

Citation: Mr. Rohan Sharma & Ms. Neha Chhina, "Living with Artificial Intelligence at Work: Understanding Job Displacement Anxiety and Its Implications for Employee Well-Being in The Era of Intelligent Organizations" St. Soldier Journal of Law and Social Science, Vol. 2:2, July 2026 pp. 149-164

Living with Artificial Intelligence at Work: Understanding Job Displacement Anxiety and Its Implications for Employee Well-Being in The Era of Intelligent Organizations.

Mr. Rohan Sharma

Assistant Professor, Saint Soldier Law College, Jalandhar,
Punjab

Ms. Neha Chhina

Assistant Professor, Saint Soldier Law College, Jalandhar,
Punjab

1. INTRODUCTION

The world of work is experiencing one of the most significant transformations since the Industrial Revolution. Advances in Artificial Intelligence (AI), machine learning, robotics, and automation technologies are changing how organizations operate, make decisions, and manage human resources. AI is no longer confined to technology companies or research laboratories; it has become an integral part of everyday organizational activities. From recruitment and performance management to customer service and financial analysis, AI-powered tools are increasingly being used to improve efficiency and productivity.

The adoption of AI has accelerated rapidly over the past decade. Organizations view AI as a strategic asset capable of

reducing costs, improving operational accuracy, and enhancing competitive advantage. According to global workforce reports, businesses are investing heavily in AI-driven technologies to remain competitive in an increasingly digital economy. As a result, employees are witnessing profound changes in their job roles, work processes, and career expectations.

While the benefits of AI adoption are widely recognized, less attention has been given to its impact on employees. Technological advancements often create uncertainty among workers who fear that automation may eventually replace their jobs. These concerns are not limited to low-skilled occupations; even highly educated professionals increasingly question the future security of their careers. The emergence of generative AI tools has further intensified these concerns by demonstrating capabilities once believed to be exclusively human, such as writing, analyzing information, and generating creative content.

Job displacement anxiety has therefore become an important organizational issue. Employees experiencing uncertainty about their future often report increased stress, reduced motivation, lower job satisfaction, and declining psychological well-being. Such outcomes not only affect individual employees but can also influence organizational performance through reduced engagement, lower productivity, and increased turnover intentions.

The issue becomes particularly important because employee well-being is increasingly recognized as a strategic organizational resource. Organizations that prioritize employee welfare tend to experience higher levels of commitment, innovation, and resilience. Consequently, understanding how AI influences employee well-being and identifying strategies to mitigate technology-related anxiety have become critical

priorities for organizational leaders and Human Resource professionals.

This study aims to explore the growing phenomenon of job displacement anxiety in the context of AI adoption and examine its implications for employee well-being. The paper also highlights the role of Human Resource Management in supporting employees during technological transitions and fostering positive workplace experiences in an AI-enabled future.

2. RESEARCH OBJECTIVES

The present study is guided by the following objectives:

1. To examine the impact of Artificial Intelligence adoption on employee well-being in modern organizations.
2. To identify the factors contributing to job displacement anxiety among employees.
3. To analyze the role of Human Resource Management in reducing AI-related anxiety and supporting workforce adaptation.
4. To provide recommendations for promoting employee well-being in AI-enabled workplaces.

3. SIGNIFICANCE OF THE STUDY

Artificial Intelligence is transforming workplaces at an unprecedented pace. While organizations focus on technological innovation and productivity enhancement, the psychological experiences of employees often receive less attention. This study is significant because it shifts the focus from technology itself to the people affected by technological change.

Employee well-being is increasingly recognized as a key determinant of organizational success. Workers who

experience high levels of stress, uncertainty, and anxiety are less likely to perform effectively and contribute positively to organizational goals. Therefore, understanding how AI influences employee perceptions and well-being is essential for creating sustainable workplaces.

The study also contributes to the growing body of literature on the human side of technological transformation. It offers practical insights for Human Resource professionals, organizational leaders, and policymakers seeking to balance technological progress with employee welfare. Furthermore, the study provides guidance for organizations aiming to implement AI responsibly while maintaining employee trust, engagement, and well-being.

4. RESEARCH METHODOLOGY

The present research adopts a qualitative descriptive research design based on secondary data analysis. The study relies on existing academic literature, empirical studies, industry reports, and workforce surveys to examine the relationship between AI adoption, job displacement anxiety, and employee well-being. Data were collected from peer-reviewed journals indexed in major academic databases such as Scopus, Web of Science, and Google Scholar. Additional information was obtained from reports published by international organizations, research institutes, and consulting firms focusing on workforce trends and technological transformation.

Approximately fifty scholarly articles and reports published between 2015 and 2026 were reviewed. The selected sources focused on Artificial Intelligence, workplace automation, employee well-being, job insecurity, organizational change, and Human Resource Management. The collected information was analyzed using thematic analysis to identify recurring patterns, major findings, and emerging trends.

The study emphasizes themes such as technological change, workforce adaptation, psychological well-being, job insecurity, organizational support, and HR interventions. By synthesizing existing knowledge, the research provides a comprehensive understanding of the challenges and opportunities associated with AI-driven workplace transformation.

5. SYNTHESIS OF LITERATURE

The reviewed literature presents a balanced perspective regarding the impact of Artificial Intelligence on employees and organizations. On one hand, AI offers substantial benefits including increased productivity, improved decision-making, enhanced customer experiences, and operational efficiency. Organizations adopting AI often experience improvements in innovation and competitiveness.

On the other hand, the literature consistently reveals that employees frequently experience uncertainty regarding their future roles and career prospects. Job displacement anxiety emerges as one of the most significant psychological consequences of AI adoption. Employees who fear automation and technological replacement often report increased stress, emotional exhaustion, and lower workplace satisfaction.

The literature further indicates that the negative consequences of AI adoption are not inevitable. Organizations that invest in employee development, transparent communication, leadership support, and inclusive decision-making processes are more successful in reducing employee anxiety and promoting positive attitudes toward technological change.

Another important finding is that human capabilities remain essential despite advances in AI. Skills such as creativity, empathy, ethical judgment, critical thinking, and interpersonal communication continue to distinguish human employees from intelligent technologies. Consequently, successful

organizations focus on augmenting human capabilities rather than replacing them.

Overall, the literature suggests that the relationship between AI and employee well-being is influenced largely by organizational practices. Human Resource Management emerges as a key mechanism through which organizations can support employees during technological transitions and foster positive workplace experiences.

6. RESEARCH GAP

Despite growing interest in Artificial Intelligence and workplace transformation, several important gaps remain in existing research.

First, much of the current literature focuses on the technological capabilities and economic benefits of AI. Comparatively fewer studies examine the psychological consequences of AI adoption from the employee perspective. While organizational performance receives substantial attention, employee well-being is often treated as a secondary concern.

Second, existing research frequently examines job displacement anxiety and employee well-being as separate concepts. Limited studies explore the direct relationship between AI-related job insecurity and multidimensional well-being outcomes, including psychological, emotional, and occupational well-being.

Third, although Human Resource Management is increasingly recognized as a strategic partner in organizational change, there remains insufficient understanding of how specific HR practices can mitigate AI-related anxiety. Research examining the effectiveness of interventions such as reskilling programs, mental health support, employee participation, and transparent communication remains relatively limited.

Fourth, most existing studies originate from developed economies and technology-intensive sectors. There is a need for broader conceptual understanding that can be applied across diverse organizational contexts and industries experiencing AI-driven transformation.

Finally, while several reports predict future workforce trends, there remains a shortage of integrated frameworks explaining how organizations can simultaneously achieve technological advancement and employee well-being. Addressing this gap is important because sustainable organizational success increasingly depends on balancing innovation with human welfare.

Therefore, the present study seeks to contribute to the existing literature by examining job displacement anxiety and employee well-being through a Human Resource Management perspective. The study emphasizes the importance of human-centered organizational practices in ensuring that AI adoption benefits both organizations and employees.

7. THEORETICAL FRAMEWORK

The present study is grounded in three important theoretical perspectives: Human Capital Theory, Job Demands-Resources (JD-R) Theory, and the Technology Acceptance Model (TAM). These theories collectively explain how employees respond to Artificial Intelligence adoption and how organizations can support employee well-being during technological transformation.

Human Capital Theory

Human Capital Theory, developed by Becker (1964), views employees' knowledge, skills, and competencies as valuable organizational assets. The theory suggests that investments in employee development enhance organizational productivity and competitiveness. In the context of AI adoption, employees

who continuously develop their digital skills are more likely to adapt successfully to technological changes. Organizations that invest in training, reskilling, and lifelong learning opportunities can reduce employee anxiety and improve workforce readiness.

Job Demands-Resources (JD-R) Theory

The Job Demands-Resources model explains how workplace demands influence employee well-being. Job demands such as uncertainty, role ambiguity, technological pressure, and fear of displacement may create stress and emotional exhaustion. However, organizational resources such as leadership support, learning opportunities, employee participation, and counseling services can help employees cope with these challenges. The theory suggests that employee well-being depends on maintaining a balance between workplace demands and available resources.

Technology Acceptance Model (TAM)

The Technology Acceptance Model developed by Davis (1989) proposes that employees are more likely to accept new technologies when they perceive them as useful and easy to use. Employees who understand how AI can improve their work performance are more likely to develop positive attitudes toward technological adoption. Effective communication, training, and user-friendly systems enhance technology acceptance and reduce resistance to change.

Human Resource Interventions:

- Reskilling and Upskilling
- Leadership Support
- Transparent Communication
- Employee Participation
- Mental Health Programs
- Career Development Initiatives

This framework suggests that while AI adoption may initially increase job displacement anxiety, effective HR interventions

can reduce negative outcomes and promote positive employee experiences.

8. DISCUSSION ON FINDINGS

The findings of the study indicate that Artificial Intelligence is transforming not only organizational processes but also employee perceptions, emotions, and workplace experiences. The discussion is presented according to the research objectives.

Objective 1: Examining the Impact of Artificial Intelligence Adoption on Employee Well-Being

The literature reveals that AI adoption has both positive and negative implications for employee well-being. On the positive side, AI technologies can eliminate repetitive and time-consuming tasks, allowing employees to focus on more meaningful and creative work. Automation often reduces routine workload and enhances efficiency, leading to higher productivity and improved job performance.

However, the introduction of AI also creates uncertainty regarding future employment. Employees frequently question whether their skills will remain relevant and whether their roles may eventually become automated. Such concerns influence psychological well-being and contribute to workplace stress.

Recent workforce surveys indicate that employees experiencing uncertainty about technological change often report lower levels of job satisfaction and engagement. The emotional impact is particularly significant when organizations fail to communicate their AI strategies effectively. In such circumstances, employees may interpret technological investments as signals of future workforce reductions.

The findings suggest that AI itself is not the primary cause of employee anxiety. Rather, anxiety emerges from uncertainty surrounding organizational intentions, future job roles, and career opportunities. Therefore, organizational responses play a

critical role in determining whether AI adoption enhances or undermines employee well-being.

Objective 2: Identifying Factors Contributing to Job Displacement Anxiety

Several factors contribute to job displacement anxiety among employees.

Fear of Job Loss

The most frequently reported concern is the possibility of job replacement. Employees often perceive AI as a substitute for human labor rather than a complementary technology. This perception is particularly common among workers performing routine and repetitive tasks.

Skill Obsolescence

Many employees worry that their existing competencies may become outdated. The rapid pace of technological change creates pressure to continuously update skills and knowledge. Workers who feel unprepared for technological transformation often experience higher levels of anxiety.

Lack of Communication

Insufficient organizational communication significantly increases uncertainty. When employees receive limited information regarding AI implementation plans, rumors and misconceptions may spread throughout the workplace.

Reduced Control

Employees often feel that technological decisions are made without their involvement. This perceived lack of control can intensify feelings of vulnerability and resistance toward organizational change.

Performance Pressure

The integration of AI systems may also create concerns regarding performance expectations. Employees may fear being evaluated against AI-generated standards or feel pressured to achieve higher productivity levels.

These findings suggest that job displacement anxiety is influenced by multiple organizational and psychological factors rather than technology alone.

Objective 3: Understanding the Role of Human Resource Management

Human Resource Management emerges as one of the most important mechanisms for supporting employees during AI-driven transformation.

Training and Development

Organizations that provide continuous learning opportunities help employees develop confidence in their ability to work alongside AI technologies. Training programs reduce uncertainty and strengthen perceptions of employability.

Reskilling and Upskilling

Reskilling initiatives enable employees to transition into emerging roles, while upskilling programs enhance existing competencies. Both approaches reduce fears associated with technological displacement.

Employee Participation

Employees are more likely to support technological change when they are actively involved in decision-making processes. Participation fosters trust and increases commitment to organizational initiatives.

Leadership Communication

Effective communication from leaders helps clarify organizational objectives and reduce misconceptions regarding AI adoption. Transparent communication strengthens employee confidence and trust.

Mental Health Support

Organizations increasingly recognize the importance of psychological well-being. Counseling services, employee assistance programs, and wellness initiatives can help employees manage technology-related stress.

The findings demonstrate that HR professionals play a strategic role in ensuring that technological transformation remains human-centered and inclusive.

Objective 4: Strategies for Promoting Employee Well-Being in AI-Enabled Workplaces

The literature suggests several practical strategies for promoting employee well-being.

First, organizations should emphasize that AI is intended to augment human capabilities rather than replace employees. Communicating this message consistently can significantly reduce workforce anxiety.

Second, organizations should create cultures that support continuous learning. Employees who perceive opportunities for growth are more likely to embrace change positively.

Third, leadership should promote trust and transparency throughout the transformation process. Employees need clear information regarding future job roles, expectations, and career opportunities.

Fourth, organizations should invest in employee well-being initiatives that address both physical and psychological health. Such initiatives contribute to resilience during periods of organizational change.

Finally, ethical AI governance should be incorporated into organizational strategies. Employees are more likely to trust AI systems when they perceive them as fair, transparent, and accountable.

9. SUGGESTIONS

Based on the findings of the study, the following recommendations are proposed:

1. Organizations should invest heavily in continuous learning and skill development programs.

2. Human Resource departments should establish structured reskilling and upskilling initiatives to prepare employees for future roles.
3. Transparent communication regarding AI implementation should be maintained at all stages of organizational change.
4. Employees should be actively involved in technology-related decision-making processes.
5. Leadership development programs should prepare managers to support employees during technological transitions.
6. Mental health and well-being initiatives should be integrated into organizational HR policies.
7. Organizations should promote a culture of innovation and adaptability while maintaining employee trust and psychological safety.
8. Ethical guidelines governing AI use should be developed to ensure fairness, transparency, and accountability.
9. Career counseling services should be provided to help employees navigate changing workplace expectations.
10. Organizations should regularly assess employee perceptions and well-being to identify potential concerns before they become significant problems.

10. FUTURE RESEARCH DIRECTIONS

Future studies may explore the relationship between AI-related job displacement anxiety and employee well-being across different industries and occupational groups. Comparative studies involving developed and developing economies could provide deeper insights into workforce responses to technological transformation.

Researchers may also investigate the moderating effects of leadership style, organizational culture, digital literacy, and emotional intelligence on employee adaptation to AI. Longitudinal studies examining changes in employee perceptions over time would contribute significantly to understanding the long-term implications of AI adoption.

Furthermore, future empirical research involving primary data collection could provide valuable evidence regarding the effectiveness of HR interventions in reducing job displacement anxiety and promoting workforce resilience.

11. CONCLUSION

Artificial Intelligence is reshaping the future of work in unprecedented ways. While AI offers substantial opportunities for innovation, productivity enhancement, and organizational growth, it also introduces challenges that directly affect employee experiences and well-being. Among these challenges, job displacement anxiety has emerged as one of the most significant concerns facing modern organizations.

The findings of this study indicate that employees often experience uncertainty regarding job security, career prospects, and skill relevance in AI-enabled workplaces. These concerns can negatively influence psychological well-being, engagement, and organizational commitment. However, the study also demonstrates that the negative consequences of AI adoption are neither inevitable nor irreversible.

Human Resource Management plays a critical role in supporting employees during technological transitions. Through continuous learning opportunities, transparent communication, leadership support, employee involvement, and well-being initiatives, organizations can significantly reduce technology-related anxiety and foster positive attitudes toward AI adoption.

Ultimately, the future of work should not be viewed as a contest between humans and machines. Rather, it should be understood as a collaborative partnership in which technology enhances human capabilities and creates new opportunities for growth and innovation. Organizations that successfully balance technological advancement with employee well-being will be better positioned to achieve sustainable success in an increasingly AI-driven world.

References:

- Ayyagari, R., Grover, V., & Purvis, R. (2011). Technostress: Technological antecedents and implications. *MIS Quarterly*, 35(4), 831–858. <https://doi.org/10.2307/41409963>
- Brynjolfsson, E., & McAfee, A. (2014). *The second machine age: Work, progress, and prosperity in a time of brilliant technologies*. W. W. Norton & Company.
- Feng, Z. (2025). Impact of AI workplace anxiety on life satisfaction among service industry employees: exploring mediating and moderating factors. *Frontiers in Psychology*, 16, Article 1603393. <https://doi.org/10.3389/fpsyg.2025.1603393>
- Folkman, S., & Lazarus, R. S. (1988). The relationship between coping and emotion: Implications for theory and research. *Social Science & Medicine*, 26(3), 309–317. [https://doi.org/10.1016/0277-9536\(88\)90395-4](https://doi.org/10.1016/0277-9536(88)90395-4)
- Frey, C. B., & Osborne, M. A. (2017). The future of employment: How susceptible are jobs to computerisation? *Technological Forecasting and Social Change*, 114, 254–280. <https://doi.org/10.1016/j.techfore.2016.08.014>
- Giuntella, O. (2025). Artificial intelligence and the wellbeing of workers. *PMC-NIH*, Article PMC12185714.
- Giuntella, O., Koenig, J., & Stella, L. (2023). Artificial Intelligence and Workers' Well-Being. *SSRN Electronic Journal*. <https://doi.org/10.2139/ssrn.4589223>

- Gupta, S. K. (2025). Balancing innovation and well-being: AI tools and their impact on employee happiness. *Atlantis Press: Advances in Economics, Business and Management Research*, 355, 262–270. https://doi.org/10.2991/978-94-6463-898-1_20
- Huang, M. H., & Rust, R. T. (2021). Engaged by AI: A capabilities framework for artificial intelligence in service ecosystems. *Journal of Service Research*, 24(1), 31–47. <https://doi.org/10.1177/1094670520953331>
- Kim, B. (2026). AI-induced job anxiety and the perceived effectiveness of AI-enabled ESG initiatives: Evidence from bank employees. *MDPI Sustainability*, 18(9), 4353. <https://doi.org/10.3390/su18094353>
- Liu, Q. (2025). How does organizational AI adoption affect employees' job crafting behaviors? An approach-avoidance perspective. *Frontiers in Psychology*, 16, Article 1690238. <https://doi.org/10.3389/fpsyg.2025.1690238>
- Sharma, V. (2025). Psychological impacts of AI-induced job displacement among Indian IT professionals: a Delphi-validated thematic analysis. *PMC Mental Health & Identity*, Article PMC12409910.
- Soulami, M., Bencheekroun, S., & Galiulina, A. (2024). Exploring how AI adoption in the workplace affects employees: a bibliometric and systematic review. *Frontiers in Artificial Intelligence*, 7, Article 1473872. <https://doi.org/10.3389/frai.2024.1473872> Cited by: 113
- Vats, S. (2024). A multilevel review of artificial intelligence and employee well-being in organizations. *Journal of Management and Sustainability Research*, 515, 42–61.
- Venkatesh, V., Morris, M. G., Davis, G. B., & Davis, F. D. (2003). User acceptance of information technology: Toward a unified view. *MIS Quarterly*, 27(3), 425–478. <https://doi.org/10.2307/30036540>.