Employee Perceptions, Psychological Well-Being, and the Automation-Augmentation Paradox in the Age of Generative AI – A Qualitative Study

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ABSTRACT

Generative and agentic AI entering knowledge occupations fast enhances productivity but may threaten professional identity and well-being. AI adoption by humans is understudied, particularly qualitative methods that record lived experiences. Productivity gains are evident. This research investigates knowledge workers' emotional and psychological responses to AI and how they tackle the automation-augmentation dilemma. The research compares technology-focused studies to employee psychological adaptability. Semi-structured interviews with 25 financial, creative, and professional services knowledge workers. Reflexive thematic analysis revealed perceptual, emotional, and coping patterns. Ambivalent acceptance (excitement and worry; identity friction) perceived deskilling against increased creativity; coping via re-crafting (proactive job redesign; and organisational buffers) psychological safety and clear communication lessen negative results. This research models employee psychological adaptation to AI, broadening the automation-augmentation problem with unique coping mechanisms and practical solutions for human-centered AI governance. Optimal adjustment requires organisational support, communication, and identity restoration.

Keywords: Generative AI, Knowledge Workers, Psychological Well-being, Automation-Augmentation Paradox, Qualitative Study, Coping Mechanisms, Organizational Support

1. INTRODUCTION

Rapid use of generative and agentic AI systems in organisations has transformed knowledge work. ChatGPT, GitHub Copilot, Midjourney, and advanced agentic systems automate and enhance human work in financial services, creative industries, professional services, and beyond. According to Tasneem et al. (2026), these technologies have revolutionised processes, decision-making, and employment structures at an unprecedented rate. However, despite broad organisational celebration of productivity numbers and efficiency benefits, we know little about how people mentally adjust to this transformation. Employee reactions determine whether AI adoption succeeds or fails.

1.1 The Problem Statement

Workplace AI research focuses on quantifiable productivity increases, efficiency measurements, and cost-benefit evaluations. Bankins et al. (2023) and following research have concentrated on macro-level organisational outcomes such task completion rates, revenue per employee, and operational expenditure reduction. Few studies have examined employee perceptions, emotional reactions, affective trajectories, and psychological well-being during AI integration. Huffstadt (2026) notes that this neglect is especially troublesome given the well-established conclusion that emotions are a key mechanism by which workers adopt new technology and change their professional identities. Qualitative research has neglected the psychological and identity-based factors via which knowledge workers across industries handle AI tool enthusiasm and apprehension. Eshraghian et al. (2024) stress that knowing these adaptation processes is crucial for organisations that want to employ technology to improve staff well-being.

This gap becomes especially relevant in the context of the automation–augmentation paradox (Westover, 2025), which highlights the tension between AI's capacity to automate routine tasks and its potential to undermine professional identity. This paradox introduces forms of psychological strain and identity threat that extend beyond the scope of traditional organisational change management approaches. Supporting this view, Barbosa and Oliveira (2026) found that organisations that strategically position AI as an augmentation partner—enabling employees to transition toward higher-value cognitive and relational work—report stronger employee engagement and improved well-being outcomes.

1.2 Research Gap and Justification for Qualitative Inquiry

The existing literature on technology adoption and worker well-being presents several limitations that this research seeks to address. First, much of the current research relies on quantitative, cross-sectional survey designs that capture static perceptions and aggregate trends rather than the dynamic and evolving nature of workers' psychological adaptation to technological change. Mdrs and Rebecca (2026) argue that these approaches often obscure the lived experiences and contextual influences that shape whether technology implementation benefits or disadvantages different groups of workers. As highlighted in the previous section, existing studies have also prioritised measurable organisational outcomes while paying comparatively less attention to employees' emotional and psychological experiences during AI integration.

Second, qualitative investigations have frequently concentrated on specific industries or isolated AI applications, limiting the development of broader cross-sectoral insights needed to construct more generalisable models of psychological adaptation. Consequently, there remains limited understanding of the common processes through which knowledge workers across contexts navigate the emotional tensions, identity concerns, and behavioural adjustments associated with AI adoption.

Third, there is a notable lack of research examining how workers actively cope with and adapt to AI-driven disruption, particularly in relation to the reconstruction and renegotiation of professional identity. Existing research has provided insufficient attention to the coping strategies and organisational conditions that enable employees not only to respond to technological change but also to redefine their roles in ways that support engagement and well-being. Addressing these gaps justifies the use of a qualitative approach, as it enables a richer exploration of workers' lived experiences, meaning-making processes, and psychological adaptation during AI integration.

1.3 Research Questions and Theoretical Framing

This research addresses four interrelated research topics to go beyond descriptive cataloguing of emotional reactions to explaining adaptive outcomes' processes and moderators:

1. How do knowledge workers perceive and make sense of AI-driven changes to their professional roles?

2. What emotional and psychological responses emerge during AI integration, and how do these evolve?
3. How do employees actively cope with the automation-augmentation paradox in daily work?
4. What organisational practices help mitigate negative well-being outcomes and foster positive perceptions?

1.4 Significance and Contribution

Managers, HR experts, and organisational policymakers benefit from this research's empirically informed, qualitatively rich evidence for human-centered AI adoption tactics. This study prioritises worker well-being and lasting organisational change beyond productivity metrics by focusing on psychological and emotional aspects of AI adoption, which are often overlooked in technology-driven implementations. This process model of psychological adaptation provides organisations with a conceptual roadmap for navigating technological change to sustain employee engagement, protect mental and emotional well-being, and empower workers to define how AI enhances rather than replaces their expertise. This research confirms that knowledge workers' emotional ambivalence about AI is not irrational or "resistance to change," but a rational psychological response to identity and career uncertainty that deserves organisational attention, recognition, and structured support.

2. LITERATURE REVIEW

2.1 The Automation-Augmentation Paradox

The choice between automation and augmentation is crucial to AI implementation (Kunz et al., 2025). Sebastian and Sebastian (2021) explain this contradiction, noting that automation involves computers taking over human duties, whereas augmentation involves human–machine cooperation where people maintain agency and responsibility. While automating tasks with algorithms saves money and time, augmenting them with AI systems allows workers to focus on higher-order thinking, connection building, and complicated problem-solving (Xu et al., 2024). As a result, organisations increasingly view this distinction as important for both employee outcomes and organisational performance.

The contradiction arises because the same generative AI system may automate routine jobs, thereby reducing organisational demand for certain roles, while simultaneously creating new and more complex tasks that require different skill sets (Schilhabel et al., 2026). Kumar et al. (2023) show that the interaction between automation and augmentation creates unique technostress management challenges, including role ambiguity and employment instability. Without planned and targeted augmentation strategies, excessive reliance on automation can lead to technostress, worker disengagement, and "over-automation," where individuals lose connection with their profession and core capabilities (Ley, 2023). In contrast, Zhang et al. (2025) show that organisations that proactively promote AI as an augmentation partner to help individuals transition into higher-value and more meaningful work report significantly improved employee engagement and psychological well-being. This contrast demonstrates that the automation–augmentation conundrum is not simply a technological issue but also a human-centred organisational design challenge.

2.2 Psychology and Employee Perceptions of AI Integration

Knowledge workers are either excited or apprehensive about AI. Gölgeci et al. (2024) identify several emotional and psychological dimensions:

1. Identity theft, job insecurity. AI systems that perform professional tasks threaten vocational identity (Sanseverino & Ghislieri, 2026). Writers, analysts, designers, and legal researchers fear deskilling—the depreciation of their core skills (Yanhong & Li, 2025). Identity conflict

extends beyond work security to professional value, career purpose, and expertise (Lajoie & Gendron, 2025).

2. Conflicted acceptance. AI technology excites and worries workers (Huffstadt, 2026). AI systems increase productivity and reduce monotonous work, but they can confuse job definitions, skills, and career trajectories (Nguyen et al., 2026). Organisational signals and peer interactions modify workers' perceptions to sustain tension (Eshraghian et al., 2024).

3. Tech-stress, brainload. AI system cognitive and emotional challenges induce stress beyond identification issues (Ioannou, 2023). Worker complaints include continuous learning, tool reliability, AI output issues, and AI-driven performance monitoring (Roemmich et al., 2023). Researchers describe excessive digitalisation "digital fatigue"—emotional exhaustion from adapting to new tools, processes, and systems (Sharma et al., 2026).

4. Positive Thinking, Empowerment. Not all responses are negative. AI that minimises mundane tasks, encourages creativity, or aids decision-making boosts worker satisfaction and engagement (Sun et al., 2026). Creatives claim AI technologies let them experiment and explore new ideas without mechanical constraints (Rachid et al., 2025).

2.3 Coping Mechanisms and Well-Being Outcomes

Employee reactions to AI-driven transformation affect both mental health and organisational performance (Jia et al., 2025). Existing research suggests that workers respond to AI implementation through different coping pathways, with outcomes varying according to individual responses and broader organisational conditions. The literature identifies adaptive and maladaptive coping responses while also highlighting contextual factors that shape how employees experience and adjust to AI-related change.

2.3.1 Active Coping: Role Re-crafting and Identity Reconstruction

The most mentally robust people strategically "job craft", redesigning and reconfiguring their employment to emphasise human contributions and value development (Liu et al., 2025). Qiao (2026) shows that dual cognitive appraisal pathways relate challenge-oriented AI opportunity interpretations to approach-oriented crafting through creative engagement and work enthusiasm. Responsible job crafting involves delegating routine, high-volume tasks to AI systems and focusing

on human strengths such as judgement, emotional intelligence, ethical reasoning, and relationship management (Gonzalez et al., 2024). Through this process, adaptable workers redefine their relationship with technology as collaborative rather than competitive. Liu et al. (2026) further demonstrate that approach-oriented job creation improves work meaningfulness, professional well-being, and career sustainability. However, individual effort alone is inadequate, as sustained and effective work redefinition requires psychological resources and purposeful organisational support systems.

2.3.2 Maladaptive Coping: Avoidance and Resistance

In contrast, maladaptive coping responses often emerge when AI implementation creates uncertainty or perceived threats. Avoidance and resistance commonly arise when AI is introduced without adequate explanation or when employees fear replacement (Mdrs & Rebecca, 2026). In such situations, workers may actively underuse AI, rely on shadow IT, or ignore AI-generated recommendations. Often referred to as "resistance to change," these behaviours frequently function as mechanisms for protecting professional autonomy and identity in the absence of organisational support (Gölgeci et al., 2024).

2.3.3 Organisational Conditions Influencing Coping Outcomes

Research suggests that coping outcomes are not determined solely by individual responses but are also shaped by organisational conditions that influence how employees interpret and adapt to AI-related change. Psychological safety, organisational narratives, and support systems play important roles in determining whether workers engage in adaptive or maladaptive responses.

2.3.3.1 Psychological Safety

Psychological safety, defined as the belief that one can freely express ideas, ask questions, voice concerns, and admit mistakes without fear of punishment, humiliation, or career harm, is crucial to how workers integrate and adapt to AI (Dong, 2024). Edmondson and Bransby (2022) synthesise current research showing that psychological safety supports organisational learning, performance, and adaptation in dynamic settings, particularly during technological change.

2.3.3.2 Making Sense and Organisational Narratives

Employee perceptions and reactions are shaped by how organisations frame AI through leadership communication, official messaging, and peer interaction (Budhwar et al., 2023). When organisations position AI as a tool for enhancement and emphasise human involvement, employees are more likely to participate productively (Feng et al., 2025). Organisational narratives that acknowledge concerns and communicate support facilitate better adaptation than those that dismiss anxieties as simple resistance to change.

2.3.3.3 Support Systems and Implementation Practices

Organisational practices also buffer against negative psychological outcomes and encourage positive adaptation. Effective communication and employee engagement reduce uncertainty by clarifying the purpose and expected impact of AI implementation (Feng et al., 2025). Identity and retraining investments support workers as they redefine professional roles beyond technical skill acquisition (Barbosa & Oliveira, 2026). Additionally, mental health resources, stress management programmes, and peer support networks help workers process emotional responses and maintain well-being throughout periods of change (Alawiye et al., 2025).

3. METHODOLOGY

3.1 Research Design

This study employed a qualitative descriptive design (Sandelowski, 2000) guided by interpretivist epistemology. Semi-structured interviews were conducted with 25 knowledge workers across three sectors where generative AI use is prevalent: financial services (n=10), creative industries (n=10), and professional services (n=5). Participants were recruited via purposive maximum variation sampling to capture diversity in industry, tenure (3–25 years), and AI tool exposure. All participants used generative AI tools daily (ChatGPT-4, n=19; Midjourney/DALL-E, n=8; GitHub Copilot, n=6; Claude or other agentic tools, n=4; mean tools per participant = 2.3).

3.2 Data Collection

Interviews (mean duration 53 minutes; range 45–68) were conducted between January and March 2026, primarily via Zoom (n=24), with one in-person interview. The semi-structured guide (Appendix A) was developed from the automation-augmentation literature and piloted with two knowledge workers, leading to minor wording adjustments (e.g., replacing "ontological insecurity" with "what makes you feel uncertain about your role—or not?"). All interviews were audio-recorded with informed consent; participants selected pseudonyms. Transcription via Otter.ai was manually verified (estimated 98% accuracy).

3.3 Data Analysis

Reflexive thematic analysis followed Braun & Clarke's (2022) six-phase framework. Analysis proceeded iteratively: familiarisation reading of all transcripts; line-by-line coding in NVivo 14 using in vivo codes where possible; codebook refinement after 10 transcripts (47 final codes); candidate theme development using thematic maps; theme review against the full dataset (including disconfirming cases); and final narrative formulation. A second qualitative researcher independently coded 20% of transcripts; initial disagreement (~15% of code applications) was resolved through discussion, leading to codebook refinements (e.g., splitting "anxiety" into "performance anxiety" and "identity anxiety").

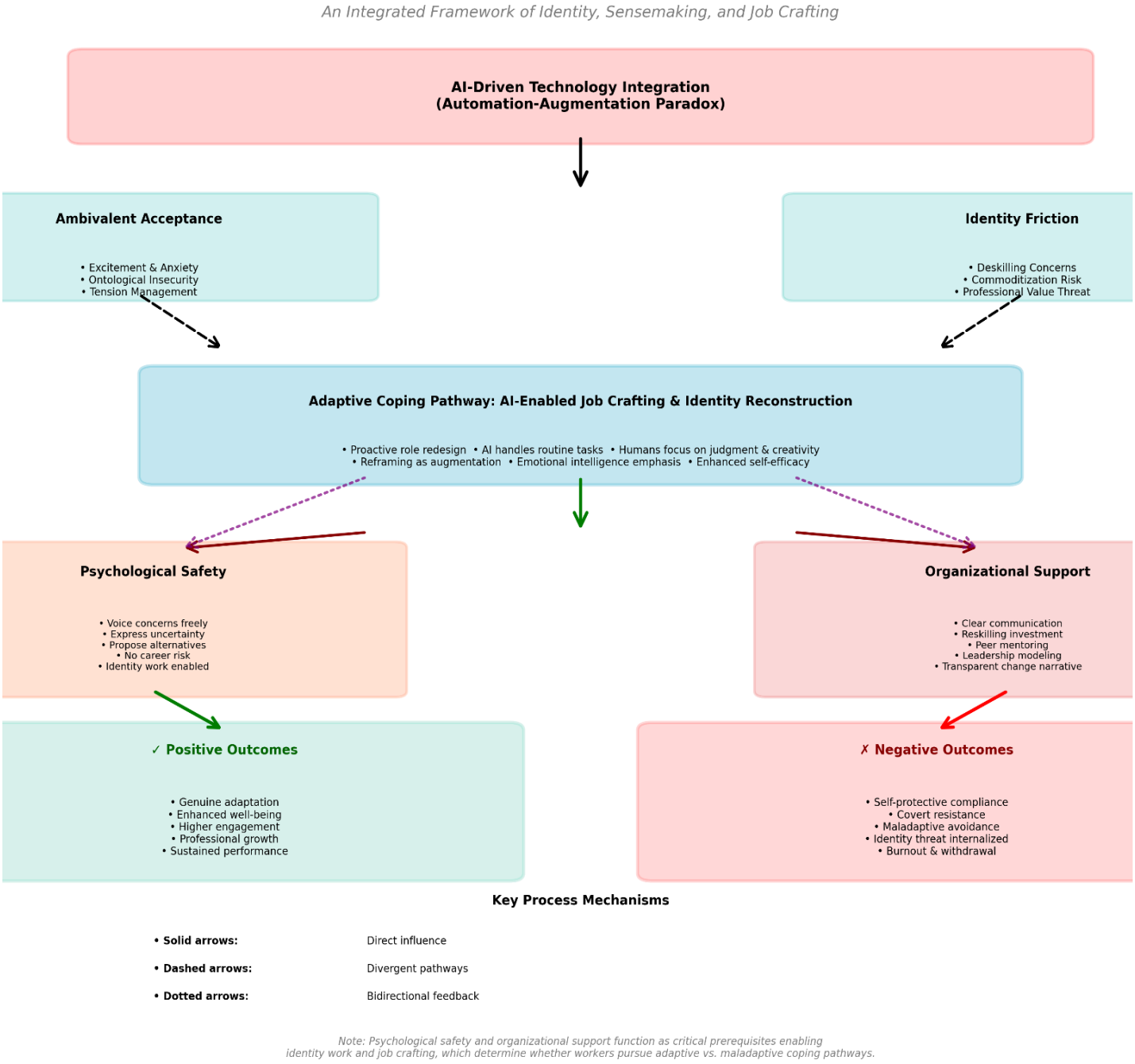

Figure 1. Employee Psychological Adaptation Model to AI in Knowledge Work

3.4 Researcher Position and Rigor

The author is a daily generative AI user and acknowledges both enthusiasm and concern about automation. A pre-analysis position statement (Appendix B) was used to bracket these experiences throughout coding. Credibility was supported through peer debriefing and member reflections with three participants (one per industry), who confirmed thematic resonance while adding temporal nuance (e.g., anxiety decreasing over six months). Transferability is supported by detailed participant and contextual description. A reflective diary and audit trail (transcripts, codebook versions, thematic maps) are available.

4. FINDINGS AND DISCUSSION

The findings indicate that knowledge workers' psychological adaptation to generative AI unfolded across four interconnected themes. As shown in Table 4.1, participants experienced AI adoption as a process shaped by emotional responses, identity-related tensions, individual coping strategies, and organisational conditions. Together, these themes suggest that adaptation to AI is not a straightforward process of acceptance or resistance but an ongoing negotiation between opportunity, uncertainty, and professional identity.

Table 1: Summary of Themes and Key Findings on Knowledge Workers' Psychological Adaptation to Generative AI

Theme	Key Findings	Participant Experiences	Interpretation
4.1 Emotional Ambivalence Toward AI Adoption	Participants perceived AI as simultaneously beneficial and threatening. Productivity improvements coexisted with anxiety about future roles and professional value.	Participants expressed excitement regarding efficiency gains alongside uncertainty and discomfort about dependence on AI.	Adaptation involved managing emotional tension rather than complete acceptance or rejection of AI.
4.2 Identity Friction Within the Automation–Augmentation Dilemma	Participants questioned the continuing relevance of skills that previously defined professional expertise.	Different sectors experienced identity tensions in different ways, including concerns regarding deskilling and changes to professional roles.	AI challenged existing understandings of expertise and professional identity.
4.3 Coping Through Role Re-crafting and Identity Reconstruction	Participants adapted by redesigning roles and shifting attention toward higher-value tasks.	Workers increasingly focused on judgement, strategy, emotional intelligence, and relationship management.	Proactive job crafting facilitated adaptation and strengthened well-being.
4.4 Organisational Buffers Supporting Adaptation and Well-Being	Organisational environments influenced adaptation experiences and psychological outcomes.	Communication, psychological safety, mentoring, and employee involvement supported positive adaptation.	Organisational conditions shaped whether AI adoption was experienced as supportive or threatening.

The following sections discuss each theme in greater depth and examine their relationship to existing literature.

4.1 Emotional Ambivalence Toward AI Adoption

Participants consistently described AI as both beneficial and threatening. Employees recognised substantial productivity advantages while simultaneously expressing concerns about their future roles and value within organisations. Rather than experiencing a simple contradiction, participants managed ongoing tension between enthusiasm and uncertainty. AI enabled participants to move away from repetitive activities such as report writing and legal research and instead focus on judgement, interpretation, and innovation. However, discussions of these benefits were frequently accompanied by anxiety.

Participants' concerns were less related to immediate fears of unemployment and more associated with ontological insecurity, specifically uncertainty regarding professional identity and future value. Participants frequently questioned what distinguished human expertise if machines could increasingly perform tasks previously considered markers of professional capability.

> *"It's like a superpower and a threat at the same time. I can't imagine going back, but I also can't imagine where this ends." – David, financial analyst, financial services*

> *"Every time I use it, I feel guilty – like I'm cheating. But also, my boss loves my faster turnaround." – Priya, legal researcher, professional services*

These findings suggest that workers often accepted AI-related ambivalence rather than attempting to resolve it, balancing perceived gains in efficiency with broader concerns about professional meaning and identity.

4.2 Identity Friction Within the Automation

The findings further revealed that participants experienced varying degrees of identity friction across industries as they navigated the automation–augmentation dilemma. Although AI supported productivity improvements, participants frequently described uncertainty regarding the continued relevance of skills that had previously defined their professional identities.

In financial services, participants described concerns that AI could automate routine modelling and analytical work, reducing opportunities to demonstrate expertise and potentially contributing to deskilling. Within creative industries, participants perceived AI as threatening the uniqueness of creative output, although some reframed this challenge by shifting their understanding of creative work from production to vision, curation, and collaboration with AI systems. Professional services participants similarly described concerns that increasing automation of routine case work could reduce the value of middle-tier skills.

> *"I used to spend hours sketching. Now I spend hours tweaking prompts. Am I still a designer?" – Maya, graphic designer, creative industries*

> *"My Excel modelling used to be my superpower. Now ChatGPT does it in seconds. What's left for me?" – Chen, financial analyst, financial services*

These findings indicate that identity reconstruction required considerable cognitive effort and was more achievable within organisational environments that positioned AI as a tool for augmentation rather than replacement.

4.3 Coping Through Role Re-crafting and Identity Reconstruction

The third theme highlighted the role of proactive adaptation strategies among psychologically resilient participants. Findings suggest that participants engaged in forms of "AI-enabled job crafting," which contributed positively to well-being and work satisfaction. Rather than attempting to compete directly with AI systems, participants adapted by redesigning their roles and shifting attention toward tasks involving uniquely human capabilities.

Participants described delegating routine activities to AI while focusing increasingly on judgement, emotional intelligence, relationship management, and ethical reasoning. Knowledge work was reconceptualised as involving curation, guidance, and refinement rather than solely content production. Participants also reported that automation sometimes increased self-efficacy by creating additional opportunities for exploration and innovation.

> *"I like how ChatGPT creates initial drafts quickly. I wonder, 'What am I for if it writes first drafts?'" – Rachel, content strategist, creative industries*

"I've stopped trying to beat the AI. I now see my job as 'director' – I tell it what to do, then I edit and improve." – Tom, management consultant, professional services

"I used to spend hours drafting legal memos from scratch. Now I feed the case files into Claude and let it produce a first draft. My job has shifted from 'writer' to 'editor and strategist' – I spend my time refining arguments, checking for nuance, and advising clients directly. I didn't lose my expertise; I just moved up the value chain." – Priya, legal researcher, professional services

"I created a whole new role for myself: prompt engineer + strategist. My company didn't ask me to – I just did it." – Sarah, content strategist, creative industries

The findings suggest that effective job redesign requires employee agency. Participants working within organisations that openly supported role adaptation and experimentation reported stronger engagement and improved well-being compared to those experiencing mandated or rigid AI implementation approaches.

4.4 Organisational Buffers Supporting Adaptation and Well-Being

The final theme demonstrated that the manner in which AI implementation was managed strongly influenced employee well-being and adaptation outcomes. Organisational conditions, particularly communication practices and psychological safety, emerged as critical factors shaping employees' experiences.

Participants described organisational cultures where they could openly express concerns, ask questions, and acknowledge uncertainty as particularly supportive during periods of technological change. In these environments, employees were less likely to view AI pessimism as a career risk and were generally more optimistic regarding adaptation outcomes.

Participants also reported that transparency regarding the purpose, implementation process, and expected impact of AI reduced adaptation difficulties more effectively than vague reassurances. Employee involvement in technology committees, pilot programmes, and workflow design activities further strengthened feelings of inclusion and ownership.

Professional development opportunities, strategic thinking initiatives, peer mentoring, and protected learning time also emerged as important sources of psychological support. Participants frequently highlighted mentoring and peer assistance as especially valuable because colleagues shared similar experiences and better understood the practical and emotional challenges associated with adapting to AI.

> *"My manager said, 'I don't have answers, but we'll figure this out together.' That one sentence changed everything." – James, management consultant, professional services*

> *"We have a weekly AI lunch where anyone can say 'I'm struggling' without judgement. That saved me." – Elena, financial analyst, financial services*

> *"My company set up a Slack channel called #AI-fails where we share mistakes. It made me feel normal, not stupid." – Alex, creative director*

> *"What really helped was our firm setting up a monthly 'AI & judgement' workshop. We don't just talk about tools – we discuss cases where AI got it wrong, and how our professional judgement saved the day. That made me feel my experience still matters. Without that, I'd probably be secretly bypassing AI altogether." – Michael, senior consultant, professional services*

The findings suggest that psychological adaptation to AI is shaped not only by individual coping responses but also by organisational environments that either facilitate or constrain successful adaptation.

4.5 Patterns and Sectoral Differences

Following the thematic analysis, cross-sector comparisons revealed that while all three sectors demonstrated the four core themes identified above, important differences emerged in how participants experienced AI-related adaptation. These differences were particularly visible in dominant concerns, identity reconstruction processes, coping outcomes, and the influence of organisational support.

Table 2: Cross-Sector Comparison of Psychological Adaptation Patterns to Generative AI

Pattern	Financial Services	Creative Industries	Professional Services
Dominant Concern	Deskilling of core analytical skill	Loss of creative distinctiveness	Middle-tier commoditization
Identity Reconstruction	Most difficult; older workers struggle more	Shift from execution to vision; faster adaptation	Redefining scope of expertise
Coping Success Rate	40% (n=10) engaged in successful job crafting	70% (n=7 of 10) found new roles for creativity	40% (n=2 of 5) successfully reframed roles
Organizational Support Impact	Critical—absent support leads to avoidance	Moderate—more intrinsically driven adaptation	High—professional norms support learning
Future Anxiety Level	High (concerns about long-term viability)	Moderate (more optimistic about role evolution)	Moderate-to-High (uncertain career trajectory)

Comparisons across sectors revealed that although all three sectors demonstrated the four key themes identified in the findings, notable differences emerged in how participants experienced AI-related adaptation. Financial sector workers were most afraid about deskilling and least inclined to retrain without organisation support. Creative fields were most likely to reframe AI as augmentation and develop AI-enabled skills. Because of organisational commitment to effective reskilling, professional services personnel adapted in the middle.

4.5.1 Age and Experience Differences

Age and experience produced mixed results. Some older, highly competent professionals quickly adapted by learning to evaluate and guide AI outputs. Others, however, worried that their decades of

expertise were being undervalued. Younger workers appeared less concerned with identity threat but may have worried more about entering an unfamiliar field.

4.6 Interpretation of Findings in Light of Literature

This research identifies four themes—ambivalent acceptance, identity friction, coping by re-crafting, and organisational buffers—which both support and expand previous AI adoption and psychological adaptation theories.

4.6.1 Confirming the Automation–Augmentation Dilemma in Real Life

Kunz et al. (2025) and Sebastian and Sebastian (2021) identified the automation–augmentation conundrum as a struggle between AI systems automating regular jobs and augmenting human skills, frequently leading to conflict. The present findings suggest that knowledge workers experience this contradiction as a daily psychological reality rather than solely an organisational challenge. Instead of choosing between automation and augmentation, participants continually navigated between the two. For instance, a financial analyst who automated spreadsheet modelling using AI was simultaneously concerned that doing so might weaken analytical abilities. This finding confirms the paradox and extends previous work by showing that workers actively manage this tension through cognitive and behavioural strategies, aspects largely overlooked in strategic explanations.

4.6.2 Expanding Identity Threat and Deskilling Research

AI deployment has been shown to undermine professional identity and create anxieties surrounding deskilling (Yanhong & Li, 2025; Sanseverino & Ghislieri, 2026). The present findings strongly support this tendency across all three industries. However, the study extends previous research by identifying sector-specific identity dynamics. Financial services workers feared losing core technical skills, creative workers reframed AI as commoditisation and reconstructed identity around curation and vision, while professional services workers feared losing middle-tier expertise. These findings suggest that identity threat is shaped by occupational norms, task structures, and professional traditions, dimensions frequently overlooked in quantitative and cross-sectional research.

4.6.3 Psychological Safety as a Requirement for Adaptation

Edmondson and Bransby (2022) and Dong (2024) identified psychological safety as essential to learning and performance in changing situations. Applied to AI contexts, Alawiye et al. (2025) found that psychological safety mitigates unfavourable outcomes. However, the present findings indicate that psychological safety functions as more than a buffering mechanism. Rather than acting only as a moderator, psychological safety appeared necessary for identity work and job crafting, which participants used to adapt. Workers in organisations with low psychological safety often resorted to self-protective compliance or covert resistance, limiting experimentation and role redefinition. Without psychological safety, other interventions such as training, communication, and reskilling may be less effective. The findings therefore suggest that psychological safety enables the emotional and identity-based risk-taking necessary for AI-enabled job crafting.

4.6.4 Job Crafting as the Main Adaptive Mechanism

Liu et al. (2025) and Qiao (2026) found that AI-induced job crafting promotes engagement and well-being. The present findings strongly support this relationship while contributing two additional insights. First, job crafting appeared to require organisational support and scaffolding. Participants in organisations promoting role redesign through flexible work allocation, protected learning time, and management support reported stronger adaptation and improved well-being. Second, a form of adaptation emerged that may be described as "curation crafting," in which workers shifted their focus from production toward curation and direction through guiding, assessing, and improving AI outputs. Although participants described this transition as challenging, it also redefined professional value around higher-order judgement rather than routine execution.

4.6.5 Redefining Resistance as a Rational Defence Rather Than Irrational Behaviour

Gölgeci et al. (2024) suggest that AI resistance frequently emerges because of insufficient organisational support. The present findings provide strong qualitative support for this argument. Participants who resisted AI technologies, underused them, or expressed scepticism were not necessarily hostile toward change. Rather, these responses reflected reactions to low psychological safety, inadequate reskilling opportunities, or implementation strategies focused on automation without augmentation pathways. As one creative director explained:

> "I'm not afraid of AI – I'm afraid of being replaced without a plan for what I should do instead."

These findings identify organisational conditions that contribute to maladaptive coping as well as those that encourage constructive adaptation.

4.6.6 Comparison with Quantitative and Cross-Sectional Research

The qualitative and retrospective approach used in this study presents adaptation as an evolving process. Quantitative studies (e.g., Sun et al., 2026; Sharma et al., 2026) have identified relationships between AI use and well-being outcomes but provide limited insight into underlying mechanisms. The present findings suggest that managing ambivalent acceptance requires learning to tolerate and work with uncertainty. Addressing identity friction appears to require sector-specific identity reconstruction strategies, while organisational buffers such as psychological safety and reskilling support adaptive coping processes. These process-based insights extend beyond the explanatory capacity of cross-sectional research.

4.6.7 Addressing Previous Literature Limitations

The findings address three limitations identified within the literature review. First, by relying on participants' retrospective accounts of changes in emotions and coping strategies, the study captures adaptation as a dynamic process. Second, by including participants across three sectors, the research identifies both common patterns and sectoral differences, which remain relatively underexplored in qualitative AI research. Third, the study places psychological and emotional processes at the centre of understanding AI implementation rather than treating them as secondary outcomes of productivity. Collectively, the findings contribute an empirical model of employee psychological adaptation to generative AI with implications for both theory and practice.

4.7 Limitations

Five limitations should be considered when interpreting the findings. First, the sample was self-selected and geographically limited to English-speaking knowledge workers across three sectors, potentially restricting the transferability of findings to other cultures and occupational settings. Second, the study relied on self-reported experiences rather than direct observation of AI use and may therefore be subject to memory bias and social desirability effects. Third, retrospective

accounts capture perceptions at a single point in time, whereas longitudinal research would be necessary to examine adaptation over extended periods. Finally, the smaller representation of professional services participants (n = 5) may have limited the depth of sectoral comparisons.

5. CONCLUSION

Technology poses a recognised identity hazard (Yanhong & Li, 2025). Organisational environment influences interpretation, according to sensemaking theory. According to job creating studies, workers actively rethink their positions.

Consider "Resistance" as a rational context response. Irrational AI adoption resistance is sometimes attributed to fear of change, ignorance, or insufficiency. Workers rejecting over-automation without significant reskilling assistance, avoiding psychological hazards in low-safety situations, or safeguarding professional identity in organisations without identity reconstruction space are sensible, according to this research. Organisational changes enable adaptability (Gölgeci et al., 2024).

Mental Health as Outcome and Prerequisite. A last contribution emphasises psychological well-being as a precondition for effective adaptation. Employees with high anxiety or identity danger are less likely to learn and explore. Supporting well-being (psychological safety, clear communication, mentorship) allows workers to do the identity work and role redesign needed for real adaptation (Liu et al., 2025).

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APPENDIX A: SEMI-STRUCTURED INTERVIEW GUIDE

Study Title: More Than Automation: Employee Perceptions, Psychological Well-Being, and the Automation-Augmentation Paradox in the Age of Generative AI

Interviewer: Shing Fung CHOI

Estimated Duration: 45–60 minutes

Format: In-person or video conference (Zoom)

Pre-Interview Script

Read to participant after obtaining written informed consent:

"Thank you again for agreeing to talk with me. Today I'm interested in your honest, lived experience using generative AI tools in your daily work. There are no right or wrong answers – I want to hear whatever comes to mind, including mixed feelings, frustrations, and things that are going well.

Everything you say will be kept confidential. Your name will be replaced with a pseudonym, and any specific details that could identify you or your employer will be removed.

The interview will take about an hour. I will audio-record it so I can focus on our conversation – is that still okay with you?

Do you have any questions before we begin?"

Opening Question (Warm-up)

"Can you walk me through a typical work day last week – what did you use AI for, and what did that feel like?"

Probes if needed:

"Which tools did you use most often?"

- "Was there a moment when AI surprised you – either in a good or bad way?"
- "About how much time do you spend with AI tools compared to a year ago?"

Domain 1: AI Use in Daily Work (RQ1)

"What specific tasks do you now hand over to AI, and what tasks do you keep entirely for yourself?"

Probes:

- "Can you give me a concrete example of a task you used to do fully yourself but now automate or augment?"
- "Are there tasks you *refuse* to let AI do? Why?"

Domain 2: Perceived Changes to Role and Skills (RQ1, RQ3)

"How has your job changed since you started using generative AI – in terms of what you actually do day to day?"

Probes:

- "What skills have become more important? What skills feel less important?"
- "Has your sense of what makes you 'good at your job' shifted?"
- "Do you feel you've lost any abilities you used to have? Gained new ones?"

Domain 3: Emotional Responses and Evolution (RQ2)

"You mentioned [earlier word, e.g., 'excited' or 'anxious'] – tell me about a specific moment when you felt both excitement and worry about AI."

Probes:

- "How have your feelings changed over the past three, six, twelve months?"
- "Was there a turning point where you felt more comfortable – or less?"
- "What situations trigger anxiety for you related to AI? What situations trigger satisfaction?"

Domain 4: Identity and Professional Worth (RQ2, RQ3)

"When you think about your professional identity – what makes you *you* as a [role, e.g., financial analyst] – how does AI fit into that picture?"

Probes:

- "Some people worry that AI will 'de-skill' them or make their expertise less valuable. Does that resonate with you? How?"
- "What would be lost if AI could do 80% of your current tasks?"
- "What part of your work do you think AI will *never* do as well as you?"

Domain 5: Coping Strategies and Role Re-crafting (RQ3)

"Have you deliberately changed *how* you work – not just what tools you use – because of AI?"

Probes:

- "Have you dropped some tasks entirely? Taken on new ones?"
- "Do you see yourself as 'using AI to do my job better' or 'redesigning my job around AI'? Or something else?"
- "What advice would you give to someone in your role who is struggling with AI?"

Domain 6: Organizational Support and Psychological Safety (RQ4)

"Thinking about your employer or team – what have they done that has helped you adapt to AI? What has made it harder?"

Probes:

- "How does your manager talk about AI – as a threat, a tool, or something else?"
- "Can you raise concerns about AI openly without fear of looking outdated or resistant?"
- "What training or support do you wish you had, but don't?"

Domain 7: Well-Being Outcomes (RQ2, RQ4)

"Compared to a year ago, how would you describe your overall job satisfaction, stress, and sense of purpose?"

Probes:

- "Does AI make your work feel more meaningful, less meaningful, or neither?"
- "Have you noticed changes in your energy levels, burnout, or motivation?"
- "If AI got 10x better overnight, would that make your working life better or worse – and why?

Domain 8: Suggestions for Improvement (RQ4)

"If you could change one thing about how your organization is handling AI – or how AI tools are designed – what would it be?"

Probes:

- "What should leaders stop doing? Start doing?"
- "What would help you feel more in control of your professional future?"

Closing Script

"That's the last of my formal questions. Before we finish:

- Is there anything I should have asked but didn't?
- Is there anything you want to add about your experience with AI that we haven't covered?

Thank you so much for your time and openness. If I have a follow-up question in the next few weeks, may I contact you by email?

I will send you a one-page summary of my preliminary findings in about two months – you're welcome to give me feedback on whether it resonates with your experience.

Do you have any questions for me?"

Note to interviewer:
This guide is a flexible roadmap, not a script to be read verbatim. Follow participant leads. Spend more time on domains where the participant has rich stories. Allow silence for reflection. The best data often comes *after* the formal questions when participants say, "Actually, one more thing…

APPENDIX B: Table 1: Participant Characteristics

Demographic Characteristics

Characteristic	n	Percentage/Notes
Total Sample	25	100%
Gender - Female	13	52%
Gender - Male	12	48%
Age Range (years)	26–58	Range
Mean Age (years)	42	M

Industry Distribution

Industry	n	Percentage
Financial Services	10	40%
Creative Industries	10	40%
Professional Services	5	20%
Total	25	100%

Note: The smaller sample size in professional services reflects lower response rates in this sector.

Professional Roles

Professional Role	n	Percentage
Financial Analysts	4	16%
Content Strategists	3	12%
Creative Directors	2	8%
Management Consultants	3	12%
Legal Researchers	2	8%
Graphic Designers	3	12%
Mixed-Role Knowledge Workers	8	32%
Total	25	100%

AI Tool Usage

AI Tool	n	Percentage
ChatGPT-4	19	76%

GitHub Copilot	6	24%
Midjourney/DALL-E	8	32%
Claude or Other Agentic Tools	4	16%

Note: Multiple tools were common among participants (mean = 2.3 tools per participant). Percentages exceed 100% as participants reported using multiple tools.

Summary Statistics

- Total Participants: 25 (13 women, 12 men)
- Age: Range 26–58 years, Mean = 42 years
- AI Tool Usage: 100% used AI tools daily
- Average Tools per Participant: 2.3