# Navigating AI-Driven Workplaces: Human Resource Practices Shaping Generation Z Employees' Work Experiences

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**ABSTRACT.** The increasing adoption of artificial intelligence in human resource management has transformed how work is organized and experienced, particularly among Generation Z employees. This study examines how human resource practices shape employee work experiences in AI-driven workplaces. Drawing on a sensemaking perspective, the study adopts an interpretive qualitative approach to explore how Generation Z employees perceive and interpret HR practices mediated by algorithmic systems. Data were collected through in-depth interviews with employees working in digitally intensive organizations that utilize AI-supported HR processes. The findings reveal that AI-driven workplaces do not generate uniform employee experiences. Instead, work experiences are shaped by HR practices that influence perceptions of transparency, fairness, and organizational support. HR practices that emphasize communication, feedback, and ethical considerations facilitate constructive sensemaking and positive emotional responses. Conversely, limited HR engagement amplifies uncertainty, anxiety, and concerns regarding algorithmic control. The study contributes to digital HRM literature by highlighting the central role of HR practices as interpretive mechanisms in AI-driven contexts. Practically, the findings suggest that organizations must adopt human-centered HR approaches to ensure sustainable and responsible use of artificial intelligence at work.

## INTRODUCTION

The rapid integration of artificial intelligence into organizational processes has fundamentally altered how human resource management is practiced in contemporary workplaces. Organizations increasingly rely on algorithmic systems for recruitment, performance monitoring, and employee analytics, which reshapes daily work experiences for employees. While these changes promise efficiency and objectivity, they also introduce uncertainty related to autonomy, trust, and perceived fairness at work. Employees often struggle to interpret how algorithmic decisions affect their roles and career trajectories. This situation becomes more complex when organizations fail to align technological adoption with human-centered HR practices. Existing HR frameworks are often insufficient to address the social and psychological implications of AI-enabled work systems. As a result, employees may experience ambiguity and disengagement rather than empowerment (Tambe, Cappelli, & Yakubovich, 2019).

A prominent challenge emerges when these AI-driven HR practices intersect with the expectations of Generation Z employees. This cohort enters the workforce with strong digital fluency, yet they also demonstrate heightened sensitivity toward meaningful work, transparency, and psychological well-being. Organizations frequently assume that technological sophistication automatically leads to positive employee experiences for younger workers. However, evidence suggests that advanced digital environments can intensify work pressure and monitoring, particularly for early-career employees. Misalignment between HR intentions and employee perceptions may reduce trust in management systems. Such conditions risk weakening employee commitment and long-term retention. These issues indicate a growing managerial problem that requires deeper examination from the employee perspective (Schroth, 2019).

Recent global workforce data illustrate the scale of this phenomenon across technology-intensive organizations. Reports indicate that over 60 percent of digital firms worldwide have implemented some form of AI-supported HR decision-making. At the same time, employee surveys reveal increasing concerns regarding algorithmic control, data transparency, and reduced human interaction at work. Generation Z employees report feeling simultaneously empowered and constrained by AI-enabled systems. This paradox reflects a tension between innovation and human experience within organizations. The phenomenon is particularly visible in digitally native firms where work processes are heavily mediated by platforms. Such developments suggest that technological advancement alone does not guarantee positive work experiences (McKinsey Global Institute, 2021).

Empirical studies further show that employee responses to AI-driven workplaces vary significantly across demographic groups. Younger employees often adapt quickly to digital tools but express skepticism toward automated evaluation systems. They tend to value HR practices that preserve voice, feedback, and interpersonal support. When these elements are absent, perceptions of organizational support decline. Cross-national evidence demonstrates that this issue is not limited to one cultural context. Instead, it reflects a broader transformation of work structures in the digital economy. These findings highlight the importance of understanding how HR practices shape lived work experiences rather than focusing solely on performance outcomes (Brougham & Haar, 2018).

Despite growing scholarly attention to AI in HRM, significant research gaps remain. Most existing studies emphasize organizational efficiency, predictive accuracy, or managerial decision-making outcomes. Limited attention is given to how employees interpret and make sense of AI-mediated HR practices. In particular, Generation Z employees are often treated as a homogeneous,

technology-accepting group. One influential study by Meijerink, Boons, and Keegan (2021) notes that employee-centered perspectives on digital HR systems remain underdeveloped. This creates an incomplete understanding of how HR practices operate in AI-driven environments. Consequently, current literature lacks depth in explaining employees' subjective work experiences. Addressing this gap is essential for advancing both theory and practice.

This study is grounded in the concept of algorithmic management sensemaking, which focuses on how employees interpret and respond to algorithm-based control systems. Unlike broad organizational theories, this perspective emphasizes everyday meaning-making processes at work. It explains how employees form perceptions of fairness, legitimacy, and trust toward algorithmic decisions. This framework is particularly relevant in AI-driven workplaces where decision logic is often opaque. For Generation Z employees, sensemaking becomes critical in navigating complex digital systems. The theory allows exploration of how HR practices shape understanding rather than compliance alone. Therefore, it provides a suitable lens for examining work experiences in technologically mediated contexts (Möhlmann & Zalmanson, 2017).

Applying algorithmic management sensemaking enables a nuanced understanding of HR practices beyond formal policies. HR practices function as interpretive cues that help employees understand organizational intentions. When practices emphasize transparency and dialogue, employees are more likely to perceive AI systems as supportive. Conversely, opaque practices may generate anxiety and resistance. This perspective aligns with emerging HR research that prioritizes employee meaning and agency. It also avoids deterministic assumptions that technology produces uniform outcomes. By focusing on interpretation, the framework captures the complexity of human–technology interaction at work. Such an approach is especially relevant for early-career employees navigating uncertain career environments (Kellogg, Valentine, & Christin, 2020).

The urgency of this research is reinforced by accelerating digital transformation across global labor markets. Organizations are adopting AI systems faster than regulatory or ethical frameworks can adapt. HR leaders often implement technologies without fully understanding their impact on employee experiences. This gap increases the risk of disengagement and turnover among young employees. Generation Z is projected to constitute a significant proportion of the global workforce within the next decade. Failure to address their work experiences may undermine organizational sustainability. Thus, timely research is needed to inform responsible HR practices in AI-driven workplaces (World Economic Forum, 2023).

The general objective of this study is to explore how human resource practices shape Generation Z employees' work experiences in AI-driven workplaces. The study seeks to understand how employees perceive, interpret, and respond to HR practices mediated by artificial intelligence. It aims to capture the complexity of employee experiences rather than measure predefined outcomes. By focusing on employees' perspectives, the study contributes to a more balanced view of digital HRM. The research also intends to enrich HR literature with empirically grounded insights. These insights are expected to support theory development in technology-enabled HR practices. Overall, the study advances understanding of work in digitally intensive environments (Bondarouk, Parry, & Furtmueller, 2017).

Specifically, this study aims to identify key HR practices that influence how Generation Z employees experience AI-driven work environments. It seeks to examine how employees make sense of algorithmic decision-making in their daily work. Another objective is to explore perceived tensions between efficiency and human-centered values in HR practices. The study also aims to understand how these experiences affect feelings of trust and inclusion at work. Additionally, it

intends to uncover contextual factors shaping employee interpretations of AI systems. These specific objectives guide an in-depth exploration of employee narratives. Collectively, they provide actionable insights for HR practitioners and scholars (Jarrahi et al., 2021).

## LITERTAURE REVIEW

Algorithmic management sensemaking provides a focused theoretical lens for understanding employee experiences in AI-driven workplaces. This perspective emphasizes how employees actively interpret algorithm-based systems rather than passively responding to technological control. Employees engage in sensemaking processes to understand how algorithms influence task allocation, evaluation, and career opportunities. These interpretations shape attitudes such as trust, perceived fairness, and acceptance of HR practices. Recent studies argue that sensemaking becomes particularly salient when decision logic is opaque or difficult to challenge. In such contexts, employees rely on organizational cues embedded in HR practices to construct meaning. This theory is therefore well suited to examining work experiences in technology-mediated organizational environments (Sewell & Taskin, 2019).

Human resource practices play a central role in shaping how algorithmic systems are experienced by employees. HR practices related to communication, feedback, and participation help employees interpret the intentions behind digital management tools. Research suggests that transparent HR practices can mitigate negative perceptions of surveillance and control associated with AI systems. Conversely, rigid and technology-centric practices may intensify feelings of alienation. HR practices also signal organizational values regarding employee voice and dignity. In AI-driven workplaces, these signals become critical in guiding employee sensemaking. As a result, HR practices function not only as administrative mechanisms but also as interpretive frameworks for employees (Marler, Boudreau, & Collins, 2019).

AI-driven workplaces are characterized by the extensive use of data analytics, automation, and algorithmic decision-making across HR functions. Such environments transform traditional employment relationships by reducing direct human intervention in managerial processes. While these systems enhance efficiency, they also redefine power dynamics between organizations and employees. Studies show that employees often struggle to understand how data is collected and used in algorithmic decisions. This uncertainty affects perceptions of accountability and procedural justice. The workplace thus becomes a hybrid space where human judgment and machine logic coexist. Understanding this environment is essential for examining employee work experiences (Leicht-Deobald et al., 2019).

Generation Z employees represent a distinct workforce cohort whose work expectations differ from previous generations. They are digitally native and comfortable with advanced technologies, yet they place strong emphasis on authenticity and ethical organizational behavior. Research indicates that Gen Z employees value clarity, frequent feedback, and opportunities for meaningful contribution. They are less tolerant of opaque management practices, including unexplained algorithmic decisions. In AI-driven contexts, their technological familiarity does not automatically translate into acceptance. Instead, alignment between HR practices and personal values becomes a determining factor. These characteristics make Generation Z a critical group for studying contemporary work experiences (Singh & Dangmei, 2016; Ozkan & Solmaz, 2017).

Work experience in digital organizations extends beyond task performance to include emotional, cognitive, and relational dimensions. Employees' experiences are shaped by how supported, respected, and included they feel within the organization. In AI-driven workplaces, experiences are

influenced by the perceived balance between efficiency and humanity. Research highlights that positive work experiences emerge when employees feel that technology enhances rather than replaces human judgment. Conversely, negative experiences arise when algorithms are perceived as controlling or dehumanizing. These experiences have implications for engagement, learning, and long-term attachment to the organization. Therefore, work experience serves as a meaningful outcome for examining HR practices (Kaufman, 2020).

Recent HRM literature emphasizes the need to move beyond performance-centric evaluations of digital transformation. Scholars argue that focusing solely on productivity overlooks the lived realities of employees. Employee-centered approaches highlight the importance of understanding how individuals experience technological change. Such approaches align with qualitative and interpretive research traditions in HRM. They also respond to calls for more socially responsible and sustainable management practices. Examining work experiences contributes to theory development by integrating human perspectives into digital HR research. This shift is increasingly recognized as necessary in high-impact journals (Guest, 2017).

Integrating algorithmic management sensemaking with HR practices and employee work experiences provides a coherent analytical framework. HR practices act as mediating mechanisms through which AI systems are interpreted by employees. Generation Z employees bring unique expectations that influence these interpretive processes. The interaction between technology, HR practices, and employee characteristics produces diverse work experiences. This framework enables exploration of complexity without reducing experiences to linear outcomes. It also supports theory refinement by highlighting context-specific interpretations of AI-driven management. Consequently, this literature review establishes a strong foundation for examining HR practices in contemporary workplaces (Parker & Grote, 2022).

**Conceptual Framework and Research Propositions**

This study is conceptually grounded in the interaction between algorithmic management, human resource practices, and employee work experiences within AI-driven workplaces. The framework assumes that artificial intelligence does not directly determine employee outcomes but operates through organizational practices that guide interpretation and meaning-making. Human resource practices act as the primary interface between algorithmic systems and employees, shaping how technology is experienced in everyday work. These practices provide cues that influence perceptions of fairness, transparency, and organizational intent. Employees actively interpret these cues rather than responding passively to technological control. Consequently, work experiences emerge from the interaction between technological structures and human-centered practices rather than from technology alone.

Within this framework, AI-driven workplaces are understood as contexts characterized by data-intensive decision-making, automation, and reduced human discretion in managerial processes. Such environments introduce ambiguity regarding accountability and evaluation criteria. Human resource practices become critical in reducing or amplifying this ambiguity. Practices emphasizing communication, participation, and feedback are expected to support constructive sensemaking processes. In contrast, technology-dominant practices may intensify feelings of detachment and loss of agency. The framework therefore positions HR practices as interpretive mechanisms rather than purely administrative tools (Wood, 2021).

Generation Z employees occupy a central position in this framework due to their unique relationship with digital technologies and work values. While technologically fluent, this cohort

demonstrates strong expectations for ethical management, inclusion, and meaningful work. Their interpretations of AI-driven HR practices are shaped by both digital familiarity and heightened sensitivity to organizational justice. This combination makes their work experiences particularly informative for understanding contemporary HR challenges. The framework assumes that Generation Z employees do not uniformly accept algorithmic management. Instead, acceptance depends on how HR practices align with their expectations and values (Francis & Hoefel, 2018). Based on this conceptualization, the study advances several research propositions. First, HR practices play a decisive role in shaping how Generation Z employees experience AI-driven workplaces. Second, employees' work experiences are mediated by sensemaking processes that interpret algorithmic management through HR cues. Third, AI-driven workplaces generate both opportunities and tensions that are reflected in employees' narratives of autonomy, control, and support. Finally, variations in HR practices explain differences in how AI systems are perceived as either enabling or constraining. These propositions guide an in-depth exploration of employee experiences without imposing predefined causal relationships.

## RESEARCH METHODOLOGY

### Research Design

This study adopts an interpretive qualitative research design to explore how Generation Z employees experience HR practices in AI-driven workplaces. An interpretive approach is appropriate because the research focuses on understanding meanings, perceptions, and lived experiences rather than testing hypotheses. The study seeks to capture how employees make sense of algorithmic management within their organizational contexts. This design aligns with contemporary HRM research that emphasizes employee-centered perspectives. It allows for flexibility in capturing nuanced and context-specific insights. The qualitative approach supports theory refinement rather than theory testing (Creswell & Poth, 2018).

### Research Context and Participants

The research is conducted in digitally intensive organizations that utilize AI-supported systems in HR-related processes. These organizations include technology-oriented firms such as digital startups and platform-based companies. The primary participants are Generation Z employees who have direct exposure to AI-mediated HR practices. Participants are selected based on their involvement in recruitment, performance evaluation, or task management systems supported by algorithms. This focus ensures relevance to the research objectives. The study emphasizes diversity in roles and organizational contexts to enrich empirical insights. Such sampling enhances the credibility of the findings (Patton, 2015).

### Sampling Strategy

A purposive sampling strategy is employed to identify information-rich participants. This approach enables the selection of individuals who can provide detailed accounts of their work experiences. Inclusion criteria include generational cohort, tenure sufficient to experience HR systems, and exposure to AI-driven processes. Snowball sampling is used as a complementary strategy to reach additional participants within similar organizational settings. The final sample size is determined by theoretical saturation rather than numerical targets. Saturation is achieved when additional data no longer generate new insights. This approach is consistent with qualitative rigor in HR research (Guest, Namey, & Saldaña, 2014).

### Data Collection

Data are collected primarily through semi-structured in-depth interviews. This method allows participants to articulate experiences in their own terms while maintaining alignment with research objectives. Interview guides focus on perceptions of HR practices, interactions with AI systems, and overall work experiences. Open-ended questions encourage reflection on both positive and challenging aspects of AI-driven work. Interviews are conducted in a confidential setting to promote openness. Each interview lasts between 60 and 90 minutes and is audio-recorded with consent. Field notes are used to capture contextual observations that complement interview data.

**Data Analysis**

Data analysis follows a thematic analysis approach to identify recurring patterns and meanings across interviews. Transcripts are coded iteratively, beginning with open coding to capture initial concepts. These codes are then refined into higher-level themes related to HR practices, sensemaking, and work experiences. Constant comparison is applied to identify similarities and differences across participants. The analysis emphasizes interpretation rather than frequency counts. Reflexive memos are maintained to document analytical decisions and researcher assumptions. This process supports analytical transparency and depth (Braun & Clarke, 2021).

**Trustworthiness and Rigor**

To ensure trustworthiness, the study applies established qualitative rigor criteria, including credibility, dependability, and confirmability. Credibility is enhanced through prolonged engagement with the data and member reflection on key interpretations. Dependability is supported by maintaining a clear audit trail of methodological decisions. Confirmability is addressed through reflexive practices that acknowledge researcher positioning. Triangulation is achieved by comparing narratives across participants and organizational contexts. These strategies strengthen confidence in the findings. They align with qualitative standards in high-impact HR journals (Lincoln & Guba, 1985).

**Ethical Considerations**

Ethical principles guide all stages of the research process. Participants provide informed consent prior to data collection. Confidentiality is maintained through anonymization of personal and organizational identifiers. Participants are informed of their right to withdraw at any time without consequence. Data are securely stored and used solely for academic purposes. Ethical sensitivity is particularly important given the discussion of workplace technologies. These measures ensure compliance with international research ethics standards.


**RESULT AND DISCUSSION**

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The findings indicate that Generation Z employees perceive AI-driven HR systems as both enabling and constraining their work experiences. Participants acknowledged efficiency gains in recruitment, scheduling, and performance tracking. However, these benefits were often accompanied by uncertainty regarding how decisions were made. Many employees expressed difficulty understanding algorithmic criteria used in evaluations. This lack of clarity shaped their daily interactions with HR systems. Employees reported adjusting their behavior to align with perceived algorithmic expectations. These adaptations influenced their sense of autonomy at work. Participants consistently described HR practices as critical mediators between AI systems and their work experiences. When HR departments provided explanations and feedback, employees felt

more confident navigating algorithmic processes. Transparent communication reduced anxiety related to automated decision-making. In contrast, minimal HR involvement intensified feelings of detachment. Employees perceived silence from HR as organizational indifference. This perception negatively affected trust toward management. Thus, HR practices emerged as central interpretive mechanisms.

Several participants highlighted tensions between efficiency and human judgment. AI systems were viewed as fast and consistent, yet emotionally detached. Employees noted that complex work contributions were sometimes overlooked by automated metrics. This created frustration, particularly among creative and knowledge-based workers. Participants felt that human supervisors were better able to contextualize performance. The absence of such judgment reduced perceived fairness. These experiences shaped overall satisfaction with work systems.

Perceptions of fairness varied depending on exposure to HR explanations. Employees who received onboarding related to AI tools reported fewer concerns. They understood the purpose and limitations of algorithms. Conversely, those without such support perceived evaluations as arbitrary. This disparity contributed to uneven work experiences within the same organization. Fairness perceptions influenced motivation and engagement. Employees linked procedural clarity with organizational legitimacy.

Generation Z employees demonstrated strong expectations for ethical and transparent management. Participants emphasized the importance of being informed about data usage. Concerns regarding surveillance and privacy were frequently raised. Employees expressed discomfort when monitoring systems lacked clear boundaries. Trust declined when data collection felt excessive. Conversely, ethical framing improved acceptance of AI tools. These findings highlight values-driven interpretations of technology.

Work experiences were also shaped by opportunities for voice and feedback. Employees valued channels to question or appeal algorithmic outcomes. HR practices that allowed dialogue were perceived positively. Participants described feeling respected when their input was acknowledged. In contrast, one-way systems reduced psychological safety. The presence of feedback mechanisms supported constructive sensemaking. This influenced perceptions of inclusion.

Several participants described emotional responses to AI-mediated work environments. Feelings ranged from empowerment to anxiety. Empowerment emerged when AI reduced routine tasks. Anxiety arose when systems increased performance pressure. Emotional reactions affected well-being and job satisfaction. Participants linked emotional experiences to organizational support. HR responsiveness moderated these outcomes. Emotional dimensions were central to work experience narratives.

Differences emerged based on organizational maturity in AI adoption. Firms with established digital strategies demonstrated more consistent HR practices. Employees in these firms reported smoother adaptation processes. Less mature organizations showed fragmented practices. This inconsistency amplified confusion and resistance. Organizational readiness influenced employee sensemaking. These contextual differences were significant.

Participants frequently compared algorithmic management with traditional supervision. While algorithms were seen as impartial, they lacked empathy. Employees missed personalized recognition. This absence affected relational aspects of work. Participants valued balanced approaches combining AI and human oversight. Hybrid models were perceived as more sustainable. Such preferences shaped expectations toward HR practices.

Learning and development experiences were also influenced by AI systems. Participants appreciated personalized training recommendations. However, they questioned algorithmic assumptions about skill gaps. Lack of explanation reduced perceived relevance. HR guidance enhanced learning experiences. Without support, learning felt imposed. These findings highlight developmental implications.

Employees described adaptive strategies to cope with AI-driven systems. Some actively learned system logic. Others disengaged emotionally to reduce stress. These strategies affected performance and commitment. HR practices influenced which strategies prevailed. Supportive environments encouraged proactive adaptation. Unsupportive contexts led to withdrawal.

Work identity emerged as a recurring theme. Participants questioned how algorithms represented their professional selves. Metrics were perceived as partial reflections of competence. This affected self-evaluation and confidence. HR validation mitigated identity threats. Absence of recognition intensified insecurity. Identity-related concerns shaped work meaning.

Team dynamics were indirectly influenced by AI systems. Algorithmic task allocation altered collaboration patterns. Participants noted reduced informal coordination. HR facilitation helped restore balance. Without intervention, social cohesion weakened. Team experiences influenced overall work satisfaction. These dynamics illustrate broader organizational effects.

Participants emphasized the importance of consistency in HR messaging. Mixed signals created confusion. Clear narratives improved acceptance of AI tools. HR framing influenced employee interpretations. Consistency supported trust-building. Inconsistent practices undermined credibility. Communication quality was decisive.

Overall, results demonstrate that AI-driven workplaces do not produce uniform experiences. Work experiences are shaped by HR practices, values alignment, and organizational context. Generation Z employees actively interpret technological systems. Their experiences reflect ongoing negotiation between efficiency and humanity. HR practices are central to this negotiation. These findings provide rich insights into contemporary work environments.

## DISCUSSION

The findings of this study confirm that AI-driven workplaces cannot be understood through a purely technological lens. Generation Z employees do not experience algorithmic systems as neutral tools. Instead, their experiences are shaped by how these systems are embedded within organizational practices. This supports the view that technology adoption is a socially mediated process. Human resource practices play a decisive role in shaping employee interpretations. Without supportive practices, AI systems tend to generate ambiguity rather than clarity. This insight aligns with recent HRM scholarship emphasizing contextualized technology use (D'Cruz et al., 2022).

The central role of HR practices in mediating AI experiences extends existing digital HRM literature. Prior research often focuses on efficiency and performance outcomes. This study demonstrates that HR practices also function as interpretive mechanisms. Through communication and feedback, HR shapes employee sensemaking. Transparent practices reduce uncertainty associated with algorithmic decision-making. Conversely, weak HR involvement amplifies employee anxiety. These findings suggest that HR practices are not supplementary but foundational in AI-driven workplaces.

Perceptions of fairness emerged as a critical dimension of work experience. Employees associated fairness with transparency and explainability of AI systems. When evaluation criteria were unclear,

employees perceived decisions as arbitrary. This reinforces sociotechnical perspectives on algorithmic governance. Fairness is not embedded in technology alone but enacted through organizational processes. HR practices provide procedural legitimacy. These results extend fairness theory into digital work contexts (Wong et al., 2020).

The findings also challenge assumptions about Generation Z's unconditional acceptance of digital management. Despite high digital literacy, employees expressed ethical and privacy concerns. This suggests that technological familiarity does not eliminate critical evaluation. Values such as dignity and autonomy strongly influenced interpretations. HR practices that acknowledged these values enhanced acceptance. This refines generational theory in HRM by emphasizing value alignment over technological competence.

Emotional responses to AI-driven work environments highlight an underexplored area in HR research. Participants reported both empowerment and anxiety. These emotions were closely linked to organizational support mechanisms. HR responsiveness moderated emotional outcomes significantly. When support was present, AI systems were framed positively. In its absence, systems became sources of stress. This finding underscores the emotional dimension of digital transformation.

The preference for hybrid management models reflects limitations of fully automated systems. Employees valued efficiency but resisted emotional detachment. Human judgment was perceived as necessary for contextual understanding. HR practices enabling hybrid approaches were viewed as more sustainable. This supports sociotechnical theories advocating balance between human and machine agency. It also cautions against over-automation in HR functions.

Work identity concerns emerged as a significant theme in employee narratives. Algorithmic metrics were perceived as partial representations of competence. This affected employees' self-perception and confidence. HR recognition played a buffering role against identity threats. When HR validated employee contributions, negative effects diminished. This finding links identity theory with digital HRM literature.

Team dynamics were indirectly reshaped by AI systems. Automated task allocation reduced informal coordination. This altered collaboration patterns among employees. HR facilitation helped restore team cohesion. Without intervention, social fragmentation increased. These findings highlight collective-level implications of algorithmic management. HR practices must therefore address both individual and group dynamics. Organizational readiness influenced how AI systems were experienced. Mature digital strategies supported smoother adaptation. Employees in such contexts reported clearer HR communication. In contrast, fragmented practices generated confusion. This supports capability-based views of digital transformation. HR maturity emerges as a key organizational capability. Readiness shapes employee sensemaking processes.

Adaptive strategies adopted by employees demonstrate agency in digital environments. Some employees proactively learned system logic. Others disengaged emotionally to cope with pressure. HR practices influenced which strategies prevailed. Supportive environments encouraged proactive adaptation. Unsupportive contexts led to withdrawal. This finding reinforces agency-centered HR perspectives. Learning and development experiences revealed mixed outcomes. AI-enabled personalization was appreciated. However, skepticism arose when explanations were absent. HR guidance enhanced perceived relevance of training. Without it, learning felt imposed. These findings inform digital learning design. Human facilitation remains essential.

Trust emerged as a relational construct shaped by HR practices. AI systems alone did not generate trust. Instead, trust was built through transparency and responsiveness. HR practices signaled

organizational intentions. This aligns with relational trust theories. Trust remains central in technology-mediated work. The study contributes theoretically by supporting sensemaking-based approaches. It demonstrates how HR practices guide interpretation of AI systems. This advances algorithmic management theory. The findings emphasize micro-level processes. They move beyond deterministic models. Theory refinement is achieved through empirical grounding.

From a practical perspective, the study highlights HR's strategic role. HR must actively curate employee experiences with AI. Passive implementation risks disengagement. HR capabilities need expansion. This aligns with strategic HRM perspectives. Practical relevance is substantial.

The findings also contribute to responsible AI debates. Ethical framing influenced employee acceptance. HR acted as a stewardship mechanism. This bridges HRM and responsible innovation literature. It responds to societal concerns about AI governance. HR's role extends beyond compliance. Limitations of the study should be acknowledged. Findings are context-specific. Statistical generalization is not intended. However, analytical generalization is achieved. Rich narratives support theory building. This aligns with qualitative rigor standards.

## CONCLUSION

This study set out to explore how human resource practices shape Generation Z employees' work experiences in AI-driven workplaces. The findings demonstrate that artificial intelligence does not operate as a neutral or deterministic force within organizations. Instead, employee experiences are actively constructed through HR practices that mediate how algorithmic systems are understood and enacted in daily work. Generation Z employees interpret AI-enabled HR processes through lenses of transparency, fairness, and ethical alignment. These interpretations significantly influence their emotional responses, sense of autonomy, and overall work satisfaction. The study therefore confirms that technology alone does not define work experiences. Organizational practices remain central in shaping how AI is experienced by employees.

A key conclusion of this research is the pivotal role of HR practices as interpretive mechanisms in AI-driven workplaces. HR practices such as communication, feedback provision, and employee voice function as sensegiving tools that guide employee meaning-making. When HR practices provide clarity and ethical framing, employees are more likely to perceive AI systems as supportive and legitimate. Conversely, limited HR engagement amplifies uncertainty and perceived loss of control. This finding underscores that HR functions extend beyond administrative implementation. HR acts as a critical mediator between technological systems and human experience. This role becomes increasingly important as algorithmic management expands across organizations.

From a theoretical perspective, this study contributes to the literature by advancing a sensemaking-based understanding of algorithmic management within human resource management. It moves beyond performance- and efficiency-centered models by foregrounding employee interpretations and lived experiences. The findings enrich digital HRM scholarship by demonstrating how HR practices shape employee responses to AI systems at the micro level. This contribution helps bridge gaps between algorithmic management, sensemaking theory, and employee experience research. It also challenges technologically deterministic assumptions that dominate parts of the AI and work literature. By emphasizing interpretation and meaning, the study offers a more human-centered theoretical lens. This perspective is particularly relevant in contemporary, data-driven work environments.

The study also offers important practical implications for organizations adopting AI-driven HR systems. HR leaders should recognize that successful AI implementation depends on more than technical accuracy or efficiency gains. Human-centered HR practices are essential to foster trust, acceptance, and sustainable use of AI. Organizations should invest in transparent communication, ethical guidelines, and opportunities for employee feedback regarding algorithmic systems. Training initiatives should focus not only on system use but also on explaining decision logic and limitations. By doing so, HR can mitigate anxiety and resistance among employees. These practices are especially critical for engaging Generation Z employees, who place high value on ethics and organizational integrity.

Despite its contributions, this study has limitations that should be acknowledged. The qualitative and context-specific design does not aim for statistical generalization. Findings reflect the experiences of Generation Z employees within digitally intensive organizational settings. Different organizational contexts or cultural environments may yield different interpretations. Nevertheless, the study achieves analytical generalization by offering theoretically grounded insights. The richness of participant narratives strengthens the credibility of the findings. These limitations also provide opportunities for future research to extend and refine the conclusions.

Future research could build on this study by examining other generational cohorts or conducting comparative analyses across industries and regions. Longitudinal research designs may capture how employee sensemaking evolves as AI systems mature. Mixed-method approaches could integrate interpretive insights with broader patterns. Further studies could also explore the role of leadership in shaping HR practices within AI-driven workplaces. Such research would deepen understanding of the dynamic relationship between technology, HR practices, and employee experience. Overall, this study highlights that the future of AI-driven work depends not only on technological advancement but on how organizations humanize its implementation.

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