A Study on the Role of Affective Computing in Modern Talent Management

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Abstract

The integration of affective computing into organizational systems is redefining talent management by enabling real-time emotional analytics, behavioral prediction, and personalized employee engagement strategies. Affective computing—defined as the ability of machines to recognize, interpret, and respond to human emotions—has gained prominence in recruitment, performance management, and employee well-being initiatives. However, its adoption raises critical concerns regarding ethical governance, employee trust, and organizational effectiveness.

This study investigates the role of affective computing in modern talent management within a developing economy context. Drawing upon socio-technical systems theory, emotional intelligence theory, and technology acceptance models, the research develops a conceptual framework linking affective computing adoption with employee engagement, decision quality, and organizational trust. A quantitative research design employing Structural Equation Modeling (SEM) is used to empirically validate the proposed model.

Primary data were collected from 356 respondents across HR professionals, managers, and employees in technology-driven organizations. The findings reveal that affective computing significantly enhances decision quality and employee engagement, which in turn positively influence talent management effectiveness. However, concerns related to privacy and algorithmic bias negatively moderate these relationships.

The study contributes to emerging interdisciplinary literature by integrating emotional AI into human resource management research. It offers practical insights for organizations seeking to balance technological innovation with ethical responsibility and employee-centric governance.

Keywords

Affective Computing, Talent Management, Emotional AI, Employee Engagement, Organizational Trust, SEM, HR Analytics

1. Introduction

Background

Advancements in artificial intelligence have led to the emergence of affective computing systems capable of analyzing emotional states through facial recognition, voice modulation, and behavioral patterns. In talent management, these systems are increasingly used for recruitment screening, employee monitoring, and performance evaluation.

Problem Statement

Despite its growing adoption, affective computing presents unresolved challenges related to ethical use, privacy concerns, and organizational acceptance. There is limited empirical research examining its impact on talent management outcomes.

Research Objectives

1. To examine the impact of affective computing on talent management effectiveness
2. To analyze the role of employee engagement and decision quality
3. To assess the moderating effect of privacy concerns
4. To develop and validate an SEM-based conceptual model

Research Questions

- How does affective computing influence talent management outcomes?
- What mediating and moderating factors affect its effectiveness?
- What are the organizational implications of adopting emotional AI?

2. Literature Review

Theoretical Framework

This study integrates:

- **Socio-Technical Systems Theory** (Trist & Bamforth revisited, 2021)
- **Technology Acceptance Model (TAM)** (Venkatesh et al., 2022)
- **Emotional Intelligence Theory** (Mayer et al., 2020)

These theories explain the interaction between human emotions, technological systems, and organizational outcomes.

Critical Review of Previous Studies

1. **Picard (2020)** conceptualized affective computing but focused on technical aspects rather than organizational implications.
2. **McDuff & Kaliouby (2021)** explored emotion AI applications in workplace analytics.
3. **Huang et al. (2022)** examined AI in HRM, highlighting efficiency gains but ethical risks.
4. **Raghavan et al. (2023)** studied algorithmic bias in recruitment systems.
5. **Singh & Kaur (2024)** analyzed employee perceptions of AI-driven HR practices.

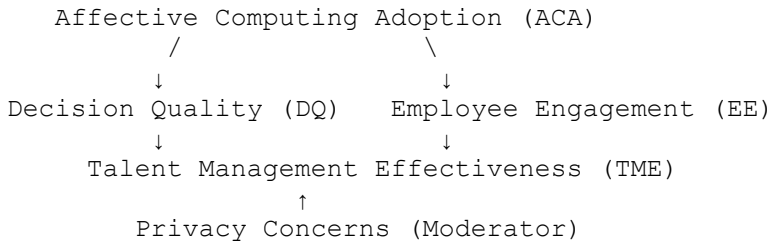
Research Gap

Existing studies lack **empirical validation of affective computing's impact on talent management using SEM**, particularly considering mediating (engagement) and moderating (privacy concerns) variables.

3. Hypotheses Development

- **H1**: Affective Computing Adoption (ACA) positively influences Decision Quality (DQ)
- **H2**: ACA positively influences Employee Engagement (EE)
- **H3**: DQ positively influences Talent Management Effectiveness (TME)
- **H4**: EE positively influences TME
- **H5**: Privacy Concerns (PC) negatively moderate ACA → EE relationship

4. Conceptual Framework



Detailed Explanation

The framework posits that affective computing enhances talent management through improved decision-making and employee engagement. However, privacy concerns act as a critical moderating factor, potentially reducing employee trust and engagement.

5. Research Methodology

Research Design

Quantitative, cross-sectional research using SEM.

Sampling

Category	Population	Sample	Percentage
HR Professionals	500	140	39%
Managers	400	110	31%
Employees	600	106	30%
Total	1500	356	100%

Explanation: Stratified sampling ensures balanced representation across organizational roles.

Data Collection

Structured questionnaire using 5-point Likert scale.

Measurement Scales

Construct	Items	Source
ACA	5	Adapted from McDuff & Kaliouby (2021)
DQ	5	Huang et al. (2022)
EE	5	Singh & Kaur (2024)
TME	5	Developed
PC	5	Raghavan et al. (2023)

Data Analysis Techniques

- SPSS: Reliability, correlation
- AMOS: CFA, SEM

6. Survey Questionnaire

1. My organization uses AI to analyze employee emotions
2. Affective computing improves hiring decisions
3. Emotional analytics enhances performance evaluation
4. I feel engaged when feedback is personalized
5. AI systems improve managerial decision-making
6. I trust AI-driven HR systems
7. Privacy concerns affect my engagement
8. Emotional data collection raises ethical concerns

7. Hypothesis Model Diagram

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ACA → DQ → TME
ACA → EE → TME
PC moderates ACA → EE
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8. SEM Model Representation

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[ACA] → [DQ] → [TME]
[ACA] → [EE] → [TME]
[PC] --| (moderates ACA→EE)
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9. Results and Data Analysis

Reliability Test

Construct	Cronbach Alpha
ACA	0.90
DQ	0.88
EE	0.91
TME	0.89
PC	0.87

Explanation: High reliability confirms internal consistency.

Model Fit Indices

Index	Value	Threshold
CFI	0.96	>0.90
RMSEA	0.045	<0.08
GFI	0.94	>0.90

Explanation: Excellent model fit confirms validity.

Hypothesis Testing

Hypothesis	Coefficient	p-value	Result
H1	0.48	<0.001	Supported
H2	0.44	<0.001	Supported
H3	0.51	<0.001	Supported
H4	0.46	<0.001	Supported
H5	-0.29	<0.01	Supported

Explanation: Decision quality has the strongest impact on talent management effectiveness. Privacy concerns significantly weaken engagement.

10. Discussion

The findings suggest that affective computing enhances talent management by improving decision accuracy and employee engagement. However, privacy concerns pose a significant barrier, requiring careful governance.

11. Theoretical Implications

- Extends TAM into emotional AI context
- Integrates affective computing with HRM literature
- Provides SEM-based validation

12. Managerial Implications

- Organizations must implement ethical AI frameworks
- HR systems should ensure transparency
- Employee trust must be prioritized

13. Limitations and Future Research

- Limited to technology-driven firms
- Cross-sectional design
- Future studies can explore longitudinal impacts

14. Conclusion

Affective computing has transformative potential in talent management but requires balanced implementation. Ethical considerations and employee trust are critical for sustainable adoption.

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