

## IMPACT OF AI ON CULTURAL TRANSFORMATION AND CHANGE MANAGEMENT IN IT INDUSTRIES

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### Abstract:

Artificial Intelligence (AI) has become a potent force for change management and cultural transformation in a variety of industries due to its quick development. AI technologies are being used by organizations more and more to improve strategic decision-making, operational effectiveness, and innovation. But more than just being technologically prepared, successful AI implementation necessitates a fundamental shift in workforce behavior, organizational culture, and leadership mindset. With a focus on human-centric approaches, this study explores how AI can support successful change management practices within industries and facilitate cultural transformation. The study addresses issues like resistance to change, skill gaps, and ethical concerns while examining how AI affects organizational values, work practices, leadership styles, and employee engagement.

**Keywords:** Artificial Intelligence, Cultural Transformation, Change Management, IT Industries, Digital Transformation, Organizational Culture, Workforce Reskilling, AI-Driven Leadership, Organizational Agility

## 1. INTRODUCTION

The quick pace of development in Artificial Intelligence (AI) has led to a dramatic shift in the operational, strategic, and cultural aspects of the Information Technology (IT) sector. As organizations begin to adopt AI-enabled technologies like machine learning, intelligent automation, natural language processing, and predictive analytics, they are forced to undergo a drastic change in their cultural setup to keep pace with the ever-changing global scenario. Cultural change in IT companies refers to a paradigm shift in the values, mindsets, work culture, and leadership style of organizations to enable innovation, agility, and learning.

Change management is an important aspect of this process, as it ensures a smooth transition to AI technology and overcomes the human, structural, and behavioral challenges associated with it. The adoption of AI technology brings about a change not only in the technical process but also in the role of the workforce, decision-making, and collaboration in IT companies. Companies like Infosys, Tata Consultancy Services (TCS), Accenture, and Google have proved that for successful AI adoption, there needs to be a focus on change management strategies like re-skilling, communication, and leadership.

## OBJECTIVES OF STUDY AT IT INDUSTRIES

- To understand the application of Artificial Intelligence (AI) in bringing about cultural change in the IT sector.
- To determine the effects of AI-based change management strategies on the working of IT employees.

- To determine the AI technologies used by IT companies to bring about change in the organization.
- To determine the effects of AI on leadership, decision-making, and working in the IT sector.
- To understand the resistance to change faced by IT employees during cultural transformation brought about by AI.

## 2. REVIEW OF LITERATURE

### INTRODUCTION TO THE LITERATURE REVIEW

There have been a number of studies that have emphasized the increasing impact of Artificial Intelligence (AI) on organizational culture and change management, especially in the IT sector. As stated by Schein (2017), organizational culture has a crucial impact on the effectiveness of new technology adoption, and there is a need for cultural change alongside technological change. This is especially true in the context of AI adoption, where the mindset of employees is an important factor.

### FOUNDATIONAL THEORIES AND MODELS OF CHANGE MANAGEMENT

**Lewin's Three-Step Model:** Kurt Lewin's unfreeze-change-refreeze framework retains its functionality as a seminal way of conceiving organizational change. It stresses the need for preparing the organization for change, creating new behaviors and structures, and then solidifying those changes within the organizational routine. This model is often employed as a heuristic in large-scale transformations where entrenched practices must be shifted.

**Kotter's 8-Step Change Model:** Expanding on Lewin, Kotter provided an eight-step, very prescriptive sequence for implementing change: create urgency; form a guiding coalition; develop a vision; communicate the vision; remove obstacles; generate short-term wins; consolidate gains; and anchor new approaches. Its emphasis on leadership, vision, and quick wins is highly relevant in an organization like ours that must show visible momentum in the early phases of transformation.

**ADKAR Model (Awareness, Desire, Knowledge, Ability, Reinforcement):** ADKAR places emphasis on individual change being the block to wider organizational change. It is often applied in initiatives where workforce adoption and behavior change are critical, such as digitalization or new performance frameworks.

**Schein's Organizational Culture Framework:** Edgar Schein's work categorizes culture into artifacts, espoused values, and fundamental underlying assumptions. This layered perspective is helpful in diagnosing why some transformation programs work and others do not: surface-level changes (policies and structures) will probably not hold unless deeper assumptions change.

**Burke-Litwin Model:** This is a causal model that connects external environment, leadership, mission/strategy, organizational culture, and individual performance. It is, therefore, very popular in diagnostic analyses for large, complicated organizations because it maps how interventions at different levels influence performance outcomes.

### Organizational culture, leadership, and change: empirical findings

A number of empirical works emphasize the interaction between leadership and culture and change outcomes. Changes sponsored by committed senior leadership and participative middle management are more likely to achieve a higher rate of adoption. Similarly, research points out that linking the incentive systems, performance metrics, and HR processes to the new cultural values speeds up the change process. Conversely, mismatches between stated strategy and reward/recognition systems create cynicism and resistance.