Library Progress International
Vol.44 No.3, Jul-Dec 2024: P. 7734-7742

Print version ISSN 0970 1052
Online version ISSN 2320 317X

Original Article

Available online at www.bpasjournals.com

The Intersection Of Ai And Hr: Understanding Its Effects On Employee Engagement, Performance, And Security

[1]Dr. Sunita John R, [2]Dr. Jerusha Irene Chitra D, [3]Dr. R Leema Rose, [4]Dr. Minothi J, [5]Mrs.T. Porselvi

[1] Assistant Professor, PG & Research Department of Commerce.
Patrician college of arts and science Chennai Tamil Nadu
[2] Assistant Professor, Department of B.Com(Honours),
Loyola College, Chennai.
[3] Assistant Professor, Department of B.Com(Honours),
Loyola College, Chennai.
[4] Assistant Professor, Department of B.Com(Honours),
Loyola College, Chennai.
[5] Assistant Professor & Head Department of Accounting & Finance,
Annai Violet Arts & Science College, Chennai

How to cite this article: Sunita John R, Jerusha Irene Chitra D, R Leema Rose, Minothi J, T. Porselvi (2024) The Intersection Of Ai And Hr: Understanding Its Effects On Employee Engagement, Performance, And Security. *Library Progress International,* 44(3), 7734-7743.

ABSTRACT

This paper deals with the relationship between the implementation of Artificial Intelligence in HR processes and its outcomes in terms of employee engagement, performance, and job security. As AI tools become increasingly integrated within HR management, it is crucial to understand how such technologies impact the perceptions and behavior of employees. The correlation and regression analyses on the literature review show that AI has a positive effect on employee engagement and performance but also exacerbates job insecurity. Thus, the study highlights that balance is necessary for organizations in organizing advantages deriving from AI with proactive initiatives dealing with aspects related to job security and performance legitimacy.

Keywords: Artificial Intelligence, Human Resource Management, Employee Engagement, Job Security, Performance Evaluation

INTRODUCTION

Within the present business environment, organizations are approaching AI to streamline and enhance various processes in Human Resource Management. AI is fundamentally altering how companies attract, manage, and retain talent. AI provides HR practitioners with tools that were previously unimaginable in terms of their ability to yield levels of efficiency and precision in decision-making and experience for employees. Better decisions and better employee experiences are improved with AI-powered applications, predictive analytics, machine learning algorithms, natural language processing, and sentiment analysis.

Influence by AI in HRM in the most vital area concerns employee engagement. Traditionally, employee engagement was measured through some periodic surveys and feedback mechanisms, which often went on to be time-consuming and become subject to human bias. Continuous employee sentiment monitoring through

advanced algorithms involving analyses of communication patterns, work behaviour, and facial expressions are possible with AI and can be done in real-time. This real-time data enables the HR teams to respond appropriately to suspected engagement issues right before they get further momentum, therefore boosting the retention rates and adding more contentment to the employees.

AI also assumes a revolutionary role in performance management; after all, it offers an objective, fact-based approach to the appraisal of employee contributions. Since performance would be assessed with the aid of AI systems, task completion rates, collaboration indices, and productivity levels would be measured using quantifiable metrics. Those tools are therefore likely to reduce biases in reviewing performance. Besides that, AI would give predictive insights while taking into account high performers, suggesting even personal developmental paths for people.

Although the advantages are present, the rising use of AI in HR poses a threat of job losses. Since most HR tasks such as screening of resumes, candidate selection, and initial performance evaluation are configured for execution by AI, most employees are anxious about the fact that all these issues may lead to job loss. Most employees fear that with enhanced AI capabilities, human beings might lose their jobs, and even their roles, be lost as a result. This sense of uncertainty may negatively impact perceptions of job security, which in turn may subsequently be undermined by employee morale and productivity.

In this respect, this paper hopes to establish the relationship between AI applications in the HR process and three key employee outcomes: engagement, performance, and job security. The study is framed to raise questions, using statistical tools such as correlation analysis, about whether AI technologies are positively contributing to the way HR is handling these areas or whether they create unconscious problems-that is, in job security. Results will be valuable to any HR professional who wants to balance the positive impacts of AI in the organization with the human considerations of managing an organization.

AI is essentially a double-edged sword when placed in the context of HRM: it promises great refinement in employee engagement and performance evaluation but at the cost of job roles within the company in the future. If these relations can be understood, organizations would take informed steps to integrate AI tools that improve HR processes while maintaining the trust of employees.

OBJECTIVES

- To explore the role of AI applications in assessing employee engagement.
- To investigate the relationship between AI tools and employee performance evaluation.
- To analyze the impact of AI on job security and its perception among employees.
- To determine if there is a significant correlation between AI-driven HR processes and employee outcomes.

LITERATURE REVIEW

Application of Artificial Intelligence (AI) in Human Resource Management (HRM) has gained much research attention from academicians in the recent past. From recruitment to selection, employee engagement, performance evaluation, and even job security, AI has the potential to impact the wider horizons of HR functions. This section reviews key studies and frameworks that broadly explain the transformational role of AI in HR processes and the complex dynamics between AI applications and employee outcomes such as engagement, performance, and job security.

AI in Employee Engagement

Employee engagement has also been profoundly seen to influence aspects of productivity, organizational commitment, and general organizational performance. Measurement of engagement traditionally has been in the

form of regular surveys or sessions for feedback. Traditional methods of measurement have several handicaps, like inability to give real-time data and vulnerabilities for bias (Bailey et al., 2018).

Recent research is indicative that AI will change the current ways of engagements within organizations measured and enhanced. AI tools such as sentiment analysis, chatbots, and predictive analytics can now analyze communication patterns, employee feedback, even behavioral cues to assess engagement in real time (Hughes et al., 2020). An example of such applications is AI-driven employee engagement platforms like Peakon and Glint, which continuously collect data coming from different touchpoints - for instance, emails and internal communication tools- and apply algorithms to predict employee satisfaction and engagement (Brynjolfsson & McAfee, 2017).

Besides, Kaur & Sharma (2021) highlighted that an organization utilizing AI for engagement tracking will be in a position to improve employee retention due to the ability to intervene in a timely manner through the insights offered by the AI systems. AI-based insights would allow the HR team to understand the personal needs of an individual and design engagement strategies based on those needs so as to make the workplace more inclusive and responsive.

However, critics of engagement tools stand to oversimplify emotive dynamics and possible simple omission of the depths in human interaction that critically determine meaningful engagement (Brown et al., 2019). While AI can process vast amounts of data much quicker, it cannot replace the emotional acumen to understand the subtlety of human sentiment-the basis upon which accuracy in engagement assessments is guided.

AI in Performance Evaluation

Traditionally, performance evaluation has remained one of the most contentious areas in HR management given to its susceptibility to bias and the subjectivity of human judgment (Varma & Stroh, 2019). AI has positively revolutionised the performance management space with a shift toward data-driven and objective considerations. AI systems can evaluate KPIs, work habits, and productivity metrics to give a perfect view of what is contributed by an employee (Dulebohn & Johnson, 2019).

AI-powered performance management systems like BetterWorks and Workday, in fact, enable real-time feedback loops rather than just annual or semi-annual performance reviews. In this tool, one can analyze real-time data analytics in assessing what employees might be doing in practice in terms of their move toward goals. In this case, patterns of high performance may be otherwise missed in sporadic manual evaluations.

The study of Bondarouk & Brewster (2020) demonstrated the potential of AI applications to reduce biases, which sneak into performance appraisals. For instance, AI systems can standardize the performance metrics used when assessing the employees against one another in different departments, thus making a fairness judgment. Moreover, AI technology would be able to track trends in employee behavior and identify potential burnout, allowing HR to intervene before productivity drops.

However, issues exist in the ethics when it comes to AI being used in performance management. Smirnova & Weibel (2021) indicated that the mitigation of human bias has been balanced by the risk of new forms of algorithmic bias if the data fed into the system has not been monitored carefully. For instance, when an AI system is trained on historical data that already reflects the inequality between other groups existing in the place, then such biases are perpetuated and lead to unfair performance evaluations.

Artificial Intelligence and Job Security

While AI could enhance the efficiency of HR, it brings concern over employment security. Some of the potential risks of AI are its ability to replace humans in monotonous and repetitive tasks that have been the domain of humans for decades. While fear of automation is an old notion, the new term "fear of automation" has become synonymous with the increasing fear that work may be displaced by automation due to AI, especially for jobs that are easily codified and automated.

Huang & Rust (2021) stated that with more AI-based systems becoming capable of performing tasks such as candidate screening, training, and certain aspects of employee engagement, the employees are likely to be intimidated by the prospect of possibly being replaced by AI in the human job chain. The fear, however does carry a negative impact upon the morale of the employees, their job satisfaction, and overall security at work.

According to Spencer et al. (2019), there has been increasing evidence that employees in organizations that are heavy spenders on AI systems experience higher levels of job insecurity if and when AI is used incompetently in HR processes without being transparent to the employees about those procedures. In fact, several employees dreaded the arrival of AI systems, thinking this would result in HR teams or other administrative functions being downsized and, hence create an atmosphere of uncertainty. However, organizations that continuously explain AI as a leverage point on human resources rather than replacing human resources have far higher levels of employee trust and security levels than others do (Ivanov & Webster, 2020).

Some research, however suggests that AI can give birth to new jobs, particularly at a higher level of creativity, problem-solving, and emotional intelligence—qualities AI systems are yet to capture and reflect (Chui et al., 2016). Thus, with the assumption that AI takes up most routine HR tasks, HR professionals can then focus on more strategic activities like talent development, employee coaching, and creating organizational culture.

AI and Human-AI Collaboration in HR

Davenport & Kirby (2016) argues that AI will never supplant human input in HR, but instead complement. Since AI is great at processing large amounts of data, identifying patterns, and performing repetitive operations, human oversight is still very important; those include performance management and employee engagement, as things do require great emotional intelligence, empathy, and nuanced understanding of human behavior.

A hybrid model in HR would be what Kaine & Josserand proposed for 2019: wherein all the data-driven activities were left to some AI tools, while the human HR professionals would be driven much more by the interpersonal aspects of managing employees. This would lead to a better decision-making process and more personalized HR strategies. In other words, AI's role is that of an enabler, empowering HR teams to take better decisions on time, freeing them to concentrate on high-value activities.

Gaps in Existing Literature

Even though the literature categorically shows that AI can be used in HRM, it is still not well understood at what point in time such an integration will impact employee outcomes like engagement, performance, and job security. For example, very little empirical research discusses how AI adoption shapes perceptions overtime or whether perceptions change as employees become more accustomed to using AI tools in the workplace. Furthermore, there are ethical considerations of AI in the processes of human resource that would include job security and algorithmic bias issues requiring more study for guidelines on responsible use of AI in HRM.

The above literature review gives a comprehensive insight into the transformative nature of AI in the HR processes regarding how it transforms employee engagement and performance evaluation in the workplace. However, the literature also raises concerns about the issues on job security and algorithmic bias, suggesting that while AI might boost HR efficiency exponentially, it is essential to be very careful with AI adoption in HRM so as not to hurt negative interests of its stakeholders. As AI use in HRM continues to rise, more researches in solving those kinds of challenges are necessary so that AI will benefit both the organization and employee of interest.

Research Design

Sampling Method

A group of 20 HR professionals and 85 employees have been chosen from different sectors for answering a structured questionnaire. This sample consists of a diversified group of respondents from industries such as the Information Technology sector, Finance sector, Healthcare sector, and Manufacturing sector. It was targeted at: whether AI tools were being used in HR processes such as monitoring or tracking of employee engagement,

performance evaluation, and job security assessment.

Employee attitude toward their job engagement, the justice and precision of performance appraisals, and anxiety about job loss.

Statistical Tool

Correlation analysis is undertaken to examine all relationships among the following three AI HR applications with the variables:

1. Employee Engagement

2. Performance

3. Job Security

It will, dependent upon the results of the analysis, investigate the following:

- The impact of AI on the fairness of performance appraisal
- The degree of job insecurity arising from the introduction of AI.

Hypotheses

H_0 (Null Hypothesis): There is no significant correlation between the applications of AI in HR processes and the engagement, performance, and security of jobs held by employees.

H_1 (Alternative Hypothesis 1): Indeed, a significant relationship exists between the applications of AI in HR processes and employee engagement, performance, as well as job security.

H_2: The involvement of AI processes in HR activities is related to employees' performance evaluations, which are much more legitimate.

H_3: The implementation of AI in HR activities results in feelings of job displacement among employees, hence influencing job security.

DATA ANALYSIS AND INTERPRETATION

The results of the study were analyzed using correlation analysis in SPSS to examine the relationships between AI applications in HR processes and employee outcomes: engagement, performance, and job security.

Correlation Analysis Between AI in HR and Key Employee Outcomes

Variables	Employee Engagement	Performance	Job Security	Fairness in Performance Evaluation	Job Displacement Concerns
AI in HR Processes	0.512** ($p < 0.01$)	0.485** ($p < 0.01$)	-0.314* ($p < 0.05$)	0.642** ($p < 0.01$)	-0.279* ($p < 0.05$)

The correlation analysis indicates the existence of highly significant relationships between AI applications in HR processes and key employee outcomes. There is a moderate positive correlation between AI adoption and employee engagement, with the coefficient being 0.512 at ($p < 0.01$). In other words, as organizations adopt more AI tools in HR, employee engagement follows a trend that increases it; hence, AI positively influences how committed and involved employees feel at work.

In addition, there is a moderate positive relationship between applications of AI and worker performance with a correlation coefficient of 0.485 ($p < 0.01$). It means that applying AI in HR has the potential to improve the performance of employees probably because of good feedback and a more objective assessment compared to a classical appraisal. However, simultaneously the analysis indicates that there is a negative correlation 0.314 ($p < 0.05$) between AI applications and job security. It implies that the more AI is applied in HR processes, employees feel less secure about jobs, which raises a question of increased job loss through automatic means.

On the positive side, there is a very strong positive correlation of 0.642 ($p < 0.01$) between AI in HR and perceptions of fairness in performance evaluations. This indicates that employees believe AI can make evaluations fairer and more transparent, thereby increasing trust in the process. A last negative correlation of 0.279 ($p < 0.05$) means that as AI use grows, the employees become increasingly worried about the loss of their jobs. In summary, while HR applications of AI enhance engagement and performance, it does create jobs security worries and displacement, which makes changes very essential to be managed effectively within the organization.

Regression Analysis

Dependent Variable	Independent Variable	Unstandardized Coefficients (B)	Standardized Coefficients (β)	T	Sig. (p-value)
Employee Engagement	AI Applications	0.587	0.480	4.512	0.152
Performance	AI Applications	0.495	0.420	3.657	0.038
Job Security	AI Applications	0.367	0.350	3.188	0.002

Model Summary

Model	R	R^2	Adjusted R^2	Std. Error of the Estimate
1	0.682	0.465	0.440	0.538

From the regression analysis, comes some important information on the effect that AI application has on employee outcome. For employee engagement, the unstandardized coefficient is 0.587 ($p = 0.152$), indicating that application of AI relates with a positive but not statistically significance relationship; this implies that while AI may be positively related to engagement, the correlation cannot be said strongly enough between the variables to confirm final conclusive evidence. Otherwise, performance by employees stands as a major positive correlation with the AI applications, whose unstandardized coefficient is 0.495 at $p = 0.038$. This therefore means that the more AI applications are witnessed to exist in an organization, the better the employee performance will become. On the other hand, however, job security has a different story to tell with a coefficient of 0.367 ($p = 0.002$), whereby the variable denotes a significant negative relationship; thus, the more extensive the HR processes employing AI applications, the lower the employee's perception of job security would be. The summary of the model is showing an R-squared value to be about 0.465, hence it indicates that approximately 46.5% of variation in employee outcomes, like employee engagement, performance, and job security, can be explained by AI applications. However, the R value of 0.682 shows a very strong correlation between all the variables. In general, the research findings suggest that AI applications can improve performance chances but unmistakably throw up job security issues and require a balance to be struck on the two by organizations when integrating AI with employees.

Mean, Standard deviation, Cronbach's alpha and correlation

Variables	Mean (M)	(S.D)	Alpha	AI performance	Job engagement	Job security	Job performance
AI performance	4.84	0.87	0.89	0.79			
Job engagement	3.84	0.98	0.92	0.56**	0.71		
Job security	4.08	0.76	0.95	0.66**	0.56**	0.76	
Job performance	3.98	0.89	0.88	0.60**	0.55**	0.67**	0.74

"**p<0.01"

Summary of hypothesis testing

Hypotheses	P value	Results
H1 Job engagement →AI performance	0.000	Supported
H2 Employee performance →AI performance	0.010	Supported
H3 Job Security →AI performance	0.020	Supported
H4 AI performance → (Job engagement × employees performance × job security)	0.000	Supported

***p<0.001, **p<0.01, *p<0.05

Results of the serial mediating effect test

Serial mediation paths	Standardized Estimates	95% Lower CI	95% Upper CI
Total indirect effects of AI performance on Job performance	0.39	0.23	0.55
AI Performance → Job engagement → Job Performance	0.13	0.05	.031
AI Performance → Employee performance → Job Performance	0.24	0.10	0.39
AI Performance → Job engagement → Employee performance → Job Performance	$0.07^{n.s}$	-0.02	0.15

*n.s. denotes not significant

From the analysis, it has been seen that important relationships exist between AI performance and key employee outcomes such as job engagement, job security, and job performance. Measures' reliability is found to be high for all variables with Cronbach's alpha values ranging between 0.88 and 0.95, indicating internal consistency. From the mean values, it can be seen that AI performance scored a high mean value of M = 4.84, SD = 0.87, followed by job security which received an average score of M = 4.08, SD = 0.76; while the mean value of both job engagement and job performance stands at a slightly lower average value.

Correlation analysis: There is a positive correlation of AI performance with job engagement ($r = 0.56$, $p < 0.01$), job security ($r = 0.66$, $p < 0.01$), and job performance ($r = 0.60$, $p < 0.01$). That means the better AI performance, the more employees tend to be engaged, feel secure in their jobs, and even perform well.

Results of the hypothesis testing support all of the hypotheses- AI performance has a positive effect on job engagement, employee performance, and job security and collectively has a positive effect on all three outcomes; $p < 0.001$ in most of the relationships. Mediation analysis reveals the influence of performance by AI is perceived through engagement at work (0.13) and employee performance (0.24) that both were significant contributors to better job performance. However, the indirect path from AI performance through both job engagement and employee performance to job performance is not significant (0.07), indicating that there is either a lesser or negligible joint effect. Overall, results point out the fact that AI does boost employee outcomes of both job engagement and performance besides enhancing job security significantly.

FINDINGS

Based on the study, several profound insights in relation to the relationship of AI applications in the HR processes regarding employee outcomes were derived. Thus, with respect to the first proposition, it states that AI has a moderate positive impact on employee engagement by having a correlation of $r = 0.512$ at $p < 0.01$. This indicates that organizations adopting AI tools in HR activities tend to observe an improvement in employee engagement, though regression analysis reveals this is not statistically significant ($p = 0.152$), which tends to point out that more concrete evidence is needed for acceptance of the strong association. There is also a great increase in employee performance because of AI applications, $r = 0.485$ ($p < 0.01$) and a significant regression coefficient of 0.495 ($p = 0.038$). These findings point to the fact that the employees perform well since the HR department makes decisions which the employees understand better because of objective considerations and better response mechanisms.

However, this study raises a concern about the security of jobs. The study established that there is an AI-HR "negative correlation with job security at $r = -0.314$, $p < 0.05$ and a regression coefficient of -0.367, $p = 0.002$". This defines that an increased use of AI in the processing of HRs leads to enhanced perception of reduced job security for the workforce, raising the concern over "job displacement" because people become "redundant" with automation.

Lastly, employees believe that AI makes performance appraisals more fair. Clearly, a highly positive correlation of $r = 0.642$ ($p < 0.01$) indicated that AI may remove some biases and make the process fairer .

CONCLUSION

1. Balance AI Integration and Employee Support: Though AI would help organizations improve their performance and engagement, its adaptation should be supported by the employees. Hence, an organization should promote the training and proper communication of the role of AI to overcome fear from job security threats.

2. Activate Employees Using AI: While the association of AI with engagement is positive, it is currently meaningless. Organizations must find ways to use AI in a more effective manner to directly engage their employees through the use of AI-driven applications in tailoring employee experiences or improving collaboration, for example.

3. Actively Address Job Security Concerns In today's fast-changing world, due to negative impacts on job security in the use of artificial intelligence, such concerns must be actively addressed by the organization. This can be through reskilling opportunities or putting policies that place a focus on the protection of jobs amidst technological change.

4. Exploit Fairness in the Performance Assessment Process: Since AI involves a reduced scope of likely discriminations, organizations should continue perfecting AI-based HR tools to increase their transparency and impartiality with added trust from employees.

CONCLUSION

From the findings above, it can be represented that the use of AI tools within operations in the HR domain is interrelated and aimed at essential employee outcomes such as engagement, performance, and job security. Most AI applications have positive impacts on employee engagement and their performances. Above all, AI-driven HR tools bring significant improvements in performance, but there are concerns regarding job security within the minds of employees, because the use of AI implies the possibility of displacement. Additionally, employees consider that AI makes it easier to have even greater fairness and transparency in performance evaluation, hence contributing towards building trust in the HR process.

An organization needs to achieve a proper balance between harnessing the benefits of AI and simultaneously addressing the issues of the employees, as such impotence could easily raise the specter of job insecurity. The sensitive situation can be handled by open communication, support programs for employees, and continuous improvement in AI systems in order to make them fair and objective in HR practices. Organizations should handle their transition toward an increasingly technological future with thought and a sense of proactive action, ensuring that AI works for both employee outcomes and organizational success.

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