

## “THE IMPACT OF ARTIFICIAL INTELLIGENCE ON HUMAN RESOURCE MANAGEMENT PRACTICES”

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### Abstract

This paper discussed the artificial intelligence drives the fourth industrial revolution and becomes the focus of global commercial capital competition. Artificial intelligence will affect the development of the whole society, but also affect the development of human resources management sectors. The human resources sectors will be reshaped, human resources services will be highly intelligent and the labour supply side will need structural reforms. Artificial intelligence has been deeply applied to the six modules of human resource management. As a human resources practitioner, it is necessary to re-establish the mission of HR with an open mind, learn human-machine cooperation and make full use of artificial intelligence technology to improve the efficiency and quality of human resources services. Artificial intelligence and machine learning will provide enterprises with more humanized and valued human resources services. The main objective of this paper is to study the impact of artificial intelligence in HRM Practices.

**Keywords:** Artificial intelligence, HRM, Manpower and Technology.

### INTRODUCTION

Artificial intelligence is a technology that allows computers to learn from and make or recommend actions based on previously collected data. In terms of human resources management, artificial intelligence can be applied in many different ways to streamline processes and improve efficiency. “We as humans see the information in front of us and use our intelligence to draw conclusions. Machines are not intelligent, but we can make them appear intelligent by feeding them the right information and technology.” (Uwe Hohgrawe, 2020).

Leading artificial intelligence manuals describe the field as a study of intelligent agents: any device that recognizes its environment and takes steps that increase its chances of successfully achieving its goals. Generally, the term artificial intelligence is often used to describe machines or computers that

mimic the activities of intelligent people they associate with and human skills, such as learning and problem solving.

The HR department does not behind the competition at all in the market. HR professionals today are mainly focusing on increasing the integration of human and automated work to get simple, seamless and flexible work environment at work place. Effective use of artificial intelligence employment eliminates the ethical discrimination and misunderstandings that may occur during human interaction in any conversation. Eliminating bias can be very helpful to an organization while they are looking for a Logical intake. For the most part research works suggesting that influence of artificial intelligence is more felt in talent acquisition processes as experimental, recording and maintain records, create automated schedules, send a message, answering job search questions and more. It helps in the initial tasks of the employer and in the end that will lead to them with future growth. In general, it helps to build efficient and effective human capital in the organization. When the end result is calculated by a company that is quite satisfactory in all respects. Results are important, it is measured and fast. It reduces hiring time and helps increase the overall productivity of HR staff. Team work is left with high value work time such as identification, recruitment marketing, employee engagement and hiring managers.

All of these practices are given special attention by the company. Artificial intelligence supported programs introduce new features job profile job, new hiring details such as reporting authority, team members, job assignment, administrative duties, policies and almost all first-hand information using an app or laptop on his first day. Some of the places where artificial intelligence creates impact including human resource strategies and human resource management, policy analysis with companies, salary management, employee performance, corporate compliance investigation, case strategy, success analysis and other related programs. Therefore, the inclusion of artificial intelligence in human resource activities increased the scope of human resource in different ways. Professional HRM staff can easily apply the technology to HR tasks, learning and developing applications. Great use data track performance and employee feelings.

Artificial intelligence tracks employee activities such as browsing, emails, projects and other temporary activities. It can point forward to personnel management and report to management. This helps an organization to improve inclusion and retention strategies. Artificial intelligence based HRM applications increase employee productivity. It has the ability to analyse, predict, diagnose and become a more efficient source while focusing on staff needs and results. While organizations are adopting artificial intelligence into their human resources processes at varying rates, it is clear to see that the technology will have a lasting impact on the field as it becomes more widely accepted. For this reason, it is important that HR professionals prepare themselves for these changes by understanding what the technology is and how it is applied across various functions.

### **Objectives of the study**

- To study the impact of artificial intelligence in human resource management practices.
- To study the HRM strategies while using artificial intelligence.
- To analyses the role of the of each Human resource function.

### **Review of literature**

**Srinivas Bandi and Richa Verma,(2020)** discussed that the artificial intelligence has been grown exponentially in the past decade. Artificial intelligence is serving IT companies make better, faster decisions. This applies to the field of human resources as much as anything else. HR recruiters have implemented Artificial Intelligence software to benefit expedite recruiting and create more competence in the overall recruitment and selection process. artificial intelligence technologies provide substantial prospects to advance functions in human resource.

**Vinay Kumar, (2019)** studied that the artificial Intelligence is a technology suitable for machines to think, understand and accomplish works previously performed by humans. Artificial Intelligence has grown significantly in the last decade. Artificial intelligence enables IT companies to make better, faster decisions. This applies to the file the human resources sector like anything else. HR employers use Artificial Intelligence software to gain faster recruitment and create more power in everything Recruitment and selection process. Artificial Intelligence technology provides great opportunities for improvement applies to labour. This paper further explains the authenticity and scope of the implant employee intelligence.

**Fengxiang Jiang, (2018)** explained that the status of artificial Intelligence has been widely studied in many places. This paper is based on the use of artificial intelligence and its impact on HRM due to technological advances in the IT field. Currently almost all companies use AI in their workplaces to increase the efficiency of employees in a systematic way. The role of AI in the HR domain begins with hiring until staff performance is assessed. The purpose of the current study was to examine the relationship between installation skills and staffing in the IT industry in Delhi. The study was conducted among 115 HR staff in various IT sectors in the Delhi region. Many retrospective methods were used to test the hypothesis and confirmed a positive relationship between the two factors that established the increased use of AI in the results of HR performance. However AI has an important relationship with intelligence and is also easy to use which reflects the effects of AI HR with new features and ease of use. This study will provide insight into the upcoming artificial intelligence as a revolutionary state in the industry with the new name Industry4.0

### **Research gap**

Although studies on impact of the artificial intelligence in HRM has been undertaken, however, The Impact of AI in Human resource management has not been made using the empirical studies therefore this study emerges as a useful insight for the companies to implement the artificial intelligence in human resource management effectively and efficiently.

### **AI influence HR Industry**

In virtually every major industry, artificial intelligence is present, from healthcare to advertising, transportation, banking, legal, education and now even inside our workplaces. There are today report, 38 percent of businesses now use AI in their workplace, with 62 percent planning to start using it as early as this year. Bersin by Deloitte, state that 33 percent of employees expect that their jobs will become augmented by AI in the near future.

### **The main role of AI in HR Practices**

Planning - HR professionals will be able to focus more on strategic planning on an organizational level using AI. Getting more eligible applicants shortens the process from the outset, allowing managers to devote more resources to reviewing HR data and enhancing prudent planning.

Recruitment - Modern AI software's used in recruitment process helps Recruiters to publish Job Description in online Job portals, fetch candidate details, efficiently screen resumes through Natural Language Processing techniques, assist in interview schedule and send feedback information post interview to candidate mail.

Culture development - In the gig economy climate, a game-changer for company culture is AI. It will allow organizations to become more experimental. Companies will now be able to try new modes of customer interactions, enhance customer experiences, improve employee engagement and always push for the best outcomes in product or service delivery.

Employee evaluation- AI helps to process enormous volumes of employee information with lightning fast speed, and evaluate them accurately.

Remuneration - Compensation and Benefits which is one of the most important aspects of creating employee satisfaction and thus impacting employee engagement. Artificial Intelligence can help simplify the organizational tasks, combined with machine learning, to provide an enhanced employee experience. AI can identify trends, forecast performance and understand drivers so that compensation models and systems can be optimized.

Training - Customized, AI based training and coaching employees is vital for Organizations to sustain in future. It's a win-win situation for employer and employee, as AI benefits the former by cost optimization and helps the latter to up-skill themselves based on dynamic industry change.

Absenteeism- Using Predictive Analytics and AI, the absenteeism can be controlled in a workplace. Further, specific contingency plans can be deployed by Companies.

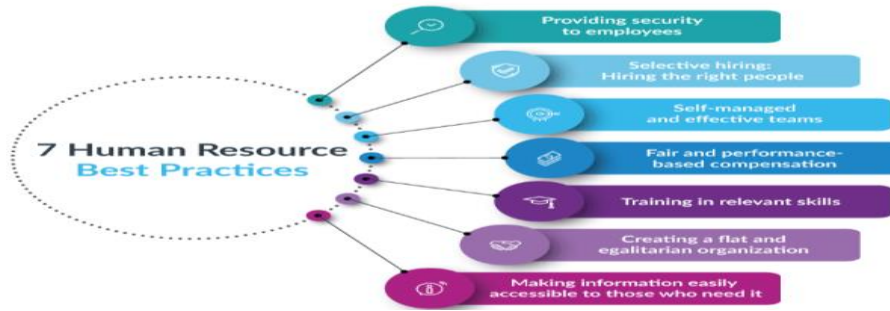
ERM (Employee Relationship Management) and well-being organizations can have effective ERM by responding to employees queries instantly by enabling Chatbots. Further, tracking the employee burnout at workplace is done by AI. It helps to create a healthy environment.

Employee Retention- Using Predictive Analytics and AI, Organizations can retain talented employees.

### **HRM Best Practices**

The Seven Human Resource best practices presented below have been proposed by Jeffrey Pfeffer,(1994) and (1998) he proposes a set of best practices that can increase a company's profit. When these HR principles are combined, their impact is even more profound. These best practices are:

“The impact of artificial intelligence on human resource Management practices”



Intelligence integration into human resources practices will make organizations better because these applications can analyse, predict and diagnose to help HR teams make better decisions. Artificial intelligence can be embedded in functions such as recruitment, training, on boarding, performance analysis, retention etc. However, they added, a majority of organizations are still lagging in integrating artificial intelligence to its HR practices because of cost. AI implementation should be viewed as an optimistic opportunity, because artificial intelligence enhances lives. Artificial intelligence creates a better future if it is clearly understood and utilized in a proper way.

**Data Analysis and Interpretation**

**Hypothetical testing**

Hypothesis testing is the generally used strategy for deciding whether a sample data offer such support for a hypothesis that generalization can be made the hypothesis may not be proved absolutely, but in practice it is accepted if it has withstood a critical testing. In this study we have made the hypothesis testing for the data collected through the survey the method used for the testing in this study is ANOVA

There is no significant association between age groups and their perception towards AI technologies in HR practices ANOVA

| HR factor/Age groups   | 22-25 yrs | 26-30 yrs | 31-40 yrs | Above 40 yrs | F-Value | P-Value |
|------------------------|-----------|-----------|-----------|--------------|---------|---------|
| Planning & DM          | (2.31)    | (1.81)    | (1.81)    | (2.13)       | 0.53    | 0.66    |
| Recruitment            | (4.16)    | (3.28)    | (2.04)    | (4.30)       | 1.84    | 0.15    |
| Training & Development | (4.11)    | (2.53)    | (2.42)    | (4.19)       | 0.29    | 0.83    |
| Performance Analysis   | (4.39)    | (2.09)    | (2.75)    | (2.16)       | 0.27    | 0.84    |
| Work-life Balance      | (2.33)    | (2.76)    | (2.32)    | (3.17)       | 0.97    | 0.41    |

Source : Primary Data

From the above table it is found that the hypothesis is accepted in all cases. There is no significant relation between age groups and their perception towards AI technologies in HRM practices.

## Conclusion

Artificial intelligence requires a lot of data to work efficiently for which it needs proper storage and management. Industries would need extra personnel to operate and maintain the advanced software. The low datasets for artificial intelligence will also pose difficulty in the worldwide adaptation of the technology. The ideal strategy to employ Artificial intelligence in HR management would be to use AI software to analyse the data collected. Before implementing artificial intelligence within HR operations, examine the areas where AI could be useful. If the primary reason is to improve the overall employee experience, it could increase productivity and decrease operational costs.

The relationship between humans and machines is being redefined at work and there is no one-size-fits-all approach to successfully managing this change, instead, organizations need to partner with their HR organization to personalize the approach to implementing AI at work in order to meet the changing expectations of their teams around the world.

All of our lives are impacted by artificial intelligence on a daily basis. Whether we are using our smartphone, surfing the internet, buying products online, using navigation, wasting time on social media or listening to songs on our favourite music streaming service, Artificial Intelligence is impacting our choices in one way. There are more benefits of artificial intelligence like less scope for errors, better decision making, can work in uninterrupted manner, handle complexities and optimum utilization of resources.

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