


Chapter 15

Artificial Intelligence in Human Resource Management: The Next Generation of Technology for Business Excellence

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ABSTRACT

Artificial intelligence in human resources plays an important and crucial role in the 21st century. It is helpful in gathering, analysing, and presenting data in such a way that is more helpful for the HR professional to use. As technological advancements happen in the era, artificial intelligence helps to fulfil organisational demands as well as employee demands. Artificial intelligence eases the work of HR as well as effectively provides efficient work. Therefore, the present study explores the implementation of artificial intelligence in human resource functions. It further explores the various benefits and challenges of artificial intelligence in human resource functions. Finally, the study concludes that the work of artificial intelligence can be used in all areas of the HR functions. No doubt in the initial stage of artificial intelligence implementation the HR professionals and organization can face some challenges, but after its successful implementation, it is considered the best tool for HR functions.

INTRODUCTION

Artificial Intelligence (AI) refers to the use of digital computers and computer-based intelligence to perform various organisational tasks. Technology has changed all around the world and now people and many organisations use updated technology to work rather than a traditional mode of working (Wamba-Taguimdje et al., 2020). Leading organisations are aware of the benefits and usages of artificial intelligence in organisational systems. Artificial intelligence is used in various business functions such as human resources, marketing, customer experience and business models, etc. The use of artificial intelligence is

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transforming the business operations and functions of organisations (Di Vaio et al., 2020). According to the report and forecast by McKinsey, artificial intelligence will greatly impact the global economy and it will generate \$13 trillion by the year 2030 in the global economy ([albertchristopherr.medium.com](https://www.albertchristopherr.medium.com)).

Now a day's many leading organisations perceive that artificial intelligence will play a great role in human resource functions. HR professionals use artificial intelligence to improve the work and efficiency of the workforce. Integration of artificial intelligence in HR enhances the experience of the workforce and makes HR able to hire talented people (Eubanks, 2022). It simplifies the processes of human resource professionals which further contributes to innovative work and better decision-making (www.inc42.com).

Artificial intelligence automation supplies efficient instruments to human resource management to be able to retain and motivate a capable workforce that can increase value and leads to the achievement and expansion of the organization (Kshetri, 2021). One of the trends that have recently occurred in human resources is the implementation of artificial intelligence in hiring. Human resource activities are being automated because of the implementation of artificial intelligence and no direct dealings with third parties in recruitment and this has helped organizations to select or recruit the best talent in less time and money. With the automation and use of artificial intelligence in recruitment, organizations can reach the best talent in less time and money (www.strammer.com).

In today's time of the 21st-century artificial intelligence is a tool to reduce biases in systems and processes, retain people for a long time, hire suitable people for organization and recruit the best people (www.hrexchangenetwork.com). Human resource is one of the departments which takes care of the organization and employees. It works as a bridge between employer and employee. The human resource department improves the functioning of an organization using artificial intelligence. The improved functions of human resources include talent acquisition, onboarding, performance analysis and training, etc. Artificial intelligence enables HR professionals to improve the results and monitor the progress of employees in more effective ways (bigdata-madesimple.com).

The success of any business organization depends on basically two things i.e. efficient and skilled workforce and effective business strategies. Technology in the business world is always in demand. In the changing world, human resources face many challenges in day-to-day life (Zahidi et al., 2020). But artificial intelligence is one of the ways in the modern business world to manage HR-related tasks more efficiently and effectively than the previous times. Artificial intelligence has reached a new level and provides unbelievable benefits to human resources. HR executives believe that artificial intelligence in human resources will provide an improved experience so that business organizations can function smoothly (www.usmsystems.com).

LITERATURE REVIEW

Advancement in technology has made human life easier as well as more viable to face competition in the marketplace. Many researchers and authors have explored transformations as they change the working style of people. Artificial intelligence (AI) is one of the areas of technological transformation. Research in artificial intelligence is not much explored and is restricted only to the theoretical contributions (Jatobá and Snandes et al., 2019). Artificial intelligence contributes to many almost every aspect such as human resources, finance management and marketing etc. In the field of human resources, artificial intelligence has positive contributions. Indian companies are also slowly moving towards the use of artificial intelligence. Numbers of functions are integrated with the concept of artificial intelligence in

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