From Hype To Trust

Scaling AI Adoption in 2025 and Beyond

By:

Javad Ahmad

Do you Believe Artificial Intelligence is Overhyped and just another Fad?

Blockchain

NFT

Metaverse

OR
Are we standing at the edge of something more Profound?

Internet

Mobile

Cloud

From Niche to Necessity ....

AI has already begun to permeate everyday life and successfully emerged as our personal assistants ....

Write Emails

Draft Code

Generate Art

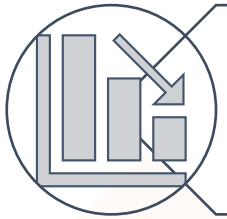
Decision Making

Everyone is talking about AI, and there is little doubt about the tremendous value that AI systems provide in enriching our lives, expanding our cognitive capacity, and enhancing performance at both micro and macro levels.

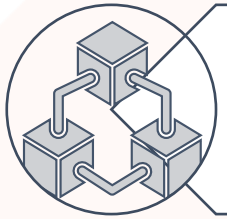
AND YET

Very few organizations have been successful in scaling AI Adoption

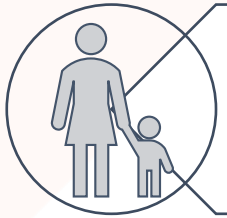
Unpacking the Paradox



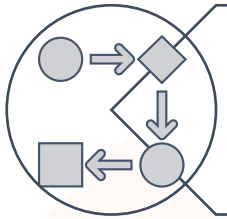
Explore why AI Adoption is stalling despite all the hype



Look at the Internal and External Factors that contribute to the adoption of Technology at a firm



Look at the role of TRUST in this adoption



Propose a Framework to build TRUST

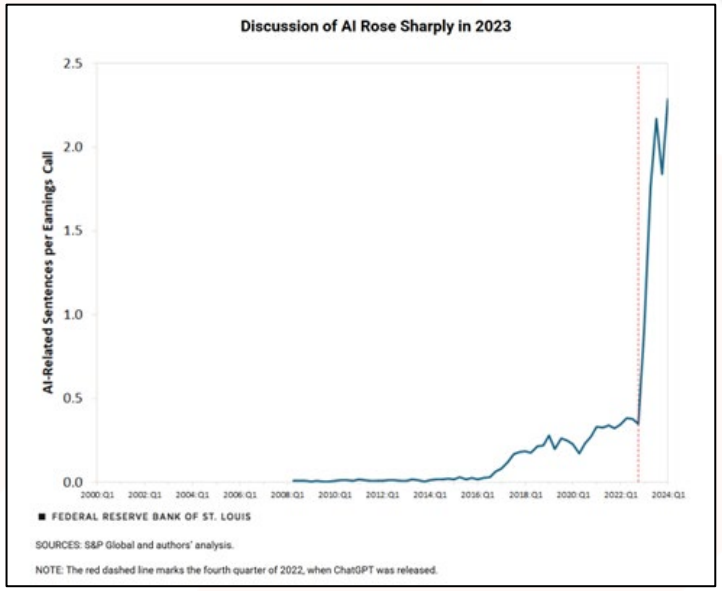
The AI Hype

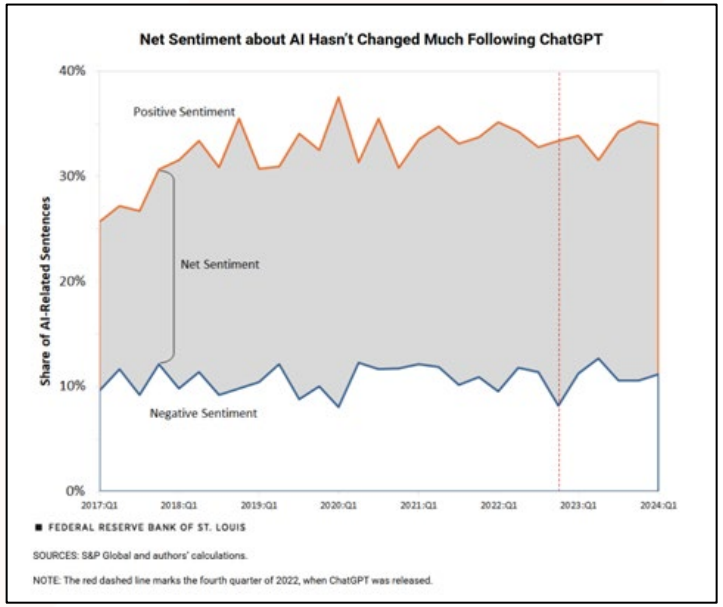
On The Economy Blog

Federal Reserve Bank of St. Louis

Following the release of ChatGPT in November 2022, discussion about AI increased not only on social media but also in the boardroom by **more than 5X**– mainly **with a positive sentiment** with the references to:

- The launch of new products and
- Increased efficiency and productivity

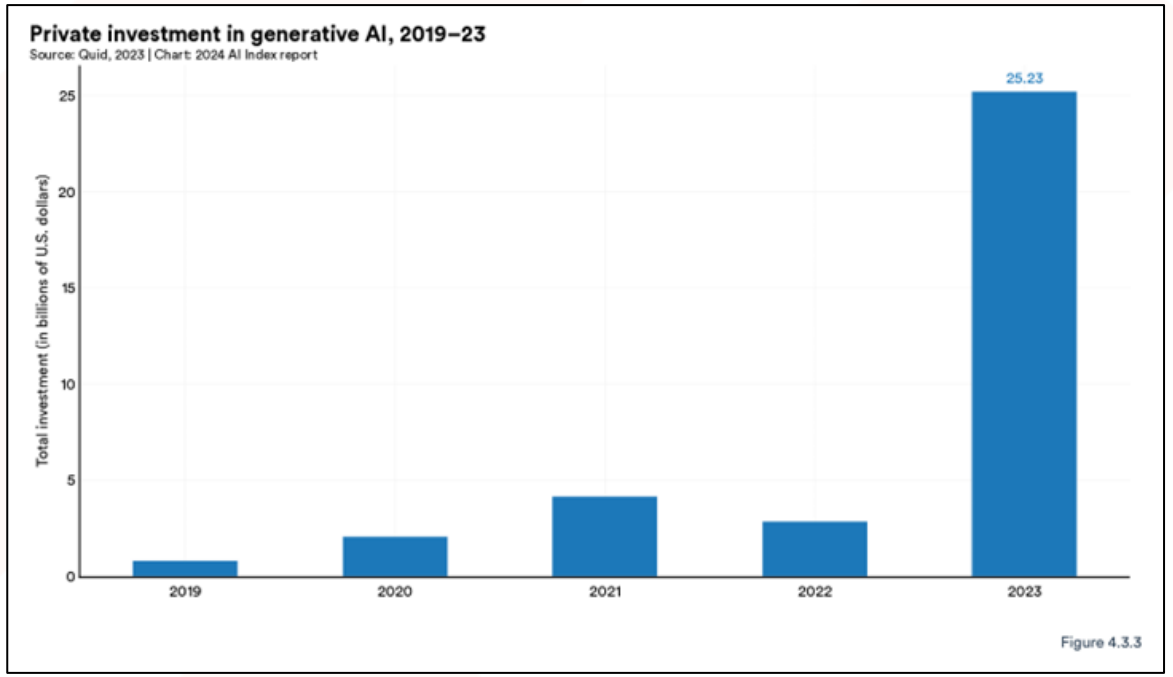




Venture Funding

Private investment in Generative AI **increased nearly <u>9X</u>** from 2022 to 2023, reaching **<u>$25.2 billion</u>** globally.

(Stanford University: Artificial Intelligence Index Report 2024)

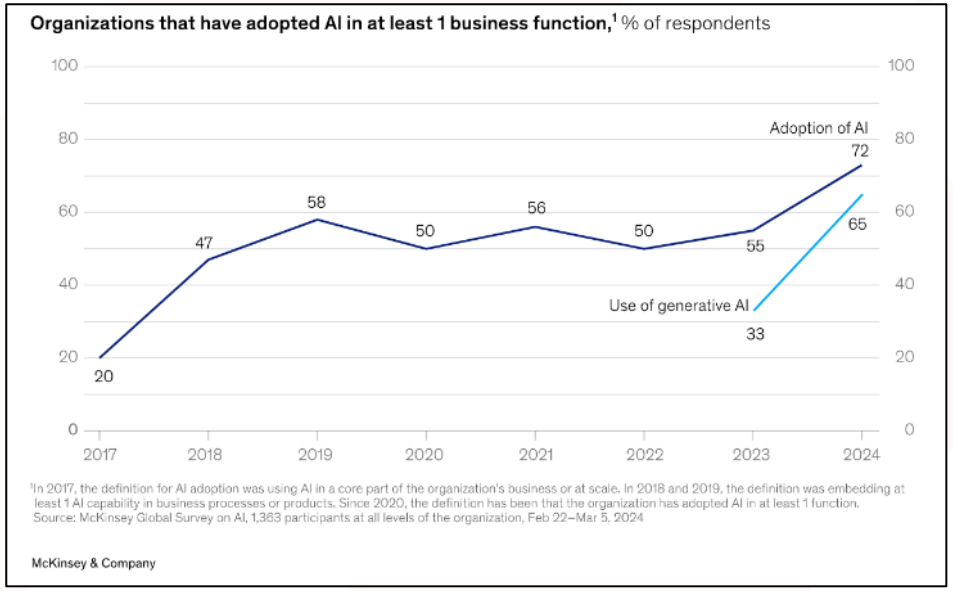


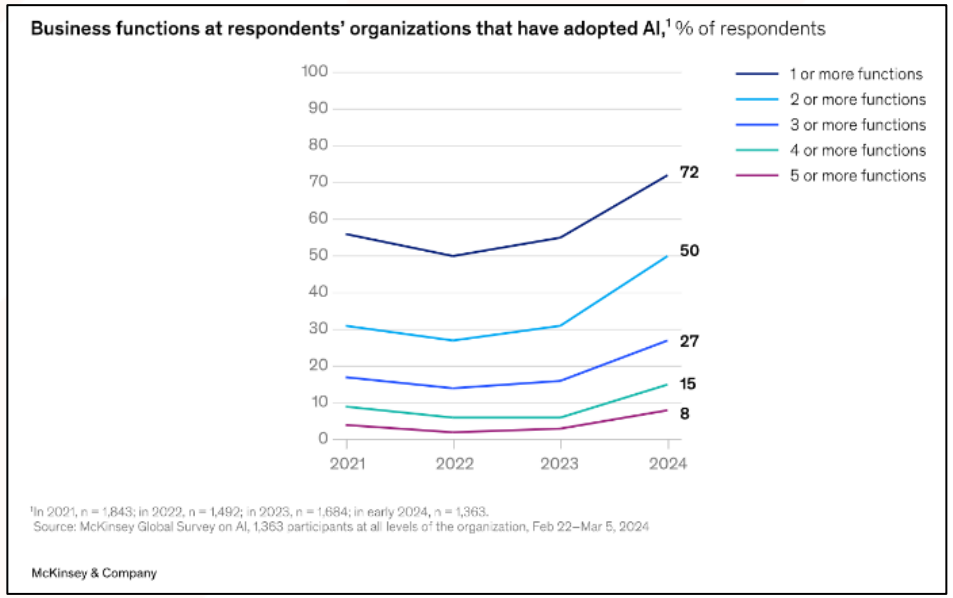
But is the discussion of AI in boardrooms and the surge in investments in GenAI sufficient evidence to dismiss AI as a fad?

McKinsey Survey (May 2024)

The adoption of GenAI is on the rise and is already generating value.

72% of the respondents reported the adoption of AI in at least one business function, and 50% reported adoption in 2 or more functions.

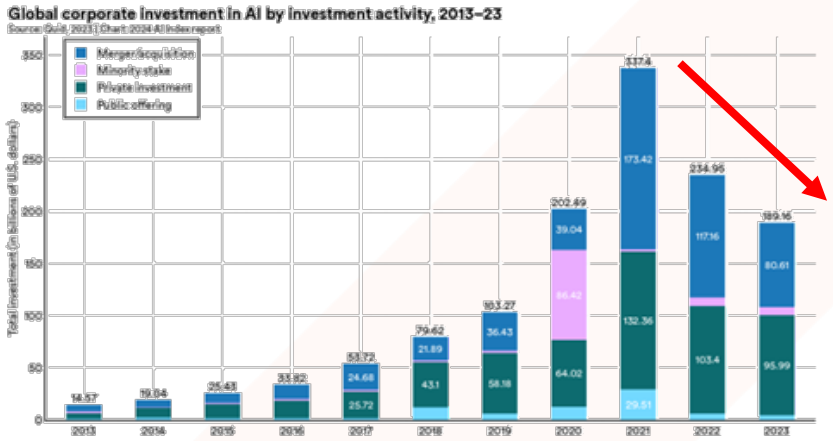




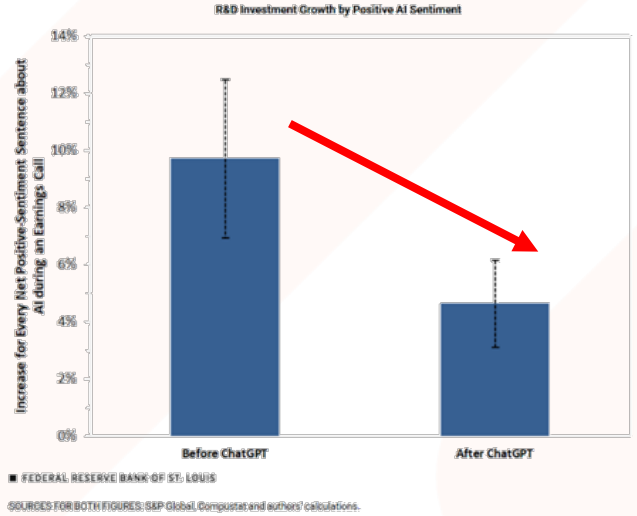
So Far, So Good!


REALITY
CHECK
AHEAD

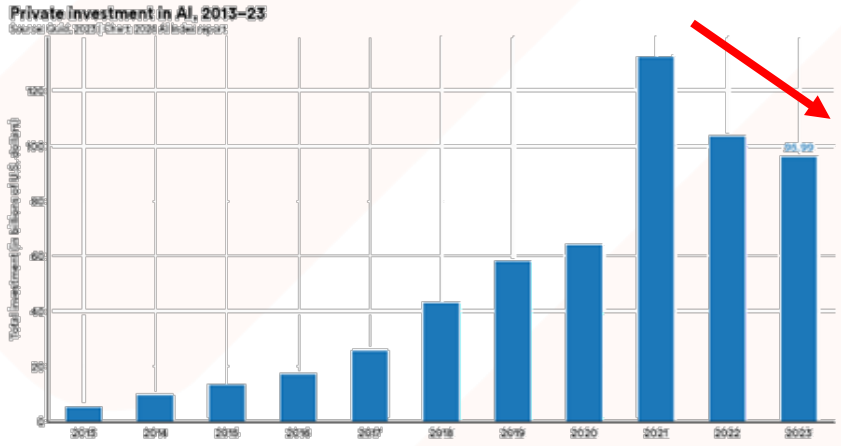
A general reversal in trends since 2021



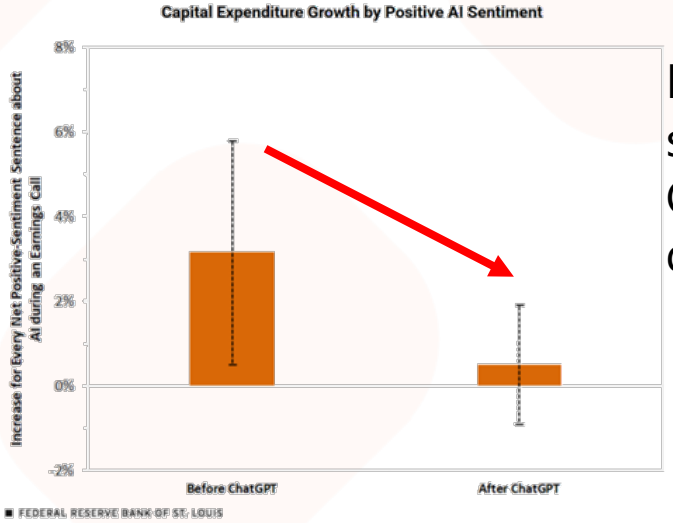
Global Investments are down



Positive sentiment-driven R&D Investments are down



Private Investments are down



Positive sentiment-driven Capital Expense is down

So, what is causing this reversal of the trend?

Is the AI hype bubble deflating,

Or

Could it be something more nuanced?

United States continue to be a leader

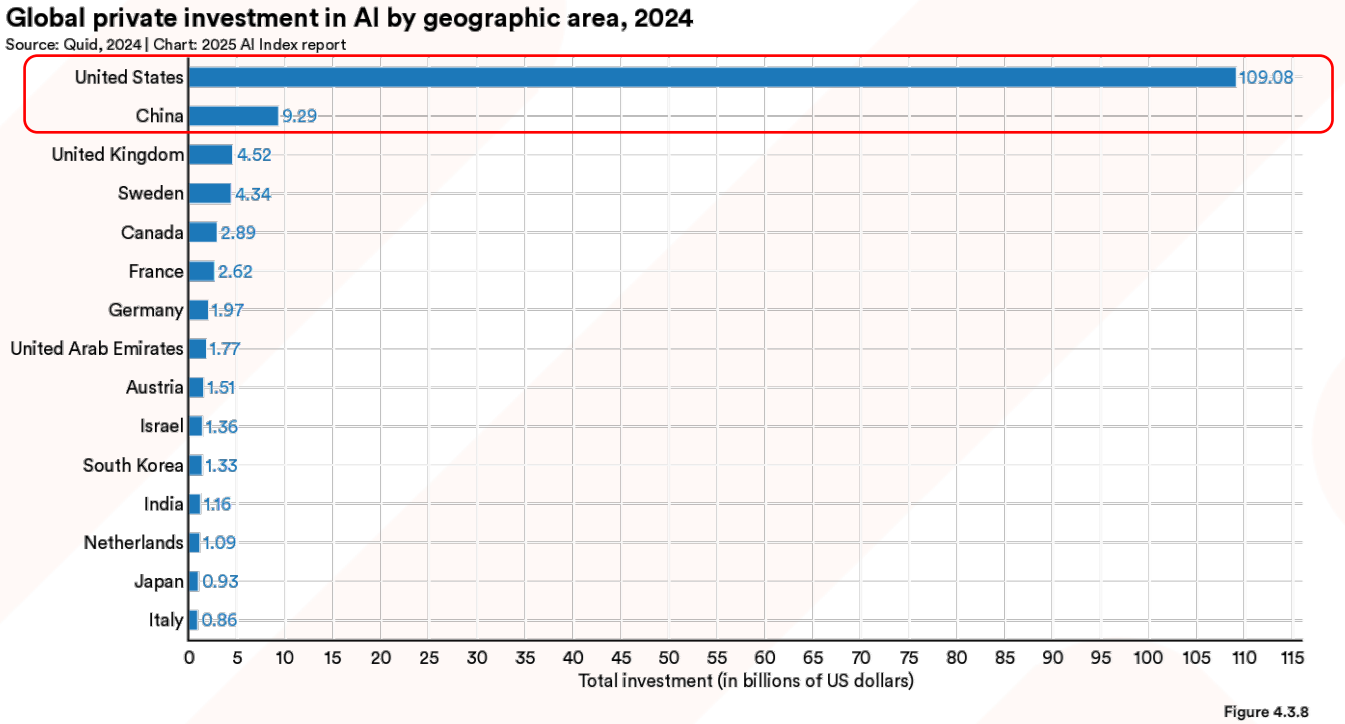


Figure 4.3.8

In 2024, the $109.1 billion invested in the United States was 11.7 times greater than the amount invested in the next highest country, China ($9.3 billion),

The issue lies in Public Opinion and overall Trust

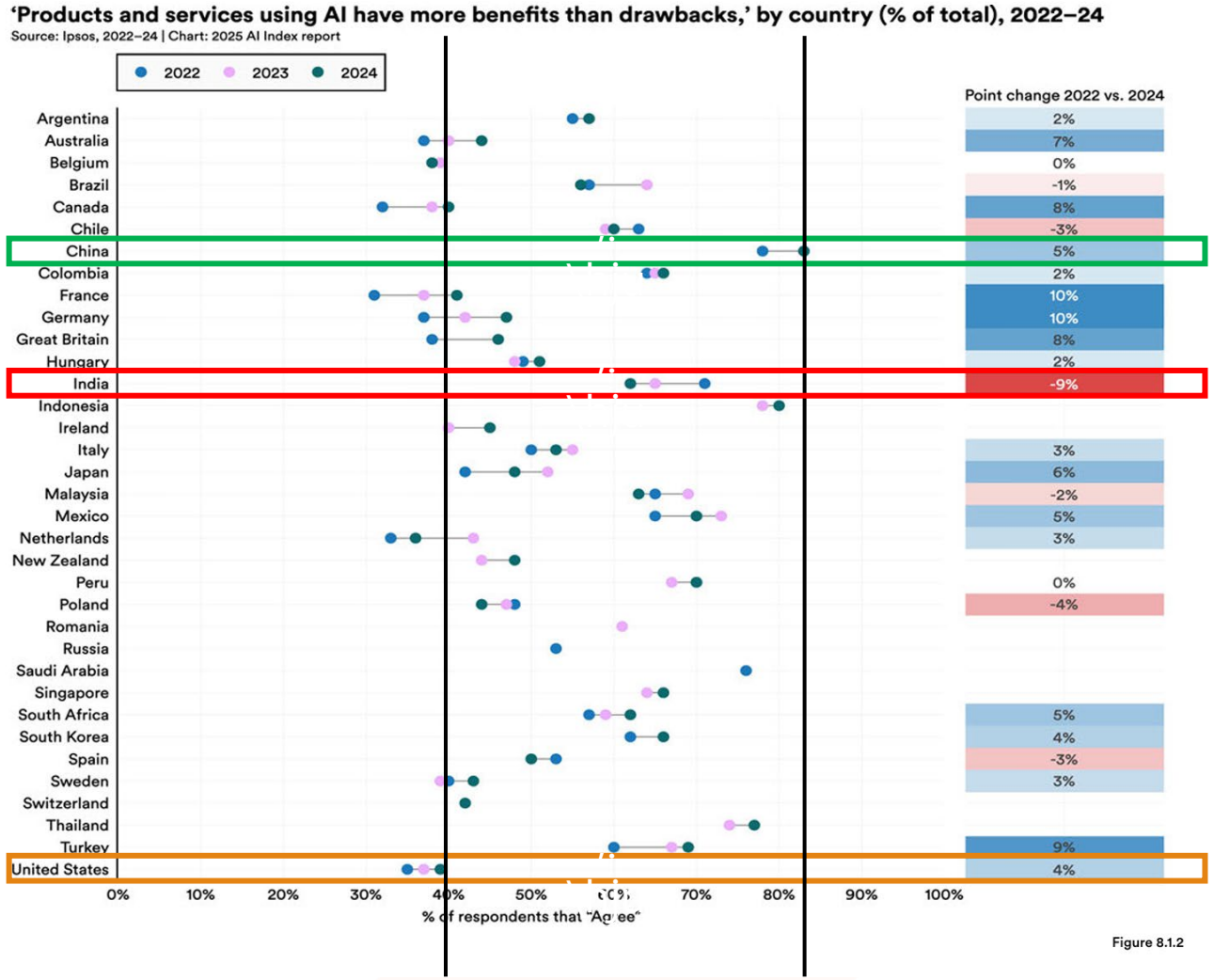
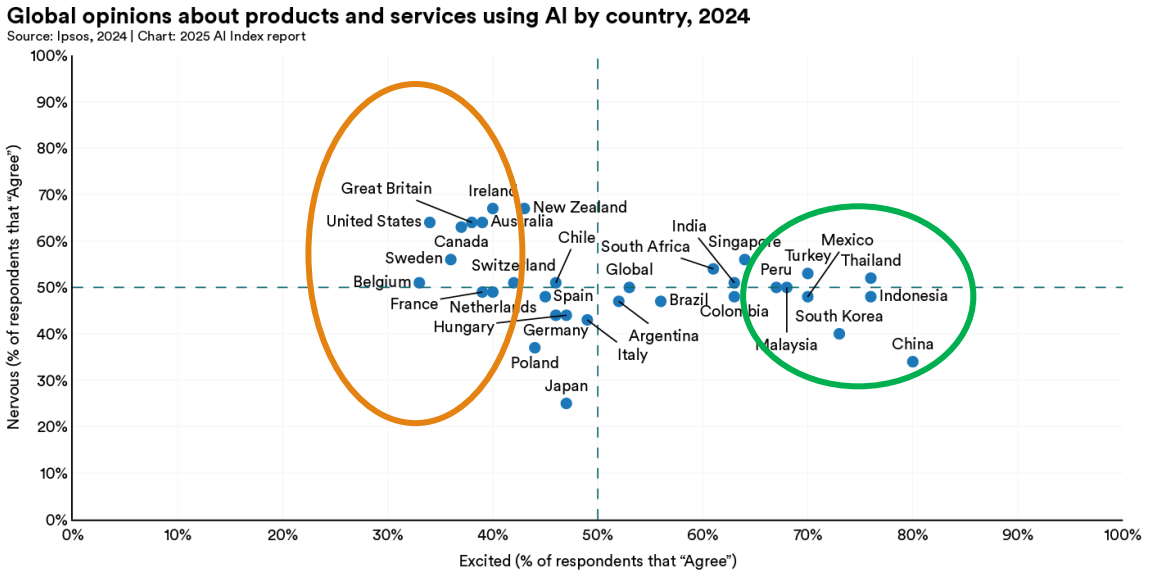
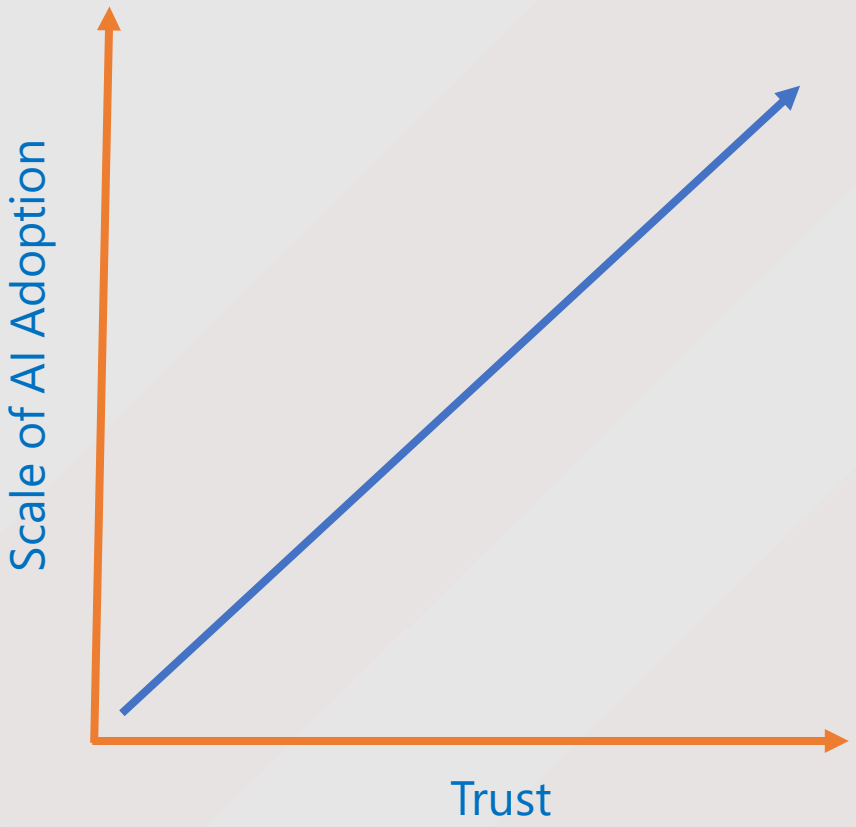


Figure 8.1.2



Western societies are more skeptical about the use of AI, believing it has more drawbacks than benefits.

The US among the worst Public Opinion countries



Hence!

We can establish that (in the US)

Scale of AI Adoption

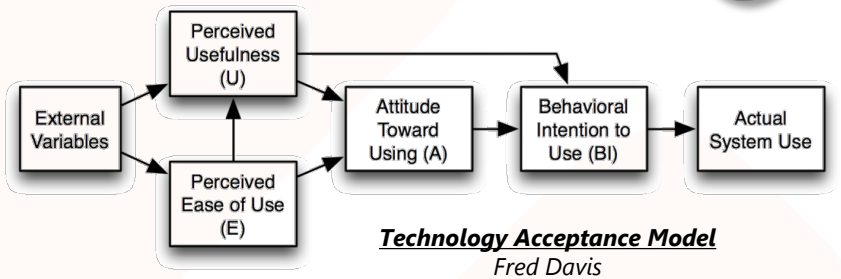
is mainly dampened by

Lack of TRUST

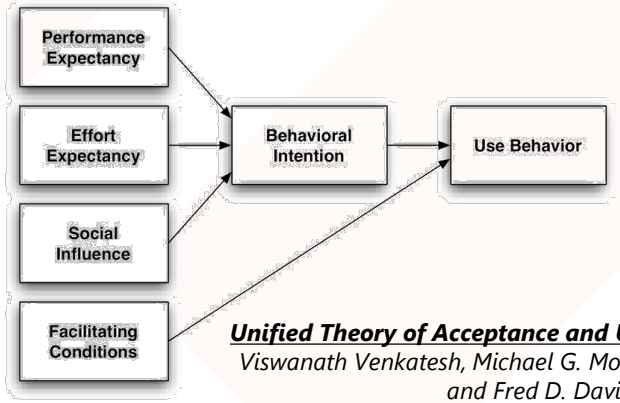

THEORY
PRACTICE

Drivers of Technology Adoption

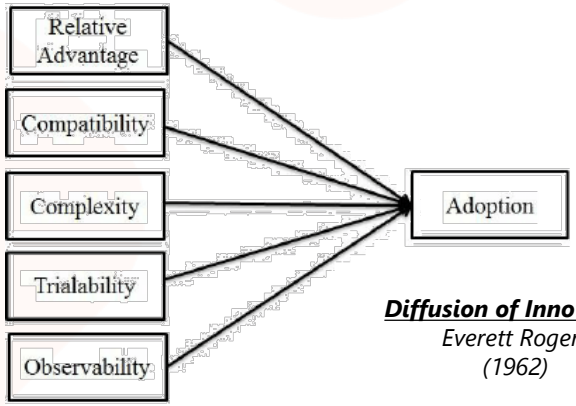
Top Management	Employees / Customers	Organizational Readiness	Environmental Pressures
Competitive Advantage	Perceived Benefits	Infrastructure	Coercive (Regulatory)
Productivity	Cultural Norms	Skills	Normative (Social and Cultural)
Efficiency	Trust and Confidence	Policies and Procedures	Mimetic (Industry and Competition)
ROI	Ease of Use		



Technology Acceptance Model
Fred Davis
(1986)



Unified Theory of Acceptance and Use of Tech (UTAUT)
Viswanath Venkatesh, Michael G. Morris, Gordon B. Davis, and Fred D. Davis
(2003)



Diffusion of Innovation
Everett Rogers
(1962)

How AI differs from other (modern disruptive) technologies (e.g., internet, mobile, cloud)

Dimension	AI	Internet	Mobile	Cloud
Trust & Explainability	Opaque decisions need transparency	Mostly visible systems	Clear user actions	Logical infrastructure
Autonomy & Control	Automates decision-making	User-driven	User-controlled	Human-directed
Learning & Evolution	Learns & adapts autonomously	Static tools	Updates manually	Scalable, not adaptive
Bias & Ethics	High risk, requires governance	Low initial risk	Design bias possible	Manageable bias risk
Workforce Impact	Job/task displacement likely	Workflow enhancement	Extends flexibility	Shifts IT roles
Adoption Complexity	High (data, change, retraining)	Plug-and-play	Convenience-led	Infra-driven
Human-Machine Dynamics	Humans supervise AI decisions	Direct interaction	Human remains in control	Supports back-end decisions
Perceived Risk	High (bias, privacy, regulation)	Initially low	Moderate	Manageable

Key challenges to Trust in AI

Lack of Transparency (Blackbox)	Autonomous Behavior (no human in the loop)	Evolutionary characteristics (self-learning and evolution)
Lack of Governance	Job Displacement	Integrity (Ethics, Bias, Empathy, Accountability)

What is TRUST?

A trusts B to do X only if A judges B to be trustworthy.
Where trustworthy means that A has good reason to believe that B is Competent in doing X.

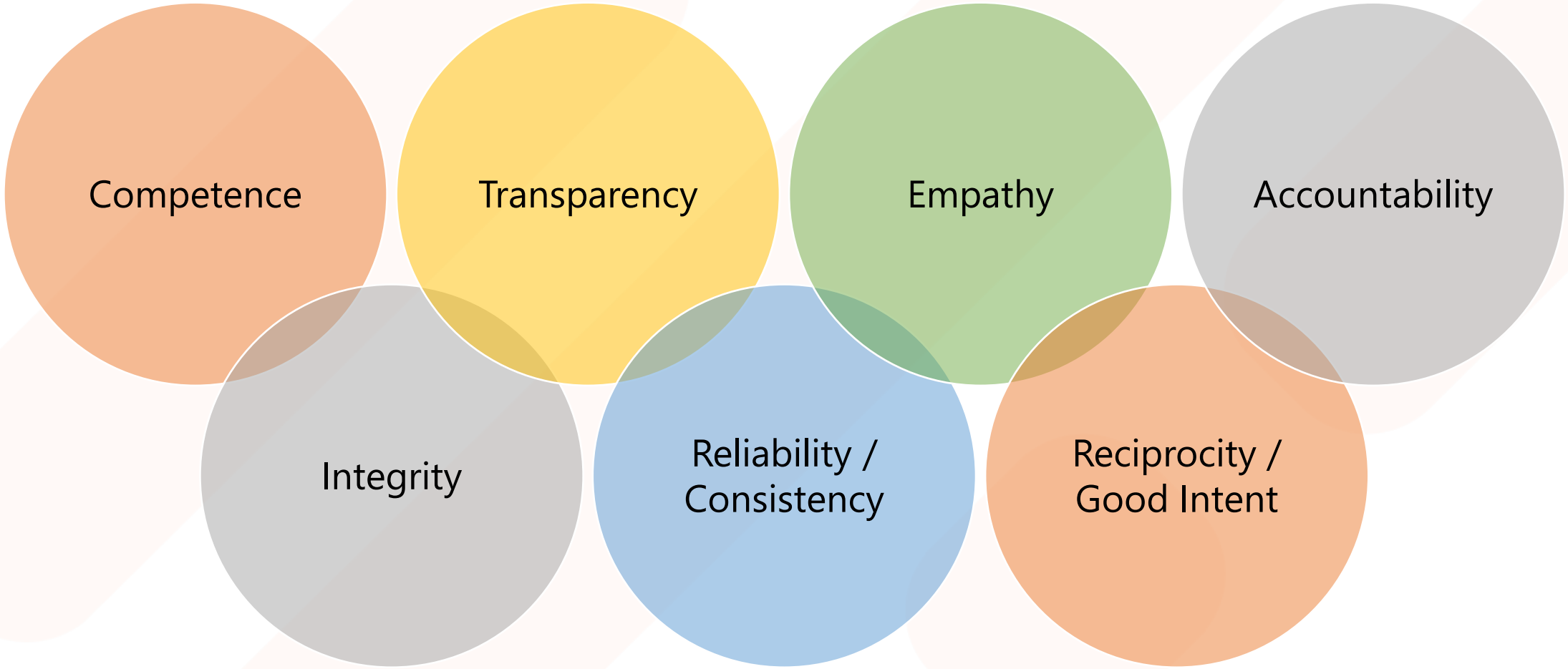
Is competence alone enough to Trust someone.
Or trusting someone also requires reliability?

A trusts B to do X only if A judges B to be trustworthy.
Where trustworthy means that A has good reason to believe that B is Competent in doing X
and that B would Act in A's Behalf.

Hence
Trust is a relationship of reciprocal duties, obligations, and expectations.

But
To be Trustworthy ...
We need the further requirement that actions are done in the right way (HOW)
and for the right reasons (WHY).

Building Blocks of TRUST



Building Trust in AI

If we don’t build trust, AI will never scale or fulfill its promise.

However, if we do, it won’t just transform our businesses.

It will reshape how we work, think, and lead.

From Hype To Trust: AI Adoption in 2025 and Beyond

Research Shows

Companies with HIGH INTERNAL TRUST are 2.6X more likely to succeed in AI adoption than LOW TRUST peers.

AI TRUST (in Organizational Context)

TRUST in the **Technology**

The technology works as intended

TRUST in the **Outcomes**

The recommendations and decisions are fair and reliable

TRUST among the people using or affected by the **Use** of technology

The technology is implemented with their best interests in mind

Two Forms of TRUST in Organizational setting

Cognitive Trust

The Rational Belief in AI's capability and performance

- Evidence based
- Questions: AI's competence, accuracy, and effectiveness
- Requires: Transparency, Validation, Demonstrable Performance

Emotional Trust

The Gut Feel

- Based on the user's comfort in the use of AI
- Reflecting whether the user feel
  - Secure
  - Not Threatened
  - Positively inclined toward AI use

Building TRUST capital

Cognitive Trust is relatively easy to build

- Robust AI
  - Rigorous Testing, Bias Mitigation, Well-bounded tasks to prove reliability
- XAI
  - Provide explanations for AI-based decisions and outcomes

Emotional Trust requires Leadership and Change Management

- Communication
  - Communicate the organizational goals
- Transparency
  - Ensure that the people understand how their roles will adjust, enhance, evolve, or be replaced by AI
- Empowerment
  - Involve Users early
  - Invest in Training

Trust Building Framework

ID	Phase	Goal	Trust Element
1	Awareness & Strategic Alignment	Build foundational trust by aligning AI vision with organizational values and priorities	Transparency, Integrity, Competence
2	Design & Co-Creation	Foster empathy and shared identity by involving users in design and data governance.	Empathy, Transparency, Reciprocity
3	Pilot & Evaluate	Demonstrate competence and predictability while validating assumptions.	Competence, Consistency, Accountability
4	Scale & Sustain	Reinforce trust through transparent scaling, continuous learning, and accountability.	All seven components

Recommended Best Practices:

- Involve users early and often (co-design, feedback).
- Design for transparency (explainable models, dashboards).
- Address fairness and bias proactively.
- Build change management and training into the core plan.
- Set up clear accountability (human oversight, escalation paths).
- Share wins and lessons to reinforce trust post-deployment.

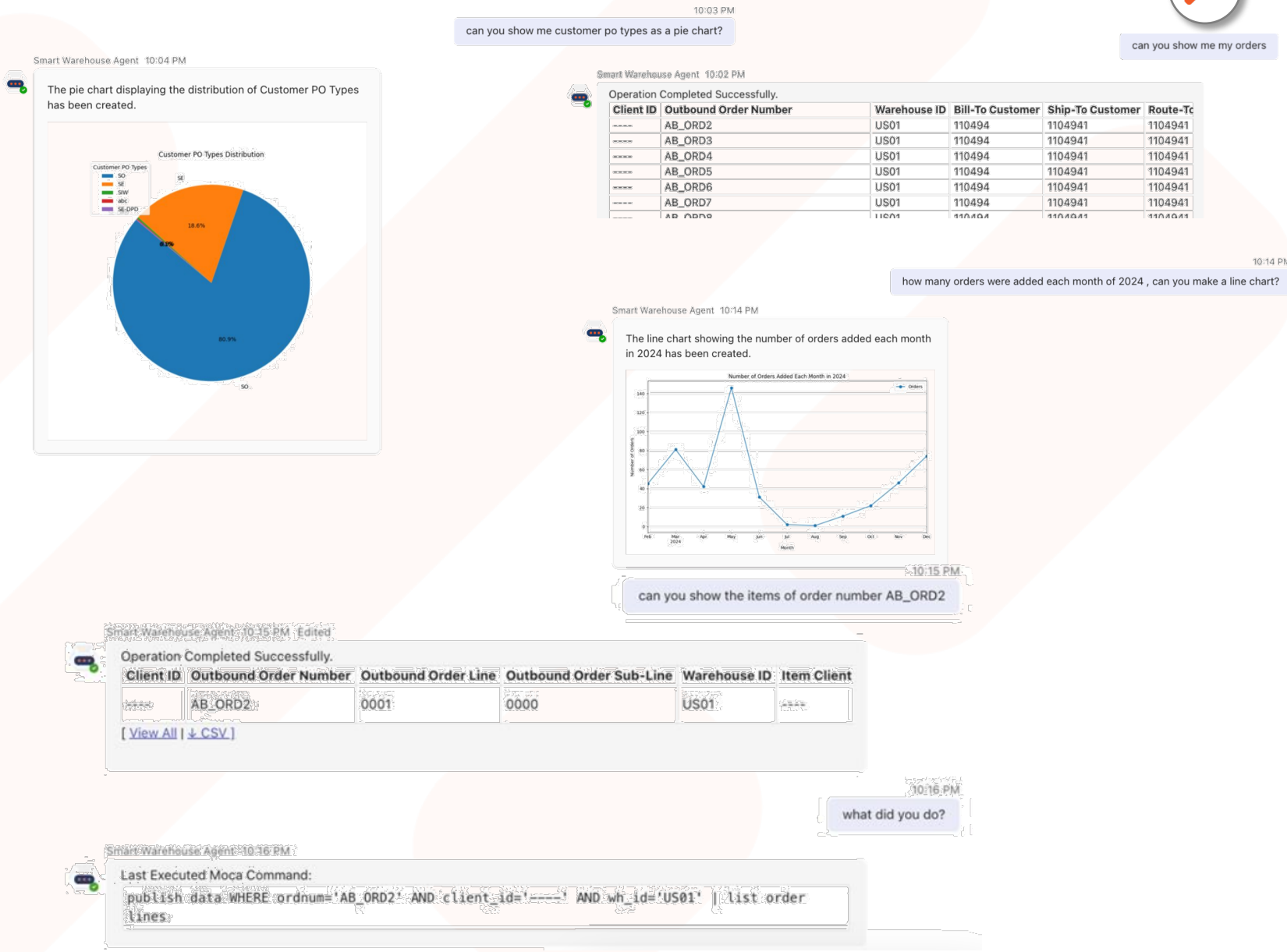
AI in Action (1/2)

- Created this application and AI Agent using AI tools in less than 8 hours
- The application will capture your input
- The AI Agent will synthesize all the user inputs to provide:
  - Thematic Analysis
  - Sentiment Analysis
  - Keywords List
  - Top Insights
  - Detail Report

https://tinyurl.com/ai-in-act

AI in Action (2/2)

- Commercial use Smart Agent developed by Smart IS for warehouse operators
  - Integrated in MS Teams to help users Ask Questions from the BY system, for example:
    - Can you show me my orders?
    - Can you show me customer types as a pie chart? (from above data)
    - How many orders were added each month of 2024 , can you make a line chart? (from above data)
    - Can you show the items of order number AB_ORD25
    - What did you do for above, show me the code?
  - Agent is security and context aware
  - Agent helps to answer the questions w/o having to log into the BY application



Thank you!

Javad.Ahmad@Smart-IS.com

Distrust

- Full Distrust
  - No trust at all
  - Rejecting AI completely
- Uncomfortable Distrust
  - A dangerous mismatch where the user relies on the AI logic but harbors negative feelings, or vice versa

These trust issues can lead to problematic behaviors:
Some employees may manipulate or game the AI (feeding it biased inputs to obtain desired outputs) or avoid using it, except when forced, which in turn leads to poor outcomes that further erode trust.

<u>Thus begins a vicious cycle:</u>

Lack of trust -> Low adoption -> Poorer AI performance (due to less usage/data or misuse) -> Even lower trust.