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HARNESSING THE POWER OF A.I TECHNOLOGIES FOR OPTIMAL EMPLOYEE RECRUITMENT AND SELECTION STRATEGIES.

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ABSTRACT

This research delves deeply into the potential impacts of incorporating artificial intelligence (AI) Technologies on the critical Human Resources Management (HRM) functions of recruitment and selection within organizations. Adopting a rigorous quantitative methodology, the study takes an empirical and descriptive approach, collecting data from 213 participants through a survey using scaling sampling techniques. The collected data was then analyzed using the robust capabilities of Structural Equation Modeling (SEM) in the SmartPLS software 4.0. The study's findings provide strong evidence of the significant influence that AI can have on the core HRM activities of selection and recruitment. These insights hold valuable practical implications for human resources professionals operating in Pakistani organizations, offering implementable suggestions to leverage the power of AI while remaining cautious of potential biases. This research underscores the transformative potential of artificial intelligence within the HRM domain, but also emphasizes the critical need for diligent, ethical, and responsible implementation. By maintaining the right balance, organizations in Pakistan can utilize AI to enhance efficiency, objectivity, and scalability in talent management, while minimizing risks like algorithmic discrimination and unintended consequences.

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INTRODUCTION

The banking industry is acutely aware of the critical importance of attracting and retaining top talent within the job market. In today's intensely competitive landscape, both Islamic banks and conventional financial institutions must have a robust and efficient recruitment process in place to identify candidates who possess the necessary skills, experience, and knowledge required to thrive within their distinct operational frameworks. Securing these highly qualified individuals is of the utmost priority, as they will be tasked with handling a wide range of mission-critical responsibilities - from managing complex investment portfolios and conducting rigorous financial analyses, to ensuring regulatory compliance and providing exceptional customer service. The most skilled and capable professionals in the field are in high demand, and banks that fail to implement effective talent acquisition strategies risk falling behind their rivals, as these coveted applicants will inevitably gravitate towards organizations that offer competitive compensation, opportunities for advancement, and a positive, supportive work culture. Furthermore, retaining these valuable employees over the long term is equally crucial, requiring banks to cultivate an environment that fosters professional development, work-life balance, and a sense of purpose. Employees who feel empowered, challenged, and appreciated are far more likely to remain loyal to the institution and contribute to its continued success. By investing in their human capital through comprehensive recruitment, onboarding, and retention initiatives, banking institutions can position themselves for sustained growth and innovation in an industry where intellectual assets are the true drivers of progress. Ultimately, the banks that are able to attract, develop, and retain the most talented individuals will be the ones that thrive in today's competitive financial services landscape.

The use of Artificial Intelligence (AI) has revolutionized the recruitment process, offering a more efficient and data-driven alternative to traditional methods. AI systems automate administrative tasks, analyze resumes and cover letters, and identify the most qualified individuals. They also use advanced natural language processing and machine learning to discern nuanced qualifications and cultural fit factors. These assessments can be calibrated to minimize personal biases, ensuring a more equitable evaluation process. This technological revolution in talent acquisition allows organizations to find top talent more efficiently and build more diverse teams. As AI matures, the future of recruitment is expected to be more data-driven, streamlined, and fair. Artificial intelligence (AI) has the potential to streamline recruitment processes in the banking industry, but its application in Islamic banking is still underexplored. Islamic banks, operating under Sharia law, require employees with technical expertise and a deep understanding of Islamic finance practices. This requires a tailored approach to sourcing, evaluating, and onboarding candidates. Understanding the unique cultural, religious, and operational factors of Islamic banks is crucial for a more efficient and Sharia-compliant approach to human capital management. Research on AI

in recruitment has mainly focused on conventional banking institutions and Islamic banking practices. Conventional banking uses AI to optimize hiring pipelines, while Islamic banking prioritizes ethical considerations and alignment with religious tenets. However, a comprehensive analysis of how these sectors use AI remains underexplored. Understanding the interplay between technology, organizational culture, and religious doctrine could provide valuable insights into recruitment strategies in the financial services industry.

Abdelraouf et al (2024). The Impact of Artificial Intelligence (A.I) on Recruitment and Selection of Human Resources Management (HRM). This study aims to bridge this knowledge gap by conducting a comparative analysis of AI-powered recruitment and selection strategies within Islamic and conventional banking sectors. It seeks to:

Investigate how Islamic and conventional banks utilize AI tools for recruitment.

Identify the potential benefits and challenges associated with AI implementation in each sector.

Explore how Islamic banks can adapt AI tools to comply with Sharia principles and identify candidates with the necessary Islamic knowledge. To achieve these objectives, the following research questions will guide the investigation: How do Islamic and conventional banks leverage AI technologies in their recruitment and selection processes? What are the perceived benefits and challenges associated with AI-powered recruitment in each sector? How can Islamic banks adapt AI tools to ensure Sharia compliance and identify candidates with Islamic knowledge?

Research on AI in recruitment has mainly focused on conventional banking and Islamic banking, but has not explored the comparative approaches between these two financial systems. Conventional banking uses AI tools like predictive analytics and facial recognition to optimize hiring pipelines, while Islamic banking, based on Sharia law, has explored AI integration. This study provides valuable insights for HR professionals in both sectors, identifying best practices and potential roadblocks. It also delves into Sharia-compliant approaches for Islamic banks. This research contributes to the field of Islamic banking and finance, which has historically lagged behind in technological innovation. HR leaders can use this knowledge to make informed decisions about AI integration in recruitment workflows, positioning organizations for long-term success in a tech-driven business landscape.

LITERATURE REVIEW

Alowais, S. (2023)., emphasizing the need for ethical reporting, addressing data privacy, prejudice, and human knowledge requirements. Reddy Kunduru, A. (2023). The study explores the use of AI in cloud technologies to improve finance application security, highlighting its benefits like anomaly detection and fraud prevention. Mulla et al (2023) Emerging technologies like cloud computing and AI have significantly improved Indian recruitment and selection processes, enabling faster hiring and more accurate applicant assessments. Thakur et al (2023). The study explores AI's potential in recruiting and selection, highlighting its ability to increase efficiency, reduce bias, and improve staff

development. It also explores how AI can enhance training, retention, and workforce efficiency, potentially reducing bias. Bluemen & Cepollos (2023). Dimensions of the use of technology and Artificial Intelligence (AI) in Recruitment and Selection (R&S): benefits, trends, and resistance. The study explores São Paulo pharmaceutical businesses' use of technology and AI in recruitment and selection, finding benefits like reduced bureaucracy, strategic focus, and cost savings. However, resistance arises due to distrust in candidate selection assertiveness. Bibi, M. (n.d). The article explores the potential benefits and drawbacks of AI in Pakistani HR management, suggesting that while AI can enhance employee performance, it should be accompanied by human-machine interaction training and policy support. Hassan, Q., Abid, et al (2020). The study examines candidate reactions to staff selection processes in Pakistan, involving 149 students, graduates, and working people. The data was analyzed using IBM SPSS in Lahore, Islamabad, and Jhelum. Results showed 112 applicants preferred interview personnel selection techniques, while 101 chose job knowledge exams for fairness. The study's merits and weaknesses were evaluated, and future research paths proposed. Batool, M., & Rashid, M. (2023). This Asian study analyzed 20 qualitative studies on AI in HR recruiting from 2018-2023. It found that AI can improve recruitment methods by prioritizing talent quality, making systems modern, secure, and user-friendly. AI also enhances behavioral and psychometric tests, improving hiring, money, and time management. Talwar, R. & A. P. (2023). The study explores the impact of AI on companies and job seekers, focusing on early employment stages. It evaluates the use of AI tools and applications in recruiting and uses surveys to gather employee feedback. The research also addresses the deteriorating utility of human sources as AI becomes more prevalent in HR activities. Hunkenschroer, A. L., & Luetge, C. (2022). Ethics of AI-Enabled Recruiting and Selection: A Review and Research Agenda. Springer Science and Business Media B.V. AI technology is being used by companies to streamline recruitment processes, including job adverts, resume evaluations, and video interviews. However, ethical implications remain a developing issue in academic research. This study explores the literature, identifying potential hazards, uncertainties, and approaches to address ethical problems, highlighting gaps in the field and the need for further research. Acikgoz, Y., et al (2020). Research shows AI-based interviews are perceived as less fair than human-based ones, and the impact of interview format on candidate responses is influenced by justice factors, particularly two-way communication. This could help firms efficiently use AI for recruitment and retention. Rezzani, A., Caputo, (2020). Artificial intelligence has emerged as a possible alternative for boosting human resource activities, notably recruitment and personnel selection. However, many problems remain unsolved, therefore this literature review examines the influence of AI on HR operations, including ethical implications and user perception. Balcioğlu, Y. S., & Artar, M. (2024). The study explores the use of AI-supported chatbots in

traditional recruiting interviews, using the analytic hierarchy process and paired comparison questionnaire. Results show a more favorable experience for candidates, with simplicity and appropriateness being key considerations for organizations integrating AI-driven solutions. Raveendra, P. et al (2020). AI is revolutionizing the recruiting and selection process in HR departments, particularly in resolving unconscious prejudice. AI offers a solution for optimizing the process and mitigating human bias, with the potential to completely automate administrative work in the future. This article explores the impact of AI on recruiting. Liu, J., Chang, et al (2021). Using AI to Enhance Recruitment Effect. Talent rivalry is crucial for corporate competitiveness in economic growth. Recruitment channels expand, and AI technology is used to assess employee performance based on initiative, job happiness, and self-dedication. This improves recruiting results and contributions. Horodyski, P. (2023). The study explores recruiters' attitudes towards AI adoption using the Unified Theory of Acceptance and deploy of Technology. Results show that performance expectations significantly influence behavioral intention and AI usage frequency. Advantages include efficiency, time savings, and automation, but the primary drawback is the loss of human judgmentIslam, M., Mamun, A. et al (2022). The study uses the UTAUT model to analyze AI adoption in Bangladesh's recruitment process, focusing on perceived trustworthiness. Data from 283 HR professionals showed significant associations, except for perceived credibility. Gender and business size did not influence the adoption. Policy implications and recommendations for further research are also addressed. Johansson, J., Herranen, S., & Mccauley, B. (2019) This thesis explores the impact of Artificial Intelligence (AI) on the traditional recruiting process, focusing on its potential to enhance effectiveness and the potential ramifications. It uses qualitative research, including semi-structured interviews with eight international firms, and employs an interpretivism research philosophy and inductive research methodology. Kekkonen, E. (2020). This thesis explores the use and potential of Artificial Intelligence (AI) in the recruitment process for highly competent experts, senior managers, directors, and executive managers. It discusses the recruiting process, AI's history, and its use in critical persons. The study concludes that AI's utility is limited due to communication, assessment, and analysis disparities compared to human techniques. Baratelli, G., & Colleoni, E. (2022). The research explores the impact of AI on talent acquisition and corporate branding. It predicts AI pre-screening will account for 36% of employment procedures in the next two years. The study aims to understand the interaction between AI, employer branding, and talent recruitment. Poll findings show AI-enabled solutions enhance employer branding and attract talent. Briciu, V.-A., & Briciu, A. (2022). This research explores the role of artificial intelligence (AI) in Human Resources (HR) and HR management software solutions during the COVID-19 pandemic. It examines the benefits and drawbacks of AI in recruiting and selection procedures, given the increasing prevalence of remote work and increased reliance on technology. Schick, J., & Fischer, S.

(2021). A German study reveals that AI complexity and intangibility can reduce perceived evaluation quality for knowledge, strengths, and shortcomings. Candidates are suspicious of AI-driven systems, highlighting the need for caution in AI-based selection processes to mitigate negative applicant impressions. Kalinouskaya Iryna Nikolaevna. (n.d.). Organizations must adopt the "HR 3.0" approach, utilizing cloud technology, chat bots, and artificial intelligence, to enhance employee hiring, retention, and development, offering advantages over traditional human selection processes, including resume screening and intelligent conversation systems. Fernández-Martínez, C., & Fernández, A. (2020). This article explores AI applications in human resources, highlighting ethical concerns, potential biases, and the need for external audits to ensure fair outcomes. Lacroux, A., & Martin-Lacroux, C. (2022). The study explores recruiters' attitudes towards algorithmic resume screening, revealing a preference for human advice and automation bias, and highlights implications for research and human resource policy.

Conceptual Framework:

AI has the potential to significantly improve the efficiency and effectiveness of recruitment and selection. However, ethical considerations, skill gaps, and implementation costs need to be addressed to maximize the benefits of AI in recruitment.

AI -> Recruitment and Selection: The model suggests that a higher level of AI technology and AI tools (independent variable) could potentially lead to a more efficient recruitment and selection process (dependent variable) by automating tasks and speeding up candidate screening.

H1: A.I has a significant impact on recruitment and selection of Human resources management.

H2: A.I has no significant impact on recruitment and selection of Human resources management.

RESEARCH METHODS

This research aims to explore the factors influencing the adoption and implementation of artificial intelligence (AI) in the Pakistani banking industry. It focuses on the perceived value of AI technology and its impact on HR readiness. The existing literature on AI adoption in Pakistan is limited. The study adopts the Value-Based Model and Technology-Organization-Environment (TOE) framework to investigate AI adoption within the sector. This approach aims to uncover the complex interplay between perceived value, HR readiness, and successful AI integration. The study will shed light on the unique challenges and opportunities faced by banking professionals as they navigate the transformative potential of AI, ultimately informing strategies and policies to enhance the sector's technological capabilities and competitiveness. The positivist research paradigm will be used to investigate the impact of AI-powered recruitment and selection strategies in the banking sector. Positivism emphasizes objective, quantifiable measurements and rigorous statistical analysis of data collected through structured methods. This approach allows for a high degree of objectivity, reliability, and external validity, producing findings that can

be applied to broader banking organizations implementing similar AI-powered HR strategies. This study uses a quantitative research design to examine the impact of AI-powered recruitment and selection strategies on recruitment outcomes in both Islamic and conventional banking sectors. The research is causal in nature, aiming to determine if there is a direct cause-and-effect relationship between AI technologies and recruitment and selection processes. This approach allows researchers to identify the direct influence and implications of AI on talent acquisition and management. The quantitative, causal nature of the research methodology ensures that the study yields actionable insights that can inform strategic decision-making and drive improvements in recruitment and selection practices across the banking industry. The study surveyed 213 HR professionals and industry experts in Pakistan's banking sector using a structured questionnaire. The scale was based on the Value, Adoption, and Maturity model and selected elements from the Technology, Organization, and Environment framework. The survey instrument was designed with validity and reliability in mind, allowing for a deep understanding of factors influencing technology adoption and implementation. The study provides rich data on the complex interplay of technological, organizational, and environmental factors shaping digital transformation initiatives in the sector. The study's methodology is detailed in the accompanying table.

Table 1

Construct	Code	No. of Items	Author
Artificial Intelligence	AI 1	11	(Mohamed Abdelraouf, Aya Emad & Mona Kadry, 2024)
	AI 2		
	AI 3		
	AI 4		
	AI 5		
	AI 6		
	AI 7		
	AI 8		
	AI 9		
	AI 10		

	AI 11		
Recruitment and Selection	RS 1 RS 2 RS 3 RS 4 RS 5 RS 6	6	(Mohamed Abdelraouf, Aya Emad & Mona Kadry, 2024)

Source: Data collected by researcher (2024)

A structured questionnaire was developed on Google Forms to collect data from 213 respondents. The questionnaire was designed to be clear, relevant, and comprehensive, with feedback from participants reviewed to address concerns. The data was then subjected to rigorous statistical analysis using Cronbach's alpha to validate its reliability. This approach, combining technological innovation, user-centric design, and robust data validation, resulted in a high-quality dataset that could inform future decision-making. The questionnaire's strong foundation in both qualitative and quantitative methodologies contributed to the research's success. Normality testing is a crucial part of research methodology, ensuring data is suitable for statistical testing and modeling. It assesses if the data's distribution aligns with a normal distribution, a fundamental assumption in many statistical techniques. Violation of normality can lead to skewed or misleading results in regression analysis and other statistical tests. Normality testing helps identify potential issues with data and informs informed decisions about appropriate analytical approaches. It increases confidence in the robustness and generalizability of findings, strengthening the credibility and impact of research within the scientific community. This study used a purposive sampling technique to investigate AI adoption in recruitment among HR professionals in Pakistani banks. The sample included professionals with experience in recruitment and selection roles, including operational and supervisory personnel. Data was collected through a survey questionnaire distributed to both Islamic and conventional banks across Pakistan. The questionnaire used a 0-to-5 scaling method to capture quantitative data on AI adoption and its impact on recruitment. The study provides a good foundation for investigating AI adoption in recruitment among HR professionals in both Islamic and conventional banks in Pakistan. The study utilized SmartPLS version 4 for data processing and analysis, utilizing Partial Least Squares Structural Equation Modelling (PLS-

SEM) to explore the interactions among Pakistani banking employees. PLS-SEM is an effective tool for examining complex relationships, making it ideal for exploratory research. The researchers assessed the validity and reliability of their measurement model, ensuring the theoretical concepts were accurately captured. They then focused on the structural model, testing hypotheses, investigating direct and indirect effects, and integrating sustainability and human capital metrics on operational and strategic management. This approach provided valuable insights into correlations and facilitated robust predictive modeling, a crucial capability for understanding complex dynamics in the banking sector. The researchers' strategic decision to use PLS-SEM allowed for a comprehensive investigation of the influences and interrelationships between variables, demonstrating a commitment to advancing knowledge and making a meaningful impact on organizational behavior and management, especially in the Pakistani banking industry.
The research study will use a comprehensive approach to evaluate the impact of common method bias (CMB) on the findings. The study will use variance inflation factors (VIFs) to detect potential issues related to CMB. VIF scores below 5 indicate no significant concern, boosting confidence in the results' validity. A confirmatory factor analysis (CFA) will be conducted to examine the authenticity and reliability of the study's components. The Cronbach alpha coefficient will be calculated to ensure internal consistency. The study will also calculate average variance extracted (AVE) and composite reliability (CR) for each factor. AVE scores above 0.5 and CR scores above 0.5 demonstrate the accuracy of the statements in representing the target variables, enhancing the credibility of the findings. This multilayered approach will ensure the integrity and trustworthiness of the final results. The proposed structural equation model will provide a detailed analysis of the relationships between variables, using advanced statistical techniques to uncover causal mechanisms and directional influences. The model will be robust, with factor loadings exceeding the 0.7 threshold, ensuring the integrity of latent constructs and a more reliable assessment of structural relationships. Confirmatory factor analysis (CFA) will validate the instrument's measurement properties, providing a solid foundation for causal modeling. SEM will yield a more comprehensive understanding of the phenomenon, allowing for nuanced insights that may be obscured in traditional regression-based approaches. A positive and statistically significant relationship between prior attitude toward AI and recruitment and selection practices in HRM will support the proposed theoretical framework, leading to the acceptance of Hypothesis 1 and rejection of Hypothesis 2. The model's predictive ability will be substantiated by a cross-validated redundancy measure (Q2), and a satisfactory model fit will be confirmed by a standardized root means square residual (SRMR) value of 0.080.

RESULTS AND DISCUSSION

Table 2 Descriptive Measures of Statement

Artificial Intelligence	Mean	Standard deviation
1. Candidates are drawn to AI usage	4.150943	0.054151
2. Using AI to connect with applicants	4.09434	0.065875
3. Using AI to assess applicants	4.09434	0.0602
4. AI technology enhances our ability to attract	4.301887	0.054462
5. Using AI technology improves the efficiency of our hiring	4.188679	0.058379
6. Using AI technology improves our capacity to hire.	4.150943	0.057359
7. AI tools are comprehensible and easy to use	4.056604	0.055808
8. There is less mental strain involved in interacting with AI products.	4.264151	0.046617
9. Our company's AI tool is simple to use.	4.075472	0.051533
10. We can easily get AI technology to perform the tasks we need it to. Recruitment and HRM	4	0.061284

Selection		
11. The efficiency of the hiring and selecting process has increased with the introduction of new and developing technologies.	4.188679	0.051892
12. Cost-effectiveness has grown with the use of new and developing technologies in hiring and selecting.	4.207547	0.055718
13. AI is useful for repetitive jobs like reviewing resumes.	4.09434	0.065875
14. The usage of developing technologies has sped up the interview process for candidates.	4.09434	0.064188
15. The precision of the hiring and selecting process has enhanced with the usage of new technology.	4.132075	0.05835
16. The quality of applicant feedback has increased as a consequence of the usage of emerging technologies.	4.132075	0.064188
17. The time and effort needed for the		

recruitment and selection process is reduced via the use of new emerging technologies.	4.188679	0.061366

Source: Data collected by researcher (2024)

Table 3 Frequency Tabel for Demographic Variables Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	25 - 30	157	73.7	73.7	73.7
	30 - 35	44	20.7	20.7	94.4
	35 - 40	12	5.6	5.6	100.0
	Total	213	100.0	100.0	

Source: Data collected by researcher (2024)

Table 4 Frequency Tabel for Demographic Variables Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female	120	56.3	56.3	56.3
	Male	93	43.7	43.7	100.0
	Total	213	100.0	100.0	

Source: Data collected by researcher (2024)

Table 5 Frequency Tabel for Demographic Variables Sector

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Conventional Banking	96	45.1	45.1	45.1
	Islamic banking	4	1.9	1.9	46.9
	Islamic Banking	113	53.1	53.1	100.0
	Total	213	100.0	100.0	

Source: Data collected by researcher (2024)

Table 6 Frequency Tabel for Demographic Variables Experience

	Frequency	Percent	Valid Percent	Cumulative Percent

Valid	0 to 5	157	73.7	73.7	73.7
	10 to 15	8	3.8	3.8	77.5
	6 to 10	48	22.5	22.5	100.0
	Total	213	100.0	100.0	

Source: Data collected by researcher (2024)

Tabel 7 Frequency Tabel for Demographic Variables Designation

	Frequency	Percent	Valid Percent	Cumulative Percent
A.M 1	4	1.9	1.9	1.9
AM	4	1.9	1.9	3.8
AM I	4	1.9	1.9	5.6
AM II	4	1.9	1.9	7.5
AML Analyst	4	1.9	1.9	9.4
Assistant	4	1.9	1.9	11.3
Assistant manager	4	1.9	1.9	13.1
Assistant Manager	24	11.3	11.3	24.4
Assistant Manager-1	4	1.9	1.9	26.3
Asst manager	4	1.9	1.9	28.2
Compliance Analyst	4	1.9	1.9	30.0
Compliance officer	4	1.9	1.9	31.9
Executive assistant	4	1.9	1.9	33.8
HR intern	20	9.4	9.4	43.2
HR Intern	25	11.7	11.7	54.9
HR Manager	20	9.4	9.4	64.3
Hr Officer	4	1.9	1.9	66.2
HR Officer	24	11.3	11.3	77.5
Manager	8	3.8	3.8	81.2

OG 3	4	1.9	1.9	83.1
OG3	4	1.9	1.9	85.0
Risk Analyst	4	1.9	1.9	86.9
Senior Analyst	4	1.9	1.9	88.7
Senior officer	4	1.9	1.9	90.6
talent acquisition officer	8	3.8	3.8	94.4
Talent Acquisition officer	4	1.9	1.9	96.2
Talent Acquisition Officer	4	1.9	1.9	98.1
Team Lead	4	1.9	1.9	100.0
Total	213	100.0	100.0	

Source: Data collected by researcher (2024)

Correlation Analysis:

Table 8

	AI	RS
AI10	0.813	
AI11	0.813	
AI2	0.838	
AI3	0.830	
AI4	0.848	
AI5	0.812	
AI6	0.906	
AI7	0.821	
AI8	0.745	
RS1		0.832
RS2		0.830
RS3		0.878
RS4		0.881
RS5		0.885
RS6		0.847

Source: Data collected by researcher (2024)

Confirmatory Factor Analysis

Reliability and Validity Tests

The reliability analysis of the study on the relationship between Artificial Intelligence (AI) and Recruitment and Selection (RS) is crucial for validating the constructs used. Cronbach's alpha and Composite Reliability are widely accepted statistical measures that assess internal consistency and reliability. The high values for AI-related variables and RS-related variables indicate excellent reliability and consistency, providing confidence that the survey instruments and measurement scales accurately capture the intended concepts of AI and recruitment/selection practices. This robust reliability minimizes random error and enhances the validity of inferences drawn from the data. The strong reliability also implies that if the study were replicated, the researchers would obtain similar results, ensuring stability and reproducibility. This reliability analysis serves as a solid foundation for further statistical analyses, laying the groundwork for generating trustworthy insights about AI and recruitment/selection practices.

Table 9

	Cronbach's alpha	Composite reliability (rho_a)
AI	0.948	0.950
RS	0.929	0.934

Source: Data collected by researcher (2024)

Discriminant Validity:

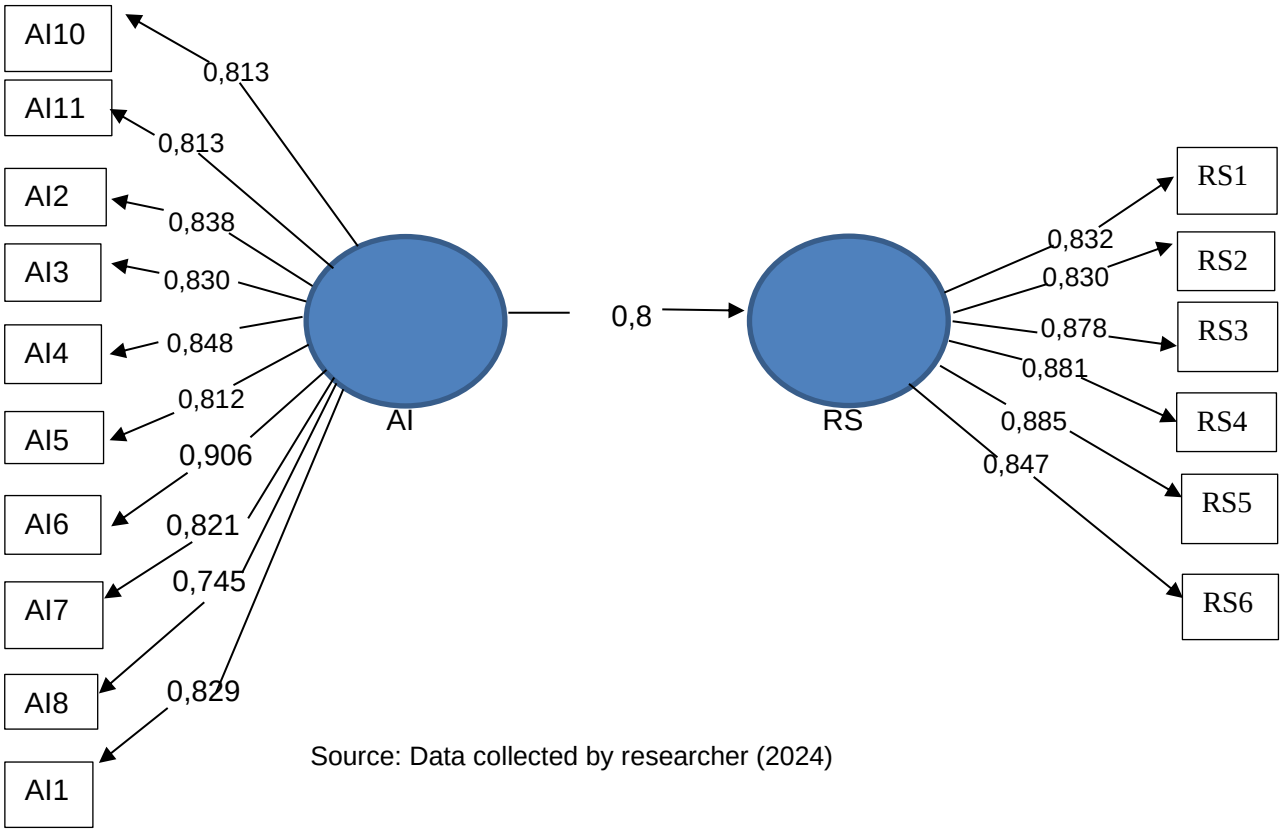
The integration of Artificial Intelligence (AI) into the banking sector's recruitment and selection processes is expected to significantly improve efficiency and effectiveness. AI can automate applicant screening, conduct advanced candidate assessments, and analyze data to identify key attributes for successful hires, ultimately enhancing core HRM practices and attracting top talent.

Table 10

	AI	RS
AI		
RS	0.856	

Source: Data collected by researcher (2024)

Figure 1. Measurement model



Source: Data collected by researcher (2024)

Structural Equation Modelling:

The study posits that the use of artificial intelligence (AI) in human resources management significantly impacts recruitment and selection processes. The correlation analysis shows a strong positive relationship between AI and recruitment and selection, with a correlation coefficient of 0.830. The data is consistent and has a high t-statistic of 18.378, indicating a strong and statistically significant impact of AI on recruitment and selection. The p-value of 0.000, far below the 0.05 significance threshold, supports this conclusion. The findings confirm the hypothesis (H1) and highlight the transformative potential of AI in human resources management. Organizations can confidently invest in AI-powered HR solutions, resulting in significant improvements in talent acquisition and management capabilities. This study underscores the transformative potential of AI in the field of human resources management.

Table 11

Hypothesis		Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (|O/STDEV|)	P values	Remarks

H1	AI -> RS	0.830	0.84 4	0.045	18.378	0.000	Significant

Source: Data collected by researcher (2024)

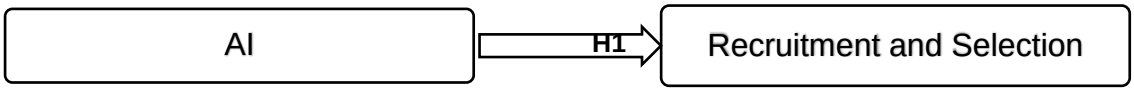
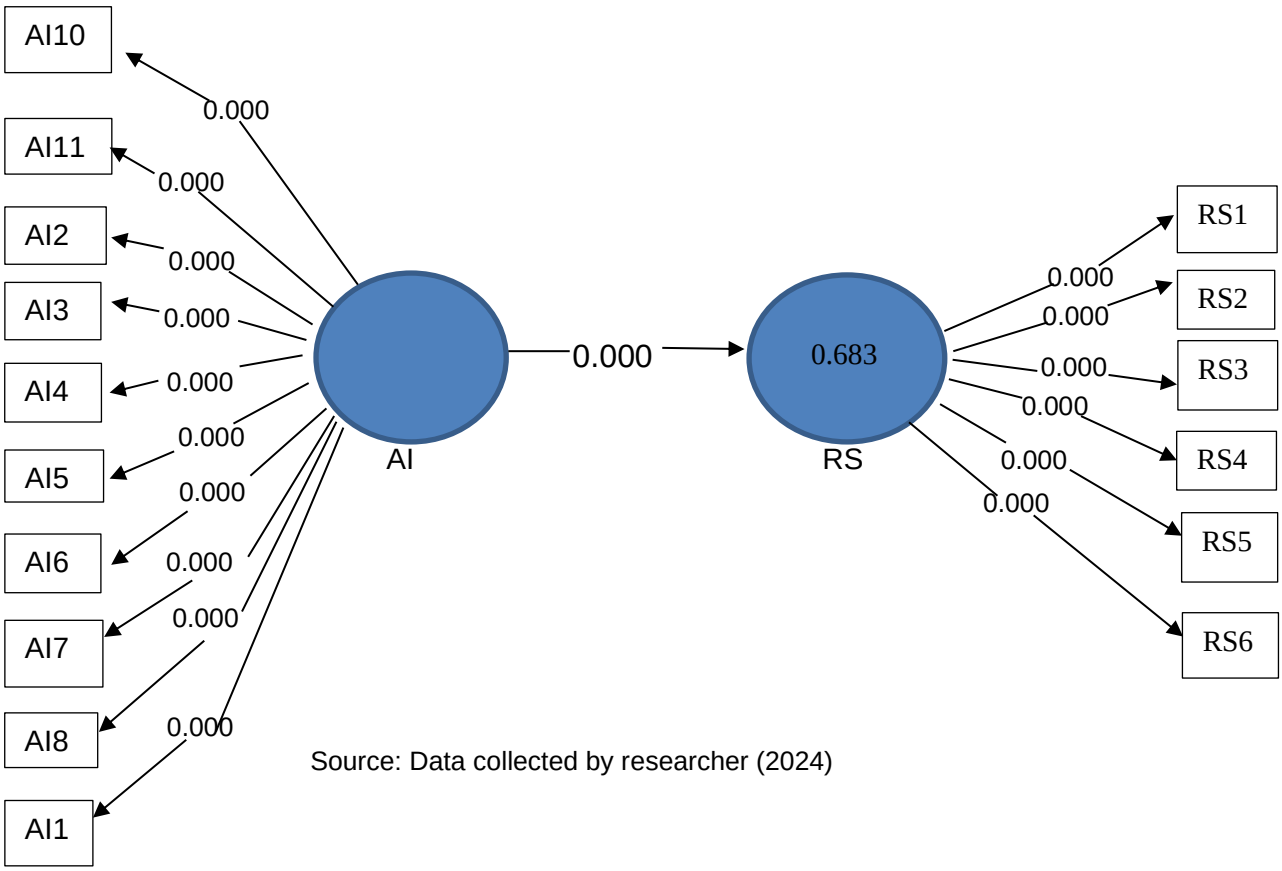


Figure 2. Structural Model



Source: Data collected by researcher (2024)

CONCLUSION

This research investigates the integration of Artificial Intelligence (AI) within the recruitment and selection processes of both Islamic and conventional banks in Pakistan. The study finds that AI can significantly enhance recruitment efficiency by automating tasks such as resume screening and interview scheduling. This aligns with existing research that underscores the value of AI in streamlining administrative duties within HR departments. The research delves into the benefits and limitations of AI adoption in the Pakistani context, providing valuable insights for HR professionals. A comprehensive literature review highlights key factors influencing AI adoption, including the perspectives of recruiters from multinational corporations. Findings from HR experts in Pakistan emphasize the potential advantages of AI, such as improved efficiency, automation of tasks, and a more streamlined hiring

workflow. The study concludes that strategic and deliberate AI utilization can significantly enhance an organization's ability to recruit and onboard new talent. This is crucial for maintaining a competitive edge in today's dynamic business landscape. The research serves as a valuable resource for both academics and practitioners seeking to understand and leverage the transformative power of AI in Human Resource Management (HRM). This evidence supports the idea that strategic and deliberate AI utilization can positively impact an organization's ability to recruit and onboard new talent, which is crucial for sustaining a competitive advantage in today's dynamic business landscape. HR managers can leverage these findings to develop and implement AI-driven recruitment strategies that optimize their hiring processes, improve efficiency, and enhance the quality of their hires. By embracing AI technologies while maintaining a human-centric approach, organizations can gain a competitive edge in the talent market and ensure they attract and retain top talent in a rapidly evolving business environment. The point for both academics and practitioners seeking to understand and harness the transformative power of AI in HRM.

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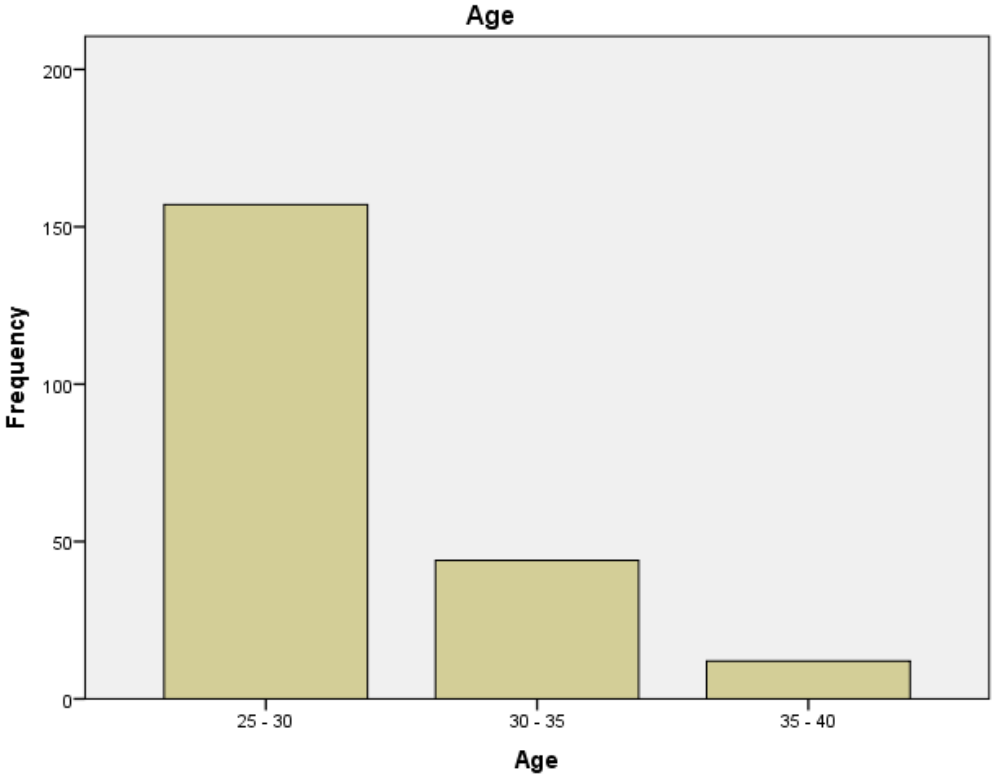
APPENDIX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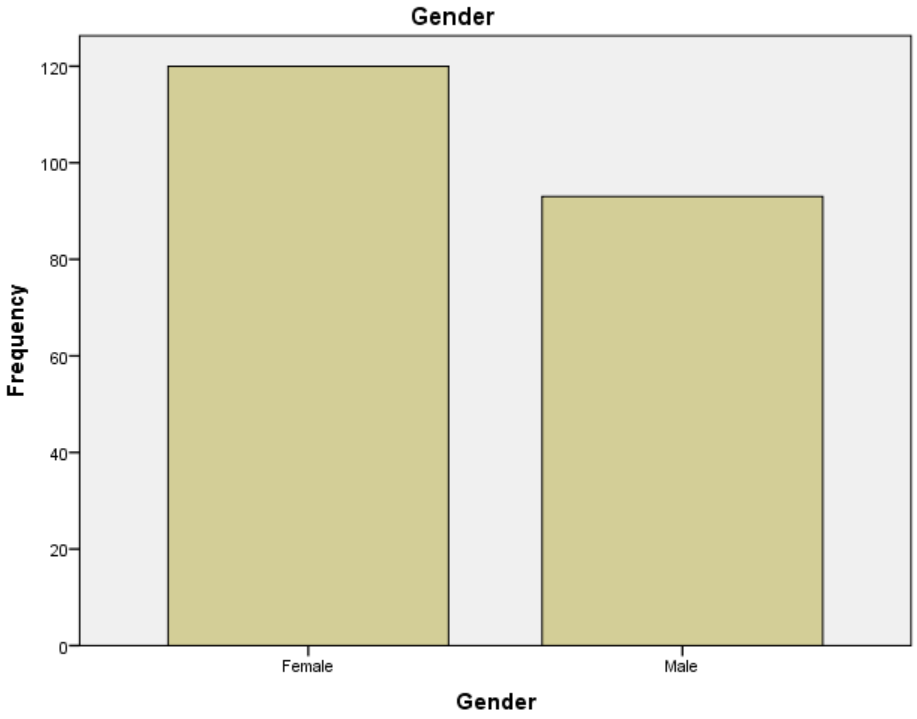
Age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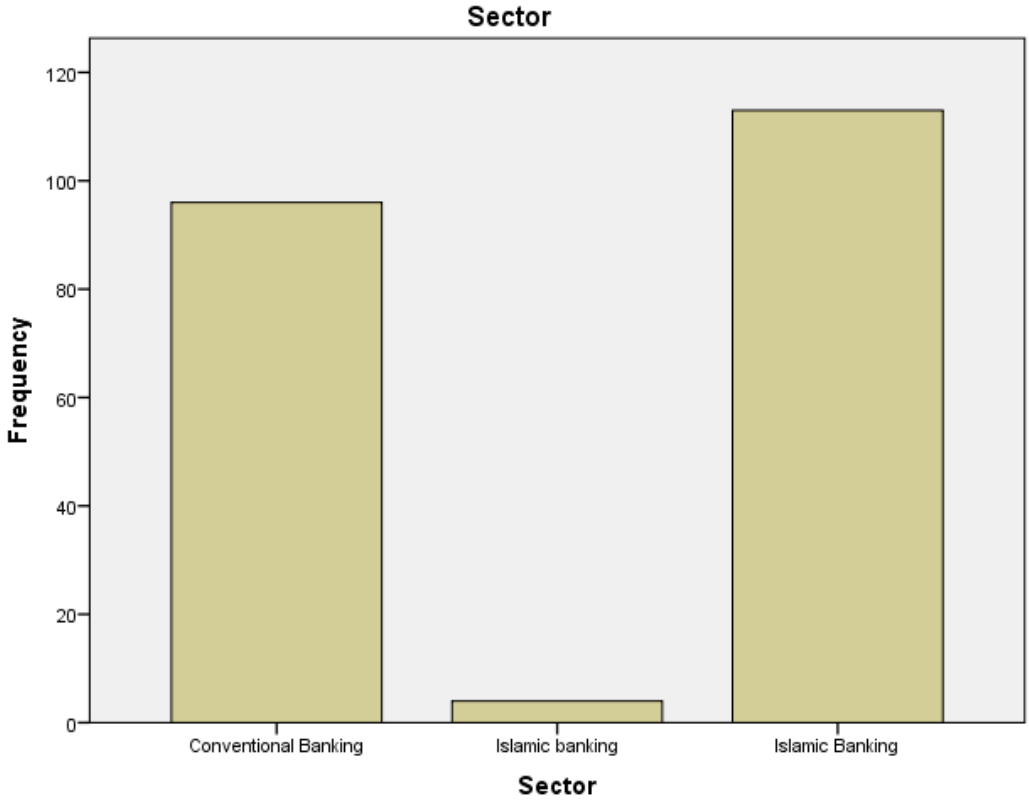
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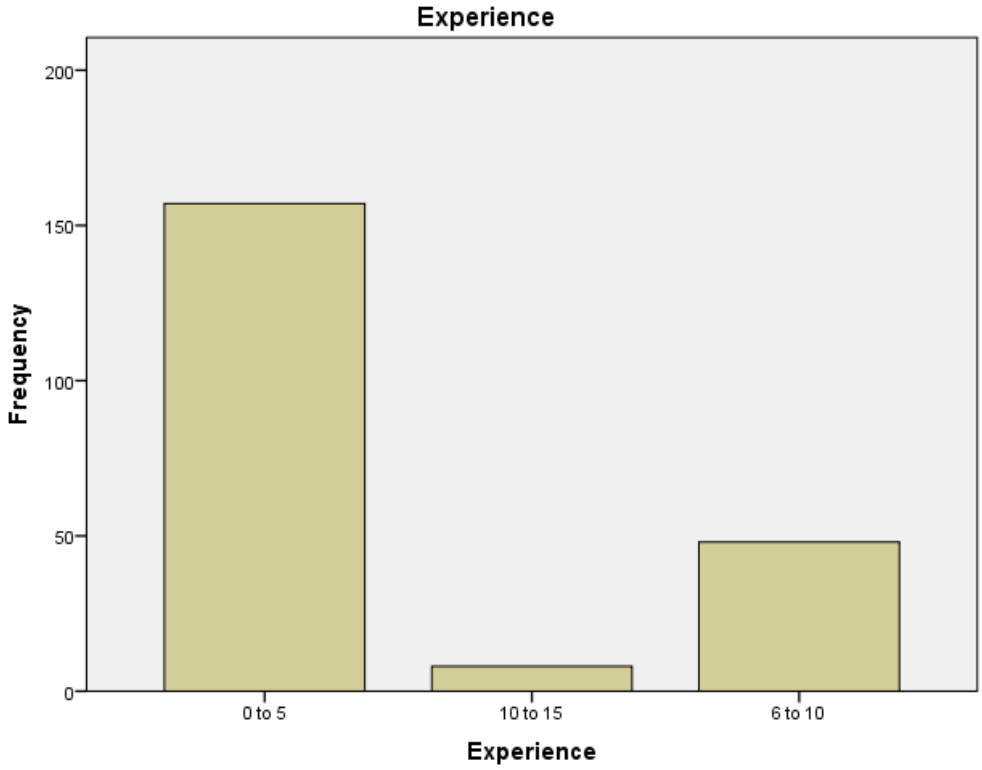
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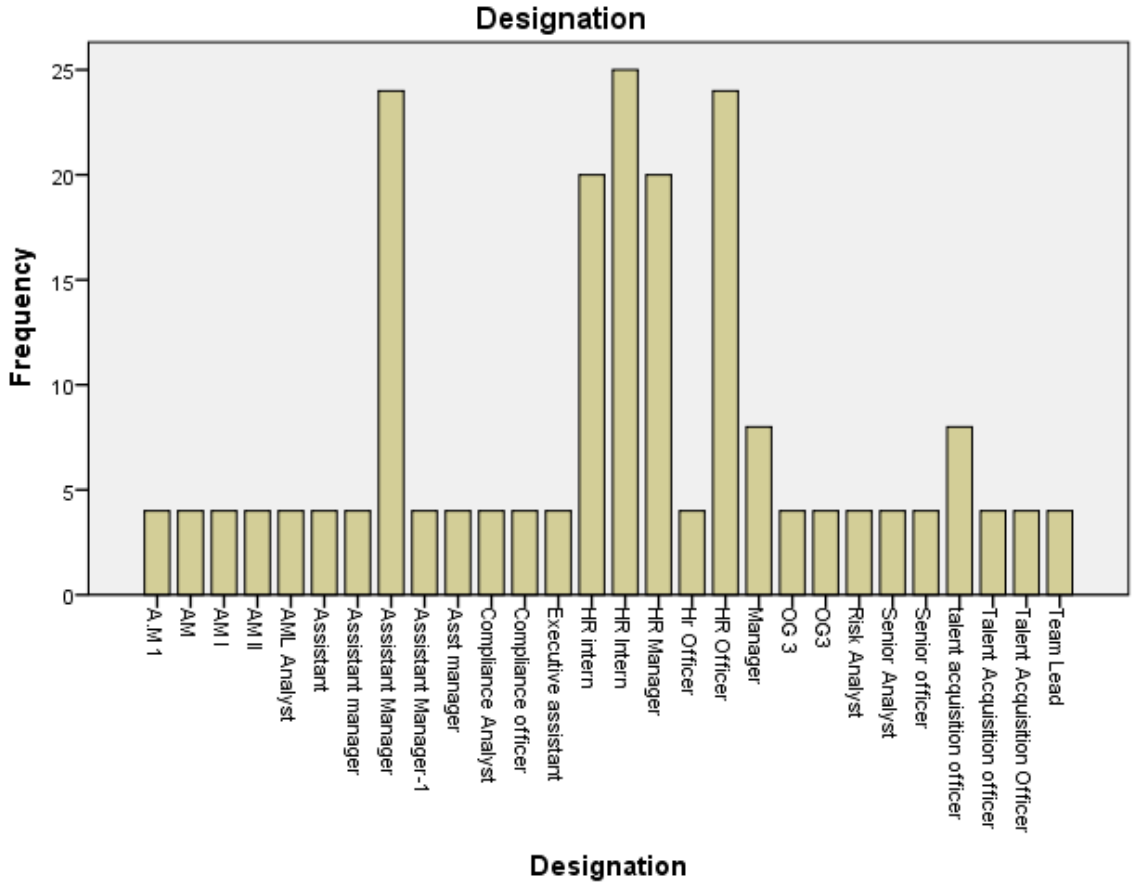
Experience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AM
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AM II
AML Analyst
Assistant
Assistant manager
Assistant Manager
Assistant Manager-1
Asst manager
Compliance Analyst
Compliance officer
Executive assistant
HR intern
HR Intern
HR Manager
Hr Officer
HR Officer
Manager
OG 3
OG3
Risk Analyst
Senior Analyst
Senior officer
talent acquisition officer
Talent Acquisition officer
Talent Acquisition Officer
Team Lead
Designation