

BIGSIGHTS
2019

BRU|HAT 
HIRE BOLD.
HIRE BOLD WITH THE POWER OF
ARTIFICIAL INTELLIGENCE AND HUMAN INSIGHTS.

THE KNOW OR THE NO

THE EMERGING IMPACT OF AI IN HR



AUTHORS



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Chairman,
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Dr Saundarya Rajesh Chairman, Bruhat Insights Global, Founder-President, Avtar Group. is a social entrepreneur and an award-winning pioneer of second careers for women. used Artificial Intelligence and Machine Learning in its very rudimentary form as early as 2006 to create disruption across the entire talent acquisition spectrum.

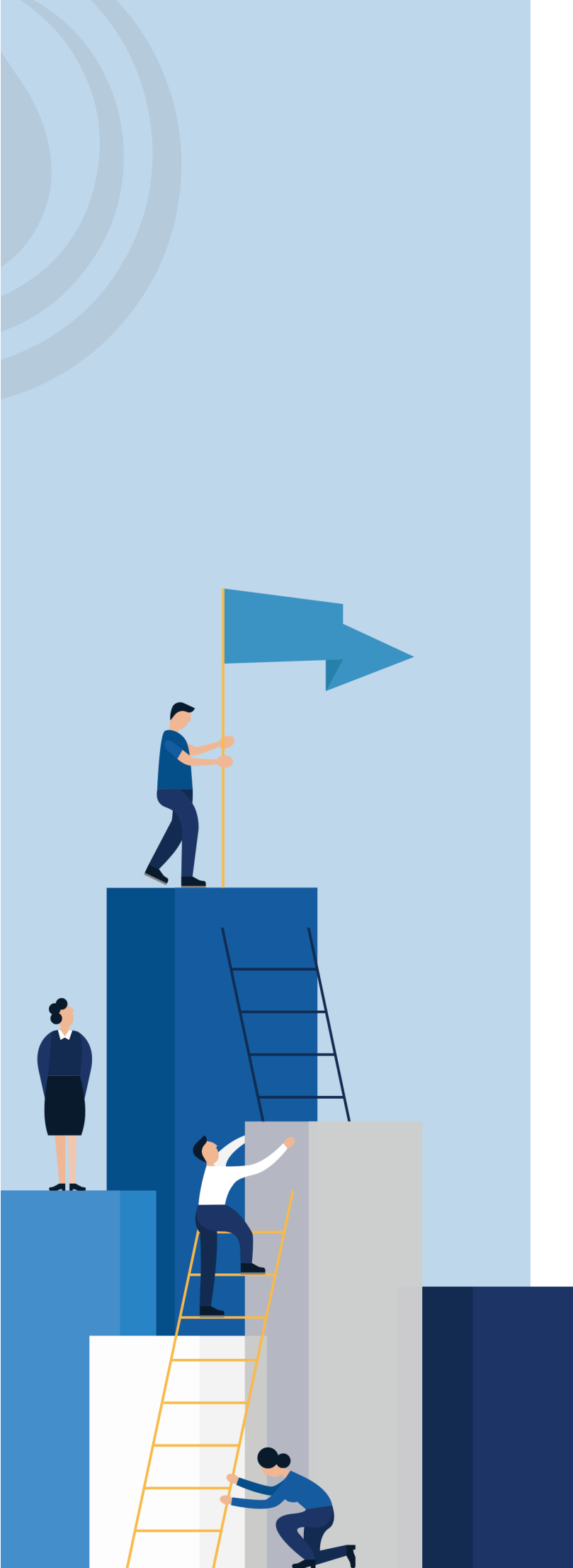
With her experience of working with companies, candidates and consultants and with her passion for innovation, Dr. Saundarya Rajesh launched AI powered Talent Acquisition Service, Bruhat Insights Global, the AIHR (Artificial Intelligence in HR) company which utilizes Artificial Intelligence to make it easier for hiring corporates to not only effectively manage their people requirements, but also obtain actionable insights, to drive productivity and engagement. The technology used by Bruhat is not just predictive intelligence, it is Prescriptive AI. Meaning, it looks at copious amounts of structured and unstructured candidate behaviour over life stages, generations, rural-urban milieus, gender et al to tell the hiring organization what is the ideal course of action to take.



Umasanker Kandaswamy
COO and Joint Director,
Bruhat Insights Global

Umasanker Kandaswamy has 25 years of experience in Recruitment Consulting, Umasanker is a prolific headhunter, with over 3500 closures in his career comprising top and middle management positions. An Electronics Engineer with a Master's in Public Administration, Umasanker has also undergone an MDP from IIM, Ahmedabad.

To counter the problem of "Candidate Ghosting", the team lead by Umasanker devised a robust data capturing mechanism called the "Dialogue Box", which helped to leverage both structured and unstructured data that emerged during candidate interactions. By employing data-driven profiling methods, the team has been able to ensure a very high candidate selection rate and high interview-to-joining conversion. This data analytics process has been scaled up using artificial intelligence and machine learning. Over the past 18 years, the team has profiled and researched over 15, 00,000 resumes, drawing their career trajectories and analyzing reasons for offer acceptance or decline. He is a regular speaker at MMA and at the Institute of Analytics on Big Data Intelligent Training.



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INTRODUCTION

Role of AI in HR and what does it Mean?

At the first glance, it would seem that Artificial Intelligence (AI) and Human Resources (HR) are polar opposites. In fact, it would even seem paradoxical that the essentially “human” HR function could use an “artificial” intelligence! But, when we dwell deeper, we can see that AI, a technology that is taking the world by storm, indeed has the potential to transform the HR function in unimaginable ways, leading to greater productivity, profitability and yes, accountability. This study, a first of its kind in India, attempts to analyze the potential impact that the usage of Artificial Intelligence in the human resources arena, can have on the overall organizational effectiveness.



Computational Intelligent tools or people management tools are not new to the HR function. Since the invasion of Information Technology, organizations have leveraged a heterogeneous set of tools to build effective human resource management systems. As the latest kid on the block, AI is slowly and steadily making its mark as the Next Big Thing in HR. AI promises to help HR automate myriad of tasks such as candidate screening, hiring, engaging, re-engaging, employee relations, on-boarding, that involve never ending man-hours. It also has the capacity to empower HR professionals with data and therefore insights, in spaces such as Leadership Development, Organizational Development, Up-Skilling and Strategic HRM et al. Thus, the biggest potential, world over, that people expect of AI, in the HR function, is the automation of mundane tasks and the enabling HR leaders to pursue what would possibly be real HR.

So, the pertinent question is this: At what pace is India Inc. evolving to adopt AI in its HR function, to realize the potential of people? Are companies leveraging the power of AI to allow machines to take over repetitive tasks, while human resource professionals focus on actual enhancement of employee experience leading to discretionary effort and therefore greater productivity?

This paper attempts to answer this question, with reference to the importance and impact of AI in the function of HR across a sample of over 250 organizations in India.

THE STUDY IMPETUS

For many years, organizations have spent their valuable time in building, managing and in many cases, mining enormous amounts of data that they have gathered over many years on job applicants, application forms, pre-employment assessments and even interaction with employees.

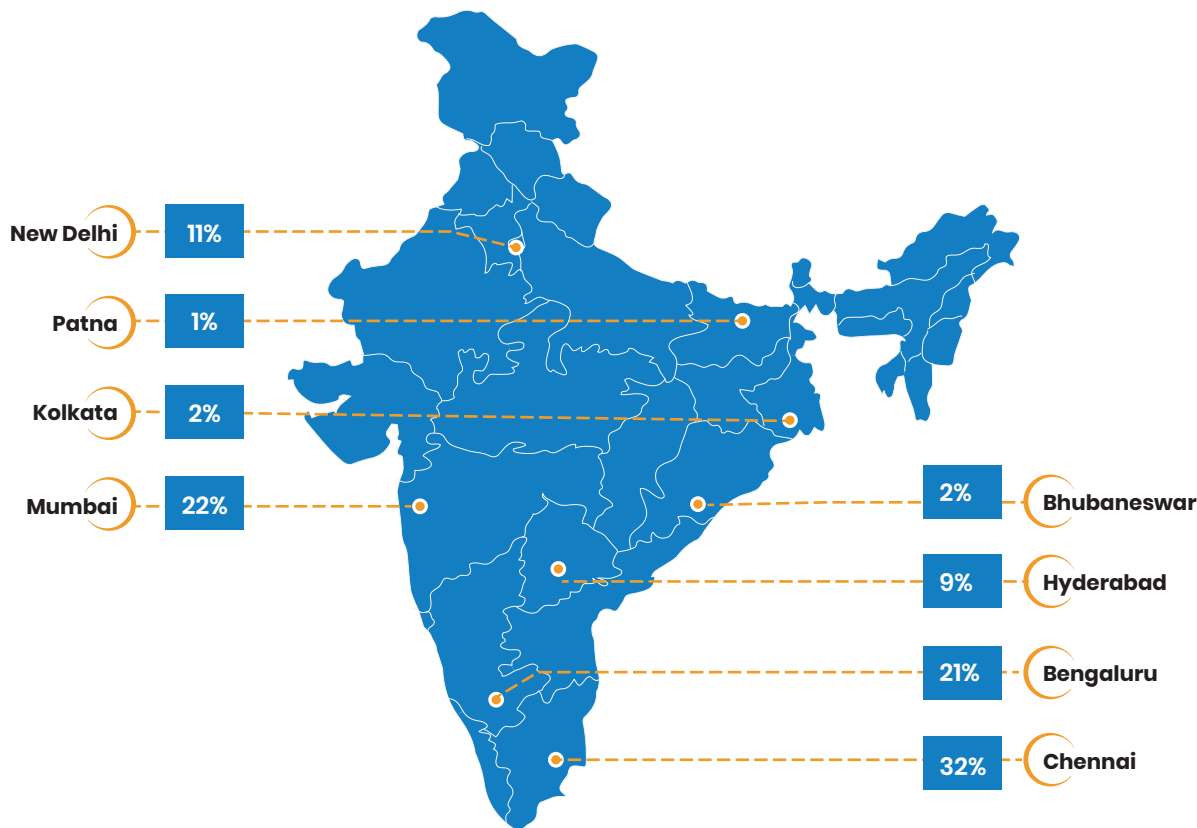
Sitting on a large corpus of data, organizations are often in a dilemma as to where to begin. The transformation that AI can bring in at workplaces is two-fold. First, in workforce, which is also the call of the day; this can be achieved by deploying analytics and machine learning tools that will prepare the existing workforce for upcoming projects and positions by suggestive upskilling and training programs. Second and most important, based on sentiment analysis of employees, AI will offer predictive forecasting that will put a check on the attrition rate.

In order to understand the penetration of AI at the organizational level, Bruhat Insights Global, the AI-powered talent acquisition arm of Avtar Group, launched a nation-wide survey to get a deeper understanding of the level of AI penetration across different industries. The survey findings have brought some interesting facts with respect to India Inc.'s adoption levels of the next revolution of automation.



THE STUDY CONTOUR

Bruhat Insights Global conducted an exclusive survey over 250 organizations across a range of industries to dwell deeper on different stages of the adoption levels of AI.



While, **59%** of the organizations across various industries are at various stages of AI adoption, the remaining **41%** organizations are “Yet to enter” the automation space.

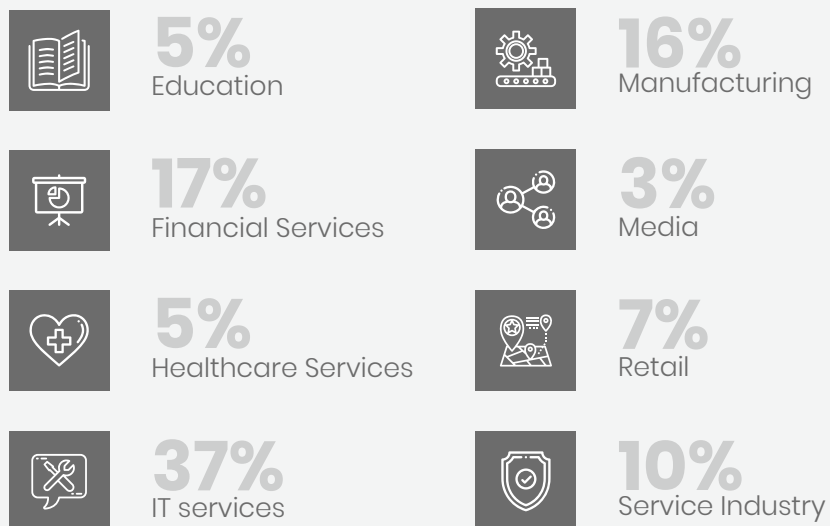
59%
AI ADOPTION

41%
YET TO ENTER

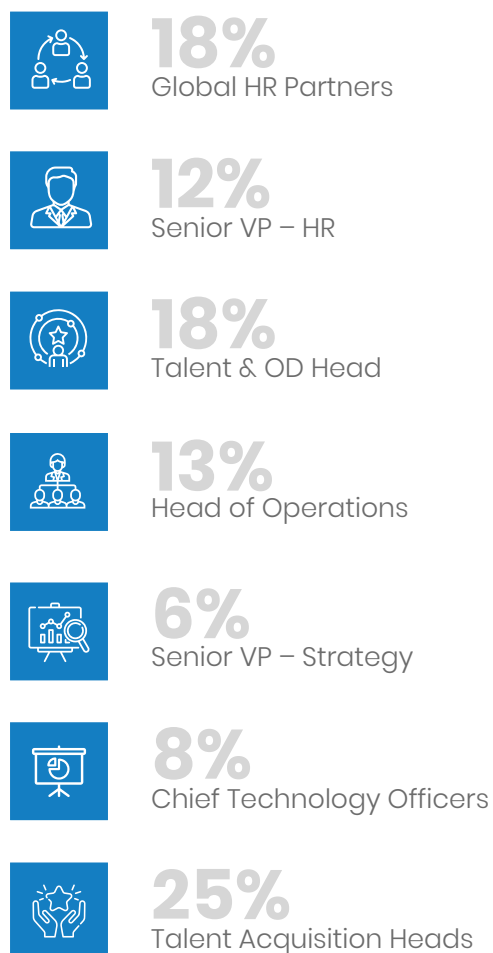
The discussion surrounding adoption of AI for different functions in HR, the fear factors associated with organizations in various stages, the level of difficulty in implementation and ownership of implementation has been analyzed in this study.

WHO'S WHO & WHERE

262 ORGANIZATIONS

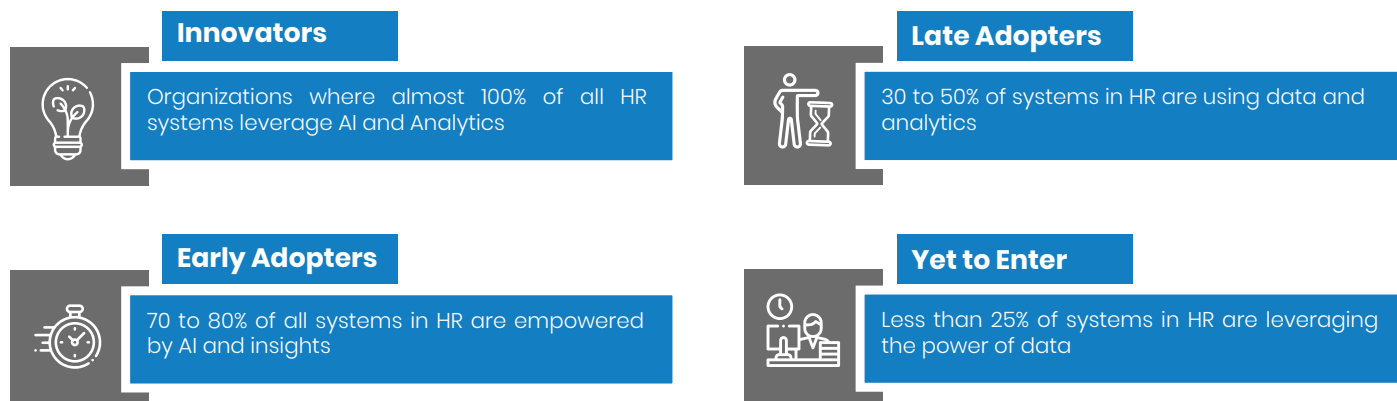


PARTICIPANTS PROFILE



FOUR PILLARS OF HR

For research purpose the adoption stage has been categorized into four sections. Among the organizations surveyed **5%** of the companies are Innovators in the space of AI in their HR functions; **25%** of the organizations are Early Adopters; **29%** of the organizations are Late Adopters; **41%** of the organizations are in the Yet to Enter space when it comes to automated tools in their People's functions.

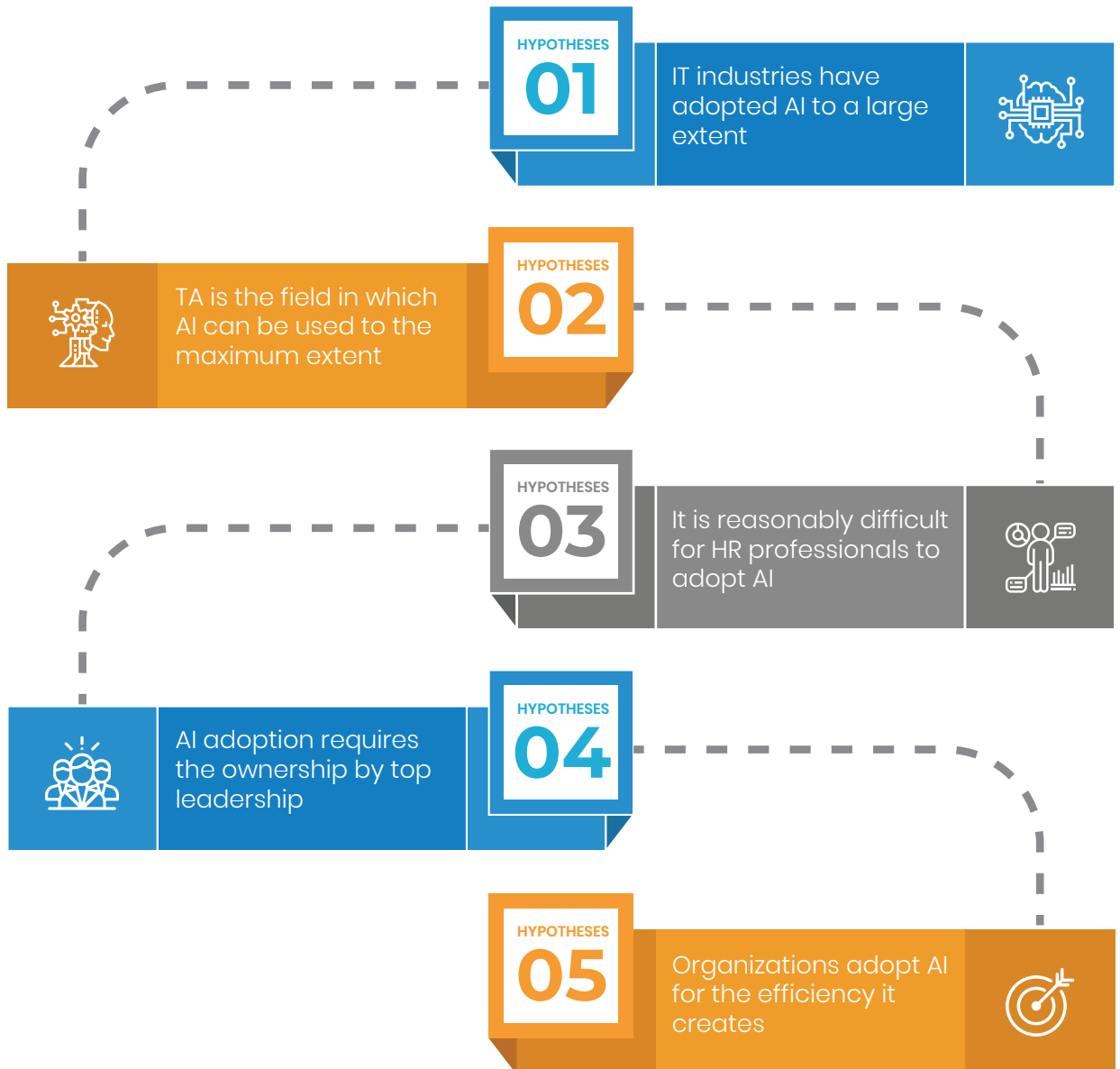


Some of the key ways in which AI plays a significant role in HR are

TALENT ACQUISITION	TALENT MANAGEMENT	LEADERSHIP DEVELOPMENT	COMP & BEN
Accurate screening scheduling and selection	Leveraging Human capital through analyzing loads of data	To handle routine work	Accurate and efficient decision based on facts and figures
Predict/Suggest most qualified fit	Analyze leaps of performance based data for performance prediction	Push innovation	Bias removal
Predict behavior of offer management	Streamline processes based on performances and linking to rewards and promotions	Foster thought leadership	Manage employees' salaries
Predict/Suggest compensation data	Suggest necessary corrections on rewards and promotions	Assist in decision-making through Talent Management AI tools	Track leaves
Pipeline candidates based on hiring trends and succession data	Suggest requisite training and development	Enable succession planning	Anticipate appropriate and employee-centric benefit programs
Better candidate engagement	Monitor employees' communications and suggest/predict employee behavior		Chatbots to facilitate comp & Ben related queries and other necessary mundane tasks
Removal of biases			Removal of biases

RESEARCH HYPOTHESES

The following five Hypotheses were chosen to be either proven or disproved, basis the data that emerged from the study.



SURVEY FINDINGS

Adoption level of AI in HR

The adoption of AI in HR by various organizations across industries is uneven. Based on the research by Bruhat Insights Global, **41%** of the organizations have less than **25%** of their HR systems that leverage the power of AI while only **5%** of the organizations have their entire HR function powered by AI.

HR Functions that lack sufficient data for decision making

54% of the organizations have revealed that they do not have sufficient data for leadership development. This is closely followed by training and mentoring with **51%**. All of which reveal that Leadership & Development lack the consolidation of data for decision making.

Functions where Data application can create value

50% of the organizations are applying data for Talent Acquisition process, concentrating on application processing while **59%** of the organizations who participated in the survey are of the opinion that Succession Planning is the key HR function where application of data can create great value.

Why do organizations prefer AI for HR

78% of the organizations have mentioned Process Efficiency as the key reason for using AI in the HR function. There is a compliance process associated with each of the HR functions. HR Leaders who embrace AI for process efficiency drive their functions towards more operational efficiency vis-à-vis those HR Leaders who embrace AI exclusively for creating a cool employee experience. Being agile and having a competitive edge over other organizations may be additional factors for AI adoption while few adopt it, since it is a top management call.

Human Bias affecting the HR functions

Discrimination is seen as being pervasive and highly prevalent in workplace especially in the recruiting function. Perhaps, it is indeed a no brainer that **41%** of the organizations feel recruitment is the most biased HR function. With the 'Halo Effect' having a great influence on recruiters, it is absolutely crucial for Talent Acquisition specialists to become aware of the unconscious effect that gets created. AI is seen as a tool to eliminate bias.

AI requires change in mindset of HR Professionals

38% of the organizations are of the opinion that they can adopt AI for all their HR functions with moderate level of difficulty. Even though organizations are gearing up for an AI reskilling, HR professionals are not fully aware of the pull factor. **29%** HR Professionals accept that it is difficult to adopt as they need to upgrade their own skillsets, while also simultaneously training their existing workforce and changing how the business functions.

Organization's perspective on the risk factors associated with AI adoption in HR

49% of the organizations fear that AI can interpret culture based organizational decisions quite differently from what has been the norm. This can lead to wrong management decisions and inadvertent exposure or misuse of organizational data.

Individuals' fear of adoption of AI in HR

46% of the organizations feel the change is too disruptive, and might lead to non-beneficial results.

Skills that will remain purely human

AI may support in complex problem solving but the problems need to be creatively fed by human beings. Creative people have the ability to devise new ways to carry out tasks, solve problems and meet challenges. Clearly, abilities such as creative thinking and team work score on top among the organizations. **77%** of the organizations feel creative people bring in fresh perspectives to work that cannot be replaced by algorithms, while **68%** have expressed team work as a skill set that cannot be preempted by any systems.

Ownership of top leadership in AI adoption

The research reveals that it is the CEO of the organization who has to foresee the business value of AI in HR. **74%** of the organizations have stated that implementation of AI in HR should be led by the CEO or the top leader, whereas, **73%** of them feel that the onus should be on both the CEOs as well as the HR Heads. That said, organizations where CEO himself/herself has taken the ownership for AI adoption have made the most progress in digitizing the HR processes and also are leading the edge of AI adoption.

STUDY INFERENCES

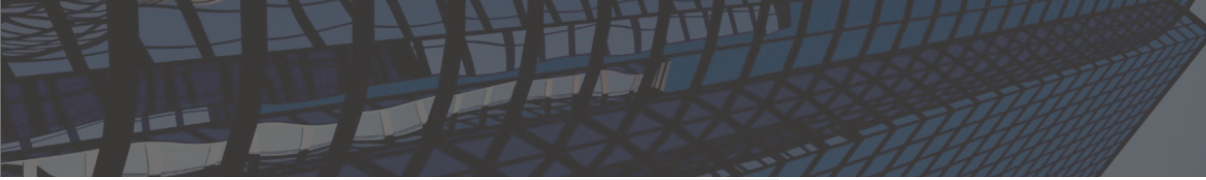
Industry Insights

The Education sector has the ability to transform a country through development of HR and increased productivity. It has been adopting transformative and innovative approaches in administration, learning, tutoring, grading and assessment. The amalgamating technology with innovative learning processes have revolutionized the education system across the globe. The AI innovators have made substantial progress in school and higher education with successful integration of technological assets.

The Entertainment and Media industry which is far sighted and has been putting the best foot forward to showcase the powerful features of AI for its external customers has drastically failed to implement AI applications for its internal customers. **75%** of organizations in Entertainment and Media sector are yet to enter the AI space with less than **25%** of their HR systems leveraging the power of data.

From in-person banking to mobile banking, **The BFSI sector** has seen rapid growth. AI's potential can be looked at through multiple lenses in this sector, particularly its implication and applications across the entire landscape of banking. Being one of the early adopters of AI for its operational efficiency and HR Process efficiency, BFSI has entered the intelligence age under intense pressure on multiple fronts.





The city-divide

Across the geographical divisions in India, HR professionals in **56%** of organizations in **New Delhi** strongly feel there is lack of sufficient data and insights for decision making in Leadership Development.

A majority of organizations in **Chennai** have chosen AI for application processing as they find lack of data in creating a sustainable and engaged candidate pool.

Organizations in **Bangalore** want the HR Heads to own the responsibility of implementing AI and concentrate on Compensation and Benefits functions where the AI applications can be utilized to generate analytics.

Talent Management is creating gaps in employee retention, diversity and enhancement. Organizations across industries in **Mumbai**, find Talent Management as one of the functions that will most benefit from AI in HR.

Fear Factor

Organizations in **Mumbai** and **Hyderabad** fear that AI can lead to highly disruptive change for a function like HR which is more human, and this may eventually give results that are not beneficial for individuals and organizations as well. Seeing the boss/supervisor as a Robot is not a concern shared by organizations in **New Delhi** and Chennai but their concern is the steep learning curve created by application of AI in various HR functions. Organizations in Bangalore fear their job becoming redundant with AI taking up most of the work.

HYPOTHESES OUTCOMES



IT industries have adopted AI to a large extent

Being in the space of Information technology, these companies are seeing the business case for AI that will not only allow them the right intelligence and also achieve personalization at scale.



It is reasonably difficult for HR professionals to adopt AI

However, given the fact that there is no part of HR that is either black or white, HR professionals are still apprehensive whether algorithms will be a fool-proof system.



Organizations adopt AI for the efficiency it creates

Early adopters were seen in the BFSI sector where AI is being used extensively for operational and HR process efficiencies meeting all the transactional requirements. Operations such as, recruitment, performance management are "manned" by systems that drive high-powered decision making via algorithms and data science techniques.





TA is the field in which AI can be used to the maximum extent

Among all the core areas of HR function, companies aspire to implement AI in the spaces of Leadership & Development, and Succession Planning



AI adoption requires the ownership by top leadership themselves

Implementation of AI still remains in its nascent state, mainly because application of AI still remains in the ownership of IT heads and Chief Technology Officers. With millennials set to take up the maximum number of jobs in the future, the top management needs to drive the technology progressions to meet organizational needs and employee expectations.



CONTRIBUTORS



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Sridevi Bharadwaj, who heads the Sales and New Product Development, holds a Masters in IT brings a holistic approach to IT, Operations and Business Development. With more than 13 years of experience from various corporate organizations, Sridevi has a passion for people and technology.



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AI-driven analytics + Bayesian approach
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How does it work?



AI Enabled Solution

Artificial Intelligence algorithms automate the resume screening to shortlist and grade candidates from our database of over 1.5 million validated profiles.



Big Data Repository

Unfettered access to nearly 100% of information our recruiter gathers from over 166 data points about the potential candidate during various profiling stages.



Prescriptive Score

Bruhat's proprietary technology puts the "Real" in real time to give you, the hiring manager, a prescriptive offer acceptance score for every candidate.

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