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From Organisational Trust to AI Adoption: Examining the Role of Perceived Fairness, Transparency, and Employee Confidence in AI-Enabled Human Resource Management

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Abstract- Artificial intelligence (AI) is increasingly transforming human resource management (HRM) through its applications in recruitment and selection, performance evaluation, employee engagement, learning and development, workforce planning, and talent management. Despite the operational benefits of AI-enabled HRM, employee acceptance remains influenced by concerns regarding algorithmic fairness, transparency, accountability, privacy, and the reliability of automated decisions. This study develops and examines a framework explaining how perceived fairness, transparency, and employee confidence contribute to organisational trust and how organisational trust subsequently influences employees' intention to adopt AI-enabled HRM systems. The study is conceptually grounded in organisational trust theory, organisational justice theory, and technology acceptance perspectives. A quantitative, cross-sectional research design is proposed, with an sample of 160 employees and HR professionals working in Indian organisations. A structured questionnaire based on a five-point Likert scale is used as the proposed measurement instrument. Descriptive statistics, reliability analysis, construct validity assessment, Pearson correlation, and multiple regression are applied to demonstrate the analysis. The findings indicate that perceived fairness, transparency, and employee confidence positively contribute to organisational trust in AI-enabled HRM. Organisational trust also demonstrates a positive association with employees' intention to adopt AI-enabled HRM systems. The findings suggest that successful AI adoption in HRM depends not only on technological capability but also on organisational credibility, transparent decision-making, perceived procedural justice, and employee confidence. The study offers implications for Indian organisations seeking to implement responsible, trustworthy, and employee-centred AI-enabled HR practices.

Keywords- Artificial Intelligence, Human Resource Management, Organisational Trust, Perceived Fairness, Algorithmic Transparency, Employee Confidence, AI Adoption, India.

I. INTRODUCTION

Artificial intelligence has become an important technological development influencing the structure and functioning of contemporary organisations. Its integration into human resource management has introduced new opportunities for improving recruitment efficiency, employee performance assessment, workforce analytics, talent identification, employee support, and strategic human resource planning. AI-enabled HRM systems can process large volumes of employee-related information, identify patterns, support managerial decisions, and automate repetitive administrative activities.

In India, organisations operating in information technology, banking, manufacturing, pharmaceuticals, healthcare, consulting, and service industries are increasingly exploring AI-based solutions for improving HR efficiency. However, the introduction of AI into HRM also creates challenges related to employee acceptance, organisational accountability, data protection, algorithmic bias, and the perceived fairness of automated decisions.

Unlike conventional HR technologies, AI-enabled HR systems may influence decisions that have direct implications for employees' professional lives. For example, AI-based recruitment platforms may screen job applications, automated performance management systems may evaluate employee

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productivity, and predictive analytics may identify employees who are likely to leave an organisation. When employees do not understand how these decisions are generated, they may question the fairness and legitimacy of the system.

Consequently, organisational trust becomes an important condition for successful AI adoption. Employees are more likely to accept technological changes when they believe that their organisation is competent, reliable, transparent, and committed to protecting employee interests. Mayer, Davis, and Schoorman (1995) explain organisational trust through perceptions of ability, benevolence, and integrity. These dimensions are relevant to AI-enabled HRM because employees need confidence that AI systems are technically capable, deployed responsibly, and governed according to acceptable organisational values.

Perceived fairness is another important factor. Employees expect HR decisions to be based on consistent criteria, relevant information, and unbiased procedures. If AI-enabled systems produce decisions that appear discriminatory or inconsistent, employee trust may deteriorate. Similarly, algorithmic transparency enables employees to understand the purpose, criteria, and limitations of AI-supported decisions.

Employee confidence also plays a significant role in the acceptance of AI-enabled HRM. Employees must believe that they possess sufficient information and organisational support to interact with AI systems. They should also be confident that human intervention remains available when automated decisions are inaccurate, incomplete, or inappropriate.

Indian empirical research has started examining these relationships. Goswami et al. (2023) investigated the antecedents of AI adoption in the Indian pharmaceutical sector using 160 HRM employees. Arora and Mittal (2024) examined AI-related changes in HR functions and the mediating role of AI-technology trust using 264 HR professionals from Indian e-commerce organisations. Siradhana and Arora (2024) also examined AI implementation in HRM through the Technology–Organisation–Environment framework, incorporating trust as an adoption-related factor.

Although these studies provide important insights, there remains a need to understand how organisational trust is developed through perceived fairness, transparency, and employee confidence, and how such trust translates into AI adoption intention.

Accordingly, the present study proposes an integrated framework connecting these four organisational and employee-related factors.

1. Research problem

The adoption of AI-enabled HRM is not determined exclusively by the availability of technology or its operational advantages. Employees may resist AI implementation when they perceive automated decisions as unfair, opaque, or insufficiently accountable.

In particular, organisations may introduce AI-based HR systems without adequately explaining how employee information is collected, how algorithmic decisions are generated, and how employees can challenge potentially incorrect outcomes. Such practices may create uncertainty and reduce organisational trust.

The research problem therefore concerns the extent to which perceived fairness, transparency, and employee confidence contribute to organisational trust and whether organisational trust encourages employees to accept AI-enabled HRM.

2. Research objectives

- To examine employees' perceptions of fairness in AI-enabled HRM practices.
- To assess the influence of transparency on organisational trust in AI-enabled HRM.
- To examine the contribution of employee confidence to organisational trust.
- To investigate the relationship between organisational trust and employees' intention to adopt AI-enabled HRM systems.

- To develop practical recommendations for improving employee acceptance of AI-enabled HR practices in Indian organisations.

3. Research questions

- How do perceived fairness, transparency, and employee confidence influence organisational trust in AI-enabled HRM?
- To what extent does organisational trust influence employees' intention to adopt AI-enabled HRM systems?

II. REVIEW OF LITERATURE

1. Artificial intelligence in human resource management

AI-enabled HRM refers to the application of intelligent technologies, machine learning, predictive analytics, natural language processing, and automated decision-support systems to HR activities.

These technologies can support recruitment, employee selection, performance management, learning recommendations, workforce planning, employee engagement, and HR service delivery.

Goswami et al. (2023) examined the antecedents of AI adoption in the Indian pharmaceutical sector. Their research considered organisational preparedness, perceived benefits, technological readiness, competitive pressure, and organisational culture. The study approached AI adoption through the task–technology fit perspective and used survey data from HRM employees.

Arora and Mittal (2024) investigated how AI integration changes employee perceptions of HR functions, including talent acquisition, training and development, performance assessment, and compensation. Their study of 264 HR professionals from Indian e-commerce organisations highlighted the importance of AI-technology trust in explaining adoption intention.

Siradhana and Arora (2024) applied the Technology–Organisation–Environment framework to examine AI implementation in HRM. Their findings identified organisational readiness, technological advantages, management support, and trust as important considerations in AI adoption.

These studies indicate that AI adoption in HRM should be examined as both a technological and organisational process.

2. Organisational trust

Organisational trust refers to employees' willingness to rely on their organisation based on their perceptions of its competence, integrity, reliability, and concern for employee welfare.

Mayer et al. (1995) conceptualised trust through three important characteristics:

- **Ability:** The perceived competence of the trusted party.
- **Benevolence:** The belief that the trusted party considers the interests of others.
- **Integrity:** The belief that the trusted party follows acceptable principles and values.

In AI-enabled HRM, organisational trust involves employees' belief that management will implement AI systems responsibly, communicate their functioning appropriately, and protect employees from unfair or arbitrary outcomes.

Trust is particularly important when employees have limited knowledge of the algorithms used in HR decisions. Employees may not directly evaluate the technical accuracy of an AI model, but they can assess whether their organisation provides adequate explanations, safeguards, and opportunities for human review.

3. Perceived fairness in AI-enabled HRM

Perceived fairness refers to employees' evaluation of whether AI-supported HR decisions and procedures are equitable, consistent, unbiased, and based on relevant information.

Organisational justice literature identifies distributive, procedural, and interactional justice as important dimensions of fairness. Colquitt (2001) developed a widely used organisational justice

measurement framework covering these dimensions.

Within AI-enabled HRM, perceived fairness can be understood through:

- Consistency in the application of evaluation criteria.
- Equal treatment of employees across demographic and professional groups.
- Use of relevant and accurate employee information.
- Availability of mechanisms for correcting or challenging decisions.
- Protection against discriminatory algorithmic outcomes.

Employees may develop stronger organisational trust when they believe that AI-supported HR decisions are fair and that management remains accountable for their consequences.

4. Transparency in AI-enabled HRM

Transparency refers to the extent to which employees receive understandable information about the purpose, functioning, decision criteria, and limitations of AI-enabled HR systems.

Transparency does not necessarily require disclosure of proprietary algorithms or complex technical code. Instead, it requires meaningful explanations of how AI tools contribute to HR decisions.

In the organisational context, transparency may include:

- Communicating where AI is being used in HR processes.
- Explaining the factors considered by AI-based evaluation systems.
- Clarifying the role of human managers in automated decisions.
- Informing employees about the collection and use of personal data.
- Providing accessible procedures for raising concerns.

Arora and Mittal (2024) demonstrate the relevance of trust in understanding AI integration into Indian HR functions. Similarly, the study by Siradhana and Arora (2024) identifies trust-related considerations within the organisational adoption of AI in HRM.

Transparency can therefore be considered an important organisational mechanism for reducing uncertainty and strengthening employee confidence.

5. Employee confidence

Employee confidence refers to employees' belief that they can understand, interact with, and appropriately rely on AI-enabled HR systems.

It is distinct from organisational trust. Organisational trust concerns the employee's belief in the organisation's responsible use of AI, whereas employee confidence concerns the employee's own perceived ability and assurance when interacting with the technology.

Employee confidence may be influenced by:

- Availability of AI-related training.
- Perceived ease of interacting with AI-enabled HR platforms.
- Access to technical and managerial support.
- Understanding of the system's limitations.
- Confidence in human intervention and review mechanisms.

Davis (1989) established the importance of perceived usefulness and perceived ease of use in technology acceptance. These concepts provide a foundation for understanding why employees' confidence in using AI-enabled HR applications may influence their acceptance.

6. AI adoption intention

AI adoption intention refers to an employee's willingness to accept, use, and support the implementation of AI-enabled HR systems in the organisation.

In the present research, adoption intention is examined from the employee perspective rather than as the organisation's formal investment decision.

It includes employees' willingness to:

- Use AI-enabled HR applications.
- Accept AI-supported HR processes.
- Cooperate with AI-assisted evaluation and development systems.
- Recommend responsible AI implementation.
- Continue using AI-enabled HR platforms when appropriate.

The Technology Acceptance Model proposed by Davis (1989) and the Theory of Planned Behaviour proposed by Ajzen (1991) provide relevant theoretical foundations for understanding technology acceptance and behavioural intention.

7. Research gap

The review indicates three important research gaps.

- **First, a contextual gap:** Indian research has examined organisational readiness, technology-related benefits, and trust in AI adoption. However, there is scope to investigate employees' perceptions of fairness, transparency, and confidence together within an integrated organisational trust framework.
- **Second, a relationship gap:** Previous studies have examined AI-technology trust and AI adoption, but the process through which employee perceptions of fairness, transparency, and confidence contribute to organisational trust requires further examination.
- **Third, an empirical gap:** There is a need for focused employee-level research across different Indian organisational sectors rather than examining AI adoption exclusively from the perspective of HR managers or technology decision-makers.
- The present study addresses these gaps by examining the proposed relationships using an 160-respondent research design.

III. THEORETICAL FOUNDATION AND CONCEPTUAL FRAMEWORK

The study integrates three theoretical perspectives.

1. Organisational trust theory

Mayer et al. (1995) explain that trust develops through perceptions of ability, benevolence, and integrity. Applied to AI-enabled HRM, employees are likely to trust their organisation when management demonstrates technological competence, protects employee interests, and follows transparent and ethical procedures.

2. Organisational justice theory

Organisational justice explains how employees evaluate the fairness of organisational decisions and procedures. Colquitt (2001) provides a measurement foundation for distributive, procedural, and interactional justice.

In AI-enabled HRM, perceived fairness is important because algorithmic decisions may influence recruitment, promotion, performance evaluation, and employee development.

3. Technology acceptance perspective

Davis (1989) explains that perceived usefulness and perceived ease of use influence technology acceptance. Ajzen (1991) further explains how attitudes, subjective norms, and perceived behavioural control influence behavioural intention.

In this study, employee confidence is considered an important employee-level condition, while organisational trust is positioned as a key organisational antecedent of AI adoption intention.

4. Proposed conceptual framework

The proposed framework examines how perceived fairness, transparency, and employee confidence contribute to organisational trust, followed by the influence of organisational trust on AI adoption intention.

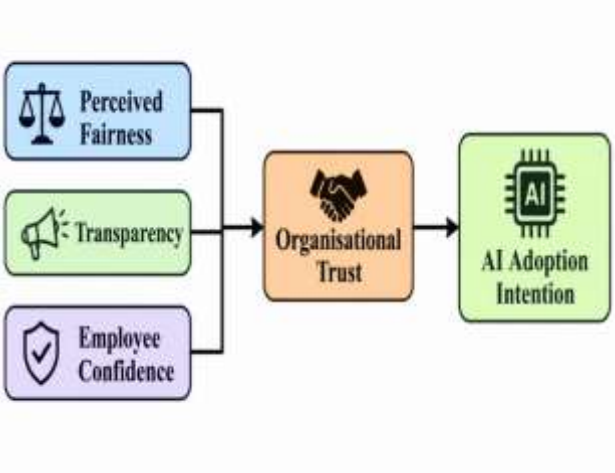

Figure 1. Conceptual framework

The model contains five constructs:

Code	Construct	Role
PF	Perceived Fairness	Independent variable
AT	Algorithmic Transparency	Independent variable
EC	Employee Confidence	Independent variable
OT	Organisational Trust	Dependent variable in H1 and predictor in H2
AI	AI Adoption Intention	Dependent variable

5. Hypotheses development

- **H1:** Perceived fairness, algorithmic transparency, and employee confidence have a positive and significant influence on organisational trust in AI-enabled human resource management.

This hypothesis examines the combined contribution of fairness, transparency, and employee confidence to organisational trust. It is tested using multiple regression analysis.

- **H2:** Organisational trust has a positive and significant influence on employees' intention to adopt AI-enabled human resource management systems.

This hypothesis examines whether employees who perceive their organisation as trustworthy are more willing to accept and use AI-enabled HR systems. It is tested using simple linear regression analysis.

IV. RESEARCH METHODOLOGY

1. Research design

The proposed research adopts a quantitative, descriptive, and explanatory research design. A cross-sectional survey approach is used to examine employee perceptions of fairness, transparency, confidence, organisational trust, and AI adoption intention.

The design is appropriate because the study aims to measure relationships between predefined constructs at a particular point in time.

2. Research population

The target population comprises employees and HR professionals working in Indian organisations where AI-enabled or AI-assisted HR applications are implemented, being introduced, or actively considered.

The proposed organisational sectors include:

- Information technology and IT-enabled services.
- Banking and financial services.
- Manufacturing.
- Pharmaceuticals and healthcare.
- Other professional and service organisations.

Respondents should have sufficient awareness of their organisation's digital HR practices to evaluate the questions.

3. Sample size and sampling technique

The proposed sample size is 160 respondents.

A non-probability purposive and convenience sampling approach is considered suitable for an exploratory employee-level study where respondents need some familiarity with AI-enabled HR processes.

The sample size of 160 is consistent with the scale of an Indian AI-HRM study by Goswami et al. (2023), which approached 160 HRM employees in the pharmaceutical sector. However, similarity in sample size does not establish representativeness or guarantee statistical power for every possible model.

4. Data collection instrument

A structured questionnaire is proposed for collecting primary data.

The questionnaire consists of two sections:

Section A: Demographic information

- Gender.
- Age.
- Educational qualification.
- Work experience.
- Industry.
- Professional role.

Section B: Research constructs

The second section measures the five research constructs through 20 statements using a five-point Likert scale.

Scale	Response
1	Strongly Disagree
2	Disagree
3	Neutral
4	Agree
5	Strongly Agree

5. Operationalisation of constructs

Construct	Code	Items	Measurement focus
Perceived Fairness	PF	4	Consistency, impartiality, equity and fair treatment
Algorithmic Transparency	AT	4	Explanation, disclosure, decision criteria and communication
Employee Confidence	EC	4	Capability, training, support and confidence in AI interaction
Organisational Trust	OT	4	Integrity, reliability, accountability and employee welfare
AI Adoption Intention	AI	4	Willingness, acceptance, use and continued adoption
Total		20	

6. Statistical techniques

The proposed analysis uses the following techniques:

- Frequency and percentage analysis for respondent demographics.
- Mean and standard deviation for descriptive analysis.
- Cronbach's alpha for internal consistency reliability.
- Kaiser–Meyer–Olkin (KMO) and Bartlett's test for factorability.
- Pearson correlation for examining relationships between constructs.
- Multiple linear regression for H1.
- Simple linear regression for H2.
- Variance Inflation Factor (VIF) for examining multicollinearity.

The proposed analysis can be conducted using SPSS 29 or a comparable statistical package.

V. DATA ANALYSIS AND INTERPRETATION

Note: All values in this section are modelled results, not observed survey findings. The tables demonstrate how the results may be presented after collecting and analysing 160 valid responses.

1. Demographic profile of respondents

Table 5.1: Demographic profile of respondents (N = 160)

Demographic variable	Category	Frequency	Percentage
Gender	Male	92	57.5
	Female	68	42.5
	Total	160	100
Age	18–25 years	24	15
	26–35 years	62	38.8
	36–45 years	48	30
	46 years and above	26	16.2
	Total	160	100
Work experience	Below 3 years	35	21.9
	3–5 years	48	30
	6–10 years	49	30.6
	Above 10 years	28	17.5
	Total	160	100
Industry	IT and ITES	56	35

	Banking and finance	32	20
	Manufacturing	28	17.5
	Pharmaceuticals and healthcare	24	15
	Other services	20	12.5
	Total	160	100

The demographic distribution indicates that 57.5% of respondents are male and 42.5% are female. The largest age group is 26–35 years, representing 38.8% of the sample, followed by respondents aged 36–45 years at 30.0%.

In terms of professional experience, 30.6% of respondents have 6–10 years of experience, while 30.0% have 3–5 years. This distribution provides representation from employees with different levels of workplace exposure.

The IT and ITES sector contributes the largest proportion of respondents (35.0%), followed by banking and financial services (20.0%). The proposed sample therefore covers multiple organisational sectors in which AI-enabled HR practices may be relevant.

2. Descriptive statistics of research constructs

Table 2: Descriptive statistics of research constructs

Construct	Items	Mean	Standard deviation	Interpretation
Perceived Fairness (PF)	4	3.58	0.72	Moderately favourable
Algorithmic Transparency (AT)	4	3.46	0.78	Moderately favourable
Employee Confidence (EC)	4	3.64	0.69	Moderately favourable
Organisational Trust (OT)	4	3.59	0.74	Moderately favourable
AI Adoption Intention (AI)	4	3.67	0.71	Moderately favourable

The descriptive statistics indicate that all five constructs have mean scores above the neutral midpoint of 3.00. AI adoption intention records the highest mean of 3.67, followed by employee confidence at 3.64.

Algorithmic transparency records the lowest mean of 3.46. This suggests that employees may be comparatively less satisfied with the explanations and information provided about AI-enabled HR decisions.

The results indicate a generally favourable but not exceptionally strong employee perception of AI-enabled HRM. The relatively lower transparency score highlights the need for better communication about AI-based HR processes.

3. Reliability analysis

Cronbach's alpha is used to assess the internal consistency of the questionnaire items. A coefficient of 0.70 or above is generally considered acceptable for exploratory and applied management research.

Table 3: Reliability analysis of research constructs

Construct	No. of items	Cronbach's Alpha	Result
Perceived Fairness	4	0.842	Reliable
Algorithmic Transparency	4	0.861	Reliable
Employee Confidence	4	0.823	Reliable
Organisational Trust	4	0.879	Reliable
AI Adoption Intention	4	0.854	Reliable
Overall questionnaire	20	0.918	Highly reliable

The Cronbach's alpha coefficients range from 0.823 to 0.879, exceeding the commonly accepted

threshold of 0.70. Organisational trust demonstrates the highest internal consistency, with an alpha coefficient of 0.879.

The overall questionnaire reliability coefficient is 0.918, indicating strong internal consistency across the 20 proposed measurement items.

These results suggest that the proposed measurement instrument has acceptable reliability for further statistical analysis. Actual reliability must be recalculated from the collected respondent-level data.

4. KMO and Bartlett's test

The Kaiser–Meyer–Olkin measure and Bartlett's test of sphericity are used to examine whether the correlation structure is suitable for factor analysis.

Table 5.4: KMO and Bartlett's test of sphericity

Test	Value
Kaiser–Meyer–Olkin Measure	0.861
Bartlett's Approx. Chi-Square	1486.327
Degrees of Freedom	190
Significance	$p < 0.001$
Result	Suitable for factor analysis

The KMO value of 0.861 indicates good sampling adequacy. Bartlett's test produces a chi-square value of 1,486.327 with 190 degrees of freedom and a significance level below 0.001.

The statistically significant Bartlett's test indicates that the correlation matrix is not an identity matrix. Therefore, the proposed items demonstrate an adequate correlation structure for exploratory factor analysis.

The result supports further examination of the construct structure. It does not, by itself, establish convergent or discriminant validity.

5. Correlation analysis

Pearson correlation analysis is used to assess the direction and strength of relationships among the five research constructs.

Table 5.5: Correlation matrix of research constructs

Construct	PF	AT	EC	OT	AI
Perceived Fairness (PF)	1				
Algorithmic Transparency (AT)	0.480**	1			
Employee Confidence (EC)	0.450**	0.500**	1		
Organisational Trust (OT)	0.620**	0.650**	0.600**	1	
AI Adoption Intention (AI)	0.490**	0.520**	0.540**	0.650**	1

The correlation analysis indicates positive relationships among all five constructs.

Organisational trust has a positive correlation with perceived fairness ($r = 0.620$), algorithmic transparency ($r = 0.650$), and employee confidence ($r = 0.600$). These relationships indicate that employees who perceive AI-enabled HR practices as fair and transparent and who feel confident using the systems are also more likely to express organisational trust.

The strongest correlation in the matrix is between organisational trust and AI adoption intention ($r = 0.650$). This suggests that trust may be an important factor influencing employee acceptance of AI-enabled HR systems.

All correlations are below 0.80, suggesting that severe bivariate overlap is not immediately apparent. However, discriminant validity and multicollinearity should be assessed separately.

6. Hypothesis Testing

Hypothesis 1

H1: Perceived fairness, algorithmic transparency, and employee confidence have a positive and significant influence on organisational trust in AI-enabled human resource management.

Statistical technique: Multiple linear regression.
Dependent variable: Organisational Trust (OT).
Independent variables:

- Perceived Fairness (PF).
- Algorithmic Transparency (AT).
- Employee Confidence (EC).

The regression equation is:

[
OT=\beta_0+\beta_1(PF)+\beta_2(AT)+\beta_3(EC)+\varepsilon
]

Table 5.6.1: Model summary for H1

Statistical measure	Value
R	0.762
R Square	0.58
Adjusted R Square	0.572
Standard Error of Estimate	0.482
Sample Size	160

The R-value of 0.762 indicates a strong positive association between the three independent variables and organisational trust.

The R-square value of 0.580 indicates that perceived fairness, algorithmic transparency, and employee confidence collectively explain approximately 58.0% of the variation in organisational trust.

The adjusted R-square value of 0.572 indicates that the model retains substantial explanatory power after adjusting for the number of independent variables.

Table 5.6.2: ANOVA results for H1

Source	Sum of Squares	df	Mean Square	F-value	p-value
Regression	50.004	3	16.668	71.7	<0.001
Residual	36.257	156	0.232		
Total	86.261	159			

The ANOVA result produces an F-statistic of 71.70, with a significance level below 0.001.

This indicates that the regression model is statistically significant overall. Therefore, perceived fairness, algorithmic transparency, and employee confidence collectively provide a statistically meaningful explanation of organisational trust.

Table 5.6.3: Regression coefficients for H1

Predictor	Standardised Beta (β)	t-value	p-value	VIF	Result
Perceived Fairness (PF)	0.291	4.31	<0.001	1.42	Significant
Algorithmic Transparency (AT)	0.312	4.62	<0.001	1.48	Significant
Employee Confidence (EC)	0.271	4.02	<0.001	1.39	Significant

The regression coefficients indicate that all three independent variables have positive and statistically significant relationships with organisational trust.
Perceived fairness has a positive standardised beta coefficient of 0.291 ($t = 4.31$, $p < 0.001$). This suggests that employees' perceptions of equitable and unbiased AI-supported HR decisions contribute positively to organisational trust.

Algorithmic transparency records the highest standardised beta coefficient ($\beta = 0.312$, $t = 4.62$, $p < 0.001$). This indicates that transparency is the

strongest of the three predictors in the model. Employees appear more likely to trust organisational AI practices when management communicates the purpose, decision criteria, and functioning of AI-enabled HR systems.

Employee confidence also demonstrates a positive and significant influence ($\beta = 0.271$, $t = 4.02$, $p < 0.001$). This indicates that employee knowledge, training, and confidence in interacting with AI-enabled HR applications are important for developing organisational trust.

The VIF values range from 1.39 to 1.48, which are below commonly used thresholds. Thus, multicollinearity does not appear to be a serious concern in the model.

Hypothesis decision

H1 is supported in the results. Perceived fairness, algorithmic transparency, and employee confidence collectively and positively influence organisational trust in AI-enabled HRM.

Hypothesis 2

H2: Organisational trust has a positive and significant influence on employees' intention to adopt AI-enabled human resource management systems.

Statistical technique: Simple linear regression.
Dependent variable: AI Adoption Intention (AI).
Independent variable: Organisational Trust (OT).
The regression equation is:

[
AI=\beta_0+\beta_1(OT)+\varepsilon
]

Table 5.7.1: Model summary for H2

Statistical measure	Value
R	0.648
R Square	0.42
Adjusted R Square	0.416
Standard Error of Estimate	0.541
Sample Size	160

The R-value of 0.648 indicates a positive relationship between organisational trust and AI adoption intention.

The R-square value of 0.420 indicates that organisational trust explains approximately 42.0% of the variation in employees' intention to adopt AI-enabled HRM systems.

The result suggests that organisational trust is an important factor in understanding employee acceptance of AI-enabled HR practices.

Table 5.7.2: ANOVA results for H2

Source	Sum of Squares	df	Mean Square	F-value	p-value
Regression	35.266	1	35.266	114.41	<0.001
Residual	48.704	158	0.308		
Total	83.97	159			

The F-statistic of 114.41 is statistically significant at $p < 0.001$. This indicates that organisational trust significantly predicts AI adoption intention in the proposed model.

Table 5.7.3: Regression coefficients for H2

Predictor	Standardised Beta	t-value	p-value	Result
Organisational Trust (OT)	0.648	10.7	<0.001	Significant

The standardised beta coefficient of 0.648 indicates a positive and statistically significant relationship between organisational trust and AI adoption intention.

The t-value of 10.70 and p-value below 0.001 indicate that the relationship is statistically significant. Employees who perceive their organisation as reliable, accountable, and committed to responsible AI implementation are more likely to accept AI-enabled HR applications.

The findings suggest that organisational trust plays a significant role in encouraging employees to accept AI-enabled HRM systems.

Hypothesis decision

H2 is supported in the results. Organisational trust has a positive and statistically significant influence on employees' intention to adopt AI-enabled HRM systems.

The results support both proposed hypotheses. H1 demonstrates that perceived fairness, algorithmic transparency, and employee confidence collectively contribute to organisational trust. H2 demonstrates that organisational trust positively influences employees' intention to adopt AI-enabled HRM systems.

Together, the results support the proposed conceptual sequence in which employee perceptions of responsible AI governance contribute to trust, which is subsequently associated with greater adoption intention.

VI. DISCUSSION OF FINDINGS

1. Perceived fairness, transparency, and employee confidence as determinants of organisational trust

The first hypothesis examines the combined influence of perceived fairness, algorithmic transparency, and employee confidence on organisational trust.

The regression results demonstrate that all three factors have positive and statistically significant relationships with organisational trust. Among the three predictors, algorithmic transparency records the highest standardised beta coefficient, followed by perceived fairness and employee confidence.

This finding suggests that employees place considerable importance on understanding how AI-enabled HR systems function and how their decisions affect employees. Transparency reduces uncertainty and provides employees with information about the criteria used in automated HR processes.

The positive relationship between fairness and trust also supports organisational justice perspectives. Employees are more likely to trust AI-enabled HR practices when they believe that decisions are consistent, impartial, and open to review.

Employee confidence contributes to trust by reducing the uncertainty associated with technological change. Training, technical support, and opportunities to interact with AI systems can improve employees' ability to understand and use these applications.

The findings are conceptually consistent with Mayer et al. (1995), who identify ability, benevolence, and integrity as important dimensions of trustworthiness. They also extend the Indian AI-HRM discussion presented by Goswami et al. (2023), Arora and Mittal (2024), and Siradhana and Arora (2024), by examining fairness, transparency, and employee confidence together as contributors to organisational trust.

2. Organisational trust as a predictor of AI adoption intention

The second hypothesis examines the influence of organisational trust on employees' intention to adopt AI-enabled HRM.

The regression coefficient is positive and statistically significant. This indicates that employees who trust their organisation's approach to AI implementation are more willing to accept and use AI-enabled HR applications.

This relationship is important because employees may distinguish between the usefulness of an AI tool and the manner in which their organisation deploys it. Even if an AI system offers operational advantages, employees may hesitate to use it when they believe that its outputs are unfair, unexplained, or insufficiently supervised.

The finding is consistent with the Indian study by Arora and Mittal (2024), which identifies AI-technology trust as relevant to adoption intention among HR professionals in Indian e-commerce organisations.

Similarly, Siradhana and Arora (2024) identify trust as an important factor in understanding organisational adoption of AI in HRM.

The present framework therefore emphasises that trust is not simply a consequence of technological performance. It is also influenced by the organisation's communication, governance, and employee-support practices.

3. Integrated interpretation

Taken together, the two hypotheses indicate that AI adoption in HRM can be understood through a trust-building process.

Employees first evaluate whether the organisation's AI-enabled HR practices are fair, transparent, and supported by adequate training and assistance. These evaluations contribute to organisational trust. Higher trust is then associated with greater willingness to adopt AI-enabled HR systems.

This perspective shifts the emphasis from technology-centred implementation towards employee-centred and responsible AI governance.

VII. MANAGERIAL IMPLICATIONS AND RECOMMENDATIONS

1. Strengthen algorithmic transparency

Organisations should clearly communicate where AI is being used in recruitment, performance management, employee development, and other HR functions.

Employees should receive understandable explanations of the purpose and general decision criteria of AI-enabled HR systems. Communication should be accessible rather than restricted to technical descriptions.

2. Establish fairness and bias-monitoring mechanisms

Organisations should regularly review AI-supported HR outcomes to identify potential bias or inconsistent treatment.

Fairness assessments should consider the quality of input data, the relevance of decision criteria, and the impact of automated outcomes on different employee groups.

3. Maintain human oversight

AI should support HR decision-making rather than automatically replace managerial accountability.

Decisions involving recruitment rejection, promotion, performance ratings, disciplinary action, and other consequential employment outcomes should have appropriate human review and appeal mechanisms.

4. Improve employee confidence through training

Organisations should introduce AI awareness and digital capability programmes.

Training should explain:

- The purpose of AI-enabled HR applications.
- How employees can interact with the systems.
- What types of information are processed.
- The limitations of AI-generated recommendations.
- How employees can seek human assistance.

5. Strengthen organisational accountability

Management should establish clear responsibility for AI-enabled HR decisions.

Employees should know which organisational department is responsible for system governance, data protection, complaint handling, and reviewing disputed decisions.

6. Protect employee data

Organisations should communicate their policies concerning employee data collection, storage, access, retention, and use.

Appropriate privacy safeguards should be integrated into AI-enabled HRM implementation.

7. Build employee participation into AI implementation

Employees should be encouraged to provide feedback during the design, pilot testing, and implementation of AI-enabled HR applications.

Involving employees in the implementation process can help identify operational difficulties and improve organisational acceptance.

VIII. CONCLUSION

The study examines the relationships among perceived fairness, algorithmic transparency, employee confidence, organisational trust, and AI adoption intention in AI-enabled human resource management.

The proposed framework positions perceived fairness, transparency, and employee confidence as important contributors to organisational trust. Organisational trust is subsequently examined as a predictor of employees' intention to adopt AI-enabled HRM systems.

The analysis indicates that all three employee-related factors positively contribute to organisational trust. Algorithmic transparency demonstrates the strongest standardised influence among the three predictors in the model. Organisational trust also demonstrates a positive and significant relationship with AI adoption intention.

The study highlights that the successful implementation of AI-enabled HRM requires more than investment in advanced technology. Organisations must also establish fair procedures, communicate AI-related decisions transparently, provide employee training, and maintain accountability for automated outcomes.
For Indian organisations, these findings provide a conceptual and managerial basis for implementing AI-enabled HR practices in a manner that considers employee confidence and organisational trust alongside technological efficiency.

The central conclusion is that organisational trust can serve as an important link between responsible AI governance and employee willingness to adopt AI-enabled HRM systems.

Limitations of the Study
The study has several limitations.

- **Sample size:** The proposed sample of 160 respondents may not adequately represent the diversity of all Indian industries and employee groups.
- **Sampling method:** Purposive and convenience sampling may introduce selection bias and limit generalisability.
- **Cross-sectional design:** The proposed research measures employee perceptions at one point in time. It cannot establish causal relationships or explain how trust changes during long-term AI implementation.
- **Self-reported responses:** Questionnaire responses may be influenced by social desirability, individual experiences, and differences in AI awareness.
- **Sectoral differences:** Employees in IT, banking, manufacturing, pharmaceuticals, and other sectors may experience different types of AI-enabled HR applications.
- **Limited model:** The study focuses on five constructs and does not directly examine organisational culture, perceived usefulness, privacy concerns, digital literacy, algorithmic accountability, or human oversight as separate variables.
- **Adoption intention versus actual adoption:** Employees' willingness to use AI-enabled HR applications may differ from their actual usage behaviour.

Future Scope of the Study
Future research can extend the proposed framework in several directions.

- **Larger and more representative samples:** Future studies may examine 400–600 employees across different Indian states and organisational sectors.
- **Sector-specific comparisons:** Separate investigations may be conducted in IT, banking, manufacturing, healthcare, and pharmaceutical organisations to identify differences in employee trust and AI adoption.
- **Mediation analysis:** Future research can investigate whether organisational trust mediates the relationship between perceived fairness, transparency, employee confidence, and AI adoption intention.

- **Moderation analysis:** Digital literacy, age, work experience, organisational culture, and previous exposure to AI may be examined as moderating variables.
- **Longitudinal research:** Employee perceptions can be measured before and after the introduction of AI-enabled HR systems to understand changes in trust and adoption over time.
- **Actual usage behaviour:** Future studies may compare employees' stated adoption intention with system usage records, where appropriate and ethically permitted.
- **Responsible AI governance:** Further research can examine human oversight, explainability, privacy protection, algorithmic accountability, and employee participation as additional organisational factors.

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