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Article

From Implementer to Strategic Agent: Identity Work of Middle Managers amid AI Infusion

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Abstract: Upon investigation, this research looks into how AI empowerment impacts professional identity in middle-level managers, who in turn alter their conventional role as the Implementation Actor to that of a Strategic Actor. To this end, this research features a qualitative multiple-case study design, where data gathering is done through personal interviews, observations, and analysis of organizational documents. Here, data from this research will be utilized to validate a systematic three-tier identity transformation, which involves cognitive transformation, capability transformation, and enhancement of identity status. This outcome gives a confirmation of successful development, where AI literacy development moves from 1.5 to 4.5, with a 125% development in overall competency. Lastly, for this research, a theoretical frame of reference in relation to identity will be utilized, in line with this technology development in AI, providing evidence that this disruption in technology provides malleability of identities rather than obsolescence. This outcome of this research can be employed for developing a new set of competencies that fall along technology and strategic thinking as a guide in organizations pertaining to how to manage digitization, as well as how to effectively implement human AI-related collaborations.

Keywords: AI empowerment; identity reconstruction; middle managers; capability transformation; strategic agents

1. Introduction

With increasing integration of application AI technology in organizations, there has been an unprecedented revolution in traditional organizational structures and management practices. The middle managers, being among the most important groups of people between the top and bottom organizational structures, are being faced with irrevocable changes in terms of their role position and identity recognition with AI technology enablement (Koponen et al., 2025). This technological revolution not only affects the modes and practices of middle managers' tasks but also casts a paramount impact on their identity understanding and development for professional purposes (Van Doorn et al., 2023). Now, since middle managers are being targeted in their traditional analysis tasks by AI technology, identity and relevance management becomes prominent in relation to their professional sustainability. There has been evidence from available literature that the integration of AI technology, in a way, has been influencing traditional boundaries of organizational behaviors and management practices, encouraging managers from being traditional technicians to being strategic influencers with a mindset of strategic thinking (Bankins et al., 2024).

Despite this, a gap in consideration of psycho- and identity-related issues for this technological shift, in particular, middle managers, concerning role ambiguousness and identity reconstruction, related to their involvement with the integration of AI, remains in contemporary literature (Hossain et al., 2025). Notwithstanding this, a gap in present research, concerning a comprehension of the emotional and cognitive processes linked with middle managers integrating their developed self-concepts with new technological conditions, arises. This research, formulated with Identity Theory Approach, aims to fill this gap in research, analyzing those particular processes also linked with middle managers' identity shifts from "implementers" to "strategic agents" in AI-enabled conditions. With a perspective through which it suggests processes linked with cognitive, behavioral, and relation actions related to this identity shift, this research aims to help in using Identity Theory for AI-related organizational conditions, using findings of this research for providing insights for organizations, in regards to effective middle management performance in digital transformations of organizations (Lippert, 2024). These findings provide developments in Identity Theory, besides their

usage in technological transformations, as effective suggestions linked with role transition in organizations with AI integration.

2. Theoretical Foundation and Literature Review

Identity Theory also provides a theoretical base that has connotations linked to individual perceptions of their identities, along with role-building in organizations. Identity work, which has been referred to as individuals being actively engaged in re-constructing themselves as individuals, has closely integrated dynamic processes linked to their cognitive, emotive, and behavioral structures. In a transformation setting in organizations, individuals engage with identity work processes as part of role interpretation and environmental ambiguity resolution strategies, whereby individuals redevelop their individualized self-identities in a professionalized form, as per new environmental needs. This, in itself, has been referred to as being linked not only to individual psychology-related matters but also has been shown to affect organizational functioning, along with transformation success. The role of middle management, in this organizational grouping, has been undergoing transformation from being information channels and transformation implementation managers to being actively involved role-play members, along with transformation managers (Mirbabaie et al., 2022). In traditional organizational formations, it has been noted that middle management has been limited to purely being upward and downward information channels; however, with the onset of the digital era, these channels for purely unilateral data transmissions are now being threatened in their definition. This has been further aided by the development of AI technology, which has further set in motion this transformation, hence necessitating middle management to rebirth their value-creating propositions in relation to their own role definitions. There has been commencement of use of AI technology in organizations which has started to re-constitute their definitions for even fundamental management practices, with new kinds of hybrid approaches for problem-solving solutions being introduced, hence necessitating new AI-related skills in partnership for managers (Raisch & Fomina, 2025).

This synergy between human capabilities and technology not only adds to efficiency in decision-making but also creates a higher degree of demands on a manager’s cognitive capabilities. Technological empowerment, along with a paradigm

shift in a manager's role, creates a substantial impact on a manager's perceptions and understanding of their role. With regards to technological transformation, middle managers are increasingly playing a progressively important role in determining and formulating strategies, and there arises a necessity for technological management capabilities in order to manage these technology-driven environments (Christodoulou et al., 2022). The value creation processes, with regards to organizational transformation, are also undergoing shifts in paradigms, and managers are required to transform themselves from being mere value implementers to value creators (Suseno et al., 2018). This necessitates that, along with developing technological capabilities, managers are able to leverage their technological advantages into organizational superiority. However, with increasing advancements in technology, threats to identity also increase, and this necessitates that managers recreate their individual value and uniqueness in human-technology collaborations (Brock & Von Wangenheim, 2019).

To resolve this challenge, effective managers will find technology as a means of extending capabilities but not substitutes for their identities, hence a symbiotic relationship with AI systems. On the aforementioned theories, it has been established that this study has established a theoretical perspective concerning middle management's identity reconstruction with AI, where identity reconstruction is a critical three-fold process, which involves cognitive transformation, capability transformation, and status repositioning. Cognitive transformation pertains to their new definition of role value, while capability transformation pertains to their emphasis on updating their portfolios of skills, with status repositioning pertaining to those that occur in hierarchical organizational relations.

3. Research Design and Methodology

3.1. Research Design and Case Selection

In this research, a qualitative multiple case study approach has been used to understand and make sense of various identity reconstruction processes being used by middle managers in this AI-enabled setting. The case study method of research has been employed in this research in three different organizational settings, which are an enterprise in the energy sector, a medium-scale digital services company, and thirdly in a small tech company. This research approach can be effectively used to acquire

knowledge about various complicated phenomena in a distinct organizational setting. These complicated phenomena in this research setting are various identity reconstruction processes being used by middle managers in different organizations. The conditions in which a particular set of different organizations can be used as part of this research are when an organization has actively utilized AI for a period of 18 months, when an organization has actively been a part of their digital transformation, and when various middle management tiers of an organization are actively involved in AI integration.

3.2. Data Collection and Analysis Methods

Data collection will be carried out using a host of techniques that are qualitative in nature, such as conducting semi-structured interviews, participant observations, and document analysis. There are 60 semi-structured interviews scheduled with middle-level managers, who are closely aligned with the implementation of AI technology. The method of research follows a model that involves an iterative model of research, whereby early data provides key insights into how research can be integrated, followed by saturation of theories. This involves gathering observations, which are key, and are data that the individuals are either unaware of, are unaware of their significance, or cannot express. Data analysis in this form of research follows a systematic model of data analysis, whereby techniques are used that involve rules, which provide structure in analysis, but also provide a wide range of freedom in analysis. The coding of this data can be done by a number of individuals, whereby constant debate and discussion are involved between researchers for key agreement on coding.

3.3. Research Quality Control

The standard of research can be assured using a number of ways, for example, credibility, transferability, dependability, and confirmability. Dependability of research can be assured using prolonged engagement, participation, and involvement with individuals, persistence and observations, and triangulation, and finally, member validation. The triangulation technique can be described as methods that involve using multiple sources of research, and a minimum of using multiple researchers. Dependability of research can be assured using thick, and descriptive research that

involves description of research members, and finally, research documentation. The dependability of research can be assured using a comprehensive audit trail that involves a step-by-step analysis of decisions. The confirmation of this process for confirmability can be assured using a practice of maintaining a number of reflexivities, which involves personal criticisms of personal interpretations, as well as maintaining a reflective journal for members of staff in all stages of research. In addition, analysis of this study can also be performed by members of staff, with correspondences of coding and themes. The peer review of this study involves members from different subjects, as well as associates, which provides criticisms of research methodologies, as well as validation of all research conclusions, with an exception of members of staff.

4. AI-Enabled Identity Reconstruction of Middle Managers: From Tools to Strategic Agents

4.1. From "Implementer" to "Strategic Partner": Identity Cognitive Transformation

Therefore, this transformation from a traditional role of an implementer to a partnership role, consequently, reflects a huge cognitive transformation, and this occurs particularly among middle managers in AI-based organizational environments. The development of AI technology that takes charge of different analysis and processing tasks gives middle managers sufficient time to ponder and decide. This marks a huge cognitive transformation that can be measured particularly by increased strategic thinking, collaboration, and involvement in organizational-level decision-making. This cognitive transformation also indicates increased understanding and awareness of managers' own value in bridging technology capabilities with human intuitive knowledge, making middle managers essential AI-insight navigators in their respective organizations. There are signs that successful middle managers enhance their skills in mentoring and offering strategic advice, undergoing a transformation from control managers to enablers, leading their subordinates through technology transformation. These skills in this cognitive transformation ought to involve new skills in technology communication, change

management, and technology know-how, along with traditional management skills and strategies. This has been pointed out in **Table 1** below, which reflects a huge re-definition in different identity dimensions, providing a platform for a definition of new capabilities and organizational status upgrade.

Table 1

Identity Cognitive Transformation Dimensions

Identity Dimension	Traditional "Implementer"	Transitional Phase	Strategic "Partner"
Role Conceptualization	Task executor	Process coordinator	Strategic advisor
Value Proposition	Operational efficiency	Workflow optimization	Strategic insight
Decision Authority	Rule compliance	Guided discretion	Collaborative influence
AI Relationship	Tool utilization	System integration	Strategic orchestration
Organizational Impact	Departmental focus	Cross-functional coordination	Enterprise-wide influence
Knowledge Application	Procedural execution	Adaptive problem-solving	Strategic innovation

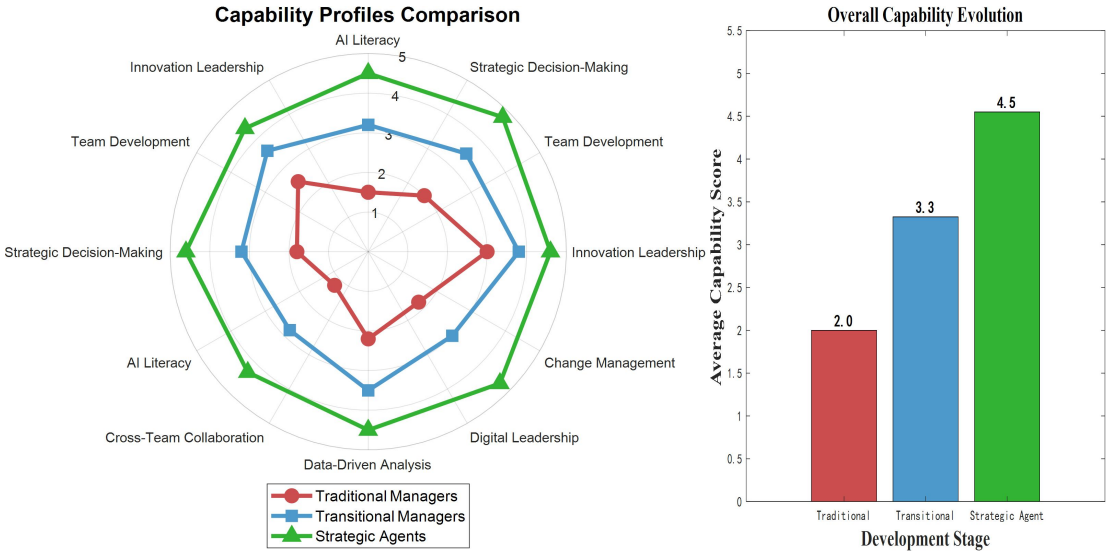
4.2. Capability Reconstruction and Value Creation under AI Empowerment

AI empowerment keeps updating middle managers' competency maps, as shown in **Figure 1**, with a prominent focus from traditional operation efficiency to a lead in strategic management. This requires a prominent enhancement in AI knowledge from 1.5 for knowledge use skills to a high-level, sophisticated integration skill of 4.5, along with a change management competency upgrade that urges middle managers to take a driving role in change endeavors in their respective organizations. The enhancement in competency shows a 125% increase in overall competency point values, with a rise from 2.0 in traditional to 4.5 in strategic agents, enabling middle managers to concentrate on taking strategic decisions rather than getting entangled in management. Digital leadership has been incorporated as a progressing competency with a prominent focus from a mere skills builder of 1.2 to a high-level, strategic mastery of 4.3, encouraging employees to grow themselves from a dependency

platform to an empowerment platform for technology-based interactions and support services. Using actual-time data and insights from AI empowerment by middle managers portrays their augmented aptitude in data-driven analysis, with a rise from 1.8 to 4.6, aided by their development as strategic planners, with their keen identification of market changes and rapid corrections in strategies. The benefit derived also portrays their augmented aptitude in offering careful support for employees in developing their skills, encouraging between-team cooperation, with a rise from 2.5 to 4.4, in conjunction with new technology integration. This demands their efficiency in using AI knowledge and adopting a human-centric approach in management, which would make their performance a decisive factor in a successful and efficiently run organization with innovations in strategies.

Figure 1

AI-Enabled Capability Reconstruction: From Traditional Managers to Strategic Agents



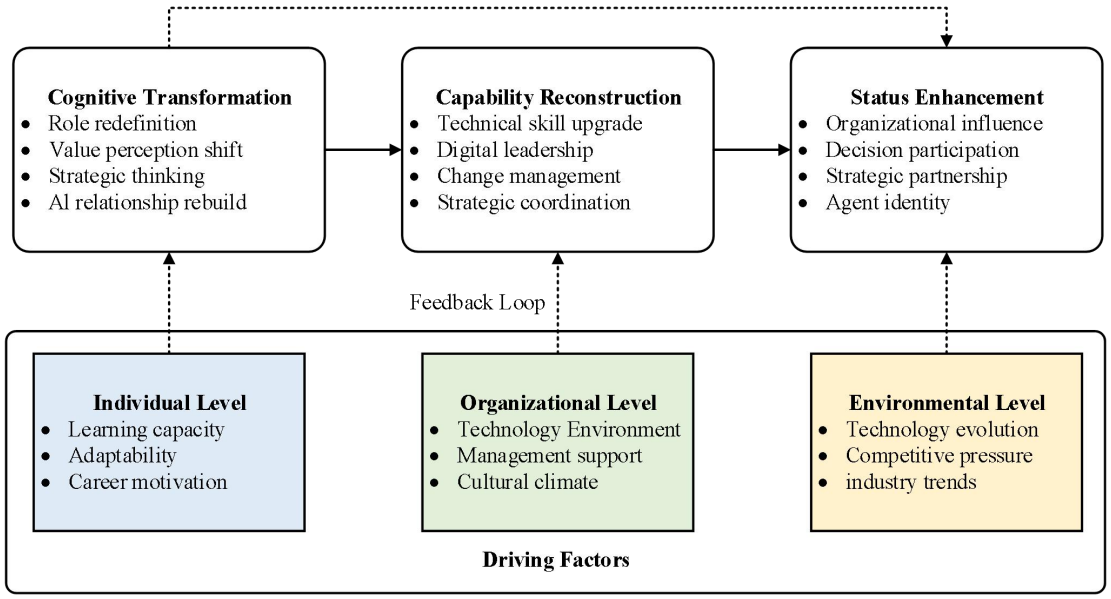
4.3. Establishment of "Agent" Identity and Organizational Status Enhancement

The creation of strategic agent identity marks a point of culmination in this transformation process that middle managers undertake, which is marked by their comprehension of their indispensability in the transformation process using AI in an organizational setup. This transformation among middle managers in their identity has been marked by a realization of their increased status in their organizations, with

middle managers taking key strides in integrating technology transformation strategies for use in organizations. This identity among agents has evolved with their acknowledged key role in key decision-making, a high degree of autonomy in using technology, and their vital role as key interpretation agents of findings from AI technology for other members of their respective organizations. This development of their identity has been marked by their efficiency in using AI technology, as well as their uniquely human role in assessing their success in organizations. There has been proof of middle managers with key capabilities in developing performance capabilities of their agents in terms of their identity as being effective in change management, development of talent, and performance of teamwork among different functions being better than their counterparts. The value obtained from business by these managers has marked their role in relation to management of their technology, workforce, and organizational change initiatives. This development of their identity has been along a transformation continuum marked by a cognitive transformation, development of capabilities, and an increase in status, as marked in **Figure 2**. This has positioned middle managers in a pioneering role in their organizations, marked by their role as leaders in their transformation in organizations. These managers are then in a key role in leveraging long-term opportunities for their organizations with key synergy between their human capabilities and capabilities from AI technology.

Figure 2

The model of the identity transformation process of middle managers empowered by AI



4.4. Driving Mechanisms and Influencing Factors of Identity Reconstruction

The identity transformation process also encompasses complicated multi-level processes such as individual adaptability, support structures in organizations, and environmental pressures that affect in a synchronized way. The individual-level considerations are individual orientations, technology skills, and professional goals that influence individual capabilities in adopting technology skills and in dealing with their role transformations. The organizational-level considerations are technology support, management support, organizational cultures, and systematic development programs, which facilitate or hamper identity development. Environmental pressures of competitive types, speed of technological development, and environmental pressures for industry transformation are part of environmental forces concerning identity transformations. These different forces intersect to create paths for individual transformations, and success in identity transformations can be guaranteed with a synchronized effort of different individual, organizational, and environmental forces. Empirical research revealed that those organizations which employed systematically comprehensive approaches in methodological transformations in the area of change management and organizational transformations were successful in identity transformations. **Figure 3** illustrates how driving forces work with a number of concurrent processes in which individual capabilities match with organizational and environmental pressures. The knowledge of these forces opens opportunities for constructing interventions for accelerating individual transformations in identities in AI-based work environments.

Figure 3

A multi-level model of the mechanism driving identity reconstruction

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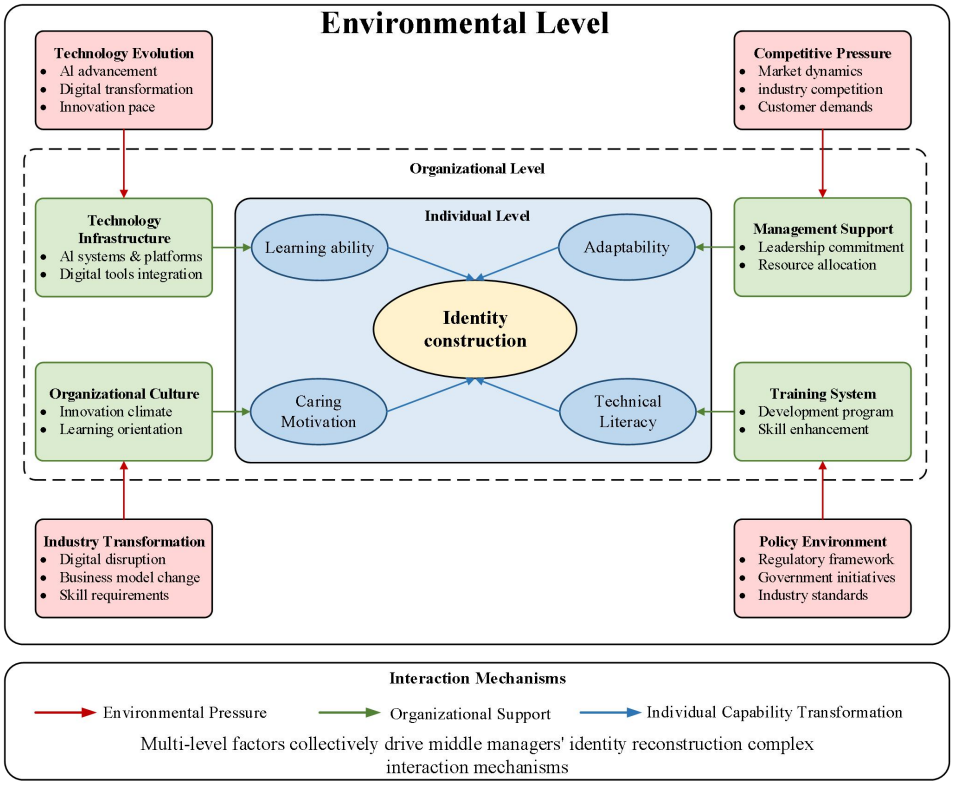

5. Discussion

This research work uses identity theories in AI-based organizations and provides proof in support of middle managers as bridge managers, with increasingly complex cognitive tasks, as opposed to tasks that are meant to be performed by AI. This research development in identity theories in organizations marks a milestone in recognizing advancements in understanding technological change as a form of identity plasticity, positing ways for stabilization and adaptability in terms of internalized cognitive structures. The multi-dimensional capabilities understanding seems to find use in Structuration Theory in relation to identity reconstruction as cognitive, behavioral, and social processes. Organizations must make it a point to invest in the re-constitutions of capabilities, with focus on developing competency in AI literacy, from 1.5 to 4.5, and developing superior technology leadership skills, from 1.2 to 4.3. Having established that this research, which completely breaks from all other previous research studies, which aimed for understanding technology-related specifics of AI, has established that transformation, in its mental and relationship form, has occurred, in which organizations are now focused on human leadership, in addition to data management. Outcomes derived from this research set up that identity

reconstruction has brought upon a Paradigm Shift towards 'Capability-Based Professional Identity' as there has been 125% improvement in overall competency scores. This research work, which seems to form a gamut of a very valuable body of research, providing a holistic theoretical understanding with pointers for effective change management in organizations, using a human-AI technology platform.

6. Conclusion

This study proposes that empowerment in AI creates a sudden change in middle-level managers from traditional implementers to strategists in regards to systematic transformations of identities. The results of this study point out that there are three key transformation stages, which cover transformations, up-gradations of capabilities, and improvement of status in organizations, hence achieving 125% efficiency increase in managers. The theoretical significance of this study becomes important as it explains identity theories in technology-driven sectors, hence proving that technological disruption creates flexible transformations of identities rather than degradations. This study has significance since it provides indications of multi-level forces including individual malleability, support from organizations, as well as environmental conditions. This study supplies practical models that can be used to create hybrid capabilities in knowledge of AI and human-centric leaders. This study, however, takes into consideration that there are limitations in regards to generalizations as well as challenges in regards to identities in transformations. This topic of research for further studies can cover analysis of long-term trends of transformations of identities, as well as those associated with long-term advancements in capabilities related to cooperation between humans and AI in a business structure. Further studies on this topic, associated with identities and transformations, as well as studies related to design of this research instrument, with a motive to establish advancements in transformations of identities, can turn out to be successful. This research, however, supplies important insights into cooperation between humans and AI in present-day businesses.

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