

How to Build AI Capability — Transparency & Trust:

Start with transparency.

Build with trust.

Clear systems and governance are the foundation of real AI capability.

*This guide is the **first in a three-part series** designed for business leaders serious about embedding AI the right way. It focuses on the foundational step: creating transparency and trust around AI usage so you can surface risks and unlock hidden momentum.*

SECTION 1: Why Transparency Is Step One

AI is already in your business — whether you’ve approved it or not. Staff are experimenting with tools like ChatGPT, Claude, Gemini and others in real-world workflows, often without leadership knowing. And while most of this usage is well-intentioned, it’s happening in the shadows — undocumented, unmonitored, and unauthorised.

This is what’s now being called Shadow AI.

Recent audits show that up to 80% of knowledge workers are already using AI tools, often in ways that fall outside policy, or directly violate it. Sensitive data is being entered into public models. IP is at risk. Governance systems aren’t keeping pace.

But here’s the bigger challenge: if leaders want to bring AI use into the light, they can’t just issue a new policy or ban tools outright. That approach backfires — driving use further underground and eroding trust across teams.

That’s why Step One in building AI capability isn’t about tools. It’s about transparency.

Creating transparency means creating safety first. It means acknowledging that many staff are already exploring AI and giving them a secure, non-punitive space to talk about it. It means inviting curiosity, not policing behaviour.



The goal is simple: to map what's really happening — and why — so you can build a clear picture of:

- Which tools staff are already using (and for what)
- Why they're using them
- What perceived benefits they're gaining
- What concerns or confusion they have
- Where risk or opportunity hotspots are emerging

This isn't just a compliance move — it's the foundation for trust, which is the only path to scalable, safe, and strategic AI capability.

SECTION 2: How to Run a Transparency Check-In

Now that you understand why transparency is the critical first step, the next move is to deliberately surface what's currently hidden — without triggering fear, blame, or backlash.

This means designing an internal check-in process that makes it safe and worthwhile for staff to be honest.

Here's how to do it well:

1. Set the Tone from the Top Before launching any survey or workshop, leadership should clearly communicate the purpose: this is not about “catching” anyone — it's about understanding what's already happening so you can lead better.

Suggested messaging:

“We know AI is moving fast, and many of you are already exploring tools in your daily work. We want to learn from what you're doing, understand the value and risks, and work together to build smarter systems. This is about learning, not enforcement.”

2. Create a Safe Harbour Frame the process as a no-blame discovery session. If using a form, allow for anonymous responses. If running a team session, appoint a trusted facilitator and make it clear that honesty is valued and protected.

3. Ask the Right Questions Don't just ask, “Are you using AI?” — ask questions that open up reflection and invite stories. For example:

- What AI tools have you experimented with — even just out of curiosity?
- Have you found ways AI could help make parts of your job faster or easier?
- Are there any tasks you wish you could use AI for, but don't feel safe or allowed to?
- What worries you about AI use in your role or team?

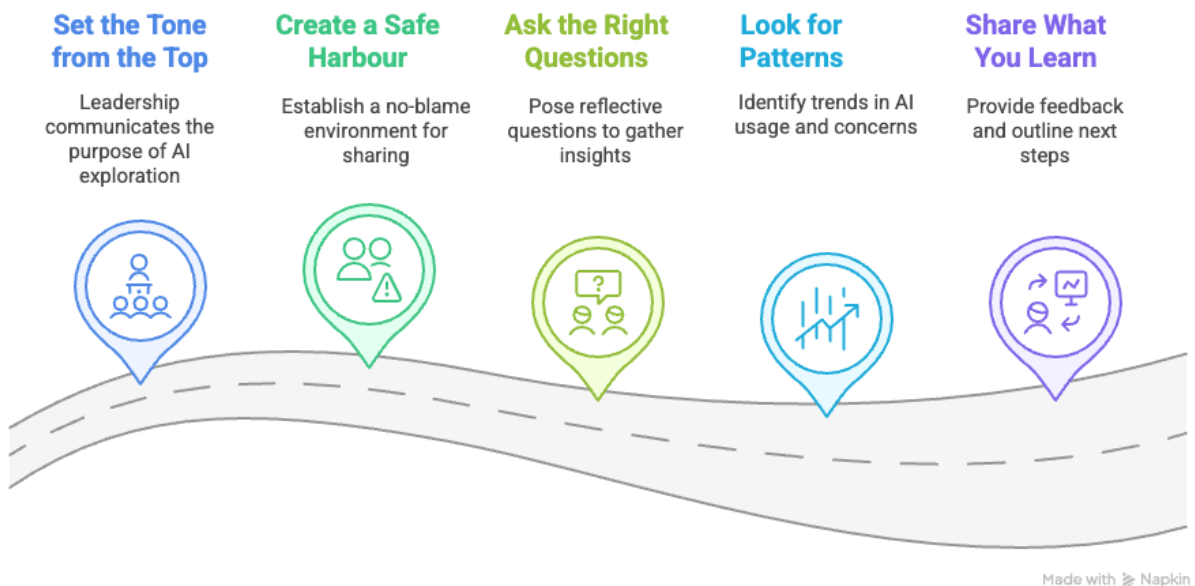


4. Look for Patterns — Not Perfection You're not trying to create a perfect inventory. You're looking for patterns of usage, interest, and risk. Start mapping what tools are showing up, where, and why.

5. Share What You Learn After gathering insights, close the loop. Share back what you heard (in a de-identified way and explain how it will inform next steps). This reinforces trust and signals that your team's input leads to action.

The payoff? You'll surface hidden risks and untapped champions. And you'll take the first real step toward embedding AI capability with your people, not just on paper.

Implementing AI Discovery Process

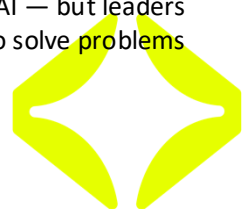


SECTION 3: What to Watch For — Early Signals of Risk and Opportunity

Once you've started gathering insights, it's time to interpret what they're telling you. This isn't just a compliance exercise — it's a chance to spot weak signals before they become costly problems (or missed opportunities).

Here's what to look for:

1. AI Use Without Awareness If staff are using tools like ChatGPT, Claude, or Gemini AI — but leaders weren't aware — that's a red flag for shadow AI. It's also a sign your staff are trying to solve problems — and want better tools.



2. Unofficial Workarounds If staff are bypassing approved systems (e.g. pasting client info into ChatGPT to “get things done faster”), this is both a risk and a signal that your systems aren’t meeting their needs.

3. Nervous Silence or Deflection If teams hesitate to talk openly, or responses are vague (“I think someone in marketing might be using something...”), it means trust is missing. That’s the real problem — not the tools.

4. Pockets of Momentum Look for individuals or teams who are using AI creatively and responsibly. These are your early champions. Lean in and learn from what they’re doing right.

5. Unclear Accountability If no one knows “who owns AI” in a particular function — or if policies exist but aren’t followed — that’s a sign your governance foundations need work.

These insights are gold. They’ll help you decide where to prioritise capability-building, where to invest in safe tooling, and where to start introducing guardrails — without killing momentum.

SECTION 4: How to Create a Safe Harbour for Candid Conversations

If you want real insights, you need real honesty — and that starts with trust.

Many employees are already using AI tools quietly, even if policy discourages it. Why? Because they’re trying to be productive, not malicious. But if they fear consequences for admitting it, the truth stays buried — and so do the risks.

Here’s how to create a safe harbour where your people feel safe speaking up:

1. Set the Tone From the Top

Leadership must explicitly state that the goal is understanding, not punishment. This is a diagnostic phase — not an audit.

2. Call an Amnesty Window

Give staff a defined period (e.g. two weeks) to raise any AI usage they haven’t declared — no consequences, no judgment. Frame it as an opportunity to surface insights that will shape a better plan.

3. Ask the Right Questions

Instead of “Are you breaking policy?”, ask:

- “What AI tools have you found useful recently — even outside of work?”
- “Where do you think AI could help you save time or do better work?”
- “What stops you from using AI more confidently?”



4. Remove the Bureaucracy

Use lightweight forms or anonymous input channels to lower the barrier to participation. Make it easy to contribute honestly.

5. Listen Without Reacting

Train team leads to listen without leaping into fix-it mode. You're here to learn — not to shut things down or lock them up tighter.

Remember: You can't govern what you don't understand — and you can't understand what people are afraid to say.

SECTION 5: Interpreting the Results — What to Look For, What to Do Next

Once you've surfaced insights from your team, the next step is making sense of what they mean. This isn't about judgment — it's about patterns, signals, and priorities.

Here's how to approach it:

1. Look for Patterns, Not Outliers

Don't get fixated on one surprising or rogue response. Step back and look for common threads:

- Are multiple teams using similar tools informally?
- Are people solving the same problems with different AI hacks?
- Are there consistent concerns around safety, clarity, or leadership?

2. Map Shadow AI to Opportunity and Risk

Every undeclared use of AI has two sides:

- It may signal an untapped opportunity to embed useful tools.
- It may also highlight a blind spot in your current policies, training, or support.

Use a simple grid:

[Helpful + Safe], [Helpful + Risky], [Unhelpful + Risky], and [Unknown] — this will help you prioritise what to address first.

3. Spot Potential Champions

Some staff will clearly “get it” — they're using tools creatively, with good judgment, and they want support. These people may become your first AI champions or pilot team leads.

4. Surface Structural Gaps

If staff say things like:

- “We don't know what's allowed”
- “There's no one to ask”
- “I'm not sure if this breaks policy”

...those aren't AI problems — they're leadership and communication problems. And they're fixable.

5. Use the Results to Drive Your Capability Plan

What you learn here directly informs:

- Training needs (what your people wish they knew)
- Policy design (what needs clearer guidance)
- Governance structures (what's missing or assumed)



Next Step? Build Your Capability Roadmap

Once you understand what's really happening, you can begin designing the systems that support safe, strategic, and scalable AI use.

SECTION 6: What Next — Turning Insight into Momentum

If you've made it this far, you're already doing what most aren't: starting in the right place.

Most organisations are diving straight into tools and pilots. But without trust, capability, and governance, 70% of those projects fail to deliver value.

You're flipping that script.

By starting with transparency, you've taken the first and most important step — surfacing what's really happening so you can lead with clarity, not guesswork.

Here's what to do next:

- **Take Step 2:** Now that you've uncovered the landscape, your next move is to build internal capability that sticks. That means upskilling your people, aligning your leadership, and putting systems in place that scale safely. Our next free resource walks you through exactly how to do this.
- **Reach Out:** If you'd prefer to skip the guesswork and have us guide you through the process, reach out to the Generation AI team for a quick, no-obligation call. We'll help you map your next move.
- **Explore More:** Watch the rest of our video series or explore other free tools and templates to accelerate your AI readiness journey.

You don't need to boil the ocean. You just need to start at the right end — and keep moving.

Unsure Where to Begin?

Book a 15-minute discovery call or visit our resource library for further guides

www.generationai.co.nz