

Experiencing Change: A Phenomenological Study of Employee Adaptation to AI-Driven Digital Transformation in a Tech Company

Original Article

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Abstract

The rapid advancement of Artificial Intelligence (AI) technologies has triggered significant digital transformation across industries, leading to profound changes in organizational structures, workflows, and employee experiences. This study explores how employees in a tech company experience and adapt to AI-driven digital transformation. Utilizing a phenomenological research design, in-depth interviews were conducted with selected participants to capture the lived experiences of adapting to technological change. Thematic analysis was employed to identify recurring patterns, challenges, and strategies of adaptation. Findings reveal that while employees generally perceive AI as a tool to enhance productivity and decision-making, they also express anxiety regarding job security, skill relevance, and organizational communication. Key adaptation themes include continuous learning, collaborative work culture, and psychological readiness for change. The study is grounded in theories such as sensemaking (Weick, 1995) and the Technology Acceptance Model (TAM), providing a nuanced understanding of employee behavior in the face of digital disruption. This research contributes to the growing discourse on human-centered digital transformation by emphasizing the importance of emotional, cognitive, and social dimensions of change. Practical implications include the need for targeted change management interventions and leadership strategies to foster employee engagement and resilience. The study offers valuable insights for organizations navigating AI integration, ensuring that technological advancement aligns with employee well-being and organizational sustainability.

Keywords: Change Management, Phenomenology, Digital Transformation, Artificial Intelligence, Digital Inclusion, Employee Adaptation, Organizational Change.

1. Introduction (Heading 1 | Malaqbiipublisher.com)

In recent years, artificial intelligence (AI) has moved from the realm of the future into the everyday operations of today's organizations. For many tech companies, adopting AI means more than just upgrading systems—it marks a profound transformation that touches workflows, decision-making, and the roles people play in their jobs. While AI offers efficiency and innovation, it also brings a wave of change that employees must emotionally and mentally navigate. The real story of digital transformation is not just about technology—it's about people, and how they adapt to change that often feels fast, complex, and at times, uncertain (Jarrahi, 2021).

Despite the enthusiasm around AI, many employees find themselves struggling to make sense of their place in this evolving landscape. There's a growing awareness among scholars and practitioners that human responses—fears, hopes, resistance, and resilience—must be better understood if organizations truly want to succeed in their transformation journeys



(Dwivedi et al., 2021). By using a phenomenological approach, this study seeks to listen deeply to the voices of employees, to capture how they live through and respond to AI-driven change—not just as professionals, but as human beings.

Many organizations are rushing toward AI adoption, but often without fully considering how their employees are experiencing the change. As roles shift, tasks become automated, and new technologies take center stage, employees are asked to adapt—quickly and often with limited support. This creates emotional tension, confusion, and sometimes, quiet resistance. While much of the existing research focuses on systems and strategies, what remains underexplored is how employees actually *feel*, *perceive*, and *cope* with AI-related changes in their day-to-day work (Kraus et al., 2022). This study aims to fill that gap by centering employee voices in the story of digital transformation. To truly understand the human experience of AI transformation, this study asks:

1. How do employees perceive and emotionally respond to AI integration in their workplace?
2. What adaptation strategies do they use to cope with change?
3. How does adapting to AI impact their professional identity and sense of self?

The objectives, therefore, are:

- To explore how employees interpret and emotionally engage with AI-related changes.
- To identify personal and collective strategies for adaptation.
- To understand how change reshapes employees' sense of purpose, belonging, and identity at work.

This study focuses on employees in a single tech company that is currently undergoing AI-driven transformation. It does not aim to generalize across industries, but rather to deeply explore individual lived experiences. By using phenomenology, the study prioritizes rich, descriptive narratives over statistical generalizations, helping to paint a more human portrait of organizational change. As organizations become increasingly driven by data and automation, it becomes easy to forget the human beings behind the screens (Arif, H. M. 2023). This study is a reminder that transformation is not only about machines—it's about emotions, relationships, and identities. By understanding how employees experience AI-driven change, leaders can foster more compassionate and effective change strategies. Moreover, this research contributes to academic literature by emphasizing the importance of empathy and narrative in understanding organizational phenomena (Bughin et al., 2019; Vial, 2019).

Definition of Key Terms

- **Artificial Intelligence (AI):** A field of computer science focused on building systems capable of performing tasks that typically require human intelligence (Russell & Norvig, 2020).
- **Digital Transformation:** A strategic process where digital technologies are integrated into all aspects of an organization, reshaping culture, operations, and customer value (Vial, 2019).
- **Phenomenology:** A qualitative research approach that explores how individuals experience and make meaning of particular phenomena in their lives (Creswell & Poth, 2018).
- **Employee Adaptation:** The ongoing process by which employees adjust to changes in their work environment, emotionally, cognitively, and behaviorally.

This chapter opened with the reality that AI is reshaping the workplace—not just in what gets done, but in how people feel about what they do. It laid out the problem: the emotional and psychological experience of employees is often missing in conversations about AI. The study's purpose, questions, and scope were introduced with a focus on human experience, and

the importance of this research was grounded in the need for more humane approaches to change. Ultimately, this chapter sets the stage for a study that listens, reflects, and learns from the very people who are living through transformation.

2. Literature Review

The acceleration of AI adoption across industries has reshaped how organizations function, particularly in the tech sector. This study investigates the lived experience of employees navigating the challenges and transitions associated with AI-driven digital transformation. Rather than focusing solely on systems and outcomes, the investigation zooms in on the human dimension—how employees perceive, react to, and adapt to rapid technological change (Jarrahi, 2021). The subject under investigation is thus located at the intersection of technology, change management, and employee psychology. Digital transformation powered by AI is not merely a technical upgrade; it represents a cultural and psychological shift within organizations (Kurniawan, A. W et al., 2023). At its core, AI implementation affects job roles, decision-making structures, and employee autonomy (Dwivedi et al., 2021). While some employees embrace innovation, others experience uncertainty, fear of obsolescence, and identity disruption. The nature of the subject lies in understanding adaptation as a human process, shaped by trust in leadership, learning environments, and emotional readiness (Kraus et al., 2022). In the tech industry, where speed and innovation are paramount, the human capacity to adapt becomes a strategic asset.

This research draws upon several theoretical lenses. Lewin's Change Management Theory (1947), with its unfreeze-change-refreeze stages, offers a classic foundation for understanding employee transitions. More recent contributions such as Technology Acceptance Model (TAM) (Venkatesh & Davis, 2000) help explain how perceived usefulness and ease of use influence acceptance of AI tools. Sensemaking theory (Weick, 1995) further enriches the study by emphasizing how employees interpret and assign meaning to organizational change. These theories collectively inform how adaptation is experienced cognitively and emotionally during technological shifts.

The study's theoretical framework is built on the integration of phenomenology with sensemaking theory. Phenomenology allows a deep dive into individual narratives of change, while sensemaking explains how these narratives are constructed as employees grapple with new AI tools and altered workflows. This framework positions the employee not as a passive recipient of change, but as an active interpreter navigating ambiguity and reestablishing personal meaning in their role (van den Heuvel et al., 2020).

The literature identifies several variables relevant to this study. These include:

- Emotional response to AI (e.g., anxiety, optimism),
- Perceived organizational support during transformation,
- Adaptation strategies (e.g., learning, avoidance, collaboration),
- Identity redefinition in relation to new technologies.

Recent studies show that adaptation is influenced not only by the nature of the AI system but also by leadership communication, employee autonomy, and organizational culture (Brougham & Haar, 2018; Wang et al., 2022). These variables interact in dynamic ways, shaping the subjective experience of change.

Although the study is largely qualitative, hypothetical propositions guide the exploration. One central proposition is:

- Employees who perceive higher levels of organizational support during AI implementation exhibit more positive emotional and cognitive adaptation.
- Another proposition suggests:

- The clearer the communication and involvement during change, the less disruptive the AI-driven transformation is to employee identity.

This chapter explored the conceptual and theoretical grounding for the study, framing AI-driven digital transformation as both a technical and deeply human process (Sahabuddin, R et al., 2024). Drawing on recent literature and established theories, the review highlighted key variables that influence employee adaptation. Through a phenomenological and sensemaking lens, the study seeks to understand not just what changes, but *how* change is lived and interpreted by those experiencing it.

3. Methods

This study adopts a qualitative phenomenological approach to explore how employees experience and adapt to AI-driven digital transformation. To capture the depth and complexity of individual experiences, semi-structured interviews were used as the primary instrument. This method allows flexibility while ensuring core themes are addressed, such as emotional response, identity shifts, and adaptation strategies (Creswell & Poth, 2018). The population includes employees of a tech company undergoing AI implementation, with a focus on those directly affected by the transformation. Purposive sampling was employed to select participants who have experienced significant organizational change related to AI (Palinkas et al., 2015). A total of 10–15 participants were targeted to ensure rich and diverse narratives. Before the main data collection, a pilot test involving two participants helped refine the interview guide and validate the clarity and relevance of the questions.

Data were collected through virtual and in-person interviews, each lasting approximately 45–60 minutes. All interviews were recorded (with consent) and transcribed verbatim for analysis. Thematic analysis, as described by Braun and Clarke (2021), guided the data analysis, allowing the researcher to identify, code, and interpret patterns of meaning within the data. NVivo software was used to support coding and organization of themes. Ethical considerations were strictly followed, including informed consent, anonymity, and voluntary participation. The data collection procedures followed a three-step process: initial contact and consent, interview scheduling and conducting, and transcript validation through member checking. This chapter underscores the rigor and transparency of the research design, ensuring that the voices of participants are authentically and ethically represented.

4. Results and Discussion

4.1. Result 1 about figures

This chapter presents the results of the phenomenological inquiry into how employees experience and adapt to AI-driven digital transformation in a tech company. The data were collected through in-depth, semi-structured interviews and analyzed using thematic analysis. Both descriptive data and interpretative findings are reported to capture the depth of participant narratives. The findings are organized based on themes derived from coding, including emotional responses, adaptation strategies, perceived support, and identity reconstruction. Result 2 about table format

Tables must be provided as editable text rather than images and should be located on separate pages at the end of the document. They should be numbered sequentially based on their order of appearance in the text, with any notes pertaining to the tables positioned below the table body. It is important to ensure that the data in the tables does not replicate results discussed in other sections of the article. Additionally, please refrain from using vertical rules and shading within the table cells. An example of a table is shown in Table 1.

Response Rate

Out of the 18 employees initially invited to participate, 14 consented, and 12 completed the full interview process, resulting in a response rate of 85.7%. This high participation rate suggests strong engagement with the topic, potentially reflecting the relevance and immediacy of AI transformation within the organization (Guest et al., 2020). The diverse sample included roles from software development, project management, data analysis, and customer support—ensuring a holistic view of adaptation experiences.

Data Coding

Interview transcripts were coded using NVivo 12, following Braun and Clarke's (2021) six-phase thematic analysis method. Initial open coding generated 73 codes, which were then refined into 12 categories and finally synthesized into five core themes: Emotional Turbulence, Learning and Re-Skilling, Organizational Communication, Identity Shifts, and Trust in Technology. The iterative coding process involved both inductive and deductive strategies to ensure alignment with the theoretical framework of sensemaking and phenomenology (Nowell et al., 2017).

Non-response Bias Test

While the qualitative design does not traditionally require statistical tests for non-response bias, a comparison between early and late respondents (based on their interview scheduling) revealed no significant variation in themes or intensity of experiences. This strengthens the validity of the findings by suggesting that non-participation did not result in biased representation (Ravitch & Carl, 2021).

Common Method Bias Test

To minimize common method bias (CMB)—a concern even in qualitative research—procedures such as triangulation of data sources, variation in interview times and settings, and respondent validation (member checking) were employed. As suggested by Podsakoff et al. (2019), these techniques help reduce the risk of inflated or homogenized responses that could result from using a single method or source.

Data Screening

All data were subjected to screening for quality and coherence. Interviews were checked for clarity, completeness, and alignment with ethical guidelines. Audio recordings were transcribed verbatim and cross-verified with participants during a follow-up session to ensure authenticity of meaning—a critical step in maintaining the trustworthiness of phenomenological research (Creswell & Poth, 2018).

Assessment of Analysis Path Model and Structural Model

Although this study uses a qualitative methodology, a conceptual path model was developed post-analysis to visualize relationships among the core themes. This model reflects how emotional responses influence adaptation strategies, which are moderated by organizational communication and support. The structural model (non-statistical) reveals an adaptive cycle: employees move from disruption to engagement, skill renewal, and identity reformation—echoing recent findings by Wang et al. (2022) on AI transformation in knowledge-intensive firms.

Measurement Model, Effect Size (f^2), Predictive Relevance (Q^2), and MGA

As this is a qualitative study, statistical assessment of measurement and structural models (e.g., f^2 and Q^2) is not applicable. However, the theoretical relevance and practical transferability of findings were evaluated through thick description, data saturation, and peer debriefing. Furthermore, a basic Multi-Group Analysis (MGA) was performed by comparing themes across demographic groups (e.g., age, role seniority). Interestingly, junior employees focused more on skill acquisition and learning, while senior staff emphasized identity and leadership adaptation—mirroring insights from recent cross-generational adaptation research (Kraus et al., 2022).

In summary, this chapter presented the key findings of the study based on rich qualitative data. Themes emerged that illustrate a dynamic and emotional journey of adaptation to AI-driven change, shaped by individual resilience and organizational responsiveness. Measures were taken to ensure the credibility, transferability, and validity of results, including data triangulation, member checking, and thematic rigor. These findings lay the groundwork for deeper theoretical reflection and practical implications in the following chapter.

4.2. Discussion

This chapter delves into the stories behind the data—narratives of real employees who are living through the waves of AI-driven transformation in their workplace. Rather than viewing them as passive subjects in a digital shift, we explore their emotions, reflections, and the ways they reshape themselves in response to change. By integrating the research findings with existing theories and literature, this chapter uncovers how employees make sense of, and ultimately adapt to, technological transformation as a deeply human experience.

Recapitulation of the Study

The primary aim of this study was to explore how employees experience and adapt to AI integration in their organization using a phenomenological approach. Through 12 semi-structured interviews, we unearthed themes such as Emotional Turbulence, Learning and Re-skilling, Organizational Communication, Identity Shifts, and Trust in Technology. These findings echo Wang et al. (2022), who emphasize that AI implementation is not merely about upgrading systems—it's a social and psychological process that reshapes how people work, interact, and perceive their roles within organizations.

Demographic Profile of the Respondents

Participants came from a variety of roles, ages, and tenures within the tech company, giving the study a multidimensional view of adaptation. Younger employees generally approached AI adoption with curiosity and enthusiasm, viewing it as a growth opportunity. In contrast, older or more senior employees often reflected on how AI challenged their established roles and identities. This generational contrast supports the findings of Kraus et al. (2022), who suggest that age and experience significantly shape digital readiness and adaptation behaviors in the workplace.

Research Objectives

Addressing the research questions, the study reveals that adaptation to AI is a nonlinear journey, shaped by personal meaning-making, organizational support, and perceived control. Participants described an initial sense of uncertainty, followed by gradual cognitive and emotional engagement through upskilling, collaboration, and dialogue. These findings align with Weick's (1995) theory of sensemaking, where individuals construct personal meaning in response to ambiguous or disruptive events. Consistent with Bissola et al. (2021), the study

also underscores the critical role of inclusive leadership and human-centered communication in smoothing the transition.

Implications and Limitations

The study holds both practical and theoretical implications. For practitioners, it offers clear evidence that digital transformation cannot succeed through technical deployment alone—it requires empathy, open communication, and continuous learning initiatives. Theoretically, the study contributes to the field of organizational change by foregrounding lived experiences and the emotional labor of adapting to AI (Arif, H. M., & Wibowo, E. P. 2023). Nonetheless, limitations exist. The study was conducted within a single company, which may restrict the generalizability of findings. Additionally, while gender and cultural influences surfaced in narratives, these were not deeply explored and represent fertile ground for future research (Ravitch & Carl, 2021).

To conclude, this study provides a rich and human-centered understanding of how employees experience AI-driven transformation. These individuals are not merely adapting—they are navigating, questioning, and evolving with the change. Their stories reveal that behind every successful digital initiative lies a deeper human journey—one that requires organizational sensitivity and support. As AI continues to reshape the future of work, embracing the emotional and experiential dimensions of change will be essential for building resilient, adaptive, and empowered workforces.

5. Conclusion

This research has provided valuable insights into the lived experiences of employees adapting to AI-driven digital transformation in a tech company. By using a phenomenological approach, the study highlights that the journey of adaptation is deeply personal and influenced by emotional, cognitive, and social factors. The findings suggest that while AI integration brings about initial resistance and anxiety, employees can successfully navigate this change through continuous learning, organizational support, and clear communication.

Moreover, the study emphasizes that the adaptation process is not just about acquiring technical skills. Instead, it is about reshaping professional identities, building trust in new technologies, and making sense of the shift in roles and responsibilities. The results are consistent with the work of scholars like Weick (1995) and Bissola et al. (2021), who assert that organizational change, especially digital transformation, is deeply tied to the human experience, requiring emotional engagement and support.

Overall, this research reinforces the notion that successful AI integration in the workplace requires a holistic approach—one that includes technological, organizational, and psychological considerations. It highlights the need for companies to recognize the emotional and cognitive demands placed on employees during such transformative processes and to actively support their growth through training, mentorship, and open dialogue.

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