

AI gains = smaller teams?

McKinsey advises redeployment. Oracle and others have been cutting jobs, and now Microsoft is offering voluntary buyouts to 27% of its staff.

McKinsey's finding

The AI gain is biggest for expert work and where wages are high.

Its advice

“Plan redeployment before deployment... Otherwise, productivity can disappear into lower utilization and unmeasured slack.”

What Microsoft and Oracle are doing

Microsoft



About 60,000 eligible for buyouts
27% of 223,000 staff

Oracle



21,000 fewer staff in a year
13%, from 162,000 to 141,000

Also cutting jobs this year as they push into AI: Amazon, Meta, PayPal, Block, Cisco, Intuit, Kroger, HSBC, Barclays and American Express.

Microsoft, 26 Oct

CNBC: its AI tools show “noticeable results”, and it is balancing “a costly artificial intelligence infrastructure build-out”.

Oracle's annual report, June

“The adoption and deployment of AI technologies across our operations have resulted, and may continue to result, in reductions to our workforce.”

Earlier notes (tigzig.com → Analysis)

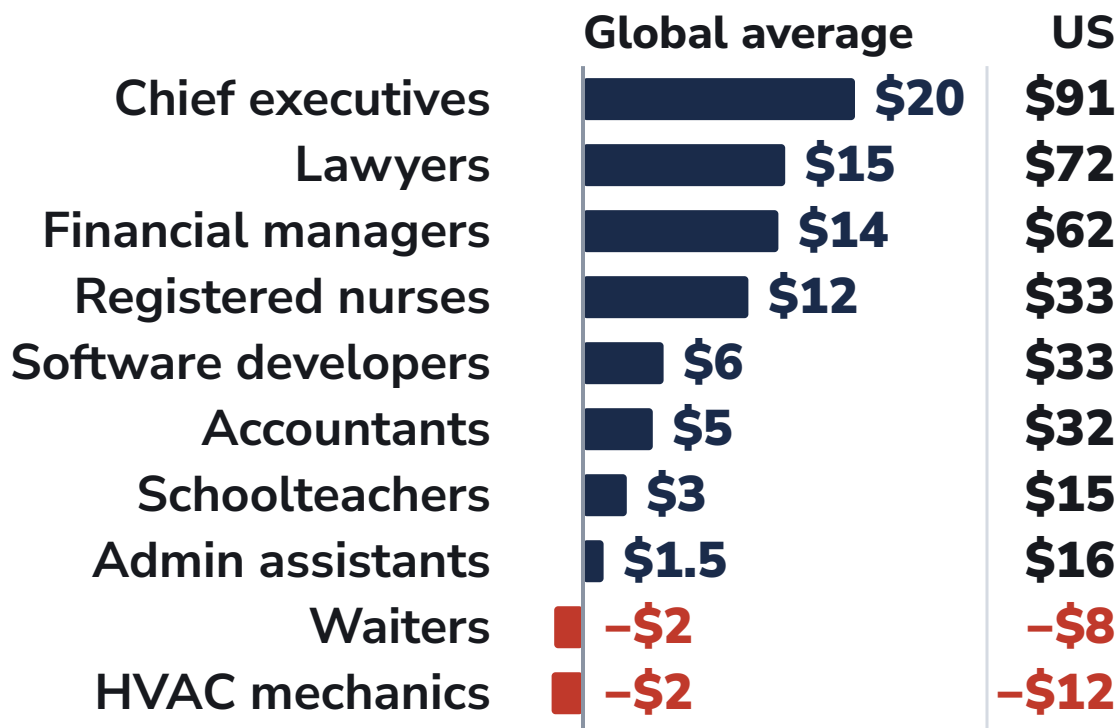
19 Oct Staff at Anthropic are becoming managers of AI agent teams

SOURCES [McKinsey, The AI value curve](#), Oct 2026. Oracle annual reports [2025](#) and [2026](#). News reports from [CNBC](#) and others, Jan to Oct 2026.

The AI gain is biggest for expert work and where wages are high

AI saving per hour, by role

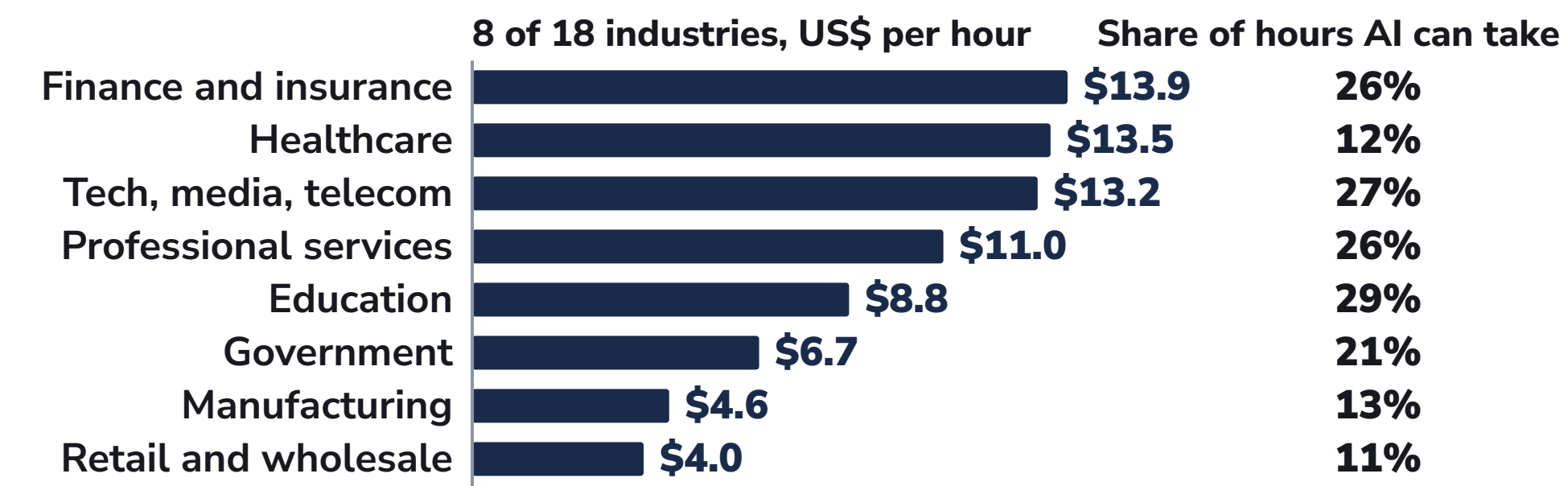
Selected roles, per hour of work AI takes on, US\$



- **Expert hours pay most.** AI takes on routine preparation, so experts spend more of their time on judgment.
- **The country decides.** AI costs about the same everywhere. Sales and office work pays under US wages but may not yet where wages are lower.
- **Some work costs more with AI** at today's wages.

Beyond tech and finance

Healthcare gains almost as much per hour as finance. Education has the largest share of hours AI can take on.



The report also covers how a 30% rise in AI costs would remove about a third of the gain, a test for when an AI agent pays, and the one-time set-up costs its figures leave out.

This is my analysis of public sources, for information only. Care has been taken, but errors are possible. Use of AI. Parts of this work were prepared with AI under my direction. I reviewed, edited and approved every page. The analysis and conclusions are mine.