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Firing Your Future: Why Letting People Go for AI Is the Ultimate Strategic Mistake

Lior Arussy writes, in an article on the *Chief Executive* webpage, that “the corporate world is replaying the same script it has used every time a new technology arrives. Leaders declare automation, lay off large numbers of employees and celebrate victory. This playbook goes back at least to early-1900s England, when new weaving machines replaced skilled artisans in the textile industry. If employees’ tasks are deemed redundant in light of new automation, why is this playbook wrong?”

In business, there is a fundamental strategic choice, Arussy says, “are you a growth player or a survival player? If you are a growth player, your focus must be on your people. Their mission is to innovate – products, services and customer experience. Innovation is not a single act, a one-off product spec. It is constant evolution in response to changing customer needs. Innovation becomes a way of life, and your value is defined as a living, evolving experience that anticipates customer expectations. That is why customers pay you a premium.”

To see the real difference, look at how the organization actually operates. Every organization lives in two overlapping spheres: the “live sphere” and the “documented sphere.”

When a company declares it is transitioning processes, procedures and customer interactions to AI agents, it is effectively declaring that the center of gravity is shifting from the “live sphere” to the “documented sphere.” Arussy believes that, by taking that path, it is no longer a growth company, but a survival company.

The message, he says, is “we already possess all the innovation we need, and it is fully documented” and “the future is about strict adherence to those scripts, best enforced by technology and automation.”

But, he adds, the “documented sphere” is “the realm of the past. It bakes in yesterday’s solutions. Future performance, in this model, is limited by past knowledge, not driven by new, evolving approaches to customers. Letting go of thousands of employees from the ‘live sphere,’ whom together possess thousands of years of tribal knowledge, strips your organization of fast innovation, agility and creativity. It is a declaration that you no longer need to evolve – only to replicate past successes more cheaply. Employees become process operators, and once you define them that way, it is easy to say: Machines can do this better, without fatigue, recognition needs or career aspirations. Even with generative AI, the basis of the agentic AI, is past performance not innovation for the future.”

Set aside, for a moment, he suggests, “the debate around how effective agentic AI really is. Remember instead where the true knowledge of your organization lives. It is tribal. It lives in meetings, Zoom calls, staff meetings, planning workshops, hallway conversations and lunches. The real, unvarnished truth about your business does not reside in the sanitized meeting summary; it lives in the animated debate during the meeting. Who holds that live knowledge? The very people being replaced by AI agents. Let them go, and the tribal, vibrant, innovative spirit of the company leaves with them.”

Even genuinely innovative companies fall into this trap, Arussy says. “They begin with strong ambitions to be growth-oriented, investing in the future. Then success arrives – or a shiny new technology appears – and they cannot resist the temptation of cost cutting without a forward innovation plan. This temptation of quick savings, feeding short-term equity gains, is where they quietly shift strategy to survival. Cost savings and productivity improvements are important when there is genuine waste and slack. But they only make strategic sense in the context of a clear future growth agenda. They cannot be the main goal. When cost cutting becomes the destination, it carries hidden costs: erosion of customer value.”

He believes that the real question every organization should be asking is: “How do we invest the time we just freed – thanks to automation – in creating better, faster, more evolved, innovative, creative, customer-delighting value?” This is the question that is being ignored. “Because it is ignored, automated transactions are interpreted as pure redundancy, something to be eliminated.”

Arussy notes that recent consumer research shows just how fast AI adoption is spreading. “One study reports that more than half of American adults have used AI in the past six months, and nearly one in five use it every day – translating to well over a billion people globally interacting with AI tools, hundreds of millions of them daily. If this is the future, your employees will be ready sooner than you think. The question is not *whether* they will use AI, but *how* you will channel their use of AI to create the future value your company needs to stay competitive.”

Learn a whole lot more at [Firing Your Future: Why Letting People Go For AI Is The Ultimate Strategic Mistake](#).