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Generational Perceptions of Digital Ethics and Employee Well-Being in AI-Enabled Health and IT Workplaces: A Systematic Review

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ABSTRACT *In 21st-century workplaces, where the pace of digital change is fast, ethical issues are exponential, with 70% workers indicating unease due to AI. In particular, millennials and Gen Z expressed 30% more ethical and trust-related concerns in AI workplaces. Although AI rapid integration in workplaces has increased lately, including Healthcare and IT, generational differences in digital ethics perceptions remain a neglected aspect of influencing employee well-being, and that is what this review seeks to determine with the following objectives: i) to synthesize existing research on generational attitudes toward digital ethics in AI-driven healthcare and IT workplaces. ii) to examine the relationship between generational attitudes toward digital ethics and employee well-being, including stress, trust, and job satisfaction, among employees aged 24 to 55 in AI-driven health and IT workplaces, and iii) to identify research gaps and provide practical recommendations for organizations to foster ethical AI adoption through training, clear policies, and inclusive practices in multigenerational workplaces. Following the PRISMA framework, a systematic review was conducted, and data were sourced across three databases, i.e., ScienceDirect, PubMed, and Google Scholar, using keywords "digital ethics", generational differences", well-being, and AI workplaces with Boolean operators. A total of 33 full-text studies were included that met the inclusion criteria. The results showed a significant generational disparity in the interpretation of digital ethics, with the younger employees being more accepting and the older generation being more concerned about AI-related privacy and transparency. Such perceptual differences affect employees' psychological well-being, trust, stress, and job satisfaction, more particularly in the field of healthcare, regarding ethical sensitivity related to patient data privacy.*

Keywords: Employee well-being, AI Workplaces, Digital Ethics, Generational differences

Introduction

The increased use of artificial intelligence (AI), particularly in the information technology (IT) and healthcare industries, has transformed the workplace environment. Empirical evidence shows that over 70% employees report unease about AI integration, with millennials and Gen Z expressing approximately 30% greater ethical and trust concerns than older generations (Budhwar et al., 2023; Jetha et al., 2023; Sargent et al., 2024). These two sectors, deeply reliant on human interaction and data sensitivity, face unique ethical dilemmas such as algorithmic bias in recruitment, AI-driven performance appraisals, digital surveillance, and transparency concerns (Budhwar et al., 2023). Since AI has changed the

conventional leadership style, it has led to a crisis of moral credibility and a loss of purpose at work; thus, an emphasis on fairness and ethical balance in corporate decision-making is required (Randriamiary, 2024). As AI tools increasingly dictate workplace practices, they can inadvertently heighten job demands, intensify performance monitoring, and contribute to employee burnout (Jetha et al., 2023).

To comprehend these generational perceptions, one should consider the understanding of digital ethics __ A system of moral principles to use technology, characterized by privacy, transparency, data justice, autonomy, and algorithmic responsibility while using AI tools. With the ongoing impact of AI from hiring processes to patient care practices, and so forth, the importance of understanding effective digital ethics has become more vital. Although the response to these ethical issues tends to vary across generations. For example, Millennials and Gen Z, being digital natives, tend to be more at ease with the AI integration and data sharing, while being keen on system transparency and fairness in deploying AI tools. Conversely, the Baby Boomers and Gen X might be more skeptical, with the input of privacy concerns, job displacement, and the inability to learn the AI systems. In this context, ethical issues, such as AI-driven surveillance or biased decision-making, are not just theoretical concepts but have a tangible impact on employee motivation, trust, and mental health.
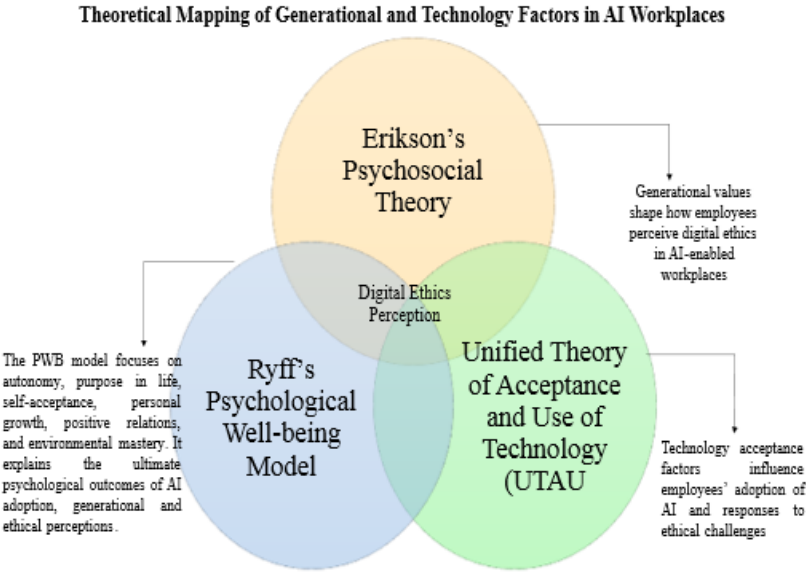
Studies have shown that the ethical and psychological impacts of AI integration do not affect the entire workforce equally (Hinks, 2025); rather, generational attitudes and ideologies significantly determine how employees perceive and react to such issues in AI-enabling settings (Kalashnyk, 2023). Younger generations are less susceptible to AI and more accepting of their ethical decision-making and well-being as compared to older adults.

To better understand these generational perceptions, it is important to define digital ethics — the framework of moral principles governing technology use, which includes key issues such as privacy, transparency, data justice, autonomy, and algorithmic accountability. With AI's ongoing and growing impact on hiring processes, patient care practices, and so forth, ensuring effective digital ethics policies has become paramount. However, the reaction to these ethical issues tends to vary across generations. As an example, Millennials and Gen Z, being digital natives, tend to be more at ease with AI integration and data sharing if deployed with transparency and fairness. Conversely, the Baby Boomers and the Gen X might be more skeptical of privacy concerns, job displacement, and the inability to learn the AI systems (Allen et al., 2023; Tung, 2023). The psychosocial theory introduced by Erikson (1998), offers a significant perspective on interpreting digital generational diversity. It entails the developmental experiences of each age group and how these stages influence their values, priorities, and responses to workplace challenges as a manifestation of digital generation diversity defined by Dimock (2019). For instance, the stage of young adulthood (intimacy vs. isolation stage) is the phase when people are actively developing professional identities and are getting accustomed to new technology (Gorrindo et al., 2012; Strauss, William, 1991). Millennials (around 28-43 years) and Gen Z (around 13-28 years) who are in this stage are more prone and focused on connections and collaboration, which may be highly appreciated towards the transparent and ethical execution of AI (Allen et al., 2023; Tung, 2023). Conversely, middle adulthood is a period of generativity

vs stagnation as people become more interested in stability, responsibility, and meaningful contributions towards society. This group encompasses the Generation Y (around 45-60 years) and the Baby Boomers (61-79 years), who might be more cautious about AI and are more concerned about security and ethical implications of artificial intelligence (AI) (Ara et al., 2024; Milkus, 2024).

With these generational gaps, behavior and opinion reflect varied views on AI ethics that may oppose or downplay ethical issues or usability challenges. Younger employees tend to advocate the ethical use of AI, and older employees are likely to dismiss or underreport the challenges they are having due to the lack of digital literacy. The unified theory of acceptance and use of technology (UTAUT) helps explain these patterns, highlighting that perceived usefulness and ease of use of AI systems drive adoption, which in turn shapes ethical perceptions and engagement across generations (Sergeeva et al., 2025; Venkatesh et al., 2003). Using a theoretical prism, the current study assesses the interplay between Erikson's psychosocial stages (generational priorities) and Unified Theory of Acceptance and Use of Technology UTAUT (technology acceptance) in AI-enabled health and IT workplaces in determining digital ethics perceptions, which affect well-being (stress, trust, psychological safety, and job satisfaction) among workers. This intergenerational AI literacy divide has consequences on ethics, workplace harmony, and psychological well-being, such as psychological safety, trust, and job satisfaction (Allen et al., 2023). Ryff's multidimensional model of psychological well-being offers a deep insight to interpret how perceptions of AI impact employees' autonomy, purpose in life, self-acceptance, and self-development in the AI-enabled IT and healthcare workplace (Ryff, 1995). To understand the psychological outcome of AI integration at the workplace, Ryff's model offers a theoretical background by connecting generational, perceptual, and technological perspectives.

Figure 1. Theoretical Framework of Systematic Review

Theoretical Mapping of Generational and Technology Factors in AI Workplaces

Erikson's Psychosocial Theory

Ryff's Psychological Well-being Model

Digital Ethics Perception

Unified Theory of Acceptance and Use of Technology (UTAU

Generational values shape how employees perceive digital ethics in AI-enabled workplaces

The PWB model focuses on autonomy, purpose in life, self-acceptance, personal growth, positive relations, and environmental mastery. It explains the ultimate psychological outcomes of AI adoption, generational and ethical perceptions.

Technology acceptance factors influence employees' adoption of AI and responses to ethical challenges

Note: The framework integrates Erikson's Psychosocial Theory, Ryff's Psychological Well-being Model, and the Unified Theory of Acceptance and Use of Technology (UTAUT) to explain employees' digital ethics perception, adoption of AI, and Well-being. Source. Created by the author.

To put these generational dynamics into perspective, the health and IT industries offer an ideal setting to research the interplay of AI, digital ethics, and generational workforce dynamics. In the medical field, AI is improving both diagnostics and treatment, especially in the diagnosis of disease conditions like diabetic retinopathy or lung cancer, although consent, supervision, and information ethics are being questioned. Conversely, AI leads to innovation in IT, but it introduces challenges related to algorithmic monitoring and surveillance in workplaces. As both industries work with multigenerational teams, they will play a key role in understanding how ethical perception varies across the ages and how it affects employee well-being (Ara et al., 2024; Cinalioglu et al., 2022; Igwama et al., 2024; Mantello et al., 2023; Wang & Wang, 2025). Despite sector-specific advances, much of the literature treats the workforce as a monolithic group, rarely addressing age-based variations in digital ethics perceptions or psychological responses. Certain ethical issues, like algorithmic discrimination, are relevant to every employee; however, the psychological and behavioral reactions can vary across generations (Milkus, 2024; Tung, 2023). This underscores a significant gap in the existing research landscape: the literature has not been able to explore systematically how generational values influence the ethical concerns and psychological outcomes of employees working in AI-enabled offices, particularly those in high-tech and health environments.

Therefore, this study addresses this gap by synthesizing existing literature on how digital ethics are perceived among various generations (population) and how their perception (exposure) affects their well-being (outcome), such as stress, trust, and job satisfaction and job security satisfaction in AI-driven IT and healthcare workplaces. This question is formatted in terms of population, exposure, and outcomes in reference to the AI-driven workplace environments and elaborated in more detail in the methodology section. Using this central research question, the review aims are: i) to synthesize the current study of generational attitudes to digital ethics in AI-enabled health and IT workplaces. ii) investigate whether there is a correlation between the generational attitude towards digital ethics and employee wellness including stress, trust, and job satisfaction among employees between ages 55-24 who work in AI-driven health and IT settings and iii) identify knowledge gaps and give recommendations based on their findings that organizations would implement to create ethical adoption of AI practices within the multigenerational workplace by training, providing clear policies, and inclusive practices.

Methodology

Research Method and Research Design

The literature review is a qualitative research based on a systematic literature review methodology applied according to the PRISMA framework to create transparency, replicability, and methodological rigor (Page et al., 2021). A systematic search was conducted from the relevant academic databases and peer-reviewed journals to identify studies that met the predefined inclusion and exclusion criteria. Theme analyses and data extractions were done to generalize the findings of the included

studies. This approach ensures an in-depth understanding of the topic while adhering to ethical research practices.

Search Strategy

A hybrid search method was used to identify open-access and published literature in the field of AI adoption and integration in the Information and Technology (IT) and healthcare sector, with respect to the psychological outcome and the digital ethic perception of the employees from various generational groups:

1. Employee well-being and digital ethics were investigated with a narrow-topic search based on a multidisciplinary approach.

2. Boolean string search combining four conceptual groups [Table 1].

3. Searches were limited to articles published between 2020 and 2025, with abstracts available in English.

Table 1. Search String for the Study

PubMed, Web of Science, Google Scholar Generational Differences" AND "Digital ethics" AND "employee well-being" AND "AI workplaces"		Databases
		Search-Strategy 2020-2025
Generational Differences	generation" OR "generational differences" OR "generational gap in AI" OR "generational cohorts" OR "Baby Boomers" OR "Generation X" OR "Gen X" OR "Millennials" OR "Generation Y" OR "Gen Y" OR "Generation Z" OR "Gen Z" OR "age groups" OR "age differences" OR "intergenerational"	1
Digital ethics	(ethic* OR "AI" OR technology OR digital OR privacy OR fairness OR transparency OR trust) AND (perception* OR attitude* OR concern* OR view* OR belief*)	2
Employee well-being	"Employee well-being" OR "workplace well-being" OR "mental health" OR "job satisfaction" OR "employee satisfaction" OR "work engagement" OR "occupational health" OR "work-life balance" OR "psychological well-being" OR "employee morale"	3

| **AI-workplaces (IT & Healthcare)**	"Artificial intelligence" OR "digital health" OR "healthcare technology" OR "health IT" OR "information technology sector" OR "IT workplace" OR "digital transformation" OR "automation" OR "smart workplace"	**4**

Eligibility Criteria

Inclusion/Exclusion Criteria

Since the concept of AI-enabled workplaces has evolved remarkably over the recent years, articles published from 2020 to 2025 were included (only in the English language). To examine the psychological, ethical, and behavioral impact of AI-enabled workplaces (IT & Healthcare), we have included published empirical and conceptual literature, while editorials and grey literature were excluded. Studies lacked focus on the key concepts, such as digital ethical perception, AI integration in workplaces, psychological, and behavioral responses, and generational disparities in AI acceptance, were excluded.

Study Selection

To select studies relevant to the research question, we conducted an iterative three-step process. First, we refined the search strategy (Table 1), then a literature search was conducted using Boolean operators (AND /OR), and finally, each paper was reviewed as per the study context. During the first step, the search terms were applied individually and with Boolean operators across three databases: Science Direct, Google Scholar, and PubMed. Altogether, these search results yielded a total number of 2566,168 studies. In the second step, after excluding irrelevant titles, abstracts, and study constructs, 4800 articles were selected; following duplication removal, a total of 3900 articles were considered for inclusion in the study. In the next phase, after thorough screening of titles, abstracts, and paper context, 120 articles were shortlisted for full review, of which 89 met the inclusion criteria. For the final stage, 33 full-text papers were included. These papers were selected based on relevance to the research question, with emphasis on generational differences, digital ethics, and employee well-being in AI-integrated workplaces.

Figure 1. PRISMA Flow Chart for the Included Papers in the Systematic Review
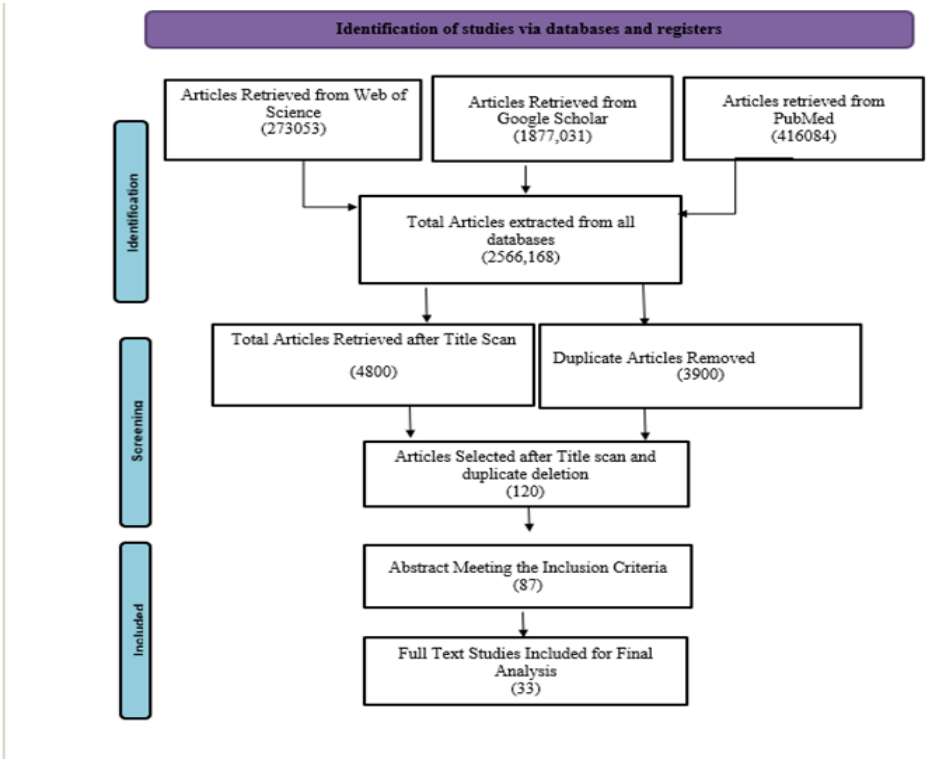
Quality Assessment

To ensure the rigor and reliability of the included studies, a comprehensive quality evaluation was conducted using predetermined standards pertinent to empirical and conceptual research. The study design, sample size, use of reliable and valid measuring tools, transparency in data analysis and reporting, clarity of research aims, and, most importantly, the relevance to the study topic were considered while evaluating each publication to be included. Studies› operationalization of important concepts such as employees' well-being, generational and ethical perspectives in the context of AI integration received special attention.

Risk of Bias Assessment

The systematic review has dealt with some of the key preventable sources of bias to ensure the integrity of the study findings. To mitigate the selection bias, an exhaustive search of several databases (ScienceDirect, PubMed, Google Scholar) was conducted by explicit inclusion and exclusion criteria, targeting and focusing on the relevant populations, outcomes, and study areas of interest, such as AI ethical attitudes, AI adoption in IT and healthcare work settings, and intergenerational differences regarding AI acceptance and their psychological responses.

Publication bias may also be influenced by limiting the included studies to those published between 2020 and 2025, which could omit relevant earlier work or emerging studies published after this period, thereby it is narrowing the evidentiary scope of the findings. Additionally, exclusion of grey literature and editorials,

which could omit unpublished or less favorable findings, is acknowledged as a limitation. Including literature only in English-language publications may be limited to language bias, potentially limiting the representation of regional and cultural perspectives. Due to the exclusion criterion set to remove grey literature and editorials, which could omit unpublished or less favorable findings, and is acknowledged as a limitation of this study. Measurement bias was evaluated based on quality appraisal of study tools, operationalization of study constructs, and data transparency. Studies exhibiting methodological rigor were eliminated to minimize conflicting findings. All of these considerations helped to reduce the risk of bias; the remaining biases and their possible effects are addressed in the limitations.

Data Synthesis

The findings are synthesized narratively and thematically presented in the results and future directions sections. The primary focus was on the intergenerational perception of AI usage and the impact of these levels on workplace psychology.

Results

After an extensive search in various databases, 33 full-text studies were incorporated into this review. Altogether, these studies comprehensively explored the generational disparities in digital ethics perceptions and their influence on employee well-being in AI-enabled health and IT workplaces. The results are divided into four major themes: a) digital ethics perception with a multigenerational perspective, b) how AI and digital ethics affect the well-being of employees, c) generational perspective on technostress in the age of AI, and d) to acquire the sector-specific insights from Healthcare vs. IT Workplaces.

Figure 2. Four Key Themes for Synthesis
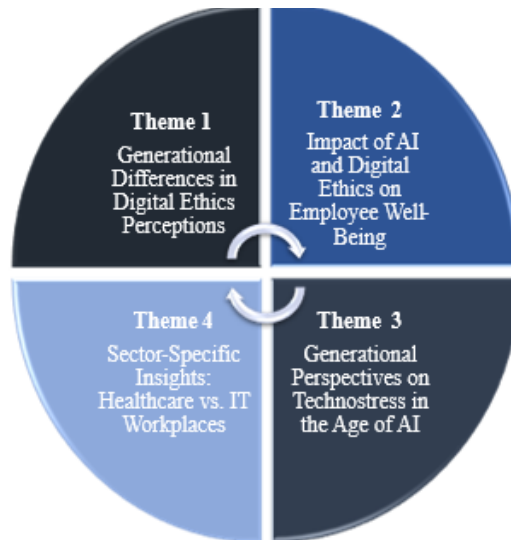
Note. Key themes from the literature review show generational differences in digital ethics, AI impact on well-being, technostress, and sector-specific insights. Source: Developed by the author.

## Theme I: Generational Differences in Digital Ethics Perceptions

The attitude of the various generations towards the incorporation of AI in the workplace, particularly Gen Z, is determined by their perception of the digital ethics of AI. Unlike older generations, Gen Z believes AI ought to be a transparent and fair decision-making mechanism to adopt. It reflects their psychosocial identity vs role confusion stage (Erikson, 1998), in which they are eager to find their identity, while focusing on genuineness and fair treatment in technological adoption at workplaces (Poenaru et al., 2025). Organizations intended to deploy AI processes must modify their strategies of integration to align well with ethical expectations from various generations. Younger employees are more inclined to AI solutions, as they are already well familiarized with AI technology at an early age, as well as their constant contact with technology (Cinalioglu et al., 2022). Empirical results indicate their positive inclination in the healthcare and research context, e.g., younger generations are more likely to display a positive attitude towards AI-based technologies, particularly in data-driven roles (Cinalioglu et al., 2022). According to the latest study findings, early career researchers perceive AI as a productivity factor, especially when applied to data complexity, automating, and evaluating organizational patterns (Obreja et al., 2025).

It clearly proves, there is a generational pattern in technology adoption and acceptance: early digital exposure shows comfort with automation, which eventually increases the adoption rate of AI. (See Figure 1). From the theoretical perspective, it follows the identity formation stage of Erikson, where individuals of this age group are quite experimental with their career choices, workplace values, and towards technology in establishing a consistent sense of professional identity. Generation Z displays a unique and enhanced interest in the ethical aspects of AI, while focusing on transparency and fairness of the AI-driven decision-making process (Mantello et al., 2023; Shrestha & Giri, 2021). Their tech-savviness focuses on AI being in line with social values, like fairness and transparency, unlike other generations, which reinforces the psychosocial priorities of early adulthood (Chu et al., 2022a). More importantly, digitalization, transparency, and fairness are deemed as the core of determining trust in digital integrations; with opaque decisions about the use of AI, younger workers are more likely to mistrust. These judgments are not as impartial as human judgments because of the algorithmic evaluation that fails to take into account the contextual specifics and nuanced aspects.

Nevertheless, transparency and ethical consideration are not the only solutions that may help to make workplaces error-free in terms of digitalization. The accelerated or abrupt AI integration in the workplace may also contribute to increasing the stress level among the young employees, assuming that organizations do not strike the delicate balance between being overly tech-savvy and having less job security (Sadeghi, 2024). Such automation in routine tasks, however, over time, may contribute to increasing stress levels due to the fear of being replaced by AI technologies (Lee, 2024). Therefore, privacy issues arising from AI systems that monitor employee activities can heighten stress and anxiety, since such monitoring blurs boundaries between professional and personal spaces, ultimately impacting employees' well-being (Sadeghi, 2024).

On the other hand, a positive attitude towards artificial intelligence embedded systems and their adoption and integration can enhance efficiency, job satisfaction, and job security, and can also improve employees' well-being (Lee, 2024; Sadeghi, 2024). Such generational variation in the technological adoption and acceptance among generations requires organizations to prioritize fairness and transparency in AI systems, which are ethical demands and psychosocial needs of Gen Z to form their identities. Systematic integration can significantly increase younger employees' trust and positive perception of AI, which eventually fosters inclusivity in workplaces (Chu et al., 2022a; Sadeghi, 2024). In essence, by centering on transparency and fairness, organizations can build trust and inclusivity, ensuring that their AI-enabled workplaces meet the evolving standards of a new generation.

Figure 2. Generational Pattern in AI adoption Among Gen Z
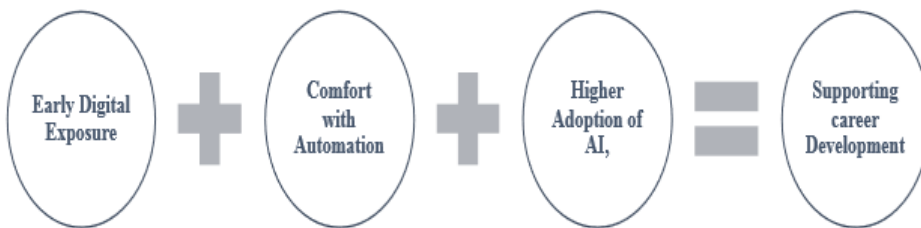
Note. Conceptual model showing how early digital exposure and comfort with automation influence AI adoption and support career development. Source: Developed by the author.

Theme II: Impact of AI and Digital Ethics on Employee Well-Being

The influence of digital ethics on the well-being of employees is a complex subject that has gained momentum with the advent of artificial intelligence (AI) in the modern workplace. To understand the intersection of digitalization and its psychological and perceptual outcomes (psychological stress, shifting roles, and ethical concerns related to the adoption of AI), three theoretical perspectives are considered: the unified theory of acceptance and use of technology (UTAUT), Ryff's psychological model, and Erikson's psychosocial theory (Erikson, 1998; Ryff, 1995; Sergeeva et al., 2025). In this rapidly digitalized era of the 21st century, a few sectors are at the forefront, including healthcare and the IT sector, where AI integration introduces both potential benefits and ethical concerns __ making ethical governance and employees' well-being significant to study. In other instances, short-term efficiency benefits can be accompanied by future anxiety and stress depending on the ethical use in workplaces. To thematically synthesize this argument, the present review analyzes how ethical AI execution can influence employees psychologically, emotionally, and perceptually. Significant gaps have been identified in the existing literature, as it significantly focuses on productivity rather than psychological outcomes. To strengthen the argument theoretically, the effects of AI deployment on employees' well-being are interpreted through the prism of Ryff's six dimensions: autonomy, mastery of the environment, purpose in life, self-acceptance, and positive relations (Ryff, 1995). To minimize the employees' psychological burden in response to AI integrations must adhere to ethical and security guidelines. Transparent ethical guidelines and execution

while implementing new AI systems into the existing systems can increase perceived usefulness and behavioral intention to adopt new technology, which ultimately reduces the resistance in AI adoption among employees, as claimed by the UTAUT model (Sergeeva et al., 2025). During the AI integration process, if ethical considerations are being followed, such as transparency, fairness, and accountability, studies show that employees' adoptability levels are high, which reduces their stress and anxiety towards new technology, and enhances their well-being (Farbod, 2024). Since human-centric AI systems lead towards feeling to be in control of whatever one does (autonomy), considering that they are capable of doing things (environmental mastery), believing in the co-workers and organizational process (positive relation), which is what Ryff suggests as the exemplification of psychological well-being (Dierendonck et al., 2022; Ryff, 1995). Findings suggest that the absence of ethical clarity while deploying AI systems increases the effects of stress and mistrust and negatively affects the employees' well-being (Sadeghi, 2024). Active involvement of the staff, such as training, upskilling, and interactive communication, enhances the human centralism, facilitates adoption, and reduces anxieties to improve the efficiency of AI tools (Budhwar et al., 2023). When empowered, employees will embrace new technologies better than when they feel sidelined.

Comparisons with studies indicate that the absence of ethical clarity increases the effects of stress and mistrust and negatively affects the following basic aspects of well-being (Sadeghi, 2024). To strengthen human centralism at the workplace, employees' active participation and involvement through training, upskilling, and interactive communication can enhance positive adoption of AI and reduce anxiety and stress (Budhwar et al., 2023). Empowered employees can easily adapt to new technologies compared to when they felt excluded.

On the other hand, the absence of ethical clarity may contribute to fear, confusion, and mistrust. This can be interpreted as a threat to professional self-awareness and generational expectations by employees, increasing stress (Erikson, 1998; Humboldt et al., 2023). Even popular AI assistants such as ChatGPT may have both beneficial and detrimental outcomes. Although these tools are efficient, anxiety about job redundancy could be triggered, so there is a necessity to exercise ethical foresight when integrating them with daily activities (Bonin et al., 2025). It reduces the individual's well-being aspect of environmental mastery when AI is uncontrollable or when it threatens identity, as Erikson describes, to adopt professional roles (Erikson, 1998).

Besides that, abrupt AI integrations in the workplace may cause anxiety regarding privacy, surveillance, and transparency, which are crucial factors in developing trust and engagement amongst employees. In some cases, these concerns put psychological safety at risk for them and affect their sense of environmental mastery and positive relations (Ryff, 1995). To elucidate, employees' psychological responses as an outcome of digitalization defined their perception of AI. When transparency, equity, and inclusivity become central to AI practices, they will strengthen employees' resilience, motivation, and overall psychological health, which will foster a human-centric, psychologically supportive, inclusive, and sustainable work environment.

Theme III: Generational Perspectives on Technostress in the Age of AI

Technostress, a psychological reaction stemming from an individual's perceived inability to handle new technologies, has become a widespread issue in the digital age. While Artificial Intelligence (AI) technologies increasingly integrate into daily life, examining how different generations respond to these advancements is essential. Findings from various studies aimed to explore generational variations in the experience of technostress, focusing on Baby Boomers, Generation X, Millennials, and Generation Z (Keshavarz et al., 2025), while highlighting trends in digital literacy, ethical sensitivity, and adaptive capacity across different age groups.

Baby Boomers (Born 1946–1964): Limited Exposure and Conditional Acceptance

The lack of familiarity with AI technologies among Baby Boomers (Born 1946–1964) can cause them to experience technostress. Their low digital literacy and confidence in the implementation of new tools are the factors that often lead to challenging results (Chu et al., 2022b; Shandilya & Fan, 2022). It is also worth noting that previous favorable responses to AI in particular fields, including the healthcare sector, can alleviate stress and enhance satisfaction with technology (Cinalioglu et al., 2022; Keshavarz et al., 2025). Their inability to adopt AI-assisted services often resulted from low digital literacy and a lack of confidence in working with AI-integrated environments (Chu et al., 2022a; Shandilya & Fan, 2022).

This resistance may create a psychological discomfort as defined by Ryff's psychological well-being model under the dimension of lack of environmental mastery — an inability to cope with new environmental challenges, as well as a threat to an individual's autonomy — inability to act according to their own desires (Ryff, 1995). Whereas Erickson's psychosocial stages of autonomy vs shame and doubt, and integrity vs despair (focus on development, confidence, and life-reflection), which can, in combination, explain the theoretical reasoning in generational challenges to deal with new technology, and this may even raise the level of stress experienced by individuals (Dierendonck et al., 2022; Erikson, 1998; Ryff, 1995).

Generation X (Born 1965–1980): Privacy Conscious and Context-Sensitive Users

This group is considered to be a transitional group that witnesses the pre-digital and digital eras. This age cohort focuses on a careful and ethical adoption of AI in utilizing the potential benefits AI offers while being vigilant to safeguard their privacy. According to this stance, when this equilibrium is imbalanced, it may lead to technostress (Shrestha et al., 2024). Additionally, it has been observed, this cohort adopts new technology based on their socio-cultural factors, such as their socio-economic status, job roles, educational and cultural background, which either exacerbate the technostress, if adopted favorably, or threaten their psychological well-being if they cause distress and discomfort in adopting new technology (Tung, 2023). Erikson's psychosocial developmental stages (generativity vs stagnation) can elaborate this intersection of socio-economic and socio-cultural factors in shaping generational identity and stress responses (Erikson, 1998).

Millennials (Born 1981–1996): Digitally Fluent but Ethically Sensitive

Millennials, a generation that has experienced the digital transition period of the century, and considered digital pioneers. This generation often displays a high acceptance and fluency towards using AI (Kalogiannis, 2025). The constant revolution in the digital world makes a positive contribution to AI. However, this generation is also highly inclined to ethical and transparent adoption of AI tools, particularly related to algorithmic biases and data privacy. If these expectations remained unmet, the technostress levels might rise, commonly in settings where personal data feels compromised and they don't have any control over it (Shrestha et al., 2024). To strengthen this argument with theoretical backing, the moderating role of Ryff's autonomy and positive relation dimensions of psychological well-being in explaining how transparent and ethical deployment of AI-embedded tools is significantly important to create a psychologically safe environment for employees (Dierendonck et al., 2022; Ryff, 1995).

Generation Z (Born 1997–2012): High Expectations and Privacy Vigilance

As true digital natives, Generation Z exhibits the highest expectations for seamless technology experiences. Their lifelong immersion in digital environments fosters a low tolerance for inefficiencies or unmet expectations in AI systems. Technostress may occur when these technologies fail to perform intuitively or when users feel their privacy is at risk (Shrestha et al., 2024). AI ethical deployment in the existing system, along with transparent designs, is crucial to prevent stress among these age groups, connecting with Ryff's environmental mastery and Erikson's identity development perspectives. The dual application of AI in managing sensitive personal data and influencing life-altering decisions necessitates careful ethical scrutiny across both sectors.

Theme IV: Ethical Challenges Specific to AI in IT and Healthcare

Industries like IT and healthcare face unique challenges related to ethics and transparency in AI deployment, which significantly impact employees' well-being and shape their perception towards new technology. Further, these challenges are strengthened or weakened by the generational cohorts an individual belongs to, which define what level of technostress and professional identity crises an individual might have. Since every service sector is trying to match the pace of integrating AI-driven tools to enhance the efficiency of their services, it is crucial to understand these challenges in fostering a supportive and psychologically safe work environment and a smooth transition to digitalization.

Due to AI augmentation fear of being displaced is prevalent among employees, causing high levels of stress and anxiety. Tasks performed by humans are easily being done by an intelligent and deficient machine, e.g., artificial intelligence (AI), creating unease among employees as their job roles become obsolete (Lee, 2024), as Ryff's environmental mystery and job security have a positive relations dimension that helps explain to understand the intersection of job security (Ryff, 1995). It is predicted that rapid digitalization with AI tools can erode the low-skill workers market while creating a socio-economic status gap, raising concern about psychological health subject to uneven distribution of employment opportunities and ethical implications of these AI-driven tools (Jetha et al., 2023). As AI-embedded systems are proven to be high-quality in data collection, organizations

are actively integrating them into their surveillance systems; constant supervision can cause severe anxiety about being observed. Ultimately, it compromises the employee's privacy and creates an uncomfortable workplace. Another concrete addition to this is that employees' reported concerns over data-protection and how it will be used and sorted out, which can further cause a feeling of mistrust, raising questions about their psychological well-being (Sadeghi, 2024). This phenomenon underlines the theoretical concept of Ryff's well-being model — autonomy and positive relation dimension, and UTAUT perceived risk and utilization and adoption of new technology (Jetha et al., 2023).

Including AI systems can enhance work-related stresses as employees feel pressured to match the productivity pace set by an intelligent machine, i.e., artificial intelligence (AI) embedded tools. which can predominantly pave the way in creating a generational digital divide among various generations (Jetha et al., 2023). However, the psychological outcomes of artificial intelligence integration vary across generations, as well as their job role. In some cases, a high-skilled worker and a low-skilled worker experience these technology-driven demands disproportionately, subject to the nature of their job and workplace environments (Lee, 2024). These challenges accelerate ambiguities and uncertainties about the future in AI-driven workplaces, which can adversely affect mental health issues, particularly in healthcare sectors, where job roles are evolving rapidly with high technological advancements (Jetha et al., 2023). At the organizational level, ethical execution and adoption of AI systems can positively complement employees' well-being. Participatory organizational leadership can help employees to view AI as a tool to enhance their efficiency and productivity in their work rather than as a threat to their stability and well-being (Sadeghi, 2024).

Discussion

The AI integration into the health and IT industry offers both opportunities and ethical dilemmas, which could be better explained through the integration patterns, psychological implications of AI integration, and generational responses to contextualize various responses. Even though AI boosts productivity, efficiency, and the possibility of making work easier, it also entails some challenges, such as job insecurity, continuous surveillance, the fear of being substituted, and the loss of autonomy, which may impact each age group in different ways (Jetha et al., 2023; Lee, 2024). The impact of these stressors on the employees' psychological well-being, autonomy, and identity formation among various generations requires a theory-based, comprehensive strategic approach. These stressors and their effects on the psychological well-being of the employees, their autonomy, and identity development across generations demand a theory-grounded, holistic strategic treatment. The study findings indicate that GEN Z and millennials are more technology-driven, concerned with fairness and transparency, and willing to use AI systems ethically, particularly in high-stakes environments, such as the IT and healthcare (Cinalioglu et al., 2022; Obreja et al., 2025). Theoretically, it may also be explained using the generational ethical sensitivity to the individual's autonomy and positive relation dimensions of Ryff's psychological well-being model (Ryff, 1995). On the other hand, older employees may initially oppose AI integration because of low digital literacy, although their perspective may change once adequate support has been provided (Shandilya et al., 2022). This reflects Erikson's later-

stage adaptation and identity consolidation mechanisms (Erikson, 1998).

Another finding of the review is that ethical AI implementation is not an across-the-board activity. The active engagement of employees in the design and implementation of AI, which is acquired by upskilling and open communication, as well as ethical training, becomes a key to building a sense of psychological safety and well-being in workplaces (Sadeghi, 2024), showing that the parameters of UTAUT and the mastery of the environment by Ryff are put into practice (Ryff, 1995). Besides, industry-specific issues, including the ethical sensitivity of patient information in the medical field and the widespread surveillance in IT, demand more digital ethics-specific strategies (Jetha et al., 2023; Sadeghi, 2024). Although a growing interest in digital ethics, generational differences, and the psychological outlook of employees has been increased, there is still a paucity of literature. Research in non-Western contexts remains limited, offering opportunities to examine cultural and generational interactions in AI adoption and ethical perceptions. The employees' reaction to the AI integration is often seen as a homogenous phenomenon in the current literature, overlooking the subtle, age-specific disparities that play a significant role in the psychological outcomes and ethical orientation.

This brings potential to future research of providing a more inclusive, intercultural, and generationally aware approach to understand the role of AI in the workplace and a deeper theoretical and real-world insights to AI adoption by studying generational identity, ethical reasoning, and well-being outcomes in one context.

Policy Framework

As we lay down future directions, we propose a generational-bridging AI ethics and employee well-being framework that breaks down its four main pillars into scholarly enquiry and policy development, and practical application to cover adoption, psychological well-being, and generational issues. The model emphasizes the value-based differences, emerging digital expectations, and sector-specific context, which are reflected through the inclusion of generational diversity into the AI ethics debate. Figure 4 represents the four components that comprise the core framework for the development of inclusive, ethical, and sustainable AI-enabled workplaces.

Figure 4. AI-Ethics & Well-Being Proposed Policy Framework
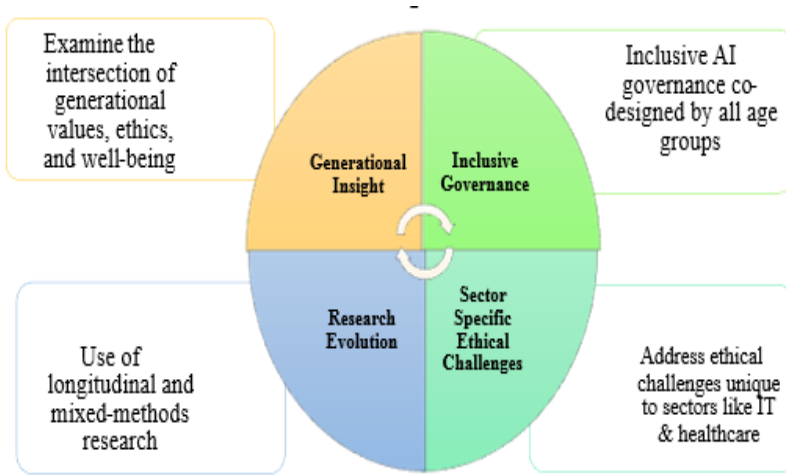
Note. Generationally-inclusive AI ethics and well-being framework illustrating four key pillars. Source: The figure was developed by the Author.

Generationally-Inclusive AI Ethics & Employee Well-Being Framework

Across various industries, it is crucial to understand how generational differences are associated with digital ethical perception in AI-driven workplaces. Therefore, to develop an inclusive AI-integrated system, understanding employees' perceptions about digital literacy and their psychological outcomes is significant in determining what attitude an employee may hold toward new technology adoption.

A generational perspective determines how employees interpret and react to privacy, surveillance, and equity issues (Allen et al., 2023; Tung, 2023). The impact of generational ethical values on such aspects of psychological well-being, such as positive relations, autonomy, and identity formation, is quite evident and needs to be studied further. Understanding how people accept or reject new technologies is important in developing countries or cultures where technology is still evolving, in comparison to industrialized economies, where adoption and socio-cultural norms vary among the population. It is also reported that the generational expectations are also different, with younger users requiring more open and ethical AI systems when compared to older people, although the use of AI entirely depends on their culture and regional setting, which sometimes acts as a barrier or, in certain situations, promotes a successful AI ethical implementation (Shrestha et al., 2024).

Inclusive Governance to Develop Participatory AI Governance Models

Employees from different generational groups actively involved in managing Artificial Intelligence (AI) are not only a diversity problem but also a strategic condition for the ethical and sustainable conduct of digital transformation. Traditional, top-down systems of governance often ignore the complexity of ethical anticipations and the existence of a multigenerational labor force, thus resulting in systems that generate little legitimacy or trust levels (Kolla et al., 2025). At the organizational level, to address these challenges, a participatory governance

approach well aligned with facilitating conditions and environmental mastery can reduce stress and enhance digital adoption among employees while designing and deploying AI technologies into existing systems (Coovadia et al., 2025; Sadeghi, 2024). These approaches, together, enable organizations to respond accordingly to challenges related to employees' diverse generational perspectives, queries related to accountability, autonomy, and fairness. Furthermore, these participative processes create feelings of ownership and a sense of psychological safety, increasing trust and coherence in long-term employees' engagement at macro levels (Mujtaba, 2025), which promotes generational identity and positive relations. Therefore, participatory governance is functionally beneficial and ethical in creating adaptive and human-centered artificial intelligence systems.

Research Evolution and Prioritize Longitudinal and Mixed-Methods Research

Digital ethics and employees' psychological response are not static but dynamic in nature. Therefore, requires longitudinal and mixed-methods research to grasp changes in time and generational variations over time. Additionally, to investigate employees' attitude towards technology adaptation, longitudinal and mixed-method designs should be merged (Tortorella et al., 2025) for a deeper understanding of the human-machine interaction mechanism. These approaches can be used to explore the perceptual disparities towards digital ethics over the years and, more crucially, discuss the long-term effect on employee psychological well-being and trust within the organizations (Farbod, 2024). Thus, future research needs to conduct a multi-phase study on ethical perceptions over time, roles, and age groups. Organizations ought to invest in education and training of AI to promote a culture of innovation and experimentation that can be used to overcome generational differences and increase intergenerational trust (Shrestha et al., 2024).

Sector-Specific Ethics to Address Ethical Challenges Unique to IT & Healthcare Sectors

Noticeably, the integration of artificial intelligence (AI) technologies into systems offers benefits, as well as challenges, such as complex ethical concerns that demand careful management. In the healthcare sector, for instance, the primary issues include data privacy, machine usage in decision-making in clinical practices, and acquiring informed consent from patients. At the same time, ethical dilemmas linked to surveillance, data discrimination via algorithms, and data commercialization are covered in information technology (IT). Therefore, a complex system of anti-safeguards and policy measures is required to fix these problems concerning employees' mental and moral perceptions (Jetha et al., 2023; Sadeghi, 2024) that addresses autonomy, positive relations, and adoption barriers. Ethical dimensions have been discussed at the macro level; however, at the micro level, organizations must ensure these concerns, such as IT(Wang & Wang, 2025), and Healthcare, which will increase transparency, user trust, and cultural variability within organizational structures (Shrestha et al., 2024). In this digital transition era, this study aims to address generational gaps in AI ethics and focuses on employees' well-being while offering a four-pillar policy framework as a way forward. By providing theoretical backing, empirical evidence, and sector-specific policies to create inclusive, psychologically safe AI workplaces, it provides a practical future course

of action to build ethically inclusive, psychologically well-adapted, and diverse workplaces with research, participatory governance, and setor-specific insights.

Conclusion

The results conceptualize the possibility of age as one of the important factors in forming the perception of digital ethics among employees and what type of psychological reactions they might have toward AI-driven tools, either in opposition or adherence. The results are also backed up by theoretical validation based on the psychosocial theory of Erikson, the six dimensions of psychological well-being of Ryff, and the Unified Theory of Acceptance and Use of Technology UTAUT, to describe AI adoption trends. Evidences indicate that younger generations (i.e., Millennials and Gen Z) are more concerned about the ethical execution of artificial intelligence, especially about transparency, fairness, and data protection, than older generations. It indicates that generational values influence trust, autonomy, and identity formation. These generational beliefs are featured in the theoretical frameworks and directly influence the trust, flexibility, and employees' well-being in fast-digitizing industries. The review also highlighted that inclusive AI governance is vital in reducing stress levels, gaining employees' trust, and enhancing job satisfaction in a variety of staff sub-groups likely to be distressed by their AI-integrated working environments. Nevertheless, the organizational policies and empirical evidence often overlook age differences, which leads to a gap in knowledge regarding policy and implementation. These discrepancies indicate that the incorporation of a well-being perspective and generational variation could provide a deeper understanding of the complex socio-demographic and psychological factors influencing the adoption of AI across various generations.

Conflict of Interest

The authors have stated that there is no conflict of interest when publishing this paper.

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