



A CONCEPTUAL STUDY TO EXPLORE THE APPLICATION OF ARTIFICIAL INTELLIGENCE IN HUMAN RESOURCE MANAGEMENT IN INDIA

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ABSTRACT

The artificial intelligence has increased by leaps and bounds in the recent years, business enterprises are now unshackling the potential of AI in order to enhance productivity and efficiency, be more competitive and focus in achieving sustainable growth and development. AI has been immensely used in manufacturing division, however, its application in Human resource department is still in nascent stage. The primary objective of this article is to explore the overall application of AI in human resource management in Indian companies. Also, analyse the benefits and opportunities which the technology intends to offer to business managers and organisation. AI alludes the technological innovation as it enables the machines to do repetitive task without any human interventions, as a result organisation can use their human capital for other productive areas and thereby enhance efficiency and productivity. AI complements the human intelligence as it supports the management and employees to perform the tasks more efficiently and also reduce the time and cost in performing the activities. The research is an exploratory study as it focuses in using the secondary data for apprehending the application of AI in human resource management in India. The researcher intends to provide the broader areas in HRM where AI can be applied. The study is highly relevant and beneficial to business managers and organisation which seek to enhance overall effectiveness in HRM functions by unleashing the power of AI.

Keywords: Artificial Intelligence, Human resource management, Benefits of AI in organisation

INTRODUCTION

Human resources management in the modern context has been evolved steadily and companies are using various technologies in order to manage their human capital effectively. In today business environment, individuals are located in different parts of the world and organisations are encouraging work from home facility, hence the responsibility of the human resources department has vividly increased as they need to understand and provide solutions for the employees as and when the issue arises. The overall growth in the HR functions has been mapped based on the constant shift and focus of the organisation. Because HR functions is now considered as strategic role and it is essential in supporting the organisational sustainable growth and development (Juhari, 2017).

The current HR practices has evolved significantly and individuals are now using sophisticated tools to manage the employees, recruit the candidates, provide them the necessary training and development and monitor their performance so that they can contribute effectively for organisational development. (Bersin, 2018). Due to the advent of internet and other tools like Web 2.0, the HR functions has been upgraded and this enabled the management to deal the workforce in highly efficient manner, one of the new and more powerful tools which has been implemented in this decade is Artificial Intelligence (AI).

Modern business enterprises have begun to apply AI in their HR functions in order to utilise its potential and enable in managing their human capital better. Some of the Multi-National companies which applies AI tools covers Google, IBM, Microsoft, Apple, Amazon, FedEx, DHL, Tesla, Tesco, Walmart etc. these companies have implemented AI in the HR function and has arrived with new and innovation solution to address employee queries, forecast the human capital requirement, generate reports which will enable organisation to take informed decisions. (Sen, 2018). As per the recent survey, it is mainly noted that the HR functions where AI has been applied provides better results, enable in managing the team well and employee engagement are at the heights, furthermore the analytics and key metrics are tracked real time which provides quick evaluation of performance and employees can use them to upskill their talents and abilities so that they can function better.

In India, companies have started to implement AI in HR functions, though the penetration level is less when compared with global peers, there is more scope of growth and development for companies to implement AI in the HR functions, though many HR professionals in India are highly sceptical on its implementation, usage and other potential benefits. Major Multinational corporations (MNCs) located in India are unleashing its potential and this has helped in transforming the HR functions. (Marr, 2018). The pandemic crisis and other aspects have made many companies to suggest for work from home and this has enabled in harnessing the power of AI in HR process as the management need to recruit the candidates through online, forecast the man power requirement, measure the employee performance and also provide training for enhancing their capabilities. Therefore, AI has begun its inroads in Indian companies mainly in the HR functions. This paper enables in providing the application of AI in key HR functions.

AIM AND OBJECTIVES OF THE STUDY

The main aim of the study is to explore the application of AI in Human resource functions in Indian companies. This qualitative research study enables in addressing the following objectives

- To apprehend the application of AI in key HR practices in Indian companies
- To identify the potential benefits of implementing AI in the HR functions
- To state the challenges involves in the implementation of AI in the process.

REVIEW OF LITERATURE

Role of AI in Human Resource functions

AI is mainly stated as a science which aims in replicating the critical aspects of human intelligence which includes reasoning, performing non-core activities, downloading key reports formatting and presenting them to the management for taking key decisions. AI uses critical computer programs which is mainly driven by logic, requirements of the management. The ultimate benefit of AI lies in its ability to crunch large volume of data, analyse them and convert them into meaningful data and information so as to take key decisions. Moreover, these reports can also be used to submit for government and regulatory requirements like labour offices, tax officials etc (PWC, 2017).

In HR functions, AI enables in analysing the performance of the employee on a real time basis, enable the management to forecast the man power planning, analyse the developmental activities to be offered for the employees, creation of employee engagement measures so as to enhance the productivity and efficiency of the employees.

AI is considered as an accelerator as it enables the management to analyse critical data and information, provide the necessary reports for making decisions. This technology enables in performing non-core functions and support the management in cost reduction and enhancing efficiency in performing such task. Unlike other technology tools, AI is manly devised for the purpose of creating efficiency, reducing cost, performing the activities better and support the management in realising their goals. (Neelie 2019). AI can also act as a key strategic HRM tool as it provides the necessary data, information and reports to the management for taking effective decisions. For example, large volume of candidate profile can be screened and suitable profile can be considered for setting up of interview. If manpower is applied for these activities, it may take more time and energy, however AI can process these data quickly and efficiently. AI also strengthens the HR functions through amplifying the speed and efficiency, enable in eliminating mundane task, enable in performing the activities efficiently and foster growth in the organisation. Though critics state that AI may take over more work and increase unemployment in the country, with the volume of work and efficiencies being created, individuals can focus in more productive task and enable in realising the goals of the organisation efficiently.

ROLE OF AI IN RECRUITMENT PROCESS

The ground breaking technology of AI assist HR managers and top management in supporting in recruitment process. AI power tool assist in employee screening in a faster manner, handle processing and verification of candidate data and information ease and thereby save more time and cost to the company. AI has now become a necessary technology for recruiters as its benefits are large. (Min, 2017). Various non-core task is being performed through AI and the technology enables the management to take quick decisions appropriate. Repetitive and high-volume task are being performed at ease by AI and also create detailed report to the management This allows recruiters to choose better and appropriate candidates for the job and also enable in comparing the candidate experience, knowledge, skill etc with the job description which has been provided.

ROLE OF AI IN TRAINING AND DEVELOPMENT PROCESS

The role of the manager is to ensure that their employees are performing efficiently and support in realising organisational goals and objectives, in order to stay competitive employees needs to upskill and enhance their capabilities so that they can perform better, achieve efficiencies and support in doing more task within the required time frame. Hence, AI tool can be applied to analyse and suggest the best training and development measures for the employees (Copeland, 2018).

Through the application of AI, the HR personnel can assist the employees to choose the appropriate training modules which will support in enhancing their career progression, perform better in the current role and also stay updated on the recent happenings in their process and domain. Also, AI can support the employees to get cross trained so that they can enhance their employability skills and can apply for internal job positing (IJP) in the same organisation. Hence, it sports in reducing the employee turnover in the long run and organisational sustainability. (Wright 2017). Companies spend more money in attracting talents, hence it is highly important to retain them, AI can provide the employees different e-learning platforms, create personalised training programs and the individuals can take the courses as per their flexibility time, location and equip themselves so that they can perform better.

BENEFITS OF USING AI IN HR PROCESS

This study is focused in exploring the current status of application of AI in HR process in Indian companies. It is noted that there is a positive factor in implementation of AI in the organisation as it enables in reducing the waiting time for management to screen the candidates, verify the documents and begin the onboarding process quickly. Furthermore, AI supports in devising unique and critical training and development plan for the employees so that they can enhance their productivity and output.

In a recent survey it is noted that many companies which are conducting business in India has begun to use AI tool for screening the candidate, processing the application, completing the onboarding formalities, managing the performance and offer better training and development to the employees for enhancing their efficiencies. Also, AI has been in focus recently as companies are looking to collaborate with employees who are located in various places and enable in measuring their performance effectively. Companies began to

ponder various possibilities of applying AI in various HR functions so that they can harness maximum benefit of implementing the technology (Sandeep 2017).

It should be noted that AI can be applied in more than one function and across the organisation and hence integration of the various HR functions can be made easily so that the management can focus in measuring the progress of the organisation in an effective manner. Moreover, AI supports in reducing the cost and time of the individuals as many non-core activities can be performed effectively.

Another key aspect of using AI in the recruitment process is its overall ability to collate the data from various sources like social networking platform LinkedIn, Indeed and others enable in matching the candidate profile with the organisation job description and suggest suitable candidate for the job. Furthermore, it also enables in understanding the potential of each employee and suggest suitable training needs for upgrading the skill. AI also forecast the employee turnover in the organisation using various factors and enable in creating man power planning by the management so that the organisation functions smoothly. (Neelie 2019). Identification of potential exiters will also enable the HR to reduce the employee turnover rate, focus in devising strategies which will enable in retaining the right employees. This is a significant aspect for the organisation as they spend more investment in identifying and onboarding the candidate, so losing them will increase cost for the organisation. Furthermore, the AI is highly useful in designing, creating and delivering better training modules for the candidates to enhance their potential. AI also supports in designing unique training plan for the employees so that they can progress in their career. (Min, 2017). Also, AI offers higher flexibility and integration in various forms of media covering video, audio, image etc. The creation of innovative training methods assists the individuals to learn and understand better, effectively apply the learnings in the process and thereby achieve growth in their career. AI also supports the employees to undergo training at any time, location etc and hence offers more flexibility autonomy and convenience for the candidate.

CHALLENGES

One of the most important HR challenges when applying artificial intelligence in HR mode is the employees' mindset. It is important to note that in India, there is a slow but steady increase in positivity among HR professionals when it comes to the concept of AI and HR integration. However, the main reason for the delay in the successful adaptation of technology was the lack of knowledge and human resources in technology in India. The respondent believes that this is the reason why a negative thinking for human resources has developed in India.

Another major challenge is eliminating bias, and although artificial intelligence systems are designed to eliminate bias or some form of prejudice, it is still difficult to remove prejudice from human resources processes. (Juhari 2017). The ethics of using artificial intelligence is also a challenge to an organization's human resources. Employees are often sceptical of artificial intelligence because it is ubiquitous, so you can monitor and track many aspects of employee behaviour. Therefore, employees and human resources must be trained to understand the various ethical issues of collecting and using employee data for business purposes.

A clear ethical and ethical guideline must be established and HR and employees must be trained and informed about the consequences of crossing the border before the technology is used to facilitate.

CONCLUSION

The study showed that the incorporation of artificial intelligence into the personnel functions of Indian companies was relatively less than for companies in other countries. At present, artificial intelligence is also used in other human resource functions such as employee employment, employee participation, employee benefits and allowances, and employee rewards and recognition around the world, but in India the penetration of these functions is relatively low. (Wright, 2017). The two main areas where artificial intelligence is most affected in India are the recruitment, training and development of staff. The study also showed that AI's involvement in the HR department for Indian companies was less considered for other areas of the organization, such as marketing, finance, manufacturing and so on. about the benefits and opportunities created by integrating artificial intelligence with human resources, which created obstacles in the mind. change the way human resources work and support their role as strategic business partners. The study also highlighted other issues, such as the common challenges that human resources may face in overcoming artificial intelligence and human resources and how to overcome them, as well as the limitations of technology in the current situation and, in particular, the benefits of using state of the art. The purpose of the study was to deepen the knowledge of the concept of artificial intelligence in the operation of human resources in an Indian environment in order to guide future personnel behaviour towards a more technically correct personnel activity.

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