

Artificial Intelligence Adaptation and its Impact on Human Resources Practices Among the IT and ITES Companies in Chennai

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ABSTRACT

The Word AI coined in 1950. And it is highly debatable topic by most of reputed management journals since 1964. It was saying that AI will replace the human resource since 1960's. However, we could see the AI role in every other filled. Therefore, it is unavoidable in the HR functional area. This changes will landscape new challenges to the HR functional heads how to mitigate this challenges and ensure the employability to large population. The results indicates that the male respondents less satisfied with the data privacy aspects based on the mean score that is 1.56 and possibilities of varying this opinion is ± 0.50 . The female respondents opinions that compensation practices influenced highly than any other function based on the mean score 1.75 and standard deviation is $\pm .46$. The respondents are in the age range up to 30 years has opinion that recruitment practices has changed drastically due to AI based on mean score 1.71 and standard deviation is ± 0.46 . The respondents having greater than 16 years of experience has an opinions that compensation practices will have more impact. It shows mean score of 1.76 and standard deviation of ± 0.43 . We found that there is mixed up of fears from various aspects it is varies based on the difference. Therefore we need to take a strategic decision on HR practices will help to mitigate.

Keywords: AI, Data privacy, Human resource management, Recruitment, Training and development.

INTRODUCTION:

Human resources as an occupation has experienced noteworthy changes in the last decade due to the evolution of technologies. Today, artificial intelligence (AI) is reshaping the way companies hire, manage and engage with their workforce. Advanced data-driven technology is quickly making its way into the HR industry as businesses are focusing more on creating an employee-oriented corporate culture. Even the difficult process like recruitment, training, appraisal all most all the function of the HR can be done through Artificial intelligent. Today AI is replicating the human conversation. According to the India Report of Deloitte's 5th Annual Global Human Capital Trends, 53% of companies are revamping their HR programmes to deploy digital tools, while 22% have already leveraged AI to deliver HR solutions. "According to Anupam Jauhari, Today, employee engagement is crucial for every business agenda because it plays a key role in boosting productivity and helping businesses stay competitive in the market. Gone are the days when HR experts relied on burdensome annual surveys to evaluate employee engagement that often generated erroneous results." The Word AI coined in 1950. And it is highly debatable topic by most of reputed management journals since 1964. It was saying that AI will replace the human resource since 1960's. However, we could see the AI role in every other filled. Therefore, it is unavoidable in the HR functional area. This changes will landscape new challenges to the HR functional heads how to mitigate this challenges and ensure the employability to large population. This paper is going to talk about Impact of AI and mitigating strategy.

REVIEW OF LITERATURE:

John J. Lawler and Robin Elliot (2005) has investigated the impact of an expert system used as a decision aid in a job evaluation system. Both performance outcomes and psychological outcomes are analyzed in an experiment in which the intended users of the expert system served as subjects. The study draws largely from behavioral decision theory for its theoretical support. Although this study examines an expert system within an HRM context, the results are useful as one test of expert system efficacy within the more general area of managerial decision making." Jeanne Meister stated in her article, "The Future of Work: The Intersection of Artificial Intelligence and Human Resources", how HR leaders will need to begin experimenting with all facets of AI to deliver value to their organizations. According to her, HR leaders are beginning to pilot AI to deliver greater value to the organization by using, for example, chatbots for recruiting, employee services, employee development, and coaching." Dulebohn (2015) described the emergence of HR and propose the future of HR for increased and sustainable value. The authors have studied the HR's transformation waves from administrative to HR strategy waves." Sushman Biswas(2018), "Automation transformations require change. HR will experience a shift in required skills sets. No longer will HR spend their time writing the perfect job description and sifting through a list of 100 people that have exact keyword matches. HR's role will evolve, requiring a new focus and a new strategy." In continuation of various review, it would conclude that Artificial Intelligence (AI) will highly impact the prototype function of HR practices like recruiting, screening, performance appraisal etc., Based on the review there are dimensions and parameters to be studied identified. These are only a few examples. Whether you are aware of it or not, AI has an immense impact on our daily (working) lives already. For most of us, AI technology is helping us do our jobs more efficiently and it's generally making our lives – and jobs – easier.

AI and its Current Scenario:

Today's world AI plays a big role today in transmuting HR practices; reducing human bias, increasing efficiency in candidate assessment, improving associations with employees, improving compliance, increasing adoption of metrics, and improving workplace learning are some of the benefits organizations are experiencing today. According to her, HR leaders are beginning to pilot AI to bring greater value to the organization by using, for example, chatbots for recruiting, employee services, employee development, and coaching. So far, recruiting and talent acquisition are the areas where AI solutions are most effective. There is a growing number of startups and service providers who target HR with artificial intelligence-based solutions for activities such as:

- Sourcing (for example, Textio);
- Interviewing (myInterview);
- On-boarding (Talla);
- Coaching (Saberr) and;
- Employee service centers (Service Now).

According to Soumyasanto Sen "Currently, these AI-based solutions for HR & Workforce are more like analytical products driven by Tata and powered by next generation People Analytics." When it comes to AI in HR, "The applications of AI basically are analytics applications, where the software is using history and algorithms and data to be smarter and smarter over time," as per Bersin. The most interesting part of people analytics is the interface between AI and human proficiency. Investments in AI are growing exponentially. Research firm IDC predicts that the market for AI will grow from \$12.5 billion in 2017 to \$46 billion by 2020, impacting all business practices across almost every industry.

Problem Focus:

This paper primarily focuses on impact of traditional HR practices due to inclusion of artificial intelligence (AI). The maximum time and consideration of top manager is devoted in leadership hiring, which should ensure a good strategy, planning and direction for the business. However, the implementation of the HR function normally done by the Human with helps of machine. But now AI replaces most of the human resources function into machine interface. The new age of AI and related frontier technologies would disrupt the nature of jobs of tomorrow and the skills required to realise the true potential of these transformative technologies. The changes and challenges anticipated for the workforce will come from both the demand and supply side: demand for capabilities for jobs that don't even exist today and diminished demand for some of the jobs that could be automated, supply of newly minted STEM graduates, a large portion of whom may struggle to be gainfully employed. Now the question is having we prepare our self to predict the challenges in the future and how are we going to manage things? What are the challenges in the data driven AI's?

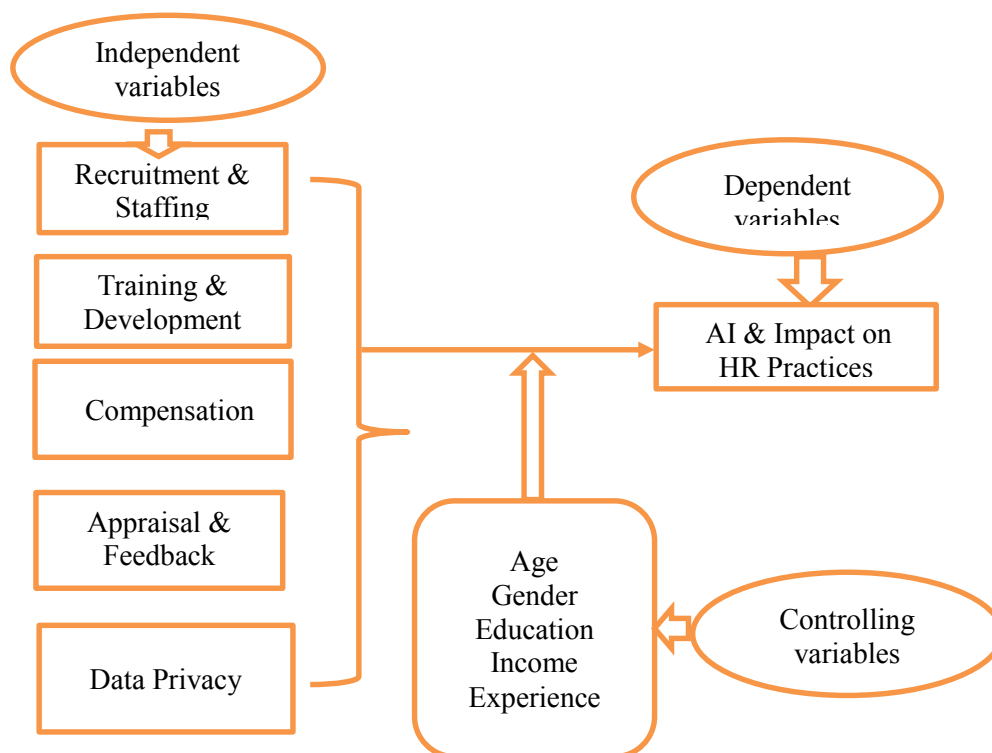
OBJECTIVES OF THE STUDY:

1. Artificial intelligence adaptation and its impact on Human resources practices
2. Artificial intelligence adaptation and its impact on functional aspect of the HR practices
3. Artificial intelligence adaptation and its impact on job competency aspect of the HR practices
4. Artificial intelligence will give data privacy in all levels.

METHODOLOGY:

This research depends on ex post facto research. We describe what has happened and happening in HR industry due to the adaptation of Artificial intelligence. The total population is all the HR on board and off board support providers. This study has selected 200 HR professional invariably their designation has taken for the study. The sample were chosen based on the convenience sampling methods. The study specifically focuses only on the HR aspects in the IT companies. The primary method of Data College deployed to collect the data. The structures questionnaire uses to collect the relevant data. Data were obtaining from the respondents during the working hours. The following variable identified for measuring impact of artificial intelligence (AI) in HR practices

Fig. 1



ANALYSIS AND DISCUSSION:

The general background of the respondents are as follows, of the total 50.5% of the respondents are male and 49.5% of the respondents are females. 31% of the respondents are in the age range up to 30 years category. 42.5% of the respondents are in the age range between 31 to 35 years. 18% of the respondents are in the age range 36 to 40 years old and 8.5% of the respondents are in the age range 40 yrs and above. 40% of the are MBA with BE graduates and 40.5% of them are MBA graduates and meager 19.5% of them are PG other than MBA , Therefore the results obtained from the results will best represent the objective of the study.

Table 1: Gender wise respondents' opinion on influence of AI in various dimensions of HR practices

Gender	N	Recruitment		Training		Compensation		Feedback		Data Privacy	
		M	SD	M	SD	M	SD	M	SD	M	SD
Male	101	1.58	0.50	1.59	0.49	1.65	0.48	1.61	0.49	1.56	0.50
Female	99	1.53	0.50	1.67	0.47	1.75	0.44	1.69	0.47	1.66	0.48
Total	200	1.56	0.50	1.63	0.48	1.70	0.46	1.65	0.48	1.61	0.49

The above table explains that gender wise respondent's opinions on impact of Hr practices due to AI. It shows that male respondents believe that compensation practices has highly modified due to AI inclusions based on mean score that is 1.65 and possibilities of deviating this opinion is ± 0.48 . Followed by feedback practices it has mean score of 1.61 and ± 0.49 . The male respondents less satisfied with the data privacy aspects based on the mean score that is 1.56 and possibilities of varying this opinion is ± 0.50 .

Table 2: Age wise respondents' opinion on influence of AI in various dimensions of HR practices

Age	N	Recruitment		Training		Compensation		Feedback		Data Privacy	
		M	SD	M	SD	M	SD	M	SD	M	SD
Up to 30 Yrs	62	1.71	0.46	1.52	0.50	1.48	0.50	1.48	0.50	1.39	0.49
31 yrs to 35 yrs	85	1.49	0.50	1.68	0.47	1.78	0.42	1.71	0.46	1.69	0.46
36 yrs to 40 yrs	36	1.33	0.48	1.83	0.38	2.00	0.00	1.94	0.23	1.94	0.23
41 years and above	17	1.76	0.44	1.35	0.49	1.47	0.51	1.35	0.49	1.29	0.47
Total	200	1.56	0.50	1.63	0.48	1.70	0.46	1.65	0.48	1.61	0.49

The above table show that age wise respondent's opinion towards the various hr practices. It shows that 62 respondents who are in the age range up to 30 years has opinion that recruitment practices has changed drastically due to AI based on mean score 1.71 and standard deviation is ± 0.46 . Followed by training aspects. With regards to the respondents in the age range between 31 yrs to 35 yrs opinions that Compensation practices has impacted highly with the mean score of 1.71 and standard deviation of ± 0.46 . The respondents who is in the age range between 36 yrs to 40 yrs opinion that feedback practices and data privacy will affect drastically based on mean score 1.94 and standard deviation of 0.23 respectively. The respondents who are in the age range 41 yrs and above opinions that recruitment practices will impact the Hr practices it shows mean score of 1.76 and standard deviation of 0.44.

Table 3: Educational qualification wise respondents' opinion on influence of AI in various dimensions of HR practices

Educational Qualification	N	Recruitment		Training		Compensation		Feedback		Data Privacy	
		M	SD	M	SD	M	SD	M	SD	M	SD
BE with MBA	80	1.50	0.50	1.68	0.47	1.74	0.44	1.73	0.45	1.69	0.47
MBA	81	1.59	0.49	1.60	0.49	1.67	0.47	1.64	0.48	1.58	0.50
PG but without MBA	39	1.59	0.50	1.59	0.50	1.69	0.47	1.51	0.51	1.51	0.51
Total	200	1.56	0.50	1.63	0.48	1.70	0.46	1.65	0.48	1.61	0.49

The respondents segregated based on their qualification. It show that educational qualification wise respondents' opinion on impact of AI in HR. It shows that respondents who has BE with MBA qualification opinions that feedback practices will have lot of changes it has highest mean score of 1.73 and standard deviation of ± 0.45 . Respondents having MBA with other undergraduates has opinions that compensation practices will have high amount of impact due to AI. It shows mean score of 1.67 and standard deviation of ± 0.47 . Respondents with other post graduates is also opinion that compensation practice will have lot of changes based on mean score 1.69 and standard deviation is ± 0.47 .

Table 4: Experience wise respondents' opinion on influence of AI in various dimensions of HR practices

Experience	N	Recruitment		Training		Compensation		Feedback		Data Privacy	
		M	SD	M	SD	M	SD	M	SD	M	SD
Up to 5 years	50	1.50	0.51	1.66	0.48	1.72	0.45	1.72	0.45	1.68	0.47
6 yrs to 10 yrs	51	1.67	0.48	1.53	0.50	1.55	0.50	1.51	0.50	1.45	0.50
11 yrs to 15 yrs	61	1.52	0.50	1.70	0.46	1.77	0.42	1.69	0.47	1.66	0.48
>16yrs	38	1.53	0.51	1.61	0.50	1.76	0.43	1.68	0.47	1.66	0.48
Total	200	1.56	0.50	1.63	0.48	1.70	0.46	1.65	0.48	1.61	0.49

The above table represents that experience wise respondent's opinion towards the HR practices it shows that respondents having up to 5 years' experience category has believed that compensation and feedback practices

will have lot of impact due to AI. The respondents are in the experience range between 6 years to 10 years observed that recruitment will have impact based on mean score that is 1.67 and standard deviation ± 0.48 . The respondents are in the age range between 11 years to 15 Years has expressed that Compensation practices will have lost of impact due to AI. The respondents having greater than 16 years of experience has an opinions that compensation practices will have more impact. It shows mean score of 1.76 and standard deviation of ± 0.43 .

Table 5: One way ANOVA on gender wise respondents' opinion on various dimension of AI influence in HR practices

S.No	Level	Mean	Std. Deviation	SS	DF	MS	Statistics
1	Recruitment & Staffing						
	Between Groups			0.173	1	0.173	F=0.69, 0.450 > 0.05 Not Significant
	Male	1.5842	0.49532				
	Female	1.5253	0.5019				
	Within Groups			49.222	198	0.249	
2	Training & Development						
	Between Groups			0.264	1	0.264	F=1.126, 0.25 > 0.05 Not Significant
	Male	1.5941	0.49352				
	Female	1.6667	0.4738				
	Within Groups			46.356	198	0.234	
3	Compensation						
	Between Groups			0.442	1	0.442	F = 2.10, 0.148 > 0.05 Not Significant
	Male	1.6535	0.47824				
	Female	1.7475	0.43667				
	Within Groups			41.558	198	0.21	
4	Appraisal & Feedback Systems						
	Between Groups			0.266	1	0.266	F = 1.16, 0.28 > 0.05 Not Significant
	Male	1.6139	0.48929				
	Female	1.6869	0.46613				
	Within Groups			45.234	198	0.228	
5	Data Privacy						
	Between Groups			0.425	1	0.425	F = 1.78, 0.18 > 0.05 Not Significant
	Male	1.5644	0.49831				
	Female	1.6566	0.47727				
	Within Groups			47.155	198	0.238	

The above 'f' test table reveals that the first dimension indicates that the males respondents has mean score of 1.85 and standard deviation of ± 0.49 . And for female it shows 1.52 and ± 0.50 . F value of 0.69. $0.45 > 0.05$ therefore there is no significant relationship between gender of the respondents and their opinion on impact of AI in HR recruitment practices.

For the second dimension gender wise mean and standard deviation shows that (1.65 ± 0.49 , 1.74 ± 0.47) it has F value of 1.126 and $P > 0.05$. Therefore no significant association between gender and Training and development practices.

For the third dimensions gender wise mean and standard deviations shows that ($1.653, \pm 0.47$), 1.74 ± 0.436) it has F value of 2.10 and $0.148 > 0.05$. Therefore no significant association between the gender and compensation practices

For the fourth dimensions gender wise mean and standard deviation shows that ($1.048, \pm 0.48$, 1.68 ± 0.466). It has F value of 1.16 and $0.28 > 0.05$. Therefore no significant relationship between gender and appraisal and feedback systems.

For the fifth dimensions indicates respondents opinion on data privacy it shows that mean and standard deviation as follows ($1.56, \pm 0.49$, $1.65, \pm 0.47$). It has F value of 1.78, $0.18 > 0.05$. Therefore no significant relation between gender and their opinion on data privacy after AI in the HR practices.

CONCLUSIONS:

Artificial intelligence will role the world like anything in the future. Human resource function will not be an exemption for the same. Today most of the HR function already done only through the AI. This paper detailed examined about adaptation of AI and its influence in the HR practices. We have studied 200 HR personnel across the industry in Chennai have taken for the study. The results reflect their mindset. It is obvious that accepting any changes take longer period. In the same way HR function need to accepts the changes. We have done the ex post facto test for this study. There are 200 respondents selected based on quote sampling techniques for each company we have taken 10 respondents and total of 20 IT companies have chosen for this study. The results indicates that the male respondents less satisfied with the data privacy aspects based on the mean score that is 1.56 and possibilities of varying this opinion is ± 0.50 . The female respondents opinions that compensation practices influenced highly than any other function based on the mean score 1.75 and standard deviation is $\pm .46$. The respondents are in the age range up to 30 years has opinion that recruitment practices has changed drastically due to AI based on mean score 1.71 and standard deviation is ± 0.46 . The respondents having greater than 16 years of experience has an opinions that compensation practices will have more impact. It shows mean score of 1.76 and standard deviation of ± 0.43 . We found that there is mixed up of fears from various aspects it is varies based on the difference. Therefore we need to take a strategic decision on HR practices will help to mitigate.

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