nearly two thirds (64%) believe it will improve information gathering skills.
- 44% said very few entry-level roles could be performed by AI.

Figure 5: Business leaders who say junior roles have been reduced or cut due to efficiencies made by AI

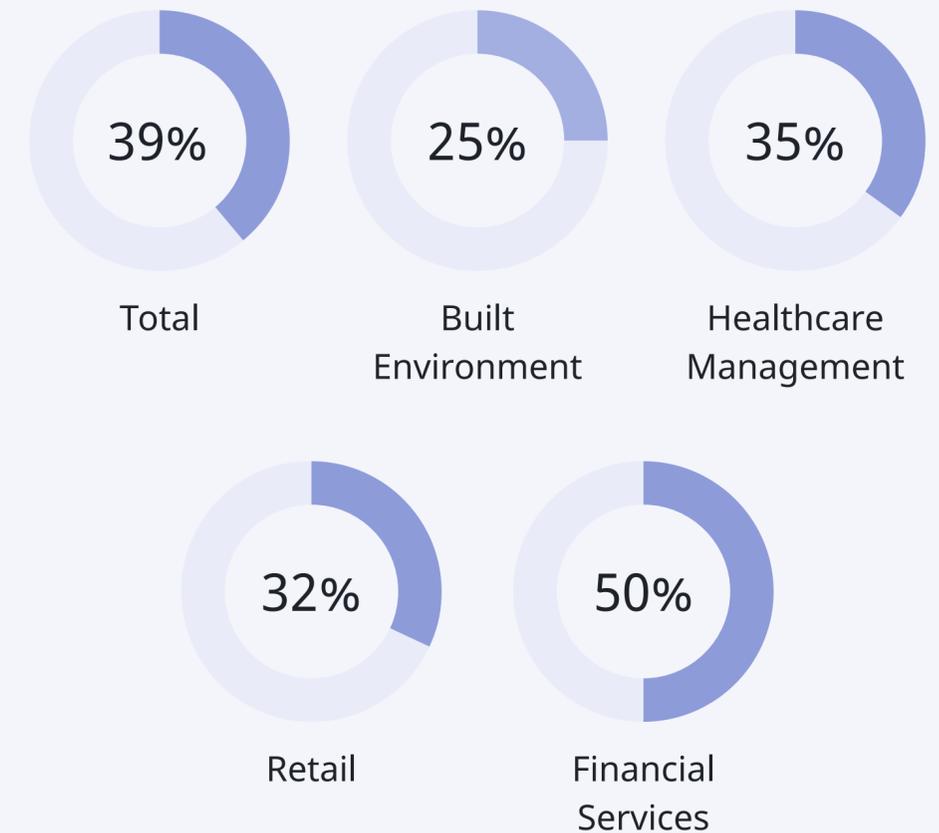
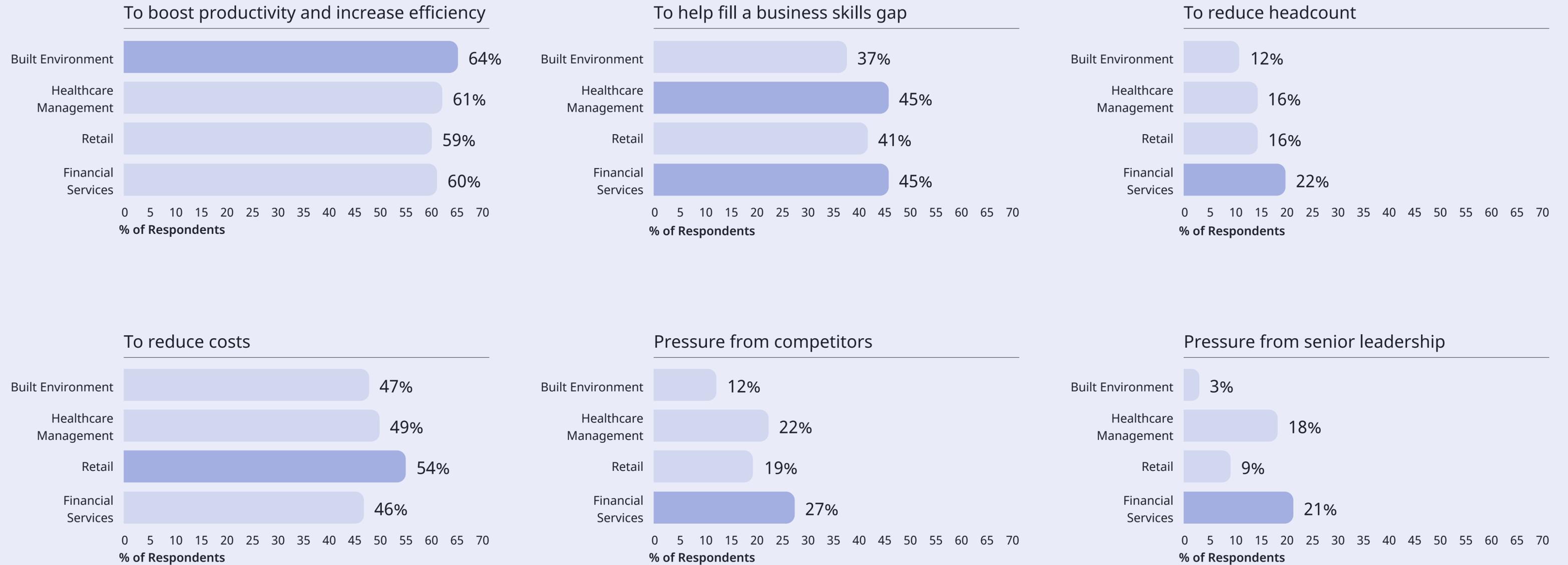


Figure 5: Top reasons driving the organization to invest in AI



Analysis and key takeaways

Despite some of the trends above, our research shows the importance of business leaders thinking about the wider workforce impacts of AI, beyond just its short-term advantages. There are clear risks in not doing so, but also a positive opportunity to reshape the future of work so that it benefits individuals and organizations. The current laser focus on productivity and efficiency gains, and the fact this is emerging alongside more limited prioritization of workforce upskilling, brings to light the importance of long-term thinking and workforce investment to bridge what could otherwise become an insurmountable gap.

Information technology. Artificial intelligence. Management system (BS ISO/IEC 42001) is a first-in-kind AI management system designed to assist organizations in responsibly using AI. It addresses considerations like non-transparent automatic decision-making, the utilization of machine learning instead of human-coded logic for system design, and continuous learning.

BSI also offers a package of measures including training and certification to [ISO/IEC 42001](#).

This is the defining challenge – and opportunity – of our time

All past industrial revolutions have been marked by significant transformation. From steam engines to assembly lines and computers, each wave has redefined how we work and live. Industry 4.0 brought us smart factories, the Internet of Things (IoT), and cyber-physical systems. But now, a new paradigm must emerge: Industry 5.0. This envisions a future in which AI, robotics, and digital systems serve human needs, values and aspirations. By exploring the principles, promises, and challenges of Industry 5.0 we can drive AI to become a force for human-centric progression.

The transformation is reshaping global industry and work. For example, smart manufacturing, intelligent systems, and Industry 4.0 innovations present tremendous opportunities for improving productivity, sustainability and human development. Yet, success is not guaranteed by technology alone, it depends critically on people. The widening gap between the capabilities of AI and the skills of the workforce is now the defining challenge of our time.



Kate Field



Laura Bishop

Kate Field, Global Head Human and Social Sustainability, BSI, and Laura Bishop, Digital Sector Lead, Artificial Intelligence and Cybersecurity, share key steps businesses can take to ensure technology and people evolve together and create an environment in which everyone (including the AI tools that help them) thrives.

Think about long-term organizational needs

An AI-enabled workforce will still need to be developed. Automating entry-level roles without building a future talent pipeline creates a latency risk for an organization or sector. If junior roles or parts of a role are automated, this means a cohort of people without the necessary experience and expertise for more senior roles because they haven't had the exposure earlier on. Considering the future as well as the present and investing in talent is critical.

Similarly, managers supporting teams partially reliant on AI will need to understand the tools being used and how to ensure the right outcomes are being achieved. This means looking holistically at the skills within their organizations to consider where any gaps lie, what the expected impacts of AI will be, and how to respond.

And while it's not yet clear to what extent AI will erode skills acquisition or development, there is no doubt that lifelong learning ecosystems that support continuous skills development will be critical to future workforce readiness. Industry 5.0 promotes lifelong learning, with AI-powered platforms that personalize training and support career transitions. Equally, the future belongs to skills that machines can't replicate — for example creativity, empathy, collaboration. Businesses must evolve to nurture these human strengths, alongside technical literacy.



Enhance AI skills

As AI reshapes industries, adoption alone is insufficient; individuals will need to understand how to use it effectively, ethically, and critically. This includes mastering skills like prompt engineering and recognizing AI limitations such as hallucinations and persuasive manipulation.

Education must be inclusive, reaching all levels and all parts of the workforce, and efforts must be made to widen participation across age, gender, and socio-economic backgrounds. Digital training programs must be accessible, blended, and tailored to diverse needs, ensuring that AI does not reinforce existing inequalities.

Given changing workforce needs, lifelong learning systems will also need to support current workers through flexible, modular training programs — especially in fast-changing fields like robotics, digital twin engineering, and predictive maintenance.

Crucially, training cannot be a one-off. Competency-based learning – where workers demonstrate practical proficiency, not just attendance – is critical.



Build senior leader literacy

To understand human intelligence in the age of AI, senior leaders will likely require greater AI literacy and clarity over what human intelligence is and how it will be developed and evolved as AI gets smarter. With limited awareness of the data sources feeding AI models, and how the quality and governance of that data impacts AI outputs; plus the risk of a talent pipeline that no longer automatically generates the right skills (as AI erodes the skills nursery of junior roles) senior leader people development and AI literacy will be key.

By building this knowledge, and understanding critical skills for a resilient business, leaders can shape a concrete way forward with tangible career paths and talent plans to foster this success which will avoid the skills latency trap lurking in the future.

Human-in-the-loop strategy

Our research indicates a pull towards automation, which opens the door to letting human checks fall through the net. While AI may become more trusted in low-risk use cases, organizations will need to consider whether they truly understand the roles of the human in using AI and the checks and balances needed to ensure outcomes are accurate, ethical and unbiased. It is welcome to see confidence that skills decay is not a concern for many, but there is an opportunity to shape AI systems to be human and society-centric by design. In doing so we can protect vulnerable groups and foster a more equitable and enlightened future.

Prioritize people and their psychological well-being

If employees are freed up from menial tasks by AI but left only with more complex work this can run the risk of burnout. Managers being expected to overnight become expert in new technologies or left without a junior team may be under pressure. Similarly, there could be significant psychological well-being implications for those reaching senior levels without having first having acquired the necessary skills because AI did things for them, or for those hiding knowledge gaps by relying on AI.

We are only beginning to understand the psychological well-being implications of a move towards a more automated white-collar work; but we can learn a lot from automation in sectors that have already experienced this, such as manufacturing or logistics. Undoubtedly, there are pluses and minuses, and these need to be carefully managed so there is an overall net gain. What we do know from automation in other areas is that proactive approaches to worker well-being will become more critical, not less. Add into that the fact that our newest working population, the hybrid generation, value well-being over pay, there is no question that business leaders must keep the needs of their people at the top of their to do list.



References

1. Polling was conducted by FocalData between 14 and 25 August 2025 and covered Australia, China, France, Germany, India, Japan, the UK, and the US.
2. The sectors included Technology, Pharmaceuticals, Fast-Moving Consumer Goods (FMCG), Financial Services, Transport, and the Built Environment. The markets represented were the UK, US, Japan, China, Europe, Oceania, and India. Research was conducted using a proprietary model developed by Burson.
3. Startup looks to hire world's first 'AI employee', Startups Magazine, February 2025
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5. ChatGPT May Be Eroding Critical Thinking Skills, According to a New MIT Study, Time, June 2025





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