

ROLE OF AI IN MODERN HR PRACTICES: ENHANCING OR ERODING JOB SATISFACTION

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ABSTRACT

Artificial intelligence (AI) is used in human resource practices because they promise efficiency, impact, accuracy and correct decision-making. However, it has been observed that out of the multiple operations and tasks which are held under the HR wing there are several things which can't be guaranteed despite the use of AI in operations, i.e., job satisfaction. The use of AI-driven HR practices affects transparency, fairness, autonomy and employees trust but they fail to achieve the basic prerequisites, like- satisfaction.

This paper is associated with identifying and isolating all those factors which positively influence job satisfaction while AI-based HR systems are utilized. The study provides practical implementations which can be utilized by the companies especially those who are trying to implement technological advancements along with the being concerned with the well-being and satisfaction of their employees.

Keywords: AI-based HR systems, AI usage, job satisfaction, transforming HRM, AI-driven practices, etc.

INTRODUCTION

The adoption of Artificial Intelligence (AI) had significantly affected the organizational operations in different industries and sectors especially associated with the human resource management. It affects multiple operations at different levels. Due to the increasing use of AI in majority of the processes, functions and operations, the tasks are streamlined, the functions are automated, the setup is enhanced, the results are optimized. Such kind of facility has supported and assisted the decision-making system in various operations, i.e., recruitment, performance evaluation, employee engagement, planning, talent acquisition, job satisfaction etc. AI uses a certain kind of machine-based interaction, which is data-driven and its algorithms support the decision-making which helps the employees in analysing decision-making. It works efficiently and it also reduces the stress level of the employees. Alongside, it also provides a certain kind of accuracy, facilitates in scaling and managing the competitive environments of the business world for the employees.

Although, the AI improves operational efficiency its impact on other aspects of the job cannot be neglected. It is critical to identify the interaction, productivity, privacy, surveillance, retention, loyalty, commitment and satisfaction which may or may not be positively influenced by AI-based HR systems. The employees may be benefited by the reduced workload, proper work scheduling, faster services, personalized treatments and assistance in career development, which is directly or indirectly affected by the AI. But we still cannot neglect that most of the systems depend on algorithms and there might be technical issues, glitches or other uncertain and unpredictable phenomena associated with this which may

influence the perception or behaviour of the employees towards the AI-based systems and their usage in the company.

OBJECTIVES:

This paper will focus on identifying the impact of AI-based HR systems on job satisfaction and the various factors which influence their perception and trust towards the AI-based systems.

HYPOTHESIS:

They can be summarised as follows:

H1: AI-based HR systems positively influence job satisfaction.

H2: The trust in the AI-based system affects their job satisfaction positively.

H3: The transparency of the AI-based system affects their job satisfaction positively.

Thus, this study will focus on the employees who are working in an AI enabled environment or an organization and it will examine the perception, interpretation and response of these employees towards AI-based systems and its affect on job satisfaction.

AI AND HUMAN RESOURCE MANAGEMENT:

Now-a-days in most of the companies an integration of artificial intelligence and employees work in collaboration and compose their human resource management department. Thus, implying that all the activities which are performed by the HR department are completed with the help of AI-based HR systems. Thus, it fulfils the ultimate goal of bringing efficiency, enhance working experience of the employees and it also helps in interpreting the information so that right decision can be taken at the right time.

Artificial intelligence is used in human resource management for the completion of several HR functions and completing them efficiently and in a better manner. The AI is applied mostly through Natural Language Processing (NLP), Machine Learning (ML) algorithms and predictive analytics. The different HR operations which are performed by using AI range from handling the different HR operations from the level of resume screening to exit of the employees, i.e., hiring, process of identifying the talent, checking out their CVs, conducting interviewing, onboarding, etc. all are completed by using artificial intelligence.

Customized training programs are available now-a-days which are completed with the help of chatbots and virtual assistance which help the person in resolving their queries. AI helps the employees to understand the processes by guiding them throughout the process. AI identifies, evaluates and accesses their training. It runs videos and records employees' responses along with maintaining all the sufficient data which is required by the trainee and the trainer for evaluation and betterment of performance. Along with this AI also identifies their training needs based on their scores, provides recommendations and suggestions for them to improve the employee performance and organizational performance.

Another significant area which is handled by AI is the process of employee engagement and virtual chatbots assistance. It helps the employees in handling their queries associated with the policies, procedures and benefits associated with the company. AI guides the employees on how to navigate under certain situations. Furthermore, employees get the facility of using several AI-based tools provided to them by their organization which can help them in their daily operations and tasks, i.e., emails, surveys, communication platforms, etc. It enables the employees and organization to monitor their employee's morale and identify the potential

issues associated with them. Thus, it helps the employee in identifying their issues and improving their performance level.

While the employees are working on the systems or ERP's, AI helps and provide assistance to them in their work. Thus, AI helps the employees to perform better as it reduce the number of errors to be made by them simultaneously while they are working. It guides them in the form of suggestions on what to do next based on the employees' performance and provides them suggestions taking into account the company's manual, vision, objectives, etc. Thus, it improves the organizational culture, climate and effectiveness.

AI EXPERIENCE AND EMPLOYEES:

It is observed that a mixed experience is attained by the employees. Firstly, it has significantly improved certain aspects of the employee's work-life, i.e., administrative workload related- data entry, payroll management, leave management, value added activities, etc. It also enhances communication by the use of virtual assistance which helps them in assessing the information and reduces their frustration. It also enables them to personalize the things according to their needs and requirements which are mainly focused on their career goals, their tailored experiences and the skills which they want to achieve to fulfil their objectives. As constantly emphasized by the Technology Acceptance Model (TAM), Job Demand Resources Model (JD-R Model) and Social Exchange Theory (SET) the technological part need to be properly accounted and addressed. It means one cannot neglect that people also develop a fear of losing their jobs, constant surveillance, reduced autonomy and develop a constant fear about breach of privacy. There are certain other aspects also that are associated with the rules and regulations which usually vary worldwide, there are certain algorithmic biasness, glitches and issues also which are mainly associated with the program.

JOB SATISFACTION:

Job satisfaction is affected by several facets of the organization, including-work environment, leadership style, organizational policies, technological systems, employee motivation, culture and climate of the organisation, etc. AI-based HR systems add a new dimension in the original framework of job satisfaction. However, it provides efficiency, reduces workload but it also creates certain challenges which are associated with privacy, autonomy and trust. The supportive and empowering aspect of AI is also feared by many people and sometimes it might have reduced the administrative burdens but it is considered as a burden by the employees who are using AI (Brougham & Haar, 2022).

TRUST AND TRANSPARENCY IN THE AI AND SYSTEMS:

The trust in these systems has faced a lot of resistance, scepticism and fear navigating work environment and overall satisfaction along with maintaining AI systems in the structure of the company (Ravid & Tomczak, 2023). It is a difficult and crucial task one needs to stabilize and accomplish before they want to introduce or if they wish to retain AI-based system in their organizational setup. AI may help the employees in making decisions effectively or with more strength and stability. But certainly, it cannot compensate for accountability or empathy (Jarrahi, 2023). Although, AI systems try to maintain transparency in order to generate trust but the acceptance and trust is a difficult thing to attain and far more difficult to retain.

RESEARCH METHODOLOGY:

The study was oriented towards analysing and evaluating the opinions of 100 respondents working in the fields of IT and startups at the managerial positing ranging from the younger age group of 25-50 years, who are using AI-based HR systems mainly covering the users of AI tools, AI analysis, chatbots, etc. The descriptive research design of the study used a

standardised questionnaire based on 5-point likert scale to utilise the data gathered by applying convenience sampling. The primary and secondary data gathered for the study was analysis by using correlation and regression analysis through SPSS.

RESULTS, ANALYSIS AND DISCUSSION:

This empirical study clearly provides the that AI-based HR systems and practices influence the job satisfaction of the employees at different levels in organizational settings. Thus, the empirical findings of the study were also found in accordance with the existing literature and the theoretical framework.

Table-1: Results of Correlation

S. No.	Particular	Values
1	Trust	0.54
2	Transparency	0.45
3	Job Satisfaction	0.58

The results of correlation (table-1) and regression analysis (table-2) clearly indicate that the results were found to be significant and the results clearly indicate that a certain association is present between jobs satisfaction trust and transparency based on the results. Which means AI-based HR management systems are clearly influenced by human attributes, i.e., trust transparency and job satisfaction were found to be interconnected.

Table-2: Results of Regression

S. No.	Predictor	Beta (β)	Significance
1	Trust in AI	0.43	0.000
2	Transparency	0.38	0.000
3	Job Satisfaction	0.45	0.000

$R^2 = 0.52$

Based on present research it can be said that all the three hypotheses which were proposed during the course of this study were being accepted on the basis of the outcomes of the analysis. The study again reaffirms that AI-based HR systems impact job satisfaction at both positive and negatively levels. All the above discussed psychological factors, like- trust and transparency were found to be connected with job satisfaction in accordance with job satisfaction. So, in order to achieve the path of least resistance a human centred AI-based approach might ensure positive outcomes easily. Research also indicates that trust and transparency may contribute to the opinions of the employees and thus they may have a long-term impact on the job satisfaction and associated acceptance of the AI-based HR systems.

CONCLUSION

The importance of AI can't be ignored in today's business world. AI is found to be strongly immersed in the current business scenario. It may impact the success and failure of a company in the business landscape. So, if companies wish to ensure their success in future they have to adapt. It would be rather inconvenient for the companies if they will not be able to adapt than they will not be able to deliver the desired results on time. But the human resource is found to be completely unpredictable and volatile in nature, when considered as a factor.

So, it may be said that the success could be significantly impacted by the successful incorporation, adaptation and amalgamation of AI-based HR systems into the operational machinery of the organization focusing on the human resources. Based on the study it can be suggested that adoption of AI is not simply a technical adaptation but also a psychological adaptation and therefore it needs to be addressed by using empathy and addressing and neutralising the issues to improve employee perception, which mainly depends upon trust and transparency. Bringing this into account the present study can conclude that job satisfaction is significantly influenced by incorporation of AI-based HR systems. Along with this the human oversight and ethical standards should also be maintained and standardized worldwide to achieve or increase the job satisfaction level of the employees and organizational success.

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