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Impact of Perceived AI Threat on Unemployment Anxiety and Psychological Well-Being among IT Employees

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ABSTRACT

This research seeks to analyze the connection between perceived AI menace, fear of unemployment, and mental well-being of employees through a quantitative correlational approach. The emergence of artificial intelligence in the working environment raises worries in regard to job security and the threat of unemployment. Thus, there may be a rise in employment worries and a decrease in employees' mental well-being. The methodology to collect data on employees levels of perceived AI menace, fear of unemployment, and mental well-being is based on surveying them using conventional self-reported questionnaires. Descriptive statistics will be used to analyze the levels of these factors in terms of their means (M) and standard deviations (SD). The reliability analysis is going to be done for checking internal reliability of a research tool using Cronbach's alpha. To measure the relationships between these three variables, a Pearson product-moment correlation will be used. Additionally, a simple linear regression will be run in order to see if perceived threat from AI can predict unemployment anxiety and psychological well-being and if unemployment anxiety can predict psychological well-being. The measurement of psychological well-being is going to be based on the six dimensions introduced by Ryff: autonomy, environmental mastery, personal growth, positive relations with others, purpose in life, and self-acceptance. The results of this study will allow understanding how the way employees view AI being a threat to their jobs relates to worries about unemployment and psychological well-being. All in all, the results of this research can be helpful for realizing the significance of recognizing employees' concerns in the course of technological changes and encourage businesses to provide adequate support to employees for mitigating job-related uncertainty and reaching psychological well-being

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Introduction

The introduction of artificial intelligence (AI) into the workplace greatly changes how workers are completing their tasks, handling data, communicating with one another, and making decisions. Companies are busy utilizing AI technologies in their business processes, customer service systems, data analysis techniques, content creation procedures, and other business functions to enhance their proceedings. From this perspective, it appears that the nature of work has evolved, with some mundane jobs being automated and AI supporting people with cognitive tasks such as analysis, solution finding, and decision-making. AI may positively affect the organizations by opening doors for innovations and progress while being a source of worries about jobs and professions of tomorrow (Davenport & Ronanki, 2018; Raisch & Krakowski, 2021).

The rise of AI in the workplace has sparked increased discussion around its impact on workers' job security and job growth. AI will assist in doing some jobs, automate some functions, or change the required skills for executing certain jobs. However, this does not mean that jobs will completely disappear because most jobs do have tasks that require the human's judgment, communication, ability to understand the context, and availability. Nevertheless, workers may experience worries once they see that AI is capable of completing their jobs (Acemoglu et al., 2022; Eloundou et al., 2024).

In this regard, the concept of perceived AI threat has acquired significance as an instrument for examining employees' response to technological change. Perceived AI threat implies an idea of an individual regarding the possibility of AI negatively affecting their job, professional self-concept, existing skills, career growth, and future employment prospects. Unlike the objective characteristics of technology, perceived threat points to identity's perception of possible outcomes of the impact of AI on their working life. Employees having information about similar technological innovations may have different responses depending on their perceptions, job situation, perceived power, and comprehension of AI. Hence, psychological effect of AI implementation cannot be studied solely with reference to its technological character; employees' subjective assessment of technological innovations should also be taken into account (Brougham & Haar, 2018; Mirbabaie et al., 2022).

There is a phenomenon known as the AI threat that consists of two components: skill redundancy and job loss. Workers may start wondering whether their skills and expertise are still valuable in the context of AI technologies being able to do everything related to data processing, writing, analytics, and decisions making. Such thoughts become especially distressing for workers if the technological change is accompanied by a fast pace of changes leaving employees with no time for learning new skills or understanding how their jobs might change. While AI does provide allow for learning, redesigning tasks, and career development, the workers considering their skills as being obsolete may face fear regarding their future careers. As a result, the AI threat phenomenon can be considered one of the psychological terms aimed at understanding how changing demands to skills and jobs affect the mind of employees (Felten et al, 2021; Presbitero & Teng-Calleja, 2023).

The unease connected with employment might go beyond worries about one's job and fuel anxiety about unemployment. People experience anxiety about unemployment when they are fearful, apprehensive, and distressed about the chances of being fired or facing difficulties

finding jobs in the future. One can have this kind of anxiety even while being in a job without immediate notification of termination. The worries about income, bills, employability, and career prospects can trigger constant anticipation. Unemployment anxiety is different from job insecurity in that it includes the fears about becoming jobless and being able to find a job eventually (De Cuyper et al., 2008; Toker et al., 2015).

When employees suspect that new technologies may lead to a loss of demand for their skills or that they will face decreased chances of obtaining jobs in the future, concerns about unemployment may rise with the emergence of AI-related workplace uncertainty. The observation of AI systems performing increasingly complex tasks might lead employees to assess their competitiveness and worry about their future employability in technologically advanced labor markets. The heightened anxiety among employees depends on their access to information about what is going on in their organizations regarding processes involving the use of technologies, professional training opportunities, and their influence over technological changes. Nevertheless, employees' reactions may differ across individuals due to the differential impact of such factors as job duties, adaptability to new circumstances, organizational potential, and career opportunities.

The apprehension related to unemployment has significant effects on the psychological well-being of employees. The fears regarding employment in the future can become overwhelming and troublesome. Practically, psychological well-being means the aptitude of individuals to deal with their lives positively. It is understood that psychological well-being is centered on how much people are able and willing to fulfill their lives successfully and meaningfully. It gives more than just temporary happiness or absence of psychological problems. The model of psychological well-being presented by Ryff is based on six factors or dimensions: autonomy, environmental mastery, personal growth, positive relations with others, purpose in life, and self-acceptance.

Workers suffering from the fear of losing a job may find it hard to uphold their psychological health as they can be consumed by worries over unemployment. The incessant fear concerning an individual's job security impacts their feelings of stability and power which affects their future planning. Anxiety over money and job security may drain mental and emotional resources which can be utilized for performing day-to-day tasks, self-development, and accomplishing other goals. From the point of view of the Conservation of Resources theory, people aim to acquire what they need in order to survive, in terms of employment, money, friends, and self-identification. The thought of losing important assets leads to stress when individuals have little chance of dealing with a loss (Hobfoll, 1989). Studies of unemployment and psychological health prove that employment experience is important for being able to cope with psychological problems (Paul & Moser, 2009).

Thus the relationship between perceived threat of AI, anxiety about unemployment, and psychological health can be understood through psychological mechanisms related to perception of threat and loss of resources. Employees who see the changes caused by AI as being threatening for their jobs and professional worthiness may worry more about unemployment in the future. Such worries may lead to low psychological health since employees become focused on potential loss of jobs and uncertain situation in future. However, this viewpoint does not imply that the use of AI leads to unemployment or that every employee facing AI encounters psychological problems. What it emphasizes is that perception of technology and feelings of

employees are of great importance in understanding how technological changes influence psychological well-being.

Regardless of the increasing number of studies discussing artificial intelligence (AI) and its impact on future labor market, understanding the repercussions of AI-related job concerns from a psychological perspective remains crucial. The current body of knowledge focusses on the effects of technological exposure, automation, job insecurity, attitudes of workers, and their well-being. However, the concepts of perceived AI danger and job insecurity are closely related to each other; nevertheless, they must be differentiated and analyzed from a single point of view. The first concept implies workers' evaluation of AI as a possible threat to their work and job-related resources. The second term reflects individuals' worries about the telecommunications unemployment. Studying these concepts together will improve understanding of how employees psychologically react to the changes in their workplaces connected to AI and to what extent these reactions influence their well-being in general. This becomes particularly relevant due to the presence of transitional labor market conditions in countries like Pakistan where technological change accompanies the appearance of diverse job chances as well as various institutional resources and job concerns (Gull et al., 2023).

Theoretical Framework

The study is based on the Transactional Model of Stress and Coping (Lazarus & Folkman, 1984) and the Job Demands–Resources (JD-R) Model (Demerouti et al., 2001). These theoretical frameworks help to better explore how the perception of artificial intelligence (AI) by employees regarding its possible negative impact on employment is connected with unemployment anxiety and psychological well-being.

The Transactional Model of Stress and Coping shows that an individual's psychological reaction to stress depends on how he/she assesses a stressful event and thinks about his/her ability to deal with the situation (Lazarus & Folkman, 1984). In terms of the impact of AI on workplaces, employees understand AI as a possible threat to their jobs and professionalism. Such perceptions can cause an increase in unemployment anxiety, as employees may think about their future ability to stay in the labor market. Psychological concerns can influence their well-being.

The JD-R Model adds to this idea by describing how job demands and available resources affect how employees feel (Demerouti et al., 2001). Changes related to AI in the workplace can be considered job demands when they present some uncertainty, shifting skill requirements, worry about job security, or a need to cope with new technologies. When employees experience a lack of resources to deal with job demands, they may suffer from a high level of psychological distress and/or low well-being. On the other hand, having proper training, good supervision, feeling autonomous, and having effective communication may help employees cope with technological changes. Thus, depending on the way it is implemented and the employed conditions, AI can be seen as a demand of a resource (Bakker & Demerouti, 2007).

Combining these theories offers a way to understand the relationship between perceived AI threat, anxiety about unemployment, and psychological well-being. The Transactional Model describes how employees evaluate the threats related to employment caused by AI, while Lean Model explains in which context these experiences happen. Therefore, this research investigates perceived AI threat as related to anxiety about unemployment and psychological well-being of

employees working in IT. The model suggests that the stronger the perceived AI threat, the higher the anxiety caused by unemployment, and the lower the psychological well-being. The relationship will be investigated, assuming that anxiety about unemployment is not a mediating factor between perceived AI threat and psychological well-being.

Objectives

First objective of the study is to investigate the association of perceived AI threat to unemployment anxiety among IT employees.

Second objective of the study are to investigate the association of perceived AI threat to psychological well-being among IT employees.

Third objective of the study is to measure the predictive nature of perceived AI threat for unemployment anxiety in IT employees.

Fourth Objective of the study is to measure the predictive nature of perceived AI threat for psychological well-being in IT employees.

Hypotheses

H1: Perceived AI threat will associate positively to unemployment anxiety for IT employees.

H2: Perceived AI threat will negate its impact on psychological well-being for IT employees.

H3: Perceived AI threat will be a significant predictor of unemployment anxiety among IT employees.

H4: Perceived AI threat will be a significant predictor for psychological well-being among IT employees.

Perceived Threat from AI. Perceived threat from artificial intelligence is characterized as decisions in the mind of people as a result of their conviction that artificial intelligence technologies, such as robots and automated technologies, may threaten their workplace. In the current research the level of perceptions is studied using the four-item STARA Awareness Scale developed by Brougham and Haar (2018). Higher scores on the measure mean that there is more perceived threat from newly emerging technologies to jobs.

Fear of Unemployment. Fear of unemployment is summed up as an emotional state of people connected with fear and anxiety concerning their job loss or unemployment in the future. It displays the concerns connected with job continuity and career prospects. The current study measures the fear of unemployment using a set of seven items. Higher scores reflect higher fears of job loss.

Psychological well-being. Psychological well-being is defined as an individual's ability to deal with emotional situations positively. It is measured in the research using the Warwick–Edinburgh Mental Well-being Scale (WEMWBS).

Literature Review

Revolution in the operations, functional roles and employment obviously proceeds in the area of information technology (IT) due to influence of artificial intelligence (AI). AI might help towards better efficiency and decision making, however, its fast-growing capacity to substitute the job done by the workers of the specified industry might lead to worries regarding job losses and employment. Perceived AI threat is the idea that workers have about the new technologies that may replace them or make their skills less important. The issue was examined by Brougham and Haar (2018) through the idea of STARA (Smart Technology, Artificial Intelligence, Robotics and Algorithms) as the understanding of the emerging technologies and the potential results they may cause in the area of employee's professional lives. The opinion of the professionals in the IT sphere is important, because they work in the field of technology and are noticeably influenced by the current changes (Nair & Palsetia, 2025).

Concern for unemployment is highly linked to job instability and represents the feeling of surrounding people who expect that they may lose their jobs. Greenhalgh & Rosenblatt (1984) viewed job instability as belief in being unable to have necessary continuity in a job that has been threatened. The same was stated by Sverke et al. (2002), who presented job insecurity as an experience felt by people that includes expectation of employment loss than actual loss of job. Employees thinking that the process of introducing AI may deprive them of their jobs have fear about their possible future career development, struggle to find a better definition of the situation and manage to keep the job they have. The link between technology changes and job insecurity should be emphasized as people dealing with similar situations in identical organizations may have different interpretations of the same technology introduced in the process of change.

Psychological well-being indicates functioning well psychologically as opposed to merely the absence of psychological disturbance. Ryff (1989) described psychological well-being as consisting of six components including self-determination, mastery of environment, growth as a person, a relationship with others, life purpose, and self-acceptance. The uncertainties that arise in relation to work may generate a disturbance in the provides a sense of control over the situation and professional purpose, and belief in the future of work. The literature regarding unemployment suggests a relation between employment insecurity and negative mental health outcomes as stated among others by Paul and Moser (2009), in their meta-analysis which shows that unemployment is associated with negative mental health outcomes. During technological change employees realizing that they are threatened with losing job may experience undue psychological stress.

The connection between the issues related to AI and the well-being of employees has been a topic of research lately. For instance, Xu et al. (2023a) observed that knowledge of AI is linked to depression among employees, where emotional exhaustion is an influencing factor in such a link. Presbitero and Teng-Calleja (2023) also reported that the impression of AI robbing people of their jobs is linked to job insecurity and mental distress among employees of a call centre. The IT sector also highlights themes such as job security, and skills and performance-related worries. A great example would be Nair and Palsetia (2025), who studied the relationship between negative feelings toward AI and anxiety among IT workers in India. This indicates that the psychological effects of AI can be influenced by more than just technology as such, as

employees' beliefs regarding what kind of threat AI can bring to their job seem to play an important role too.

The setting offered by Pakistan is used to make observations about interactions. Because of the increase in use of AI in organizations, new jobs emerged and some concerns about job safety arise with regard to the necessity of getting new technological knowledge. Studies conducted among people working in Pakistan show several linkages between anxieties connected with AI and negative work outcomes. Soomro et al. (2026), for example, explored anxiety and employees' well-being comprehensively in small and medium enterprises in Pakistan, while Haq et al. (2026) focused on the linkages between AI-connected job insecurity and employees' burnout and psychological security in the manufacturing industry. The same issues were addressed in studies examining job insecurity and employees' well-being performed among IT professionals in Pakistan (Khan et al., 2021; Dar, 2024). However, the issue of employment anxiety and psychological well-being is not thoroughly explored in the research targeted at the specific population of IT professionals.

It can, therefore, be said that the existing literature serves as a foundation for studying perceived threat of AI, unemployment anxiety, and psychological well-being as relevant employee experiences. Earlier studies have explored AI awareness, technology-related job insecurity, anxiety, burnout, and psychological well-being in a variety of workplaces. However, the earlier research has shown discrepancies in the conceptualization and direction of the constructs, alongside insufficient attention paid to IT employees in Pakistan. The proposed research fills this gap by exploring the relationship of perceived AI threat with unemployment anxiety and psychological well-being among IT professionals of the country. Additionally, it examines the connection between unemployment anxiety and psychological well-being in order to enable better understanding of the psychological experiences that are linked to the perceived threats of technology in employment.

Research Method

Research Design

The current research used a quantitative cross-sectional correlational research design to investigate the relationship between perceived AI threat, anxiety about unemployment and psychological well-being of IT employees.

Target Population

The target population included both male and female employees who worked in the IT or technology subdivision of private sector companies. Any employee belonging to any age group, education level, marital status, and working experience could be involved provided that he/she was employed at the time of data collection.

Sample Description

Sample is comprised of 150 employees currently working in private sector companies. The participants were recruited from various organizations and represented people with different background and employment experience. Both genders were represented in the sample. The sample size is considered enough for the planned analysis using simple linear regression with one predictor, yet the limitations of non-probability sampling must be taken into consideration in interpretation of generalizability of the findings.

Sampling Technique

A non-probability convenience sampling technique was used to recruit participants. Employees who were accessible, met the inclusion criteria, and expressed willingness to participate were invited to complete the research questionnaires. This technique was adopted to facilitate access to working employees from different private-sector organizations.

Inclusion and Exclusion Criteria

Participants were included if they were currently employed in an organization, were working in an IT or technology-related department, and voluntarily agreed to participate in the study. Individuals who were unemployed, did not provide informed consent, or submitted incomplete questionnaires were excluded from the final analysis. Participants who could not independently understand or respond to the questionnaire were also excluded.

Instruments

Data collection was performed using a questionnaire which had demographic questions together with three self-report measures.

Demographic Information. Demographic information was gathered by means of a sheet which gave information concerning participants' age, gender, educational background, marital status, work experience, residential area, employment sector, field of job, and use of AI in their work. Such data were collected to characterize the sample and to provide necessary background to the interpretation of the results of this research.

Perceived AI Threat Scale. The four-item STARA awareness measure developed by Brougham and Haar (2018) was used to measure perceived AI threat. The measure shows how employees feel regarding the possibility of replacement of their place of work by means of smart technologies, AI and robotics or harms to their employment in the future. The measure has five response options which range from 'Strongly disagree' to 'Strongly agree'. High scores show that individuals perceive a great danger of losing their job because of AI. The internal consistency coefficient reported for this measure in the present study is $\alpha = .85$.

Unemployment Anxiety Measure. Unemployment anxiety was assessed using a seven-item self-report measure addressing employees' concerns and apprehension about the possibility of losing their jobs or becoming unemployed. Higher scores represent greater levels of the

measured anxiety construct. The measure demonstrated an internal consistency coefficient of α = .92 in the present study. The original author, publication year, response options, and scoring procedure of this seven-item measure should be specified from the original instrument before the article is submitted.

Psychological Well-being Measure

The Psychological Well-Being Scale (PWBS) is a tool created by Ryff (1989) to analyze psychological well-being through the six dimensions of the concept. The scale measures positive psychological functioning across six different components, namely autonomy, environmental mastery, personal development, development of good relationships with others, having purpose in life, and self-acceptance. Autonomy indicates one's capability to control his or her own actions, environmental mastery shows one's ability to effectively cope with daily challenges, personal growth pertains to the process of self-improvement in life, good relationships imply establishment of meaningful contacts with other human beings, purpose in life is characterized by having meaningful goals, and self-acceptance signifies the ability to have positive attitude toward oneself and the past. The inventory implemented in the course of the study consists of 18 items, and sum of responses is used. The inventory was shown to be highly reliable (α = .91).

Data collection process

Before commencing the data collection process, all study participants were briefed about the research goals and aims as well as given information about the nature of the study. They were informed about the questions, the completion time (around 15–20 minutes), and the voluntary nature of involvement in the study. The study data were gathered after receiving consent. Participants were informed that their responses were confidential and used for research purposes only, and they could withdraw at any time without any drawbacks.

Once consent was obtained, participants were asked to fill out a demographic sheet and three questionnaires employed in the study. The filled-out questionnaires were examined for completeness. Responses that were either incomplete or incorrectly filled out were not used for the analysis. Data collected were analyzed with the help of the SPSS software program. Descriptive statistics and reliability analysis were used to analyze the data, while correlation and regression analyses were performed in order to find relationships between the variables.

Results

Table 1 Frequency (n) and percentage (%) for the demographic characteristics (N=150)

Variable	N	%
Gender		
Male	126	84.0
Female	24	16.0
Age		
20-40	126	84.0
41-60	12	8.0

>60	12	8.0
Education		
Graduation	112	74.7
Post graduation	11	7.3
Other	27	18.0
Marital status		
Single	75	50.0
Married	75	50.0
Experience		
<1year	8	5.3
1-3 years	90	60.0
3-5years	12	8.0
5+years	40	26.7
Residence		
Urban	81	54.0
Rular	69	46.0
Organization type		
Public sector	30	20.0
Private sector	120	80.0
job sector		
IT technology	150	100.0
Doyou used AI in workplace		
YES	150	100.0
NO	0	0

Table 2 Descriptive properties of the scale (N=150)

Scale	K	M	SD	α	Range		Skew	Kur
					Actual	**Potential**		
STARA	4	10.57	4.13	.85	4-20	4-20	.24	-.41
GAD	7	18.52	7.14	.92	7-35	7-35	.23	-.36
SPWB	18	97.72	31.17	.91	18-126	18-126	-.78	-.46

Note: K= number; M=mean; SD=standard deviation α=reliability; skew =skewness : ,kurt=kurtosis; STARA=perceived AI scale ;GAD=general anxiety /unemployment anxiety scale; SPWB=Psychological well-being scale.

The psychometric evaluation indicates that the Perceived AI Threat Scale, the Unemployment Anxiety Scale and the Psychological Well-Being Scale all exhibit good levels of reliability and appropriate psychometric properties. The distributions of scores are normal in an acceptable manner according to skewness and kurtosis results. It can be confirmed that the instruments are both reliable and suitable for measuring the threat of AI, unemployment anxiety and employees' psychological well-being.

Table 3 Correlation between perceived AI threat, unemployment anxiety and psychological well being

Variable	N	M	SD	STARA	GAD	SPWB
STARA	150	11.04	3.55	-		
GAD	150	19.40	6.04	.94**	-	
SPWB	150	96.80	27.45	-.26*	.15	-

Note: K= number; M=mean; SD=standard deviation STARA=perceived AI scale ;GAD=general anxiety /unemployment anxiety scale; SPWB=Psychological well being scale

**p< .05. **p< .01.*

It has been found that there is a statistically significant positive correlation between perceived threat from AI and the anxiety level of employees regarding job loss. It can be concluded that employees who feel more threatened by AI also tend to be more anxious in terms of job loss. Moreover, perceived threat from AI has a negative correlation with psychological wellness, which means that respondents with higher AI threat perception show lower levels of psychological well-being. The results obtained from this research thus show empirically that a connection exists between perceived threat from AI, anxiety regarding losing a job, and psychological well-being.

Table 4 Regression coefficient of perceived AI threat , on unemployment anxiety and psychological well being

Variable	B	SE	β	t	p	95% CI	
						LL	UL
Constant	.31	.14		2.21	.03	.04	.58
PAT	1.45	.01	1.7	125.25	<.001	1.43	1.47
R^2	.84						
ΔR^2	.84						

***Note*:** B=Unstandardized regression coefficient, SE=Standard Error, t=Test statistics, p=probability value, L. L= Lower limit of confidence interval, U. L= Upper limit of confidence interval.

Analysis shows that employees' perception of AI threat is a major predictor of unemployment anxiety. Finding confirms the importance of perceived AI threat in accounting for differences in unemployment anxiety. The importance of knowledge of employees' perception regarding AI to the potential consequences in terms of job security and unemployment anxiety in the workplace is emphasized.

Table 5 Regression of unemploymenyt anxiety on psychological well being

Variable	B	SE	β	t	p	95% CI	
						LL	UL
Constant	12.64	1.10	.	11.49	<.001	10.46	10.83
GAD	-.021	.01	-.12	-2.10	.02	-.04	-.00
$\mathbf{R^2}$	.02						
$\Delta\mathbf{R^2}$	.02						

***Note*:** B=Unstandardized regression coefficient, SE=Standard Error, t=Test statistics, p=probability value, L. L= Lower limit of confidence interval, U. L= Upper limit of confidence interval.

According to the regression analysis, anxiety induced by unemployment stands out as one of the predictors of employees' psychological well-being. The conclusions of the analysis suggest that anxiety induced by unemployment is negatively correlated to the psychological well-being of employees. This implies that employees suffering from severe unemployment anxiety will experience low levels of psychological well-being.

Discussion

The research investigated how perceived threat from artificial intelligence (AI) correlates with unemployment anxiety and psychological well-being of employees in the IT industry. The results showed that there is a positive correlation between perceived threat from AI and unemployment anxiety. It turns out that people who see the threat of losing their job to AI experience more anxiety about it. Moreover, the findings demonstrated that perceived threat from AI is negatively correlated with psychological well-being. Therefore, higher threat perception results in lower psychological well-being. On the other hand, the correlation analysis indicates that unemployment anxiety is not related to psychological well-being. Therefore, it can be concluded that perceived threat from AI is one of the main psychological issues of employees whose work is related to new technologies.

The positive association of the perceived AI threat with anxiety over unemployment follows the ideas laid out in the STARA awareness model developed by Brougham and Haar (2018), where employees' worries related to intelligent technologies and AI in general can result in negative job- and wellness-related effects. As AI systems take over the tasks previously performed by people, workers may become more anxious about the prospects of their jobs and employment as a whole. The current discovery implies that those employees who believe there is a higher chance of AI replacing them are also more anxious about unemployment. This finding also coincides with the job insecurity theories, which describe job insecurity as the feeling of uncertainty regarding possible job loss (Greenhalgh & Rosenblatt, 1984; Sverke et al., 2002). Therefore, the idea of being replaced by AI can be an important factor influencing job insecurity even in those cases when an employee remains employed.

The fact that there is a negative link between the perceived AI threats and psychological well-being highlights the idea that problems associated with technological efficacy affect the psychological state of workers. Brougham and Haar (2018) noted that having the relevant knowledge about STARA had an impact on career satisfaction and well-being parameters of employees. Ryff (1989) described psychological well-being as something that involves functionality in terms of having autonomy, personal development, mastery of the environment, goals in life, and positivity in relationships. The worries about the job replacement and prospects of getting a job in the future possibly decrease the perceived controllability, safety, and meaning of life of individuals. The negative links in this case can indicate that people experience psychological discomfort due to technological uncertainties.

It is curious that anxiety over unemployment showed no statistically significant correlation with psychological well-being in the correlation analysis. This suggests that while employees' perceptions of the threat of AI were linked with increased anxiety over unemployment as well as decreased psychological well-being, anxiety over unemployment itself did not correlate significantly with psychological well-being. The present pattern implies that the threat of AI may involve wider issues related to technological change, professional identity, skills and career prospects that may affect psychological well-being regardless of unemployment anxiety. Prior studies have argued that there is a difference between cognitive perceptions of job insecurity and emotional reaction to insecurity, thus suggesting that the two can lead to distinct psychological consequences (Jiang & Lavaysse, 2018). However, this interpretation should be treated with caution and needs further elaboration using advanced analytical techniques and proper measures of unemployment anxiety.

In short, this research contributes to existing studies on AI-related employment issues, because it combines in a single investigation perceived threat of AI technology, anxiety regarding job loss and psychological well-being of IT specialists. The existing body of studies reveals the worries of employees in relation to the possibility of technological substitution and confirms the association of awareness of STARA with other aspects in the workplace and well-being (Brougham & Haar, 2018). The literature related to job insecurity points to the significance of perception of job insecurity by employees for their mental and professional functioning (Sverke et al., 2002). The current study undertakes the analysis of the relationship between perceived threat of AI and job loss anxiety and psychological well-being of the employees in Pakistan. The results of the current study show the significance of organizational actions aimed at creating conditions under which it is easier for employees to deal with their concerns about the future job situation.

Limitations

The current research presents several limitations which ought to be taken into consideration while interpreting the results. First of all, the cross-sectional correlational method is incapable of establishing causal conclusions concerning the relationship between perceived AI threat, unemployment anxiety, and psychological well-being. Although a significant relationship has been found, the question of whether the participants see AI as a threat to their job due to their unemployment anxiety or people are anxious about losing their jobs because they are low in psychological well-being cannot be answered.

Secondly, the research utilized a convenience sample, which might limit the representativity of the sample and extent to which the results can be generalized across IT population. The sample consisted of 150 respondents whereby the majority were male aged between 20-40. Furthermore, it can be seen that the respondents belong to the private sector which makes the application of the results on employees from other sectors less feasible.

Third, all variables were measured using self-report methods. Thus, answers could have been subject to respondents' interpretations of the questionnaire items and influenced by social desirability and various response tendencies. Apparently, application of the self-report measurement tool for all variables also creates the chance for prevalence of common method variance.

Fourth, the measurement of unemployment anxiety needs to be clarified in regards to its origins and construct validation. It is noted that the measure in the study includes seven questions and has good internal consistency, but its original authorship, psychometric properties, and precise assessment of unemployment anxiety should be confirmed. Furthermore, the psychological well-being measure must be defined to ensure the relevance of the measure used and obtained results.

Finally, the study was limited by the specific occupational and national context. The employees of the IT sector can experience different exposure to AI technologies and concerns about employment as compared to workers in other fields. Therefore, the results may not be fully generalizable to other occupations and countries.

Suggestions for Future Research

Further research on the topic should focus on using longitudinal or multiple wave research designs in order to study how the constructs of perceived AI threat, employment anxiety, and psychological well-being may be influenced over time by the exposure of the workers to AI technologies in their work environment. Probability-based sampling method, where possible, and increased sample sizes from both public and private sector organizations should be employed in future studies on the topic. Increased gender, age, education, and experience heterogeneity of the samples studied would contribute to the generalizability of results obtained. Comparison of employees working in IT and non-IT professions could uncover whether the direct contact with AI technology results in specific psychological concerns for the employees.

In future research, one might also look at other constructs like self-efficacy regarding AI, perceived organizational support, job insecurity, career adaptability, technological skills, and coping to determine the reasons for increased levels of psychological issues experienced by workers due to changes resulting from the use of AI in the workplace.

Lastly, future research can be conducted on organizational interventions, including training related to AI, career development, supportive leadership, and open communication on AI. Such an approach will help organizations understand how their employees can be helped through technological change without compromising on their psychological state and employment self-confidence.

Conclusion

The current study investigated the connection between the perception of AI threat, unemployment anxiety, and psychological well-being among IT workers. It has been found out that the perception of AI threat was positively connected with unemployment anxiety and negatively connected with psychological well-being, but the association between unemployment anxiety and psychological well-being was insignificant during the correlation analysis. This means that perceptions of employees about the AI-related employment threats may have an impact on psychological experiences and may be related to the issues concerning future employment and well-being of employees. It can be seen that the psychological experience of employees should be considered in addition to the advancement of technology. The organization may gain certain benefits through the creation of an opportunity for the development of skills, communication, and adaptation of employees to AI-related changes in work.

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