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A Study on AI in HRM and its Tools

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ABSTRACT

The history of AI in HRM can be traced back to the early 2000s, when IBM's HR function was one of the first to adopt AI technology. Since then, AI has been increasingly used in various HR functions, such as candidate attraction, hiring, learning, compensation, career management, and more. The primary reasons for implementing AI in HR include solving business challenges, improving performance, and enhancing decision-making capabilities AI tools can help HR professionals streamline processes, enhance efficiency, and gain valuable insights into various aspects of HR, such as recruitment, on boarding, performance management, and learning and development

Key words – AI, HRM, Learning and development

INTRODUCTION

AI is revolutionizing human resource management (HRM) by streamlining processes and maximizing resources. HR professionals use AI to create goals, track team and individual performance, learn about developments and changes, and save operational costs. AI is used in HR functions such as payroll processing and benefits administration, recruitment and hiring, performance management, and on boarding new employees. AI can monitor employees' performance, behaviour, and engagement, providing HR teams with valuable insights. It can analyse employee data, reduce biases, and enhance analysis and decision-making. AI will also assist HR professionals in making smarter decisions by delivering real-time data and insights. However, it is important for HR professionals to realize that AI shouldn't replace the human touch in HR. Companies should be able to strike a balance between technology and human involvement to gain the best results. AI will lead to new sets of employee expectations about how employees interact with HR and HR. Potential applications of AI solutions span the entire HR function, including talent acquisition, voice of the employee, career development, learning, and HR service management.

OBJECTIVE OF AI IN HRM

AI can be utilized to support career growth, enhance employee engagement, and advance organizational strategies.

It can also help provide employees with more personalized and tailored career growth, and assist in making smarter decisions by delivering real-time data and insights.

The study aims to explore the potential of AI in revolutionizing HR practices, such as candidate screening, employee performance management, and creating a more diverse and inclusive workplace

RESEARCH METHODOLOGY

The present study is based on Secondary Data which has been collected from various books,

Journals, newspaper, websites, etc

Deploying AI in HR

When deploying artificial intelligence in Human Resources, it is important to handle it with caution like any other technology. Some factors that need to be considered are listed below:

- **Finding reliable data sets:** For successful AI outcomes, real-time and accurate data is critical. Something objective and all-encompassing. So, first, gather the necessary data, and then define the output-driven goal.

- **Using the proper AI implementation:** The AI environment differs greatly from other IT environments. For implementation, specialized skills and procedures are required. Make sure to be explicit about gathering the correct data sources, as well as cleaning and curating them.

- **A clear understanding:** It is critical to comprehend and comprehend the ideas to be driven. As a result, there should be clarity and instruction on the proper patterns to examine and act on.

- **Removing Bias:** Using the algorithms and logic given to the system, AI can produce accurate and impartial outcomes. Make sure your data is accurate, and remember that AI will only do what you want it to do, not make decisions for you.

AI TOOLS USED IN HR

1. Zavvy: An AI-driven 360° Growth System designed to simplify and streamline people development programs.

2. Click Up: A project management tool that can be used for HR management.

3. Juice Box: A platform for employee engagement and performance management

4. Workable: A recruitment software that uses AI to streamline the hiring process

5. Toptal: A platform for hiring freelance talent, including HR professionals

6. Zoho Recruit: A recruitment software that uses AI to automate tasks and improve decision-making

7. .Fetcher: A recruitment software that uses AI to identify and engage potential candidates

8. EdApp: An award-winning learning management system (LMS) that aims to revolutionize learning at work

9. IntelliHR: A people management tool that centralizes employee data and automates processes

10. Degreed: An AI-powered tool that uses recommendations to improve employee learning experiences

These AI tools can help HR professionals streamline processes, enhance efficiency, and gain valuable insights into various aspects of HR, such as recruitment, on boarding, performance management, and learning and development.

ROLE OF AI IN HUMAN RESOURCE MANAGEMENT.

AI in Human Resource Management (HRM) has various impacts, including:

1. Efficiency: AI automates routine HR tasks like resume screening, allowing HR professionals to focus on more strategic aspects of their roles.

2. Recruitment: AI enhances the hiring process by analyzing resumes, identifying suitable candidates, and even conducting initial interviews, streamlining the recruitment process.

3. Employee Engagement: AI tools can gauge employee sentiment, helping organizations understand and improve employee engagement through feedback analysis and sentiment analysis.

4. Training and Development: AI facilitates personalized employee training programs, adapting to individual learning styles and providing targeted development opportunities.

5. Predictive Analytics: AI can predict employee turnover, helping HR to proactively address retention issues and create strategies to retain valuable talent.

6. Bias Reduction: AI can help minimize unconscious biases in recruitment and performance evaluations by focusing on objective data and criteria rather than subjective judgments.

7. Employee Benefits Optimization: AI can analyze data to tailor employee benefit packages, ensuring they meet the specific needs and preferences of the workforce.

8. Chatbots and Virtual Assistants: AI-driven chatbots can handle HR inquiries, providing instant responses to common questions and freeing up HR professionals for more complex tasks.

9. Performance Management: AI tools can assist in assessing and tracking employee performance, providing insights for constructive feedback and improvement strategies.

10. Data-driven Decision Making: AI enables HR professionals to make informed decisions based on data analytics, contributing to more effective workforce management.

ADVANTAGES OF AI IN HUMAN RESOURCE MANAGEMENT

1. Efficiency: AI can automate routine HR tasks, such as resume screening, interview scheduling, and employee on boarding, freeing up HR professionals to focus on more strategic aspects of their roles.

2. Data-driven Decision Making: AI enables HR teams to analyse large volumes of data to make informed decisions about talent acquisition, employee performance, and workforce planning.

3. Predictive Analytics: AI algorithms can predict employee turnover, identify potential high-performers, and recommend personalized learning and development plans, helping organizations proactively manage their workforce.

4. Improved Recruitment: AI-driven tools can enhance the recruitment process by matching candidate skills with job requirements, reducing bias in hiring decisions, and creating a more diverse and inclusive workforce.

5. Employee Engagement: AI-powered chatbots and virtual assistants can provide real-time support to employees, answering HR-related queries, facilitating communication, and fostering a positive work environment.

6. Learning and Development: AI can personalize training programs based on employee performance and preferences, ensuring a more effective and tailored approach to professional development.

7. Enhanced Employee Experience: AI can contribute to a more personalized and engaging employee experience by automating administrative tasks, offering self-service options, and providing timely feedback and recognition.

8. Compliance Management: AI systems can help HR professionals stay compliant with regulations by automating compliance monitoring, updating policies, and ensuring adherence to legal requirements.

DISADVANTAGES OF AI IN HUMAN RESOURCE MANAGEMENT

1. Bias and Fairness Issues : AI algorithms can inherit biases from the data they are trained on, leading to discriminatory outcomes in hiring, promotion, or performance evaluations. Lack of diversity in training data may result in unfair treatment towards certain demographic groups.

2. Job Displacement Concerns: Implementation of AI in HRM may lead to the automation of certain tasks, potentially resulting in job displacement for employees involved in routine HR activities. This can lead to resistance and job insecurity among the workforce.

3. Privacy Challenges: Gathering and analysing large amounts of employee data for AI-driven HR processes may raise concerns about privacy. Ensuring compliance with data protection regulations becomes crucial to avoid legal and ethical issues.

4. Initial Investment and Ongoing Costs: The adoption of AI in HRM requires a significant initial investment in technology, training, and infrastructure .Ongoing maintenance, updates, and improvements also contribute to the overall cost of AI implementation.

5. Lack of Human Touch: AI systems may struggle to provide the human touch needed for handling sensitive employee issues, understanding emotional nuances, or providing empathetic support. Certain aspects of HR, such as counselling or conflict resolution, may require human intervention.

6. Complex Implementation and Integration: Integrating AI systems into existing HR processes can be complex and may require restructuring workflows and systems .Ensuring seamless collaboration between AI tools and human HR professionals can pose implementation challenges.

7. Resistance and Adoption Issues: Employees and HR staff may resist the integration of AI due to fear of job loss, mistrust in automated decision-making, or discomfort with technology. Encouraging acceptance and understanding of AI among stakeholders becomes crucial for successful implementation.

CONCLUSION

AI in Human Resource Management (HRM) offers the potential to streamline processes, enhance decision-making, and improve overall efficiency. From recruitment and employee engagement to talent management, AI technologies can provide valuable insights and support HR professionals in making informed decisions. However, ethical considerations, data privacy, and the need for human touch in certain aspects of HR should be carefully balanced to ensure a successful integration of AI in HRM.

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