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Coping with Artificial Chaos

How Retail Organisations Make Sense of Disruptive Technological
Innovations – A Qualitative Study on the Example of AI.

by

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Abstract

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The rapid rise of artificial intelligence (AI) has placed retail organisations at the centre of a transformation that employees are largely left to navigate on their own. This study with the title *Coping with Artificial Chaos: How Retail Organisations Make Sense of Disruptive Technological Innovations – A Qualitative Study on the Example of AI* examines how retail employees make sense of disruptive technological innovation using AI as its focus. While existing research addresses AI adoption at the strategic level, little attention has yet been paid to how employees actually navigate this disruption in their daily professional lives. This study aims to shed light on the employee perspective and the consequences they face when adopting disruptive technologies, while providing problem areas of sensemaking that both managers and academics can act on. It addresses this by answering the following research question: *How do employees of retail organisations make sense of new disruptive technology such as AI?*

Semi-structured interviews were conducted with eight employees across two German fashion retailers and analysed through Weick's (1995) sensemaking theory, further challenged by the frameworks of Diffusion of Innovations (Rogers, 2003) and Organisational Ambidexterity (O'Reilly & Tushman, 2004).

The findings reveal that AI is experienced as simultaneously impossible to ignore and difficult to grasp. In the absence of organisational guidance, employees develop six tactics for navigating the disruption. Three are rooted in sensemaking: forming fears and fascinations, managing identity and organisational contradictions. Further, there are three coping mechanisms: exploring through experimentation, framing the unfamiliar through language and redistributing responsibility to others.

The study concludes that disruptive technologies cause significant hardship and worry when organisations fail to provide frameworks for meaning-making, leaving the burden of navigating artificial chaos with the individuals least equipped for it. The findings contribute to the literature on innovation management, while offering managers guidance on supporting employees through AI-driven transformation and raising broader societal questions about who bears responsibility when disruption comes before being thoroughly prepared.

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List of Abbreviations

AI	Artificial Intelligence
B2B	Business to Business
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CI	Corporate Identity
DACH	Germany (D), Austria (A), Switzerland (CH)
EU	European Union
GDPR	General Data Protection Regulation
IT	Information Technology
RFID	Radio Frequency Identification
TAM	Technology Acceptance Model

1. Introduction

The digital age is rapidly unfolding with new technological advancements. During the 21st century, organisations have been forced to adapt their operations, keeping up with disruptive technologies, such as the Internet 2.0 and Artificial Intelligence (AI). Fei-Fei Li, Co-Director of Stanford's Human-Centered AI Institute, declared in March 2026 that "the true purpose of AI is not the technology itself, but expanding human capability" (IndiaAI, 2026). She thereby captured something that businesses worldwide are only beginning to understand. Especially for retail organisations, this distinction between what a new technology *is* and what it actually *means* for the people who work with it, is certainly one of the biggest strategic challenges of today's work culture.

Only few technologies in recent years have sparked as much debate, excitement and anxiety as artificial intelligence. In a span of just a few years, AI has moved from the outer periphery of business strategy to its center, reshaping how companies think about efficiency and competitive advantages. Quoting Li (IndiaAI, 2026), "we are entering an era of human-centered AI that will amplify our creativity, protect our dignity, and benefit people everywhere", but still have to keep in mind that the potential of the transformation depends not only on how well it is designed, but on the people and organisations who adopt it. The retail sector is particularly vulnerable to disruptive technological innovations like AI. It is defined by thin margins and an imperative to understand the needs of customers (MHA, 2026). Therefore, retailers are pressured to adopt innovations that promise efficiency and growth, while also exposing them to the risk of misinterpreting them. In this study retailers are referred to "any business enterprise whose sales volume comes primarily from retailing. Any organisation selling to final consumers – whether it is a manufacturer, wholesaler, or retailer – is doing retailing. It doesn't matter how the goods or services are sold (in person, by mail, by telephone, by vending machine, or online) or where (in a store, on the street, or in the consumer's home)" (Kotler & Keller, 2016, p. 549).

Despite the growing amount of research on AI adoption, little attention has yet been paid to how retail organisations actually make sense of AI as a disruptive innovation in the way they collectively interpret it, negotiate its meaning across functions and translate that understanding into strategic action. This is especially important for managers within retail, who not only operate under constant margin pressure, intense competition and rapidly

shifting consumer expectations (MHA, 2026), but also have to navigate the sensemaking process of their employees. AI does not arrive as a self-explanatory technology, it enters organisations in multiple forms and carries different implications for different departments (Amanollahnejad et al., 2026). For example, marketing and logistics may encounter AI differently and develop different assumptions about what it could do. Without a strong sensemaking process that bridges the interpretations internally, organisations risk strategic misalignment.

This does not only matter operationally, but also competitively. On the one hand, retailers who fail to develop a shared organisational understanding of what AI means for their business, will risk not being able to compete strategically anymore. On the other hand, retailers who will develop robust organisational knowledge around AI will be better positioned in the market and able to adapt as the technology evolves (McKinsey & Company, 2026). There is a high probability that knowledge about AI will increasingly become a competitive advantage. This is why understanding how employees within retail make sense of it is a question of which organisations will lead the market and which will be left behind in the process (BCG, 2026).

1.1 Revolutions of Retail

The currently unfolding development is not the first time that the retail industry has found itself at the threshold of a technological revolution. Throughout the 20th and early 21st centuries, retailers have repeatedly been forced to confront disruptive innovations that fundamentally altered the industry.

The barcode is perhaps the most instructive early example of such a disruption. The origins of the technology go back to 1949, when inventor Norman Joseph Woodland started drawing lines in the sand on Miami Beach. His idea did not come from scientific curiosity, but from a practical problem, in response to a supermarket manager who asked for a solution because slow checkouts and time-consuming stocktaking were causing the store to lose profit. The idea then took decades to become viable but had its launch in 1974, when the first item was marked with a Universal Product Code and could be scanned at a supermarket checkout in Ohio (BBC News, 2017). Widespread adoption in the retail and grocery industries started in the 1980s when mass merchandisers, such as Walmart embraced it. By 2004, Fortune

magazine estimated that it was in use by almost 90 % of the top 500 companies in the United States (Weightman, 2015).

Yet the barcode's disruption was not only operational, but structural. What started as a solution to neverending supermarket queues ended up reshaping power dynamics of the entire retail distribution chain. Before the barcode, manufacturers held the upper hand in the way they controlled product information, set the terms of trade and dictated how goods moved through the system (BBC News, 2017). The barcode changed this by giving retailers something they had not possessed before: data. Suddenly, retailers could see in precise detail what actually was selling, when, in what quantities and to whom. This completely transformed market research, providing hard statistical evidence for customer preferences (Weightman, 2015) and in doing so it transferred an enormous amount of strategic power to the retailers. Large retailers could then negotiate more with suppliers and began building private labels that competed directly with the other brands they had stocked. But this shift did not happen completely seamlessly or without friction between retailers and suppliers (Weightman, 2015). However, this showed that disruptive technologies do not only change how work is done. They change who holds power, who has access to knowledge and who sets the terms of competition.

The barcode example illustrates a pattern that recurs in the history of retail technology. It is a long journey from invention to widespread adoption, shaped by organisational resistance and negotiation as well as the technology itself. Manufacturers were often resistant to the new idea of a universal code and worried that a printed code would worsen their packaging (Weightman, 2015). It took years before a standard could be agreed on. Similarly, the innovations of electronic point-of-sales systems, RFID or mobile payment systems each triggered waves of negative emotions, which demanded not just technical investments but also shifts in how retailers understood their own operations and competitive environment (Pantano, 2014). In each case, the technology itself did not have the biggest influence, but the way practitioners interpreted its meaning actually demonstrated its relevance and led them to decide on how to act.

Research has shown that this capacity is not equally distributed across organisations, since factors such as diversity in teams play a strong role in how well innovations are handled. Neill et al. (2007) demonstrate that teams composed of members from different functions are significantly better equipped to understand and respond to environmental change, as the

multiple perspectives allow for a richer and more complete interpretation of the situation at hand. Retailers who fail “to appreciate market change” (Neill et al., 2007, p. 741) and do not change according to moving times are risking to see the world in an overly simplified view that will result in competitors overpowering them.

Today, AI represents the latest and arguably the most complex chapter in this ongoing story. According to Shankar (2018, p. 1) “AI refers to programs, algorithms, systems or machines that demonstrate intelligence. [...] It is used to denote a set of tools that can enhance the intelligence of a product, service, or solution.” In retail, AI works as a highly intelligent assistant that watches everything at once. It looks at millions of data points to make sure that the right products are in the right place at the right time. It essentially moves stores from guessing to precision (McKinsey & Company, 2023). Unlike the barcode, AI is not a discrete tool with a fixed function, but a technology used across many functions of retail, such as demand forecasting, supply chain optimisation and even personalised marketing or customer service. This scope makes the sensemaking challenge even more important. Retail organisations must not only understand what AI can do, but also discuss and interpret its role internally across departments and professional roles before a clear implementation strategy can be developed. As AI reshapes the retail industry in ways that are still unfolding, the capacity to make sense of it may prove to be one of the most important capabilities a retailer can develop. In the future this could be the final factor to help organisations keep their power position or even gain from the disruption.

1.2 Meet your new Co-Worker: AI

AI is rapidly developing, as previously mentioned, with new advancements and abilities currently unfolding. The discourse surrounding AI could be described as positive, highlighting its potential within organisations, and sometimes concerned, with voices being raised regarding what it can mean for humanity at large. Topics like employment, data privacy and sustainability have been brought up in these conversations, indicating that AI could become a threat at a societal level.

Sanguinetti (2026) is highly critical of the way media outlets, institutions and sometimes even experts discuss artificial intelligence. He means that painting a picture of the technology as having agency and portraying it with adjectives usually describing humans is misleading. The linguistics used surrounding AI is also being criticised by Bender and Inie (2026), who mean

that instead of saying that AI possesses *capabilities*, one should instead use the wording *functionalities*. They also point out that the term artificial *intelligence* could be problematic in itself, since one tends to accredit machines with competence. Assuming that positive discourse is used while merely describing the technology, there is no surprise it has been given such glorification.

The technology giant IBM (n.d.) accounts for AI with lifting benefits associated with streamlined operations, by for example enhanced decision making, better insights from data and its availability. This is accompanied by challenges and risks regarding the technology itself, as well as ethical and legal concerns (IBM, n.d). This is a clear example of how actors within the industry lift powerful strengths of AI, and pay attention to challenges that are not considering the people that have to interpret its meaning and make it useful. Spencer (2024) writes about the possibilities of AI within retail in Forbes. She describes the technology as refreshing for the industry, and means that AI provides a strategic view with “cutting-edge analytics and forecasting to help retailers adapt swiftly to market twists and turns” (Spencer, 2024). Though the author admits the technology is not just to plug in and use, she provides six examples of where to use AI: inventory management, demand forecasting, routine planning, price optimisation, assortment planning and personalisation. The main challenge that the author provides is to foster a unified data ecosystem (Spencer, 2024). Messages like this are what employees within retail are exposed to, while not necessarily having any technological capabilities beyond the systems they are used to working with. Therefore they are left with the challenge of making sense of the disruption by themselves.

The social discourse of artificial intelligence constitutes an exercise in keeping two thoughts in your mind at once. On one side the ethical and legal concerns, as well as problems that are inherited in AI itself, and on the other promises of efficiency and streamlining. These two camps dominate current discussions, but there is a third perspective, ultimately being left out of the debate - the employees, and more specifically within retail. There is reason to believe that AI causes more problems for retailers than the social debate gives account for. Apart from legal concerns and concerns about AI itself, there are also organisational challenges, such as change management, and lack of strategy or leadership support that forms as barriers for its adoption (McKinsey & Company, 2023). This indicates a need for enlightenment of how practitioners make sense of AI, in order for managers and organisations to better approach the phenomenon.

Organisations, such as retailers, find themselves in the middle of the praises and concerns about AI. They are being left with the task of making sense of what it is, what it means and how it should be approached. Yet, little attention has been paid to how they perform this arguably major assignment. In order to drive research and practitioner knowledge forward, it is crucial to deepen the understanding of what this actually means for employees within retail. Therefore, the question that constitutes the research objective of this report is:

How do employees of retail organisations make sense of new disruptive technology such as AI?

1.2.1 Purpose

The purpose of this report is to explore the sensemaking of AI among employees within the retail industry. Since disruptive technologies are affecting the retailer to a great extent, the initial process of the organisation's members making sense of them is crucial. This will affect the overall adoption and use of the technologies, as well as the organisational culture. Therefore this report aims to provide insights regarding how this currently unfolding disruptive technology affects professionals within retail and to shed light on the needed capabilities and tactics to cope with innovations as revolutionising as this one. Ultimately, this study targets to extend the literature of innovation management, disruptive technologies and AI. Further, insights for managers within retail are provided to enhance strategies for introducing and working with disruptive technologies. Managers are given clear examples of which social signals to avoid and which problems are critical to target, in order to equip their employees with a strong foundation for their sensemaking initiatives. Lastly, we aim to lift our findings to the societal level at large and constitute predictions for how the individual might receive technological disruptions outside of their professional scope.

1.2.2 Delimitations

While this study aims to provide meaningful insight into how retailers make sense of disruptive technologies, several limitations shape what it can and what it can not answer. Using AI as our focus, the study only examines one contemporary technological disruption in depth rather than drawing comparisons across multiple emerging technologies. Through this choice we want to prioritise analytical depth over breadth. Though it means that the findings may not generalise to how organisations can process other disruptive innovations, however, we still might find enlightened predictions.

Furthermore, we focus on the internal sensemaking process among employees without examining how meaning is communicated to other stakeholders. This distinction between sensemaking and sensegiving represents a boundary of the research, where sensegiving remains an open field for future research. Additionally, within the process of technological adoption, our research focuses exclusively on the initial phase of understanding and interpreting a disruptive technology. The other stages of the implementation process fall outside the scope of our work.

Finally, by concentrating only on the retail, specifically fashion industry, this study gains contextual depth but limits the transferability of its conclusions to other sectors. It is important to note, that the empirical material was only collected from companies situated within the German market and was limited to two organisations, which does not account for cultural differences that may affect internal sensemaking processes. Moreover, the empirical material was gathered exclusively from employees working in sales, marketing, e-commerce and IT, meaning that the perspectives of other functions such as finance remain outside the scope of this study and may offer different points of the sensemaking process.

2. AI Disrupting Retail: An Emerging Research Landscape

In this chapter we aim to situate our study within existing scholarship by reviewing different interconnected streams of literature. The following section reviews relevant topics for this research, such as disruptive technologies, the retail sector and how AI affects employees. Thus, topics similar to our object of this study exist and they reinforce the interest within the field. Though, they stop at stating that employees' views of new technology matter, whereas we aim to continue with explaining how these views are shaped through sensemaking. In doing this, recommendations can be made for innovation management, ensuring accurate strategies for tackling disruptive technologies.

2.1 Disruptive Technological Innovations

The existing literature on disruptive innovations addresses three challenges that companies are facing: how they should strategically respond to disruption, how disruptive technologies have evolved across industries and how organisations can overcome the limitations during commercialisation. Charitou and Markides (2003) examine the strategic dilemma that comes with disruptive strategic innovation, which they state is a new way of competing that is both different from and in conflict with established business models. The authors identify five possible responses. According to them, firms can double down on the traditional business, ignore the innovation when it targets a different market, adopt the new model parallelly or fully embrace the disruption. They argue that no response is universally applicable, but that the appropriate choice depends on the company's internal motivation to respond. This framework looks at how companies make decisions based on their competition as well as internal capabilities (Charitou and Markides, 2003). However, this article is from before AI was introduced and cannot take into account that companies might not have the choice to ignore a disruption as big as this. We will further explore how companies should respond to huge novelties like AI in order to successfully make sense of them. Moreover, this study will dive deeper into the struggles companies face through the pressure of having to adopt innovations urgently.

Complementing this perspective, Păvăloaia and Necula (2023) take a more narrow view by tracing the conceptual evolution of the concept disruptive technology, from its origins in 1995 to the present. Their systematic literature review notes that the term initially carried negative connotations, which were associated with underperforming products, before transitioning into

a more positive concept linked to transformative *edge technologies*. The authors then identify AI as today's biggest disruptive force. AI's impact is shown as something reshaping operations across healthcare, business, agriculture, education and urban development. The review concludes that disruptive technologies drive significant productivity and efficiency gains but also alter traditional structures within organisations (Păvăloaia and Necula, 2023). Their perspective is valuable for putting the current technological environment into context but will be deepened by our narrow focus on the retail industry.

The following article addresses a more specific operational challenge. Bohnsack and Pinkse (2017) show how firms can bring disruptive innovations to the market despite their initial inferiority on attributes that mainstream consumers are looking for. The authors used electric cars as a case study to develop a framework of three value proposition reconfiguration tactics. *Compensating tactics* neutralise weaknesses, *enhancing tactics* leverage superior attributes to fulfil needs that have not been met yet and *coupling tactics* link the technology to unrelated markets. Their study concludes that for firms combining compensating and enhancing tactics will lead to mainstream adoption faster than relying on small technological improvements (Bohnsack and Pinkse, 2017). Since AI has already achieved mainstream market presence, the go-to-market strategy is less directly applicable. However, their tactical logic can be viewed through a different lens where we study how retailers should bring AI into their organisations. In this sense, we aim to come up with tactics that can inform managers and employees of what to prioritise when integrating AI into their internal operations.

2.2 Technological Innovations within Retail

Shankar et al. (2021) explore how technologies are impacting retailing, and mean that developments have caused dramatic changes and significant disruptions for retailers. The authors highlight the fact that AI has been a driving force, since many of these technologies are powered by AI. They recognise the need for further exploration of this, stating that "Given the pace at which technology is changing retailing, researchers and practitioners in retailing seek a systematic understanding of the nature and extent of these impacts." (Shankar et al., 2021, p. 14). This stands in line with our understanding of the importance surrounding the effect of disruptive technologies within the field of retail. The researchers outline a broad view of the incentives for, and impacts of, technology adoption for different stakeholders: shoppers, retailers, employees and suppliers. For our study, the findings that are most relevant are organisational factors, such as technology readiness, top management support and

organisational agility plays an important part (Shankar et al., 2021). Especially, we put interest in the fact that a central barrier for adoption presented is employee acceptance. This article therefore strengthens the fact that insights regarding how practitioners internal and collective understanding of the disruptive technologies is of great importance. To extend on this finding we believe that our study could provide new information that not only confirms this, but also provide explanations of how the process of sensemaking could be understood and mitigating strategies for employee acceptance becoming a barrier.

Disruptive technologies are not novel phenomena for retailers, as previously mentioned the digitalisation of operations was a clear shift in their daily work environment. In the area of e-commerce within retail, Fuentes and Stoopendahl (2025) explore how managers are focusing on organising what they call *marketing machines*, which are described as “a specific assemblage or agencement consisting of a large number of elements interconnected to enable and shape exchange through the specific performance of marketing work” (p. 1759). The technologies focused on are systems such as product information systems, customer relationship systems and marketing automation systems. They found that in order to keep technologies working for you, continuous careful adjustment and maintenance is needed in order to leverage the advantages they may produce. This means that the practitioners’ agency is bound, and the technological tools are not some magical formula to just reap benefits from (Fuentes & Stoopendahl, 2025). The same could be true for AI, the advantages are seldom mentioned together with what this would actually mean in terms of additional work to make them available. However, the authors also explain that digitalised marketers are not necessarily victims of external digital forces, and adapt their operations accordingly (Fuentes & Stoopendahl, 2025). While we see similarities between the disruptive technologies of digitalisation and AI, we believe that AI may cause more negative impact on the practitioners when they are not provided with guidance in their sensemaking efforts. AI is often described to perform tasks that the practitioners in this study have performed by themselves, such as refinement. When these get replaced by AI we expect stronger reactions.

2.3 AI and Employees

The employer-AI relationship has been explored in previous literature in terms of consequences and what the technology means for employees' professional lives. Jaharri

(2018) researched the future of work, in the era of AI, by dissecting the human-AI symbiosis. Interestingly, he makes the point that what is lacking in the discourse of AI, is “a discussion of how the unique strengths of humans and AI can act synergistically” (Jaharri, 2018, p. 579). This stands in line with our view of the general dialogue considering the tool: the message often sounds like AI is not only the colleague of the future, but the solution and decision maker. Further, he points to the key difference between humans and AI when it comes to decision making which lies in AI’s strength in processing capacity. According to the author this should neither discredit the humans' more holistic perspective when making decisions, nor their instinct that is described as their advantage. Human-AI collaboration can make both sides smarter over time, therefore systems should be intended to enhance rather than replace (Jarrahi, 2018). This perspective is an interesting and early contribution, as it aims to address the concerns about AI being better than humans, and even replacing employers in the future.

Assuming that employees are actively making sense of AI, articles that discuss reactions of employees are of particular interest, meaning that they have some type of internal dialogue taking place. Kellogg et al. (2020) are examining how algorithms affect the control relationship between managers and employees. They mean that the workplace has become a contested terrain in which workers must learn to navigate in order to defend their independence in the workplace against automated management systems. They draw on labour theory to analyse how managers are using the disruptive technology in directing, evaluating and disciplining workers. They mean that this can lead to employee responses such as alienation, surveillance and precarity. This has in turn, given rise to new resistance tactics among employees, both on an individual and collective level. The authors account for the individual tactics of noncooperation, leveraging algorithms and personal negotiation with clients. The collective strategies are organised via forums and other platforms, overcoming the fact that they are not always in the same working environment (Kellogg et al., 2020). While this study is mainly concerned with the service industry, we find it interesting that they found a new form of power struggles between management and employees, as well as emerging tactics for employees to claim some of this power. It strengthens the fact that disruptive technologies in the form of algorithms are causing not only a change in tasks and operations, but that this gives rise to tensions and reshapes the control within organisations. However, our study aims to capture how this might evolve in the retail industry, which gives rise to other concerns, whereas the employees are expected to incorporate AI themselves.

Further strengthening the fact that it takes some type of interpretation process to understand AI, are findings of Glikson & Woolley (2020) that “the success of integrating AI into organisations critically depends on the workers’ trust in AI technology.” (p. 627). We believe that this reinforces the interest that managers should have in their employees’ sensemaking process, understanding the results of that process will have great impact for the organisation. Further, the authors mean that for virtual and embedded AI, which are most relevant for this study, there is initially high trust, that lowers from experience with the technology. They found that the more complex the technology is, it results in higher trust after usage. Additionally, the cognitive trust is higher for problems where no social or emotional intelligence is needed (Glikson & Woolley, 2020). This could indicate that marketing and similar functions within the firm that are about communicating and revoking feelings, might have less cognitive trust for the tool. The authors mean that strategies to create trust include explanations of how the algorithm works and reflection of AI reliability (Glikson & Woolley, 2020). Learning more about how the tools work, how they enhance tasks and reflecting upon the reliability of the outcome, therefore reduces mistrust. That indicates that it is in management’s interest to teach about and discuss the disruptive technology in the workplace, in order to guarantee a positive outcome of the sensemaking process.

To appreciate the acceptance of technologies among individuals, the *Technology Acceptance Model (TAM)* is regularly used to examine the adoption decisions (Shankar et al., 2021). TAM was originally constructed by Fred Davis (1989) and was designed to predict the likelihood of individuals or organisations adoption of technology systems (Dziak, 2020). The model shows the relationship between features ultimately affecting the adoption of new technology. It assumes that *perceived usefulness* and *perceived ease of use*, form the *attitude toward using* and *behavioral intention to use*, which affect the *actual system use*. Further, the model is especially useful when technology is rapidly evolving (Dziak, 2020), which AI is an example of. Since we are particularly concerned with the internal sensemaking, this could be related to the initial steps of this framework, perceived usefulness and perceived ease of use, that in turn affect the attitude toward using.

2.4 Summary and Critique of Prior Literature

The articles discussing disruptive technologies highlight that responding effectively to disruption requires attention at the strategic, the technological and the commercial level. However, they fail to address navigating innovations on the individual level, and providing

AI-specific tactics that take the characteristics that AI brings into account. This gap is particularly relevant in the context of AI, where the scale of the technology means that employees feel its pressure regardless of whether their organisation has made a strategy to engage with it. Nevertheless, their insights are relevant to understanding how firms tackle the increasing AI-driven disruption and how they make sense of this new phenomenon.

How disruptive technologies are integrated in retail have been accounted for to a certain extent. We see that technologies, and among them AI, are recognised as important research topics, and that the employees' understanding affects the outcome of an eventual implementation. Additionally, how retailers work with and implement disruptive technologies have been covered to a certain extent, highlighting that employee (non)acceptance can constitute a barrier for adoption. However, we do not see that the intersection between AI and how practitioners actually make sense of it has been explored yet. Unlike earlier retail technologies that mainly supported existing systems, AI is increasingly seen as replacing human tasks, suggesting a stronger employee response than prior literature has captured. Though, we believe that previous research provides the foundation for this topic to be built upon.

While there are findings in previous literature concerning the evolution of work environments in decision making and power balances, and the importance of trust in AI. We believe that there is a lack of research considering how employees actually respond to the disruption of innovations. We see the need to explore the actual feelings and understandings among them, beyond trust and power struggles, to understand how they make sense of technologies such as AI. In order for managers to mitigate AI in the future, as well as future disruptive technologies, we believe that it is crucial to have a clear understanding of this internal process.

To summarise, these streams of literature strengthen the importance and interest there is in AI, as well as the effect it has on employees. However, there is yet no in-depth exploration found of the internal process in which employees make sense of the disruptive technology. By adding the lens of sensemaking, and capturing the perspective of the employees further, new tactics for handling disruptive technologies can emerge. This can contribute to manager understanding of how to mitigate this novel technology, that might act and infiltrate the organisation in new ways. Also, by focusing on the field of retail, the study sheds light on a highly affected industry and extends the literature of how retailers work with technologies.

3. Theory

To capture the sensemaking among the employees, the theory of sensemaking is used as a guiding lens throughout the study. This will enable breaking down the empirical material, and outline the different components that the sensemaking process constitutes. Alongside this, two other theories are used to challenge and contrast the streams found in the analysis. These are organisational ambidexterity and diffusion of innovations, that assists as explanatory for identifying unstated motivations, both regarding organisational strategy and individual approach.

3.1 Sensemaking

The theory of *Sensemaking* (Weick, 1995) is brought in as a theoretical lens to shed light on the implications AI brings for retailers. The purpose is to paint a clearer picture of the meaning of AI to the employees of retail organisations, by capturing their individual internal understanding of what the disruptive technology actually means. Sensemaking describes the process through which individuals assign meaning to issues or events, particularly when the current state of the world is perceived to be different from what was expected (Cristofaro, 2022).

Sensemaking can be understood as an active and ongoing learning rather than a passive cognitive reaction. Through sensemaking, people invent the reality they then inhabit by structuring the unknown and creating meaning out of a subjective experience (Weick, 1995, p. 13). Weick (1995, p. 13) also distinguishes sensemaking from simple interpretation. While interpretation implies a text already exists to be discovered, sensemaking is more about authoring what is then read. It is essentially the "reciprocal interaction of information seeking, meaning ascription, and action" (Weick, 1995, p. 5). The concept consists of three core elements: a *frame*, a *cue* and a *connection*. Frames are inherited vocabularies, such as ideologies and shared norms, that act as a general point of view. Cues are points of references extracted from the ongoing flow of experiences. Meaning emerges when an individual makes a connection between a present cue and a past frame (Weick, 1995, p. 110). Further, framing is a big part of how individuals make sense of new disruptive technologies. It is a concept used to explain how individuals and groups organise their experiences, assign meaning to events and navigate complex information. The foundation was developed by Erving Goffman's *Frame Analysis* (1974). He argues that when individuals get lost in a situation,

they tend to look for a frame to “locate, perceive, identify, and label” (Goffman, 1974, p. 21) occurrences in their lives. Holt and Cornelissen (2013) connect both frameworks by revisiting Weick’s sensemaking theory and state that it is the process by which people frame organisational situations to structure their perceptions. According to them his research suggests that frames often remain invisible until a breakdown occurs, which forces individuals to revise their habitual frames to make sense of a new, surprising experience (Holt & Cornelissen, 2013). It is of particular relevance for this study to shed light on how individuals make use of familiar patterns in order to make sense of a disruption that can be hard to grasp entering their professional lives.

It is important to note that sensemaking is not a purely cognitive process. It is also embodied and emotional, since it is typically triggered by a felt discrepancy between the world as it is and the world as expected. Because the world is fast-moving and rarely pauses for reflection, the outcome of the sensemaking process does not have to be accurate, it only must be plausible. What sensemaking requires is to be reasonable, memorable and coherent enough to allow action to continue (Weick, 1995, p. 61).

Weick (1995) defines sensemaking through seven core characteristics:

Property	Description
<i>Identity Construction</i>	The sensemaker is a product of their social context. Identities are shifted and defined by the process of making sense, meaning the self-perception changes to fit the situation.
<i>Retrospective Enactment</i>	The idea that action can be known only when it is completed. It is common to look at a sequence of events after the fact to impose a pattern on them, often ignoring the parts that don't fit the narrative.
<i>Enactive of Sensible Environments</i>	The process where people "produce part of the environment they face" (Weick, 1995, p. 30). By speaking or acting, people create the very constraints and opportunities they then have to interpret.
<i>Social</i>	Sensemaking is shaped by actual, imagined, or implied presence of others and shared language.
<i>Ongoing</i>	Sensemaking is a shaping of the stream of experience rather than an isolated event with a clear start and stop.
<i>Focused on and by Extracted Cues</i>	The use of simple structures to develop a larger sense of what may be occurring.
<i>Driven by Plausibility rather than Accuracy</i>	The preference for pragmatism over accuracy. Because the world is fast-moving, a story that is good enough to allow action is more valuable than a perfect one that takes too long to find.

Table 1: The Seven Properties of Sensemaking (Weick, 1995, p. 17-62)

To investigate how organisations adopt new disruptive technologies the *Technology Acceptance Model (TAM)* usually offers a useful structure for mapping the stages of this process. While TAM describes the adoption process in its entirety, this study only focuses on its initial stage in how retailers come to understand and interpret AI rather than following organisations across the full adoption process. Because of this, TAM is not employed as the primary analytical framework here. This points to a gap in the technology adoption literature where sensemaking is frequently overlooked in studies of how organisations adopt new technologies. Before an organisation can progress through any stage of adoption, its members must first be able to understand what the technology actually means for them. This study therefore seeks to contribute to the adoption literature by framing sensemaking as the critical first step, recognising that people fundamentally struggle to act on what they cannot yet understand.

A critical distinction that strengthens the choice of sensemaking as the primary lens is the difference between two occasions for sensemaking that AI characteristically triggers. The first is *uncertainty*, a state in which employees lack sufficient information to predict how AI will affect their roles or routines (Weick, 1995, p. 9). The second is *ambiguity*, a different state in which AI provides not too little, but too many interpretations simultaneously, requiring social interaction to narrow down a collective path (Weick, 1995, p. 42). These two conditions are especially significant in retail organisations adopting AI, where the gap between the speed of the output and the human comprehension can produce disorientation at the individual and organisational level.

Sensemaking also sheds light beyond individual cognition toward the social dimension. Here individual thoughts are understood through conversation, transforming the “I” of the employee into an organisational “we”. This process is particularly relevant for AI implementation, where a shared understanding about what the technology actually means must be constructed by the collective before action even becomes possible (Weick, 1995, p. 70). Furthermore, sensemaking treats action as a precondition for understanding instead of its total outcome. Rather than simply accepting AI, employees enact their new environment by experimenting with the technology (Weick, 1995, p. 30). By acting as though AI is useful, employees generate the evidence and routines that make the technology a sensible and legitimate part of organisational work life. It is for those reasons that sensemaking serves as our primary theory for this study.

3.2 Diffusion of Innovations

Rogers' (1962) theory of *Diffusion of Innovations* addresses social and communicative processes through which a new technology actually spreads within an organisation. He describes diffusion as the process by which an innovation is communicated through specific channels over time among members of a social system. This framework is additionally brought in to offer a lens through which to understand how the adoption of AI unfolds at the level of individuals.

The theory identifies four pillars determining how any new idea spreads: the innovation itself, the communication channels through which it travels, the time it takes to move through a social system and the social system itself, whose norms and structures will either support or slow down adoption (Rogers, 2003). He identifies five perceived attributes that shape how quickly is taken up: (1) its relative advantage over existing tools, (2) its compatibility with current practices, (3) its perceived complexity, (4) its trialability and (5) the observability of its results to others in the organisation.

Adoption does not occur simultaneously but accumulates over time in an S-shaped curve, with *innovators* and *early adopters* leading the way, followed by the *early* and *late majorities* and finally *laggards* who remain most attached to their existing routines (Rogers, 2003). This sequencing matters for the management of AI adoption, as the behaviour of a small number of influential early adopters can have a disproportionate effect on the overall pace and reach of diffusion across the organisation.

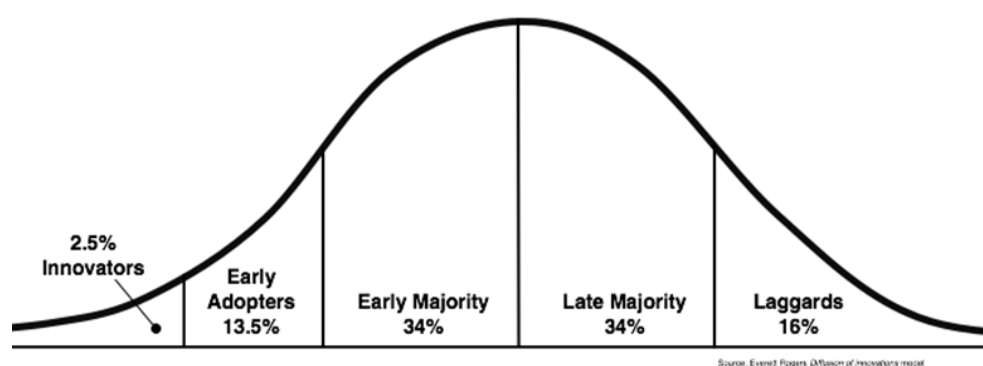


Figure 1: The S-shaped diffusion curve, illustrating the five adopter categories and the cumulative effect of an innovation over time (Rogers, 2003).

Later, Peres et al. (2010) extended this framework by emphasising the role of social signals and network dynamics in shaping adoption. Individuals do not only evaluate an innovation on

its function, but they also read the social meaning of who else has adopted it. *Vertical social signals* indicate the status of the adopter. When top management embraces a new technology, it communicates professional competence. *Horizontal social signals* operate through group identity. When a particular department adopts an innovation, it signals to peers within that group to follow, while members of other groups may actively resist adoption to differentiate themselves. These dynamics are further shaped by network externalities, whereby an innovation becomes more valuable to each user as the number of users grows (Peres et al., 2010).

3.3 Organisational Ambidexterity

While sensemaking explains how organisations interpret disruptive technologies, it does not fully explain how they act on that understanding in practice. The concept of *Organisational Ambidexterity* by O'Reilly and Tushman (2004) addresses this gap by explaining how firms can translate their interpretation into strategic action without sacrificing the operational stability that they depend on.

A central challenge that retail organisations face in the age of AI is not whether to adopt a new technology or not, but how to do so without undermining the operational foundations that sustain them in the present. This internal conflict is captured by the concept of organisational ambidexterity, which was originally defined as “the ability to simultaneously pursue both incremental and discontinuous innovation [...] from hosting multiple contradictory structures, processes, and cultures within the same firm” (Tushman & O'Reilly, 1996, p. 24). It describes a company's capacity to simultaneously pursue two fundamentally different types of activities: exploitation and exploration .

Exploitation refers to competing in mature, established markets where the strategic emphasis falls on efficiency and the refinement of existing assets. It is oriented toward certainty to ensure that current operations perform in a reliable and profitable way. *Exploration* by contrast involves competing in new technologies where flexibility, autonomy and experimentation are required which demands a willingness to discover and innovate (March, 1991). The fundamental tension between these orientations lies in the fact that they compete for the same organisational resources, while requiring different organisational mindsets and structures. Yet, the literature argues that long-term survival depends on a combination of both. Organisations that exploit without exploring, are risking to become highly efficient at

things that could turn obsolete, while those that explore without exploiting risk to never develop the stability needed to translate innovation into sustained competitive advantage (Tushman & O'Reilly, 1996). Companies that manage to pursue both orientations simultaneously are more likely to achieve superior performance short- and long-term (March, 1991).

Organisations achieve this balance in three modes. *Sequential ambidexterity* involves shifting the entire organisational structure over time, moving between exploitation and exploration as the competitive environment demands. While this approach allows for deep focus, it is very reactive and may leave the company exposed during periods of rapid change. *Structural ambidexterity* on the other hand involves the creation of autonomous sub units which are separately working on exploration and exploitation, each with its own people, processes and culture (O'Reilly & Tushman, 2004). This mode is most commonly associated with large organisations managing disruptive innovations alongside their core business operations. Lastly, *contextual ambidexterity* operates at the individual level, where the organisational context encourages employees to make their own judgement about how to divide their time between efficiency-oriented routines and innovative activities (Gibson & Birkinshaw, 2004). Rather than separating exploitation and exploration structurally, contextual ambidexterity embeds the tension within individuals and trusts them to navigate it. It's later argued that managing this tension is not only the responsibility of top management, but a shared challenge that plays out across all organisational levels.

Critically, ambidexterity is less a structural achievement than a leadership one. O'Reilly and Tushman (2004) argue that it is senior teams that ultimately determine whether a firm can successfully host multiple contradictory cultures within the same boundary. This view is supported by Lubatkin et al. (2006) who state that the behavioural integration of top management teams is a driver of ambidextrous performance. This is especially true for smaller and medium sized companies where resources are more constrained and the tensions between exploration and exploitation are more visible. Leaders have to be capable of managing the conflicts that arise when both orientations compete for resources and legitimacy. In this context, a shared organisational identity becomes essential to provide the common ground from which both the stability of exploitation and the risk-taking of exploration can be sustained (O'Reilly & Tushman, 2013).

This can be directly connected to the sensemaking processes which we discussed earlier. For an organisation to become ambidextrous in its approach to AI, its leaders must construct a shared understanding of what AI means for the company and have to acknowledge it as a potential threat to existing ways of working and a necessary process for being competitive. It is the sensemaking process that generates the foundation upon which ambidexterity can be built. Without it, the organisational tensions inherent in ambidexterity are unlikely to be navigated successfully.

3.4 Summary of Theory

To summarise, the three theoretical lenses developed in this chapter are not independent frameworks but complement each other. Sensemaking captures the interpretive work that precedes any organisational response to a new technology and describes the process through which individuals construct an understanding of what an innovation means and what it demands of them. The diffusion theory then explains how that understanding moves through the social system, shaped by the signals people send one another and the networks through which those signals travel. Organisational ambidexterity finally addresses the structural and leadership challenge that follows, which is captured in the question on how to act on that understanding in a way that embraces the opportunities of a new technology without sacrificing the operational stability that the organisation ultimately depends on. Together they offer a framework for examining how retail organisations first make sense of disruptive technological innovations like AI to then later be able to respond to them.

4. Methodology

This chapter outlines the methodological foundation that guided our research process. In order to show reflexivity and provide transparency, it has been updated throughout the study and evolved accordingly. The chapter begins by establishing the aims of the research before presenting the overall research design, including the ontological and epistemological positions that underlie this study. We further describe the research setting and the process through which our material was collected, before we turn to the design of the interview and the analytical process. The chapter closes with a discussion of ethical considerations and limitations to evaluate the trustworthiness of the study.

4.1 Aims of Research

The overarching aim of the report is to further explore and provide understanding of how disruptive technologies are made sense of in retail companies among employees. AI is one of today's revolutionary technologies and therefore serves as a striking example for this study and build upon the field of innovation and disruption management at large. This will in turn contribute to managers' understanding of where the employees are in need of support in the sensemaking process and how strategies can be developed to mitigate these problem areas. Further, this does not only strengthen the understanding of the technology itself and what it means for employees in practice, but also sheds a light on their perspective that is lacking in social and academic discourse.

4.2 Overview of Research Design

This study is grounded in a relativistic ontology, meaning it assumes that reality is not a single objective truth but is instead composed of multiple truths that vary according to the observer's specific perspective and context (Easterby-Smith et al. 2021, p. 73). We utilise a constructionist epistemology, which assumes that knowledge is best gained by exploring how individuals socially construct meaning and make sense of their experiences through language and interaction (Easterby-Smith et al. 2021, p. 78). In the current era of AI, it is essential to highlight these diverse perspectives to contribute to a holistic understanding of the phenomenon. The research specifically examines the convergence of AI and retail discourses through the subjective processes and tactics which are used to make sense by employees.

Therefore, the language and associations used in the interviews were of specific interest to capture individual approaches and dynamics in practice.

4.3 Research Setting

To ensure confidentiality we have chosen to anonymise the participating retail organisations, which is why they will be further referred to by pseudonyms. This study is situated in the German fashion and retail industry, partly with interviews conducted with employees at one retailer, here referred to as Gaia and another retailer, here named Juno.

The interviewees were characterised by diversity, including employees from different departments, age groups and varying lengths of terms of office within the company. This diverse composition provides a broad range of perspectives on how AI is perceived and interpreted within the organisation. Consequently, the research setting is well suited to explore how technological innovations such as AI are individually understood and discussed within a retail company.

4.4 Collection of Empirical Material

The method of empirical material collection is semi-structured interviews and the empirical material that is being collected refers to experiences and individual emotions of the employees. According to Easterby-Smith et al. (2021, p. 195) semi-structured interviews are defined as a “research interview that covers a number of predetermined topics or questions but that also allows for flexibility in terms of how and in what order these topics are discussed, and for the introduction of new ideas and lines of questioning”. This strategy is suitable to capture the sensemaking of the participants, since first hand experiences and their own meanings were the object of study. This is further strengthened by Easterby Smith et al. (2021, p.195), as they point out that interviews are fitting when researching the participants’ opinions and beliefs of a specific subject. The flexibility of semi-structured interviews enabled a natural flow of conversation that made it possible to challenge statements and discover tensions as well as hidden emotions in real time.

4.4.1 Selection of Retailers and Interview Participants

The two retailers selected for this research were chosen with comparability in mind. Both companies operate within the European fashion industry, were founded around the same time

and though Gaia is smaller than Juno we still found them to be of comparable size. This structural similarity ensures that differences and similarities observed can be meaningfully interpreted. The following sections introduce each retailer and describe how access to interview participants was obtained as well as how the choices for specific employees were made. When searching for retailers from which we could reach out to interview participants we struggled with getting access. Efforts were made to incorporate a Swedish fashion retailer to pair with the German fashion retailer Gaia, however we did not succeed in doing so. Though, we managed to get access to the retailer Juno, making it two German fashion retailers.

4.4.1.1 Gaia

The mother company of Gaia is a family-run company founded in the late 1960s in Germany and is a shoe manufacturer and distributor. The company stands for expertise in the fashion industry and emphasises in its corporate culture that high product quality and a willingness to innovate determine the decisions made within the company. Gaia is considered the most successful brand within the group.

Gaia was chosen for this study because of access and relevance. One of the authors is employed by the retailer which enabled us to access participants for the study. With insight into the company, it was already known to the authors that, in response to the growing relevance of AI in business processes, the company initiated an internal AI group in late 2023. Therefore, the fit between the company and study was seen as high, since we knew that the employees had been exposed to, and had to make sense of AI in their profession. The AI-group at Gaia consisted of six employees from different departments and was created to deepen the company's understanding of AI technologies and to explore potential applications as well as fears and uncertainties across departments. Over time, the initiative evolved into a broader internal format, a bi-weekly meeting that includes representatives from a wider range of departments within the company. The task force served as a platform for internal knowledge exchange and discussion. One outcome of the group's work was the development of internal corporate guidelines outlining appropriate ways of working with AI tools.

The researchers employed a purposive sampling strategy, initially contacting the individual responsible for leading the organisation's AI group (Easterby-Smith et al. 2021, p. 119). He then suggested two more members of the group, which led to snowball sampling to ensure a

comprehensive understanding of AI usage within the organisation. Snowball sampling is “a form of non-probability sampling design where the criteria for inclusion in a sample are defined; entities that meet the criteria are included in the sample and then asked whether they know others who also meet the criteria” (Easterby-Smith et al. 2021, p. 119). This sampling strategy enables the study to capture a broad range of perceptions, interpretations and experiences related to AI (Easterby-Smith et al. 2021, p. 113). By incorporating perspectives from different functional areas and organisational roles, the research accounts for potential variations in how AI is understood, evaluated and enacted across the company. Such diversity will strengthen the analytical depth of the case study and support a more nuanced interpretation of organisational sensemaking processes.

Participants	Department	Position	Time for Interview excl. Intro/Outro	Pages of Transcribed Empirical Material
<i>1</i>	E-Commerce	Commercial Manager	34:52	Nine
<i>2</i>	Marketing	Teamlead Brand Strategy & Content	36:26	Eight
<i>3</i>	Information Technology (IT)	Solution Architect Data Science	53:38	Nine
<i>4</i>	International Sales	Member of The Board & Head of Sales North-West/France	50:35	Nine
<i>5</i>	Sales	Head of Sales DACH	44:16	Eleven

Table 2: Interview Participants Gaia

4.4.1.2 Juno

Juno is an internationally operating fashion company also founded in the late 1960’s. While the brand was originally established in Scandinavia, it is now headquartered in Germany. This makes Juno a particularly suitable comparison case for Gaia, as both companies were founded around the same time and share roots in Germany.

Juno was chosen for this study based on the fact that we had already gotten access to Gaia and were looking for an additional case based in a similar industry. An acquaintance of the authors, with whom no close personal relationship exists, was able to provide an initial touch point with the company. Through this contact, access was granted to two interview

participants, the internal AI expert from the IT department as well as the lead for the brand's online-shop, who were selected using purposive sampling (Easterby-Smith et al. 2021, p. 119). As the collection of empirical material progressed, snowball sampling was additionally employed, through which access to one further interview participant was received (Easterby-Smith et al. 2021, p. 119). In selecting participants, we specifically made an effort to focus on departments and functions comparable to those represented in the previous interviews at Gaia. This ensured meaningful comparisons across similar factors.

For Juno, the authors had no prior knowledge of the company's internal practices or their current status regarding the use and implementation of AI. Unlike the case of Gaia, where insider knowledge had already indicated a strong fit before the collection of empirical material began, the approach to Juno was entirely different. The lack of prior knowledge ensured that the authors entered the research process with no preconceptions about the company's engagement with AI, which contributed to a more unbiased and exploratory perspective during the interviews.

Participants	Department	Position	Time for Interview excl. Intro/Outro	Pages of Transcribed Empirical Material
<i>A</i>	E-Commerce	Head of Online Shop & Customer Service	36:03	Twelve
<i>B</i>	IT	Enterprise Architect	45:47	Nine
<i>C</i>	Marketing	Group Manager Photo Studio	41:44	Nine

Table 3: Interview Participants Juno

4.4.3 Conducting Interviews

To ensure accessibility and reduce barriers for participants, all interviews were held online via a secure video conferencing platform. Participants received a summary of the interview questions approximately 24 hours prior to the session, allowing them to prepare and reflect on their experiences. To ensure high-quality material collection, the research team divided responsibilities during each interview: one researcher conducted the interviews, asking questions and probing for elaboration, while the other acted as a silent observer, taking detailed notes and reflecting on the discussion in real time and only adding follow-up

questions when needed. This dual approach allowed for accurate capturing verbal responses and for immediate reflection on potential follow-up questions (Easterby-Smith et al., 2021, p. 168). To ensure that one of the author's employment by Gaia did not affect or steer the interviews, that author only held interviews with Juno. With the participant's consent, all interviews were recorded to ensure accuracy and completeness of the material. For transcribing the interviews we chose the platform KlangAI. It is a Sweden based AI platform for transcription and qualitative research analysis. The company has a strong emphasis on GDPR compliance and EU data protection and hosting (Klang, n.d.). Interview quotes have been lightly edited for readability. Filler words, repetitions, and minor grammatical errors were removed where this did not alter the meaning of the statements.

Although there were some challenges related to time and access when collecting empirical material from Juno, the richness of the hour-long interview data was comparable across both retailers. The amount of quotes that were judged to be of relevance were about the same for both retailers (see figure 3). Though we recognise that it would be optimal to have the same amount of interviews with both retailers, the interviews pointed in the same direction with similar accounts from the interviewees, thus, it can be argued that we met saturation. Saturation can be described as no novel empirical material is found during the interviews, the topic is well developed and varied, and the relationships between themes is clear and reinforced (Strauss and Corbin, 1998, p. 212 in Bryman & Teevan, 2005, p. 232). All of which we judged to be the case, and this meant that we found no obstacles to conduct the analysis.

4.5 Interview Design

The interviews were designed to follow a structured flow to ensure both rapport and depth of insight (Easterby-Smith et al. 2021, p. 194-197). It was organised among three main areas. The researchers began with introducing themselves as well as the topic and purpose of the study. The interviews then started with general questions to provide the participants with a comfortable setting. They were encouraged to share their professional background, current role and experience within the organisation to create context for the later discussions. Furthermore, the researchers informed the participants about ethical considerations of the interview. The second section focused on collecting detailed information relevant to the research objectives.

The final area reflected and evaluated, encouraging participants to discuss challenges and opportunities related to AI. This ensured interpretations of the current discourse around the topic and showed their general behaviour with AI functions. Lastly, participants were encouraged to share anything else they assumed was important knowledge for the researchers. The interview guide developed during the process of the study, the first three interviews were held with one version (see Appendix B) and the rest of the interviews were based on an updated set of questions (see Appendix C). The reason for this was that we learned during the process to ask questions in a more open way, which resulted in longer statements. However, the interview guide still handled the same topics and had the same angle, the evolution of it relates to an increase of its quality.

The three part structure of the interview generated a natural flow from background to specific and individual perceptions and experiences and finally to critical reflection, allowing for rich qualitative insights while maintaining focus on the research objective (Easterby-Smith et al. 2021, p. 194-197). In total, the researchers aimed to ask each participant 16 questions during one hour. Nevertheless, the interviews were only semi-structured and adapted according to natural conversation flow, which led to the fact that all interviews could be finished in approximately 35-55 minutes instead. Though, the scheduled hour helped with ensuring that there would not be a rush through the questions and answers.

4.6 Analytical Process

The process of the study started with three interviews with Gaia, which was part of a mock study to gain familiarity with the area. The analysis and conclusions of the mock study were, however, not included in this study. After that study, two additional interviews have been conducted with the same retailer, making it to a total of five interviews with Gaia. The analysis follows an abductive approach, whereas observations are connected to theory (Easterby-Smith et al., 2021, p. 266-269). After the collection of this empirical material, all quotes from the interviews that were interpreted by the authors to have any remote connection to the area of sensemaking and the individuals' perspective of the disruptive technology were picked out. This represents a first judgement by the authors, where we tried to be as broad as possible, since we did not know exactly what we were looking for at this point, nor which topics we would end up with. We account for these interpretations and how they were made since we value reflexivity and strive to be as transparent of our own influence to the extent possible (Easterby-Smith et al., 2021, p. 254).

In the next step, all of the quotes that were picked out were written on post-it notes in the program Miro. Reading them over and over again, themes started to emerge, still, it was of importance to keep these broad and loose, just to provide an initial categorisation of the empirical data, which is an important part of the process according to Easterby-Smith et al. (2021, p. 56). The nine initial categories found were: *brand strategy*, *AI-driven opportunities*, *work in the future*, *departmental differences*, *AI-related concerns*, *leadership's influence*, *organisational approach to innovation*, *external sources*, and *knowledge transfer*. This represents a second interpretation from the authors, though we were concerned with influencing the study as little as possible by always working together, discussing the choices and having too narrow categories early in the process.

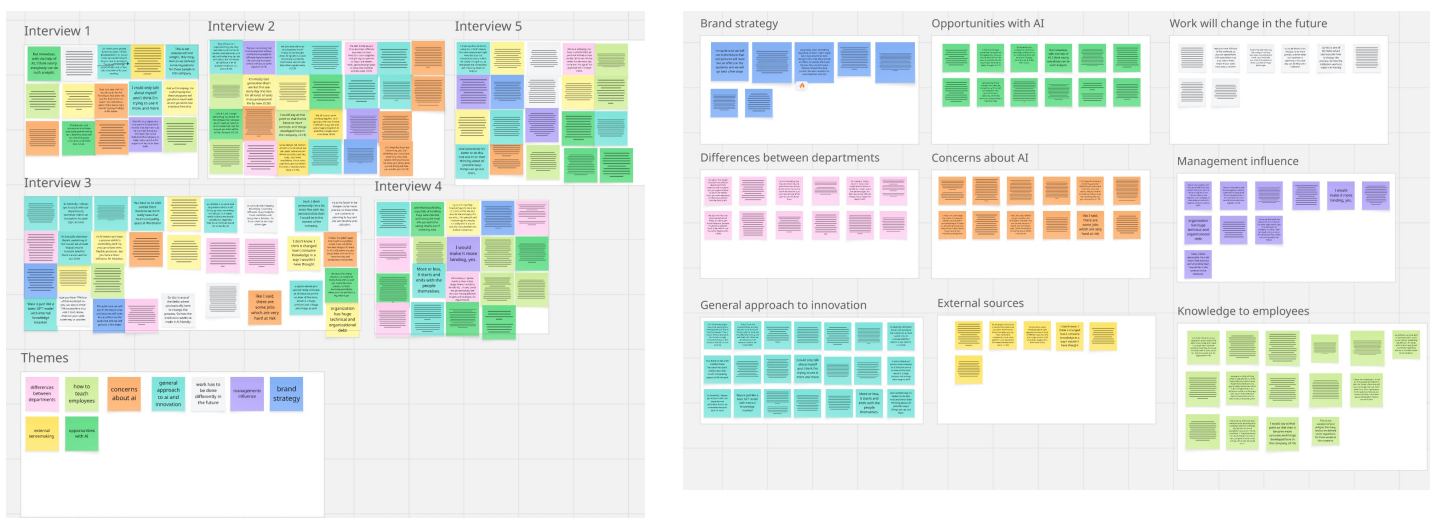


Figure 2: Working with Quotes and Themes in MIRO

Until this point in the process, the only theory chosen was the one of sensemaking. This was used as a guiding lens of what to look after in writing the questions, holding the interviews and making initial broad categories. However, to be able to highlight important threads emerging in the material, two additional theories were decided on. These were organisational ambidexterity and the diffusions of innovations framework. Our agenda choosing these specific theories was to be able to explain tendencies that we saw in the data. For example, several of the interviewees showed a positivism surrounding AI and its capabilities at large, which was accompanied by concerns about how well the technology suits in their specific field that they possess great insight in. To describe this approach further the organisational ambidexterity was brought in. As for the diffusions of innovations framework, we wanted to be able to extend on how interviewees showed different approaches to innovations, whereas

the level of hesitance was ranging from nearly none to high, which we believed we could contextualise using the framework.

After making these decisions regarding initial categorisation and connection to theory, we intended to take more analytical steps in working with the material further and developing subthemes (Rennstam and Wästerfors, 2018). Before doing so, the empirical material from the other retailer Juno was collected. These interviews resulted in similar findings, with some differencing approaches and attitudes. Therefore the usable quotes from these interviews were sorted into the same nine initial themes as the interviews from Gaia. It is important to note here that the objective was to have five interviews with each retailer. However, only three interviews with Juno were held. The reason is partly limitations of access and time, and partly saturation. Given that the interviews all pointed toward a somewhat shared direction, we believe that even though it would have been optimal to have five interviews with Juno as well, it would make little difference to the outcome of this study. From the interviews held with Juno, the amount of quotes judged to be of use, was a similar amount as the ones from Gaia (see figure 3). The interviews named 1 to 5 are the Gaia employees, and the ones named A, B and C are Juno employees, for the purpose of keeping these separate.

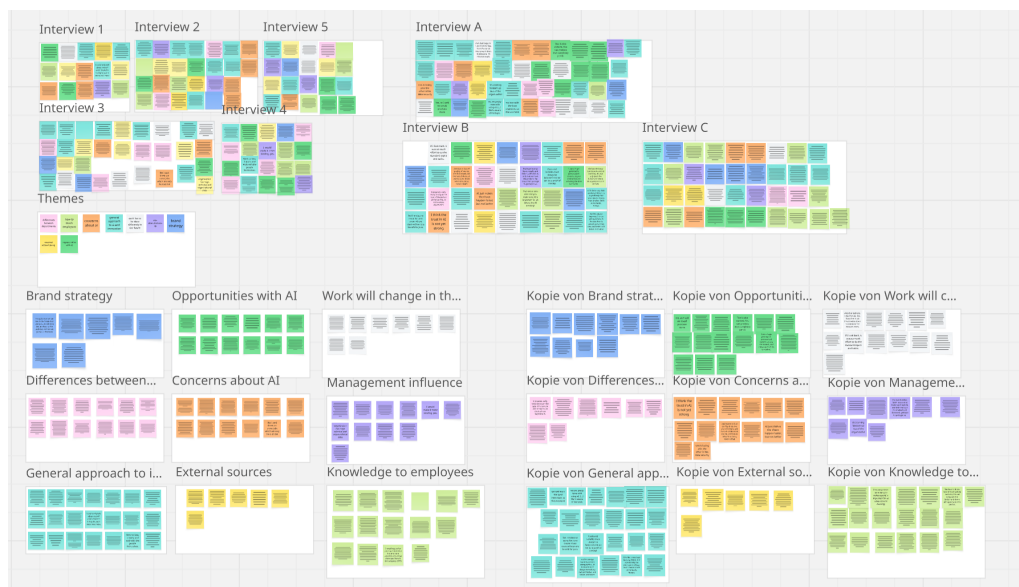


Figure 3: Working with Quotes in MIRO, Gaia and Juno side-by-side.

The initial themes highlighted several recurring problem areas, which were noted for later usage by complementing the streams found. The data was thereafter sorted into the properties of sensemaking, and extended with these problem areas. The empirical material and our

initial categorisation led to two main themes of the analysis, *Disturbed by Disruption: Fear, Uncertainty and AI* and *Keep Coping and Carry On*, which capture the emotional nature of employee's responses and the active coping mechanisms they developed. Additionally, each stream within the analysis was challenged using the complementary theories to find contradicting statements and patterns. This resulted in an in-depth analysis whereas interpretation from the authors was called for in several stages. However, as mentioned earlier, showing reflexivity and having a consistent approach was prioritised in each stage. This was ensured by constant dialogue between the authors of every decision, the application of the same theories and usage of the same lens of sensemaking. It was prioritised to make the empirical material steer the analysis and not the other way around. This analytical process has been updated with every step, working as a diary for the analysis, to ensure it mirrors the actual process as truthfully as possible.

4.7 Ethical Considerations

All interview participants were provided with clear information regarding the purpose of the study and the intended use of the material. Informed consent was obtained prior to conducting the interviews. Participation was entirely voluntary and participants were informed that they could always withdraw from the study at any time without a given explanation (Easterby-Smith et al. 2021, p. 164). The interview participants were asked to sign a document that explains the recording and transcription of conversations. The collected material will be stored securely and accessible only to the researchers. Material handling procedures comply with applicable data protection regulations. To ensure anonymity the organisations have been assigned pseudonyms and interview participants are referred to by numbers or letters, meaning that neither the companies nor the individuals can be identified from the presented material.

4.8 Quality Criteria and Limitations

The trustworthiness of the report is evaluated with three criterias: credibility, confirmability and transferability (Bryman, 2012, p. 27). As for the credibility, one of the authors is employed by one of the companies, which has been a contribution to the access. To reduce the risk that the employment interferes with the results, that author had a passive participation during the interviews. The employment has also shown to be a strength, whereas one of the authors has a deeper understanding while the other questioned what is not general knowledge.

Confirmability has been ensured through the authors challenging each other to not add personal bias, however, as subjects we are not able to be completely objective (Easterby-Smith et al. 2021, p. 115). Since the authors are participating and interacting within the research setting it might affect the outcome (Kvale, 1994). Transferability could be described as to which extent to observations or theories derived in one context can be applicable in other contexts (Bryman, 2012, p. 27). Although the study is based on only two companies, the authors created a categorisation of the key areas of sensemaking for AI that could be applicable for other retailers. It is also important to acknowledge that this study captured an ongoing process at a specific moment in time. Replicating the study at a later stage would not conclude with the same results, as both organisations and their employees would have progressed further in their engagement with AI. This reflects the dynamic and evolving nature of the sensemaking process itself rather than a limitation.

While access to Gaia was based on the employment of one of the authors, gaining access to a comparable second retailer turned out to be considerably more difficult. Several companies that were assumed to be suitable were contacted, but we struggled to find another retailer willing to participate without established personal connections. This difficulty is acknowledged as a limitation of the study, since it drastically narrowed the potential companies and meant that the final selection of Juno was to some extent based on availability rather than purely strategy. Access was ultimately granted through a mutual acquaintance. However, it is important to note that this does not diminish the suitability of Juno for the study. The authors had no prior personal relationship with the company and no knowledge of its internal practices, which ensured that the research process remained open.

The context of the study and the interviews of such a contemporary topic might add caution from the interviewees. Some of them are familiar with one of the authors which can increase comfortability but also add pressure to answer a certain way. To reduce this, the participants have been ensured that the topic of interest is the complexity of AI and their experience with it, rather than questioning them of their knowledge on the subject.

Furthermore, the authors are aware that online interviews frequently lack the immediate depth and contextualisation, while being vulnerable to participant distraction and significant data protection risks. During the research these limitations were mitigated by following institutional guidance on secure data management, testing all recording technology prior to

use, and prioritising empathy and a reflexive approach to better connect with participants (Easterby-Smith et al. 2021, p. 198-200).

Drawing on Alvesson's (2003) framework of reflexive pragmatism, this study also considers the truth-teller assumption, which views interviewees as neutral transmitters of factual or internal experiences. Rather, interview accounts are understood as complex social interactions and situated accomplishments shaped by multiple logics, which avoids taking all statements as facts. Thus, the authors are aware of the limitation that this constitutes, and interview answers have to be viewed within the context of the interview.

5. Analysis

The following analysis reveals that across both retailers, AI is experienced as a disruption that organisations have not yet found an answer to, leaving employees to come up with tactics for their uncertainties largely on their own. The empirical material embodies two main themes from which six sub-themes emerge. Throughout the analysis, the empirical material is systematically examined through the lens of Weick's (1995) seven properties of sensemaking and further challenged by the frameworks of organisational ambidexterity (O'Reilly & Tushman, 2004) and diffusions of innovations (Rogers, 2003). The initial overview revealed not only how employees feel about AI, but how they actively construct meaning around it and cope with the disruption in their professional lives.

The first section, *Disturbed by Disruption: Fear, Uncertainty, and AI* captures the emotional response that AI evokes among employees. We found a coexistence of fear and fascination that characterises employees' first encounters with the technology, but see a stronger sense of anxiety among all interviewees. Moreover, strong contradictions between how individuals present themselves in relation to AI and what they actually say, as well as a structural tension between innovation pressure and brand preservation that is particularly strong in the fashion retail sector become obvious.

The second main theme, *Keep Coping and Carry On*, turns to how employees actively respond to these tensions. Lacking structure and guidance from their respective retailers, employees have been forced to deal with the challenge to make sense of the technology on their own, resulting in different coping mechanisms. They experiment with AI to make the technology feel more manageable, they use language as a tool to translate complexity into something familiar and they redirect responsibility to others.

Taken together, the themes point toward a shared finding. Despite genuine enthusiasm for the innovation, AI adoption remains uneven, individually driven and unresolved, where employees construct meaning without the organisational foundation that sustainable adoption would actually require.

5.1 Disturbed by Disruption: Fear, Uncertainty, and AI

When exploring the current situation of how the practitioners have tried to grasp AI, a state of ambivalence emerged. It is clear that the disruption is shaped by fears and perceived threats among the employees, while they simultaneously appreciate the greatness of the technology. There is no doubt that AI plays a crucial part of their professional lives, which has given rise to a sense that being adaptable and innovative is something to strive for. However, underneath the surface uncertainty is lingering even for those describing themselves as innovative. There is a clear lack of guidance from the organisations, ultimately leaving room for concerns to grow and remain unaddressed. Thus, the employees have to make sense of the technology individually. This is also shown on an organisational level, whereas a push for innovation makes employees want to protect the brand and its authenticity.

5.1.1 Fear and Fascination

The accounts from the interviews show scattered emotional landscapes, whereas feelings of hope and appeal are mixed with fears and concerns. Weick's (1995) property of retrospective enactment outlines the way that employees recall and reflect on past events in the present sensemaking. Looking back, the interviewees were not able to predict how the technology would come to revolutionise their operations.

“When we started, we had no clue that we were talking about AI or in the scope. [...] No, there's no huge similar thing. I mean, AI is like the new industrial revolution, but way faster.”
(Interviewee 4)

“AI is now necessary for me all day. If I look back, it was so much effort to do the standard topics and tasks.” (Interviewee B)

The interviewees describe a time where they could not begin to imagine how AI would revolutionise their work environment. Comparing it to the industrial revolution, Interviewee 4 contextualised how this has been a paradigm shift, accounting for how AI is unfolding even more rapidly. This captures the view of AI being so large that it is hard to grasp, and how the development is yet open-ended. Interviewee B explained how, now when having AI integrated, he can tell in hindsight how much effort even the simplest of tasks took without the usage of AI. This paints a clear picture of how even though they remain uncertain of the disruption of the technology, they recognise the magnitude of AI.

However, the disruptive technology is contemporary and innovations are still unfolding. Therefore questions, concerns and uncertainties are yet to be answered. This can be linked to how sensemaking is a continuous process, and Weick's (1995) property ongoing. The interviewees account for the feeling of never being able to grasp AI and what it means completely. The unpredictable nature of the development gives rise to fears in dealing with it and which eventual consequences may emerge. This can be connected to the occasion of uncertainty that Weick (1995) describes, how lacking information makes it hard to predict how AI will impact them in their profession.

“Can you really know everything about it? I think nobody can. And I think that also makes people insecure, dependent on what kind of person you are. But yes, I think we're on a good way there. So we start working with it, but it really depends on the people and also on what kinds of tasks they have.” (Interviewee 2)

“It's so much that I sometimes am a little bit concerned of something slipping through. That we not forget it on purpose, but due to so many things that are changing.” (Interviewee C)

These concerns regarding acquiring the knowledge needed about AI are accompanied by fears about what it might bring in the future. Interviewee 2 highlights that how one receives AI depends on their personality, meaning that if you are not fully confident as what Rogers (2003) calls an early adopter, you will struggle more with the uncertainties. As we will discuss later, being an early adopter is something many of the interviewees want to be perceived as, although when scratching the surface it becomes evident that this might not be the case. Interviewee C explains how the lack of information leads to the fear of missing something important, which in turn threatens the daily operations. Further, there are concerns considering data protection of the information used in inputs to AI.

“Data privacy, data governance is a major concern here. [...] but of course, company secrets must be protected from public models.” (Interviewee B)

“And of course, there has been communication regarding what is allowed, what is not allowed. Actually, I'm not sure if everybody is aware of it.” (Interviewee 5)

Describing the technology as a threat in protecting internal information implies that the technology can be perceived as something dangerous. This is accompanied by the insecurity of how to protect the company data, and what guidelines they need to follow. This is an

aspect that seems to be undefined by both of the retailers. Further, the employees do not trust the quality of the output made by AI, and how the public perception of AI could cause consequences for the brand.

“There are millions of concerns also regarding quality. Is the quality level okay? Do people notice that it is AI? Should we market it as AI or not? What effect does this have [...] you shouldn't take this too easy. So I think it is good to be concerned.” (Interviewee 2)

“And due to lack of quality, of course, and the results and the lack of the trust, and we don't know what AI is doing here in detail.” (Interviewee B)

Another concern that might become a sensitive topic within the organisation is the anxiety of replacement of employees with AI. This could constitute an issue moving forward, employees that are pressured to implement AI are scared that they are setting up their replacements, which can lead to resentment towards the technology.

“As I said, I will kill my job, and maybe us all like the Terminator. And yeah, this was the first concerns I heard. And sometimes I think everybody's wondering how it will go in the future.” (Interviewee 1)

Although there are several concerns and uncertainties regarding the disruptive technology, the employees acknowledge the opportunities that AI provides. Describing it as limitless, with strengths such as picture generation and processing of big data volumes are highlighted.

“[...] so there's like limitless possibilities, endless possibilities for us that we can not do now. We can not fly to Miami for one lifestyle shoot.” (Interviewee C)

“[...] unlimited possibilities, especially of handling huge data volumes and having the most efficient and time-saving results out of analysing data.” (Interviewee 4)

Often mentioned when talking about opportunities with AI is marketing. This was especially in terms of making it possible to personalise messages and developing more accurate customer profiles.

“It's because it can compare so much data and make profiles and so on. I think that there will be a lot of changes coming to us all in the near future.” (Interviewee 1)

“So for example, the major thing is personalisation in this context. So having the right product with the right content for the right person with the right story.” (Interviewee A)

Some retailer specific opportunities were brought up, shortening leading times and becoming more accessible for the end consumer.

“[...] decrease the timing between the collection being there and it's sold you would be more precise. So that's obviously something where you can just have a big advantage.”

(Interviewee 3)

Thus, the interviewees showed to have an optimistic view of what capabilities AI brings to the organisation. Though it is important to mention that there was some hesitation in the form of protecting the human touch as well as the brand's image, keeping a consistent look for stakeholders.

“So it will be a daily tool just as we use the telephone by now for me. But always with the human in charge to find the final decision to be the people in contact with the customer, with the potential customer, things like this. But as a tool which is guiding you and giving you options.” (Interviewee 5)

“I think it will change everything. So maybe not the appearance, because we still want to have the same brand look, but the way we get there will be totally changed.” (Interviewee 2)

The empirical material showed partially that there was a time when the interviewees were unsure of what AI would mean for them, what it was and what they were supposed to do with it. While examining the present and the ongoing sensemaking with the employees it was evident that they were still in the process of comprehending what this might mean in the future. What seems to be consistent among the interview participants, both from Gaia and Juno, was that they were left to understand the technology themselves. This can be described with contextual ambidexterity (Gibson & Birkinshaw, 2004), leaving the responsibility with the organisational members to divide their time between daily routines and innovative tasks.

5.1.2 Identity Contradictions

A recurring pattern across the empirical material is the tension between how individuals present themselves and express their feelings in relation to new disruptive innovations. It became clear that Weick's (1995) properties of identity construction and social sensemaking

play an important role here. Individuals do not interpret an innovation neutrally, but through the lens of who they understand themselves to be. Therefore, it describes how they use change to define what the innovation says about them, their position and their competence, which makes the example of AI specifically striking since it does not arrive neutrally. The process of AI adoption contains signals about who is most likely to be modern, relevant and capable within their work environment.

Yet, identity is usually not constructed in isolation. This is where the property of social sensemaking becomes important. Individuals validate their interpretations by checking them against each other and are significantly shaped by their social environments. In the organisational context, this means that how a team or department collectively makes sense of AI has a direct impact on whether employees feel confident acting on it. Management also influences this strongly through the social signals they send about what is valued and expected from their team members. This leadership challenge of organisational ambidexterity is perfectly captured by O'Reilly and Tushman (2004) and addressed by the question of how to embrace a technology visibly to employees without sacrificing crucial stability.

The interviewees mostly define themselves as what Rogers (2003) calls explorers rather than exploiters and seemed to be open-minded for disruptive innovations. However, this needs to be reflected critically too. One specific case illustrated this tension well. A Gaia interviewee who portrayed himself as highly open to new tools and innovation simultaneously emphasised the importance of caution and the need for clear organisational guidance in order to feel confident and comfortable incorporating AI into his daily work. He explicitly distinguished his own self-image from that of his organisation.

"I'm a little bit more proactive and open-minded guy. And our company is something that you can hopefully say yes. It's telling us it's a little bit more cautious and compliance-focused, data protection-focused and things like this." (Interviewee 5)

Despite his desire to be seen as one of Rogers' (2003) innovators or early adopters, his responses suggested a more hesitant stance. It became evident that he had a strong urge for not losing control of the technology. He states to be open to new technologies but also has a cautious tendency when approaching them.

"Actually, we are quite open-minded [...] but always with this German behaviour. Like, oh, let's see, there's something new. Let's let others do the work first, and then maybe we can

jump on the train or something like that." (Interviewee 5)

"With this caution, I often automatically think about risks. It sharpens a little bit my view for side effects. Side effects are not only about benefits when having some new innovations, some new technologies." (Interviewee 5)

This leads us to believe that there is a discrepancy between his self-image and the actual readiness, which is an example of how employees must first make sense of an innovation at the identity level before they can confidently use it in practice. But this identity gap does not only manifest as caution. For some interviewees, sensemaking around AI triggered a reevaluation of their professional role altogether.

"My role will change into a more controller part, I guess. You know what I mean? I just control everything the AI is doing." (Interviewee C)

This reframing, from practitioner to overseer, functions as a personal sensemaking strategy which allows the individual to integrate the innovation without threatening their professional self-image. For others, the innovation had already moved from the professional setting onto bigger concerns. The same interviewee who expressed strong organisational enthusiasm also articulated deep personal anxiety. That shows how identity construction around AI is not a finished process but continues to be a contradictory negotiation.

"I am quite excited and I think it is exciting to be part of such a development. But I think it will be hard to take all the people with you. So I think this needs a lot of convincing, motivation and so on. [...] Personally, it also makes me afraid, of course. [...] I have a daughter for example. So of course I'm asking myself how it will change her. Is she prepared for this in school right now?" (Interviewee 2)

Even though there were contradictions in one interviewee's self-perception, Gaia largely tried to portray itself as open minded. Juno on the other hand was more hesitant towards their positioning, which reflects Rogers' (2003) early majority stance waiting for others to absorb the uncertainty before actually committing to the disruption.

"[...] as we heard of competitors or other brands or whatever who are working with a specific one and we already see results and stuff like that, then we also tried." (Interviewee C)

A further contradiction became evident in how interviewees perceived the usefulness of the companies' internal AI initiatives, where Gaia organised regular meetings to push collective sensemaking, while Juno went for a singular AI workshop for their employees. These initiatives are not only to share knowledge, but also social environments in which professional identities around AI are performed. The original impulse behind Gaia's AI Friday was peer-driven and social.

"We also were the ones who invented this AI Friday. So we thought about things like, because marketing is probably much faster with AI now than other departments. So we could inspire others. We also brought together our perspectives on how to motivate the people, and how to deal with their fears. [...] So it was rather to inspire ourselves and to get started"

(Interviewee 2)

"We have AI meetups. Every Friday. Very good." (Interviewee 4)

While some interviewees were confident about the outcomes of these sessions, others were notably less impressed with the results. Particularly striking was the fact that the most critical feedback came from the person responsible for hosting the sessions, who felt that their efforts were not actually making an impact.

"I have to manage a so-called AI Friday which is basically like an interdisciplinary team of every department [...] which doesn't really work that well..." (Interviewee 3)

A similar pattern emerged at Juno. Here as well, a dedicated organisational response to AI adoption was implemented and took part in the form of an AI-workshop, where several employees were invited to an evening of collective sensemaking. Yet it became obvious that the impact of this initiative was similarly limited.

"It was more like a rush through it. Of course, they tried to cut each part of AI. [...] But everything was like, not that deep." (Interviewee C)

"I think cool that we tried it. [...] but maybe like AI workshops for companies and stuff like that should be more precise and more specific." (Interviewee C)

Taken together, these observations reflect that the sensemaking initiatives remain rather superficial. With a topic this big, even well-planned sensemaking efforts risk staying at the level of awareness rather than deep understanding, which is rarely enough to translate into

confident action.

However, it was notable that almost all interviewees expressed a genuine interest to engage with AI more deeply and that almost all of them felt unsatisfied with their current level of knowledge and usage. These feelings tie in directly with the emotional triggers for sensemaking, since the interviewees seemed to observe a discrepancy between their current work life and how they expected it to transform in the future. This shared feeling suggests that while practical engagement and sensemaking may still be uneven across the organisation, there is a broadly felt desire to grow in this area which indicates a strong foundation upon which the company could build more AI adoption efforts.

“I could only talk about myself and I think I'm trying to use it more and more.” (Interviewee 1)

“I'm not happy with myself, let's say. I guess I would have the expectation to use it more.” (Interviewee 4)

Yet, this shared motivation also reveals an organisational risk. Both organisations still work with identity construction and social sensemaking around AI adoption, which can lead to individuals being highly motivated about exploring the topic, but lacking the stable professional identities which are necessary to act upon it. Consequently, Rogers' (2003) concept of exploration can become performative for some employees while others reject it completely. As long as these internal contradictions remain unresolved, enthusiasm for AI adoption will stay self-driven while actual adoption continues to vary significantly across the organisations.

5.1.3 Organisational Contradictions

A strong tension across both organisations is the pressure to be innovative while simultaneously preserving what makes the brand distinctive. One interviewee captured this double edged sword perfectly:

“Yes, it is a competitive advantage if you are faster than people because as I said it opens us completely new opportunities [...] But on the other hand, we have to be careful that we don't look the same at some point. [...] So this aspect of brand strategy and brand preservation becomes more important. So we really have to ask ourselves, to what extent and for what do we want to use AI in creation and brand creation?” (Interviewee 2)

It is a sensemaking challenge at both the individual and organisational level, where employees must make sense of AI not only as a tool but as a force that could fundamentally change how their brand is perceived externally. The fashion industry context sharpens this tension further. AI adoption in this sector strikes at the heart of what fashion brands sell: authenticity and identity. Several interviewees identified the risk of AI homogenisation explicitly.

“So if every fashion competitor uses AI and at the end all the images look the same, this also could be a danger because we want to differentiate with our brand and with our products.”

(Interviewee A)

“I’m quite sure we will see in the future that real pictures will have an effect on the audience and we will go back a few steps.” (Interviewee 3)

One interviewee also framed the limitation not as a technical problem, but as a fundamental one:

“I don’t see full automation here because fashion images are very sensitive and must perfectly fit to the brand and identity of a brand, CI and so on. Maybe you can call it brand safety. [...] it [AI] does not understand the soul of a brand.” (Interviewee B)

By describing the brand as having a soul, the interviewee frames AI as something fundamentally separate from what actually creates the brand’s value, which at the same time justifies caution toward the technology and protects the feeling of being professionally irreplaceable.

This concern is combined with the pressure employees feel to adopt AI. The ones most exposed to this tension are those in departments directly facing end-consumers, for example marketing and e-commerce, who must push innovation and protect their brands image at the same time. Employees in the sales department demonstrated a stronger orientation toward Rogers’ (2003) exploitation, which reflected their efficiency-driven mindset and central role in generating profit for the company. Unlike their colleagues from other departments, sales employees appeared less stressed to make sense of AI quickly, since it is significantly easier for them to express enthusiasm for innovation when they are the last one who will actually have to adopt it. We see a connection between their behaviour and their greater sense of job

security since they did not perceive AI as a threat to their positions due to their belief that sales will always require human interaction.

“The usage of AI, I guess, is a bit different because the fields where you could use it are not that much because sales is a lot about this personal interaction and communication with customers.” (Interviewee 4)

“Actually, I must say that we're not using it in lots of cases in the sales department right now, because our company is mainly a little bit slowly rolling it out to everybody but doing pilots and checking what can help us.” (Interviewee 5)

As a result, they felt comparatively less pressure to explore or embrace this disruptive innovation. This lower pressure translated into lower engagement with the social sensemaking initiatives designed to drive it. The same interviewee's frustration was not about AI adoption, but more about the data quality.

"I'm not missing the AI. I'm missing our data quality. Because our database is shit in, shit out." (Interviewee 4)

This comment revealed a striking tension in the organisational ambidexterity challenge (O'Reilly & Tushman, 2004). Actors following an exploitation orientation usually tend to optimise current workflows and systems rather than pursuing new approaches of disruptive innovations. Collective sensemaking initiatives can easily fail to acknowledge departmental differences in the exploration and exploitation of new technologies. Furthermore, interviewees also acknowledge that some departments face more concerns about threats to their professions, as stated earlier and some other departments just do not have the most open-minded approach to innovation in general.

“[...] we have some colleagues, not in my team [e-commerce], but in the marketing departments where it's totally clear that what they do won't be part of the future [...]. So they are pretty aware that when we build up AI, that this task isn't required anymore. So they are a bit struggling [...]. Yeah, but I can't take away the fear of them because it's like the way we go.” (Interviewee A)

“But I think that's a problem for all companies with AI. You have some open-minded departments and someone who works the same way for like 10, 20 years and the change is really really hard.” (Interviewee B)

The absence of clear organisational guidelines strengthens the pressure further. Neither company has established a top-down strategy, leaving the burden of sensemaking distributed across individuals and departments.

“The company needs to have a clear target where it wants to be with AI [...] So yes, one is the general target, but then also having different targets and strategies for departments.”

(Interviewee 4)

This quote does not only call for direction, but also for recognition that the technology cannot be approached as a single organisational challenge. Different departments encounter AI differently and have different stakes in its outcome. Without a strategy that acknowledges this, the sensemaking process remains fragmented, where each department is left to construct their own understanding. This is reflected in how AI projects are currently being handled, which is more focused on personal willingness than on strategic priority.

“So we have a lot of projects around AI at the moment. The thing we discuss is who will go into which project, who has interest or personal interest in using AI, because that is also important to have a person in this project that really wants to build something with AI.”

(Interviewee A)

“But it's quite hard to discuss this because from a leadership perspective, of course, we want to push it. But from our team members' side, yes, they are technology-open, but from the other side, they are still many people who are unsure how to approach it.” (Interviewee C)

Together these accounts show how the organisations are actively engaging with AI but doing so without a shared foundation. Allocating projects based on personal enthusiasm means that the employees most willing to explore are carrying a disproportionate part of the burden, while those who are uncertain are left even further behind. This dynamic is particularly problematic from a sensemaking perspective, since it relies on individual interpretation and shared meaning. When only a selected group engages with the technology, the understanding that develops remains unevenly distributed across the organisation.

Gaia and Juno respond to these struggles in fundamentally different ways which can be directly tied to their positions in Rogers' (2003) diffusion curve. Juno was candid about their exploiter stance. Rather than randomly investing in trial and error, they wait for competitors to absorb the uncertainty of early adoption before committing to an innovation to prioritise

their premium brand over innovation speed.

“Innovations must provide a value for us and of course fit to our brand values. So that every use case makes sense for us.” (Interviewee B)

In contrast, Gaia attempts to simultaneously exploit and explore, where dedicated experts absorb the exploratory pressure while sales remains anchored to profit generation, creating an internal division of labour. Both companies are attempting to have a contextual ambidexterity approach, where both individuals and departments are expected to navigate the tension between exploration and exploitation without an actual organisational framework to guide them. This approach risks the sensemaking burden falling onto those who are already most exposed to the innovation, while those insulated from the consequences remain comfortable in exploitation. The result is not being ambidextrous enough and having innovation pressure concentrated in the departments that can least afford to get it wrong. Neither company has resolved this tension at the strategic level, leaving it to the individual and departmental level to make sense of it.

5.2 Keep Coping and Carry On

Having explored the fears and uncertainties that AI brings into the organisation, this section turns to how employees actively respond to them. Rather than being passive participants in the disruption, the interviewees demonstrated a range of coping mechanisms through which they try to make the uncertainty more manageable. By actively testing AI tools, employees make themselves part of the environment they are trying to understand, where the act of trying already reduces anxiety. However, since neither retailer has made AI use a necessity this remains driven by personal motivation rather than strategy. Beyond that, employees reach for metaphors and historical comparison to translate the complexity of AI into something familiar, where they reposition themselves as the ones in control. When meaning around AI remains undefined at the organisational level, a final theme emerges, where employees cope by making it someone else's responsibility. Managers expect their teams to explore while teams expect their managers to lead. We found this gap to be further shaped by departmental differences and organisational size. Underlying all three coping strategies is the same cultural challenge which lies in the fact that genuine adoption requires a shared understanding of what AI means, which neither company has yet been successful to build.

5.2.1 Exploring by Experimenting

It became evident that the interview participants were actively participating in working with the disruptive technology. This can be linked to Weick's (1995) property of enactive of sensible environments, showing that they were a part of the environment that they are making sense of. Both retailers were actively developing their own internal AI systems. These solutions were described as offering the advantages of the ability to incorporate internal company knowledge and a more secure environment for handling sensitive business information. However, they acknowledged that these internal systems had not yet reached a level of maturity that made them the preferred option in daily work.

“But me personally, if I want to, as I said, build concepts, I always go to the standard ChatGPT because it's, you know what I mean? [...] JunoGPT isn't there yet.” (Interviewee A)

This reflects a tension between the ambition to internalise AI capabilities and the practical reality that other models currently offer superior performance for many tasks. Looking further ahead, both companies expressed aspirations that went beyond text-based assistants toward more predictive AI systems that are capable of forecasting customer behaviour.

*“It's like an algorithm which will predict how many pairs which customers should buy.”
(Interviewee 3)*

*“How high is the likelihood that you will buy this new product because we have analysed by AI what you have bought and sold successfully in the past? So as a prediction, let's say.”
(Interviewee 4)*

These accounts explain that both retailers are not merely passive adopters of AI, but are actively attempting to shape the technology to fit their own organisational contexts. Employees across all functions and both retailers explained that they were a part of testing AI tools.

“So basically whenever there's something at the market we at least test it once to evaluate whether there's a use case for us.” (Interviewee 3)

“[...] we test with the best intentions at the moment.” (Interviewee A)

These new tools and working areas for AI further affect the employees in emotional ways. These employees below, with different roles within marketing and content creating, explain

two different approaches, whereas one expresses that they get inspired and the other has to deal with stress relating to the innovations.

“[...] This area I'm working with that gives me so many cases for AI, I would say that. It's just that we're really doing things now and that is not like when I come across something, it's not neutral for me. It always inspires me.” (Interviewee 2)

“I receive on a daily base emails, let us say 10 to 15 emails a day from vendors and new companies that want to sell you the perfect new AI content machine [...] So we have to figure out, okay, which one makes sense, which one makes maybe no sense.” (Interviewee C)

These contrasting approaches between the marketing employees within Gaia and Juno were further shown in the launching of AI in working operations. The interviewees from Gaia valued a sense of progress and pioneering, rather than being passive.

“Sure, it's good to evaluate things, to do pilot groups and then to roll it out to everybody. But sometimes it's good to do some experiments and to just run. [...] I have the feeling that with innovations we're a little bit more cautious and I would say sometimes it's better to have this openness and to risk some things to then find the best way to use it.” (Interviewee 5)

This participant from Gaia accounts for an eager approach, explaining how one has to start somewhere and make attempts with AI, rather than trying to foresee what it will and will not do. She means that a wary approach can result in limited development.

“So I'm still, I think I get more and more self-confident with dealing with AI because we make our experiences and it's in because we are doing things now and it becomes more concrete then it's not this big mountain that we need to climb and think oh my god this is AI but we are on our way so that feels good and but I think it is something that will challenge us.”
(Interviewee 2)

This Gaia interviewee paints a clear picture of how she felt reduced uncertainty after working with the tool. This could indicate that hands-on experience can help the employees, not only in order for them to see progress, but also to get experience of how it actually works which is similar to Weick's (1995) explanation of how sensemaking treats action as a precondition for understanding. By actively using AI Interviewee 2 generates the proof needed, in order to make the technology an authentic part of her work life. Another interviewee from Gaia explains that he thinks working with the technology enables further understanding.

“Currently, I think she [another person in his team] is not using AI so much because she didn't know or she didn't need it so much. But I think the company could help her to get in contact with it and to show her how to integrate it in her daily business life” (Interviewee 1)

The perspective of this participant is that it could help his colleague to get start using AI to learn how she can leverage it within her profession. Similarly, another interviewee from the same retailer means that management should put more pressure on the members of the organisation to use AI. He believes that pressure would enable increased usage of AI within the organisation, which he finds to be crucial to move further in the adoption process.

“I would make it more binding, yes.” (Interviewee 4)

When it comes to Juno, the approach differed in the way that the interviewees were more hesitant to launch tools and apply AI into operations. They explain how drawbacks and uncertainties are keeping them from instantly implementing tools.

“Maybe many companies want the one AI push button and then everything works fine. There are a lot of examples on the market. Do it and try it and yeah, completely failed.”

(Interviewee B)

“To be honest, it's quite hard to use AI in our professional setting at the moment because there are so many things that are not really clear.” (Interviewee C)

The accounts for proceeding with caution can be linked to Rogers (2003) who means that the structure of the social system, with internal norms will either slow down or support adoption. In this case we see how a cautious approach can make the innovation process decelerate. One of the interviewees, though he describes himself as more pragmatic, makes connections to the culture at Juno when describing their approach to innovations.

“The company perspective is more or less like really having a safe base first [...]. So that's the more slow approach. It's a more compliant approach, of course.” (Interviewee A)

The latter quote is an example of the central challenge of organisational ambidexterity (O'Reilly & Tushman, 2004) , whereas companies need to not only decide whether to adopt a new technology, but also how to do so without missing profitability in their current operations. Additionally, the more passive approach of Juno gets connected to valuing the human touch.

“So we have to do step by step and grow up with AI. [...] I think the human in the loop is very very important for us.” (Interviewee B)

The sensemaking process could be enabled further by management encouraging the usage of AI, since the actual use seems to help the employees to get a better understanding and reduce stress within Gaia. Further, this could also reduce stress from those who are keen on implementing AI, and believe that the organisation can be left in a static state without action. However, the Juno employees seem to have a different picture, where ensuring the functionality of AI tools before launch is more important. This can be explained with organisational ambidexterity, and the trade-off between exploitation and exploration. The interviewees from Gaia follow a more exploring path, with openness for innovation and positive accounts for working with AI. Juno employees, on the other hand, seek proof of the usefulness of incorporating the innovation before doing so, putting emphasis on trial. This can be connected to Rogers' (2003) perceived attributes: the relative advantage over existing tools, its compatibility with current practices and its perceived complexity. Juno seems to put emphasis on an extensive process of evaluating these attributes before launching a tool.

5.2.2 Framing the Unfamiliar

Two further properties of Weick's (1995) sensemaking framework become visible in how interviewees across both retailers talk about AI. The first is the extraction of cues which refers to how individuals tend to cope with fear and uncertainty through the use of familiar frames when faced with a complex, disruptive innovation to make it easier for them to grasp. The second is the preference for plausibility over accuracy. Sensemaking does not require a complete precise understanding of an innovation but a narrative that is plausible enough to act upon. Together, both of the properties reveal how language itself functions as a sensemaking tool. It became obvious that interviewees did not just describe AI itself, but constantly used metaphors and stories to place the innovation into contexts they were already familiar with in order to create the meaning needed to move forward with it, mostly relying on professional relationships and historical contexts.

The most recurring pattern across the empirical material is the almost universal use of metaphors to define what AI actually is. Rather than describing the technical background, interviewees consistently translated the innovation into relatable human relationships or familiar roles.

“ [...] AI is like a very hard working intern. It is a great help, but you always have to double check at the levels. Always.” (Interviewee B)

“And I think AI is a very good partner in crime to somehow give it away like a trainee. And then you just have to control it. And I think it's important that you have control of it and not only letting the AI do whatever it wants.” (Interviewee C)

What is notable across all metaphors is not just their simplification of AI into something manageable but the consistent emphasis on human control. The sensemaking work being done here is not only cognitive, but also identity-driven. By framing AI as an intern or trainee, interviewees simultaneously define their own role as the experienced professional who remains in charge and is needed for control. They turn the machine into a human being, which disarms the AI, since it is viewed as something you can have power over. One obvious coping mechanism turned out to be that the interviewees positioned themselves above the machine, which can be a way to discipline this threatening technology in order to create a sense of stability. In this case, language becomes the tool through which they regain control and maintain a stable self-image under the threat of a potentially destabilising innovation. However, not all interviewees relied on relational metaphors. One also reached for a more structural picture and framed AI as a tool itself.

“It's always a bit difficult to define AI itself. [...] you define AI as a part of machine learning and it's one specific type of technology in your toolbox next to the hammer and you have the AI as one tool you can use to solve a problem.” (Interviewee 3)

This more technical explanation reflects a different sensemaking strategy to reduce an overwhelming phenomenon into something very specific, where you equate it to tools that can be mastered and controlled to make it seem less threatening. Furthermore, it also stems from the technical background of the interviewee himself, who has more knowledge on the topic in general. This seems to show that individuals make use of their own professions to explain something complex with words or images that they are in daily contact with. Another interviewee drew on his professional experience to locate the innovation within a longer historical perspective.

“Sometimes I compare it to the old switch from retro analog photography to digital photography, so we are right now in the middle of the next innovation step, so from digital photography to AI photography.” (Interviewee C)

Here, the extracted cue is not a metaphor for AI itself, but more for the transformation which normalises the disruption by integrating it in a familiar story of progress.

The preference for plausibility over accuracy becomes most visible when interviewees move from defining AI to justifying the adoption process. Rather than drawing on factual true data or concrete outcomes, they reach for stories that feel coherent enough to legitimate action. Some interviewees from Gaia drew direct historical parallels to describe the change that they are experiencing now and how this might not be as scary after all, but could be something good and natural progression instead.

“So as they developed steam machines, and everybody was concerned that he's losing his job. And yes, some guys lose their jobs. But some guys, I think, were quite happy because they don't have to shovel anymore. They can use machines and they got another job. And I think it's a little bit comparable to this situation.” (Interviewee 1)

“I know older colleagues [...] who experienced this change when computers came up and the internet came up. [...] I think what we're experiencing right now will be a change like that.” (Interviewee 2)

Another interviewee described his first intent to explore AI not by internal strategy or a push from the management, but by observing a competitor.

“[...] a competitor shows how he builds AI based model images for the product detail page. And then I came back, just talked with my colleague from the photo studio and said, hey, look at it. It's looking pretty pragmatic. Could we do the same?” (Interviewee A)

One more common strategy for plausibility is the use of assumed logic over empirical correctness. One interviewee uses hesitation signals, such as “I don't know” or “whatever”, which reveals that his statement is not grounded in exact data but rather an intuitive estimation that feels convincing enough to act upon.

“And that helps to, I don't know, like, from five to six hours work down to whatever 10 minutes work.” (Interviewee A)

This reliance on plausible stories rather than accurate statements reflects the role of Rogers' (2003) trialability and observability. Innovation adoption is driven less by actual evaluation than by the sense that others are already doing something and that it seems to be working.

The competitor example is particularly telling about how social proof from peers substitute for further sensemaking. From an ambidexterity perspective, these plausibility-driven narratives serve a specific organisational function. They serve to lower the perceived risk of exploration enough to justify further action, without requiring the kind of commitment that genuine ambidextrous capability would actually demand. In this sense, metaphors and stories are not merely communicative devices but the specific mechanism through which employees bridge the gap between exploitation-oriented organisational cultures and the exploratory behaviour that AI adoption really requires.

Across both retailers, language functions as the primary instrument through which employees make AI tangible. By translating the innovation into familiar metaphors or historical examples, interviewees construct narratives plausible enough to move forward, even when the deep understanding might still be lacking. This is sensemaking in its most practical form, but risks overlooking gaps which can lead to false confidence to act without the understanding needed to act well.

5.2.3 Everyone's Business, Nobody's Job

The question of where the drive for AI adoption actually comes from and who bears the responsibility when it struggles is a central tension that we observed across both retailers. Neither company has established a clear strategy, leaving the organisational dynamics around AI adoption shaped by a chaotic disorder, which is a complex combination of top-down pressure, bottom-up initiative, departmental hierarchies and network externalities (Rogers, 2003) that differ between Gaia and Juno. All these dynamics are connected by a shared sensemaking challenge: without a common organisational framework that defines what AI means, what it is for and who is responsible for it, every employee is left to cope with it individually.

At Juno, AI adoption has largely emerged from the operational level rather than from strategic plans. Interviewee A summarises their dynamic with clear examples:

“So we did that on our operational level. Then afterwards, he just informed his marketing and boss, I informed my boss and then we talked with the C-level and said, hey, it could be a good use case. And they said, okay, yeah, it looks good.” (Interviewee A)

“[...] it's coming bottom up out of the organisation.” (Interviewee A)

From a leadership perspective on the other hand, the expectation runs in both directions, which further emphasises the need for a clear definition on responsibilities for handling innovations.

“But from my leadership perspective, of course, I would accept more initiative from them to dive deeper into it. And I think it is both needed, so from above and the teams itself.”

(Interviewee C)

At Gaia, the dynamic seems more urgent. They are not waiting for management to set up a plan either, employees actively pushed forward and framed adoption of the innovation as a competitive advantage. Interviewee 1 explains how they tried to describe how vital AI will become for the organisation to the CEO and CFO:

“[...] we urgently have to deal with the topic of AI in this company, and if we don't do that, then we really have a problem.” (Interviewee 1)

Together, these statements reveal that neither a purely top-down nor a bottom-up approach has been implemented in either retailer. Both companies operate in a middle ground, where the responsibilities for AI adoption remain undefined. This makes it significantly harder to construct a stable understanding of what AI means for every employee, since the individuals cannot locate themselves within the innovation process. Moreover, this leads to a direct consequence of the burden of sensemaking falling disproportionately on individual employees who are left to figure out not only how to use the innovation but whether they should even adopt it. A recurring theme across both organisations is the call for clearer guidance, training and a shared organisational knowledge base. Employees do not simply want to be told to start using AI but they want to understand where it can help them specifically.

“I know it can help. But also I would need to know what AI could offer me. This is something where when you're not trained [...] it's like a jungle.” (Interviewee 4)

It becomes evident that there is a clear gap in sensemaking across all hierarchical levels. Therefore, the wish for structure and control is made by many interviewees assuming they want to create order in this disruption.

“We have to know how to work with AI correctly. It's not only push the button there, all is good and all is perfect.” (Interviewee B)

"We need lots of improvement because there's no training for the guys how to use it [...]. But what is our opinion or the strategy of the company to use it in your daily work? So you need clear guidelines. You need coaching. You need to show the guys how you can integrate this into your daily processes and have some best practices [...]." (Interviewee 5)

From the leadership perspective, the same gap is acknowledged but from the opposite angle. Managers recognise that their teams are missing guidance, but they feel insufficient to provide them with this themselves.

"[...] I'm a crazy fan of AI and I'm very driven forward with it, but my team needs guidance [...]. They need guidance because they do not know how to use it." (Interviewee C)

"And so we are open, but sometimes unsure in which areas it makes sense to dive deeper into it. And one of the biggest parts, I would say most people are still quite unsure and also a little bit afraid of it." (Interviewee C)

This results in a paradox where managers want their teams to explore, teams want their managers to lead and neither side has a shared interpretation to bridge this gap.

"Of course, you need to enable people to understand what AI can do, where it could help you, and also where it couldn't help you and then get usage of that. [...] But if the management level is not informed and they don't know the mechanisms or especially the opportunities AI is providing, then you have no clue what to do, what process you need to review." (Interviewee 4)

Without a common ground of knowledge, collective sensemaking is overlooked and without collective sensemaking, the organisations will not be able to coordinate its exploration efforts successfully. Furthermore, the innovation adoption is also shaped by powerful social signals operating both vertically and horizontally. Rogers (2003) made clear that innovations spread faster when their use and outcomes are visible to others. Vertically, individuals are more likely to engage with AI when they observe people in positions of power doing the same. The social status of early adopters within the hierarchy functions as a legitimisation tool that makes employees feel safer when exploring new disruptive technologies. Thus, when leadership is openly engaging with AI, it sends a signal that exploration is not only allowed, but expected. When it's not visibly used, the absence could be interpreted as a message to employees itself. Horizontally, a more subtle dynamic emerges between departments. Those

who have adopted AI earlier begin to position their identity in relation to those who have not, which creates an informal hierarchy of innovation. Departments like marketing and IT, who are most exposed to AI's opportunities, seem to look down at departments like finance or customer service, where the existential threats of automation are more urgent.

“If you really want a dark perspective, go to the finance team because it's obviously a very hard topic because I think for them it feels like whatever project you do there, it would lead to you needing less people to do the same job, which is obviously not great.” (Interviewee 3)

The interviewees who expressed these observations were all aware of their own privilege, which makes them lucky enough to not face the fears themselves. Marketing by contrast, is faster not because it is inherently more innovative, but because the use cases are simply more immediate than in other departments.

“I think the potential is so clear in marketing and generating images, generating texts and so on. [...] So I think yes, we are much faster, together with IT probably. But not because we are the most innovative department here or something like that, just because I think we have the cases.” (Interviewee 2)

This shows how departments whose daily work brings them into direct contact with AI's possibilities make sense of it faster and more concretely than those for whom the innovation feels abstract or even concerning.

However, the structural conditions under which these dynamics can be observed differ significantly between both companies. Here, we came to the conclusion that organisational size is an important factor. At Gaia, the smaller company size enables a degree of transparency and connection that makes social signals more visible, which leads to employees having a clearer overview of what is happening. This immediately connects to the fact that the innovation process feels more doable to them, because people can observe what their colleagues are doing and have more material from which they can construct their own interpretations. At Juno on the other hand, size itself becomes a challenge to the sensemaking process. One interviewee gave a prime example for this issue:

“We had a project [...] and it was already one year in progress and one week before Go Live I figured out a major issue that will kill everything from our department and they were like oh yeah we forgot your department oh we are so sorry and that's the frustrating thing. [...] But I

think it's not possible. I think we are too big. We are too big and there are too many departments involved and too little silos for that.” (Interviewee C)

When employees cannot see what others are doing, they cannot learn from it, align with it or feel the social pressure that peer adoption would usually generate. Juno established a dedicated AI department, which could be interpreted as a more formal way to collectively make sense within the company. Nevertheless, it could be observed that this sensemaking effort was unknown to some of their own colleagues.

“We created our own AI department with new colleagues who are responsible for development of AI and worked with us together on the AI strategy.” (Interviewee B)

An interviewee from Gaia who previously worked at a larger company also recognised this dynamic from the outside. This statement was later confirmed by an employee of Juno.

“I can imagine how much harder it is to get through some gateways there and to make decisions in favor of using these new technologies.” (Interviewee 2)

“Overall, I think our organisation handles innovation quite well, but due to our size, processes can sometimes become complex when it comes to adapting.” (Interviewee C)

Underlying all of these dynamics is a deeper organisational challenge that neither top-down pressure nor bottom-up initiative alone can resolve. Genuine AI adoption requires a fundamental culture change, which can be extremely hard to navigate.

“I think it's a culture change to be honest. And I think we, we have to, we have to break free out of old thinking and the way of working. And I think that's the hardest point of this, of this change.” (Interviewee C)

Culture is not a structure that can easily be redesigned from above but a product of how individuals have made sense of their work, their roles and their company over time. Changing it requires new shared meanings over new tools. As long as employees remain unsure of where AI fits their specific role and that uncertainty is met with insufficient guidance, the culture will stay in a state of cautious observation rather than confident exploration. The fear of job loss as earlier mentioned strengthens this further and makes genuine cultural openness to AI innovations harder to sustain when unaddressed.

“I hope that nobody gets, or not so many people get jobless in the near future. I think they will have to change their job. And I think this is the right answer of the questions how are you concerned and what do you tell people how to work with that” (Interviewee 1)

Across both retailers, the power dynamics surrounding AI reveal a shared structural vulnerability about how the organisations have created the conditions for adoption without creating the culture or the common knowledge base that would make it sustainable. Top-down pressure creates urgency without direction, bottom-up initiatives struggle with legitimacy, departmental hierarchies create social pressure without a shared purpose and organisational size or structure can lead to invisibility where visibility is most needed. The call for training that is expressed across both companies is not only a practical request, but a demand for sensemaking. Employees are actively asking for a shared interpretation that would allow them to work with AI meaningfully within their professions. Until both organisations provide this framework and back it up with genuine structural support, the innovation will continue to be absorbed unevenly, driven more by individual enthusiasm and departmental environments than by actual intent.

6. Discussion

Building onto the analysis, the key findings will be presented and further contextualised by outlining what they imply on managerial, theoretical and societal level. By viewing the sensemaking among employees and the coping mechanisms in these different perspectives, we show how they can be relevant for practical and academic use. Ultimately, we are discussing how the findings can be relevant for and applied to society, raising important questions and pointing out ethical dilemmas regarding disruptive technologies.

6.1 Summary of Key Findings

The former analysis revealed that AI is experienced across both retailers as a disruption that is simultaneously impossible to ignore and difficult to grasp, which is why employees not only have to make sense of the new technology, but also have to come up with coping strategies in order to navigate through it. The dominant emotional response is characterised by ambivalence, as employees express both fear and fascination rather than being purely enthusiastic or resistant. This ambivalence is largely shaped by what is absent, due to the lack of guidance, unaddressed concerns about job security, data privacy and the open-ended nature of the technology. These factors accumulate into a generalised anxiety that employees are left to cope with on their own terms.

A central finding is that this management of anxiety is a very performative one. Employees consistently present themselves as open-minded and comfortable with change, while their actual behaviour reveals a hesitant stance. This performance appears to be driven by a fear of being perceived as a laggard who is most at risk of being replaced. Employees cope by reframing their professional roles to position themselves as necessary operators of the technology and by masking caution behind pragmatism. This ties into a specific part of identity work where employees are left to protect their professional self-image individually when organisations fail to provide a shared understanding of what the technology in question means. This performative dimension of adoption is not simply a personal failure but a structural one. When organisations do not provide clear guidance or safety around the disruptive innovation, employees are left to manage uncertainty through identity work and perform readiness rather than actually getting ready for it.

A further tension is between the pressure to innovate and the overarching need for preserving the brand's soul. This is of striking relevance in fashion retail, where authenticity is a central

aspect of brand value. However, we found that this could also be a personal coping mechanism in order to have an excuse against incorporating the technology further. Besides this, we see several departmental differences. Employees in departments being on the forefront of the disruption are also most responsible for protecting the brand. Moreover, the ones most exposed to the innovation develop understanding faster, while those facing the greatest threats receive least support in the sensemaking process. Critically, neither organisation has developed a strategy, meaning these tensions are left to individuals to resolve.

The second part of our analysis revealed how employees actively cope with this situation. Trial and error emerges as one of the most effective sensemaking mechanisms. Experience reduces anxiety and builds understanding more concretely than any top-down initiative observed. However, this exploratory work has landed on individuals rather than being supported by a dedicated organisational function. Both companies have invested in internal AI systems, yet employees continue to prefer commercial tools, suggesting that the focus of investment may not be aligned with where employees actually need support. We found that a universal guideline for how to work with external AI systems would have provided employees with more confidence, since many expressed their fears about data security and compliance. Language functions as another central coping mechanism. Employees reach for metaphors in order to feel in control of something that otherwise feels overwhelming. Historical comparisons serve to normalise the disruption by placing it in a familiar context of technological progress. These strategies may seem effective in the short term, but carry the risk of substituting false confidence to act for genuine understanding.

Perhaps the most structurally significant finding is the leadership struggle at the center of both organisation's approaches to disruptive technologies. Neither company has established a clear strategy over the adoption process, resulting in a paradox where managers expect their teams to explore, while teams expect their managers to lead. Both sides are aware of this gap but neither has the tools to bridge it. The overarching call for training is the obvious demand for shared sensemaking and a common organisational understanding that would allow employees to locate themselves within the transition. Organisational size further shapes this dynamic, since smaller structures make peer adoption visible, while larger scales produce silos in which transparency is lacking.

When challenging the findings against the theory of organisational ambidexterity, only

contextual ambidexterity proved to be relevant, as opposed to structural and sequential. This is not due to strategic choice but as a default that both retailers have fallen into by the absence of a better approach. The burden of balancing exploration and exploitation has been placed on individual employees without the structural support that would make this sustainable. This leaves fears unaddressed, concerns about job security unresolved and the cultural shift needed out of reach. Both retailers share a meaning problem, which results in the adoption of the innovation being driven more by individual enthusiasm than by collective strategy.

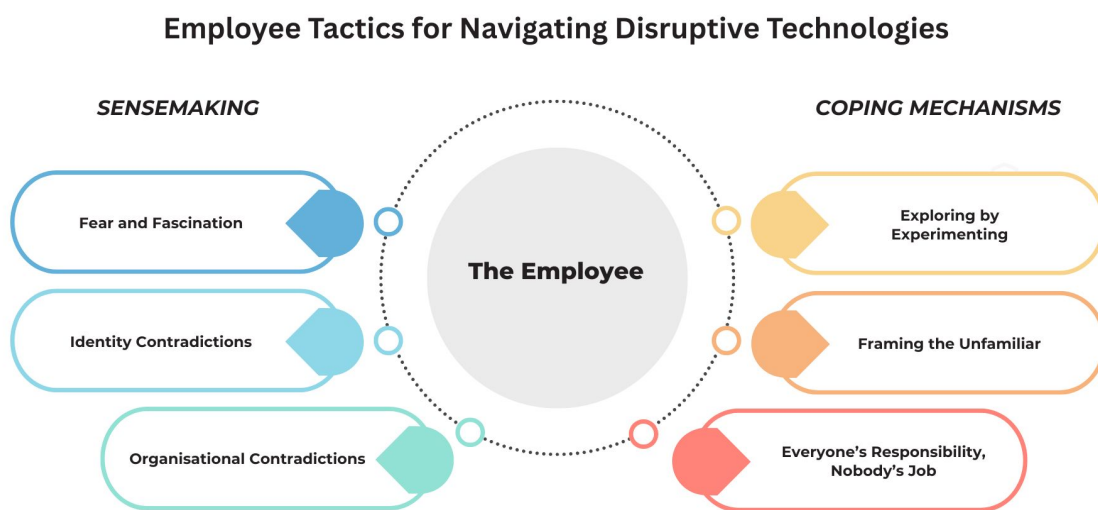


Figure 4: Six Employee Tactics for Navigating Disruptive Technologies

To summarise, six tactics of how employees are dealing with disruptive technologies were found. On one hand, the employee goes through the sensemaking process in which they get familiar with, and position themselves according to the technology. This is done by forming *Fears and Fascinations* that correlate to how they appreciate that the technology will affect them. This leads to *Identity Contradictions*, as the employees keep these concerns hidden, showing a progressive attitude to their surroundings. Moreover, the *Organisational Contradictions* that constitute trade offs between authenticity and efficiency give the employees the possibility to reapply and show their concerns, without having to relate them to themselves and their own career, but mask it behind the brand. On the other hand, when the disruptive technology is adopted in the organisation it gives rise to coping mechanisms. *Exploring by Experimenting* gives the employee knowledge of what they are dealing with, which can strengthen both fears and fascinations, depending on their trust and option of the outcome. *Framing the Unfamiliar*, disarming the perceived threat by visualising it as an assistant, enables the constructed identity and power position and conceals the true fear.

Lastly, *Everyone's Responsibility, Nobody's Job* is connected to the organisational contradictions, of not only masking concerns by protecting the brand, but also believing that your own department is the least suitable for handling the disruption as well as the desire to redirect responsibility.

6.2 Theoretical Contributions

This study makes several contributions to existing literature by centering the perspective of employees within retail in the contemporary discourse on disruptive innovations. By applying the lens of sensemaking to the domain of disruptive technology adoption and by combining it with the frameworks of organisational ambidexterity and diffusion of innovations, the study moves beyond confirming that employees struggle with AI to explaining how and why that struggle with disruptive technologies takes the shape it does. This has given rise to a set of areas of concern specific to retailers navigating innovations, such as AI. Given the competitive nature of the retail industry, understanding how employees make sense of disruptive technologies is central to organisational survival.

Within the literature of disruptive technological innovations, previous research has largely focused on strategic responses at the organisational level. Charitou and Markides (2003) examine how companies can strategically respond to disruption by either ignoring the innovation or fully embracing it, yet their framework does not address how the individual employee navigates the disruption itself. Similarly, Păvăloaia and Necula (2023) identify AI as today's most significant disruptive force, but do not shed enough light on the human processes through which the reshaping of traditional organisational structures is experienced. Bohnsack and Pinkse (2017) offer tactical logic for bringing disruptive innovations to market, yet their focus remains at the strategic and commercial level rather than the individual one. Our study contributes by showing that with a technology this big, the option to ignore the disruption is not available to individuals. Also, employees will feel the pressure regardless of whether their organisation provides them with the strategic foundation to make sense of it. We further extend the literature by focusing on internal tactics and argue that organisations need those not only for bringing innovations to market but for making them meaningful to the people who must work with them.

Within literature about retail, Shankar et al. (2021) recognise employee acceptance as a central barrier to technology adoption and call for a more systematic understanding of how

technologies impact practitioners. We respond directly to this call by explaining the sensemaking process through which acceptance actually is formed. Fuentes and Stoopendahl (2025) further show that the advantages of digital technologies require continuous human adjustment to be leveraged, which is a finding we build on that AI provokes much stronger responses because employees perceive it as threatening to replace tasks they have continued to perform themselves rather than merely supporting them.

While there are findings in previous literature concerning the evolution of work environments in decision making, Kellogg et al. (2020) demonstrate how algorithmic management gives rise to new resistance tactics among employees, and Glikson and Woolley (2020) establish that trust in AI is a critical precondition for its successful integration. We extend both contributions by showing that trust and resistance are not only shaped by direct experience with the technology but by the social conditions surrounding it. By viewing this from the perspective of sensemaking, we see it as a crucial precondition since final acceptance or resistance can be formed through the understanding and feelings of individuals, which in turn are shaped by the organisational environment in which sensemaking happens. Furthermore, Jarrahi (2018) argues for a human-AI symbiosis in which the unique strengths of both are leveraged rather than one replacing the other, yet his account does not capture how employees construct meaning around this relationship in practice. Our findings extend this by showing how employees actively negotiate their professional identity in relation to AI, framing it as something they are in control of rather than something that controls them.

Turning to the theories employed, this study applies Weick's (1995) sensemaking theory to disruptive technology adoption and makes several contributions to the theory itself. We show that disruptive innovations simultaneously trigger both occasions for sensemaking, uncertainty and ambiguity, which creates deeper complexity for the framework. While sensemaking has largely been treated as a cognitive process in literature, our findings emphasise the personal, social and emotional dimensions, as well as future perspectives that extends Weick's retrospective account. Most significantly, we shed light on performative sensemaking to describe a pattern which has not yet been captured by the framework. Employees construct an appearance of having made sense of AI without actually having done that. This phenomenon emerges when organisations fail to provide conditions in which honest uncertainty can be expressed and connects directly to the Technology Acceptance Model's (Davis, 1989) emphasis on perceived usefulness and ease of use as preconditions for

adoption, since employees cannot genuinely evaluate either when their understanding of the technology remains performative rather than substantive.

We further contribute the link between sensemaking and organisational ambidexterity (O'Reilly & Tushman, 2004) by arguing that a shared understanding of what an innovation means is a precondition for ambidextrous capability to develop. Our findings also complicate this by showing that contextual ambidexterity, as described by Gibson and Birkinshaw (2004), can emerge not as a strategic choice but as an organisational default, in which they fall to when no strategy exists. Without support, the trust is placed in employees to navigate exploration and exploitation themselves and becomes a burden for the individuals. Finally, we extend Rogers' (2003) diffusion framework and Peres et al.'s (2010) account of social signals by showing that adopter identity is actively performed and socially negotiated rather than reflecting genuine readiness. Further, we show that organisational size and structure shapes how vertical and horizontal social signals operate.

6.3 Managerial Implications

When approaching artificial intelligence as an example of disruptive innovations, the objective should be to coordinate and establish a collective standpoint in relation to the disruption. It should be in management's interest to do so, not only to provide employees with clearer guidelines and support, but also from a strategic perspective. Employees would benefit from open dialogues in what to expect in the transformation that happens when implementing new technologies. They crave information of how roles will change and what this means for employees within these areas. Alongside this, in the early stages of implementation, management still has the opportunity to influence the views of the organisations' members to try to establish a common ground. Assuming that AI is now a constant factor to enable efficiency and timely operations, it is critical to have everyone on the same page to leverage the opportunities that come with the technology. In order to stay competitive and not fall behind, this has to be prioritised. Therefore, managers should lead by example and integrate the innovation, making visible initiatives from top-down, and not solely letting them come from bottom-up.

It became evident that the findings of this study carry several possible tactics for managers seeking to navigate innovation adoption within their organisations. Rather than treating the integration as a purely technical challenge, one must recognise it as a fundamentally

organisational and human one that requires communication and structural support. A critical step is the establishment of a common organisational language. When the concept remains undefined at the managerial level, employees are left to construct their own interpretations, risking fragmented or anxiety-driven understandings of what AI means for their work. Managers should therefore define the technology within their specific organisational context and make sure to relate it to employees daily responsibilities instead of abstract technological terms. This should be accompanied by a clearly designated internal resource, an “organisational home” for specific knowledge, where employees can reliably access guidelines and information regarding ongoing initiatives. We find it to be crucial that the existence of such a resource must be actively and transparently communicated, so that employees do not remain unaware of the support available to them.

Beyond conceptual clarity, managers must articulate an overarching vision and translate this into department-specific guidance and training. Tailored training initiatives should be designed to build technical knowledge, but also to help employees understand how it can enhance work with their specific responsibilities. Finally, managers should cultivate a climate in which employees feel safe to express honest uncertainty. Rather than assuming general understanding, managers should create opportunities for employees to voice concerns and acknowledge gaps in comprehension without fear of judgement. This safety is a structural condition that enables the honest dialogue necessary for sustainable technological integration.

6.4 Societal Implications

AI is greatly impacting society at large, and with the findings of this study it is possible to make some correlations between the organisations’ members and for members of society in general. We have shown how employees might react and make sense of the technology when there is little guidance from management, which might hold truth for how people in general try to assign meaning with technological disruption. As accounted for in the introduction, the discourse surrounding AI balances on the pillars of praise of what AI could be capable of and societal concerns. This information overload and receiving contrasting messages leaves the individual to make sense of these advancements and how they could influence their everyday lives. Similar to the practitioners within retail and their call for training, people might feel as though governments, through the education system and other instances, could provide more guidance in making sense of disruptions such as AI. It is also important to note that this technological disruption is affecting current employees in the middle of their careers, while it

has the potential to fundamentally shape the experiences of future generations. By adapting the education system early on, younger generations can be equipped with the skills and sensemaking capabilities needed to enter the workforce with a much stronger foundation for navigating AI-driven change, as well as new disruptive innovations.

Those who experience fear or anxiety regarding technological disruptions might feel overwhelmed to understand to which extent this might affect them directly, for example in their career, their personal data and how to leverage AI in their private life. Assuming that there are people who feel like this, this can lead to the mental capacity being too occupied with existential threats to take other more indirect concerns into account. One might simply not have the mental space for topics such as environmental concerns regarding the technology. It ultimately leads to the question of who is responsible, as we concluded for the organisations' members, of managing what this means for society. This leads to an ethical dilemma, if it is right to leave the individual with the responsibility to educate themselves of what it will mean for them and the next person, as well as what responsibility lies with organisations and governments. If the advancements lead to employees losing their jobs or fewer being employed, this will lead to organisational and societal struggles in the future. Though it is important to mention that new positions and tasks could emerge from this new AI-era. Given that employees are the ones that will bear the cost of the innovation, a push on governments for legalisation concerning employee rights and transparency could be expected. This could also give rise to organisational problems in which there is no following generation and new perspectives being brought in, through which larger problems will occur as soon as the present work force ultimately retires.

Even though AI constitutes a specific type of technology, we believe that this might say something about disruptive technologies in general. It would be naive of us to think that AI is the last big breakthrough that will disrupt individuals, organisations and society. What could be highlighted from this study is the room for uncertainty to grow where there is little guidance from people in positions of power. This calls for open and honest dialogue when there is a disruption coming, being careful not to ignore fears regarding innovations and change. It is important that these concerns and expectations are being met in order to preserve trust between leaders and individuals.

7. Conclusion

The novel phenomenon that AI constitutes remains largely unresolved. The study revealed that neither of the retailers has yet built the organisational foundation needed to tackle AI adoption in a sustainable and coordinated way. While both companies are actively engaging with the technology, they are doing so from different starting points and with completely different approaches. However, they share the absence of a common framework that would allow the company as a whole to move forward together. Instead, adoption remains uneven and driven more by individual motivation and departmental context than by a coherent intention. Disruptive technologies are therefore to a great extent up to the staff to try to navigate, rather than introducing them with extensive training and providing department specific information about how it will be implemented. Room for uncertainty and concerns have been left with the employees, even though they can appreciate the opportunities that AI brings to the organisation.

7.1 Research Aim and Objectives

This study set out to answer the following research question: *How do employees of retail organisations make sense of new disruptive technology such as AI.* The empirical material revealed that the sensemaking process unfolds in two connected movements, partly in making meaning of and later coping with the innovation. We can conclude that employees do so by individually mapping out their fears and hopes regarding the technology. This process is emotional, social and identity-driven and is complicated by internal contradictions at both the individual and organisational level, which gives rise to a performative dimension where they construct readiness rather than genuinely being ready for the innovation. This complex and personal process is giving rise to coping mechanisms in mitigating the open-ended nature of how innovation unfolds and shows in how employees actively respond to the uncertainty they are experiencing. They experiment with innovations through trial and error, which generates the practical understanding that organisational initiatives have failed to provide. Moreover, they visualise its meaning by associating it with metaphors or historical comparisons, through which complexity is translated into something familiar and controllable. Lastly, they cope through redirecting the responsibility, through which the burden of sensemaking is passed between individuals, departments and hierarchical levels without ever being resolved.

The six employee tactics for tackling disruptive technologies can be applied to other retailers and work as an appreciation of the process of how receiving disruptive technologies function. These tactics can work both as a practical tool and a theoretical framework in understanding the employee perspective in a technology-driven organisational transformation. While there are no established ways to handle AI and its novel characteristics and impact, the tactics can work as focus areas in efforts to create a collective strategy. Without acknowledging the complex and contradicting steps of the sensemaking and coping processes of the employees, one could get a false confidence of what their views are. Thus, our findings aim to work as guidance in shedding light on the perspective of practitioners.

7.2 Limitations

The limitations of this study is foremost that the findings are built upon the empirical material collected solely from eight employees working at two retailers within the fashion industry. Further, both of the retailers were situated in Germany, which makes the cultural dispersion limited to one country. Therefore, the findings might not hold true for all retailers, and organisations in other industries and markets. The topic of AI is contemporary and currently unfolding, therefore the study is painting a picture of how far the employees of two retailers had come in the process. With examining an ongoing topic we can not guarantee how relevant the example of AI will be, since a new disruption or generation of AI could revolutionise the field in an unpredictable way.

7.3 Future Research

This thesis opens several opportunities for future research. Sensegiving, as opposed to sensemaking, remains unexplored in this study and could be an interesting lens for continued exploration within the field of AI in retail. Future studies would benefit from focusing their attention to how organisational actors construct and further communicate meaning throughout AI-driven transformation.

Given more time, access and resources, future researchers could incorporate the Technology Acceptance Model (TAM) alongside the sensegiving theory, allowing for a better understanding of how AI innovations are adopted from the early stages of introduction to full integration. Furthermore, expanding the geographical and industrial scope would strengthen the field, since cross-cultural and cross-industry comparisons could reveal how sensemaking

processes differ depending on organisational context and cultural norms. As the retail landscape continues to evolve, future research should equally consider how organisations communicate around emerging and disruptive technologies that are not in our scope yet. Finally, this study has focused primarily on sensemaking internally. An important next step would be to turn the lens outside and to explore how meaning is constructed by and communicated to external stakeholders such as customers and partners.

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Use of AI

This thesis was written and developed independently by the authors. AI tools were used only as supportive aids during the writing process. Specifically, AI tools such as ChatGPT, Claude, Gemini and NotebookLM were used for assistance with reference formatting and citation management, generating ideas for creative titles and theme labels, improving wording and formulations and occasionally helping to identify relevant academic sources. Furthermore, KlangAI was used for transcribing all interviews. All intellectual content, analysis, interpretation and final decisions remained the sole responsibility of the authors.

Appendix A

Appendix B was used for the mock study prior to this thesis, where we conducted three initial interviews with participants from Gaia. As we already knew that all participants were part of the internal AI focus group, the interview questions specifically targeted this aspect. During the first interviews, we realized that some questions were too leading and risked steering participants in a certain direction or kept them from speaking further on a question.

Appendix C was therefore developed for the following interviews with participants from both Gaia and Juno, including individuals who had not participated in any internal AI initiative. The interview guide was revised to include more open-ended questions, allowing participants to describe their perceptions and experiences more freely.

Appendix B

ICEBREAKER

1. Please introduce yourself and describe your role in the company shortly.
 - a. How long have you been working for the company and how old are you?
2. Please tell us something about how you came across AI in your professional life and what you associate with it.

INFORMATION COLLECTION

3. Which type of AI platform or models do you currently use in your professional setting?
 - a. Predictive, generative, agentic?
4. How prepared do you think you/**your team** is to work with AI technologies?
5. How do you see AI influence marketing operations in the future?
6. I understand that you have been part of the focus group for AI within the organization. Please tell us a little bit about how the group worked and what insights you gained through this.
 - a. How did the focus group influence your perception of AI?
7. What do you think about using AI within your profession?
8. What is your personal intent to use AI in your worklife?
 - a. Please compare your personal stance on AI with the company's approach.
9. How do you think your work life will look with AI in 2 years?

CRITICAL QUESTIONS

10. How flexible or rigid is your organization when it comes to innovation adoption?
11. How does your organization influence the way you see new technologies?
 - a. How are new technologies usually approached?
12. Have you heard about any concerns about AI in your field and to what extent do you agree with them?
13. Do you see AI as providing a competitive advantage in your market? How?

FINAL QUESTION SNOWBALL

14. Do you know anyone else in your team that could give us important insights on their work with AI and would be open to speak to us?

Appendix C

ICEBREAKER

1. Please introduce yourself and describe your role in the company shortly.
 - a. How long have you been working for the company and how old are you?
2. Please tell us something about how you came across AI in your professional life and what you associate with it.

INFORMATION COLLECTION

3. How do you use AI in your professional setting?
4. How do you discuss AI with your colleagues?
5. How prepared do you think you/**your team** is to work with AI technologies?
6. How do you see AI influence marketing operations in the future?
7. What do you think about using AI within your profession?
8. Please compare your personal stance on AI with the company's approach.
9. How do you think your work life will look with AI in 2 years?

CRITICAL QUESTIONS

10. What do you think about how your organisation handles innovation?
11. How does your organisation influence the way you see new technologies?
12. Have you heard about any concerns about AI in your field and to what extent do you agree with them?
13. What opportunities do you see AI providing for your market/organisation?
 - a. What do you think it could help you do that you are not able to do yet?
14. Do you have any other opinions or anecdotes that you have not got the chance to share?

FINAL QUESTION SNOWBALL

15. Do you know anyone else that could give us important insights on their work with AI and would be open to speak to us?