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Contemporary Issues in Management

Same Technology, Different Choices

AI, Automation, and the Future of Work

Week 8

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Before the Theory, the Data

300M

jobs exposed to
AI automation

Goldman Sachs, 2023

40%

of global jobs
affected by AI

IMF, 2024

54,836

AI-cited job cuts
in US (2025)

Challenger, Gray & Christmas

#1

reason for layoffs
in March 2026

Challenger, Gray & Christmas

48%

of firms replaced
workers with AI

ResumeBuilder, 2023

30M

factory jobs lost
in China (2015-2025)

South China Morning Post

What story do these numbers tell? And is it the whole story?

Based on these numbers alone, how worried should you be about your career?

A Very worried. These numbers are terrifying.

B Somewhat worried. Depends on the industry.

C Not worried. AI creates as much as it destroys.

Displacement and Reinstatement

Acemoglu & Restrepo (2019)

Displacement

Automation takes over tasks previously done by workers, reducing labour demand.

ATMs replaced bank tellers. Self-checkout replaced cashiers. AI chatbots replaced customer service agents.

Reinstatement

New technology creates NEW tasks that did not previously exist, generating new labour demand.

ATMs freed tellers for advisory roles. E-commerce created logistics jobs. AI created prompt engineering.

The danger: "so-so automation" Technology that displaces workers but is NOT productive enough to create new tasks or lower prices.

The Jagged Frontier

Dell'Acqua et al. (2023) — Harvard Business School

758 BCG consultants tested with GPT-4 across 18 business tasks. AI outperformed on some tasks and made consultants **WORSE** on others.

Inside the Frontier

+40% better performance

Creative ideation, market analysis, persuasive writing, brainstorming

Outside the Frontier

Worse than working alone

Business judgment with incomplete data, interview evaluation, nuanced recommendations

The frontier is invisible: you cannot tell in advance which tasks AI will handle well.

AI as Equaliser or Deskiler?

Brynjolfsson, Li & Raymond (2025) — Quarterly Journal of Economics

Study: 5,200 customer support agents using AI-assisted tools over 12 months

+14%

average productivity gain
across all workers

+34%

productivity gain for
novice workers

The equaliser effect: AI helps the least experienced workers the most. It closes the skill gap by giving novices access to expert-level patterns.

Amazon: From Surveillance to Replacement

The Warehouse Floor

Time-Off-Task (TOT)

AI tracks every second a worker is not scanning items

2x injury rate

Robot-paced warehouses have double the serious injury rate

Auto-termination

Algorithms fire workers who fall below productivity targets

The Corporate Office

14,000 layoffs

Corporate workforce cut as AI tools automate white-collar tasks

Jassy's directive

"We need to get back to a culture of builders, not managers of builders"

Both at once

Warehouse workers surveilled while office workers are eliminated

Klarna: Replace, Reverse, Rethink

Feb 2024

REPLACE

AI chatbot handles 2/3 of customer inquiries. 700 customer service agents let go. CEO celebrates: "AI doing the work of 700 people."



May 2025

REVERSE

Quality drops. Customer complaints rise. Klarna begins rehiring human agents. CEO Siemiatkowski admits the company "went too far."



2026

RETHINK

Hybrid model: AI handles routine queries, humans handle complex cases. The "jagged frontier" in practice. Neither full replacement nor full augmentation.

AI in the Workplace: The Human Cost

As you watch, consider:

- Who benefits from AI surveillance in the workplace?
- Is algorithmic management more or less fair than a human manager?
- What would Fournier & Grey say about presenting this as "progress"?

YOUR TURN

Apply CMS to the Market Model

You know the three CMS lenses from Week 6. Apply them to Amazon and Klarna.

Denaturalisation

1

Amazon says algorithmic management is "efficient" and "fair." Klarna said AI could "do the work of 700 people." What assumptions are being treated as natural or inevitable here?

Anti-performativity

2

Both companies framed AI adoption as improving performance. What is lost when the ONLY measure of success is efficiency? Think about the workers, the customers, the quality.

Reflexivity

3

You are a business student learning management. Are you being trained to think like the people who made these decisions? How does that shape your view of AI at work?

China's Factories: The Lights Are Off

As you watch, consider:

- How does state-led automation differ from market-led automation?
- What happens to 30 million displaced factory workers?
- Is "development" a neutral word, or does it serve particular interests?

100% AUTOMATED



WSJ | EXPLAINS

CASE STUDY

China's Dark Factories

Factories so automated they run with the lights off.

30M

factory jobs lost
(2015-2025)

290K

industrial robots
installed per year

400+

robot density per
10,000 workers

17.1%

youth unemployment
rate (2024)

Foxconn replaced 60,000 workers with robots at one factory. **Midea** cut workforce by 50%. **BYD** automates entire production lines.

The State Paradox

The same government promotes automation AND protects workers.

The State Promotes

"Made in China 2025" policy pushes AI and robotics.

Subsidies for automation.

Tax breaks for robot adoption.

State funding for AI research.

The State Protects

April 2026: Chinese court rules AI cannot be sole reason for firing a worker.

Workers' Daily editorial warns against "blind automation."
State retraining programmes expand.

Court Ruling: April 2026

US/UK: At-will employment. No specific AI protections.

EU: AI Act (2024) requires human oversight of AI decisions.

China: Court ruling: AI alone cannot justify termination.

Apply CMS to the State Model

Same three lenses. Different context. What does CMS reveal about China's approach?

Denaturalisation

1

"Made in China 2025" presents automation as national progress. 30 million workers lost their jobs. Is "development" a neutral goal, or does it serve the state's interests over workers' interests?

Anti-performativity

2

China measures success by GDP growth, robot density, and global competitiveness. What is NOT measured? Youth unemployment? Worker dignity? Community stability?

Reflexivity

3

Western media often frames China's approach as authoritarian. But the court ruling protects workers in ways UK law does not. What assumptions shape how we read this case?

Market Model vs State Model

Dimension	Market Model (Amazon/Klarna)	State Model (China)
Who decides?	Corporate executives (shareholder-driven)	State policy + corporate compliance
Speed	Fast adoption, slow regulation. Klarna fired then rehired.	State-planned rollout. "Made in China 2025" timeline.
Worker voice	Unions at Amazon (JFK8). Individual legal claims.	State-mediated. Court ruling, Workers' Daily.
Safety net	Unemployment insurance. No retraining guarantee.	State retraining programmes. Work as constitutional right.
Scale	14,000 Amazon layoffs. 54,836 AI-cited cuts (2025).	30M factory jobs lost. 290K robots/year installed.
CMS tension	Innovation vs exploitation. Freedom vs precarity.	Development vs stability. Progress vs displacement.

Neither model fully protects workers. The mechanisms differ, but the cost of transition falls on labour.

The Great AI Rehire

Companies rushed to replace workers with AI. Then they started hiring them back.

55%

of companies that made AI-driven
layoffs now regret those decisions

Inc. / IBTimes / BERI, 2026

Forbes, March 2026

"AI layoffs are becoming a rehiring crisis." Companies cannot find the skilled workers they fired.

Fast Company, 2026

"The great AI layoff is turning into the great AI rehire." The pendulum is swinging back.

CNBC, July 2026

Employers across multiple sectors reversing AI-driven layoff decisions and seeking to rebuild human teams.

Remember Klarna? The poster child for AI replacement became the poster child for the reversal.

The Human Advantage

+78 million

net new jobs by 2030

170 million new jobs created

92 million jobs displaced

Net gain: +78 million

World Economic Forum, Future of Jobs Report 2025

"Learn to read and write. Learn to speak persuasively. Those are the skills that will matter."

David Rubenstein, billionaire investor, Fortune, September 2026

Skills AI Cannot Replace

Critical Thinking: Questioning assumptions, evaluating evidence

Emotional Intelligence: Building trust, resolving conflict

Persuasion: Negotiating deals, motivating teams

Adaptability: Pivoting under uncertainty

Ethical Judgment: What SHOULD be done, not just what CAN

Should You Still Be Anxious?

The anxiety was rational.

AI IS transforming work. The numbers on slide 2 are real. But those numbers are not the whole story.

The correction is happening.

55% of companies regret AI layoffs. Klarna reversed course. The WEF projects net job growth, not decline.

Your skills are the advantage.

Critical thinking, stakeholder analysis, ethical reasoning: what you are learning in this degree is exactly what the economy will reward.

Week 1 asked: "Will AI replace me?" Week 8 answers: "Be prepared, not paralysed."

Every Decade: 'This Time Is Different'



The Sisyphean Cycle of Technology Panics (Orben, 2020)

*Every generation believes its technology panic is unique. The pattern says otherwise.
The question is not whether AI changes things. It is whether the panic matches reality.*

If AI creates more wealth but fewer jobs, who should get the surplus?

This is not a technology question. This is a political economy question.

Next week: Stakeholders, Sustainability, and Corporate Citizenship. Who should corporations be responsible to?

DISCUSSION

Week 1 Revisited

We started with AI anxiety. Eight weeks later, what is your answer?

A

AI should augment workers, never replace them. Governments must enforce this.

B

Replacement is inevitable for some tasks. The priority should be retraining and safety nets.

C

The market will self-correct (Klarna proved this). Regulation will slow innovation.

D

None of these models work. We need something entirely new (UBI? Worker ownership?).

KEY TAKEAWAYS

- 1 AI reshapes work through displacement and reinstatement (Acemoglu). The balance depends on choices, not technology.
- 2 The "jagged frontier" means AI excels at some tasks and fails at others, and the boundary is invisible (Dell'Acqua et al.).
- 3 Amazon shows surveillance AND replacement. Klarna shows that replacement can reverse when quality drops.
- 4 China's dark factories eliminated 30M jobs while the state simultaneously protects workers through courts and policy.
- 5 The correction is real: 55% of companies regret AI layoffs. The WEF projects net +78M jobs by 2030.
- 6 Neither the market model nor the state model fully protects workers. The question is political, not technical.

Week 9

Stakeholders, Sustainability, and Corporate Citizenship

If corporations shape society through AI, automation, and platform power, who should they be accountable to?

Preparation

Review your group presentation topic. Prepare your slides and allocate speaking roles. Remember: any group may be selected by lucky draw.

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