

# “Artificial Intelligence and Its Influence on Human Resource Practices in the IT Industry.”

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## ABSTRACT

The Research case "A Study on AI Impact towards Human Resource with Reference to IT Company" examines how artificial intelligence (AI) is revolutionizing the Human Resource Management (HR) industry, with a particular emphasis on the tactics and contributions of IT Company, a world leader in technology and consulting services. This Study explores the revolutionary potential and related constraints of artificial intelligence's role in HR. In particular, it encompasses difficulties such as operational challenges in integrating AI into legacy HR, ethical and regulatory considerations related to AI, data privacy concern, ethical & legal issues and automation task and enabling data driven decision-making across various HR functions concerns resulting from reliance on massive datasets. The results are intended to provide light on how artificial intelligence (AI) might further disrupt the various HR sector and the strategic role IT Company plays in influencing this change and benefiting the sector. What an artificial intelligence (AI) is revolutionizing the Human Resource Management (HR) industry, with a particular emphasis on the tactics and contributions of IT Company, a world leader in technology and consulting services. This Study explores the revolutionary potential and related constraints of artificial intelligence's role in HR. In particular, it encompasses difficulties such as operational challenges in integrating AI into legacy HR, ethical and regulatory considerations related to AI, and automation task and enabling data driven decision- making across various HR functions.

## INTRODUCTION

Artificial Intelligence (AI), one of the most significant technological advancements in recent years, is changing businesses all over the world, including human resource management (HRM). AI is the process by which machines, especially computer systems, mimic human intelligence processes. The deliberate and integrated approach to managing people in an organisation is known as human resource management, or HRM. Effective human capital management has become essential to gaining and maintaining competitive advantage as businesses continue to function in increasingly globalised, competitive, and technologically advanced environments. Recruitment and selection, training and development, performance management, remuneration, employee relations, and labour law compliance are just a few of the many operations that fall under the broad umbrella of human resource management

Over the past few decades, HRM's role has changed dramatically, moving from a largely administrative one to one that is crucial to organizational strategy. Employee engagement, the development of a healthy

organizational culture, and the alignment of human resource strategies with organizational goals are all prioritized in modern HRM practices. HRM also tackles modern issues like talent retention, remote work, workforce diversity, ethical hiring practices, and the incorporation of technology into HR procedures.

### Need for the Study

- Understand how AI is currently applied in HR functions at IT Company.
- Analyze the benefits and challenges of using AI in HR.
- Assess employee and managerial perceptions regarding AI-based HR processes.
- Provide insights and recommendations for responsible and effective use of AI in HRM.

## REVIEW OF LITERATURE

- **Anupam jauhari (2017):** In the paper title “how AI and machine learning will impact HR practices today”. AI has becoming more and more important and reshaping the way companies hire and do each and every activity recruitment becomes easy for the practitioners because machine learning technology will make use of Chatbots and proceed all the activities, AI will screen candidates and send the confirmation or rejection email to the candidates.
- **Ian Bailie Head of HR (2018)** - “An Examination of Artificial Intelligence and its Impact on Human Resources” This report talks about big firms that adopt AI and examine. It examines both industry and academic sources to develop a representation of AI and its application in business with a specific focus on HR.
- **Rajeev Bhardwaj :( 2019)** in this article titled Artificial Intelligence Is Revolutionizing Hiring to Engagement it was clearly stated that any organization will receive plenty of resumes out which only 10% are relevant. From hiring to employee engagement, artificial intelligence is transforming the way thanks to the advent of AI supported systems. This process is now taken over by software search algorithm that are able to successfully prove out the few people matching your requirements from a pile of irreverent applications.

### Statement of the Problem

The Research study artificial intelligence (AI) is revolutionizing the Human Resource Management (HR) industry, with a particular emphasis on the tactics and contributions of IT Company, a world leader in technology and consulting services. This Study explores the revolutionary potential and related constraints of artificial intelligence's role in HR. In particular, it encompasses difficulties such as operational challenges in integrating AI into legacy HR, ethical and regulatory considerations related to AI,

### Scope of the Study

The Scope of this study aims to examine the impact of Artificial Intelligence (AI) on Human Resource Management (HRM) within IT Company, a global leader in technology and consulting services as follows.

- It focuses on the application of AI technologies in core HR functions such as recruitment, on boarding, performance management, employee engagement, and learning & development.
- The research **is** limited to IT Company offices in India, although the insights may reflect broader trends across the organization globally.
- The time scope of the study is based on recent developments between 2023 and 2025, taking into account

current AI implementations and emerging trends.

- The study also considers the challenges, ethical concerns, and limitations involved in using AI in HR, including issues related to data privacy, transparency, and the need for human interaction.

### **Research Objectives**

- To understand the role of AI in Human Resource Management at IT Company.
- To evaluate the effectiveness of AI tools in recruitment, training, and employee engagement.
- To identify the advantages and limitations of using AI in HR practices.

## **RESEARCH METHODOLOGY**

A good research methodology ensures that the study is scientifically sound, reliable, and valid. It includes the following topics: sample strategies, data gathering methods (such as surveys, interviews, or observations), research design (such as exploratory, experimental, or descriptive), and analysis tools (such as SPSS or Excel), and ethical issues.

### **Sampling Plan**

The target population and the method for choosing a representative group for the study are specified in the sampling plan. Because they are most familiar with AI tools used in HR operations, IT Company workers in the Human Resources department make up the target audience for this study.

**Sampling Unit:** Individual employees in HR roles.

### **Sampling Method**

The study will employ a purposive sampling method, to select professionals with expertise in AI and HRM. The sample size is limited to 120 respondents.

### **Tools used for the Study**

SPSS software was used to confine the analysis part of the study.

- Percentage analysis
- One-way Anova
- Chi-square

## **RESEARCH GAP**

The research gaps exist in the context of large-scale global organizations such as IT Company.

- Limited Employee Perspective and Gap in Measuring Impact Effectively
- Insufficient Real-World Implementation Analysis, Dynamic AI Evolution vs. Static HR Models and Lack of Organization-Specific Insight

## Data Analysis

### Demographic Factors Analysis Table – 1.4.1

Demographic variable	Categories	Frequency	percentage
Age	18-25	95	79.2%
	25-35	16	13.3%
	35-45	8	6.7%
	Above 45	1	0.8%
Gender	Male	65	54.2%
	Female	55	45.8%
Professional Background	HR (Training & development)	43	34.8%
	HR (Recruiter)	25	21.8%
	HR (Payroll)	25	20.8%
	Technical Support staff	27	22.5%
Total		120	100%

(Source: Primary data)

**Interpretation:** The above table indicates, the majority of respondents (79.2 %) fall in the 18-25 age group, indicating that young professionals from the HR training & development team and majority of respondents are male (54.2%). The majority 79.2% of the respondents are male fall under 18-25 age category in HR Training and development team.

### How Long Has Your Organization Been Using AI in HR

TABLE – 1.4.2

How long has your Organization been using AI in HR?	Frequency	percentage
Less than 1 year	46	38.3%
1-2 years	53	44.2%
3-5 years	16	13.3%
More than 5 years	5	4.2%

(Source: Primary data)

**Interpretation:** The above table 1.4.2 shows that 44.2% of organizations have used AI in HR for 2 years or less. Only 13.3% have been using AI in HR for more than 2 years, with just 4.2% using it for over 5 years, indicating limited long-term experience with AI in HR across most organizations.

**Are You Aware of Any AI Tools Being Used in it Company’s Hr Processes**

TABLE – 1.4.3

Are you aware of any AI Tools being used in IT Company HR process?	Frequency	percentage
Yes	91	75.8%
No	29	24.2%

(Source: Primary data)

**Interpretation:** The above table 1.4.3 shows that majority of the respondents (75.8%) aware of AI Tools being used in IT Company HR process. The high percentage of awareness indicates that AI tools are likely well-integrated and visible in IT Company’s HR operations.

**In Which HR Areas Have you Observed AI Being Implemented**

TABLE – 1.4.4

In which HR areas have you observed AI being implemented? (select all that apply)	Frequency	percentage
Recruitment and Acquisition	49	40.7%
Employee Onboarding	43	36%
Performance Management	49	40.8%
Training & development	44	36.7%
payroll	29	24.2%
others	16	13.3%

(Source: Primary data)

**Interpretation:** The above table 1.4.4 shows that majority of the respondents 41.7% observed that AI being implemented in recruitment & acquisition, 35% in employee onboarding, 40.8% in performance management.

**How Would You Rate Your Understanding of How AI Is Applied In Hr At It Company**

TABLE – 1.4.5

How would you rate your understanding of how AI is applied in HR at IT Company?	Frequency	percentage
Excellent	42	35%
Good	63	52.5%
Fair	12	10%
poor	3	2.5%

(Source: Primary data)

**Interpretation:** The above table 1.4.5 shows that majority of the respondents (52.2%) has good understanding of AI applied in HR at IT Company, 35% of the respondents are excellent, 10% of the respondents are fair with

AI and 2.5% of the respondents are poor.

### Have You Received any Training on AI Tools Used in Hr Processes

TABLE – 1.4.6

Have you received any training on AI tools used in HR processes?	Frequency	percentage
Yes	87	72.7%
No	33	27.3%

(Source: Primary data)

**Interpretation:** The above table 1.4.6 shows that majority of the respondents 71.7% has received training on AI tools used in HR process and 28.3% of the respondents are not trained with AI.

### How Do You Perceive the Future Role of AI in Hr At It Company

TABLE – 1.4.7

How do you perceive the future role of AI in HR at IT Company?	Frequency	percentage
Dominant role	34	28.3%
Supporting role	63	52.7%
Minimal Role	13	10.7%
Unsure	10	8.3%

(Source: Primary data)

**Interpretation:** The above table 1.4.7 shows that, the majority of respondents 28.3 % of the employees are perceive the dominant role of AI in HR at IT Company, 51.7% of the employee are supporting role, 11.7% of the employees are minimal role and 8.3% of the employees are unsure about the future role.

### To What Extent is AI Integrated into Day-To-Day Hr Operations At It Company

TABLE – 1.4.8

To what extent is AI integrated into day-to-day HR operations at Accenture?	Frequency	percentage
Fully Integrated	41	34.2%
Partially Integrated	45	45%
Minimally integrated	15	15%
Not integrated	7	5.8%

(Source: Primary data)

**Interpretation :** The above table 1.4.8 shows that 45% of the employees are fully integrated into day to day operations, 34.2% of the employees are partially integrated, and 15% of the employees are minimally integrated and 5.8% of the employees are not integrated.

**On A Scale of 1 To 5, How Satisfied are you with AI-Assisted HR Services (E.G., Chatbots, Support Systems)**

**TABLE – 1.4.9**

On a scale of 1 to 5, how satisfied are you with AI-assisted HR services (e.g., chat bots, support systems)	Frequency	percentage
1	6	5%
2	8	14.5%
3	44	36.8%
4	34	28.3%
5	18	15%

**(Source: Primary data)**

**Interpretation:** The above table 1.4.9 shows that the majority of respondents (15%) of the employees are highly satisfied with AI assisted HR services.

**What challenges have you faced (or foresee) with AI in HR? (Select all that apply)**

**Table 1.4.10**

What challenges have you faced (or foresee) with AI in HR? (Select all that apply)	Frequency	Percentage
Lack of transparency	33	27.5%
Data privacy concerns	55	45.8%
Lack of empathy	35	29.2%
Dependence on technology	32	26.7%
Misjudgments by AI	20	16.7%

**(Source: Primary data)**

**Interpretation:** This table 1.4.10 represents that the majority of the respondents 48.3% somewhat personalized with AI enabled learning & development programs, 26.7% of the employees are highly personalized, 20.8% are not personalized and 4.2% of the employees are haven't experienced them.

**What Would you Recommend to Improve the use of AI in Hr At It Company**

**TABLE – 1.4.11**

What would you recommend to improve the use of AI in hr at IT Company?	Frequency	Percentage
Better training for HR staff on AI tools	25	20.8%
More transparent AI decision-making	38	31.7%
Regular audits of AI systems for bias	34	28.3%
Integration with existing HR systems	9	7.5%

Improved employee communication about AI tools	7	5.8%
I'm satisfied with the current AI use	7	5.8%

(Source: Primary data)

**Interpretation:** The above table 1.4.11 shows that 31.7% of the respondents are recommended to improve the use of AI in HR at IT Company.

**Anova Analysis**

The statistical technique known as ANOVA (Analysis of Variance) compares the means of several groups to ascertain whether any significant differences exist between them. It is useful to determine if observed data variances are the result of random chance or real differences in group averages.

**One-Way Anova (Analysis of Variance)**

One-Way ANOVA is a statistical test used to compare the means of three or more independent groups to determine if there is a significant difference among them. It is called "one-way" because it examines the effect of a single independent variable (factor) on a dependent variable.

**1.4.12 Comparison Between age and Level of Satisfaction**

**TABLE -1.4.12**

		Sum of squares	df	Mean Square	F	Sig
<b>How effective AI works in HRM</b>	<b>Between Groups</b>	<b>535</b>	<b>2</b>	<b>.268</b>	<b>.303</b>	<b>.739</b>
	<b>within Groups</b>	<b>102.457</b>	<b>116</b>	<b>.883</b>		
	<b>Totals</b>	<b>102.992</b>	<b>118</b>			
<b>How effective AI works in HRM</b>	<b>Between Groups</b>	<b>2.535</b>	<b>2</b>	<b>1.268</b>	<b>.789</b>	<b>.457</b>
	<b>within Groups</b>	<b>186.457</b>	<b>116</b>	<b>1.607</b>		
	<b>Totals</b>	<b>188.992</b>	<b>118</b>			
<b>AI features have improved employee engagement at IT Company</b>	<b>Between Groups</b>	<b>24.764</b>	<b>2</b>	<b>5.163</b>	<b>4.677</b>	<b>.011</b>
	<b>within Groups</b>	<b>308.085</b>	<b>116</b>	<b>2.613</b>		
	<b>Totals</b>	<b>331.412</b>	<b>118</b>			
<b>Employees are familiar with at tools used in HR Process</b>	<b>Between Groups</b>	<b>10.327</b>	<b>2</b>	<b>5.163</b>	<b>1.976</b>	<b>.143</b>
	<b>within Groups</b>	<b>303.085</b>	<b>116</b>	<b>2.613</b>		
	<b>Totals</b>	<b>313.412</b>	<b>118</b>			

(Source: Primary data)

**Interpretation:** From the above table 1.4.12 represents that, the table presents the results of a one-way ANOVA test conducted to examine the impact of AI in Human Resource Management (HRM) at IT Company. Four

different aspects were analyzed:

### 1. How effective AI works in HRM (first row)

- **F = 0.303, Sig. = 0.739**

- The p-value (0.739) is **greater than 0.05**, indicating that there is **no statistically significant difference** in perceptions among groups regarding the effectiveness of AI in HRM.

- Interpretation: Employees generally share similar views on AI effectiveness in HRM, with no major group-based variation.

### 2. How effective AI works in HRM

- **F = 0.789, Sig. = 0.457**

- The p-value (0.457) is also **greater than 0.05**, showing **no significant difference** between groups.

- Interpretation: Again, the perception of AI's effectiveness in HRM does not significantly vary among employees.

### 3. AI features have improved employee engagement at IT Company

- **F = 4.677, Sig. = 0.011**

- The p-value (0.011) is **less than 0.05**, meaning there is a **statistically significant difference** between groups.

- Interpretation: Employees differ significantly in their perceptions of how AI features have improved engagement. This suggests that some groups may strongly agree AI has boosted engagement, while others may not experience the same level of benefit.

### 4. Employees are familiar with AI tools used in HR process

- **F = 1.976, Sig. = 0.143**

- The p-value (0.143) is **greater than 0.05**, indicating **no significant difference**.

- Interpretation: Employees' familiarity with AI tools is relatively consistent across groups, with no major variation.

## RESULT

Out of the four variables tested, only employee engagement with AI features showed a statistically significant difference between groups. This implies that while employees generally agree on the effectiveness and familiarity with AI in HR processes, there are diverse opinions about how much AI has actually improved engagement.

### Chi-Square Analysis

The Chi-Square test is a statistical test used to determine whether there is a significant association (relationship) between two categorical variables or whether the differences between observed and expected data are due to chance.

### Formula

$$\chi^2 = \sum \frac{(O-E)^2}{E}$$

**Decision Rule:**

- If the **p-value (Sig.) < 0.05**, we reject the null hypothesis (there is a significant relationship).
- If the **p-value > 0.05**, we accept the null hypothesis (no significant relationship).

**Comparison Between Gender and how Personalized do you Find AI-Enabled Learning or Development Programs**

**TABLE – 1.4.13.1** Case Processing Summary 1.4.13.1 G- Gender (HowPersonalized AI enabled in learning and development programs

	Cases					
	Valid		Missing		Total	
	N	%	N	%	N	%
<b>G</b>	<b>120</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>120</b>	<b>100</b>

(Source: Primary data)

**Chi-square TABLE – 1.4.13.2**

	Value	Df	Asymp. Sig
<b>Pearson Chi-square</b>	<b>6.518</b>	<b>3</b>	<b>.089</b>
<b>likelihood ratio</b>	<b>6.687</b>	<b>4</b>	<b>.083</b>
<b>N. of Valid Cases</b>	<b>1.20</b>		

(Source: Primary data)

**Interpretation:** The above table 1.4,13 shows that p value (0.089) is greater than 0.05, there is no significance difference between gender and personalized AI – enabled learning or development programs.

**FINDINGS**

- The majority 79.2% of the respondents are male fall under18-25 age category in HR Training and development team.
- The analysis shows that 44.2% of organizations have used AI in HR for 2 years or less. Only 13.3% have been using AI in HR for more than 2 years, with just 4.2% using it for over 5 years, indicating limited long-term experience with AI in HR across most organizations.
- The majority of the respondents (75.8%) aware of AI Tools being used in IT Company HR process. The high percentage of awareness indicates that AI tools are likely well-integrated and visible in IT Company’s HR operations.
- The analysis shows that majority of the respondents (52.2%) has good understanding of AI applied in HR at IT Company.
- The majority of the respondents 71.7% has received training on AI tools used in

HR process.

- The respondents 28.3 % of the employees are perceive the dominant role of AI in HR at IT Company.
- The analysis shows that 45% of the employees are fully integrated into day to day operations.
- The respondents (15%) of the employees are highly satisfied with AI assisted HR services.
- The 45.8% of the respondents are facing major challenges as data privacy concern.
- The majority 40.8% of the respondents are said yes that they believe in AI can make accurate and fair decisions in employee evaluation.
- The 31.7% of the respondents are recommended to improve the use of AI in HR at IT Company.

### **ANOVA ANALYSIS**

- Out of the four variables tested, only employee engagement with AI features showed a statistically significant difference between groups. This implies that while employees generally agree on the effectiveness and familiarity with AI in HR processes, there are diverse opinions about how much AI has actually improved engagement.

### **Chi-Square Analysis**

- There is no significant relationship between independent variables. Therefore, null hypothesis is accepted.

### **Suggestions**

- IT Company should ensure explain ability of AI algorithms in recruitment and performance evaluations so that employees trust AI decisions.
- Provide training sessions and awareness programs to HR staff and employees on how to use AI tools effectively.
- Upskilling programs on digital and data literacy can increase adoption and reduce resistance.
- AI can speed up tasks such as resume screening and learning recommendations, but final hiring and performance-related decisions should involve human managers.

### **CONCLUSION**

AI enhances efficiency by automating repetitive tasks, improving hiring accuracy, and personalizing learning experiences. At the same time, challenges such as algorithmic bias, lack of transparency, data privacy concerns, and employee apprehensions about job security must be addressed. The findings shows that AI is increasingly integrated into IT Company's HR functions, especially in recruitment, onboarding, training, and performance management, with high employee awareness and training support. Most respondents perceive AI as playing a significant role in daily HR operations, improving efficiency and personalization in learning and development.

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