To Study the Potential and Problems Associated with AI-Driven HRM Practices in the Indian IT Industry

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ABSTRACT

Artificial Intelligence denotes a technology used to do a task that necessitates any level of intellect to complete essentially; it is a technology that has been conditioned to do what a person would do. Artificial Intelligence has created a drastic change in today's organizations and not only a single section of the organizations but also all the functions of the organization and its influence of human resource management function has to be studied disparagingly, specifically so as this is the most humans of all vertical in an organization. The main processes of the human resources management department of a company are hiring, screening, recruiting, engaging, and retaining employees for the financial betterment of the company. The human resource department can now focus more on the long-term goals and policies of the company and be more competent because artificial intelligence functions are working incredibly hard to automate the repetitive tasks of human resource management, such as screening resumes, hiring, onboarding, employee engagement, and employee retention, which used to consume a significant amount of human time, money, and energy. Nearly every significant aspect of human resource management in Indian businesses uses artificial intelligence. This study explores the usage of artificial intelligence with in human resource management in the information technology (IT) sector in India.

Keyword: Artificial Intelligence, Hiring, Screening, Recruiting, Engaging, Employees

INTRODUCTION

Technology has always been a fantastic facilitator that raises living standards, releases barriers, fosters employee creativity, and levels the playing field for everybody. The customary operations of control corporations are facing challenges in the contemporary environment. Businesses must constantly compete on a worldwide scale, meaning that new technology reduce environmental impact. The competition is not confined to certain enterprises. It is evident from this that companies must remain at the cutting edge of ever evolving and innovative fields. Organizational growth, learning and advancement, success management, recruiting, and preparedness are all included in human resources. Because of their expertise and skill, humans are a vital component of every business, with strategic aims and objectives towards success. Thus, hiring the best candidates and offering upskilling training are two of the most important things to focus on. Any company's human resource management is essential since it is the primary department that hires and retains the best employees for the jobs that need to be done.

Companies used to follow the traditional human resource management processes in recruitment, training, and performance appraisals for doing all entries manually, handling a large amount of data on papers with routine and mundane tasks, instead of performing tasks that are cognitive and extensively people related. As a result, a small number of businesses progressively began using the advancement of online procedures in HRM organizations. In large organizations, new approaches to human resource management are also created and evaluated. The topics of recruiting, growth, and success reviews that can be improved and remedied by technology have been the subject of a small number of recent studies on the intersection of human resources management (HRM) and technology. The HRM sector is now concentrating on creating technology that will enable automated operations that are safer and more efficient. Regarding one of the newest technologies, it is also frequently stated in some of the earlier writings that technology lessens the human touch. With a focus on recruiting, preparation, learning and development, success evaluation, and the future of HRM with artificial intelligence intervention (AI), this study focuses on penetration into the fundamental areas of human resources management (HRM).

Human resource management is a process that includes finding candidates, getting them ready, choosing them, evaluating the whole picture, paying them, fostering relationships, finding welfare, health, and safety plans for representatives, and

upholding universally understood employment standards. Managing human resources is at the heart of managing productive human resources. It is an attribute of establishments that is considered in the context of an employer's strategic objectives in order to maximize overall job efficiency. Human resource management inside businesses is the primary focus of HR, with a focus on regulations and procedures. The HR department of a company is often responsible for a range of activities, such as creating employee benefits, hiring candidates, assisting employees with their learning and development, conducting employee appraisals, and providing incentives and remuneration. HR managers have the option to focus on a certain aspect of HRM, such as benefits, employee families, planning, and recruitment. Finding and hiring the best applicants is the responsibility of recruitment directors. Professionals in learning and development ensure that their employees have finished their professional development and have a good education. Appropriate curricular services, cumulative achievement evaluations, and appreciation initiatives help achieve this.

FUNCTIONS OF MANAGERS

Planning:
The first step to being a productive member of the HR team is human resource planning.
Predicting demands on human resources and organizing the necessary actions to meet these standards are part of it. A human resource strategy is crucial to a business because it seeks to enable the effective use of human capabilities for the benefit of both the organization and the individual employee. Additionally, it can reduce expenses associated with ineffective training programs, surplus human capital, and other issues for the business. A very dynamic planning feature might be used to establish an organization's goals and vision. Rules with accompanying actions are close by to achieve those goals. Planning ahead is the key to anticipating openings, establishing the activities that must be done, and figuring out where to get candidates. In order to assign tasks to subordinates, a supervisor must plan ahead. Thus, in order for the business to accomplish its goals, preparation is crucial. Planning also seeks to provide the appropriate methods for achieving the goals.

Organizing:
After coming up with ideas, the human resource management must plan and set up the organization's structure in order to carry out the different tasks and then advance plans and agendas to achieve them. Organizing is a technique to coordinate participant work so that employees may work effectively and there shouldn't be any conflict when assigning tasks to employees. Selective but inappropriate job division can cause burnout, overwhelm, and tension amongst staff and stakeholders, all of which are detrimental to the overall health of the business. In order to increase productivity, competency, and speed up work, responsibilities should be assigned to employees based on their skills and abilities, and departments and divisions that reflect the essence of the job and task should be created.

Staffing:
Human resource management plays a role in staffing, which is the process of selecting the best candidates. It also involves providing sufficient training, placing them in appropriate roles, and compensating them suitably. Emphasis should be placed on the fact that determining the kind of individuals to hire is an essential resource and investment for every firm. The administration of various positions within the organization is aided by staffing. The process of staffing involves identifying the organization's personnel requirements and providing it with qualified personnel at every level of the organization.

Directing:
The HR Manager will develop plans, but the effectiveness of those plans will determine how motivated the staff is. Encouraging people to work enthusiastically and productively to achieve the organization's goals is one of HRM's primary responsibilities. Providing guidance and motivation to personnel to implement staff initiatives is one of HRM's primary responsibilities. A communication system, intellect, and discipline go into directing. Establish good communication and information exchange amongst coworkers to convey the company's objectives and priorities. This is important since it helps employees understand what the HR department or agency expects of them. Conflict and a lack of communication among coworkers prevent change and negatively affect the company's performance as a whole.

Goal of the Research
The primary goal of this research is to examine the current level of artificial intelligence (AI)-based human resource management (HRM) in the IT sector and how this may be incorporated into the HRM procedures of IT organizations in India. The goal of this research is to fill in the knowledge gaps about how artificial intelligence (AI) can influence

traditional human resource management (HRM) and potentially boost effectiveness. It will do this by examining the impact of AI on various HRM domains and elaborating on current HRM scenarios.

REVIEW OF LITERATURE

According to Parihar (2019), the purpose of this case study is to provide clarity on the hiring and recruiting practices of an Indian IT MSME, as well as all the steps involved. This will allow the company to address the issue of slow or weak recruitment and find creative solutions to meet its objectives, with a focus on prioritization requests and a thorough understanding of procedures. The preliminary stage of the exploratory studies was served by the findings, which were then utilized to develop fundamental tactics for a more thorough examination. The study came to the conclusion that, although hiring was treated like a regular job and was therefore taken very lightly, if it were handled extremely and politically, it could reduce errors while improving performance and productivity. It would be a poor endeavor to simply post and call, though, as the observation suggests that, if done seriously, both actions would yield positive outcomes.

Mukundhan (2019) provided a comprehensive overview of the most recent developments in Indian hiring. According to the research, businesses who embrace innovation are the ones that just flourish. Rather than totally eschewing the usage of conventional methods, a combination of new and classic recruiting strategies might be employed. In order to keep up with India's young population, recruiters must adjust to changes in the recruiting process, according to the researcher's summary.

N. Kumari (2018) makes an effort to categorize and explain the most important retention factors in light of employee preferences. The IT services sector in Bengaluru was sampled by the researcher. The study came to the conclusion that finding and keeping skilled and professional employees is a difficult task that takes time and energy from the organization. It has been noted that larger IT companies have more resources allocated to HR in order to develop and carry out staff retention plans, and research has shown how crucial it is to concentrate on doing so through significant changes to the workplace and employment landscape.

A. Anand and others (2018) to gain more insight into the procedure, effectiveness, and organizational backing of information advancement in recruitment. The present study aims to explore the perspectives of recruiters on the hiring process and explores the operational support provided by recruiters. As per the findings, the HR director of the selected organization has to focus on luring the most qualified applicants via alternative channels including campus recruitment, job fairs, placements, walk-ins, and advice. The selection process evaluates the candidate's knowledge, skills, and experience that are critical to the roles in the company.

Kumar et al. (2017) investigated the state of the performance evaluation framework and how it affects organizational growth and occupational employees. It is recommended that the company go back to and revise its assessment framework in line with its strategy and aim to achieve its operational goals. Businesses must also conduct regular reviews or audits of all employee policies, programs, and metrics, including pay, hiring and staffing, process analysis, process assessment, complaint handling, and communication channels. It demonstrated that performance assessment is a tool for measuring performance, and that doing a good performance review is the greatest approach to create human resources.

Objectives of the Study

1. To identify the fundamental causes of the Indian IT sector's AI-driven HRM practices.
2. To determine the potential and problems associated with AI-driven HRM practices in the Indian IT industry.

RESEARCH METHODOLOGY

To gather data on the characteristics of the sample and the opinions of the sample regarding the research model, a survey technique was used. The study looks at how AI is used in HRM with regard to hiring, training, performance reviews, possibilities and difficulties, and AI's future. utilizing a designed questionnaire with a five-point Likert type measure to gather the opinions of HR IT personnel in order to ascertain the link between the deployment of AI in HRM in the Indian IT industry.

The researcher has compiled secondary sources from journals, research papers, theses, and reports from various IT businesses about AI in HR. On the other side, individuals who work in IT businesses' HR departments provided firsthand knowledge.

Primarily, two methods have been used to gather data: first, in-depth online interviews with HR professionals and experts were used to gather qualitative data; second, structured, closed-ended questionnaires with LIKERT 5-point scale questions were used to gather quantitative data from employees in the HR department of the Indian IT industry.

RESULT AND DATA ANALYSIS

Table 6.1: Sample Characteristics By Gender

Gender	Frequency	Percentage	Valid Percent	Cumulative Percent
Male	50	50	50	50
Female	50	50	50	100
Total	100	100	100	

According to Table 6.1, 50.0% of respondents are men while the majority of respondents (50.0%) are women. Employees in human resource management employed by IT organizations make up the respondents.

Table 6.2: Sample Characteristics By Age

Age	Frequency	Percentage	Valid Percent	Cumulative Percent
25 - 35 years	55	55	55	55
35 - 45 Years	43	43	43	65
Above 45 Years	7	7	7	100
Total	100	100	100	

Table 6.2 displays the biggest number of responders.2. Belongs to the 25–35 age group, which is substantially lower than the 45–year-old age group and is led by the 35–45 age group.

Table 6.3: Normality Tests for Hiring Requirements And Screening

Statistic	Df	Sign.	Statistic	Df	Sign.
0.273	100	.000	0.800	100	.000
0.301	100	.000	0.850	100	.000
0.299	100	.000	0.822	100	.000
0.268	100	.000	0.836	100	.000
0.284	100	.000	0.829	100	.000

Table 6.3 displays the results of the normality test for the variables that are part of the Data Procurement factor. The Shapiro-Wilk and Kolmogorov-Smirnov tests were used to test the hypothesis. Since the DN_1, DN _2, DN _3, DN _4, and DN _5 variables have significance values of 0.000, which are less than 0.05, the null hypothesis that states that the data are normally distributed for data procurement is not rejected. As a result, the findings show that the data has a non-normal distribution. Even yet, it is evident from the observed values that the sample data for the relevant variables does not follow the symmetry. However, it doesn't show how much the sample data deviates from the mean.

Table 6.4: Data Procurement Descriptive Statistics

Mean	Median	Mode	Std. Deviation	Skewness	Kurtosis
4.12	3.00	3.00	0.722	-0.3966	0.020
3.688	3.00	3.00	0.788	-0.22	0.466
0.3922	3.00	3.00	0.76	-0.422	0.066
3.77	3.00	3.00	0.766	-0.377	0.0788
3.89	3.00	3.00	0.688	0.299	0.052

Table 6.4 contains the descriptive statistics. The aforementioned results make it evident that the sample data is non-normal as the Mean, Median, and Mode values do not equal one another numerically. We have used dispersion metrics to determine the amount of divergence.

There is less variance in the data when the numbers in the preceding table, which show the standard deviation of the DN_1 to DN_5 variables, are less than 1. Kurtosis values are found to be less than three, while skewness values are less than one, suggesting a modest level of asymmetry. Data for Data Procurement variables therefore have a partly non-normal distribution.

Table 6.5: Operational Performance Normality Test

Statistic	Df	Sign.	Statistic	Df	Sign.
0.274	100	.000	0.811	100	.000
0.304	100	.000	0.854	100	.000
0.297	100	.000	0.822	100	.000
0.265	100	.000	0.833	100	.000
0.283	100	.000	0.826	100	.000

The results of the normality test for the Operational Performance factor's variables were displayed in Table 5.8. Kolmogorov-Smirnov and Shapiro-Wilk tests were used to assess the hypothesis. We are unable to reject the null hypothesis that "Data are distributed normally for Operational Performance" since the significance values of the ON_1, ON_2, ON_5, ON_6, and ON_7 variables are 0.000, which is less than 0.05. The data appears to have a non-normal distribution, according to the results. Despite this, the observed values make it abundantly evident that the sample data for the relevant variables do not follow the symmetry. However, it does not show the extent to which the sample data deviates from normalcy.

CONCLUSION

The data indicates that few organizations are using artificial intelligence in their HRM processes, and that artificial intelligence in recruitment is still a relatively new concept. Artificial intelligence can be applied most effectively to the recruitment, preparation, learning, and improvement, success evaluation procedures, and recruiting practices such as preselection and follow-up with recruits. It can also be applied to the delivery of recruiting results to applicants. The elimination of repetitive tasks and pace quality were deemed to be the two main benefits of artificial intelligence, while the businesses' overall readiness for new technologies was found to be the biggest barrier. Recruiters need less time to get the greatest results that eight interviewees have indicated since traditional recruitment takes time. Furthermore, according to both experts, recruiters usually lack the time necessary to communicate with applicants through ongoing recruitment. If candidates have not earned the position for which they have applied, there is typically no time to send them a position.

Some stated that the review procedure in the performance assessment process is not followed exactly. Owing to workload overload, supervisors frequently provide grades based on prior evaluations of the worker and, on occasion, the manager-employee relationship. Instead of solving the issue, this doesn't. Managers may engage with employees and save a significant amount of time by implementing AI into performance review procedures. Employee development and an improved performance review procedure are aided by this. The experts also mentioned that in the past, when completing online training, participants would often cheat by showing up for the instruction.

There are differences between the data available for the training that the employee record shows and the actual amount of time spent on training. HR managers found it easier to oversee the training procedures after implementing AI, and as a result, feedback was provided. A few leaders expressed that the majority of team members find it difficult to integrate new technologies into their work because they fear losing their jobs. Training has been offered to help employees overcome their fears in order to increase their vitality. The majority of the chiefs stated that AI provides a profit for the business. AI contributes to increasing return on investment and adding value to the organization.

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