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Review Article

A viewpoint on Agentic AI and Organizational Behavior: Reframing Leadership, Team Dynamics, and Employee Engagement in the AI-Driven Workplace

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INTRODUCTION

Contemporary organizations increasingly recognize that advanced AI systems possess autonomous decision-making capabilities that extend beyond traditional automation to influence fundamental organizational behavior patterns. Agentic AI systems characterized by their ability to act independently, adapt to changing conditions, and make complex decisions are reshaping how employees perceive authority, engage with their work, and interact with colleagues. However, current research reveals significant gaps in understanding how AI autonomy affects core organizational behavior dimensions including leadership dynamics, team cohesion, and employee motivation (Nguyen & Nguyen, 2023).

Here, we examine how agentic AI systems create psychological displacement effects that fundamentally alter traditional workplace relationships and power structures. Our central proposition is that when AI systems assume decision-making roles traditionally held by humans, employees experience cognitive displacement characterized by reduced sense of agency and altered engagement patterns. The novelty of our approach lies in connecting agency theory with AI autonomy concepts, demonstrating how agentic systems create cyclical behavioral changes that organizations must proactively address to maintain human-centered workplace cultures.

The foundation of agency in organizational behavior

Agency in organizational contexts represents employees' perceived capacity to influence their work environment, make meaningful decisions, and shape organizational outcomes. This psychological state encompasses autonomy, competence, and relatedness fundamental human needs that drive intrinsic motivation and engagement. Within traditional organizational structures, agency manifests through hierarchical decision-making processes, collaborative problem-solving, and individual initiative in task completion.

Our conceptual framework builds upon social cognition principles to understand how individuals form agency-based mental schemas regarding their role within AI-augmented workplaces. These schemas incorporate perceptions of personal influence, decision-making authority, and

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contribution value. When agentic AI systems assume roles previously filled by human judgment and initiative, employees cannot maintain coherent mental models of their agency, creating cognitive displacement that manifests as reduced engagement and altered behavioral patterns.

The role of agentic AI on organizational cognition displacement and dependency behavior

The cognitive architecture of agency requires predictable patterns of influence and meaningful contribution opportunities. However, agentic AI systems often exhibit decision-making capabilities that supersede human judgment in speed, consistency, and analytical depth. This superiority creates interpretive challenges where employees cannot distinguish their unique value contribution from AI capabilities. Consequently, employees develop defensive cognitive schemas characterized by heightened dependency on AI systems and diminished confidence in their own decision-making abilities.

Agentic AI displacement strengthens dependency behavior through repeated exposure to superior AI performance. Each encounter with AI systems that outperform human capabilities reinforces neural pathways associated with inadequacy and reduced self-efficacy. This process creates a cognitive cycle where employees increasingly attribute organizational success to AI capabilities rather than considering their own contributions or collaborative efforts (Kwon et al., 2024). The individual becomes conditioned to defer to AI recommendations, reducing initiative-taking and limiting creative problem-solving behaviors essential for organizational adaptability.

The impact of agency displacement on organizational behavior

Agency displacement in AI-augmented environments directly undermines the psychological foundations essential for employee engagement and organizational effectiveness. Aligning with contemporary theories in organizational cognition (Lyons & Bandura, 2024), we understand that when employees perceive reduced agency, they become reluctant to take initiative, propose innovative solutions, or engage in collaborative leadership behaviors. Our conceptual model demonstrates how initial agency displacement creates cyclical patterns of dependency behavior that progressively isolate employees from meaningful work experiences.

This dynamic becomes particularly problematic as organizations increasingly rely on agentic AI systems to optimize workflows, allocate resources, and direct strategic initiatives. Agency barriers create several specific impediments to organizational behavior effectiveness:

■ **Diminished leadership emergence**: Employees avoid taking initiative or assuming informal leadership roles, perceiving AI systems as more competent decision-makers than themselves.

■ **Reduced collaborative innovation**: Teams become passive recipients of AI-generated solutions rather than active co-creators, limiting creative problem-solving and knowledge synthesis.

■ **Compromised intrinsic motivation**: Employees experience reduced autonomy and competence, undermining intrinsic motivation essential for sustained engagement and performance (Bapat & Upadhyay, 2021).

■ **Formation of hierarchical dependency**: Agency displacement encourages employees to seek AI validation for decisions, fragmenting distributed leadership and reducing organizational agility.

Guidance for agentic AI implementation in organizational settings

Preserving human agency in AI-augmented environments requires systematic attention to psychological empowerment, meaningful work design, and collaborative governance structures. Organizations must recognize that agency preservation is not merely a technical challenge but a fundamentally human process requiring careful cultivation (Nwachukwu et al., 2021). Leaders must acknowledge their own potential dependencies on AI capabilities, ensuring they do not inadvertently undermine employee agency through over-reliance on algorithmic recommendations.

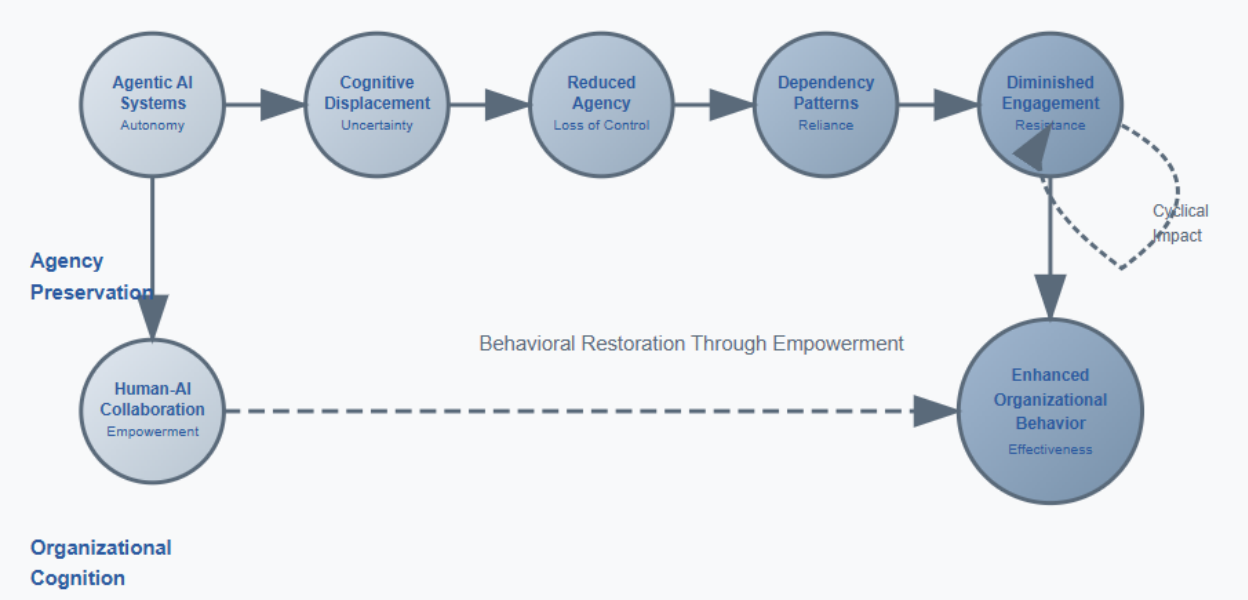

Figure 1: Agentic AI and Organizational Behavior Framework

Source: Created by Author

Effective agency-preserving strategies should address both the technological and relational dimensions of agentic AI implementation. Examples of these strategies include:

■ **Establish human-AI collaborative frameworks**: Implement decision-making processes that explicitly require human judgment and AI analysis, ensuring employees maintain meaningful influence over organizational outcomes.

■ **Create agency preservation protocols**: Develop guidelines that reserve specific decision domains for human initiative, protecting opportunities for employee autonomy and creative contribution.

■ **Foster participatory AI governance**: Include employees in agentic AI system design and evaluation processes, creating ownership and reducing perceptions of technological displacement.

■ **Implement graduated autonomy models**: Introduce AI capabilities progressively, allowing employees to maintain agency in complex decisions while leveraging AI for routine tasks.

■ **Provide continuous empowerment education**: Offer ongoing training that helps employees

understand their unique human capabilities and develop confidence in human-AI collaboration contexts.

CONCLUSION

This viewpoint establishes that agency displacement represents a critical determinant of organizational behavior effectiveness in AI-augmented workplaces. We demonstrate how agentic AI systems create defensive cognitive schemas that generate dependency behavior and undermine employee engagement essential for organizational success. Recognizing and addressing these agency dynamics is crucial for organizations seeking to leverage AI capabilities while maintaining human-centered workplace cultures. We contend that practitioners must prioritize psychological empowerment and collaborative governance to create organizational conditions conducive to meaningful human-AI partnerships. The implications for scholarship suggest opportunities to develop empirically-grounded frameworks that bridge agency theory, AI autonomy, and organizational behavior practice.

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