IMPLICATIONS OF TECHNOLOGY IN HUMAN RESOURCES: IMPACT OF ARTIFICIAL INTELLIGENCE (AI) IN TALENT ACQUISITION

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Organisations today optimally believe that people are the key to business productivity of any organization. HR work has become an indispensable activity, though often considered only as a support function. This is what many CEOs, COOs and CHROs around the world believe in and we have articles written in business journals driving the 'HR being central to any business success' narrative.

When organisations are people centred, they need to see how they can impact change through their knowledge and technology. Organisations need HR experts/specialists to enable people in accomplishing the goals of the organisation.

Further, it is very significant that people contribute, add value and become an asset to an organisation. This can only happen when organisations have quality people to contribute quality work in every domain of the business. Quality is not just confined to products and services, but even to people, work, systems, technology and almost everything. Today, organisations can boast of themselves by adding quality to work, policies, systems, practices, performances, welfare facilities, administration and many other aspects of the business environment.

Quality people, vital to any organisation can be procured only via classic talent acquisition processes. To ensure this, we need to have the most competitive selection process in place to get the right person for the right job. For large organisations with large number of employees, where there is constant need of supplying manpower, AI (Artificial Intelligence) would be of great necessity. Getting the right person has always been a challenge across the globe through the traditional recruitment and selection processes. In present times, personality / psychometric tests need to deployed for the selection of the right incumbent as a qualitative addition to the hiring strategy. AI has facilitated in the easier, quicker and efficient talent acquisition process, saving time, money and energy. In the past, the process was cumbersome, monotonous and time-consuming, now the process has become seamless as a gamut of activities such as screening of applications, conducting tests and measuring results is all automated through AI.

But AI is perceived both as a threat as well as a challenge across the HR fraternity in our country. As per one of the studies on the topic, it is found that only 40% of the HR professionals consider themselves as moderately knowledgeable in AI. Therefore, there is need and scope for them to leverage and enhance their AI learnings to achieve excellence and productivity in business via HR operations.

We wish to find out the impact of AI in Talent Acquisition through primary and secondary data as we believe that AI has a greater role to play to support effective and efficient performance of HR functions.

Talent Acquisition
Talent today refers to the knowledge, skills and competencies that are held by people and that is what organisations try to acquire for their business needs. Ordinarily, talent refers to people to be acquired by organisations and as such talent acquisition is nothing but the on-boarding process in organisations which has superseded the earlier terminology of recruitment-selection-induction-placement process put up together.

In contemporary times, we find Remote Working also referred to Tele-commuting or Tele-working which is nothing but working outside office or from home, has become rather prevalent. Since Covid-19 pandemic, people have been made to work in the comfort of one's own home or from a place of one's own choice i.e. by staying away from traditional office premises. This order is common in IT firms and post pandemic employees visit their workplaces for a day or two only for formality sake.

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Smart Employees

Candidates in the present times are smart because they look at the brand value of the employers even before joining them and so Shelley Trout in her article suggests employers to attract right talent with a Strong Employer Branding mechanism. We have even witnessed that candidates make a thorough search, not only to know their employers and their products but also their financial credibility, goodwill in the market, scope for their own career growth and so on. So, talent acquisition process has become a challenging task over the years.

Implications of Technology in Human Resources

Technology has definitely and greatly influenced Human Resource Management (HRM) by the use of software and tools in the streamlining of HR processes says Vasy Kafidoff. Technology has automated processes much beyond our comprehension. Ben Eubanks says that even HR technology is now personalised at the employee level from hiring and benefits to development and engagement. Digital HR has revolutionized so much that employers are now using a number of AI platforms and ML (Machine Learning) models to enhance their HR working. At the same time, 56% of the HR employees who have started using AI have been found to save their 1-3 hours daily. AI is now being used not merely in HR clerical work but also in talent acquisition, onboarding process, performance evaluation process, compensation and benefits, statutory compliances, employee development and engagement processes etc.

HR technology is an umbrella term for software and associated hardware for automating the human resources function in organizations as defined by Shawn Sutner. It includes employee payroll and compensation, talent acquisition and management, workforce analytics, performance management, and benefits administration.

Impact of AI in Talent Acquisition

Talent Acquisition comprises of recruitment-selection-induction-placement processes till the new employee is onboarded. The latter process that was so cumbersome is now way quicker, thanks to technology; the communication through emails and texts are being made in seconds.

However, adoption of AI in HR is still a challenge and therefore it calls for an implementation plan so as to make it successful as under:

- Understanding issues of the new technology that is expected to solve

- Knowing the risks involved in adopting new technologies

- Pragmatism (Real example) of the technology being successful

- Ensuring data accuracy and security

- Scheduling training programme to educate employees on how to use the new technology

- Evaluating the efficacy of the new technology

And to ensure the above points, it is important that we follow the five best practices as suggested under ClearCo mentioned below:

1. Defining and Setting Goals for AI: It is so vital for successful AI implementation in HR because firms need to solve their specific issues and know for sure what improvements they would like to   have.

2. Knowing the Risks: Data privacy and security, biases and compliances etc. are some of the risks that companies need to know to tackle. Employee information should be confidential and so adhering to data privacy regulations and other ethical considerations is necessary to protect rights of the   employees   and   ensure   mutual trust. Therefore, after studying these areas, firms can find out which AI systems can comply well with data protection laws and see how employee data is preserved and kept safe throughout during the usage of the system.

3. Ensuring Data Quality: Often AI algorithms depend on accurate and relevant data and so firms need to be mindful of inaccurate or outdated data that can lead to flawed conclusions and ineffective AI   outcomes. They

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can collaborate with AI systems data experts and developers and plug the loopholes and errors by having periodic audits and validating the systems.

4. Training the employees: Employees who would be implementing AI should be able to provide training to other employees for its usage. HR team should undergo comprehensive training in AI fundamentals, its potential applications in HR, and ethical considerations surrounding AI usage.

5. Evaluating AI Systems: Investments in AI systems should be cost effective and there should be a good ROI from the systems usage. It should not happen at any given time that the firms have invested huge amounts but the usage is negligible. This calls for regular updates and enhancements to AI systems to ensure that HR objectives are adequately met.

FUTURE OF HR TECHNOLOGY
Khushi Agrawal opines that the future of HR technology depends upon how well the HR professional can handle both the aspects of the virtual world as well as the traditional way of managing people in organisations. Technology is advancing with passage of time and will always come in different ways but adopting new technology from time to time and keeping abreast with it, is the only solution. The role of HR experts is not limited to only hiring new employees but also to a wide range of functions and to cater to the needs of the organisations, they have to keep adapting to the ever changing VUCA world.

RESEARCH METHODOLOGY
To write this paper, we adopted both primary and secondary methods of research. We framed a questionnaire and circulated to the people working in the HR field and those working in higher positions because it is only they who could provide us with clear and appropriate information relevant to the subject. 40 responses were received and inferences were drawn from them. Mere circulation of the questionnaire to anyone from any field would not suffice the purpose of the study. At the same time, we have referred to website articles to get required information to round up and summarize the write-up.

The limitations of the study are that the responses were few and they were not restricted to HR personnel only. Responses over 100 would have been ideal figure to deep delve into the subject of the relevance of AI in contemporary HR. However, the findings are fairly indicative of the drift of the impact of AI on Talent Acquisition though limited in the present scope.

FINDINGS
Based on the research study, we have concluded the findings as under:

1. Only about 40% of HR professionals consider themselves at least moderately knowledgeable about AI.

2. Most of the organisations i.e over 80% of them have conventional mode of talent acquisition. They still use the old practice of calling people, interviewing them and selecting them based on their own choices.

3. AI is not widely used for talent acquisition today, but usage is expected to jump dramatically over the next two years. Just 10% make high or very high use of AI in recruitment today, but 36% of participants expect usage to be high or very high in two years.

4. Since, the conventional style is adopted in acquiring people, 15-20 man days get lost cumulatively and this is perceived as a big delay and leakage of time.

5. Organisations do have employee turnover ranging from 10% to 20% and delay in procurement of people is definitely impacting the work progress of the organisations.

6. It is also known from the research that approximately 5-10-man hours are lost in obtaining a person which is supposedly significant time lost in the process.

7. It can be inferred that organisations get good number of quality candidates after talent acquisition process.

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8. Recruitment professionals would most like AI to help them achieve higher quality and productivity. That is, they want AI to help them find more qualified, suitable and relevant candidates, and they want it to reduce the time they spend sifting through resumes. It is also found that after AI application, organisations are able to get the best people joining them.

9. As of present, organisations take advantage of all recruitment sources such as company website, portals, employment agencies, advertisements etc.

10. However, one of the gains of acquiring process is that generally speaking, there is a smaller number of dropouts: meaning that procurement of people is now done very conscientiously.

11. At the same time, it is observed that people join quickly, to say within 30 days of their selection.

12. Commonly, AI has supported the talent acquisition process greatly and many are its benefits. It has eased out the process of work saving time, money and energy at workplaces.

13. At the same time, though AI has proved to be very effective and efficient, it is not free from any disruption due to technical glitches. Sometimes, these disruptions may cause serious workflow issues in the organisations.

14. In the present times, many of the organisations do make use of personality tests or psychometric tests during the on-boarding process of employees.

15. Budget is the single biggest barrier to adopting AI tools in the area of TA.

16. The second most widely cited barrier is the scarcity of HR professionals who are currently skilled in this area. From the questionnaire, we come to understand that many HR personnel are not SAP qualified. They only learn over the years, if and only if such training facilities are made available to them.

17. Dehumanizing the recruitment process is the most widely cited potential negative impact of AI. Another potential negative is that AI could lead to hiring discrimination due to bad programming/machine learning models.

18. One of the important findings is that some of the HR functions are being outsourced to outside agencies and especially, the technical areas of HR are being outsourced such as payroll and talent acquisitioning.

19. It has now known that though HR area is an indispensable activity, many of the HR personnel still do not get proper acceptance and recognition of their work from their counterparts. This is something that should be noted by organisations especially in our country and when the world around does not show any discrimination towards HR.

RECOMMENDATIONS

1. Most HR professionals need to learn more about how AI can be leveraged for the purpose of improving recruitment. HR personnel should be rightly qualified to handle technical aspects of HR.

2. Since talent acquisition is one of the technical fields where AI can be used, non-conventional processes can be implemented. New tools of assessment can be operated to get the best talent in the organisations.

3. The talent acquisition process can be well planned to obtain better results with AI to save further time, money and energy.

4. While the objective is to get the right talent for the right role, it should also be the objective to reduce talent turnover and dropouts after offers have been made. This has to be well researched.

5. AI as a system should be well managed by the technical teams or IT personnel. This is because very often technical disruptions may either delay the work or may leak out confidential information.

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CONCLUSION

Technology and AI has indeed transfigured HR processes exceedingly. However, it does not mean that organisations and HR departments in particular are free from all hassles. Even if things are automated much beyond our understanding, human related issues and challenges continue to persist. And this will continue because human dealings can never be without human and cultural misunderstandings, conflicts, biases, prejudices and so on one side. On the other side, human errors and procrastination of people can impact the working results of AI, and further machine disruptions can also cause delays and misrepresentations in various ways.

What is expected is that HR professionals should be proficient in cross-cultural communication and adapt to the standardization of HR practices and the trend towards outsourcing and offshoring certain functions as blogged by Vasy Kafidoff. HR people must be conscientious about these drawbacks of AI while they are proficient in the use of technology. AI is expected to bring best of the results always and be able to combat challenges that arise now and then. But all in all, we can say that if HR professionals can cope to maintain the balance between technology and AI and at the same time handle cultural differences, workplace relationships, conflicts, prejudices and so on, the workplace would be wonderful place for everyone and organisations can have an excellent HR functioning system. Finally, if this does happen, then the employee will become an asset to an organisation and corporates can see growth and a highly competitive trajectory. That sums up the real and contemporary value of HR to organisations at large.

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