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# Impact of Artificial Intelligence on Human Resource Management

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## ABSTRACT

In order to increase organisational performance in today's cutthroat marketplace, human resources are a necessary asset. The firms must work to embrace cutting-edge HR procedures to enhance their performance and stand out from the competition. HRM will soon transition from conventional HR approaches to more cutting-edge developments like automation, augmented intelligence, robotics, and AI. AI has shown to be a game-changer for us. AI has the potential to fundamentally alter the way we live and work, whether it is through the automation of tedious and time-consuming jobs or the augmentation and amplification of human skills. This presents HR with both an opportunity and a pressing need to adapt and adopt.

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## 1. INTRODUCTION

### *What Is Human Resource?*

Human resource (HR) is a group or set of people responsible for the basis of an organization, business sector, industrial sector, or management sector. Individuals in Human Resources have a command over the knowledge and skills of human capital which includes labor, manpower, associates, or simply over people.

The human resource department oversees the various aspects of human life such as employment, unemployment, employee recruitment, employee offboarding. The human resource department also serves as a line of communication between the organization and its employees.

They also perform duties like planning, posting, selecting, evaluating the performance of the employees. Their duty is not just limited to employee counseling but also maintaining relationships with employees.

### *What Is Human Resource Management?*

Human resource management is the strategic, effective and efficient approach of a group or set of people in an organization to help, achieve a business gain or competitive advantage. It is professionally designed to maximize an employee's performance and strategic objectives. They implement policies and processes for creating a friendly, beneficial and goal-oriented environment for an organization. They are responsible for making and implementing laws to avoid discrimination in hiring and firing based on any caste, race, sex or gender.

### *What is artificial intelligence?*

Humans and animals display natural intelligence whereas intelligence displayed by machines and robots is artificial intelligence (AI). The use of AI in the field of science and technology has set new examples for the world. Humans can look and think beyond their imaginations like walking on the surface of the moon, peeping into the atmosphere of other planets, sending, voyagers to round different planets and their moons. Not only that was enough for mankind, even the smallest of atoms and microns can be studied by the use of a microscope. Almost all the land on earth has been walked by researchers.

The use of artificial intelligence has been mind-boggling to the world. Even this research paper has been made by use of artificial intelligence, not only that, the device you are using to read this article is made with the help of artificial intelligence.

### *Artificial intelligence in human resource management?*

The use of artificial intelligence has transformed the world completely. "The AI will generate \$13 trillion in global economic activity by 2030", said McKinsey. The HR department is not left behind. Today in this world of modernization HR professionals are using AI in the best possible manner. They are focusing on optimizing the combination of human and automated work. To gain a simple, seamless, advanced work environment. Which provides individuals with creativity, intelligence, and innovation, and delivers an enhanced and enriched work environment.

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## Research Questions

- 1) Does your company use the latest software based on AI for hiring processes?
- 2) Does your company practice AI in HR practices?
- 3) has AI proved helpful in your company's HR practices?
- 4) Do you think AI will bring revolution to HR practices?
- 5) Does AI prove useful in finding the best talent for a job?
- 6) Do you think implementing AI in HR practices leads to human job losses?

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## Objectives

The objectives of the study are as follows:

- 1) To know the impact of Artificial intelligence on human resource management
- 2) To know the role of AI in HR practices
- 3) To make the best use of AI in HR practices
- 4) To know the role of AI in hiring processes
- 5) To identify which sector makes the best use

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## LITERATURE REVIEW

### Literature Review

- 1) *Stephen Hawking's* said that AI will be the biggest event in mankind's history but it might be the last of us if we use it carelessly
- 2) *Sam Altman* said that AI will most probably lead to the end of the world but till that time there will be great companies
- 3) *Steve Jurvetson, Board Member of SpaceX and Tesla* said that AI allows us to build software solutions that even exceed human understanding
- 4) *Tim Cook, CEO of Apple* said that we should use AI to benefit humanity and not to detriment it
- 5) *Colin Angle, CEO, and Founder of iRobot* said that it will be interesting to see how society deals with AI but it will be cool

### Research Gap

There is a gap between the recruitment sector and the selection process in the industry. Though AI is an application of IT it's a quite different process. The main motive of this research is to showcase the applications, impacts, and use of AI in HR management. Most of the previous research is based on how IT is transforming HR management which is a broad area.

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## RESEARCH METHODOLOGY

### Research Design

Research design mainly consists of two types quantitative and qualitative research.

#### 1) Quantitative research

It is used to examine the relationship between variables and numbers by using statistical data to explain and analyze its findings.

#### 2) Qualitative research

It is exploratory in nature. It is designed to explore the meanings and understandings of complex social environments, people's relationships, and case studies.

### Data Collection

This data is collected from all the questionnaires mentioned above which were distributed in our locality. The questionnaire was also floated among various age groups and individuals of different sectors to get the best out of it.

A large number of people gave feedback based on their personal experience with AI. Out of 200 forms, 150 filled forms were used for data analysis. This research utilized both primary and secondary data. And the secondary data was collected from articles magazines PDFs and journals.

### Data Analysis Tool

This analysis was conducted to determine the effectiveness and impact of AI on Human Resource and Human Resource Management. And to find

its significance and crucial role.

### Research Hypothesis

H1: AI does not have any significance in Human Resource Management

H2: AI has a significant impact on Human Resource Management

## 4. DATA ANALYSIS AND DATA INTERPRETATION

This section includes all the data collected from 200 respondents. But only 150 completely filled forms were taken into consideration. After ensuring the reliability and integrity of the data we received from our forms, all forms were analyzed.

The first part contains information on the age groups of the respondents.

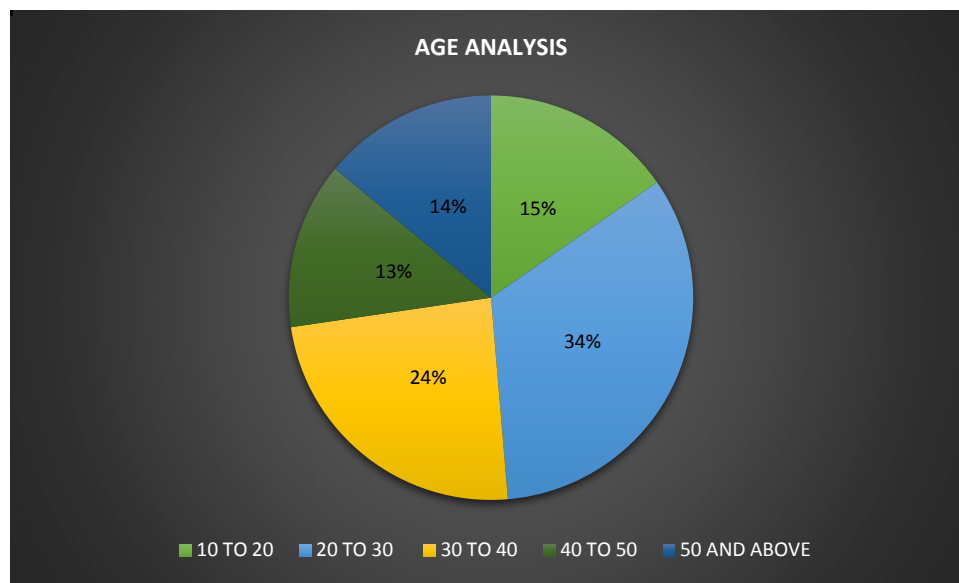


Figure 1: age analysis of the respondents

Figure 2 represents the occupation analysis of the respondents

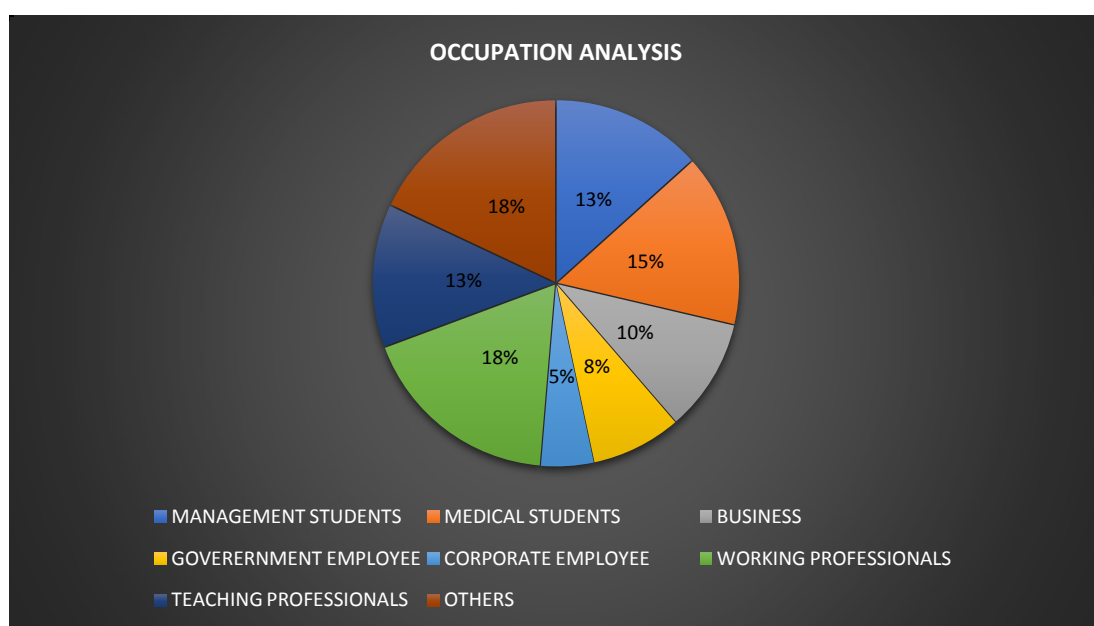


Figure 2: occupation analysis of the respondents

Figure 3 represents the sector that benefited the most due to the implementation of AI in their working sector.

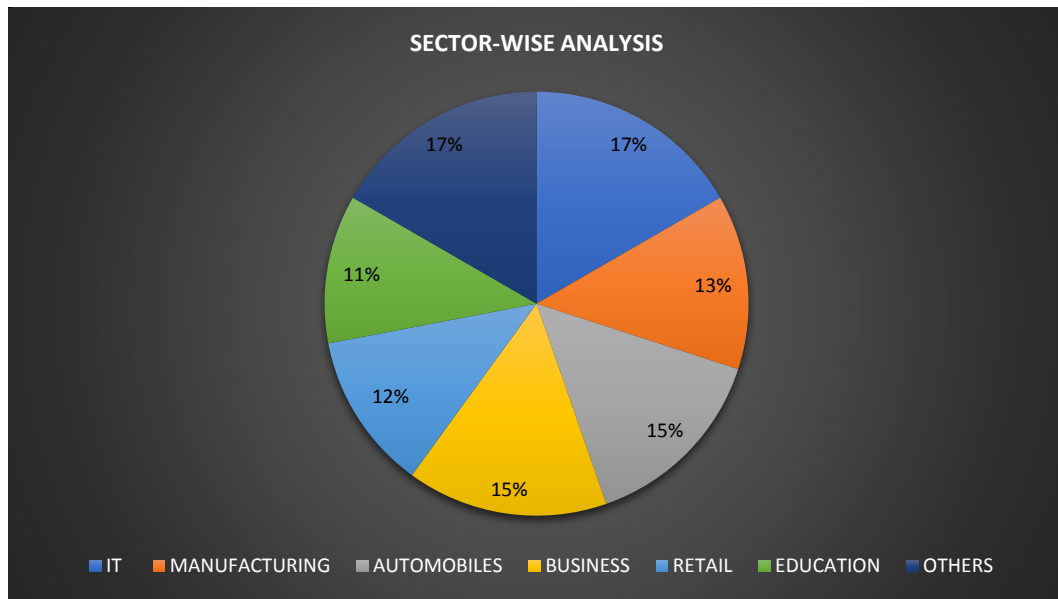


Figure 3: sector-wise occupation analysis

## CONCLUSION

### 1. FINDINGS

#### 1) Influence Of Artificial Intelligence in Human Resource Management

Every day AI is expanding to a greater extent in HRM. It includes employee hiring, training, engaging, managing, and day-to-day records.

#### 2) Personalized Experience

AI has more influence on talent acquisition processes. The results are significant immediate and measurable. It also introduces AI-backed programs like job profiles for new employees, hiring processes, administrative tasks, and policies.

#### 3) Management Decisions

It includes HR strategy and employee management, analysis, policies, practices, managing payrolls, investigation, litigation strategy, and other related programs.

### 2. Limitations

Today AI is widely used in almost every sector all around the globe. Although it solves most of the problems, it is still not perfected yet. AI has lots of benefits and it also benefited a lot of sectors but the limitations cannot be ignored as well.

AI systems are still incapable of fully understanding the emotional aspects of the decision-making process. The results of AI software are highly and strongly logical which may not apply to the situation of the company and many other several constraints. As AI operates on data, its most likely to make mistakes as a result of errors and disparities in the data.

### 3. Conclusion

AI-based software in Human Resource raises employee productivity, analyzing, predicting, diagnose while also focusing on employee needs and outcomes.

AI-based technology removes time constraints, as it is more creative and innovative than analytical problem-solving. But there are challenges like privacy, talent gap, integration capabilities, and limited proven applications.

In a true sense, AI-based software only affects certain percentages of groups of workers and corporates. It is the responsibility of HRM and HR leaders of companies to reflect it on their employee's needs and future outcomes. AI will be used everywhere in HR practices like training, performance analysis and retention. But many companies are still lagging in fully utilizing AI.

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