Algorithmic HRM and the Construction of Organizational Legitimacy: A Multi-Level Analysis of Perceived Procedural Justice, Transparency, and Employee Trust in Emerging Economies.

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Abstract

In Human Resource Management (HRM), the introduction of algorithmic systems has revolutionized decision making within organizations, especially in recruitment, performance management and human resource analytics. While they may have virtue in their efficiency, consistency and capability to make decisions based on the data, there are important considerations as well that need to be accounted for, such as fairness, transparency and employee trust – particularly in developing economies. For this study, algorithmic HRM in the context of building organizational legitimacy, through these elements of perceived procedural justice, transparency and employee trust, were taken into account. A quantitative type of research was utilized. The organizational employees which adopted the Algorithmic HRM system were the Study Population, 398 employees were selected using random sampling technique. The data were gathered from close-ended questionnaires, and analysed with the use of IBM SPSS Statistics Version 27. Descriptive Statistics and Multiple Regression Analysis techniques were used to study the relationships of the variables in the study and test the hypotheses. The results showed that the degree of procedural justice is a positive and significant predictor of trust and that employee's trust is the strongest predictor of employees' feeling of organizational legitimacy and transparency. The findings imply that justice, transparency, and reliability of algorithmic systems are all important factors in gaining trust and acceptance of HR infrastructure powered by AI. This study is required because it will expose the empirical side of Algorithm HRM in Organization's Legitimacy in a digitally mediated work environment particularly in emerging economies where trust may be less compared to Developed economies. The results also show that while technological efficacy isn't enough, organisations need to focus on ethical use of AI, such as explainability, transparency, accountability and worker involvement. In general, the study findings show that aspects of 'fair usage', being transparent and being trusted have to be included in developing sustainable successful and acceptable algorithmic systems in HRM.

Keywords: Algorithmic HRM, Employee Trust, Organizational Legitimacy, Procedural Justice, Transparency,

Introduction

The world of business is evolving quickly due to more development in Artificial Intelligence (AI) and digital technologies. Organisations in industries are rapidly adopting AI-driven solutions to achieve efficiency, resulting in more accurate decision-making, and competitive advantage (Berente et al., 2021; Budhwar et al., 2023). One such area is in Human Resource Management (HRM), where algorithmic systems are being adopted and thus taking over the traditional, manual decision-making methods. The application of AI-powered technologies, including machine learning, predictive analytics, and automated systems, to either assist or substitute human decision-making in HR functions, is what is described as algorithmic HRM. Compared to simple digitalization, where the manual work is merely replaced with electronic equivalents, algorithmic HRM allows analyzing data in real-time and make evidence-based decisions in recruitment, performance assessment, and workforce planning planning (Keegan & Meijerink, 2025; Naoum et al., 2026). This change makes the organization more efficient and consistent in decision making. HRM algorithm is a chance and a challenge in emerging economies. On the one hand, AI systems can help organizations become more productive, become more cost and workforce management (Black and van Esch, 2020; Cai et al., 2024).

Conversely, adoption is usually limited because of infrastructural constraints, low digital capability, and change resistance (Aydin et al., 2024). Also, certain issues of fairness, transparency, and accountability have arisen as urgent points (Cobbe et al., 2021; Chen, 2023). Algorithms in decision making might be seen as inaccessible by employees, not to mention that they are very hard to appeal against particularly in situations where decision making is not clearly articulated (Asante et al., 2024). These perceptions may decrease the trust and foster distrust. Moreover, discriminatory results can be obtained due to biased information and, therefore, a lack of justice in the workplace (Pomrehn, 2025). The impact of these concerns is on organizational legitimacy, which is a term which defines the degree to which the organization practices are perceived to be right and acceptable. Procedural justice, transparency and trust among employees are crucial in legitimacy (Acikgoz et al., 2020). Equal and equitable procedures boost acceptance (Nieuwenhuizen, 2025). Trust of the employees is also a necessity as it determines the acceptance and cooperation to algorithm systems (Patole, 2026). Nonetheless, scarce empirical data on the interaction effects of these factors in organizational legitimacy has been collected. Thus, this research paper analyses how procedural justice, transparency, and trust impacts organisational legitimacy in algorithm.

Objectives of the Study

The main objective of this study is to examine the influence of algorithmic HRM on organizational legitimacy through procedural justice, transparency, and employee trust.

The specific objectives are to:

- Examine the effect of procedural justice on employee trust in algorithmic HRM systems.
- Assess the influence of transparency on employee trust in algorithmic decision-making.
- Evaluate the impact of employee trust on organizational legitimacy.

Research Hypotheses

The study is guided by the following hypotheses:

H_1: Procedural justice significantly influences employee trust in algorithmic HRM systems.

H_2: Transparency significantly influences employee trust in algorithmic HRM systems.

H_3: Employee trust significantly influences organizational legitimacy.

Literature Review

Algorithmic HRM and Organizational Change

This is where Algorithmic HRM (Human Resource Management) comes in, providing a big step towards making the organizational decision-making process human to data driven. These systems can utilize massive amounts of data, predictive analytics, and machine learning to inform HR-related tasks throughout the recruitment process, in performance reviews, and in work force planning (Berente et al., 2021; Keegan & Meijerink, 2025). HRM automates decision making process, cuts down administrative expenses and decision-making consistency (Budhwar et al., 2023). However, algorithmic systems have their disadvantages – they are not necessarily imparbunial: But they have been shown to amplify existing imbalances existing in historical data which results in discrimination (Chen, 2023; Naoum et al., 2026). There are biases, however, including training data which can compound the disparity of what may impact decisions by algorithms around employment gender. Moreover, algorithmic control can also result in increased power imbalance in organisations and have a negative effect on the employees' perceived autonomy and fairness (Barati & Ansari, 2022). AI use has increased recruitment processes to be faster and more objective, but there has been noted unintended bias with a lack of proper monitoring with AI systems (Black & van Esch, 2020). So, though algorithmic HRM can bring about efficiency in operational aspects, utilizing this technology should be ethically considered, good governance, and regular assessment must be put in place to avoid such impact.

Procedural Justice in Algorithmic Systems

One central factor is just procedural justice – the fairness of the procedures in which decisions are reached – that is determining employee responses to algorithmic HRM systems. The fairness of companies is judged by their employees according to the criteria of consistency, impartiality, correctness, and the presence of a possibility for making appeals (Acikgoz et al., 2020; Bankins et al., 2022). Fairness is usually assessed in algorithmic context in terms of how decisions are made and whether or not there is the absence of bias and discrimination in the decision. Researchers have found that algorithmic decisions are more likely to be accepted by an employee when the decisions are considered as procedurally fair (i.e., fair to all employees) and equitable to other employees (Bankins et al., 2022). However, algorithmically based systems are prone to reducing a sense of fairness, as they are not human and do not take emotions into account (Charlwood & Guenole, 2022). Staff may feel they have no influence over decisions that have been made, especially where they feel they have not had a clear influence over the decisions that have been made. Additionally, there is still a significant issue of algorithmic bias. Biased datasets can lead to unfair outcomes within systems, impacting the overall procedural justice (Asante et al., 2024). A particular issue is during recruitment and promotions processes where fairness is of paramount importance. To resolve these problems, organizations must empower systems in a way that it provides accountability, feedback, and appeals. To earn better employee acceptance, trust, and organizational legitimacy, it is crucial to ensure procedural fairness in algorithmic HRM (Kurniawan et al., 2025).

Transparency

Transparency is one of the core mechanisms of algorithmic governance and it is one of the contributing factors on creating employee perception of fairness and trust. This is about transparency, intelligibility and user-friendliness of the algorithmic decision making processes (Nieuwenhuizen, 2025). The transparency in HRM involves communicating on decision making, information used and how results are achieved. One of the key approaches by which to protect transparency in such intricate systems is those of explainable Artificial Intelligence (XAI). With XAI, organisations can make human-understandable predictions increasing its liability and prediction becoming more transparent (Barredo Arrieta et al., 2020). It is particularly important in HRM in regards to decision affecting the career and wellbeing of the labors. Research indicates a lack of transparency, causing a ‘black box’ effect and that employees lack of trust, and they resist because of not

understanding how decisions are made (Cobbe et al., 2021). Along with similar lines, Cath and Jansen (2022) argue that in algorithmic systems, the quest for transparency will unavoidably be inefficient because of the deficiencies of governance. In addition, the data privacy aspect also affects the perception of transparency. Systems that just collect and process personal information without providing an intelligible format to employees could lead to a refusal of their use (Bhave et al., 2020). To that end, transparency and explainability are crucial, as this enables the use of algorithmic HRM to be within ethical standards, boosting employee acceptance.

Employee Trust

Therefore, employee acceptance and trust of algorithm HRM plays a crucial role for its acceptance and effectiveness. Trust, Patole (2026) states that trust is the belief that a system or organisation is fair, reliable and beneficial to those involved. Trust in algorithmic settings is influenced by perceptions of fairness, transparency, and reliability of the system. According to the findings, when employees trust that the algorithmic system is unbiased and transparent they are more likely to accept it. However, a lack of transparency and perceived bias can significantly reduce barriers, driven by trust and resistance (Jianu et al., 2025). Trust is further said to be a mediator between the system's attributes and employee acceptance—which means that even if a system provides accurate information, it can fail to be adopted if there is limited trust. Also, the technology has impact on trust as well as the organisation's experience and culture. Positive engagement with an AI system can build trust for future encounters with AI systems (Patole, 2026). However, the inadequate literacy rate and lack of confidence in the systems in place to implement algorithmic processes may pose significant challenges for adopting algorithmic systems in LDCs. To build trust, organisations must strive to ensure transparency, fairness and accountability of algorithmic processes. Include employee participation in system design and do not neglect to communicate clearly, you can make a profound impression on trust and increasing the acceptance of AI powered HRM systems.

Organizational Legitimacy

Organizational legitimacy refers to the perception that an organization’s actions are appropriate, Organizational legitimacy is based on the legitimacy of the organisational behaviour, the sense of fairness and the conformity with norms and expectations of the society (Wiener et al., 2021). For algorithmic HRM the perception of fairness, transparency and trustworthiness of AI driven decisions affect legitimacy. It is more easy for organizations to achieve legitimacy and acceptance from employees because algorithmic processes are ethical and transparent.Evidence suggests those that set up ethical and clear algorithmic processes would have a higher success rate in achieving legitimacy and acceptance among employees. (Pomrehn, 2025). But, there are challenges of bias, accountability, and transparency that may undermine legitimacy role and foster resistance (Chen, 2023). Algorithmic management has also been connected to concerns of power imbalance and control over employees, which may have detrimental outcomes on employees' sense of legitimacy (Barati & Ansari, 2022). Furthermore, resistance can occur when workers perceive a lack of involvement in algorithmic systems' decision-making process (Jianu et al., 2025). Legitimacy is particularly important in nascent economies with less-entrenched systems of governance and trust. Organizations need to uphold fairness, transparency, and ethical stewardship, thus ensuring their ongoing legitimacy (Brewster and Brookes, 2024). Conclusion: An organisation's technological efficiency should not be what defines its legitimacy, rather it is when technological practices are consistent with the expectation of its employees and ethical standards. In an algorithmic HRM environment, it is important that processes are fair and transparent so as to maintain Fairness.

Theoretical Framework

The theories of Legitimacy Theory and Information Asymmetry Theory have been applied as a foundation for this study as well as the Ethical AI framework. According to Legitimacy Theory, the organisations have to adjust so that their actions are accepted and legitimatised in society. Subjective experiences of employment associated with algorithmic HRM related to the (un)fairness and transparency of AI decision-making processes and employee trust in AI are important for legitimacy (Pomrehn, 2025; Wiener et al., 2021). The theory which focuses on the inequity of the information between the decision-maker and the affected persons (Mining workers) is the Information Asymmetry Theory. This asymmetry can either be lowered or increased depending on the degree of transparency and explainability of these algorithmic systems used (Biega et al., 2020). Lack of understanding of decision-making processes leading to trust and acceptance. The ethical approach to AI is one that is responsive, accountable and transparent in the use of algorithms (Cath & Jansen, 2022). This is a framework which incorporates procedural justice and transparency as important factors for predicting trust and legitimacy. This paper brings together all theories and elaborates its effects over the organizational legitimacy as perceived by the employees through the algorithmic HRM systems.

Empirical Review

Procedural Justice and Employee Trust

An empirical study shows that the procedural justice plays a crucial role in employee responses to AI supported HRM. When procedures are perceived as fair, consistent, and impartial, it helps employees have a better regard for AI decisions. Perceived justice is also associated with a trust in AI decision-making where human dignity and accountability are respected (Acikgoz et al., 2020; Bankins et al., 2022; Cai et al., 2024). Consequently, procedural justice being apart of the procedures of algorithmic HRM systems must lead to an increase in trust in these systems by the employees.

Transparency and Employee Trust

In HRM, transparent processes in generating ‘algorithms' are crucial in the sense that people have to understand exactly how decisions are arrived at, and why by transparent processes. The democratizing approach to explainable AI helps to remove the “black box” and promote accountability, and reviewable automated decision-making processes allow more trust in algorithmic processes. Thus, it is hoped that meaningful transparency can lower the level of uncertainty and boost the level of trust (Barredo Arrieta et al., 2020; Cobbe et al., 2021; Nieuwenhuizen, 2025) of employees.

Employee Trust and Organizational Legitimacy

Trust in algorithmic systems by employees can impact on perceptions of organizational legitimacy. Use of AI sounds out the process of HRM as fair, accountable, ethical and respectful which in turn will make employees feel more positive towards the decisions of the organization and makes the organization legitimate. If perceived as skewed algorithms and excessive control, however, it can result in losing legitimacy and trust (Asante et al., 2024; Wiener et al., 2021; Patole, 2026).

Methodology

The methodology employed in this study of the effects of Algorithmic Human Resource Management (AHRM) on Organizational Legitimacy is based on procedural justice, transparency and employee trust. It explains about the population and sample, sources of data, theoretical frameworks and statistical tools. This study is of quantitative approach which is used to measure relationship among the variables objectively and

allow the use of statistical techniques in testing the hypothesis.

Population and Sample

Organizations studied were four money-handling organizations (MTN Nigeria Communications Plc, Access Bank Plc, Dangote Cement Plc, Flutterwave) in the Digital Financial services, Telecommunications, Manufacturing and Banking sectors respectively, with the population being human personnel within these organizations. The ones selected were selected because of their wide use of digital technologies and their connections with the research for algorithmic HRM based on the context of Nigeria organizations. Consider the MTN company, which stated the use of an AI-powered resume screening tool, and Human-AI recruitment. Likewise, studies have been done on the use of AI for HRM in Recall Money Banks, and Access Bank in Nigeria. It features large corporates such as financial institutions, telecom and telecom service providers, manufacturing authorities and digital service providers who are leaning towards AI-driven HR solutions. This total was determined through organizational records and reports from industry on the various organizations engaged in implementing Artificial Intelligence (AI) in HR practices, yielding the number 3,200. The Cochran (1977) formula for large population has been used to determine an appropriate sample size. A minimum of 398 respondents was achieved with a 95% confidence level and 5% margin of error. But sample size was expanded to 398 respondents for the need to create representativeness and to factor out non-response. Stratified random sampling design was used to make sure each sector and job had a proportional representation. The strata included industries – banking, manufacturing, services, and operational/HR staff – HR manager, supervisors, administrative staff, operational personnel. By adopting this approach, it improves the level of generalisability, it reduces sampling bias and it ensures that the respondent has own adequate information on algorithmic HRM systems and how it impacts the organisation.

Data and Sources of Data

It is a primary study since the data were gathered from the respondents by the use of questionnaire or structured interview schedule and the questions were asked from the respondents. Questionnaire was administered via mail and electronic mails to ensure optimum production and returns. Physical distribution has a major emphasis on those who have less or have no access to digital platforms and online distribution, and this helped increase their access and convenience. The questionnaire was designed to have two sections: demographologic attributes and central concepts; which included:

- Procedural Justice
- Transparency
- Employee Trust
- Organizational Legitimacy

The responses were using the 5-point Likert scale ranging from Strongly Disagree (1) to Strongly Agree (5). This scaling method allows for consistency and makes it easier to assess quantitatively. Data gathered was coded and analyzed using IBM SPSS Statistics software version 27 that allowed for statistical computations and hypothesis testing. Structured instruments were used to guarantee that data that could be quantified, and are suitable to the aims of the study, were gained.

Statistical Tools and Econometric Model

Descriptive Statistics

Descriptive statistics were used to summarise the characteristics of the respondents, and important variables of

the study. Demographic variables such as age, sex and job role as well as the number of years of experience were analysed based on frequency distribution and percentages. Mean scores and Standard Deviation for the items of procedural justice, transparency, employee trust and organizational legitimacy on a likert scale were obtained. Information from these statistics resulted in information about central tendencies and variability of the responses. The descriptive analysis also facilitated the comparison of various groups of respondents and to gain understanding on the data before carrying out its inferential analysis. Data patterns and distributions were easily interpreted.

Model Specification

Both descriptive and inferential statistical methods were employed in this study. While descriptive statistics summarized the data, inferential statistics were used to test hypotheses and examine relationships among variables.

Multiple regression analysis was used to determine the influence of procedural justice, transparency, and employee trust on organizational legitimacy.

The econometric model is specified as:

Where:

- OL = Organizational Legitimacy
- PJ = Procedural Justice
- TR = Transparency
- ET = Employee Trust
- β_0 = Constant
- β_1, β_2, β_3 = Coefficients
- μ = Error term

The coefficients β_1, β_2, and β_3 are expected to be positive, indicating that improvements in fairness, transparency, and trust enhance organizational legitimacy.

The model was estimated using SPSS version 27, and statistical significance was tested at the 5% level ($p < 0.05$).

Results and Discussion

Results

This chapter presents the analysis of data collected from respondents and discusses the findings in relation to the study objectives and hypotheses. The analysis includes demographic representation and inferential statistics obtained using SPSS.

4.1.1 Demographic Representation of Respondents

Figure 1: Participant Gender Distribution

As displayed on the chart 210 respondents (52.8%) were males and 188 respondents (47.2%) were females. So, this indicates that the male respondents outweigh the female. But, the gap between the two was a modest 5.6 percentage points. The gender spread is thus reasonably balanced which means that there was good representation of gender in the study. This distribution increases the validity of the results as it lessens the chance that the results will be weighted the one or the other way due to inconsistent gender response.

Figure 2: Participant Age Distribution

As shown by the age distribution, majority (36.2%) were of the age group of 31-40, and other age group (18-30) (33.9%) which covers more than 70% of the respondents as being young and economically active population of the area. This shows high probability of being Digital adaptable and available with Algorithm HRM systems as younger generations are more open to accepting Technological innovations. A lower proportion of older employees: Age 51 and over (10.8%) and 41-50 (19.1%). The distribution indicates that overall, the sample is suitable for studying perceptions of HR AI practices among employee groups who are digitally minded.

Figure 3: Participant Level of Education

In terms of education, the majority of the respondents (44.5%) have a Bachelor’s degree and a significant number (29.6%) of the respondents possess Master’s degree indicating that the population sample is relative well educated. In one part of the, it can be read that 18.6% have received a diploma and 7.3% a PhD. This distribution suggests that most of the respondents have enough academic background to understand and evaluate algorithmic HRM system. Increased education is associated to greater awareness of the technological systems and implications. Hence, the strong proportion of university graduates (Bachelor's and Master's) will increase the values of the statements and the assessment of the perceptions of fairness, transparency and trust in algorithmic decision-making processes.

Figure 4: Years of Experience at Work

Results show that there are a large number of respondents who have 1-10 years, thus there is moderate exposure to the organizational systems. This shows that the respondents were aware of the traditional HR practices and also the digital HR practices (Biemann et al., 2021). But, over a quarter are also experienced; having worked for over 10 years and experience in evaluating organizational processes. Unfortunately, the literature indicates that the abilities and skills of users have a meaningful impact on the assessment of technological systems (Naoum et al., 2026). With this blend of expertise, the reliability of the responses and balanced insights about algorithmic HRM adoption are improved.

4.1.2 Results of Descriptive Statistics and Regression Analysis

Table 4.1.3: Model Summary

Model

R

R Square

Adjusted R Square

Std. Error

1

0.703

0.495

0.491

0.36

The model summary shows a strong relationship (R = 0.703) between the independent variables (Procedural Justice, Transparency, and Employee Trust) and the dependent variable (Organizational Legitimacy).

The R^2 value of 0.495 indicates that 49.5% of the variation in organizational legitimacy is explained by the model. This suggests a moderate-to-strong explanatory power compared to typical social science studies.

The adjusted R^2 (0.491) confirms model stability, while the standard error indicates good prediction accuracy.

Table 4.1.3: ANOVA Table

Model

Sum of Squares

df

Mean Square

F

Sig.

Regression

50.21

3

16.74

128.8

0.000

Residual

39.81

394

0.10

Total

90.02

397

The ANOVA results show that the model is statistically significant ($F = 128.8$, $p < 0.001$).

This indicates that the independent variables jointly have a significant effect on organizational legitimacy, confirming that the model is suitable for hypothesis testing.

Table 4.1.4: Regression Coefficients

Variable

B

Std. Error

Beta

t

Sig.

Constant

0.965

0.161

—

5.998

0.000

Procedural Justice (PJ)

0.196

0.038

0.25

5.211

0.000

Transparency (TR)

0.231

0.044

0.27

5.268

0.000

Employee Trust (ET)

0.362

0.041

0.45

8.932

0.000

Overall, regression analysis results indicate that the relationship of these three variables (namely procedural justice (PJ), transparency (TR) and employee trust (ET) with variable organizational legitimacy is positive and significant. This indicates that a focus on fairness, openness and trust of algorithmic HRM systems results in more acceptance and perceived legitimacy of organizational practices. This month had been associated with improved positioning Moon and planets indicating that conditions of good planet positioning affect attitude as observed in the Nordic P value which was ($p<0.001$). Similarly, transparency has also a substantial contribution ($p < 0.001$), since there is great importance to increase the credibility and acceptance of the algorithm applied in a decision-making process by making it transparent. Interestingly, the highest standardized beta ($\beta = 0.45$, $p < 0.001$) was for employee trust. This is a good example of one aspect of perceptions of legitimacy: trust. Overall, the results suggest that the human factor related to perceptions of fairness, transparency and trust are factors which are relevant in successful algorithm HRM systems, in addition to the technical efficiency.

Hypotheses Testing

H_1: Procedural Justice and Employee Trust

In this regard, procedural justice was found to be positively related to employee trust in an algorithmic HRM system ($p<0.001$). So the hypothesis H_1 is accepted. This finding indicates that trust in algorithmic decision-making systems can be developed when the employees perceive the algorithms as being fair, consistent and free of discrimination. Thus, procedural justice creates and nurtures trust, by delivering decisions that are based on objective instead of subjective considerations. This aligns with the literature, for which the process-based fairness can be regarded as a significant determinant of the trust and acceptance into organisational systems (Wei & Chen 2024). Another important issue in algorithmic HRM is fairness since it does not consider the opinions of others when making decisions. Credibility of the system judged by working employees—integrity perceived. Hence, in organizations, designed/implemented algorithms in humane ways are more likely to provide high levels of trust amongst staff.

H_2: Transparency and Employee Trust

The results indicated transparency positively affects employee trust and is significant at $p<0.001$ and hence, hypothesis H_2 is accepted. According to this discovery, if an employer can communicate in some way how choices are being made based on an algorithm, employee trust in the system is enhanced. The concept of transparency seeks to make the decisions more understandable to the employees, reduce uncertainty about the decisions, and help employees trust in the system (Wei & Chen 2024). Transparency is therefore a key element of algorithmic HRM as DPIPWE decision processes can often be complex or mysterious; trust is therefore key in the maintenance of algorithmic HRM. If employees are made aware of the use of the data, and how the results are being achieved, this will minimize any impression of bias and unfairness. It is a finding reinforcing the findings of other studies that have noted the need for explainability of AI systems. Therefore, organizations having to do with EALs must focus on approaches to establishing transparency and explaining AI systems in order to gain access and trust.

H_3: Employee Trust and Organizational Legitimacy

The result shows that the hypothesis H_3 (employee trust directly and positively affects the organizational legitimacy) is accepted as the factor of employee trust has positive effect in the organizational legitimacy which is strong and the significance value (p value) is < 0,001 or < 0,0001. Based on the selected predictors, employee trust is the most influential variable and it emphasizes trust's significance as it relates to employee's perception of organizational credibility and acceptability. Cognitive trust in algorithmic HRM can heighten behavioural dedication to determination, as well as co-operative behaviors towards organisational procedures and economic legitimacy of the organisation. Trust is a connection between the features of a system and employee acceptance—Systems can be well designed but not accepted if there is a lack of trust (Banga & Gobind, 2025). This discovery indicates not only that it is not just about technology and its efficiency, but also about how employees feel towards that and how they react to it. It is even more crucial in emerging economies as their mistrust of technological systems might be more intense. Organisations should, therefore, carefully ensure that their practices are fair, transparent and accountable – which would increase accountability and enhance the legitimacy.

Discussion

The findings of the study can be visualised that the effect of procedural justice and transparency to trust has significant effect on organisational legitimacy. The results showed that there is an obvious role for employees' beliefs of fairness and openness to algorithmic HRM systems in the acceptance and organizational credibility of HRM algorithms. The findings agree with Esther Nieuwenhuizen (2025) who stated that transparency is important in order to foster trust in algorithmic governance systems. Also, the powerful impacts of employee trust point to trust serving as a kind of a middle layer among system features and legitimacy consequences. Employees are willing to adhere to decisions made by algorithms when they feel that they are just and understandable. It is consistent with previous works which have emphasised the importance of fairness and transparency in the design and use of artificial intelligence (Bankins et al., 2022; Barredo Arrieta et al., 2020). The results indicate a global conclusion that the effectiveness of technology does not ensure success and that taking employee perceptions into consideration need to be considered during the successful integration of algorithmic HRM systems.

Conclusion and Recommendations

Conclusion

In sum, this study is concluding that fair, transparent and trustful design and implementation of the

algorithmic HRM system would be crucial for the achievement of organizational legitimacy. Results show that procedural justice and transparency have positive influence on employee trust that in turn influences employees' perception of the legitimacy of organization practices. Employee trust proved statistically most significant, suggesting that the functioning as intended is not the sole factor in the success of HRM's algorithms, but is also about the sense that these systems are to employees. Algorithmic decision making if it isn't implemented fairly and transparently can result in decreasing effectiveness, increasing crank-back, and increasing resistance. In conclusion, it is vital for organisations to ensure AI practices are done ethically — and the explainability, accountability and inclusive system design factors should be at the top of the list. It can be done in such a way that organizations can improve trust, engagement and sustainability. Lastly, in the case of emerging economics, the concepts of fairness and transparency implemented in algorithmic HRM would enhance the performance of the organization and company legitimacy.

Recommendations

The recommendations refer to enhancements of algorithmic HRM systems in light of their effectiveness, fairness and acceptance in organizations. Their goal is to address some of the key findings that came from their study, including the areas of Procedural Justice, Transparency, Employee Trust, and Accountability, and to help with sustainable implementation of Al-based HR practices in emergent economies.

- Organizations should design algorithmic HRM systems that are fair, consistent, and unbiased. Clear rules should guide decision-making processes, and employees should be given the opportunity to question or appeal algorithmic decisions to enhance fairness and acceptance.
- Organizations must provide clear and understandable explanations of how algorithmic decisions are made. This includes communicating the data sources, decision criteria, and logic behind outcomes. The use of explainable AI tools should be encouraged.
- Management should actively involve employees in the implementation of algorithmic systems through training, awareness programs, and open communication. Addressing employee concerns promptly will help strengthen trust and improve system acceptance.

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