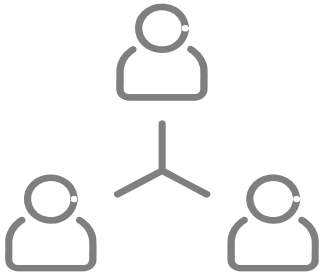


Human Resource Management (HRM)

Module code: SBMA7101



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- **The Impacts of Artificial Intelligence to HRM on Employee Engagement**

- ☐ *Introduction*
- ☐ *Articles review*
- ☐ *Pros and Cons of applying AI*
- ☐ *Conclusion*
- ☐ *Recommendations*



Introduction

Digital Transformation is the use of digital technology to solve traditional problems. Artificial Intelligence (AI) is one of the key elements that drive digital transformation. Nowadays, AI is used in science, medical services, manufacturing, business and many other fields.

Human resource is one of the most strategic resources for a society and for every type of organization, therefore this report focuses on impacts of AI to HRM on employee engagement.

Implementation AI

Assistant AI system as a cloud platform that companies use to manage databases of information they have collected.



Articles review

Kazuo Yano (2017) 'How Artificial Intelligence Will Change HR'

Yano (2017) mentioned that Hitachi developed an AI systems that used on HRM to motivate employees by collecting and analysing employees' data such as e-mails, calendar and discussion boards. It showed that AI system can be used to evaluate happiness of employees and business result.

Wes Wu (2016) 'Digital HR: The Business of People is fast-becoming the Business of Bytes'

(Wu, 2016) stated HR will have the ability to evaluate performance of employees in real-time with AI.

AI will list key goals for each worker and analyse data in a way that associates and tracks evolving performance against objectives.

Cunningham, D. (2016) 'Applying AI'

(Cunningham, 2016) argued that AI to uncover patterns of data that yield perspective and insights on our workforce such as employee engagement, workplace health, talent acquisition, and more.

Pros and Cons of applying AI



Pros

- Improve productivity by automating employees' interactions.
- Real time assistance to employees.
- Cost and time saving.
- HR will have better identification of talents and how to motivate them.
- No emotion barriers as AI system thinks logically and take the right decisions in hiring,
- staff engagement, promotion and talents retention.
- Positive effect on innovation performance.

Cons

- The privacy concern between employees and employers.
- Technology investment is required.
- Job loss to technologies in long run.
- Personal information loss due to machine damages. This could post large problems if the AI system is implement in large corporations such as banks, accounting firms or government.

Conclusion

In short term, there maybe a shortage of I.T. specialists who understand the implications of AI systems.

In the near future, the role of HR managers will be changed. HR manager will help employees to achieve their goals and greatest potential by giving them insight instead of controlling them. The key components of the future of HR is to coupled with AI to motivate talents.

In long term, job loss to AI system. According to Sumser (2018), PwC forecast technologies such as AI system will replace 30% of human jobs by the mid-2030s.



Recommendations

- Companies should run pre-release trials to ensure that there will be no biases before releasing an AI system.*
- Managers should make regulations to ensure no one uses the AI in the wrong way and continue to monitor its use across contexts and communities.*



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