



# AI in HR, Employee Psychology, and Employee Well-being: A Conceptual Study Based on Secondary Data

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**Abstract--** The rapid integration of Artificial Intelligence (AI) into Human Resource (HR) functions has transformed traditional people management practices. While AI-driven HR systems enhance efficiency, accuracy, and decision-making, their psychological implications for employees remain underexplored. This conceptual paper examines the relationship between AI-enabled HR practices, employee psychological factors, and employee well-being using secondary data drawn from existing literature. A systematic review of peer-reviewed journal articles, reports, and conceptual studies published between 2015 and 2024 was conducted. Based on thematic analysis, the study proposes a conceptual model illustrating how AI in HR influences employee well-being through mediating psychological variables such as trust in technology, psychological safety, technostress, perceived autonomy, and job security perceptions. The model also highlights the moderating role of ethical AI practices and organizational support. The paper contributes to HR and organizational psychology literature by offering a human-centered perspective on AI adoption and provides practical implications for designing ethically responsible and psychologically supportive AI-enabled HR systems.

**Keywords--** Artificial Intelligence, Human Resource Management, Employee Psychology, Employee Well-being, Technostress, Ethical AI

## I. INTRODUCTION

Artificial Intelligence (AI) has emerged as a transformative force in contemporary organizations, particularly in the domain of Human Resource Management (HRM). Organizations increasingly rely on AI-based tools for recruitment, performance appraisal, learning and development, employee engagement, and HR analytics. These technologies promise efficiency, objectivity, and data-driven decision-making. However, alongside these benefits, AI adoption has raised concerns regarding employee perceptions, psychological responses, and overall well-being.

Employees often experience mixed emotions toward AI-driven HR practices. While some perceive AI as a supportive resource that enhances fairness and efficiency, others associate it with surveillance, job insecurity, loss of autonomy, and increased stress.

Given the growing emphasis on employee mental health and well-being, it is crucial to understand the psychological mechanisms through which AI in HR affects employees.

This study aims to conceptually examine the linkage between AI-enabled HR practices, employee psychological factors, and employee well-being using secondary data. By synthesizing existing literature, the paper proposes a comprehensive conceptual model that integrates technological, psychological, and HR perspectives.

## II. REVIEW OF LITERATURE

### 2.1 Artificial Intelligence in Human Resource Management

AI in HR refers to the application of machine learning algorithms, predictive analytics, and automation technologies to HR functions. Common applications include AI-based recruitment screening, chatbots for employee queries, predictive performance management systems, and personalized learning platforms. Prior studies highlight that AI improves speed, consistency, and analytical capability in HR processes. However, scholars also caution that excessive reliance on algorithms may reduce human judgment and empathy in people management.

### 2.2 Employee Psychology in AI-Enabled Workplaces

Employee psychology plays a critical mediating role in determining how technological interventions influence outcomes. Key psychological constructs identified in prior research include trust in technology, psychological safety, perceived autonomy, technostress, and job security perception. Trust in AI systems depends on perceived fairness, transparency, and accuracy. Psychological safety reflects employees' comfort in expressing concerns within AI-driven environments. Technostress arises from constant digital monitoring, complexity, and fear of obsolescence. These psychological responses significantly shape employee attitudes and behaviors.

### 2.3 Employee Well-being and HR Responsibility

Employee well-being is a multidimensional construct encompassing psychological, emotional, and work-life balance aspects.



Research consistently demonstrates that supportive HR practices enhance employee well-being, engagement, and productivity. Conversely, poorly implemented digital systems can contribute to burnout, anxiety, and disengagement. In AI-driven HR contexts, well-being outcomes depend largely on how employees psychologically interpret and experience AI interventions.

### III. RESEARCH METHODOLOGY

This study adopts a qualitative research design based exclusively on secondary data. Relevant literature was collected from academic databases such as Google Scholar, Scopus, Emerald Insight, SpringerLink, and ScienceDirect. The inclusion criteria comprised peer-reviewed journal articles, review papers, and reports published in English between 2015 and 2024, focusing on AI in HR, employee psychology, and well-being. Non-academic sources, opinion blogs, and unrelated studies were excluded.

A thematic analysis approach was employed to identify recurring concepts, relationships, and research gaps. The insights derived from the literature formed the basis for developing the proposed conceptual model.

### IV. DEVELOPMENT OF THE CONCEPTUAL MODEL

#### 4.1 *AI in HR as an Antecedent*

AI-enabled HR practices act as the primary antecedent in the model. These practices reshape how HR decisions are made and experienced by employees, thereby influencing workplace dynamics.

#### 4.2 *Employee Psychology as a Mediator*

The model positions employee psychological factors as mediators between AI in HR and employee well-being. Positive psychological states such as trust and perceived autonomy enhance well-being, whereas negative states such as technostress and job insecurity diminish it.

#### 4.3 *Employee Well-being as an Outcome*

Employee well-being is treated as the ultimate outcome, reflecting the cumulative psychological impact of AI-driven HR practices.

#### 4.4 *Moderating Role of Ethical AI and Organizational Support*

Ethical AI practices, transparency, communication, and organizational support moderate the relationship between AI in HR and employee psychology. When organizations adopt human-centered and ethical AI frameworks, negative psychological effects are reduced.

### V. PROPOSITIONS

Based on the conceptual framework, the following propositions are proposed:

- P1: AI-enabled HR practices significantly influence employee psychological perceptions.
- P2: Employee psychological factors mediate the relationship between AI in HR and employee well-being.
- P3: Technostress negatively affects employee well-being in AI-driven HR environments.
- P4: Trust in AI systems positively influences employee psychological well-being.
- P5: Ethical AI practices and organizational support moderate the impact of AI in HR on employee psychology.

### VI. DISCUSSION

The proposed model emphasizes that AI in HR is not merely a technological intervention but a psychological experience for employees. The findings from prior studies suggest that employee reactions to AI depend on perceived fairness, transparency, and human oversight. Organizations that neglect the psychological dimension risk undermining employee well-being despite technological advancement. Therefore, HR leaders must balance automation with empathy and ethical responsibility.

### VII. IMPLICATIONS

#### 7.1 *Theoretical Implications*

The study integrates HR technology literature with organizational psychology theories such as the Technology Acceptance Model, Job Demands–Resources theory, and Psychological Contract theory. It advances understanding of AI's human impact beyond operational efficiency.

#### 7.2 *Managerial Implications*

HR practitioners should focus on ethical AI design, employee communication, and digital skill training. Human oversight in AI-driven decisions can enhance trust and psychological safety, thereby improving employee well-being.

### VIII. CONCLUSION AND FUTURE RESEARCH

This conceptual paper highlights the critical role of employee psychology in linking AI-enabled HR practices to employee well-being.



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By synthesizing secondary data, the study proposes a comprehensive model that encourages human-centered AI adoption in HRM. Future research may empirically test the proposed model using primary data, longitudinal designs, or cross-cultural comparisons.

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