International Scientific Journal of Engineering and Management
Volume: 03 Issue: 05 | May – 2024
An International Scholarly || Multidisciplinary || Open Access || Indexing in all major Database & Metadata
ISSN: 2583-6129
DOI: 10.55041/ISJEM01784

A STUDY ON ETHICAL RAMIFICATIONS OF UTILIZING AI IN TALENT SOURCING

*PORKODI PM **PROF A. SINDHIYA REBECCA

*II MBA STUDENT, PANIMALAR ENGINEERING COLLEGE, CHENNAI.

**ASSISTANT PROFESSOR, PANIMALAR ENGINEERING COLLEGE, CHENNAI.

ABSTRACT

This study investigates the ethical implications of using AI in talent acquisition, focusing on biases in AI algorithms, transparency, privacy of candidate data, the balance between AI automation and human oversight, and societal impacts on employment and diversity. Leveraging technologies like NLP, machine learning, and predictive analytics, it aims to improve recruitment strategies while ensuring compliance with regulations like GDPR. Through descriptive research and various statistical methods, the study identifies benefits and concerns of AI in recruitment. Recommendations include enhancing transparency, prioritizing data privacy, fostering diversity, and establishing accountability to ensure ethical practices in organizations.

INTRODUCTION

Artificial intelligence (AI) is a rapidly evolving field that develops intelligent machines capable of performing tasks requiring human intelligence. Techniques like machine learning, natural language processing, and computer vision revolutionize industries by automating tasks and enhancing decision-making. AI raises ethical questions about privacy, job displacement, and societal impact, necessitating responsible development and deployment. The study of AI involves interdisciplinary collaboration to improve transparency and accountability, particularly in critical applications like healthcare and criminal justice. Talent acquisition identifies, attracts, and hires skilled individuals to fulfill organizational needs, involving activities such as job posting, candidate sourcing, screening, and onboarding. Effective strategies build a pipeline of qualified candidates, prioritize diversity, and leverage technology for efficiency. AI's integration into talent acquisition transforms hiring processes, promising increased efficiency but raising ethical concerns about bias, fairness, and data privacy. This study explores these ethical implications, offering insights and recommendations for organizations to navigate these challenges responsibly. By addressing the complexities of AI in talent acquisition, the study aims to promote inclusive and ethical hiring practices.

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REVIEW OF LITERATURE

Lena Hunken schroer & Christoph Luetge (2023) This paper explores the ethical implications of AI-enabled recruiting, highlighting its transformative impact on hiring processes. The research highlights the need for further exploration, bridging business ethics and practical AI recruiting applications, and fostering awareness of ethical risks in this evolving domain. **Aashima Gupta & Mridula Mishra (2023)** The study focuses on AI tools used in recruitment, such as chatbots and face recognition software, and identifies challenges and ethical issues faced by companies. The main ethical issues faced by hiring companies include data privacy and unconscious biasness. These issues stem from the algorithms that work based on human inputs, and the programmer may have subconscious biases. **Sowmiya Manoharan, Dharshana Pazhanivelan (2022)** This paper explores the impact of Artificial Intelligence (AI) on IT decision-making, focusing on its potential toimprove operational efficiency, enhance cybersecurity measures, and improve strategic decision-making procedures. The study uses a qualitative methodology to examine the intricacies of AI's impact on decision-making processes, policies, and strategies within the IT industry. **Karahan Adali (2022)** The study focus on Artificial Intelligence (AI) has the potential to enhance productivity and facilitate decision-making processes, but it also brings both technical and ethical consequences. Machine ethics aims to create machines that adhere to ethical standards. The spread of AI applications has raised ethical dilemmas and concerns. **Ginu George, Mary Rani Thomas (2021)** The study aimed to develop a scale measuring AI in Talent Acquisition (TA) in India, focusing on hiring managers using AI integrated TA platforms for recruitment and selection. This research provides a foundation for further studies on AI's impact in other industries and its relationship with organizational outcomes.AI is revolutionizing the hiring process, shifting recruiters from administrative to strategic roles. **Geetha. R,Bhanu Sree (2020)** The study focuses on the impact of Artificial Intelligence (AI) on recruitment strategies and the techniques used by companies in AI. It highlights the importance of effective recruitment strategies in the competitive digital world, where organizations need to hire skilled, efficient, and dynamic employees to achieve their objectives. **Ugur Karaboga Pelin,Vardarlier (2020)** This study focuses on the use of artificial intelligence in recruitment processes, focusing on its level of use in businesses. The research aimed to understand how AI supports candidate selection, interview, orientation, and recruitment stages. Despite its benefits like time savings and faster hiring, many companies still prefer AI due to potential bias in candidate evaluation. Despite this, many businesses anticipate AI's future development and potential elimination of these issues. **Shruti Sharma &Vatsal Chaturvedi (2018)** The study focus on the challenges and ethical implications of Artificial Intelligence (AI) in society. AI's efficiency and cost-cutting capabilities have enriched human lives, but it also poses legal and ethical challenges. Addressing legal and ethical issues is challenging due to the non-viability of molding machines like humans. Implementing a legal structure that promotes fairness, justice, and stricture against AI's challenges is necessary for societal development. **J. Dijkkamp (2018)** The study explores the transformation of the role of HR professionals in e-recruitment systems, focusing on the role of AI in sourcing and screening. The study reveals that the implementation of AI in HR professionals can decrease tasks and responsibilities in sourcing and screening, allowing them to focus on other stages of the recruitment and selecting process.

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OBJECTIVES OF THE STUDY

- To identify and quantify potential biases present in AI algorithms used in talent acquisition.
- To assess the level of transparency in AI-driven talent acquisition processes.
- To investigate the privacy implications of candidate data collection and usage in AI-based talent acquisition systems.
- To determine the optimal balance between AI automation and human oversight in talent acquisition processes.
- To assess the societal impact of AI adoption in talent acquisition on employment patterns and workforce diversity.

NEED OF THE STUDY

Organization should prioritize investing in training programs that equip employees with the necessary AI skills. This enables them to effectively navigate AI-driven processes, ensuring efficiency and effectiveness. Clear explanations of the AI criteria and factors used in candidate evaluation are crucial. This transparency helps ensure fairness and reduces biases, promoting a more inclusive hiring environment. Regular monitoring and refinement of AI algorithms are also essential. This practice helps in reducing biases and improving accuracy in talent acquisition processes over time. Leveraging AI to attract diverse candidates and foster inclusivity is another key strategy.

SCOPE OF THE STUDY

The study aims to understand how AI technologies like Natural Language Processing,machine learning, and predictive analytics automate tasks and improve decision-making in talent acquisition. Examine trends and insights from AI-generated data to enhance recruitment strategies. Study fairness, bias, privacy, and compliance with regulations like General Data Protection Regulation in AI-driven talent acquisition. Study culture, leadership, and change management to facilitate AI adoption in talent acquisition. Investigate how AI-driven interactions influence candidate perceptions and engagement in recruitment.

RESEARCH METHODOLOGY

The research design adopted in this study is Descriptive Research. Descriptive research is are search method describing the characteristics of the population or phenomenon studied. The primary data collection techniques used in this study is QUESTIONNAIRE METHOD. In this study, the major questionnaire technique used is Close Ended Questions. The sampling method used in this study is PROBABILITY SAMPLING. Probability sampling is a sampling technique where a researcher selects a few criteria and chooses members of a population randomly. The sampling technique used in this study is Simple Random Sampling. The sample size for this study is determined using KREJCIE AND MORGON TABLE. The sample size for this study is 150, which is derived from the total number of employees in the organization, i.e., population(N) of 250.The collected data has been analyzed by the following statistical tool:

1) Mann-Whi-tney U Test

2) Correlation

DATA ANALYSIS AND INTERPRETATION

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MANN-WHITNEY U TEST

MANN-WHITNEY U TEST WITH GENDER AS A GROUPING VARIABLE

Hypothesis:

H0: There is no significant difference between the mean rank of male & female with respect to the variables.

H1: There is a significant difference between the mean rank of male & female with respect to the variables.

TABLE SHOWING U TEST SIGNIFICANCE WITH GENDER AS GROUPING VARIABLE

Test Statistics[a]

	Fairness and bias	Transparency and accountability	Privacy and Data Protection	Human centric Approach	Impact on employment and society
Mann-Whitney U	2532.500	2675.000	2702.500	2720.500	2743.000
Wilcoxon W	5772.500	5915.000	5187.500	5960.500	5983.000
Z	-1.048	-.475	-.369	-.301	-.217
Asymp. Sig. (2-tailed)	.295	.635	.712	.763	.829

a. Grouping Variable: Gender

INTERPRETATION

The Kruskal Wallis H test was conducted on the sample data, and it is found that the significance value (P value) for the variables is more than 0.05 i.e., P>0.05. Therefore, the null hypothesis (H0) is accepted. There is no statistically significant difference between the age of the employees with respect to the variables. So, the alternative hypothesis is rejected.

CORRELATION

Hypothesis:

H0: The variables are not correlated with each other.

H1: The variables are correlated with each other.

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Correlations

			Fairness and bias	Transparency and accountability	Privacy and Data Protection	Human centric Approach	Impact on employment and society
Spearman's rho	Fairness and bias	Correlation Coefficient	1.000	.234**	.162*	.133	.077
		Sig. (2-tailed)	.	.004	.048	.105	.349
		N	150	150	150	150	150
	Transparency and accountability	Correlation Coefficient	.234**	1.000	.227**	.134	.071
		Sig. (2-tailed)	.004	.	.005	.102	.385
		N	150	150	150	150	150
	Privacy and Data Protection	Correlation Coefficient	.162*	.227**	1.000	.040	.138
		Sig. (2-tailed)	.048	.005	.	.624	.092
		N	150	150	150	150	150
	Human centric Approach	Correlation Coefficient	.133	.134	.040	1.000	.190*
		Sig. (2-tailed)	.105	.102	.624	.	.020
		N	150	150	150	150	150
	Impact on employment and society	Correlation Coefficient	.077	.071	.138	.190*	1.000
		Sig. (2-tailed)	.349	.385	.092	.020	.
		N	150	150	150	150	150

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

INFERENCE

The correlation was conducted on the sample data, and it is found that the significance value (P value) for all the variables is more than 0.05 i.e., P>0.05. Therefore, the null hypothesis (H0) is rejected. The variables are highly correlated with each other.

FINDINGS

It is found that majority 53.3% of the employees are male. 35.3% of the employees belong to the age group of 31-35. The employees who have the qualification of Master's degree are of 42.7%. 51% of the employees have experience of 1-5 years with the company. 30% of respondents strongly agree that AI in talent acquisition leads to a fair and unbiased process. 30% of respondents strongly disagree that the use of AI in talent acquisition has led to a more equitable recruitment process. 36% of respondents are completely aware of how AI algorithms are used in talent acquisition. 30% expressing moderate concern regarding the transparency of candidate data. 29% of respondents are completely aware of how AI technologies have helped reduce bias in the talent acquisition process, 30% of respondents mostly agreed that AI technologies have improved the speed of the talent acquisition process. 30% of respondents strongly agree that AI adoption in talent acquisition has created new job opportunities, 29% of respondents agree that the use of AI in talent acquisition has improved workforce diversity. Kruskal Wallis H test was conducted on the sample data, and it is found that the significance value for all the variables is more than 0.05. So, there is no significant difference between the age of the employees with respect to the variables skill enhancement, challenges faced, employee engagement and productivity improvement.

SUGGESTIONS

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The company can explore the relationship between respondents' awareness of AI algorithms in talent acquisition, their perceptions of transparency in decision-making processes, and their levels of trust in AI algorithms. Could create resources or documents that explain how AI algorithms are used in talent acquisition to increase transparency. Offer training sessions or educational resources to employees to increase awareness and understanding of AI technologies used in talent acquisition. Establishing mechanism for monitoring AI algorithms' performance and outcomes in talent acquisition, including identifying and addressing any biases or errors. Examine whether there are significant differences in perceptions of AI-driven talent acquisition among different gender and age groups. Establishing clear ethical guidelines for the use of AI in talent acquisition and ensure accountability for any errors or biases that may occur. Analysing the concerns expressed by respondents regarding the collection, handling, and ethical use of data in AI-driven talent acquisition.

CONCLUSION

The project on "The ethical implications of utilizing AI in talent sourcing" highlights regarding significant proportion of respondents perceive AI as fostering fairness and reducing bias in the recruitment process, concerns linger regarding transparency, data privacy, and the ethical use of candidate data. To address these challenges, it is imperative for the organization to prioritize transparency in AI algorithms, implement stringent data privacy measures, and provide comprehensive training on AI technologies and ethical guidelines. Furthermore, fostering diversity and inclusion initiatives and establishing accountability mechanisms for AI errors and biases are essential steps to enhance trust and ensure the responsible use of AI in talent acquisition. By implementing these recommendations, organization can navigate the ethical complexities of AI in recruitment, foster a fair and inclusive hiring process, and uphold its commitment to ethical practices in the digital age.

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