

# Are You Ready for the AI Reckoning?

*Strategic Reflections from the 2025 Business & Society Summit & Beyond*

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## Introduction

At the 2025 [Aspen Business & Society Summit](#), leaders examined the impact of artificial intelligence, not just on their industries, but on what constitutes “responsible management” in a moment of sweeping technological change. Five key insights can guide the decisions that leaders are being asked to make at this moment:

### 1 Success Starts with Strategy & Values

**Leading with vision can guide and focus momentum.**

AI is reshaping business with both real promise and real risk. In a climate of hype, the pressure to act often outpaces a company’s ability to implement thoughtfully. In many cases, innovation is moving faster than impact. Strategy should begin not with what AI can do, but with what it should do—in a company’s unique context.

The gap between expectation and reality keeps growing. Eight years ago, most assessments expected deterministic AI to disrupt manufacturing. Instead, large language models (LLMs) are transforming knowledge work at extraordinary speed. Investment continues—Microsoft, NVIDIA, and OpenAI alone are spending hundreds of billions of dollars—yet implementation appears to have slowed. Most organizations haven’t figured out how to capture value from the tools they already have. The mismatch between market optimism and operational readiness underscores the need for more rigorous analysis to inform better decision-making.

Companies are making high-stakes decisions without fully understanding the tools in front of them. That’s not just a technical risk, but a strategic one, with implications for liability, resource use, and talent. Navigating this uncertainty requires deliberate choices about not just adoption, but oversight, timing, and intent.

The public narrative on AI presents the extremes: utopia or apocalypse. But what’s needed most are leaders willing to proceed with curiosity, caution, and long-term thinking. The impulse to move fast and break things may deliver short-term gains, but with a long-term cost. Leaders who create the time and space to ask and answer the hard questions now have the chance to shape a more durable, human future.

## 2 Mind the Cost of Cutting Headcount

**Investment in talent may be the key to unlocking AI's full value.**

Markets are rewarding companies for reducing headcount in the name of AI efficiency. But cutting too deeply, too early, may come at a cost that's not yet fully understood and the results have **been mixed**. The reality is, human judgment remains essential. As AI systems evolve, people will still be the ones interpreting, adapting, and acting on new information (Source: **Tomlinson et al**).

The Stanford Digital Economy Lab has called entry level talent reductions the “**canary in the coal mine**,” but this may be a false economy of efficiency. Most companies apprentice their managers first in the roles that they supervise. As roles evolve to include supervising and working with increasingly capable AIs, employers need to create alternative talent development pathways to ensure their managers are still equipped to oversee, refine, and improve work initially executed by AI.

The risks of overcutting go well beyond lost capacity. Workforce reductions can erode trust, culture, and brand—but they can also fuel broader backlash. Public anxiety about AI and job displacement is high, and signaling that employees are expendable could invite not just internal disengagement, but political and regulatory pressure. In an environment where skepticism is growing, companies that treat people as disposable may find themselves out of step with society—and with the future of work.

Leaders who approach workforce decisions with short-term view may underestimate the costs of disengagement, instability, and reputational harm. Intentional investments in talent—especially during periods of rapid change—can strengthen a company's capacity to learn, adapt, and lead. In the long run, the organizations that treat people as critical infrastructure may be the ones best equipped to unlock AI's potential.

## 3 Code Needs Conscience

**Clearly defined values can guide ethical choices.**

Tech leaders continue to forecast that agents will take on many human tasks, but the reality is that few organizations are operationally ready to effectively deploy this technology.

Still, the shift is coming, and when it does, these systems won't arrive with built-in ethics, institutional memory, or judgment. Leadership and good management will matter as much as ever. Companies will need to define how these systems behave: what boundaries they follow, how they interpret tradeoffs, and how they define accountability for machines that do or do not obey human prompts.

Too often, AI governance is treated as a backend compliance issue, rather than a front-end design choice. Embedding values in agent behavior will require leaders to take the time to document the principles their companies already rely on, and translate those principles into frameworks agents can act on. Ethical leadership requires designing for these behaviors with clear values and foresight.

## 4 Measure (and Manage) the Externalities

### **Environmental impact measurement can guide responsible growth.**

Some of the most promising applications of AI lie in climate adaptation and energy efficiency. Microsoft's Aurora model, for example, uses a 1.3 billion-parameter model to predict weather patterns, even in data-scarce regions and extreme scenarios (Microsoft Research). This type of weather prediction can support both disaster mitigation and renewable energy optimization. AI has wide-ranging applications that can reduce energy consumption across infrastructure, from intelligent HVAC to lighting and grid optimization.

At the same time, the infrastructure required to power AI is already straining natural systems. In early 2024, data center capacity in major U.S. markets like Northern Virginia, Chicago, Atlanta, and Phoenix grew by 43% in just one year (CBRE). Water use is escalating as well. AI-related withdrawals could exceed 6 billion cubic meters by 2027—more than Denmark uses in a year (OECD.AI). And because construction is geographically concentrated, the pressure on local ecosystems will be uneven and intense (Nature).

Too many conversations still focus on AI's potential without addressing its environmental impact. What's needed is more transparency, better data, and a shared strategy to guide AI development in ways that protect environmental resilience. The decision to embed environmental foresight into AI decisions will test whether leaders are truly acting with a long-term view.

## 5 Risk Requires Rules

### **Proactive governance can build trust and limit exposure.**

The most urgent challenge in AI right now is not hype or hardware. It's the lack of usable metrics for risk. Without shared standards, companies are operating in the dark. The absence of regulation creates risk for individual firms. Meanwhile, projections swing wildly from incremental GDP growth to existential collapse. Decision-making in this environment is unpredictable, and inherently risky.

Lessons from ESG, cybersecurity, and supply chain transparency offer models for navigating uncertainty. Standardized disclosures on workforce impact, resource use, and operational integrity would improve confidence across the board. A recent report from the Partnership on AI found that among the world's major companies, the quality, quantity, and location of disclosures vary significantly (Source: [Partnership on AI](#)). While best practices have emerged, there are significant gaps in how companies report AI-related impacts, risks, and opportunities. Standardized corporate-level AI assessment frameworks could help companies better manage these effects across their value chains.

In the absence of federal leadership, business will bear the responsibility for AI's social outcomes—both good and bad. The challenge isn't predicting the future but preparing for it. That means building systems that can evolve with new information. It means creating cultures that ask questions, not just optimize for what's already known. And it means designing governance systems purposefully, not passively.

Organizations propelled by short-term incentives or paralyzed by strategic choices and opportunities will likely fall behind. Those that adapt with purpose will define what comes next.

## Further Insights

Read: **"A Better Way to Think About AI: Artificial intelligence is ready to collaborate. Why fixate on automation?"** By David Autor and James Manyika

Read: **"Beware the AI Experimentation Trap"** By Nathan Furr and Andrew Shipilov

Read: **"The state of AI in 2025: Agents, innovation, and transformation"** McKinsey & Company

Read: **"Canaries in the Coal Mine? Six Facts about the Recent Employment Effects of Artificial Intelligence?"** By Erik Brynjolfsson, Bharat Chandar, and Ruyu Chen

Listen: **"AI Unplugged: The Future of Work"** Podcast Hosted by Deval Patrick and Warren Valdmanis

Watch: **"How Afraid of the AI Apocalypse Should We Be?"** Ezra Klein with Eliezer Yudkowsky

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