



INTEGRATING ARTIFICIAL INTELLIGENCE INTO HUMAN RESOURCE MANAGEMENT: ENHANCING TALENT ACQUISITION, EMPLOYEE ENGAGEMENT, AND PERFORMANCE EVALUATION IN THE DIGITAL ERA

Author: Omar Ashurbaev

Lecturer at millat umidi university

Co-Author: Mironshokh Fayzullaev

Student at Millat Umidi University

Abstract:In this study we investigate how artificial intelligence (AI) can transform the human resource management (HRM) functions in the banking sector exploring the use of AI within three key areas: Engagement and performance evaluation, as well as talent acquisition. By using AI driven tools in this very competitive, very regulated banking environment, the use of predictive analytics to identify top talent, automated compliance checks and their consequent use of sentiment analysis to track employee satisfaction, have made an impact. These technologies are described in research, how they help solve specific sector challenges, for example automating recruitment of highly specialised roles, or fairness in employee appraisals, given highly prescriptive operating frameworks applicable to banks. Moreover, the evaluated phenomenon illustrates issues of adopting AI from an ethical and operational standpoint, with the potential of these to influence ethics and how the transparency of the AI algorithmic decision making is necessary for market place to continue trusting.

Using a mixed method approach consisting of quantitative survey of banking HR professionals and inductive case studies of the leading financial institutions, the study advances a nuanced picture of AI adoption. By critically exploring how AI applications can support workforce adaptation and skill development, it addresses how workforce adaptability and skill development are supported in the scenario of emergent digital banking requirements. What if you think of the story of Machine Learning algorithms predicting the skill gap and suggesting personalized training programs to individual people to be nimble in the crooked road of technological disruptions? This research also describes the context of the banking industry in Uzbekistan, and proposes specific AI enabled HR strategies, applicable within financial sector boundaries and within accounting of industry specific regulatory and cultural factors.

The study highlights potential of AI to provide actionable research to help the HRM in banks enhance operational efficiency and increase employee satisfaction and creating a bank's future ready workforce.

Keywords:Human resource management, Talent acquisition, Artificial Intelligence, Performance evaluation, Digital transformation, Employee engagement.

INTRODUCTION

But this isn't how this study began with, rather it introduces how artificial intelligence (AI) is transforming the HR process — and especially in the banking area. Today, we need to apply AI to HR issues, such as bias in hiring, engagement with the employees and in training the employees. Companies, including those in Uzbekistan, everywhere are now up against greater pressures to have their HR function as lean as possible and it's now where AI functioning systems are currently being viewed as being the best and most accurate means for security of hiring and development of the employee. Deloitte (2020) reported companies

surveyed by it said 41 percent have already used AI in HR and 66 percent are set to adopt automation in the next few years. Predictive analytics used to support talent acquisition as well as machine learning algorithms which are used to support employee engagement are claimed to automate HR processes and eliminate 'bias and language used in recruitment process' (Brynjolfsson & McAfee, 2017).

The theoretical importance of this study is that it has the chance to contribute to current bodies of research that offer critical examination of the effect of the banking sector's use of AI on HR practice in the case of Uzbekistan. Integrating AI should make the banking industry, which operates in a strict regulatory environment and highly relies on specialized talent, a big winner. PwC (2021) research shows that AI can help Yandex's huge companies mechanize screening of candidate and predict employment performance with the help of data driven insights in the sector where competence is a must and rule of regulations is the pillar of existence. This research also ventures into the changing world of AI and how it's being utilized to improve employee satisfaction by means of the use of sentiment analysis, artificial intelligence focused approaches aimed at predicting employee mood, and other contributing factors that cause turnover. Yet not only are banks struggling, with competition growing and financial services transforming rapidly digitally many organizations in Uzbekistan are faced with a problem: employee turnover at a time when markets are changing and people are leaving at an alarming pace.

Information technology industry top technology organization Yandex has moved recently in Uzbekistan and attracted workers traffic to job portals and potential employees. Starting as the office responsible for controlling the operations in a region, the office in Tashkent turned into a platform, which can provide assistance to local employment seekers. The place (as per the Glassdoor information—Glassdar, 2024) offers different types of employment like support and operations jobs and so the candidates will apply to the Tashkent office.

As food delivery arm of the firm, Yandex.Eda advertised job vacancies in Tashkent for the couriers in November 2024. The new growing food delivery business has drawn much interest and a number of people hoping to be employed in the new business. The tasks are to deliver foods in a quick and neat manner and caring for customers as a way of proof of excellence from the company (Menda, 2024).

Also, Yandex is a famous technology company in the world which offers a good salary and great positions in the company. In the process of developing the company in the market of the Uzbekistan it has changed the work environment space, moving away from its passive workers who want to participate in the progressive projects and the very company.

LITERATURE REVIEW

As far as the state of the banking industry in Uzbekistan in general and the state of HR processes in Uzbekistan in particular, along with the research issue itself, we begin to get some ideas about its issue and the status of technology, e.g. transportation and e-commerce in Uzbekistan as well as in general, based on the results of Russian and Slovenian research.

1. HR automation and AI integration trends today.

Only 5% are using AI for recruitment and onboarding in Russia now, while 42% of companies have not yet automated their HR processes. This fits into a global pattern of many companies that are in action of moving from manual procedures to automated arrangements (ComNews, 2024). Human Resources views recruitment as a game changer for efficiency that stretches from resume screening to the initial candidate evaluation, and their scheduling of interviews (MTS Link, 2024). Although AI has a lot of potential in recruitment processes, only 5% of Russian companies have used AI for that process, and in even a smaller number for the onboarding process (ComNews, 2024).

5. AI in Recruitment

Companies that are in the process of modernizing their recruitment strategy can start to create AI based tools for resume screening, first candidate evaluation and job matching in their recruitment strategy. For example, Russia's MTS Link (Potapenko, 2024) is using for instance AI tools to compare the profile of a candidate and see if a company has matches.

Less than a year after ai in sezlametechnology has become a separate field in Uzbekistan, starting with testing ai based solutions for the first stages of employment, for example by automated recommendations for screening curricula to unload the HR department and increase efficiency, local banks could be the first. As an example of platforms you can explore which are originally platforms like 1C or Bitrix24 used in Russia should be scalable and accessible as well.

6. Why digital literacy is so important in HR departments.

To make HR adoption of automation tools for their recruitment process possible, HR departments of Yandex Uzbekistan should invest in building strong digital literacy. The Russian experience shows that automation is definitely good at something, but technically, it is still the HR job to use the new technologies (Potapenko, 2024). That is why I believe banks in Uzbekistan need to invest in the 'upskilling' of our HR teams so they can get ready to work with new tools like online training related programs to HR automation using AI.

On that basis, potential trends of AI and automation usage in HR processes will be touched upon in the Russian banking sector. In that light, if the Uzbeks banks, such as bigger banks, take up these technologies, they can use the technologies to better recruitment and onboarding process efficiency, the core on banker efficiency improvement as well as a means to remain competitive in the world that is growing increasingly digital.

RESEARCH METHODOLOGY

Description of the Study Area:

The purpose of the research is to determine how Yandex exploits the introduction of the AI in its recruitment, performance and employee development processes, comparing it to leading global practices in the implementation of the AI in the area of HR. Yandex is a key player in e-commerce, transportation, and other areas of Uzbekistan's transportation industry, and is on the brink of incorporating AI based HR solution to enhance operational efficiency, promote an unbiased HR environment and establish new talent management systems. In the light of this case study, we engage with concepts such as the benefits and challenges of integrating AI in HR space in more detail, specifically, what it entails for the future of banking in Uzbekistan, and how it can much like any of Global technology giants eventually revolutionize the banking industry in Uzbekistan.

Sample and Sample Size:

For this research, the sample pool consists of two primary groups: First group consist of Yandex's HR managers and university students of HR related disciplines. Second group consists of third and forth year students of different universities in Tashkent, knowing HR principles and not having experience of work place. In this case, the objective is to review how the company leverages AI in its recruitment, performance management and employee development levers vis a vis global practices in the adoption of AI in HR. In Ukraine, Uzbekistan's major player in the nation's technology industry, Yandex, is on the roadmap of adopting AI driven HR solutions in order to increase the operational efficiency, reduce hiring biases, and bolster talent management strategies. Through this this case study, we will uncover the challenges and benefits of AI integration in HR domain, specially how AI can change the picture of banking in Uzbekistan similar to that which has been seen in a global giant.

Sampling Technique and Data Collection Tools:

The research will include collection of both quantitative, as well as qualitative, data using a mixed methods approach. A non probability purposive sampling will be used as the technique for a university student survey, where samples are soughted from students studying HR and assumed to have some understanding of application of AI in HR practice. Around this question (how do the participants understand AI; where can

AI be used in the area of HR, what are the benefits and disadvantages of the automation), we will ask the participants to fill out structured questionnaires online. This survey of surveys will use closed and open ended questions to ask both quantitative or Likert scale data and qualitative insight.

Furthermore, these interviews with HR managers from Yandex (directly engaged on AI related initiatives at the bank) will be conducted using the purposive sampling technique. Semi structured interviews will be conducted whether participants are available to participate in person or online via Zoom or Telegram Messenger. Based on challenges and benefits of AI adoption, specific AI tools used, how deep AI has been leveraged in recruiting and employee development, and HR's future path of AI integration within the organization, they set questions. In that approach, we can dig deeper by learning from our practical understanding of AI's implementation into HR functions.

Data Analysis:

To analyse the data collected from the surveys and interviews a concurrent mixed method research design will be used. Quantitative data of the student surveys (students' understanding and perceptions of how AI is used in HR) will be used to analyze them through statistical methods in order to identify where the students' understanding and perceptions of AI in HR are, or even if there are any trends or patterns. Means and frequency distributions will be used to quantify level of awareness and for attitudes towards AI. These will be transcribed and coded and common themes and learnings around using AI for HR processes will be identified based on qualitative data collected from interviews with Yandex HR managers containing qualitative data. The final result will be triangulated from both data sources to come up with a complete picture of how AI gets used in HR inside the company selected and juxtaposed with local trends compared to global ones of AI applied in HR.

This research methodology develops the way to investigate how many the AI is working to the use of HR practices at Yandex at both academic and professional levels. We combine surveys on the current state of AI adoption in Uzbekistan's transportation and e-commerce sector with interviews of HR managers to help identify an overall picture. Given collected data, the research analyzes to identify the driver and barriers of using AI in HR deeply, and also the benefits of applying AI for the HR practice itself and its efficiency and effectiveness. These results help explain the extent to which the company will be mediated though AI and how local companies might get along with evolving technologies by administrative means in HR.

RESULTS AND DISCUSSION

That's one of the results of an interview with the Yandex's manager, who shared some thoughts on using AI to enhance the recruitment and on how Yandex engages employees. As they said, AI tools can make the recruitment cycles efficient by cutting down time expenditure and the expense of the regular recruitment process. To save resources, this is data driven, and less cumbersome, more streamlined targeting DR recruitment is far more characteristic.

AI Efficiency in Recruitment: According to a survey of 38 out of 50 university students (approx. 76% reliability), we discovered that AI is helping increase operational efficiency in recruitment. Survey feedback revealed about 75 percent agreement that can accelerate candidate screening with AI because it provides the ability to process large amounts of data in a short space of time. According to them, AI based tools helped HR to find the right candidates and they saved them tons of hours doing so. In addition, 60% of students reportedly thought AI tools — which eliminate human prejudices — enabled a more equal recruitment process. It's actually on point when applied to broader technology sector trends like AI reducing human error and improving decision making quality.

Employee Engagement and Satisfaction: The increase of employees' interactions with other coworkers at work using the AI tools led to positive impact as indicated by some of data from Yandex Uzbekistan. They help in automating the routine HR chores as well as talking personal recommendations for one's professional growth. The data offered a glimpse into AI's capacity to offer tailored, performance metric based hints for skill building that were shown to increase employee satisfaction. In addition, the students within our cohort were overwhelmingly (around 70 percent) positive on the merits of AI-based performance reviews, and believed these reviews were more objective in a data driven perspective informed by insights rather than opinions adjudged based on subjectivity from the former methods that could be biased by opinions.

Performance Reviews and Skill Development: Specifically, we saw that AI was reducing bias in the performance review process. It also shows how it can facilitate a more transparent system for performance assessments, because it relies solely on quantifiable data — meaning things such as productivity, engagement and accomplishments. Additionally, it will help you identify the aspects which you need to work on the most to have fairer ... Introducing this type of AI technology, manager said, allows employees to have more accurate feedback and subsequently will be better targets for training programmes. This was data that we found was what student feedback were, i.e. a preference for more objective, data based rather than subjective, data based reviews; as we found over 80 per cent agreed that AI enabled reviews have helped them better understand strengths and areas for improvement.

Critical Analysis and Conclusion: Surveys and interviews point out how integration of AI with HR processes would and does help transform the process of interviewing people to join the company and to evaluate employee performance. However, to address these dependencies on AI, we have to. A few responders voiced concern that AI could introduce a loss of the human touch to recruitment and performance review that would not be healed by AI rather than replace human judgment. The balance between the AI that will aid with human decision or any other processes and the relevance and significance of the humanity in the HR us as one of the critical feedbacks that should be considered.

CONCLUSION

Using the case study, it proves the potential of using AI to manage the Human Resources and prove great a potential to attract potential talent, increasing their engagement, assessing their performance. The benefits you can get from using AI tools include time and cost related benefits such as increasing efficiency of recruitment processes and reducing bias during evaluating. Empirical evidence for the proposition that the trends favor this type of performance appraisals attesting to its potential to improve the level of an employee's satisfaction by enabling a development of a higher level of skills by employees and the objectivity of performance feedback provide process.

The study, however, is not only interested in the ethical consideration of using technology, but also in how it is used. The risk is that the HR functions could become depersonalized and alienated in circumstances where high AI usage puts challenging tasks in HR functions at risk. That is why human judgement and human touch is important, especially when employee relationships are critical such as during hiring, appraisal or promotion or even termination.

It was proposed that organizations should take a dual approach to fair and efficient HR management. So if AI was a data-cruncher with great potential to run systems with the same great efficiency barring any ethical issues on the way, but it still needs human inputs. The future of HR management is tied to the degree of technology unsophistication and the tendency of a bit of human approval.

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