

IMPACT OF AI-ENABLED HR SYSTEMS ON EMPLOYEE EXPERIENCE AND TURNOVER INTENTION

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Abstract

The rapid integration of Artificial Intelligence (AI) in human resource management has significantly transformed organisational practices and employee interactions with HR systems. This study examines the impact of AI-enabled HR systems on employee experience and turnover intention. The findings indicate a moderate to high level of AI adoption in HR functions such as recruitment, performance management, and service delivery. The analysis reveals that AI-enabled HR systems have a significant positive influence on employee experience by improving efficiency, accessibility, and satisfaction with HR processes.

Further, the study finds a strong negative relationship between employee experience and turnover intention, suggesting that employees with better workplace experiences are less likely to leave the organisation. The study concludes that AI-enabled HR systems can enhance employee experience and indirectly reduce turnover intention. However, organisations must ensure user-friendly implementation and address employee concerns related to job security and reduced human interaction to maximise the benefits of AI in HR.

Keywords: Artificial Intelligence, AI-Enabled HR Systems, Employee Experience, Turnover Intention, HR Analytics

Introduction:

The rapid advancement of Artificial Intelligence (AI) has significantly transformed organisational practices, particularly in the field of human resource management. Many organisations are increasingly adopting AI-enabled HR systems such as automated recruitment tools, AI-driven performance management, HR chatbots, and predictive analytics to improve efficiency and support better decision-making. These technologies help streamline HR processes, reduce administrative tasks, and enhance the overall effectiveness of HR functions within organisations.

The adoption of AI-enabled HR systems also influences the employee experience, which refers to employees' overall perceptions and interactions with the organisation's work environment, processes, and technologies. Efficient and user-friendly digital HR systems can improve access to HR services, enhance transparency, and create a more convenient work environment. A positive employee experience often contributes to higher job satisfaction, engagement, and organisational commitment.

However, the increasing use of AI in HR practices may also raise concerns among employees regarding job security, reduced human interaction, and increased monitoring in the workplace. Such concerns may influence employees' attitudes toward the organisation and increase their turnover intention, which refers to the likelihood of employees leaving their jobs. Therefore, understanding the relationship between AI-enabled HR systems, employee experience, and turnover intention has become an important area of research. This study aims to examine how AI-enabled HR systems influence employee experience and how these experiences affect employees' intention to remain with or leave the organisation.

Objectives:

1. To examine the level of adoption of AI-enabled HR systems in organisations.
2. To analyse the impact of AI-enabled HR systems on employee experience in the workplace.
3. To investigate the influence of employee experience on employee turnover intention.

AI tools in HR Management:

• AI-Based Recruitment Systems

AI tools automatically screen resumes, shortlist candidates, and match job requirements with applicant profiles. This helps HR managers identify suitable candidates faster and reduce recruitment time.

• AI Chatbots for HR Support

AI-powered chatbots assist employees by answering common HR-related questions such as leave policies, payroll information, and benefits. These systems provide 24/7 support and improve access to HR services.

• AI-Driven Performance Management Systems

AI systems analyse employee performance data, productivity patterns, and feedback to help managers evaluate employee performance more accurately and identify training needs.

• Predictive HR Analytics

AI tools analyse employee data to predict outcomes such as employee turnover, absenteeism, and performance trends, enabling organisations to make proactive HR decisions.

• AI-Based Learning and Development Platforms

These systems recommend personalised training programs for employees based on their skills, job roles, and career development needs.

• AI Workforce Planning Tools

AI helps organisations forecast workforce demand, identify skill gaps, and plan future staffing requirements more effectively

Literature Reviews:

Cappelli (2019) observed that the integration of artificial intelligence in human resource management has significantly improved the efficiency of HR processes. AI-enabled HR systems assist organisations in automating routine tasks such as resume screening, candidate shortlisting, and workforce data analysis. These technologies enable HR professionals to make faster and more accurate decisions while reducing administrative workload.

Ulrich (2017) emphasised that digital transformation in HR practices plays an important role in enhancing employee experience. According to the study, the use of advanced HR technologies improves employees' interactions with organisational systems by making HR services more accessible, transparent, and efficient. This improved experience contributes to higher employee engagement and satisfaction.

Brynjolfsson and McAfee (2017) highlighted that while artificial intelligence improves organisational productivity and operational efficiency, it may also create concerns among employees regarding job displacement and reduced human involvement in decision-making. Such concerns may negatively influence employees' perceptions of the workplace and increase their intention to leave the organisation.

Strohmeier (2020) suggested that AI-based HR analytics can help organisations predict workforce trends, including employee performance and turnover intention. By analysing large volumes of employee data,

organisations can develop proactive HR strategies aimed at improving employee engagement and reducing turnover.

Bondarouk and Brewster (2016) found that the effective implementation of digital HR systems can improve the quality of HR services and strengthen organisational communication. When employees perceive HR technologies as supportive and beneficial to their work, it can positively influence their workplace experience and reduce turnover intention.

Tambe, Cappelli, and Yakubovich (2019) examined the growing use of artificial intelligence in human resource management and noted that AI-driven HR systems improve decision-making by analysing large volumes of workforce data. Their study suggests that AI technologies can support recruitment, employee performance evaluation, and workforce analytics, thereby improving the overall effectiveness of HR functions in organisations.

Marler and Boudreau (2017) highlighted the importance of HR analytics and digital technologies in enhancing organisational performance. The authors argued that the use of advanced data-driven HR systems allows organisations to gain deeper insights into employee behaviour and workplace trends, which can help organisations develop strategies to improve employee engagement and retention.

Jarrahi (2018) explored the role of artificial intelligence in organisational decision-making and found that AI technologies can complement human judgement by providing data-driven insights. However, the study also pointed out that employees may feel uncertain about the increasing use of automated systems, particularly when AI technologies influence managerial decisions.

Upadhyay and Khandelwal (2018) studied the impact of artificial intelligence on HR practices and reported that AI adoption can improve organisational efficiency and employee productivity. At the same time, the authors suggested that organisations should carefully manage the implementation of AI systems to ensure that employees perceive these technologies as supportive rather than threatening.

Minbaeva (2018) emphasised that digital HR systems can significantly enhance employee experience by improving communication, knowledge sharing, and access to HR services. The study indicated that when employees perceive HR technologies as beneficial to their work environment, they are more likely to develop positive attitudes toward the organisation.

Parry and Strohmeier (2014) discussed the evolution of electronic and digital HR systems and highlighted their potential to improve HR service delivery and employee interaction with organisational processes. The authors argued that the effective use of digital HR technologies can contribute to improved employee satisfaction and organisational commitment.

Analysis:

Reliability Test

Variable	No. of Items	Cronbach's Alpha
AI Adoption	5	0.82
Employee Experience	5	0.85
Turnover Intention	4	0.78

- All variables show Cronbach's Alpha > 0.7, indicating good internal consistency and reliability of the questionnaire. Hence, the data is suitable for further analysis.

Descriptive Statistics

Variable	Mean	Standard Deviation
AI Adoption	3.68	0.72
Employee Experience	3.74	0.65
Turnover Intention	2.61	0.8

- The mean value of AI Adoption (3.68) indicates a moderate to high level of AI usage in HR systems. The mean value of Employee Experience (3.74) suggests that employees have a generally positive experience with HR systems. The mean value of Turnover Intention (2.61) is relatively low, indicating that employees are less likely to leave the organisation.

Correlation Analysis

Variables	AI Adoption	Employee Experience	Turnover Intention
AI Adoption	1	0.52**	-0.34*
Employee Experience	0.52**	1	-0.61**
Turnover Intention	-0.34*	-0.61**	1

- AI Adoption has a moderate positive relationship (0.52) with Employee Experience, indicating that better AI systems improve employee experience. AI Adoption has a negative relationship (-0.34) with Turnover Intention, suggesting that AI usage may reduce turnover intention. Employee Experience shows a strong negative relationship (-0.61) with Turnover Intention, meaning better experience significantly reduces employees' intention to leave.

Regression Analysis (AI Adoption → Employee Experience)

Model	R ²	Beta (β)	p-value
AI Adoption → Employee Experience	0.27	0.52	0.001

- AI Adoption explains 27% of the variation in Employee Experience. The positive beta (0.52) indicates that AI adoption has a significant positive impact on employee experience. Since $p < 0.05$, the relationship is statistically significant. Regression Analysis (Employee Experience → Turnover Intention)

Regression Analysis (Employee Experience → Turnover Intention)

Model	R ²	Beta (β)	p-value
Employee Experience → Turnover Intention	0.37	-0.61	0

- Employee Experience explains 37% of the variation in Turnover Intention. The negative beta (-0.61) indicates that better employee experience reduces turnover intention significantly. The relationship is highly significant ($p < 0.01$).

Discussion:

The present study examined the impact of AI-enabled HR systems on employee experience and turnover intention among employees, with a sample size of 40 respondents. The findings indicate that organisations

have achieved a moderate to high level of adoption of AI-enabled HR systems, particularly in areas such as recruitment, performance management, and HR service delivery. This reflects the growing importance of digital transformation in HR practices and highlights how organisations are increasingly leveraging AI technologies to improve operational efficiency and decision-making.

The study further reveals that AI-enabled HR systems have a significant positive impact on employee experience. Employees reported better accessibility to HR services, faster response times, and improved efficiency in HR processes due to the use of AI technologies. These findings suggest that when AI systems are user-friendly, transparent, and supportive, they enhance employees' overall workplace experience. This aligns with the view that digital HR transformation can contribute to higher levels of employee satisfaction and engagement.

In addition, the results show that employee experience has a strong negative influence on employee turnover intention. Employees who reported positive experiences with AI-enabled HR systems were less likely to consider leaving the organisation. This indicates that employee experience plays a crucial role in retaining talent, especially in technology-driven work environments. Although AI adoption itself showed a negative relationship with turnover intention, its impact appears to be more effective when mediated through improved employee experience.

Conclusion:

The study concludes that AI-enabled HR systems serve as an effective strategic tool for enhancing employee experience and reducing turnover intention. By improving the efficiency, accessibility, and responsiveness of HR services, these systems contribute to a more positive and engaging workplace environment. A better employee experience, in turn, plays a crucial role in lowering employees' intention to leave the organisation.

However, the success of AI adoption depends on how well organisations implement these technologies. It is essential to ensure that AI systems are user-friendly, transparent, and aligned with employee needs. Providing adequate training and maintaining human support alongside digital systems can help address concerns related to job security and reduced personal interaction.

Overall, a balanced and employee-centric approach to AI implementation will enable organisations to maximise its benefits, enhance job satisfaction, and promote long-term employee retention while effectively managing the challenges associated with technological change.

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