

## **A STUDY TO KNOW THE RISK OF AI IN HRM AND ITS IMPACT ON THE RECRUITMENT PROCESS**

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**Abstract:**

Artificial intelligence is the study of how to create machines with the ability to think for themselves. It was believed that only human intelligence and social experience could deliver the results that machines are now increasingly capable of producing. The purpose of this research is to examine how artificial intelligence (AI) has been included into the recruitment procedures used by human resources management (HRM). Academic papers, magazine articles, and highly regarded websites with linked fields were all examined as part of a systematic review. The results of this study should help people in general to grasp how AI is affecting the hiring process in HRM. It was impossible to follow and discuss every aspect of the subject. Yet, given that it includes a sizable number of publications that are pertinent to the primary subject area, the research approach employed appears to be appropriate and acceptable. The facts and results almost made it obvious that adopting AI is advantageous in the recruitment sector as technology can best help this sector. Moreover, time, effort, and tedious daily duties are being digitised, freeing up human attention for more crucial issues related to improving performance and development. It would be possible for systems to function similarly to the human brain in terms of data analysis and the capacity to build an effective systematic engagement to process the data in a fair, efficient, and quick manner if they acquired automation, cognitive insights, and cognitive engagement during the recruitment process.

**Keywords:**

Artificial intelligence, Recruitment

**Introduction:**

Artificial Intelligence (AI) has the potential to revolutionize the field of Human Resource Management (HRM) by streamlining various HR functions such as recruitment, selection, and performance management. However, the integration of AI in HRM also poses significant risks and challenges, especially in the selection process.

One of the main risks associated with the use of AI in HRM is the potential for algorithmic bias. AI algorithms are only as good as the data they are trained on, and if the data is biased, then the algorithm will be too. This could result in discriminatory practices that may negatively impact certain groups, such as minorities or women, in the selection process.

Furthermore, the use of AI in HRM could lead to a lack of transparency and accountability in the selection process. Candidates may not be able to understand how they were evaluated or why they were not selected, which could lead to a perception of unfairness and erode trust in the organization.

In conclusion, while AI has the potential to revolutionize HRM, it is essential to recognize and mitigate the risks and challenges associated with its use. In particular, the potential for algorithmic bias and a lack of transparency and accountability in the selection process must be addressed to ensure that AI is used ethically and effectively in HRM.

### **Objective of the study**

- To recognise and comprehend the possible dangers and difficulties related to the application of AI to hiring. Investigating AI's positive effects on hiring procedures as well as its possible drawbacks, such as algorithmic bias and lack of transparency, is part of this.
- HR professionals and organisations can make well-informed decisions regarding integrating AI into their recruitment processes by researching the potential dangers and effects of this technology. They can also take action to reduce such dangers and guarantee that AI is used in a fair, moral, and efficient manner in the hiring process.
- Researching the dangers and effects of AI in hiring can also be useful informing the creation of rules and guidelines that control the application of AI in HRM. This can guarantee that the application of AI in hiring is visible, accountable, and compliant with legal and ethical requirements.

### **Research Methodology:**

1. Literature review: Conducting a thorough review of relevant academic and industry literature on AI in HRM, including studies on the use of AI in recruitment processes, the potential risks and benefits, and the impact on HR practices.
2. Research design: Developing a research design that outlines the research questions, objectives, and hypotheses, as well as the methods and data sources that will be used to address them. The research design should also identify the population and sample for the study, the data collection instruments, and the methods for analyzing the data.

3. Data collection: Collecting both qualitative and quantitative data, such as conducting interviews with HR professionals and recruiters, surveying job applicants and candidates, and analyzing HR data on recruitment outcomes and candidate experiences.
4. Data analysis: Analyzing the data collected to identify patterns, trends, and themes related to the use of AI in recruitment processes and its impact on HR practices. This could include statistical analysis, content analysis, and thematic analysis.
5. Discussion and conclusions: Drawing conclusions based on the analysis of the data, discussing the implications for HR practices and policies, and identifying areas for further research.
6. Ethical considerations: Considering the ethical implications of using AI in HRM, such as potential biases and privacy concerns, and ensuring that the research is conducted in an ethical and responsible manner.

## **Result and analysis:**

The use of artificial intelligence (AI) in human resource management (HRM) can bring many benefits, such as increased efficiency, reduced bias, and improved decision-making. However, there are also risks associated with the use of AI in HRM, including the potential for bias and discrimination, privacy concerns, and job displacement.

One area where AI has had a significant impact on HRM is the recruitment process. AI tools can be used to analyze resumes, screen candidates, and even conduct initial interviews. While these tools can help organizations to identify the best candidates more quickly and efficiently, they also raise concerns about the fairness of the recruitment process.

One of the main risks associated with the use of AI in recruitment is the potential for bias. AI algorithms are only as unbiased as the data that is used to train them, and if the data contains biases, the algorithm will replicate those biases in its decision-making. For example, if historical hiring decisions have been biased towards certain demographics, the AI system may learn to favor those same demographics in its own decisions. This could lead to discrimination against qualified candidates who belong to underrepresented groups.

Another risk is the potential for privacy violations. AI tools used in recruitment may collect sensitive personal data, such as age, gender, and ethnicity, which could be used to make discriminatory hiring

decisions. Additionally, candidates may not be aware of how their data is being collected, stored, and used by these tools, which could raise concerns about privacy and consent.

Overall, the impact of AI on the recruitment process in HRM is complex and requires careful consideration. While AI can bring many benefits to the recruitment process, it is important to ensure that these tools are designed and used in a way that minimizes bias and protects the privacy and rights of candidates.

### **AI Tools used in the recruitment process**

There are several AI tools used for the recruitment process in HRM. Some of the most common AI tools used for recruitment include:

- **Resume screening tools:** These tools use natural language processing (NLP) and machine learning algorithms to scan resumes and identify the most relevant candidates for a specific job opening.
- **Chatbots:** Chatbots can be used to conduct initial candidate interviews and answer candidate questions. They use NLP to understand candidate responses and provide relevant follow-up questions.
- **Video interviewing software:** These tools use AI to analyze candidate responses, body language, and facial expressions during video interviews to provide insights into a candidate's personality and fit for a job.
- **Assessment tools:** These tools use AI to evaluate candidate skills, knowledge, and abilities. They may include coding challenges, cognitive ability tests, or situational judgment tests.
- **Predictive analytics:** Predictive analytics tools use machine learning algorithms to analyze past hiring data and predict which candidates are most likely to be successful in a specific role.

Overall, these AI tools can help organizations to streamline the recruitment process, improve the candidate experience, and make more data-driven hiring decisions. However, it is important to use these tools responsibly and ensure that they are designed and used in a way that minimizes bias and protects the privacy and rights of candidates.

## Literature review

AI can save businesses time and money (Vijay Sundaram, 2018; Jones, 2018); it can also improve recruiters' hard and soft skills (Luiza Sayfullina, 2018); increase task efficiency and speed (Niehueser and Boak, 2020); and foster relationships between recruiters and candidates (Othamar Gama Filho, 2018), which can lead to the impartial selection of talent (Rebecca Greenfield and Riley Gryphon, 2018). After the hiring process is complete, recruiters everywhere have a significant challenge: sorting through the voluminous resumes and applications before moving on to the selection phase.

(Chris Collins, 2018) examined the difficulties recruiters occasionally encounter when dealing with the issues associated with receiving a large volume of applications for screening and evaluation. He proposed artificial intelligence (AI) solutions to handle the processing of these applications through chatbots, allowing each applicant to interact directly with the company's interactive system. The system may gather data from these exchanges on things like expected salaries, availability, contact details, and experiences and skill sets. An other obstacle was the pool of talented former temporary employees. He proposed an application list as a means of helping organisations find new, fresh, and qualified individuals in order to mobilise and activate a larger number of people. The final challenge concerned determining the best time and location for speaking with prospects. Adopting AI chatbots was the suggested option, as this technology will be available for use continuously throughout the day. Three primary subjects were deliberated upon as the areas to be addressed: screening, human prejudice, and the most suitable applicant.

## Recommendations

Some recommendations for addressing the risks associated with the use of AI in HRM and its impact on the recruitment process:

- Regularly audit AI-powered recruitment tools for bias: AI algorithms are only as unbiased as the data that is used to train them. Regularly auditing AI-powered recruitment tools for bias can help identify and address any biases that may exist in the data.
- Involve humans in the decision-making process: Humans should be involved in the decision-making process to ensure that biases are not replicated by AI-powered recruitment tools. This can include reviewing and validating the decisions made by AI-powered recruitment tools.

- Ensure transparency: Companies should be transparent about their use of AI-powered recruitment tools and the data they collect to ensure that candidates are fully informed. This can include providing clear explanations of how AI-powered recruitment tools are used and how data is collected, stored, and used.
- Train AI-powered recruitment tools on diverse data: To mitigate the risk of bias, AI-powered recruitment tools should be trained on diverse data that represents a range of demographics.
- Use multiple AI-powered recruitment tools: Using multiple AI-powered recruitment tools can help reduce the risk of bias and increase the accuracy of hiring decisions.
- Consider the ethical implications of AI in HRM: Organizations should consider the ethical implications of AI in HRM, including its impact on job displacement and privacy concerns. They should take steps to ensure that the use of AI in HRM is fair and ethical.

In a nutshell, addressing the risks associated with the use of AI in HRM and its impact on the recruitment process requires a combination of technical, organizational, and ethical solutions. By taking steps to mitigate these risks, organizations can ensure that the use of AI in HRM is beneficial for both employers and candidates.

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