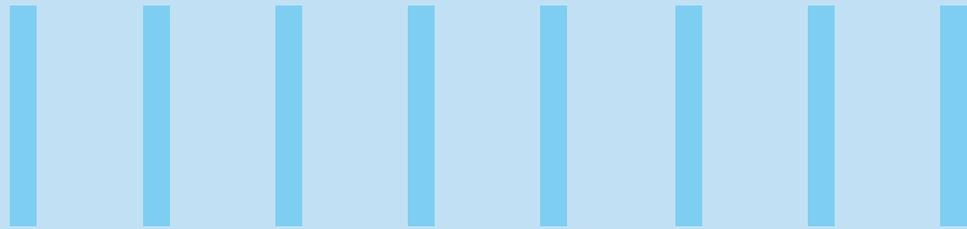




## UNLEASHING EMPLOYEE POTENTIAL: HOW AI IS SHAPING EMPLOYEE WORK IDENTITY



## Introduction

In traditional landscape, for decades, workspaces have been designed with a one-size-fits-all approach. Standardized software, generic training programs, and inflexible routines often fail to cater to the diverse preferences, strengths, and weaknesses of individual employees. This results in disengagement, underperformance, and a talent drain that stifles organizational growth.

The arrival of AI presents a transformative opportunity. Its ability to analyse vast amounts of data, recognize patterns, and learn from experience unlocks a new level of personalization in the workplace.

Like every major change in organizations, we see two facets of interpreting AI and its implications. While automation often sparks concerns about job displacement and change in work identity, AI also holds immense potential to enhance employee experience, leading to a more engaged, productive, and satisfied workforce. Success of AI transformation journey warrants participation of all

parties: leaders, AI experts and employees to overcome challenges of scalability, complexity, and fixation for better results.

As per Microsoft's 2023 Work Trend Index annual report, 64% of people struggle with time and energy to do their job and 62% spend too much time searching for information during the workday. Implementing AI for employee experience is not about replacing humans, but rather about augmenting their capabilities. For instance, a claim consultant often needs to work on tedious paperwork for complex legal research. Repetitive tasks like data entry and document processing can now be handled by AI, freeing up time to tackle intricate investigations and personalized customer service. Advanced algorithms also offer valuable insights, predicting potential fraud, analysing market trends, and even suggesting similar claims for reference. These intelligent tools can empower consultants to make informed decisions, streamline processes, for a faster, more satisfying experience for both clients and the insurance industry.

## How AI is Realigning Employee Work Identity

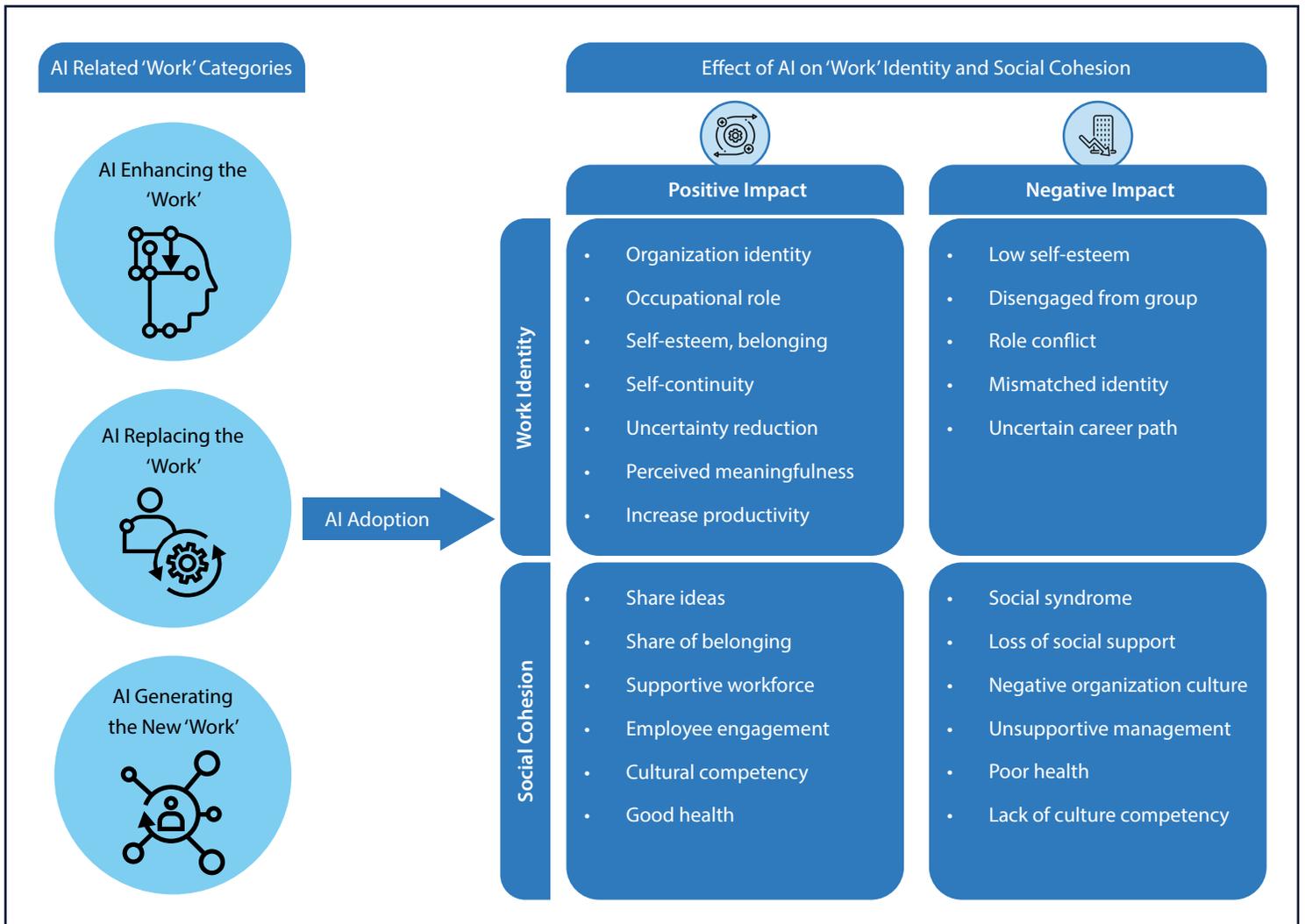
World Economic Forum estimated that 44% of core skills will change in the next five years (WFE, 2023)

The impact of AI on employees varies based on how their tasks are structured, their repetitive volume, and outcomes, as well as economic and structural factors. Occupations heavily reliant on information technology will be exposed first and more extensively to AI-driven changes like creation, task automation, and replacement, causing fundamental changes in the occupational landscape.

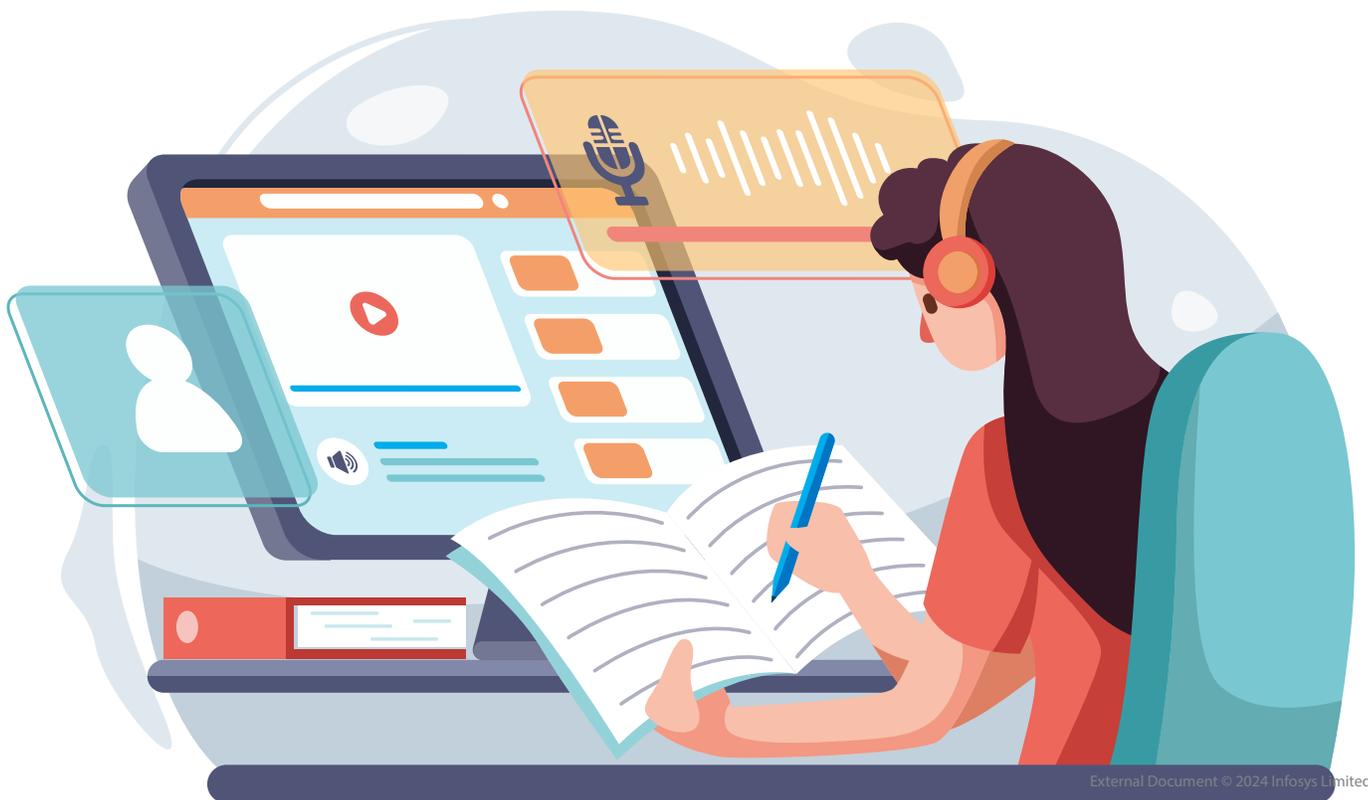
Research suggests that workplaces provide fertile ground for social self-categorization. Individuals readily identify with their occupations, organizations, and work teams, aligning their actions with established social norms within these groups. This alignment leads to social recognition, fostering self-esteem and a sense of belonging. Furthermore, work contexts, including teams, colleagues, and supervisors, along with broader organizational and occupational communities, actively validate these work-related identities, reinforcing their social function and significance.

Consequences of AI-induced work changes are deeply intertwined with their impact on individual identities. Threats to established roles and functions trigger protective responses, as individuals seek to maintain a sense of self-worth and belonging within the professional sphere. Conversely, when AI aligns with desired work identities and strengthens their capacity to fulfil individual goals, it facilitates adaptation, expansion, and a more fulfilling professional experience. Understanding this dynamic relationship between AI and work identity is crucial for managing the transition to an AI-augmented workforce.





*Impact of AI on Work Identity and Social Cohesion*





## AI Enhances Employee's Existing Work

AI's rise in the workplace brings new tools like real-time monitoring and data-driven insights, augmenting rather than replacing human work. This shift inevitably demands skill adaptation and task realignment, potentially impacting workers' job identities and influencing self-esteem and sense of belonging. Research suggests these impacts are further modulated by the implementation process, highlighting the importance of employee participation and gradual change as key factors in ensuring a smooth social transition within the workplace fabric.



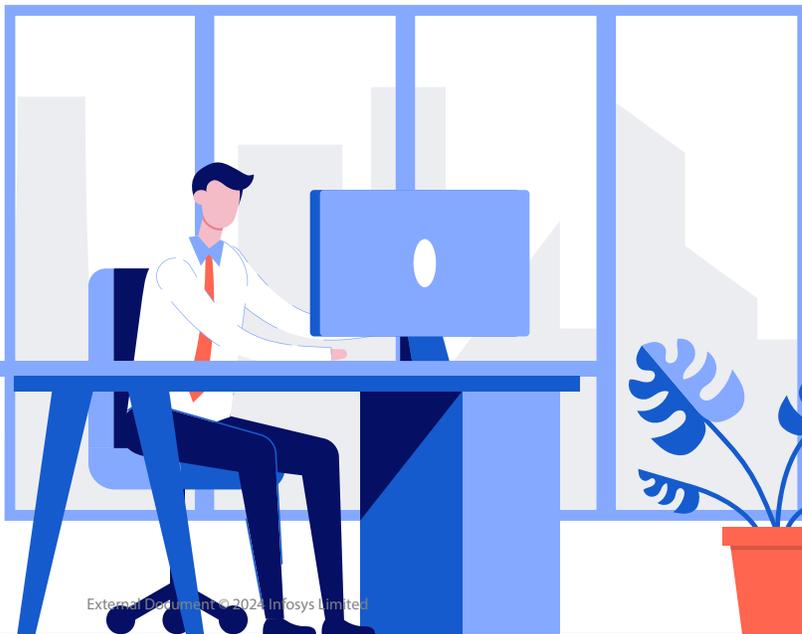
## AI Replaces Employee Work

AI's influence on the professional landscape extends beyond supplementing existing tasks to encompassing cognitive and manual functions across all skill levels. From pattern recognition and stock replenishment to complex decision-making in finance, law, and customer service, AI's reach expands, potentially disrupting individual and collective identities. This replacement poses unique challenges beyond those associated with AI-augmented work, potentially threatening self-continuity, and impeding the fulfilment of identity functions previously served by the replaced tasks. Furthermore, job displacement due to AI automation further intensifies the identity challenges, disproportionately impacting individuals and the social fabric of work, particularly for those experiencing significant job role loss.



## AI Generating New Work

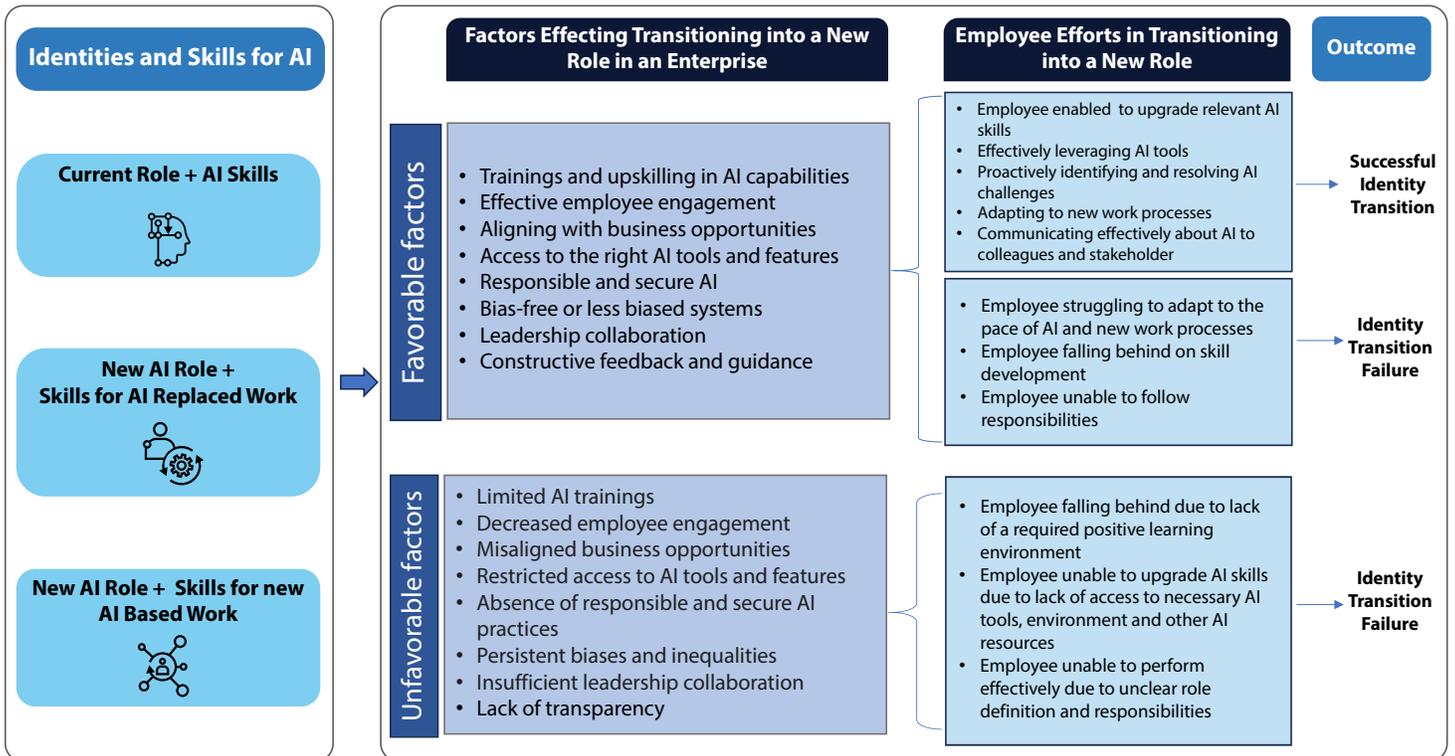
While AI's potential for job displacement cannot be ignored, its implementation also focuses on AI training, communication, and maintenance. Additionally, smaller-scale AI-driven changes necessitate acquisition of new skills for existing workers. These developments are likely to evoke diverse reactions, including resistance to change, efforts to preserve established work identities, and avoidance of new tasks. However, the creation of flexible and supportive environments that facilitate learning and identity restructuring can promote adaptation and expansion within the workforce.



## Employee Work Identity Transition

A successful work identity shift is crucial for employees transitioning to new AI-based roles to ensure continued performance aligned with organizational goals while minimizing negative impacts on social context. Several factors influence this transition, including the specifics of new AI role and the required skills. A successful identity shift hinges on both favourable factors (e.g., organizational support, training) and the employee's own efforts in adapting to the new role. Conversely, unfavourable factors (e.g., lack of training, unclear expectations) can contribute to unsuccessful transition.

### Work Identity Transition Success Criteria



Work Identity Transition Success Criteria



## Improve Employee Experience with Enterprise AI Assistants

Microsoft Copilot for Microsoft 365 and Gemini for Google cloud tools, powered by sophisticated large language models (LLMs), offer diverse functionalities to organizations and individuals. LLMs leverage vast data stores to process prompts, navigate context, and generate natural language text, enabling AI assistants to fulfil tasks like email composition, code generation, and content summarization. This integration of AI empowers employees and teams to unlock increased productivity and enhanced collaboration through features such as automatic document summarization, data-driven insights, and real-time productivity tips.

AI assistants like Copilot for Microsoft 365, utilizes organizational data to deliver relevant and accurate results. However, data security

and compliance are paramount concerns. To mitigate the risk of unauthorized access to sensitive information, including credit card data, medical records, and financial information, robust data security measures are being implemented. These measures encompass data quality assurance and continuous monitoring mechanisms, minimizing the potential for data leakage and ensuring reliable operation of the tool. To top it all, Microsoft provides guidelines to Adopt AI assistant [Microsoft Copilot](#).

[Infosys Copilot ReadyAssist](#), is a well-designed solution for assessing and preparing your environment for copilot and assisting in the acceleration of copilot adoption.

## Responsibilities of Different Parties in Enterprise Growth and Empowering Employees

The evolving work landscape creates both positive and negative impacts on employees' work identities. Stakeholders across levels, from leaders and policymakers to individual employees, must collaborate to address these impacts and establish supportive frameworks for businesses. By considering key questions, they can develop practices that empower employees and foster a healthy work identity.

Stakeholders Involved in Shaping AI Work Identity	Key Considerations
Leaders	<ol style="list-style-type: none"><li>1) Generative AI and other advancements will drastically reshape a company's skillset needs, demanding a diverse array of new occupations and talents. Companies must prepare for this revolution by embracing continuous learning and upskilling initiatives.</li><li>2) Enterprises can develop framework to map employee with work identity, with AI as the backdrop and help them for the future actions and upskilling.</li><li>3) Beyond maximizing its benefits, a company has a responsibility to ensure ethical deployment of AI. This necessitates proactive engagement in shaping responsible AI principles, identifying, and mitigating potential negative impacts on society and prioritizing human well-being.</li></ol>
Policy Makers	<ol style="list-style-type: none"><li>1) How can lawmakers ensure responsible development and use of AI to protect vulnerable populations from potential harm?</li><li>2) What can be an incentive for companies to encourage them to invest in upskilling their workers for the future?</li><li>3) New policies need to be developed, and existing policies should be amended to ensure human-centric AI development and deployment that includes human oversight and diverse perspectives and accounts for societal values. Human-centricity should be at the core of policy development rather than an after-thought.</li></ol>
Individuals as Employees and Workers	<ol style="list-style-type: none"><li>1) Employees voices are *integral in shaping the future of AI</li><li>2) Employees can and should volunteer to upskill.</li><li>3) Adoption of new AI based workspaces.</li></ol>

Work identity provides a valuable framework for understanding and addressing the human impacts of AI in the workplace. By considering AI's functions, workers' identities, and the social context of work, organizations can make informed decisions that support both productivity and worker well-being.

## The Way Forward

AI and related technologies hold the potential to automate routine tasks encompassing 60-70% of an employee's workday. AI can substantially increase employee productivity across the economy, but that will require investments to support employees as they shift work activities or change jobs. AI assistants can help empower employees with enhanced productivity, increased engagement, and superior performance. However, it would be the joint responsibility of enterprises, lawmakers, and employees to address the human impacts of AI at the workplace.

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Divyesh is a seasoned professional with 18 years of experience leading successful development, migration, and transformation projects. He possesses in-depth expertise in Microsoft 365 technologies, leveraging them to architect, design, develop, and implement impactful business applications. He is an active member of different architecture communities. As a guardian of architectural integrity, Divyesh also provides strategic guidance to senior leadership on emerging technologies like AI and collaboration services, keeping the organization at the forefront of industry trends. Divyesh holds a master's degree in information technology.



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