

September 16, 2025

MSI WEBINAR

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The AI Usage Conundrum

**What you need to know to protect your brand, your customers,
and your employees from AI reliance**

Show your hand

*Do you use generative
AI at work?*

Show your hand

*Do you disclose your
AI usage to others?*

Dilemma

To disclose or not disclose AI usage?

A growing concern in the workplace, as discussed in the popular press (e.g., Agarwal, 2023; DeRose, 2023; Gay, 2024).

Does disclosing the use of AI compromise trust in the user?



What is trust?

The willingness to make oneself vulnerable to actions of another party

(Mayer et al., 1995)

Claim

**The hidden cost of AI
disclosure:**

A loss in trust

Interesting because

**Prior work: AI makes
workers productive**

(Brynjolfsson et al., 2023; Dell'Acqua et al., 2023; Jia et al., 2024; Noy & Zhang, 2023)



**Social evaluation
of AI usage**

Interesting because

**Prior work: transparency
yields favorable results**

(Schnackenberg & Tomlinson, 2016; Grimmelikhuijsen & Meijer, 2012; Sah et al., 2018)

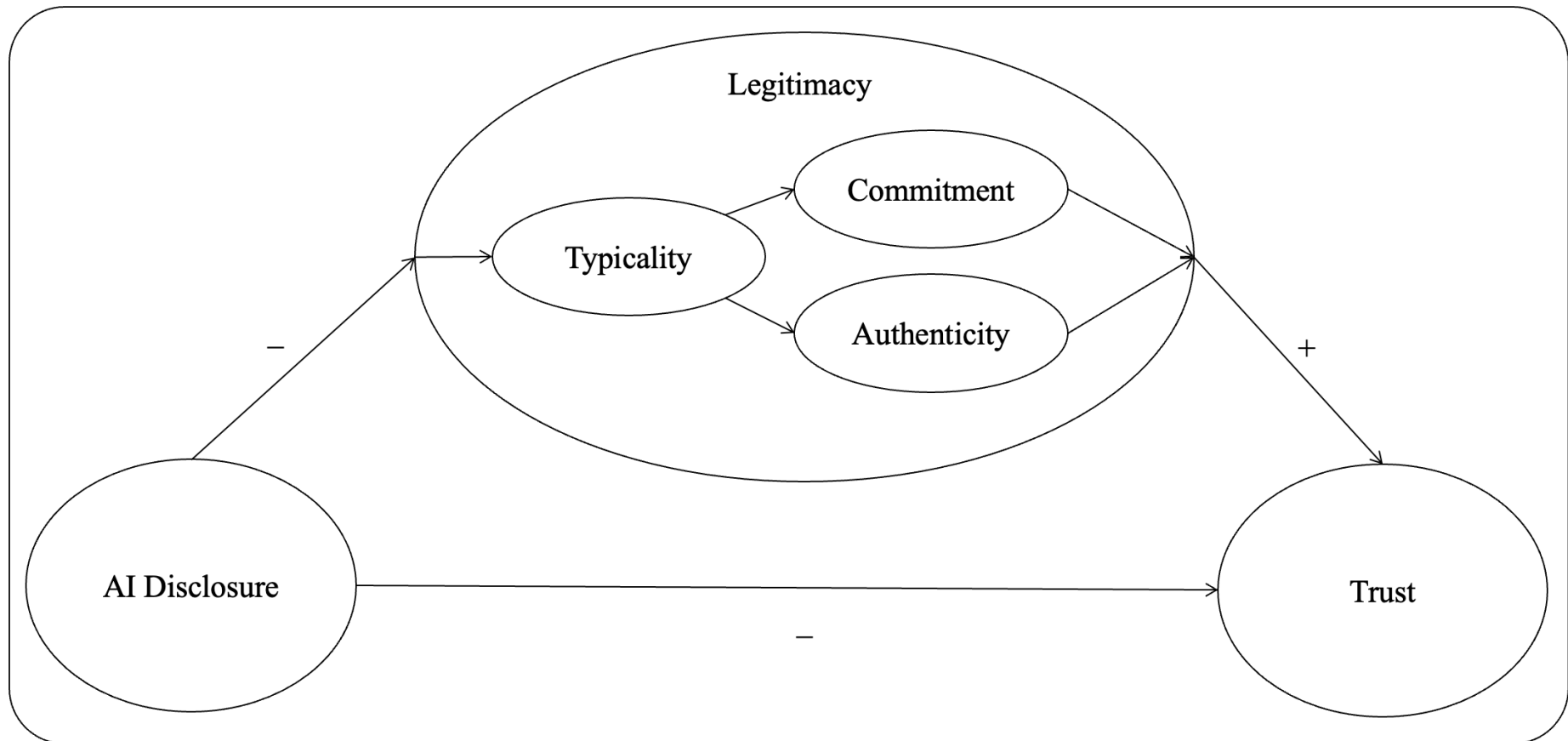


**Transparency on
AI usage backfires¹⁰**

Overview of hypotheses



Overview of hypotheses



Overview of studies

13 experiments

1 meta

All experiments were piloted and all hypotheses and planned-for sample sizes were preregistered on OSF. Exact materials, data, and code are available for download on OSF.

Work tasks studied

- **Grading students**
- **Writing a job application**
- **Creating an advertisement**
- **Writing an annual performance review**
- **Writing emails to coworkers**
- **Writing a letter of termination or one of employment**
- **Preparing a bio sketch**
- **Communicating health and safety guidelines**
- **Processing an insurance claim**
- **Preparing someone's tax return**
- **Designing a postcard**

Based on relevant contexts in which AI usage is particularly common (McKinsey, 2023).

Experiment 3

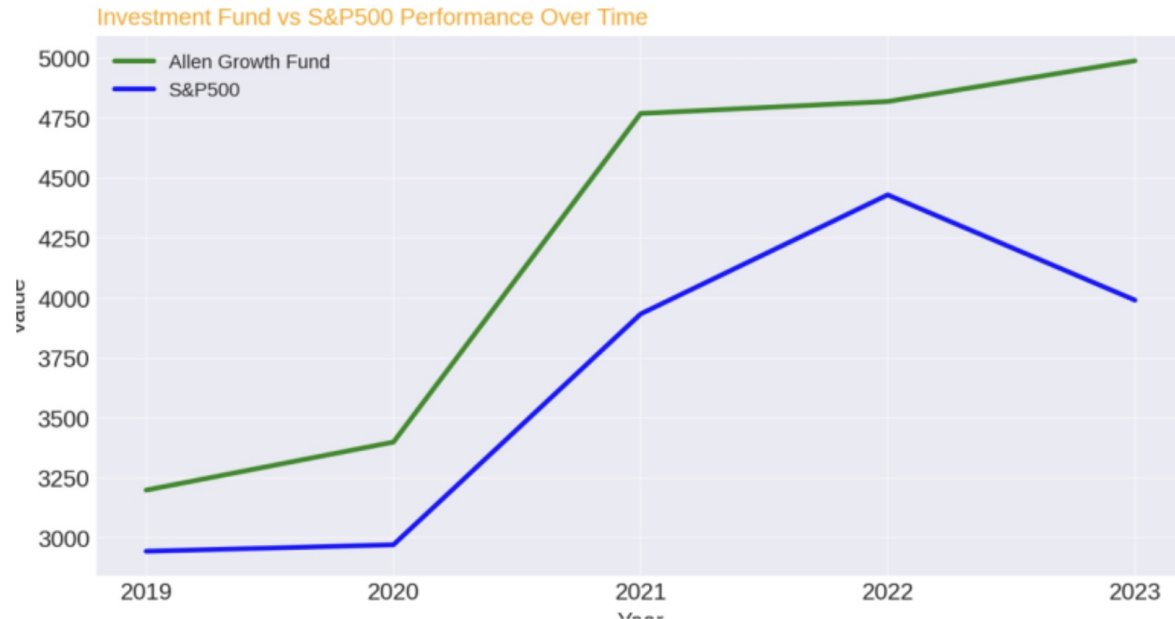


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Experiment 3



Experiment 3

At the bottom of the advertisement, you read the following sentence:

This ad was prepared by ChatGTP, generative artificial intelligence.

AI
disclosure
condition



Control
condition

Experiment 3

Allen Funds is an investment company that deserves investors' trust.

Strongly
disagree

Disagree

Somewhat
disagree

Neither
agree nor
disagree

Somewhat
agree

Agree

Strongly
agree

Experiment 3


Negative effect of AI use disclosure on trust in artist, $t(223) = 5.14, p < .001, \text{Cohen's } d = 0.69$

$M = 4.18,$
 $SD = 1.45$

At the bottom of the advertisement, you read the following sentence:
This ad was prepared by ChatGTP, generative artificial intelligence.

AI disclosure condition

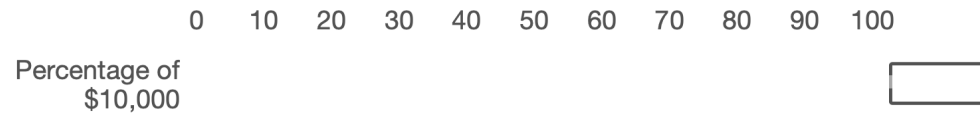
$M = 5.08,$
 $SD = 1.14;$



Control condition

Experiment 3

What percentage of the \$10,000 would you be willing to invest in this new fund?



Experiment 3


Negative effect of AI use disclosure on trust in artist, $t(223) = 4.84, p < .001, \text{Cohen's } d = 0.65$

$M = 17.71,$
 $SD = 16.86$

At the bottom of the advertisement, you read the following sentence:
This ad was prepared by ChatGTP, generative artificial intelligence.

AI disclosure condition

$M = 31.28,$
 $SD = 24.80$



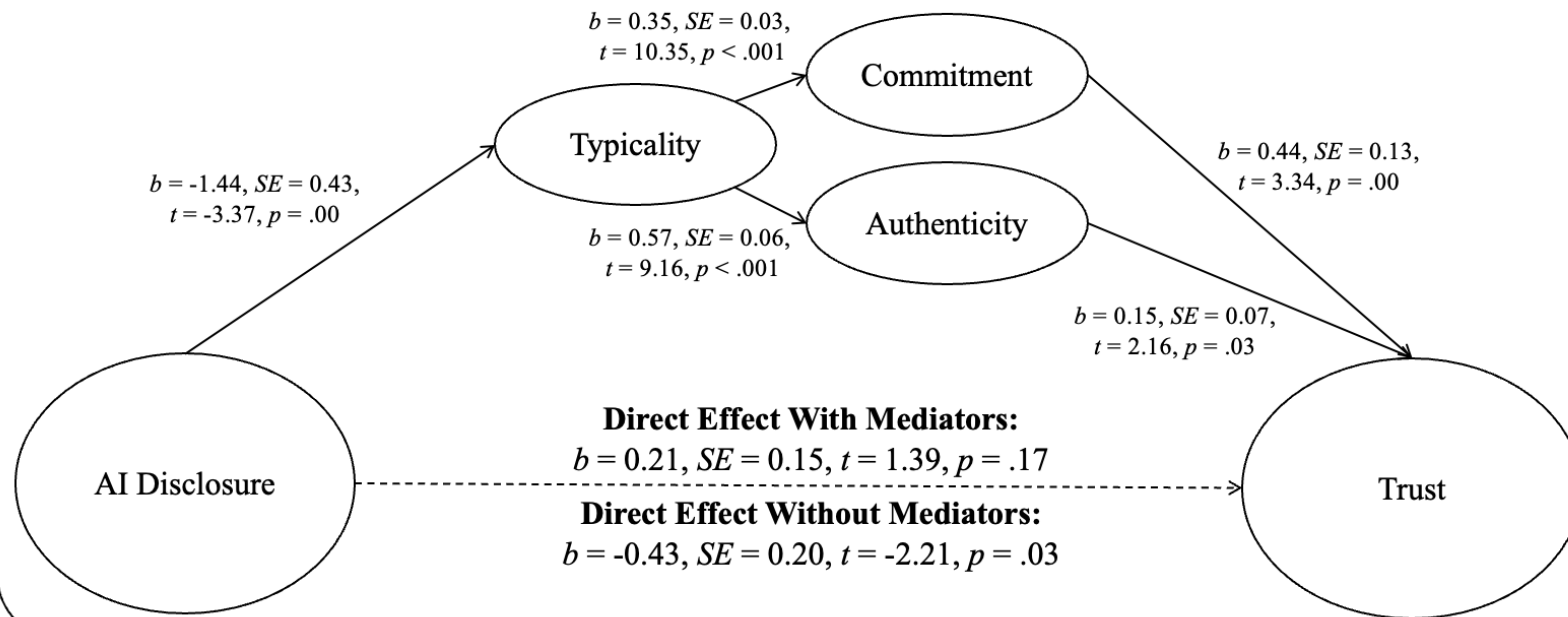
Control condition

Experiment 6

Indirect Effects:

Through Typicality and Commitment: 95% CI = [-0.43, -0.05]

Through Typicality and Authenticity: 95% CI = [-0.31, -0.001]



Experiment 11

**Effects holds
across different
disclosure framings**

Experiment 11

Effective

actions

disclosure

Regardless of whether the disclosure...

- (a) is framed in general terms,
- (b) that a human has reviewed and revised work,
- (c) that AI was used only for proofreading,
- (d) that human's intent in using AI was to enhance writing quality,
- (e) that AI-generated content may contain errors,
- (f) emphasizing the importance of transparency about AI usage.

trainings

Experiment 12

Is this plain
algorithm aversion?

Experiment 12

Is this play

alge

No!

Trust is lowest for human using AI and disclosing it, than autonomous agent.

sion?

Experiment 13

What's worse than disclosure?

Experiment 13

What's worse than

disc **Exposure**

Summary

**The seemingly positive
act of disclosing AI
usage substantially
diminishes trust**

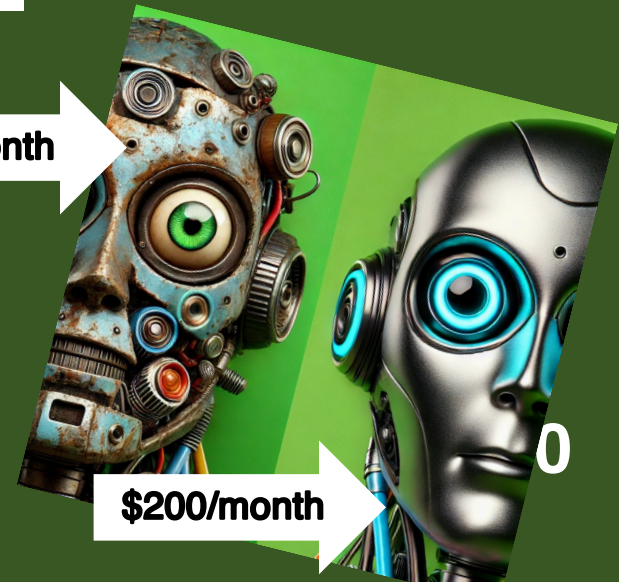
**Does this effect go away
over time?**

**No. People familiar with
AI still hold these
perceptions.**

Everyone has AI, why care about AI disclosure?

High AI costs will widen digital access gap.

\$20/month



\$200/month

**What to do
about the
transparency
dilemma?**

What to do

Shift perceptions:

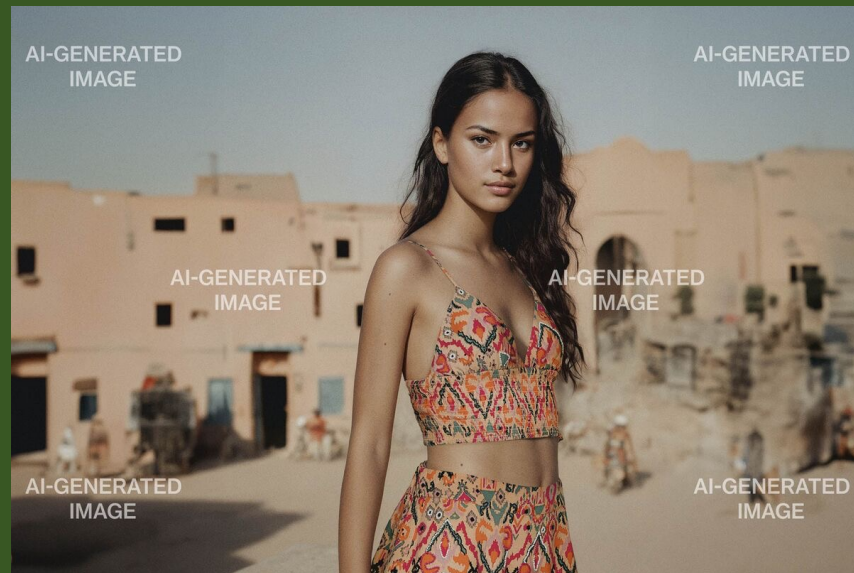
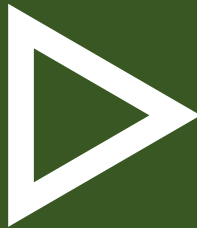
**AI is a
machine not a
“collaborator”**

**AI-washing
yourself or
your firm
backfires**

(among employees & consumers,
perhaps less so investors)

Avoiding ad flops

MANGO



Consumers' concerns:
False advertising & human replacement

Thanks

Disclosing your
AI usage erodes
trust in you.

www.martinreimann.com

Our paper:

