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JOB DISPLACEMENT DUE TO FAVORITISM AND AI: AN ANALYSIS OF CHALLENGES FOR THE EMPLOYMENT

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Abstract: *This study investigates job displacement resulting from AI and favoritism, comparing the perceived threats of each in the Bulgarian workplace. It builds on prior research concerning favoritism's undermining of meritocracy through personnel selection based on personal connections rather than competencies, leading to low motivation and increased willingness to quit jobs. The current research focuses on AI's potential for job displacement. A survey conducted in Bulgaria confirms favoritism, particularly nepotism, is widespread, and employees feel more threatened by it than by AI. While AI is also expected to cause job displacement, leading to lower motivation, negative team environments, and increased willingness to quit, a significant portion of Bulgarian workers (60%) do not fear losing their jobs due to either favoritism or AI. Only 12% fear both, and 17.5% fear favoritism specifically. Nearly half of respondents (46.5%) believe it is highly unlikely they will be replaced by AI, and only 4.7% consider it very likely. This indicates that Bulgarian workers are more concerned about favoritism than AI-driven job displacement. The article also proposes a framework for analyzing the risk of job displacement, considering both individual (skills, experience) and institutional factors (company policies, regulations). In conclusion, potential strategies and policies for mitigating the negative effects of favoritism are discussed, including promoting transparency in selection processes and investing in fair and equitable workplace cultures.*

Key words: *Favoritism, AI, Motivation, Job Displacement*

1. INTRODUCTION

This study is logical continuation of our comparison between traditional job displacement factors such as favoritism and new emerging challenges as AI and automation. In the previous article [1] we examined the favoritism (Nepotism, Bias) and the mechanisms by which it undermines meritocracy and results in personnel selection based on personal connections rather than competencies. This, leading to low motivation and increased willingness to quit job measured by questionnaire. The following study is focused on AI and the capabilities it has to lead to job displacement. By comparing qualitative assessments, it is determined what workers fear more - favoritism in the workplace or AI. The socio-economic implications of these processes are discussed, including rising inequality, the necessity for reskilling, and a rethinking of the human role in the future labor market, which is also included in the questionnaire.

The **main goal** of this research is to empirically investigate the prevalence and perceived impact of AI implementation in the Bulgarian workplace.

To achieve this, the study undertakes several key tasks: **first**, to briefly review the theoretical concepts of AI implementation and the capability to replace human labour; **second**, to design and conduct a survey to assess employees' experiences; **third**, to analyze the data to identify the most common forms of replacement of human labor by AI or automation, the degree of such replacement and their perceived effects on motivation, workload, and team dynamics; and **finally**, compare favoritism to AI as perceived threat by Bulgarian workforce.

2. THEORETICAL OVERVIEW OF FAVORITISM IN THE WORKPLACE

The integration of Artificial Intelligence (AI) and automation technologies has been transformative across various sectors, offering increased efficiency, productivity, and innovation. However, alongside these benefits, concerns arise regarding their impact on employment. The potential for job loss due to AI and automation has sparked widespread debate and necessitates rigorous investigation. This scientific research aims to explore the phenomenon of job displacement resulting from AI and automation, offering insights into the mechanisms, implications, and potential mitigating strategies.

The industry 4.0 and the emerging 5.0 as an industrial revolutions will decimate some sectors of the global economy and will create a new employment opportunity, that did not exist in the moment. Some of the trends in the job markets are already visible other are not so clear yet.

For instance, Did you know that 30% of workers worldwide fear that AI might replace their jobs within the next three years. Or that in India, a staggering 74% of the workforce shares these concerns [2].

Some projections claim that AI could potentially replace around 800 million jobs worldwide by 2030, which would be a significant effect. The economic forecast is equally staggering, with AI's estimated economic impact reaching a colossal $15.7 trillion by the same year [2]. Thus, creating a new dilemma among workers – in addition to favoritism, the AI as their replacement. At the present transitional period between the co-working of people and machines with AI (industry 4.0) to full replacement of human labor with AI driven machines (industry 5.0). In this period a great margin of employees would lack the required skills and knowledge to work efficiently and co-exist in the workplaces with the AI driven machines and they would eventually lose their jobs. Therefore, as stated earlier a great fear is emerging among the employees of possible job loss. Our main goal is to establish if the fear of job loss due to favoritism is higher than the fear of job loss due to AI implementation in the workplace.

The job displacement from AI implementation will be much more faire and based on performants analysis. With the industry 5.0 the productivity will make a big jump and enlargement in productivity will compensate the slow growth from nepotism. The sense of equality in the work place increase motivation of the work force.

The mass scale implementation of AI is possible to resolve some of negative effects of the demography, because of the ageing population and the sparsity of skilled work force for many professions. In many cases the automation of some production processes is our only option. The industry 5.0 will challenge the education system as well. Education is very conservative by nature, but the change in the economic will push the training of employs.

3. RESEARCH METHODOLOGY AND ANALYSIS

Similarly, as our previous research [1], a survey questionnaire has been designed in two parts. The first one is correlated with the AI implementation at the workplace experience the respondents have; the type of favoritism including nepotism (relatives, family members), personal relationship, good performance and so on; the proposed effect of favoritism on personal motivation, job attitude and willingness to quit job as well as perceived perspective of the same aspects of workplace on other workers. The second part consists questions about age, gender, field of work.

According to the field of work, a large number of respondents are related to services, education and IT. There is almost equal diversion between male and female respondents and more than 70% are between 31 and 50 years old.

Oddly, in the opening question about do they fear losing their job due to favoritism or AI around 60% didn’t express such fear (see Fig. 1)

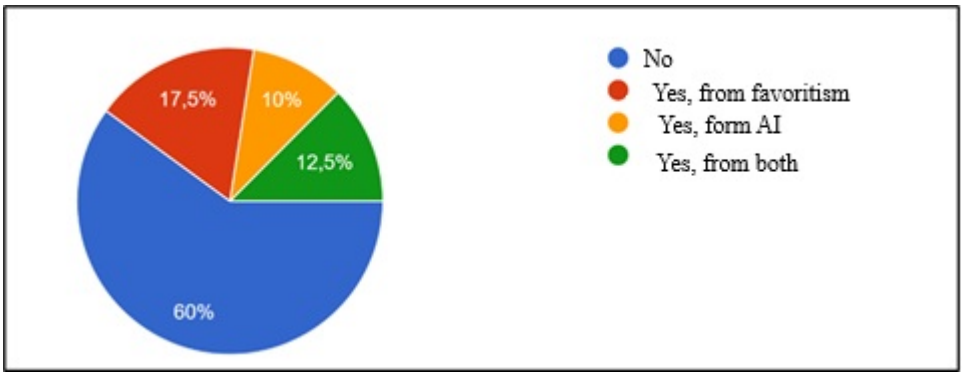

Fig. 1. Fear of job loss due to favoritism or/and AI

Only 12% have stated they fear both, while 17.5% fear favoritism. It seems Bulgarian workers are confident in their skill and are not affected by the global trends.

The next question is on the likelihood of replacement by AI at the workplace with a seven-degree scale (see fig.2). Almost half of those surveyed 46,5% indicate is highly unlikely to be replace from AI and only 4,7% believe it is very likely to be replace by automation. The share of who are not sure is significant 18,6%. The automation will challenge every one of us, but not so much. Respondents are much more concerned from favoritism, then from AI job displacement.

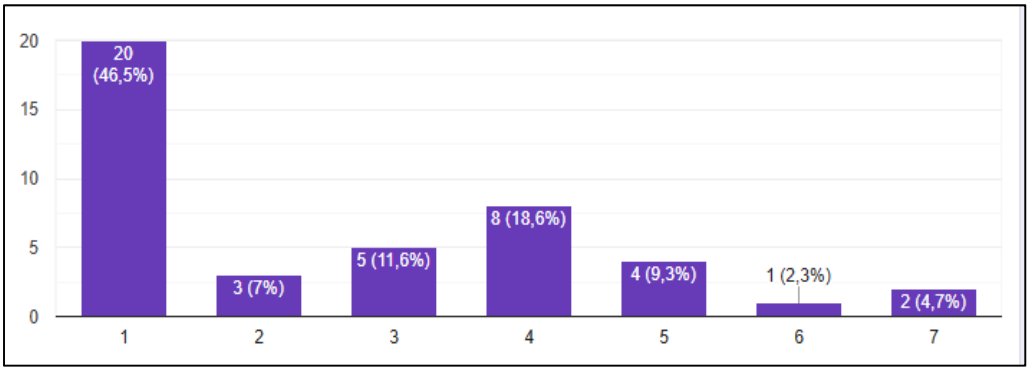

Fig. 2. How likely is to you be replaced by AI at work

Based on this bar chart, the prevailing sentiment among respondents is that they are **not very likely to be replaced by AI at work**. While there's a segment expressing moderate concern, and a small minority showing higher concern, the largest group feels secure in their positions against AI displacement. In comparison, 25% of the respondents classified favoritism as often and 17% as very often business practice in Bulgaria and around 32% have also indicated possible job loss or searching for alternative as a result of favoritism [1]. This clearly indicates Bulgarians fear more favoritism than AI implementation.

In addition, For almost one third of the respondents 32.6% answer the automation is possible only for 10% of their work and more than half (20.9%+32.6%=53.5%) of the work they are doing is possible to be done by robot or AI. Only 9, 3% more than 50% could be automated. However, the AI is developing very fast in the resent years. The rapid evolution of the AI is so rapid that the result are very dynamic.

The two largest segments combined (up to 10% and 11-20%) account for 53.5% (32.6% + 20.9%) of the responses. This strongly suggests that for more than half of the jobs represented in the survey, automation levels are relatively low (20% or less).

The "between 21% and 30%" category also holds a substantial share (20.9%), bringing the total for up to 30% automation to 74.4%.

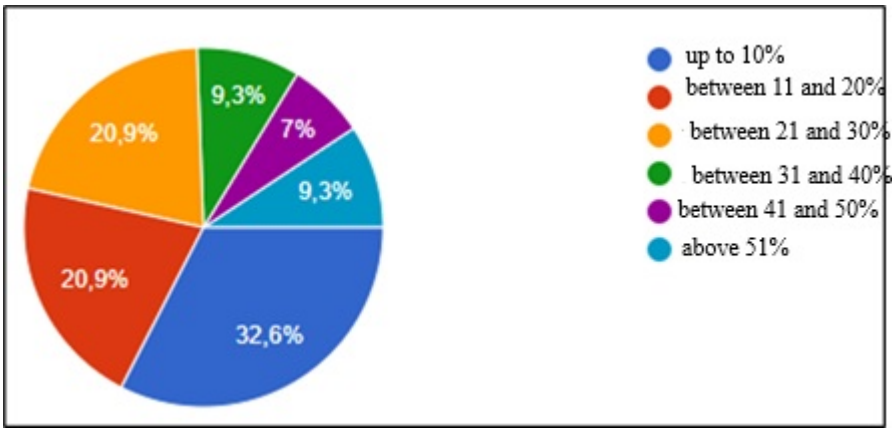

Fig. 3. Presumed percentage of work tasks that could be done by AI

While a small percentage (9.3%) of jobs are reported to be over 51% automated, the intermediate higher ranges (31-40% and 41-50%) are relatively small, indicating that a significant leap in automation from moderate to very high is less common.

In conclusion, the graphic indicates that, at the time of the survey, a majority of job processes are perceived to have low to moderate levels of automation (up to 30%), with over half having 20% or less automation. While highly automated job processes exist, they are less prevalent among the respondents. This data suggests there might be significant room for further automation in the workplace, or that a large number of jobs still heavily rely on human input.

The presumed effect of AI implementation in the workplace could be seen on table 1.

Table 1. Presumed effect of AI implementation in your workplace

Evaluation (%) > / **Effect** v	**Undetermined**	**Very negative**	**Negative**	**Positive**	**Very positive**
on personal motivation	34.9	4.7	16.3	32.6	9.3
on other work team members	48.8	0	18.6	20.9	7
on working environment	37.2	0	25.6	23.3	9.3
On desire to quit current position	48.8	9.3	23.3	9.3	4.7

The combined positive perception (Positive + Very positive) is 41.9% is higher than the combined negative effect. This suggests that more people anticipate a positive effect on their personal motivation than a negative one, but a substantial group is unsure. Similar to personal motivation, more people expect a positive impact on team members than a negative one, but uncertainty is very high at 48.8%. In comparison, the effect on personal motivation of favoritism towards another person is extremely negative with 32.6% of the respondents stating it [1]. The same goes for other team members motivation – favoritism causes very negative (37.2%) and negative (39.5%) impact according to the respondents. Thus, leading to the conclusion that people perceive AI implementation as not a threat at all.

Upon perceived working environment effect the respondents consider that AI implementation would have positive impact (23.3%) and very positive 9.3%. Although, the negative perception is higher for working environment than for personal or other team members' motivation. On the opposite side is the effect of favoritism from the first part of our research [1] – it has combined negative of 79.1%.

When it comes to desire to quit current position, this is the only category where the combined negative perception (32.6%) is significantly higher than the combined positive perception (14%). This indicates that among those who have an opinion, more people believe AI implementation would not increase their desire to quit their current position. In contradiction, favoritism makes people more inclined to quit their current position with combined positive response of 41.9%.

Our research continues with the possible outcomes of implementing AI at workplace (see Table 2).

Table 2.Presumed results of AI implementation at your workplace

Evaluation (%) > / Indicators v	Undetermined	Totally disagree	Disagree	Agree	Totally agree
Have to look for another job as a result of AI	20.9	23.3	44.2	7	4.7
AI would make your job easier	9.3	7	4.7	53.5	23.3
Would reduce your work task load	11.6	7	16.3	48.8	14
Would reduce your colleque work task load	20.9	7	9.3	44.2	14
You would lose motivation	16.3	32.6	37.2	4.7	7
You would need to learn new skills to stay in current work position	16.3	9.3	16.3	27.9	27.9

There's a very strong positive outlook regarding AI making jobs easier (76.8% agree) and reducing personal workload (62.8% agree). This positive sentiment extends to colleagues' workload, albeit with slightly less certainty (58.2% agree). Because of favoritism is expected to take responsibility from other people, in comparison the AI will take the non-creative tasks from the employ, that will increase motivation and productivity of the workforce. Which is indicated in the table above. As a personal effect around 55% from the respondents indicate that would have to fulfill other person's work tasks due to favoritism [1].

A significant majority (67.5% disagree) does not believe they will lose their current job, as a result of AI, suggesting that fear of direct displacement is not widespread. Only a small minority anticipates needing to find a new job. On the opposite site almost one third of the respondents expect to lose there job due to favoritism of another person.

Most respondents (69.8%) do not anticipate losing motivation due to AI implementation and again similar minority consider losing motivation. Maybe it is the same group of respondents who think they would lose their job.

There is a clear recognition among the majority (55.8% agree) that new skills will be required to adapt to AI in the workplace. This suggests an awareness of the need for continuous learning. Similarly, favoritism is also pushing people to learn new skills as more then 60% agree or totally agree. However, as stated before favoritism made unfavored personal to complete the favorite's tasks while AI helps to perform better and increase productivity.

While some indicators like "AI would make your job easier" have low uncertainty (9.3%), others, such as "Have to look for another job as a result of AI" and "Would reduce your colleague work task load," have higher "Undetermined" percentages (both 20.9%), indicating areas where respondents are less clear about AI's impact.

Finally, our survey asks about tasks that could be performed by AI.

Table 3. Tasks that could be performed by AI

Work task	Share of responses (%)
Business correspondence	37.2
Communication with clients	18.6
Document processing	65.1
Market data analysis	44.2
Machines maintenance	20.9
Machine diagnostics	25.6
Planning and forecasting	48,8
IT Programming	27.9
Testing and quality assessment	30.2

According to the table above with high potential for automation are tasks involving data processing, analysis, planning and forecasting are seen as highly suitable for AI, with "Document processing" leading significantly with 65.1%, followed by "Planning and forecasting" with 48.8% and "market data analysis" with 44.2%.

In the moderate potential, for communicative/creative tasks fall tasks like "Business correspondence" – 37.2% and "IT Programming" – 27.9% and are perceived as moderately suitable for AI.

At the bottom line are lower potential for human-centric or physical tasks such as "Communication with clients" (18.6%) and "Machines maintenance" (20.9%). They are seen as less likely to be performed by AI, highlighting areas where human interaction, physical presence, or complex decision-making are still considered essential.

The data reflects a nuanced view of AI's capabilities, with a clear distinction between tasks that are primarily data-driven and those that require more human-like qualities or physical interaction.

Conclusion:

The findings of this study confirm that a significant portion of Bulgarian workers (60%) do not fear losing their jobs due to either favoritism or AI. Only 12% fear both, and 17.5% fear favoritism specifically. Nearly half of respondents (46.5%) believe it is highly unlikely they will be replaced by AI, and only 4.7% consider it very likely. This indicates that Bulgarian workers are more concerned about favoritism than AI-driven job displacement.

Regarding the impact of AI, a strong positive outlook exists for AI making jobs easier (76.8% agree) and reducing personal workload (62.8% agree). Most respondents (67.5%) do not believe they will lose their jobs due to AI. There is also a clear recognition (55.8% agree) that new skills will be required to adapt to AI in the workplace.

Tasks with high automation potential include document processing (65.1%), planning and forecasting (48.8%), and market data analysis (44.2%).

Finally, the study finds that favoritism is a more significant concern for Bulgarian employees than AI regarding job displacement. While AI is seen to potentially enhance work efficiency and necessitate new skills, it is not broadly perceived as a direct threat to job security. The findings highlight the importance of addressing traditional workplace issues like favoritism alongside technological advancements.

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