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4.0

The human impact of Getting ready for ALL Generative AI in the workplace

Avanade's original research explores how Microsoft Copilot for Microsoft 365 impacts human metrics in the workplace including creativity, communication, trust and belongingness

Discovering generative AI's influence on employee experiences

The last 18 months have seen an explosion of generative AI tools becoming integrated with every aspect of work, in a bid to accelerate productivity and drive competitive differentiation.

While we know that generative AI is unlocking new and innovative ways of working for many employees, we're still learning how this rapid rollout is affecting human aspects of work.

As pioneers in the adoption of Copilot for M365, we investigated how the tool influenced our people across job roles. We carried out a seven-week study to examine generative AI's impact from a human perspective, exploring everything from sparking creativity to fostering efficient communication, building trust and promoting work satisfaction to nurturing a sense of belonging.

The study supports our aim of making genuine human impact through a peoplefirst approach to generative AI. Copilot for M365 is not a "flip the switch" technology – and understanding the advantages and challenges that users have with the tool will help us better support the adoption process.

By engaging deeply with Copilot for M365, we set out to craft a strategy that meets

our people's needs, informs our clients and contributes valuable insights to the broader conversation around generative AI's learning curve.

As organizations look to find the balance between technological advancement and a human-centric work environment, this research will illuminate the pathway for integrating tools like Copilot for M365 in a way that redefines and expands human value and potential.

Executive summary

Key findings

Structured creativity

Copilot for M365 increased structured creativity, idea sharing and problem solving, but it may curb spontaneous, original thinking.



Sense of accomplishment

85% of people felt a greater sense of accomplishment in their work following the adoption of Copilot for M365, a rise of 3% from week zero.

Recommendations

Next steps

Guardedness in communications

72% of employees felt more cautious about their communications in anticipation of Copilot for M365 being used to transcribe meetings. However, by the end of the study, this apprehension had eased for 45% of employees, indicating familiarity with the tool may have alleviated initial concerns for some.

Alignment to values

88% of people agreed Copilot for M365 aligned with corporate values, but only 65% agreed it aligned with individual personal values.

Belongingness

Most measures of belongingness remained the same following the introduction of Copilot for M365, except for organizational connection which decreased by 2%.



Organizational citizenship behaviors

Organizational citizenship behaviors increased to 86%, which suggests Copilot for M365 subtly improves the overall health and performance of an organization.



Research approach

We undertook a series of structured surveys, with the aim of offering a clear, quantifiable view of the impact that our adoption of Copilot for Microsoft 365 (Copilot for M365) had on our people.

During our participation in Microsoft's Early Access Program (EAP) for Copilot for M365, we surveyed around 700 participants from several groups between September to November 2023, and recorded their impressions:

Group 0:

~20 people

Group 0 was centered on gathering initial impressions, and validating tools and methods.

Group 1:

~200 people

Group 1 was focused on measuring the feasibility, viability and desirability of Copilot for M365.

Group 2+:

Groups of ~400 people

Groups 2+ centered on measuring the effects of prompt writing training and understanding of use cases for specific user groups and industries, including a study on neurodiversity.

At week zero, we used a survey to establish workplace experiences and attitudes prior to the introduction of Copilot for M365. A second survey was carried out seven weeks later to reveal shifts in employee experiences following the adoption of Copilot for M365. The surveys were supported by focus groups, workshops and observational studies to provide qualitative color to the findings.

While the statistics gathered in this document are correlational, not causal, to our observations, we have drawn some conclusions of what these findings may indicate based on our own expertise and experience with Copilot for M365.

Participants

The participants in the research were a diverse group of Avanade employees. Their backgrounds spanned a range of functions and levels within the company, including legal, finance, human resources, marketing, sales and executive roles. They had varying degrees of pre-existing knowledge about Copilot for M365.

Enhance your people's experiences with Avanade

It's time to explore how generative AI can help you do what matters for the people in your workplace. Explore how we can help you begin.



How does generative AI change the human experience of work?

As an early adopter of Copilot for M365, our ambition was twofold: to harness this technology's potential within our own operations and to offer the industry a research-backed perspective on its deployment.

The study revolved around our desire to uncover how generative AI changes the human experience of work in six key areas. We explored how Copilot for M365:

- Supports creativity and innovation
- Powers effective communication
- Earns employees' trust
- Creates work satisfaction and happiness
- Fosters belongingness
- Develops organizational citizenship behaviors



How does Copilot for M365 make room for creativity and innovation?

Creativity in organizational settings is defined as the production of novel and useful ideas concerning products, services, processes and procedures. Innovation is the implementation of these creative ideas into practical solutions that enhance performance.

Copilot for M365 and creativity and innovation

Copilot for M365 can support the articulation and execution of new ideas and simplify searches for innovative solutions. It can also free employees to allocate more time to strategic thinking through the automation of administrative tasks.

"I start with Copilot's suggestions, then personalize and enhance them to finalize my tasks. It's a springboard that boosts my creativity."

-Research participant

Key findings

Our study suggested dynamic shifts in workplace creativity:



Idea generation

- Approval for embracing new ways of working increased from 80% to 89%.
- Preference for engaging in tasks that required original thinking saw a slight decline.

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Overcoming obstacles

- There was a small but noteworthy increase in participants' perceived ability to overcome usual work obstacles.
- This may be because Copilot for M365 aids navigation through challenges by offering alternative perspectives. Daily use led to 40% increase in problem resolution.



Idea communication

Copilot for M365 increased idea communication frequency, suggesting that it supports employees in articulating and advocating for new ideas.



Implementation of schedules for idea generation

Participants reported a 5% increase in their ability to develop sustainable plans and schedules for new ideas, indicating that Copilot for M365 has the capacity to support structured activities for ideation.

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Innovation outcomes

- An overall increase in innovation output suggests that Copilot for M365 may contribute to the generation of more abundant, implementable creative ideas.
- This reflects an improvement in the finalization of the innovation cycle, from ideation to practical application.



Idea search

Interest in other work practices stayed consistent, with a steady positive response maintained prior to and after the introduction of Copilot for M365.



Avanade's creativity and innovation assessment

With the introduction of Copilot for M365, Avanade's overall creativity and innovation score increased by 2% to produce a final score of 82%.

Despite this modest increase, our findings indicate that Copilot for M365 can be a catalyst for prolific innovation. This idea is supported by the fact that daily users of the tool reported a 70% greater likelihood of it fostering a creative approach to tasks.

It appears to bolster structured innovation, idea sharing and problem solving to address work obstacles. But it may curb spontaneous, original thinking. This could be due to a reliance on Copilot for idea generation, leading to a decrease in desire to work on tasks that need original thought.

Based on our findings, organizations will need to ensure ongoing training opportunities are available to help nurture and preserve the creativity that is at the core of these tasks. This will help strike the balance between automated efficiency and human ingenuity to ensure a thriving, innovative workplace culture.

At Avanade, we adopted a gamified approach encouraging employees to earn their "pilot wings" through a range of activities. This helped individuals to overcome their initial hesitancy and take inspiration from their peers' approaches to Copilot for M365.

Can Copilot for M365 increase openness across workplace communications?

Communication norms are the expected ways in which information is exchanged and understood within an organization. They are vital for efficient and effective operations.

Copilot for M365 and communication

Copilot for M365 can improve the clarity and efficiency of exchanges between employees, with transcription providing accurate and accessible records of meetings.

"I used to think everyone worked like me. Copilot opened new paths in communication and workflow efficiency I never knew existed." -Research participant

Key findings

Our study revealed the following communication trends:



Communication with co-workers

- Prior to its launch at Avanade, Copilot for M365 was expected to positively impact communication clarity and efficiency, with a 73% approval rating.
- By week seven, this approval rating decreased to 70%, which could reflect a normalization of expectations as employees became accustomed to the tool's capabilities.



Flow of information

- There was a 5% decrease in the rating of information flow within teams, from 74% at week zero to 69% at closeout of the study.
- This may indicate a learning curve as teams adjust to the information management features of Copilot for M365.

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Guarded communication

- Before the study began, 72% of employees felt more cautious about their communications in anticipation of Copilot for M365 being used to transcribe meetings.
- However, after six weeks of usage, 45% of employees felt less cautious about their communications, representing a significant shift towards more open communication as familiarity with the tool increased.
- The overall guardedness felt by employees when using Copilot for M365 for transcription dropped by 10%, suggesting concerns in this area diminished over time.



Avanade's communication assessment

Excluding the measures for guarded communication, the overall communication score decreased by 3% over the duration of the study. This small decrease implies that communication within the workplace remained stable following the introduction of communication tools powered by generative AI.

The guarded communication category decreased by 17% over the study period suggesting that employees felt less guarded than anticipated when Copilot for M365 was used to transcribe conversations.

The results indicate a natural transition from caution to increased openness. This aligns with our wider findings, where 26% of employees felt an increase in confidence after training in prompt writing. Based on this observation, organizations implementing Copilot for M365 may be able to shorten this adaptation period through strategic change management, communications and onboarding processes.

Does Copilot for M365 help organizations build trust?

Trustworthiness is the set of qualities that people look for in a system or entity when determining whether they're comfortable giving said system or entity some power.

Copilot for M365 and trust

The surveyed employees acknowledge the respectfulness and fairness of the system's suggestions, but they had concerns around its oversight and accountability long term.

"It's crucial to approach Copilot for M365 with caution. While it enhances efficiency, you must verify its output before trusting it completely. Always review and take ownership of the results it provides to ensure accuracy."

-Research participant

Key findings

Our study revealed intricate patterns regarding trust:



Values alignment

- 88% of people perceived Copilot for M365 to align with corporate values, reflecting a belief in the tool's ethical orientation.
- 65% of people said Copilot for M365 aligned with individual personal values.



Understanding and transparency

- Understanding Copilot for M365's processes is vital to user trust.
- Users rated the tool's transparency at 78%, indicating there is room to improve understanding of the tool's decision-making process.



Performance expectations

Copilot for M365's assistance with tasks was well-regarded, with a 75% satisfaction score.



Accountability

The average rating for accountability is 65%, suggesting that users feel there is significant scope for better governance of the tool.



Avanade's trust assessment

Copilot for M365 is generally trusted to act in line with good corporate values and assist with tasks. The fact that the overall trust score only decreased by 2% is reassuring, given that a larger drop in this area would have suggested significant issues with the adoption. However, it does appear to be a message from users that the tool needs to improve its alignment with their personal values.

At Avanade, we've implemented tailored learning programs for each employee to help them work and innovate responsibly with generative AI. As the tool becomes a staple in the digital workflow, sustaining and deepening trust hinges on Copilot for M365's ability to grow with the user, offering transparency and accountability that go hand in hand with its technical capabilities. The fact that 86% of people feel Copilot for M365 is valuable, even if it occasionally makes mistakes, appears to support this.

Our observed decrease in the overall trust score should be seen as a call to action, emphasizing the ongoing journey to optimize trust in generative AI systems. A strong trust foundation will dictate the success and integration of generative AI tools like Copilot for M365, ensuring that organizations are using AI responsibly and promoting the human aspect of work.

What can Copilot for M365 do to bolster work satisfaction?

Work satisfaction is a positive emotional state that results from a person's work or work experiences.

Copilot for M365 and work satisfaction

By streamlining workflows and task outputs, Copilot for M365 can contribute to a sense of accomplishment for workers. It can also reduce administrative tasks, leaving more time for employees to learn, work collaboratively and participate in novel, strategic and creative tasks.

"My fear of AI replacing my job shifted to embracing its support. Copilot didn't replace me; it made me more competent."

-Research participant

Key findings

Our study uncovered significant insights into Copilot for M365's impact on work satisfaction:



Alignment with skills and interests

- 78% of people said their daily activities align with individual skills and interests, both before and after the introduction of Copilot for M365.
- This suggests that Copilot for M365 supports employees' strengths.



Sense of accomplishment

- Following the introduction of Copilot for M365, 84% of people said they felt a sense of accomplishment from their work (2% more than week zero).
- This indicates that the tool enhances the satisfaction employees gain from completing tasks.



Team spirit and supportive co-workers

Participants scored co-worker support at 90%, a score which stayed the same over the seven-week study, implying that Copilot for M365 did not affect employees' abilities to seek and offer assistance.



Engagement and stimulation

80% of people said they were engaged with tasks at week zero and week seven, indicating that Copilot for M365 integrated into daily routines without reducing the stimulating aspects of work.



Avanade's work satisfaction assessment

Overall work satisfaction remained robust at 85%. This points to Copilot for M365's ability to fit seamlessly into work environments, complementing existing processes without reducing work fulfilment. The maintenance of strong team dynamics and peer support further indicates that the tool harmoniously integrated with a collaborative work culture.

The consistency we observed in work satisfaction showcases the tool's success in augmenting work life, without compromising the quality of employee engagement and support networks. This balance is crucial for nurturing a workplace where technology is a powerful ally in the pursuit of professional growth and satisfaction.

Does Copilot for M365 make it easy to build belongingness?

Belongingness is an individual's subjective feeling of being part of a group or organization. It is closely linked to how team collaboration and support are experienced by the individual.

Copilot for M365 and belongingness

While it can support collaboration by streamlining processes, Copilot for M365 may disrupt the balance between technological efficiency and nurturing team dynamics.

"Copilot for M365 helps me connect internally, allowing me to easily access and update important documents and gather sustainable practices."

-Research participant

Key findings

Our study revealed a complex yet stable landscape for belongingness:



Companionship in the team

The sense of camaraderie and support from team members decreased by 2% with a final score of 84%.



Connectedness in the organization

Employees' connections to the organization decreased by 2% following the introduction of Copilot for M365, resulting in a final score of 83%.



Affiliation with colleagues

83% of people felt affiliated with their colleagues, a small decrease of 2%, following the introduction of Copilot for M365, indicating that interpersonal relationships and sense of unity was largely preserved.



Avanade's belongingness assessment

The average belongingness and team collaboration score decreased by 2% following the introduction of Copilot for M365. Given the myriad of factors that can impact feelings of belonging and collaboration, this small decrease indicates that Copilot for M365 did not significantly disrupt workplace relationships. It's an important and positive sign, implying that the tool may coexist with sustained levels of team cohesion and a robust sense of belonging among employees.

Belongingness

As organizations continue to bring generative AI tools like Copilot for M365 into the workplace, it is important to recognize that technologies are just one of many factors that contribute to employee relationship dynamics. Creating a strong sense of team collaboration and belongingness must be a multifaceted effort, influenced by technology, but also leadership, culture and individual engagement strategies. In organizations where Copilot for M365 is supplied to a set number of employees, extra care should be taken to mitigate the risk of digital exclusion. At Avanade, we've found that supporting individuals as they adopt through curated, engaging experiences, and with targeted resources and communications can help build a people-centric approach to adoption.

How are organizational citizenship behavior trends influenced by Copilot for M365?

Organizational citizenship behaviors (OCBs) are positive behaviors carried out at the individual's own discretion, they are not directly or explicitly recognized by a formal reward system. Collectively, OCBs promote the efficient and effective functioning of an organization.

Copilot for M365 and organizational citizenship

Copilot for M365 can support selfmanagement behaviors such as stress management, organization and decisionmaking, as users can delegate tasks to the tool or use it to gather information to inform decisions.

"Having Copilot for M365 transcribe meetings and manage action items addresses a chronic workflow issue, freeing up resources for other tasks." -Research participant

Key findings

Our study revealed the following trends for organizational citizenship behaviors:



Conscientiousness and self-management

- A small positive increase of 1% was observed in conscientiousness and self-management, resulting in a final score of 86%.
- The increase may have been driven by Copilot for M365's organizational support tools.



Civic virtue and virtual engagement

Civic virtue and engagement in organizational life remained consistent at 85%, implying a continued commitment among employees to stay informed and involved in company matters.



Technological adaptability

Technological adaptability increased slightly from 85% to 87%, suggesting that Copilot for M365 may facilitate or encourage technical skills and adaptation to new tools.



Encouragement and flexibility

Scores for respect and accommodation of colleagues' time zones and schedules remained stable at 86%.



Altruism and courtesy

Altruism and courtesy remained stable at 88%, suggesting that Copilot for M365 did not detract from the collaborative and helpful spirit of the organization.



Avanade's organizational citizenship behavior assessment

We found a minor yet positive increase in OCBs up to 86%. As these behaviors are voluntary, it's valuable to learn that they can be influenced by tools such as Copilot for M365, as OCBs can't be motivated directly. This suggests that, with careful implementation and ongoing support, technological advancements can complement and enhance these crucial voluntary behaviors that contribute to the overall health and performance of an organization.

The positive trend in technological adaptability is particularly noteworthy, hinting at Copilot for M365's role in supporting employees' adaptation to new tools – a critical skill in today's rapidly evolving technological landscape.

Recommendations for your Copilot for M365 implementation

Based on our Copilot for M365 research, Avanade has identified four actions organizations can take to maximize the tool's positive human impact

Embrace ge

Embrace generative AI as an ally

Introduce Copilot for M365 to your business as a powerful ally to complement employees in their work and drive efficiency, not as a replacement for human ingenuity. In a supporting role, Copilot for M365 can streamline operations and power better business practices and outcomes; it can also support your teams' creativity, innovation and work satisfaction.

Build a foundation of openness

A foundation of trust and openness is essential to successfully integrating generative AI tools. Organizations should put in place a framework that encompasses people, processes and technology to ensure responsible use is built into operational governance. Choose tools that are aligned to your corporate values, set guidelines for how and when they should be used, and cultivate a culture of openness that addresses their limitations. capabilities and biases. To promote transparency at all times, workers should be encouraged to state when they've used generative AI tools for decision-making, content creation or transcription.

3

Provide training and support

Although it represents a change in existing approaches, Copilot for M365 can be a welcome addition to the workplace when the right training and support is put in place. This can help employees become more comfortable using generative AI tools, so they start to see its benefits sooner. This approach is particularly important in areas such as communication, where Copilot for M365 can improve communication but requires employees to be comfortable and trusting of the technology first.

4

Don't forget about existing workplace dynamics

When striving to bring change to your organization, don't forget that technology is just one part of a more complex landscape. If you're introducing a new technology such as Copilot for M365, stay focused on best practice in other areas such as leadership, culture and employee engagement.





Help your workplace be more human with Copilot for M365

When introduced in the right way, Copilot for M365 can enhance human aspects of work. As an early adopter, we've seen that embedding organizational change management techniques into our adoption, from onboarding to real-time support, has quickly increased our employees' engagement. We have realized gains in creativity, innovation and work satisfaction. We've also learned how to minimize potential negative outcomes by nurturing trust and extracting Copilot for M365's positive influence on communication clarity and efficiency.

Now it's your turn. Combining our deep Microsoft expertise, proven methodologies and advisory, we can help you achieve the organizational shift you want to see. We support you in empowering your people to rapidly adopt the Copilot that suits your organization so your people can work in a way that makes them more productive, more effective and more creative, while elevating their workplace experience.

Learn how to prepare for your Copilot adoption and see how you can realize organizational change.

Imagine what Copilot will do to enhance your employee experience.

Start your journey today.



Do what matters

The human impact of generative AI in the workplace

About Avanade

Avanade is the leading global provider of digital, cloud, AI and advisory services, industry solutions and design-led experiences across the Microsoft ecosystem.

Together with Accenture, we have been recognized as Microsoft's Global SI Partner of the Year more than any other company. With the most Microsoft Most Valued Professionals, certifications (60,000+) and 18 (out of 18) Gold-level Microsoft competencies, we are uniquely positioned to help businesses grow and solve their toughest challenges.

Avanade is a responsible business committed to building a sustainable world through the power of people and Microsoft. We hold ourselves accountable to environmental, social and governance targets, ensuring our business is sustainable for the long term. Every day, our 60,000 professionals in 26 countries harness the power of their diverse backgrounds to make a genuine human impact for our clients, their employees and their customers. Learn more at <u>www.avanade.com</u> and follow us on LinkedIn.

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