

January 21, 2025

Too much too soon? The AI backlash is upon us. The more important part is the why. We explain what's going on and how to get past your AI speed bumps. Then: Midsize automotive companies are smack in the middle of major changes in the auto industry—and they're going all in on growth. Lastly, let's save some energy during the week that's dedicated to energy sustainability—and beyond.

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Highlights



Artificial Intelligence

The AI rollercoaster

The AI backlash is here. Yes, we are in the AI “trough of disillusionment.” The AI hype was enormous; the frustration equally so. The disappointment with the performance of AI applications and worries about their reliability and privacy have caused companies to step back from hefty AI investments. Employees are equally cautious, if not more so. They don’t always trust AI, and they’re worried about how it might affect their jobs—and if they’ll even have jobs.

Rethinking AI. Generative AI abandonment will hit the roof by the end of this year, according to experts. Costs, risks, lack of value—just a few of the reasons these projects will be given the chop. With price tags in the millions, it’s no wonder orgs are reorganizing their AI ideas. No value, no dice, right? But cutting investments in AI is a double-edged sword. On the one hand, fewer, more focused investments can be a good thing. On the other, less AI investment could be a competition killer. (As in, the competition will quash you.)

Getting responsible. Some of these concerns are being addressed by regulations (not the ROI part—that’s on you). And more businesses are following responsible AI practices, as outlined in the United Nations Educational, Scientific, and Cultural Organization’s Global AI Ethics and Governance Observatory. Responsible AI practices help ensure that AI outputs are correct and manage its risks. This is how companies can build trust in AI—and also get AI bonus points, which include speeding up innovation.

Read more: “**AI backlash and what the fight is all about.**”

[Read the story](#)



Research

Transportation growth

The vehicle business is undergoing a big shift, and perhaps no segment of the industry is feeling it more than midsize automotive companies. Their traditional profits are on the decline, while new components for electric and autonomous vehicles are now the center of attention. New SAP research finds that these companies are focusing on growth to remain competitive. But the question remains: Can the midsize auto segment innovate enough—and quickly enough—to stay in the game?

Skill up. To accomplish growth goals, these businesses are taking a two-pronged approach to prioritizing talent. They're training employees on the latest skills as well as finding new hires. For an industry that has been experiencing labor shortages for a while, this could be a challenge. But pulling it off? A major coup. And perhaps—new people, new ideas. These companies identified a resistance to change as a major issue among executives.

Read more: **[“6 key insights on midsize automotive companies.”](#)**

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Department of timeliness: Energy saving week

An entire week devoted to energy.

January 20 to 26 is the week to think about energy consumption. Using less, switching to renewable options, and supporting green energy expansion are among the priorities that the week highlights. Individuals and businesses can take these steps, although with businesses' big enviro footprint, finding better ways to power up is an important sustainability push.

New generation. The energy industry has arguably never been more interesting. Gone are the days of a sole provider, at least in many places. There are now more providers, making or sourcing energy through various methods (think solar and wind) and more choice on the consumer/commercial end. That has changed the competition and how people think about energy. Can they make their own with, for example, solar panels on a warehouse roof? Can they resell excess for extra revenue? As the energy industry becomes more fractured, it also increases opportunities for innovation. An all-around energy win.

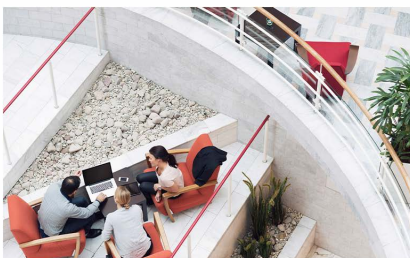
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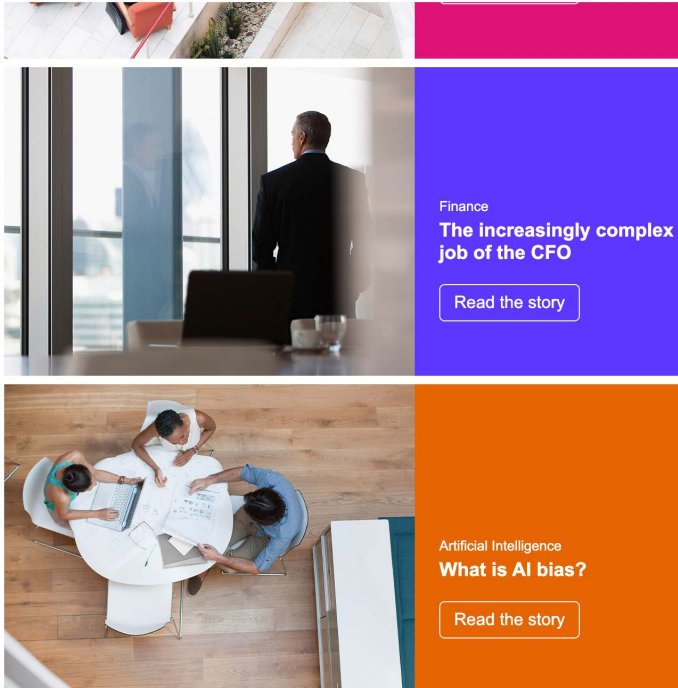
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Three Stories That Haven't Hit Your Inbox

Highlighting the best research about technology intersecting with the future of business, the future of work, and the future of innovation.

Turning off. Hyperconnected and overloaded—such is the modern-day worker. It's not just their e-mail inboxes that are deluged; the feeling that they need to be available all the time results in psychologically overwhelmed employees. Businesses need to put guardrails in place, like limiting apps, to help their people disconnect. ([Frontiers in Organizational Psychology](#))

Return rationale. The era of easy returns is over. Returns are expensive and wasteful, so the rationale is legit. As [more retailers](#) change their return policies, how they communicate these changes to shoppers makes all the difference between receiving backlash or acceptance. ([The Conversation](#))

Creative boom. Should employee goals set by managers be maximal or minimal? The former—think promotions and innovation—give creativity a boost. The latter—which are concerned with avoiding risk, for example—hinder it. ([Journal of Organizational Behavior](#))

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