**AI Isn’t to Blame for the Rise in Layoffs — Your Systems Are**

AI may take the blame for the layoff anxiety infiltrating companies, but the real culprit is ineffective operations. Our expert examines why that is and how to fix it.

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**Summary:** AI is being blamed for layoffs, but the real issue is systemic incompetence in company operations. Poor role clarity and talent management are driving dysfunction. Without addressing these, AI will only automate existing problems — not solve them.

AI has taken the blame for the business world’s fear and frustration, bearing responsibility for the [layoff anxiety](https://www.psychologytoday.com/us/blog/code-conscience/202505/ai-disruption-vanishing-jobs-rising-anxiety) flooding the business world and enduring the bitter berating thrown at it in virtually every industry. But let’s be clear: AI didn’t break your organization chart. It didn’t confuse your workflows. It didn’t erode your culture.

Yet, AI has taken the role as the villain, while leaders step back and wash their hands clean. The truth? It’s just the most convenient scapegoat in the room.

The problem, however, is that artificial intelligence isn’t wholly to blame for the conditions that have caused [employee confidence](https://www.marketwatch.com/story/layoff-anxiety-is-soaring-heres-how-you-can-prepare-rather-than-panic-fc2fbba4) to drop to record lows in recent days. While AI may contribute to the layoffs, it is not causing them. Yet, AI’s appearance has opened a beautifully convenient window for leaders, allowing them to let AI fall on the sword and take the blame for layoffs.

A deeper look at today’s business landscape reveals systemic incompetence as the core issue driving layoffs. Systemic incompetence is rampant today, almost becoming a normalized fabric of [company culture](https://builtin.com/company-culture) that employees have just been battered into dealing with.

To be fair to leaders, some degree of systemic incompetence is to be expected as companies move forward. Evolution, innovation and growth actually require a level of imperfection that translates into operational inefficiencies.

However, many leaders have embraced growth-related inefficiencies as a part of the deal rather than a problem they need to address. And as their lack of action has led to frustration in the workforce, they’ve [welcomed AI](https://builtin.com/artificial-intelligence) as the savior that can fix inefficiency while doing away with complainers.

Today’s leaders fail to see that [AI is an employee](https://builtin.com/artificial-intelligence/future-ai-workplace) just like the employees it is replacing, only more efficient and less likely to complain. Replacing humans with AI won’t fix dysfunction. It will just automate it, then amplify it. In fact, it might just propel companies more quickly along the tragic trajectory set by their incompetence.

The following are some steps companies should take to address systemic incompetence before integrating AI.

**Clarify Accountability and Role Structure to Maximize the Impact of AI**

Sound business systems are built upon [accountability](https://builtin.com/artificial-intelligence/responsibility-for-AI-mistakes). Every member of the team needs to know what is expected of them. Lack of clarity leads to confusion, leading to wasted time and lost profits.

Accountability is also [key to motivation](https://builtin.com/articles/fixing-workplace-mistakes). When employees know what is expected of them and what is not expected of them, they can take ownership, focus, and deliver. When they are left guessing, they ultimately feel abused, which circles back to them feeling battered.

When accountability isn’t a priority, productivity and profitability are impacted. Layoffs are one fix that companies turn to when those symptoms crop up.

One big question for companies integrating AI is, “If you’re already doing a poor job at clarifying accountability and role structures for the humans in your company, how good will you be at doing the same for AI?” The likely answer is, “Not good at all.”

Companies must define who is accountable for ensuring AI has the resources it needs to deliver and for ensuring AI outputs are accurate, reliable and effectively incorporated into the system. If AI is your new top employee, [who’s its manager](https://builtin.com/articles/your-startup-needs-ai-ethicist-how-do-you-find-one)? Who’s making sure it has clear instructions, measurable outputs and doesn’t quietly spiral into chaos like every other under-supported hire? AI can be a high-producing employee, but it still needs a support team and a manager.

The relationship between HR and IT is out of alignment in many companies and can suffer significantly if accountability is not addressed before AI is dropped into the equation. Without clearly defining each team's role in evaluating and supporting [AI tools](https://builtin.com/artificial-intelligence/ai-tools), companies risk creating destructive fractures that can destroy the entire organization.

AI is not only being villainized as the root of layoffs but also romanticized as a problem solver. Companies see it as the “easy button,” so they drop it into operations without clarifying accountability and role structure. Consequently, they get a tool that supercharges their issues along with their output.

**Prioritize Talent Management to Maximize the Impact of AI**

Ineffective [talent management](https://builtin.com/articles/talent-management) is another systemic incompetence that contributes to layoffs. When companies fail to put in place a solid hiring system, they end up with employees who are unqualified, a poor fit for the culture, or simply superfluous in terms of the company’s operational needs. Layoffs occur in those companies as a snapback reaction to poor hires.

Companies that [leverage AI to replace employees](https://builtin.com/artificial-intelligence/ai-replacing-jobs-creating-jobs) don’t do away with the need for talent management. All the steps involved in human talent management, from vetting to training to integration to oversight to promotion, also must be addressed when integrating AI. If those steps aren’t followed, companies can end up with AI systems that don’t integrate well, scale well, or provide long-term usability.

In addition, companies integrating AI must carefully consider its impact on the employees who remain. The practical implications of introducing a new tool must be addressed with ongoing training and evaluation. AI is a tool and a team member, which means its success ultimately depends on employees knowing how to wield it.

Companies integrating AI must also consider the emotional impact it can have on the workforce. A recent Pew [study](https://www.pewresearch.org/social-trends/2025/02/25/u-s-workers-are-more-worried-than-hopeful-about-future-ai-use-in-the-workplace/) found that more than half of workers fear AI is going to have a negative impact on their careers. Bringing AI into the workplace is like forcing the workers who remain to sit next to their nightmare for eight hours a day. If companies don’t take steps to address those fears, employee engagement is guaranteed to suffer.

In the early days of the AI era, tech prophets proclaimed that layoffs were inevitable for companies that wanted to take advantage of the efficiency artificial intelligence could provide. As AI has matured, however, [human-machine collaboration](https://builtin.com/artificial-intelligence/macro-trends-ai-innovation) is emerging as the ideal path for maximizing AI ROI. To get in on those returns, companies need to stop making AI the scapegoat and address the systemic incompetencies that are truly leading to layoffs.

AI won’t challenge your bad ideas. It doesn’t have the guts to do so or the soul to care. But perhaps worst of all, it doesn’t have the filter to stop your worst ideas: It will just scale them.

**2 Tips to Effectively Integrate AI and Address Systemic Incompetence**

1. Clarify accountability and role structure.
2. Prioritize talent management.