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THE NEW WAVE OF DIGITALISATION IN HRM : USE OF ARTIFICIAL INTELLIGENCE (AI)

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Introduction:

With regard to the present digital transformation that is impacting the human resources business as a whole, primarily due to cutting edge technology, this article aims to investigate the frontiers of digital HR. Within scholarly discourse, the idea of digital human resource management is becoming more and more prominent, as are concepts related to it, such as the digitization, digitalization, disruption, and transformation of human resource management. Artificial intelligence is the replication of human intellect with human-like thought processes. It also goes by the name of "machine learning". Employee engagement within an organization can be enhanced with artificial intelligence in HR. Innovative technology development within the firm is essential to the successful deployment of artificial intelligence. This research paper's main goals are to examine artificial intelligence applications and gauge their effects on human resource management.

Keywords: *Digitilisation, Artificial Intelligence, Human Resource Management (HRM), Applications*

Introduction:

Artificial Intelligence is the term for technology that presents unique qualities associated with the human mind, like knowledge and problem-solving skills. One may say that artificial intelligence is being recreated in technology designed to mimic human behavior and appearance. It's the ability to reason through situations and choose the courses of action that will most likely lead to a specific outcome. An evolving range of technologies called artificial intelligence enables computers to replicate intellectual technologies that are otherwise only achievable with a human brain.

Algorithms used in machine learning and artificial intelligence can solve complicated issues and exhibit intelligent behavior on par with human intellect. There are, however, a number of challenges and problems with integrating AI into HRM. It's critical to give ethical considerations, such as algorithmic biases and potential privacy implications, considerable thought. In order to ensure that decisions are rendered objectively and without prejudice, AI systems must be transparent, accountable, and equitable. Concerns around job displacement and the changing roles of HR professionals may arise as AI assumes more functions. Organizations must address these issues by redefining job duties, improving employee competencies, and fostering a collaborative environment between humans and AI.

The majority of corporate sectors are now concentrating on using artificial intelligence in the HR department to

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accomplish tasks more effectively. The use of artificial intelligence in the human resources department streamlines, simplifies, and eases work. Artificial intelligence implementation is a difficult endeavor. Using artificial intelligence in the workplace is one of the most difficult tasks. Artificial intelligence in HR needs competent personnel to handle it, and in order to use it effectively, one must be knowledgeable about technology and how to use it. Inadequate understanding of technology, data privacy, and security risks can occasionally have a detrimental and expensive effect on the HR department. Therefore, in order to use artificial intelligence in HR effectively, organizations need to hire people who have the necessary skills for improved performance.

Objective of the Study:

- To research Artificial Intelligence's Effect on HR Management
- To explore the problems of Human resource while employing artificial intelligence
- To assess each function's significance and level of difficulty
- To gauge how to address the AI problems

Research Methodology:

This research uses primary and secondary sources to collect the data needed. This study falls under the descriptive research methodology. The study used a set questionnaire with both closed- and open-ended questions to collect primary data. It also collected secondary data from a variety of sources, including websites, research papers, journals, and small sample sizes for descriptive research.

How is AI transforming HRM?

Artificial Intelligence (AI) has earned its place in the world of business and does not look to be backing out anytime soon. The field of human resource management (HR) has seen a thickening of margins due to game-changing advancements brought about by the revolutionary tech. Artificial intelligence in human resource management appears to have a bright future given its accuracy and efficacy over time. Nonetheless, there are several issues, like the time and money needed to put AI into practice and the difficulties it has in conveying crucial elements like corporate culture and other things.

The use of artificial intelligence in human resource management has a number of advantages and cons. Debate has erupted around this subject in recent years: who has benefited most from the development, and who has not been as pleased with it? AI solutions may help HR directors with a variety of tasks, such as the following:

- Management of employee records
- Hiring and recruitment procedures
- Processing payroll
- Assessments and performance management
- Administration of benefits
- Orienting New Hires
- HR service desks or support

Artificial intelligence has the potential to be used by businesses in HR operations and processes to help with decision-making, facilitate employee interaction with HR, free up time for better hiring decisions, and invest in

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employee satisfaction and retention.

These are some possible use cases:

1. **Professional growth and learning:** AI may be able to help with career mobility recommendations for individualized training programs. AI might customize training for employees based on their individual goals by evaluating individual employee data, including talents and preferences. AI may also be able to assist HR managers in finding underutilized talent or workers who are ready for advancement.

2. **Candidate sourcing and recruiting:** The hiring process is sometimes criticized for being cumbersome. AI can quicken the pace by enabling managers to automatically screen and evaluate each candidate, as well as by notifying them when a candidate applies for a position that is open.

3. **Short-term labor acquisition:** Artificial Intelligence in HR can assist businesses in promptly filling unfilled roles, especially temporary and short-term ones. AI technologies for HR can automate manual procurement operations by utilizing natural language processing (NLP) capabilities. This frees up HR staff' valuable time to plan strategic initiatives and attend to client demands. In order to locate possible contractors and set up interviews with hiring managers, for instance, managers can use AI technologies to gather needs from stakeholders and then work within a vendor management system (VMS) system to create a request with suppliers.

4. **Onboarding:** Artificial intelligence (AI) can streamline and personalize the information collection process. AI-driven chat bots can streamline time-consuming procedures and improve the onboarding experience for new hires by answering queries, supplying information, and reminding new hires about important papers.

5. **Automating HR services:** Meeting the needs of staff members is essential to raising productivity and engagement. However, staff members may become frustrated and waste time trying to navigate complicated business policies, HR, and IT support procedures. AI-driven HR chat bots can empower staff members by providing them with quick responses and self-service assistance.

Benefits of Artificial Intelligence in HRM:

1. **AI can reduce waiting times:** Because AI can do away with repetitive processes, HR departments may be able to save a large amount of time. Generative AI, for instance, can help with routine employee inquiries, according to Julia Lamm, a workforce transformation partner at PwC, a global professional services company with its headquarters located in London. Questions concerning the distribution of vacation time or the procedure involved in requesting a leave of absence can be answered by a generative AI engine. Additionally, generative AI might be used by HR staff members to produce the internal announcements that they routinely post across the channels of communication inside their company.

2. **AI can lower error rates:** Employees in HR could enter data incorrectly. AI can assist in resolving such issues. According to Alexander Kriebitz, a researcher at the Institute for Ethics in Artificial Intelligence at the Technical University of Munich in Germany, AI is unaffected by elements that impair human performance on the job, such exhaustion. "For those tasks that can be replicated [and] that are very standardized, AI appears to be better than human beings," Kriebitz stated.

3. **Improved staff support:** A global survey conducted in 2022 by the McKinsey Health Institute revealed that one in four workers was suffering from symptoms of burnout. Employers who have an interest in employee performance and satisfaction face a difficulty as a result. AI can be a helpful tool for teams looking to gain a deeper understanding of their workers in order to boost output and job happiness, provided that it is applied responsibly.

4. **Enhanced productivity:** As previously said, by handling repetitive task tasks, automation and generative AI solutions can free up HR professionals' time. AI can also be a useful source of data sets for process reviews and further research into how HR personnel can expedite work or make better decisions. AI, for instance, can assist in the analysis of recruiting results, enabling hiring managers and recruiters to pinpoint and improve their most effective outreach tactics.

Limitations of Artificial Intelligence in HRM:

Some of the disadvantages of utilizing AI in HR should also be known to HR leaders. Employers run the danger of legal trouble and employee mistrust when they use AI without fully understanding the potential repercussions.

1. **AI is subject to bias:** One of the main disadvantages of employing AI in HR is the possibility of bias throughout the hiring process. Employers who use AI hiring tools run the risk of being held accountable for potential discriminatory hiring practices, according to a May announcement from the U.S. Equal Employment Opportunity Commission.

2. **Employees don't trust AI accuracy:** Even though AI could be able to answer common questions from staff members, staff members might not feel comfortable that the information they're getting is reliable. According to Lamm's clients, chatbots haven't lessened the workload for their HR staff because staff members still follow up with HR to verify the information.

3. **Reskilling:** Automation and AI have the potential to replace some human labor-intensive tasks and may change the positions held by specific workers. Address this issue head-on by developing a strategy for retraining personnel and reorganizing job descriptions in a way that is considerate of staff members going through these adjustments.

4. **Cybersecurity:** AI is vulnerable to hacking, particularly in the training phase, which produces machine learning algorithms. Attacks that plant harmful code or information in training sets, known as data poisoning, have the potential to infect a large number of ML model runs and, eventually, the company network. To develop plans that will ensure the security of AI initiatives for the duration of their lifecycle, business leaders should collaborate with IT and security operation centers (SOCs).

Conclusion:

In the future, artificial intelligence (AI) will support human resources (HR) in a number of ways, including employee engagement tracking, employee development support, skill matching, policy tracking, skill verification, background checks, job fit, employee referrals network, and talent discovery.

AI has demonstrated its value, particularly in the recruitment function. According to data, identifying talent is like trying to find a needle in a Haystack; of the 200,000 job descriptions, 140,000 are real positions, and 2000

are job clusters. There are over a million profiles and 9,000 skill catalogs.

AI is becoming more and more prevalent, and companies like Indeed, Career builder and Linked In are using it to enhance resource finding. Artificial Intelligence can locate the Grey squirrel that fits remarkably well. AI enhances intelligence and serves as an ideal instrument for unstructured, irrelevant data.

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