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Contributor

Meta's plans to replace workers with AI fell flat, report says

News
Aug 26, 2026 • 5 mins

The Reuters report is a cautionary tale in which Meta discovered that AI promises rarely become AI reality.

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Earlier this year, Meta, one of the industry's loudest AI advocates, was ready to slash up to 60% of the members of some teams and replace them with AI, as part of what it called Project OT (Organization Transformation), an initiative to make Meta "AI native."

But it backed off at the last minute after internal data showed that the plan wasn't working out, according to a **Reuters investigation** [https://www.reuters.com/investigations/mark-zuckerberg-had-bold-plan-replace-meta-staff-with-ai-heres-how-it-imploded-2026-08-26/] published Wednesday. For example, Reuters said, code changes made to the internal software platforms and infrastructure that employees used on the job were up 220% year-over-year, according to an early June post by Meta CTO Andrew Bosworth, yet changes that led to new or upgraded features reaching Meta users were only up 36%.

Meta executives also saw "'reliability warning signs' caused by the AI coding surge," according to an internal post, Reuters reported. "Another post, in April, said that unchecked AI agents were performing 'large-scale, disruptive actions that humans are unlikely to execute.' The result: Major technical and security incidents, such as service disruptions and possible data leaks, spiked 40% from the previous year, with the time staffers had to spend firefighting them up 70%."
Reuters also noted that, in April, Meta had mandated that **tracking software be installed** [https://www.computerworld.com/article/4161929/meta-to-track-employee-keystrokes-screen-activity-to-train-ai-agents.html] on US employees' devices to capture their keystrokes and mouse clicks to teach its AI agents to replicate how humans interact with computers. Believing they might be training their own AI replacements, employees rebelled.

To try and placate the workers, Meta promised to increase spending on travel and social events, and "to improve snack quality in office microkitchens." Unsurprisingly, none of that seemed to help boost morale, and, Reuters reported, "Zuckerberg has stuck to the words 'company-wide' and 'this year' in discussing layoffs with employees, according to his internal communications. That has prompted some employees to speculate that he'll continue trimming the ranks via team-specific cuts or performance-based dismissals – or delay company-wide headcount reductions until next year."

A cautionary tale

Consultants and analysts said enterprise IT executives should read the Meta story carefully, because it precisely illustrates what happens when AI marketing hype is not challenged aggressively.

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Noted **Sanchit Vir Gogia [https://greyhoundresearch.com/svg/]**, chief analyst at Greyhound Research, “Meta trusted a forecast of AI capability before it existed in production, a different failure from trusting AI too much.”

He said, “Meta booked a forecast as capacity. Agents will improve, but the error was budgeting that improvement as production capacity before it arrived. Prove the action before widening the authority, and the authority before removing the human control. Only then is removing human capacity a decision, not a bet.”

Terra Higginson [https://www.infotech.com/profiles/terra-higginson], a principal research director at Info-Tech Research Group, added that no experienced enterprise IT leader should be surprised by Meta’s experience.
“Unchecked AI agents are a bad idea. Removing humans is a bad idea. That’s not the future anyone wants,” she said. “We want work to be reimagined so the human part still matters and technology makes it better. We are all still wrapping our heads around how AI and agentic AI will change the way we work.”

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She noted, “what we are already seeing, though, is lots of output and action without always getting the outcome we actually want. We should not use AI output as a proxy for productivity. Humans bring judgment and friction before taking actions with significant consequences; agents can remove that friction. We don’t want easy outcomes, we want good outcomes.”

Tom Findling [https://www.linkedin.com/in/tomfindling/], CEO of Conifers.ai, also suggested that IT leaders should take the Meta report as “the best opportunity” to go to their board and argue that this is what happens with unchecked AI rollouts.

“Tell them that we now have the opportunity to get it right. Say that you may not get a 500% productivity boost, but IT can show them a meaningful way to get 300%,” Findling said. “If you don’t want to end up like Meta, there is a way.”

Justin Greis [https://acceligence.com/talent/profiles/justin-greis/], CEO of consulting firm Acceligence, added that he thinks that IT’s takeaway from the Meta situation is the disconnect between activity and actual value creation.

“AI can make an organization extraordinarily busy without necessarily making it more productive,” he said. “We have spent decades teaching technology leaders that lines of code, tickets closed, and projects launched are imperfect proxies for business value. AI makes that measurement problem much more acute because it can manufacture activity at machine speed.”
If an AI agent produces ten times as much code, analysis, or work product, that does not mean the enterprise created ten times as much value, Greis said. “It may simply mean the company created ten times as much material that somebody now has to validate, secure, integrate, maintain, or clean up. That is why I think the most important question for executives is not ‘How much work can AI produce?’ It is ‘What measurable business outcome improved because AI produced it?’”

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