

HR IN THE AGE OF AI: LEADING THROUGH THE LAYOFFS AT FABULOUS MEDIA PVT. LTD.

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ABSTRACT

The rapid advancement of artificial intelligence (AI) has redefined organizational landscapes across industries, influencing not only business operations but also the domain of Human Resource Management (HRM). While AI-driven tools have enabled organizations to streamline recruitment, optimize workforce planning, and enhance decision-making, they have simultaneously created challenges in the form of role redundancies and workforce restructuring. This dual impact has made the role of HR professionals more critical than ever, particularly in navigating layoffs with empathy, transparency, and strategic foresight.

This research contributes to the broader discourse on HR transformation in the digital era, underscoring the need for organizations to evolve from being reactive to proactive in managing technological disruptions. It concludes that HR leaders who embrace AI while prioritizing ethical responsibility and employee well-being will be best positioned to guide organizations successfully through the complexities of layoffs in the age of AI.

Keywords: *AI, ethical responsibility, employee well-being.*

1. INTRODUCTION

With its headquarters in Gurugram, Haryana, Fabulous Media Pvt. Ltd. is a start-up-friendly digital marketing and technology solutions firm with extensive experience managing international brands for SMEs and startups. The company was established in 2008 with the goal of assisting companies in expanding and thriving in a digital economy. Since then, it has grown to become a dependable partner for companies looking to expand strategically, creatively, and technologically.

Digital marketing, brand building, website and mobile application development, search engine optimisation (SEO), social media marketing, content creation, and AI-enabled marketing solutions are just a few of the many services the company provides. The business has made a name for itself as a pioneer in using AI to boost consumer

interaction, enhance performance marketing, and maximise campaign efficacy through constant innovation and the adoption of cutting-edge technologies.

OBJECTIVES

The research titled “*HR in the Age of AI: Leading Through the Layoffs at Fabulous Media Pvt. Ltd*” aims to examine how Fabulous Media Pvt. Ltd., can address workforce challenges triggered by technological disruption while upholding core human capital principles. The key objectives of the study are outlined below:

1. **To examine the impact of AI on HR functions** – Analyze how AI-driven tools are reshaping recruitment, performance appraisal, and workforce restructuring within the organization.
2. **To explore HR’s role in managing layoffs** – examine the approaches used by HR professionals to conduct workforce rationalization with sensitivity, equity, and transparency.
3. **To understand employee perceptions during technological change** – Assess how employees view AI integration and its influence on their motivation, engagement, and trust in the organization.
4. **To identify opportunities for reskilling and redeployment** – Evaluate how HR can facilitate employee transitions into emerging roles by developing future-oriented competencies.
5. **To review strategies for sustaining culture and reputation** – Emphasize the role of effective communication, ethical conduct, and supportive initiatives in preserving a strong employer brand and organizational culture.
6. **To propose HR best practices in the AI era** – Recommend practical strategies that enable Fabulous Media Pvt. Ltd. and similar firms to align technological advancement with people-focused values.

Through these objectives, the study intends to provide valuable insights into how HR leaders can effectively manage the dual responsibility of adopting AI technologies while thoughtfully addressing the human dimensions of organizational change.

CONCEPTUAL DISCUSSION (THEORETICAL BACKDROP & LITERATURE REVIEW

Human resource management (HRM) has become more complex as a result of the integration of artificial intelligence (AI) into organisational systems, necessitating the use of solid theoretical frameworks to analyse its effects. The conceptual structure of the study "HR in the Age of AI: Leading Through the Layoffs at Fabulous Media Pvt Ltd" is shaped by a number of well-known theories.

1. Technological Determinism Theory

According to this view, organisational procedures and societal structures are greatly impacted by technological developments. The application of AI-based automation at Fabulous Media Pvt. Ltd. changes job duties, leading to reorganisation and, in certain cases, personnel cutbacks. The thesis clarifies how organisational revolution can be fuelled by technological advancement, frequently restricting people's ability to influence such changes.

2. Human Capital Theory

According to human capital theory, employees are vital organisational resources whose talents, knowledge, and abilities enhance total performance. According to this viewpoint, layoffs go beyond straightforward cost-cutting measures because they have an immediate effect on investments made in human capital. The approach emphasises the necessity of redeployment and reskilling programs to assist workers in adapting to changing technology demands.

3. Change Management Models

Structured methods for handling organisational change are provided by models like Kotter's 8-Step Change Model and Kurt Lewin's Unfreeze–Change–Refreeze framework. These models emphasise the significance of stakeholder involvement, clear communication, and the reinforcement of new systems—aspects that are particularly critical for HR directors negotiating layoffs in an AI-driven economy.

4. Psychological Contract Theory

The implicit expectations between employers and employees are the main subject of psychological contract theory. This unwritten agreement may be broken by workforce reductions, which could have an impact on engagement, morale, and trust. Therefore, in order to maintain a positive organisational culture, HR experts must guarantee openness and offer sufficient support.

5. Ethical Leadership and Stakeholder Theory

In the context of AI adoption, handling layoffs raises ethical and strategic issues. Stakeholder theory promotes

fairness, empathy, and responsible decision-making during times of transition by striking a balance between operational efficiency and employee welfare.

CONCLUSION

When taken as a whole, these theoretical stances provide a thorough framework for analysing HR's dual duty of using AI to improve organisational performance while upholding employee trust and fundamental values. They offer a solid theoretical foundation for comprehending how Fabulous Media Pvt. Ltd. and other companies can handle layoffs in an increasingly AI-driven environment in an ethical and efficient manner.

1. Challenges

- **Workforce Restructuring:** When AI is used, manual or repetitive tasks are often eliminated, which results in job redundancies and workforce reductions. Managing these changes while maintaining employee morale is a top priority for HR.
- **Employee Resistance to Change:** Anxiety brought on by the prospect of losing their jobs as a result of automation can diminish motivation and productivity. Effective communication and carefully thought-out change management strategies are necessary to overcome this resistance.
- **Skill Gaps and the Need for Reskilling:** AI technologies are developing more quickly than structured training programs can keep up. It is still difficult to create pertinent reskilling programs that fit new and changing employment positions.
- **Maintaining Organisational Culture:** Layoffs and restructuring may erode trust and cause a psychological rift between staff and management. It is especially difficult to maintain a pleasant and healthy work culture at such times.
- **Ethical and Emotional Considerations:** Reducing the workforce has ethical and emotional ramifications in addition to financial ones. Although cost-cutting considerations frequently take precedence, ensuring justice, compassion, and respect throughout the process is crucial.

Theoretical Gaps

- **Inadequate HRM–AI Integration Models:** While frameworks like Technological Determinism make it evident how technology affects businesses, they don't make it clear how HR can actively close the gap between employee well-being and AI implementation.
- **Absence of Structured Reskilling Frameworks:** Although Human Capital Theory acknowledges the significance of employee competencies, it does not offer comprehensive instructions on how businesses should methodically retrain and move staff members into AI-focused positions.

- **Psychological Contract in the AI Era:** Conventional understandings of the psychological contract fall short in addressing the changing expectations and uncertainties that workers encounter during redeployments and layoffs brought on by technology.
- **Ethical Complexities in HR Decisions:** While ethical leadership theories provide broad guidelines, they do not really address the real-world difficulties HR encounters in striking a balance between organisational profitability, fairness, and empathy during AI-driven restructuring.
- **Limitations of Conventional Change Models:** Workforce dynamics in rapidly changing technological environments remain unresolved because traditional change management frameworks, like Lewin's and Kotter's models, were not built to handle the swift and widespread disruptions caused by AI.

Review of Literature

In today's workplace, the use of artificial intelligence (AI) in human resource management (HRM) has grown significantly, offering both benefits and drawbacks. AI-driven tools, on the one hand, boost data-based decision-making, streamline processes, and increase efficiency. However, they also change worker arrangements, which sometimes lead to job losses and redundancies. This dual effect has been extensively studied in the literature, with various interpretations of its ramifications and HR's changing responsibilities.

AI and the Transformation of HR Functions

AI has significantly altered critical HR tasks like hiring, performance evaluation, and workforce planning, according to academics. According to Brynjolfsson and McAfee (2017), automation improves management decision-making by managing repetitive tasks, freeing up HR specialists to focus on strategic projects. Similarly, Tambe, Cappelli, and Yakubovich (2019) note that AI-driven analytics might identify possible organisational redundancies while warning against issues like algorithmic bias and reduced human oversight. When taken as a whole, these studies show that while AI increases operational effectiveness, it also brings up important questions about accountability, equity, and transparency.

AI-Driven Layoffs and Organizational Challenges

One of the most obvious effects of using AI, according to researchers, is job reorganisation. The extent of potential technological displacement is demonstrated by Frey and Osborne's (2017) estimate that approximately 47% of employment in advanced nations are at risk of automation. Automation boosts cost efficiency, but poorly handled layoffs can erode employee trust and damage an organization's brand, according to Daugherty,

Wilson, and Bianzino (2020). Their study emphasises that HR's responsibility goes beyond carrying out layoffs to include offering steady leadership in unpredictable times.

HR's Role in Managing Change and Layoffs

Numerous studies highlight HR's role in balancing technical advancement with human-centered considerations. Kotter's (2012) Eight-Step Framework and Lewin's (1947) Change Management Model are commonly cited as systematic methods for assisting staff members through major change. To maintain transparency and trust, Meijerink, Bondarouk, and Lepak (2021) contend that HR directors should incorporate these frameworks with AI implementation techniques. Furthermore, Vrontis et al. (2022) emphasise the significance of moral leadership and proactive reskilling initiatives in reducing the negative consequences of layoffs.

Employee Perceptions and Psychological Impact

Scholarly research also looks at how workers react to workforce reductions brought on by AI. According to the Psychological Contract Theory (Rousseau, 1995), employees may become distrustful and disengaged when expectations—like job stability—are not fulfilled. According to Upadhyay and Khandelwal (2018), employees frequently see the deployment of AI as a threat until HR explains its advantages and provides prospects for advancement. According to Gartner (2023), companies that combine AI-based decision-making with robust employee support systems—like counselling and redeployment programs—tend to maintain higher levels of engagement and morale during layoffs, which supports this viewpoint.

Gaps in Existing Literature

Although earlier research addresses the advantages of AI in productivity and the ethical issues accompanying layoffs, there are still a number of significant gaps:

1. Practical HR strategies that integrate the application of AI with humane and people-centered layoff management are not given enough attention.
2. Small and medium-sized businesses like Fabulous Media Pvt. Ltd., where AI adoption is growing but structural and financial support for reskilling initiatives may be limited, have not received enough attention in research.
3. Particularly in developing nations like India, there is a dearth of empirical data evaluating workers' sense of justice, transparency, and trust amid AI-related employment cutbacks.

CONCLUSION

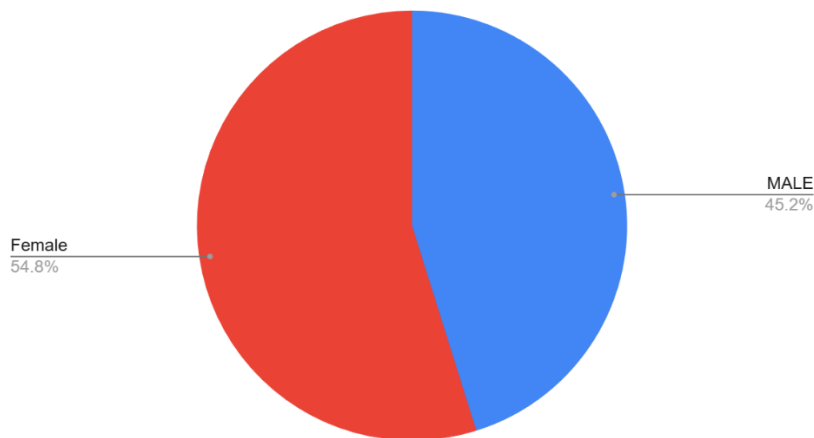
According to the studied literature, AI is changing HR by creating complicated labour concerns while also increasing operational efficiency. There is general consensus that HR must shift from a reactive role to a proactive strategic partner—prioritizing open communication, ongoing skill development, and moral decision-making—even though studies concede that layoffs may be inevitable in an AI-driven economy. By examining how HR directors in a real-world organisational setting—Fabulous Media Pvt. Ltd.—can handle AI-induced layoffs with tact and strategic insight, this study advances both theoretical knowledge and real-world implementation.

Data Analysis

In the data analysis chapter, we look closely at the results from the Google Form survey, HR in the Age of AI: Leading through the Layoffs.

Gender of Respondents Table1

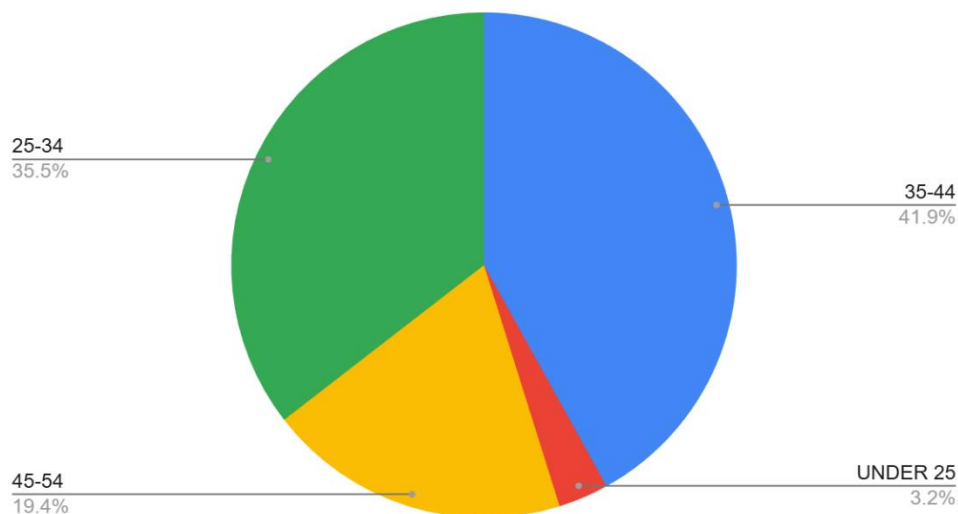
Count of GENDER



Interpretation: Out of 31 respondents, Number of females who have filled the survey 57% and number of males who have filled the survey are 43%.

Age of Respondents Table 2

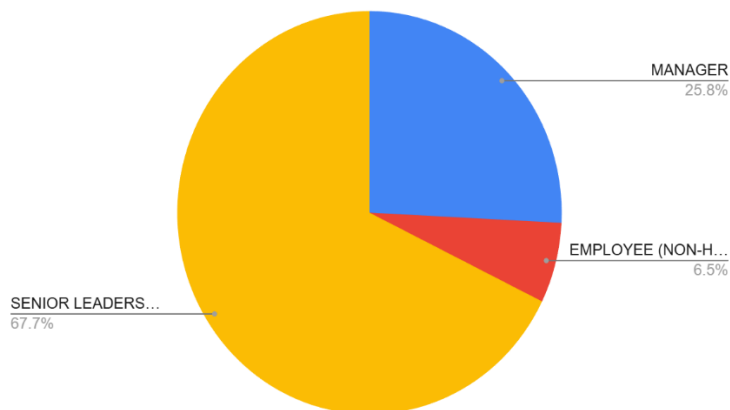
Count of AGE



Out of 31 respondents, 3% of respondents are aged under25, 19% of respondents are aged 45 54,36%are aged 25-34 and 42% are aged 35-44

Current Job Role Table 3

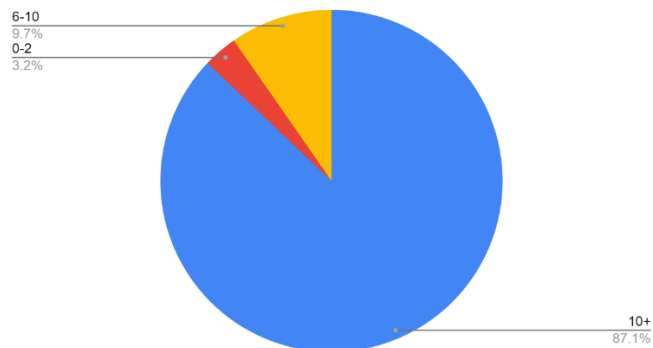
Count of CURRENT JOB ROLE



Interpretation Out of 31 respondents, 26% belong to managerial position, 68% are senior leaders, Non HR employees are 6%

Years of Experience Table4

Count of YEARS OF EXPERIENCE



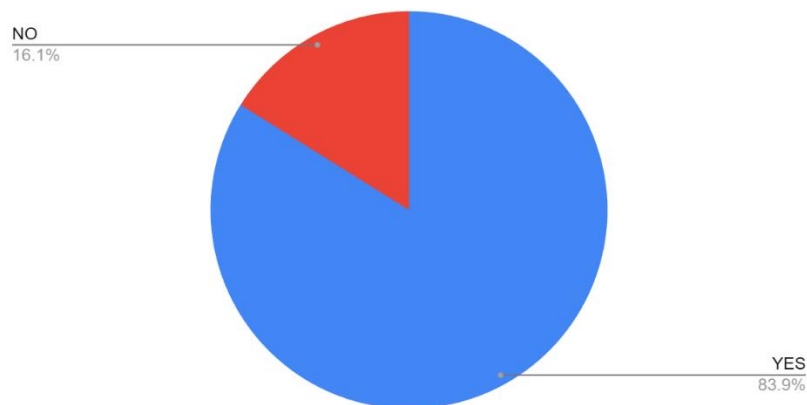
Interpretation: Out of 31 respondents, 10% respondents have 6-10 years of experience, 3% respondents have 0-2 years experience and 87% respondents have 10+ years of experience.

Questions with Responses

Are you aware of any AI-based systems being used in your organization?

Table5

Count of Are you aware of any AI-based systems being used in your organization?

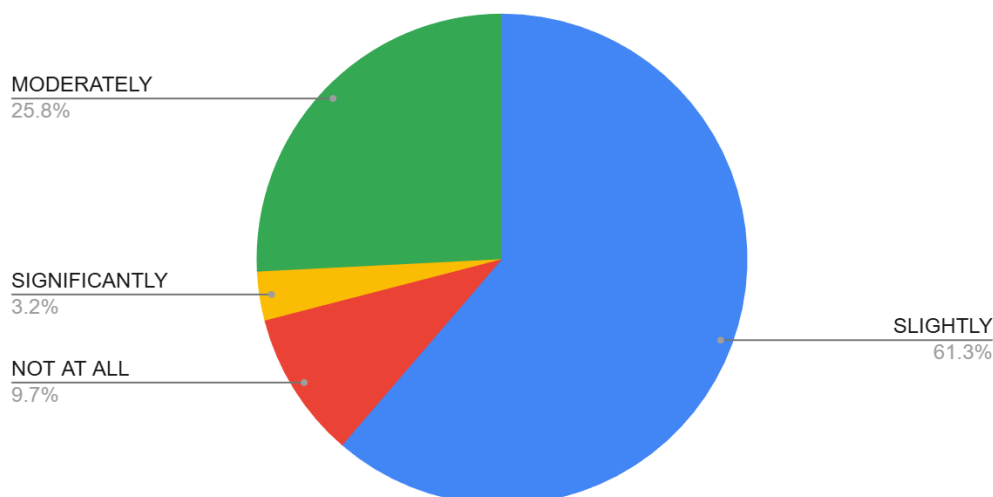


Interpretation Out of 31 respondents, 83% respondents are aware of AI based systems used in their organization whereas 17% respondents are not aware.

In your opinion, how significantly has AI affected job roles in your organization?

Table6

Count of In your opinion, how significantly has AI affected job roles in your organization?

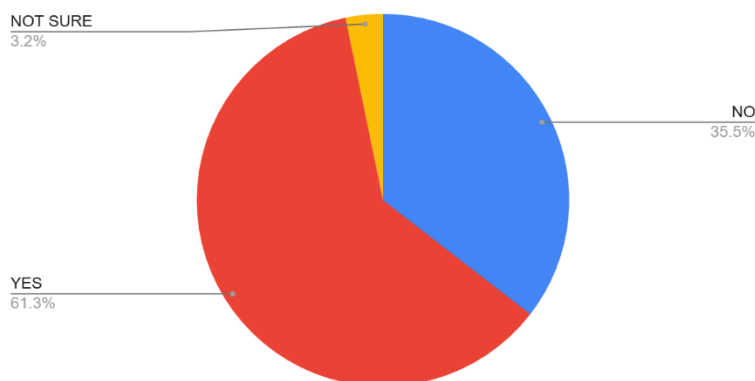


Interpretation: Out of 31 respondents, 61% said AI has affected job roles in their organization slightly; 26% said moderately, 3% said significantly and 10% said not affected at all.

Has your organization implemented layoffs as a result of adopting AI technologies?

Table 7

Count of Has your organization implemented layoffs as a result of adopting AI technologies?



Interpretation :Out of 31 respondents, 61% said that their organization has implemented layoffs as a result of adopting AI technologies while 36% said their organization has not implemented layoffs due to AI, whereas 3% were not sure.

KEY FINDINGS

AI Is Changing the Way We Work: Many businesses are utilising AI to increase productivity and speed, however this frequently results in the necessity for fewer human positions, particularly for routine jobs. **Second, the role of HR is expanding:** HR specialists do more than just manage layoffs; they also assist leadership in making deliberate, people-first decisions, guide individuals through change, and provide support. **Thirdly, layoffs require a personal touch:** According to the report, layoffs are more than simply statistics. Morale, trust, and corporate culture can all be significantly impacted by HR's communication and professional and emotional support of impacted personnel. **Many HR Teams Feel Unprepared Despite their best efforts,** many HR professionals believe they lack the resources, instruction, or clear direction necessary to handle AI-driven transitions in a methodical and caring manner. **More Focus Is Needed on Reskilling** Although most executives concur that assisting staff members in acquiring new skills is essential, few companies have robust reskilling initiatives in place, leaving workers at risk.

Policy Implications

Establish Explicit, Moral Layoff Guidelines: When AI replaces human occupations, organisations should have open, equitable processes in place to handle layoffs, with empathy at the center. **Teach HR to Take the Lead in Change** To help the company and its employees, HR professionals require additional training in technology, emotional intelligence, and change management. **Provide Assistance, Not Just Letters of Departure** In addition to final paperwork, layoffs should be followed by genuine assistance, such as career guidance, counselling, and mental health support.

Make Redeployment and Reskilling a Priority Companies should support employees' growth rather than fire them. Internal mobility and training initiatives might provide employees with new opportunities. **Keep Employees Informed** Open and sincere communication regarding the application of AI and how it can impact jobs fosters trust and lessens anxiety within the company.

Conclusion

One conclusion emerges from all of these studies: AI can increase the effectiveness and precision of HR decisions, but it cannot take the role of human judgement. HR experts must lead with behavioural factors, especially empathy, during layoffs, which are one of the most emotional sides of company. AI cannot carry out this crucial portion of the layoff process. AI is an effective tool, but how we apply it is just as important as the technology itself.

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