

Major: HRM
Major/No. H11

"Impact of AI-Based Recruitment Tools on Job Acceptance Intentions in the Banking Sector of Islamabad: Moderating Role of Ethical Concerns"



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Spring 2026

FINAL PROJECT/THESIS APPROVAL SHEET

Open Defense Examination

Open Defense Date 22/06/26

Topic of Research: Impact of AI-Based Recruitment Tools on Job Acceptance Intentions in the Banking Sector of Islamabad: Moderating Role of Ethical Concerns

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ABSTRACT

The rapid digitalization of human resource management has led to the widespread adoption of AI-based recruitment tools in Pakistan's banking sector, particularly in Islamabad. This study investigates the impact of AI-based recruitment tools on job acceptance intentions among job applicants in Islamabad's banking sector, while examining the moderating role of ethical concerns. The research design used in this study is quantitative and cross section because it is based on two theories, namely the TAM. The data was gathered from 300 job applicants who have gone through an AI-driven recruitment process in the last year. A structured questionnaire was used with a 5-point likert scale, and the data were analyzed by regression analysis using SPSS and (PLS-SEM) using SmartPLS. The results support the three hypotheses. The intention to accept a job is strongly influenced by the use of AI-based recruitment tools ($\beta = 0.487$, $p < 0.001$), as the applicants see the use of such technologically advanced recruitment tools as an indicator of the organization's innovation. On the other hand, ethical concerns have a strong negative direct influence on the intention to accept jobs ($\beta = -0.298$, $p < 0.001$). Ethical concerns in particular significantly moderate the link between the use of AI-based recruitment tools and the intention to accept the job ($\beta = -0.221$), such that the positive effect of using AI tools becomes less the more it is perceived as being unethical. Model accounts for 60.3% variance in intention to accept a job ($R^2 = 0.603$). Overall, the study finds that AI recruitment tools make an organization more attractive, but they are only as effective as the ethical governance, transparency, and trust of applicants.

Keywords: *AI-based recruitment, job acceptance intention, ethical concerns, banking sector.*

ACKNOWLEDGEMENTS

All praise and glory be to Almighty Allah, the Most Gracious and the Most Merciful, whose blessings and guidance made the completion of this research possible. I would like to express my deepest and most sincere gratitude to my supervisor, **MISS ZAHRA SALEEM**, for his/her invaluable guidance, constant encouragement, scholarly feedback, and unwavering support throughout the research process. This thesis would not have been possible without his/her expert supervision and constructive advice at every stage. I am also grateful to the faculty and staff of the HR and Management Department, Bahria Business School, Bahria University Islamabad, for their support and for providing an intellectually stimulating academic environment. Their collective wisdom greatly enriched my understanding of research methodology and human resource management. Special appreciation is extended to all the banking sector job applicants who voluntarily participated in this study and shared their experiences with AI-based recruitment systems. Their candid responses formed the empirical foundation of this research.

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