



## Impact of artificial powerful on human resource management: Legal or ethical issues in India

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### Abstract

Artificial Intelligence (AI) has become the most powerful technological growth of the twenty-first century. Its impact is visible over industries, including finance, healthcare, education, make or governance. Human Resource Management (HRM), traditionally dependent on human judgment or administrative processes, is undergoing rapid change through AI-enabled systems. Recruitment software, automated show evaluation tools, employee engagement catboats, fear analytics or workforce planning systems are more and more being adopted by group to improve speed, decision-making quality. While these innovations offer real benefits, they generate serious legal or ethical tell of. Where labour relations are shaped by innate values, statutory defense or socio-economic diversity, the use of AI in HRM raises questions regarding privacy, fairness, bias or accountability or employee dignity.

**Keywords:** Artificial intelligence, human resource management, privacy, labour law, ethics, bias, India, liability

### Introduction

Human Resource Management is a vital function of every group. It deals with excellent, training, performance management, employee welfare, industrial relations, compensation or organizational development. These activities relied slowly on human interaction, managerial discretion or administrative processes. High-tech advancement has significantly change this landscape. Artificial Intelligence refers to computer systems be up to of performing tasks that normally require human intelligence, learning, reasoning, decision-making or language comprehension. AI technologies as machine study, natural language processing, facial recall or prognostic analytics are more and more integrated HR operations. Firm now use AI tools to scan reopen, shortlist candidates, assess worker productivity, identify sapping risks or deliver humanize teaching programs.

Both multinational corporations and domestic enterprises are adopting AI-driven HR solutions. Start-ups providing AI recruitment platforms, digital attendance process or behavioral analytics tools have expanded speedily. Organizations view AI as a means to reduce costs, improve efficiency or enhance struggle. AI in HRM is not free from risks. Process discriminate against certain area, view tools invade privacy or automated decisions wear away human dignity. The legal framework in India is still evolving, creating uncertainty regarding rights and liabilities. It is need to critically examine AI can be integrated into HRM without embarrassing justice, fairness or constitutional morality.

### Literature Review

Current scholarship on AI or employment reveals both optimism and caution. Researchers argue that AI improves objectivity in hiring by removing personal loss from recruitment decisions. Automated systems process thousands of applications within minutes or identify candidates based on skill agreement. International studies show that algorithms reproduce historical inequalities present in training data. If past enroll decisions give back

gender or caste bias, AI systems continue those patterns under the air of neutrality. Scholars in Europe or North America play up accountable AI, algorithmic audits or anti-bias safeguards. Academic discussion on AI has mainly focused on economic growth, digital governance or automation. Limited attention has been given to the specific implications of AI in HRM, from a legal perspective. There is a need for interdisciplinary analysis combining labour law, constitutional law, technology ethics or management studies. This paper contributes by examining AI in HRM through the lens of Indian law or workplace ethics.

### Research Objectives

The present study is guided by the following objectives:

1. To examine the role of AI in Human Resource Management.
2. To identify legal issues arising from AI-driven HR practices in India.
3. To analyse ethical concerns associated with workplace automation.
4. To evaluate the adequacy of existing Indian laws.
5. To propose reforms for responsible AI governance in employment relations.

### Research Methodology

This study adopts a doctrinal and analytical research methodology. It relies upon:

- Constitutional section and statutory laws in India.
- The Digital Personal Data Defense Act, 2023.
- Labour and employment laws.
- Judicial decisions relating to privacy, equality or labour rights.
- Policy reports issued by NITI Aayog or other institutions.
- Secondary sources as books, journals, articles or research papers.
- Comparative study of foreign regulatory approaches, particularly the European Union.

The research is descriptive as well as critical in nature.

## **Role of AI in Human Resource Management**

### **1. Recruitment or Selection**

Recruitment is the most visible areas where AI has changed HRM. AI-based software analysis resumes, rank candidates, identify relevant experience or schedule interviews automatically. Video interview tools assess speech patterns, confidence levels or facial expressions. These systems save time or reduce administrative burden. If the algorithm is trained on biased historical data, it exclude deserving candidates from underrepresented communities.

### **2. Performance Ranking**

AI enables continuous monitoring of employee performance by productivity metrics, attendance records, task completion rates or relay patterns. Managers receive dashboards or predictive insights regarding employee efficiency. While tools may improve objectivity, they can oversimplify performance by reducing human work to numerical indicators. Teamwork, emotional intelligence or leadership qualities are often difficult to measure through data alone.

### **3. Training or Development**

AI-driven learning platforms personalize training according to employee needs. If an employee lacks certain skills, the system recommend relevant modules, assessments or improvement plans. This creates a more adaptive or efficient learning environment, especially in large organizations with diverse workforces.

### **4. Employee Session**

Chabot's and virtual assistants are increasingly used for employee queries relating to leave, salary, policies or grievance procedures. They provide immediate responses or improve communication efficiency. Replacing human interaction entirely may reduce empathy or trust in workplace relations.

### **5. Workforce Planning**

AI helps organizations forecast staffing needs, predict attrition or identify future skill requirements. This enables strategic planning or resource issuing. Over-reliance on predictive models lead to unfair assumptions about employee behavior.

## **Legal Issues in AI-driven HRM in India**

### **1. Data Protection and Privacy**

AI systems require extensive personal data, including resumes, educational records, showing logs, communication behavior, biometric data or health information. Collection raises privacy concerns. The right to privacy has been accept as a fundamental right below Article 21 of the Constitution by the Supreme Court in K.S. Puttaswamy v. Union of India. The Digital Personal Data Protection Act, 2023 provides a framework for lawful data processing, consent or obligations of data fiduciaries.

Challenges remain:

- If employee consent is truly voluntary in hierarchical workplaces.
- Excessive data collection over legitimate purposes.
- Cross-border transfer of worker data.
- Lack of knowledge regarding rights and remedies.

Privacy defense in employment requires stronger safeguards than ordinary consumer contexts.

### **2. Algorithmic Bias or Bias**

AI systems are often presented as neutral or objective. Algorithms give back the data or belief used in their design. If recruitment data historically advice men over women, upper castes over excluded communities, or urban candidates over rural applicants, the AI system may replicate such patterns.

This creates serious constitutional concerns under:

- **Article 14:** justice before law.
- **Article 15:** Prohibition of bias
- **Article 16:** Equality of time in public use.

Equal in private employment, unfair AI practices may violate broader principles of fairness or social justice.

### **3. Accountability and Liability**

When an HR manager makes a wrongful decision, responsibility can usually be identified. But when an AI tool rejects a candidate or recommends termination, liability becomes uncertain.

Possible actors include:

- Employer using the system.
- Software developer.
- Data provider.
- HR manager relying on output.

India currently lacks a clear legal framework assigning liability for AI-based employment decisions. This legal vacuum deny effective remedies to affect personally.

### **4. Labour Rights or Working Conditions**

AI-powered handling tools intensify control over workers. Real-time monitoring, productivity scoring, automated scheduling, and predictive discipline systems may create stressful work environments.

These practices may conflict with principles relating to:

- Dignity of labour.
- Fair working conditions.
- Protection from arbitrary termination.
- Natural justice in disciplinary action.

Workers not be reduced to data points and subjected to inhuman productivity pressure.

### **5. Intellectual Property Topic**

AI can generate training content, policy documents, assessment materials or workplace communication outputs. This raises questions as for ownership or authorship under the Copyright Act, 1957. If AI creates real content, who owns it the employer, developer or user? Existing copyright law is based on human authorship or require reinterpretation or reform in the AI era.

## **Ethical Issues in AI-driven HRM**

### **1. Lack of clarity**

AI systems operate as "black boxes," meaning their internal logic is not easy understood. Worker not know why they are refuse, badly rated and denied promotion. Dirty decision-making undermines trust and formal fairness.

### **2. Worker Surveillance**

Modern workplaces increasingly use AI-enabled surveillance tools as keystroke monitoring, camera analytics, location tracking or behavior scoring.

Regular surveillance harm:

- Autonomy
- Mental good
- Trust between employer and employee
- Work-life balance

Monitoring must be proportionate and necessary.

### 3. Erosion of Human Judgment

HR decisions involve empathy, context or discretion. An employee deserves support, whether a conflict requires mediation and whether poor performance results from personal hardship cannot always be captured by data. Excessive dependence on AI may weaken the human element that is central to HRM.

### 4. Boosting of Social Inequality

India’s social structure includes disparities based on caste, gender, disability, language or region. If AI systems are built on unequal data, they may reinforce these drawback at scale. Technology a tool of inclusion, not exclusion.

### Comparative Perspective

Aspect	India	European Union	United States
AI Regulation	Emerging	Comprehensive AI Act	Sector-specific
Data Protection	Developing	GDPR	Fragmented
Bias Controls	Limited	Strong compliance obligations	Growing state laws
Transparency	Weak	Explainability emphasis	Mixed
Accountability	Unclear	Defined responsibilities	Partial

The European Union offers a more structured model with risk-based classification, clarity duties or penalties. India learn from such approaches while designing solutions suited to its own constitutional or socio-economic realities.

### Findings

The study reveals the following:

1. AI has significantly improved ability in recruitment, analytics or employee services.
2. Indian planning are take on AI faster than the law is evolving.
3. Currently legal protections are fragmented or insufficient for AI-specific harms.
4. Bias or discrimination remain high risks in automated choice -making.
5. Employee surveillance threatens privacy or dignity.
6. Lack of accountability mechanisms creates uncertainty or weakens remedies.
7. Human oversight remains essential in sensitive HR matters.

### Conclusion

Artificial Intelligence is changing Human Resource Management in profound types. It offers speed, growth, efficiency or data-driven insights that improve executive functioning. Recruitment become faster, training more personalized or planning more strategic. These benefits come with serious legal or ethical risks.

AI institutionalize discrimination, enable intrusive surveillance, undermine labour dignity or replace reasoned human judgment with dirty algorithms. In a democratic

society committed to equality or justice, workplace technology remain accountable to constitutional values. India stands at a key moment. It has the good time to form a governance model that cheer change while protecting employee rights. A balanced body based on privacy, fairness, clarity, accountability or human oversight is key. The future of HRM not be a contest between humans or machines, but a partnership where technology serves human welfare or social justice.

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