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Challenges of Integrating AI into SAP Human Capital Management

Understanding Employee Motivation and Leadership Influence from SAP Consultant's Perspective

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ABSTRACT:
This qualitative study examines the Challenges of Integrating Artificial Intelligence (AI) into SAP Human Capital Management (HCM) with particular emphasis on employee motivation and leadership influence in AI-driven transformations. Artificial intelligence tools referred to in this study fall under the category of sandboxed Federated LLM, which means that they are isolated and secure. The study is positioned within the context of growing AI adoption in SAP HCM and SAP Success Factors environments, where AI-enabled tools like SAP Joule and AI Core are increasingly embedded in SAP workflows and applications to improve efficiency, automate routine tasks and support decision making. Although the technological potential of AI in HR systems has been widely studied, less attention has been given to the human and organizational factors that influence whether such integration is successfully accepted and implemented. The study has therefore been undertaken to address this gap by focusing on how employee motivation affects AI integration success and how leadership practices can strengthen motivation during implementation. A qualitative research approach has been adopted. The empirical data have been collected through semi-structured interviews with five SAP consultants with strong professional experience working on AI-related projects in SAP HCM environments. The interviews focused on gathering consultants' experiences and perceptions related to motivation, technology acceptance and leadership. The interview data have been analysed using thematic analysis to identify themes and sub-themes based on recurring patterns and relationships between them. The theoretical background of the study is formed by the Technological Acceptance Model, Motivation theories like Self-Determination Theory and Transformational Leadership Theory, which together provide an understanding of how technological, psychological and organizational factors interact during AI adoption. The main results of the study indicate that employee motivation is a decisive factor in the success of AI integration, and it influences acceptance, engagement, learning and participation of employees in implementation activities. It has also been found that employee reactions are shaped by how they perceive AI. AI is perceived as beneficial when it is associated with efficiency, support and more meaningful work, but concern is also experienced in relation to uncertainty, role insecurity and the future relevance. Leadership has emerged as a central force in shaping motivation, as employees' interpretations of AI and their willingness to engage with change are strongly influenced by how leaders communicate, support, involve and guide them. Based on research findings, the study suggests that adoption is strengthened when employees are provided with clear communication, practical training, supportive learning conditions and psychologically safe environments. Overall, the study concludes that AI integration in SAP HCM should be understood not only as a technological change but also as a human- centred and socio-technical transformation. The study contributes to the understanding of AI adoption in enterprise HR systems by showing that successful implementation depends on the interaction between employee motivation, supported leadership and organizational readiness.

KEYWORDS: Artificial Intelligence, Employee Motivation, Transformational Leadership, SAP HCM, Technology acceptance.

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Abbreviations

SAP	Systems, Application and Products
ERP	Enterprise Resource Planning
HCM	Human Capital Management
HR	Human Resources
TAM	Technology Acceptance Model
MNC	Multinational Corporations
AI	Artificial Intelligence
LLM	Large Language Model

1 Introduction

1.1 Background of AI in Human Capital Management

The AI tools integrated within SAP systems operate as a form of sandboxed, federated style (orchestrated) LLM environment. It is an advanced AI architecture that combines decentralized privacy and secure isolation making it more private, secure and flexible. SAP tools do not directly use decentralized learning architecture, but it implements the principles of it by keeping data local and secure when accessing LLMs through central secure hub (sebastienb, 2024). Artificial Intelligence (AI) tools have been embedded into the SAP Enterprise Resource Planning (ERP) systems, influencing data management efficiency in large organizations. The SAP Human Capital Management (HCM) module is also increasingly changing with the introduction of AI tools which impact how the organizations manage their people, processes and decisions. With relevance to HR, AI tools are now being used to make the recruitment process smooth, help evaluate the performance of employees, manage the data and experiences for its employees, manage the learning process of its employees, automate the processes and help with workforce analytics. Within the SAP processes, it is being widely implemented and is especially noticeable in SAP Success Factors, which is a cloud-based platform for SAP HCM. AI tools like SAP Joule, SAP Business AI, AI Cockpit, SAP Generative AI Hub within SAP AI core and many other AI-assisted features and tools are improving the efficiency of HR systems and can strengthen the decision-making process for the organizations as the decision is made based on the data and the quality maintained in the systems. It also provides employees as well as managers with huge support by automating a lot of processes which were done manually before the introduction of AI (Lekha et al., 2024; Pillutla, 2025b).

This change in the organizational management in HR systems based on digitalization shifts the emphasis from administrative and periodic tasks to more intelligent, more predictive and interactive systems. SAP SuccessFactors is a cloud-based HCM platform that supports the use of AI, machine learning and predictive analysis to enable the functioning of integrated HR functions. These capabilities enable the employees to focus on more

productive tasks, and the mundane tasks like annual reviews are replaced with continuous feedback, performance insights, goal management, personalized training and development suggestions, and a strengthened alignment between the goals and capabilities.(Lekha et al., 2024).

However, the rapid integration of AI with HR systems comes with various challenges. It is not only about the technical change or transformation but also about a mindset change. The success of AI integration process in SAP HCM systems also depends on how employees perceive it, how motivated they are to engage with new technologies introduced and how the leaders support their teams to ensure a smooth transition. Many research and evidences show that while AI reduces workload, increases efficiency and supports better decisions, it also creates uncertainty, resistance to change, fear of job loss and reduced trust from the employees if the transformation is not managed and supported carefully (Bankins et al., 2024; Jeong & Jeong, 2025; Özdemir, 2025).

This thesis focuses on the human factors, such as motivation and leadership influence, that affect the integration of AI in SAP HCM. While there are many studies done that focus on the technical and system-related issues that hinder the digital transformation of SAP systems, there is not enough research done on the human side of AI integration issues. Therefore, this study aims to address this gap by examining human-related factors like motivation and leadership from the SAP consultants' point of view that directly influence the success or failure of the integration projects. The thesis also provides recommendations to organizations and leaders that can be implemented to enable technology adoption and eventually lead to the successful implementation of AI-driven HCM solutions.

1.2 Problem Statement and Research Gap

The AI-enabled HCM solutions are quite efficient and are expanding rapidly in all organizations, but the implementation and integration of these solutions is still a challenge for

organizations. There are many studies which highlight issues like data quality problems, ethical and privacy issues, system challenges, technological factors, lack of transparency and reluctant for change that influence the implementation of the AI (Lekha et al., 2024; Pillutla, 2025a). In SAP-related environments, AI can automate tasks, improve analytics, enhance performance and goal management, and learning management processes but the realization of this depends on how much the employees or users trust the results, how comfortable the employees are with this technological adoption and if they see the change as useful and fair.

A key problem with the studies is that the focus of AI integration with SAP HCM remains towards system capabilities and functional improvements, while the human factors that also affect the success of implementation are often left unconsidered. This very important issue in digital transformation is being addressed in this thesis and studied thoroughly, especially from the perspective of SAP Consultants (both technical and functional) because they are the people who are directly associated with the systems and HR processes, and they play a key role in implementation as well as acceptance and adoption of these tools in HCM. The human-related factors are not researched deeply enough, though they have a considerable impact on the success of AI integration in SAP HCM and implementation outcomes. In addition to studying the challenges and barriers from employees, the study also aims to provide recommendations to leaders for reducing resistance from stakeholders and consultants and improving transformations.

In the research done by (Özdemir, 2025), he has concluded that the organizational and human-related factors have a greater impact on ERP implementation outcomes than the technological factors. The same study also highlights issues like poor communication, weak organizational culture, limited transparency, lack of preparedness, and lack of change management are often the common difficulties and failure factors during implementations. He also emphasizes that the technology issues are many times rooted in human actions and organizational conditions.

According to (Chua & Ayoko, 2021; Tan et al., 2025), both employee psychology and leadership are highly relevant in AI-enabled systems and workplace environments. They also highlight the importance of transformational leadership and claim that the employee's motivation, work engagement and attitude are directly influenced by how the change is introduced and managed by the leadership. Moreover, leadership actions also influence whether employees see AI as an opportunity or as a threat. Nevertheless, these factors are rarely examined, considering SAP HCM and SuccessFactors environments. Hence, this thesis aims to address this gap by examining how employee motivation influences AI integration success and how leadership actions can strengthen motivation within the organization to drive AI transformations.

1.3 Key Concepts and Research Scope

Some of the primary concepts that are an essential part of this research are SAP HCM, Artificial Intelligence in HCM, and AI integration success, which are defined in this section. Also, the theoretical frameworks, like technology acceptance and transformational leadership, are explained in brief.

SAP HCM:

SAP HCM is the abbreviation for Systems Application and Products Human Capital Management, and it is an enterprise resource planning module for supporting HR functions such as organizational management, personnel administration, time management, payroll, talent management and employee analytics in large organizations. These functions are now being integrated with AI capabilities, especially through Success Factors, which is a cloud platform solution of SAP HCM.

Artificial intelligence in HCM:

Artificial intelligence in HCM refers to the use of Machine learning, predictive analysis, automation and other data-driven technologies for improving HR processes like performance and goal management, workforce analytics and recruitment. Multiple AI tools like SAP Joule, SAP Business AI, Generative AI, AI Cockpit, AI Chatbots, etc. have already

been embedded in SAP systems to enhance the functionalities and ease routine tasks. All SAP tools integrated with SAP systems operate as a form of sandboxed, federated-style LLM environment.

AI Integration Success:

With reference to the research done in this study, it means the effective implementation and adoption of AI tools within SAP HCM systems. It is a combination of improved organizational outcomes, reduced resistance from employees and users' acceptance.

Technology Acceptance:

Whenever new technology is introduced in a functional system, often the behaviour and attitude towards the technology are uncertain. Sometimes it is seen as an opportunity and sometimes as a threat. The technology acceptance term here refers to the willingness of employees to use new technologies. It is one of the theoretical perspectives identified for studying the human-related factors that affect the success of AI integrations.

Transformational Leadership:

Transformational Leadership is a theory that describes the importance of leadership and the essential role that leaders play in an organization which directly influences employee motivation, behaviours and actions. It is a leader who guides the organization during change through their vision and actions.

1.4 Research Scope

The study focuses on analysing the perspectives of SAP Consultants based on their experiences towards the employee motivation and leadership factors that affect the AI integration projects, and thus, it does not represent the views of other stakeholders like end-users, managers or other employees who are directly associated with the AI systems. Additionally, the research examines the human factors like motivation and leadership practices that impact the AI integration outcomes and does not explore the other financial, technical or system-related issues which also strongly influence the success of projects. Moreover, the study is limited to SAP HCM and SuccessFactors environments, which means that the conclusions drawn from the study may not be transferable to other

ERP systems or non-SAP HR platforms. By narrowing down the scope, the study establishes new theories and concepts based on the in-depth analysis of collected qualitative data. Additionally, the study provides recommendations for organizations and leaders to make AI integration effective by increasing employee motivation and engagement during AI-driven transformations.

1.5 Research Questions and Objectives

The research aims to answer the following research questions:

1. How does employee motivation influence the success of AI integration in SAP HCM projects?
2. How can leadership practices enhance employee motivation during AI-driven transformation in SAP HCM environments?

The Research Objectives of the study are:

1. To identify motivational factors affecting employee acceptance on adaptation of AI in SAP HCM processes.
2. To examine how leadership practices influence employee motivation during AI integration.
3. To provide practical recommendations for improving motivation in AI-driven HCM transformation.

1.6 Structure of the thesis

The thesis consists of six chapters which are designed in a generic logical flow of research, starting from the Introduction and background to literature review, methodology, results and analysis, discussion and conclusion. Chapter 1: Introduction sets the context of the study by providing a background of AI in HCM, stating problem statement and research gap, defining key concepts and research scope and stating the research questions and

objectives. Chapter 2: Literature Review starts with the details of digital transformation in SAP HCM and discusses the key challenges in AI integration within SAP. It also establishes the relevance of existing theories like Motivation theories, technology acceptance model and transformational leadership which are the theoretical foundation of the study and help identify research gap. Chapter 3: Methodology mentions data collection procedure, sampling methods, data analysis methods, data validity and reliability. This chapter also highlights the limitations and ethical considerations of the study. Chapter 4: Results present an overview of the findings and presents key themes and sub-themes developed based on the in-depth analysis of data collected in interviews. Chapter 5: Discussions interpret empirical study findings and compare them to the findings from the literature review. It also provides practical recommendations for organizations/management to increase employee motivation so that they can embrace AI systems more effectively. This chapter also shares limitations of the study and proposes directions for future research. Finally, it concludes the findings from the study.

2 Literature Review

2.1 Overview

The chapter provides a comprehensive review of existing research about how Artificial Intelligence (AI) technology integrates with Human Capital Management (HCM) systems, specifically investigating SAP HCM and SAP SuccessFactors environments. The chapter uses systematic literature review (SLR) methodology to combine findings from different research areas, which enables researchers to understand the technological, human, and organizational factors that influence AI integration success.

The rapid advancement of AI technologies has led to their widespread adoption across organizational systems, which fundamentally changes how work processes are organized, supervised, and assessed. Research shows that AI now functions as more than a tool for task automation, because it increasingly shapes how organizations make their decisions and how their employees experience work (Ateeq et al., 2025; Bankins et al., 2024; Murire, 2024). Organizations need to transform their technological systems and their entire organizational framework because AI-driven transformation includes both technological and socio-organizational aspects.

AI functions as a crucial digital transformation enabler in Human Resource Management (HRM) because it enables organizations to make data-based decisions while performing workforce analytics and developing customer-specific employee management methods. The implementation of AI-based HR systems enhances employee engagement and organizational performance while improving organizational efficiency and changing HR's strategic position in the company ((Fenwick et al., 2024); (Jia & Hou, 2024)). Organizations face challenges when they attempt to implement AI in HRM because they find it difficult to use their technological assets for successful business operations.

The challenges become more serious in enterprise environments that use SAP HCM. SAP systems function as complex systems that connect different technological components

with business operations and organizational structures into one framework. The research on ERP and SAP implementation demonstrates that project results depend on human and organizational elements because user resistance, lack of training and poor communication and inadequate change management lead to operational challenges (Jampani et al., 2022; Özdemir, 2025). AI integration into SAP systems requires organizations to address both technical and social aspects of their operations, according to these results.

The chapter's literature review identifies four main thematic areas that form the structure for all its research content. The first section of the document studies how AI systems get implemented in HCM systems and SAP environments through an assessment of both their available functionality and their deployment challenges. The second part of the study uses the Technology Acceptance Model (TAM) to analyse how users perceive and adopt AI systems through an examination of technology acceptance theories. The third part of the study uses Self-Determination Theory (SDT) to explain how psychological needs drive employee behaviour through the analysis of employee motivation. The fourth section of the study examines transformational leadership as a major element that drives both employee motivation and organizational transformation processes.

The chapter sets up a complete framework that explains how AI technology works in SAP HCM systems through the combination of various research viewpoints. The current research studies technological elements and factors that encourage people and leadership elements as independent topics, which creates a need for an integrative approach to study their interrelations. The chapter creates a synthesis of the research aspects through its analysis, which identifies research gaps that guide the study's research questions.

2.2 Integration of AI in SAP Human Capital Management

2.2.1 Digital transformation of SAP HCM with AI as a central component

The digital transformation of Human Capital Management (HCM) now uses Artificial Intelligence (AI) as its main technology, which enables organizations to implement more dynamic employee-focused systems through data-driven methods. AI systems transform HR functions by providing predictive analytics, intelligent automation and real-time decision-making capabilities (Ateeq et al., 2025; Bankins et al., 2024), which exceed the limitations of previous HR systems that functioned mainly as record-keeping tools.

SAP SuccessFactors demonstrates this transformation by implementing AI technology across its HR operations. SAP SuccessFactors combines core HR functionalities, including employee data management, performance evaluation, learning and development, and employee experience management, with AI-driven tools such as predictive analytics, natural language processing, and machine learning. An organization can use these capabilities to replace traditional HR operations with ongoing performance management systems that create individualized employee development paths and enable data-based workforce planning ((Pillutla, 2025a);(Lekha et al., 2024)).

The SAP SuccessFactors AI performance management systems allow organizations to monitor employee performance continuously while analysing feedback and identifying skill gaps. Performance evaluation systems that use data reduce performance assessment subjectivity while delivering evaluation processes that are more transparent and consistent. (Lekha et al., 2024). AI-driven automation functions help HR operations through payroll processing, leave management and employee inquiries, which decreases administrative tasks and boosts operational efficiency (Pillutla, 2025a).

AI-enabled HR systems create positive workplace experiences, which lead to better company performance through improved employee engagement. The research shows that AI-driven HR practices improve employee engagement because they deliver

personalized feedback and learning opportunities and career development pathways (Jia & Hou, 2024). The systems provide organizations with workforce data analysis capabilities that enable them to discover trends, risks and opportunities through real-time observation, which supports their strategic decision-making process.

The SAP HCM integration of AI offers documented advantages but also creates operational difficulties. AI implementation requires both organizational workflow adaptation and technological readiness. The use of AI in SAP HCM depends on both system capabilities and organizational practices concerning system implementation and usage.

2.2.2 Challenges in AI integration within SAP

The Advantage of AI integration does not outweigh the technical difficulties which SAP ERP environments present to businesses. The research findings on ERP implementation shows that organizational and human related challenges are the main cause of project failures rather than technical issues (Özdemir, 2025).

System complexity stands as the most critical challenge which organizations needs to focus on during implementations. The SAP system framework requires businesses to synchronize their operational activities with its pre-established system design requirements because the system functions in an integrated structure. Organizations need to execute process redesign and role redefinition and workflow restructuring to achieve system alignment with business processes. The use of AI technology creates additional operational challenges because it introduces new analytical methods and automated processes which require people to upgrade their current skills and knowledge.

Implementation success depends not only on technical complexity but also on several human factors. The research study shows that SAP implementation projects face major adoption challenges because of poor communication, resistance to change and organizations failing to provide adequate training and support to its employees (Jampani et al.,

2022; Özdemir, 2025). These factors create conditions that lead to reduced system usage and low employee engagement and sometimes result in project failure.

Organizations need to understand the importance of resistance to change and employee motivation factors during their implementation of AI technology. Employees show mixed feelings about AI because they perceive it as both an opportunity and a threat to their work. The introduction of AI technology brings better operational efficiency and decision-making capabilities, yet it creates discomfort in employees with respect to increased monitoring, workplace displacement and loss of control (Cao et al., 2021; Liu et al., 2025). The worries about AI technology led to decreased employee motivation which results in lower interaction with AI systems.

The introduction of AI technology expands existing challenges which organizations face about their data quality and their ability to integrate systems and their state of organizational readiness. AI systems function through vast amounts of high-quality data because any data inconsistencies or inaccuracies will disrupt system operation. Data quality and integration is quite challenging in SAP environments because the data in exists across multiple system modules and legacy systems (Mhaskey, 2024).

The ability of organizations to adopt AI technology depends primarily on three organizational factors which include their existing cultural practices and their leadership methods and their communication channels. The research establishes that organizations which maintain supportive cultural environments together with strong leadership capabilities and effective communication channels will succeed in AI implementation while organizations which lack these elements will face resistance and challenges during their implementation process (Fenwick et al., 2024; Rialti & Filieri, 2024).

2.2.3 Why is Human-Centric perspective required in SAP AI integration?

The integration of AI into SAP systems requires a human-centric approach that focuses on the contributions of team members, organizational leadership, and management. Recent research shows that AI integration success depends largely on employee technology perception and usage, which makes traditional AI approaches that focus on technological capabilities ineffective. (Bankins et al., 2024; Zirar et al., 2023).

Human-centric approaches emphasize that employees participate actively in the implementation process and are not just passive recipients of technology. People decide whether to accept or reject an AI system according to their attitude and perception of the technology. Research on AI adoption shows that employees develop their attitudes based on their evaluation of the advantages and disadvantages of AI, which includes their worries about job security, autonomy and ethical considerations. (Cao et al., 2021; Wang & Long, 2025).

SAP Consultants' perspective is essential in SAP HCM environments because they link technological solutions with business operations. SAP consultants provide critical insights into the implementation process, including the challenges of aligning system capabilities with organizational needs and managing employee data. The importance of human and organizational factors affecting AI implementations is clearly a key element alongside the technical factors.

Human-centric perspectives show that organizations need to support their employees while they use technology because it helps them learn how to use AI systems and keeps them motivated. Employees use AI systems more often when they receive positive support from management and when they feel capable enough to manage AI systems. When the organizations fail to provide necessary training, support and do not communicate effectively with their employees, they end up losing active participation from team members and eventually lose capable resources.

The available research on employee motivation and leadership practices in SAP HCM integration with AI is insufficient and has not explored how these factors interact with each other and how it affects the success of AI implementations in SAP HCM systems. There is a need to study human factors and organizational factors to discover the elements that determine AI integration success.

2.3 Technology Acceptance and AI Adoption

2.3.1 Technology Acceptance Model (TAM)

The Technology Acceptance Model (TAM) developed by Davis in 1989 has become the most widely used model for understanding how users accept modern technologies. The system usage intention of an individual depends on two primary beliefs according to TAM, which are perceived usefulness (PU) and perceived ease of use (PEOU). Perceived usefulness describes the level at which an individual thinks system usage will improve their work performance, while perceived ease of use shows the level at which users find the new technology to be simple to operate without putting extensive effort on learning.

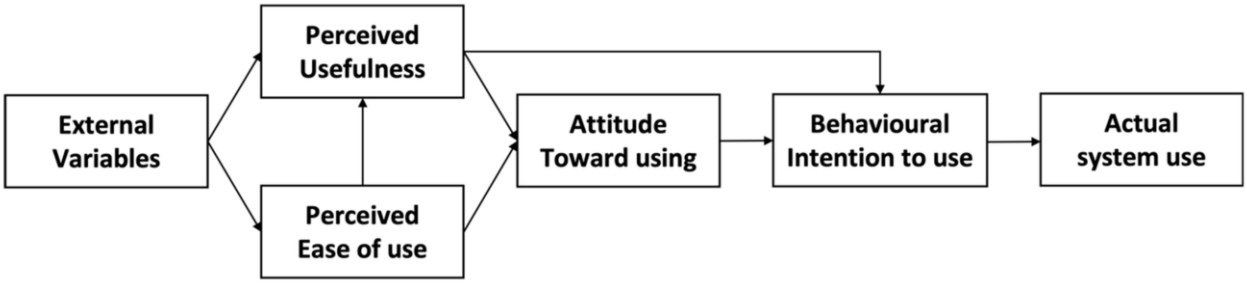

Figure 1. Technology Acceptance Model (Davis, 1989)

TAM shows that users develop their technology attitude through these beliefs, which then determine their technology usage patterns. The model identifies external variables, which include system characteristics, organizational support, and user experience, as factors that create indirect effects on adoption through their impact on user perception.

The AI-based TAM research done by (Na et al., 2022) shows that they extended the original TAM framework by applying the Technology-Organization-Environment (TOE) perspective, which showed that technological and organizational and environmental and personal factors determine how users perceive system usefulness and ease of use. The study finds that organizational support, company-wide participation and technological readiness serve as critical factors for predicting AI adoption behaviour.

2.3.2 TAM in the context of AI adoption

The researchers established TAM as a tool for evaluating general information systems, but they later used it to examine how organizations adopt AI technology in their operations. AI technologies present distinct characteristics when compared to standard systems because they exhibit three primary differences which include their increased complexity, their ability to operate independently and their capacity to influence decision-making processes.

Research shows that people value AI systems because they help organizations make better decisions while increasing productivity for complex tasks. AI-enabled HR systems provide organizations with valuable benefits because they enhance performance evaluation, workforce planning and employee engagement (Jia & Hou, 2024; Lekha et al., 2024).

Users perceive how easily they can operate AI systems based on three factors which include AI system usability and its ability to function with existing systems and its transparent operation. Users find SAP SuccessFactors systems difficult to operate which affects their AI adoption in SAP HCM environments because of high system complexity. Employees who consider AI tools difficult to understand will reject these tools based on their perception of operational difficulty at work.

The research findings indicate that AI adoption depends on both the utility and usability of the technology. The two factors that drive AI adoption includes both positive (performance expectancy and facilitating conditions) and negative (perceived threat, stress, and other concerns) impacts. Employees evaluate the advantages of AI technologies with their potential drawbacks when deciding whether to adopt these technologies.

The innovation paradox literature by (Wang & Long, 2025) shows that AI adoption results in different outcomes which depend on how employees experience and interact with the technology. The author mentions that there is uneasiness in employees when working with modern technologies because they get a feeling of job insecurity. The existing framework of TAM requires expansion because it needs to include AI adoption processes which involve emotional and psychological factors of employees along with the innovation in technologies. (Wang & Long, 2025).

2.3.3 Limitations of TAM in AI environments

TAM demonstrates major challenges when different organizations use it to evaluate their AI-based operations which operate through its common application method. The main restriction of the system exists because it concentrates on the cognitive assessments of users about systems functions and system accessibility while it disregards all emotional and motivational and social elements.

According to research evidence employee face uncertainty and fear and they also resist new technology which companies introduce because workers perceive these systems to threaten their job security and their ability to make decisions about their work (Liu et al., 2025). The traditional TAM framework does not provide a way to measure these emotional responses which exist outside its system boundaries.

The TAM framework needs organizational and contextual factors that affect AI implementation to understand AI deployment in any organization. The success of ERP and SAP

system implementation depends on factors which include leadership presence, organizational cultural values and training processes, together with effective communication methods (Jampani et al., 2022; Özdemir, 2025). The SAP HCM implementations require these specific factors to be considered, especially because organizations execute complex systems, and it requires changes to their operational structure.

The design of TAM requires users to follow a straightforward process that connects their perception of system functions to their subsequent actions. Research about AI adoption shows that users need to understand the relationship between perception and behaviour because it functions as a dynamic situation that involves multiple elements. The initial resistance of employees towards AI technologies appears because they believe in the perceived risks involved with modern technology, but it eventually leads to acceptance once they build their professional expertise and necessary skills. Technology adoption is an ongoing process and not a one-time decision.

2.3.4 Extending TAM: Integrating human and organizational factors

Researchers have suggested TAM extension because its current limitations restrict their ability to study the complicated process of AI adoption. Research paper by (Na et al., 2022) on AI acceptance uses the TOE framework as a research extension because it shows how organizational and environmental elements affect technology adoption processes.

Human-centric factors, which include employee attitudes and skills and well-being, represent essential elements according to HRM and AI implementation study. (Fenwick et al., 2024). Maintain that organizations should advance their AI practices by establishing human-centred adoption methods, which require organizations to build their fundamental operational principles through culture, leadership and knowledge, and policies instead of focusing on purely technical implementations. ((Fenwick et al., 2024).

The worker-AI coexistence literature further supports this perspective, emphasizing that successful AI adoption requires organizations to achieve a technological capability balance with their human resource requirements while implementing AI systems through proper staff training and support (Zirar et al., 2023).

The current perspectives indicate that TAM needs to obtain integration with other theoretical frameworks, particularly those frameworks which study motivation and organizational behaviour. SAP HCM complex environments require this approach because it provides a comprehensive understanding about AI adoption.

2.3.5 Significance of TAM to SAP HCM and current study

The employees of a company use the TAM framework to assess their experience with AI systems which include SAP SuccessFactors within the SAP HCM system. The system achieves their desired results only when workers recognize them as efficient tools which they can effortlessly implement during their daily activities.

The literature examined in this chapter demonstrates that the TAM framework fails to account for all AI integration results within SAP systems. The human and organizational factor which impact employee behaviour remain outside the scope of TAM adoption because it explains technological adoption through its technological dimensions.

The research study uses TAM together with two additional theoretical concepts which include Self-Determination Theory and Transformational leadership Theory. The integrated framework operates through three elements which define its structure: -

- TAM defines technology acceptance through its two elements which include usefulness and ease of use.
- SDT defines employee motivation through its three elements which include autonomy, competence, and relatedness.

- Leadership defines organizational conditions and mechanisms that provide support to organizations.

The three perspectives create a complete comprehensive understanding about how AI integrates into SAP HCM systems especially from the perspective of SAP consultants during implementation.

2.4 Employee Motivation in AI-driven environments

2.4.1 Self Determination theory (SDT) and motivation at work

The way employees feel about their work directly impacts their capacity to adopt technological advancements which become necessary when organizations implement AI transformations. Motivation can be either intentional or instinctive and is developed based on individual goals and purpose. The individual goals explain why people behave or act in a particular way and they are often based on our childhood experiences or genetics (Mayor & Risku 2015).

The self-determination theory developed by (Deci & Ryan, 1985) offers a complete method to study motivation through its differentiation of three motivation types which are intrinsic motivation, extrinsic motivation and amotivation. People who feel intrinsic motivation work on tasks because either they are interested in it or they enjoy their work and derive satisfaction on its completion, whereas people who experience extrinsic motivation work to obtain external rewards or they work due to pressure from organization. SDT describes motivation as a continuum that shows how people adopt differently to external demands based on the workplace conditions (Deci & Ryan, 1985; Gagné & Deci, 2005).

SDT states that employee motivation needs three psychological requirements to be met and these requirements include autonomy, competence and belonging. When these needs are met, employees develop autonomous motivation which leads to improved

work performance and better engagement and well-being. On the contrary, when employees' are not satisfied in their work environments or their needs get hindered, they develop controlled motivation, and work engagement is also reduced (Gagné et al., 2022; Gagné & Deci, 2005).

SDT has been used in organizations to describe the work behavior of employees by showing how it affects their dedication to work and their job satisfaction and performances. Research shows that organizations which enable employees to make independent decisions while offering training opportunities and creating helpful work relationships will boost employees' internal motivation and their dedication to the organization (Chua & Ayoko, 2021; Fan et al., 2023). These findings become essential because employees need to adopt their behavior to efficiently use new AI systems and workflows.

2.4.2 Psychological Needs of employees

The introduction of AI technology into work environments creates new work conditions which impact the basic psychological needs of employees. The way AI technologies are implemented in organizations affects their ability to provide autonomy and competence and social connections to employees who use them.

AI systems improve employee work efficiency by enabling better decision-making and decreasing mental effort required for their tasks. HR systems use AI-driven tools to help organizations evaluate performance and develop employee skills and analyze their workforce data which results in better employee performance outcomes (Lekha et al., 2024; Pillutla, 2025a). AI-enabled HRM practices enhance employee performance and engagement because they develop employee skills and abilities while providing growth opportunities (Jia & Hou, 2024).

Employees who see AI systems as monitoring tools which limit their personal freedom will experience more loss of autonomy through this technology. Studies on AI adoption

indicate that employees may feel a loss of control when decisions are increasingly driven by algorithms, which results in their decreased motivation and resistance to change (Liu et al., 2025; Wang & Long, 2025). AI systems that monitor employee work and assess their performance create a workplace environment that employees view as being constantly observed, which results in negative consequences for their mental health and work engagement.

AI technology creates complex effects on human relationships because it affects how people interact with each other. Digital platforms enable users to communicate and work together, while their functions decrease the number of times users interact face-to-face, which leads to weaker social bonds across the organization. Research on human-AI coexistence shows that organizations must create trust-based relationships through human connections to achieve positive employee results in AI-enabled workplaces (Zirar et al., 2023).

The future-of-work research by (Gagné et al., 2022) shows that AI and other technological innovations create work environments that are interdependent, require virtual team collaboration and are uncertain in nature. Depending on how the work environment is organized and managed, it either assists or hinders employees' fundamental psychological needs. This suggests that the organizational environment also impacts the motivation of employees and not just the introduction of AI.

2.4.3 Influence of employee motivation on organizational achievements

The research findings from SDT show that employees who have autonomous motivation will demonstrate better work engagement, job performance and creativity and are likely to be associated with the organization for the long term (Chua & Ayoko, 2021; Gagné & Deci, 2005).

Multiple studies demonstrate direct relationships between AI systems and employee motivation and their resulting job performance outcomes. The AI-supported research by (Rožman et al., 2023) shows that employees experience reduced workload with AI, which leads to higher work satisfaction and better organizational results.

The research findings by (Fan et al., 2023) about psychological empowerment demonstrates that employees with empowered feelings show superior performance and better work engagement. Employees who learn new skills while they adapt to changing work environments feel more empowered and competent, which in turn increases their motivation at work, and they deliver better results.

However, the connection between AI systems and employee motivation does not produce positive results in all cases. According to (Liu et al., 2025; Wang & Long, 2025), in their study on AI adoption, they have highlighted that employees face difficulty in adopting to new technology and feel less motivated when they think of artificial intelligence as a risk to their job security or a loss of professional identity.

The influence of AI on organizational performance depends on employee motivation, because AI does not improve outcomes; rather, it is the way an organization's employees engage or respond to new technology that affects the organization's achievements.

2.4.4 Role of motivation in the success of AI integration

Employee motivation functions as the major factor that determines whether organizations succeed in their AI integration efforts, according to current research findings. The implementation of AI systems within SAP HCM environments requires employees to adopt and use AI technologies for the successful deployment of these systems, which operate through complex enterprise systems.
Motivated employees are more likely to:

- accept new technologies

- invest in learning and using AI systems
- adapt to new workflows and processes
- contribute to successful implementation outcomes

SDT theory suggests that organizations should use the following methods to improve employee motivation:

- Organizations can support employee autonomy by involving employees in implementation decisions while supporting their individual way of working.
- Organizations can support employee independence by granting employees the right to make their own decisions.
- Organizations can enhance competence by providing training programs which support employee development.
- Organizations can promote teamwork and utilize systems to build virtual collaboration between employees.

The practices above help employees achieve organizational goals while they build a positive outlook on AI impacts.

2.4.5 Relevance of Self-Determination Theory to the Present Study

The Self-Determination Theory serves as the main theoretical framework that enables researchers to study how employee motivation affects AI systems. The Technology Acceptance Model enables employees to assess AI systems based on their perceived value and operational simplicity, whereas Self-Determination Theory explains how employees interact with these systems and their willingness to use them.

The study presents employee motivation as the essential element that determines whether SAP HCM environments achieve successful AI integration. The research shows that motivation drives personal actions, which subsequently impact organizational performance, especially during intricate SAP system implementations.

Combining SDT with AI and ERP studies, it implies that organizations need to use human-centric methods when implementing AI systems. Organizations that concentrate on their

employees' psychological requirements and their motivational systems will create better adoption results while decreasing their resistance to organizational changes.
This perspective is particularly relevant from the viewpoint of SAP consultants, who are directly involved in implementation processes and must address both technical and human challenges. In the next chapter, the emphasis is on how leadership affects motivation in employees.

2.5 Leadership and Its Impact on Employee Motivation

2.5.1 Leadership in the context of digital transformation

Leadership functions as an essential element of organizational change, especially in the era of AI integration or digital transformation. Leaders facilitate the adoption of new technologies by guiding the employees through uncertainty and help align the organizational goals with the technological initiatives. Digital transformation research shows that successful implementation requires both organizations to invest in technology and efficient leaders to establish work environments that encourage employees to adopt change (Rialti & Filieri, 2024).

Organizations using AI for performance and goal management and for work evaluations must focus on the leaders to build effective communication with their employees and provide clear guidance and assistance. Leaders who communicate the benefits of AI adoption to employees and involve them in the process while providing the necessary resources build a positive work environment with increased technology adoption and reduced resistance from employees (Bankins et al., 2024; Fenwick et al., 2024).

Leadership establishes organizational cultural norms that direct organizations throughout their digital transformation process. Employees pursue the introduction of new technology as an opportunity to experiment and innovate when the work environment is influenced by an efficient leader who values innovation and provides

support. On the other hand, if a workplace culture prevents change and avoids risks, it will create barriers to new technology implementation. This highlights the importance of leadership in building a healthy environment.

2.5.2 Transformational Leadership Theory

Among all the leadership theories in relation to organizational change, transformational leadership theory has the greatest impact. Transformational leadership theory explains how leaders use their vision, innovative perspective and personal support to motivate and empower their team members (Bass, 1999).

The framework of transformational leadership consists of a few key components:

- Leaders can act as role models for others to follow, which is known as idealized influence.
- Leaders can share their vision in a clear and persuasive way, which is termed as inspirational motivation.
- Leaders can promote creative thinking and a solution-driven approach at work, which is known as intellectual stimulation.
- Leaders can provide their team members with guidance and training tailored to them, which is known as individualized consideration.

(Jeong & Jeong, 2025; Karimi et al., 2023) found that transformational leadership is directly related to improved organizational performance, as the employees feel empowered and motivated to deliver results creatively under an efficient leader. Transformational leadership holds special importance for AI-driven environments because it assists workers in managing their doubts while they learn to see technological advancements as chances instead of dangers.

The research found that transformational leadership boosts employees' willingness to adopt new ideas through its power to push them toward discovering fresh concepts and

implementing new technological solutions (Karimi et al., 2023). Similarly, another research done by (Jeong & Jeong, 2025) found that organizations which use AI technology will benefit from their transformational leaders because these leaders provide a supportive and empowering environment that promotes creativity and adaptability.

2.5.3 Leadership and Motivation from the Perspective of SDT

The Self-Determination Theory (SDT) shows that leadership operates as a vital force that determines employee motivation through its capacity to satisfy psychological needs for autonomy and competence, and relatedness. People with leadership skills who fulfil these needs will boost intrinsic motivation, but those who fail to deliver will decrease motivation while creating resistance from others.

The research indicates that transformational leadership serves as an effective method to fulfil these psychological needs. Leaders who provide autonomy support, encourage participation and involve employees in decision-making processes will help their employees to control their work responsibilities (Gagné & Deci, 2005). The leaders who offer feedback together with training and development pathways will establish employee competence, while the leaders who build collaboration through trust will create relatedness connections (Gagné et al., 2022).

The existence of studies that demonstrate that leadership practices directly impact employee motivation proves that these two factors are interlinked. The study by (Chua & Ayoko, 2021; Fan et al., 2023)shows that transformational leadership leads to positive results through its direct effect on self-determined motivation and work engagement.

Trust serves as a fundamental element that connects leadership with employee motivation. The research from (Gillespie & Mann, 2004) shows that organizations can establish trust through their leadership practices, which include communication, shared

values and employee involvement practices. In AI contexts, where employees may have concerns about technology, trust and leadership become particularly important for fostering acceptance and engagement.

2.5.4 Leadership in SAP HCM and AI integration projects

SAP HCM systems are complex, and implementing major transformations on these systems requires process redesign, system integration and role changes. Leadership in such scenarios plays a critical role in shaping how employees perceive and adapt to technical modifications.

Leadership acts as a primary element that determines whether SAP and ERP projects will achieve their intended outcomes. Good leaders establish effective communication, which enables business and technical teams to work together. The lack of leadership support results in poor project coordination, which can even lead to project failure (Jampani et al., 2022; Özdemir, 2025). The process of building employee trust in AI systems requires organizations to establish transparent communication and address fear by sharing with them the potential benefits of AI.

The way supervisors support their team members and provide them with necessary training will enhance the employees' capability to use AI systems with confidence and ease, according to research by (Na et al., 2022).

2.5.5 Influence of Leadership on the Success of AI SAP Integrations

The research shows that leadership acts as a key element that determines whether organizations successfully implement AI technologies. Leadership affects both technological and human aspects of AI implementation because it determines how employees understand and utilize AI systems.

In SAP HCM environments where AI integration requires multiple stakeholders to manage complex systems, leadership serves as the essential element that enables organizations to achieve their implementation goals through effective efforts coordination and change management practices. Through his leadership functions, which build trust with employees, he achieves his goal of increasing their willingness to adopt and utilize AI systems.

Leadership acts as a mediator that connects organizational elements from TAM and SDT to determine AI integration results. Leadership shapes how employees assess technology through its impact on organizational conditions and the availability of support systems. It is the decisive factor that determines whether organizations achieve employee motivation through SDT or fail to meet psychological need requirements.

Leadership serves as the essential link that connects technological advancements with human resources throughout the AI integration process. The understanding of this role enables SAP HCM environments to determine the success or failure of AI-driven transformations.

2.6 Conceptual Framework and Integration of Theories

2.6.1 Combining technology acceptance, Motivation and Leadership theories

The preceding sections demonstrate that AI integration in SAP HCM environments cannot be adequately explained through a single theoretical lens. The literature establishes that successful implementation occurs through the combined effect of technological perceptions, together with employee motivation and leadership practices.

Employees assist with AI systems according to their perceived usefulness (PU) and perceived ease of use (PEOU), which the Technology Acceptance Model (TAM) explains

from a technological perspective. Technology perceptions shape how people interact with technology because their technology perceptions create their technology behavior patterns (Davis, 1989; Na et al., 2022). SAP HCM environments require users to recognize AI tools as helpful and easy to control because they need to work with complex systems like SAP SuccessFactors.

The AI adoption challenges cannot be fully understood through the Technology Acceptance Model, according to section 2.3. Employees assess AI technologies according to their usefulness and their perceived risks, which include job insecurity and loss of control over work tasks (Cao et al., 2021; Liu et al., 2025). People need to understand motivational and emotional factors because cognitive evaluations function as assessment tools for human behavior.

Self-Determination Theory (SDT) provides this complementary perspective by explaining how employee motivation is shaped by the satisfaction of psychological needs for autonomy, competence, and relatedness (Gagné et al., 2022; Gagné & Deci, 2005). Technological implementations in AI-driven environments directly affect how the psychological needs of employees are fulfilled.

Leadership is a critical force that shapes both technology perceptions and environmental factors that drive employee motivation. Transformational leadership alters employee AI-enabled change interpretation through trust building, shared vision and supporting psychological needs (Gillespie & Mann, 2004; Tan et al., 2025). Leadership serves as the central force that connects technology systems with human behavioral responses.

The analysis of SAP and ERP implementation literature establishes that organizations should adopt an integrated understanding approach to their implementation process. Studies demonstrate that the success of implementation depends on human and organizational factors, which include training and user involvement, communication and change management (Jampani et al., 2022; Özdemir, 2025). The literature suggests that

AI integration functions as a social-technical process that requires organizations to achieve effective system operation through their employee motivation and organizational support.

2.6.2 Conceptual Model of AI integration in SAP HCM

The study presents a conceptual model that combines TAM and SDT and leadership theories to describe how organizations successfully incorporate AI technology into SAP HCM systems based on existing literature evidence. The model includes the following components:

- Technology Acceptance (TAM) represents the cognitive evaluation of AI systems, including perceived usefulness and ease of use. The way employees see AI tools in SAP systems affects their decision to use those tools.
- Employee Motivation (SDT) represents the psychological and behavioral dimension of AI adoption. Employees work with AI systems based on their motivation, which comes from fulfilling their needs for autonomy and competence and building relationships with others.
- Leadership Practices show how organizations environment determines the degree to which employees will accept technology and work toward their goals. Leadership shapes the organization's AI communication, distribution and support within the organization.
- AI Integration Success refers to how organizations successfully implement AI systems in their SAP HCM operations through different stages that include user engagement, system usage and achieving organizational goals.

The model indicates that these elements connect with one another instead of working as separate components. Leadership affects how employees accept technology and their motivation to work, while motivation determines how employees interact with AI systems. The acceptance of technology leads to specific system usage patterns, which then determine the outcomes of system integration.

The complete model shows how human-centric AI research connects with research by showing that organizations need both technological capabilities, supportive organizational conditions and motivated employees to successfully implement AI (Fenwick et al., 2024; Zirar et al., 2023).

2.6.3 Theoretical contributions of the study

This study provides multiple avenues for advancing current research in its field of study. Firstly, the research expands AI adoption studies through its application of TAM and SDT within the SAP HCM system framework. The study demonstrates that motivation plays a vital role in determining successful AI integration, while researchers in the past focused solely on technological acceptance.

Second, the study adds to existing ERP and SAP implementation research through its examination of motivational and leadership factors. The prevailing literature demonstrate organizational and human-related challenges as their focus, yet they fail to demonstrate how theoretical mechanisms drive employee behavior. This study presents a comprehensive understanding of leadership dynamics through the integration of SDT and leadership theory.

Third, the study examines the impact of leadership on AI-driven transformation as a new contribution to leadership research. The research identifies a gap in studies about how transformational leadership affects AI adoption and employee motivation within SAP environments, although the leadership style has been extensively studied in various organizational settings.

Finally, the study introduces SAP consultants' perspective as an important factor in the implementation of AI integrations through its research. This perspective provides

essential understanding about AI integration challenges while it establishes connections between theoretical concepts and their actual usage.

2.6.4 Summary

This section combines technological acceptance with motivational and leadership perspectives to create a complete framework for studying AI implementation in SAP HCM environments. The research demonstrates that organizations adopt AI technology based on multiple system attributes that interact with their cognitive processes and motivational drivers, and their organizational behavior patterns. The combined perspective establishes the basis for research gap identification, which is presented in the following section.

2.7 Research Gap

The chapter's literature review demonstrates the existence of multiple significant research deficiencies.

First, Researchers have investigated AI adoption extensively, but most studies continue to examine technological aspects of the system through its operational performance, its usefulness and its user-friendly design (Na et al., 2022). The studies deliver useful information, but they fall short of demonstrating the human and organizational aspects that exist in AI integration with business operations.

Second, the current research about AI applications in HRM and SAP systems primarily examine operational advantages, which include systems that improve work efficiency through automated processes and simplified decision-making based on existing data (Lekha et al., 2024; Pillutla, 2025b). The studies present information about how employees react to AI systems, but they fail to explain the motivational mechanisms that drive employee behavior toward these systems.

Third, the literature about ERP and SAP implementation demonstrates how organizations face human and organizational obstacles, which cause employees to resist change, and they require effective communication and training from the organization (Jampani et al., 2022; Özdemir, 2025). However, these studies describe various factors, but they are not supported by theoretical explanations to understand their impact on employee behavior better toward AI integrated systems.

Fourth, the research about leadership is an important digital transformation element but there are limited studies which analyze how leadership affects employee motivation and their decision to adopt AI technologies in SAP HCM systems (Rialti & Filieri, 2024; Tan et al., 2025).

Fifth, there is a lack of research focusing on the perspective of SAP consultants, who play a critical role in implementation processes. Existing studies rarely examine how consultants perceive the challenges of AI integration or how they manage human and organizational factors during implementation.

Therefore, there is a need for research that integrates technological, motivational, and leadership perspectives to better understand AI integration in SAP HCM environments, particularly from the viewpoint of SAP consultants.

3 Methodology

The research method establishes a systematic framework for executing research operations, which includes the research strategies and methods, together with the data collection tools and data analysis techniques that researchers employ to solve particular research questions (Kothari, 2004). This study adopts the qualitative research approach to identify the barriers that the SAP consultants face when working on AI integration projects in SAP HCM, focusing on challenges related to employee motivation, technology acceptance and leadership practices. As the study focuses on participants' experiences, perceptions and understanding and does not rely upon any numerical data, a qualitative approach is more suitable. As mentioned by (Bazen et al., 2021; Oranga & Matere, 2023), a qualitative research explores the human side of organizational change, like attitude, beliefs and motivation and helps answer questions like "how" and why".

3.1 Sampling

The sampling method used in this study is purposive sampling. SAP consultants from IT companies, based on their professional experience with AI tools integration in SAP HCM projects, were selected to provide relevant insights. According to (Bazen et al., 2021), purposive sampling is an approach used in qualitative studies for sampling and is preferred when the individuals are selected by the researcher based on specific characteristics and knowledge so that in-depth professional insights can be gathered on the topic. The participants in this study were chosen based on their roles and active engagement in integration projects, ensuring the data collected was pertinent to the research. All the participants had sufficient experience working with AI tools to speak concretely regarding AI tools adoption and how AI has influenced people and jobs. A total of 5 interviews were conducted with SAP Consultants who were directly involved in the AI integration projects in SAP HCM.

3.2 Data Collection

This study focuses on how employees experience AI in their day-to-day life, not just how frequently they use it. The process of collecting information from different sources to address research objectives, questions or assess hypothesis is known as data collection. According to (Bazen et al., 2021), one of the data collection methods of qualitative study is semi-structured interviews, which helps the researcher to create an understanding of individual perspective, attitude and experience based on open-ended questions, to which the participants can respond in their own words. The interviewer can vary the order of questions being asked, and the interviewee is not tied to a specific set of optional answers but can answer in their own words. The data collection methods employed in this study include a combination of literature review and semi-structured interviews:

1. **Theoretical Review:** Multiple existing studies on motivation factors and leadership influence on project outcomes were examined. This helped in identifying the key challenges that employees face when working on AI projects and the potential areas for improvement in leadership that can benefit the results of AI integration projects.
2. **Interviews:** Semi-structured interviews were conducted with 5 SAP Consultants/Experts who are regularly using AI tools or systems in March/April 2026. The selected individuals work in different organizations and positions, but they were all united by their professional experience working as SAP HCM Consultants and familiar with AI tools, so that they can share about AI adoption and leadership roles. The interviews were conducted as one-on-one conversations between the participant and the researcher online using Microsoft Teams software, and with the participants' consent, the interview was automatically recorded and transcribed. The transcripts were reviewed and corrected based on the recordings later.
3. **Open-ended questionnaire:** In this study, data were collected using an open-ended questionnaire consisting of 10-12 questions (Appendix 3), which are designed to explore participants' experiences and perspectives in depth. Open-

ended questionnaires were designed to allow unexpected insights from the interviewees. As the questions were shared in advance with the participants, it gave time for the interviewees to prepare and give answers to the questions, providing detailed and rich information essential to the study.

3.3 Data analysis

In qualitative study, thematic analysis is used for identifying, organizing and interpreting similar patterns within data in a textual format, especially in the data collection methods involving interviews (Bazen et al., 2021).

In this thesis, the thematic analysis approach involving the 6 stages of analysis by (Braun & Clarke, 2006) were followed. The analysis of the data began by reviewing the recordings and transcriptions of the interviews multiple times to familiarize them with the data. Manual thematic analysis method was used to analyze the data collected in this study. It helps the researcher to discover meaningful insights from raw transcripts. The Interview transcripts and recordings were carefully reviewed and segregated into meaningful units, which were then coded to represent specific concepts or ideas. Microsoft Word and Excel were used to organize and structure the codes, supporting the creation of tables that visualized recurring patterns and issues. The connections were then drawn between the codes to group them into sub-themes.

Finally, key themes related to employee motivation, leadership, acceptance and other factors that affect the success of AI projects were then identified by grouping these sub-themes into wider categories. At this stage, it was ensured that the relevant data extracts were included in the findings to create a proper structure of the analysis (Braun & Clarke, 2006). This analysis method is also aligned with the grounded theory which combines open coding, axial coding and selective coding so that new theories and concepts are derived based on qualitative data. This process enabled a systematic and transparent

exploration of the participants' perspectives and helped uncover the underlying themes critical to understanding their experiences.

3.4 Data Validity and Reliability

Several strategies were employed to ensure the validity and reliability of the study. A semi-structured interview process was followed to gather required insights from the interviewees, ensuring that each participant had the flexibility to answer the shared questionnaire in their own words. The basic set of questions was kept the same for all the participants, and these questions were prepared based on the interview guide so that research questions and the theoretical framework used in the study are addressed. To enhance the reliability of the research, the interviews were recorded and transcribed to reflect the mindset of the participants, and a transparent and systematic coding method was followed to interpret the research findings.

(Bazen et al., 2021) also emphasizes that the data collection and analysis for a qualitative study should be done carefully and should not be influenced by the researchers' perspectives or thoughts. In addition, the analysis was conducted in alignment with established literature and theoretical frameworks, ensuring that the themes identified were grounded in existing research. This process reinforced the credibility of the study's findings by comparing them with recognized concepts.

3.5 Limitations & Ethical Considerations

The key limitation of this study is the focus on the perspectives of only SAP Consultants, which means that the views of other stakeholders, like customers, employees, managers, or end users associated with or working directly with the AI systems, were not considered in the study. While this study allowed for a detailed, in-depth exploration of the experiences and challenges faced by SAP consultants, it focused only on human

factors like employee motivation and leadership factors and does not consider the technical, financial or system-related issues that the organizations face during implementations, and which are also important factor that can affect the project outcomes. Another limitation of the study is that it is limited to AI tools integration with SAP HCM and SuccessFactors system and hence, the findings cannot be directly associated with other ERP systems. And finally, as the research explores individual experiences and perspectives on the matter, the interpretation is subjective and can be influenced by researcher's past experiences and perceptions.

Ethical considerations were addressed throughout the research process. All the participants were fully informed about the study's purpose before conducting the interviews. Prior to the interviews, the participants were also told that the sessions would be recorded. The questionnaire was shared with participants in advance, giving them ample time to prepare and reflect on the questions. To ensure confidentiality, all the data was anonymized, and no identifying information about the company or participants was disclosed in the report. Additionally, all ethical guidelines of the research institution were strictly followed, ensuring transparency, integrity, and respect for participants' privacy throughout the study.

4 Interview Research Findings

The chapter presents the results of the study, which were established by analyzing interview data through thematic analysis methods. The research findings are structured according to four primary themes, which were derived from analyzing interview transcripts and recordings against the study's research questions. The thematic framework covered in the chapter that supports the successful implementation of AI in SAP HCM is presented below (see Figure 3). The research results show that employee motivation represents the key factor in determining AI success in SAP HCM systems, and employees base their motivation on their understanding of AI-related risks and benefits. The research results show that employee adaptation depends on organizational practices that deliver clear information, build employee skills and create supportive work environments, while leadership practices create essential driving forces that determine employee motivation during the entire organizational transformation process. The four key themes and corresponding sub-themes are discussed in the sections below. The core meaning of the theme is presented in each section through extracts from interview data, which illustrate the theme.

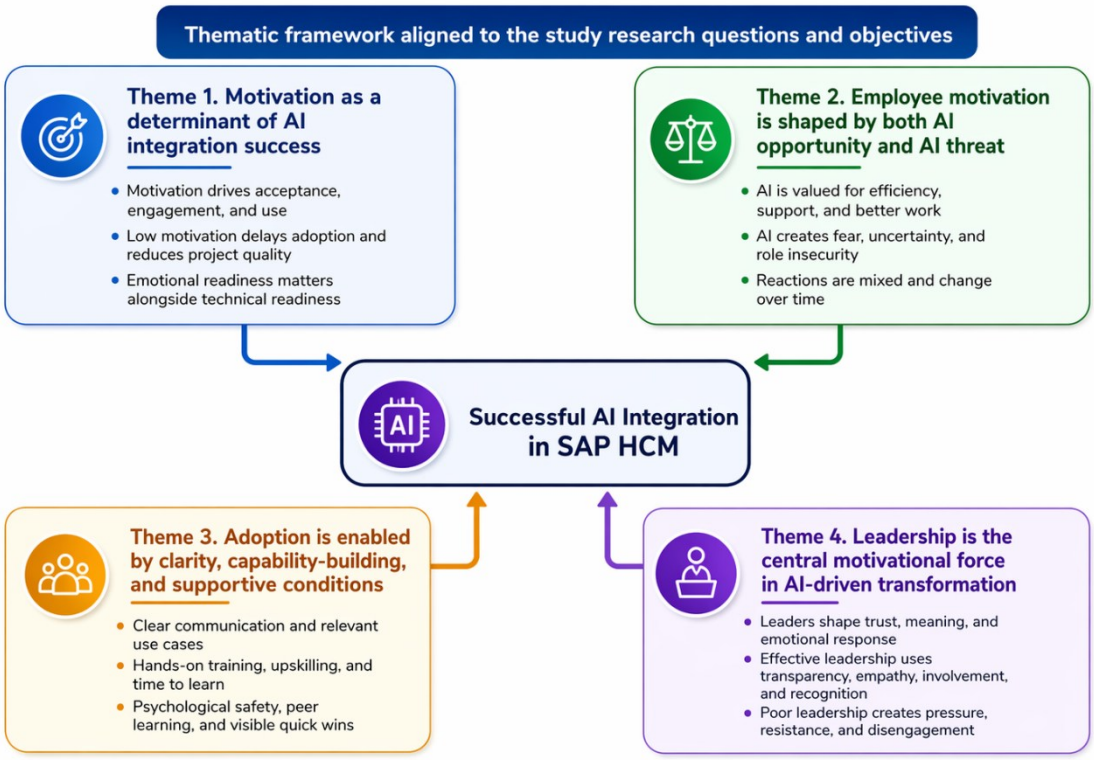

Figure 2: Thematical Framework developed in the research (by author)

4.1 Motivation as a determinant of AI integration success

The study shows that employee motivation functions as an essential element that determines whether organizations succeed at implementing AI technologies into their SAP HCM projects. It appeared throughout the data that motivation directly influenced AI tool acceptance, learning capabilities, participation and overall implementation success. Motivation emerged as a critical enabler of success. The employee's motivation levels determined their level of engagement with AI adoption activities, which they approached with either enthusiasm or resistance.

4.1.1 Motivation drives acceptance and engagement

According to the data, participants accepted AI technology when they knew its purpose, recognized its benefits, and believed that it would augment their work instead of replacing them. The positive interpretations of AI directly impacted the willingness to participate.

> (1) Once we have that understanding of the tool, then, you know, it is going to be very easy to accept that tool. And it helps us build that business understanding, communication with the clients, and handling tricky situations. (Participant 1).

In extract 1 Participant 1 clearly expressed this relationship between understanding and acceptance. They implied that employees developed acceptance of AI technology when they understood its function and value to their work. It increased efficiency at work and increased creativity and innovation in the team. Other participants expressed that their motivation and willingness to accept the AI tools changed with time.

> (2) For me, over time, that concern changed into motivation. I realized it's better to learn and grow with it rather than resist it. (Participant 2).

According to extract 2, Participant 2 described how he shifted from feeling anxious to taking charge of his situation. The quote demonstrates that the process of developing motivation requires people to experience things and think about the various aspects before they can change their mindset. The connection between motivation and project success emerged when people demonstrated their commitment to working through challenges.

> (3) They did not give proper input to the bot, and the feedback was not proper. Once employees began to feel that they were still important and that the tool was there to support them, the motivation level improved a lot. The project advanced rapidly after people began using the system more, and their commitment to work increased. (Participant 4).

In extract 3 Participant 4 describes a situation at work, where the employees were initially reluctant to test AI tools, but after the manager provided clarity and supported them by ensuring that AI is for making monotonous tasks easy, so that the team can focus on meaningful tasks, then the employees got motivated, and the engagement and enthusiasm towards using AI grew. The results show that motivation helped employees develop positive attitudes, enabling them to achieve their work goals faster with AI tools. The results demonstrate that employee motivation is a critical factor that influences acceptance, and, eventually, employees learn and adopt AI into their daily work.

4.1.2 Low motivation delays adoption and reduces project quality

The findings also demonstrate that low motivation levels led to direct negative impacts on the quality of implementation and resulted in project delays. The participants from the study reported that employees with low motivation resulted in slower adaptation to change processes, which led to low-quality feedback and weak engagement in project activities. The data shows that organizations with well-executed AI projects can also face performance challenges when their employees show low motivation levels.

> (4) , the team was not very motivated, and because of that, adoption was slow. Testing cycles were delayed, feedback was limited, and progress was slower than expected. The tool itself did not cause the problem. The problem existed because of motivational issues. (Participant 5).

In extract 4, Participant 5 describes this very directly, that during the implementation phase, low engagement brought negative effects on project activities. The extract indicates that implementation problems occurred not because of technological shortcomings but because employees were not willing to adapt to new technology. The study demonstrates that low motivation levels decrease the standard of employee participation, which led participants to demonstrate passive behavior through weak feedback and limited engagement, while the project's progress was delayed.

4.1.3 Emotional readiness matters alongside technical readiness

Another finding within this theme is that the employee's motivation depends on their emotional readiness. The participants repeatedly indicated in their conversations that when they felt confident about the secure features of AI and when they were psychologically prepared, it directly affected their interest at work and project outcomes.

> (5) Technical issues usually have a clear path. You analyze the problem, test it, fix it, and move forward. But motivation is different, because it is connected to emotions, confidence, mindset, and trust. I could feel that the project had technical readiness, but not emotional readiness. (Participant 3).

In extract 5, Participant 3 expressed this particularly clearly with a case scenario that, with technical preparedness alone, implementation success can't be assured.

> (6) mentally, you know, if the person is not ready or they do not have that kind of understanding, then it becomes, yeah, a challenge from motivation point of view. (Participant 1).
> (7) Technical challenges are expected because it's quite complex and new. And motivation challenges are also trickier (Participant 4).

In extracts 6 and 7, Participants 1 and 4 also recognized similar challenges at work and described that emotional readiness shaped how the employees approached projects and tasks. Overall, this sub-theme highlights that the motivational requirements for AI integration implementations in SAP extend beyond cognitive and behavioral functions because they also depend on emotional factors.

4.2 Employee motivation is shaped by both AI opportunity and AI threat

The study found that employees showed different levels of motivation because they experienced dual beliefs about AI as a potential benefit and a potential danger.

Participants in the interviews describe AI through two opposing perspectives. AI technology, on one side, brought about better efficiency, which decreased manual work while providing improved support for work activities and enhanced work quality. The other side of AI is linked to job market unpredictability and employment risk, together with worries about losing work relevance. The competing explanations between AI systems and human work performance created a major impact on motivation throughout the process of AI system implementation.

4.2.1 AI is valued for efficiency, support, and better work

People who took part in the study recognized AI technology as a positive change, as it brought better efficiency while delivering practical assistance and improved their operational workflows. The people who reported their experiences with AI technology saw it as a solution that would decrease their need to perform dull tasks while speeding up tasks and enabling them to do more meaningful and valuable tasks.

(8) It could help us reduce a lot of manual effort. It could help us improve the user experiences and speed up some of the activities. (Participant 1).
(9) Tools like SAP Joule looked quite powerful; it felt like SAP is becoming more user-friendly and intelligent. When you see that AI can reduce repetitive work, you naturally start accepting it. (Participant 2).
(10) Maybe this can remove some of the low-value manual effort and allow us to focus more on meaningful problem-solving. It makes systems more user-friendly and saves time. (Participant 3).
(11) These tools help with things like recommendation and prediction, and automating repetitive tasks, and AI can remove a lot of repetitive work we have been doing for years. (Participant 4).
(12) It helps reduce repetitive work, gives faster insights, and allows consultants and HR teams to focus more on strategic or people-focused activities, and I see these tools as very useful in improving both productivity and employee experience. (Participant 5).

As shown in extracts from all the participants, they emphasized the operational advantages of AI that helped them work smarter and more strategically. The quotes demonstrate that employees experienced stronger positive motivation after they

observed how AI technology enhanced their efficiency and improved the quality of their deliverables. The findings, therefore, show that perceived usefulness, convenience, and work enhancement were important drivers of positive motivation.

4.2.2 AI creates fear, uncertainty, and role insecurity

The study found that though AI is helping reduce manual efforts and provides faster insights, at the same time, the development of AI technology also created an emotional state which people described as a source of uncertainty, fear and their future relevance. The participants expressed their worries about AI progress, which they believed would lead to employment termination, position substitution and professional skills becoming outdated. They were also concerned about how far AI can reshape the work processes, which can make them insignificant in the long run.

(13) There was a certain kind of fear at the back of the mind. They have that fear, like, you know, what if we cannot catch up with AI. What if the younger generation is faster (Participant 1)
(14) Will this reduce the need for traditional ABAP work? There was fear, especially among developers, because AI tools give the exact code that we use in development. There were also trust issues – whether outputs, that is, pseudo codes generated by AI, are reliable (Participant 2).
(15) What does this mean for my role in the future? (Participant 3).
(16) They are talking about losing their jobs, like it will replace people and all. (Participant 4).
(17) I wanted to understand how AI would be used responsibly and practically. (Participant 5).

In the extracts above, all the participants noticed and experienced moments of fear and uncertainty around them when AI technology suddenly started integrating into their traditional systems. Participant 1 shared several quotes that reflected in the minds of their team members. Participant 2's concerns were more directly linked to professional identity. Participant 3 raised the broader issue of future role implications: what does this mean for my role in the future. Participant 4 described these fears as common within their team. Participant 5 showed cautious behavior through his particular focus on

human resources duties. The extracts mentioned above demonstrated that the motivation reduced when AI was perceived as a threat, which can impact their professional value. The motivation also declined due to concerns about responsibility and accountability when relying on AI for results.

4.2.3 Reactions are mixed and changed over time

A further important finding of the study is that employees maintained their AI reactions through flexible responses. Participants described their reactions at first as positive and negative, but their feelings changed with time. People showed both enthusiasm and interest while they maintained their capacity to feel caution, anxiety and disbelief.

(18) My first reaction was a mix of curiosity, excitement, and a bit of concern. Some colleagues were very open and motivated, but others were more uncomfortable. So overall, I would say the reactions were very mixed, and I think all those reactions were normal. (Participant 3).
(19) Many people in project teams had mixed reactions in the beginning. Over time, that concern changed into motivation. (Participant 5).

All the participants described a similar ambivalent initial response. Extracts from participants 3 and 5 are shown above. Employee attitudes towards AI demonstrated dynamic changes throughout the study. The participants showed that these reactions became more positive with time. The introduction of AI technology did not establish a permanent negative or positive impact on employee motivation, but rather the motivation developed through different experiences, support and understanding.

4.3 Adoption is enabled by clarity, capability-building and supportive conditions

The third theme demonstrates how the workplace environments supported the employees in adapting to AI. The research found that employees accepted AI technology

at higher rates when organizations provided clear information together with skills development programs and a learning space that allowed them to improve their skills at their own pace without facing too much pressure. Employees identified these two elements as crucial factors that helped them stay motivated and accept the change.

4.3.1 Clear communication and meaningful use cases

The participants consistently emphasized that they needed to understand AI systems: their functionalities, importance, practical implications, benefits and reliability before they can trust and accept it. Transparency and clear communication from the initial phases of project implementation helped reduce suspicion, and employees could connect AI to their day-to-day work.

(20) people need to understand the actual reason for having AI. (Participant 1).
(21) Clear use cases showed how AI helps in real HR scenarios. (Participant 2).
(22) People should clearly understand why the organization is introducing the tool, what problem it is solving, and how it will benefit them personally. (Participant 5).

Participant 1 explained this need for understanding in direct terms. The actual application of AI technology must be demonstrated through specific HR examples, according to participant 2. Participant 5 expressed this idea with maximum clarity when he stated that people needed to understand the main objectives of the organization behind the change. The research results show that communication functions as a source of motivation. The employees accepted the AI systems when they received clear explanations, and when they could see the benefits of AI in real-time applications.

4.3.2 Hands-on-training, upskilling, and time to learn

The study results also demonstrated that hands-on training together with upskilling initiatives functioned as the main elements that affected technology acceptance.

Participants repeatedly expressed that abstract information alone was insufficient. Employees needed practical, role-relevant opportunities to learn AI tools and enough time to become comfortable with them.

(23) Hands-on exposure – using tools like AI Cockpit or SAP Joule. Proper training and demos must be provided. (Participant 2).
(24) People need hands-on training, practical use cases, scenarios, role-based learning, and enough time to learn and get comfortable with it. (Participant 3).

The extracts mentioned above from participants demonstrate that skills development and role-based training acted as a resource for motivation. Employees displayed greater confidence and greater willingness to participate when they received practical training opportunities where they could learn in an organized and manageable way.

4.3.3 Psychological safety, peer learning, and visible quick wins

Along with clear communication and essential training, the participants also consider that a supportive environment plays a key role in employee performance. Factors like psychological safety, peer learning, and visible quick wins helped in decreasing anxiety while boosting active participation.

(25) Employees should feel that it is okay to ask basic questions, okay to make mistakes, and okay to take time to learn. (Participant 3).
(26) Time to learn without pressure. (Participant 2).
(27) Supportive leadership that encourages people rather than expecting the perfection. Peer learning, like early adopters, helps all. (Participant 4).

In extract 25, Participant 3 expresses through his words that psychological safety is essential at work. In extract 26, Participant 2 added the importance of time and reduced pressure.

The group considered peer learning to have great value. In extract 27, Participant 4 mentioned that leaders must provide encouragement and should not expect perfection.

Employees also learn through their Coworkers who adapt early and share their positive experiences with others in the team. The research results demonstrate that employees who felt safe, supported, and saw direct and practical benefits of AI at work showed increased adoption rates.

4.4 Leadership is the central motivational force in AI-driven transformation

The final theme demonstrates that leadership is the most significant contextual element that shapes employee motivation during the AI transformations. The participants described that leadership influences how employees interpret this change, and whether they felt secure and supported during the transformation or if they felt pressured and stressed.

4.4.1 Leaders shape trust, meaning. and emotional response

The study found that leaders played a vital role in establishing both the understanding and emotional response of employees toward AI technology. Leadership influenced whether the team frames AI as an opportunity or a threat.

(28) Employees look at them to understand whether AI is being introduced as a support tool or as a replacement mindset. (Participant 3)
(29) Leadership support can make a major difference in how smoothly a transformation is accepted by employees. (Participant 5).

In extract 28, Participant 3 emphasized leader's role in emotional regulation. In extract 29, Participant 5 recognizes how vital leadership backing is for organizational success. Leadership support becomes essential when organizations undergo changes because it directly impacts employee acceptance of those changes. The responses demonstrated that leaders held more power than their decision-making duties. The leaders established

trust foundations that built essential employee connections with AI technology and their emotional connections with it.

4.4.2 Effective leadership uses transparency, empathy, involvement, and recognition

The study revealed several leadership practices that the consultants believed could enhance their motivation. These included transparent communication, early involvement, empathy and recognition at work.

(30) They should be very transparent. They should be very honest. (Participant 1).
(31) If leaders create space for difficult conversations and listen without judgment, people feel respected. (Participant 3).
(32) recognizing and rewarding people who take the initiative… boosts their morale. (Participant 4).
(33) When people feel included in the journey instead of feeling that change is being imposed on them, acceptance becomes easier. (Participant 5).

Participant 1 emphasized honesty and transparency. Participant 3 highlighted the importance of empathy and respectful listening, and participant 5 stressed upon the importance of involvement and said early involvement in the process makes adoption simpler, which they would have otherwise resisted. Recognition also mattered according to participant 4, who stated that leaders must recognize and reward workers who show initiative because this action will enhance their work performance. Employees showed better motivation when leaders maintained an open-door culture, inclusive environments, mutual respect and support, and acknowledgement for learning and developing new skills.

4.4.3 Poor leadership creates pressure, resistance, and disengagement

The research data revealed that ineffective leadership practices resulted in decreased employee motivation. Participants described top-down implementation, weak communication, pressure for quick results, and ignored concerns as major barriers to engagement.

(34) Forcing AI adoption without proper explanation and just giving some commandments from the top. (Participant 2).
(35) If leaders only talk about results and speed, employees may feel pressure instead of motivation. (Participant 3).
(36) When concerns from employees were not addressed, it creates frustration and disengagement. (Participant 5).

These extracts show that poor leadership influences participation and motivation. Participant 3 explained that excessive performance pressure creates a negative impact, and Participant 5 stated that employee dissatisfaction arises when businesses fail to address their concerns.

The evidence shows that poor leadership practices forced AI adoption that felt emotionally unsafe to the employees, and such an approach led people to resist rather than engage with systems.

The study results demonstrate that employee motivation is central to the success of AI integration and SAP transformations. Motivation determined the levels of acceptance, engagement and quality of the project outcomes. Adoption was smooth when organizations offered transparency, learning opportunities and supportive environments. Most importantly, leadership emerged as a key influencer on how employees experienced AI transformations.

5 Discussion

This chapter presents the findings of the study addressing the research questions, research objectives and theoretical framework discussed in the literature review. The discussion aims to analyze empirical findings through interpretation instead of restating them. The chapter explains how the interview results can help discover the role of employee motivation and leadership in the successful implementation of AI within SAP HCM environments. The thesis has adopted a human-centered perspective, which shows that successful AI adoption depends on both system technological capabilities and employee acceptance and engagement with the change process.

The research results showed that employee motivation is critical for achieving successful AI systems. Motivation determines their level of AI acceptance, which includes project participation and their readiness to acquire new skills during the transformation process. At the same time, employees experienced dynamic motivation, which changed based on their perceptions and understanding of AI technology. The interviewees viewed AI technology as both a potential opportunity and a threat. Moreover, the study demonstrated that organizations experienced better adoption outcomes when they provided a learning environment and organized role-specific training. The leadership role became the primary factor that determined how psychologically safe the team members felt. The findings clearly address the research questions and objectives of the study.

5.1 Interpretation of results

The first research question examined how employee motivation influences the success of AI integration in SAP HCM projects. The findings show motivation serves as the key factor affecting employee performance and directly impacts project results. Motivated employees were willing to explore, learn, innovate and adapt faster, while demotivated employees showed less engagement and slower adoption. Motivation was influenced by how people viewed AI technology, and it also affected how well they interacted with the

technology. This suggests that motivation functions as a significant factor that directly affects organizational outcomes and successful implementations.

The study found that employees had mixed reactions towards AI, and their motivation levels changed over time. The initial uncertainty and fear quickly disappeared when employees realized the benefits of AI, and then the curiosity and excitement kicked in. This showed that successful integration of AI technology requires organizations to not only introduce new technology but also reflect on how it is getting interpreted within the team. It also means that early resistance from employees can be addressed and supported by effective measures and solutions like clear communication and training opportunities, which can lead to positive results.

Another important finding of the study was that emotional readiness also matters alongside technical readiness. The participants showed through their responses that successful AI integration requires operational readiness as well as psychological readiness for technology interaction. Employees who experience insecurity and overwhelming challenges without adequate support will struggle during implementation, directly impacting the outcomes of the project. Confidence, emotional security and trust within the organization are extremely essential for achieving efficient results. This reinforces that the implementation process should be seen as a socio-technical change and not just a technical advancement.

The second research question examined how leadership practices can enhance employee motivation during AI-driven transformation in SAP HCM environments. The study results show that leadership establishes trust, clarity, readiness and adoption. When leadership is human-centric, transparent and growth-oriented, it can enhance employee motivation. Leaders can guide how employees perceive AI transformations because they can provide the reasons why integration is important and how this change will make employees' work easier. Their words of assurance can provide a secure environment for people when they see AI as a threat to their status or personal identity.

Efficient leaders showcase empathy and promote early involvement of teams in decision-making. They ensure timely acknowledgement of team efforts and support their team when challenges arise. Leaders who focus on learning and development, along with providing a safe environment for people to make mistakes, see better engagement and positive results. The results indicate that though leadership functions as a bridge between project governance and communication, it is also central to the motivation environments of an organization.

Another key insight from the findings is that motivation is not only a personal response, but it is also influenced by social and organizational factors. Employees' response to the AI tools is a combination of how they perceive the change and how the environment functions where the tools are introduced. This includes communication, transparency, peer learning, training, visibility and effort recognition. It therefore becomes essential to understand the various factors that influence employee motivation, especially when the motivation levels are low. It is not always the employee who is reluctant to change, but it could be unclear communication, lack of proper training, failed leadership or forced environment. This interpretation requires attention because it changes the focus from blaming the employees for resistance to examining organizational factors that impact employee motivation.

To conclude, the research findings demonstrate that motivation and leadership are interrelated in AI-driven transformation in SAP HCM environments. Employee motivation affects the success of integration, but leadership strongly influences whether that motivation is strengthened or weakened. AI adoption requires more than just implementing a new technological system. The process requires employees to receive assistance in understanding changes while they build confidence and get support throughout the implementation period.

5.2 Alignment with literature review

The findings of the study aligned strongly with the literature review findings, while delivering empirical evidence that supports the thesis's theoretical framework. The literature review demonstrated that AI adoption within SAP HCM requires more than just understanding its technological aspects. The situation needs an integrated perspective that combines technology acceptance with employee motivation and leadership. The empirical findings strongly support this argument. The analysis identified four themes, which fully matched the logical structure of the thesis conceptual framework because TAM explains technology-related perceptions, SDT explains employee motivation, and transformational leadership explains the leadership practices that shape organizational conditions during AI adoption.

First, the research results show that the Technology Acceptance Model serves as a valid framework but also demonstrates its shortcomings. TAM states that people will accept technology based on their perceived usefulness and perceived ease of use. The findings of the study showed this pattern because participants experienced greater acceptance of AI when they recognized its benefits, practical value and ease in work-related activities. The introduction of AI technology brought reduced manual work and increased operational effectiveness, enhancing user satisfaction and experience. The findings fit closely with the TAM dimension of perceived usefulness. In the same way, when participants prioritized hands-on training and real-world use cases for better understanding, together with their need for time to master AI tools, it reflects how essential the other dimension of TAM - perceived ease of use is for them. The employees showed higher adoption of the tools when they believed they could master the tools and use them competently.

However, the results also demonstrate that TAM cannot explain AI adoption in this situation. The interview data revealed that fear, along with uncertainty, caution and job insecurity, were the main emotional drivers behind employee behavior. The findings showed a strong presence of job loss concerns, and reduced role value and lack of

control and future AI impact on professional identity. The emotional and psychological responses shown here exist outside the traditional scope of TAM. The literature review argues that TAM cannot function effectively in AI-driven work environments because it fails to consider emotional, motivational and organizational elements. The findings, therefore, indicate that human-centered perspectives must also be studied when researchers study AI integration in SAP HCM based on TAM.

Second, the research findings align with Self-Determination Theory. The literature review established that employee motivation is shaped by the satisfaction of the basic psychological needs for autonomy, competence, and relatedness. The findings demonstrate all three dimensions, which were shown in the research. Participants displayed their competence through their strong commitment to practical training and hands-on learning, upskilling and time to build confidence. Employees showed more willingness to engage with AI when they believed they could learn and operate the technology. The importance of involvement, together with a clear understanding and the absence of forced change, showed how employees valued their autonomy. Employees wanted to understand what was happening and to be included in the journey rather than being expected to adapt without explanation. Relatedness appeared through the importance of supportive leadership, peer learning, psychological safety, and non-judgmental environments. The research findings provide strong empirical evidence that supports the SDT-based explanation of employee motivation during AI transformations.

The research findings also align well with the literature on employee motivation in AI-driven workplaces. The literature review showed that AI has the potential to both empower workers and create disruptive challenges. AI-integrated systems increase efficiency, decrease workload and create an innovative workspace. But it can also act as a threat, creating concerns of identity threat, job loss and loss of autonomy. The interview results demonstrate the existence of this conflict. The interviewees used the terms threat and opportunity to describe their experience with AI technology. The literature shows that employees respond to AI technology with mixed feelings which

develop from their understanding of its benefits and drawbacks. The current research extends existing literature by demonstrating how these interpretations are experienced by SAP consultants who work with AI-integrated systems.

Third, the research results show strong alignment with transformational leadership theory and broader leadership perspectives examined in the literature review of this thesis. The literature review showed that leadership in digital transformation requires trust building, communicating vision, reducing uncertainty and promoting learning and development. The interview data demonstrated all these elements clearly. The participants linked effective leadership to six core traits, namely transparency, empathy, active participation, motivational support, training assistance and acknowledgement of employee contributions. These practices are consistent with the principles of transformational leadership, which include inspirational motivation, individualized consideration and idealized influence. The research established that leadership practices which include excessive top-down management, ambiguous communication, pressurizing and disregarding employee issues lead to decreased motivation among employees. This reinforced the literature review perspective that leadership directly affects employee perceptions of AI.

The thesis findings also support the current ERP and SAP implementation research, which shows that human and organizational factors tend to impact implementation results more than technical problems. Participants repeatedly emphasized that AI integration challenges were not only technical. The implementations required change readiness, appropriate communication and psychological safety. The research confirms that SAP HCM AI integrations are best represented as a socio-technical transformation.

The research study brings new information to existing academic work. The first contribution is contextual. Previous research about AI adoption, HCM, motivation or leadership examined these topics in general terms, while this study investigates them specifically in SAP HCM and SuccessFactors environments. The second contribution is

empirical. SAP consultants who implement the systems have provided study insights, and their work is directly related to AI adoption, yet they remain underrepresented as research subjects. The third contribution is integrative. The findings show that technology acceptance, motivation and leadership interaction throughout the entire process of AI integration. This supports the main argument presented in the thesis, that an integrated theoretical framework is required to understand the challenges of AI implementations in ERP systems.

5.3 Proposed leadership framework

The study results lead to the development of a leadership framework which organizations can use to boost employee motivation during their AI-based changes in SAP HCM systems. The framework derives from empirical research findings, while its development process used theoretical foundations from TAM, SDT, and transformational leadership. The research aims to develop a practical model which organizations and leaders can use to implement AI technology throughout their organizations. The framework defines essential leadership actions that directly influence employee motivation within this context.

The proposed framework consists of four interrelated leadership practices, which include clarifying meaning, building capability, creating safety and sustaining engagement.

5.3.1 Clarifying meaning

The first leadership practice is clarifying meaning. The study results demonstrated that employee motivation depended on how workers understood AI technology. Employees accepted AI technology when it was presented through clear explanations, which showed its actual value for their jobs. Employees used fear, assumption and uncertainty to complete the information void created by unclear or missing communication. Leaders

need to explain the reasons for AI implementation, its intended purposes and expected benefits, and its existing restrictions. They should provide clear information about the potential effects of AI on job functions and workplace patterns. The function exists as an essential element because employees react to technology through their understanding of its purpose. Clear and transparent communication establishes AI as a support tool that augments work.

5.3.2 Building capability

The second leadership practice is building capability within teams. Organizations providing role-based learning opportunities and proper training programs build employee motivation. Leaders must establish training programs for employees who want to learn AI before they begin implementation projects. They need to ensure that employees are competent and confident to adopt AI. In practice, this includes providing opportunities to upscale, make mistakes and receive ongoing support from management and organization. This approach reduces anxiety while enhancing organization's readiness to implement new systems.

5.3.3 Creating safety

The third practice is creating a safe work environment. The employees need to have freedom for questioning, making mistakes, raising concerns or challenges and asking for support without facing judgment or shame. Leaders need to establish an atmosphere that is psychologically safe while receiving respect and support. This practice requires leaders to listen without judging, address concerns and use positive language in the workplace, which includes avoiding comparison and pressuring. Psychological safety serves as an essential requirement for AI transformation because uncertainty functions as the primary obstacle preventing people from feeling motivated. Employees don't share their concerns when the workplace environment seems to be uncertain or risky.

5.3.4 Sustaining engagement

The fourth leadership practice is sustaining engagement. Leaders must provide ongoing support, which starts from the initial phases of the project until the final implementation. Sustained engagement starts with early involvement, continuous visibility, supporting peer learning, recognizing efforts and acknowledging quick wins. It requires leaders to assure during times of uncertainty while they establish the understanding that people need time to develop adaptation and confidence. The study found that leaders who provided continuous support during the change process created a stronger motivation environment than those who treated implementation as a technical rollout.

The leadership framework that has been proposed shows that successful leadership of AI-driven SAP HCM transformations requires more than just project coordination and high-level strategic vision. Leaders need to establish meaningful understanding while they develop skills and create environments that enable safe psychological conditions and maintain workforce participation throughout the entire process. The four leadership practices of this framework are derived from the research findings and can be used by organizations to develop their leadership capabilities to enhance employee motivation during AI-HCM transformations.

5.4 Limitations and future research agenda

The main limitations of this study are connected to qualitative research limitations. Qualitative methods were utilized for data collection and data analysis of the research. The study examines perspectives and experiences of SAP consultants because their viewpoints represent the complete scope of the research. The study demonstrates contextual depth because consultants work directly with AI integration and provide rich information on both technical and human aspects of implementation. As the research

only presents consultants' experiences, this means that the study does not represent the perspectives of other stakeholders like line managers, end-users, HR professionals, senior management leaders and others involved in implementation projects. The research can be expanded by studying other stakeholder groups to study how different groups approach motivation, leadership, and AI adoption in SAP HCM environments.

The study investigates only human factors by examining employee motivation and leadership practices. This focus was intentional and helped address the research gap identified in the thesis. The successful implementation of AI technologies into SAP HCM systems relies on various technical, financial, architectural and system-related issues as well, but this study does not examine them in depth. Issues like system integration, data quality and compliance, budget constraints and organizational structure do interact with motivation and leadership in a significant way. Future studies could therefore combine the human-centered approach used in this thesis with a more detailed analysis of technical and structural implementation conditions.

The research is limited to SAP HCM and SuccessFactors-related environments. The context is relevant to the research questions of this thesis, but the results may not be directly transferred to other ERP systems and non-SAP HR solutions. SAP systems are complex enterprise systems that operate according to their specific implementation procedures and process integration standards. Researchers in the future can study whether other digital HR environments and ERP systems develop the same motivational and leadership patterns found in this study.

5.5 Conclusions

The research investigated how employee motivation influences the success of AI integration in SAP HCM projects and how leadership practices can enhance employee motivation during AI-driven transformations in SAP HCM environments. Human-centered view of AI integration challenges enabled answering both the research

questions efficiently, as discussed in Chapter 4. The research shows that employee motivation directly impacts the levels of technology adoption. Motivation levels affected not only adoption, but also the projects' progress and the quality of project outcomes. This means that successful implementation of AI integration requires both system readiness and employee readiness. The study also shows that employee motivation is dynamic, and the levels of motivation change during the duration of the implementation. Uncertainty and concerns that are present in the initial stages often transform into confidence when the right environment and guidance are provided by leadership.

The studies confirm that SAP HCM AI integration requires organizations to develop their leadership capabilities while establishing healthy and inclusive work environments, which extend beyond system installation requirements. Leaders determine how employees perceive AI technology through their actions, which also affect employee readiness. Leaders who want to succeed in this environment need to demonstrate transparency and show empathy while including all members of their team who require support to develop their skills.

Overall, the study contributes to understanding how technology adoption, employee motivation and leadership are interrelated and how it directly influences the success of AI integration in SAP HCM implementations. The findings support the combined use of TAM, SDT and leadership theory framework to study human-centered AI adoption challenges and provide practical leadership practices that the organizations can use to improve AI adoption.

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Appendices

Appendix 1. Introduction Letter

Munmun Shah
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Dear Recipient,

I am a student at University of Vaasa's Strategic Project Management programme, and currently, I am working on my master's thesis. My thesis topic is 'Challenges of Integrating AI into SAP Human Capital Management; Understanding Employee Motivation and Leadership Influence from SAP Consultants' Perspectives', and it aims to gather the perspective of SAP Consultants on how motivated they feel when they are working on AI integration projects in SAP HCM. What are the challenges that they face during implementations, and how can the leadership help employees in such scenarios.

I am looking for interviewees who are familiar with SAP systems and have worked on AI integration projects, to get their insights for the study. Please confirm in this email if you are interested in contributing to my research study, as I believe that you will be the right candidate for my study.

The interviews will be scheduled in March and April 2026. The date and time of the interview can be agreed based on your availability. Please note that the identity of the interviewee will not be revealed in the thesis.

Best Regards,

Munmun Shah
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Appendix 2. List of Interviewees

Interviewee	Role	Experience	Interview Duration
P1	SAP HCM Consultant	10 years	35 mins
P2	SAP ABAP HR Consultant	13 years	30 mins
P3	SAP HCM Consultant	6 years	28 mins
P4	SAP HCM/Success Factors Consultant	15 years	25 mins
P5	SAP Success Factors Consultant	10 years	36 mins

Background Information:

Interview type: Semi-structured interview (5)

Number of Interviews: 5

Industry: IT industry.

Appendix 3: Interview Questionnaire

Section 1 – Background

1. Could you please share about your experience working as an SAP HCM consultant, especially on HR transformation projects?
2. Did you get a chance to work on AI integration projects in SAP HCM?
3. How was your experience working with AI tools introduced by SAP? For example: SAP Joule, SAP Business AI, etc.

Section 2 – Employee Motivation

4. What was your first reaction when AI tools were added to the HR processes or SAP systems? Did you have any thoughts like my job could be at risk, or did you think that the tools could be helpful? What kind of positive or negative reactions did you notice, for yourself or in people around you, in your team?
5. During the implementation of AI integration projects, you might have faced some technical and organizational challenges. But did you experience any challenges with respect to motivation?
6. Based on your experience, what factors do you think can enable employees to easily adopt or use AI tools?
7. Can you share an example where you noticed that motivation directly affected the success of an AI integration project?

Section 3 – Leadership Influence

8. What role do leaders play towards the employee/team motivation during AI transformations?
9. What leadership behaviour can result in easy acceptance of AI systems?
10. What leadership mistakes should be avoided by managers that you think are affecting employee motivation or reducing it?

Section 4 – Lessons & Recommendations

11. Based on your experience, what behaviour or changes from a leader would

motivate employees to embrace AI systems?

12. What tips or advice would you like to give to organizations/management teams to make the AI integration process effective?