



When AI Becomes the Boss: Algorithmic Management, Digital Workplace Surveillance, and AI-Induced Job Insecurity as Determinants of Employee Psychological Well-Being

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ABSTRACT

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Artificial intelligence is no longer confined to decision support or task automation; it increasingly participates in the management of people. Algorithms allocate work, monitor activity, evaluate performance, recommend rewards, and shape employment expectations. These developments create an important interdisciplinary problem at the intersection of management sciences and the sociology of work: organizations may gain coordination and efficiency while employees experience intensified control, surveillance, insecurity, and a weakening of relational trust. This study develops an integrated model in which algorithmic management, digital workplace surveillance, and AI-induced job insecurity predict employee psychological well-being, with organizational trust operating as the central mediating mechanism. The framework combines Job Demands-Resources theory, Social Exchange Theory, and labor process insights to explain why technologically mediated management can become psychologically consequential. It also offers a practical governance logic for organizations adopting AI-enabled management systems: transparency, procedural safeguards, human review, proportionate monitoring, and credible reskilling commitments are likely to be as important as technical performance.

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1.0 Introduction

AI technology has quickly transitioned from being an outsider in the management process to its core. Modern organizations implement data-centric systems to distribute tasks, track performance, evaluate productivity, schedule activities, select candidates for jobs, suggest promotions, and predict staffing needs. All of these processes are usually talked about in managerial terms as digital transformation, intelligent HRM, workforce analytics, or algorithmic management. However, from the perspective of an employee, these very technologies might be perceived as a novel architecture of control. What management sees as a purely technical instrument to improve efficiency might become for employees a mysterious and omnipresent supervisor that influences rewards, reputation, and even career stability. Thus, the problem of managing via artificial intelligence becomes a highly relevant one in the realm of connecting management sciences and sociology of work.

Algorithmic management has been established as a research topic since algorithms have started performing tasks previously done by supervisors and line managers. Kellogg, Valentine, and Christin (2020) have conceptualized algorithmic control as a new contested space wherein companies use data-driven mechanisms to direct, assess, and control employees. Similarly, Parent-Rocheleau and Parker (2022) have explained how algorithms can serve multiple functions of management including surveillance, goal setting, performance management, scheduling, pay, and firing. Recent studies focus on the fact that such systems are increasingly becoming prevalent even outside platform or gig work, with implications for autonomy, equity, transparency, and workers' well-being (Jiang et al., 2025; Kim et al., 2025; Zhang et al., 2025). The OECD (2025) has also pointed out how algorithmic management is being used increasingly in workplaces along with its organizational and workers' implications.

In the current research, emphasis has been made on analyzing three aspects of the AI-infused workplace environment, which are all related to each other but are distinct from one another in terms of definition and concept. First, there is algorithmic management, which can be described as the degree to which computers and data-driven systems control, coordinate, assess, or govern workers. Secondly, there is digital workplace surveillance, which is about using technology to observe, monitor, and analyze employees in terms of activities, communication, location, and performance-related behavior. Finally, AI-induced job insecurity is about employees' worries regarding the fact that AI will decrease the relevance of their position in the workplace and will jeopardize their future employability as well as the stability of their current employment.

This matters since the psychological well-being of workers does not depend on individual characteristics or coping strategies alone. The sociology of work has always seen well-being in the context of socially organized work processes in terms of autonomy, control, security, status, and interpersonal relations. There is recent evidence for this view in the context of surveillance through digital technologies. For instance, Glavin, Bierman, and Schieman (2024) report that workplace surveillance is linked to worker well-being via stress processes, whereas the meta-analysis conducted by Ravid et al. (2023) finds that electronic performance monitoring is correlated with stress and not with performance improvements automatically. Brinson (2024) adds that workers'

reactions to monitoring are highly dependent on privacy issues and employer trust. Parallel to this, there is the body of literature that examines the effect of AI-induced job insecurity on psychological safety and employee knowledge behavior (Kim & Kim, 2024).

However, despite all the developments, there is still fragmentation within the literature. Algorithmic management research tends to concentrate on platform employees or the use of one technological practice; the work on the surveillance of the workplace tends to revolve around the problems of privacy and stress at the workplace; and the literature on AI-induced insecurity usually concentrates on issues of employability, knowledge hiding, and innovation. The aspect of the research that has not been fully considered yet is a relational approach to the analysis of multiple digital technologies affecting employees' well-being. The current research posits that organizational trust can be used as the necessary mechanism in the research. The concept of organizational trust implies the employees' readiness to be vulnerable due to certain positive expectations of the organization's reliability, intentions, and behavior. The negative perception of the algorithms' lack of transparency, intrusive monitoring, or the potential threat of one's job due to AI introduction can result in the lack of trust to the organization.

The present research thus raises the central question: in what way algorithmic management, digital workplace surveillance, and AI-related job insecurity affect the psychological well-being of workers, and how does organizational trust serve as a mediator for such relations? The outlined model provides three novelties. First, the model combines the management literature on digital HRM and algorithmic management with sociological perspectives on control, surveillance, and insecurity. Second, the model views organizational trust not as a positive disposition alone, but as a relational device which connects technology-enhanced management practices to worker well-being. Third, the model applies to digitally-intensive service organizations rather than gig platforms alone, thus broadening the discussion to traditional employment settings, where AI is increasingly becoming a part of management.

2.0 Literature Review

2.1 Algorithmic management and the changing employment relationship

Algorithmic management can be defined as the application of computation-based systems to manage various aspects of business operations. It is not just the use of technology that makes algorithmic management important but also the shift in the allocation of power that ensues from its application. In case of a traditional manager, questions can be asked, an explanation provided, a decision can take into account the context, and some leeway can even be given at times. While an algorithmic management system might provide consistency, it can also turn complex tasks into quantifiable measures and those into actions to recommend or impose penalties. As described by Kellogg et al. (2020), it is a new landscape of organizational control where recording, rating, restricting, recommending, rewarding, and replacing can be carried out through technological means.

Current scholarly work on the topic of algorithmic management no longer accepts the idea that the effects of algorithmic management are always negative or positive. Jiang, Hu, and Li (2025) posit that algorithmic management represents the duality of control and empowerment. In

their work examining platform workers, Li, Zhan, and Liu (2025) indicate that algorithmic management is both a challenge and a threat for those who utilize it, leading to various outcomes of engagement. The duality of algorithmic management is important. Algorithms can decrease ambiguity, give immediate feedback, schedule, and synchronize complex work flows. On the other hand, algorithms can increase pace, decrease discretion, make performance more visible, and introduce uncertainties into decision-making. Thus, from the JD-R theory perspective, algorithmic management not only supplies resources but also produces demands. This study concentrates specifically on the demands side of algorithmic management when, due to algorithmic guidance and appraisal, the responsiveness of human management is perceived by employees as lessened.

2.2 Digital workplace surveillance

Digital surveillance is different from algorithmic management, yet related to it. One can employ algorithms for scheduling and allocation without digital monitoring of employees, while monitoring systems can work in places where decisions are still made by humans. Digital workplace surveillance includes keylogging, screenshots, video surveillance, geolocation, usage of applications monitoring, communication monitoring, biometrics, productivity monitoring, etc. Such technologies are used for legitimate reasons, such as protection of information, safety, compliance, workflow coordination, and feedback about performance. However, their psychological interpretation relies strongly on proportionality, transparency, and the perception of employees about the use of gathered data.

The literature about monitoring appears to be increasingly skeptical. In their meta-analysis of the large literature on electronic performance monitoring, Ravid et al. (2023) discovered no general link between monitoring and improvements in performance as well as some associations with stress in employees. Glavin et al. (2024) analyzed the issue of surveillance through the sociological perspective of the stress process and demonstrated that monitoring may lead to lower well-being as a result of the creation of additional sources of job stress. In her paper, Brinson (2024) found that employees make evaluations of monitoring via the privacy calculus in which potential dangers, advantages, reactance, and employer trust are intertwined. It is especially important to discuss the paper in relation to the current framework since employer trust was strongly related to positive attitudes towards monitoring.

2.3 AI-induced job insecurity

Job insecurity can be defined as a sense of threat to the stability and continuity of employment. Job insecurity due to AI is a more specific type of insecurity, which involves a concern that AI, automation, and substitution by algorithms may decrease the value of a worker's skills, change the nature of a position, eliminate jobs, or jeopardize the career development of the employee. Contrary to actual lay-offs, insecurity has an anticipatory nature, meaning that it works psychologically rather than changing something in employment practices.

Kim and Kim (2024) explain how such job insecurity, generated by the adoption of AI, may impact the behavior of workers through two dimensions: psychological safety and knowledge dynamics. These researchers demonstrate how employees' perception of a technological threat may influence not only individual feelings but also the way people interact with their coworkers and

organization as a whole. Other studies have recently addressed such implications of the exposure to AI for workers' attitudes and behavior. The feeling of insecurity is exacerbated by the uncertainty related to the exact tasks to be automated, the available options for reskilling, performance assessment in augmented positions, or distribution of productivity gains.

2.4 Organizational trust as a relational mechanism

Organizational trust becomes the key mediator of the theoretical model under consideration. Employees develop the feeling of vulnerability in relation to the organization since they believe that the organization or its representatives are likely to behave reasonably reliably, competently, fairly, and concerned about them. In routine work processes, employees become vulnerable by sharing their ideas, relying on the results of performance appraisals, accepting management instructions, developing firm-specific knowledge and skills, and being confident that personal information will not be used improperly. AI-powered management makes employees more vulnerable because they do not always know how the system operates and how the use of their data is performed.

There is some evidence from the monitoring literature about the relevance of trust in this regard. Brinson (2024) revealed that the level of employer trust has affected significantly employees' attitudes towards electronic monitoring, and perceptions of risks related to monitoring were inversely linked with trust. There is also some evidence that organizational trust correlates positively with eudaimonic and digital well-being of technology professionals (Pisarska, 2025). All these pieces of evidence make trust a potentially suitable mediator instead of a control variable.

This is where Social Exchange Theory comes in handy. Blau's (1964) version and subsequent organizational application of this concept stress the fact that the development of relations occurs through exchange in which each party learns to determine if the other one is trustworthy. Trust can both be the result of prior exchange and its precondition. If the implementation of AI technologies is open, the voices of employees are heard, human oversight is ensured, and the promise of reskilling is real, technology can be perceived as supporting. Otherwise, if systems are closed, surveillance is too excessive, and job threats remain unresolved, trust will be decreasing.

2.5 Employee psychological well-being

Psychological well-being of employees denotes an optimal psychological state whereby stress is manageable, the individual is functioning positively, is emotionally balanced and has the ability to carry out work without experiencing continuous stress. This concept is wider than job satisfaction since it focuses on the psychological state of the employee as opposed to just assessing the job. The importance of well-being in today's organizations lies in the fact that stress, insecurity and lack of control impact absence, retention, innovation, safety and performance.

2.6 Integrating JD-R, Social Exchange Theory, and labor process insights

No one single theory adequately addresses the model presented above. JD-R theory provides an explanation of why algorithmic control, surveillance, and insecurity act as job demands which use up emotional and cognitive resources. Social Exchange Theory provides an explanation of why employees perceive these demands in a relational manner and why trust

becomes relevant. Labor Process theory provides an explanation for why these technologies cannot be seen as just technological but also means through which organizations exercise control and power. All together, these theories provide a multilevel explanation in the sense that the technology alters the nature of work, its design and control; workers perceive this alteration as messages regarding the employment relationship; these perceptions affect trust; and trust becomes a route to psychological well-being.

2.7 Hypotheses Development

There is a possibility for increased efficiency through algorithmic management. However, when the workers perceive it as a form of intrusive guidance and appraisal, there is the possibility of loss of discretion and increased pressure. It is especially likely when the worker perceives the algorithm as complicated to understand and criticize. Recent literature discusses this duality and reveals that there are threats of appraisals in addition to possible advantages of algorithmic management (Jiang et al., 2025; Li et al., 2025). In the current framework, burdening elements will dominate when algorithmic systems take over relational management. Accordingly:

H1: Algorithmic management is negatively associated with employee psychological well-being.

Digital surveillance increases the visibility of employee behavior within the organization. While the use of surveillance can promote coordination and compliance, continued surveillance could increase evaluation apprehension, diminish privacy, and indicate mistrust among managers. Several meta-analyses have shown a relationship between electronic monitoring and workplace surveillance with stress-related consequences (Glavin et al., 2024; Ravid et al., 2023). Therefore:

H2: Digital workplace surveillance is negatively associated with employee psychological well-being.

Job insecurity induced by artificial intelligence raises uncertainties regarding job continuity, relevance of occupation, and prospects for future careers. Since insecurity involves anticipation, workers might keep wondering about the potential displacement due to technology without being able to control the outcomes. Thus:

H3: AI-induced job insecurity is negatively associated with employee psychological well-being.

Another group of hypotheses relates to trust in organizations. The use of algorithmic management might reduce trust if workers find decisions to be too difficult to understand, rigid, or lacking proper consideration of the context. Inability to provide an explanation for how a system distributes tasks or evaluates worker performance raises doubts about the fairness of decisions made by the organization. Hence:

H4: Algorithmic management is negatively associated with organizational trust.

Trust is anticipated to be affected by surveillance as well. The act of monitoring can be seen as a signal from the organization which implies that its workers need to be verified all the time. According to Brinson (2024), the negative perception of monitoring risks is related to low trust in the employer, whereas positive and useful monitoring was assessed more favorably. Therefore:

H5: Digital workplace surveillance is negatively associated with organizational trust.

Job insecurity generated due to the use of artificial intelligence could similarly undermine trust in terms of bringing in concerns over organizational intentions. Employees may be able to embrace the changes brought about by the technology more easily if they think that the organization will make efforts to retrain employees, speak the truth, and fairly share the gains of innovation. Thus:

H6: AI-induced job insecurity is negatively associated with organizational trust.

It is reasonable that trust would facilitate psychological well-being as well. Specifically, trust lessens the uncertainty around how the organization will handle the data of the employees, how performance will be evaluated, how mistakes will be dealt with, and how change will be handled in the future. Trust also means that employees can spend less mental effort on monitoring the intentions of the organization. Accordingly:

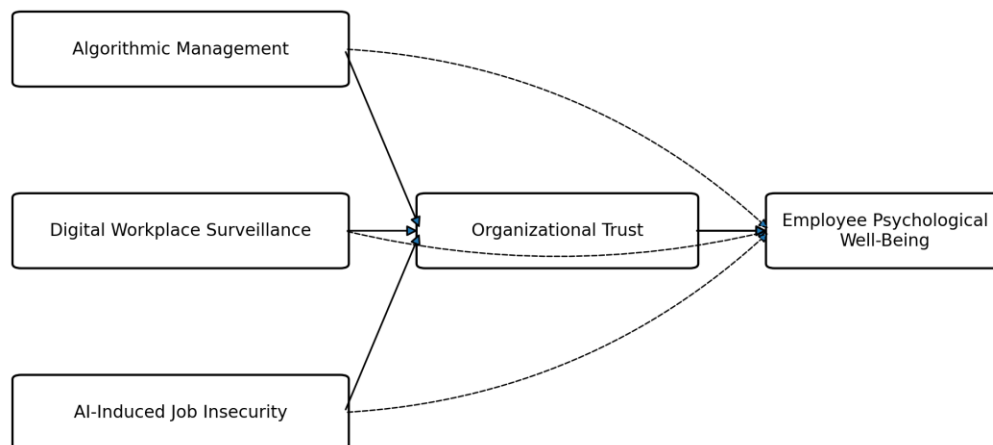
H7: Organizational trust is positively associated with employee psychological well-being.

Finally, if algorithms, surveillance, and artificial intelligence-induced insecurity impact how employees perceive the intentions of the organization, which in turn impacts their wellbeing, then trust would be transmitting a portion of the effect of each technology-driven pressure. This is supported by Social Exchange Theory because in addition to responding to the work-related pressure, employees also respond to what the pressure signifies about the employment relationship. Therefore:

H8a: Organizational trust mediates the relationship between algorithmic management and employee psychological well-being.

H8b: Organizational trust mediates the relationship between digital workplace surveillance and employee psychological well-being.

H8c: Organizational trust mediates the relationship between AI-induced job insecurity and employee psychological well-being.



Solid paths: indirect mechanism through trust | Dashed paths: direct effects

Figure 1. Conceptual Framework.

3.0 Methodology

3.1 Research design and context

The present study employs a quantitative, time-lagged survey design. The study's empirical context will be digitally intensive service organizations in Pakistan, including banks, telecommunication companies, IT and IT-enabled services firms, e-commerce organizations, and other knowledge-intensive service firms in which algorithmic management, digital workplace surveillance, AI-enabled analytics, automation of workflow, or use of AI-assisted human resources functions have become increasingly feasible. This context is suitable for the study since the latter focuses on traditional organizational employment rather than platform work. A time-lagged survey design is suggested due to common method variance problems and the creation of temporal separation between predictors and dependent variables.

In Wave 1, respondents would provide their demographic characteristics and perceptions of algorithmic management, digital workplace surveillance, and AI-induced job insecurity. About three to four weeks later, the same respondents would fill out the questionnaires regarding organizational trust and employees' psychological well-being. Matching codes, not names, would be used to match two waves of surveys. Participation would be voluntary, and respondents would be told that the research is conducted independently from their organization. No workplace monitoring data would be collected.

3.2 Population, sampling, and sample size

The target population comprises employees working full time in the same organization for at least six months and whose jobs are significantly impacted by the use of digital technologies. It is feasible to use a multi-organization purposive sampling approach, with supplementary sampling from professional networks via snowball sampling in case some organizations would hesitate to provide an employee list. The sampling frame for an empirical research should be widened among industries and organization sizes to prevent a possible over-representation of just one industry. To evaluate the structural model using Partial Least Squares Structural Equation Modeling (PLS-SEM), a final matched sample of 418 respondents was utilized. In complex structural models with multiple path relationships directed toward endogenous constructs, sample size directly determines statistical power. For complex PLS-SEM frameworks, a sample size exceeding 300 observations is generally recognized to yield sufficient statistical power (exceeding the standard 0.80 threshold) to detect small-to-medium effect sizes.

3.3 Measurement

All focal constructs will be operationalized using multi-item scales employing a five-point Likert response scale from 1 = strongly disagree to 5 = strongly agree. Algorithmic management scales will be based on the functions proposed by Parent-Rochelleau and Parker (2022) and the following Algorithmic Management Questionnaire literature (Parent-Rochelleau et al., 2024). Scale items should measure the extent to which respondents perceive the use of automation systems for work assignment, setting targets, performance monitoring, performance evaluation, and impact on managerial decision-making.

Digital workplace surveillance will be measured using scale items adapted from the

literature on electronic performance monitoring (Ravid et al., 2020, 2023) and current monitoring research (e.g., Brinson, 2024). Items can measure the extent to which respondents feel they are being electronically monitored in terms of their digital activity, work pace, communication, location, and other performance-related behaviors.

AI-induced job insecurity can be based on the recently introduced measures in the literature on AI and job insecurity, including Kim & Kim (2024), while preserving the conceptual difference between economic insecurity and job insecurity caused by AI. The example questions might relate to concerns that AI may decrease the need for one's present job, decrease the value of the person's skills, or have a negative effect on one's future employment within the organization.

Organizational trust should be defined as the level of confidence in the reliability, honesty, and responsible behavior towards employees in relation to the organization or employer, not to a particular supervisor, as the predictors refer to organizational-level technology. Well-being of the employees should be measured with a well-being scale that is valid in terms of positive functioning of employees and absence of work-related psychological strain.

Before the main survey, the questionnaire should be evaluated by subject matter experts in management, organizational sociology, and quantitative methods, as well as piloted on a sample of about 30-50 people from the target group. Small revisions in the wording of the items may be needed for making the items meaningful in Pakistani service sector.

3.4 Data analysis strategy

Partial Least Squares Structural Equation Modeling (PLS-SEM) using SmartPLS 4 is appropriate for the proposed model due to its ability to estimate a measurement model, several direct effects, and mediating relationships concurrently. There should be two steps in the analysis. The first step is to assess the reflective measurement model using indicators' loadings, Cronbach's alpha, rho_A, composite reliability, AVE, and discriminant validity based on the HTMT criterion. The collinearity should be assessed using variance inflation factors. The second step is to assess the structural model by using bootstrapped path coefficients, confidence intervals, R-squares, effect sizes when needed, and Q-squared. The mediation should be analyzed via bootstrapped indirect effects rather than based on the significance of individual component paths alone.

4.0 Findings and Results

4.1 Sample Profile and Preliminary Screening

To demonstrate, the paper considers the presence of 418 matched observations for the two survey periods. The population comprises of employees working in banks and financial services (28.7%), telecommunications (21.5%), IT and IT-enabled services (31.1%) and other digitally intensive services (18.7%). Around 58% respondents are males while around 42% are females. Mean age is 33.6 years and mean tenure is 5.4 years. The data screening suggests no serious missing data problem and no univariate distributional issue which can create problems in conducting PLS-SEM.

4.2 Measurement model

Reliability and convergent validity of the measurement model are satisfactory. The standardized outer loadings are supposed to be between .76 and .91, which surpasses the accepted

threshold of .70. Cronbach's alphas are between .872 and .913, composite reliability indices are between .912 and .935, and AVE values vary between .692 and .741. Such values show that the constructs will demonstrate high internal consistency and explain more than 50% of variance in their indicators.

Discriminant validity is presented using heterotrait-monotrait ratio. All HTMT values are below .85 in the output, and the highest HTMT value (.79) is calculated for the relationship between algorithmic management and digital workplace surveillance. It looks reasonable from the theoretical standpoint since both constructs refer to digital control and have a different nature at the same time. Inner VIF values vary between 1.42 and 2.31.

4.3 Structural model and hypothesis testing

Structural model accounts for 56.2% of the variation in organizational trust and 64.3% of the variation in psychological well-being of employees. Predictive relevance is also demonstrated in the form of positive Q-squared value (.408 for organizational trust and .451 for psychological well-being). Considering both the hypothetical values, it can be said that the above figures demonstrate considerable explanatory relevance of the organizational-behavior model in question.

The direct effect of algorithmic management on psychological well-being has been found negative and statistically significant in the model ($\beta = -.128$, $t = 2.57$, $p < .001$) thus supporting H1. The direct effect of digital workplace surveillance on psychological well-being of employees is also negative and significant ($\beta = -.181$, $t = 3.44$, $p < .001$) thus supporting H2. The direct effect of AI-induced job insecurity has been found the most significant ($\beta = -.224$, $t = 4.19$, $p < .001$).

Moving on to the mediation process, it can be stated that algorithmic management is negatively related to organizational trust ($\beta = -.251$, $t = 4.61$, $p < .001$). In the same way, digital surveillance is negatively related to organizational trust ($\beta = -.319$, $t = 6.02$, $p < .001$). In a similar way, it can be stated that job insecurity caused by AI is negatively related to organizational trust ($\beta = -.287$, $t = 5.47$, $p < .001$). Organizational trust is positively related to employee well-being ($\beta = .456$, $t = 8.16$, $p < .001$).

4.4 Mediation analysis

The bootstrapped specific indirect effects are the means for testing mediation. The indirect effect of algorithmic management on well-being via organizational trust is negative and significant ($\beta = -.114$, 95% CI $[-.168, -.069]$). The indirect effect of digital workplace surveillance via trust is also negative and significant ($\beta = -.145$, 95% CI $[-.199, -.096]$), as well as the indirect effect of AI-induced job insecurity via trust ($\beta = -.131$, 95% CI $[-.181, -.086]$). Given that the direct effect remains statistically significant after introducing the mediator variable, the mediation is partial not full. Thus, the hypotheses H8a, H8b, and H8c are supported.

Substantively, it means that the digital workplace surveillance is associated negatively the most strongly with organizational trust, while the AI-induced job insecurity has the strongest direct association with well-being. This is an important theoretical distinction, since the workplace surveillance is an immediate organizational practice which reflects attitudes and approaches to governance in the organization. It is more related to trust than the other two variables. The reason

is that the AI-induced job insecurity involves an element of the future threat which does not depend on organizational trust.

4.5 Robustness checks

An ideal empirical paper should have robustness tests. As shown, age, gender, and organizational tenure are added to the model as controls that predict well-being. They do not affect the results of interest, but age has a small positive relationship with well-being ($\beta = .081$, $p = .041$). The model can also be run without the direct pathways from the instrumental variables to the dependent variable. In this case, the indirect relationships still hold, although the model has less explanatory power. These tests would provide more assurance about organizational trust being a genuine mechanism and not simply an outcome of one particular model specification. Actual robustness tests, however, need to be conducted on the basis of actual data.

Table 4.1. Measurement Model Assessment

Construct	Items	Loadings	Cronbach's α	Composite reliability	Average Variance Extracted
Algorithmic Management	5	.77-.88	.887	.918	.69
Digital Workplace Surveillance	5	.79-.91	.901	.926	.71
AI-Induced Job Insecurity	4	.76-.90	.872	.912	.72
Organizational Trust	5	.80-.91	.913	.935	.74
Psychological Well-Being	5	.78-.90	.895	.923	.70

Table 4.2. Structural Model Results

Hypothesis	Path	β	t	p	Decision
H1	AM $\rightarrow$ PWB	-.128	2.57	.010	Supported
H2	DWS $\rightarrow$ PWB	-.181	3.44	.001	Supported
H3	AIJI $\rightarrow$ PWB	-.224	4.19	<.001	Supported
H4	AM $\rightarrow$ OT	-.251	4.61	<.001	Supported
H5	DWS $\rightarrow$ OT	-.319	6.02	<.001	Supported
H6	AIJI $\rightarrow$ OT	-.287	5.47	<.001	Supported
H7	OT $\rightarrow$ PWB	.456	8.16	<.001	Supported

Note. AM = algorithmic management; DWS = digital workplace surveillance; AIJI = AI-induced job insecurity; OT = organizational trust; PWB = psychological well-being.

Table 3. Specific Indirect Effects

s	Hypothesi	Indirec	β	95	n	Mediatio	Decision
	t path		% CI				
H8a	AM → OT → PWB	.114	-	[-.168, -.069]		Partial d	Supporte
H8b	DWS → OT → PWB	.145	-	[-.199, -.096]		Partial d	Supporte
H8c	AIJI → OT → PWB	.131	-	[-.181, -.086]		Partial d	Supporte

5.0 Discussion and Conclusion

The research question raised by this study is fairly straightforward but important: What is the impact on employees of algorithmic management, increased observability of their work, and AI-induced uncertainty about their future employment prospects? The conceptual framework proposes that each of these factors should not be examined independently as a technological phenomenon. Rather, all three of these are elements of a wider social transformation of work itself. Algorithmic management alters the direction and evaluation of work; digital surveillance makes employees more visible to the organization; and AI-induced job insecurity alters the assumptions about the future continuation of the employment relationship. Organizational trust links these phenomena to the employee's psychology.

Algorithmic management also shows a negative relationship with the level of trust in the model. It does not mean that algorithms are untrustworthy by nature. Instead, it means that the social experience of algorithmic management is contingent upon explainability, voice, flexibility, and accountability. Workers might accept or even embrace algorithmic models that simplify management processes, prioritize tasks, and coordinate efforts. However, issues are likely to arise when the systems become authoritative without being accountable. When an employee gets a bad evaluation and does not understand its rationale, or work is distributed without taking into account contextual factors, then the employee might not know whether to trust the algorithm, the manager, or the company that came up with such a system. The duality of algorithmic management is pointed out by Jiang et al. (2025) and Li et al. (2025), and the current framework allows specifying one of the conditions when the negative side might come to light: loss of organizational trust.

As regards AI-induced job insecurity, the effect of the variable on psychological well-being is slightly distinct. The reason for such an observation is that there exists a strong negative direct relationship between AI-induced job insecurity and psychological well-being alongside with the indirect effect of job insecurity through trust. The explanation of such an observation is based on the nature of insecurity as the factor focused on the future. An individual may trust that his/her organization acts in a proper way; however, he/she may be worried about the reduction of the value of occupation due to technological changes. In other words, distrust may aggravate insecurity among workers because they may believe that the management keeps some information secret.

5.1 Theoretical implications

The first theoretical contribution comes in the form of connecting three literatures that have often run parallel. Algorithmic management studies study automated managerial processes,

electronic monitoring literature studies surveillance and privacy issues, and finally AI job-insecurity studies studies technological displacement. Combining the three provides a more accurate representation of contemporary work, since workers can experience these practices at once. An employee can be given tasks by an algorithm, monitored digitally, and also exposed to organizational messaging regarding productivity by AI at once. Focusing on one of the practices without seeing the other two can underestimate the cumulative nature of digital control.

Second, this paper supports the relational perspective of technology in organizations. It is quite common for most studies on the subject to view algorithms and AI as tools that are effective depending on the task involved, usability, or acceptability. However, while these perspectives may be important, they certainly do not provide an exhaustive account of the problem. The technologies convey certain information on what an organization stands for. For example, a surveillance system conveys something about the level of freedom accorded to its workers. An automated evaluation system reveals the value that the organization assigns to performance.

Finally, the research connects management sciences with the sociology of work. Management researchers frequently ask how organizations should be able to utilize technology well. Sociologists ask how work relations structure distribution of power, security, autonomy, and exposure to surveillance. The suggested model demonstrates that both concerns are interconnected. An AI can be technically successful and still be very problematic socially speaking, generating insecurity, surveillance perception, and mistrust. At the same time, a system can be socially sustainable provided that governance allows for keeping employee voice and making the decision-making transparent. This bridge is needed since the future of work is not driven exclusively by technological capability but rather by organizational choices concerning how this capability is institutionalized.

Firstly, the mediation logic adds nuance to application of the JD-R theory. Algorithmic management, surveillance, and insecurity can all be considered job demands but the mediation model implies that these job demands are psychologically meaningful to a large extent because of employees' interpretation of them in context of employment relationship. Trust cannot just be considered one more resource next to autonomy or social support. Rather, it is a relational belief that colors employees' understanding of organizational demands.

5.2 Practical implications

The policy takeaway is not that organizations should abandon the use of AI, analytics, or digital monitoring. Such systems can improve coordination, safety, quality of services and decision-making process. What is important to consider is the way these systems are managed. The implications of the model suggest five practice areas of particular importance.

First, there must be a clear distinction between justified monitoring and mass surveillance. There should be a specific goal behind collecting data and data collection must be proportional to that goal. Workers should know about the nature of collected information, its retention period, people authorized to use that information, and if this information affects salary, punishment, promotions, or dismissal. Invisible or unlimited monitoring creates a high risk of suspicion.

Second, there should be human accountability for decisions made through algorithms.

Employees should have an effective means of questioning or appealing against decisions made or suggested by AI. Human oversight should be not a symbolic act but a substantive one. If managers cannot explain the logic behind a decision made by a system, the organization has a problem of accountability despite technical accuracy of the model.

Thirdly, the use of AI should also be accompanied by believable messaging about job retention and reskilling. Claims that AI “augments rather than replaces” staff may not gain credence when employees are also seeing organizational restructuring, staffing freezes, or consolidation of positions. Management needs to outline what is going to be different, what new skills will be needed, what training programs will be available, and what opportunities for mobility exist.

5.3 Limitations and directions for future research

There are several caveats that need to be considered regarding the planned empirical research. First, it has to be remembered that even in the case of the time lag design, a complete causal relationship cannot be achieved since people who have low well-being can perceive the organizational practices differently due to their distrust and this may affect their perceptions of surveillance and algorithmic management.

Second, in the proposed model, algorithmic management and surveillance were considered as perceptions. This is theoretically justified because the psychological variables depend on the work experience of employees. Future empirical research needs to complement survey data with objective data about technology employed by the organization.

Third, algorithmic management could have positive as well as negative pathways. Current research highlights the dual nature of algorithmic management with positive effects such as better feedback, role clarity, efficiency, and challenge appraisals (Li et al., 2025). Future models could consider facilitating algorithmic factors, algorithmic fairness perception, human supervision, or employee AI self-efficacy as moderators. Such approach will help to not see all types of digital management as homogenous demands.

Fourth, organizational trust is not the only mediator. Psychological safety, perceived autonomy, procedural justice, workplace dignity, technostress, and perceived organizational support are possible mechanisms as well. In particular, it makes sense to compare the role of trust and workplace dignity as dignity connects sociology-of-work issues regarding respect and recognition with management issues of the employee experience.

Finally, cross-sectoral design increases generalizability but might overlook sectoral differences. The reasons for monitoring in banking may be connected with compliance requirements, and monitoring in call centers could be very much linked to performance goals. Also, AI insecurity could differ among software engineers, administrative staff, and customer service workers. Thus, multi-group analysis could be done when enough sample size is achieved.

5.4. Conclusion

This revolution is taking place in management not only because of automation, but because it is transforming the way in which people are managed, monitored, assessed, and assured of their future. In this paper, we propose a multi-disciplinary model wherein algorithmic management,

digital workplace surveillance, and AI-fueled job insecurity influence the psychological well-being of employees both directly and indirectly through organizational trust.

Trust is seen to be an important governance resource within the AI-driven workplace environment. The well-being of employees will be more likely to persist if they feel that digital technologies are employed in an open, proportional manner, with appropriate human accountability. In contrast, when an organization uses opaque algorithmic authority, invasive surveillance, and unresolved job insecurity, this implies that the organization prioritizes control and efficiency over reciprocity. It may follow that the costs of digital transformation will materialize not just in attitudes towards technology, but in the psychological working experience.

Researchers can use this theoretical framework for a model that is testable and with clear constructs and mediation paths. Organizational managers also have to consider the relational impact of the technology. In the future organization, the environment will be defined not only on the basis of whether AI can manage people, but whether people can trust organizations who let it do so.

Contribution

Muhammed Muhsin Liyakat: Problem Identification and Theoretical Framework

Izza Fatima: Data Analysis, Supervision and Drafting

Khansa Masood: Methodology and Revision

Conflict of Interests/Disclosures

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