Role of Artificial Intelligence in Inclusive HRM

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***Abstract*—Artificial Intelligence (AI) has changed human resource management (HRM), allowing for more data-driven, equitable, and inclusive procedures. For fair opportunities and organizational success in today's diverse workplace, inclusion is crucial. With an emphasis on lowering bias and enhancing fairness, this conceptual paper explores the role of AI in important HR tasks like hiring, performance reviews, training, employee engagement, and workforce analytics. AI supports objective decision-making, skill identification, and individualized learning possibilities. The study also highlights the ethical application of AI in line with organizational values, based on secondary data. It comes to the conclusion that AI can promote sustainable corporate growth, increase employee engagement, and improve inclusion.**

***Index Terms*—Artificial Intelligence, Inclusive Human Resource Management, Diversity and Inclusion, HR Analytics, Employee Engagement**

I. INTRODUCTION

Modern human resource management (HRM) is evolving due to artificial intelligence (AI), which makes procedures more data-driven, equitable, and inclusive. Employees are an organization's most valuable asset, and by detecting capabilities and lowering human bias, AI improves hiring, training, performance reviews, and retention. Organizations must deal with issues like workforce diversity, employee retention, and unconscious bias in today's cutthroat market, which makes inclusive human resource management crucial. Through impartial decision-making, AI-based HR systems increase employee engagement, guarantee equitable opportunities, and improve transparency.

1.1 Objectives of The Study

- To understand the concept and significance of Artificial Intelligence in Human Resource Management within organizations.
- To examine the concept of inclusive Human Resource Management and its importance in organizational effectiveness.
- To identify key areas where Artificial Intelligence is applied to promote inclusivity in HR practices.
- To analyze the role of AI-enabled recruitment, training and development, performance management, and career planning in fostering inclusive and engaged workplaces.
- To highlight the benefits of using Artificial Intelligence in Human Resource Management for improving fairness, employee engagement, and overall organizational performance.

1.2 Scope of The Study

- The use of artificial intelligence in human resource management is the main topic of the study.
- It looks at how AI may support equitable and inclusive HR procedures in businesses.
- Important AI-enabled HR tasks like hiring and selection, training and development, performance management, and career planning are covered in the study.
- Regardless of business or sector, the study can be applied to companies in a general setting.
- The scope is restricted to comprehending the connection between inclusive workforce management and AI-driven HR practices.

II. REVIEW OF LITERATURE

Several studies highlight the role of Artificial Intelligence in improving fairness and inclusivity in Human Resource Management. Sharma and Mehta (2025) stated that AI reduces human bias in hiring and performance evaluation, leading to fair decision-making. Rao and Anitha (2024) explained that digital

tools support skill-based hiring, workforce planning, and personalized learning. Khan et al. (2024) and Arul and Peterson (2024) emphasized that AI and data-driven HR practices improve employee engagement and reduce hidden bias. Singh (2024) highlighted the importance of ethical AI usage, including fairness and transparency in algorithms. Studies such as the International Journal of Artificial Intelligence in HRM (2023) and Susanto et al. (2023) showed that AI-based HR systems enhance employee motivation, satisfaction, and workplace inclusivity. Further, research by Sfeir (2022) and other journal reports (2022) indicated that transparent and advanced HR technologies improve employee trust, loyalty, and organizational sustainability. In addition, recent studies point out that AI supports real-time performance feedback, improves decision accuracy, and helps organizations identify talent gaps effectively. AI-driven analytics also enable better workforce planning and diversity management. Moreover, automated HR systems reduce administrative workload, allowing HR professionals to focus more on strategic and employee-centered activities. Overall, existing literature confirms that AI plays a significant role in promoting inclusive HR practices and employee engagement.

III. RESEARCH METHODOLOGY

This study examines how artificial intelligence contributes to more inclusive HRM in businesses through both direct data collection and numerical analysis.

3.1 Research Design

A descriptive and analytical research methodology is used in this work. The application of artificial intelligence in human resource management and the promotion of inclusive HR practices are explained through descriptive study. The relationship between AI-driven HR practices and inclusivity-related results is examined through analytical study.

3.2 Data Sources

• Primary Data: A structured questionnaire was used to collect primary data directly from employees and HR professionals in order to learn about their opinions on AI-powered HR procedures and the degree of workplace inclusivity.

• Secondary Data: To establish the theoretical framework and bolster the study, secondary data were collected from textbooks, research articles, scholarly journals, conference papers, and online databases.

3.3 Data Collection Method

A comprehensive questionnaire was used to collect the data, which covered topics such as basic personal information, the use of AI in hiring and selecting employees, AI tools for training and development, systems for managing employee performance, plans for career advancement, ways in which employees can participate in decision-making, fairness in human resources decisions, and procedures that support an inclusive workplace.

3.4 Tools of Analysis

1.Simple Percentage Analysis

Simple percentage analysis is used to analyze the responses by converting frequencies into percentages. This method helps clarify and effectively understand the distribution of respondents' opinions.

The formula used is:

$$\text{Percentage} = \left(\frac{\text{Number of Respondents}}{\text{Total Respondents}}\right) \times 100$$

2.Chi-Square Test: The Chi-Square test was employed to examine the association between AI-based Human Resource practices and inclusivity outcomes. Specifically, it was used to analyze the relationship between AI-based performance appraisal systems and equal opportunity in career growth among employees.

3. Correlation Analysis: In this study, correlation analysis was applied to assess the relationship between AI-enabled training and development and employee engagement.

3.5 Sampling Method

The study uses a purposive sampling method, which means people are chosen because they are relevant to the study's goals. Employees and HR workers from various departments and different levels within the organization were included to make sure that the participants have enough experience with AI-based HR practices and inclusive HR systems.

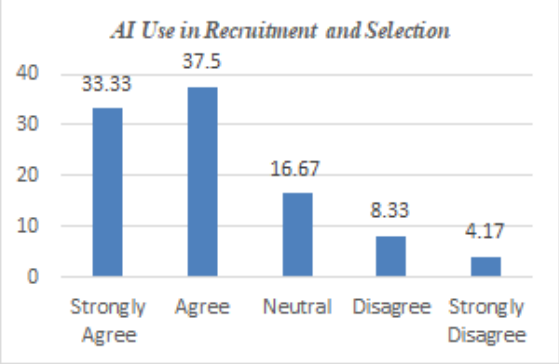
IV. DATA ANALYSIS AND INTERPRETATION

4.1 Simple Percentage Analysis

Table 4.1: Showing the Respondents' Opinion on AI Use in Recruitment and Selection

Sl.No.	Opinion	No. of Respondents	Percentage (%)
1.	Strongly Agree	40	33.33
2.	Agree	45	37.50
3.	Neutral	20	16.67
4.	Disagree	10	8.33
5.	Strongly Disagree	5	4.17
	Total	120	100.00

Chart 4.1: Showing the Respondents' Opinion on AI Use in Recruitment and Selection

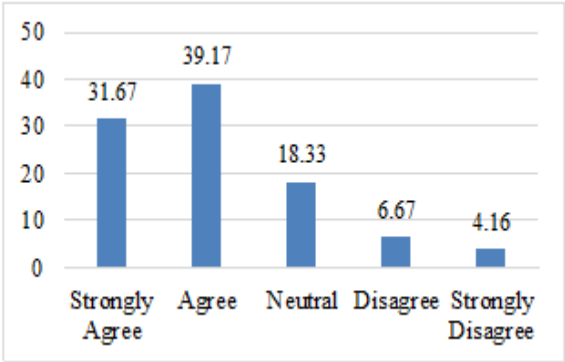


Interpretation:
A majority 70.83% of respondents agree that AI is being used in recruitment and selection processes. This indicates that AI-driven recruitment tools are widely accepted and are perceived as helping to reduce bias and improve fairness, supporting inclusive HR practices.

Table 4.2: Showing the Respondents' Perception of Fairness and Inclusivity Enabled by AI

Sl.No.	Opinion	No. of Respondents	Percentage (%)
1.	Strongly Agree	38	31.67
2.	Agree	47	39.17
3.	Neutral	22	18.33
4.	Disagree	8	6.67
5.	Strongly Disagree	5	4.16
	Total	120	100

Chart 4.2: Showing the Respondents' Perception of Fairness and Inclusivity Enabled by AI



Interpretation
A substantial majority,70.84% of respondents, believe that AI-based HR practices promote fairness and inclusivity. This indicates that AI contributes positively to transparent decision-making, equal opportunity, and the reduction of bias in HR processes.

4.2 Chi-Square Test

This test is to examine whether there is a significant association between AI-based Performance Appraisal Systems and Equal Opportunity in Career Growth among employees.

Hypotheses:

- Null Hypothesis (H_0): There is no significant association between AI-based performance appraisal systems and equal opportunity in career growth.
- Alternative Hypothesis (H_1): There is a significant association between AI-based performance appraisal systems and equal opportunity in career growth.

Case Processing Summary

Cases	N	Percent
Valid	120	100.0
Missing	0	
Total	120	

AI-based Performance Appraisal	High Opportunity	Moderate Opportunity	Low Opportunity	Total
Strongly Agree	32	6	2	40
Agree	28	10	2	40
Neutral	10	15	5	30
Disagree	3	5	2	10
Total	**73**	**36**	**11**	**120**

Test	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	**18.426**	**8**	0.018
Likelihood Ratio	17.892	8	0.022
Linear-by-Linear Association	6.214	1	0.013
No. of Valid Cases	120		

$\alpha = 0.05$
p-value = 0.018
$p < 0.05 \rightarrow$ Reject H_0

Interpretation:
The Pearson Chi-Square test indicates a significant association between AI-based performance appraisal systems and equal opportunity in career growth ($\chi^2 = 18.426$, df = 8, p = 0.018).

4. 3 Correlation Test
To examine the relationship between AI-enabled training and development and employee engagement in organizations.

Null Hypothesis (H_0):
There is no significant relationship between AI-enabled training and development and employee engagement.

Alternative Hypothesis (H_1):
There is a significant relationship between AI-enabled training and development and employee engagement.

Case Processing Summary

Cases	N	Percent
Valid	120	100.0%
Missing	0	0.0%
Total	120	100.0%

Descriptive Statistics

Variable	Mean	Std. Deviation	N
AI-enabled Training and Development	3.95	0.68	120
Employee Engagement	4.02	0.72	120

Correlation Table

Variables	AI-enabled Training & Development	Employee Engagement
AI-enabled Training & Development	1	0.658
Employee Engagement	0.658	1
Sig. (2-tailed)		0.000
N	120	120

Level of significance (α) = 0.05
Since p-value (0.000) < 0.05, the null hypothesis is rejected.

Interpretation:
A significant positive relationship exists between AI-enabled training and employee engagement ($r = 0.658$, $p < 0.05$).

V. FINDINGS AND SUGGESTIONS

5.1 Findings
1.A majority of respondents expressed positive acceptance of Artificial Intelligence in recruitment and selection, indicating that AI tools are widely used and perceived as effective in reducing bias and improving fairness.
2.Most respondents agreed that AI-based HR practices promote fairness and inclusivity, suggesting

increased transparency and objectivity in HR decision-making.

3.The Chi-Square test results reveal a significant association between AI-based performance appraisal systems and equal opportunity in career growth, indicating that AI-driven appraisal mechanisms support merit-based promotions and inclusive career advancement.

4.The correlation analysis shows a strong and positive relationship between AI-enabled training and development and employee engagement, implying that personalized and data-driven training programs enhance employee involvement and commitment.

5.Employees perceive AI-enabled HR systems as more objective and consistent compared to traditional HR practices, thereby strengthening trust in organizational processes.

6.The overall findings confirm that Artificial Intelligence contributes significantly to inclusive Human Resource Management, employee engagement, and fair workforce management.

5.2 Suggestions:

1.Organizations should adopt AI-based performance appraisal systems to ensure transparency, consistency, and equal opportunity in career growth and promotions.

2.Management should invest in AI-enabled training and development platforms that offer personalized learning paths to employees from diverse backgrounds.

3.Ethical guidelines and fairness audits should be established to prevent algorithmic bias and ensure responsible use of AI in HR decision-making.

4.Employees should be provided with awareness and training programs to improve their understanding and acceptance of AI-driven HR systems.

5.HR professionals should continuously monitor and evaluate AI tools to ensure alignment with organizational values and inclusivity goals.

VI. CONCLUSION

The study emphasizes that by enhancing equity, openness, and evidence-based decision-making in businesses, artificial intelligence plays a critical role in promoting inclusive HRM. The findings show that while AI-supported training and development programs improve employee engagement, AI-driven performance rating systems help guarantee equal possibilities for career advancement. AI promotes a more diverse, driven, and dedicated workplace by reducing human prejudice and enabling tailored workforce tactics.

However, in order to preserve equity and foster employee trust, the effective integration of AI into HR procedures necessitates close attention to moral principles, openness, and continuous assessment. Artificial intelligence has the potential to be a revolutionary tool for fostering inclusive workplaces, boosting employee engagement, and promoting long-term organizational success when used carefully and ethically.

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