

The Impact of Artificial Intelligence (AI) on Human Resource Management Practices

Dampak Kecerdasan Buatan (AI) terhadap Praktik Manajemen Sumber Daya Manusia

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ABSTRACT

This research discusses the impact of the integration of artificial intelligence (AI) in Human Resource Management (HRM) practices through a systematic literature review approach. Involving the analysis of 37 articles from various academic databases, the research identified the key benefits provided by AI in HRM, such as improved efficiency, process effectiveness and corporate decision making. However, significant challenges were also identified, including issues of data security, privacy and the need for HR skills development. In addition, the psychological impact on employees and work team dynamics is an important concern. In conclusion, the combination of AI in HRM has the capability to shape a new paradigm in human resource management, however it requires careful coping with rising demanding situations. This study offers a stable basis for a deep know-how of the complex interactions between AI and HRM, starting the door to in addition research and improvement on this region.

Keywords : Artificial Intelligence, Human Resource Management, Impact AI

ABSTRAK

Penelitian ini membahas dampak integrasi kecerdasan buatan (AI) dalam praktik Manajemen Sumber Daya Manusia (SDM) melalui pendekatan tinjauan literatur sistematis. Dengan melibatkan analisis 37 artikel dari berbagai database akademis, penelitian ini mengidentifikasi manfaat utama yang diberikan oleh AI dalam HRM, seperti peningkatan efisiensi, efektivitas proses, dan pengambilan keputusan perusahaan. Namun, tantangan signifikan juga teridentifikasi, termasuk masalah keamanan data, privasi, dan perlunya pengembangan keterampilan SDM. Selain itu, dampak psikologis terhadap karyawan dan dinamika tim kerja juga menjadi perhatian penting. Kesimpulannya, kombinasi AI dalam HRM mempunyai kemampuan untuk membentuk paradigma baru dalam manajemen sumber daya manusia, namun hal ini memerlukan penanganan yang hati-hati terhadap meningkatnya situasi yang menuntut. Studi ini menawarkan dasar yang stabil untuk pengetahuan mendalam tentang interaksi kompleks antara AI dan MSDM, membuka pintu bagi penelitian tambahan dan peningkatan di bidang ini.

Kata Kunci : Kecerdasan Buatan, Manajemen Sumber Daya Manusia, Dampak AI

Introduction

Artificial intelligence (AI) is increasingly being integrated into human resource control (HRM) practices, presenting a variety of benefits including increased efficiency, effectiveness in recruiting, worker improvement, performance control and selection making. Several studies have highlighted the capacity of AI in HRM, emphasizing its ability to optimize human resource allocation, increase employee productivity, and improve organizational overall performance (Agustono, 2023) (Mamun, 2022). The use of AI in HRM also can impact decision making in companies and have implications for company performance. but, challenges related to facts safety, privacy and the need to enhance the skills of HR personnel had been recognized

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(Abasaheb,2023). Research also suggests that AI will have a vast effect on organizational overall performance through growing abilities, motivation and opportunities for personnel (Kiran, 2023). Typically, the integration of AI in HRM has the ability to increase performance, reduce costs, and upload cost to the business as an entire (Ahmic, 2023).

The blessings of using artificial intelligence (AI) in human resource (HR) control include increasing the performance and effectiveness of HR techniques, imparting introduced fees for businesses in improving their overall performance and competitiveness. AI can optimize human useful resource allocation, increase worker productivity, and enhance decision making in groups (Agustono, 2023). Additionally, AI in Human sources can improve worker overall performance, skills development, gaining knowledge of and development, and employee retention, even as supporting to minimize employee turnover. Moreover, the combination of AI in Human resource control has the capacity to grow performance, lessen fees and upload cost to the business as a whole. but, demanding situations including data protection, privacy and the want to upskill HR employees have been identified. Typically, using AI in HRM has the potential to have a full-size effect on organizational performance and is more and more diagnosed as a valuable device inside the field of human resource management (Kiran, 2023).

The mixing of artificial Intelligence (AI) in Human resource management (HRM) practices gives numerous blessings inclusive of accelerated performance, recruitment effectiveness, worker development, overall performance management and decision making. AI can optimize human useful resource allocation, increase employee productivity, and improve organizational performance. The usage of AI in HRM can also have an effect on selection making in the enterprise and feature implications for agency overall performance (Chowdhury, 203). AI can have a massive effect on organizational overall performance by means of growing competencies, motivation and opportunities for personnel. The integration of AI in Human resource control has the capability to increase performance, reduce fees and add fees to the business as a whole. but, demanding situations related to information safety, privacy and the need to enhance the talents of HR personnel were identified (Kumari,2021). Research has shown that AI can improve the performance and effectiveness of overall performance control strategies by way of supplying real-time remarks and enabling information-driven choice making. AI can also help groups provide better HR services thereby growing employee satisfaction. universal, the usage of AI in HR has the capability to increase the efficiency and effectiveness of HR procedures, simplify recruitment, and grow employee satisfaction (Vrontis, 2021).

Using artificial Intelligence (AI) has created a paradigm shift in diverse elements of lifestyles, inclusive of in the management of Human resources (HR). This research aims to research the sizable impact generated by means of the combination of AI in Human resource management (HRM) practices (Kshetri,2021). The research method applied in this study is a systematic literature review, which allows us to extract detailed information from a number of relevant sources. The importance of this research lies in the context of the ongoing digital transformation and how AI is critically influencing the way organizations manage their human resources. In an era where technology increasingly dominates, companies are required to understand significant changes in employee behavior patterns, talent needs and job market dynamics. This study is important because there is an urgent need to identify the extent to which AI has created changes in HRM and its impact on organizational performance (Votto, 2021).

There are several AI tools used in human resource management (HRM), including:

1. AI-based recruitment tools: These tools use AI algorithms to screen resumes, conduct initial interviews, and identify the best candidates for a job.
2. AI-based performance management tools: These tools use AI algorithms to analyze employee performance data and provide insights into areas for improvement.

3. AI-based learning and development tools: These tools use AI algorithms to personalize learning and development programs for employees based on their individual needs and preferences.
4. AI-based employee engagement tools: These tools use AI algorithms to analyze employee feedback and sentiment, identify areas for improvement, and provide recommendations for increasing employee engagement.
5. AI-based workforce planning tools: These tools use AI algorithms to analyze workforce data and provide insights into future workforce needs, including skills gaps and talent shortages.

Overall, the use of AI in HRM has the potential to significantly impact organizational performance and is increasingly being recognized as a valuable tool in the field of human resource management (Agustono, 2023).

Rapid changes in AI technology are putting new pressure on traditional HRM practices. Companies face the challenge of understanding changes in employee behavior caused by increasingly complex interactions between humans and machines. Apart from that, ethical and security aspects in the use of this technology in HRM are also crucial issues that need to be considered (Tambe, 2019). This phenomenon provides a strong basis for understanding the consequences of integrating AI in HRM holistically. Although the literature on the influence of AI in HRM continues to grow, there remains a gap in detailed understanding of how AI specifically impacts various aspects of HRM. Some aspects that need further attention include the psychological impact on employees, changes in work team dynamics, and ethical challenges that arise in AI-based decision-making processes (Yawalkar, 2019). Therefore, this research aims to fill this knowledge gap and provide in-depth insights into the HRM transformation occurring as a result of AI integration.

Research Methods

The research method used in this study is a systematic literature review with a focus on the impact of artificial intelligence (AI) on Human Resource Management (HRM) practices. The first step is done by determining relevant keywords for article searches, such as "Artificial Intelligence", "Human Resource Management", and "Impact AI". This search was conducted in various leading academic databases, including but not limited to Scopus, Google Scholar, IEEE Xplore, and ScienceDirect.

A search begins by entering a combination of these keywords, yielding a large number of potentially relevant articles. The initial number of articles found reached 89 articles. After that, the next step involves a screening process to evaluate the relevance and quality of each article. Articles that did not fit the research focus or did not have sufficient relevance to the impact of AI on HRM were excluded from this study.

Inclusion and exclusion criteria were carefully defined to ensure that only articles that made a significant contribution to the understanding of the impact of AI on HRM were retained. Factors such as year of publication, research methods used, and level of empowerment in the HRM context are crucial considerations in the screening process. The number of articles that successfully passed this stage was around 37 articles.

Next, these articles were analyzed in detail to extract the main findings, research methods used, and approaches taken by researchers regarding the impact of AI on HRM. The preparation of this data was carried out systematically, allowing researchers to identify general patterns, differences and convergence in the literature that had been reviewed.

This systematic literature review method provides a holistic and in-depth approach to understanding the impact of AI on HRM. By covering a wide range of sources in this area, this research seeks to provide a comprehensive and up-to-date view of recent developments in the literature on this topic.

Results and Discussions

Based on the systematic literature review conducted, several key elements related to the effect of artificial intelligence (AI) on Human resource management (HRM) practices have been recognized. This study shows that the integration of AI in HRM can offer a number of significant benefits.

First, the presence of artificial intelligence (AI) opens up wonderful opportunities to grow the performance and effectiveness of Human useful resource management (HRM) procedures. Inside the context of recruitment, AI can speed up and simplify the worker selection method with the aid of carrying out faster and greater correct information evaluation. Through state-of-the-art algorithms, AI can filter out candidates based totally on sure criteria, producing a list of candidates that extra exactly fits the business enterprise's needs (Johansson, 2019). Moreover, in worker improvement, AI can provide customized suggestions for education and improvement based on man or woman performance information. This no longer only allows imparting education that is more tailored to desires, however also facilitates designing powerful development applications to enhance worker capabilities and capabilities (Abdeldayem, 2020). In overall performance control, AI can provide in-depth evaluation of employee performance by way of combining quantitative and qualitative records. This permits organizations to greater appropriately discover worker performance developments, strengths and improvement regions. As a result, control can make extra knowledgeable choices in phrases of reputation, rewards, or performance development (Bhardwaj, 2020).

Finally, in selection making, AI can make a significant contribution via analyzing facts very well. From performance appraisals to strategic making plans, AI can help managers make greater timely and information-driven selections. The integration of synthetic intelligence in HRM decision making no longer most effectively reduces bias, but additionally will increase accuracy in responding to marketplace dynamics and converting enterprise wishes (Budhwar, 2023). Overall, AI's role in improving the efficiency and effectiveness of HRM processes involves leveraging technology to optimize every stage, from recruiting to strategic decision making. This integration creates the foundation for more adaptive, responsive and competitive human resource management in the digital era (George, 2019).

Second, the significance of the impact of artificial intelligence (AI) on corporate decision making is a key point in the evolution of Human Resource Management (HRM). AI's ability to provide real-time feedback and analyze data quickly provides tremendous benefits to the decision-making process (Chang, 2020). First of all, AI facilitates continuous and timely feedback regarding employee performance. Through continuous monitoring of individual tasks and achievements, AI can provide managers and employees with direct information about performance developments. This not only speeds up the evaluation process, but also helps employees identify areas of improvement or strengthening that could be needed to achieve goals. Furthermore, AI's ability to analyze data in depth plays a key role in strategic decision making (Berhil, 2020). By integrating data from multiple sources, including employee performance, industry trends, and external factors, AI can present comprehensive information to management. This provides a solid foundation for planning smarter corporate strategies, forecasting market trends, and responding more quickly to business dynamics. The importance of making better data-based decisions does not only include employee management, but also extends to decisions related to resource allocation, budget planning, and overall business initiatives (Bujold, 2023). Thus, AI's contribution to corporate decision making can lead to improved overall organizational performance, especially in the context of a more adaptive response to changes in the business environment. In an era where speed and accuracy in decision making are key to achieving competitive advantage, the integration of AI opens the door to delivering more efficient and data-oriented policies and strategies. This forms a strong foundation for the development of HRM that is more progressive and adaptive to changing market demands (Hossin, 2021).

However, the findings from this literature review also highlight several challenges associated with the use of AI in HRM. The main challenges involve data security and privacy. The implications of AI integration in HRM create the need to maintain the confidentiality of employee information and sensitive company data (Hossin, 2021). Apart from that, the need to improve the skills of HR personnel is an important thing that must be addressed. A deep understanding of AI technology and the ability to manage it is key to optimizing the benefits of this integration. Other factors that emerged in this review were the psychological impact on employees and changes in work team dynamics. This influence shows that human aspects must be carefully considered in the AI integration process to ensure successful implementation and minimize negative impacts (Afzal, 2023).

Overall, the results of this literature review confirm that the integration of AI in HRM has the potential to have a significant positive impact on company efficiency, productivity and decision making (Maheswari, 2023). However, the challenges of data security, privacy, and the need for HR skills development are things that need to be considered in planning and implementation. This research provides a solid foundation for further understanding of the complex dynamics between AI and HRM, as well as highlighting future research directions to better understand the deeper impact of the integration of these technologies on human resource management (Maity, 2019).

Research Framework

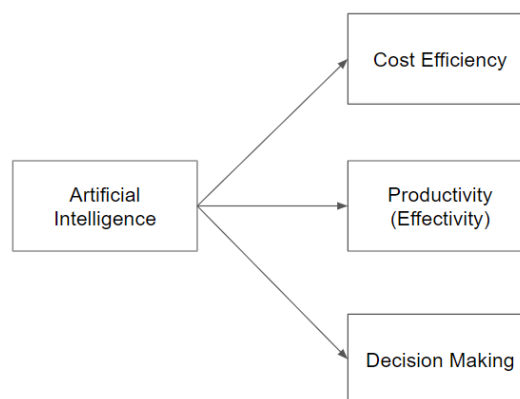


Figure 1. Research Framework

1. Artificial Intelligence in HRM has a positive significance to cost efficiency.
2. Artificial Intelligence in HRM has a positive significance to employee productivity.
3. Artificial Intelligence in HRM has a positive significance to decision making.

Conclusion

In this research, we explore the impact of artificial intelligence (AI) on Human Resource Management (HRM) practices through a systematic literature review. The study results highlight that AI integration brings a number of significant benefits to HRM, including improved efficiency, process effectiveness and corporate decision making. AI can optimize human resource allocation, increase employee productivity, and provide added value to overall organizational performance.

However, these findings also indicate that there are challenges that need to be overcome. Data security and privacy are key issues that must receive serious attention, considering the importance of maintaining the confidentiality of employee information and company data. Additionally, there needs to be a focus on developing the skills of HR personnel to ensure the successful implementation of AI in HRM.

The psychological impact on employees and changes in work team dynamics are also important aspects that emerge in the literature, indicating that human aspects must remain a focus in the development and implementation of these technologies.

In conclusion, the integration of AI in HRM has the potential to shape a new paradigm in the way organizations manage and utilize their human resources. Further development in this area could provide deeper insight into how this technology can be optimized to achieve the best results for organizations. Therefore, further research and development is expected to sharpen our understanding of the complexities of interactions between artificial intelligence and human resource management, opening the door to further innovation and improvement in the ever-changing world of HRM.

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