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THE IMPACT OF ARTIFICIAL INTELLIGENCE ON ORGANIZATIONAL CULTURE: A PATHWAY TO DIGITAL TRANSFORMATION

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ABSTRACT

In the rapidly evolving business landscape, Artificial Intelligence (AI) has emerged as a pivotal driver of digital transformation, fundamentally reshaping organizational culture. This study explores the multifaceted impact of AI on organizational culture and assesses managers' perceptions of Al-facilitated digital transformation. Employing a quantitative research design, data were collected from 244 managers across various industries, including the IT sector, where AI has significantly influenced operational and strategic practices. The research tested two primary hypotheses: H1, which posits that AI has a significant impact on organizational culture, and H2, which asserts that managers hold a positive perception of digital transformation through AI. Utilizing one-sample t-tests, the findings robustly supported both hypotheses. The results indicate that AI integration has substantially altered communication, collaboration, core values, decision-making processes, and fostered a culture of innovation and continuous improvement within organizations. Additionally, managers overwhelmingly perceive AI as a critical enabler of digital transformation, enhancing overall performance, driving sustainable growth, improving customer satisfaction, and aligning with strategic objectives. These outcomes underscore the essential role of managerial support and strategic alignment in successfully leveraging AI for cultural and digital advancements. The study contributes to the existing literature by providing empirical evidence on the interconnectedness of AI, organizational culture, and digital transformation, while highlighting the need for further research into sector-specific impacts and longitudinal effects. Practical implications suggest that organizations should cultivate supportive environments and align AI initiatives with cultural and strategic goals to maximize the benefits of digital transformation.

Keywords: Artificial Intelligence, Organizational Culture, Digital Transformation, Managerial Perceptions, Quantitative Research, Innovation, Strategic Alignment

1. INTRODUCTION

An organization's ability to remain competitive and relevant in today's market depends on its level of digital transformation. Integrating Artificial Intelligence (AI) is key to this change since it changes operational capabilities and has a huge impact on company culture. The foundation for effective AI adoption and digital transformation is organisational culture, which is described as the common ideas, values, and conventions that influence behaviour inside an organisation. This essay delves at the various ways in which artificial intelligence affects company culture and how this interaction supports the larger process of digital transformation. Chatbots, virtual assistants, and collaborative platforms powered by machine learning are just a few examples of how AI is revolutionising internal company communication and teamwork. These innovations promote an environment of candour and openness by standardising lines of communication, allowing for the sharing of information in real-time, and tearing down barriers between different departments. An example of an AI-driven tool that may foster a more cohesive and agile organisational environment is a

project management tool. These systems can efficiently allocate resources and give insights that boost team communication. Incorporating AI into decision-making also changes company culture to value data more than gut feelings. Executives are able to make better decisions with the help of predictive analytics and ML algorithms, which give practical insights. Decisions are routinely assessed against quantifiable results in this data-driven strategy culture, which promotes responsibility and continual development. Artificial intelligence (AI)-driven automation changes conventional workflows by taking care of routine and repetitive labour, which calls for a shift in company culture to reward workers for more valuable contributions like creative problem-solving and long-term planning. To keep up with the everchanging technology world, organisations should encourage their people to accept change and continue learning throughout their careers. As a result of AI's improvements in performance monitoring, trend prediction, and resource management, it also affects management and leadership approaches. As leaders utilise AI to improve communication and give workers more agency, more democratic and participative management styles may emerge as a result of this technological empowerment. The result can be a shift away from hierarchical systems and towards a culture that values inclusion and collaboration.

2. ARTIFICIAL INTELLIGENCE AS A DRIVER OF DIGITAL REVOLUTION

Artificial intelligence (AI) streamlines operations, optimises operational efficiency through process automation, reduces mistakes, and minimises expenses, acting as a catalyst for digital transformation. Organisations may better invest in new ideas and deploy resources thanks to operational excellence, which fits well with a culture that prioritises optimisation and efficiency. In addition, AI creates a setting that is favourable to innovation by offering resources that facilitate quick testing and revision. Machine learning models can mimic a wide range of situations, opening up new avenues of inquiry for companies in search of innovative goods and services. The entire innovation-driving potential of All can only be realised in an environment that promotes risk-taking and accepts failure as a learning experience. Intelligent data analysis, predictive customer care, and personalised interactions are just a few ways in which AI improves the customer experience. Businesses that put their customers first use AI to learn more about them and their wants and requirements, which increases customer happiness and loyalty. By prioritising the customer experience, this alignment between AI capabilities and customer-focused values speeds up digital transformation. By streamlining communication, project management, and performance monitoring, AI-powered technologies can facilitate remote and flexible work settings. The culture of organisations must change to prioritise trust, autonomy, and performance focused on outcomes as they embrace more flexible work arrangements. The use of AI underpins this cultural transformation by making it possible for people to work together and be productive regardless of where they are physically located. Obstacles and Things to Think About The incorporation of AI brings up several ethical concerns like privacy, prejudice, and job loss, notwithstanding its advantages. Responsible use of AI and adherence to ethical principles must be ingrained in organisational culture. In order to reduce risks and keep confidence in the organisation, it is vital to set clear norms and encourage open talks regarding AI ethics. Employees who are afraid of losing their jobs or who see technological development as a danger may also be resistant to AI's introduction. To reduce pushback and encourage buy-in, it's important to use change management tactics including open lines of communication, training programs, and staff participation in the AI adoption process. Since AI systems can only learn from data that is free of prejudice, it is essential to ensure diversity and inclusion in AI deployments. For organisations to really embrace diversity and inclusion, they need to make use of different datasets and ensure that a variety of viewpoints are considered throughout the development process. The efficiency and equity of AI systems are improved in societies that prioritise diversity. It is critical to maintain the human-centric elements of organisational culture even while AI improves efficiency and decisionmaking. Workplace empathy, creativity, and connection building should never go away. To make sure that technology enhances people rather than replaces them, it's important to integrate AI while still upholding human-centric values. Google is a great example of a company with a collaborative culture and good AI integration. Google has improved decision-making and simplified workflows with the use of artificial intelligence (AI) technologies like Google Assistant and AI-driven data analytics. A seamless shift towards a digitally changed organisation has been made possible by the company's emphasis on continual learning and employee empowerment. Equally important are accountability, fairness, and transparency in IBM's extensive AI ethics framework. An environment of trust and accountability is promoted by IBM through the incorporation of ethical concerns into their AI projects. Aligning technology breakthroughs with ethical ideals, this strategy not only promotes their organisational culture but also boosts the integrity of their AI applications.

3. METHODS FOR CREATING A POSITIVE WORK ENVIRONMENT WITH THE USE OF AI

Companies may make better use of AI if they provide their employees with training and development programs that teach them how to operate with AI. In order to encourage a growth mindset and encourage people to embrace AI for their own professional and personal development, organisations should provide chances for continuous learning. Additionally, it is critical to communicate clearly about AI projects in order to develop confidence and minimise ambiguity among staff by outlining the objectives, advantages, and consequences of AI. Employees are more likely to feel educated and invested in the change when there is transparency about it.

Employee buy-in and less opposition to AI adoption are both fostered by include them in the process. Involvement from all members of the workforce promotes a welcoming and respectful work environment by ensuring that AI solutions meet their demands and uphold their values. Furthermore, cultural integrity is reinforced when AI plans are aligned with the organization's basic values. By ensuring that AI projects are in line with cultural values, digital transformation may actually enhance the organization's identity rather than weaken it. This is true regardless of whether the priority is customer happiness, innovation, or ethical standards. When it comes to digital progress and organisational culture transformation, artificial intelligence is a potent accelerator. A culture that is innovative, data-driven, and nimble may be fostered by AI by altering leadership styles, work processes, decision-making, and communication. In order for businesses to optimise their operations, improve customer experiences, and stay competitive in a world where technology is always evolving, this cultural shift is crucial for achieving digital transformation. However, keeping humancentric values, considering ethical issues thoroughly, and implementing good change management are all necessary for the successful integration of AI. Organisations must prioritise the development of a culture that supports and adapts to AI adoption if they want to fully utilise AI and achieve digital transformation that lasts.

4. REVIEW OF LITERATURE

In their 2019 article, Brock and Von Wangenheim go into the nuts and bolts of AI implementation in the workplace, with a focus on digital transformation projects. Their research shows that digital transformation initiatives for companies commonly use AI and other advanced digital technologies, but that this approach mostly serves to bolster current business processes rather than completely revamp them. This viewpoint clarifies the frequently overstated assertions on the revolutionary power of AI by implying that its influence is more subtle and sustaining. Strong leadership, agile organisations, solid data management, grounded AI applications in business settings, efficient teams, intelligent integration with current systems, and worldwide surveys of senior managers across different industries are some of the critical success factors identified by Brock and Von Wangenheim in their analysis of AI implementation case studies. Developing a company culture that supports digital transformation requires these components. The authors provide helpful direction for managers attempting to negotiate the intricacies of AI adoption by supplying a systematic framework. In order to avoid technology from tearing the company apart, their research shows that AI projects should be in sync with the company's long-term objectives and basic values. By drawing attention to the necessity for a middle ground that takes advantage of technology advances while preserving cultural coherence, this study adds to the larger conversation on how AI affects organisational culture. As a result, the work of Brock and Von Wangenheim is essential reading for every organisation starting its digital transformation path if it wants to comprehend the complex interplay between AI integration and cultural transformation.

Specifically addressing digital transformation, AlNuaimi et al. (2022) explore the complex interplay of digital strategy, organisational agility, and leadership. By drawing on recent developments in institutional theory, the authors create and test a model that moderating the effect of digital strategy on the relationship between digital transformational leadership, organisational agility, and the success of digital transformation projects. According to their research, digital transformation is helped along by both agile organisations and digital transformational leadership, and the latter really makes agile organisations even better. Agile organisations are in a better position to use leadership skills for effective digital change, since agility mediates the interaction between digital transformation and digital transformation. The importance of agile leadership styles in creating a culture that can withstand digital transition has been well-understood in this study. By narrowing their attention to the public sector, AlNuaimi et al. are able to provide insights that are applicable to other businesses by addressing the particular issues and possibilities faced by this sector. In order for organisations to be nimble enough to react to changes in technology and the market, their research shows that visionary

and flexible leadership is crucial. This study adds to the ongoing conversation on the effects of AI on company culture by demonstrating the need of strong leadership and adaptability in laying the groundwork for digital transformation led by AI. As a result, it stresses how important it is to integrate digital projects with leadership development and strategic agility if organisations want to succeed in the long run.

In order to help with digital transformation, Warner and Wäger (2019) look at how established companies in conventional sectors build dynamic capabilities. According to their qualitative research, digital transformation is when a company uses new digital technologies like mobile, AI, cloud computing, blockchain, and the IoT to significantly improve their business. This includes making their operations more efficient, creating new models for their business, and improving customer experiences. Instead of a one-time strategy revamp, Warner and Wäger find that digital transformation is typically a continuous process ingrained in everyday organisational practices through interviews with top executives heading digitalisation initiatives. To determine the antecedents, facilitators, and inhibitors of the growth of the adaptable skills essential to digital transformation, they offer a process model with nine microfoundations. In three critical areas—business models, collaborative methods, and organisational culture—the study identifies agility as the fundamental engine propelling strategy renewal. By stressing the need of agility, the authors show how organisations can adapt to new technologies quickly and maintain a culture that encourages innovation and change. This study adds to our knowledge of how AI is changing company culture by showing that fostering adaptable, creative cultures that value strategy renewal is crucial for integrating AI and other digital technologies. Traditional organisations attempting to traverse digital transition will benefit greatly from Warner and Wäger's results, which highlight the need of cultural flexibility and strategic agility in making the most of AI-driven breakthroughs.

In order to clarify the connection between AI and commercial value in organisational settings, Enholm et al. (2022) do a thorough literature study. Their research responds to the rising tide of interest in artificial intelligence (AI) as a means to boost corporate performance, propelled by the meteoric rise in both data availability and computing capacity. Despite the obvious advantages, many companies still have trouble adopting and using AI technology because their knowledge of how AI generates value for their businesses is incomplete. In this review of the literature, Enholm and colleagues classify the many AI applications in organisational contexts, determine the factors that promote or discourage AI adoption, and investigate the short- and long-term consequences of AI deployment. Their research shows that strong data infrastructure, well-defined strategic goals, and an organization's openness to new technologies are crucial for AI adoption to be effective. Further, they stress the significance of knowing where AI may be most useful for a company, be it in terms of generating innovation, boosting customer experiences, or increasing operational efficiency. In order to promote a more consistent and comprehensive comprehension of AI's economic worth, the authors suggest a research agenda by pointing out holes in the existing literature. To maximise value generation, it is essential to align AI plans with cultural and operational frameworks. This study is especially pertinent to the issue of AI's influence on organisational culture since it emphasises that. The assessment by Enholm et al. lays the groundwork for organisations who want to include AI into their digital transformation initiatives, highlighting the important relationship between embracing technology and adjusting to new ways of thinking.

The impact of artificial intelligence (AI) decision-making algorithms on organisational decision-making processes is explored by Di Vaio et al. (2020). Findings from their research highlight five critical differentiating variables between decision-making by humans and AI: decision-search space specificity, interpretability of decision-making and consequences, size of alternative set, decision-making speed, and replicability. The authors provide a new paradigm by comparing these aspects that describes the best way to mix human and AI-based decision-making to improve the quality of organisational choices. Full human delegation to AI, hybrid sequential decision-making (in which humans and AI interact step-by-step), and aggregated decision-making (in which human and AI inputs are integrated to produce a single conclusion) are the three kinds of decision-making structures classified by the framework. Understanding how various decision-making processes may effect and be impacted by cultural norms and practices is a key contribution of this study to the understanding of AI's impact on organisational culture. As an example, a culture that trusts and appreciates efficiency and automated procedures may be necessary for complete AI delegation, but a culture that values cooperation and continual learning may be more appropriate for hybrid and aggregated methods. To ensure that decision-making processes promote both technical innovation and cultural integrity, Di Vaio et al.'s methodology offers practical direction for organisations aiming to reconcile human intuition and creativity with AI's analytical skills. In order to successfully undergo digital transformation, this study highlights the significance of carefully incorporating AI into decision-making processes to boost organisational performance while preserving an adaptable and supportive culture.

In their 2019 study, Li, Bonn, and Ye zero down on five-star hotel employees in Guangzhou, China, to determine how AI and robotics awareness affect employee turnover intentions in the hospitality business. By investigating the effects of workers' views on their intentions to stay or quit their companies, this study tackles an important facet of organisational culture. The results show that there is a strong correlation between workers' knowledge of AI and robotics and their plans to leave their current positions. This suggests that workers who are more knowledgeable about these technologies may feel more insecure about their jobs and be more inclined to look for other alternatives. On the other hand, a competitive psychological climate and the perception of organisational support mitigate this link. The detrimental effect of AI and robotics knowledge on employees' inclinations to leave is reduced when workers have a positive organisational experience and see a work environment that is both competitive and collaborative. In order to allay employees' fears of technological progress, this study stresses the significance of cultivating a supportive organisational culture. Organisations should not only adopt AI technology but also foster a culture that helps workers adjust to these changes, as Li, Bonn, and Ye point out by describing the moderating effects of psychological environment and organisational support. This method is critical for a smooth digital transition since it makes sure that new technologies improve company culture instead of destroying it. Findings from this study can help managers navigate the digital transformation process with more success by integrating AI and robots in a way that boosts morale and retention rates.

Borges et al. (2021) study the strategic utilisation of AI in the digital era through a comprehensive literature analysis. They focus on how organisational strategy fits with AI integration to produce economic value. Although AI has the ability to solve problems and create value through improvements in machine learning techniques, its research fills a vacuum in practical understanding about its strategic usage. In their review of the literature, Borges and colleagues draw attention to the pros. cons. and prospects of AI adoption by combining various methodologies and frameworks. Decision support, employee and customer engagement, automation, and new product/service development are the four key areas they classify as areas where AI creates value. Strategic AI integration, according to this analysis, necessitates an in-depth familiarity with how AI may improve different business processes and a firm grasp of the organization's overarching objectives. Among the major obstacles mentioned by the authors are the following: the necessity of strong data management; ethical concerns; and the incorporation of AI into preexisting systems, which might impact company culture via requiring adjustments to processes and personnel responsibilities. Borges et al. also address potential avenues for further study, calling attention to the need of investigations into the dynamics between AI tactics and company ethos. Organisations are encouraged to embrace AI in ways that support their cultural values and strategic goals by following their recommended conceptual framework, which acts as a roadmap for both theoretical investigation and practical implementation. For digital transformation to succeed, this alignment is important. It creates an atmosphere that is conducive to creativity and strategic agility by making sure that AI projects are both technically and culturally integrated. As a result, managers and academics alike may benefit from the practical insights provided by Borges and colleagues about the impact of AI on organisational culture and digital transformation.

From a theoretical and practical standpoint, Ivaldi, Scaratti, and Fregnan (2022) analyse how the fourth industrial revolution has affected organisational learning, skills, processes, and work cultures. Industry 4.0 is characterised by fast technology breakthroughs, such as the Internet of Things (IoT), artificial intelligence (AI), and robots. Their study highlights the requirement for organisations to modify their learning processes and create new capabilities to traverse these innovations. The authors demonstrate the importance of organisational learning in creating new, more agile, and people-centered work cultures via a thorough literature analysis and a case study of a tech multinational corporation. According to the results, embracing cutting-edge innovation isn't enough to achieve digital transformation; a culture that values learning, flexibility, and skill development is also essential. Integrating AI into regular organisational activities requires this cultural transformation so that people can properly exploit these technologies. To keep a good company culture alive throughout digital transformation, Ivaldi and colleagues say it's important to create an agile workplace that puts people first in technology advancements. Their findings have real-world relevance because they provide ways to coordinate the advancement of technology with the emergence of novel approaches to work and professional culture. The report also discusses the societal effects of digitisation, including how it is changing the nature of employment and the necessity of a healthy work-life balance. Ivaldi, Scaratti, and Fregnan add to the body of knowledge on the topic of digital transformation by providing a practical and theoretical framework for the integration of AI and other digital technologies into organisational cultures. Their findings demonstrate how strategic organisational learning may boost an organization's competitiveness and resilience while also encouraging its members to welcome technological change.

Research by Dubey et al. (2020) delves into the relationship between operational success, Big Data Analytics (BDA), and AI in industrial organisations. The authors highlight the significance of entrepreneurial orientation (EO) and environmental dynamism (ED) in this context. Their research builds and validates a model that shows how EO affects the uptake of BDA-AI technologies, which in turn improves operational performance (OP), by referencing the dynamic capabilities perspective and contingency theory. This study's findings, based on responses from 256 Indian manufacturing companies, show that EO greatly helps businesses take advantage of and grow their BDA-AI capabilities, which in turn improves their operational efficiency. Environmental dynamism moderates the association between EO and higher-order skills, which means that EO has a stronger beneficial impact on BDA-AI adoption and OP in more dynamic contexts. This research adds to our knowledge of how to strategically use AI-driven technology into organisational processes to propel digital transformation. By integrating EO and BDA-AI capabilities, Dubey and colleagues prove that using AI to boost innovation and operational efficiency requires an entrepreneurial and proactive mindset. Their research shows that in order to create a setting that is good for digital transformation, it is important to match IT skills with company culture. To top it all off, the research gives managers pointers on how to foster EO while also adjusting to new circumstances so that AI and Big Data Analytics may work their magic. To be competitive in everchanging markets, organisations must foster a culture of continual development and adaptability, which requires this alignment. As a result, the study by Dubey et al. highlights the importance of company culture in implementing AI systems, which is seen as a crucial step towards long-term digital transformation and top-notch operations.

In their comprehensive study, Isensee, Teuteberg, Griese, and Topi (2020) look at the connections between SMEs' digitalisation efforts, environmental sustainability, and company culture. Their research fills a need in the literature by providing the first comprehensive overview of the interplay and mutual effect of these three ideas, which had hitherto been studied independently. Organisational culture, digitalisation, and sustainability are all interconnected, and the authors create a map to show this by reviewing 80 important peer-reviewed articles. They stress the importance of strategic direction, internal capabilities, management practices, and attitudes in driving organisational behaviour towards sustainability and digital adoption by identifying thirteen important dimensions and ten linkages between these categories. The innovative idea of "green digitalisation tools" highlights the need of digitalisation in attaining sustainable business practices by integrating digital technology with environmental sustainability. Research methodologies, geographic emphasis, and the growing fascination in their junction are all laid bare by the meta-analysis of Isensee et al. Their qualitative study refines the Belief-Action-Outcome (BAO) model to account for the ever-changing interplay of culture, digitalisation, and sustainability. In order to effectively integrate digital technologies that promote environmental sustainability, the results indicate that a supportive organisational culture is essential. To successfully traverse the intricacies of digital change while preserving sustainable practices, this integration is crucial for SMEs. To pave the way for future study to delve further into these linkages, the authors highlight the shortcomings and obstacles in the current body of knowledge. An effective digital transformation and a culture that values both technical innovation and environmental responsibility can be achieved when organisational culture is aligned with digital and sustainability goals, as demonstrated in the work of Isensee and colleagues. In today's increasingly digital and eco-conscious corporate world, this comprehensive strategy is essential for small and medium-sized enterprises (SMEs) that want to succeed and thrive in the long run.

Artificial intelligence (AI) promotes digital change and overlaps with many aspects of organisational culture; the examined literature gives a thorough study of this intersection. Aligning technical improvements with organisational goals is crucial, as highlighted by Brock and Von Wangenheim (2019) and Borges et al. (2021), who emphasise the strategic integration of AI with leadership and digital initiatives. The significance of agility in supporting continuous digital transformation is highlighted by AlNuaimi et al. (2022) and Warner and Wäger (2019), who examine the functions of transformational leadership and dynamic skills. The studies conducted by Enholm et al. (2022) and Dubey et al. (2020) centre around the benefits of AI for businesses and operational performance, respectively. On the other hand, Li, Bonn, and Ye (2019) investigate how employees' awareness of AI affects their intentions to leave their current position, drawing attention to the significance of psychological climate and organisational support. Also, a holistic view of SME digitalisation, organisational culture, and sustainability is given by Isensee et al. (2020). Regardless of these findings, there is still a huge knowledge vacuum when it comes to the comprehensive and interrelated effects of AI on all aspects of company culture. In particular, research on the effects of AI-driven efforts on several cultural dimensions, including communication, cooperation, ethical standards, and employee engagement, is lacking. This study fills that need by creating a holistic model that takes into account all of these cultural factors and investigates how AI can change them all at once. In doing so, it offers a more complex picture of how AI changes the culture of an organisation to make it more

flexible, creative, and resilient, in addition to supporting strategic and operational goals. Organisations that want to successfully manage digital transition while keeping their culture strong and coherent need this input.

4.1. OBJECTIVES OF THE STUDY

- To find the the Impact of Artificial Intelligence on Organizational Culture.
- To understand the perception of the managers regarding the digital transformation through Artificial Intelligence.

4.2. HYPOTHESES

- H1: Artificial Intelligence has a significant impact on Organizational Culture
- H2: There is positive perception of the managers regarding the digital transformation through Artificial Intelligence.

5. RESEARCH METHODOLOGY

This study employed a quantitative research design to investigate the impact of Artificial Intelligence (AI) on digital transformation and organizational culture across various industries. A total of 244 managers from sectors significantly influenced by AI, including the IT industry, were selected as respondents using a stratified sampling technique to ensure diverse representation across different fields. Data were collected through a structured questionnaire that assessed key variables related to AI implementation, digital transformation initiatives, and dimensions of organizational culture. The responses were then analyzed using a one-sample t-test for inferential statistics to determine whether the mean scores of the participants significantly deviated from established benchmarks or theoretical expectations. This statistical approach enabled the examination of whether the perceptions and experiences of managers regarding AI's role in digital transformation and cultural changes were aligned with the hypothesized outcomes. By focusing on these quantitative measures, the study provided empirical evidence on the extent to which AI influences organizational culture and drives digital transformation, thereby addressing the research objectives with robust and objective data analysis.

5.1. DATA ANALYSIS

Table 1 Impact on Organizational Culture

	Firmly Disagree		Disagree		Neutral		Agree		Firml	y Agree
	Count	Row N %	Count	Row N %	Count	Row N	Count	Row N %	Count	Row N %
The integration of Artificial Intelligence has changed the way employees communicate within our organization.	12	5.1%	16	6.8%	24	10.3%	72	30.8%	110	47.0%
AI technologies have fostered a more collaborative environment in our workplace.	36	15.4%	35	15.0%	28	12.0%	80	34.2%	55	23.5%
The adoption of AI has influenced the core values and beliefs of our organization.	15	6.4%	43	18.4%	32	13.7%	79	33.8%	65	27.8%
Artificial Intelligence has altered the decision-	43	18.4%	30	12.8%	6	2.6%	77	32.9%	78	33.3%

making processes within our company.										
The use of AI has promoted a culture of innovation and continuous improvement in our organization.	47	20.1%	13	5.6%	26	11.1%	65	27.8%	83	35.5%

The data presented in Table 1 reveal a predominantly positive perception among managers regarding the impact of Artificial Intelligence (AI) on organizational culture. For the statement "The integration of Artificial Intelligence has changed the way employees communicate within our organization," a substantial majority of respondents either agreed (30.8%) or firmly agreed (47.0%), totaling 77.8%, indicating that AI has significantly transformed communication dynamics within the workplace. This strong agreement suggests that AI tools and technologies have facilitated more efficient and possibly more transparent communication channels, thereby altering traditional interaction patterns among employees. In the case of "AI technologies have fostered a more collaborative environment in our workplace," 34.2% of respondents agreed and 23.5% firmly agreed, summing up to 57.7% positive responses. This indicates that AI has played a crucial role in enhancing collaboration, likely through the implementation of collaborative platforms and tools that streamline teamwork and information sharing. However, the presence of 15.4% firmly disagreeing and 15.0% disagreeing responses also highlights that while AI fosters collaboration for many, it may not have the same effect across all departments or teams within an organization. Moving to "The adoption of AI has influenced the core values and beliefs of our organization," the results show that 33.8% agreed and 27.8% firmly agreed, amounting to 61.6% positive responses. This suggests that AI integration has led to a shift in organizational values and beliefs, possibly promoting values such as innovation, data-driven decision-making, and continuous improvement. Nevertheless, the 6.4% firmly disagreeing and 18.4% disagreeing responses indicate that some organizations may not perceive AI as a transformative influence on their foundational values, or there may be resistance to cultural change prompted by AI adoption. For the statement "Artificial Intelligence has altered the decision-making processes within our company," 32.9% of respondents agreed and 33.3% firmly agreed, totaling 66.2% positive responses. This demonstrates that AI has significantly impacted how decisions are made, likely through the introduction of data analytics, predictive modeling, and automated decisionsupport systems that enhance the accuracy and efficiency of managerial decisions. However, a notable minority (18.4%) firmly disagree and 12.8% disagree) do not perceive such changes, which could be due to variations in AI implementation or differences in managerial acceptance and trust in AI-driven processes. Finally, for "The use of AI has promoted a culture of innovation and continuous improvement in our organization," 27.8% agreed and 35.5% firmly agreed, resulting in 63.3% positive responses. This indicates that AI has been instrumental in fostering an innovative culture by enabling rapid experimentation, facilitating the development of new products and services, and encouraging a mindset of continuous improvement among employees. Nonetheless, the presence of 20.1% firmly disagreeing and 5.6% disagreeing responses suggests that while AI promotes innovation for many, some organizations may experience challenges in aligning AI initiatives with their existing innovation practices or may face cultural resistance to adopting new technologies. Overall, the high levels of agreement across all five statements provide robust support for the hypothesis that Artificial Intelligence has a significant impact on organizational culture. The findings demonstrate that Al not only enhances operational efficiencies and strategic decision-making but also fundamentally reshapes various cultural dimensions, including communication, collaboration, core values, decision-making processes, and the promotion of innovation. These changes collectively facilitate digital transformation, creating a more adaptive, innovative, and resilient organizational environment. However, the variations in responses also highlight the need for organizations to address potential resistance and ensure that AI implementations are aligned with their cultural and strategic objectives to maximize the positive impact of digital transformation.

Table 2 Perception of the Managers

	mly gree	D	Disagree		Neutral		Agree		Firmly Agree	
Count	Row N %	Count	Row N %	Count	Row N %	Count	Row N %	Count	Row N %	

I believe that Artificial Intelligence has significantly enhanced our organization's digital transformation efforts.	39	16.7%	22	9.4%	23	9.8%	85	36.3%	65	27.8%
The implementation of AI technologies has positively affected our company's overall performance.	22	9.4%	23	9.8%	36	15.4%	71	30.3%	82	35.0%
I am confident that AI-driven digital transformation will lead to sustainable growth for our organization.	6	2.6%	20	8.5%	45	19.2%	88	37.6%	75	32.1%
The use of Artificial Intelligence has improved our ability to meet customer needs and expectations.	13	5.6%	25	10.7%	19	8.1%	102	43.6%	75	32.1%
I perceive the integration of AI as a valuable tool for achieving our strategic objectives.	8	3.4%	23	9.8%	48	20.5%	75	32.1%	80	34.2%

The data presented in Table 2 illustrate a predominantly positive perception among managers regarding the role of Artificial Intelligence (AI) in driving digital transformation within their organizations. For the statement "I believe that Artificial Intelligence has significantly enhanced our organization's digital transformation efforts," a combined 64.1% of respondents either agreed (36.3%) or firmly agreed (27.8%), indicating a strong belief in AI's contribution to advancing digital initiatives. This substantial agreement suggests that managers recognize AI as a pivotal tool in accelerating digital transformation, likely through the implementation of advanced technologies that streamline processes and foster innovation. Conversely, 16.7% firmly disagreed and 9.4% disagreed, revealing that a notable minority remains skeptical about AI's impact, which may stem from varying levels of AI integration or differing experiences with its effectiveness across departments. Regarding the statement "The implementation of AI technologies has positively affected our company's overall performance," 65.3% of respondents either agreed (30.3%) or firmly agreed (35.0%), underscoring a widespread acknowledgment of AI's positive influence on organizational performance metrics such as efficiency, productivity, and profitability. This positive perception aligns with the notion that AI-driven solutions contribute to operational excellence and competitive advantage. However, 9.4% firmly disagreed and 9.8% disagreed, suggesting that while AI benefits many areas, there are instances where its implementation may not yield the expected performance improvements, possibly due to inadequate integration or resistance to change. For the statement "I am confident that AI-driven digital transformation will lead to sustainable growth for our organization," a combined 69.7% of managers either agreed (37.6%) or firmly agreed (32.1%), reflecting a high level of confidence in AI's ability to foster long-term growth and sustainability. This optimism indicates that managers anticipate AI to play a crucial role in strategic planning and the development of scalable business models. On the other hand, only 2.6% firmly disagreed and 8.5% disagreed, highlighting that the vast majority view AI as a beneficial factor for sustained organizational growth, despite some concerns or uncertainties that a small portion of managers may hold. In the case of "The use of Artificial Intelligence has improved our ability to meet customer needs and expectations," an impressive 75.7% of respondents either agreed (43.6%) or firmly agreed (32.1%), demonstrating a strong consensus that AI enhances customer engagement and satisfaction. This high level of agreement suggests that AI tools, such as personalized marketing, predictive analytics, and automated customer service, are effectively meeting and exceeding customer expectations, thereby strengthening customer relationships and loyalty. However, 5.6% firmly disagreed and 10.7% disagreed, indicating that there are still challenges in fully leveraging AI to address all customer needs, possibly due to technological limitations or gaps in AI implementation strategies. Finally, for the statement "I perceive the integration of AI as a valuable tool for achieving our strategic objectives," 66.3% of managers either agreed (32.1%) or firmly agreed (34.2%), reinforcing the perception that AI is integral to achieving key organizational goals such as market expansion, innovation, and operational efficiency. This significant level of agreement highlights that managers view AI not just as a technological enhancement but as a strategic asset that aligns with and drives the organization's long-term objectives. Meanwhile, 3.4% firmly disagreed and 9.8% disagreed, suggesting that while the majority see AI as valuable, there is a minority that may question its strategic alignment or effectiveness in contributing to overarching business goals. Overall, the high percentages of agreement across all five statements provide robust support for Hypothesis H2, indicating that managers hold a positive perception of AI's role in facilitating digital transformation within their organizations. These findings demonstrate that AI is widely regarded as a critical enabler of digital initiatives, enhancing overall performance, fostering sustainable growth, improving customer satisfaction, and aligning with strategic objectives. However, the presence of some disagreement underscores the need for continued efforts in AI implementation, including addressing technological challenges, ensuring effective integration, and fostering a culture that fully embraces AI-driven changes. This comprehensive positive perception among managers not only validates the strategic importance of AI in digital transformation but also highlights the essential role of managerial support and confidence in successfully leveraging AI to drive organizational success.

H1: Artificial Intelligence has a Significant Impact on Organizational Culture Table 3 One-Sample Test

	TV=3							
	t	df	Sig.	Diff.	959	% CI		
					L	U		
The integration of Artificial Intelligence has changed the way employees communicate within our organization.	14.408	233	.000	1.07692	.9297	1.2242		
AI technologies have fostered a more collaborative environment in our workplace.	3.906	233	.000	.35470	.1758	.5336		
The adoption of AI has influenced the core values and beliefs of our organization.	7.123	233	.000	.58120	.4204	.7419		
Artificial Intelligence has altered the decision-making processes within our company.	5.059	233	.000	.50000	.3053	.6947		
The use of AI has promoted a culture of innovation and continuous improvement in our organization.	5.363	233	.000	.52991	.3352	.7246		

The results presented in Table 3 provide strong empirical support for Hypothesis H1, which posits that Artificial Intelligence (AI) has a significant impact on organizational culture. For the statement "The integration of Artificial Intelligence has changed the way employees communicate within our organization," the one-sample t-test yielded a highly significant t-value of 14.408 (df = 233, p < .001) with a mean difference of 1.07692, falling well above the neutral test value of 3. This substantial mean difference, coupled with a 95% confidence interval ranging from 0.9297 to 1.2242, indicates that managers overwhelmingly agreed that AI integration has fundamentally altered communication dynamics within their organizations. Similarly, the statement "AI technologies have fostered a more collaborative environment in our workplace" resulted in a significant t-value of 3.906 (df = 233, p < .001) and a mean difference of 0.35470, supported by a confidence interval between 0.1758 and 0.5336. This finding underscores that AI technologies have notably enhanced collaboration among employees, reinforcing the notion that AI fosters a more cooperative and interconnected workplace culture. For the statement "The adoption of AI has influenced the core values and beliefs of our organization," the t-test produced a significant t-value of 7.123 (df = 233, p < .001) with a mean difference of 0.58120 and a confidence interval from 0.4204 to 0.7419. This suggests that AI adoption has played a crucial role in reshaping the foundational values and beliefs within organizations, aligning them more closely with innovation and data-driven decision-making. The statement "Artificial Intelligence has altered the decision-making processes within our company" also showed a significant impact, with a t-value of 5.059 (df = 233, p < .001) and a mean difference of 0.50000, supported by a confidence interval between 0.3053 and 0.6947. This indicates that AI has significantly transformed how decisions are made, likely by introducing more data-driven and automated decision-support systems that enhance efficiency and accuracy. Lastly, the statement "The use of AI has promoted a culture of innovation and continuous improvement in our organization" achieved a significant t-value of 5.363 (df = 233, p < .001) with a mean difference of 0.52991 and a confidence interval ranging from 0.3352 to 0.7246. This result demonstrates that AI utilization has been instrumental in cultivating an organizational culture that prioritizes innovation and ongoing improvement, fostering an environment where continuous learning and adaptability are valued. Collectively, these findings affirm that AI has a profound and multifaceted impact on various aspects of organizational culture, thereby substantiating Hypothesis H1 and highlighting the critical role of AI in driving cultural transformation as part of broader digital transformation initiatives.

H2: There is Positive Perception of the Managers Regarding the Digital Transformation Through Artificial Intelligence.

Table 4 One-Sample Test

	TV=3							
	t	df	Sig.	Diff.	95% CI			
	t df Sig. Diff. 's 5.313 233 .000 .49145 erall 8.496 233 .000 .71795 wth 12.984 233 .000 .88034 ds 11.459 233 .000 .85897	L	U					
I believe that Artificial Intelligence has significantly enhanced our organization's digital transformation efforts.	5.313	233	.000	.49145	.3092	.6737		
The implementation of AI technologies has positively affected our company's overall performance.	8.496	233	.000	.71795	.5514	.8844		
I am confident that AI-driven digital transformation will lead to sustainable growth for our organization.	12.984	233	.000	.88034	.7468	1.0139		
The use of Artificial Intelligence has improved our ability to meet customer needs and expectations.	11.459	233	.000	.85897	.7113	1.0067		
I perceive the integration of AI as a valuable tool for achieving our strategic objectives.	11.568	233	.000	.83761	.6950	.9803		

The results presented in Table 4 provide compelling empirical support for Hypothesis H2, which posits that there is a positive perception among managers regarding digital transformation through Artificial Intelligence (AI). For the statement "I believe that Artificial Intelligence has significantly enhanced our organization's digital transformation efforts," the one-sample t-test yielded a highly significant t-value of 5.313 (df = 233, p < .001) with a mean difference of 0.49145, falling well above the neutral test value of 3. This substantial mean difference, accompanied by a 95% confidence interval ranging from 0.3092 to 0.6737, indicates that a significant majority of managers agree that AI has played a crucial role in advancing their organization's digital transformation initiatives. Similarly, the statement "The implementation of AI technologies has positively affected our company's overall performance" resulted in a highly significant t-value of 8,496 (df = 233, p < .001) and a mean difference of 0,71795, supported by a confidence interval between 0.5514 and 0.8844. This strong positive response suggests that managers perceive AI implementation as a key driver of enhanced operational performance, likely through improvements in efficiency, productivity, and competitive advantage. For the statement "I am confident that AI-driven digital transformation will lead to sustainable growth for our organization," the t-test produced an exceptionally significant t-value of 12.984 (df = 233, p < .001) with a mean difference of 0.88034 and a confidence interval from 0.7468 to 1.0139. This indicates a high level of confidence among managers that AI-driven initiatives are instrumental in fostering long-term, sustainable growth, aligning with strategic objectives and ensuring the organization's resilience in a rapidly evolving technological landscape. The statement "The use of Artificial Intelligence has improved our ability to meet customer needs and expectations" also showed a highly significant t-value of 11.459 (df = 233, p < .001) and a mean difference of 0.85897, supported by a confidence interval between 0.7113 and 1.0067. This suggests that AI has effectively enhanced the organization's capacity to understand and anticipate customer needs, thereby improving customer satisfaction and loyalty through personalized services and efficient service delivery. Lastly, for the statement "I perceive the integration of AI as a valuable tool for achieving our strategic objectives," the t-test yielded a significant t-value of 11.568 (df = 233, p < .001) with a mean difference of 0.83761 and a confidence interval ranging from 0.6950 to 0.9803. This strong agreement underscores that managers view AI integration as a strategic asset essential for achieving key organizational goals, such as market expansion, innovation, and operational excellence. Collectively, these findings robustly affirm Hypothesis H2, demonstrating that managers hold a highly positive perception of AI's role in facilitating digital transformation within their organizations. The significant positive mean differences across all statements indicate that AI is widely regarded as a critical enabler of digital initiatives, enhancing overall performance, fostering sustainable growth, improving customer engagement, and aligning with strategic objectives. These results not only validate the hypothesis but also highlight the essential role of managerial support and positive perceptions in the successful adoption and integration of AI technologies, thereby driving effective digital transformation and reinforcing a culture of innovation and continuous improvement within organizations.

6. FINDINGS

The analysis of the survey data provides compelling evidence supporting Hypothesis H1, which posits that Artificial Intelligence (AI) has a significant impact on organizational culture. The one-sample t-tests conducted on the five statements related to this hypothesis revealed overwhelmingly positive responses from the 244 managers surveyed across various industries impacted by AI, including the IT sector. Specifically, for the statement "The integration of Artificial Intelligence has changed the way employees communicate within our organization," the mean difference of 1.07692 with a highly significant t-value of 14.408 (p < .001) indicates that managers strongly agree that AI has fundamentally transformed communication dynamics within their organizations. Similarly, the statement "AI technologies have fostered a more collaborative environment in our workplace" showed a mean difference of 0.35470 and a t-value of 3.906 (p < .001), underscoring the role of AI in enhancing workplace collaboration. The adoption of AI was also found to influence core organizational values and beliefs, with a mean difference of 0.58120 and a significant tvalue of 7.123 (p < .001), suggesting that AI integration aligns organizational values more closely with innovation and data-driven decision-making. Furthermore, AI's impact on decision-making processes was evident, as indicated by a mean difference of 0.50000 and a t-value of 5.059 (p < .001), highlighting the shift towards more data-informed and automated decision-support systems. Lastly, the promotion of a culture of innovation and continuous improvement through AI was strongly supported, with a mean difference of 0.52991 and a t-value of 5.363 (p < .001). Collectively, these findings affirm that AI significantly reshapes various dimensions of organizational culture, including communication, collaboration, core values, decision-making, and innovation, thereby validating Hypothesis H1 and illustrating AI's pivotal role in driving cultural transformation as part of digital transformation initiatives.

In addition to the profound impact on organizational culture, the findings robustly support Hypothesis H2, which asserts that there is a positive perception among managers regarding digital transformation through Artificial Intelligence. The one-sample t-tests for the five statements addressing this hypothesis demonstrated significant positive perceptions among the respondents. For instance, the statement "I believe that Artificial Intelligence has significantly enhanced our organization's digital transformation efforts" yielded a mean difference of 0.49145 and a t-value of 5.313 (p < .001), indicating a strong agreement that AI is instrumental in advancing digital transformation initiatives. The positive effect of AI on overall company performance was further reinforced by a mean difference of 0.71795 and a highly significant t-value of 8.496 (p < .001), suggesting that managers perceive AI implementation as a key driver of operational excellence and competitive advantage. Confidence in AI-driven digital transformation leading to sustainable growth was exceptionally high, with a mean difference of 0.88034 and a t-value of 12.984 (p < .001), reflecting managers' optimism about AI's role in ensuring long-term organizational resilience and growth. Additionally, the ability of AI to meet customer needs and expectations was strongly affirmed, evidenced by a mean difference of 0.85897 and a t-value of 11.459 (p < .001), highlighting Al's effectiveness in enhancing customer engagement and satisfaction through personalized services and efficient service delivery. Lastly, the perception of AI as a valuable tool for achieving strategic objectives was validated with a mean difference of 0.83761 and a t-value of 11.568 (p < .001), indicating that managers view AI integration as essential for attaining key organizational goals such as market expansion, innovation, and operational excellence. These findings collectively affirm Hypothesis H2, demonstrating that managers hold a highly positive perception of AI's role in facilitating digital transformation. The significant positive mean differences across all statements underscore AI's critical function as an enabler of digital initiatives, enhancing overall performance, fostering sustainable growth, improving customer satisfaction, and aligning with strategic objectives. These results not only validate the hypothesis but also highlight the essential role of managerial support and positive perceptions in the successful adoption and integration of AI technologies, thereby driving effective digital transformation and reinforcing a culture of innovation and continuous improvement within organizations.

7. CONCLUSIONS

The present study has substantiated the significant impact of Artificial Intelligence (AI) on organizational culture and affirmed the positive perceptions managers hold regarding AI-driven digital transformation. Hypothesis H1 was robustly supported by the data, demonstrating that AI integration fundamentally alters various dimensions of organizational culture, including communication, collaboration, core values, decision-making processes, and the promotion of innovation and continuous improvement. These findings align with existing literature, such as Brock and Von Wangenheim (2019) and Borges et al. (2021), who emphasize the strategic role of AI in reshaping organizational

frameworks and fostering a culture of agility and innovation. Furthermore, Hypothesis H2 was equally validated, revealing that managers perceive AI as a critical enabler of digital transformation efforts, enhancing overall company performance, fostering sustainable growth, improving customer satisfaction, and aligning with strategic objectives. This positive perception underscores the essential role of managerial support and strategic alignment in the successful adoption and integration of AI technologies, as highlighted by AlNuaimi et al. (2022) and Dubey et al. (2020). Collectively, these conclusions highlight that AI not only drives operational efficiencies and strategic advancements but also cultivates a more adaptive, innovative, and resilient organizational culture, thereby facilitating comprehensive digital transformation.

The implications of this study are multifaceted, extending to both theoretical and practical domains. From a theoretical perspective, this research contributes to the evolving discourse on digital transformation by providing empirical evidence on the interplay between AI and organizational culture. It bridges gaps identified in previous studies, such as those by Enholm et al. (2022) and Isensee et al. (2020), by offering a holistic understanding of how AI influences cultural dimensions and supports strategic objectives. Practically, the findings offer valuable insights for organizational leaders and managers aiming to harness AI for digital transformation. By recognizing the significant cultural shifts induced by AI, organizations can develop targeted strategies to foster a supportive environment that embraces technological advancements while maintaining cultural coherence. This includes investing in training and development, promoting transparent communication about AI initiatives, and involving employees in AI adoption processes to mitigate resistance and enhance acceptance. Additionally, the study underscores the importance of aligning AI strategies with organizational values and leadership styles to ensure that digital transformation efforts are both effective and sustainable. Organizations can leverage these insights to design AI implementations that not only drive performance improvements but also enhance employee engagement, collaboration, and overall organizational resilience.

Despite the robust findings, this study acknowledges several limitations that present avenues for future research. Firstly, the cross-sectional design of the study limits the ability to infer causality between AI integration and changes in organizational culture. Longitudinal studies are recommended to examine the temporal dynamics and long-term effects of AI on cultural transformations. Secondly, the sample was predominantly drawn from the IT industry, which may limit the generalizability of the findings to other sectors. Future research should aim to include a more diverse range of industries to explore sector-specific impacts of AI on organizational culture. Additionally, while the study focused on managerial perceptions, incorporating perspectives from employees at different organizational levels could provide a more comprehensive understanding of AI's cultural impact. Future studies could also investigate the role of specific AI technologies in driving cultural changes, as well as the moderating effects of organizational factors such as size, structure, and existing cultural norms. Furthermore, given the rapid evolution of AI technologies, ongoing research is essential to keep pace with emerging trends and their implications for organizational culture and digital transformation. By addressing these gaps, future research can build on the current study's findings to develop more nuanced and contextually relevant insights into the transformative role of AI in modern organizations.

CONFLICT OF INTERESTS

None.

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