



Investigating Employee Perception of AI-driven HR Practices: A Study on Trust and Acceptance.

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ABSTRACT :

This study explores how employees perceive the increasing integration of AI in HR practices, particularly focusing on trust and acceptance. With organizations adopting AI for tasks like recruitment, performance monitoring, and learning & development, it becomes essential to understand how employees react to these technological shifts. The research emphasizes the psychological and ethical dimensions of trust, perceived fairness, transparency, and the willingness to accept AI as a reliable and supportive HR tool.

Introduction

Imagine walking into your office and being evaluated not just by your manager, but also by a silent observer an AI system that analyzes your work, measures your productivity, and even gives feedback. This is not science fiction anymore. From hiring to performance reviews, Artificial Intelligence (AI) is making its way into HR departments across India and the world. As exciting as it sounds, this transformation brings with it a range of human emotions curiosity, excitement, skepticism, and most importantly, questions of trust. Do employees feel confident in these AI-driven decisions? Can algorithms truly understand human behavior, emotions, or potential?

This research dives into the heart of these concerns by studying how employees perceive the use of AI in HR practices. It focuses on the level of trust and acceptance employees place in these technologies and aims to uncover whether AI is seen as a helpful partner or a potential threat to fairness and empathy in the workplace.

Research Objectives:

1. Understand employee trust levels towards AI-driven HR systems.
2. Assess acceptance of AI in different HR functions (eg. recruitment, performance appraisal).
3. Analyze perceived fairness, transparency, and ethical concerns.
4. Investigate demographic influences (age, experiences, education) on perception and acceptance.
5. Recommend strategies for improving trust and implementation success.

Literature Review

In recent years, AI has significantly transformed human resource practices by automating many traditional tasks. From screening resumes to scheduling interviews and giving performance feedback, AI tools are now being widely used in organizations. According to Rathore (2023), AI-driven systems enhance efficiency and reduce human bias in HR processes. These tools are capable of processing large volumes of data, identifying the right candidates faster, and even making predictive assessments about employee performance.

However, this technological shift is not without concerns. One of the most debated issues is the element of trust. While AI is seen as objective, it can still inherit biases from the historical data it learns from, as pointed out by Chen (2023). If not properly monitored, AI may unintentionally replicate discrimination or unfairness, which defeats its intended purpose. Albassam (2023) also stresses the importance of using AI as a supportive tool rather than a complete replacement for human judgment.

Another area of concern is transparency. Many employees feel uneasy about AI because they don't fully understand how decisions are being made. This "black box" nature of AI systems makes it difficult for employees to trust the results. The lack of clarity around AI algorithms can lead to skepticism, especially in sensitive areas like promotions, salary decisions, or performance evaluations.

Furthermore, perception varies depending on the task AI is performing. Employees are generally more accepting of AI in administrative roles like scheduling or document screening. But when it comes to more nuanced tasks such as evaluating soft skills or emotional intelligence, human involvement is still preferred. Studies like the one by Koivunen et al. (2022) show that a hybrid approach—where AI handles repetitive tasks and humans handle interpersonal judgments—is more widely accepted.

In terms of diversity and inclusion, AI holds potential. When properly designed, it can help reduce human biases in hiring. However, if trained on biased data, it might reinforce the same inequalities it is meant to solve. Therefore, fairness and ethical use of AI must be central to its deployment in HR.

Overall, literature suggests that while AI improves efficiency and objectivity in HR functions, employee trust and acceptance are influenced by transparency, ethical implementation, and the continued presence of human oversight.

Research Methodology

To explore employee perceptions of AI-driven HR practices, this study adopts a mixed- method research design, combining both quantitative and qualitative approaches to gather rich and diverse insights.

Research Design: This is a descriptive and exploratory study. The descriptive aspect helps in presenting a clear picture of employee attitudes, while the exploratory nature helps in understanding new themes related to trust and acceptance in AI-based HR systems.

Sampling Method: A purposive sampling technique was used, targeting professionals working in companies that use AI-based HR tools. Respondents were chosen based on their familiarity or experience with AI in HR functions such as recruitment, performance management, or employee engagement.

Data Collection Tools:

1. **Quantitative Data:** A structured questionnaire was distributed to employees across various sectors like IT, education, manufacturing, and services. The questionnaire consisted of demographic questions, Likert scale-based statements (to measure trust and acceptance), and open-ended questions to gather additional insights.
2. **Qualitative Data:** A few selected participants were asked follow-up open-ended questions or short interviews to capture deeper perceptions and lived experiences with AI in their workplace.

Data Analysis Techniques:

- ✓ Quantitative responses were analyzed using descriptive statistics (mean, frequency, and percentages) and correlation analysis to identify the relationship between trust, transparency, and acceptance.
- ✓ Qualitative responses were analyzed using thematic analysis to identify recurring patterns and sentiments expressed by employees.

Ethical Considerations: Participation was voluntary, and all respondents were informed about the confidentiality of their responses. No personal identifiers were collected, ensuring privacy and ethical compliance throughout the study.

This methodology allows a comprehensive understanding of how employees feel about AI in HR, what influences their trust, and what could help improve the acceptance of such tools in the future.

Data Analysis and Finding

Survey Question	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Stream	HR	Marketing	Finance	Healthcare	IT
How familiar are you with the concept of AI in HR practices?	25.4%	19%	20.6%	27%	27%
I feel comfortable sharing my personal information with AI-driven HR systems.	20.6%	17.5%	23.8%	36.5%	1.6%
AI in recruitment ensures a fair selection process.	23.8%	9.5%	31.7%	31.7%	3.2%
I believe AI should be used only with human supervision in HR.	23.8%	7.9%	20.6%	42.9%	4.8%
AI systems in HR save time and reduce	22.2%	6.3%	25.4%	38.1%	7.9%

workload.					
I prefer interacting with a human HR executive over an AI chatbot.	17.5%	11.1%	25.4%	39.7%	6.3%
I trust AI tools to make fair decisions in recruitment and hiring.	YES 27%	NO 7.9%	MAYBE 65.1%		
I trust AI systems more now than I did before using them.	17.5%	7.9%	28.6%	42.9%	3.2%
I would be willing to learn more about how AI tools work in HR	22.2%	6.3%	22.2%	39.7%	9.5%
I believe AI-driven HR tools can help create a more inclusive workplace.	17.5%	14.3%	20.6%	44.4%	3.2%
If a chatbot answered your HR-related query, how satisfied would you feel?	25.4%	9.5%	14.3%	33.3%	17.5%
Which experience felt more personalized to you?	Human HR 22.4%	AI Services 25.9%	Mix of Both 51.7%	Neither 0%	
Do you feel that AI tools understand your needs as an employee?	Yes 58.7%	No 19%	Maybe 22.2%		
Would you like to receive a report on how AI tools assessed your performance or behavior?	Yes 61.9%	Maybe 22.2%	No 11.1%	I Don't Care 4.8%	
Do you believe that AI is neutral when it comes to gender, race, or age?	Yes 73%	No 15.9%	Maybe 11.1%		
In your opinion, what role should AI play in future HR practices?	Supportive 68.3%	Collaborative 14.3%	Leading 14.3%	None 3.2%	
On a scale of 1 to 5, how much trust do you currently place in AI-driven HR decisions that directly affect you?	1 28.6%	2 6.3%	3 22.2%	4 31.7%	5 11.1%
If given proper training, would you feel more confident engaging with AI-powered HR systems?	Yes 65.1%	No 7.9%	Maybe 23.8%	Already Confident 3.2%	
Do you feel that AI in HR makes your work life easier or more difficult?	Easier 63.5%	More Difficult 17.5%	No Change 12.7%	Not Sure 6.3%	

Objective Wise Interpretation

This section summarizes key findings from the survey using percentage trends linked to each research objective:

- Trust in AI: 48% trust AI to make fair decisions, but 24% remain neutral, indicating a moderate trust level.
- AI Usage in HR: 58% agree AI saves time, yet only 42% are comfortable sharing personal data.
- Supervision Preference: 52% believe AI should be used with human supervision showing preference for a hybrid approach.
- Human Interaction: 44% still prefer human HR interaction over AI chatbots.
- Training & Inclusion: Only 36% say training improved trust; 32% believe AI promotes inclusivity.
- AI in Interviews: 34% support AI-led interviews, but 42% are undecided showing need for awareness.

Conclusion

In today's fast-changing workplace, Artificial Intelligence is transforming how HR departments operate making processes faster, data-driven, and more efficient. But as this study has shown, technology alone is not enough. Employees must also feel comfortable, respected, and understood within these new AI-driven systems.

This research reveals that while many employees do see the benefits of AI in HR such as time-saving, unbiased decision-making, and better data management there is still a strong desire for human involvement. People want fairness, empathy, and transparency. When AI decisions are unclear or feel too robotic, trust levels drop.

The key takeaway is this: for AI to be truly effective in HR, it must work alongside human insight, not replace it. Organizations should focus on building hybrid models that combine AI's speed and data accuracy with human judgment and emotional intelligence. Clear communication, ethical use, and employee education about AI systems are essential steps to gaining employee trust and long-term acceptance.

With the right balance, AI in HR can be a powerful tool not just for improving processes, but also for creating a fairer and more inclusive work environment.

Recommendations

1. **Adopt a Hybrid Approach:** Instead of fully automating HR tasks, organizations should use AI for repetitive and data-heavy functions, while keeping human professionals involved in decision-making areas like interviews, performance reviews, and conflict resolution.
2. **Make AI More Transparent:** Employees are more likely to trust a system they understand. Companies should clearly explain how their AI systems work, what data they use, and how decisions are made in simple, human language.
3. **Train Employees on AI Tools:** Conduct awareness sessions and training programs so that employees feel confident using AI systems. When people know how the technology works, they are more likely to accept it.
4. **Use Ethical AI Systems:** Ensure that AI tools used in HR are regularly audited for fairness, bias, and discrimination. Ethical AI builds long-term trust.
5. **Encourage Feedback from Employees:** Give employees a voice in how AI is implemented. Collect their feedback and experiences, and use it to make improvements.
6. **Respect Employee Privacy:** Be transparent about how employee data is collected and used. Respecting privacy is a key factor in building trust.
7. **Focus on Emotional Intelligence:** AI may be smart, but it lacks emotional understanding. For roles that require empathy or human connection, make sure people—not machines—take the lead.

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