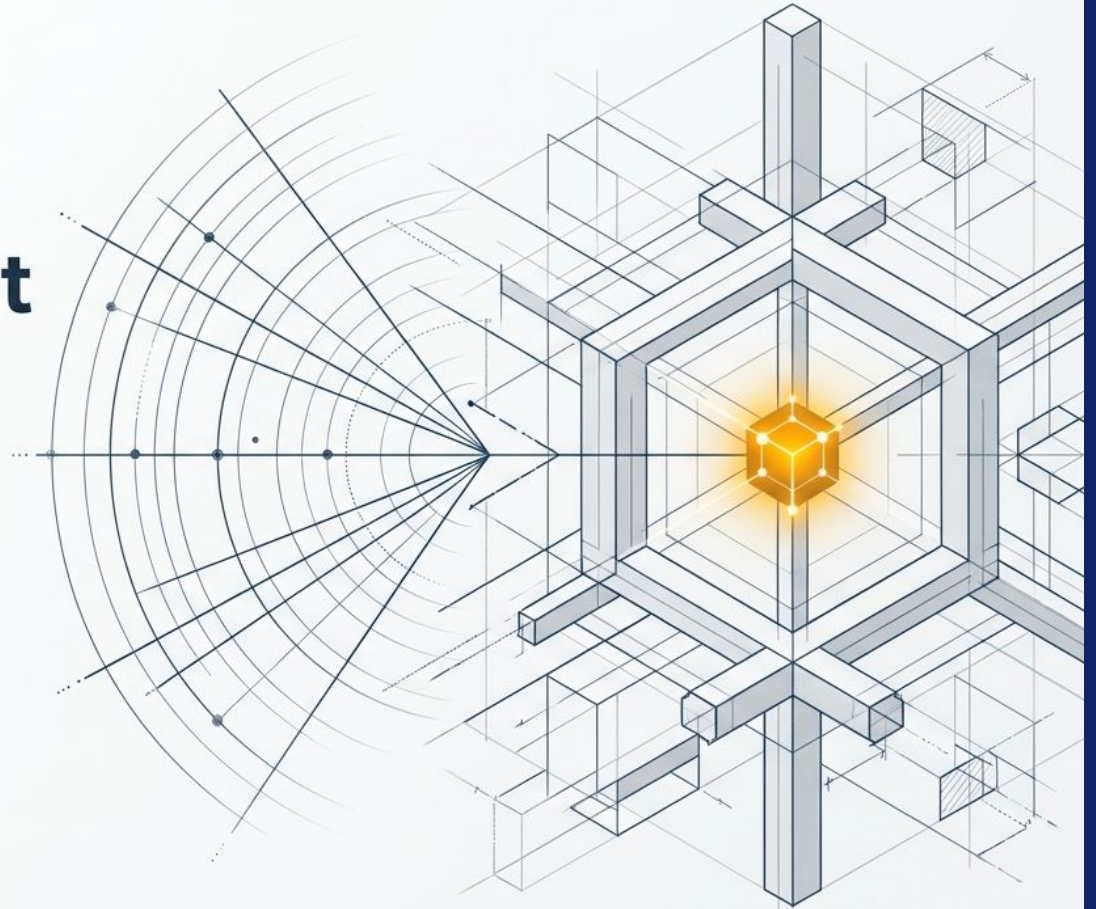


# AI Displacement Risk in the Labor Market

Evidence, Exposure, and the  
Imperative for Adaptive  
Organizational Strategy.



# Historical forecasting often fails to predict true labor market resilience.

## 2000s Offshoring

Predictions identified 25% of US jobs as vulnerable; most maintained healthy growth (Blinder et al., 2009; Ozimek, 2019).

## 2010s Industrial Robots

Disruptions remained highly localized to specific manufacturing sectors rather than systemic (Acemoglu & Restrepo, 2020).

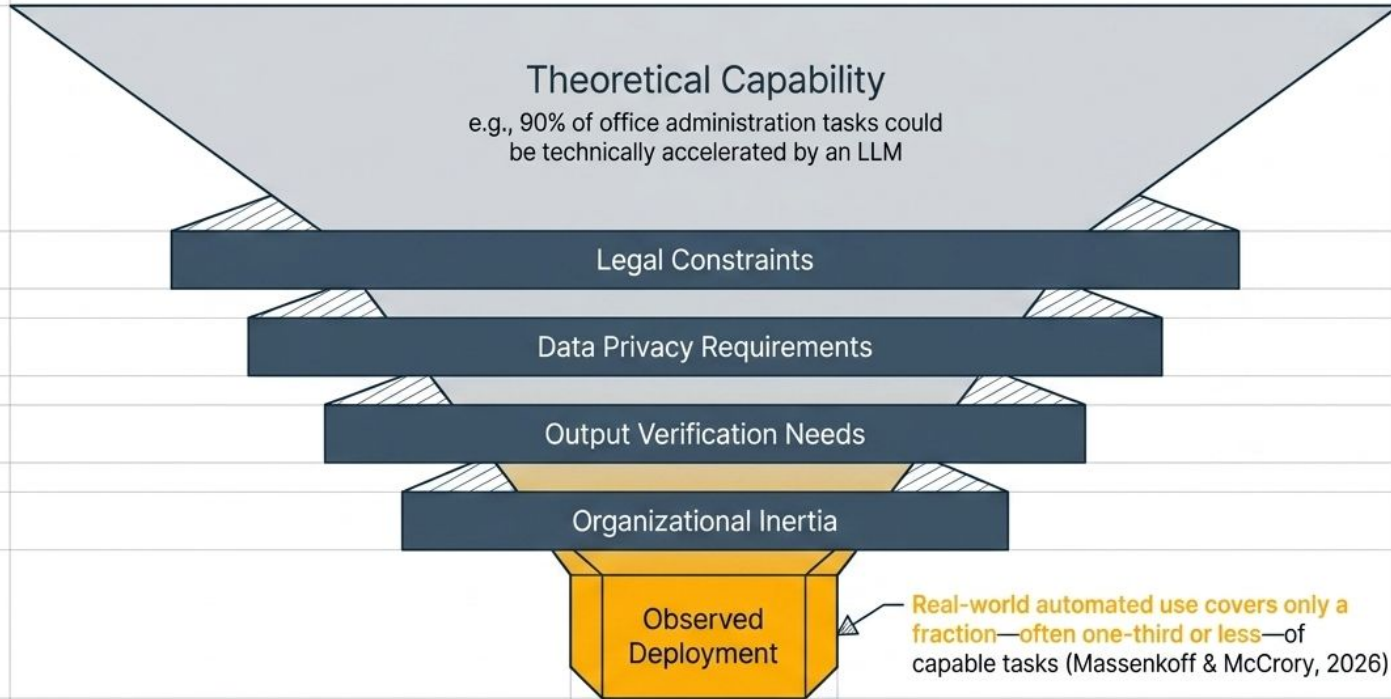
## 2022+ Generative AI

Exhibits broad capabilities across knowledge-based tasks—writing, analysis, and creative production (Eloundou et al., 2023).

**This briefing relies on grounded empirical frameworks combining theoretical capability with observed deployment, rather than simple trend extrapolation.**

# Diffusion lags capability due to systemic organizational frictions

## The Deployment Friction Funnel



### Insight

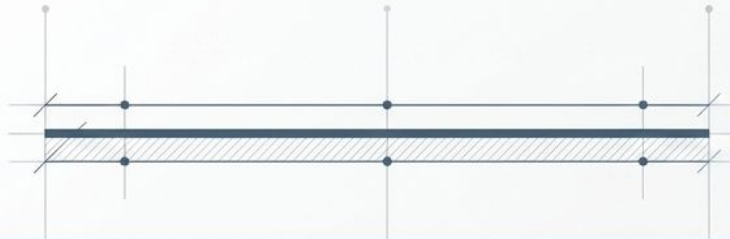
Near-term displacement is more modest than worst-case capabilities imply

Real-world automated use covers only a fraction—often one-third or less—of capable tasks (Massenkoff & McCrory, 2026)

# Generative AI inverts the demographic profile of historical automation.

	Historical Automation Waves	The Generative AI Wave
Task Type	Routine manual & clerical.	Cognitive, analytical, text-based workflows.
Wage & Education	Lower-wage, lower-education.	Higher-paid, highly educated. <div style="border: 1px solid orange; padding: 5px; margin-top: 10px;">           Individuals with graduate degrees represent 4.5% of the unexposed group but 17% of the most exposed group.         </div>
Demographics	Broad working-class demographics.	Disproportionately female, white, and Asian.
Exposed Occupations	Factory workers, routine data entry.	Programmers, financial analysts, customer service reps (50%–75% task coverage). Unexposed = Cooks, healthcare aides (minimal to zero exposure).

# Organizations are pausing hiring rather than firing incumbents.



## Stable Aggregate Employment

U.S. Current Population Survey data through early 2025 shows no systematic increase in unemployment for highly exposed occupations.



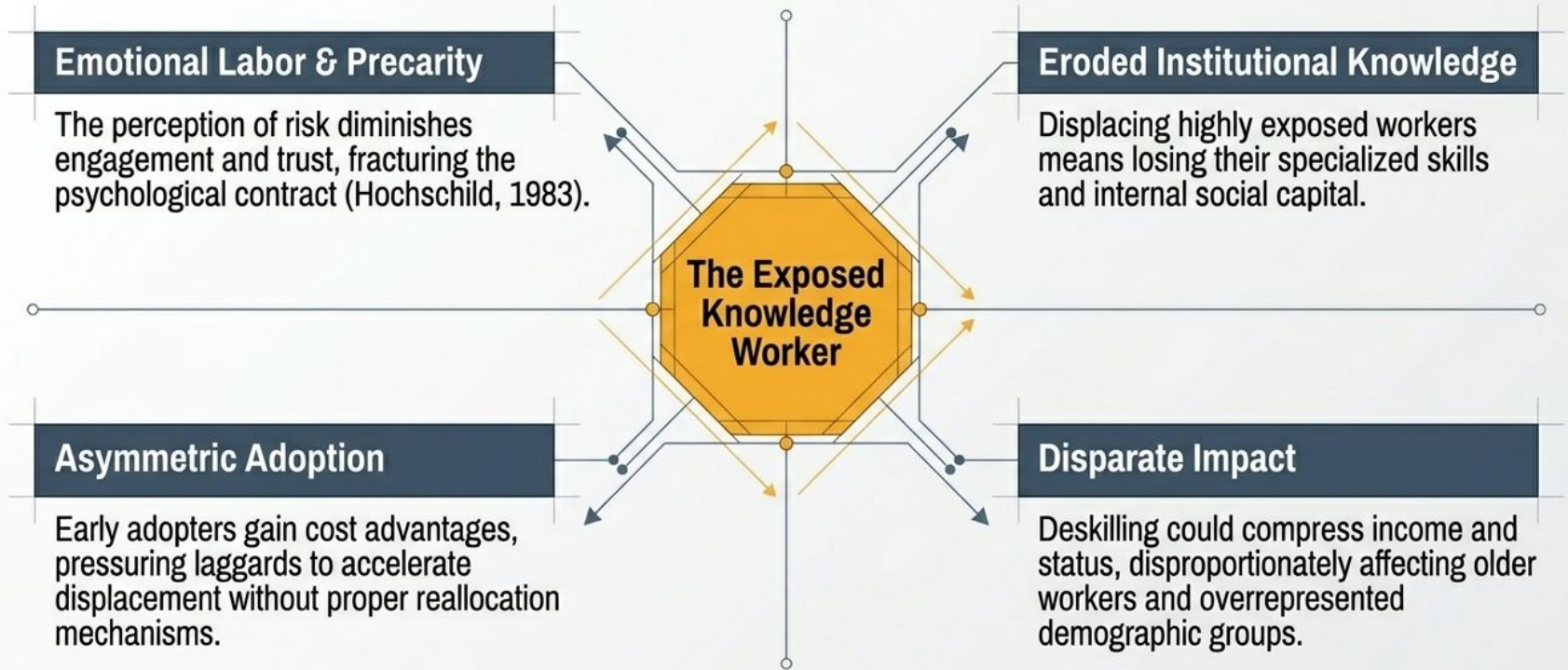
## The ChatGPT Inflection Point

## The Canary in the Coal Mine

A 14% drop in young workers' (ages 22-25) monthly job-finding rates into highly exposed occupations relative to pre-ChatGPT baselines (Brynjolfsson et al., 2025; Massenkoff & McCrory, 2026).

**Key Insight:** Firms are using AI to shoulder additional workload, quietly eroding entry-level pipelines critical for future leadership and institutional knowledge.

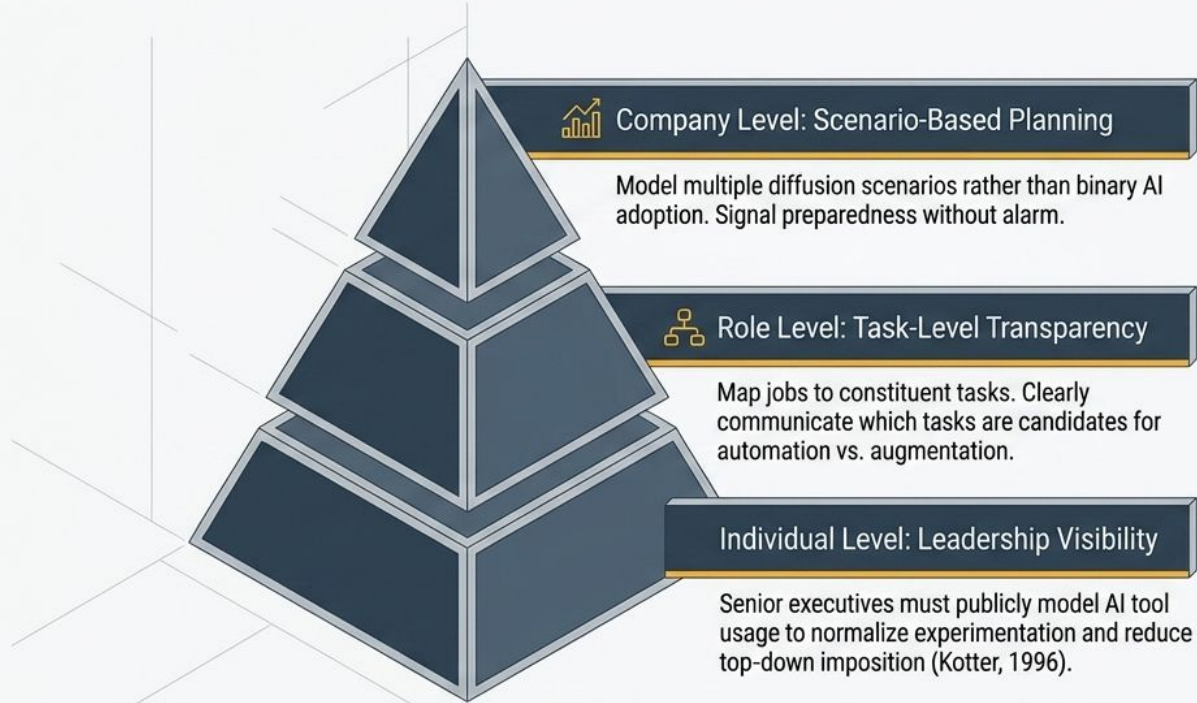
# Unmanaged exposure fractures organizational capacity and culture.



# The Blueprint for Adaptive Organizational Response.



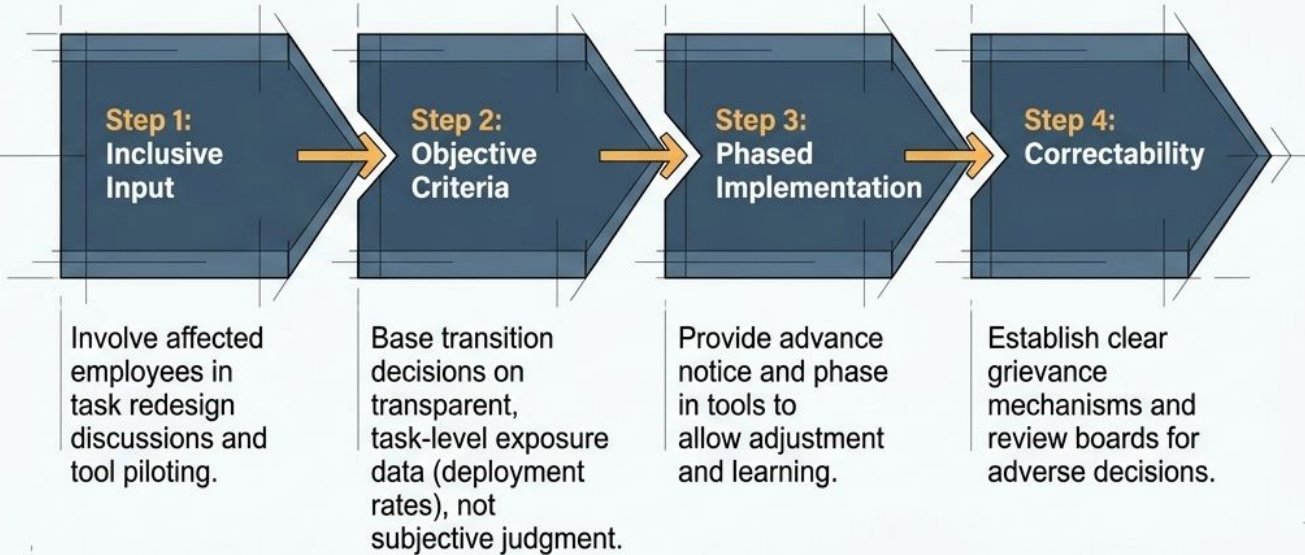
# Ambiguity breeds anxiety; transparency secures engagement.



## The Salesforce Model

Publicly articulating strategy with an emphasis on augmentation over replacement.

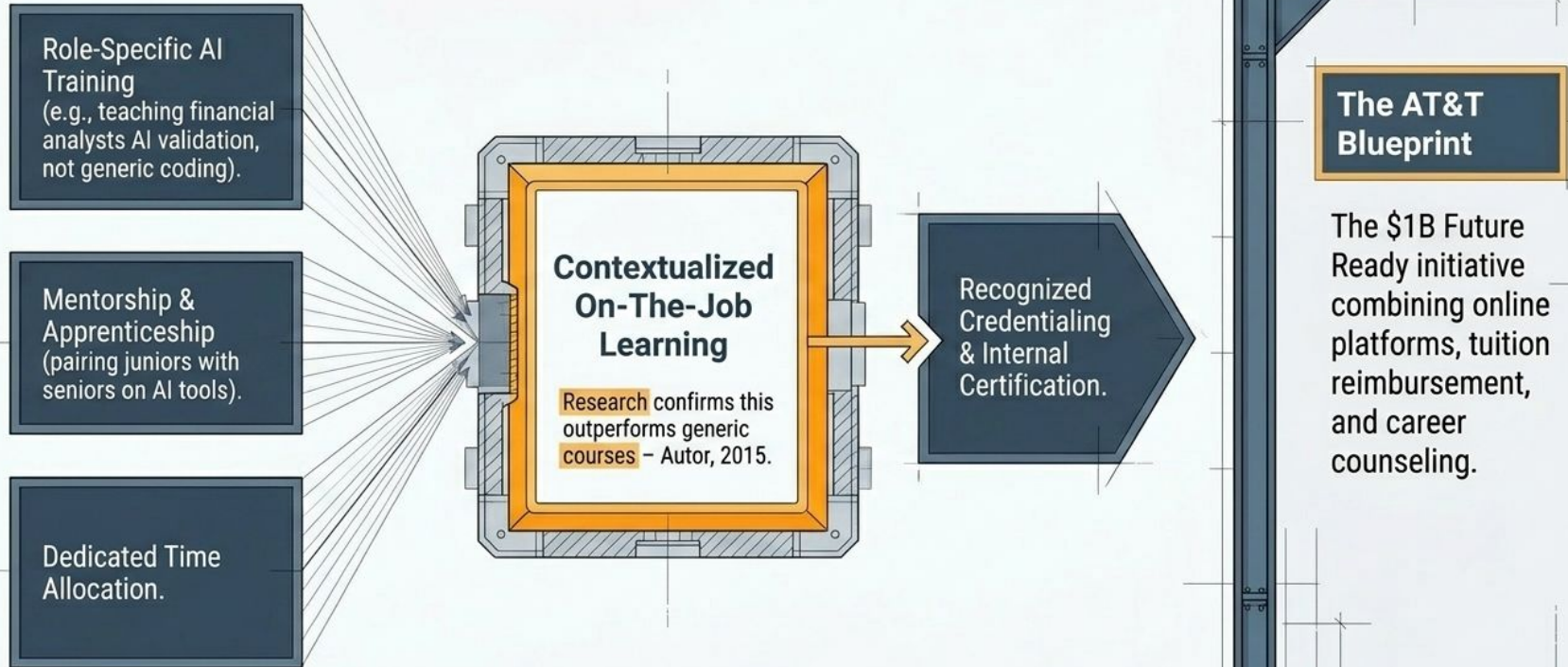
# Procedural fairness determines the legitimacy of technological transitions.



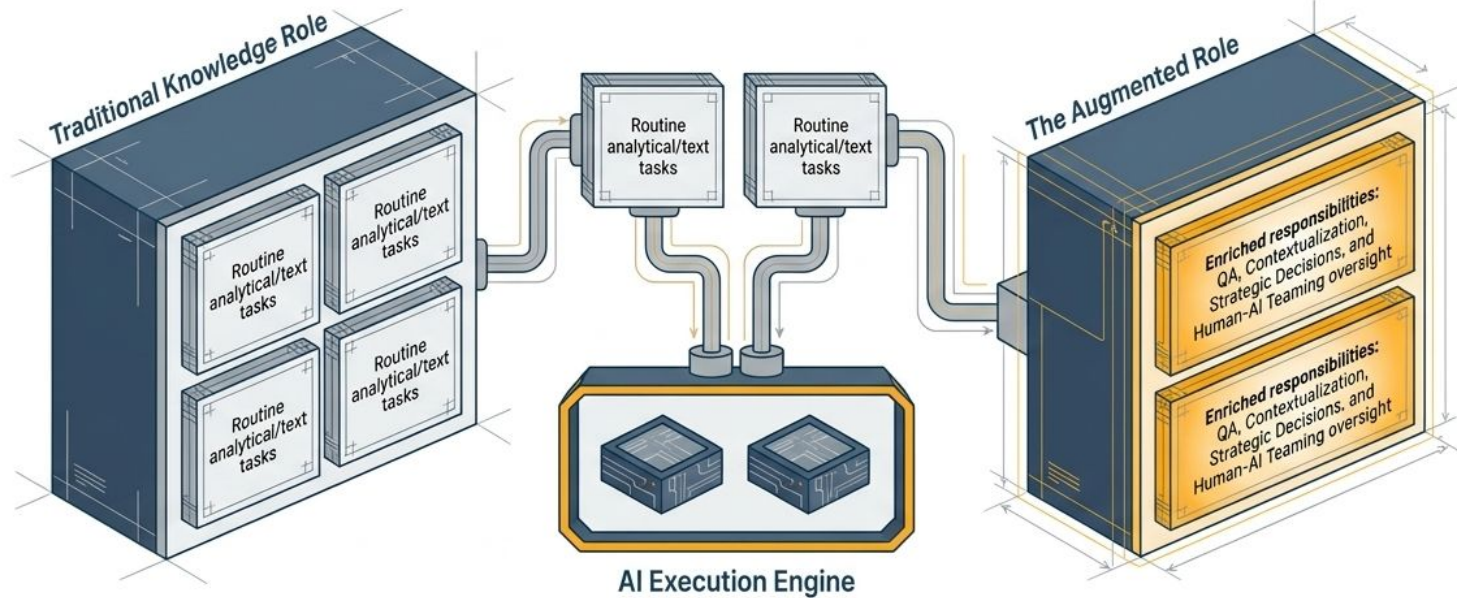
## The IBM Model

Linking AI adoption to transparent, skills-first internal labor markets rather than blanket reductions.

# Capability building must be role-specific and contextualized.



# Operating models must shift from headcount reduction to task recombination

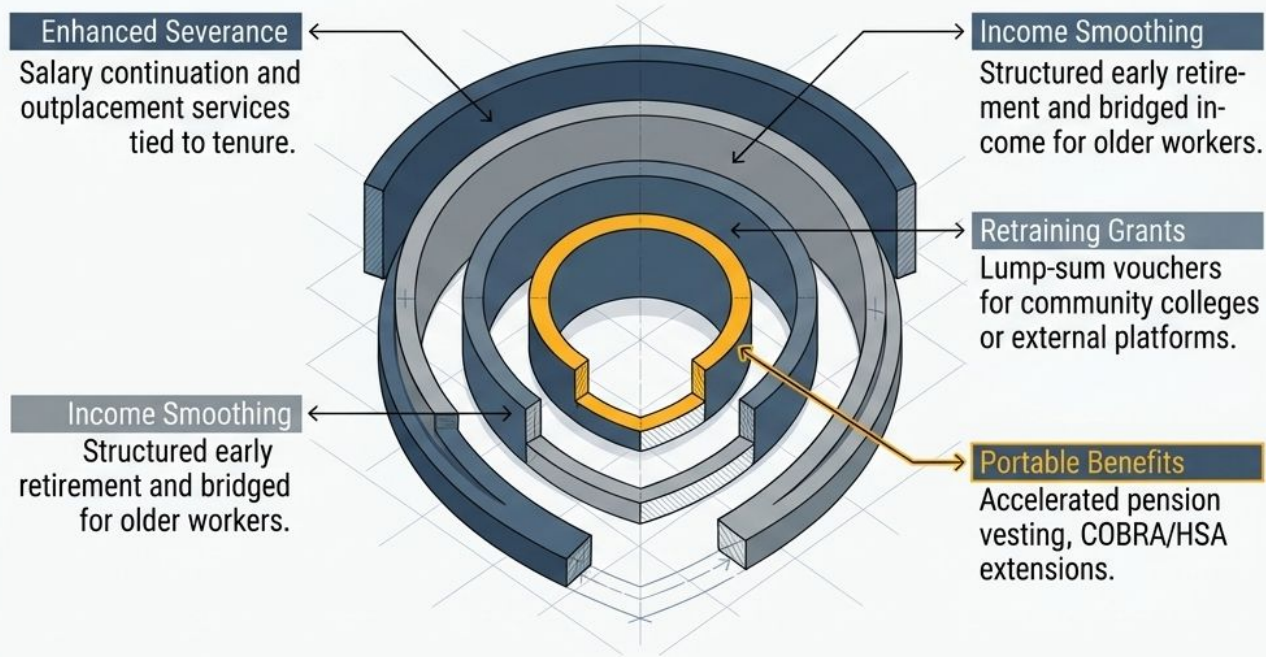


## The Unilever Model

Utilizing internal talent marketplaces to match employees with new projects as routine tasks are automated

**Key Insight:** Enriched roles with autonomy and variety enhance performance (Hackman & Oldham, 1976)

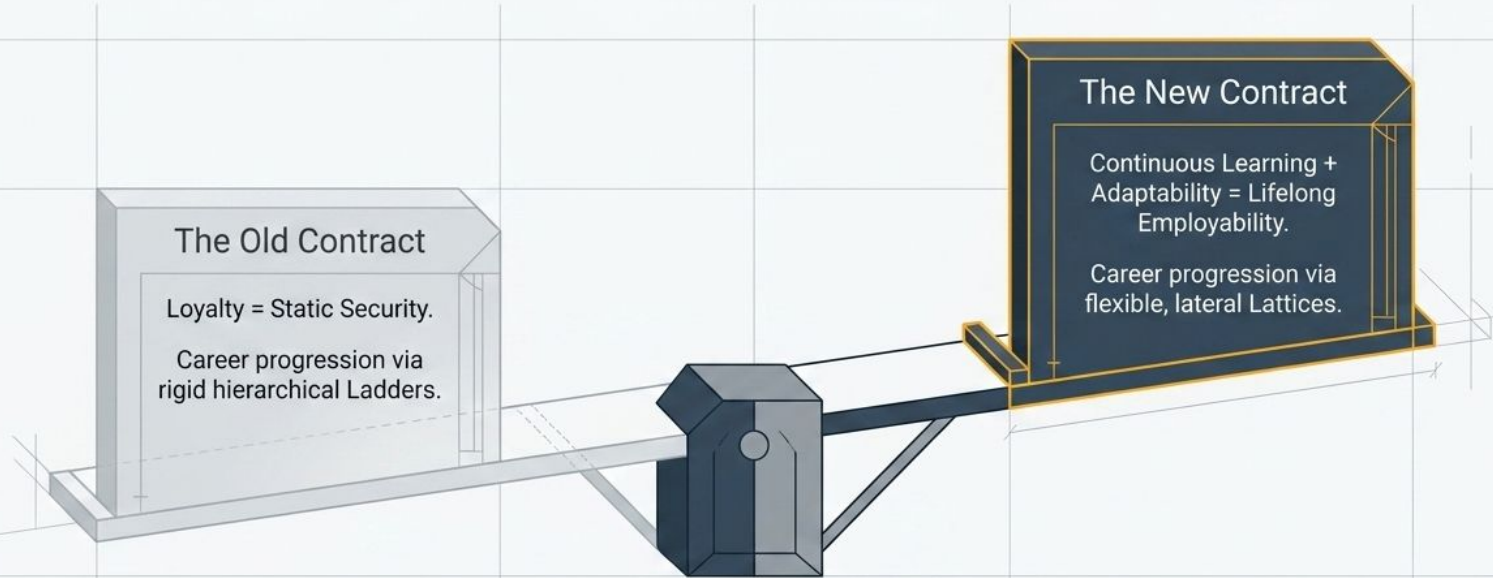
# Robust safety nets preserve dignity when displacement is unavoidable.



## The General Motors Precedent

2019 plant closures negotiated with retraining funds and extended coverage, proving large-scale adjustments can incorporate worker protections.

# The psychological contract requires a fundamental recalibration.



## Mutual Investment Framework

Employer provides funding and time;  
Employee provides effort and adaptability.

# Long-term resilience relies on distributed governance and shared purpose.



## The Strategic Choice: Reactive Automation vs. Adaptive Strategy.

	Reactive Automation	Adaptive Strategy
Focus	Simple headcount substitution.	Task recombination & human-AI teaming.
Process	Opaque, top-down implementation.	Procedural justice & inclusive piloting.
Skills	Expecting self-directed upskilling.	Funded, contextualized, role-specific capability building.
Transitions	Minimum statutory severance.	Holistic safety nets, portable benefits, & income smoothing.

**Leaders who ground decisions in evidence, center worker voice, and invest in transition supports will harness AI's potential without sacrificing their human capital.**