AI Layoffs Surge Past 39,000: When Technology Displaces the People Who Built It

Social media platforms shedding more than 4,000 roles since January, while cloud and SaaS companies account for over 28,000 layoffs, demonstrate that AI displacement isn't limited to speci c technology categories.

By Govind Rammurthy, CEO & Managing Director, eScan

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Layoffs in big tech *(Source: pixabay)*

The technology industry, long celebrated for creating jobs and driving growth, now finds itself restructuring workforces at a huge scale as AI adoption speeds up. According to TradingPlatforms.com's analysis, AI-driven layoffs have surpassed 39,000 in 2026. Half of the total 84,223 tech job cuts have been recorded so far this year. This marks a change in how technology companies view people versus automated systems. This is just the start! As AI gets better, these numbers are going to exponentially increase.

Oracle leads this change with 25,254 layoffs, the AI-related workforce reduction in tech industry history, as the company reorganizes around AI-driven cloud infrastructure and enterprise services. These cuts affect roles tied to legacy systems, manual operations, and administrative support - precisely the functions AI systems excel at automating. Blocks 4,000 layoffs, WiseTech Global's 2,000 cuts layoffs at Atlassian, Livspace, and Snap Inc. shows how AI-driven efficiency affects companies across software, consumer internet, and platform-based businesses regardless of sector focus.

Snap Inc.'s announcement of 1,000 layoffs while scaling back traditional

operations to expand AI investment in content creation, augmented reality, and advertising shows the strategic calculus driving these decisions. The company expects 4,000 crores savings by the second half of the year - money explicitly redirected toward AI infrastructure that displaces the workers generating those savings. This isn't about cost-cutting because of financial distress. Its workforce restructuring to fund technological change.

TradingPlatforms analyst Stanislava Savisheva notes that "Amazon, Meta, Google, and Microsoft alone are expected to invest around $650 billion in AI infrastructure this year, and that money has to come from somewhere," saying payroll is "one of the highest controllable costs." The analysis highlights an uncomfortable economic truth: AI investments require spending capital expenditure that companies generate partly through reducing human workforce costs, creating a transfer of resources from human employees to automated systems designed to replace them.

However, Savisheva warns against explanations pointing to "AI washing," where companies attribute layoffs to AI while actually correcting pandemic-era over-hiring or weak business decisions. The distinction matters because genuine AI displacement represents structural change, whereas corrections from over-hiring suggest eventual rehiring when economic conditions improve. The challenge lies in making adjustments and permanent workforce transformations.

More fundamentally, AI is "splitting the labour market" according to the analysis, increasing demand for highly skilled engineers capable of building and maintaining AI systems while displacing junior and mid-level roles that AI systems can perform adequately. This creates an opportunity structure where senior technical roles remain secure, entry-level positions face automation, and mid-career professionals must develop AI- skills or face displacement.

From the cybersecurity industry's perspective, this workforce transformation creates interesting dynamics. Cybersecurity was already experiencing talent shortages before AI adoption accelerated - estimates suggested millions of unfilled cybersecurity positions globally. AI should help by automating routine security operations center work, tier-1 alert triage, and repetitive analysis tasks, freeing human analysts for complex investigations requiring judgment and creativity.

But the reality proves more nuanced. AI-powered security tools reduce the number of analysts organizations need for basic monitoring and response, which sounds positive until you realize it means fewer entry-level positions for people building cybersecurity careers. The industry risks creating a talent bottleneck where we automate away the junior roles that traditionally trained senior analysts, leaving no clear path for the next generation of cybersecurity professionals to develop expertise before automation makes their roles obsolete.

Companies implementing Endpoint Detection and Response (EDR), Extended Detection and Response (XDR), and Data Loss Prevention (DLP) solutions find themselves utilizing AI-based analytics to cope with alerts that would otherwise exceed human capacity. In doing so, they become more efficient and less prone to human error, thus significantly improving their security posture. However, it also enables companies to run smaller security teams, which leads to downsizing when finances are tight but security is justified.

The geographic impact reveals telling patterns. The United States recorded over 65,000 tech layoffs linked to AI in 2026, with Australia, India, and several

European countries also seeing notable reductions. This global spread indicates that automation-led restructuring affects innovation hubs worldwide rather than concentrating in specific markets, suggesting truly structural changes rather than regional economic adjustments.

Social media platforms shedding more than 4,000 roles since January while cloud and SaaS companies account for over 28,000 layoffs, demonstrate that AI displacement isn't limited to specific technology categories. Content moderation, customer support, software testing, data entry, and basic coding - roles across the technology stack face automation as AI capabilities expand beyond narrow technical functions into broader operational areas.

The report's conclusion - that these changes "mark a structural shift rather than a temporary correction, signalling a long-term transformation of the global technology workforce" - deserves careful consideration. If accurate, we're witnessing not cyclical economic adjustment but permanent workforce reconfiguration where technology companies employ significantly fewer people to generate equivalent or greater output, fundamentally changing the relationship between technology sector growth and employment generation.

This raises uncomfortable questions about whether technology industries that historically created middle-class employment at scale continue serving that economic function when AI enables dramatic productivity increases with proportionally smaller workforces. The answer matters not just for displaced workers but for economies counting on technology sector growth to drive broader employment opportunities.

The cybersecurity industry, like technology generally, must navigate between leveraging AI to enhance capabilities while ensuring career pathways remain viable for people entering the field. Automating tier-1 work makes sense operationally, but eliminating entry-level positions removes the training ground for future senior analysts. The challenge is using AI to amplify human capabilities rather than replace them, which requires intentional organizational choices that don't automatically follow from pure efficiency optimization.

The 39,000 jobs that were cut because of intelligence in 2026 are not just numbers. They are people who lost their jobs had their careers changed and are now unsure, about their futures. The people who built the technology companies are the ones who are being affected by the changes. The question is not whether companies should use intelligence but how they should use it to help both the workers and the companies.