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LIGHTS - Human/Well being

AI in Human Resource management: Implications for work effort and employee satisfaction

ESCP Impact Paper No.2025-18-EN

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Abstract

Using data from the 2022 OECD Survey, in this paper I present preliminary findings on the relationship between AI, work effort, and employee well-being. The findings show that employees who perceive AI as increasing the pace at which they perform tasks and helping them make faster decisions report higher satisfaction with their jobs, health, and financial situation. Contrary to concerns about AI-driven work intensification, the results suggest that increased work effort can coexist with greater employee well-being. For managers, these findings emphasize the importance of how AI is implemented and experienced by employees. AI tools could be perceived as supportive rather than controlling, benefiting both employees and employers.

Keywords: AI, human resource management, work intensity, work effort, employee well-being.

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Introduction

AI refers to the ability of machines to perform cognitive tasks that are usually associated with human intelligence, including learning, interacting, and problem-solving (Nilsson, 1971). In recent years, AI has gained significant momentum within organizations and the human resource (HR) function. It is being used to optimize HR practices such as candidate screening and performance evaluations, productivity monitoring, and employee engagement tracking, ultimately enhancing efficiency and supporting data-driven decision-making (Pan & Froese, 2023). According to a 2024 survey by SHRM, a professional organization for HR professionals, 26% of organizations "use AI to support HR-related activities." The top areas are recruitment, interviewing, hiring, learning and development, and performance management (Gaines, 2024).

Research has examined the benefits of AI adoption for employers and has reported positive outcomes for organizations, such as facilitating effective and rapid decision-making and reducing HR-related and operational costs (Budhwar et al., 2022). However, scholars urge a closer examination of the potential downsides of AI adoption, particularly for employees. For instance, recent studies have highlighted that the use of AI in specific HR practices raises significant ethical concerns, including biased recruitment processes, accountability dilemmas, and privacy issues related to sensitive candidate data (e.g., Figueroa-Armijos, Clark, & da Motta Veiga, 2023). Other studies on employee outcomes have found that employees often perceive AI-driven decisions as less trustworthy than those made by humans, may experience job insecurity due to AI, and demonstrate a higher intention to quit (Malik, Budhwar, & Kazmi, 2023). In line with these findings, an OECD report on the impact of AI in the workplace (OECD, 2023) notes that many workers even support banning or restricting the use of AI in decisions such as hiring, promotion, and firing. Beyond these concerns, an emerging issue is the potential for AI to intensify work demands, creating pressure on employees to work faster or longer hours, which may ultimately harm their well-being. This is a topic I explore in my ongoing research, and in the following sections, I present some of the main findings from this work.

AI, employee work effort and well-being: insights from the 2022 OECD survey

AI influence extends beyond hiring and promotion decisions, reshaping the daily realities of work itself. AI tools are now directly affecting how employees perform their tasks, altering the pace or schedule of work and perhaps causing work intensification. For example, workers may feel pressure to constantly meet algorithmically set benchmarks or compete with productivity norms determined by data rather than human judgment. In some cases, this can create a sense of continuous control and push employees to work faster or longer, negatively affecting their well-being. Conversely, it can also ease tasks. Automating repetitive or time-consuming tasks can free up some time, which in turn can enhance employee well-being. To understand these relationships, I examine employee responses to AI in ongoing research, focusing on the relationship between employee work effort and well-being. For this, I draw on data from the OECD, which conducted a large-scale survey in early 2022 to capture both workers' and employers' perspectives on AI's current and future

impact in the workplace. The survey collected insights from 5,334 employees and 2,053 firms across seven countries (Austria, Canada, France, Germany, Ireland, the United Kingdom, and the United States), targeting the manufacturing and financial sectors.

Based on these data, the OECD report highlights that AI notably impacts employees' work pace and, thus, employee work effort. Specifically, 75% of employees in the finance sector and 77% in manufacturing reported that AI has increased the speed at which they complete tasks. While this increase in pace may reflect gains in productivity, the report also raises concerns that it could signal heightened work intensity. These findings align with earlier research by Green (2004) on technological change, which, although not explicitly focused on AI, offers valuable parallels. Green's work demonstrated that technological advancements have historically been key to work intensification. For example, new technologies enabled employers to assign tasks directly to workers, streamline workflows, and eliminate unproductive gaps throughout the workday. Similarly, contemporary AI systems could reinforce the trend of heightened work intensity observed during previous waves of technological adoption. This increased work intensity raises important questions about employee well-being in the face of ongoing technological transformation.

I explored these data further and focused in particular on the employee survey. The data come from a cross-section of employees of different gender, age, education, tenure, employment contract, work status, and trade union membership. Respondents also represent a variety of occupations—including managers, professionals, technicians and associate professionals, clerical support workers, service and sales workers, craft and related trades workers, plant and machine operators and assemblers, and those in elementary occupations—as well as sectors, such as finance and insurance, and manufacturing. Due to missing values across various variables, the final usable sample consists of approximately 550 observations.

Using this data set and after controlling for a number of individual and firm characteristics, preliminary analysis shows that employee satisfaction, measured as a composite index combining satisfaction with one's job, health, and financial situation, is significantly influenced by how workers perceive the impact of AI on their daily tasks and decision-making. Notably, the variable capturing whether AI has increased the pace at which employees perform their tasks is positively associated with overall satisfaction. In particular, employees who perceive that AI accelerates their work pace tend to report higher satisfaction. Similarly, agreement with the statement "AI helps me make faster decisions" is also positively and significantly linked to employee satisfaction. These findings suggest that while AI is associated with a faster work rhythm, it does not appear to generate the kind of pressure or stress that would diminish employee well-being.

To test the robustness of these results, I replicated the analysis in several ways. First, I disaggregated the composite employee satisfaction index and ran separate regressions for each component: job satisfaction, health satisfaction, and financial satisfaction. In all cases, the results were consistent. Second, I estimated separate models for men and women, full-time and part-time workers, different age groups, firms of various sizes, occupations, i.e., white-collar and blue-collar, and industries, i.e., finance and insurance, and manufacturing. Across most subgroups, the positive relationship between AI increasing task pace and employee satisfaction remained positive and statistically significant. By contrast, the association between AI helping with faster decisions was significant in the full sample, but it lost statistical significance in some subgroup analyses.

Conclusion

Overall, the findings suggest that workers do not necessarily view AI-induced increases in task pace or decision speed negatively. On the contrary, employees who perceive that AI has helped them work faster and make quicker decisions tend to report higher overall satisfaction with their jobs, health, and financial situation. These associations remain consistent across multiple subgroups and dimensions of satisfaction, suggesting that when AI is implemented to enhance workflow and support task efficiency, it may contribute positively, not negatively, to workers' well-being. As organizations continue to adopt AI tools, careful attention to how these technologies shape the lived experience of work will be essential to ensuring that technological progress translates into human-centred benefits. For HR managers and employers, these findings highlight that increases in work effort can coexist with and even support greater employee well-being. This positive finding is novel because most prior research has consistently shown that work effort, particularly work intensity, is negatively associated with employee well-being (e.g., Avgoustaki & Frankort, 2019; 2023). Perhaps this finding underscores the importance of framing AI adoption as an enabler of task support and decision-making rather than a tool for intensifying work or enforcing unrealistic productivity benchmarks. Managers should also recognize that positive outcomes are more likely if employees feel that AI helps rather than controls them.

Because the data are cross-sectional, it is not possible to determine how these effects develop over time. Future research could explore potential delayed or cumulative consequences of AI adoption on work intensity and examine how this affects employee well-being in the long run. For instance, while employees may initially perceive AI-driven work intensity positively, prolonged exposure to high work intensity levels, e.g., faster work rhythms, fewer breaks, or tighter deadlines, could eventually contribute to dissatisfaction or other negative well-being outcomes, such as fatigue, stress, and burnout. Additionally, future research could examine how these relationships differ across types of tasks. For example, future studies could assess whether AI-driven increases in work intensity have different implications for employees engaged in monotonous and repetitive tasks compared to those performing more complex and varied tasks.

Note: For this paper, I used AI to assist with language correction and editing. I also asked AI to provide brief STATA codes during the data analysis phase. I believe that using AI reduced the time required to complete this paper by approximately half, including the time I dedicated to verifying the accuracy of all information and codes.

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