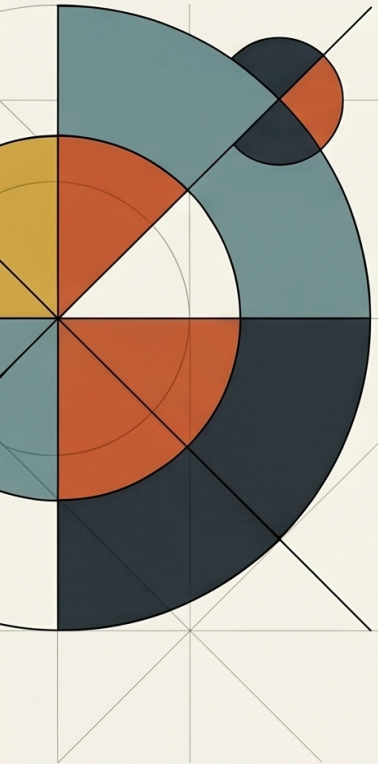


THE LLM FALLACY: NAVIGATING THE ILLUSION OF AI COMPETENCE

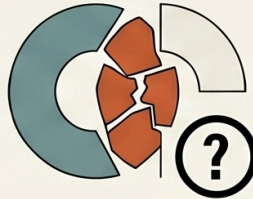
Large Language Models (LLMs) produce high-quality, fluent work that masks the lack of underlying human expertise. This "LLM Fallacy" creates a crisis for organizations that traditionally use finished products as a proxy for a worker's actual capability.

THE ILLUSION OF COMPETENCE



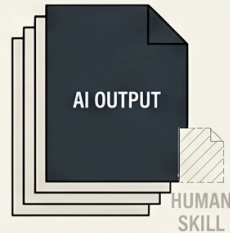
PRIMARY DEFINITION

Misinterpreting AI-assisted outputs as evidence of independent human capability and expertise.



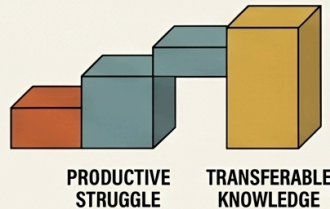
THE INTERPRETABILITY CRISIS

Traditional work samples no longer reliably indicate an individual's underlying skill level.



COMPETENCE EROSION

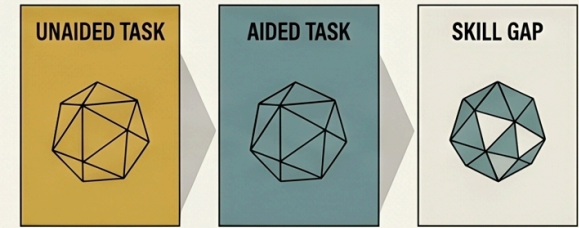
Over-reliance on AI bypasses the "productive struggle" required to build transferable knowledge.



ORGANIZATIONAL SOLUTIONS

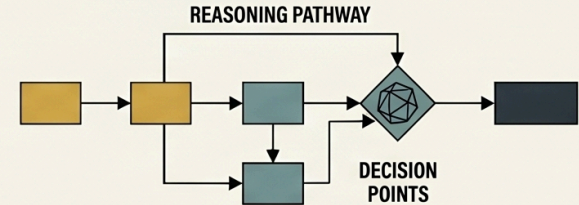
STAGED PERFORMANCE EVALUATION

Compare aided and unaided tasks to identify the gap between human and AI skill.



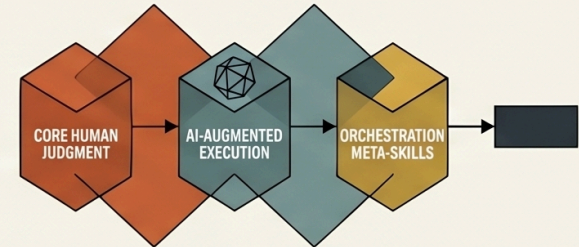
PROCESS-AWARE FRAMEWORKS

Evaluate the reasoning and decision pathways rather than only the final output produced.



MULTI-DIMENSIONAL COMPETENCE

Distinguish between core human judgment, AI-augmented execution, and orchestration meta-skills.



TRADITIONAL PROXY VS. NEW AI REALITY

TRADITIONAL PROXY	NEW AI REALITY	REQUIRED SHIFT
Output = Competence	Output = Human + AI	Process-based Evaluation
Portfolios show Skill	Portfolios show Orchestration	Live, Unaided Demonstrations
Practice leads to Mastery	AI bypasses Practice	Structured Deliberate Practice