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Agentic AI, Human Autonomy, and Employee Well-being: The Moderating Role of Psychological Safety and Algorithmic Transparency in the Future of Work

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Abstract: *As AI becomes more common in business processes, agentic AI systems have come about. These systems may work somewhat independently, make decisions, and adapt to changing work settings. These methods are clearly good for consistency and productivity, but it's not clear how they will influence workers yet. People are worried about how these technologies damage workers' sense of control over their jobs and their overall health. This study examines the relationship between the utilization of agentic AI and employee well-being, focusing on the role of perceived autonomy as a fundamental mechanism. It also looks into whether the way people feel about AI-driven workplaces is affected by how open the algorithmic systems are and how safe they feel psychologically. The study, grounded in the Job Demands–Resources framework and Self-Determination Theory, regards agentic AI as a possible source of both stress and support. The paper employs a quantitative, cross-sectional survey design, collecting data from 150 employees across industries that integrate AI in their organizations. Using 5-point Likert scale, measures and statistical analysis, the study examines the negative effects on the employees and their worries in understanding and adapting with AI systems at their workplace. The results are meant to add to the discourse about AI that puts people first and give organizations important tips for dealing with the changing nature of employment in the future.*

Introduction

Artificial Intelligence (AI) has come a long way in the last 10 years. It has evolved from being purely supportive tools to serving vital decision making purposes in an organization. What makes AI adoption so exciting today is not so much their sophistication as their independence. Now, AI can learn from things, remember old happenings, adjust to different and new experiences and even make actions,

sometimes without human intervention. The development of Agentic AI is transforming how organizational work is done as much as how an employee feels.

At work, the vast majority of people treat these changes like silver linings. Few of the benefits usually mentioned are more accurate results, quicker decision making and an opportunity for growth. But the employees' perspective makes it a bit more complicated. As algorithms begin to influence how tasks are delegated, performance appraisals, and even strategic choices, employees begin to believe that some of their own judgment is less important now that algorithms are taking on this kind of influence on what is happening, the judgment of workers (work-wise) may become less and less necessary. This apparently diminished control gives rise to the big fear of autonomy, an attribute associated with greater job satisfaction and motivation.

Autonomy isn't just freedom; it's how much people think they can alter how they do their jobs. When this sense of power diminishes, even a little bit, that could influence how engaged workers feel with their jobs. This drop may not always be apparent in areas where AI is being used. Employees can still do their jobs, but the decisions that direct them may derive from systems they can't fully comprehend.

The bigger impacts on the health and safety of an employee become apparent at this point. The integration of AI might cause new types of stress – more constant surveillance, dependence on immature systems or no real understanding of the reasoning behind decisions. It can simplify work in a way that can deliver better results. So the impact depends on how workers perceive and interpret these changes as well – not whether they can be said to go in the right direction and wrong direction.

So for example, if an AI tool assesses the examination copies of the students, teachers might assume there is no subjective way of marking every answer sheet. It can be based on things such as the background environment, handwriting, current examples in the class, or examples being explained in class that demonstrate attention from the student. The teacher perhaps becomes a cause for frustration. In particular, this experience appears to be shaped by two contextual variables. Psychological safety is number one. At companies where employees can speak up and question systems, AI is less likely to be perceived as a threat. The second is algorithmic transparency. For example, employees who understand how a judgment is made are more likely to trust and accept AI-driven processes.

The rising interest in these topics has prompted comparatively few studies on AI and work together. Much of the existing literature usually disregards employees' subjective experiences in favour of focusing on performance outcomes or technological competencies. To address this gap, this study investigates the extent to which agentic AI has positive or negative impact on employee well-being based on the basis of perceived autonomy, and the moderating relationship between Agentic AI and psychological safety, transparency.

This step also enables us to go away from the binary decision-making, such as white/black decision-making on the pros and cons of the technology. Instead, we can see the technology along a different line and judge it subjectively according to a situation. So like human, the technology might have grey area as well.

Review of Literature

- **The Changing Character of Work and Agentic AI**

The role of artificial intelligence in business has evolved over time from helping with day-to-day tasks to driving decision-making. Recent advances have led to a new generation of agentic AI, characterized by systems that can operate somewhat autonomously, learn from data, and make contextually based decisions (Davenport et al., 2020). Unlike previous forms of automation, these systems are increasingly responsible not only for executing prescribed instructions, but also for proposing or selecting actions.

This shift is particularly evident in areas such as hiring, performance management, and customer service; domains in which AI systems impact managerial decisions and operational efficiency (Kellogg et al., 2020). However, the widespread use of these systems also raises questions about responsibility and control. As choices are made via algorithms, the axis of control can gradually migrate to technology-based systems away from human actors.

Researchers have noted that by changing power structures and lowering direct human supervision, algorithmic management can change the dynamics of the workplace (Kellogg et al., 2020). However, denseness of many AI systems often referred to as the "black box" problem may make it more

difficult for staff members to comprehend or contest choices (Burrell, 2016). As a result, technology more and more often mediates the work experience, causing significant issues with employee agency.

- **Human Independence in AI-Powered Workplaces**

It has been established that workplace motivation and well-being are significantly affected by autonomy. The Self-Determination Theory posits that autonomy is a basic psychological need that represents individuals' feelings of volition and control over their activities (Deci & Ryan, 2000). The more autonomy employees have, the happier, more engaged, and productive they are.

The relationship between technology and autonomy in the context of AI is complex. Brynjolfsson and McAfee (2017) posit that AI increases autonomy by reducing the regular workload and providing decision support, allowing employees to focus on more important tasks. Conversely, employees may feel that they have reduced autonomy because the tasks are dictated by the AI systems and evaluated without justification.

Employee liberty and efficiency are often at odds, as research on algorithmic management has shown. Efficiency can be improved through the use of AI systems, but it can also come at the cost of applying a standard set of criteria for making decisions, thus limiting personal judgment (Kellogg et al., 2020). What is important to note here is the role of perceived control as a factor in autonomy. Algorithmic recommendations can influence the behaviors of employees such that their sense of agency is undermined, even if they have power.

- **Workplace Well-Being in AI-Powered Environments**

Psychological and emotional factors such as work satisfaction, stress, and burnouts are included in employee well-being (Danna & Griffin, 1999). This concept has also developed new dimensions with the introduction of AI in the workplace, which has both positive and negative aspects.

A study mentioned that AI may help in enhancing well-being through a reduction in workload, reduction in errors, and better performance in accomplishing tasks (Brynjolfsson & McAfee, 2017). While, it may also create new forms of pressure related to surveillance, job insecurity, and complexity. The psychological moods of employees may also be affected negatively because of these factors, especially if they are excluded from the decision-making process.

A useful framework for understanding this dual effect is the Job Demands-Resources paradigm. This paradigm argues that certain aspects of the work environment may be either a resource for enhancing motivation or a demand that increases stress (Bakker & Demerouti, 2007). In this case, AI is a demand that increases pressure and a resource that facilitates decision-making.

- **The Moderating Effect of Psychological Safety**

The degree to which an individual feels comfortable asking queries, expressing their opinions, and owning up to their blunders without any apprehensions of untoward consequences is referred to as psychological safety (Edmondson, 1999). It is highly regarded for its significant influence on employee engagement, learning, and innovation.

Psychological safety is of major importance while discussing the implementation of AI. The corporate culture has a major impact on the comfort level of an employee when it comes to criticizing and/or asking queries regarding complex and sometimes ambiguous systems. Employees feel comfortable asking queries and owning up to blunders when psychological safety is high.

On the flip side, the employees may not be willing to challenge a decision that has been made by the algorithms, even if they sense a discrepancy in the decision, especially in a low psychological safety environment. This may, in the long run, lead to a passive acceptance of a decision that has been made by the algorithms, as well as a rise in the level of annoyance among the employees. Psychological safety may also play a part in moderating the employees' perception of a decision that has been made by the algorithms.

- **Employee Trust and Algorithmic Transparency**

The degree to which AI systems provide intelligible justifications for their decisions is termed algorithmic transparency (Shin, 2021). The level of trust in AI systems has been observed to be substantially affected by transparency, particularly in organizations where decisions have significant implications.

AI systems often lack transparency, which may cause confusion among employees. The employees might also feel that it is unfair or does not trust them if they are not let in on how things are being done (Burrell, 2016). This might lead to a sense of resistance, as well as decreased well-being.

However, an open system, which is transparent about explanations for its outcomes, might also lead to increased perceptions of justice and trust. According to research, user acceptance and anxiety about AI-based judgments might be increased even through incomplete explanations (Shin, 2021). The perceptions of AI in the workplace are greatly influenced.

- **Research Gap and Study Requirement**

Even though the literature presently under publication provides informative insights concerning the adoption, autonomy, and well-being of AI, the factors are often researched independently. However, few research works incorporate the organizational and psychological factors of autonomy, psychological safety, and algorithmic transparency together with agentic AI under one theoretical umbrella.

In addition to this, the human-centric factors of employees have been less emphasized compared to the organizational outcomes and technological capabilities of the majority of the existing research works.This is an essential factor to consider, especially when the use of AI technologies is on the rise in the workplace.

With the aim of filling the existing gap, the present research seeks to explore the impact of agentic AI on the well-being of employees from the viewpoint of autonomy while considering algorithmic transparency and psychological safety. This would offer a more comprehensive look at the future evolution of work.

Conceptual Framework and Development of Hypotheses

According to the previous debate, there is neither a linear nor a uniform relationship between employee outcomes and agentic AI. Rather, it develops via many environmental and psychological mechanisms. This study specifically suggests that employees' perceptions of autonomy and the organizational environment in which AI systems are integrated influence the impact of agentic AI on employee well-being.

More broadly, this approach is based on the Job Demands–Resources model, which views workplace factors as either facilitating or limiting employee outcomes, and Self-Determination Theory, which highlights autonomy as a basic psychological need. According to this viewpoint, agentic AI is seen as a dual-force construct that may serve as both a resource and a demand at the same time.

- **Human Autonomy and Agentic AI**

This affects organizational decision making since the emergence of agentic AI. Jobs may shift from decision-makers to implementers as AI systems begin making recommendations or decisions. This shift might reduce the apparent value of judgment but doesn't rule out the role of human beings. Studies of algorithmic management show that such systems often standardize decision-making processes, thus reducing flexibility and discretion (Kellogg et al., 2020).

Powerful algorithms-based recommendations may also condition employees to use these systems, rather than their judgment (though they are still formally responsible).

As per the Self-Determination Theory, using perceived control may lower autonomy and thus decrease motivation and engagement (Deci & Ryan, 2000). So, it is reasonable to expect greater dependence on agentic AI will negatively impact workers' sense of autonomy.

H_1: Perceived human autonomy is adversely affected by agentic AI.

- **Employee Welfare and Human Autonomy**

Employee well-being has been repeatedly found to be significantly predicted by autonomy. People are more likely to be satisfied, engaged, and psychologically well when they believe they have influence over their work (Deci & Ryan, 2000).

According to the Job Demands–Resources paradigm, autonomy is a useful resource that improves motivation and acts as a stress reliever (Bakker & Demerouti, 2007). But if the autonomy is reduced, it might result in burnout, disengagement, and dissatisfaction.

Autonomy plays an even more important role in AI-driven environments, where decision-making processes may become less transparent and more regimented. Regardless of increases in productivity, workers who feel like they have less power are likely to be less happy.

H_2: Employee well-being is positively impacted by human autonomy.

- **Agentic AI's Direct Impact on Workers' Well-Being**

Employee well-being and agentic AI are likely to have a complicated direct interaction. On the one hand, AI can enhance well-being by lowering workload, increasing accuracy, and facilitating improved decision-making (Brynjolfsson & McAfee, 2017). However, it can also bring pressures like more surveillance, unstable employment, and a lack of openness.

The Job Demands–Resources paradigm, which contends that aspects of the workplace can have both good and negative consequences depending on how they are experienced, is consistent with this dual nature (Bakker & Demerouti, 2007). Thus, employee well-being may be directly impacted by agentic AI, while the extent and direction of this impact may differ.

H_3: Employee well-being is significantly impacted by agentic AI.

- **Human Autonomy's Mediating Role**

Although agentic AI may have a direct impact on wellbeing, a more complex understanding necessitates investigating the underlying process via which this effect takes place. Perceived autonomy is one such mechanism.

As was previously mentioned, by transferring decision-making authority to algorithmic systems, agentic AI might diminish workers' sense of control. Wellbeing may suffer as a result of this loss of autonomy. In this way, autonomy serves as a mediating factor that clarifies the ways in which AI affects employee results.

This viewpoint is in line with the Self-Determination Theory, which holds that environmental influences have an impact on basic psychological needs, which in turn affects well-being.

H_4: The relationship between agentic AI and employee well-being is mediated by human autonomy.

- **Psychological Safety's Moderating Function**

Agentic AI may not have the same effect on autonomy in every organizational setting. Employee perceptions and reactions to AI-driven processes are significantly influenced by psychological safety. Employees are more inclined to challenge AI results, ask questions, and actively participate in decision-making processes in settings with strong psychological safety (Edmondson, 1999). This can assist maintain control even in the presence of AI systems.

Employees may be reluctant to question algorithmic judgments in settings with low psychological safety, which could result in passive acceptance and diminished autonomy.

H_5: The link between agentic AI and human autonomy is moderated by psychological safety, making the negative impact less pronounced when psychological safety is strong.

- **Algorithmic Transparency's Moderating Function**

Algorithmic openness also has a big effect on how employees feel about AI. When employees understand how AI technologies work and make judgments, they are more likely to trust them and feel comfortable utilizing them (Shin, 2021).

Being open about things makes people feel more just and less unsure, both of which are beneficial for their health. It also lets workers interact with AI systems more actively, which gives them back a sense of control.

While, low transparency can exacerbate the detrimental impacts of AI on wellbeing by causing uncertainty and irritation.

H_6: The relationship between agentic AI and employee well-being is moderated by algorithmic transparency; when transparency is high, the relationship is more favorable.

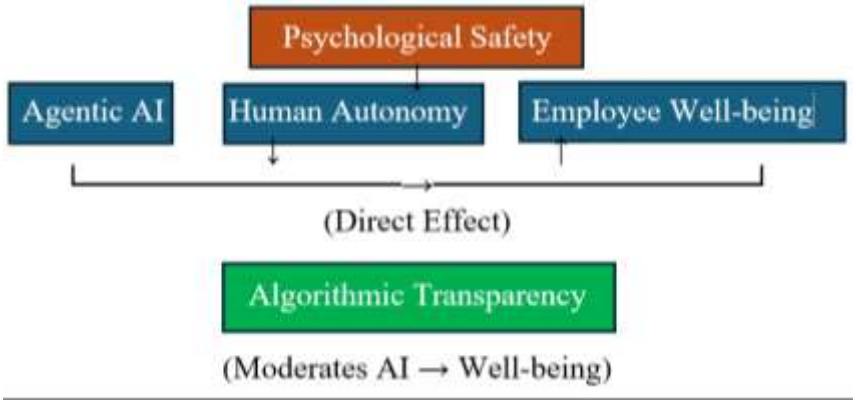

Figure 1: Conceptual Model of Agentic AI, Autonomy, and Employee Well-being

Source: Curated by the author

Research Methodology

Research Design

The **quantitative, cross-sectional research design** study has been used to investigate the relationship between agentic AI, human autonomy, and employee well-being, alongside the moderating effects of psychological safety and algorithmic transparency. A survey-based design was deemed appropriate for examining theoretically derived relationships among various constructs.

A quantitative survey-based design was selected because it enables: (1) Statistical testing of mediation and moderation hypotheses, (2) Measurement validity via Cronbach's Alpha assessments, and (3) Standardized Likert scales for 150 respondents for reliable comparisons. This research approach is well suited for testing complex relationships.

Sample and Data Collection

A sample of **150 employees** is chosen for the study collected from AI integrated workplaces. Respondents comprised of the various sectors including information technology, banking, e-commerce, EdTech, and business services, where algorithmic tools are progressively employed for task allocation, monitoring, recommendations, or decision support.

For the purposes of this work, a sample size of 150 is sufficient for fundamental regression-based mediation and moderation analysis. A combination of purposive and convenience sampling was deemed suitable due to the study's specific requirement for participants with at least some exposure to AI-assisted or AI-influenced work environments.

The demographic composition of the respondents is as below:

Table 1: Demographic Profile of Respondents (N = 150)

Variable	Category	Frequency	Percentage
Gender	Male	82	54.7
	Female	68	45.3
Age	21–30 years	49	32.7
	31–40 years	58	38.7
	41–50 years	31	20.7
	Above 50 years	12	8.0
Sector	IT/Software	42	28.0
	Banking/Finance	36	24.0
	EdTech	24	16.0
	E-commerce	21	14.0
	Other Services	27	18.0
Work Experience	Less than 5 years	46	30.7
	5–10 years	57	38.0
	More than 10 years	47	31.3

Instrument Development and Measurement

Five key concepts are being studied in the research: agentic AI, human autonomy, employee well-being, psychological safety, and algorithmic transparency. All items are assumed to be measured on a **five-point Likert scale** ranging from 1 = strongly disagree to 5 = strongly agree.

The questionnaire may be organized into two sections. The first section captures demographic details such as age, gender, sector, and work experience. The second section measures the study variables.

Table 2: Measurement of Constructs

Construct	No. of Items	Sample Item
Agentic AI	5	AI systems influence how work-related decisions are made in my organization.
Human Autonomy	5	I feel that I have control over how I carry out my work.
Employee Well-being	5	I generally feel positive and mentally well in my work environment.
Psychological Safety	5	I feel safe expressing concerns or doubts at work.
Algorithmic Transparency	5	I can understand how AI-based systems arrive at decisions.

Reliability and Validity

Before hypothesis testing, reliability and validity of the measurement instrument would need to be assessed.

Table 3: Reliability Statistics

Construct	Cronbach's Alpha
Agentic AI	0.81
Human Autonomy	0.84
Employee Well-being	0.86
Psychological Safety	0.88
Algorithmic Transparency	0.82

All values exceed the commonly accepted threshold of 0.70, indicating satisfactory reliability of the scales. Convergent validity was evidenced through significant coorelations between the constructs. Also, the sample of 150 provided sufficient base for mediation analysis.

Techniques of Data Analysis

SPSS was used to look at the data. The analysis happened in four steps. Initially, descriptive statistics were employed to comprehend the respondents' profile. Second, a reliability analysis was done to see how consistent the measurement scales were with each other. Third, we used Pearson correlation analysis to look at the strength and direction of the relationships between the variables. Finally, we did a multiple regression analysis to see if there were direct effects, mediation, and moderation.

Mediation was examined by assessing whether human autonomy transmitted the effect of agentic AI on employee well-being. Moderation was tested by introducing interaction terms for agentic AI × psychological safety and agentic AI × algorithmic transparency.

Ethical Considerations

People who took part in the study did so on their own free will, and they were told that their answers would only be used for academic purposes. The research process preserved anonymity and confidentiality. No information was gathered that could identify a person.

Results and Analysis

- **Descriptive Statistics and Correlation Analysis**

The mean values suggest that respondents reported moderate exposure to agentic AI and moderate levels of autonomy and well-being. Psychological safety and algorithmic transparency showed noticeable variation across respondents, making them suitable as moderating variables.

Table 4: Means, Standard Deviations and Correlations

Variable	Mean	SD	1	2	3	4	5
1. Agentic AI	3.62	0.71	1.00				
2. Human Autonomy	3.21	0.76	-0.41**	1.00			
3. Employee Well-being	3.34	0.73	-0.29**	0.53**	1.00		
4. Psychological Safety	3.48	0.69	-0.18*	0.46**	0.49**	1.00	
5. Algorithmic Transparency	3.09	0.74	0.22**	0.31**	0.38**	0.29**	1.00

*Note: *p < .05, *p < .01*

The correlation results provide preliminary support for the proposed relationships. Agentic AI shows a moderate negative correlation with human autonomy and employee well-being, suggesting that greater reliance on AI may be associated with lower perceived control and lower well-being. Human autonomy is positively correlated with employee well-being, which is consistent with the theoretical expectation that control over work enhances psychological outcomes.

- **Testing the Direct Hypotheses**

To examine direct effects, regression analysis was performed.

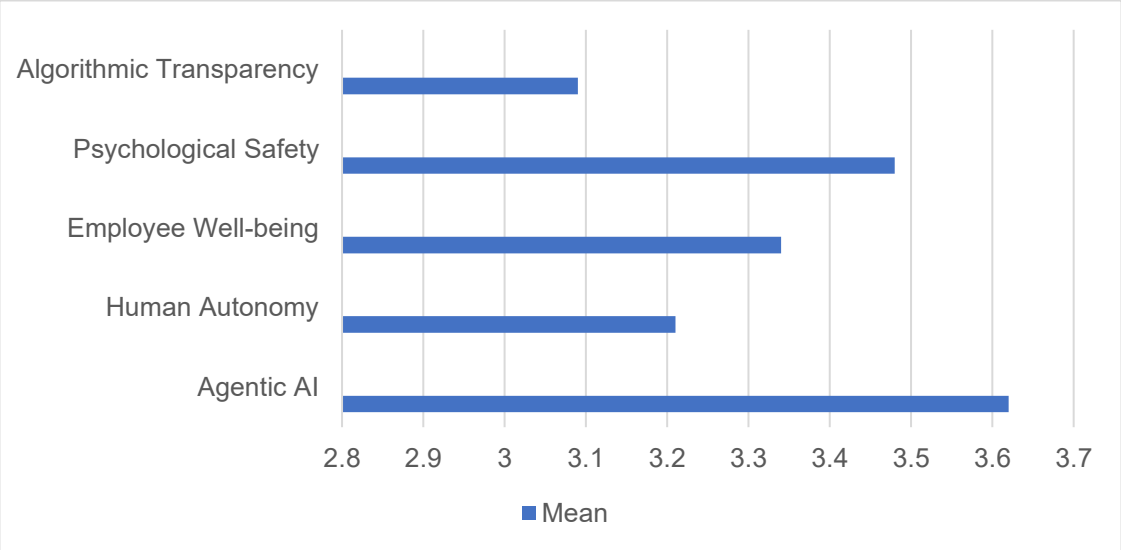

Figure 2: Mean Scores of Major Study Variables
Source: Based on survey data compiled by the author

The bar chart shows that respondents reported relatively high exposure to agentic AI (M = 3.62) and moderate levels of psychological safety (M = 3.48) and employee well-being (M = 3.34). Perceived human autonomy (M = 3.21) and algorithmic transparency (M = 3.09) were comparatively lower, indicating possible areas of concern in AI-enabled workplaces.

Table 5: Regression Results for Direct Effects

Hypothesis	Relationship	Beta	t-value	p-value	Result
H1	Agentic AI → Human Autonomy	-0.41	-5.72	0.000	Supported
H2	Human Autonomy → Employee Well-being	0.47	6.81	0.000	Supported
H3	Agentic AI → Employee Well-being	-0.19	-2.63	0.009	Supported

The results show that agentic AI has a statistically significant negative effect on human autonomy. This suggests that as AI systems gain greater influence in workplace decisions, employees may feel reduced control over how they perform their work. Human autonomy, in turn, has a strong positive effect on employee well-being. This indicates that employees who perceive greater decision latitude and ownership over their work tend to report more positive psychological outcomes. The direct effect of agentic AI on employee well-being is also significant and negative, though comparatively weaker than its effect through autonomy.

- **Mediation Analysis**

To test the mediating role of human autonomy, the indirect effect of agentic AI on employee well-being through autonomy was examined.

Table 6: Mediation Analysis

Path	Effect	Result
Agentic AI → Human Autonomy	-0.41	Significant
Human Autonomy → Employee Well-being	0.47	Significant
Indirect Effect	-0.19	Significant
Direct Effect after Mediation	-0.10	Reduced but significant

The findings indicate that human autonomy partially mediates the relationship between agentic AI and employee well-being. In other words, one important reason why agentic AI affects well-being is that it alters employees' perception of control over their work. Since the direct effect remains significant even after introducing the mediator, the mediation may be interpreted as partial rather than full.

This is an important finding because it shows that the influence of AI is not only technological but also psychological. Employees' experience of autonomy becomes a key pathway through which AI shapes workplace well-being.

- **Moderating Role of Psychological Safety**

The interaction between agentic AI and psychological safety was tested to determine whether a supportive interpersonal climate reduces the negative impact of AI on autonomy.

Table 7: Moderation Analysis: Psychological Safety

Predictor	Beta	t-value	p-value
Agentic AI	-0.36	-4.98	0.000
Psychological Safety	0.29	4.12	0.000
Agentic AI × Psychological Safety	0.17	2.41	0.017

The interaction term is positive and significant, indicating that psychological safety weakens the negative relationship between agentic AI and human autonomy. Put differently, in work environments where employees feel safe to speak up, seek clarification, and challenge decisions, the autonomy-reducing effect of agentic AI becomes less severe.

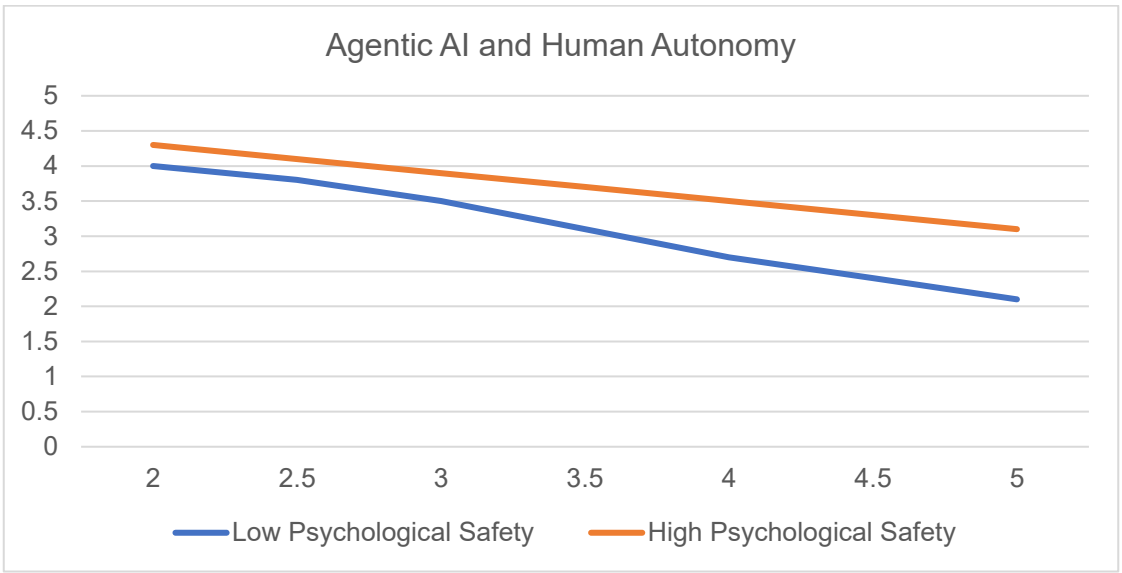

Figure 3: Moderating Effect of Psychological Safety on the Relationship between Agentic AI and Human Autonomy

Source: Curated by the author

The slope for low psychological safety should be more sharply downward, while the slope for high psychological safety should be flatter. This visually shows that psychological safety acts as a buffer.

- **Moderating Role of Algorithmic Transparency**

The moderating role of algorithmic transparency was tested in the relationship between agentic AI and employee well-being.

Table 8: Moderation Analysis: Algorithmic Transparency

Predictor	Beta	t-value	p-value
Agentic AI	-0.21	-2.91	0.004
Algorithmic Transparency	0.34	4.76	0.000
Agentic AI × Algorithmic Transparency	0.19	2.66	0.009

The significant positive interaction effect suggests that algorithmic transparency improves the relationship between agentic AI and employee well-being. Where AI systems are more understandable and their decision logic is more visible, employees are less likely to experience AI as threatening or stressful.

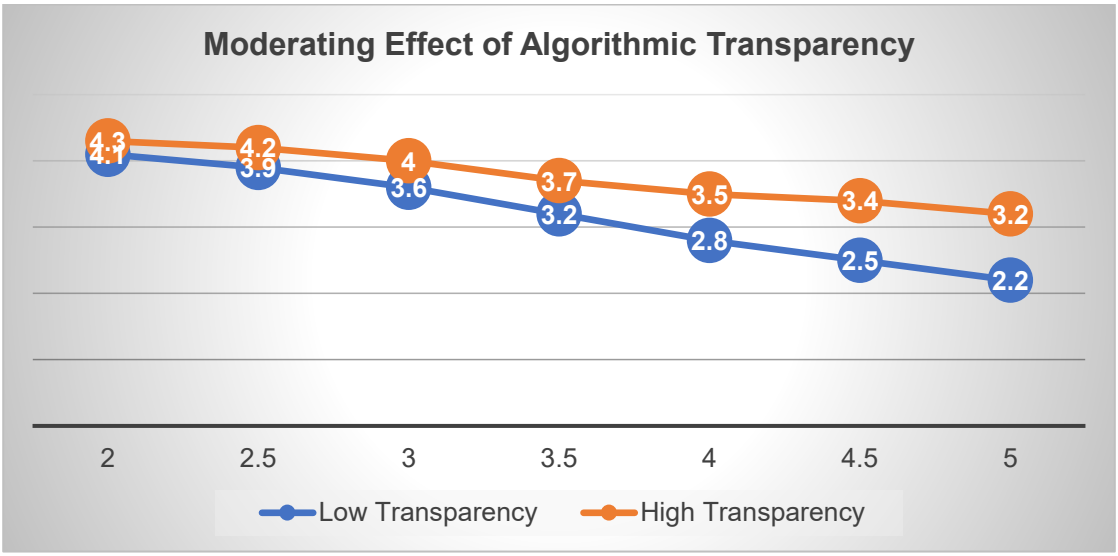

Figure 4: Moderating Effect of Algorithmic Transparency on the Relationship between Agentic AI and Employee Well-being

Source: Curated by the author

The line representing low transparency should slope downward more sharply, while the line for high transparency should remain flatter or slightly positive.

- **Summary of Hypothesis Testing**

Table 9: Summary of Hypotheses

Hypothesis	Statement	Result
H1	Agentic AI negatively influences human autonomy	Supported
H2	Human autonomy positively influences employee well-being	Supported
H3	Agentic AI significantly influences employee well-being	Supported
H4	Human autonomy mediates the relationship between agentic AI and employee well-being	Supported
H5	Psychological safety moderates the relationship between agentic AI and human autonomy	Supported
H6	Algorithmic transparency moderates the relationship between agentic AI and employee well-being	Supported

Thus, the results support the proposed conceptual model. The findings suggest that agentic AI is directly proportionate with lower autonomy and lower employee well-being, but these effects are not fixed. They are shaped by the broader organizational context, especially the presence of psychological safety and the transparency of algorithmic systems.

Discussion

The results of this survey give us significant information on how workers feel about the increasing use of agentic AI in the workplace. The results show that AI has deeper psychological and organizational effects than just being a technological advancement. The study shows that the influence of agentic AI is not consistent; it is influenced by employees' perceptions of their roles, their degree of control, and the context in which the technology is integrated.

One of the most constant things that people have seen is that agentic AI and perceived human autonomy are adversely related. This indicates that when AI systems get increasingly involved in making decisions, workers may feel like they have less control over how things are done at work. This finding is consistent with other research on algorithmic management, which suggests that the growing dependence on data-driven systems can homogenize judgments and constrain individual discretion (Kellogg et al., 2020). This effect is perceptual rather than just structural, which is what makes it so interesting. Employees may still theoretically have the power to make decisions, but automated recommendations can change how they use that power in small ways.

The study also signifies the central role of autonomy in shaping employee well-being. Consistent with Self-Determination Theory, employees who reported higher levels of autonomy also reported better psychological outcomes. This reinforces the idea that control over one's work is not merely a functional requirement but a fundamental psychological need (Deci & Ryan, 2000). In the context of AI-enabled workplaces, this finding becomes even more significant, as it suggests that technological efficiency cannot compensate for a perceived loss of control.

The direct impact of agentic AI on employee well-being was determined to be somewhat smaller than its indirect influence via autonomy. This means that AI doesn't always make people less happy on its own; instead, it changes how employees feel about their work, which is what makes them less happy. To put it another way, the problem isn't AI itself, but how it changes the relationship between the worker and the job.

A significant contribution of this work is the identification of the factors that can reduce these effects. Psychological safety proved to be a crucial mediator in the association between agentic AI and autonomy. In settings where individuals feel at ease voicing concerns, posing inquiries, and critically interacting with technology, the detrimental effects of AI on autonomy are mitigated. These results show that the organizational climate has a big impact on how people use technology. Even very complex technology may be seen differently by workers depending on whether they feel like they can use them.

Similarly, algorithmic transparency was found to moderate the relationship between agentic AI and employee well-being. When employees are able to understand how AI systems arrive at decisions, they are more likely to trust these systems and feel less threatened by them. The present study extends the understanding of the study by (Shin, 2021) that suggested that transparency enhances perceived fairness and reduces uncertainty, by showing that transparency not only builds trust but also contributes to better psychological outcomes.

If studied together, these findings support the view that agentic AI functions as a dual-force element within organizations. From a Job Demands–Resources perspective, AI can act as a resource by improving efficiency and reducing workload, but it can also act as a demand by increasing monitoring, reducing autonomy, and creating uncertainty (Bakker & Demerouti, 2007). The balance between these roles depends largely on contextual factors such as organizational culture and system design.

The results also offer a broader insight into the future of work. As organizations continue to integrate AI into core processes, the focus is likely to shift from technological capability to human adaptability. Employees are not simply passive users of technology; they actively interpret and respond to it. Their experience of AI is shaped not only by what the technology does but also by how it is introduced, explained, and supported within the organization.

What it really tells us is that technology is not just another tool available to the people, it is something people actively shape through their reactions. Technology learns like a growing child. The real

measure of whether AI worked beyond 'just faster' for the company, we need to analyse how it has affected the people working in the company. Companies which understand this two-sided equation achieves long term success.

Conclusion

The integration of AI in organizational procedures have definitely changed the way work is being done in modern day organizations. Although there are the efficiency and scalability benefits of these systems, their effects on workers are beyond operational and more of psychological. The study proves that AI integration has both technological and human aspect attached to it.

The results show that the employee feels low on wellbeing if they feel that they have less influence over their work employment. It shows that by changing perceptions of autonomy, agentic AI may have an indirect impact on worker well-being. Employee perceptions of AI can be greatly influenced by the existence of psychological safety and algorithmic transparency, which lowers uncertainty and promotes trust.

To conclude, the issue for businesses is not just to implement AI, but to do so in a way that improves worker satisfaction and productivity.

In this way, the capabilities of AI systems as well as how businesses develop and apply them will determine the nature of work in the future. Achieving sustained results will require a human-centered strategy that places an emphasis on autonomy, openness, and encouraging work conditions.

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