

AI Awareness in Local Owner-Operated Businesses: A Developmental Perspective

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The Post-ChatGPT Shift

Pre-November 2022

AI is viewed as a specialized, future technology.

Confined to organizations with dedicated technical expertise and specialized business functions.

(Chui et al., 2022)

**November 2022:
ChatGPT Release**

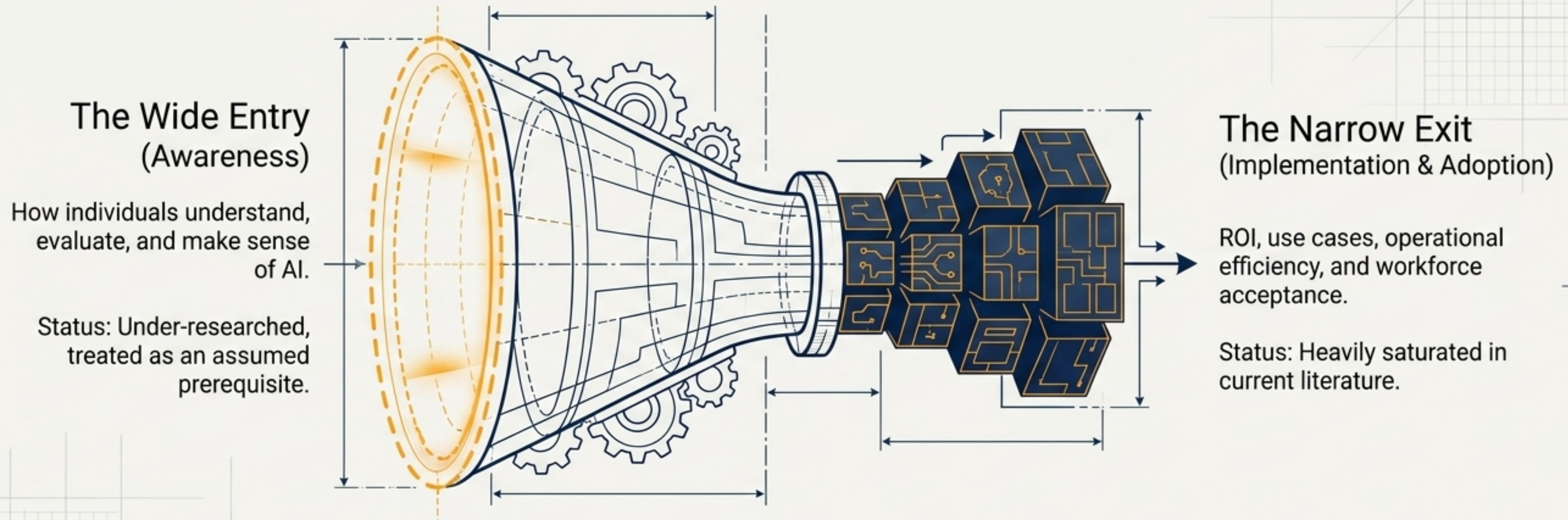
Post-November 2022

AI becomes a mainstream business imperative.

Organizations universally seek to improve productivity, reduce costs, and create competitive advantage.

(Mila et al., 2025)

The AI Research Blind Spot



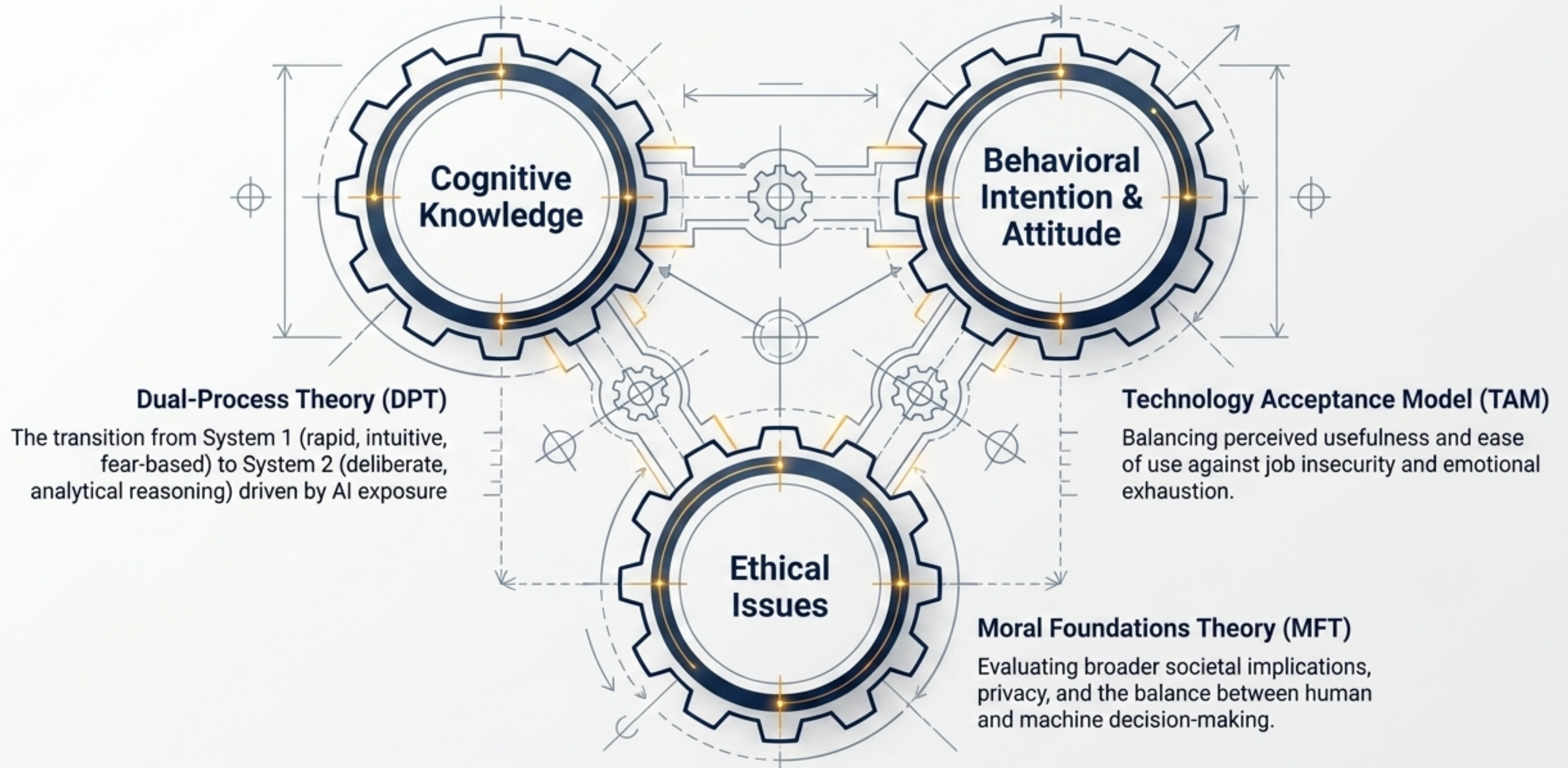
Core Insight: Academic research concentrates heavily on what businesses do with AI, without understanding how decision-makers first make sense of it.

Defining the Construct



Key Distinction: Awareness is not simply knowing that AI exists. It is a complex process of cognitive, behavioral, and ethical evaluation that must occur before an organization can determine if AI is relevant to their operations.

The Tripartite Framework Map



Current Limitations in the Literature



The Techno-Deterministic Bias

AI is frequently treated as an inherently beneficial technology. Research focuses on adoption outcomes rather than emotional or cognitive sensemaking.



The Ethical Deficit

83% of current AI awareness studies completely fail to consider algorithmic bias or responsible AI concerns (Zhu & Hussain, 2025).

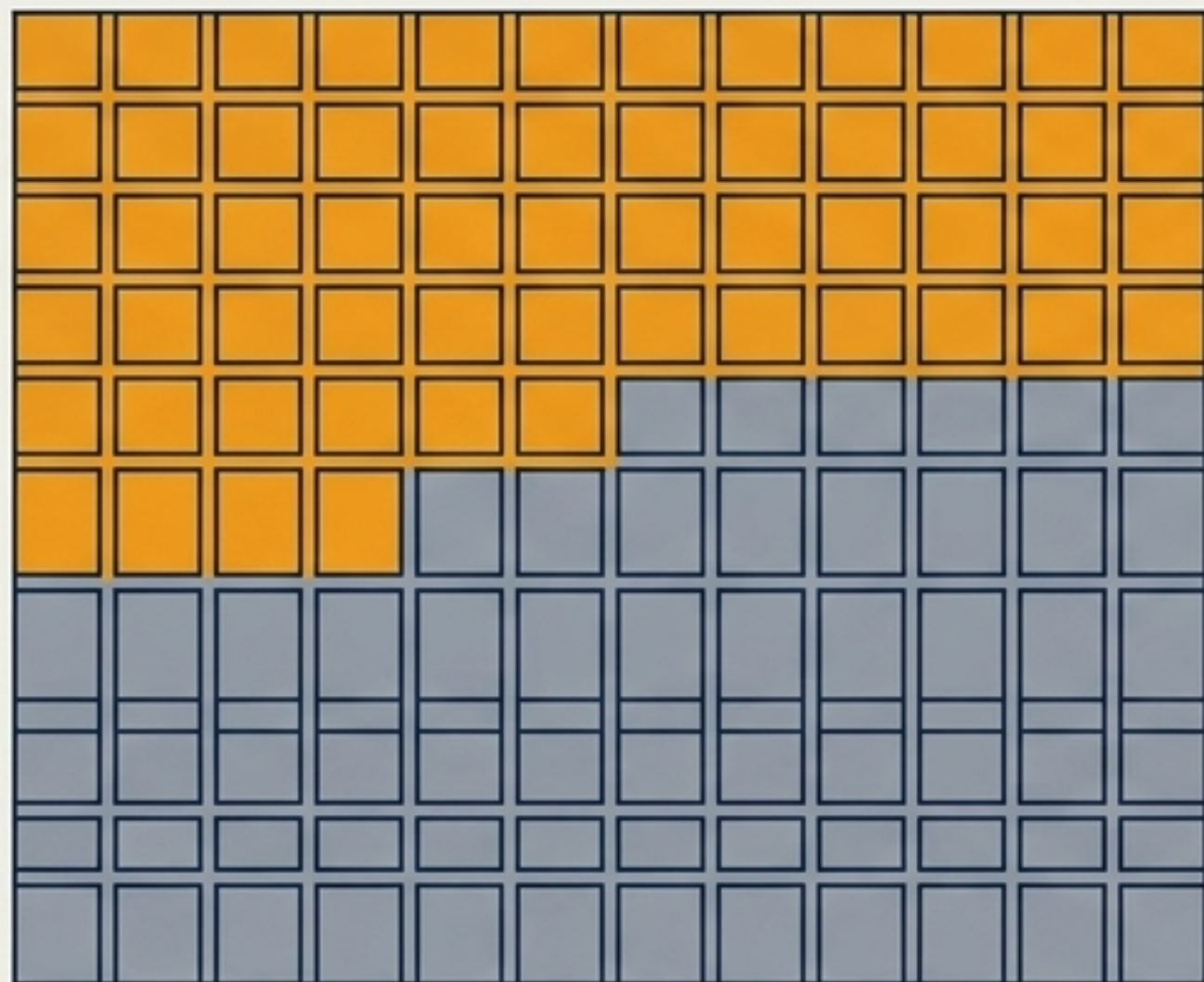


The Contextual Void

Existing research focuses predominantly on large corporate organizations, employees, consumers, and students. Owner-operated businesses are virtually absent.



The Economic Weight of the OOSB



Nearly 50%

Nearly 50% of the US private-sector workforce is employed by a small business.

Block 2

97% of small businesses have fewer than 20 employees. (Forbes Advisor, 2024)

Core Argument: Discussions surrounding AI frequently focus on the broader economy and Fortune 500 companies. We cannot accurately understand the economic impact of AI without understanding how small business owners make sense of it.

The Enterprise vs. The Solo Pilot

	Large Organizations	Owner-Operated Small Businesses (OOSB)
Decision-Making	Distributed across specialized departments.	Concentrated in a single individual.
Resources & R&D	Dedicated budgets and teams for technology evaluation.	Zero dedicated R&D time; learning competes directly with daily operations.
Risk Profile	Distributed organizational risk.	Deeply intertwined personal, financial, and business risk.

Theoretical Base: Technology adoption in small businesses cannot be understood simply as a scaled-down version of large organizations (Thong, 1999).

The OOSB Pressure Cooker



AI Awareness as a Developmental Process

Step 1: Social Exposure

Awareness of innovation begins through communication within social systems, competitors, and networks.

(Rogers, 2003 - Diffusion of Innovations)

Step 2: Observation

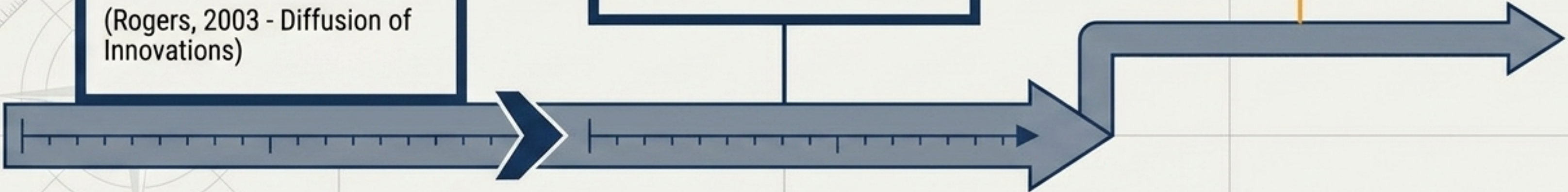
Individuals acquire knowledge and shape initial perceptions by observing others before engaging directly.

(Bandura, 1977 - Social Learning Theory)

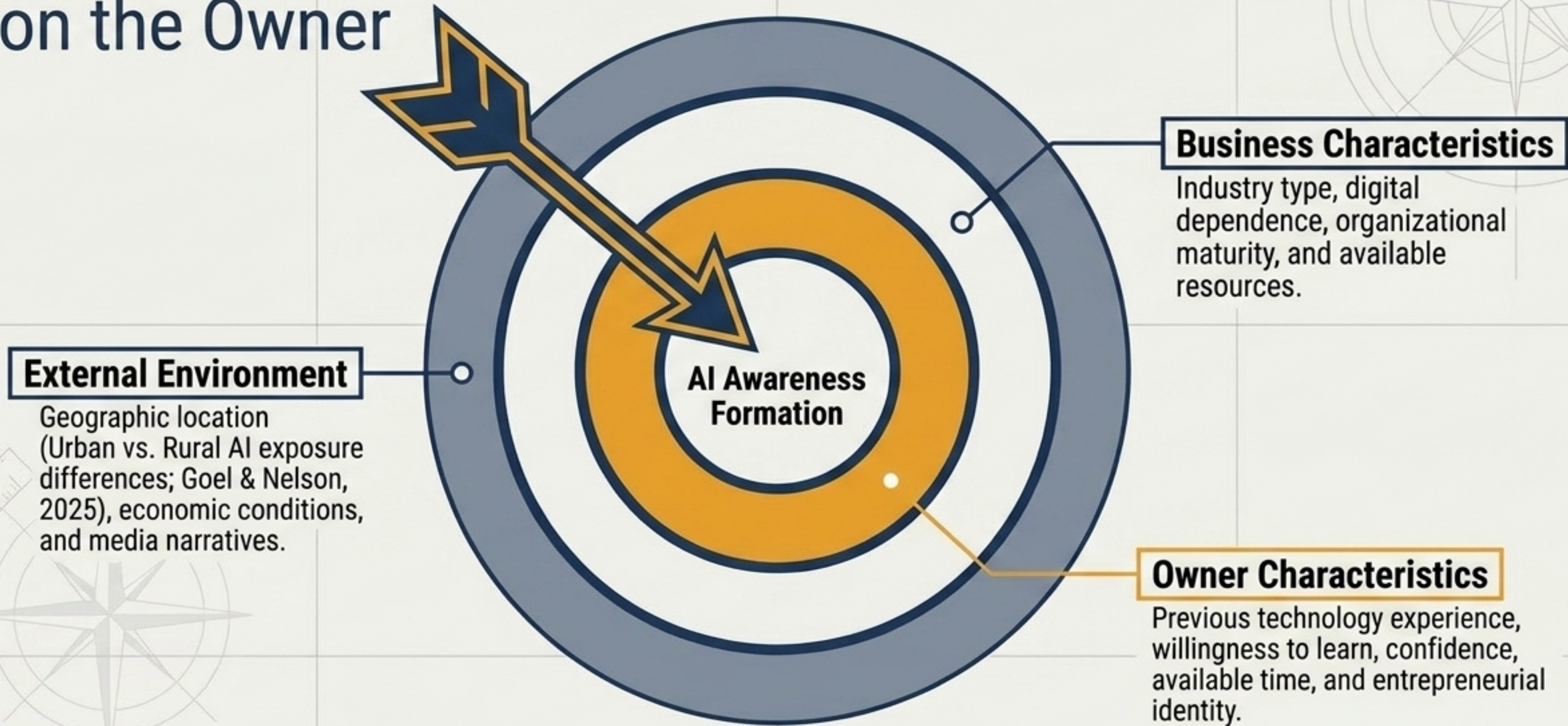
Step 3: Action & Interpretation

Understanding solidifies and evolves through continuous experimentation and sensemaking.

(Weick et al., 2005 - Organizational Sensemaking)



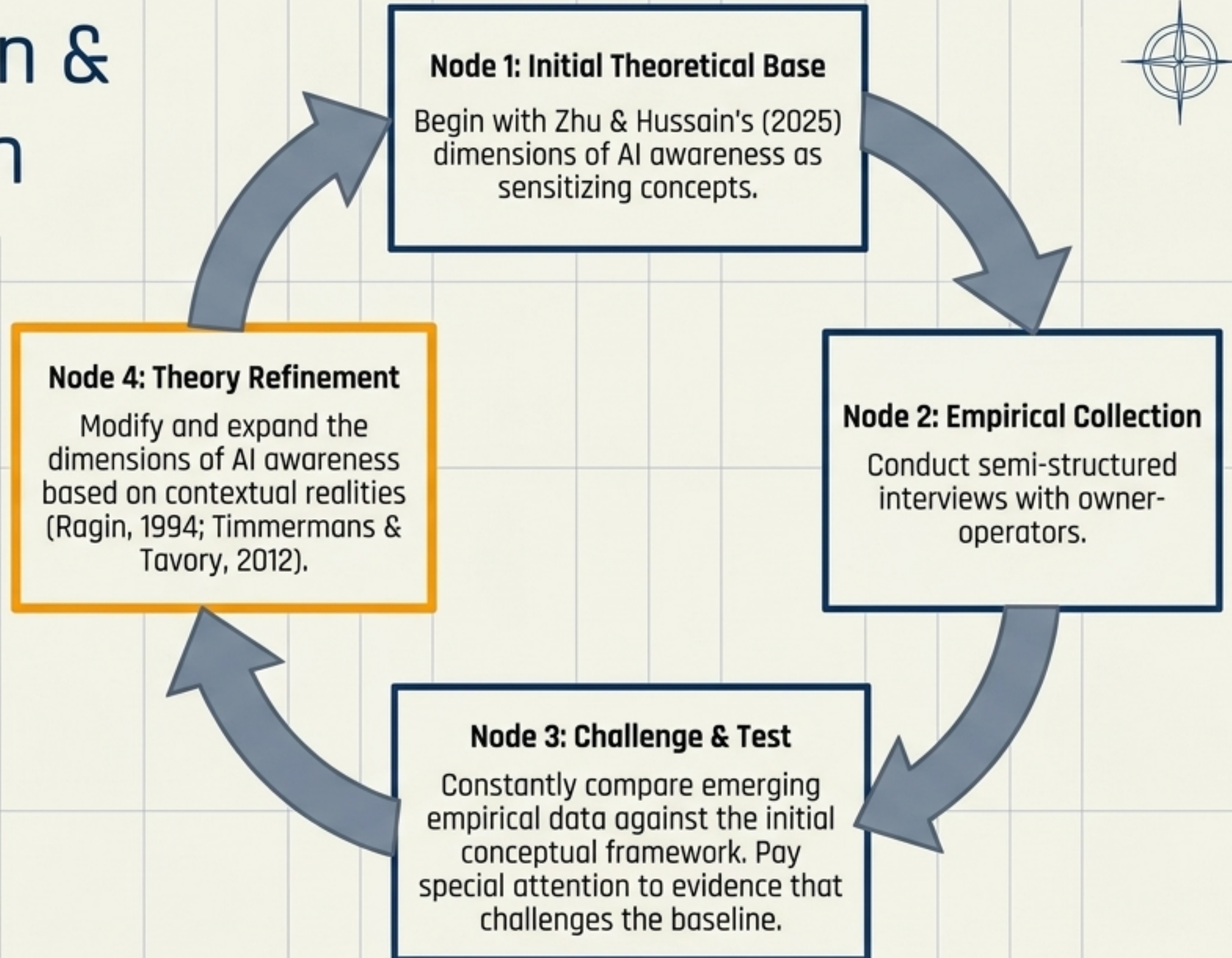
Contextual Filters on the Owner



THE CORE RESEARCH QUESTION

**How does AI awareness
develop and manifest within
local owner-operated small
small businesses?**

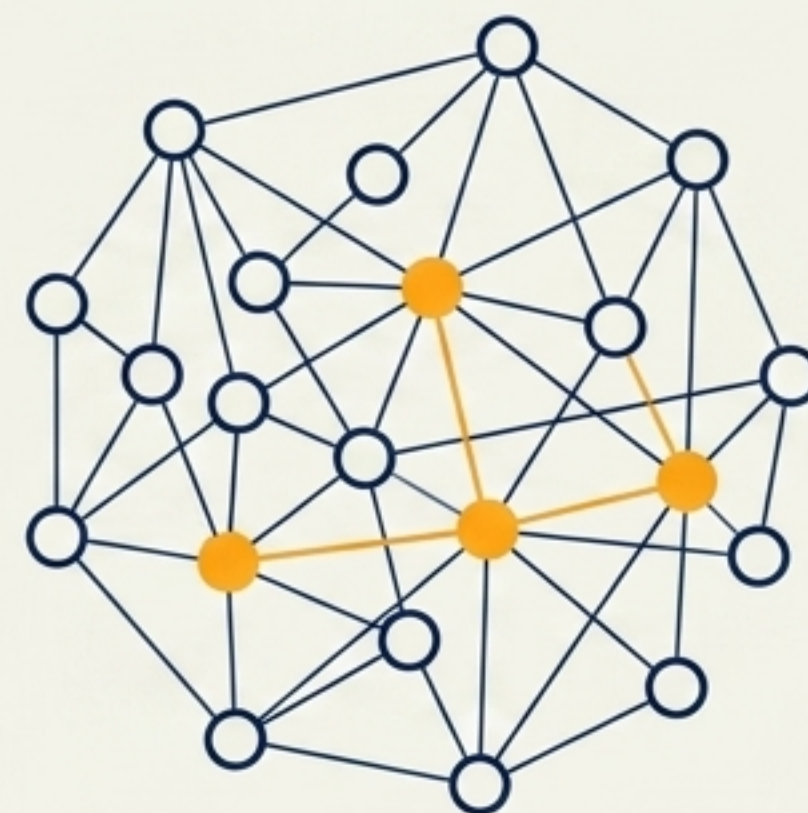
Qualitative Design & Analytic Induction



Participant Profile & Data Collection

The Target Profile

- ✓ Fewer than 20 employees.
- ✓ Business serves as the primary source of income.
- ✓ Owner retains ultimate strategic and technology decision-making authority.



Sampling Strategy

Purposive sampling. Recruiting across a variety of industries, business models (physical/hybrid/online), geographic locations, and levels of AI experience to maximize contextual variation.

Rigor, Trustworthiness, and Ethics



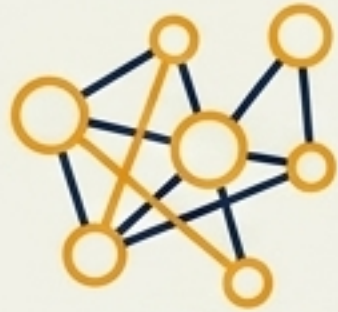
Audit Trails

Comprehensive documentation of coding decisions, analytic memos, conceptual revisions, and sampling choices.



Reflexive Journaling

Documenting researcher observations and mitigating mitigating bias (acknowledging the researcher's background in small business and AI tech).



Peer Debriefing

Reviewing selected transcripts and coding decisions with peers to challenge emerging interpretations and strengthen interpretive rigor.



IRB & Confidentiality

Securing IRB review/exemption, obtaining informed consent, and ensuring all transcripts are de-identified.

The Dual Contribution



Theoretical Impact

- Advances the emerging AI awareness construct beyond the corporate employee.
- Provides a foundation for future quantitative measurement, longitudinal studies, and intervention research specific to small businesses.

Practical Impact

- Provides consultants, AI educators, and software vendors with a realistic roadmap.
- Shifts the industry mindset to treat AI awareness as a critical developmental prerequisite, rather than assuming small businesses just need more tools.