



# ARTIFICIAL INTELLIGENCE AND HOW IT IS REINVENTING THE HR – PRACTICES IN MAKING THE ORGANIZATIONS MORE VISIBLE AND COMPETITIVE

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## ABSTRACT

*In this competitive business environment, for any kind of business human resource (HR) is an indispensable asset and input for enhancing the organizational performance. To be successful, organizations have to strive for higher customer satisfaction which is the key for their survival and to achieve this, organizations have to adopt innovative Hr-practices to enhance their performance and be different among its competitors. In near future, HRM is moving away from its base administrative functionality like recruitment, selection, appraising to more advanced progress like Automation, Augmented Intelligence, Robotics, and Artificial Intelligence that are completely re-defining and re-shaping the way of their workforce characteristics and organizations.*

*At, present the buzz word is AI and how it is completely transmuting the human resources is contrary to what is expected, and how AI is usurping millions of jobs globally in every sector. However, Hr is not traditionally associated with this nascent technology, failure to deploy AI with Hr practices could prove to be a dreadful sin which makes the organizations tough to grow and survive in this world with these different technologies. The global workforce is threatened by AI and advanced self-learning machines, and they are wiping away the interference of humans in every aspect. But, in reality, any advanced technology that is created and utilized must be for the benefit of humanity not for its destruction. To compete with AI and advanced machines the real challenge now lies within the respective Hr-departments that how well they train and re-transform their workforce in understanding and working in collaboration with AI & Robots.*

*The study that is presented in this paper tries to emphasize whether the integration of Hr-practices to AI leads to improve the organizational performance and stay competitive. The entire information that is presented in this paper is purely secondary which is collected from various journals, magazines, survey reports, etc. to throw some light on how these innovative Hr-practices are going to transform the organizations more visible and to stay highly competitive.*

**KEY WORDS:** *Artificial – Intelligence, Robots, Workforce, Organizations, and Performance.*

## 1. INTRODUCTION

The term AI has two words: 1: Artificial, 2: Intelligence. Artificial means which are not real it can be a fake because it is simulated. Take an example: A grass means which are not real but a simulated one which exactly looks like the original grass. So, in short, artificial means creating something which exactly looks like the original, but in reality, it is a simulated device.

Next, we have to understand really what intelligence is? In short, intelligence refers to be human behaviour, and one can exactly say that intelligence is related to one particular human trait, it is a combination of many diverse abilities.

### 1.1 History of AI

If we go back to the roots of history there was a belief that machines would never be able to behave intelligently like humans, but now machines are in a



position to dominate and overtake humans by a storm. Thanks to the person named A.Turing. (Emilia Bratu)

AI at present the buzz-word, but AI is not a new field of study, it has evolved around the year 1950s only which was developed by a generation of scientists, mathematicians, and philosophers. And, one such kind of person was Alan Turing, a young British poly-math who has explored the concept of AI mathematically by publishing a paper on AI in (1950), where he proposed for the first time that even machines can think and learn like humans. (Francesco corea).

And finally, Ray Kurzweil, a futurist well-known for his history of future-predictions, claims that by the year 2029 AI will pass a valid Turing test and achieves human-intelligence.

## 2. LITERATURE REVIEW

(Rajeev Bhardwaj) (2019) From hiring to employee engagement, artificial intelligence is transforming the way thanks to the advent of AI-supported systems. This extremely cumbersome process is now taken over by software search algorithms that can successfully prove out few people matching your requirements from a pile of irrelevant applications.

This is just one manifestation of the way artificial intelligence is reshaping and revolutionizing every sphere in life including HR management. It can be incorporated in a process like on boarding, performance, review, feedback, training, retention apart from talent acquisition. Hence, it allows the HR manager greater time and energy to focus on mentoring and motivating employees.

(Jeremy Nunn)(2018) Many scientists have been probing into the histories of human intelligence and reasoning. Like our ocean exploration, our huge strides in knowledge were followed by a lingering question: How can we apply what we have learned about us to help ourselves live and work better? It was techies who provide the final piece of the puzzle with artificial intelligence (AI) which was modelled after own.

There is no better meeting place for human and machine based-intelligence than our human resources department. Let's make one thing clear, AI technology will not put HR Managers and staff out of work, but it promises to transform HR Departments not to make them redundant. It can be employed in talent acquisition, employee screening. The use of AI allows for faster filtering of superb candidates from the merely great. All of these done without the limitation of human bias and capacity for error, making AI an HR management tool of the future, it benefits already ripe for picking.

(Kapil Gupta)(2018) AI in HR encompassed as to better informed in strategizing

people's decision. Though AI is not perfect it can be institutionalized by a biased or incorrect set of Assumptions.AI can assist Human efforts, and help to manage HR process more effectively. Today biggest challenge faced by the HR Department or Recruitment agencies is to screen resumes and compliment talent acquisition. The promise of AI for improving quality of hire lies in its ability to use data to standardize the matching between candidate experience, knowledge, skills and the requirements of the job.

(Prashant)(2018) As, the global workforce is threatened by the technological devil named as AI, but in reality integration of AI to business improves in taking strategic-decisions that reshaping and transforms themselves into super-powers

If, really AI is integrated with HR-practices like MPP, recruiting, PFM it can help in better decision making. So, with the use of AI, the organizations are leveraging their human capital to their best, which in turn leads to the overall improvement in the organization's performance.

(Barbara van pay)(2018)Many industries are looking into AI solutions for their businesses, especially when it comes to HR. Although many industries are scared of letting a non-human entity handle certain procedures of the business, the benefits of AI are huge. By using AI, organizations can reduce the time to hire a candidate. A huge part of the recruiting timeline, after you have found the perfect fit for the role, is interviewing. AI interviewing soft wares such as Hirevue and Mya are used to interview the hired candidates. Few organizations are already using this software. Implementing AI is cost-effective but is more beneficial for the future.

(Luciano Floridi)(2018) As many opportunities are there, so as risks also. Opportunities for AI are synonymous when they are used for good innovation and positive applications of technology. AI technology shows its negative impact when it is used for the wrong reasons. AI benefits are not fully realized by society, it offers multiple opportunities, but the utilization of those opportunities is completely based on the individual organization. Inadvertent overuse or wilful misuse of AI technologies is the risks with AI.

(Joshbersin)(2018) Present-day hype and expectations for AI are skies - high. There will be no wonder if we talk to our computers, drones will deliver our groceries; our cars will drive themselves. AI is not some magical computerized person, it is all a human-made machine. Systems can understand our instructions but can't initiate their thought process. AI machines, robots can do work very fastly when compared to humans, but when coming to emotional intelligence, it is a huge barrier for AI technology.

(Severin Lemaignan)(2017) Human-robot interaction (HRI) represents a challenge for AI.



Even though every work done by humans physically can be done through AI, it lacks emotional intelligence. As this is the major drawback of human-robot interaction becomes critical. Robots are able to do the tasks which are pre-instructed to them. They can't change their actions on their own as they are controlled by humans. It is a difficult task to impose the independent software modules, especially it is not, only a technical challenge, but it is also an architectural challenge.

**(Lorenzo and others)(2017)** Due, to the advent and impact of AI there will be a long-term reduction in head-counts in every sector. And the implementation and integration of AI is also a very costly affair forcing the companies to raise their budget two times than it is before. But, despite the cost, the benefits reaped out of AI are to be promising. For example Integration of AI with a company's recruitment process can help in the screening of thousands of qualified candidates quickly and picking the right candidate with the right skill-fix for the vacant job can effective. And, due to the AI implementation across various HR-practices can lead to higher-satisfaction, reducing employee turnover and it reduces the costs on various HR-practices.

**(Steve Goldberg)(2017)** The integration of AI in HR/HCM significantly has improved the aspect of service delivery, and also the engagement of employees' main advantage by integrating AI with HR is of getting the right mind of talent which is the key between the humans and machine-based integration.

**(Edge Admin)(2017)** Now the present age is ruled and revolved by advanced technologies, which is daunting the global workforce. Out of all the technologies, we can say AI is the most disruptive one. As important in the application of AI almost in every sector may it be banking, health care insurance, etc., but the results achieved are remarkable. AS most of the companies across the globe are adopting AI, India is also not an exception that new firms especially (start-ups) are now integrating their business with AI to stay more visible and to be competitive. Some of the start-ups that have integrated its business with AI in India are ARYA.ai, BOXX.ai, cuddle.ai, Imbibe, Edge-networks, and Haptik to name a few.

**(T.J.M. Bench-capon, Paul E. Dunne)** As from the last decade, argumentation has come to be increasingly central as a core study within AI. Initially, argumentation was adopted as a supportive approach that upshots a formal treatment. With the development of formal logical theory-in which context the significance of argumentation techniques concerning nonclassical logic was further emphasized.

**(Michael Heric)** As per the study conducted by Bain and the company, the results

showed that nearly 87% Of the Hr-leaders agreed that digital-technologies will reshape the way of HR and 57% Opined there will be nearly 1-10% Budget hikes for AI in the next two years. If, we observe the scenario throughout the globe AI, in all its forms from the RPA process to ML to NLP has shown remarkable results. To state as an example that AI-based screening of the candidate's in talent acquisition will improve the hiring accuracy.

### 3. THE INTEGRATION OF AI WITH HR-PRACTICES

#### 3.1 In Recruitment

As per the recent studies conducted in the market, AI will grow from 88 billion(2016) to 847 billion (2020), which is going to impact each business all over the globe and HR is not an exception to it.

AI has struck Human Resource by storm where it completely forced the traditional HR-process to transform into complete Automation resulting in higher satisfaction and Productivity. But Majority of the organizations are still lagging in integrating AI to its HR-Practices because of its cost associated with integration. Nowadays AI has been successfully integrated with one of the most important HR-Function: Recruitment. Previously it is used to take care of the recruiters and saved lots of money and time in scrutinizing the candidate's resumes. But, the advent of AI in the recruitment has completely reshaped the process used in selecting the candidates with Requisite skill-set. If we observe the current world of recruiting with AI can be divided into two:- (1) chat-bots Functionality (2) The Machine learning. **(J. Strange)**

Due to the integration of AI in HR/HCM, it benefits the organization by going into Automation and producing better results. Alexa is one of the best used by amazon in placing its orders more effectively and also helps in selecting the music that suits according to our taste. That's the reason AI in Hr is the next best exciting thing to happen in the next coming years ahead.

It is a known fact that AI is completely invading the workplace, and AI now has taken a new shape as a hiring manager. Present AI is largely related to the recruitment function. With the successful integration of AI to HR in recruitment benefited the companies in hiring the right talent.

Fama technologies a California based firm (A-Tech Firm) has developed AI-based software that searches the candidate's Profile that is meeting the interests of hiring managers. Another example is a Hyderabad based start-up named Param. AI which uses AI, which automatically Pre-screens the resumes for various companies and tells if the candidate is good, bad (or) Average based on the past hiring patterns.



The following table 1 shows the percentage of companies on how AI integration to HR is benefited for them:

84.00%	33.00%	22.00%	53.00%	69.00%
Members of the Toronto-based regulatory body of HR-Professionals association believes that AI is a useful tool for Human Resources.	Companies across the globe in some form are using AI in taking Hr decisions.	Indian companies that have leveraged AI to deliver HR-solutions.	Are the companies revamping traditional HR with AI-based digital tools.	Jobs in India under threat due to tom use of AI.

(Source:- World Bank, Deloitte, No more HR: How AI invades the workplace, Jan 1<sup>st</sup>, 2019, Financial express.)

The following table 2 clearly how has transformed its shape due to the advent of the digital era:

Old Rules	New Rules
HR department focuses on process design and harmonization to create standard HR practices.	HR department focuses on method style to make normal practices. Departments specialize in optimizing worker productivity, engagement, cooperation and career growth.
HR selects a cloud vendor and implements out-of-box practices to create scale.	HR builds innovative, company-specific programs, develops apps, leverages the platform for scale.
HR technology groups specialize in ERP implementation and integrated analytics, with attention on "Ease of use"	HR technology team moves on the far side ERP to develop different digital capabilities and mobile apps with attention on "productivity at work".
HR centres of excellence focus on process design and process excellence.	HR centres of excellence specialize in method style and method excellence. centers of excellence leverage AI, chat, apps, and different advanced technologies to scale and empower workers.
HR programs square measure designed for scale and consistency round the world.	HR Programs target worker segments, personae, and specific teams, providing them the maps related to their jobs and careers.
HR focus on "self-services" as a way to scale services and support.	HR focus on "enablement" to help people get work done in more effective and productive ways.
HR builds an employee "self-service portal" as a technology platform that makes it easy to find better transactional needs and programs.	Here an integrated platform called "employee experience platform" is built by HR using digital apps and employee's needs are assisted by AI and bots.

(Source: Global Human Capital Trends: Deloitte insights, 2017)

### 3.2 In Employee Learning

Most of the organizations design their training programs without any predefined parameters and, in truer sense organizations don't know how to train its people perfectly. Most of the learning Professionals argued that whatever the trainees learn during the training programs at least half is wasted (Forgotten, Inappropriately applied, wastage of time and money) (JOSH – BERSIN)

Now, the bigger question arises is how to make the T&D programs more effective by the

application of AI-based Algorithms that monitor and study the skills, behaviours, and attitudes of the employees working at various levels.

### 3.3 In Performance Management

Now the days are gone for traditional appraisals in evaluating the employee performances. Globally renowned companies like Accenture and Deloitte has put an end to its annual appraisal policy.

Most, of the employees, viewed that while conducting appraisals, most of the managers showed



biases and even the error rate is also very high. Now the bigger question is will AI integration in the company's performance management systems will improve the employee's performance?. The answer is yes were some top companies like Microsoft and Adobe have been successful with AI-based applications in evaluating the performances.

As of now, AI integration is largely related to recruitment practices and sooner AI is going to be implemented in each corner of Hr - practice through chatbots and AI-based applications. As, per the latest survey conducted in the year 2017 by IBM over 6000 executives', " Extending Expertise": How cognitive computing is going to transform her, and the key results of the survey are as follows:

1. 66% of the global company's CEOs believed that cognitive computing will have a significant value in hr.
2. 50% of the executives said that cognitive computing has power in transforming the key dimensions of hr.
3. 54% of the executives said that this cognitive computing will show its impact and affect the key HR – roles in any organization. (**Dom Nicaastro**).

But, coming to the implementation part of AI with Hr majority of the organizations are hesitating because of the cost associated with the implementation of AI. But, the majority of the experts argued that AI can measure the employee's value and prove this a survey was conducted among 800 enterprise decision-makers revealed the following key results: (**Chris Nerney**).

- 66% of the respondents believed that the use of AI in management systems will give rise to more transparent meritocracy in the workplace.
- 74% opined and predicted that within the next 10 years, AI will be standard practice for measuring employee performance.

But, in implementing AI to organizations it is from an organization's point of view has to transform and integrate AI with HR-practices. But, the facts were astonishing because the cost associated with AI is huge.

And, majority of the organizations were not interested in adopting AI, but sooner it will adopt AI, say coming in the next five years, some argued that their organizations were too small to use AI, and others opined that senior leadership did not see the need of such advanced AI-driven technologies.

#### 4. CONCLUSION

Integrating HR practices with AI-based applicants have a stronger impact on raising organizational performance. Even though AI applications may not possess like humans the emotional and cognitive abilities, but these powerful AI-based HR applications can analyse, predict,

diagnose, and can become a more powerful resource for any kind of organization.

But, the real fear that is daunting the Global workforce is how AI is showing its impact on job cutting across various sectors throughout the globe. But, the reality is that it is not the advanced technologies that are replacing people, but it is all about how people should change and view these technologies in creating wealth and prosperity. In, true sense there will be some percentages of employees are affected by the AI-based functions, so the HR leaders and organizations must focus on its employee needs and possible outcomes.

And, finally based on our study most of the organizations are successfully integrating AI-based tools in recruitment but in near future, AI is everywhere in HR: Maybe in recruitment, training, on boarding, performance analysis, retention, etc. To, conclude everybody should be optimistic, AI implementation should be viewed as an optimistic opportunity, because AI enriches the lives, but not take anything away from us, but AI creates a better future.

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