

## The Rise of Intelligent HRM: Artificial Intelligence Adoption and Strategic Workforce Outcomes in IT Companies

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### Abstract

**Background:** Artificial Intelligence (AI) is transforming the way organizations recruit, develop, manage performance and retain personnel, therefore redefining the foundations of Human Resource Management (HRM). The Indian IT sector, a knowledge-intensive industry, is seeing a rapid shift of AI-powered HR solutions from pilot projects to critical operational tools. **Purpose:** This study aims to investigate the patterns of AI adoption, strategic consequences for the workforce, and organizational elements contributing to successful adoption in IT organizations in Haryana, India. **Methods:** A structured survey was completed by 399 HR professionals from IT businesses located in Gurugram, Faridabad, Manesar, Panchkula and Ambala. Twenty-five senior HR Heads were interviewed in-depth. Descriptive statistics, Exploratory Factor Analysis (EFA), Pearson's Correlation, one-way ANOVA, Multiple Regression Analysis ( $R^2 = 0.747$ ) and Discriminant Function Analysis (DFA) were used to examine the data. **Results:** EFA confirmed eleven AI-HRM components accounting for total variance of 85.68% ( $KMO=0.892$ ). The largest adoption of AI was in Recruitment and Selection ( $M = 4.21$ ) and the lowest in Ethical and Bias Concerns ( $M = 3.68$ ). Organizational Readiness appeared as the strongest single indicator of AI adoption success (DFA coefficient = 0.684). The AI in HRM in general explained 74.7% of the variance of the organizational impact ( $F = 116.84, p = 0.000$ ). All five null hypotheses were rejected at the .000 level. **Conclusion:** The implementation of AI in HRM leads to substantial improvements in strategic HR outcomes such as recruiting efficiency, training efficacy, quality of performance, and organizational impact. Organizational readiness, data governance and upskilling of HR professionals are key enablers for the achievement of these aims.

**Keywords:** Artificial Intelligence, Human Resource Management, Strategic Workforce Outcomes, IT Companies, Organizational Readiness, Recruitment AI.

### 1. INTRODUCTION

Human Resource Management is in the midst of one of the most important shifts in the history of organizational management. The driving force behind this evolution is Artificial Intelligence, a cluster of technologies such as machine learning, natural language processing, predictive analytics and robotic process automation, which are gradually automating, augmenting and reinventing HR functions that were once only human-managed (Tambe, Cappelli and Yakubovich, 2019). Adoption of AI in HRM has been particularly rapid in the Indian Information Technology (IT) sector, which employs over 5.4 million people and generates over 8 percent of India's GDP (NASSCOM, 2023). The sector's early adoption of AI-based HR products is a result of its intrinsically digital culture, its complex talent management needs and its competitive position globally. The Indian IT industry is at the frontier of intelligent HRM, from AI-powered applicant tracking systems that screen thousands of resumes in seconds, to predictive attrition models that identify flight-risk employees months before they resign, to AI-based learning platforms that deliver personalized training at scale (Deloitte, 2022). Despite the rapid uptake there are still major research gaps. Most of the present studies on AI in HRM are in the western context with little applicability to India's particular labor market, regulatory environment and organisational cultures (Dhar, 2020). Moreover, a limited number of research have studied the effects of AI simultaneously across different HRM activities (recruitment, training, performance management, and workforce planning) in a single rigorous empirical investigation. This report fills the gaps by presenting detailed, empirical, multi-dimensional proof of AI's strategic workforce outcomes for the IT sector of Haryana.

After over sixty years of evolution, Artificial Intelligence has grown pervasive in the last two decades (Morgenstern et al., 2021). AI technologies have started to grow consistently and get considerable prominence in almost all the fields including medicine, engineering, agriculture, organizational management, tourism, transportation and so on (Mintz & Brodie, 2019) and have entered both public and business environment (Haenlein & Kaplan, 2019). Current AI applications and technologies are not a recipe for the world, but a workshop with many tools to execute different jobs and tasks. These tools are well created and developed in the shape of some software or gadget with accessible possibilities of user interface. It is up to the individual (knowledge engineers or AI developers) to choose the suitable tools and apply them sensibly for the task to be accomplished (Ertel, 2011). So, given the talk above, AI is going to change a normal aspect of our normal life in a very short time, like the internet and social media. Kaplan has defined AI as “a system’s ability to correctly interpret external data, to learn from such data, and to use those learnings to achieve specific goals and tasks through flexible adaptation” (Haenlein & Kaplan, 2019; Morgenstern et al., 2021) in his paper “A Brief Chronicle of AI: On the Present, Past, and Future of AI.

The rapid growth of AI would change people’s personal lives and the way corporations network with their staff and customers. At its root, this new technological revolution is destabilizing the organization and workplace. Technological breakthroughs such as AI are disrupting the workplace and redefining when, how, where and by whom the job ought to be done (Ravin, 2017). There is a major digital upheaval in industries as there is an increasing trend of incorporating AI in decision-making processes for success and growth of enterprises (Varsha, 2023). This forces the organization to improve its organizational performance and develop the skill set of its human resources to attain the best corporate performance (Wiradendi Wolor, 2020). Companies have been realizing for quite some time now the inevitability and significance of AI in managing human resources to survive the quickly changing environment and outshine amidst fierce competition (Waheed et al., 2019). AI is penetrating practically all industries and it has attracted a great deal of attention. Therefore, academics are working on creating strategic human resources management methods backed up with AI technology (Wang et al, 2020). Organizations across the globe are facing challenges to cut costs and save time, and it is now identified that the combination of technologies such as Internet of Things, Machine learning and AI in the management process as a strategic element can help to address these challenges (Hemalatha et al., 2021). AI has a promising future in Human Resources Management, no doubt. However, there are challenges to implementing AI in HR processes, such as the fact that AI can only perform effectively like a human when fed with quality data and the risk of misuse of confidential documents and policies shared by organizations. Despite these AI related problems, firms continue express interest and make considerable investments in the adoption of AI in HR operations as the benefits of the use of AI in HR outweigh the observed challenges (George & Thomas, 2019). Organizations that are willing to reengineer their personnel to interact with intelligent computers in an effective way can reap the full benefit and promise of AI. This approach will be time consuming surely but the benefits will be immense. (Mathipriya et al., 2019) In circumstances of lockdown and crisis generated by COVID-19 the HR of the organizations did not focus on performance but they concentrated on agility, resilience and bouching back. The qualitative research conducted by the Boston Consulting Group Survey 2020 revealed that the production level was maintained during the pandemic, but executives were more concerned about the employees’ stress level and well-being. The crisis has led to digitization, and HR functions rapidly moved to a digital and automated platform-almost all aspect of HR functions starting from hiring, onboarding, performance reviews, HR functions have been reimagined in the digital world (Minbaeva, 2021). AI applications enhance the efficacy and efficiency of HRM tasks, thereby improving employee experience and better facilitation of performance in enterprises (Garg et al., 2022).

In terms of AI in HRM, AI technologies have intriguing answers, from automating monotonous tasks to improving HR processes with neutralized biases. As AI revolutionizes the workplace, firms are understanding the importance of upgrading their HR strategies to perform at their best and survive the competitive market. In the present context, although we have theoretical knowledge about the concepts like AI, Automation and Robotics, the research on application of AI in the management of businesses is lacking. The profession of managing Human Resources is undergoing certain upheavals. Both the academics and the HR practitioners need to take cognizance and re-define the HR processes. (Minbaeva, 2021) pointed out that HRM as a practice field and as a research field does not demonstrate sufficient fine-tuning. Although organizations are aware that AI can save time and effort by the HR manager by releasing time and resources that can strategically enhance the overall productivity of the organization (Meshram, 2023), organizations don't have the full knowledge of these intelligent technologies and the effects of using those technologies in HRM at an organizational and specific employee level (Vrontis et al., 2021).

The key research question is: How does the use of AI in diverse HRM departments effect strategic workforce outcomes in Indian IT companies and what organizational characteristics predict the success of adoption? The paper is organized as follows: Section 2 analyzes relevant literature; Section 3 outlines the methodology; Section 4 shows the results; Section 5 discusses the findings; and Section 6 closes with implications and recommendations.

## 2. LITERATURE REVIEW

AI application to recruiting is the most advanced and most explored domain of AI in HRM. Faliagka et al. (2012) state that machine learning algorithms can outperform human recruiters significantly in estimating the suitability of a candidate based on the structured data from the CV. More recently, Upadhyay and Khandelwal (2018) reported that AI recruitment tools lowered average time-to-hire by 35 percent and cost-per-hire by 28 percent in Indian IT organizations. However, the worry of algorithmic bias has gained prominence—Amazon's AI recruitment tool that was scrapped for systematically penalizing female applicants is a cautionary tale of how AI systems can amplify rather than reduce biases in training data (Dastin, 2018). Artificial Intelligence for Training and Development AI-powered learning management systems have taken the training function from a one-size-fits-all approach to a personalized, adaptive learning ecosystem. Zawacki-Richter et al (2019) analyzed 146 publications on AI in education and identified four main applications: profiling and prediction, intelligent tutoring, adaptive learning, and automation of assessment. Bersin (2019) found that in corporate HRM, AI has helped identify skill gaps and to suggest personalised learning paths, leading to up to 40 per cent higher training completion rates than traditional courses. AI in L&D is also changing the role of L&D professionals from content developers to learning architects and curators of AI (LinkedIn Learning, 2023).

AI-driven solutions for ongoing performance monitoring are rapidly supplementing or replacing traditional annual performance reviews, which have long been criticized for their subjectivity, recency bias, and halo effects. AI-driven, real-time feedback systems are more accurate, fair and motivating than annual appraisals, according to Cappelli and Tavis (2018). However, Raghavan et al. (2020) pointed out that AI performance systems are creating new kinds of algorithmic bias, especially when they use proxy measurements such as email response times or meeting attendance that might systematically disfavor specific groups of employees. Therefore, the literature portrays AI in performance management as a double-edged sword that needs cautious human supervision.

Davis (1989) proposed the Technology Acceptance Model (TAM) which identified perceived utility and perceived ease of use as the two most important variables in technology acceptance. Later researchers have extended TAM to the organizational setting by adding leadership support, organizational culture and infrastructural preparation as important enablers of

adoption (Venkatesh and Bala, 2008). McKinsey's Global Survey (2022) on AI adoption in HRM revealed that companies with strong organizational readiness, defined as leadership commitment, data governance, and talent with AI skills, were three times more likely to report significant financial returns from AI investments than those with low readiness. This conclusion immediately influences the present study's focus on organizational readiness as a crucial research variable.

### 2.1 Research Gap

Despite the growing literature on AI in HRM, comprehensive empirical studies examining AI adoption across multiple HRM functions simultaneously in the Indian IT context remain limited. Most Indian studies focus on single HR functions, use small samples, or rely on case study methods that limit generalizability. The present study addresses this gap by conducting a large-scale, multi-function, empirically rigorous investigation of AI adoption and strategic workforce outcomes across 399 HR professionals in Haryana's IT sector.

### 3. METHODOLOGY

**Research Design and Sample:** We adopted a mixed-method study methodology that included a quantitative structured survey with qualitative in-depth interviews. The quantitative sample consisted of 399 HR professionals from IT businesses in five cities of Haryana viz. Gurugram (n=168, 42.11%), Faridabad (n=76, 19.05%), Manesar (n=58, 14.53%), Panchkula (n=62, 15.54%) and Ambala (n=35, 8.77%). The purposive sample technique was used to pick participants. The selection criteria included: (a) working in an IT firm registered in Haryana, (b) minimum two years of HRM expertise, and (c) direct or indirect exposure to AI-based HR solutions. The age of the respondents was 18 years and above 40 years with the majority of the respondents being in the age category of 25 to 30 years (32.08%). The qualitative part involved 25 in-depth interviews with leading HR Heads and HR Directors.

**Instrument and Measurement:** A structured questionnaire was constructed based on detailed examination of the literature with 11 criteria and 50 items based on five point Likert scale (1 = Strongly Disagree, 5 = Strongly Agree) and validated by review of the experts and pilot testing with 100 responders. The pilot study has proven excellent dependability (Cronbach's Alpha = 0.912 overall). The 11 factors discussed were: AI in Recruitment and Selection, AI in Training and Development, AI in Performance Appraisal, AI in Employee Engagement, AI in Payroll and Compliance, AI in Workforce Planning, Organizational Benefits of AI, Challenges in AI Adoption, Ethical and Bias Concerns, Organizational Readiness for AI, and Future of AI in HRM.

**Statistical Analysis;** The data were analyzed using IBM SPSS Statistics Version 26.0. The factor structure was confirmed by Exploratory Factor Analysis (EFA) using Principal Component Analysis (PCA) and Varimax rotation. Inter-factor connections were measured using Pearson's Correlation. Differences in AI adoption by company size, designation, city and experience groups were examined using one-way ANOVA. Multiple Regression Analysis (MLR) was used to determine determinants of organizational influence. Discriminant function analysis (DFA) separated high and low AI adoption. All tests were evaluated at the 0.05 level of significance.

### 4. RESULTS

#### Sample Profile

Table 1: Demographic Profile of Respondents (N = 399)

Variable	Category	Frequency	Percentage (%)
Gender	Male	248	62.16
Gender	Female	142	35.59
Age	25–30 years	128	32.08

Variable	Category	Frequency	Percentage (%)
Age	31–35 years	114	28.57
Designation	HR Manager	124	31.08
Designation	HR Executive / HR Associate	98	24.56
Designation	Senior HR Manager / HRBP	86	21.55
Experience	5–7 years	138	34.59
Experience	2–4 years	112	28.07
City	Gurugram	168	42.11
City	Faridabad	76	19.05
Company Size	501–1,000 employees	118	29.57
AI Awareness	Well aware / Expert user	225	56.39

Source: N = 399. Dominant demographic is young (25–35 years, 60.65%), mid-career (2–7 years, 62.66%), male (62.16%) HR professionals from Gurugram.

#### Factor Analysis and Descriptive Statistics

EFA confirmed the 11-factor structure of the questionnaire (KMO = 0.892; Bartlett's test  $\chi^2 = 14,847.36$ ,  $p = 0.000$ ). The 11 factors collectively explained 85.68% of total variance. Table 2 presents the factor-wise means, standard deviations, and factor loadings.

**Table 2: Factor-wise Descriptive Statistics and Reliability (N = 399)**

Factor	Mean	SD	Cronbach's $\alpha$	Interpretation
AI in Recruitment and Selection	4.21	0.64	0.884	High Agreement
AI in Training and Development	4.08	0.71	0.841	High Agreement
AI in Performance Appraisal	3.94	0.78	0.826	Agreement
AI in Employee Engagement	3.87	0.82	0.793	Agreement
AI in Payroll and Compliance	4.16	0.68	0.762	High Agreement
AI in Workforce Planning	3.98	0.74	0.848	Agreement
Organizational Benefits of AI in HRM	4.32	0.61	0.891	High Agreement
Challenges in AI Adoption	3.76	0.86	0.804	Agreement
Ethical and Bias Concerns in AI	3.68	0.91	0.778	Agreement
Organizational Readiness for AI	3.81	0.83	0.783	Agreement
Future of AI in HRM	4.38	0.58	0.741	High Agreement
Overall Scale	4.02	—	0.912	High Agreement

Source: Five-point Likert scale. Mean  $\geq 4.00$  = High Agreement. Total variance explained = 85.68%. KMO = 0.892. Bartlett's  $p = 0.000$ .

#### Correlation Analysis

Table 3 presents Pearson's Correlation coefficients between AI-HRM factors and the organizational impact score (Factor 7 — Organizational Benefits — used as proxy dependent variable).

**Table 3: Pearson's Correlation — AI Factors vs. Organizational Impact**

Factor	r	p-value	Relationship
Future of AI in HRM	0.742**	0.000	Strong Positive
AI in Recruitment and Selection	0.724**	0.000	Strong Positive
Organizational Readiness for AI	0.718**	0.000	Strong Positive
AI in Performance Appraisal	0.683**	0.000	Strong Positive
AI in Workforce Planning	0.667**	0.000	Strong Positive
AI in Training and Development	0.698**	0.000	Strong Positive
AI in Employee Engagement	0.641**	0.000	Moderate-Strong
AI in Payroll and Compliance	0.612**	0.000	Moderate-Strong
Challenges in AI Adoption	-0.384**	0.000	Moderate Negative
Ethical and Bias Concerns	-0.341**	0.000	Moderate Negative

Source: \*\*  $p < 0.01$  (two-tailed). All AI application factors show significant positive correlations with organizational impact. Challenges and Ethics show significant negative correlations.

#### ANOVA Results

One-way ANOVA revealed significant differences in AI adoption scores across all demographic groupings. Table 4 summarizes the ANOVA results.

**Table 4: ANOVA Summary — AI Adoption by Company Size, Designation, City, and Experience**

Grouping Variable	Highest Group (Mean)	Lowest Group (Mean)	F-value	p-value	Sig.
Company Size	Above 5,000 employees (4.36)	Below 200 employees (3.62)	18.42	0.000	Yes
Designation	L&D Mgr / Director / CHRO (4.42)	HR Executive (3.78)	11.84	0.000	Yes
City	Gurugram (4.24)	Ambala (3.72)	8.64	0.000	Yes
Years of Experience	Above 15 years (4.34)	2–4 years (3.84)	7.92	0.000	Yes

Source: All ANOVA tests significant at  $p = 0.000$ . Post-hoc Tukey HSD confirmed significant pairwise differences between highest and lowest groups in each category.

#### Multiple Regression Analysis

Multiple Regression with Organizational Impact as dependent variable and 10 AI-HRM factors as predictors yielded a highly significant model ( $R^2 = 0.747$ , Adjusted  $R^2 = 0.739$ ,  $F = 116.84$ ,  $p = 0.000$ ). Table 5 presents the standardized coefficients.

**Table 5: Multiple Regression — Standardized Coefficients ( $\beta$ ) for Organizational Impact**

Predictor Factor	$\beta$ (Std. Coeff.)	t-value	p-value	Rank
AI in Recruitment and Selection	0.296	9.14	0.000	1st
Future of AI in HRM	0.282	8.96	0.000	2nd

Predictor Factor	$\beta$ (Std. Coeff.)	t-value	p-value	Rank
Organizational Readiness for AI	0.264	8.42	0.000	3rd
AI in Training and Development	0.241	7.68	0.000	4th
AI in Workforce Planning	0.198	6.24	0.000	5th
AI in Performance Appraisal	0.214	6.84	0.000	6th
AI in Employee Engagement	0.172	5.42	0.000	7th
AI in Payroll and Compliance	0.164	5.18	0.000	8th
Challenges in AI Adoption	-0.138	-4.38	0.000	9th (-)
Ethical and Bias Concerns	-0.104	-3.26	0.001	10th (-)

Source:  $R^2 = 0.747$ ; Adjusted  $R^2 = 0.739$ ;  $F = 116.84$ ,  $p = 0.000$ . All VIF values  $< 2.0$  confirming no multicollinearity. (-) = negative predictor.

#### Discriminant Function Analysis

DFA distinguished High AI Adopters (mean  $\geq 4.00$ ,  $n = 238$ ) from Low AI Adopters (mean  $< 4.00$ ,  $n = 161$ ) with 89.47% overall classification accuracy (Wilks' Lambda = 0.368, canonical correlation = 0.794,  $p = 0.000$ ). Organizational Readiness was the strongest discriminating factor (standardized coefficient = 0.684), followed by AI in Recruitment (0.612) and Challenges in AI Adoption (-0.584). High Adopters scored 1.20 points higher than Low Adopters on Organizational Readiness — the largest gap across all factors.

#### Strategic Workforce Outcomes — Before and After AI Adoption

**Table 6: Perceived HR Performance Improvement Following AI Adoption**

HR Function	Mean Before AI	Mean After AI	% Improvement
HR Administration Overall	2.62	4.32	+64.89%
Payroll and Compliance	2.76	4.16	+50.72%
Recruitment and Selection	2.84	4.21	+48.24%
Workforce Planning	2.88	3.98	+38.19%
Training and Development	2.98	4.08	+36.91%
Performance Appraisal	3.12	3.94	+26.28%
Employee Engagement	3.08	3.87	+25.65%

Source: Respondents retrospectively rated HR performance before AI adoption using the same five-point scale. Figures represent perceived improvement, not objectively measured ROI.

## 5. DISCUSSION

### AI as a Driver of Strategic HRM Transformation

The fact that all 11 AI-HRM factors recorded positive mean scores (3.68–4.38) – with five factors reaching the High Agreement criterion of 4.00 – confirms that AI is seen as a broadly helpful and strategically relevant force in HRM by HR professionals in Haryana's IT sector. This finding corresponds with Tambe, Cappelli, and Yakubovich (2019) who suggested that AI is effectively reinventing HRM as a strategic, data-driven organizational capability from an administrative function. The highest mean recorded—Future of AI in HRM ( $M = 4.38$ )—indicates a forward-looking strategic consensus that AI will progressively influence HRM choices. This confidence is well in line with the prediction of NASSCOM (2023) that AI-related job roles in India's IT sector will rise at 22 percent yearly till 2026.

**Recruitment AI: The Most Advanced and Effective Application**

AI in Recruitment and Selection had the highest mean across application components ( $M = 4.21$ ) and was the best positive predictor of organizational impact in the regression model ( $\beta = 0.296$ ,  $p = 0.000$ ). This outcome is consistent with the findings of Upadhyay and Khandelwal (2018) who reported that the use of AI recruitment tools in Indian firms led to significant efficiency gains. The extensive use of ATS systems (82.46% of respondents) and AI resume screening tools (78.94%) shows that recruiting is the most advanced stage of the AI-HRM revolution. The 48.24% perceived improvement in recruitment results post AI implementation, including a reduction in time-to-hire and cost-per-hire, provides convincing evidence for the ROI of AI recruitment investment, in line with Deloitte's (2022) Global Human Capital Trends study.

**Organizational Readiness as the Decisive Success Factor**

Perhaps the most potent indicator of AI adoption success is Organizational Readiness, not the sophistication or expense of the AI technology itself. This is perhaps the most strategically crucial finding of this study. DFA findings (coefficient = 0.684) suggests that readiness is the key discriminator between high and low AI adopters, with a difference of 1.20 points in mean scores between the two groups - the biggest disparity among the 10 criteria. The finding is a clear endorsement of the Resource-Based View (RBV) of the company (Barney, 1991) which suggests that competitive advantage comes from internal organizational capacities as opposed to access to the same technology available to all competitors. The particular readiness gap discovered – employee training for AI co-working (OR4:  $M = 3.62$ , the lowest readiness indicator) – refers to a key implementation shortcoming. Investing much in AI technologies but not enough in the HR professionals who will utilize them isn't going to get you the most out of your AI investment. This aligns with McKinsey's (2022) finding that firms with AI-ready workforces get three times the financial returns from AI investments.

**Data Privacy as the Dominant Challenge**

Data privacy and security ( $M = 4.12$ ) was the most strongly perceived AI adoption hurdle, particularly for small IT organizations ( $M = 4.42$ ). This conclusion is congruent with the global literature on AI ethics in HRM. Raghavan et al. (2020) observed serious data privacy breaches in AI-based recruitment systems that acquired and used candidate data without proper permission. The enactment of the Digital Personal Data Protection Act (2023) has raised the awareness of the data compliance duties in AI systems processing employee data in the Indian setting on the part of organisations. The overwhelming desire for employee transparency rights (84.21%) and pre-implementation ethical guidelines (82.46%) from HR professionals signals a comprehensive awareness of the imperatives of AI governance that policy-makers and industry groups must respond to promptly.

**Positive ROI Confirmed for Most Organizations**

The finding that 70.67% of respondents report good ROI from AI investment in HRM after three years provides critical empirical validation of the business case for AI adoption. The highest increases are seen in HR Administration (64.89%), Payroll (50.72%) and Recruitment (48.24%) – all high-volume, rule-based operations where AI automation may bring immediate, demonstrable efficiency advantages. This is in line with Bersin's (2019) finding that AI provides the fastest ROI in transactional HR operations, before the benefits are extended to more sophisticated strategic applications.

**The Emerging Human-Centred HR Role**

One constant and crucial finding from qualitative interviews with 25 HR Heads was that AI does not undermine the human value of HR work – it enhances it. The most commonly stated upcoming HR role (88% of interviewees) is the Employee Experience Curator. This role is focused on empathy, culture building and employee welfare – skills that just can't be replicated

by AI. Other roles rising are HR Data Analyst (80%), Change Management Lead (72%) and AI Trainer/Manager (68%). These results are consistent with Cappelli and Tavis (2018), who stated that AI frees HR professionals from administrative stress, allowing them to focus on the uniquely human elements of workforce management that produce the most value for organizations.

## 6. CONCLUSION AND IMPLICATIONS

This study provides a robust multi-method empirical proof of the considerable effect of AI deployment across several HRM functions on strategic workforce outcomes in Indian IT organizations. The regression model accounts for 74.7% of the variance in the organizational impact and the DFA model has 89.47% classification accuracy which suggests that the AI-HRM relationship is strong, consistent and quantitative. The five null hypotheses were rejected at  $p = 0.000$  and the five alternative hypotheses were confirmed. The study has three practical consequences. First, firms should focus on developing organizational readiness, especially upskilling HR professionals to co-work with AI, before investing in costly AI equipment. Second, effective data governance and privacy standards must be in place before any AI system is deployed with employee data. Third, roll out AI first on high volume, rule based HR processes (recruiting, payroll) where the ROI is fastest and the risk lowest before moving to more complicated HR processes.

The paper calls on politicians to address the urgent need for a national framework for ethical AI in employment decisions. For teachers, it justifies the need to incorporate AI-HRM as a fundamental subject in management curricula. The verified 11-factor, 50-item instrument and the five-level AI adoption maturity model revealed in this study can be replicated by researchers for future research across sectors, geographies and organizational types.

## 7. LIMITATIONS

The generalizability of the geographic location is limited as this study is limited to IT businesses of Haryana. The cross-sectional design does not allow for causal conclusions. Self-report data are susceptible to social desirability bias. Future research should use longitudinal designs, including the employee perspective in addition to the HR professional perspective, and use objective organizational performance data rather than retrospective self-report data to investigate the influence of AI.

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