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**Shaping Tomorrow's Workplace with AI-Driven
HRM: Bridging the Gap Between Technology and
Human Capital**

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ACKNOWLEDGEMENT

To my son Alexander,

You are my greatest source of inspiration and motivation. Always hold on to your curiosity; it is the superpower of learning.

Here, take a look. Mama made her dream come true.

Pojalleni Alexanderille,

Olet suurin inspiraation ja motivaation lähteeni. Pidä aina kiinni uteliaisuudestasi; se on oppimisen supervoima.

Katso vaikka. Äiti teki unelmastaan totta.

UNIVERSITY OF VAASA**School of Marketing and Communication**

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ABSTRACT:

Human Resource Management (HRM) and Artificial intelligence (AI) form a combination that could significantly reshape the landscape of modern workplace. Integrating AI into HRM is said to offer unique opportunities to enhance organizational efficiency. This Master's thesis explores the utilization of Artificial Intelligence (AI) in Human Resource Management (HRM) and examines how companies can ensure the successful adoption of AI within organizations. To provide a comprehensive analysis, this question is further divided into four sub-questions: (1) What are the challenges and opportunities in applying AI-based tools and programs in HRM practices? (2) What specific tasks within HRM can AI potentially replace or collaborate with humans? (3) How can organizations address the emerging challenges and capitalize on opportunities created through the application of AI in HRM? (4) How can organizations capture the full potential of AI, and what practical guidance can be recommended to ensure the successful implementation and utilization of AI technologies?

The study employs qualitative methods, including guided and semi-structured interviews with HR professionals across various industries. The unique data set used in this study offers a broad overview of this research area, while also capturing recent and future trends. It underscores the significant connection between HRM and AI in the business sector. Success stories highlight the positive effects of AI on performance management, learning and development, and recruitment. The findings reveal that AI can revolutionize HR processes by automating routine tasks and enhancing strategic functions. Opportunities include streamlining resume sorting, managing payroll, and automating reminders, thus allowing HR professionals to focus on more strategic work. Challenges include over-reliance on AI leading to impersonal processes, budgetary constraints, the need for continuous updates, and data security and accessibility.

The research emphasizes the importance of workforce upskilling, collaboration between AI and HR professionals and ethical and responsible AI use. It underscores the necessity of maintaining a human-centric approach, ensuring AI augments rather than replaces human expertise. Practical guidance for successful AI implementation includes aligning AI adoption with HRM and business objectives, fostering openness to change, and ensuring a balance between technology and people-centric approaches. Ultimately, this study highlights that thoughtfully implemented AI in HRM can enhance organizational efficiency, drive innovation, and provide a competitive edge while maintaining a human touch.

KEYWORDS: Artificial Intelligence, Human Resource Management, HRM practices, Human Capital, AI technologies

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TIIVISTELMÄ:

Henkilöstöhallinto (HRM) ja tekoäly (AI) ovat yhdistelmä, joka voisi muokata modernin työelämän maisemaa merkittävästi. Tekoälyn integroiminen henkilöstöhallintoon sanotaan tarjoavan ainutlaatuisia mahdollisuuksia parantaa organisaation tehokkuutta. Tämä pro gradu -tutkielma tutkii tekoälyn (AI) hyödyntämistä henkilöstöhallinnossa (HRM) ja tarkastelee, kuinka yritykset voivat varmistaa tekoälyn onnistuneen käyttöönoton organisaatioissaan. Kattavan analyysin tarjotakseen, tämä kysymys jaetaan neljään alakysymykseen: (1) Mitkä ovat haasteet ja mahdollisuudet AI-pohjaisten työkalujen ja ohjelmien soveltamisessa HRM-käytännöissä? (2) Mitkä erityiset tehtävät henkilöstöhallinnossa AI voi mahdollisesti korvata tai suorittaa yhteistyössä ihmisten kanssa? (3) Miten organisaatiot voivat kohdata uudet haasteet ja hyödyntää tekoälyn soveltamisen luomia mahdollisuuksia HRM:ssä? (4) Miten organisaatiot voivat hyödyntää tekoälyn koko potentiaalin ja mitä käytännön ohjeita voidaan suositella AI-tekniologioiden onnistuneen käyttöönoton ja hyödyntämisen varmistamiseksi?

Tutkimuksessa käytetään kvalitatiivisia menetelmiä, puolistrukturoituja haastatteluja henkilöstöhallinnon ammattilaisten kanssa eri toimialoilta. Tutkimuksessa käytetty ainutlaatuinen aineisto tarjoaa kattavan yleiskuvan tieteenalasta sekä kuvaa viimeaikaisia ja tulevia trendejä. Se korostaa merkittävää yhteyttä henkilöstöhallinnon ja tekoälyn välillä liiketoiminnassa. Tulokset osoittavat, että tekoäly voi mullistaa HR-prosesseja automatisoimalla rutiinitehtäviä ja parantamalla strategisia toimintoja. Menestystarinat korostavat tekoälyn positiivisia vaikutuksia suorituksen johtamiseen, oppimiseen ja kehitykseen sekä rekrytointiin. Mahdollisuuksiin kuuluu rekrytoinnin tehostaminen, palkanlaskennan hallinta ja muistutusten automatisointi, mikä mahdollistaa HR-ammattilaisten keskittymisen strategisempaan työhön. Haasteita ovat tekoälyn liiallinen käyttö, mikä voi johtaa epäpersoonallisiin prosesseihin, budjettirajoitukset, jatkuvan päivityksen tarve ja turvallisuusriskit.

Tutkimus korostaa henkilöstön taitojen päivittämisen sekä tekoälyn ja HR-ammattilaisten välisen yhteistyön sekä eettisen ja vastuullisen tekoälyn käytön tärkeyttä. Se painottaa inhimillisen lähestymistavan säilyttämisen välttämättömyyttä, varmistaen, että tekoäly täydentää eikä korvaa ihmisen asiantuntemusta. Käytännön ohjeet onnistuneelle tekoälyn käyttöönotolle sisältävät tekoälyn käyttöönoton linjaamisen HRM- ja liiketoimintatavoitteiden kanssa, muutokseen liittyvän avoimuuden edistämisen sekä tasapainon varmistamisen teknologian ja ihmiskeskeisten lähestymistapojen välillä. Lopulta tämä tutkimus osoittaa, että harkitusti toteutettu tekoälyn hyödyntäminen henkilöstöhallinnossa voi parantaa organisaation tehokkuutta, edistää innovaatioita ja tarjota kilpailuetua säilyttäen samalla inhimillisen kosketuksen.

KEYWORDS: Tekoäly, henkilöstöhallinto, HRM-käytännöt, inhimillinen pääoma, tekoälyteknologiat

Contents

1 Introduction	7
1.1 Research Question and Objectives	9
1.2 Research Gap and Scope	11
1.3 Thesis Structure	18
2 Literature Review	20
2.1 Human Resource Management (HRM)	11
2.2 Artificial Intelligence (AI)	20
2.3 Definitions	22
2.4 Ethics of AI	27
2.5 AI and HRM	31
2.6 Resource Based View (RBV) and Knowledge Based View (KBV)	37
3 Methodology	39
3.1 Research Approach	39
3.2 Research Design	40
3.3 Data Collection Method	41
3.4 Data Analysis	43
3.5 Reliability of the study	44
4 Empirical Findings	48
4.1 Background	48
4.2 Opportunities and Challenges or Concerns of AI in HRM	51
4.3 Tasks Replaced or Collaborated with AI in HRM, Changes AI May Create in HRM	54
4.4 Practical Guidance for AI adoption in HRM	58
4.5 Ethical Considerations of AI in HRM	60
4.6 Current State and Future Trends in AI Adoption within HRM	63
4.7 Unexplored Areas of AI Integration within HRM	65
5 Conclusions and Recommendations	67
5.1 Limitations	77

5.2 Suggestions for further research	78
References	79
Appendices	83
Appendix 1. Interview Questions	83

Tables

Table 1. Resource-Based View, Barney (1991)

Table 2. Interview Themes

Table 3. Backgrounds of the Interviewees

Table 4. Practical Guidance for Organizations

Table 5. Developing AI in organizations, RBV (Barney, 1991) analyzed based on interview data

Table 6. KBV, Knowledge Based View

Table 7. AI utilized in HRM, summary of results

1 Introduction

It is said, people are the most important asset to an organization. To achieve growth and competitiveness, an organization must ensure that its employees are well-qualified, appropriately positioned, professionally trained, effectively managed, and dedicated to the organization's success (Burke & Ng, 2006). To meet these goals, modern organizations need to prioritize the needs and expectations of their employees, emphasizing people-centric practices (Burke & Ng, 2006).

At the same time, in the rapidly evolving world, organizations continually seek avenues to streamline operations and enhance productivity. Throughout history, machines and technology have played a role in managing people at work (Russell & Norvig, 2021, p. 20). Aloisi and Stefano (2022, p. 9) state that over the past few years, the “future of work” has become a subject itself. They hold a view, that “in many fields, humans will retain a competitive advantage over machines, and will benefit from unprecedented alliances with smart robots and AI” (Aloisi & De Stefano, 2022, p. 10). Thus, to stay at the top of this trend, Aloisi and De Stefano (2022) suggest that massive investment in education and training must be made.

Many researchers hold the view that Artificial Intelligence (AI), defined as the development of computer systems capable of performing tasks that typically require human intelligence (such as learning, problem-solving, and decision-making) is going to revolutionize the way Human Resources Management (HRM) functions. Mello’s (2018) study shows that efficiency in work and the replacement of routine tasks have been the main drivers for the use of technology in personnel management. In addition, the increasing digitalization of workplaces is expected to provide opportunities for more strategic management of personnel. Also, greater attention to human resources, which can support productivity (Mello 2018, p. 94). Thus, according to Russell and Norvig (2021), AI has been extensively researched and continues to be a rapidly developing field with many advantages and challenges.

The impact of AI on the future of work is currently causing a great deal of discussion and uproar about a new era of efficiency, and whether AI is going to replace human work. On the other side, people easily think that AI will not affect their work, so they do not need to learn about it. Thus, Russell and Norvig (2021) claim that automation is already changing the way people work and as a society, we will have to deal with these changes. Additionally, the change AI brings is argued to affect everyone. The scale of the new era or revolution has been compared to industrialization, but now the change is happening on a very fast schedule. However, AI raises ethical, social and economic questions that require careful consideration (Russell & Norvig, 2021, p. 50).

Aloisi and De Stefano (2022) claim that “efforts to guess the exact nature of the next technological advance are doomed to fail”. They continue expressing it is almost impossible to forecast what skills will be needed in the future, given how little is known about what advanced workforce markets are going to look like. There is research done about what work tasks or roles might disappear, but little or no idea what might arise (Aloisi & De Stefano, 2022, p. 169). It is important to stay up to date with the latest developments in AI research as it is constantly evolving.

The trends discussed in HRM literature highlight significant shifts in the workplace landscape, including the rise of remote work and flexible scheduling, increased focus on employee well-being. The focus is more on people-oriented HRM like employee voice and work–family balance, suggesting that organizations consider people as a source of competitive advantage. Closely related to these areas is the impact of AI and automation on work roles. Understanding these trends is crucial for addressing the central challenge of preparing for the future of work. These changes emphasize the vital role of Human Resource Management (HRM). This thesis aims to provide insights into navigating these changes and empowering organizations to succeed in an uncertain environment. This study explores the emerging domain of generative AI to develop people-centric practices and processes that enhance organizational productivity.

1.1 Research Question and Objectives

The research question of this Master's thesis is: *How Artificial Intelligence (AI) can be utilized in Human Resource Management (HRM) and how can companies ensure the adoption of AI in the organization.* The main research question will be divided into four sub-questions:

1. What are some challenges and opportunities in application of AI-based tools and programs in HRM practices?
2. What are the specific tasks within HRM that AI could potentially replace or collaborate with humans?
3. How can organizations address the emerging challenges and to apply opportunities created through the application of AI (in HRM)?
4. How can organizations capture the full potential of AI, and what practical guidance can be recommended to ensure successful implementation and utilization of AI technologies?

When considering the scope, the author concluded that Finnish organizations provide an ideal field for exploring the integration of AI and HRM, due to several key factors. Firstly, Finland's strong innovation culture and early adoption of technologies. Secondly, the country's highly regarded education system ensures a skilled workforce capable of leveraging AI in HRM initiatives. Additionally, the Finnish government's support for AI research and development fosters an environment conducive to innovative HRM practices. Lastly, Finland's socially progressive policies, particularly regarding work-life balance and employee well-being, offer valuable context for understanding how AI can support organizational effectiveness in HRM (Microsoft, 2024a).

To contextualize the HRM discussion, it is essential to explore current HRM trends pertinent to this thesis. Global HRM faced numerous challenges during the pandemic, particularly in areas like employee selection, training, leadership, and virtual collaboration

(Caligiuri et. al 2020). Modern HRM practices are increasingly focusing on enhancing employee experience, fostering diversity and inclusion, promoting remote and flexible work arrangements, and utilizing data analytics for informed decision-making (Caligiuri et. al 2020; Basu et. al 2023). Furthermore, the rising importance of upskilling and reskilling initiatives is transforming the HRM landscape (da Silva et. al 2022). By examining these trends alongside AI integration, this thesis seeks to address the uncertainty surrounding the future of work, thereby contributing to a comprehensive understanding of how organizations can prepare for and navigate the evolving HRM landscape.

Human Resource Management (HRM) is vital for organizational success, and Artificial Intelligence (AI) has the potential to enhance its processes. This study aims to understand how AI can improve HRM efficiency and impact organizational outcomes. Given the intense competition among organizations, developing HRM capabilities is crucial for attracting and retaining top talent. AI can support HRM strategies, and this research aims to provide a deep understanding of how companies can leverage AI in HRM to gain a competitive advantage.

This Master's thesis will adopt a managerial perspective, primarily examining the impact of AI on HRM from the standpoint of organizational decision-making. It will focus on the following aspects of HRM: recruitment and selection, learning and development (L&D), and performance management. It will not extensively cover the perspectives of individual employees or other stakeholders outside the HR function. The study will primarily examine the current state of AI adoption in HRM, focusing on recent developments and trends in 2023 and 2024. Additionally, it will touch upon future issues such as the co-existence of human and AI interaction. This study aims to discover which fields AI has not yet been integrated into and why. By investigating the role of AI in HRM, this research aims to provide practical recommendations and guidelines for organizations to adopt and implement AI-based solutions successfully.

1.2 Human Resource Management (HRM)

Human Resource Management (HRM) is defined as a strategic approach to managing and developing an organization's human capital (Mello, 2018). HRM involves the acquisition, performance, development and management of an organization's workforce in order to achieve its goals and objectives. According to da Silva et. al (2022) it includes "all the techniques employed to manage people and keep them up to date, qualified, and aligned according to the expectations of stakeholders". In addition, there is focus on activities related to the professional qualification, learning, and training of individuals. da Silva et. al (2022) continue expressing that HRM includes outlining the organizational structure, improving communication, and developing ethical and social principles. Mello (2018) defines the main difference between human resources and strategic human resources as "human resources focus on the day-to-day management of employees, while strategic human resources focus on how employees can achieve the company's overall goals". Additionally, perhaps more significantly, to manage an organization's human assets requires considering employees as investments (Mello, 2018, p. 15).

Dave Ulrich (1998) has defined four primary roles for HRM: (1) strategic partner, (2) administration function management, (3) daily staff guidance, and (4) leading change and renewal. According to the model, HR professionals need to define their operational objectives, and they must develop the ability to operate both in an operational and strategic capacity, focusing on both long and short-term goals. Ulrich's (1998) model aims to integrate long-term strategic goals with daily operational activities while also linking HRM systems and interpersonal interactions. The goal is to ensure that the organization possesses the necessary capabilities to support its business strategy and maintain competitiveness in the future. Ulrich's (1998) model seeks to explore ways to enhance an organization's competitiveness.

Furthermore, within organizational operations, performance management, learning and development (L&D), and recruitment are interconnected elements (Mello, 2018;

Crawshaw, 2020; Garavan, 2020). Effective performance management serves as a mechanism for assessing current performance and identifying training needs (L&D) (Mello, 2018). Subsequently, these insights guide recruitment efforts aimed at securing talent that aligns closely with organizational goals. These functions collectively form integral parts of HRM's methodology for cultivating and enhancing human capital, facilitating the attainment of organizational objectives (Mello, 2018; Crawshaw, 2020; Garavan, 2020).

2.1.1 Performance Management

According to Mello (2018), performance management is an ongoing, continuous process that optimizes an individual's performance which aligns with organizational strategic goals. It involves setting clear performance expectations, providing ongoing feedback and coaching. Additionally, evaluating performance against established standards. In his research, Mello (2018) highlights the need for effective communication and collaboration between managers and employees to ensure mutual understanding of expectations, performance criteria, as well developmental opportunities.

Mello (2018) states, that organizations that wish to remain competitive must consider the types of employees they should hire. Additionally, the skills and knowledge these employees will need to ensure optimal performance over time. Mello (2018) holds the view that performance management systems can significantly impact organizational performance and processes. Nevertheless, there is not a singular, perfect approach to crafting and structuring an efficient performance management system.

Mello (2018, p. 454) states that organizations encounter various strategic decisions regarding how they evaluate performance and deliver feedback to their employees during the process. Moreover, while it is essential to tailor effective performance management systems to suit specific organizational circumstances, there are five principles that should be followed in every performance management system: (1) any feedback provided to employees should be specific rather than general, (2) feedback should only be provided from credible, trustworthy sources which have opportunity and background to make an assessment of performance, (3) feedback should be provided as soon as

possible after events, behaviors, or outcomes take place to be of maximum benefit, (4) performance measures should be based on clear, measurable goals, and (5) the process should involve a dialogue between the employee and the manager that addresses the most recent period and also plans for the future (Mello, 2018, p. 454).

2.1.2 Learning and Development

Crawshaw (2020, p. 268) defines learning as the intended outcome of training. Thus, training can be described as “planned instruction” with the objective of achieving learning to enhance performance or fulfill developmental requirements (Crawshaw, 2020, p. 268). Additionally, learning and development (L&D) is defined by Garavan (2020) as a practice in organizations worldwide consisting of a set of practices concerned with ensuring that organizations have knowledgeable, skilled and engaged employees who can contribute to the achievement of organizational objectives. It is a widely used practice where organizations invest a lot of money in training and development programs. Garavan (2020) argues that by doing this, they improve the knowledge and abilities of their employees, which ultimately leads to better performance for the organization (Garavan et al. 2020, p. 16).

An organization's strategy is a major factor within the organization itself that strongly affects Learning and Development (L&D). If Garavan's (2020) findings are accurate, L&D plays a crucial role in helping the organization reach its goals. Additionally, it is important for L&D efforts to be closely aligned with the overall strategy of the organization in order to successfully achieve those goals. L&D practices provide tools for building the skills and expertise employees need to support an organization's strategic objectives. Garavan's (2020) findings suggest that, when employees have the right Knowledge, Skills, and Abilities (KSAs), that align with the organization's strategic goals, they become valuable assets. This can contribute significantly to the organization's success. Research has underscored the importance of having the right mix of talent in achieving strategic objectives. Essentially, Garavan (2020) suggests L&D helps organizations cultivate strategic knowledge workers who are closely aligned with the organization's goals. These core

employees possess highly adaptable skills that are not only valuable to the organization but also make them highly sought after both within and outside the organization (Garavan, 2020).

Changes in the global business landscape will significantly impact the role of L&D in organizations. These changes encompass shifts in technology, the evolving nature of work, competitive dynamics, and generational shifts. L&D professionals are now expected to work within a global framework and provide learning and development programs to an international workforce. To excel in this context, practitioners must acquire the necessary skills and competencies. Furthermore, Garavan et al. (2020) argue that the way the learning process is perceived, and the learner's role is undergoing transformation: concepts such as lifelong learning and continuous self-directed learning are increasingly shaping how organizations approach L&D practices. Also, Crawshaw (2020, p. 268) states development to be achieved through the accomplishment of many different types of learning. Thus, it is a long-term process.

2.1.3 Recruitment and Selection

For Crawshaw (2020), recruitment means “the process of attracting people to join an organization”. Furthermore, selection is defined as a process of assessing people to determine their suitability to join an organization (Crawshaw, 2020, p. 200). Recruitment plays a vital role in strategic HRM. Crawshaw (2020) cites Breugh (2008), outlining the following key steps in recruitment activities. (1) Recruitment objectives involve identifying the specific recruitment needs, the types of individuals required, the timeline for the processes, and the desired levels of performance. Additionally, retention resulting from the recruitment process. (2) Strategy development means creating a recruitment strategy that answers crucial questions about who and where to recruit, how to reach the target audience, and what messages to convey during the recruitment process. (3) Recruitment activities is the phase of specific recruitment methods to attract potential candidates. It typically includes decisions about who will conduct the recruitment, whether

it will be outsourced. Additionally, the nature of the information to be conveyed, and the use of various media to reach potential candidates (Crawshaw, 2020, p. 201).

Crawshaw's (2020) study shows that the landscape of recruitment has undergone significant changes due to globalization and the advent of the internet. In the past, organizations primarily sought candidates for job openings from a limited geographical pool. Often within their local or national boundaries. However, the evidence from Crawshaw's (2020) study suggests that in today's globalized world, organizations operate on a global scale, facing international competition in global markets. Taken together, these results suggest that recognizing their competitive edge is built and sustained through their workforce. Organizations have increasingly aimed to attract suitable candidates from around the world by tapping into the much broader applicant pools. Ultimately, this is offered by online recruitment (Crawshaw, 2020, p. 202).

According to Crawshaw (2020) it is worthwhile considering the position of recruitment and selection alongside other core aspects of HRM. These results seem to suggest that there is a clear interface of recruitment and selection with training and learning, as well as with performance management. Recruitment and selection help to ensure that people are recruited with as well-developed competencies (Crawshaw, 2020, p. 202). Additionally, there is a strong possibility that the processes of performance management and training & learning help people to integrate into the organization. Moreover, to ultimately be effective (Crawshaw, 2020, p. 202).

1.3 Research Gap and Scope

Despite extensive research on AI and HRM, there is an absence of studies that specifically address the utilization of AI with a focus on recent developments and trends in 2023 and 2024 within HRM. Some researchers have suggested further studies specifically on this

topic. This gap in understanding how AI integration influences HRM practices and its implications for organizational success needs to be addressed.

Additionally, some studies have reported contradictory findings regarding the impact of AI on HRM. While some researchers have found that AI-driven evaluations enhance objectivity and accuracy, others have observed potential biases and limitations in AI algorithms, raising concerns about fairness and effectiveness (Cheng & Hackett, 2021). Understanding the reasons behind these discrepancies is essential for advancing knowledge in this area and ensuring the responsible implementation of AI technologies in HRM.

The majority of studies in the literature have focused on tech-savvy industries when exploring AI integration in HRM processes. However, there is limited research examining the implementation of AI in industries traditionally less inclined towards technological adoption. Exploring these alternative contexts could provide valuable insights into the generalizability of existing findings and shed light on the unique challenges and opportunities for AI implementation in diverse organizational settings.

Therefore, studying the effects of AI on HRM work in organizations is current for several reasons. AI can significantly alter job roles and tasks in various industries. It is essential to understand how these technological changes affect organizations. If work tasks change due to AI, it is vital for organizations to ensure that employees possess the necessary skills. The effective use of AI can enhance productivity across multiple sectors, helping organizations adapt to changes and discover new opportunities. The use of AI can present ethical challenges, making it crucial to investigate these effects for better regulations and guidelines.

Furthermore, HRM is a crucial component of organizational success. This research is necessary to understand how AI can increase the efficiency of HRM and impact organizational outcomes. AI has the potential to support HRM, and this research aims to gain a profound understanding of how organizations can leverage AI to gain a competitive

advantage. Given the fierce competition among organizations, developing HRM capabilities can help attract and retain top talent.

It is essential to understand how technological changes affect employees and alter job roles and tasks in various industries. The effective use of the latest technology trends can enhance productivity across multiple sectors (Basu, 2023; Budwar, 2023). Understanding this can help organizations adapt to changes and discover new opportunities and innovations (Basu, 2023; Budwar, 2023). As job tasks change due to technological advances, it is vital to ensure that employees possess the necessary skills. In this regard, HRM is at the forefront of facilitating these transitions.

Finland is among the most digital countries worldwide (European Commission, 2023). Some research stating, Finland to be the most digitalized country in Europe. For example, Finland ranks first in Digital Economy and Society Index (DESI) in 2022 (European Commission, 2023). Finland excels in several key sectors, notably artificial intelligence (AI), the Internet of Things (IoT), big data, virtual reality (VR), cybersecurity, and 5G. Finland can be viewed as a network of innovation, with the potential to identify relevant stakeholders in other countries as well. Moreover, Finland is leading efforts to set global standards for ethical and technical aspects of open data, showcasing its dedication to innovation and responsible data management (Pekkarinen et.al 2019). With a skilled workforce blending local talent and international expertise, Finland is said to stand out for its progressive stance on data, ensuring easy access, secure sharing, and privacy. At the heart of Finland's digital expertise lies its progressive approach to data, recognizing it as the cornerstone of digitalization.

Due to research findings mentioned above, Finnish companies were selected as the focus of this study. Additionally, the aim was to focus on Finnish companies that operate internationally. The author discovered that internationally operating companies are pioneers in the adoption of innovative business models (Voigt et. al. 2017), and this could include AI. The impacts of AI are assumed to be global, and international co-operation

can lead to the development of common standards and the resolution of shared challenges (CGI, 2023; Microsoft, 2023b). Therefore, there was a desire to understand how organizations adapt to international business challenges. This includes changes in markets, competitive advantages, and international regulations.

Additionally, there was an interest in exploring how HRM functions integrate and leverage AI on an international scale. To share best practices, the goal was to gather experiences from organizations, which operate in different countries. This could give valuable insights into the effective use of AI in multinational organizations. International companies are often at the forefront of monitoring and harnessing future trends. By studying internationally operating organizations experiences with using AI in HRM, one can gain foresight into the direction the industry is heading. The use of AI can present ethical challenges, such as discrimination and privacy issues. Therefore, investigating these effects is crucial for establishing better regulations and guidelines. Countries and organizations that harness the potential of AI and its innovations can become more competitive and achieve economic growth (CGI, 2023; Microsoft, 2023b; European Union; 2023).

1.4 Thesis Structure

This Master's thesis consists of five main parts. Firstly, in Chapter 1, background of the study is introduced, along with the research questions and objectives. In Chapter 2, theoretical aspects are presented, discussing relevant literature and theories related to Human Resource Management (HRM) and Artificial Intelligence (AI), and how they are connected. Chapter 3 explains the research methodology, focusing on qualitative analysis techniques. Chapter 4 presents the findings obtained from the analysis conducted in this thesis. Lastly, Chapter 5 summarizes the results of the qualitative analysis and provides practical applications and recommendations. It also discusses limitations and concludes the thesis. The references section follows to complete the structure.

Due to the fact that HRM is a wide field, research area will be narrowed. The theoretical framework will introduce HRM, performance management, learning and development (L&D) and recruitment and selection. In addition, the term Artificial Intelligence (AI) will be presented to describe a wide range of ideas and concepts related to the development of machines. These definitions will include software programs which can perform tasks that typically require human intelligence, such as perception, reasoning, problem-solving and language understanding (Russell & Norvig, 2021, p. 20).

Theoretical framework will also focus on Barney's (1991) Resource-Based theory (RBT). The RBV is chosen as the theoretical framework for this thesis because it emphasizes the importance of an organization's internal resources and capabilities as sources of sustained competitive advantage. This perspective is particularly relevant in the context of AI in HRM, as AI technologies can significantly enhance the management and utilization of these resources. According to Barney (1991) a valuable resource is "unique amongst both current and potential competitors". According to RBV, organizations possess unique sets of specialized knowledge, capabilities, and resources that are crucial for their success. Knowledge Based View (KBV), a refinement of RBV, further highlights the centrality of knowledge as the primary asset within organizations, owned and utilized by employees. AI could have a role in enhancing the management and deployment of these knowledge assets by facilitating more efficient knowledge management processes. However, human resources are the ones who create, share, and use knowledge.

2 Literature Review

The purpose of a literature review is to explore, summarize, compare, and critically analyze what has been written by other researchers about the topic (Kovalainen & Eriksson, 2015 p. 48). By doing so, the ultimate goal of a literature review is to establish a foundation of knowledge, identify gaps in existing research, and inform the direction and focus of the current study (Kovalainen & Eriksson, 2015 p. 48). Therefore, the next chapter describes Human Resource Management (HRM) and Artificial Intelligence (AI) as a field of science, and phenomenon. Additionally, most central key terms, definitions and concepts are defined. Ultimately, this section serves the purpose of providing a conceptual foundation for understanding the research topic based on previous literature.

2.1 Artificial Intelligence (AI)

Russell and Norvig (2021) describe, that in the history of intelligence research, different approaches have been taken to define and understand it. Philosophers dating back to 400 BCE paved the way for the concept of AI by proposing that the human mind shares similarities with a machine; it functions on knowledge encoded in some internal language, and uses thinking to make decisions about actions (Russell & Norvig, 2021, p. 53). Some researchers have measured intelligence by comparing it to human abilities. Others have embraced a more abstract concept of rationality, emphasizing the idea of AI systems making optimal decisions (Russell & Norvig, 2021, p. 21). Moreover, as Russell and Norvig (2022) suggest, the subject matter itself has been a point of variation. With some focusing on internal cognitive processes, such as thinking and reasoning, while others emphasize external intelligent behaviors displayed by AI systems.

In essence, the standard model of AI revolves around the idea of creating intelligent agents that make rational decisions. These agents aim to take the best possible actions in various situations. However, there are a couple of important nuances to this concept. Firstly, the computational limitations inherent in decision-making hinder any agent,

whether human or artificial, from always selecting the most rational actions. Secondly, the notion of machines pursuing specific objectives must evolve into machines pursuing objectives which benefit humanity, even though they might not be entirely certain about what those objectives should be.

Russell and Norvig (2020) state that the development of AI has witnessed cycles of progress and overenthusiasm followed by disillusionment and reduced financial funding. Also, periods of innovation: new, creative approaches emerging, and the refinement of the best methods. AI has significantly matured over the years, both in theory and practice. It transitioned from Boolean logic to probabilistic reasoning and from hand-crafted knowledge to data-driven machine learning (Russell & Norvig, 2022, p. 53). Russell and Norvig (2022) state that these developments have enhanced the capabilities of real AI systems and fostered integration with other disciplines.

AI is said to be one of the most significant phenomena in business during the 2010's, and its importance is unlikely to diminish in the coming years (Microsoft, 2023b ; CGI, 2023). While the potential of AI has been recognized for a long time, rapidly advancing technologies and successful case studies have convinced organization leaders that AI can indeed be effectively employed for the benefit of their companies. It is said, organizations that have placed a strong emphasis on AI and advanced analytics are consistently among the top performers. Growing competition and the need for greater efficiency are adding pressure to adopt AI across all businesses (CGI, 2023).

"The development of AI is as fundamental as the creation of the microprocessor, the personal computer, the Internet, and the mobile phone. It will change the way people work, learn, travel, get health care, and communicate with each other" (Bill Gates, 2022).

It is said, the world changed irreversibly in November 2022 when OpenAI made the ChatGPT Artificial Intelligence bot available to everyone. Progress in AI has gained exceptional attention, and become widely recognized among the general public. New AI-solutions are emerging daily. The widespread integration of AI into everyday life and its rapid increase in accessibility signify a massive transformation. Technologies like ChatGPT,

Midjourney, DALL-E, and similar AI applications have recently made a significant shift from being primarily used by engineers to becoming an integral part of ordinary people's daily routines.

“AI will not take a pause, and neither can organizations. Rapid advances in AI require the development of a repeatable, ongoing and adaptive AI strategy” CGI (2023).

With AI systems being applied in real-world scenarios, it is now imperative to consider a wide range of risks and ethical implications associated with their use. Looking ahead, a major challenge is the potential emergence of superintelligent AI systems with unpredictable behaviors. Addressing this challenge, Russell and Norvig (2022) note this may require a fundamental rethinking of concept of AI.

2.2 Definitions

To ensure a comprehensive understanding, the following paragraph focuses on the development of Artificial Intelligence (AI), its history, and present through key concepts. One of the most important sources used is the book "Artificial Intelligence: A Modern Approach" by Russell and Norvig (2021), which represents the results of decades of AI research. Following definitions help the reader understand the specific meanings of terms used, elucidating how these concepts relate to prior research and their relevance in previous studies. As it best, this understanding ensures that the reader can follow the arguments effectively throughout the entire thesis and provides a reference point to which they can return if necessary. To summarize, defining concepts helps the reader grasp the context of the thesis and establishes a solid foundation for understanding the research (Eriksson & Kovalainen, 2015). It also ensures that the terms used are consistent and precise, thereby enhancing the reliability and credibility of the study (Puusa & Juuti, 2020).

An agent is something that acts, derived from the Latin “agere” meaning “to do”. While all computer programs perform tasks, computer agents operate autonomously, perceive their environment, persist over time, adapt to changes, and pursue goals (Russell &

Norvig, 2021, p. 21). A rational agent aims to achieve the best outcome or the best expected outcome under uncertainty (Russell & Norvig, 2021, p. 21). AI focuses on creating agents that act according to their given objectives (Russell & Norvig, 2021, p. 22). **An algorithm** is a set of instructions for a machine, and in AI, autonomy means performing tasks without human input. **A model** is a general term for an AI product (Russell & Norvig, 2021, p. 21).

Bias refers to generalizations AI might make. It can enter an AI system either through human biases present in its algorithm programming or through systemic prejudices, that spread due to flawed assumptions in the machine learning process. Biased decision making can result in decisions that are biased by race, gender, or other protected categories. Often, the data itself reflect pervasive bias in society (Russell & Norvig, 2021, p. 49).

Data analytics employs AI and other methods to analyze and interpret large volumes of data, aiming to discover meaningful patterns, make predictions, and derive new information (Russell & Norvig, 2021, p. 21). When data collections become too extensive for human comprehension, they are referred to as **big data** (Russell & Norvig, 2021, p. 44).

“Remarkable advances in computing power and the creation of the World Wide Web have facilitated the creation of very large data sets—a phenomenon sometimes known as big data. These data sets include trillions of words of text, billions of images, and billions of hours of speech and video, as well as vast amounts of genomic data, vehicle tracking data, clickstream data, social network data, and so on.” (Russell & Norvig, 2021, p. 43).

In the era of IT technologies, globalization, artificial intelligence, and Industry 4.0, data is one of the most valuable assets for companies (Falát et. al, 2023). The ability to use data and derive meaningful insights from it will be among the most coveted skills in the future. Data frequently offers a competitive edge for businesses or organizations, enhancing value and providing deeper insights (Falát et. al, 2023).

A chatbot is defined as a program that communicates with people through text, voice, or other means. AI-based chatbots are designed to simulate human interaction and enhance the user experience (Kajaani University of Applied Sciences, 2023; Microsoft, 2023b).

Digitalization, also referred to *digital transformation*, is the use of digital technologies to modify or create new organizational processes, culture, business models and experiences. It is said, digitalization has the potential to enhance profitability for businesses and public institutions while concurrently lowering operational costs.

Generative AI is a form of artificial intelligence that goes beyond recognizing existing content by generating new material based on patterns learned from its training data (Russell & Norvig, 2021, p. 827). Gen AI's models are designed to understand the underlying structures and characteristics of the data they have been trained on. These models learn to generate new examples that align with those patterns and characteristics. This can include generating models, which can produce realistic text, images, audio, and video (Russell & Norvig, 2021, p. 827). **Chat GPT** is a Large Language Model (LLM) trained on OpenAI's vast dataset from the open internet, excluding countries such as China, Russia, and Iran. GPT stands for *Generative Pre-trained Transformer*, meaning a word-generating machine guided by prompts to determine its direction. Responses from ChatGPT may either align with factual information or include speculative content: in other words, it can be true or hallucinated. Verification of accuracy is challenging as supporting sources or links are not provided (Pietikäinen & Silvén, 2023, p. 167)

Industry 4.0 is defined as *the fourth industrial revolution*, where manufacturing and business models in industry are transformed by digitization, leveraging new technologies (Saarela, n.d.). It encompasses various technologies AI, cloud computing, big data, the IoT (Internet of Things), smart sensors, augmented reality, advanced analytics, 3D printing, robotics, and automation. In Industry 4.0, factories aim to utilize smart technology and data to enhance efficiency, flexibility, productivity, and sustainability. Beyond technological advancements, it involves strategic business adaptation to gain competitive advantages. This revolution enables personalized product offerings through flexible production methods, fundamentally transforming business models (Saarela, n.d.)

Machine learning is an approach to implementing AI, allowing systems to learn and improve their performance based on experience without explicit programming. It relies on

statistical models and algorithms (Russell & Norvig, 2021, p. 20). In other words, when a computer observes data, builds a model, and uses it to solve problems, it is referred to machine learning (Russell & Norvig, 2021, p. 22). **Deep learning** is a branch of machine learning that uses artificial neural networks to process information, leveraging multiple layers to learn hierarchical features from complex datasets (Russell & Norvig, 2021, p. 43).

Neural networks are mathematical models inspired by the human brain's functioning that consist of interconnected units (neurons) with weighted connections (Russell & Norvig, 2021, p. 42). Neural networks can learn patterns, perform classification, and make predictions (Russell & Norvig, 2021, p. 42). Neural networks are used in image recognition, natural language translation, and speech to text applications. **Deep neural networks** are defined as a construction of multiple layers of neural networks that also transfer data and communicate.

Natural language processing (NLP) is the capability of AI to understand and generate human language. It uses machine learning and deep learning techniques to process, analyze, and interpret written or spoken language (Russell & Norvig, 2021, p. 874). According to Russell and Norvig (2021) there are three primary reasons for computers to do natural language processing: to communicate with humans, to learn and to advance scientific understanding. It is used, for example, in machine translation, chatbots, and voice commands.

Reinforcement learning is a subfield of machine learning where an AI agent learns to interact with its environment as it receives rewards or punishments based on its performance in each task, and seeks to maximize the rewards (Russell & Norvig, 2021, p. 840). Alan Turing proposed the **Turing test** in 1950 as a measure of machine intelligence. It focuses on performance in open-ended behavioral tasks rather than philosophical debates. Turing suggested that instead of asking whether machines can think, people should ask whether machines can pass a behavioral test (Russell & Norvig, 2021, p. 1039).

Artificial Intelligence is commonly categorized into three distinct levels of capability: weak AI, strong AI, or super AI (Pietikäinen & Silvén, 2023, p. 18). **Weak or narrow AI** refers to systems designed for specific tasks with precise details and the idea that machines could act as if they were intelligent (Russell & Norvig, 2021, p. 1032). For example, AI programs created for playing board games like chess fall into this category (Russell & Norvig, 2021, p. 1032). To conclude, weak AI is designed for specific tasks and does not possess general intelligence. **Strong or General AI** is claimed to possess human-like skills, awareness of the outside world, and of the self, as well the subjective experience of living (Russell & Norvig, 2021, p. 1036). In addition, philosophers suggest that these machines could be considered as possessing real minds capable of carrying out activities such as deduction, resolving problems, and making context-based decisions (Russell & Norvig, 2021, p. 1056). **Super AI** refers to artificial intelligence that surpasses human capabilities, enabling self-improvement and for example, solving complex global issues (Russell & Norvig, 2021, p. 1056). If a machine exhibits super AI, it surpasses the intelligence levels of the most brilliant and skilled human individuals. This could arise from an "intelligence explosion" or "technological singularity." (Pietikäinen & Silvén, 2023, p. 18).

If a human were to develop a system smarter than themselves, theoretically, the system could continue to develop an even smarter system, and rapidly recurring development cycles would accelerate change so quickly that we would have no way of anticipating the future (CGI, 2023).

There is a fear, expressed by technologists such as Bill Gates and Elon Musk and scientists such as Stephen Hawking and Martin Rees that "AI could evolve out of control" (Russell & Norvig, 2021, p. 1056). For now, super AI does not exist.

AI **Prompt Writing** (or engineering) is defined as the process of creating input, usually text, instructing the Gen AI to generate the desired response (Microsoft, 2023). In other words, prompting is *the way to ask AI to do something*. Prompt can be a form of text, question, information, or coding. Something that communicates to AI what response a person is looking for (Microsoft, 2023). Adjusting how the prompt is phrased, AI can provide varying responses. Prompts are essential in guiding and instructing the actions LLMs

AI. Moreover, a well-crafted prompt helps the AI understand the user's intent and provides an appropriate response or result (Microsoft, 2023).

Popularized in 2021 by Meta's Mark Zuckerberg, the **Metaverse** is a digital replica of the world where people can interact, trade, and enjoy experiences without spatial or temporal constraints (Metaverse Initiative by Finnish Ecosystem, 2023). It serves as a virtual marketplace for a new digital economy, blending physical, digital, and augmented realities into a collective online space often called "cyberspace." Encompassing AR and VR technologies and accessible via various devices, the Metaverse is predicted to be the next major technology platform, potentially reaching a value of 8 to 13 trillion euros by 2030. Despite significant technical challenges, its development promises to create new business opportunities and transform the future digital landscape (Metaverse Initiative by Finnish Ecosystem, 2023).

Augmented AI is meant to improve and extend human decision making, rather than outright automate or replace it. The design pattern of augmented intelligence aims to establish a partnership model between humans and AI to enhance cognitive performance, including learning, decision-making, and new experiences. As a subset of AI, augmented intelligence leverages machine learning and deep learning to process data and assist humans in making decisions. The primary goal of this approach is to enhance and improve human intelligence and decision-making capabilities (Kejriwal, 2022 p. 76).

2.3 Ethics of AI

In addition to the growing trend of organizations worldwide embracing AI-powered smart tools and technologies, a key focus in existing research is to tackle the crucial issue of ethics (University of Helsinki, 2023). This includes responsibility, trust, equity, and the legal consequences associated with the utilization of AI-driven technologies and self-governing systems in work environments. The ethics of AI refers to the values that guide people, as intelligent technologies are developed. The examination is focused on how developers, manufacturers, authorities, and stakeholders should behave to minimize the

ethical risks that may arise in society due to either technology design, improper application, or intentional misuse of AI (University of Helsinki, 2023).

Given its multifaceted implications in the organizational context, the discussion of ethics merits its own distinct chapter in this thesis. With the rapid expansion of AI adoption, understanding and proactively addressing the ethical dimensions surrounding it becomes vital (European Commission, 2023; Microsoft, 2023). Furthermore, ethical considerations wield significant influence over an organization's reputation, stakeholder relations, and overall financial performance (Basu et. al 2023).

AI ethics is crucial in HRM for several reasons. Effective HRM aims for fair and equal treatment of all employees, but AI in recruitment and performance assessments can lead to discrimination if based on biased data (Basu, et. al. 2023; Chowdhury et. al. 2023). Ethical guidelines for AI are necessary to ensure fairness in HR processes and to foster trust between employees and the organization (European Commission, 2023a). Also, transparency about AI use and decision-making strengthens this trust. Organizations must demonstrate responsibility and ethics to avoid reputational damage and legal risks (Basu et al. 2023; Cappelli et.al 2019). Ethical AI use in HRM enhances the employee experience, creating a positive work environment where employees feel valued and fairly treated. Overall, it is stated that ethical AI in HRM ensures fair, transparent, and responsible practices. Ultimately, this improves employee trust and engagement.

“Artificial General Intelligence has the potential to benefit nearly every aspect of our lives—so it must be developed and deployed responsibly” (Open AI, 2023).

“AI systems are becoming a part of everyday life. The key is to ensure that these machines are aligned with human intentions and values” (Mira Murati, Chief Technology Officer at OpenAI, 2023)

There are different types of AI services that produce various types of content. The information produced is also different although they all rely on source data, recurring patterns, and logical connections. AI works on the basis of the prompts given to it. Therefore, it is worth remembering the possible gaps, distortions and bias in the materials produced by AI (Kajaani University of Applied Sciences and Microsoft, 2023). The information

produced by AI models may be biased and thus, misleading. In general, in the era of Gen AI, source criticism and media skills are needed (Kajaani University of Applied Sciences and Microsoft, 2023).

Deepfake is a combination of "deep learning" and "fake" (Kajaani University of Applied Sciences and Microsoft, 2023). It means a technique using AI and machine learning, for example to superimpose one person's face onto another person's body in a video so accurately that it cannot be distinguished from the original (Kajaani University of Applied Sciences and Microsoft, 2023). In some cases, AI produces a text and makes it look like a person on a video is speaking the very words. In addition, it is common to create convincing fake news or well-known persons in graphic or compromising videos they have never actually appeared in. Generative AI is commonly known versatile and powerful at editing and modifying already existing images and videos. Therefore, in advanced deep fakes, it might be almost impossible for the viewer to differentiate between authentic materials and the AI-produced ones (Kajaani University of Applied Sciences, Microsoft, 2023).

Because of the highly advanced models on which they are based, generative AI is said to be capable of expressing itself quite convincingly (Kajaani University of Applied Sciences and Microsoft, 2023). Thus, it is only a powerful calculator generating content according to its source data and training. Not all language models have access to Internet, which means their content can be outdated. Machine-like illogicality might also lead to difficult situations. For example, the output that seems convincing on the surface, can actually be suspicious in terms of **authenticity and accuracy** (Kajaani University of Applied Sciences and Microsoft, 2023).

The ownership of rights regarding the novel and the influential prompts primarily rests with the author. However, questions arise regarding whether AI should also be entitled to a share of these rights, particularly for scientists involved in its development. Training AI raises significant concerns about **intellectual property rights and immaterial rights**. For instance, using copyrighted content during the model's development raises ethical

questions, as does the creation of art in a distinct style without acknowledging the original artist (Kajaani University of Applied Sciences and Microsoft, 2023).

In the 2020s, the majority of personal and organizational information sharing occurs digitally through interconnected channels (Kajaani University of Applied Sciences and Microsoft, 2023). As organizations access more personal data from customers, establishing standards and protocols to safeguard privacy and mitigate risks becomes crucial. AI technology presents significant advantages but also carries the risk of misuse. **GDPR, the General Data Protection Regulation**, is a law governing personal data processing, enforced across all EU countries since 2018 (European Union, 2023a). Advanced machines collecting large amounts of data and monitoring human behavior present challenges to privacy and data protection (European Union, 2023a).

The European approach to **trustworthy AI** involves consistent application of new rules across Member States using a risk-based strategy (European Commission, 2023b). AI systems are classified into (1) minimal risk, (2) high risk, and (3) unacceptable risk, each with specific requirements. High-risk AI, such as in critical infrastructures or biometric identification, must meet stringent regulations (European Commission, 2023b). Unacceptable risk AI that threatens fundamental rights will be banned. The framework includes transparency measures, fines for non-compliance, and governance at national and European levels. Specific rules for general-purpose AI models emphasize transparency, risk management, and incident monitoring. These rules are enforced through codes of practice and overseen by national and European authorities (European Commission, 2023b).

The EU Act sets the framework for the use of artificial intelligence in Europe. Commissioner Thierry Breton (2023) describes it “more than just a set of rules”; a landmark agreement that establishes clear regulations for the use of AI in the European Union”. It is emphasized, that the EU Act signifies not only the conclusion of a regulatory framework but also the commencement of a new era in responsible and innovative AI development (European Union, 2023). According to Breton (2023), the Act is anticipated “to

serve as a catalyst for growth and innovation, positioning Europe at the forefront of AI advancements”.

AI governance can be defined as the practices for keeping AI under control. It is the process of ensuring that AI use is not only productive but also safe and ethical. Additionally, it is a set of principles, policies and regulations applied for development, deployment, and use of AI systems. The goal is to minimize risks in a way, people can enjoy the benefits of AI in a responsible and low-risk way. In addition, consider all relevant angles for making the AI ethical, safe and trustworthy as well, being productive. Good practice includes also transparent communication (European Commission, 2019c).

Trustworthy AI consists of three key elements: (1) it must be legal, meaning it adheres to all relevant laws and regulations, (2) it should be ethical, showing respect for and upholding ethical principles and values, and (3) it should be resilient, both in terms of its technical capabilities and its societal impact (European Commission, 2019c). AI systems, even with good intentions, can unintentionally cause harm. Trustworthy AI does not only concern the trustworthiness of the AI system itself. It also encompasses the trustworthiness of all the processes and individuals involved throughout the AI system's lifecycle (European Commission, 2019c).

2.4 AI and HRM

In the past, HR was often seen as one of the business functions that relied the least on data-driven approaches. However, the introduction of big data and associated algorithms has brought about a significant transformation in the field of HR. Notable tech companies Google, Microsoft, IBM, and LinkedIn have already introduced software or platforms designed for evaluating HRM practices. Their results cover aspects like recruitment, compensation, employee engagement, and turnover management (Cheng & Hackett, 2021).

The existing literature has asserted and delineated some advantages associated with the integration of AI. Chowdhury et al. (2023) note examples like (1) enhancement of business efficiency by optimizing operational processes and resources, (2) the transformation or restructuring of business models, (3) data-driven decision-making facilitated by predictive intelligence, (4) cost reduction, (5) improved employee experiences, job satisfaction, and (6) customer service. As a result of these areas, AI-powered solutions have gained traction across various HRM sub-functions, such as talent acquisition, employee training and development, and performance assessment. Within this context, recent reviews have elaborated on the role of AI in facilitating HR analytics and its potential influence on HRM processes and methodologies (Chowdhury et al, 2023).

Nevertheless, Chowdhury et al. (2023) research highlights that the expected increase in AI integration within companies has encountered significant challenges. To begin with, due to the existing organizational infrastructure, the quest for the ideal system has been an enduring issue. Secondly, employees who view AI systems as contenders for corporate resources are prone to resist their implementation. What is even more critical, is the growing capabilities of AI in analytical and cognitive tasks, which is predicted to confine human workers to an increasingly specialized realm of interpersonal and empathetic responsibilities (Chowdhury et al., 2023).

“As companies begin to test the waters and experiment with cognitive tools, they face significant obstacles in development and implementation.” (Cappelli et.al, 2019).

In 2019 Cappelli et.al proposed that implementing general-purpose AI in any area of human activity is still a distant possibility. On the other hand, the speed of progress towards specialized AI systems in health care, automobile industry, social media, advertising and marketing has been considerable. Their research shows that far less progress has been made in issues around the management of employees on the first step of the AI path. Cappelli et.al (2019) identify four reasons why: complexity of HR phenomena, data

challenges from HR operations, fairness and legal constraints, and employee reactions to AI-management.

A significant concern regarding cognitive technologies is the potential for job displacement. According to Davenport and Ronanki (2018), there is a likelihood of some job displacement as intelligent machines take on specific tasks that have traditionally been carried out by humans. However, most of the research indicates that the majority of workers do not need to be overly concerned. This is due to the fact that cognitive systems handle specific tasks rather than entire job roles. The observed reductions in human employment are primarily a result of natural attrition or the automation of outsourced functions that were not replaced. Currently, most cognitive tasks either complement human work, focus on a narrow aspect within a broader job, or involve tasks that were never originally performed by humans, such as extensive data analysis.

However, depending solely on this technology comes with limitations, which Dave Ulrich (2023) names four: (1) it focuses on the past more than the future: AI relies on existing internet information and can provide reliable and relevant answers based on historical data. However, it lacks the ability to forecast future possibilities. Ulrich (2023) compares it to GPS that can guide people to a destination but cannot help in the decision where to go. (2) Offers a standard rather than guidance: ChatGPT's essay insights could become a widely accepted standard for HR thinking. Yet, Ulrich (2023) notes that true success often involves being a pioneer and offering unique perspectives, which AI cannot provide: it can summarize existing knowledge but cannot offer tailored guidance for organization. (3) Provides generic rather than specific responses: Ulrich (2023) notes that AI-generated responses tend to be broad. While it can categorize topics like technology, diversity, and inclusion, the real value lies in specific insights that explain why things happen, backed by research and tailored to unique circumstances. AI's generic essays may not offer this level of specificity. (4) Offers thought synthesis, not thought leadership: according to Ulrich (2023) thought leadership involves creating the future, discovering new opportunities, and providing expertise based on research, rather than rehashing existing ideas. AI may encourage intellectual laziness by recycling previous work instead of generating new,

innovative ideas. Ulrich (2023) concludes that while AI holds great potential and will likely find applications in college essays, internet searches, and basic HR tasks, it may be useful but not sufficient for HR to gain a competitive edge in the future.

Basu et.al (2023) note that personal assistants such as Cortana, smart home devices like Alexa, and organizational communication tools like Chatbots offer improved effectiveness and user convenience. Organizations are also recognizing the efficiency benefits achieved by using AI systems in various applications and more advanced decision-making processes.

“We believe that every large company should be exploring cognitive technologies. There will be some bumps in the road, and there is no room for complacency on issues of workforce displacement and the ethics of smart machines. But with the right planning and development, cognitive technology could usher in a golden age of productivity, work satisfaction, and prosperity” (Davenport & Ronanki, 2018).

Organizations encounter challenges when attempting to integrate AI into their operational frameworks and technology, which can act as a barrier to the adoption of AI. Davenport and Ronanki (2018) consider the gap between the promise and reality of AI in HRM and suggest how progress should be made. To get the most out of AI, they encourage organizations to understand which technologies perform what types of tasks, create a prioritized portfolio of projects based on business needs, and develop plans to scale up across the company. They encourage a slow but incremental adaptation to the possibilities of AI. Davenport’s and Ronanki’s research (2018) provide a four-step program for developing AI in organizations:

- (1) Before initiating an AI project, companies must thoroughly understand the various AI technologies, their capabilities, and limitations to ensure successful outcomes. This involves investing in the right capabilities and leveraging the expertise of key employees, such as data scientists, who possess essential statistical and big-data skills. Employee willingness to learn and adapt to new tools is crucial for the success of AI initiatives. If a company lacks in-house data science or analytics capabilities, partnering with external service providers may be necessary initially, but recruiting in-house experts is imperative for long-term projects. Due

to the limited availability of AI experts, organizations should establish a centralized pool of resources within functions like IT or strategy to support high-priority projects. As AI needs grow, dedicated groups for specific business functions may be established, with a central coordinating function to manage projects and careers effectively. Ongoing research and education within IT or innovation teams are essential for maintaining this understanding.

- (2) Creating a portfolio of projects means evaluating an organization's needs and developing a portfolio of projects. This should be done in areas that can benefit most from cognitive technologies.
- (3) Launching pilots starts from creating pilot projects for cognitive applications before introducing them throughout the organization.
- (4) Scaling up, which means facilitating collaboration between technology experts and business process owners to take cognitive to the next level. In scaling up, organizations may face substantial change-management challenges.

“We believe that companies that are adopting AI in moderation now— and have aggressive implementation plans for the future—will find themselves as well positioned to reap benefits as those that embraced analytics early on.” (Davenport & Ronanki, 2018)

Chowdhury et.al's (2023) findings show that organizations must shift their focus away from technical resources and prioritize the development of non-technical aspects. This includes human skills and capabilities, effective leadership and team collaboration. Additionally, organizational culture that encourages innovation and strategies for integrating AI with employees. These factors are crucial for realizing the advantages of AI adoption.

Based on the report, organizations that succeed in AI implementation are predicted to invest significantly more in reskilling compared to other organizations. Respondents from these high-performing companies are more than three times as likely as respondents from other companies to state that their organizations will provide reskilling to over 30 percent of their workforces in the next three years due to AI adoption (McKinsey & Company, 2023).

Dave Ulrich (2023) proposes that AI like ChatGPT has great potential and can be used for basic HR work. However, he states that it alone will not provide HR with a significant advantage in the future.

“Very impressive. Like a tailored Wikipedia and an advanced Google search, this essay offers an astute and able overview of the future HR agenda. Using ChatGPT could be useful for almost any written document provided by HR : policies, training manuals, communications, speeches, presentations, social media, letters to employees, and so forth.” (Dave Ulrich, 2023)

According to Ulrich (2023), the future of HR is about creating value in the market with key stakeholders. Therefore, HR activities should be connected to the value they bring to others. To shape HR's future effectively, a comprehensive framework is needed. One that organizes various HR practices and tools. This framework evolves from administrative tasks to focusing on employee experience, talent, leadership, and organizational aspects, all aligned with creating stakeholder value. Ulrich (2023) explains that to succeed in HR's future, the right HR initiatives must be chosen: the ones that deliver value to a specific organization. This requires an organization guidance system (OGS) and can be aided by AI and NLP research linking HR investments to stakeholder value through analytics.

Ulrich (2023) states that in the future, HR will involve more transparency and communication. According to him, this is done together with investors, customers, boards, senior executives, and employees to demonstrate the importance of human capability in achieving financial and strategic goals. Ulrich (2023) concludes that, ultimately, the future of HR depends on the creative thinking of individuals who identify and solve unique challenges that have not been discussed before.

“Envisioning the potential of new AI technology like ChatGPT to improve our personal and professional lives is exciting. But helping business and HR leaders integrate this technology with thought leadership so that they will craft human capabilities (talent, leadership, organization, and HR) that deliver value to all stakeholders is more exciting. The best is yet ahead.” Dave Ulrich (2023)

According to McKinsey & Company's report (2023), when considering the next three years, survey participants expect that the integration of AI will bring significant changes

in various job roles. In general, they foresee a higher number of employees undergoing reskilling rather than being laid off. Nearly 40 percent of respondents who have implemented AI expect that over 20 percent of their company's employees will undergo re-skilling. In contrast, only 8 percent of respondents predict a reduction of more than 20 percent in the size of their workforces due to AI adoption (McKinsey & Company, 2023).

2.5 Resource Based View (RBV) and Knowledge Based View (KBV)

Budhwar et.al (2023) state that in the past, organizations have consistently aimed to gain a competitive edge by adopting new technology. Barney (1991) examines four practical signs that suggest whether an organization's resources can create a lasting competitive advantage. These indicators include: the value, rarity, ease of imitation, and potential substitutes for these resources. This model is used to assess how various resources within a company may contribute to maintaining a competitive edge over time (Barney, 1991; Budhwar et.al 2023).

Table 1. Resource-Based View, Barney (1991)

Indicator	Description
Value	Assess the extent to which a resource or capability adds value to the organization.
Rarity	Evaluate how uncommon or rare the resource is compared to competitors.
Ease of imitation	Examine the difficulty for competitors to replicate or imitate the resource.
Potential substitutes	Consider the availability of alternatives that can replace or diminish the resource.
Application in practice	Utilize the model to evaluate how various resources contribute to a competitive edge.

Additionally, Budhwar (2023) et.al describes that when viewed through the theoretical framework of the Knowledge-Based View (KBV), a subset of the Barney's (1991) Resource-Based View, it can be concluded that organizations have distinct sets of specialized knowledge, capabilities, and resources. In addition, to maximize their value, these assets need to be effectively managed and deployed in organizations, while also identifying and nurturing knowledge and resource growth for the future.

Unlike the Resource-Based View, which emphasizes a firm's capabilities as sources of competitive advantage, the Knowledge-Based View highlights the significance of knowledge within individual employees and the organization as a whole (Kaur, 2019). According to this perspective, knowledge is the organization's primary asset, owned and utilized exclusively by its employees. The Knowledge-Based View (KBV) assumes that while knowledge can be managed, it cannot be fully controlled (Kaur, 2019). Consequently, organizations should focus on managing their employees, knowledge, and skills, which can be achieved through effective human resource management practices. Additionally, effective knowledge management is crucial. Knowledge management encompasses processes and capabilities to handle knowledge efficiently (Kaur, 2019). Definitions of the knowledge management process vary, but Kaur (2019) describes it as "a set of processes aimed at the effective management and utilization of organizational knowledge to create value, enhance performance, and gain a strategic edge in the market." Four fundamental concepts in the knowledge process are creation, storage, transfer, and application.

3 Methodology

The following section will have the research approach and research design explained, along with an exploration of its relevance to this study. Additionally, the data collection method and the data analysis method will be presented. Finally, the credibility of the study will be discussed and reflected upon.

3.1 Research Approach

This thesis utilizes qualitative research methodology. The aim of the study is to examine the complex nature of AI, HRM and its impacts in organizations. The qualitative approach provides an opportunity to thoroughly investigate opinions, experiences, and interpretations on the topic, which yields valuable insights into the multidimensionality of the research question (Myers, 2019). Therefore, considering the context and theoretical perspectives of the study, qualitative research emerged as a suitable method to achieve these objectives and generate meaningful insights for the research field. Also, when examining opinions or experiences, interviews may be more suitable methods than quantitative surveys (Eriksson & Kovalainen, 2015; Myers, 2019).

Therefore, qualitative business research approach was chosen to get an opportunity to focus on the complexity of business-related phenomena, examine it from several different perspectives, resulting in a versatile and in-depth understanding of it (Eriksson & Kovalainen, 2015). Qualitative research can help explore personal experiences and feelings. Overall, qualitative research can help develop new theories or concepts that have not previously been identified or are inadequately understood (Eriksson & Kovalainen, 2015). This can lead to new ideas and innovations, which author found meaningful in the context of AI and HRM. Therefore, to answer the research questions, qualitative methods were utilized, including guided and semi-structured interviews with HR professionals in various industries and organizations in public and private sector. Interviewees included

supervisors, HR managers, specialists, and consultants to cover a wide range of perspectives on the use of AI in HRM.

Secondary data refers to data that already exists (Eriksson & Kovalainen, 2015, p. 82). It encompasses textual data that exists independently of specific collection activities. In this study, up-to-date, unbiased, reliable research articles, textbooks, and other academic publications by professionals in the field, were utilized. The combined utilization of interview data, website information, and documentation ensures a comprehensive depiction of the study findings (Eriksson & Kovalainen, 2015).

3.2 Research Design

Knowledge of methods helps to approach the available information critically, which is particularly important in the era of global information dissemination (Puusa & Juuti, 2020). This study aimed to produce interview data that allows analyze narrative text. According to Eriksson and Kovalainen (2015), using guided and semi-structured interview gives the interviewees an opportunity to describe their experiences rather freely. Pre-designed outline of topics and themes are used in this study. This gave an advantage to use comprehensive materials while the tone of the interview being informal (Eriksson & Kovalainen, 2015). Assessment of qualitative research is an ongoing process that extends throughout the entire research journey, rather than being confined to its conclusion. This evaluation should be conducted while recognizing and considering the philosophical and methodological foundations that underlie the specific study (Eriksson & Kovalainen, 2015 p. 309).

In order to create a deeper understanding of the topic, a qualitative, abductive approach was used. Abductive research seeks to balance inductive and deductive approaches (Alvensson & Skoldberg, 2009). It engages with empirical data and existing theoretical understanding simultaneously. Alvensson and Skoldberg (2009) describe that by employing this method, researchers are guided by theoretical parameters, but remain open to

unexpected findings, aiming for logical and useful explanations rather than a single objective truth. Also, breakdowns between empirical data and theoretical expectations are examined, often revealing gaps in existing theories (Alvesson & Skoldberg, 2009). When faced with surprising data, one must creatively construct theories that better explain the empirical material. This process is recursive and iterative, leading to theoretical contributions with a degree of generalizability beyond individual contexts (Alvesson & Skoldberg, 2009). To summarize, the research process began by reviewing the literature in the field, in order to find a research gap. Thereafter, a collection of relevant literature was conducted which created a preliminary theory chapter. These theories also helped to shape the interview guide. Furthermore, the empirical material was collected and processed. In accordance with the empirical material, the chosen literatures were again revised to then be determined.

3.3 Data Collection Method

According to Eriksson and Kovalainen (2015), employing guided and semi-structured interviews allows interviewees to articulate their experiences with considerable freedom. This study will utilize a pre-designed outline of topics and themes, which offers the advantage of leveraging comprehensive materials while maintaining an informal tone (Eriksson & Kovalainen, 2015). The data will be drawn from thematic interviews conducted with seven HR professionals, enabling a nuanced exploration of their perspectives on AI adoption in HRM.

The author selected interviewees based on their positions and minimum three years of working experience, assuming they would offer valuable insights regarding the phenomenon under investigation the integration of AI into HRM. The selection process involved utilizing website information, and documentation to identify individuals with relevant expertise.

Interviewees were first contacted by the author through LinkedIn in December 2023. The interview framework (Appendix 1) was provided to the interviewees in advance via email, allowing them the opportunity to familiarize themselves with the questions beforehand

and prepare for the interview. The interviews were held between December 2023 and January 2024 via Teams offering a convenient platform for remote discussions.

The interview framework included seven sections, covering background information, opportunities, challenges, and practical guidance related to AI adoption in HRM, as well as ethical considerations and unexplored areas of AI integration. While the framework remained consistent for all interviewees, additional clarifying questions were tailored to individual responses to ensure depth and specificity in the discussions. The themes, although not directly drawn from the literature review, were shaped by theoretical frameworks. As the analysis progressed, these initial themes were refined and expanded to accurately capture the complexities observed in the data. Ultimately, the themes were grounded in the empirical findings rather than solely relying on existing literature.

Table 2. Interview Themes

Background Information	
Theme 1	Opportunities and Challenges or Concerns of AI in HRM
Theme 2	Tasks Replaced or Collaborated with AI in HRM, Changes AI May Create in HRM
Theme 3	Practical Guidance for AI Adoption in HRM
Theme 4	Ethical Considerations of AI
Theme 5	Current State and Future Trends in AI Adoption
Theme 6	Unexplored Areas of AI Integration

Utilizing question forms such as "what," "how," "by what means," and "what kind" guided respondents to elaborate on the desired topics extensively (Eriksson & Kovalainen, 2015). This approach aimed to capture diverse perspectives and generate rich qualitative data for analysis. However, conducting such interviews effectively, relies heavily on strong interpersonal skills to engage with and relate to the interviewee

(Eriksson & Kovalainen, p. 95). Recognizing this, the author of this thesis placed particular emphasis on developing and employing strong interpersonal skills during the interview process.

3.4 Data Analysis

Data analysis began concurrently with data collection, allowing for iterative interpretation and observation of emerging themes. The qualitative data analysis process, as outlined by Puusa and Juuti (2020), involved various stages overlapping with data collection. The goal was to clarify collected data and generate new insights into the phenomenon under study.

Thematization and typification were chosen as the primary approaches for data analysis, in alignment with Eriksson and Kovalainen's (2015) methodology. Thematization aimed to categorize observations based on similarity, identifying common features and patterns within the dataset. Typification involved grouping data based on similarities and differences, emphasizing the analysis of variations to enrich content understanding.

The analysis commenced with a comprehensive review of the entire dataset, interview by interview, to gain a preliminary overview. Data categorization according to interview questions facilitated collective analysis, allowing for the identification of both predefined and emergent themes. As suggested by Eriksson and Kovalainen (2015), thematization was guided by research questions and aimed to provide interpretations of the phenomenon under study, ensuring alignment with the study's objectives.

The author of the thesis recorded the interview sessions using the Microsoft Teams platform and mobile phone recorder. After the interviews, the collected data was processed appropriately. Recorded interviews were transcribed, and each response was categorized under its corresponding question to facilitate the analysis phase. Transcription involved removing repetitions of individual words and other irrelevant filler words to facilitate reading and analysis. A total of 7 hours and 27 minutes of recorded interview material and 97 pages of transcribed data was generated. Five of the interviews were

conducted in Finnish and two in English. Whole interview material was translated to English after transcribing the recordings. Due to anonymity requests, the interviewees of this research will not be presented by name nor organization.

Thematization and typification were chosen as the approaches for data analysis to identify similarities and differences in the data (Eriksson & Kovalainen, 2015, p. 210). Thematization aims to categorize observations based on their similarity and identify common features in the data. Themes in thematization can be preconceived or emerge during data collection or analysis.

Additionally, all qualitative researchers need to do some kind of coding (Eriksson & Kovalainen p. 208). Code can be a word that is used to describe or summarize a sentence, a paragraph or even a whole piece of text such as an interview (Eriksson & Kovalainen p. 208). Typification involves grouping the data based on similarities or differences (Eriksson & Kovalainen, 2015). In this study, emphasis is placed on analyzing differences and variations. Analyzing differences is as crucial as similarities, as it helps structure similarities and enriches the content of the analysis (Puusa & Juuti, 2020).

Furthermore, the potential for using AI and machine learning is immense, offering new opportunities for data processing. Consequently, alongside the aforementioned data analyzing processes, the author implemented a new approach and utilized Open AI's Chat GPT 4o- model in Table 6. "AI utilized in HRM; summary of results", which was created by using Chat GPT. The interview data was inputted into Chat GPT and using the prompt "create a table using the following interview data: --," the results were compiled. The author of the thesis notes, that ChatGPT was used in the analysis of results only in the aforementioned section. Therefore, ChatGPT was involved only in a specific, clearly defined part of the analysis.

3.5 Reliability of the study

Eriksson and Kovalainen's (2015) state, that "in qualitative research, the researcher's journey is not a predetermined path: it is a process of reflection and engagement". In

assessing the reliability of the study, certain characteristics of the research need to be considered. Reliability serves as a foundational concept in quantitative research, providing researchers with insights into the consistency and replicability of their findings (Eriksson & Kovalainen p. 305). In this study, reliability can be demonstrated through methodological rigor and transparency in data collection and analysis processes. To ensure reliability, standardized interview protocols and systematic data coding procedures were employed. Detailed documentation of the research process, including data collection methods, analytical decisions, and any modifications made during the study, enhances the transparency and reproducibility of findings. Additionally, the reliability of the study is supported by the selection of experienced organizations and professional in the HRM field. Thus, the selection of interviewees was challenging due to contact and scheduling issues, resulting in the exclusion of a few potential organizations and HR professionals.

In this study, reflexivity is a fundamental principle guiding the research process, emphasizing the critical examination of the researcher's role and its impact on research outcomes (Eriksson & Kovalainen, 2015). Reflexivity acknowledges the inherent subjectivity of the researcher, highlighting how personal experiences, biases, and preconceptions can shape the research process and findings (Puusa & Juuti, 2020). By practicing reflexivity, the study aims to enhance transparency, leading to a deeper understanding of the interaction between AI and HRM. Integrating reflexivity at every stage—from formulating research questions to data collection, analysis, and interpretation—ensures a thorough and critical approach (Puusa & Juuti, 2020). This improves the validity of the findings. Additionally, fosters a more honest and insightful exploration of the research topic. The author of this thesis works as a team manager. The job role includes collaboration with HR. The author reflects on how her leadership experiences might influence her interactions with participants. Author set aside time after each interview to mentally review the interaction, considering how her questions and responses might have been shaped by her own experiences. This self-reflective practice helped maintain objectivity.

Researchers must adhere to ethical principles and ensure the anonymity and privacy of research participants (Puusa & Juuti, 2020). The ethicality of this research was ensured by adhering to good scientific practices. The purpose of the study was made clear to the

interviewees, and participation in the research was described as voluntary and confidential. In the interview process, reflective questions were asked to ensure clarity and understanding of the interviewee's responses. Eriksson and Kovalainen (2015) state, that these questions allowed to confirm comprehension and provide the interviewee with a chance to clarify their remarks. Additionally, follow-up questions were asked towards the end of the interview to uncover any additional topics or concerns the interviewee wished to address (Eriksson & Kovalainen, 2015, p. 97).

In qualitative research, validity is used as a definition to ensure that the research provides a reliable account or description of the subject matter. Eriksson and Kovalainen (2015) emphasize the importance of theory in qualitative research. The framework of this study is based on recent research and other scientific sources. Additionally, as background material preceding the interviews, the companies' own openly available materials, such as annual reports, were utilized. By reviewing these materials, the aim was to gain a better understanding of the company's operating principles and thus ensure the basis for reliable research (Puusa & Juuti, 2020; Eriksson & Kovalainen, 2015). Additionally, robust data collection procedures have been implemented. Ones, that promote consistency and standardization across all stages of the research process. Through qualitative interviews, steps to minimize sources of bias and ensure uniformity in data collection practices have been taken. Author took into account that for the researcher to remain open during the analysis, it is vital to keep the focus on the data, rather than preconceived notions.

Generalizability deals with issues of whether the research results can be extended in one way or another into a wider context. In qualitative research, it implies a well-grounded and well-argued selection of research cases, or people (Eriksson & Kovalainen p. 307). The study aimed to increase a comprehensive understanding of the research topic rather than making generalizations based on the results.

To conclude, organizations operating internationally were chosen as the target organizations because the goal was to gain insights into the state of AI and HRM globally. Interviewees were selected from different industries to ensure a broad view. Additionally, the

study interviewed professionals from various positions to ensure diversity of perspectives. This increased the representativeness of the data. The results of the study represent the subjective views of the interviewees, and as such, cannot be generalized to all organizations. Results may not necessarily reflect the complete state of how AI is utilized in HRM and how can companies ensure the adoption of AI. Moreover, the generalizability of the study is influenced by the small sample size, although the results suggest that the number of interviews was sufficient, and the data collected was of high quality.

Overall, within a realist or critical realist philosophy of research, the classic evaluation criteria of reliability, validity, and generalizability are applied in nuanced ways (Eriksson & Kovalainen, p. 309). By integrating systematic methodological practices and reflexive engagement with participants and data, researchers can enhance the trustworthiness and relevance of qualitative findings (Eriksson & Kovalainen, p. 309).

4 Empirical Findings

In this following chapter, the research results are presented based on the analysis of the interview data. The results are presented in separate sub-sections, following the themes outlined in the interview framework. By presenting and analyzing empirical findings, this chapter will illustrate how Artificial Intelligence (AI) can be utilized in Human Resource Management (HRM) and how can companies ensure the adoption of AI. To support the analysis, quotes from the interviewees are presented as examples from the interview material.

4.1 Background

In the following table, the HRM professionals who participated in the interview are presented. The table describes their role, professional sector, primary tasks and years of work experience.

Table 3. Backgrounds of the Interviewees

Position (Field)	Primary tasks	Experience
Human Resources Consultant Interviewee # 1 (Public Service)	Provide expert advice and support in HR related matters. Tailor tasks to meet specific client needs. Conduct organizational needs assessment and optimize HR processes, policies, and employee engagement strategies. Specialized expertise to improve HR effectiveness.	5 years
CEO, Entrepreneur Interviewee #2 (Healthcare)	Recruiting, headhunting. Identify new business opportunities. Conduct market research. Implement innovative HR solutions to meet client needs.	7 years
Human Relations Manager Interviewee #3	Mediate and resolve workplace conflicts. Develop strategies to enhance employee satisfaction. Foster a positive work environment by designing and	10 years

(Finance)	implementing employee relations programs. Also, taking part in recruiting, supervisory work, projects, pilots.	
HR and Talent Acquisition Consultant Interviewee #4 (Commerce, Sales)	Develop and execute talent acquisition strategies aligned with organizational goals. Utilize data-driven approaches for recruitment, conduct interviews, and collaborate with hiring managers for successful hiring.	12 years
Team Manager Interviewee #5 (IT)	Lead Innovation team (including AI work), providing direction and support. Goal setting. Drive research and development initiatives, stay ahead of industry trends. Ensure the team's projects align with the organization's innovation goals.	3,5 years
HR Business Partner Interviewee #6 (Industrial)	Act as a strategic liaison between HR and business units. Tasks include strategic planning, talent management, employee relations, performance management, organizational development, learning and development etc. Data management.	9 years
HR and Payroll Assistant Interviewee #7 (Media, PR)	Responsibilities include recruitment support, maintaining employee records, benefits administration, payroll assistance, enforcing HR policies, handling employee relations, coordinating training programs, and more.	5 years

The responses of the interviewees indicate a notable adoption of AI in HRM tasks, primarily focusing on recruiting and automation of routine processes. Examples include the use of software like Teamtailor, SAP which uses AI tools such as AI-assistant in recruiting. Additionally, AI-based programs are used for automating reporting and analysis.

According to interviewees #2, #4 and #6 AI can sort through resumes, handle payroll, and automation takes care of reminders.

One of the most time-consuming tasks for HR professionals who are doing recruitment, is candidate screening, which involves sifting through numerous resumes and applications to identify suitable candidates. Practical examples were given. AI tools and generative models can help streamline this process by parsing resumes and for example LinkedIn profiles to generate comprehensive candidate profiles. These synthesized profiles can provide valuable insights into a candidate's skills, experiences, and qualifications, enabling HR teams to quickly identify the most promising applicants for further evaluation within their Applicant Tracking System (ATS).

“— But when considering how many hours and days it takes to go through applications for a single position... AI truly has the potential to streamline recruitment processes, allowing us to quickly identify desired skills for positions.” (Interviewee 4)

“AI is a powerful tool in our recruitment team, especially in analyzing skills to find the best fit, and it even provides chatbots to guide candidates, sends interview invites and so on.” (Interviewee 6)

Interviewee noted that modern HRM systems include agile reporting tools and dashboards. Additionally, AI-assisted chatbots, which can enhance onboarding interaction, help identify the feelings of new employees and development needs through data. ChatGPT and Google Bard/Gemini were used to write job descriptions, e-mails and interview questions.

In the assessment of effectiveness, interviewees present positive outcomes: the integration of AI into HR software is recognized for bringing efficiency, data-driven decision-making, and predictive analytics. AI-based programs are seen freeing up HR professionals for more strategic initiatives and human interactions.

“— With their help, the massive amount of data can be condensed into real-time, like... easy-to-understand metrics.” (Interviewee 2)

The interview responses emphasize AI's transformative role in reshaping traditional HR processes and optimizing functions. AI is seen in multiple roles: as a source of inspiration,

intelligent enabler and coaching buddy. It is viewed as a tool that improves decision-making, streamlines operations, and ultimately creates a better workplace experience. Most interviewees referred AI to *“Supportive Intelligence”*.

“— And, as HR professional, it is now crucial to explore and assess the potential of AI as a work partner.” (Interviewee 6)

Several driving forces for AI integration in HRM are highlighted. The goal is to reduce manual efforts and enhance efficiency. The need for automation and streamlining processes is a common theme. Additionally, the modernization of time management processes, the presence of disconnected systems, and the quest for an immediate and comprehensive view of HR data were key motivators. Moreover, the focus on data quality, skills adequacy, competitiveness, and the potential for AI to help lead intelligently are factors influencing the adoption of AI in HRM. Ultimately, achieve genuinely measurable added value to the business.

“I believe that AI has the capacity to revolutionize HR, enabling us (HR professionals) to make more informed decisions when it comes to our people. Leveraging like really advanced tools has been here for some time. For talent acquisition, performance management, and employee engagement... And it is no longer considered some kind of luxury. I mean... It is a necessity in the digital age for every company who wants success.” (Interviewee 5)

“More advanced digital tools, aided by AI... Tools that can automate and simplify various tasks. And this allows them to be performed faster, with higher quality, or at a lower cost. The idea is that we could use AI to build service concepts that improve the service experience of our customers and help to produce services more effectively. I think that was the deal.” (Interviewee 2)

“AI is shaking up the world of work, and it is happening faster than the internet boom of yesteryears. We are all in this together and I think organizations need to possess the ability to lead change and engage people in it. And for this task, effective written and verbal communication, as well as emotional intelligence... Well, these things, are essential.” (Interviewee 3)

4.2 Opportunities and Challenges or Concerns of AI in HRM

The integration of AI into HRM unfolds a spectrum of opportunities for organizations. According to interviewees AI enables efficiency and timesaving by automating repetitive

tasks. Furthermore, AI facilitates data-driven decision-making, providing factual insights that guide HR professionals in crafting strategies based on a dynamic workplace culture. Additionally, AI has great potential fostering innovation.

Interviews pointed out that AI significantly enhances the recruitment process. A notable trend in the HR landscape is the heightened efficiency in sourcing and screening candidates. Recruitment and talent acquisition benefit from the automation of time-consuming tasks, ensuring an impartial and efficient selection process. The interviewee highlights that AI-powered tools play a pivotal role in empowering recruiters to swiftly navigate extensive pools of resumes. One interviewee describes that these advanced systems leverage natural language processing (NLP) algorithms, which efficiently analyze candidate profiles. This analysis involves identifying relevant skills, experiences, and qualifications. This significantly reduces the time spent on manual screening. The interviewee emphasizes the transformative impact of these AI-powered tools in streamlining the initial phases of the recruitment process. According to the interviewee, one of the most impactful contributions of AI is its ability to prioritize skills and qualifications during the hiring process. By exclusively focusing on these factors, AI-driven systems play a crucial role in fostering a fairer and more inclusive recruitment process. The interviewee emphasizes that this approach ensures talent assessment is based on merit, contributing to a more equitable and unbiased hiring environment.

“To lighten the workload for routine things and focus more on quality work. For routine things I mean interview questions, interpreting personnel surveys, creating document templates, predicting absences, workforce forecasting, translation work and so on...” (Interviewee 7)

According to insights gleaned from interviews, the integration of AI-driven chatbots and communication platforms “plays a role in ensuring a smooth interaction with candidates throughout the recruitment journey”. As noted by one of the interviewees, these automated systems offer seamless communication through features like automated responses and personalized engagement. The interviewee emphasizes that the positive impact extends beyond enhancing the candidate's experience as it also liberates recruiters' time.

According to the interviewee, continuous learning and improvement characterize the role of AI systems. These systems evolve and enhance their capabilities over time by learning from user interactions and outcomes. According to insights gathered in the interview, learning and development become more personalized and optimized. This is due to AI-driven recommendations based on individual skills, performance, and career aspirations. AI also transforms performance management by introducing real-time feedback (NPS) and objective metrics, contributing to unbiased evaluations. Employee engagement and productivity are elevated through AI tools that analyze feedback and behavior, offering insights for improvement and suggesting optimizations for work patterns.

“I would say that with AI, performance management becomes more data-driven... Like real-time analytics provide insights into employee productivity. In the long run this helps us managers to support and develop our teams effectively. Also, traditional annual reviews are being replaced by continuous feedback systems supported by AI.” (Interviewee 5)

Despite the promising opportunities, the integration of AI into HRM practices comes with its set of challenges. Organizations require more expertise for proactive impact assessment to understand the multifaceted effects of AI implementation. Resistance to change is seen in organizations. Interviewees suggest encouraging adaptability and learning among the organizations. Also, a notable, critical question raised “-- whether AI applications make us humans vulnerable, manipulable, and less intelligent when our brains are not fully utilized”.

Budgetary constraints are an additional challenge, especially when implementing advanced AI tools like HR bots. The continual evolution of AI tools introduces the need for organizations to manage continuous updates, ensuring that AI strategies align with organizational objectives, and these costs. Organizations need money and investments.

Several instances highlight successful AI integration in HRM. ChatGPT, for instance, streamlines the recruitment process and enhances candidate screening. HR Cobots, Chatbots, and Virtual Assistants address repetitive queries, offering procedural information and enhancing the relevance and responsiveness of HR processes. In onboarding, AI-powered platforms provide personalized orientations to new hires, reducing the workload on HR teams. AI platforms replace traditional annual reviews with continuous

feedback systems, contributing to a goal-oriented, accountable, and aligned workforce. AI algorithms recommend customized learning pathways, promoting lifelong learning and growth. Generative AI in performance management creates personalized plans, fostering a culture of continuous improvement by analyzing historical performance data, job roles, and specific goals. These examples illustrate how AI successfully addresses challenges, enhances efficiency, and transforms various facets of HRM, validating its positive impact on recruitment, onboarding, performance management, and overall HR processes.

“— Think about how significant a leap in productivity or strengthening or well-being would it be in our organization. If half of that, I mean half a day, became more time in the week? How much more could we focus on human contact... Interacting with staff, colleagues and customers. How much time would we also have to think about our HRM work. Not just react and perform.” (Interviewee 1)

4.3 Tasks Replaced or Collaborated with AI in HRM, Changes AI May Create in HRM

The interview data reveals that AI has the potential to replace certain technical, administrative, and managerial tasks in HRM. It already has great outcomes. However, it is emphasized that AI can never replace essential human traits such as curiosity, humility, and emotional intelligence — the "human" in Human Resources. The sentiment is echoed by the belief that a machine assisting with natural language, the internet, or organizational data cannot replace the role of a human being. During most of the interviews, a recurring statement was that *“the human is not replaced by Artificial Intelligence, but by a human utilizing Artificial Intelligence”*.

Thus, continuous changes and the ongoing AI transformation particularly impact the roles and skill requirements of individuals who use keyboards as their tools.

“I have heard that the part of value creation in knowledge work I mean, which occurs through the keyboard, employees doing repeatable, rules-based knowledge

work, some tasks change, but not all. So, in HR this means well... The human side is left to us, right?" (Interviewee 7)

"If AI takes more tasks on our HR team's behalf... Then, I think human interactions will become increasingly crucial as means of value creation in organizations. And in both written and spoken communication." (Interviewee 5)

The interview data highlights a collaborative approach between AI and HR professionals to achieve better outcomes. The role of AI is seen as facilitating and expediting tasks rather than replacing human interaction. For example, while AI can streamline recruitment processes by quickly identifying desired skills, it is acknowledged that AI cannot replace HR professionals in situations requiring a strong sense of context and expertise.

"It is time to bring in professionals from each domain of our organization. We need skilled people to lead the change. I mean, as AI trainers. We should assemble expert teams to take ownership of the bots and train them up. And of course, ensure quality control." (Interviewee 6)

During the interviews, AI is recognized as a thinking assistant, an ideation tool, and a coaching buddy. Additionally, it is bringing massive amounts of information into everyday life more easily. The collaborative dynamic is emphasized, stating that AI facilitates and expedites tasks but does not replace human interaction. In HRM development, where context and expertise are crucial, the knowledge of skilled HR professionals is regarded superior to generic AI suggestions. AI is positioned as unbeatable in data collection and analysis but is not a replacement for human expertise in certain domains.

"Working with AI is fun. It is like adding a new team member. To optimize its performance, we should approach it as we would any other colleague in our organization. As AI technology progresses, these tools can function as helpful team members, for example assisting with various tasks. And I need to say... giving clear instructions, offering feedback, and double-checking its output. These things are important." (Interviewee 7)

Thematic analysis across interviews indicates a shift in HR expert roles towards caretaking. Additionally, it was stated that AI is disrupting all work in the organization. It emphasizes the need for human custodians to critically evaluate AI's recommendations. Also, it is noted by one interviewee that organizations are implementing solutions facilitated by AI for internal advancement and expanding personnel information management

applications. A prediction that 40% of HR work will be done by AI within the next five years was made in one of the interviews. However, it is noted that AI's functionality relies on up-to-date data sources, mainly HR systems. This could lead to a potential evolution in HR roles towards more data collection and management.

The interviews stress the transformative challenge faced by HR teams in integrating AI into their operations. It is highlighted that this challenge is not just about technology but requires a reimagining of the role of HR in a digital-first world. The need to create re-skilling and upskilling pathways for the employees at risk is emphasized.

“If you want to be super careful. I would advise organizations and their HR departments to define external outplacement programs where employees can re-educate or train themselves in jobs that have less exposure to AI. There may be resistance to change, but it is good to keep in mind that one can always learn new tricks, and try to think positive.” (Interviewee 5)

“Maybe we will witness a skills revolution as AI redefines every job and every department in organizations. Just like in the 90s when every employee, regardless of industry or role, had to reconsider how they worked... And kind of create new job descriptions for the internet era.” (Interviewee 3)

Additionally, collaboration with data scientists and AI experts is considered crucial for success in the AI era. This is seen fostering a culture of shared knowledge and mutual growth. The interview data indicates a growing necessity for digital training in every department in organizations, not just IT. Organizations are recognizing the need for a workforce that is well-versed in these technologies.

“We have got to get ahead of the game by refreshing our strategic workforce plans and keeping up with day-to-day tactical planning. It is time to bring together a diverse team to tackle this challenge. Everyone is welcomed... I think one option is mixing up businesspeople, talent team, learning and development, and of course, some AI or IT wizards.” (Interviewee 6)

The analysis emphasizes that the true worth of data and AI in HR lies in applying them strategically to improve processes while keeping people at the forefront. Depersonalization is seen as a challenge. According to interviewees, an over-reliance on AI may lead to HR processes feeling impersonal, emphasizing the crucial need for a human touch.

This was mentioned particularly in areas dealing with employee well-being. It is underscored that technology should strengthen organizations HRM work, not overshadow it, which emphasizes the importance of data-driven, AI-enabled HRM with a human touch.

“As Chat GPT is utilized in various ways, you can see its influence in many texts, which can be somewhat annoying. A frequent mistake is that people fail to personalize their interactions, whether in team chats, emails, or posts. Please, remember to add your personal touch. Be yourself.” (Interviewee 1)

“It is clear that AI is here to stay. And in my opinion, it absolutely serves a purpose in helping our HR team. And I intend to use AI more regularly in my role. One thing I want to add is... It is, however, a reassuring truth that AI can never replace traits such as curiosity, humility and emotional intelligence – – the “human” in HR. “(Interviewee 7)

“AI can facilitate. It can expedite. But it does not replace human interaction. HR development, in general, involves situations that require a strong sense of context and expertise. The knowledge of a skilled HR professional or supervisor who knows their team is superior, in my opinion, compared to the generic suggestions of AI. However, in terms of data collection and analysis, AI is unbeatable. Also, in terms of quality, customer happiness and performance or speed, the game is on.” (Interviewee 3)

“— Of course, I think about what the role of human being is. Yet, it is a machine that helps with natural language, the internet or the organization's own data.” (Interviewee 1)

“It is super important to know when humans are still needed. Yet, as an HR person, you may be thinking that even if technology is going to be a part of your everyday working life, like it is not your responsibility. I would think twice. This is the time in history when we in HR, the people leaders, are truly needed in organizations.” (Interviewee 5)

4.4 Practical Guidance for AI adoption in HRM

The qualitative phase of the study uncovered a range of experiences and perspectives regarding the practical guidance and recommendations for organizations looking to fully embrace the potential of AI in HRM. Key insights of the interview data are presented in the following table:

Table 4. Practical Guidance for Organizations

	Theme	Summary
1	Understanding Challenges and Maintaining Criticality	Organizations need to comprehend AI challenges thoroughly and maintain criticality through experiments, projects, and staying informed.
2	Start with Business Objectives	Align AI adoption with business objectives, involving the entire organization in the process for effective implementation.
3	Documentation and Data	Document positive changes from AI adoption using data to build confidence in AI's positive impact on addressing genuine issues.
4	Openness to Change	Embrace openness to change; resistance or bans on AI may indicate a negative attitude toward change. Foster a culture of learning and provide training opportunities for successful integration.
5	Actively Seeking Tools and Innovation	Actively seek AI tools to address challenges like skills shortages, promoting innovation and increased productivity.

6	A Learning Project	Approach AI adoption as a learning project, embracing humility, bravery, and curiosity, understanding that failures may occur.
7	Balancing Generative AI Considerations	Weigh the practicality and suitability of generative AI in the business environment considering costs and limitations, especially in HR tasks.

Insights from the interview data reveal that organizations are advised to thoroughly understand the challenges associated with AI adoption and maintain a sufficient level of criticality. This includes conducting experiments, projects, and staying informed about the rapidly evolving field of AI in HR. The recommendation is to begin the AI adoption journey by aligning with business objectives. Organizations are encouraged to identify what they aim to achieve, and then lay the foundation for AI implementation. Moreover, involving the entire organization in the process. It is emphasized that organizations should document and showcase positive changes resulting from AI adoption using data. Demonstrating the positive impact of AI on addressing genuine issues, is considered essential for building confidence in AI as “a positive force for change”.

“Actively finding tools to help skills shortage. Smarter, more reasonable technology tools. This is made possible through learning. This is a learning project. Let's be humble, brave, curious and all that.” (Interviewee 3)

“We, the whole HR Team, were like let's definitely get involved in AI development. Like understanding the challenges, maintaining sufficient criticality, that is important. Conduct experiments, projects... Different pilots. We have learned prompting. I would say this is a world of opportunities in the HR playing field for organizations.” (Interviewee 6)

Interviewees advise organizations to embrace openness to change. Interviewee #4 makes a note that if AI is met with resistance or banned within an organization, it may indicate a negative attitude toward change. Providing training opportunities and fostering a culture of learning is highlighted as crucial for successful AI integration. The importance of actively seeking tools to address challenges, such as skills shortages, is

emphasized. In the interview data, organizations are encouraged to explore AI applications, be innovative, and use various tools to increase productivity. The process of AI adoption is described by one interviewee as a learning project that requires humility, bravery, and curiosity. The analysis recognizes the learning nature of AI adoption, emphasizing the need for organizations to approach it with humility, curiosity, and a commitment to continuous improvement.

“I would advise organizations to enable and always hold space for human-to-human connections. Start systematically facilitating situations where people are in touch with each other, like arranging conversations, getting to know each other, building trust, learning together. Or team workshops, onsite clinics and open virtual training sessions.” (Interviewee 2)

Acknowledging that failures may occur, organizations are encouraged to approach AI implementation as a continuous learning experience. While recognizing the progress in generative AI, there are concerns about its practicality and suitability in the business environment. It is crucial to weigh the associated costs and limitations before fully embracing it. HR tasks involve understanding and addressing diverse employee needs, and effective strategies and tools are necessary for seamless integration.

The interview data raised critical considerations about the sustainability and advantages of adopting generative AI for HR tasks. The analysis suggests a need to evaluate whether generative AI currently offers a sustainable and advantageous business proposition. Additionally, it prompts a reflection on whether existing HR processes are delivering optimal returns on system investments.

4.5 Ethical Considerations of AI in HRM

The interview data delved into critical ethical considerations surrounding the integration of AI in HRM. A central theme was the evolving landscape of regulations and responsibilities that organizations must navigate. Most interview discussions highlight the importance for organizations to adhere to emerging regulations, particularly the EU's comprehensive AI Act, which is seen as pivotal for ethical AI adoption. The EU AI regulation underscores the necessity for organizations to grasp its implications, prohibitions, and

high-risk areas, which all of the interviewees were aware of. Interviewees defined ethical responsibility as a task to ensure human-centric and transparent AI usage.

Additionally, ethical considerations emerged in safeguarding data privacy. This was seen as a demand for a balanced approach in the development and deployment of AI systems. Data security, for example leakage of personal information or business secrets were mentioned in the interviews. Concerns related to data privacy highlight the importance of responsible handling of employee data, conforming to regulations like GDPR.

“Do not include any personal, confidential, or sensitive information. Considering GDPR, all AI systems should have transparent components giving users the right to see "evidence" behind any AI system decision. I see it is positive that companies are forced to modify their data protection policies.” (Interviewee 5)

“The change is very welcome and will hopefully lead to a situation where personal data is stored in numerically fewer systems, which on the other hand are significantly safer. In addition to improved data security, this change will probably cut HR's unnecessary data management tasks.” (Interviewee 6)

Toxic content, stereotypes and prejudices were seen as a challenge by the interviewees. Bias in AI is a pertinent concern. According to the interviewees appropriate training is required to prevent unfair decisions. Ensuring transparency in AI systems becomes crucial, considering the unpredictable responses AI might generate.

“AI can hallucinate and give wrong answers, and it is rather dangerous when used in our department. -- The fact that AI filters text out confidently. Often without a hint of “self-criticism”. Also, there is the lack of context, I mean the answers that ignore the context and background situation. Of course, there are secure options like Azure by Microsoft. Organizations have the possibility to use trained data which is provided to systems. This way it does not hallucinate.” (Interviewee 3)

Addressing the awareness gap in understanding AI, particularly in the context of Gen AI, is highlighted. Bias technology highlights the recognition of human biases as a significant factor. Interviewees note about the ethical responsibility to educate stakeholders, coupled with active involvement of citizens and marginalized populations in AI development. This could be done by both organizations and governments.

According to the interviewee, DEI (Diversity, Equity, and Inclusion) is no longer a “mere buzzword” but a critical aspect of HRM.

“Well, our organization is expected to go beyond diversity and actively cultivate an inclusive and equitable workplace. Our HR professionals are tasked with implementing policies to prevent discrimination, ensure pay equity, and provide equal growth opportunities for all employees. I truly believe diversity fuels innovation.” (Interviewee 4)

AI can be used removing identifiable information to mitigate bias. Ethical considerations extend to organizations' concerns about ensuring unbiased decision-making in HR processes. The discussion highlights the need for awareness and responsible AI use to address biases inherent in AI technologies. Generative models and other AI programs were seen as tools to promote unbiased hiring practices. Blind recruitment, talent pool expansion, and identifying underrepresented talent sources were mentioned in the interviews. Additionally, avoiding algorithmic biases was seen as everyone's responsibility in the organization.

Mentioned above, and according to interviewee #3 “AI has the possibility to foster a more inclusive and diverse workplace”. The discussion emphasized the potential role of AI-powered recommendation engines in fostering compliance, diversity, and consistent management practices while enhancing the employee experience. Persistent challenges related to biases in AI were recognized, and a need for human involvement in system development. Also, the need for ongoing efforts to address historical biases and ensure diverse perspectives in AI systems was underscored as a critical ethical imperative.

Interview data indicate, that organizations are urged to uncover the ethical dimensions of machine learning and large language models, emphasizing responsible use and a comprehensive understanding of AI's impact. The need for organizations to exercise responsibility and thoughtfulness in AI deployment was seen vital. Confidentiality of information was flagged as a key consideration in the field of HRM, urging organizations to uphold security standards in AI applications. Mitigating AI risks involves a nuanced approach. It encompasses careful data selection, model customization, and the inclusion of human oversight. Additionally, the imperative to minimize biases and regulatory risks was positioned as an ethical responsibility.

The broader ethical discussion encompassed the rapid progress of AI development and its impact on shaping HR decision-making. Organizations were encouraged to not only comply with regulations but also champion diversity, uphold transparency, and navigate the evolving ethical terrain of AI applications in HRM. There is a call for a balanced and ethical framework that respects both the potential of AI and the ethical imperatives inherent in HRM practices. Ultimately, this is seen as a competitive advantage in organizations.

“Many organizations, such as ours, have adopted new technology very quickly. But now its utilization alone is not enough to bring the necessary competitive advantage. Instead, I think that in the future open, ethical and transparent use of AI can set us apart from our competitors.” (Interviewee 7)

4.6 Current State and Future Trends in AI Adoption within HRM

The interview data emphasized the impact of the COVID-19 pandemic on remote work, transforming it into a permanent fixture. Additionally, managing remote teams, ensuring productivity, and addressing work-life balance challenges became central issues for HR professionals. The interviewee #3 underscored the need for HR to concentrate on building virtual team dynamics and measuring performance equitably in the context of remote and hybrid work models. The interviewee #4 emphasized the need for innovative onboarding practices as remote work becomes more prevalent.

“AI has the potential to become the primary focus in technology, so it will definitely affect HRM, but to what extent... It is hard to evaluate.” (Interviewee 1)

“We need projects that support digitalization focusing on remote work, we need to find out like, how we could harness AI, responsibly and with awareness of the limitations for the use of HR work in our organizations as well.” (Interviewee 2)

“I have seen virtual, AI onboarding processes and videos, online team-building activities, and remote mentorship programs as emerging trends. I think they are used to ensure that new hires feel connected and engaged from the start. It is good to use tools that make processes easier and more efficient. At the same time, however, people are hungry for encounters and humanity. If you can combine these, you will be on the cutting edge.” (Interviewee 3)

Interviewees highlighted a strong emphasis on employee well-being and mental health in the future of HRM. Organizations are urged to implement initiatives that foster a healthy work-life balance. Additionally, provide counseling services, and create a supportive work environment. AI can help recognize the holistic wellness of the workforce.

One interviewee highlighted the evolving role of HRM as a catalyst for continuous learning and upskilling. Promoting a culture of learning and continuous development within the HR team is crucial. With the rapid evolution of AI technologies, staying updated on advancements is essential for HR teams to remain flexible and effectively utilize new features.

“With technological advancements, such as AI, our HR Team is now charged with identifying skill gaps. Curating relevant training programs and fostering a culture that values lifelong learning is a trend. And I see this aligns with the need for adapting to the rapid pace of change.” (Interviewee 4)

The interviewee acknowledged the transformative impact of data, especially data-driven decision making, on HRM functions. From predicting turnover to analyzing engagement levels, data-driven insights empower HR professionals to make informed decisions. A significant note was made; organizations data must be “clean”. However, challenges related to data privacy and ethical considerations were raised in all of the interviews, indicating the importance of responsible data usage.

According to the interviewee #5, traditional performance reviews are evolving into agile and ongoing feedback mechanisms. Agile Performance Management is seen as regular check-ins, real-time feedback, and goal setting. These factors are becoming integral to HRM strategies. Interviewees see this as enhancing employee performance and fostering a culture of open communication within organizations. According to the interviewee #5, the current state of AI adoption within HRM reveals a growing integration of advanced digital tools. These tools leverage AI to automate tasks.

“For example, co-pilots are so advanced now. They can help guide employees on things like career development, learning opportunities, reminders about personal

goals. I have heard these can flag when an employee might be stressed, in need of some time off, or in need of some additional support.” (Interviewee 5)

One notable example is the automation of candidate profiling in recruitment. The trend indicates a shift towards enhancing efficiency and freeing up HR teams to focus on more strategic responsibilities.

“AI helps automate repeated tasks and augment our work, not completely replace us. There is still an important place at the decision-making table. Not all processes should be automated, but our task is to find a balance where AI supports humans. I guess to the appropriate extent. What humans do not understand, neither does AI. So... It is safe to say, AI needs us now and in the future.” (Interviewee 4)

Interviewees expect the co-existence of human and AI interaction within HRM to evolve in the near future. This evolution suggests a collaborative environment where AI complements human capabilities rather than replaces them. The implications for HR professionals include the need to adapt to new roles, emphasizing more strategic and nuanced aspects of their work. Agentic AI was mentioned as the trend of 2023 and 2024.

“Agentic AI does more than traditional AI systems, like takes a proactive approach. It performs tasks autonomously on behalf of users without waiting for explicit instructions from humans. Actions are made with a certain degree of autonomy, aiming to fulfill tasks as an agent, personal assistant for its user.” (Interviewee 6)

4.7 Unexplored Areas of AI Integration within HRM

According to the interviewees, there are specific domains or functions within HRM where AI integration has been less explored or remains underutilized. Yet, the factors contributing to this underutilization need further exploration. Understanding these factors is crucial for unlocking the full potential of AI in HRM. Organizations need high-quality data that internal HR bots can leverage, preferably helping HRM in the “dullest” tasks.

“Unexplored or underutilized... I would say building bots optimized for a specific organizational context. To create an HR bot or agent that utilizes Gen AI for internal use. Data material, which contained organization-specific guidelines, policies and descriptions supplemented with relevant external content such as documents

related to, for example, collective agreements, insurances and occupational health care. Translates a colleague's language in real time, even if we speak different languages.” (Interviewee 4)

“When expecting reliable results from our own AI, the clarity and comprehensibility of internal documentation are vital. However, not all data matches what reality is, and in a way, that is why we require selective data, which is high quality, on the basis of which we can draw reliable conclusions.” (Interviewee 5)

“The idealistic future purpose of technological core competence is to be an assistant that helps with all the unnecessary, or dull tasks, so that you can focus on your core competence. Because I think... Well, it requires the most expertise.” (Interviewee 2)

A possible integration of digital services and the virtual world is highlighted in the interviewee's responses. The metaverse is seen as holding a cautious promise for organizations across various domains, changing for example learning environments in HR field. The interview data includes a futuristic perspective on the digitization of objects. Augmented reality and VR glasses in a virtual metaverse was mentioned. The digitalization of items is advancing fast. Thus, interviewees are questioning whether VR glasses and the metaverse are the predominant channels for HR digitization.

However, it is noted that the most common device for augmented reality is identified as a regular smartphone and its camera, signaling potential disparities between perception and reality in the adoption of certain technologies. Additionally, the interview data introduces the concept of the HR field moving towards a more individualized service experience, which could utilize the metaverse for personalized interactions. Creating an identity in the virtual world through personalization, and the potential role of AI for example in onboarding, presentation, and information delivery was mentioned Interviewee suggests a seamless blending of physical and virtual realms could be possible in the near future.

“For example, in the tech sector there is this technology... Like AI-powered showroom experiences, where customers can like explore, customize, and be matched to the perfect product by discussing with an AI assistant. I see potential in HRM, in onboarding, performance management and so on. Imagine, the next step of personalization: the one presenting and informing could be AI. Or a digital copy of you and who you want to interact with.” (Interviewee 4)

5 Conclusions and Recommendations

In this chapter, the main findings of the study will be presented, with conclusions grounded in reflections of empirical analysis followed by recommendations for future study. Additionally, the results are compared to previous research findings in the same field.

As learned from Russell & Norvig (2021), tools have been developed throughout industrial history, constantly surrendering our own human skills to technology. People are increasingly handing over their skills and know-how to technology. Now, it seems that the era of the Artificial Intelligence revolution is truly here, marking the evolution of Generative Artificial Intelligence (Gen AI).

The guidance for this study has been provided by the following research questions *How Artificial Intelligence (AI) can be utilized in Human Resource Management (HRM) and how can companies ensure the adoption of AI*. With the overarching goal of understanding how AI can be effectively utilized in HRM and ensuring its successful adoption, the research was structured around four key sub-questions: (1) what are some challenges and opportunities in application of AI-based tools and programs in HRM practices? (2) What are the specific tasks within HRM that AI could potentially replace or collaborate with humans? (3) How can organizations address the emerging challenges and to capture/apply opportunities created through the application of AI (in HRM?)? (4) How can organizations capture the full potential of AI, and what practical guidance can be recommended to ensure successful implementation and utilization of AI technologies?

To answer the first sub-question and starting with opportunities, the study revealed that, the integration of AI in HR processes revolutionizes the way organizations handle routine tasks and data management. The existing literature has asserted and delineated some opportunities associated with the integration of AI (Chowdhury et al. 2023). AI streamlines functions such as sorting resumes, managing payroll, and automating reminders, enabling HR professionals to focus on more strategic work. Additionally, AI effectively manages tasks such as interview question formulation, interpreting personnel surveys,

creating document templates, predicting absences, workforce forecasting, and translation. The shift from traditional annual reviews to continuous feedback systems supported by AI enhances employee engagement and performance management.

Continuing with challenges, over-reliance on AI may lead to impersonal HR processes, emphasizing the need for a human touch. Budgetary constraints, especially when implementing advanced AI tools like Generative AI and HR bots, are additional challenges. Continuous updates and a balance between AI and human elements are crucial for successful integration. Additionally, hallucinations and cybersecurity risks were extensively addressed in research and data. The research highlighted that responsible and ethical use of AI is crucial. As AI strengthens many HRM services, new forms of regulation are needed. The EU Act regulation is significant, with future safety requirements for testing and deploying AI. Ethical considerations emphasize the need for organizations to stay informed about regulations, prioritize diversity and inclusion, educate stakeholders, ensure unbiased decision-making, and responsibly use AI tools. Open, ethical, and transparent use of AI can set organizations apart from competitors. Organizations should use trained data which is provided to systems, and therefore do not, in the best-case scenario, hallucinate.

To continue with the second sub-question, analyzing the tasks that AI could replace or collaborate with humans in HRM, the overarching theme is the acknowledgment of AI as a tech trend, possible game-changer. AI is seen as a "Supportive Intelligence" that enhances efficiency, reporting, and decision-making. The empirical findings suggest that AI is perceived positively, acting as an assistant, ideator, and enhancer. Additionally, collaborative partner rather than a replacement for human expertise. Moreover, contributing to creativity and efficiency in HR processes. The importance of human expertise in verifying AI-generated information is highlighted, emphasizing a complementary relationship between AI and human capabilities. Maintaining a human-centric approach is emphasized. Collaboration between AI and HR professionals is crucial, emphasizing a strategic approach to integration that enhances organizational efficacy while maintaining a human-centric focus. This is in line with Chowdhury et.al's (2023) findings, which showed that organizations must shift their focus away from technical resources.

Moreover, prioritize the development of non-technical aspects like human skills and capabilities, effective leadership and team collaboration.

Third sub-question identifies changes that AI may create in HRM. The powerful transformation in the workplace is at the intersection of three major megatrends: digitization, the massive growth of data, and AI, which is needed for analyzing data masses. As Falát et al. (2023) stated, data is a crucial asset in the age of IT, globalization, AI, and Industry 4.0. The ability to analyze and extract insights from data will be highly sought after, as it often provides businesses with a competitive advantage and added value. During the research, it was discovered that data truly is the cornerstone of AI. AI needs preferably clean data, on which algorithms and software are built. In HRM this means more advanced digital tools that can automate and simplify various tasks using AI, freeing up time for the HR professionals for other tasks. A change in HRM work practices is needed to increase productivity. According to the interview data, a clear change is evident, if considering Cheng's and Hackett's (2021) statement about HR often seen as "one of the business functions that relied the least on data-driven approaches".

To continue with the changes, the research depicts a nuanced view of AI's role in HRM, recognizing its potential to replace certain tasks. Yet, underscoring the irreplaceable human qualities in HRM. Collaboration between AI and HR professionals is seen as a key to success, emphasizing a strategic approach to AI integration that enhances organizational efficacy while maintaining a human-centric focus. The changing nature of HRM expert roles, challenges, and opportunities in AI integration, and the need for upskilling and collaboration are central themes emerging from the analysis. It was discovered that HRM professional's role is changing towards "caretakers".

Additionally, collaboration with data scientists and AI experts is considered crucial for success in the AI era, fostering a culture of shared knowledge and mutual growth. The interview data indicates a growing necessity for digital training across all departments within organizations, not just IT. Recognizing this, organizations are emphasizing the importance of a technologically proficient workforce. According to Barney's Resource-Based View (RBV) and Knowledge-Based View (KBV) theories from 1991, maintaining a

competitive edge requires refreshing strategic workforce plans and staying abreast of daily tactical needs. In order to fully capitalize on the opportunities brought by AI, an organizational culture should be established that encourages experimentation and participation. As suggested in the interview data, forming a diverse team—including businesspeople, the talent team, learning and development experts, and AI or IT specialists—is a viable strategy to address this challenge and ensure organizational preparedness for the future. Moreover, effective AI-driven HRM practices can aid in nurturing employee skills and knowledge, ensuring alignment with organizational goals and fostering a strategic edge in the market. This is crucial because, while knowledge can be managed, it cannot be fully controlled, necessitating a focus on managing employees, their knowledge, and skills through robust HRM practices. This aligns with McKinsey & Company's report (2023), which predicted AI bringing significant changes in various job roles and undergoing reskilling. Skilled person as AI trainers. Also, surprising, critical question raised “whether AI applications make us humans vulnerable, manipulable, and less intelligent when our brains are not fully utilized”. This aligns with Ulrich's (2023) though about AI's possibility to encourage “intellectual laziness”.

Continuing with the fourth research sub-question, the study suggests practical guidance for ensuring successful implementation and utilization of AI technologies. Study results complement Davenport and Ronanki's research (2018), which provided a four-step program for developing AI in organizations. Capturing the full potential of AI, includes aligning AI adoption with HRM and business objectives, fostering openness to change, upskilling, and reskilling the workforce, and ensuring a balance between technology and people-centric approaches. Analyzed through Barney's (1991) Resource-Based View (RBV), offers insights into its potential benefits for organizations. However, critical perspectives highlight challenges such as dependency on technological infrastructure, ethical and social implications, displacement of work tasks, limitations in creativity, overreliance on AI decision-making, and regulatory hurdles. Organizations must carefully navigate these challenges to ensure responsible and sustainable deployment of AI while leveraging its strategic advantages effectively.

Table 5. Developing AI in organizations, RBV (Barney, 1991) analyzed based on interview data

Concept	RBV: AI in HRM
Value	<p>AI can add significant value to HRM by automating routine or “dull” tasks, improving decision-making through data analysis, enhancing candidate sourcing and screening processes, and enabling personalized employee experiences.</p> <p>Critical perspective: Ethical concerns, perpetuation of biases, potential work task displacement.</p>
Rarity	<p>Unique AI applications developed by organizations, for example HR bots are relatively rare, especially if tailored to specific organizational needs and contexts a highly skilled and experienced workforce with specialized knowledge. Mastery of AI can lead to competitive advantage.</p> <p>Critical perspective: Dependency on technological infrastructure, costs, high initial investment.</p>
Ease of Imitation	<p>AI tools that leverage organizations own data or algorithms may be harder to replicate.</p> <p>Critical perspective: Basic AI applications such as chatbots and resume screening algorithms can be relatively easy to imitate or adopt by competitors. Open AI, Chat Gpt (and many more) are free of use, therefore open to all organizations.</p>
Potential Substitutes	<p>Traditional HRM practices, manual data analysis, and non-AI-based technology solutions.</p> <p>Critical perspective: may lack the efficiency, accuracy, and scalability, which AI offers.</p>

Application in Practice	<p>AI is applied in various HRM functions, including recruitment and selection, performance management, learning and development. Organizations utilize AI-powered tools such as chatbots, predictive analytics, sentiment analysis, and recommendation engines to streamline HR processes and enhance decision-making.</p> <p>Critical perspective: ethical concerns, regulatory challenges, legal uncertainties.</p>
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Additionally, following table highlights how AI in HRM could leverage the concepts of the knowledge process: creation, storage, transfer, and application, to enhance organizational learning, efficiency, and decision-making processes. Moreover, considering the critical perspectives that address potential challenges and ethical concerns. AI can play a pivotal role in enhancing the management and deployment of these knowledge assets by facilitating more efficient knowledge management processes. This aligns with Bindra et al.'s assertion that internal knowledge must be integrated with innovative organizational processes. AI can streamline the knowledge management cycle—encompassing creation, storage, transfer, and application—thus enabling organizations to better harness and leverage their collective knowledge.

Table 6. KBV, Knowledge Based View

Concept	KBV: AI in HRM
Creation	<p>AI facilitates the creation of new HR knowledge through advanced analytics, sentiment analysis, and machine learning models, enhancing decision-making and strategic initiatives based on insights derived from data. Critical Perspective: Risk of over-reliance on data-driven insights, which may overlook the nuances of human behavior and the qualitative aspects of HR management. Additionally, data privacy concerns must be addressed.</p>

Storage	<p>AI enables efficient storage of HR data, including employee records and performance metrics, ensuring secure and accessible repositories for knowledge management and compliance with data regulations.</p> <p>Critical Perspective: Ensuring data security and privacy is vital: mishandling of sensitive employee data could lead to significant legal and reputational damage. High costs for secure and scalable storage solutions are also a concern.</p>
Transfer	<p>AI supports the transfer of HR knowledge through automated workflows, virtual assistants, and collaborative tools, facilitating seamless sharing of insights and best practices across organizational units and enhancing operational efficiency. Critical Perspective: The effectiveness of knowledge transfer may be hindered by technological barriers or user resistance. There is also a risk of miscommunication or loss of context when relying solely on AI-driven tools for knowledge sharing.</p>
Application	<p>AI enhances the application of HR knowledge by integrating predictive analytics into recruitment, performance management, and learning initiatives, optimizing processes and improving strategic HR decision-making based on data-driven insights.</p> <p>Critical Perspective: Ethical concerns arise regarding the potential for AI to perpetuate biases in decision-making. Additionally, the integration of AI in HR processes requires substantial investment and ongoing maintenance, which may be costly.</p>

In summary, the practical guidance and recommendations provided in the interviews underscore the importance of aligning organizations AI adoption with HRM and business objectives. This means documenting positive changes with data, fostering openness to change, and actively seeking tools and innovation. The spotlight on upskilling and re-skilling underscores the commitment to creating a workforce that is not just prepared

for the future but is driving the innovation and success of organizations in the years to come.

Finally, to answer the first, main research question, AI can be utilized in HRM in multiple ways as following Table 6. presents. Success stories demonstrate AI's positive impact on Performance Management, Learning and Development (L & D) and Recruitment and Selection. Thus, continuous updates and a balance between AI and human elements are crucial for successful integration. Table 6, "AI Utilized in HRM: Summary of Results," was generated with the help of Chat GPT. The interview data was entered into Chat GPT 4 o-model, and by using the prompt "create a table using the following interview data: --, in the following HRM categories: --" the results were assembled.

Table 6. AI utilized in HRM, summary of results (Open AI, 2024).

HRM Category	Key Features and Innovations	Practical examples
Performance Management	<ul style="list-style-type: none"> - Data-driven analytics - Continuous feedback systems - Personalized performance plans - AI-assisted analytics - AI co-pilots - Stress and support identification 	<ul style="list-style-type: none"> - Real-time insights into employee productivity. - Replacement of traditional annual reviews with continuous, AI-supported feedback. - Generative AI creates individualized development plans based on historical data, job roles, and specific goals. - Helps managers support and develop teams effectively through detailed performance insights. - Guide employees on career development, learning opportunities, and personal goals. - AI can flag when an employee might need additional support or time off.
Learning & Development	<ul style="list-style-type: none"> - AI-recommended learning pathways - Skill gap analysis - Virtual mentorship and team-building 	<ul style="list-style-type: none"> - Promotes lifelong learning and personal growth through customized training programs. - HR teams can identify and address skill gaps effectively with AI tools. - Emerging trends include AI-powered virtual onboarding, team-building activities, and remote mentorship programs.

HRM Category	Key Features and Innovations	Practical examples
	<ul style="list-style-type: none"> - Curated training programs 	<ul style="list-style-type: none"> - Fosters a culture of continuous learning aligned with organizational needs and rapid technological advancements.
Recruitment & Selection	<ul style="list-style-type: none"> - AI-assisted job descriptions and interview questions 	<ul style="list-style-type: none"> - Tools like ChatGPT and Google Bard/Gemini streamline the creation of job-related content.
	<ul style="list-style-type: none"> - Enhanced candidate screening - Chatbots and Virtual Assistants - AI in onboarding - HR Cobots for procedural tasks 	<ul style="list-style-type: none"> - AI improves the relevance and efficiency of candidate screening processes. - Address repetitive queries, provide procedural information, and enhance responsiveness in HR processes. - AI platforms offer personalized orientations to new hires, reducing HR team workloads and improving new hire integration. - Automate repetitive and administrative tasks, freeing up HR resources for more strategic activities.
Emerging Trends	<ul style="list-style-type: none"> - AI-powered onboarding processes - Real-time language translation - AI co-pilots for internal use - AI for stress detection and support 	<ul style="list-style-type: none"> - Personalized onboarding experiences through AI-driven platforms and videos. - AI bots capable of translating languages in real-time to facilitate better communication among colleagues. - Organization-specific AI bots integrated with internal guidelines, policies, and external content for optimized use. - Identifies employees' needs for support, stress relief, and other wellness interventions through data analysis.

In addition to the research questions, other observations can be made from the study's results. Overall, the task for today's HR professionals is to strike a balance. On one hand, they can leverage the power of data and AI to add value to the organization. On the other hand, they must keep the human touch at the center of all their processes. Furthermore, it can be observed from previous studies and this research that blending technology and people-centric approaches to deliver enhanced HRM in organizations is a competitive advantage. The analysis indicates AI investments will lead to displacement of some tasks,

at the same time creating the need for new skills and roles. Emotional skills like empathy are left to humans. Human oversight remains imperative to augment, rather than replace, the expertise of HRM professionals in organizations.

In summary, it can be stated that HRM plays a crucial role in managing the impacts of AI in the organizations. The transformative potential of AI in HRM is evident, marking a significant shift in work practices towards increased productivity and the intersection of digitization, data growth, and AI analysis. Thoughtfully implemented, HRM has the potential to act as a bridge builder between technological changes and people. Additionally, the research suggests new trends are expected to emerge, blending advanced technology and humanity. Technology should bring people closer together, not replace them. Ultimately, and at its best in the future we will see genuine collaboration between humans and technology, leveraging assets in the field of HRM in organizations—empowered by AI. It is possible that those organizations who fall too far behind may lose their competitiveness compared to others.

To conclude this chapter, when considering the adoption of AI in organizations, it is essential to recognize that AI itself should not be the ultimate aim. Instead, view AI as a tool, a facilitator of organization's overarching business goals. The focus should be on identifying areas where AI can drive change, add value to the business, and enhance operational effectiveness in alignment with organizations business objectives. When AI in HRM is thoughtfully incorporated, it has the potential to open up new avenues for efficiency, innovation, and gaining a competitive edge.

This study enriches the knowledge of the current state of HRM research, including an overview of the trends and themes around AI. In 2019 Cappelli et.al described implementing general-purpose AI in any area of human activity as “a distant possibility”. A notable observation that emerged from the data was, that the situation has changed as interviewees expect the co-existence of human and AI interaction within HRM to evolve in the near future. Lastly, HRM plays a pivotal role in managing the impacts of AI in organizations. The future of HRM lies in leveraging AI as a tool to empower organizations, enhance efficiency, and drive innovation, while maintaining a human-centric approach

that prioritizes the well-being and expertise of individuals. Thoughtfully implementing AI in HRM has the potential to act as a bridge between technological changes and people, fostering genuine collaboration between humans and technology.

5.1 Limitations

As Eriksson and Kovalainen (2015) stated, every qualitative research method and approach comes with its set of limitations, just as every quantitative research method and approach does. It is recognized that no research method is flawless, and each has its constraints. No single method has the capacity to fully encompass all aspects of understanding of a specific topic (Eriksson & Kovalainen, p. 316). In this thesis, few limitations are acknowledged, impacting the depth and breadth of the research. These limitations are crucial to consider in interpreting the results. Additionally, understanding the potential constraints of the study.

Firstly, the scope of the study may be narrow, concentrating solely on specific variables and aspects of AI and HRM. Thereby constraining the applicability of the findings to a broader context. Secondly, time constraints pose a limitation. As with time, human resources, in this research conducted solo, play a big role in the scope of study that can be achieved. Potentially leading to restricted analysis. Finally, the sample size (seven interviewees) is limited, which can hinder the generalizability of the findings to a wider population. Thus, a smaller sample size can also be considered justified, as the aim was to increase understanding of a very timely and new topic.

Delimitations within this Master's thesis establish the boundaries and constraints guiding the research. First, the scope of inquiry is specifically focused on addressing particular research question and sub-objectives. Moreover, excluding other potential areas of investigation. Secondly, the study is delimited by the method (semi-structured interviews, thematization) utilized for data collection, which may exclude alternative methods or measures. Additionally, research focus exclusively on organizations based in one

country, Finland. Thus, these organizations are operating internationally. Yet, geographical boundary could have had an impact on the study's scope and findings.

Technologies are developing at a rapid pace, and open Generative AI has only been on the market for few years at the time of the research. Therefore, this period is therefore unique and the topic very timely, so it must be considered, that the results of the study may not be generalizable even weeks from now. This thesis approaches the subject of AI in HRM on a general level and aims to map the overall picture of the phenomenon, its use cases, and challenges. The results of the study cannot be generalized to a specific industry, as representatives from various industries and organizations were interviewed for the research data.

5.2 Suggestions for further research

The study identified several potential topics for further research. Firstly, a current theme could be the co-existence of human and AI interaction within HRM to evolve in the near future in the form of Agentive AI and CO-Pilots. Moreover, building bots optimized for a specific organizational context: to create an HR bot or agent that utilizes Gen AI for internal HRM use. Secondly, augmented AI in HRM and its possibilities in performance management and organizational well-being. Additionally, understanding the dynamics of human-AI collaboration and the impact of AI on HRM different roles and responsibilities present opportunities for future research endeavors. There could be a need for innovations rooted in physicality. Aligned with the conclusions drawn by Metaverse Initiative by Finnish Ecosystem (2023), metaverse technologies enable human-centric remote work and telework, digital twins and AI helpers, creating an identity in the virtual world (Metaverse) through personalization. Potential role of AI for example in onboarding and performance management could open avenues for further exploration. This research perspective presented emphasizes the importance of physical interaction and understanding customers, which in HRM means the people of the whole organization. Furthermore, the complete transition to virtual realms is challenging — for now.

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Appendices

Appendix 1. Interview Questions

Background

- Could you please describe your working history, current position in HRM and your key responsibilities?
- Are there specific areas within your HRM tasks where you have implemented AI-based programs? If so, could you provide some examples and share your assessment of their effectiveness?
- From your perspective, how would you define the role of AI in the field of HRM?
- What factors or driving forces led your organization to embrace AI integration within HRM?

Theme 1: Opportunities and Challenges or Concerns of AI in HRM

- Can you share your insights on the current opportunities that Artificial Intelligence offers for Human Resource Management (HRM) within organizations?
- Can you describe, what are some of the primary challenges, obstacles or concerns that HR professionals may encounter when integrating AI into HRM practices?
- Could you provide specific examples of how AI has been successfully leveraged to address HR challenges or enhance HR processes in your organization or industry?

Theme 2: Tasks Replaced or Collaborated with AI in HRM, Changes AI May Create in HRM

- In your experience, which HR tasks or processes do you believe AI has the potential to replace, and why?
- Are there instances where AI can complement or collaborate with human HR professionals to achieve better outcomes? Could you provide examples?

- How do you foresee AI-driven changes impacting the various aspects of HRM, such as recruitment and selection, L&D (learning and development) and performance evaluation?
- Are there specific organizational shifts or adaptations that HR departments need to consider in context of AI's influence on HRM practices?

Theme 3: Practical Guidance for AI Adoption in HRM

- Based on your experience or knowledge, what practical guidance or recommendations can you offer to organizations looking to fully embrace the potential of AI in HRM?
- Are there any key considerations or best practices that organizations should keep in mind to ensure a successful adoption of AI in HRM?

Theme 4: Ethical Considerations of AI

- What ethical considerations should organizations take into account when integrating or supplementing HRM tasks with AI?
- How does an integrated AI program promote diversity, equity, and inclusion within HRM?

Theme 5: Current State and Future Trends in AI Adoption

- Could you provide insights into the current state of AI adoption within HRM, especially focusing on recent developments and trends in 2023-?
- How do you anticipate the co-existence of human and AI interaction evolving within HRM in the near future, and what implications might this have for HR professionals?

Theme 6: Unexplored Areas of AI Integration

- In your opinion, are there specific domains or functions within HRM where AI integration has been less explored or remains underutilized? What factors contribute to this?

Is there anything else you would like to add?