

ARTIFICIAL INTELLIGENCE VS HUMAN RESOURCE PRACTICES IN BANKING SECTOR

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ABSTRACT

Technology has improved day by day in banking sector throughout the world. Banking is one of the sector which is having adoption of the latest technologies like Management information system, E-banking applications and Artificial Intelligence, for both the back-office and customer facing purposes. This article broadly speaking about Artificial intelligence and how the Applications of AI used in banking sector. Artificial Intelligence is automating time-consuming tasks that employees to do on a daily basis to improve the work processes of employees, and human resources are a major beneficiary of these automation. Human resources department will be able to use AI functionality, such as machine learning and natural language processing, to better staff, train, review performance and account for attrition. By analyzing the employee data, AI will be able to provide valuable predictions and recommendations to HR employees to support decisions that will improve company productivity and culture. The need of the study is how artificial intelligence impact on the Human resources of banking sector in different parts of their life cycle. In another words how the Banking industry is moving towards knowledgeable and digital based economy by using this artificial intelligence.

Keywords: artificial intelligence, human resource practices, banking sector.

1. INTRODUCTION

Banking sector changing their technological innovations for the customer perspective and as well as employee centric.

The history of banking industry not fully having automation of web based technology so customers involving in long lines and lengthy procedures. Since then, this sector has come a long way with automation, core banking, ATMs, online banking services, e - KYC, and much more serving today's tech-savvy customers. Since 2016, the sector has been hit by Artificial Intelligence, Machine Learning, and virtual agents.

Artificial intelligence may be an important revamp that the banking services sector seeks in its operations. It will make sure that all essential operations run smoothly in banks similarly as on the monetary sectors. Therefore here during this analysis paper to understand about the means of the artificial intelligence, goals and the way the artificial intelligence influence the climate of banking sector by varied applications of AI.

According to the father of Artificial Intelligence, John McCarthy, it is “*The science and engineering of making intelligent machines, especially intelligent computer programs*”.

Def: Artificial Intelligence is a way of **making a computer, a computer-controlled robot, or a software think intelligently**, in the similar manner the intelligent humans think.

AI is accomplished by studying how human brain thinks and how humans learn, decide, and work while trying to solve a problem, and then using the outcomes of this study as a basis of developing intelligent software and systems.

2. NEED FOR THE STUDY

Now a days the Banking sector potency and effectiveness influenced by the implementation of superior technology of AI virtually in each nation within the world. Productivity, employee engagement, innovative products, speedy transactions, talent acquisition, scheduling, fraud prevention, real time system, and economical risk management are a number of the advantages derived through this AI technology. Therefore this research paper studies on how AI impacts on Human Resources of Banking Sector and conjointly how far Banks victimization AI technology for its workers.

3. OBJECTIVES OF THE STUDY

1. To study the impact of AI on human resources in banking sector
2. To suggest some measures for the better operations of banking sector by using the applications of AI

4. IMPACT OF AI IN HUMAN RESOURCES OF BANKING SECTOR

AI is the current buzzword in technology, have significant implications for human resources of banking sector in the way of both optimistic and pessimistic perspective.

A. Talent Acquisition: By using application tool of AI talent acquisition software can scan, read, and evaluate applicants and quickly eliminate 75% of them from the recruiting process and remove tons of stressful and monotonous work from HR managers. So, companies save a lot of money this way because they don't have to pay the cost of poor hiring decisions.

B. Training: AI can successfully plan, organize, and coordinate training programs for all staff members. Online courses and digital classrooms are the most common solutions in this regard. But this is not the only job of AI because it also determines the best timeframe for new courses and schedules lessons so as to fit the preferences of all employees individually.

C. Retention:, AI has the ability to analyze and predict the needs of human resources. It can determine individual affinities and tells who should get a raise or who might be dissatisfied with the life-work balance.

D. Estimating workplace morale: The robotic technologies come with face-recognition technologies that are capable of identifying gender and measuring employees' psycho-emotional traits on a scale from very sad to euphoric. With these technologies, organisations can develop a closer bond with their workforce by utilising the derived insights to empower employees so that they can identify their true potential.

E. Simplifies recruitment procedure:

AI involved in the recruitment process by equipping HR members with personalised research tools to pick out the finest talent in the industry. An applicant tracking software (ATS) can ease the trouble of an HR practitioner who has to go through countless resumes, thereby reducing blunders and ambiguities during recruitment.

F. Data Driven Performance Reviews

Artificial intelligence can help eliminate bias from certain performance metrics when needed. If an employee is simply not holding their own within a company, the data will show it and the AI can determine whether or not that employee should remain on the team or not. Similarly, HR can use productivity measurements to determine manager effectiveness. While this may seem like a cutthroat style of management, productivity data does not have to be the sole performance measurement to determine an employee's worth, but a supplemental tool to back up decisions.

G. Simplifies payroll: AI HR chat bots can also take care of payroll and expenses efficiently. AI not need to spend time filling out forms for documenting transportation expenses. Just notify the chat bot and it will get your bills approved by your manager.

H. Scheduling

Scheduling meetings with candidates, training sessions and other HR activities is another area where AI can help improve efficiency. By stepping into the role of an advisor, AI can help streamlining the entire process of scheduling on an organisational level.

I. HR Analytics

AI will take HR-MIS to a different dimension. It can derive huge insights from huge amount of data and predict probable issues way before they strike an organisation. This will also help predict attrition, enabling organisations to take retention steps on time. Analytics also plays a key role in tracking employee engagement trends which are directly proportional to organisational productivity and efficiency.

J. Predictable Turnover and Attrition

Human resource departments often deal with turnover and attrition after the employees have already left, but AI could predict such actions before they even take place. By using artificial intelligence could determine an employee's level of interest and give a prediction on whether they are trying to change positions. This would allow HR managers to account for potential job openings and hire new workers to more smoothly transition workflow.

K. Employee Relations

An AI-powered Chat bot can respond to the most common HR queries and it can schedule the meetings with you and your HR. Through HR analytics it can empower immediate managers to make better decisions through various information - Learning pattern, Performances Track records and Recognition Pattern.

L. Unemployment

By AI technologies humans will lose their creativity and thinking power. Humans are always dependent on machines if the use of AI becomes widespread in society can lead to large scale unemployment in the society as a undesirable changes.

M. New Set of Jobs

Old jobs fade away with automation and artificial intelligence. New type of jobs will be created by trainers, explainers and sustainers by the using of AI application of tools.

SO from the above points AI Impacted on human resources in banking sector both positive and negative way.

5. CHALLENGES OF ARTIFICIAL INTELLIGENCE IN HR IN BANKING SECTOR

Banks are trying to have more lucrative HR strategies, especially for their key employees, to avoid attrition rates. Sometimes it is difficult to adopt and learn different AI tools and techniques proficiently. This may create a hurdle in achieving the banking goals. The corporate environment is marked by complexity, volatility and uncertainty. Digital era in banking industry offers many opportunities for Human resources. However, HR should have a robust grasp over its limitations as well. With the AI technology, human resources must be given periodic training and development on digital skills. HR monitoring and control of Artificially Intelligent Human systems is essential. There are certain human phrases, signals and language that can only be understood by people. Creativity, empathy, teamwork and the ability to work with AI systems can assure achieving a healthier environment and in the Banking industry.

CONCLUSION

AI can both be the satisfactory or the maximum surprisingly bad components that could ever show up to mankind, and moreover involved upon the requirement for additionally inquire approximately in this subject. It's miles an irrefutable that if human beings and bots (pc application that does automatic tasks) cooperate, can accomplish extensive improvement, but at the same time need to make investments extra so as to utilize AI within the fine possible way. And also improve the AI applications understandable way and give proper training to the human resources so that they could do the work efficiently and effectively with less time to increase the business process operations in banking sector.

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