

Beyond the Algorithm: Why AI Fails & How to Fix It

The Problem: Why AI Investments Fail

UP TO
95%
of AI initiatives fail to deliver intended value.

Far higher than typical corporate change projects.



The Real Culprit: A "Technosolutionist" Mindset.

Leaders mistakenly treat AI adoption as a purely technical problem, ignoring human behavior.

3 Core Psychological Barriers Drive Resistance.



Loss Aversion:

Employees focus on potential job losses, not efficiency gains.



Algorithm Aversion:

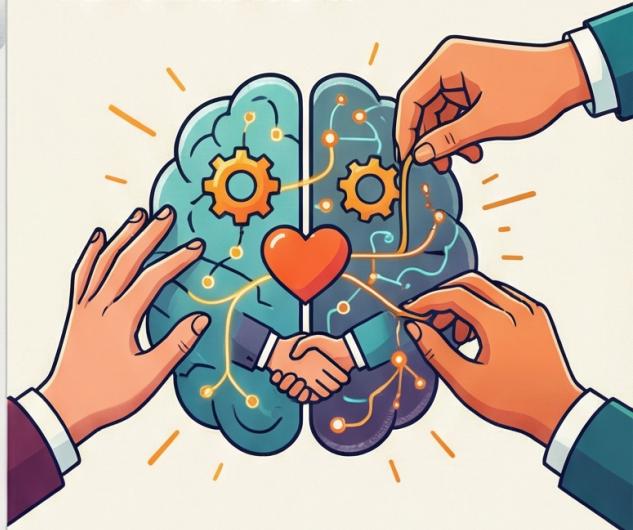
People quickly lose trust in algorithms after seeing them make a single mistake.



Availability Heuristic:

Vivid, memorable AI failures are overweighted in people's minds.

The Solution: A Human-Centered AI Framework



Frame AI as Augmentation, Not Replacement.

Position AI as a tool that enhances human skills, freeing people for higher-value work.

Be Transparent About AI's Limits & Capabilities.

Proactively communicating an AI's error patterns paradoxically builds more robust user trust.



Co-Design Systems with End-Users.

Involving employees in the design process creates psychological ownership and better tools.

Start with Small, Visible Wins.

Target initial AI rollouts to solve clear pain points and build momentum for change.