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RECRUITMENT USING ARTIFICIAL INTELLIGENCE(AI) ON CANDIDATE ENGAGEMENT AND EMPLOYEE RETENTION RATE AT HIRINGEYE SOLUTIONS PRIVATE LIMITED

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Abstract: The research examines the effect of data-driven hiring through Artificial Intelligence (AI) on candidate experience and employee retention in medium- to large-sized organizations. While organizations become more digital in their drive, the use of AI in hiring has become one of the primary ways to enhance recruitment success and workforce stability. The study seeks to evaluate the impact of AI-driven hiring practices on how job applicants participate throughout the recruitment process and how these practices correlate with long-term job retention in the company.

The study findings indicate widespread AI adoption in companies under investigation, as respondents confirmed that AI-driven recruitment assisted in finding appropriate candidates and eliminating human prejudice. The majority of respondents concurred that recruitment practices were in line with real job duties and organizational culture, contributing to improved job satisfaction and employee retention. Statistical testing proved the relationship between AI-based hiring, engagement of candidates, and retention of employees to be very positive. Engagement was also highly connected to seeing that evaluated skills could be applied in everyday jobs.

The research indicates that the candidates who undergo transparent, fair, and meaningful recruitment are more likely to stay with the organization. These findings confirm the rejection of the null hypotheses and establish that AI-based recruitment has a strong positive effect on engagement and retention. The results imply that organizations need to embrace ethically sound and strategically aligned AI-based recruitment strategies to attract, engage, and retain best talent in an increasingly competitive labour market.

Keywords: Data-Driven Recruitment, Candidate Engagement, Employee Retention Rate, Predictive analytics, Compliance and ethical Consideration.

I. INTRODUCTION

In the dynamic landscape of human resource management, artificial intelligence (AI) and data analytics are revolutionizing traditional recruitment by replacing manual, subjective, and time-intensive practices with data-driven, scalable, and more accuratesystems.AI technologies like machine learning ,natural language processing, predictive analytics,andchatbotsarebeingleveragedtoenhancevariousrecruitmentfunctions— such as resume screening, candidate communication, and cultural fit assessments— while simultaneously improving candidate engagement through timely, personalized, and interactive experiences. These systems also enhance employee retention by ensuring better alignment between candidate expectations and organizational realities, using predictive algorithms to assess skills, values, and potential fit. Theoretical frameworks such as the Technology Acceptance Model, Expectancy Theory, and Person-Organization Fit Theory underpin the study, illustrating how AI influences both short-term candidate engagement and long-term retention outcomes. While AI brings an efficiency, fairness, and better match quality, it also raises an ethical Concerns around data privacy, algorithmic bias, and transparency. Therefore, the study advocates for a hybrid recruitment model that balances AI-driven efficiencies with empathetic human oversight, promoting equitable, engaging, and sustainable talent acquisition strategies. Ultimately, the responsible and thoughtful

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implementation of AI in recruitment has the potential to transform not just hiring practices but the broader organizational culture by fostering trust, inclusivity and strategic workforce alignment. As organizations continue to adapt to digital transformation, the integration of AI must be guided by human-centered design, ethical standards, and continuous evaluation to ensure long-term effectiveness and acceptance by all stakeholders. AI-powered platforms enable recruiters to process vast volumes of applicant data in real time, uncovering hidden talent pools and reducing time-to-hire. These advancements also support diversity initiatives by helping to eliminate unconscious bias—provided the algorithms themselves are regularly audited and ethically developed. Importantly, continuous feedback loops and adaptive learning systems ensure that recruitment models evolve with organizational needs. As a result, AI is not just a tool but a strategic enabler in reshaping the future of work and talent management.

Building on the foundation of AI-enabled recruitment transformation, this paper delves deeper into the operational, psychological, and organizational implications of integrating artificial intelligence into the end-to-end talent acquisition lifecycle. As organizations transition toward digital maturity, it becomes imperative to understand how AI-driven decision-making interfaces with organizational values, employee perceptions, and evolving workforce expectations. This study expands the scope by examining how real-time analytics, sentiment analysis, and AI-supported on boarding influence not just hiring outcomes but long-term organizational commitment and productivity.

Furthermore, the research explores how cross-functional collaboration between HR professionals, data scientists, and organizational leaders fosters a culture of ethical innovation. It emphasizes the need for transparency in algorithm design, explainability in recruitment Decisions, and co-creation of policies that align technological efficiency with employee well-being. By integrating constructs from institutional theory, job embeddedness theory, and organizational justice, the study underscores how AI adoption in HR is not just a technical evolution but a socio-organizational shift requiring change management, up skilling, and trust-building. Ultimately, this paper positions AI not merely as a recruitment tool, but as a transformative agent that can realign HR practices with strategic business goals— provided its implementation is grounded in fairness, inclusivity, and human-centric principles.

AI systems become more embedded in recruitment processes, organizations must also consider their impact on employer branding and candidate experience. The transparency and personalization enabled byAI tools can significantly influence how potential employees perceive a company's values and professionalism. However, without careful calibration, AI-generated communications may feel impersonal or overly mechanical, undermining trust.

II. REVIEWOFLITERATURE

Vroom(1964) Expectancy Theory, as originally conceptualized by Vroom (1964), remains a fitting theoretical model, especially in the context of explaining candidate reactions to recruitment processes enhanced through artificial intelligence. As long as candidates are certain that their participation in such a process will yield positive results—such as unbiased assessment and possible job offers—there is a better likelihood that they will maintain motivation and receptiveness. Such a connection highlights the need to develop AI systems characterized by transparency, communication, and alignment with candidate expectations.

Davisetal.'s(1989) Technology Acceptance Model (TAM) is frequently employed to examine the acceptance and use of artificial intelligence within work environments**.** Davis et al.'s (1989) empirical research and the modification offered by Venkatesh and Davis(2000) confirm that perceived usefulness and usability have a considerable influence on users' intentions regarding the adoption of new technologies. Within the work environment, it is critical that employment seekers and human resource workers see AI systems as useful and usable in order to facilitate mass acceptance and actual use.

McCarthyetal.(2017) From the candidate perspective, research by Mc Carthyetal.(2017**)** indicates that high levels of candidate interest and trust are essential, necessitating timely and open communication. AI chat bots and virtual recruitment assistants enable this need through consistent, trustworthy, real-time interaction, minimizing uncertainty, and managing expectations during the recruitment process. Informed and regularly updated candidates are likely to have a positive experience of the recruitment process, leading to increased organizational commitment once they have been employed.

Binnset al. (2018) According to Binnsetal.(2018**)**,algorithm recruitment systems can assist in making more balanced decisions by stripping away subjectivity in the evaluation of candidates, so long as the algorithms are well-designed and regularly audited. These are, however, subject to the quality and diversity f the data used to train the algorithms. Inadequate or biased data may inadvertently perpetuate systemic inequalities, with calls for increased accountability and transparency in AI recruitment system

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Rajietal. (2020)&Liemet al. (2018) While the advantages are reported, research also outlines the limitations and risks of AI in the workplace. A worry is the "black box" nature of most AI algorithms, with reasoning for decision-making that cannot be explained even to designers**.** Raji et al. (2020) call attention to the need for explainable AI in fostering accountability and stakeholder trust. In addition, empirical research by Liemetal.(2018) cautions against excessive dependence on automatic systems, underlining the long-term value of human judgment, particularly for assessing complex soft skills and interpersonal attributes.

Chamorro-Premuzicetal. (2019) Chamorro-Premuzicetal.(2019) affirm thatAI-based recruitment systems have unprecedented predictive accuracy over standard human-cantered approaches through broad data analysis.The authors' study suggests that machine learning algorithms have the potential to greatly improve the objectivity and fairness of candidate assessment.

van Esch and Black (2019) Additionally, van Esch and Black (2019) claim that artificial intelligence makes recruitment processes more effective through time savings in hiring and reducing administrative costs.AI-driven technologies such as resume parsing technologies and chat bots facilitate quick candidate screening and immediate candidate engagement, thereby improving the candidate experience. All these technologies are of critical significance in high-volume recruitment scenarios where speed and scalability determine success.

SharmaandSharma's(2020) The impact of artificial intelligence-driven hiring on employee retention has been examined within recent academic literature. Sharmaand Sharma's (2020**)** study shows that companies using AI to make decisions on cultural fit and role fit during the pre- hire stage have increased job satisfaction and lower turnover. which finds that Individual–organization fit (P–O fit) is at the core of cultivating long-term commitment. and loyalty among employees. Use of AI technologies enhances the accuracy of such fit assessments by analysing linguistic, behavioural, and psychometric information.

Simonetal2023 In 2023, Simon et al. detected gender-based biases in AI explanations of LinkedIn profiles, which challenged the fairness of algorithms. Mean while, Unilever's use of AI saved 75% of hiring time, demonstrating how automation can enhance efficiency.

MujtabaandMahapatra2024 In2024, Mujtaba and Mahapatra discussed AI hiring fairness, suggesting bias auditing tools and ethical protection. Research in Frontiers in Human Dynamics revealed that AI technology such as Chat GPT enhanced candidate quality and minimized time-to- hire, albeit effectiveness varied with organizational preparedness. Reports from the industry indicated that 70% of organizations leverage AI for resume Screening and 65% of applicants anticipate chatbot assistance, which shows increasing inclination toward data-driven interactions. Predictive analytics also proved to be the leading retention tool

Santoshi Shetty ., & Panthulu Bharath Kumar (2025): This study examines how negative behaviours at work, like bullying and theft, impact employee performance. By reviewing previous research and conducting surveys, we found that such behaviours significantly lowerjob satisfaction, productivity, and increase the likelihood of employees wants to leave. The company's culture and leadership can either mitigate or worsen these effects. To improve performance and create a healthier workplace, we recommend clear policies, regular training ,and a supportive environment that discourages bad behaviour and promotes ethics. This study offers practical insights for managers and HR professionals to enhance employee well-being and organizational success.

.**Visali. K, and Alekya. G, (2025):** In today's fast-changing and uncertain environment, leaders must go beyond resilience and become antifragile—growing stronger through challenges. This study explores antifragile leadership and how it can be developed in practice. Antifragile leaders show adaptability, learning agility, mental strength, and bold decision-making under ambiguity. The study examines how such leaders learn from disruption and perform under pressure. Findings highlight the need to integrate antifragility into leadership development programs.

Vijayalakshmi, P., & Swapna, K. (2019). The study analyzed employee engagement factors, satisfaction levels, and cultural diversity as independent variables, with organizational performance as the dependent variable. Data were collected through structured, validated questionnaires and tested through a pilot study. Statistical tools including percentage analysis, weighted average, and ANOVA were applied using SPSS. Findings at a 95% confidence level confirmed all proposed hypotheses, indicating a significant positive relationship between employee engagement determinants and organizational performance.

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S.Swapna and Mukrala Anitha (2025): This study examines how HR diversity practices influence work group inclusion in selected pharmaceutical companies. Grounded in Optimal Distinctiveness Theory and organizational justice frameworks, it explores the mediating role of leadership in translating diversity policies into inclusive outcomes. Findings indicate that inclusive leadership and fair practices enhance employees' perceptions of belonging, engagement, and overall workplace inclusion

A Mounika , and Rangappagari .Kavya, (2025) This study aimed to examine the effect of employees engagement, as well as recognition on an organization, within the context of Tech Mahindra as an IT organization. Based on the analysis, the study found that recognizing an organization has a positive effect on an employee performance and motivation in the workplace. Employees who feel recognized will be more engaged and will perform better. Based on this study, career growth, performance feedback, and work-life balance are also important in fostering an employee's commitment to the organization.

Umapathi P, and Mounika A. (2002): A decade ago, remote work was hardly ever done. Working from home was often only possible under rare circumstances to support families in particular situations. The COVID-19epidemic has sparked a rise in remote working practises in the IT industry. The availability of technical lsolutions that enable remote employees has made remote work more prevalent. When working remotely, remote employees experience less stress. In this regard, our study tried to investigated how remote work affected employees' productivity and efficiency. employee stress. The study clearly shows that remote working affects
the performance of IT personnel

Research Gap

Most firms nowadays are employing Artificial Intelligence (AI) in the hiring process in order to save time and select the appropriate candidates. Most research in the past tends to discuss only the technical advantages of AI—such as quicker hiring, less manual effort, and cost savings. But hardly any research has been done to understand how candidates fee l while undergoing the AI-driven hiring process, or if this process makes them feel connected and involved with the organization. Also, in sufficient information is provided regarding whether AI hiring makes workers remain in the organization for longer once employed.

The majority of studies don't clarify whether the tested skills in AI hiring are actually applied within the job after the individual is hired. Significant considerations such as whether the process was unbiased, whether it simulated the actual workplace, and whether individuals were motivated and satisfied, tend to be neglected. These are significant determiners that may influence engagement and employee retention but remain unexamined thoroughly.

Another huge lacuna is that much of the current research is from other nations and might not be so suitable for Indian firms. Indian companies, particularly in industries such as IT, might have various work cultures, recruitment processes, and technology adoption. There is hardly any research that illustrates how AI recruitment is done in Indian firms and how workers here react to it. This project bridges that gap by examining the impact of AI hiring on candidate engagement and employee retention rate.

III. RESEARCH METHODOLOGY

Objectives of The Study

1. To assess the impact of AI-Driven Recruitment on candidate engagement.

2. To Examine the Relationship between AI-based Recruitment and Employee Retention Rates.

Hypothesis of the study

1. Ho(Null Hypothesis):AI-Driven recruitment has no significant impact on the candidate engagement.
2. H1(Alternative Hypothesis):AI-Driven recruitment has significant positive impact on the candidate engagement.
3. Ho(Null Hypothesis): There is no significant relationship between the AI-Driven recruitment and the employee retention rate.
4. H1(Alternative Hypothesis):AI-Driven recruitment has a significant positive relationship with employee retention rate.

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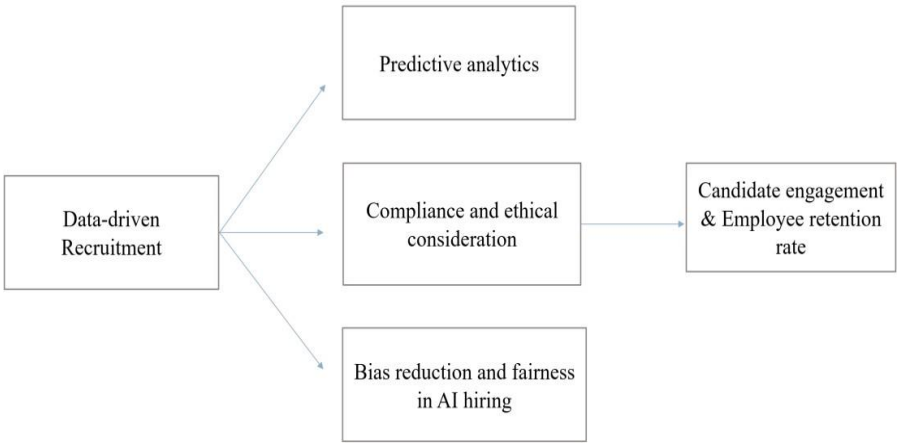
RESEARCH MODEL



Objective-1

To assess the impact of AI-Driven Recruitment on candidate engagement.

Ho: AI-Driven recruitment has a no significant impact on candidate engagement

REGRESSION

Table2.20: Regression

ModelSummary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.862	.744	.739	.620

a. Predictors: (Constant), Employee Retention Rate [The recruitment process accurately reflected the work environment I experienced after joining.],Data- Driven Recruitment [AI-Driven recruitment tools have helped in identifying candidates with the right skills more effectivelv]

The regression model demonstrates a strong positive relationship between the independent and dependent variables, as shown by the R value of 0.862.TheRSquare value of 0.744 indicates that 74.4% of the variation in the dependent variable is explained by the model, which reflects a high level of predictive power. The Adjusted R Square of 0.739 confirms this strength even after adjusting for the number of predictors used, suggesting the model is not over fitted. The Standard Error of Estimate (0.620) indicates that average distance that observed values fall from the regression line; a lower value here suggests that predictions are relatively accurate and tightly clustered around the actual data points

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	136.137	2	68.068	176.871	<.001[b]
	Residual	46.951	122	.385		
	Total	183.088	124			

A. Employee Retention Rate[I am more likely to stay with the company due to the positive experience during the AI-driven recruitment process.]

Bb. Predictors: (Constant), Employee Retention Rate [The recruitment process accurately reflected the work environment I experienced after joining.],Data- Driven Recruitment [AI-Driven recruitment tools have helped in identifying candidates with the right skills more effectively]

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The ANOVA table provides evidence that the regression model is statistically significant. The regression mode l(Regression Sum of Squares) explains136.137ofthe dependent variable's total variation of 183.088, leaving 46.951 unexplained. and attributed to residual error. With 2 degrees of freedom for the regression and 122 for the residuals, the Mean Squarevaluesare68.068and0.385, respectively. The resulting F-statistics 176.871, which is quite high, and the associated significance value is less than .001. This indicates that the overall model significantly predicts the outcome variable, meaning that atleast one of the independent variables contributes Meaningfully to explaining the variance in the dependent variable. In other words, the regression model provides a much better fit than a model with no predictors.

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.297	.182		1.630	.106
	Data -Driven Recruitment [AI- Driven recruitment tools have helped in identifying candidates with the right skills more effectively]	.244	.057	.256	4.314	<.001
	Employee Retention Rate[The recruitment process accurately reflected the work environment I experienced after joining.]	.707	.062	.677	11.435	<.001

a. Dependent Variable: Employee Retention Rate[I am more likely to stay with the company due to the positive experience during the AI-driven recruitment process.]

Source: Compiled Data

The coefficients table shows that both independent variables significantly predict the dependent variable. The variable "Data-Driven Recruitment" has a positive and statistically significant effect(B=0.244,p<.001),indicating that as perceptions of AI recruitment effectiveness increase, so does the outcome variable. More importantly, "Employee Retention Rate" has a stronger positive impact (B = 0.707, p < .001), suggesting that when candidates feel the recruitment process accurately reflected the actual work environment, their responses on the dependent variable rise more substantially. The standardized coefficients (Beta = 0.256 and 0.677, respectively) confirm that the second variable is the stronger predictor in the model, while the intercept is not statistically significant (p = .106), indicating limited standalone predictive value.

Objective-2:

To Examine the Relationship between AI-based Recruitment and Employee Retention Rates

Ho**:** There is no significant relationship between AI-Driven recruitment and employee retention rate.

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CORRELATION

Table-2.21: Correlation

Correlations				
		Data-Driven Recruitment [AI-Driven recruitment tools have helped in identifying candidates with the right skills more effectively]	Candidate Engagement[I believe I would feel motivated and inspired by the culture of this workplace.]	Employee Retention Rate [I feel that the skills assessed during the AI-driven recruitment process are utilized In my current role.]
Data -Driven Recruitment [AI-Driven recruitment tools have helped in identifying candidates with the right skills more effectively]	Pearson Correlation	1	.706**	.735**
	Sig.(1-tailed)		<.001	<.001
	N	125	125	125
Candidate Engagement [I believe I would feel motivated and inspired by the culture of this workplace.]	Pearson Correlation	.706**	1	.736**
	Sig.(1-tailed)	<.001		<.001
	N	125	125	125
Employee Retention Rate [I feel that the skills assessed during the AI-driven recruitment process are utilized in my current role.]	Pearson Correlation	.735**	.736**	1
	Sig.(1-tailed)	<.001	<.001	
	N	125	125	125
**.Correlation is significant at the 0.01level (1-tailed).				

Source: Compiled Data

The analysis shows strong positive relationships between data-driven recruitment, candidate engagement, and employee retention. As AI-based recruitment improves, candidates feel more engaged and are more likely to stay. The correlation between data- driven recruitment and engagement is r=.706, and with retention, r=.735. Candidate engagemen t and retention are also strongly linked(r=.736).This suggests that effective AI recruitment leads to better engagement and skill-role alignment.

IV. FINDINGSOFTHESTUDY

1. AI recruitment tools are extensively used by the surveyed organization, reflecting extensive integration with hiring processes.
2. The majority of employees indicated that AI tools assisted in finding candidates with the appropriate skills and

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minimized human bias during recruitment.

3. The respondents concurred that AI-reinforced recruitment was more effective and efficient compared to conventional methods.
4. Regression analysis established a robust positive correlation(R=0.862) between AI recruitment practice and employee retention performance.
5. The hiring process clearly mimicked the real work environment, and it had a major role to play in retention (β = 0.677).
6. The skills tested in AI-enabled recruitment were said to be applied at work, enhancing job alignment and satisfaction.
7. Employee retention and candidate engagement were highly and positively correlated ($r \approx 0.736$).
8. Employees showed belief in the fairness of AI tools, ongoing development , and the safe processing of personal information.
9. A positive AI hiring experience was related to greater motivation, cultural fit, and intention to remain.
10. These results lend support for the denial of the null hypotheses and confirm that AI-driven hiring improves engagement and retention.

V. LIMITATIONSOFTHESTUDY

1. The study considers only organizations within a single national context, limiting its applicability to other countries with different legal systems, cultures, and AI adoption rates.
2. The research focuses on specific sectors such as information technology, finance, and healthcare, potentially missing insights from industries with less AI usage or different HR practices.
3. Data collection relies on self-reported surveys and interviews, which may be influenced by social desirability or participants 'limited understanding of AI tools.
4. The sample size used in the study may not be large or diverse enough to represent all organizational types, which could limit the generalizability of the results.
5. Ethical concerns such as data privacy and algorithmic bias are mentioned, they are not explored in detail, leaving a gap for future research to address.
6. Given the fast pace of AI development, some findings may quickly become outdated as newer and more advanced recruitment technologies emerge.

VI. SUGGESTIONSOFTHESTUDY

1. Organizations need to increase the application of AI in recruitment to enhance efficiency and candidate involvement. These include the applications such as chat bots, resume screening, and automated testing.
2. AI-based tests need to be based on real-job tasks to facilitate improved job fit and increased retention of newly hired employees.
3. Adding cultural fit analysis to AI recruitment can also identify candidates who fit organizational values, supporting long-term involvement.
4. Transparency in the manner of AI drives hiring decisions is essential to establishing trust and enhancing candidate perception of fairness.
5. Ongoing auditing of AI hiring tools is required to avoid bias and achieve ethical, compliant hiring.
6. Real-time, personalized feedback via AI systems can enhance the candidate experience and retain them involved in the hiring process.
7. HR practitioners need to be taught to utilize and interpret AI tools for optimal application, balancing automation and human intervention.
8. Good data safeguard need to be sustained in order to up hold trust among candidates and employees in the AI system deployed for recruitment.

i. Observation of AI-hired post-hire performance serves to fine-tune recruitment strategies and enhance organizational performance.

9. AI can be used not only for recruitment but also for recommending career growth opportunities, aiding employees' development and retention.

VII. CONCLUSION OF THE STUDY

The research concludes that AI-based recruitment makes an important and positive contribution to both candidate engagement and employee retention. Regression analysis proved that the application of AI-based recruitment tools, specifically those that realistically mirror job positions and work environments, strongly predicts increased employee

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satisfaction and employee retention. Correlation findings also showed strong positive relationships between data-led recruitment practices and candidate engagement.

The information showed that the workers going through AI-driven recruitment processes were more apt to be motivated by the organization culture and identified a distinct correlation between recruitment tests and job duty. Additionally, the vast majority asserted faith in data protection and said that positive feedback and developmentopportunitieswereaccessiblesoonafteronboarding—drivers that lead to direct.

In conclusion, the study supports the competing hypotheses that AI recruitment has a significant positive effect on candidate engagement and employee retention. These findings provide implications that organizations need to prioritize the strategic and ethical adoption of AI technologies in their talent acquisition practices to capture, engage, and retain best talents in an increasingly competitive labour market.

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