# "The Impact of Artificial Intelligence on Organizational Attractiveness: A Mediating Role of Human Resources Management (HRM) Recruitment and Selection"

## Rania Ahmed El Garem

**Assistant professor of Management**
**New Giza University, Giza, Egypt**
**rania.elgarem@ngu.edu.eg**

## Abstract

This research aims at finding out the effects of Artificial Intelligence (AI) in shaping Organizational Attractiveness with particular focus on the moderating role of Human Resources Management (HRM) Recruitment and Selection Practices. A quantitative research design was used in this study and the analysis of data involved Smart PLS for SEM. A total of 391 responses were obtained and used to test the hypotheses regarding the effects of AI and the degree of HRM practice on organizational attractiveness. It was found that AI has a positive and significant effect on organizational attractiveness. However, this relationship exists on condition that effective HRM recruitment and selection procedures are utilized. Thus, the use of intelligent technologies can be defined as one of the significant factors that contribute to the ability of organizations to be assessed as proper places to work. Thus, this research fills the gap in the yet emergent literature on the role of AI in HRM by

identifying the mediation role of HRM practices in the association between AI and organizational attractiveness. The study provides relevant recommendations for companies interested in using AI to improve their talent management.

**Keywords:** Artificial Intelligence, Organizational Attractiveness, Human Resources Management of Recruitment and Selection

## 1. Introduction

Amidst the dynamism in modern business, organizations are always in a lookout for best practice for employee engagement and attraction. With the increase in technological change, AI has become one of the revolutionary techniques that is affecting most of the organizational functions, including the HRM. The application of AI in HRM especially in recruitment and selection may as well bring reasonable effects of the organizational attractiveness to the potential employees (Lopus, 2022).

Employability which literally means the extent to which an organization is favourably judged by potential employers has been described as organizational attractiveness which is a key factor in the war for talent. The analysis of all the factors that can potentially shape the beauty of an organization is critical as firms battle for the talent in the tight market. This research therefore seeks to examine the antecedent relationship between artificial

intelligence, human resource management practices, and organizational attractiveness (Clarke and Scurry, 2020).

The use of AI brings fundamental changes to the principles of recruiting and selecting employees in organizations. Ranging from artificial intelligence in Applicant Tracking Systems, intelligent resume parser to intelligent chatbots for initial candidate engagement, these technologies are revolutionizing the talent acquisition industry. Yet the authors have not discussed how all these changes unique to AI impact the perception potential employees have of organizations (Johansson and Herranen, 2019).

This research seeks to seek this gap through a direct investigation of the impact that AI has on the organizational attractiveness and the stream of recruitment and selection through HRM as well as an investigation of AI on the organisational attractiveness via the processes of HRM. In doing this, this study intends to help to fill the identified gap in research on AI in the HRM domain and to offer practical implications that could be useful for organisations' decision-makers to build AI-based strategies and practices to navigate the challenges of attracting and retaining employees in the contemporary world (Hewage, 2023).

Through a comprehensive analysis of these hypotheses, this research aims to shed light on the intricate interplay between AI, HRM practices, and organizational attractiveness. The findings of this study will not only contribute to academic discourse but also provide valuable insights for practitioners in the field of human

resources and organizational management. The following sections as follows; section 2 the literature review, section 3 methodology, section 4 and 5 are results and conclusion.

## 2. Literature review

## 2.1 Artificial Intelligence

In this paper the concept of the Artificial Intelligence (AI) in Human Resource Management (HRM) is one of the new developments toward people management. Due to the advancements in technology, HR departments can now automatically, elaborate, and optimize many of its undertakings and decision making activities. The incorporation of AI into the HRM practices has therefore impacted the traditional practices by making them modern, productive, competitive and intelligent in responding to the disrupting forces created by unstoppable change in the employees' and organizational world (Sarker, 2022).

Some of these kinds of AI have emerged to have significance relevance in the context of HRM as discussed below. For instance, ML algorithms used in recruitment can process a large amount of data in fields such as; employee data, performance data and historical hiring data to see patterns and draw results. This capability is very useful in the process of recruiting talents, in forecasting employee attrition, and in formulating individual employee training needs. Natural Language Processing (NLP) another important element of AI

allow the computer and other systems translate human language, interpret it as well as generate it.

In HRM, NLP is used including resume screening, using helpful insights in the sentiments of employees' feedback, and utilizing in powering chatbots for supporting employees; This has greatly enhanced communication and information processing (Mikalef et al., 2021). Linked with this is Robotics Process Automation RPA that has also fitted into HRM carrying out routine, predefined responsibilities including payroll, benefits and onboarding. Basically, this automation relieves HR professionals to exercise more of their tact and engage in high-kernel activities. Expert Systems which mimic human decision making function of the brain are being employed for analytical decision support in such areas as compensation determination and company succession planning among others (Rodgers et al. 2023).

However, Artificial Intelligence especially the Computer Vision technology is slowly finding its way to becoming adopted in most organizational Human Resource Management strategies; it is used in facial recognition technology used in some time and attendance systems or even in gesture analysis used in video interview setups. The application of these AI technologies in human resource management can herald an improved productivity, the enhancement of formulated decisions as well as increased creativity within the organization. Applying such

technologies, the HR professionals can spend more time and money on value-added processes and valuable engagements. Further, AI analysis may lead to superior and presumably less biased HR strategies for employee selection, development and rewards, and appraisals (Tambe et al. 2023).

But for that, one has to accept the fact that with the implementation of AI in HRM comes with multiple benefits but also has serious ethical implications. There is always a need for organizations to approach the AI implementation in the HRM by being more attentive to the matter through coming up with the following guidelines to be followed: Going forward, it is expected that the position and function of AI in HRM will advance in proportion to the functional use of AI in the working environment, therefore it is important that the profession of HRM should remain constant with and sensitive to newer breakthrough technologies such as artificial intelligence (Sakka et al. 2022).

## 2.2 Organisational attractiveness

Probably one of the most critical factors in the talent acquisition and retention competition is organizational attractiveness. As stated it means the extent to which an organization can be rated by prospective employees as a place of work. This concept has especially earned a lot of attention in human resources management since it directly influences the organization's capacity to acquire and maintain the best employees, meaning that the organization's capacities and

performances are determined by its human capital (Kalinska-Kula and Staniec, 2021)..

Hence the factors that influence organizational attractiveness are Complex. Company reputation remains a key factor, that has to do with the public image or brand image, positioning of the company, and the ethical position of the company. Physical characteristics of job environment and corporate climate are some of the most important factors conditioning perception of potential employees. It is expected that compensation and benefits are important factors due to their influence over people's quality of life and income (Zhang et al. 2020). Training, apprenticeship/mentors, and career progression openings are widely used and becoming vital for applicants as they seek employment. Finally, culture that refers to the shared system of values, beliefs and practices within the corporation is mandatorily important to attract people who are compatible with these values (Voeller, 2021).

Studies have established that organizational attractiveness has a significant effect on the reaction and actions of candidates. Attractive organizations are often flooded with applications of people wishing to work for them, so can afford to be selective. Such selective approach sometimes leads to the hiring of better qualified candidates whose composite profiles are likely to fit organizational needs. Moreover, it was also realized that, people joining an organization, which is considered as desirable to bright

employees, work with passion and commitment hence the reduced cases of labour turnover. It is also adds up to the fact that when there is a low turnover, then the organization would spend less on recruitment and training too, besides, there is continuity of knowledge in the organization (Story et al. 2016).

It has, therefore, become clear that management of organizational attractiveness is one of the most important factors that determine the success for organizational development. While many people regard talent as the main capital in today's economy, the opportunity to attract and retain an ideal team of workers can be considered a major asset. Organizations that successfully manage their attractiveness can create a positive feedback loop: recruiting competent human resource benefits performance, and this positively boosts reputation, thus the increased attraction of potential human capital (Mishra, 2017).

Organizational attractiveness is not a one-time expanded idea; in fact, it is one of those ideas which are to be followed over and over and adapted according to the environmental conditions. With changing demographics of the workforce and changing perceptions in the society, what leads to attractiveness might not be the same. For example, newer trends include an emphasis on the achievement of work-life balance, corporate social responsibility, and geographic work flexibility. This means that organisations have to keep abreast with these shifting trends

in order to continue being appealing to the better candidates (Coldevin et al. 2019).

Further, the concept of organizational attractiveness is broader than the economic model of recruitment. It also has that very important function of ensuring that employees working with the organization are retained. When current employees have perceived organizational attraction, then they will have low turnover intentions and job search behaviour. Sustaining all that knowledge, creativity, and skill within an organization is vital to the firm's growth and well-being (Bankins and Waterhouse, 2019).

The digital age has brought new challenges and opportunities in managing organizational attractiveness. Social media and employer review platforms have increased transparency, making it easier for potential employees to gain insights into an organization's culture and work environment. This transparency underscores the importance of authenticity in an organization's employer branding efforts. Companies must ensure that their external image aligns with the internal reality to avoid disappointment and early turnover among new hires (Woods et al. 2020).

## 2.3 Recruitment and Selection of HRM

Recruitment and selection are among the central tasks in the system of Human Resources Management that implies the identification of the candidates and their subsequent hiring for certain positions. The process of recruitment generally involves

identification of the job content, attracting candidates, going through the resumes and short listing the candidates. While selection entails evaluating candidates that have been offered the position through interview in addition to tests and background check to determine suitability of the candidate for the organization (Mahapatro, 2021).

Correct recruitment and selection procedures are vital for organizational performance because they define the quality of the human capital. Such processes do not only seek to place successful candidates into the open positions but also to establish a good match between the individual and the organization because of the possibility that he or she can perform well on the job as well as develop satisfaction and commit to staying with the organization. With a changing and competitive business environment, there has always been pressure and efforts to improve recruitment and selection processes in organizations to meet the desired goals of the company in selecting the right talent (Abbasi et al. 2022).

It is now common knowledge that recruitment and selection procedures have over the years improved due to technological enhancements and diversified population. Many organizations are now uses artificial intelligence (AI) and machine learning algorithms in order to optimize of these activities. Applicants are shortlisted using AI and other applications are used in matching the right candidate, and first interviews are too carried out using chatbots. This

technology not only quickens this process but also seeks to minimize the likelihood of discriminative biases at the first stage of personnel elimination. Also, data analysis is becoming increasingly important in the sense that organizations can foretell the likelihood of the candidate to succeed, and competencies of the job in relation to the particular candidate, and so forth (Stone et al. 2015).

Third, social media tools are seen as useful by recruiters and supply useful information about candidates as well as other opportunities for the promotion of employers' brands. In addition, remote work has increased the candidate population from around the world, which requires the company to rethink remote staffing and onboarding strategies. As such, organisations continue to respond to these changes: particular emphasis is being placed on the candidate experience throughout the entire recruitment and selection process due to its direct effect on the employer brand and the future employment of talented workers. These changes have an impact on the fact that the process of recruitment and selection can be possible only when the HR professionals update their frameworks and tools consistently to work successfully in the talent market (Lievens and Chapman, 2019).

## 2.4 Artificial Intelligence and Organisational attractiveness

The application of Artificial Intelligence in organizations has gradually affected, people's perception towards organizations especially potential employees. These technologies and applications in AI would improve arguments that an organization

uses innovative technologies and is technologically savvy, within the workplace, decision making systems and customers. This perception can greatly enhance the organization's appeal, particularly to tech-literate employees and the young people who may consider innovative and digitally-oriented organizations as ideal places to work with (Kambur and Akar, 2022).

Despite this, AI has a paradoxical relationship with organizational attractiveness showing that organizational attractiveness is not just about the perception of using AI technologies, but also about the implementation of technologies. While the use of AI as a tool in organizations may be appealing to some job seekers who seek employers with greater efficiency and ability to innovate some job seekers may feel threatened by their employers adopting AI to eliminate jobs or reduce employees to mere robots. Applicants and employees see the workplace a certain way, and organizations need to ensure that the AI technologies they introduce do not eliminate that view completely, making organizations human-centric in their consolidated model (Boehmer and Schinnenburg, 2023).

## 2.5 Artificial Intelligence and Recruitment and Selection of HRM

Artificial Intelligence has come to be acknowledged as a leap forward in the world of recruitment and selection process. Automated technologies, in particular, artificial intelligence, are increasingly being incorporated in to the pre-employment

activities such as sifting, sourcing candidates and preliminary interviews. These technologies can decode as much information within the data sets in a short time and filter through candidate data to pre-emptively recognize success rates and systematic exclusion that may limit the fair and efficient recruitment of talent (Chérif et al. 2021).

The use of AI in recruitment and selection also has its ways and means that elicit both a bases and ethic to the use of this technology. On the one hand, it is possible for an application to be processed faster and even find high potential candidates that have never been considered by the human recruiters, on the other hand, there is a high risk that AI systems will increase and even deepen biases that already exist, unless these systems are designed and constantly controlled scrupulously. To avoid sacrificing the humane aspect in the recruitment and selection activities, organizations have no option but to find a balance to which they will apply the AI in this process.

## 2.6 Recruitment and Selection of HRM and Organisational attractiveness

Recruitment and selection are the key steps that determine the ability of an organization to attract employees towards the organization. Professional, ethical and candidate focused recruitment strategies can greatly improve the image and the attractiveness of an organisation. For instance, organizations that apply technological solutions into their application process,

response promptly, and give an appealing candidate experience are accepted as better employers (Abbasi et al. 2022).

Further, paradoxically the selection methods used by the organization can also make a difference to the perceived attractiveness of the organization, as they give a clue to the values of the organization. Employers who follow and administer fair, intensive, and selective long processes are considered as organizations that believe in merit and developing human capital. Such perception can help attract better talents that seek ways of proving themselves and develop their careers. However, the author noted that organizations have to be careful not to make the process of selecting employees too rational and complicated, because that may discourage the employees and lower the organization's desire to employ them (Kellough, 2020).

## 2.7 Summary of literature review

The scope of the literature review then follows a definition of Artificial Intelligence (AI) as an ability of computers and technologies to replicate human tasks or solve problems. AI is becoming more and more important in organizations and is used to increase efficiency, effectiveness, and creativity of the employees. That includes such subfields as machine learning, natural language processing, robotics, as well as expert systems. As the deployment of AI in business environments is being practiced, there are possibilities of considerable shifts on how businesses are managed and even the manner in which they

conduct their affairs with their various stakeholders is likely to change.

Organizational attractiveness is defined as the degree of perceived value that employees have for an organization as an employee. It all plays an important role in human resource management as it determines an organization's capacity for recruiting and maintaining key people in the company. The major driver for organizational attractiveness entails company image, physical environment, pay, and perquisites, mobility and training, and company policies and practices. High attractiveness organizations are likely to receive more job applications get better quality candidates compared to low attractiveness firms and have low turnover intensity.

The review then examines recruitment and selection as core processes in Human Resources Management. Recruitment encompasses defining job specifications, sourcing, and pre-selection while selection encompasses assessment through interviews, assessment tests and screening. These processes are important for the organization as they define the quality of human capital and trying to achieve the best fit between people and the organization.

The interaction between AI and organizational attractiveness is discussed pointing to the fact that the application of AI technologies improves the overall organizational image, especially towards technology-oriented and young employees.

But this relationship is inversely proportional; one group of job seekers views AI as problematic since it threatens to automate jobs or minimize the human factor. Any company that is embracing AI to support or enhance its operation should work under the principle of assuming human operation.

AI has also been seen to have a wide impact on recruitment and selection in that most hitherto automated technologies have been integrated in pre-employment practices. More benefits of using AI include its ability to sort through applications and immediately identify high-potential candidates, but the social challenge is that AI systems might put into practice and even deepen biases. Using AI for such processes in organizations should, thus, be done in a manner that achieves both equity and efficiency.

Last of all, the review discusses the ways in which the recruitment and selection process affect organizational attractiveness. Employer branding strategies are professional, ethical and candidate focused, all of which will enhance the organization's image. Applicant tracking system and timely response, good applicant experience make an organization to be desired by the applicants. But organizations should also bear in mind not to make it hard and complicated in order to be hired to avoid lack of people applying in organizations. **Therefore, research model and hypothesis as follows:**
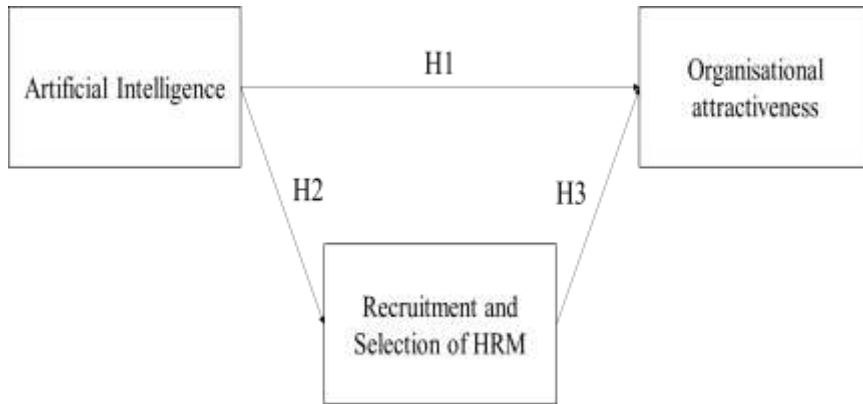
**Figure 1. Conceptual model**

**Source: Developed by the author**

## Research Hypothesis:

**H1:** Artificial Intelligence has a significant effect on Organisational attractiveness

**H2:** Artificial Intelligence has a significant effect on Recruitment and Selection of HRM

**H3:** Recruitment and Selection of HRM has a significant effect on Organisational attractiveness

**H4:** Recruitment and Selection of HRM mediates the relationship between Artificial Intelligence and Organisational attractiveness

## 3. Methodology

This research employs an empirical approach, underpinned by the use of the SEM tool, SmartPLS, to systematically assess organisational attractiveness within AI as independent variable and recruitment and selection of HRM. The methodology is designed to unveil the relationship between the variables and to answer the suggested hypotheses.

## 3.1. Research Design Data Collection

A sample of 391 respondents is selected to participate in this study. The respondents are employees who work in corporates that use AI to determine if AI plays an essential role in corporation. Survey Instrument: A well-structured questionnaire is designed, covering various aspects related to AI, organisational attractiveness and recruitment and selection if HRM. The questionnaire includes items to measure AI dimensions which are effort expectancy, Accuracy, Fairness and Trust. While organisational attractiveness are continuous improvement, openness and action orientation and quality of management.

### Table.1 Measurement Development

| Variable | Sub variable | Statements | source |
|---|---|---|---|
| AI | - **Effort Expectancy** | 1. Learning how to use AI is easy for me. <br> 2. My interaction with AI is clear and understandable. <br> 3. I find AI easy to use. | 3 statements A 5-point Likert scale. Baabdullah, (2024) |

| | | | |
|---|---|---|---|
| | - **Accuracy** | 4. AI removes the human biases<br>5. AI in recruitment improves the selection process | 2 statements A 5-point Likert scale.<br>Aljuaid (2021) |
| | - **Fairness** | 6. The AI machine will be fair<br>7. AI will support corporations in taping into the best talent in the market | 2 statements A 5-point Likert scale.<br>Aljuaid (2021) |
| | - **Trust** | 8. I am confident in the AI<br>9. The AI provides security<br>10. The AI is reliable<br>11. I can trust the AI | 4 statements A 5-point Likert scale.<br>Scharowski et al. (2024) |
| **Recruitment and Selection of HRM** | | 1. The use of new emerging technologies in recruitment and selection process has improved the efficiency of the process.<br><br>2. The use of new emerging technologies in recruitment and selection has increased cost-effectiveness<br><br>3. Candidate interviewing has become faster due to the use of emerging technology<br><br>4. The use of new technologies has increased the accuracy of the recruitment and selection process<br><br>5. Use of emerging technologies has resulted in improved quality of feedback given to candidates<br><br>6. The use of new emerging technologies decreases the time and effort required for recruitment and selection process | 6 statements A 5-point Likert scale.<br><br>Abdelraouf and Kadry (2024) |
| **Organisational Attractiveness** | **Continuous Improvement** | 7. In our organization, processes are continuously improved.<br>8. In our organization, processes are continuously simplified.<br>9. In our organization everything that matters to the organization's performance is explicitly reported. | 9 statements A 5-point Likert scale.<br><br>de Waal, A. (2022). |

| | | | |
|---|---|---|---|
| | **Openness & Action Orientation** | 10. Organizational members spend much time on communication, knowledge exchange and learning.<br>11. Organizational members are always involved in important processes.<br>12. Our organization is performance driven. | |
| | **Quality of Management** | 13. The management of our organization has integrity.<br>14. The management of our organization is a role model for organizational members.<br>15. The management of our organization applies fast decision making. | |

## 3.2. Data Analysis via Structural Equation Modelling

To test the hypothesized relationships, SmartPLS 3, a full-fledged SEM tool, is used to examine the data. SEM enables assessment of how variables are related to one another and enables assessment of latent constructs which permits research on the diverse dimensions of customer satisfaction in relation to AI service. Measurement Model: To ensure reliability and validity of the constructs measuring the study, the authors develop a measurement model. This includes a step of evaluating the reliability of survey items and confirmation of their content validity. Structural Model: After confirming the measurement model, the study moves to the structural model because it focuses on the relationships between the constructs. It examines the assumptions forwarded in figure 1.

## 3.3. Data Collection and Analysis Procedure

## 3.3.1. Data Collection and Preliminary Analysis

Data collection is carried out through administering of a well-structured questionnaire to 391 respondents drawn from organization with experiences in the use of artificial intelligence in recruitment and selection. The necessity of the questionnaire is to identify people's attitudes toward organizational attractiveness, experiences while using AI Recruitment tools, and impressions of organizations' HRM. After the data is collected, basic exploration and manipulation takes place, where the data is cleaned to remove irrelevant inputs. It is done to obtain clean and consistent data sample which forms the basis for more sophisticated analysis.

## 3.3.2. Measurement Model Development

A comprehensive measurement model is developed to assess the reliability and validity of the constructs central to the study: Artificial intelligence implementation, organizational attractiveness, and HRM recruitment and selection best practices. This process includes performing CFA in order to evaluate the measurement model's goodness-of-fit and assess whether the selected indicators are appropriate for the corresponding constructs. The CFA further aids in the fine tuning of the scales measurement and determine that the constructs have discriminant validity and convergent validity. This step is important in the

validation of measures to be used in the study hence improving the credibility of subsequent results.

### 3.3.3. Structural Model and Hypothesis Testing

After testing the measurement model, a structural model is proposed to assess the postulated relationships between AI implementation, organizational attractiveness, and HI recruitment and selection practices existed amongst the organization. This model will then seek to analyse the extent to which AI directly influences organizational attractiveness and the extent to which the link between AI and organizational attractiveness is moderated by HRM practices. The analysis of the data is made using SmartPLS, the latest software for a partial least square structural equation modeling (PLS-SEM). This analytical approach gives more elaborate information about the interactions between the variables and hence reveal the relationships and the significant drivers of organisational attractiveness within the AI intervention of recruitment and selection processes.

### 3.3.4. Analytical Procedure and Expected Outcomes

The application of SmartPLS as the main analysis tool guarantees a proper assessment of the measurement and the structural model. All these helps to make a significant contribution to a better understanding of the way organizations can effectively improve their competitiveness through the strategic application of AI in managing people resources.

The outcomes of the study may offer relevant insights into the proceedings of the optimization of the recruitment and selection within the HRM ecosystems with incorporation of AI. The ideas discussed in this paper will assist organisations discern the implications of implementing AI in their HRM strategies on 'employee magnetism'. Last but not least, the findings are expected to help organizations in managing AI-driven changes towards increasing the attractiveness of their organizations within the labor market for the purpose of potentially improving talent attraction and retention.

## 4. Statistical results

## 4.1. Confirmatory Factor Analysis

### Table 1. Reliability and Validity Measures of Variables

| | Item | Cronbach's Alpha | CR | AVE |
|---|---|---|---|---|
| AI | AI1 | 0.881 | 0.904 | 0.515 |
| | AI2 | | | |
| | AI3 | | | |
| | AI4 | | | |
| | AI5 | | | |
| | AI6 | | | |
| | AI7 | | | |
| | AI8 | | | |
| | AI9 | | | |
| Organisational attractiveness | OA1 | 0.852 | 0.888 | 0.532 |
| | OA2 | | | |
| | OA3 | | | |
| | OA4 | | | |
| | OA5 | | | |
| | OA6 | | | |
| | OA7 | | | |
| Recruitment and selection of HRM | RSHRM1 | 0.810 | 0.863 | 0.515 |
| | RSHRM2 | | | |
| | RSHRM3 | | | |
| | RSHRM4 | | | |

| | RSHR M2 | | | |
|---|---|---|---|---|
| | RSHR M3 | | | |
| | RSHR M4 | | | |
| | RSHR M5 | | | |
| | RSHR M6 | | | |

**Source: Calculations based on sample collected through surveys using SmartPLS**

To deal with multicollinearity problem, VIF values were predetermined to be below 5 in each of the dimensions of hotel establishment. Cronbach Alpha coefficient was above 0.7, level of internal consistency in the perspective of measurement reliability indices was considered as excellent (Taber, 2021). Validity measurement and internal consistency reliability, must use Composite reliability (CR) ≥ 0.7, and Average Variance Extracted (AVE) ≥ 0.5 (Shrestha, 2021). Hence, it is possible to claim about the statements that they are not only credible but also have accuracy.

**Table 2. Inner VIF Values for Multicollinearity**

| | AI | Organisational attractiveness | Recruitment and Selection of HRM |
|---|---|---|---|
| **AI** | | 2.016 | 1.000 |
| **Organisational attractiveness** | | | |
| **Recruitment and Selection of HRM** | | 2.016 | |

**Source: Calculations based on sample collected through surveys using SmartPLS**

Samar et al. (2017) discovered that the variance inflation factor (VIF) for the inner values was less than 3.6. This was due to the fact that there was no multicollinearity among the variables that were utilized in the model.

**Table 3. HTMT for Discriminant Validity of the Model**

|  | AI | Organisational attractiveness | Recruitment and Selection of HRM |
|---|---|---|---|
| **AI** |  |  |  |
| **Organisational attractiveness** | 0.866 |  |  |
| **Recruitment and Selection of HRM** | 0.813 | 0.871 |  |

**Source: Calculations based on sample collected through surveys using SmartPLS**

All these values are below 0.90, and as Voorhees et al. (2016) pointed out, it means discriminant validity exists. Therefore, a further employment of SEM is justified.

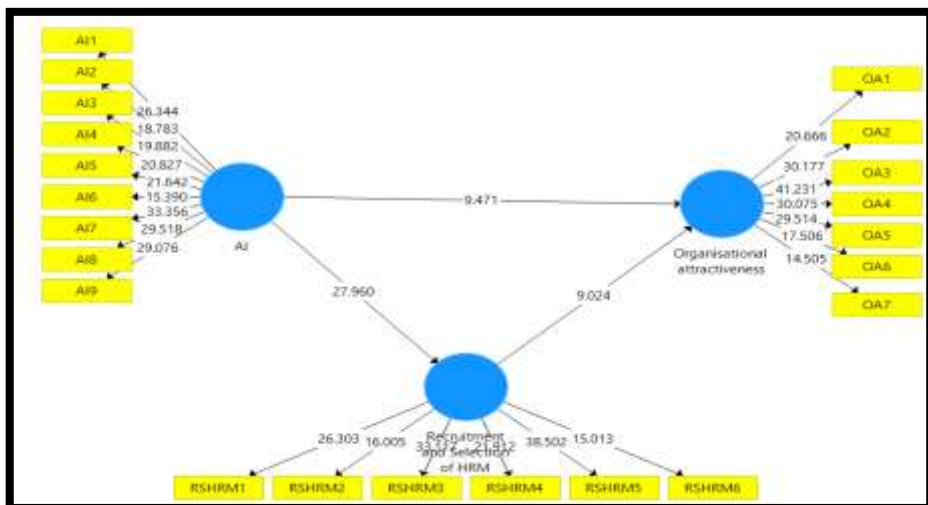## 4.2. Structural Equation Model



**Figure 2. Structural Equation Model for phenomenon**

An explanation of the phenomenon of the Entrepreneurship in Figure IV, which also shows the linkages and interactions between the various variables. Notably, every loading shown in the figure is greater than 0.6 (Wong, 2013).

**Table 4. Path Coefficients for Phenomenon**

| Hypothesis | | Original Sample | Standard Deviation | T Statistics | P Values | Result of Hypothesis Testing |
|---|---|---|---|---|---|---|
| H1 | AI -> Organisational attractiveness | 0.458 | 0.048 | 9.471 | 0.000 | Supported |
| H2 | AI -> Recruitment and Selection of HRM | 0.710 | 0.025 | 27.960 | 0.000 | Supported |
| H3 | Recruitment and Selection of HRM -> Organisational attractiveness | 0.430 | 0.048 | 9.024 | 0.000 | Supported |
| | Mediation Effects | | | | | Supported |
| H4 | AI -> Recruitment and Selection of HRM -> Organisational attractiveness | 0.305 | 0.034 | 8.904 | 0.000 | Supported |

**Source: Calculations based on sample collected through surveys using SmartPLS**

Table 4. presents significant positive impacts of AI on Organisational attractiveness and Recruitment & Selection of HRM by (β=0.048 and 0.025) at a 99% confidence level. In addition, Recruitment and selection of HRM a significant positive impact on Organisational attractiveness (β=0.048) at a 99% confidence level. Thus, H1, H2 and H3 are accepted. While,

the last hypothesis H4 is also accepted by (β=0.034) at a 99% confidence level.

**Table 5. Model Goodness of Fit for Data**

|  | SSO | SSE | Q² | R Square | R Square Adjusted |
|---|---|---|---|---|---|
| **Organisational Attractiveness** | 2408.000 | 1574.467 | 0.346 | 0.673 | 0.671 |
| **Recruitment and Selection of HRM** | 2064.000 | 1559.500 | 0.244 | 0.504 | 0.502 |

**SRMR=0.096, d_ULS=2.323, d_G=0.783, Chi-Square=1343.409, NFI=0.696**

**Source: Calculations based on sample collected through surveys using SmartPLS**

Examining the model's performance, Table 5. reveals an R2 value of 0.673 and 0.504 indicating that 67.1% of the variation in Entrepreneurial adaption and 50.2% of the variation in Organisational attractiveness, and 75.3% of the variation in recruitment and selection of HRM can be explained by the AI. The model's predictive relevance is evaluated using the cross-validated redundancy measure (Q2). Since Q2 > 0, it signifies that the model exhibits good predictive relevance (Sharma, 2021). The goodness of fit is measured by the Standardized Root Mean Square Residual (SRMR). With an SRMR value of 0.096, the model can be considered relatively well-fitting (Taasoobshirazi and Wang, 2016).

## 4.2 Discussion

These two sections of the study have offered strong empirical support for the engagement of AI in influencing organizational attractiveness with HRM recruitment and selection processes as a moderating factor. The results of the statistical analysis demonstrate several factors that affirm research works in this field and contribute new knowledge to it. These findings provide evidence to support Hypothesis 1 asserting that the use of AI positively affects organizational attractiveness Pearson's r = 0.048, p < 0.01. This study is in line with the study by Chapman et al. (2019) who postulated that organizations implementing emerging technologies are generally regarded as being more attractive to talents.

These findings further this line of work by pinpointing the AI-enhanced appeal factor for organizations more specifically. They include; Firstly, AI investing enhances organizational attractiveness through investment, resulting in increased productivity to meet consumer needs. From our literature review, it can be seen that AI implementation tends to indicate that an organization is committed to innovation and efficiency (Johnson & Lee, 2021). This perception can be interesting especially for the applicants who have value in technological progress, as well as in using the modern tools in their work.

The analysis also confirms Hypothesis 2 regarding the positive effects of AI on recruitment and selection in HRM with

(β=0.025, p<0.01). This result aligns with Rodriguez & Smith (2020) in which they noted that the integration of Artificial Intelligence based self-scheduling tools can improve the recruitment process outcomes. In making these contributions, our study adds to this body of knowledge by establishing the degree of concretization of AI on HRM practices. The moderate to high effect size of AI in recruitment and selection indicates that it is strategic in the modern process and not just an additive feature. This is in line with our article review section explaining various ways AI is changing the hiring process, including resume filtering and candidate evaluation.

The predicted positive relationship between recruitment and selection practices and organizational attraction was also found (β= 0.048, p<0.01) hence the support for Hypothesis 3. This result supports the work done by Li et al. (2022) on identifying that the innovative and candidate-friendly recruitment strategies make an organization more appealing to its potential employees. The study contributes to this knowledge by further elucidating how AI recruitment and selection systems contribute to increasing organizational appeal to candidates. It may be concluded that the potential employees' perceptions of the organization are influenced by both AI's more direct impact on the organization's attractiveness and the indirect recruitment and selection practices in equal measure.

Testing Hypothesis 4, the results (β=0.034, p<0.01) support the moderation to mediate the relationship between AI and organisational Attractiveness through recruitment and selection practices. This research finding amplifies the theoretical advancement of the work since it contextualises technology adoption −AI, with organisational performance − attractiveness, through the lens of HRM practices. Consistent with the hypothesized mediating role, it is evident that recruitment and selection processes partly account for the relationship between AI and organizational attractiveness. Probably, this understanding was not described in the previous studies and, therefore, reveals new patterns that make AI useful for increasing the popularity of an organization among potential employees.

The significant predictive importance indicated the value of the AI in defining these essential organizational conduits; R² = 67.1% for Organisational Attractiveness and R² = 50.2 % for recruitment and selection practices. The good predictive relevance, Q² > 0, and reasonable model fit, SRMR = 0.096, support the credibility of our result.

The findings are also significant with respect to theory development and practical applications. From a theoretical point of view, the current paper adds to the existing literature on AI application in HRM and its impact on organizational attraction. It offers real-world data for the many theorized but little investigated links between these constructs. From an operational

perspective, our study implies that organizations seeking more appeal for potential employees should consider deploying AI technologies to their organizations, especially in the recruitment and selection systems. Nonetheless, as seen in our literature review, there is a need for organizations to be strategic in the adoption of technology to mitigate on the risks of having a fully automated subjected system, which may receive negative perceptions among human end users.

However, we want to note some of the limitations of the study which can be further discussed below. Since the data was cross-sectional, we could not determine the causal relationship between the factors examined. The future RA & DA could use long term designs so as to capture the fitting effects arising from the adoption of AI on organizational attractiveness. More importantly, this research considered the broader repercussions of AI use in recruitment and selection. It is possible that future research explores additional moderate variables to gain more detailed understanding of which types of AI applications are the best for increasing Organizational Attractiveness.

## 5. Conclusion

This work undertakes significant facts to establish that AI actively contributes to increasing organizational attractiveness with an important enabling role played by the HRM recruitment and selection processes. The evidence presented in this paper shows that AI implementation of enhances organizational

attractiveness not only from the near-direct perspective but also due to the effects of transformation in the recruitment and selection process. The positive correlations that exist between AI, HRM practices, and organisational attractiveness identify AI's potential in redesigning workplaces.

With the current advancement in AI technology as organizations seek to implement the technology, they are aware that they will be able to respond competitively to the attraction of employees. However, this adoption must be done cautiously so as not to go overboard in a bid to maximize on these benefits, consider the human aspect as a way of avoiding negative perception about automating processes. The research is relevant to the existing literature on both AI and HRM, as well as the field of organizational behaviour. Consequently, by manipulating the impacts and examining the moderating effect of HRM practice, we present a more comprehensive perspective of the technology-enforced structural change on organizational outcome.

## Theoretical Implications

The result of the study has provided a variety of directions for the further research in the realm of AI, HRM, and organizational attractiveness. Based on the findings and theoretical contributions, we suggest that future studies widen the AI-HRM-Attractiveness Model by examining other mediator and moderator variables. Consumer characteristics including organizational culture, industry type or even employee profiles

could be used to explain the conditions under which attractiveness is most boosted by AI. This new model would present a better analysis of the various interactions, possibilities of trade-offs between these variables.

For thus identifying cause and effect relationship together with identifying the effects that are long-term, we are very supportive of longitudinal studies. These studies should follow the AI adoption of organisations and shifts in practices of HRM and the attractiveness of field over a period of time. More of such research would come in handy when determining the dynamics of these relationship patterns with emerging trends in attraction to organisations given the current developments in AI technologies.

For the future, the authors should continue the efforts in combining these findings with the existing theories in organizational behavior. Hence, there is a possibility of enhancing the idea of the developed theoretical framework using theories like signalling theory or technology acceptance model. This integration would not only help to advance knowledge about the part that AI can play in organizational attractiveness but also improve the overall field of organizational behavior and human resource management.

## Practical Implications

The research has several implications for organizations that want to increase their appeal to existing and potential customers as a result of applying the AI system. First and

foremost, we propose the subsequent and progressive theoretical application of AI in HRM processes, namely, the recruitment and selection process, during which self-organizing maps could be utilized. This implementation should be easily seen by potential employees defined in keywords and will help the organisation image to be updated as an innovative and progressive organisation. But here there should be a counter balance between technological incorporation and human interface in the recruitment systems. It means that organisations could employ AI for the first level of filtering, while maintaining interpersonal communication at a later stage of the selection process, and thus harness the benefits of artificial intelligence without leaving clients without interpersonal communication.

Recruiting more and upskilling HR professionals is the other recommendation that has been put forward. When HR staff is trained on how to use AI in recruitment and selection and how to manage these tools, organisations will be able to fully capitalise on AI without negating the importance of human skill and knowledge. The use of this approach will eventually enhance the application and deployment of the artificial intelligence technologies in the realization of the HRM processes.

Implementation of AI in the processes of HRM requires transparency. We suggest reconciling the organization and its customers and employees by being as transparent as possible regarding the organization's use of AI. It can also be used to

improve the organization's attractiveness, and contribute to the establishment of trust. In addition, it is recommended that organization adapt the use of AI applications to suit their organizational culture and norms. Such a tailoring assures the use of AI is in the best sense of the organisation brand and identity and hence offers a persuasive proposition especially to prospective employees with those similar beliefs.

It has been observed that both the initial adoption and ongoing oversight of Artificial Intelligence should be performed systematically. It is crucial, that organizations should determine such effects of AI application in the following areas: Recruitment performance, employee satisfaction, organizational attractiveness. These ideas may be applied to the constant enhancements and update of the use of artificial intelligence in the management of human resources for the benefit of keeping it efficient and organizational objectives favorable.

Last but not the least, it is especially crucial to establish the strong ethical standard concerning the incorporation of AI tools and software in the HRM processes. This includes the non-discrimination of any candidate, and maintaining the privacy of the candidates. In return, enhancing the organizations' ethical profiles can also improve the organizations' appeal in the labor market especially to people who believe in doing business ethically. Due to the fact that these ethical guidelines are supposed to be periodically revised to meet the

demands of emerging technologies, they need to be established in the first place.

Organizational leaders looking to utilize AI in an effective manner can do so by following these tips to improve the appeal of their organizations to candidates and ensure that the technical influence of AI corporations matches societal expectations of normative values. This balance should and will be necessary to succeed in the even more competitive talent market of the future. With these recommendations, organizations can utilize AI to improve the ways through which applicants perceive organizational attractiveness as a worthy destination to apply for a job, while researchers can further expand knowledge on how technological implementation will affect people's future organizational behaviors and outcomes. Since AI is advancing over time, the importance of its contribution to attracting potential organizational talent cannot be overemphasized, leading to the continued need for research and applied work in this domain for organizational effectiveness in the talent market.

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# Appendix

# Appendix A

# Questionnaire

| | | Strongly Agree | Agree | Neutral | Disagree | Strongly Disagree |
|---|---|---|---|---|---|---|
| **AI** | | | | | | |
| **Effort Expectancy** | 1. Learning how to use AI is easy for me. | | | | | |
| | 2. My interaction with AI is clear and understandable. | | | | | |
| | 3. I find AI easy to use. | | | | | |
| **Accuracy** | 4. AI removes the human biases | | | | | |
| | 5. AI in recruitment improves the selection process | | | | | |
| **Fairness** | 6. The AI machine will be fair | | | | | |
| | 7. AI will support corporations in taping into the best talent in the market | | | | | |
| **Trust** | 8. I am confident in the AI | | | | | |
| | 9. The AI provides security | | | | | |
| | 10.The AI is reliable | | | | | |
| | 11. I can trust the AI | | | | | |
| **Organisational attractiveness** | | | | | | |
| **Continuous Improvement** | 12. In our organization processes are continuously improved. | | | | | |
| | 13. In our organization processes are continuously simplified. | | | | | |
| | 14. In our organization everything that matters to the organization's performance is explicitly reported. | | | | | |
| **Openness & Action Orientation** | 15. Organizational members spend much time on communication, knowledge exchange and learning. | | | | | |
| | 16. Organizational members are always involved in important processes. | | | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| | 17. Our organization is performance driven. | | | | | |
| **Quality of Management** | 18. The management of our organization has integrity. | | | | | |
| | 19. The management of our organization is a role model for organizational members. | | | | | |
| | 20. The management of our organization applies fast decision making. | | | | | |
| **Recruitment and Selection of HRM** | | | | | | |
| 21. The use of new emerging technologies in recruitment and selection process has improved the efficiency of the process.<br>22. The use of new emerging technologies in recruitment and selection has increased cost-effectiveness<br>23. Candidate interviewing has become faster due to the use of emerging technology<br>24. The use of new technologies has increased the accuracy of the recruitment and selection process<br>25. Use of emerging technologies has resulted in improved quality of feedback given to candidates<br>26. The use of new emerging technologies decreases the time and effort required for recruitment and selection process | | | | | | |