

AI and the boardroom: Why cutting junior roles could cost you the future

OCTOBER 2026

Every board conversation about artificial intelligence (AI) ends up asking the same thing: what can this technology do for us?

It's a fair question. But for directors in Jersey and Guernsey (or anywhere for that matter) there's a more important one: what will AI technology do to the business we're responsible for handing on?

The director's real job: sustainability

At its core, a director's duty is to make sure the business lasts.

In the UK, Section 172 of the Companies Act 2006 requires directors to promote the success of the company. In doing so, they must consider the likely long-term consequences of their decisions and the interests of the company's employees. That wording is deliberate. Success is not only measured by the next set of results.

[The UK Corporate Governance Code](#) says the same thing. It asks boards to promote the long-term sustainable success of the company, to generate value for shareholders and to contribute to wider society. It also gives boards specific responsibility for succession planning and for building a diverse pipeline of future leaders.

The Channel Islands take a similar approach. In Jersey under Article 74 of the [Companies \(Jersey\) Law 1991](#), directors must act honestly and in good faith with a view to the best interests of the company, and with the care, diligence and skill of a reasonably prudent person. For regulated businesses, the [Jersey Financial Services Commission's Codes of Practice](#) place clear responsibility on the board for effective governance, oversight and the resources the business needs to operate soundly.

Guernsey is no different. Directors of Guernsey companies, governed by the [Companies \(Guernsey\) Law, 2008](#), owe duties to act in good faith in the best interests of the company and to exercise reasonable care, skill and diligence. For regulated businesses, the [Guernsey Financial Services Commission's Finance Sector Code of Corporate Governance](#) expects boards to provide effective oversight, set the company's long-term strategy and make sure the business has the people and capabilities it needs.

These frameworks all point the same way. Directors are stewards. Financial results are not the sole metric of viability.

AI: opportunity and threat at once

This note is a summary of the subject and is provided for information only. It does not purport to give specific legal advice, and before acting, further advice should always be sought. Whilst every care has been taken in producing this note neither the author nor Collas Crill shall be liable for any errors, misprint or misinterpretation of any of the matters set out in it. All copyright in this material belongs to Collas Crill.

AI offers real gains. Tasks that once took hours now take minutes. Drafting, research, data analysis and client service can all be done faster and at lower cost. Early adopters may gain a real competitive edge.

AI also brings real risks: errors at scale, data and confidentiality exposure, regulatory uncertainty, and over-reliance on tools few people fully understand. We have seen high-profile cases of professional services firms failing to review work products, even AI seemingly inventing legal cases.

The opportunity and the threat are not separate. They are often the same feature seen from two angles. The efficiency that makes AI attractive is also what can quietly weaken a business if it's handled badly.

AI and short term-ism: the productivity trap

Here is the temptation. Productivity has been a Jersey business buzzword. Along with the declining birth rate and aging demographic, business leaders point to falling productivity especially in the finance industry. Some of this is attributed to increasing compliance and regulatory burden. If AI lets the same volume of work be done by fewer people, the obvious move, especially for cost-sensitive businesses, is to reduce headcount. Junior roles look like the easiest target, because the routine work that juniors traditionally do is exactly what AI handles best.

On a spreadsheet, the case looks strong. From a governance point of view, it looks much weaker.

A decision that improves margins this year but leaves the business without capable people in ten years is hard to square with a duty to consider long-term consequences. It may be efficient. That doesn't make it good stewardship.

AI and succession: the risk nobody prices in

Expertise isn't downloaded. It's built over time, through doing the work, making mistakes, being supervised and gradually taking on more responsibility. Today's senior partners, finance directors and heads of compliance were once juniors doing the routine tasks that now look ripe for automation.

Remove that first rung of the ladder and you don't just save a salary. You cut off the pipeline that produces your future managers, specialists and leaders. Institutional knowledge stops being passed on. Judgement gained through experience, which AI cannot supply, never gets the chance to develop.

The effects won't show up immediately. They'll show up in five or ten years, when senior people retire or move on and there's no one ready to step in. By then, the problem is expensive and slow to fix. For a board with a clear duty to plan for succession, that is a governance risk, not just an HR issue.

Using AI to grow as a business, not shrink

There is a better way to think about this. Instead of asking how few people the business can manage with, boards should ask how much more the business could do with the people it has.

AI can free up juniors from repetitive work so they spend more time on analysis, client contact and judgement-based tasks, which means they develop faster, not slower. It can expand capacity, allowing a business to take on more clients, enter new markets or offer new services without adding cost in proportion. Used this way, AI strengthens the talent pipeline instead of emptying it.

This approach isn't just kinder. It's more consistent with directors' duties and with what the governance frameworks actually ask of boards: long-term, sustainable success.

In my view the businesses that will do well with AI won't be the ones that cut costs the most. They will be the ones that grew most while still developing the people who will lead them next.

How we can help

At Collas Crill, we advise boards and business leaders across Jersey, Guernsey and beyond on governance, directors' duties and the strategic questions new technology raises. If your board is working out how to adopt AI responsibly, and sustainably, we'd be glad to talk.

COLLAS CRILL

For more information please contact:



Alexandra Ruddy

Group Managing Director | Jersey

t: +44 (0) 1534 601614 | **e:** alexandra.ruddy@collascrill.com



Leanne Christmas

Consultant | Jersey

t: +44 (0) 1534 601747 | **e:** leanne.christmas@collascrill.com



Rachel Gardiner

Executive Director | Guernsey

t: +44 (0) 1481 734266 | **e:** rachel.gardiner@collascrill.com