

AI governance and employee well-being in digital workplaces: A systematic literature review

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ARTICLE INFO	ABSTRACT
<i>Keywords:</i> artificial intelligence human resource management algorithmic management employee well-being AI Ethics	The rapid expansion of AI-mediated workplaces has transformed digital work culture, reshaping how organizations manage, monitor, and evaluate employees. While AI-driven systems enhance operational efficiency and support data-driven governance, they also raise ethical concerns regarding surveillance, autonomy, fairness, and employee well-being. This study presents a Systematic Literature Review (SLR) using the PRISMA framework and thematic synthesis to identify and analyze 44 peer-reviewed articles published between 2015 and 2026 from six databases: Scopus, Web of Science, ScienceDirect, Emerald Insight, SpringerLink, and Google Scholar. The findings are organized into six themes: AI adoption in digital workplaces, employee trust in AI, ethical tensions in algorithmic decision-making, algorithmic management and workplace control, psychological well-being, and human-centered AI governance. The review shows that, despite improving organizational performance, AI-mediated systems contribute to technostress, burnout, AI anxiety, identity threats, and reduced worker autonomy. Key ethical concerns include algorithmic bias, opacity, discrimination, and inadequate institutional governance. This study contributes an integrative conceptual framework linking algorithmic workplace practices, ethical challenges, and employee well-being, moderated by organizational support, AI transparency, digital capability, and ethical leadership, alongside a practical framework for implementing sustainable, human-centered AI governance in digital workplaces.

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Introduction

Artificial intelligence (AI) has become a transformative force in contemporary digital workplaces, reshaping how organizations manage, monitor, and coordinate labor through data-driven systems and algorithmic technologies. Over the past decade, organizations across industries have increasingly adopted AI-powered tools to automate and enhance Human Resource Management (HRM) functions, including recruitment, workforce planning, performance evaluation, and employee engagement (Madanchian, 2024; Rajagopal et al., 2025). This transformation reflects a broader socio-technical shift in which AI increasingly mediates employment relations, workplace governance, and organizational decision-making (Fenwick et al., 2024).

AI-driven HRM reflects the broader digitalization of workplace governance through machine learning, natural language processing (NLP), predictive analytics, and robotic process automation (Agarwal et al., 2025). In recruitment and selection, AI-powered applicant tracking systems process large volumes of applications, assess competencies, analyze resumes and video interviews, and predict long-term job performance using historical hiring data (França et al., 2023; Venkateshwaran et al., 2025). AI is also widely applied in talent analytics to predict employee turnover, optimize workforce allocation, and automate evaluative processes (Căvescu & Popescu, 2025; Selvamohana et al., 2025). Theodorsson & Dosanjh (2026) distinguish between augmentative AI, which supports human judgment, and autonomous AI, which replaces it entirely. In performance management, AI systems increasingly provide real-time monitoring, productivity tracking, and automated feedback, replacing traditional appraisal cycles (Edwards et al., 2024). Meijerink & Bondarouk (2023)

describe this phenomenon as “algorithmic duality,” where AI simultaneously creates organizational value while reducing employee autonomy and discretion.

Beyond operational efficiency, AI has accelerated the rise of algorithmic management, a system in which algorithms rather than human supervisors direct, monitor, and evaluate worker behavior (Parent-Rochelleau & Parker, 2022). This model is especially common in platform and gig economies, where workers interact continuously with AI systems that assign tasks, enforce compliance, and monitor productivity through digital surveillance (Bucher et al., 2021; Cameron, 2024). Edwards et al. (2024) found that workers who perceive algorithmic systems as mechanisms of control experience higher extrinsic motivation but also greater emotional exhaustion. Similarly, Huo et al. (2026) identified an inverted U-shaped relationship between algorithmic control and employee well-being, where moderate control improves clarity and structure while excessive control negatively affects workers psychologically.

Employee and managerial attitudes toward AI also play a central role in determining the success of AI-driven HRM initiatives. Drawing on the Technology Acceptance Model (Davis, 1989) and UTAUT framework (Venkatesh, 2003), studies consistently identify trust as the cornerstone of AI acceptance. Micocci et al. (2021) found that employees’ willingness to rely on AI-generated recommendations depends on confidence in the system’s reliability and accuracy. Cao et al. (2021) further showed that AI attitudes are shaped by perceived benefits, privacy concerns, accountability expectations, and organizational readiness. Cross-cultural studies by Sindermann et al. (2021) identified acceptance and fear as two dominant dimensions of AI attitudes, while Hamedani et al. (2023) emphasized the importance of AI literacy in improving

acceptance, particularly in healthcare settings. Positive attitudes alone, however, do not guarantee adoption, as perceived usefulness, ease of use, and organizational support remain critical mediating factors (Yüzbaşıoğlu, 2021).

Despite its benefits, AI-driven HRM raises significant ethical concerns. Algorithmic bias is among the most widely documented issues, particularly when AI systems are trained using historical organizational data that already contain discriminatory patterns related to gender, race, or socioeconomic background (Hunkenschroer & Luetge, 2022). Chen (2023) further demonstrated that AI-enabled recruitment systems may unintentionally facilitate discrimination across multiple protected characteristics simultaneously. Another major concern is the lack of transparency and explainability in AI decision-making processes, often referred to as the “black box” problem. Employees frequently cannot understand, challenge, or appeal decisions affecting hiring, promotion, or performance evaluation (Cole et al., 2022; Kelley, 2022). Kelley (2022) identified several essential elements for ethical AI governance, including communication protocols, ethics training, and accountability mechanisms, while Cole et al. (2022) argued that many AI ethics initiatives function more as legitimacy-building exercises than genuine protections for employees.

The psychological impact of AI-mediated workplaces are equally significant. Employees exposed to AI-driven monitoring often report increased technostress, emotional exhaustion, burnout, and work-family conflict (Liñan, 2025; Zheng & Zhang, 2025). AI anxiety, characterized by fear of job displacement, identity erosion, and loss of control, has emerged as a growing psychological phenomenon in AI-adopting workplaces (Chang et al., 2024; R. Wang, 2019). However, negative outcomes are not inevitable. Meduri et al. (2024) found that

AI implementation can improve employee well-being when accompanied by adequate training, personalized support, and continuous feedback systems.

In response to these challenges, scholars increasingly advocate for human-centered and responsible AI frameworks. Taddeo & Floridi (2018) emphasized that AI should augment rather than replace human capabilities and should be governed through robust ethical principles. Corrêa et al. (2023), in their review of global AI ethics guidelines, identified common principles such as transparency, justice, autonomy, non-maleficence, and explicability. Bankins & Formosa (2023) further highlighted the “meaningful work problem,” arguing that excessive automation may reduce employees’ sense of purpose and fulfillment at work.

Drawing on these theoretical and empirical insights, this study proposes an integrative conceptual framework linking AI-driven HRM practices, ethical challenges, psychological responses, and employee well-being outcomes. The framework consists of four interconnected layers. Layer 1 includes AI-driven HRM practices such as recruitment automation, talent analytics, AI-mediated performance management, and algorithmic decision-making. Layer 2 focuses on ethical challenges, including algorithmic bias, surveillance, transparency deficits, accountability gaps, and limited worker participation in AI governance. Layer 3 addresses psychological responses such as technostress, AI anxiety, identity threat, and trust or distrust toward AI systems. Layer 4 examines employee well-being outcomes, including burnout, emotional exhaustion, job satisfaction, autonomy, and quality of working life. These relationships are moderated by four key factors: organizational support, AI transparency, digital capability, and ethical leadership.



Figure 1. Conceptual Framework: AI-Driven HRM, Ethical Challenges, and Employee Well-being

Source: Author's analysis (2026)

Based on these issues, this study addresses four research questions: (RQ1) How is AI implemented in HRM practices? (RQ2) What ethical challenges emerge from AI-driven HRM? (RQ3) How does AI-driven HRM influence employee well-being? and (RQ4) What future research directions are needed for ethical and human-centered AI-driven HRM? To answer these questions, this study employs a Systematic Literature Review (SLR) guided by the PRISMA framework, synthesizing 44 peer-reviewed articles published between 2015 and 2026.

Method

This study employed a Systematic Literature Review (SLR) guided by thematic synthesis and the Preferred Reporting Items

for Systematic Reviews and Meta-Analyses (PRISMA) framework (Moher et al., 2009; Page et al., 2021). SLR was selected because it provides a replicable, transparent, and structured process for identifying, evaluating, and synthesizing existing research evidence on a defined topic (Tranfield et al., 2003). Thematic synthesis was chosen because it enables the generation of interpretive, higher-order themes from diverse primary studies, facilitating the identification of convergent and divergent patterns across disciplinary contexts, organizational settings, and cultural environments (Thomas & Harden, 2008). The SLR proceeded through three sequential phases: systematic database search, multi-stage screening and eligibility assessment, and structured data extraction and thematic analysis.

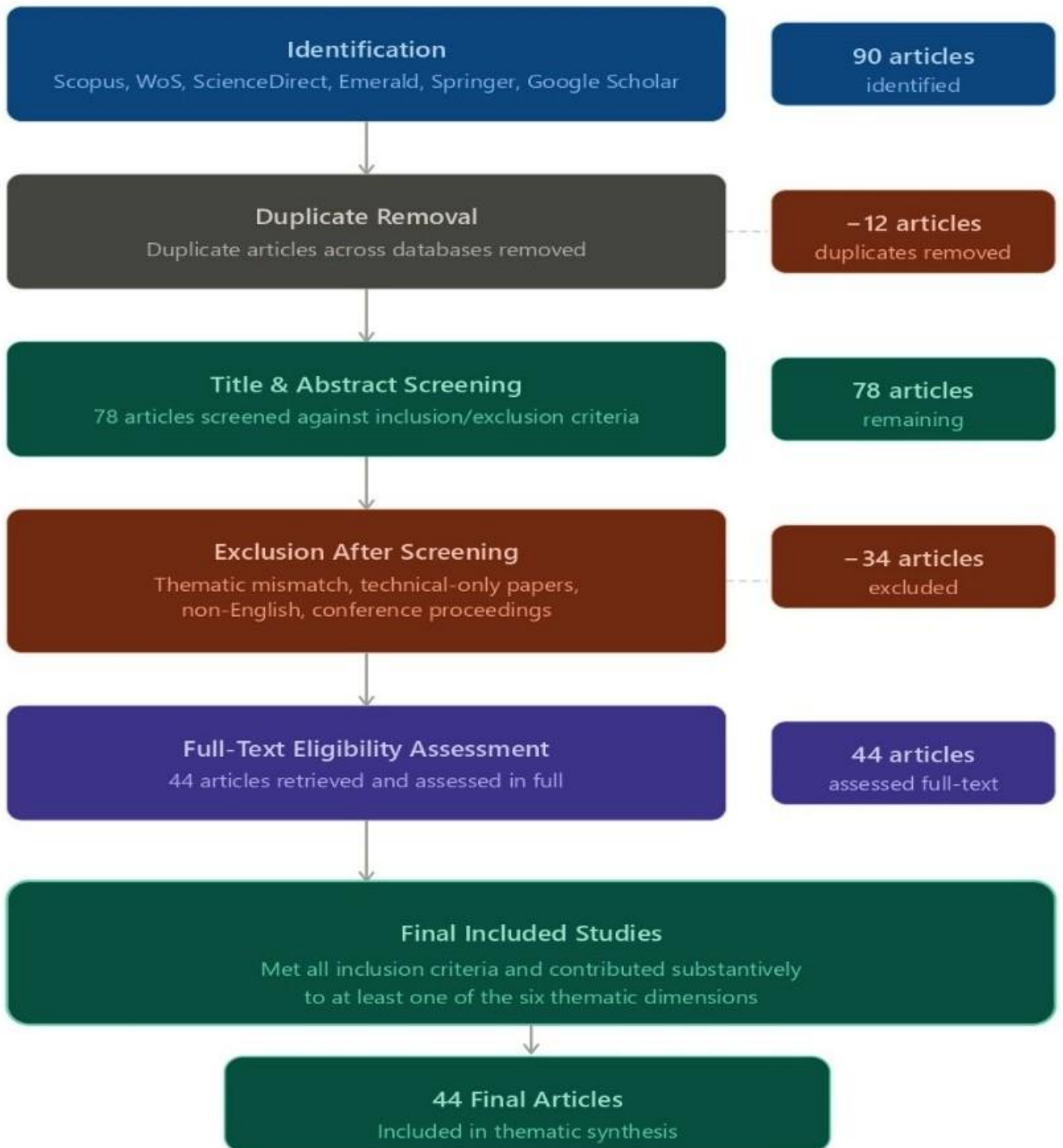


Figure 2. PRISMA Flow Diagram — Systematic Article Selection Process

The literature search covered six databases: Scopus, Web of Science (WoS), ScienceDirect, Emerald Insight,

SpringerLink, and Google Scholar (used supplementarily). Multiple databases spanning subscription-based repositories

Table 1. Representative Data Extraction of Included Studies

No.	Author (Year)	Topic / Focus	Method	Key Findings
THEME 1: AI-DRIVEN HRM				
1.	Madanchian (2024)	AI tools for HR decision-making: from recruitment to retention	Systematic Review	AI demonstrates consistent effectiveness across recruitment, evaluation, and talent analytics; ethical frameworks are essential.
2.	Venkateshwaran et al. (2025)	AI in HR: transforming recruitment and selection in IT industry	Systematic Review	AI-powered ATS, chatbots, and predictive analytics reduce hiring bias and improve candidate matching.
3.	Meijerink & Bondarouk (2023)	Duality of algorithmic management in HRM	Conceptual	AI-HRM creates value for organizations and risks for employees simultaneously through algorithmic duality.
THEME 2: ETHICAL CHALLENGES				
4.	Hunkenschroer & Luetge (2022)	Ethics of AI-enabled recruiting and selection	Literature Review	AI recruitment systems perpetuate bias; algorithmic opacity undermines procedural fairness.
5.	Kelley (2022)	Employee perceptions of effective AI ethics adoption	Qualitative (49 employees, 24 orgs)	11 components required for AI ethics: communication, training, ethics offices, enforcement.
6.	Cole et al. (2022)	Politics by automatic means: critique of AI ethics at work	Critical Analysis	Organizations treat AI ethics ad-hoc with no oversight; supra-national standards are absent.
THEME 3: ALGORITHMIC MANAGEMENT				
7.	Edwards et al. (2024)	Algorithmic HR systems and employee motivation and well-being	Longitudinal Survey (401 employees, 3 waves)	Employee attributions about AI purpose (control vs. feedback) shape motivational and well-being outcomes.
8.	Huo et al. (2026)	Algorithmic control in app-work platforms and work well-being	Survey (304 app workers)	Inverted U-shaped relationship: moderate algorithmic control optimizes well-being; excessive control harms it.
THEME 4: EMPLOYEE WELL-BEING				
9.	Zheng & Zhang (2025)	AI awareness and emotional exhaustion	Survey (303 employees)	AI awareness predicts emotional exhaustion via job insecurity and work-family interference.

10.	Chang et al. (2024)	AI-driven technostress and adoption intention	Survey (301 employees)	AI anxiety mediates negative relationship between hindrance stressors and AI adoption intention.
11.	Y.-Y. Wang & Wang, (2022)	Development and validation of AI Anxiety Scale	Scale Development (301 respondents)	AI Anxiety Scale validated as a psychometrically sound construct; predicts motivated learning behavior.
THEME 5: AI ATTITUDES				
12.	Cao et al. (2021)	Managers' attitudes toward AI for organizational decision-making	Mixed Methods	Integrated acceptance-avoidance model; data privacy and accountability are central concerns.
13.	Sindermann et al. (2021)	Attitude Towards AI scale (German, Chinese, English)	Cross-Cultural Survey	Two stable factors: acceptance and fear of AI; cross-cultural validity established.
THEME 6: HUMAN-CENTERED AI				
14.	Bankins & Formosa (2023)	Ethical implications of AI for meaningful work	Conceptual / Review	AI automation of meaningful tasks represents organizational harm; human-centered AI must support meaningful work.
15.	Corrêa et al. (2023)	Worldwide AI ethics: review of 200 guidelines	Global Policy Review	Convergent global principles: transparency, justice, non-maleficence, autonomy, explicability; significant implementation variation.

and open-access platforms were consulted to ensure broad disciplinary coverage and to minimize the risk of systematic omission (Booth et al., 2021). Search strings were structured as Boolean combinations of three conceptual clusters. Cluster 1 (AI in HRM): ("AI-driven HRM" OR "Artificial Intelligence in HRM" OR "AI recruitment" OR "talent analytics" OR "algorithmic management" OR "AI performance management" OR "digital HRM"). Cluster 2 (Employee Well-being): ("employee well-being" OR burnout OR technostress OR "AI anxiety" OR "emotional exhaustion" OR "job stress" OR "identity threat" OR "psychological safety"). Cluster

3 (Ethics & Governance): (ethics OR fairness OR "algorithmic bias" OR transparency OR "responsible AI" OR "human-centered AI" OR "AI governance" OR surveillance). Title, abstract, and keyword fields were searched across all primary databases.

Articles were included if they were peer-reviewed journal articles written in English, published between 2015 and 2026, focused on AI in workplace or HRM contexts, and substantively addressing ethical challenges or employee psychological well-being. Both empirical studies (quantitative, qualitative, and mixed-methods) and theoretical or conceptual papers were eligible. Articles

were excluded if they were non-English, conference proceedings, book chapters, dissertations, or grey literature; technical AI papers without organizational or human dimensions; or healthcare and education AI papers without connection to employment relationships. Article selection followed the four-stage PRISMA protocol (Page et al., 2021), ensuring methodological rigor and transparency. Each article was evaluated against the inclusion and exclusion criteria, and ambiguous cases were resolved by asking whether the article contributed substantive insights applicable to AI governance, employee attitudes, or organizational well-being dynamics in employment contexts. The complete PRISMA flow is presented in Figure 2.

A structured extraction protocol was then applied to all 44 included articles, recording: author(s) and year; primary thematic focus; research methodology; key findings; and thematic classification within the review framework. Table 1 presents a representative selection of included studies organized by thematic dimension.

Following data extraction, thematic synthesis proceeded through three stages informed by Thomas & Harden (2008) approach: (1) free-line coding of all 44 articles, assigning descriptive codes to relevant text segments; (2) development of descriptive themes by grouping related codes; and (3) generation of analytical themes that moved beyond description toward conceptual explanation and theoretical integration (Braun & Clarke, 2006). The resulting structure organized findings into six thematic dimensions: AI Adoption in HRM; Ethical Tensions; Algorithmic Management and Employee Control; Employee Psychological Outcomes; AI Attitudes and Trust Dynamics; and Human-Centered and Responsible AI.

Results and Discussion

AI adoption in HRM

AI adoption in HRM has reached an inflection point, moving from experimental deployment in pioneering tech firms to mainstream practice across industries and geographies. Recruitment and selection is the most extensively documented application domain. AI-powered applicant tracking systems, resume screening algorithms, and predictive hiring models now serve organizations managing large candidate pools representing an epistemological shift from holistic human judgment toward algorithmically defined competency profiles derived from historical performance data (Faqihi & Miah, 2023; Meshram, 2023; Venkateshwaran et al., 2025).

Talent analytics constitutes the second major domain. Căvescu & Popescu (2025) and Selvamohana et al. (2025) document how organizations use predictive analytics to anticipate workforce needs and proactively address retention challenges enabling predictive forms of workplace governance in which algorithmic systems increasingly shape employment decisions before issues become visible to human managers. Performance management, the third domain, is particularly consequential for daily work experiences: Edwards et al. (2024) longitudinal research confirms that algorithmic HR systems for performance monitoring now span professional and managerial roles across sectors.

Fenwick et al. (2024) identify three critical enablers of successful AI-HRM implementation: strategic alignment between AI deployment and organizational goals, HR functional capability to govern

and interpret AI outputs, and a culture of psychological safety enabling employees to engage critically with AI systems without fear. Agnihotri et al. (2023) highlight 'talent intelligence' the capacity to integrate AI-generated insights with human contextual knowledge as what distinguishes organizations that navigate AI integration more effectively than organizations that rely solely on automated decision-making systems.

Ethical tensions in AI-driven HRM

The evidence is robust and convergent: AI-driven HRM systems carry significant risks of perpetuating and amplifying social inequality. Hunkenschroer & Luetge, (2022) identify training data bias as the most pervasive mechanism when AI models train on historical hiring decisions reflecting

past discriminatory practices, they learn to replicate those patterns at scale, effectively automating historical prejudice. Chen (2023) extends this, showing that AI-enabled recruitment can facilitate discrimination across multiple protected characteristics simultaneously. Unlike human discrimination, algorithmic discrimination is diffuse, systematic, and difficult to detect without large-scale auditing.

The gap between articulated AI ethics principles and organizational implementation is wide and persistent (Kelley, 2022). Most organizations that have formally adopted AI ethics commitments lack the institutional mechanisms dedicated oversight bodies, independent auditing, accessible appeals procedures to translate principles into practice. Cole et al. (2022) offer a structural explanation: organizational AI ethics initiatives are frequently deployed

Table 2. Implementation Framework for Human-Centered AI-HRM

Domain	Recommended Practices	Evidence Base
Design	Deploy explainable AI architectures; ensure human override capabilities; co-design systems with employee input; audit AI systems for bias prior to deployment.	Corrêa et al. (2023); Hunkenschroer & Luetge, (2022); Nilsson et al. (2025); Taslim et al. (2025)
Governance	Establish dedicated AI ethics committees; implement binding accountability mechanisms; provide accessible appeals procedures; conduct regular independent algorithmic audits.	Adams-Prassl et al. (2023); Banks & Formosa (2023); Kelley (2022)
Communication	Communicate transparently about AI system capabilities and limitations; explain how algorithmic decisions are made; provide clear, accessible AI decision disclosures to affected employees.	Cao et al. (2021); Edwards et al. (2024); Kelley (2022); Micocci et al. (2021)
Support	Invest in AI literacy and digital capability programs; provide coaching leadership during AI transitions; implement personalized support mechanisms; create psychological safety for AI-critical feedback.	Ahmed et al. (2025); Fenwick et al. (2024); Jeong et al. (2024); Meduri et al. (2024)

Source: Results processed by researchers (2026)

Table 3. Summary of Key Findings by Thematic Dimension

Theme	Key Finding	Implication
4.1 AI Adoption in HRM	AI is deeply embedded in recruitment, talent analytics, and performance management; adoption varies by organizational maturity and HR capability.	HR functions must develop governance capabilities alongside technical adoption to realize AI's strategic potential responsibly.
4.2 Ethical Tensions	Algorithmic bias, transparency deficits, accountability gaps, and surveillance concerns are pervasive and structurally embedded in AI-HRM systems.	Regulatory intervention, mandatory auditing, and worker representation in AI governance are necessary but insufficient without organizational culture change.
4.3 Algorithmic Management	Algorithmic management exercises control through work simplification, intensification, and discretion reduction; effects on autonomy are predominantly negative.	Calibrated, participatory algorithmic management design can preserve employee autonomy; excessive control harms well-being and organizational performance.
4.4 Psychological Outcomes	AI adoption generates significant technostress, burnout, AI anxiety, and identity threat; organizational support and digital self-efficacy are key moderators.	Investment in training, coaching leadership, and psychological safety creates measurable protective effects on employee well-being during AI transitions.
4.5 Human-Centered AI	Human-centered AI-HRM requires transparency, worker participation, ethical governance, and ethical leadership as foundational organizational commitments.	Efficiency and humanity in AI-HRM are complementary; organizations that invest in human-centered implementation realize both better ethical and performance outcomes.

Source: Results processed by researchers (2026)

instrumentally, as legitimacy-building exercises rather than genuine commitments to worker protection. Adams-Prassl et al. (2023) document how AI-enabled workplace monitoring has expanded dramatically in scope, encompassing not only performance metrics but also communication patterns, location data, and biometric indicators.

Algorithmic management and employee control

Parent-Rochelleau & Parker (2022) identify three primary pathways through which algorithmic systems shape job design: work simplification, work intensification, and discretion reduction. Cram et al. (2022) demonstrate how algorithmic management generates technostress through work overload, invasion of privacy, and the unpredictability of algorithmic decisions. Bucher et al. (2021) identify 'anticipatory

compliance' workers preemptively adapt behavior to align with perceived algorithmic preferences even without explicit instruction as a particularly subtle form of organizational control in which the algorithm shapes behavior without requiring explicit direction.

Lu et al., (2024) demonstrate that algorithmic management creates hindrance demands that reduce service quality commitment and organizational identification. Huo et al. (2026) inverted U-shaped finding is a critical contribution: moderate algorithmic control can enhance well-being by providing structure and clear expectations, but excessive control crosses a threshold beyond which psychological costs outweigh benefits. Nilsson et al. (2025) show that participatory design of algorithmic systems with opportunities for human override and worker feedback yields substantially better occupational health outcomes than non-participatory alternatives.

Employee psychological outcomes

Liñan (2025) meta-analysis of 47 studies ($n > 36,100$) establishes the empirical foundation: a moderate-to-strong negative association between digital technology use intensity and employee burnout ($r = -0.478$). Dewi et al. (2020) demonstrate that AI awareness generates emotional exhaustion through work overload but also identify job crafting and technological self-efficacy as significant buffers. Jeong et al. (2024) find that AI adoption increases job stress through role ambiguity and perceived skill obsolescence, with downstream effects on physical health and that coaching leadership significantly buffers these effects, pointing to the critical role of direct supervisors in mediating AI's psychological impact.

Y.-Y. Wang & Wang, (2022) establish AI anxiety as a psychometrically distinct

construct with reliable measurement properties. Shekhar & Saurombe (2026) analysis of 1,454 Reddit narratives finds that 51% express negative sentiment characterized by 'algorithmic anxiety' multidimensional apprehension encompassing job loss fears, algorithmic fairness concerns, and anxieties about the devaluation of human judgment. Mirbabaie et al. (2022) theorize AI identity threat as extending beyond specific job loss fears to challenge employees' fundamental sense of professional identity, triggering resistance, disengagement, and deteriorating organizational commitment.

Four categories of protective resources consistently emerge. Organizational support is the most consistently documented moderator: comprehensive training, personalized AI interactions, and continuous feedback mechanisms can make AI integration reduce rather than increase burnout (Meduri et al., 2024). Technological self-efficacy is the second: employees with higher digital confidence experience significantly lower emotional exhaustion. Coaching leadership, particularly the quality of direct supervisors during AI transitions, significantly buffers negative psychological effects (Jeong et al., 2024). Human-centered design is the fourth: AI-induced positive experiences flow, competence satisfaction, creative stimulation are most likely when systems are designed as collaborative partners that enhance rather than constrain employee capabilities (Loureiro et al., 2023).

Toward human-centered AI in HRM

Transparency and explainability are foundational. Employees have a legitimate right to understand the criteria, processes, and data sources behind algorithmic decisions that affect their careers. Corrêa et al. (2023) identify explicability as near-universal in global AI ethics frameworks; Kelley (2022)

demonstrates empirically that organizations that communicate transparently about AI systems generate significantly higher levels of employee trust and acceptance. Worker participation in AI governance constitutes a second foundational principle: Taslim et al. (2025) demonstrate that organizations that actively involve employees in AI-driven HR decision-making report higher AI acceptance, lower AI anxiety, and reduced organizational resistance.

Ethical leadership quality emerges with particular consistency as a determinant of AI-HRM outcomes. Edwards et al. (2024) show that the psychological meaning employees assign to algorithmic management systems is significantly shaped by interpretive frameworks provided by immediate supervisors. Leaders who model transparent, fair, and human-centered relationships with AI create cultures where employees can engage with AI productively and without excessive anxiety. Fenwick et al. (2024) argue this requires a fundamental reconception of the HR function's role from administrative process manager to ethical guardian of the employment relationship in the age of AI.

Conclusion

This systematic literature review synthesized 44 peer-reviewed studies examining the ethical challenges and employee well-being implications of AI-driven Human Resource Management (HRM). Guided by the PRISMA framework and thematic synthesis methodology, the review identified six interconnected dimensions: AI adoption in HRM, AI attitudes and trust, ethical tensions in algorithmic decision-making, algorithmic management and workplace control, employee psychological outcomes, and human-centered and responsible AI governance. The findings demonstrate that

AI-driven HRM significantly improves organizational efficiency through recruitment automation, predictive talent analytics, workforce planning, and real-time performance management (Agarwal et al., 2025; Rajagopal et al., 2025). However, these benefits are accompanied by substantial ethical and psychological risks, including algorithmic bias, transparency deficits, digital surveillance, technostress, emotional exhaustion, burnout, AI anxiety, and the erosion of employee autonomy (Hunkenschroer & Luetge, 2022; Liñan, 2025; Zheng & Zhang, 2025).

This review contributes theoretically by proposing an integrative conceptual framework linking AI-HRM practices, ethical challenges, psychological responses, and employee well-being outcomes within a single explanatory structure. The study also extends algorithmic management theory by demonstrating that the consequences of algorithmic control are not limited to platform or gig work but increasingly affect employees across diverse organizational contexts (Cameron, 2024; Parent-Rocheleau & Parker, 2022). In addition, the review challenges efficiency-centered perspectives of AI adoption by positioning employee well-being and human dignity as essential components of sustainable organizational performance rather than secondary concerns (Bankins & Formosa, 2023).

The findings also generate important practical implications for organizations and policymakers. HR practitioners should conduct ethical impact assessments before deploying AI systems, strengthen AI literacy and digital capability, implement transparent AI communication protocols, ensure human oversight in AI-driven decisions, monitor employee psychological well-being, and involve employees in AI governance processes (Corrêa et al., 2023; Kelley, 2022). Policymakers should establish stronger

regulatory frameworks through mandatory transparency requirements, algorithmic auditing mechanisms, and legal protections that guarantee employees the right to explanation, appeal, and redress regarding AI-mediated employment decisions (Cole et al., 2022; Corrêa et al., 2023).

This review further highlights several important directions for future research. Future studies should prioritize longitudinal and causal research designs to better understand the long-term effects of AI-HRM practices on employee well-being and organizational outcomes. Comparative cross-cultural research is also needed to examine how cultural and regulatory differences shape AI implementation and employee experiences (Sindermann et al., 2021). Future scholarship should also investigate the relationship between AI-HRM and diversity, equity, and inclusion (DEI), particularly regarding gender and racial inequalities in algorithmic decision-making (Chen, 2023). More research is needed on well-being-centered AI-HRM design that promotes autonomy, creativity, and meaningful work, as well as on the effectiveness of different AI governance mechanisms, including transparency regulations, auditing systems, and multi-stakeholder governance models (Taddeo & Floridi, 2018).

This study is subject to several limitations that should be considered when interpreting the findings. First, the review was restricted to peer-reviewed journal articles published in English, which may exclude relevant insights from non-English scholarship and grey literature such as policy reports or practitioner research. Second, while the PRISMA protocol was followed rigorously, the inherent subjectivity involved in thematic synthesis means that alternative coding frameworks could yield partially different thematic structures. Third, the review covers articles published between 2015 and 2026;

given the rapid pace of AI development, some findings from earlier studies may not fully reflect the current technological landscape. Fourth, the conceptual framework proposed in this study is integrative and theoretical in nature; it has not been empirically validated and should be treated as a basis for future empirical investigation rather than a confirmed model. Future research is therefore encouraged to test the proposed framework using primary data, diversify language and source coverage, and employ mixed-methods or longitudinal designs to better capture the evolving dynamics of AI-driven HRM.

Overall, the fundamental challenge confronting organizations is no longer whether AI should be adopted in HRM, but how AI can be implemented ethically and responsibly in ways that balance organizational efficiency with employee well-being, autonomy, fairness, and human dignity. Sustainable AI-driven workplaces require governance systems that recognize organizational performance and human-centered values as complementary rather than competing objectives.

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Declaration of Ownership

This article is the original work of the authors and has not been published or submitted for publication elsewhere.

Conflict of Interest

The authors declare no conflict of interest regarding the publication of this article.

Ethical Clearance

Ethical clearance was not required for this study because it used secondary data from published literature and did not involve human participants.

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