REDVET - Revista electrónica de Veterinaria - ISSN 1695-7504
Vol 25, No.2 (2024)
http://www.veterinaria.org
Article Received: August 2024; Revised: September 2024; Accepted: October 2024

Artificial Intelligence in Human Resource Functions: A Comprehensive Study of Implementation and Drawbacks

Dr. Pandab Hansda[1*], Mr. Narendran S[2]

[1*]Assistant Professor, Department of Social Work, Hindustan College of Arts and Science
(mail id: pandabhansda@gmail.com),
[2]Assistant Professor, Department of Social Work, Hindustan College of Arts and Science
(mail id: narenramakrishna1988@gmail.com)

Abstract
Gone are the days where HR functions mandated more human intervention. The AI intervention has not only entered the sphere of managerial functions of HR but also interms of its strategic functioning. It has catalyzed significant transformations, and the realm of Human Resource (HR) functions is no exception.The paper explores how AI-driven technologies are reshaping recruitment, employee engagement, performance evaluation, and talent management processes. While AI has demonstrated remarkable potential, this study also critically assesses the drawbacks associated with its integration in HR functions. This comprehensive study delves into the applications of AI within HR, analyzing its impacts, benefits, and drawbacks. The ethical concerns surrounding data privacy, algorithmic bias, and potential job displacement are explored. The study examines instances where AI-powered tools may inadvertently perpetuate existing biases in hiring, performance assessment, and talent development processes. Additionally, the paper delves into the issue of employee trust and apprehensions regarding the use of AI in HR decision-making.

Keywords: Artificial Intelligence, Managerial functions, Ethical Concerns, Strategic Decision , Algorithm bias and Talent development processes

INTRODUCTION

Artificial Intelligence is the axis of fourth industrial revolution. There is hardly any sector that is not benefitted by its ground breaking impacts. Its ability to automate repetitive learning and simplifying data tools adds intelligence to the already existing products. Conversational platforms such as bots and other data insights transforms all major functions of an Organisation**.**

IMPLEMENTATION OF ARTIFICIAL INTELLIGENCE IN HUMAN RESOURCE MANGEMENT

According to Gartner. Inc, " 76% of the HR Managers believe that if their companies doesn't implement AI in the next 12 to 24 months then they would be lagging behind in Organisational success compared to those that do. "
There is a three structured model for the implementation of AI in Human Resource functions.

A. Distinguishing false notion from the reality.

It must be understood that, majority of the HR functions are said to use the generative AI which is actually a subset of AI itself. The Generative AI uses the natural language intimation as the input and based on the pattern of the input given it develops an output in response to the input. A generative AI is developed based on machine learning that the pattern of data that is fed into**.**

Eg : ChatGPT, Bing Chart and Bard etc.

Thus, it need not be a concern that Generative AI will be a replacement to human resource in an Organisation. The main role of this particular tech is to facilitate human capabilities and not as a replacement because it is done based on the input that is given by the employees. So it must be debunked that Generative AI will be a widely pervasive one across the Industry but not as replacement. It also needs to understood that many of the sectors such as Finance, Hotel, IT etc have started to implement Generative AI.

B. LINK ING AI POTENTIAL TO THAT OF A GOAL

Generally the Tech industry or the manufacturing would be keen to facilitate automation in the core business of the organization. Yet it must be taken care that, the HR must ensure that the automation is implemented to meet the organizational goals and not to waste the automation in ancillary works of the Organisation.
This requires careful delineation of the core business area . Functions that require performance domain require more AI Intervention from that of the maintenance aspect . Still, a maintenance ambit can get AI attention if its more time consuming. Thus, this decision could be taken by the Industry only when the goals of the organization are clearly defined and it is sufficiently linked to that of AI.

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C. ASSESS BASED ON SUCCESS CRITERIA

It depends on what it means to be success for an organization , based on this decision could be arrived whether the intervention could be adopted or not. As mentioned before, it depends on the core function of the organization and also the time and cost involved in the tech transition involved as well as the broader impact in terms of governance, finance, receptivity of the workforce, risk and ethics and vendor landscape etc.

PROMINENT BENEFITS OF AI TO HR

a. Automation of Value Added or Repetitive Tasks

The task of on - boarding is more time consuming for an HR than that of any other process which includes allocating space, provisioning of laptop etc**.** Saving time in these arenas can pivot the HR focus more towards value add function such as mentoring and feedback etc and thus the HR can move forward and become a strategic partner and contribute his/ her resourceful brain towards the , ‘ high value added’ task than that of a low value repetitive functions.

b. War for Talent

The challenge for most of the firms is to attract the top talent. The digital expectation and the experience a company offers has a lot to do with the reasonable sustenance of the candidate. HR teams has a lot to do with leveraging of these kind of people oriented data analytics that could predict the future behavior of the employees.

c. Unbaised Approach

The employers strive to be unbais but sub consciously they lean towards a person who share something in commonality . The lean may be due to language or culture. The psychological tool that could assess these are the , “ The Implicit Association Test – IAT ” – it shows the employers sub conscious associations. This unsolicited bias may eventually get into the resume selection and recruitment.

Thus, the algorithm driven approach of AI is free of these tendencies and remove these bias pattern interms of language which eventually improve the communication pattern free from bias and welcome diverse applicants.

d. Employee Leave out – When ?

There are several AI platforms that could predict the exit of an employee. It stores the system activity of an employee through mail, browsing histories, key strokes etc. Based on this it builds a normal baseline activity of the organization and the same is sent as a formal communication to an employer and the change in the overall tone of the employee. This enables the organisation to come out with a proper succession planning .

e. Litigation Strategy

The litigation activity is a fact driven approach which makes the gathering of information and document very critical. According to Litler survey, “ Only five percent respondents use AI for meeting litigation purposes**.** Employers may not be aware of the benefits to using analytics in this context, Crews said. "The ability to leverage data early in a case, to tease out insights before you ever take a deposition or begin evaluating the credibility of witnesses, is revolutionary." Having the ability to find key documents lets the employer see what people were actually doing at a certain time and can help build a story, he noted.

f**. Pay Equity**

At times, employee compensation can become a breeding ground for all discriminatory practices. This can be unintentional as well but it could just happen. AI can intervene and just remove these practices based on gender, race and religion. When HR is clubbed with technology and powerful visualization of what really happening in the organization the same could be communicated to the compensation team.

g. **Recruitment**

*Many recruitment decisions are made instinctively***.** One study has showed that most of the HR managers make a decision on a candidate within the first 60 seconds of meeting . It is often based on look, handshake, attire, or speech. There is no guarantee that a perosn’s characteristics, experiences, education, and personality traits can fetch success in a given role. Assessment tests, simulations, and games are used to hire people whereby the Mangers end up spending billions of dollars and yet studies have reported that 30-40% of their candidates have gone wrong.

The Algorithms inbuilt in AI can screen the resumes and segregate the important and rejected applications . It can also profile high performers , decode video interviews ad thus can give signals to the employer as to who could actually succeed. One organization uses Pymetrics’ AI-based gamified assessment to screen candidates for its marketing and sales roles and their success rate has gone up by over 30%, while eliminating all the “interview bias” and “educational pedigree bias” inherent in the current process. While all are worried about job skills (software skills, sales skills, math skills, etc.) most research shows that technical skills make up a small part of a person’s success. In one of the most

recent research on High-Impact Talent Acquisition, study found that the level 4 maturity companies, those with the highest financial return from hiring, allocate almost 40% of their hiring criteria to emotional and psychological traits like ambition, learning agility, passion, and sense of purpose.

The AI has wide range of algorithms , machine learning tools which can just injest data, identify the pattern and predict the outcome. The tools can also be used to match the photos, the mood and even the personality. It must be understood that they may not have that unique dimension which is in man ie the intuitive faculty but at the same the time they can process millions of informations within seconds or minutes and can match them with existing pattern. Statistically, AI can both learn and predict and then optimize the decision making on many criterias. So it could be imagined that an AI system looks at all the possible demographics, job history, and interview questions with a candidate and then predicts how well they will perform on the job.

DRAWBACKS OR CHALLENGES

A. Institutionalization of Bias

AI can institutionalize bais. If the current or the past practices of an Organisation was over heirarchial, non transparent , discriminatory and punitive then the AI intervention introduced in the Organisation can take up this data as the final and all possible outcome could be made based on this . Thus, it is of paramount importance to investigate into algorithms. It has to be fair just and transparent.

B. Data Exposure

The risk of data exposure looms large when a particular tool been made into the system. When an High performer of an organization is predicted to leave the organization then there is a human dimension which is that the immediate head of the Organisation can behave in a very indifferent manner because of the premature exposure of the data

c. **Ethical Judgement**

The need of the hour is to create a transparent and an , " interpretive " AI intervention system so that the pathological aspect of the outcome arrived whereas with recruitment or appraisal could be adequately investigated. The rational behind the decisions arrived at has to be explained sufficiently. Eg : A new Appraisal system would have been introduced by an Organisation, it must be understood that the there has to be a stream of logic to explain the rationale behind this judgement arrived at.

d. **Hype may Mislead**

There had been a considerable hype around AI and every software vendor wants to convince the HR that he has the best breed of tools. The best software to facilitate the function of HR is the accuracy, completeness of the algorithms and also to provide specific solution to a particular problem which is otherwise known as, " The Narrow AI ".

e. Aligning Culture and Business Model

Any thing described as a black box for the HR may not actually suit the Organisation. It is because of the fact that every policy , appraisal, communication and decision making is based on the culture of the Organisation. Hence, the AI tools has to be customized in such a manner that it suits the work culture of the organization. Its worthy to mention that IBM took years together to design a compensation system for themselves.

IMPLICATIONS

The time taken for filtering hundreds of CVS and online job profiles is coming to an end. A recent study has concluded that the efficiency level with regard to recruitment has improved to an extent of 73 % that removes stereotypes that are technically appropriate. Having saved this huge consumption of time, the HR can focus more of his time in more value added such as talent acquisition and other strategic functions. It must be remembered that having an access to a wider array of data means the HR has the ability to make the employees' overall experience better and also by applying the gathered data and making relevant adjustments to the workplace atmosphere and internal processes.It is often quoted that , "Having good data is like having good health. When you have it, you take it for granted. When you don't, you panic." Simply put, increased data means increased data analytics, which means advanced insights that lead to improved working conditions for employees that keeps turnover rates low.

CONCLUSION

AI will continue to disrupt the landscape of HR, it goes well with both the managerial and operational aspects but one important thing that an HR has to be cautious is the unknown bais that can just creep into the system. Thus, fair and transparency is the watchword for an HR professional. Another major aspect that is actually lacking in the AI world is the empathy which other than a HR there is no other substitute.

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