

HARNESSING ARTIFICIAL INTELLIGENCE IN STRATEGIC HRM FOR DRIVING ORGANIZATIONAL SUCCESS

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Abstract

Purpose

This study investigates the perceptions, adoption, and strategic impact of Artificial Intelligence (AI) in Human Resource Management (HRM). It explores how AI is being integrated across HR functions, assesses organizational readiness, and evaluates its role in driving organizational success.

Design/Methodology/Approach

A quantitative research design was employed, using a structured questionnaire distributed to HR professionals and managers across diverse industries. A total of 350 questionnaires were distributed, and 315 valid responses were analyzed. The instrument measured perceptions of AI in talent acquisition, performance and development, employee engagement and retention, strategic decision-making, and overall impact, along with organizational readiness and intent for future AI investment. Reliability analysis confirmed high internal consistency, with Cronbach's alpha values ranging from 0.823 to 0.941. Data were analyzed using descriptive statistics, including frequencies, percentages, means, and standard deviations.

Findings

The results indicate overall positive perceptions of AI in HRM. Respondents strongly endorsed AI's role in aligning HR with business objectives ($M = 4.38$) and contributing to organizational success ($M = 4.48$). AI was also perceived as effective in resume screening, performance evaluation, and skill gap identification. However, perceptions were more cautious regarding AI's ability to reduce hiring bias and predict employee retention, reflecting ethical and reliability concerns. Most organizations reported moderate to high readiness for AI adoption, although only a minority indicated very high preparedness. Additionally, while more than

half of respondents expressed likelihood of future AI investment, a significant proportion remained neutral, highlighting uncertainty in strategic direction.

Practical

The results imply that companies need to find a trade-off between the efficiency and strategic importance of AI and focus on ethical considerations, transparency, and acceptance among the workers. The digital literacy and infrastructure investments, as well as change management investments, are necessary to transition to full-scale adoption. The symbol of AI should be defined as a support to the human decision making process, in which the level of technology performance is integrated with the way of decision made by humans, and sensitivity.

Originality/Value

The paper gives empirical evidence to a topic that is normally dominated by theoretical and technical discussion. It provides an insight into the opportunities and challenges of AI adoption through the perceptions of HR practitioners and the insights can be employed by HR leaders, policymakers, and scholars. The research provides a justified remark concerning the possibility of using AI as a strategic tool to make the HRM more efficient and help the organization succeed in the long term.

Implications

INTRODUCTION

The present day business landscape is full of instability, complexity and a highly disruptive pace of change that is technologically disruptive. Performance and competitiveness of an organization in such an environment are directly linked to the most valuable asset of the organization its human capital (Jain et al., 2024). The effectiveness of managing, developing and strategizing this capital has seen the Human Resource Management (HRM) abandon its previous administrative responsibility to the strategic one that is at the heart of achieving sustainable competitive advantage (Ali and Rafi, 2024). The latest evolution is Strategic Human Resource Management (SHRM) that deals with the correspondence of HR policies and practices to the general mission and organizational objectives (Gupta, 2024). It assumes that people are the key to future better organizational performance since it is possible to build systems that attract, develop, motivate, and retain employees who could become effective contributors to the core objectives of

the firm (Basnet, 2024). However, the very nature of work and the workforce is transforming, presenting SHRM with a new set of challenges that traditional methods are increasingly ill-equipped to handle (Rasheed et al., 2024). The rise of the digital economy, the globalization of talent pools, the demand for more personalized employee experiences, and the sheer volume of people-related data have created a pressing need for a more agile, insightful, and predictive approach to human resource management (Yang, 2024).

It is within this context that Artificial Intelligence (AI) emerges as a transformative force, poised to redefine the paradigms of SHRM. AI, encompassing technologies such as machine learning, natural language processing, and predictive analytics, offers the potential to augment human decision-making with data-driven intelligence and automate complex, repetitive tasks (Sowmya et al., 2024). The integration of AI into HR is not merely a trend but a fundamental shift towards what can be termed as data-centric HR. This shift promises

to move HR practices from being reactive and intuition-based to being proactive, evidence-based, and strategically impactful (Sun & Jung, 2024). The potential applications are vast and touch upon every facet of the employee lifecycle. In talent acquisition, AI-powered tools can sift through thousands of resumes to identify the most suitable candidates, not just based on keywords but on a deeper analysis of skills, potential, and cultural fit, while also working to mitigate unconscious human biases that have long plagued hiring processes (Briki & Gherrab, 2024). Once employees are onboarded, AI can revolutionize performance management by moving away from annual, often subjective, reviews to a system of continuous, real-time feedback and performance analysis, identifying patterns that human managers might miss (Panda et al., 2024).

Furthermore, in the critical areas of employee engagement and retention, AI-driven analytics can scan internal communication channels, feedback surveys, and operational data to gauge the organizational pulse, predicting flight risk and identifying the root causes of disengagement before they lead to valuable talent walking out the door (Yadav et al., 2023). This enables HR and line managers to intervene proactively with personalized retention strategies, career pathing, and targeted learning recommendations. Beyond these functional improvements, the most significant value proposition of AI lies in its capacity to elevate HR's strategic role (Joshi, 2023). By analyzing data on workforce skills, market trends, and business performance, AI can provide powerful insights for strategic workforce planning, helping leaders anticipate future skill needs, model different business scenarios, and ensure that the human capital strategy is not just aligned with, but is a driving force behind, the business strategy (Afshar & Shah, 2025). This transition positions the HR

function as a true strategic partner, contributing directly to organizational agility, resilience, and long-term success.

Although this is a promising prospect, the path to AI full utilisation in SHRM is fraught with complications and difficulties (Afshar and Shah, 2025). Implementation of AI is not a plug and play solution; it is a major change at the organizational level that relates to the questions of ethics, trust, and potential (Akram et al., 2025). The issue of data privacy, the possibility of developing and/or even increasing existing disparities with the aid of algorithms, and the threat of dehumanizing the work environment are significant obstacles. Both employees and HR professionals can be apprehensive of AI, believing that it will cause them to lose their jobs or lose human control in making important decisions relating to people (Mirza et al., 2025). Human and organizational rather than being a purely technological problem, the success of AI integration is a human and organizational one. It depends on the readiness of the organization, the digital literacy of the employees, the quality of the data infrastructures and most importantly perceptions and acceptability of the individuals who are supposed to use and be influenced by them (Sultan et al., 2025). Understanding how HR professionals and business leaders perceive the value, impact, and challenges of AI is therefore a critical precursor to its successful implementation (Fauz et al., 2025).

This study is situated at the nexus of this technological transformation and strategic imperative. While much of the existing discourse on AI in HR is either highly theoretical, focusing on future potential, or narrowly focused on the technical functionalities of specific tools, a significant gap exists in understanding its perceived strategic contribution from the perspective of HR practitioners and managers themselves (Al

Prince, 2025). There is a pressing need for empirical evidence that moves beyond anecdotal case studies to systematically investigate how AI is being operationalized within SHRM frameworks and how its adoption is perceived to influence key organizational outcomes (Imtiaz et al., 2025). This research seeks to fill this gap by conducting a rigorous investigation into the real-world perceptions and experiences of professionals. It aims to move past the hype and provide a grounded analysis of how AI tools are currently being deployed in core HR functions, the perceived benefits and obstacles, and the critical link between AI-driven SHRM and overall organizational success. The knowledge resulting will be invaluable to the top management, HR executives in creating realistic digital transformation roadmaps, to policymakers to develop guidelines against the use of AI, and to the academic community of building a more nuanced and evidence-based perspective of this rapidly growing area (Imtiaz et al., 2025). Finally, this study aims to present an impartial evaluation of how organizations can strategically leverage the power of artificial intelligence to realize the full potential of their human resource and hence realizing meaningful and sustainable organizational success in the digital era.

Literature Review

The integration of Artificial Intelligence into business functions represents a paradigm shift, and its application within Human Resource Management is a rapidly evolving area of academic and practical interest (Rohit et al., 2024). This review synthesizes existing literature to establish a foundational understanding of Strategic HRM, trace the emergence of AI within this domain, explore its specific applications across the employee lifecycle, and identify the significant challenges and strategic implications of its adoption (Zhaoa, 2024).

The Evolution of Strategic Human Resource Management

The very idea of Human Resource Management has been changed considerably throughout the last few decades. Although the role was first thought of as an administrative one and was oriented on payroll, compliance, and personnel records, over time, the discipline grew to see the strategic importance of human capital (Roy et al., 2025). This gave rise to the paradigm of Strategic Human Resource Management. SHRM is predicated on the belief that an organization's human resources are a critical source of sustainable competitive advantage. The central tenet of SHRM is the principle of "vertical fit," which emphasizes the direct alignment of HR systems and practices—such as recruitment, training, performance management, and compensation—with the overall strategic goals of the business (Kim et al., 2025). The objective is to ensure that the workforce possesses the necessary skills, behaviors, and motivation to execute the corporate strategy effectively (Yamin et al., 2024). This strategic perspective moves the HR function from a reactive support role to a proactive partnership with top management, where HR initiatives are directly linked to key performance outcomes like profitability, market share, and innovation.

The Advent of Artificial Intelligence in Business

Parallel to the evolution of SHRM, the field of artificial intelligence has advanced from a theoretical concept to a practical tool driving innovation across industries. AI refers to the capability of machines to perform cognitive functions typically associated with human minds, such as learning, problem-solving, and pattern recognition (Ahmad & Museera, 2024). Core technologies underpinning AI include machine learning, which allows systems to learn and improve from experience

without explicit programming; natural language processing, which enables computers to understand and interpret human language; and predictive analytics, which uses historical data to forecast future outcomes (Niazi, 2024). In the business context, AI has been leveraged to optimize supply chains, personalize customer marketing, automate financial trading, and manage complex data infrastructures (Bharadiya et al., 2023). The demonstrated ability of AI to process vast datasets, identify subtle patterns, and automate complex tasks has naturally led to its exploration within the domain of people management, giving birth to the field of "people analytics" and AI-driven HR.

Applications of AI in Core HR Functions

The literature exposes an increasing amount of information and debate concerning the use of AI throughout the lifecycle of employees. The most noticeable ones may be divided into a number of major HR functions (Afzal et al., 2023). The use of AI-powered tools in talent acquisition and recruitment is transforming the existing technology. These systems can automate sifting through the resumes of thousands of candidates and hence consume a significant amount of time-to-hire. More progressive platforms utilize predictive algorithms to assess the fit and long-term success of candidates to the culture, as well as to reduce unconscious human bias by focusing on objective capabilities and competence, thus, promoting diversity and inclusion as early as the first hiring round (Rathi, 2018).

In the performance management setting, AI introduces a shift in the occasional, subjective, reviews of performance, typically performed once a year, to a system of constant feedback and objective metrics. AI can analyze any information, including, but not limited to, project management systems, peer-reviews, and communication with users, to provide a more mosaic and data-driven view of how employees

perform (Kaur and Kaur, 2022). This allows managers to see those who perform well, the areas they need development and train them based on verifiable evidence rather than on intuition. Moreover, AI is highly essential in conforming and enhancing learning and development via personalisation (Garg et al., 2022). By evaluating performance and skills, AI systems would be able to propose tailored training programs and career paths to a particular employee, which would not only foster a culture of life-long learning but also enable more effective and successful planning of succession.

This is as well as one other critical application which is in employee engagement and retention. The AI-powered analytics will be able to help predict potential attrition as they will automatically monitor indicators of employee mood such as communication, feedback survey responses, and even absenteeism (Huang et al., 2023). This allows managers and HR business partners to intervene earlier with special retention interventions to problems before they lead to loss of valuable talent. This proactive prediction tool transforms retention into a reactionary program to a proactive program.

Challenges and Strategic Implications of AI Integration

Although the use of AI in SHRM has promising applications, there are major challenges and strategic considerations that come with the introduction of AI in SHRM. One of the main issues is associated with ethics and prejudice. Although it is intended to be objective, AI algorithms may contribute to the persistence or even the increase of the existing biases in society when trained on historical data that depicts the bias (Saxena et al., 2024). This poses some critical concerns regarding fairness, transparency and accountability in automated HR judgments. Data privacy and security represent another major hurdle, as HR

departments handle extremely sensitive personal information. Ensuring the ethical use and robust protection of this data is paramount (Abbas & Al-Lawati, 2025).

From an organizational perspective, resistance to change is a formidable barrier. Employees may fear job displacement, while managers may be skeptical of AI-driven recommendations, leading to a lack of trust and adoption (Dwi & Akmal, 2024). The success of AI implementation is, therefore, heavily dependent on organizational readiness, which encompasses technological infrastructure, data quality, and a supportive culture that views AI as an augmenting tool rather than a replacement (Iqbal et al., 2023). The "black box" nature of some complex AI models, where the rationale behind a decision is not easily explainable, further complicates trust and acceptance (Hasan & Abdullah, 2022). Finally, a significant strategic implication is the evolving role of HR professionals. As AI automates administrative and analytical tasks, the HR function must upskill, shifting its focus towards strategic advisory roles, change management, interpreting AI-driven insights, and handling complex employee relations issues that require human empathy and ethical judgment.

Synthesizing the Research Gap

In summary, the literature establishes a clear theoretical foundation for SHRM and outlines the transformative potential of AI across various HR processes. It also candidly addresses the ethical, organizational, and practical challenges inherent in this technological shift. However, much of the existing discourse remains either highly conceptual, focusing on future potential, or narrowly concentrated on the technical functionality of specific AI tools. A discernible gap exists in empirical research that systematically investigates the perceived strategic impact of AI from the viewpoint of

HR practitioners and business leaders within organizations. This study aims to bridge this gap by moving beyond theoretical postulation to provide a grounded analysis of how AI is being operationalized within SHRM frameworks and how its adoption is perceived to directly influence organizational success and competitive positioning.

Objectives of the Study

The main objective of this study will be to conduct empirical research on the perception, adoption and strategic value of Artificial Intelligence in Human Resource Management and the resultant effect on organizational success. In order to reach this purpose, the following specific objectives are developed:

- To determine the existing rate of adoption and application of AI tools in the main HR processes, such as talent acquisition, performance management, employee engagement and strategic workforce planning.

- To evaluate how HR professionals and managers think AI is effective in improving the efficiency of HR processes, the accuracy of HR processes, and the strategic value of HR processes.

- To analyze the relationship between the application of AI in Strategic HRM and the key success metrics of the organizations, i.e. strategic alignment, quality of decision-making and performance.

- To examine the challenges and barriers facing organizations during the use of AI in HR, including the issues of data privacy and ethical implications and employee resistance, and company readiness.

- To develop a system of evidence-based recommendations that must be implemented by organizations to guarantee success in their AI implementation in their HR strategies, ethical implementation, high ROI, and technological adoption culture.

These objectives are meant to provide the full picture of the role undertaken by AI in

shaping the future of Strategic HRM, and its fundamental significance in achieving the attainment of sustainable organizational goals.

Problem Statement

Although it is not denied that Artificial Intelligence (AI) can change Strategic Human Resource Management (SHRM), the gap between the perceived potential and the practical, integrated use of AI in organizational practice is quite significant. It is typical that most institutions stop at a disjointed and experimental use of AI tools and do not incorporate them into core human resource practices. This lack of connection is further complicated by the fact that there is explicit uncertainty on the actual impact of AI on strategic performance, and the current uncertainty regarding whether the AI idea has an ethical implication, data integrity, and how employees feel about the concept. Specifically, the purpose of this paper is to consider the specific challenges to the strategic adoption of AI in SHRM and to unveil the opportunities, through which it can be effectively exploited to achieve the effect of a tangible organizational success.

Methodology

The design of research used in the proposed study is a quantitative research design because the proposed study aims to investigate the perceptions, adoption and strategic implications of Artificial Intelligence (AI) in Human Resource Management (HRM). The main data collection tool in the form of a structured questionnaire was created based on the existing literature and validated measures to ensure the content validity and reliability. The tool was subdivided into three parts, demographic data of participants, the attitudes to AI in strategic HRM, and organizational preparedness and future investment intentions.

Section B assessed perceptions of AI across five sub-constructs, namely talent acquisition,

employee performance and development, engagement and retention, strategic decision-making, and overall impact. Section C measured organizational readiness and intent to invest further in AI. Reliability testing confirmed the robustness of the tool, with Cronbach's alpha values ranging between 0.823 and 0.941, signifying strong internal consistency across constructs.

The target population for this study comprised HR professionals and managers across a range of industries including information technology, banking and financial services, manufacturing, healthcare, education, and others. A purposive sampling strategy was adopted to ensure that respondents possessed the necessary professional background and familiarity with HR practices and technology. Out of 350 distributed questionnaires, 315 valid responses were obtained, yielding a strong response rate that enhances the credibility and representativeness of the findings. The demographic profile of respondents reflected diversity in terms of gender, age, education, job roles, years of experience, organizational size, and industry sector, thereby capturing a broad spectrum of perspectives.

Data collection was carried out using a combination of online survey distribution and professional networks to reach respondents efficiently. Ethical issues were also followed during the process. Participation was fully voluntary, informed consent was given and confidentiality was observed strictly by ensuring that no personally identifiable information was gathered. Contingent on the responses was the utilization of the responses in an academic manner.

The data analysis relied primarily on descriptive statistical analysis to draw up and explain the data. Frequencies and percentages were used to describe demographic characteristics and mean scores and standard

deviations were established to show the perceptions of respondents regarding the role of AI in HRM. These scales helped gain a bit of insight into the degree of consensus or neutrality of respondents on the issue of the operational and strategic value of AI. The similarity of the measurement scales was also indicated by providing the reliability statistics. The use of statistical software helped in accuracy and rigor in processing and interpretation of data.

All in all, the selected research approach of the present study was a valid and systematic means of examining the perceptions of HR specialists towards AI in SHRM. The appropriate choice of questionnaire, representative sample, and high-quality descriptive analysis enabled the research to concentrate on the fact that the findings offer not only validity but also practical meaning to the research into the present-day perception and application of AI in the organizational environment.

Table 1: Reliability Statistics

Section	Construct / Sub-Construct	Number of Items	Cronbach's Alpha	Interpretation
Section B	Overall Perception of AI in Strategic HRM	10	0.941	Excellent
	B1: AI in Talent Acquisition	2	0.876	Good
	B2: AI in Employee Performance & Development	2	0.892	Good
	B3: AI in Employee Engagement & Retention	2	0.885	Good
	B4: AI in Strategic Decision-Making	2	0.901	Excellent
	B5: Overall Impact	2	0.869	Good
Section C	Organizational Readiness & Future Intent	3	0.823	Good

The discussion of the reliability shows that the instrument implemented in the current research may be regarded as having high internal consistency regarding all the sections and constructs. Under Section B (Overall Perception of AI in Strategic HRM), a Cronbach's alpha of 0.941 was excellent, and this was achieved by the 10 items. The sub-constructs of this section had also a high internal consistency: AI in Strategic Decision-Making (0.901) is excellent, and AI in Talent Acquisition (0.876), Employee Performance and Development (0.892), Employee Engagement and Retention (0.885), and Overall Impact (0.869) are all good.

In the case of Section C (Organizational Readiness and Future Intent) the reliability coefficient was 0.823 which also shows that the coefficient is good.

Overall, these results confirm that the measurement instrument is both consistent and reliable. The high Cronbach's alpha values across constructs suggest that the items effectively capture respondents' perceptions of AI in strategic HRM, organizational readiness, and future investment intentions, thereby ensuring the robustness of subsequent analyses.

Table 2: Demographic Profile of Respondents

Demographic Variable	Category	Frequency	Percentage (%)
Gender	Male	161	46.0
	Female	189	54.0
Age Group	18-24 years	28	8.0
	25-34 years	175	50.0
	35-44 years	112	32.0
	45-54 years	28	8.0
	55 years and above	7	2.0
Highest Educational Qualification	Bachelor's Degree	84	24.0
	Master's Degree	203	58.0
	M.Phil. / MS	49	14.0
	Ph.D.	14	4.0
Current Job Role	Top Management	21	6.0
	HR Manager	112	32.0
	HR Business Partner	63	18.0
	HR Specialist	91	26.0
	Line Manager / Team Lead	35	10.0
	Non-HR Employee	28	8.0
Total Years of Work Experience	Less than 2 years	35	10.0
	2 - 5 years	105	30.0
	6 - 10 years	140	40.0
	11 - 15 years	49	14.0
	More than 15 years	21	6.0
Industry	Information Technology	133	38.0
	Banking & Financial Services	91	26.0
	Manufacturing & Engineering	42	12.0
	Healthcare & Pharmaceuticals	35	10.0
	Education	28	8.0
	Others	21	6.0
Organization Size (Employees)	1 - 50	35	10.0
	51 - 200	70	20.0
	201 - 500	91	26.0
	501 - 1000	84	24.0
	More than 1000	70	20.0

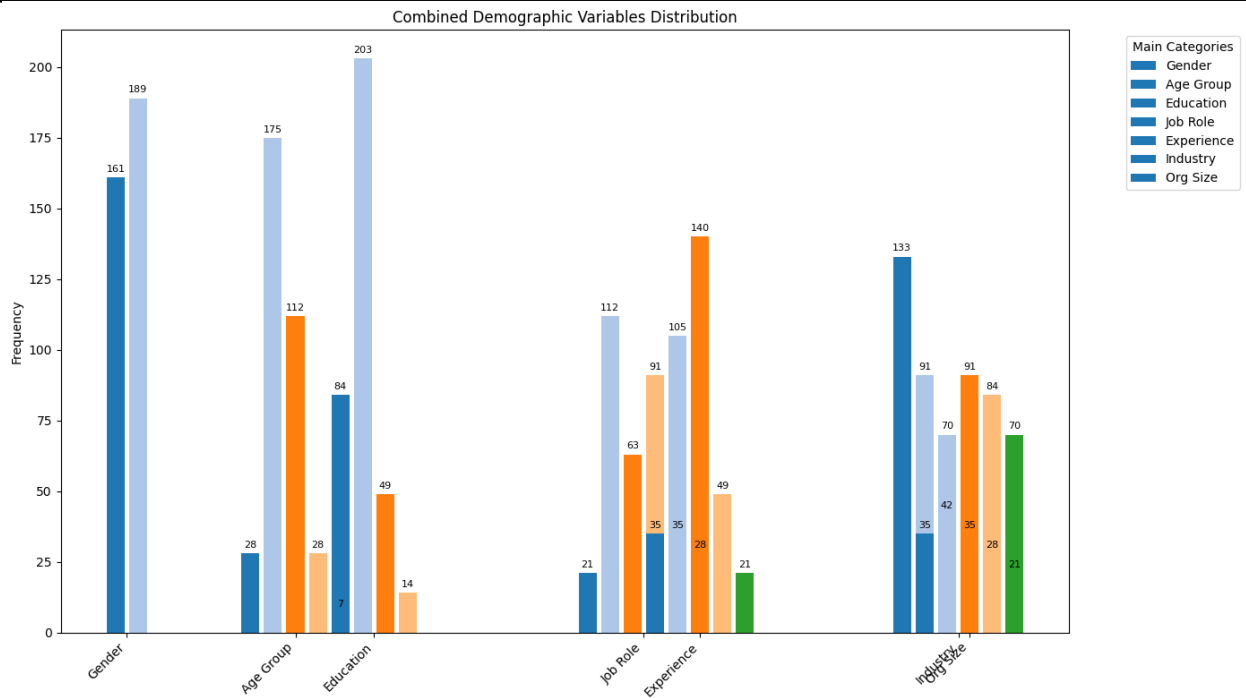


Figure No.1 Demographic Profile (Combined)

The sample comprised 161 males (46.0%) and 189 females (54.0%), indicating a slightly higher representation of female respondents. In terms of age, the majority fell within the 25–34 years category (175; 50.0%), followed by 35–44 years (112; 32.0%), while smaller proportions were aged 18–24 years (28; 8.0%), 45–54 years (28; 8.0%), and 55 years and above (7; 2.0%), suggesting that most respondents were young to mid-career professionals.

Educational attainment was notably high, with the majority holding a Master's degree (203; 58.0%), while 84 respondents (24.0%) had a Bachelor's degree, 49 (14.0%) possessed an M.Phil./MS, and 14 (4.0%) had completed a Ph.D. This reflects a well-educated participant pool.

Regarding job roles, HR Managers (112; 32.0%) formed the largest group, followed by HR Specialists (91; 26.0%), HR Business Partners (63; 18.0%), and Line Managers/Team Leads (35; 10.0%). Smaller

proportions included Top Management (21; 6.0%) and Non-HR Employees (28; 8.0%), indicating a sample predominantly drawn from HR-related functions.

Work experience varied, with the largest segment having 6–10 years (140; 40.0%), followed by 2–5 years (105; 30.0%). Fewer respondents reported less than 2 years (35; 10.0%), 11–15 years (49; 14.0%), or more than 15 years (21; 6.0%), suggesting a workforce primarily in the mid-experience range.

Sectoral representation showed dominance of Information Technology (133; 38.0%) and Banking & Financial Services (91; 26.0%), with smaller contributions from Manufacturing & Engineering (42; 12.0%), Healthcare & Pharmaceuticals (35; 10.0%), Education (28; 8.0%), and other sectors (21; 6.0%).

Finally, organization size distribution reflected a balance across categories: 201–500 employees (91; 26.0%), 501–1000 employees

(84; 24.0%), 51–200 employees (70; 20.0%), and more than 1000 employees (70; 20.0%), while smaller firms with 1–50 employees accounted for 35 respondents (10.0%).

Overall, the demographic profile highlights a diverse yet well-educated sample, with strong representation from HR professionals in IT and banking sectors, primarily mid-career and working in medium-to-large organizations.

Table 3: Perception of AI in Strategic HRM
(Scale: 1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree)

Statement	1	2	3	4	5	Mean	SD
AI improves resume screening efficiency.	7 (2.0%)	21 (6.0%)	70 (20.0%)	175 (50.0%)	77 (22.0%)	4.04	0.89
AI reduces bias in initial hiring.	14 (4.0%)	28 (8.0%)	105 (30.0%)	140 (40.0%)	63 (18.0%)	3.86	0.97
AI provides data-driven performance evaluations.	7 (2.0%)	14 (4.0%)	84 (24.0%)	182 (52.0%)	63 (18.0%)	4.08	0.85
AI identifies skill gaps and training needs.	7 (2.0%)	14 (4.0%)	63 (18.0%)	189 (54.0%)	77 (22.0%)	4.18	0.84
AI tools help monitor employee engagement.	7 (2.0%)	21 (6.0%)	91 (26.0%)	161 (46.0%)	70 (20.0%)	4.04	0.91
Predictive analytics aids retention strategies.	14 (4.0%)	28 (8.0%)	112 (32.0%)	140 (40.0%)	56 (16.0%)	3.84	0.98
AI enhances strategic workforce planning.	7 (2.0%)	14 (4.0%)	56 (16.0%)	189 (54.0%)	84 (24.0%)	4.26	0.84
AI improves HR-business goal alignment.	7 (2.0%)	7 (2.0%)	49 (14.0%)	182 (52.0%)	105 (30.0%)	4.38	0.82
AI in HR contributes to organizational success.	7 (2.0%)	7 (2.0%)	42 (12.0%)	175 (50.0%)	119 (34.0%)	4.48	0.82
Benefits of AI outweigh the challenges.	14 (4.0%)	21 (6.0%)	84 (24.0%)	161 (46.0%)	70 (20.0%)	3.92	0.99

The findings indicate overall positive perceptions of AI's role in strategic HRM. A large majority of respondents agreed that AI in HR contributes to organizational success (294; 84.0%), reflected in the highest mean score ($M = 4.48$, $SD = 0.82$). Similarly, strong support was expressed for AI improving HR-business goal alignment (287; 82.0%), with a mean of 4.38, and for AI enhancing strategic workforce planning (273; 78.0%), with a mean of 4.26. These results highlight widespread recognition of AI's strategic value.

Operational applications were also rated positively. For instance, AI's ability to identify skill gaps and training needs was endorsed by 266 respondents (76.0%) with a mean of 4.18, while AI providing data-driven performance evaluations was supported by 245 respondents (70.0%), averaging $M = 4.08$. Likewise, AI improving resume screening efficiency (252; 72.0%) and monitoring employee engagement (231; 66.0%) both recorded favorable responses ($M = 4.04$ each).

Perceptions were more mixed regarding fairness and predictive functions. While AI

reducing bias in initial hiring was acknowledged by 203 respondents (58.0%) ($M = 3.86$), a considerable share remained neutral (105; 30.0%). Similarly, predictive analytics aiding retention strategies received agreement from 196 respondents (56.0%) but showed the lowest mean ($M = 3.84$, $SD = 0.98$), indicating more cautious optimism in this area. Finally, the statement that the benefits of AI outweigh the challenges was endorsed by 231 respondents (66.0%), with a mean of 3.92,

suggesting recognition of AI's potential despite acknowledged barriers.

Overall, the results demonstrate that respondents view AI as a powerful enabler of strategic HRM, particularly in aligning HR with business objectives, enhancing workforce planning, and driving organizational success, though some reservations remain regarding fairness in hiring and predictive retention analytics.

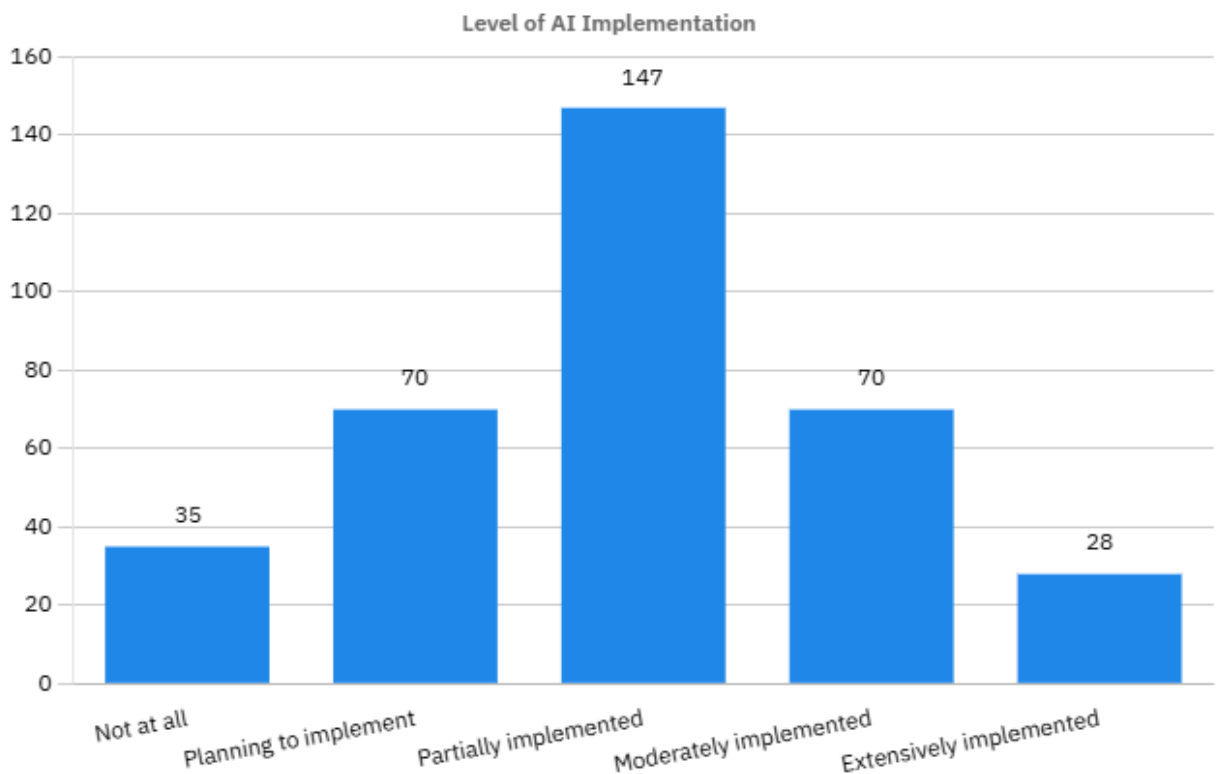


Figure No. 2 Level of Implementations

The results reveal that AI implementation in HRM is at varying stages across organizations. The largest proportion of respondents reported that AI is partially implemented (147; 42.0%), indicating that while adoption has begun, integration is not yet fully mature. A further 70 respondents (20.0%) stated that AI is moderately implemented, and 28 respondents (8.0%) indicated extensive

implementation, suggesting that only a small minority have achieved advanced adoption.

On the other hand, 70 respondents (20.0%) reported that their organizations are still in the planning phase, while 35 respondents (10.0%) confirmed that AI has not been implemented at all.

Overall, the findings suggest that while AI adoption is progressing, the majority of

organizations remain in the early to intermediate stages, with relatively few achieving full-scale integration. This highlights

both the growing recognition of AI's potential and the gap that still exists in translating strategic intent into widespread practice.

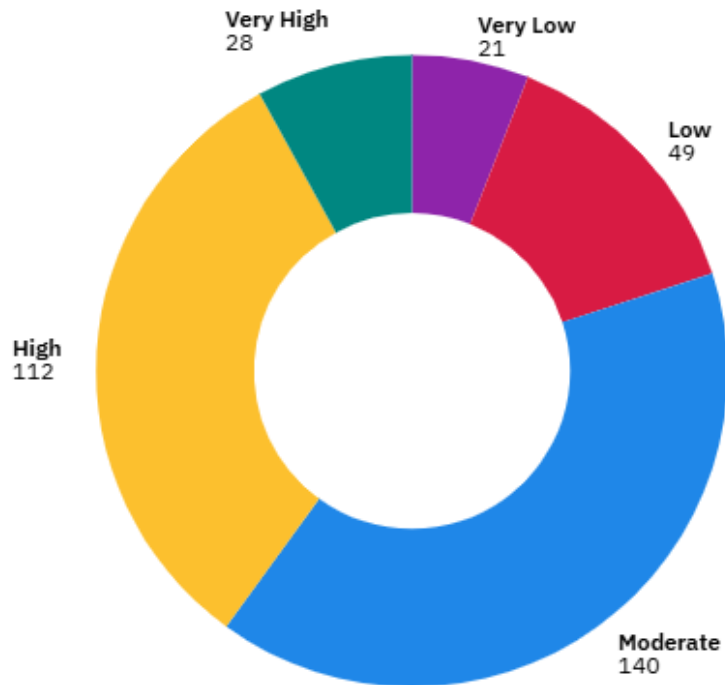


Figure No. 3 Organizational Readiness

The results indicate that most organizations perceive themselves as being at a moderate to high level of readiness for AI adoption in HRM. The largest share of respondents rated readiness as moderate (140; 40.0%), while a further 112 respondents (32.0%) indicated a high level of readiness. Additionally, 28 respondents (8.0%) reported very high readiness, reflecting a smaller but significant segment that is well-prepared for AI integration.

By contrast, lower readiness levels were less common, with 49 respondents (14.0%) rating readiness as low and only 21 respondents

(6.0%) perceiving their organizations to have very low readiness.

Overall, these findings suggest that while a substantial proportion of organizations (80.0%) view themselves as at least moderately prepared for AI adoption, only a small minority have achieved very high readiness. This implies that although the foundation for AI integration is developing, further investment in infrastructure, skills, and change management is needed to move more organizations toward advanced readiness.

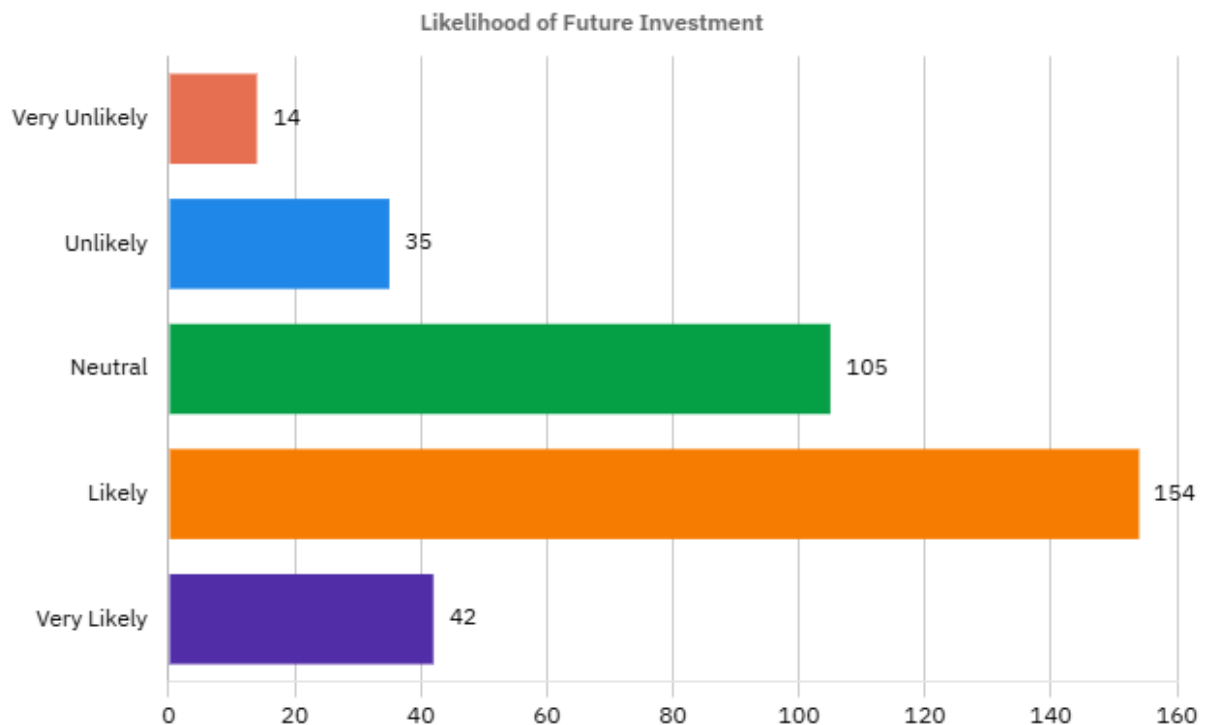


Figure No. 4 Likelihood of Future Investment

The responses indicate a generally positive outlook toward future AI investment in HRM. The majority of participants reported that their organizations are likely (154; 44.0%) or very likely (42; 12.0%) to invest in AI, representing 196 respondents (56.0%) in total. A considerable portion of respondents expressed neutral views (105; 30.0%), suggesting uncertainty or cautious optimism about future commitments.

On the other hand, only a small minority perceived future investment as unlikely, with 35 respondents (10.0%) indicating “unlikely” and 14 respondents (4.0%) choosing “very unlikely”, together accounting for just 14.0% of the sample.

Overall, the findings reflect a strong inclination toward expanding AI adoption in HRM, with more than half of organizations anticipating future investments. However, the sizeable neutral group highlights the need for

clearer strategic direction, resource allocation, and demonstrated benefits of AI to translate potential interest into concrete action.

Discussion

The results of this study provide clear evidence that Artificial Intelligence (AI) is perceived by HR professionals as a transformative enabler of Strategic Human Resource Management (SHRM). Across the core constructs measured, respondents consistently expressed strong agreement with the positive contributions of AI to HR efficiency, alignment with business objectives, and overall organizational success. The highest scores were related to the role of AI to improve alignment of HR-business goals ($M = 4.38$) and organizational success ($M = 4.48$). Such results do correlate with what previous studies have indicated that AI in HR will not solely represent a technological enhancement, but a technology that will strengthen strategic alignment between human

capital management and organizational performance (Gupta, 2024; Roy et al., 2025).

Operationally, the results reveal the fact that AI is already changing fundamental HR processes such as resume screening, performance evaluation, training needs evaluation and employee engagement evaluation. The awareness of the respondents of the possibility of AI to bring objectivity and accuracy to the HR practices, which have historically been subjective and imprecise, is evidenced by the fact that the respondents provide support of the concept of employing AI to identify skill gaps ($M = 4.18$) and to provide data-driven assessments ($M = 4.08$). All these perceptions mirror the literature claims that AI enables the HR systems to shift its focus towards reactive and intuitively guided practices towards proactive and evidence-guided decision-making (Panda et al., 2024).

In the meantime, the findings indicate the minor problems with equity and predictability. Even though the majority of the population responded that AI reduces hiring bias (58%), the neutrality rates were relatively quite large (30%), which means that some individuals remain skeptical. Similarly, retention strategy predictive analytics had the lowest mean ($M = 3.84$) rating as a warning sign of optimism about the possible predictive capabilities of AI. These issues reflect the moral concerns raised in the literature, particularly the issue of AI models as a black box and the problem of algorithmic bias (Saxena et al., 2024). The results, therefore, point to the nature of transparency, clarification of accountability, and protection of morality provided that AI can be trusted by HR professionals in the long-term.

These are enhanced by the analysis of organizational readiness. Although the majority of organizations viewed themselves as being moderately or highly prepared to integrate AI, only a small number of

organizations saw themselves as being very prepared. This observation shows that the infrastructure, digital literacy, and change management needed to achieve complete adoption of AI is still lopsided across industries. It reflects the earlier claims that the implementation of AI should not be viewed as a technological issue only but also as a cultural and organizational change (Akram et al., 2025). Similarly, most of them expressed a positive future investment outlook, although a large bulk of the neutral population (30) addresses the disconnect between interest and action, which makes it essential to make leadership decisions and allocate resources to prime potential into reality.

On the whole, this discussion indicates that although many people agree and have a positive attitude to the potential of AI in SHRM, its application is conditional upon the need to overcome the barriers in terms of ethics, organizational readiness, and acceptance of the employees. The results of the findings will be useful in theory and practice because they will demonstrate that AI in HR is not only moving towards operational automation but also towards actual strategic collaboration, although this trend should be consciously considered to deploy it responsibly.

Conclusion and Recommendations

The findings of the present study confirm that the concept of the Artificial Intelligence (AI) is widely regarded as a powerful mediator of Strategic Human Resource Management (SHRM). The respondents were quite eager in the concept on how AI can assist the HR practices that relate to the business goals, improve the strategic planning of workforces, and enable the organizations to reach their own success. The remarks concerning the organizational correspondence and combination of business ambitions are high in

mean scores, implying that AI is already viewed as more than just an operational aid, it is already viewed as a strategic driver, enhancing the decision-making and competitiveness in the long run. Equally, the respondents held that AI had the potential to assist in automating the core HR functions such as managing resume screening, performance evaluation, training needs, and engagement tracking. The findings confirm theoretical propositions according to which AI will convert the HR systems into the evidence-based instead of the intuition based practices that will facilitate efficiency, objectivity, and evidence-based decisions.

Despite this overall optimism, the results also indicate serious problems. Mixed perception was more present in such areas as bias reduction in hiring and predictive analytics in retention. Though the majority of them affirmed that. The sphere of AI may be applied in these areas, and a considerable proportion of participants were not concerned with AI, which demonstrates the existence of skepticism regarding the problem of algorithmic equity and predictive abilities. It implies that even though it has been identified as a powerful strategic partner, the trustworthiness of AI and its integrity and moral use is not fully established yet. Moreover, majority of the organizations reported to be moderately prepared or highly prepared to embrace the use of AI, yet a small percentage reported that they were very highly prepared. This brings out the presence of the barriers of poor infrastructure, disproportionate digital literacy, and cultural resistance to change. The results also showed that, despite over half of organizations considering to invest in AI in the future, a high percentage of those interviewed was still not certain, suggesting that the interest has not been met with active strategic action.

One of the approaches that organizations should consider to reduce these fears and use AI to the limit of its capabilities is the establishment of ethical and transparent examples of AI use. The primary challenge to building trust among employees and HR practitioners is to set up systems that are capable of detecting and minimizing algorithmic bias, facilitating fairness in autonomous decisions, and can be interpreted. To this end, organizations need to invest in digital infrastructure and human resource readiness in order to do more than incremental adoption. These include the improvement of the data management systems, quality of data, and equipping the HR staff with the digital skills that they can adequately decode AI-based insights. The HR staff can be trained on data literacy and change management upskilling programmes that can help them to shift to more strategic roles where AI insights and human judgment can be mutually advantageous.

Staged rollout: staged rollout may also be a practical approach and organizations should begin with pilot projects in the areas of recruitment or performance management before increasing to more general HR areas. Good pilots do not merely demonstrate observable gains, but also provide resistance and create momentum to implement at an even larger scale. Besides that, AI should be presented as an improvement tool, not the replacement of human decision-making, which implies that the technological performance should be presented with human empathy and understanding of the situation. Engaging employees in the change process, addressing the issues transparently, and promoting the culture where the innovation is acceptable will be significant to address skepticism. Finally, firms should create continuous review programs to identify the impacts of AI not just in terms of efficiency, but also equity,

employee satisfaction and dedication to the organization goals.

Altogether, this paper indicates that even though AI is already considered an influential driver of HRM, its practical use should be accompanied by a thoughtful and cautious approach. Organizations can transform AI into a means of potentially competitive advantage into a sustainable source of competitive advantage through the combination of investments in infrastructure, ethics, and human capabilities. What it all comes down to is that when one thinks of AI implementation in HR practice in foresight and inclusivity, then it can reinvent success in organizations in the digital age.

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