

# The Productivity Paradox

AI is poised to unlock unprecedented gains, but a hidden social dynamic is sabotaging its potential. We call it 'AI Shaming.'

# When Visibility Becomes a Liability

Field experiments reveal that workers systematically avoid using AI when they know they are being watched, even when it hurts their performance.



**14%**

Reduction in AI reliance when usage becomes observable to evaluators.

**3.4%**

Decrease in task accuracy, a direct performance penalty.

**1 in 4**

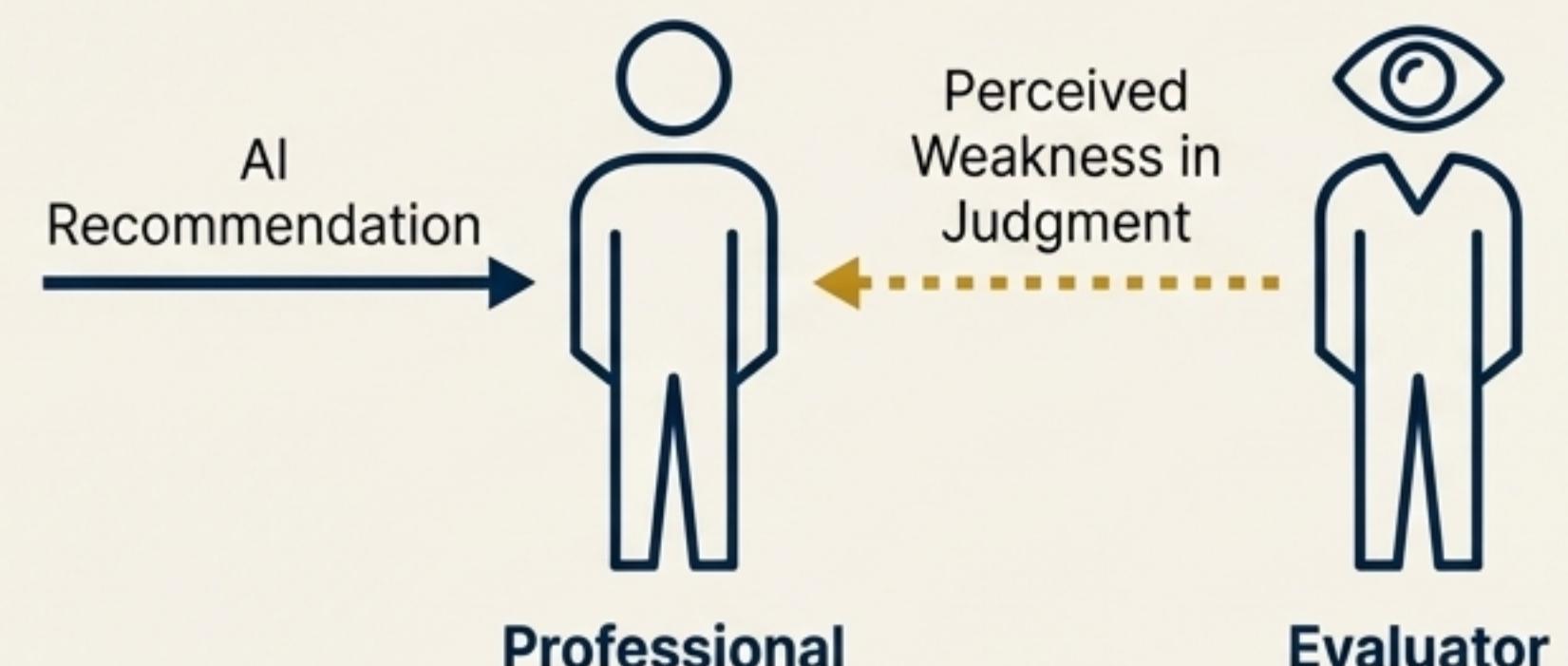
Potential successful human-AI collaborations are lost due to these visibility concerns.

# The Fear of Being Judged: Defining ‘AI Shaming’

AI shaming is the emerging workplace norm where heavy or visible reliance on AI signals a lack of confidence, competence, or independent judgment.

## Core Mechanism

- Workers fear that using AI makes them look weak in professional judgment—a trait increasingly valued in AI-assisted work.
- They trade measurable accuracy for the perception of independent decision-making.
- This is a social image concern: it's not about actual performance, but about how adoption *behavior is interpreted* by supervisors and peers.



# The Organizational Cost: Unrealized Value and Misallocated Talent

The impact of AI shaming compounds across the organization, creating two distinct costs.

## Direct Performance Losses

Billions in Unrealized Productivity



**Legal:** 90% of pretrial judges perform worse than algorithms when overriding recommendations. (Angelova et al., 2025)



**Hiring:** Managers systematically deviate from predictive models, often due to personal biases, leaving gains unrealized. (Hoffman et al., 2018)



**Healthcare:** In radiology, providing AI predictions often fails to improve diagnostic performance due to overconfidence and ineffective integration. (Agarwal et al., 2023)

## Talent Misallocation

Rewarding the Wrong Signals

When AI use is stigmatized, organizations inadvertently reward signals of *independent judgment* over *collaborative effectiveness*.

**Consequence:** High-ability workers who would benefit most from AI have an incentive to limit its use, distorting selection, retention, and promotion.

# The Human Cost: A Tax on Wellbeing and Careers

Beyond performance metrics, AI stigma imposes direct psychological and economic costs on your workforce.

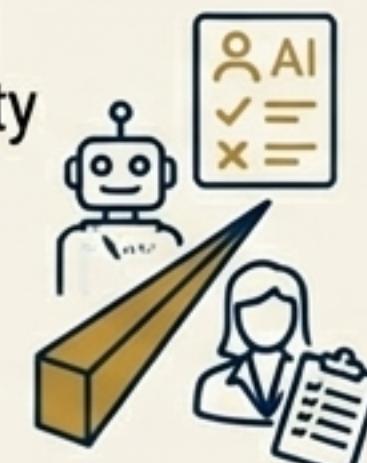
## Psychological Stress & Wasted Effort

- Workers increase initial-choice effort by **10%** when watched, suggesting compensatory stress.
- This extra effort does *not* improve performance, meaning it is wasted cognitive load driven purely by image management.



## Career Risk & Evaluation Penalties

- A wedge is created between productivity and perceived competence. High performers who use AI may receive lower evaluations.
- This particularly impacts freelancers, gig workers, and remote contractors who depend heavily on reputational signals.



## Deskilling & Identity Threat

- Workers view 'confidence in own judgment' as the most critical trait to signal.
- Heavy AI reliance can feel like it undermines professional identity, deterring talent from roles perceived as algorithmically dominated.



# Conventional Fixes Are Not Enough

Field evidence shows that the most common interventions fail to solve the problem of AI shaming.

## What Doesn't Work

- **Explicit Reassurance:** Telling workers they are only being judged on accuracy.
- **Clarifying Evaluation Criteria:** Explicitly stating the rules of assessment.
- **Direct Experience:** Having workers act as evaluators themselves does not mitigate the stigma.

## The Reason

The behavior is rooted in deep-seated social norms and workers' projections of how *they themselves* would judge others. Three additional AI adoptions are penalized more than one incorrect answer by peer evaluators.

**The Path Forward:** Overcoming AI stigma requires a multi-layered strategy that addresses transparency, fairness, skills, and the underlying organizational structure.

# The Playbook Part 1: Build a Foundation of Transparency and Fairness

## Recalibrate Transparency

Shift the narrative from AI reliance being a weakness to a rewarded competence.

- Publish anonymized usage data showing high performers adopt AI.
- Explicitly weight “effective use of decision-support tools” in evaluation rubrics.
- Have leaders visibly model and discuss their own AI use.

### Case in Point: Microsoft



Developed “AI Fluency” metrics for Copilot tools. Managers get reports on team adoption, and high-adoption teams are featured in internal case studies and town halls.

## Engineer Procedural Justice

Design evaluation systems that are consistent, suppress bias, and give workers a voice.

- Use blind reviews of outputs before revealing AI usage data.
- Train evaluators in calibration sessions to distinguish outcomes from process.
- Involve workers in co-designing the metrics for AI-assisted work.

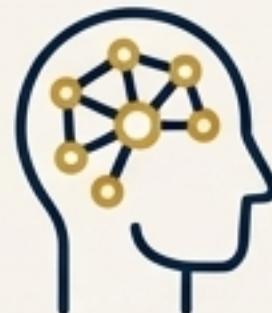
### Case in Point: Deloitte



Convened working groups to co-design evaluation rubrics that assess “synthesis quality” (how well consultants integrate AI outputs) instead of raw adoption rates.

# The Playbook Part 2: Develop Verifiable Capability and Skill

Stigma often reflects genuine skill gaps. Address it by building both technical proficiency and psychological legitimacy.



## Train for Collaborative Judgment

Use simulation-based training with historical cases to help workers learn *when* to trust and *when* to override AI recommendations.

## Foster Peer Learning

Identify "AI Champions" and create communities of practice where they can share effective strategies and normalize adoption.

## Certify Competence

Shift the signal from "uses AI" (stigmatized) to "credentialed in AI collaboration" (a professional achievement).

### Case in Point: Cleveland Clinic

Developed a tiered training and certification program for diagnostic AI. "Collaborative diagnosis" certification is noted in credentialing files and valued in advancement, reducing stigma and improving diagnostic accuracy.

# The Playbook Part 3: Redesign Workflows and Governance

Structural changes to how work is monitored and designed can alter the observability and interpretation of AI adoption, making stigma irrelevant.

## De-Individualize Monitoring & Distribute Authority

- Track AI collaboration effectiveness at the team or unit level, not the individual level.
- Require sequential review protocols where multiple actors engage with AI outputs, diffusing attribution.



## Architect Smart Defaults & Focus on Outcomes

- Make AI recommendations the default starting point, requiring active override rather than active adoption.
- Tie accountability to final results (e.g., portfolio performance, diagnostic accuracy), not process compliance or override frequency.



### Case in Point: JPMorgan Chase

Redesigned credit-risk workflows. Loan officers must document reasons for *diverging* from AI models but not for aligning. Performance reviews focus on portfolio outcomes, not override rates, reframing AI adoption as the unremarkable baseline.

# The Long-Term Solution: Evolve Your Culture and Psychological Contract

Durable change requires redefining professional identity around collaborative effectiveness and connecting AI use to a mission that transcends individual performance.

## Recalibrate the Psychological Contract



- Update competency frameworks to explicitly value "algorithmic fluency" and "human-AI synthesis."
- Use leadership storytelling to reframe AI as a "copilot" that enhances, rather than replaces, expertise.



### Case in Point: Mayo Clinic

Launched a "Precision Medicine Champions" program, framing AI collaboration as advancing the core medical identity of "evidence-based, patient-centered care," shifting AI use from threatening to identity-affirming.

## Connect to Purpose and Mission



- Position AI adoption as a tool for advancing patient outcomes, client service, or social impact.



- Emphasize collective capability, framing AI as a team tool to achieve a shared mission.

### Case in Point: Partners HealthCare

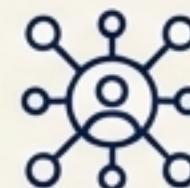
Framed a sepsis prediction algorithm through patient-safety narratives, sharing cases of lives saved. This mission alignment reduced adoption stigma among physicians.

# Making it Stick: Distributed Leadership and Continuous Learning

Static solutions will fail. Build adaptive systems that distribute oversight and use data to refine your approach continuously.

## Distributed Leadership & Governance

**Goal:** Reduce stigma risk by decentralizing oversight.



Establish cross-functional AI councils with worker representation.



Use rotating evaluation responsibilities to prevent knowledge concentration.

### Case in Point: Siemens



**SIEMENS**

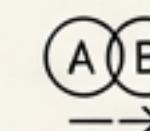
Established 'AI Collaboration Committees' at major facilities, including engineers, operators, and union reps. These committees have authority to override HR policies deemed stigmatizing.

## Continuous Learning Systems

**Goal:** Use data to evolve norms and interventions.



Provide anonymized team dashboards showing a positive correlation between AI adoption and performance.



Run A/B tests on different communication strategies or evaluation frameworks.

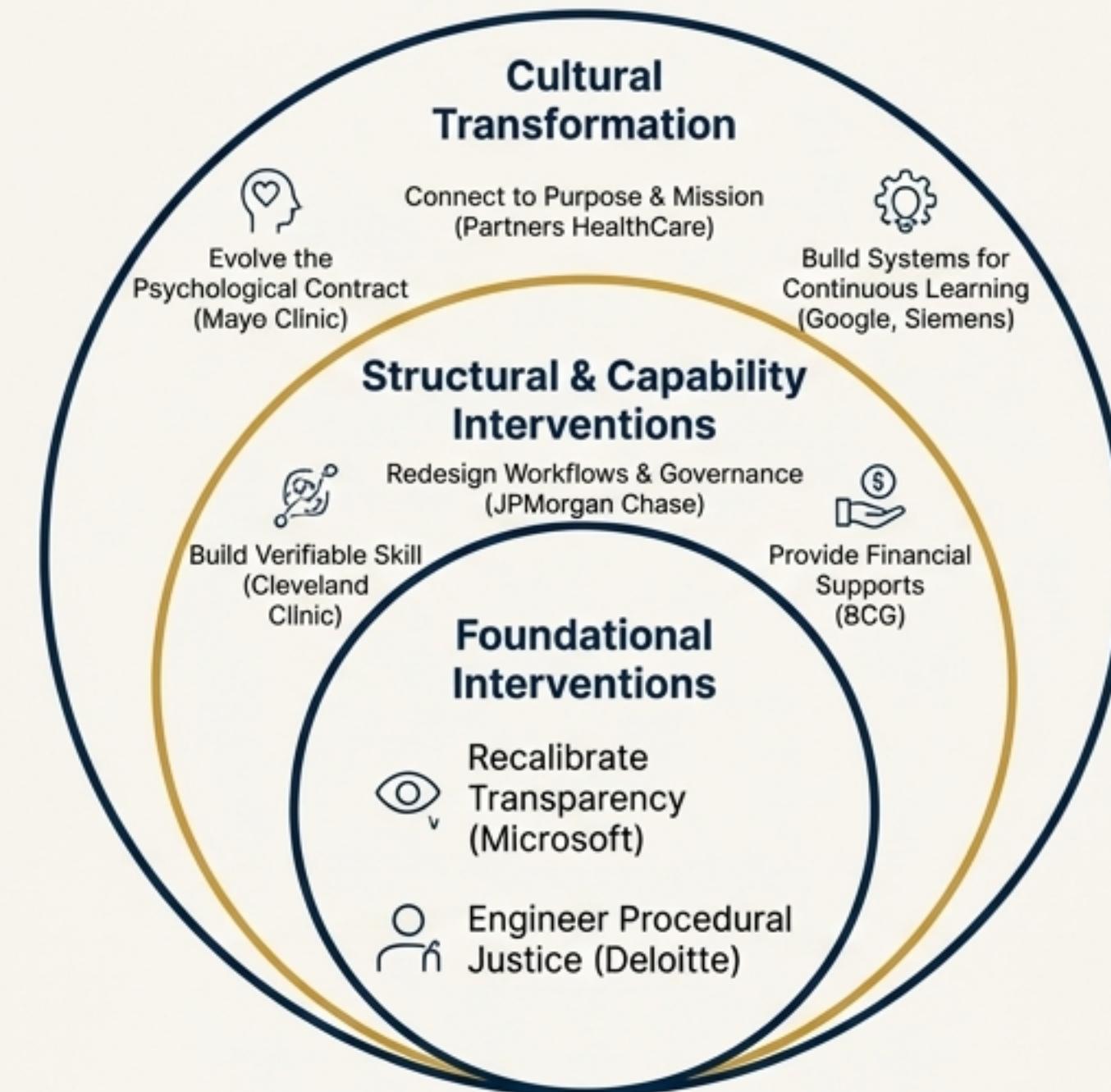
### Case in Point: Google

**Google**

The People Analytics team runs continuous, randomized experiments on AI tool adoption. Findings are shared transparently, and effective practices are scaled, maintaining high integration while minimizing stigma.



# An Evidence-Based Framework for Overcoming AI Stigma



The solution is not a single initiative, but a **socio-technical system** designed to **realign individual incentives with organizational outcomes**.

# The Path Forward Demands Three Commitments

Technology adoption is a social challenge, not just a technical one. Organizations that thrive will be those that master the human dynamics of collaboration.

**1.**

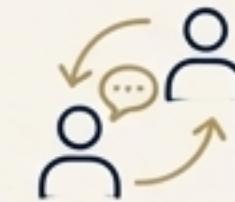
**1. Separate Outcome from Process.**



**Action:**  
Evaluate employees on results (accuracy, quality, impact). Monitor AI adoption patterns separately, at aggregate levels, to inform strategy without creating individual exposure.

**2.**

**2. Redefine 'Competence' as Collaborative Judgment.**



**Action:**  
Update performance frameworks and career paths to explicitly value and reward human-AI synthesis. Signal that true expertise includes leveraging tools effectively.

**3.**

**3. Experiment Relentlessly and Learn.**



**Action:**  
Treat your interventions as experiments. Use A/B testing, team-level dashboards, and structured reviews to discover what works in your context and accelerate the evolution of productive norms.