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HOW IS ARTIFICIAL INTELLIGENCE RESHAPING THE HR FUNCTION AND WITH WHAT IMPLICATIONS? A QUALITATIVE EXPLORATION IN THE SERVICE SECTOR

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Abstract

Purpose: This study examines how the adoption of artificial intelligence (AI) is reshaping the HR function in large organisations. Addressing the predominance of normative accounts and limited empirical evidence in the AI-HRM literature, it explores how AI influences HR roles, the strategic positioning of the HR function, employee wellbeing, and the professional future of HR specialists.

Design/methodology/approach: The authors used a multi-case qualitative research design to examine AI adoption and impacts in the HR function, studying five large financial services organisations in France and Canada with similar AI-HRM maturity. Data were collected through semi-structured interviews with HR analytics leaders overseeing AI-HR applications, HR professionals, and line managers.

Findings: The study highlights certain trends and identifies two trajectories underpinning the AI-HR interaction: an ‘AIHR’ model, prioritizing automation and cost-minimization through AI, and potentially compromising employee wellbeing and deprofessionalizing the HR function; and a ‘HAIR’ model, placing greater emphasis on maintaining a human-centric, wellbeing-oriented approach, one in which ‘shepherding’ of AI applications by HR specialists helps to entrench HR professionalism and to minimise perversities.

Practical implications: The choice between an AIHR or HAIR model requires periodic assessment of HR sub-functions and evolving HR roles. Under a HAIR model, closer collaboration between AI developers and HR professionals is essential to reduce opacity and mistrust, requiring the development of HR “fusion skills” and the implementation of a formal AI-

HRM strategy encompassing governance, data, training, communication, and stakeholder engagement.

Originality/value: The fast-paced rise of AI in HRM is reshaping the activities and roles of the HR function, with significant implications for organizational performance, employee wellbeing, and the future of the HR profession. Despite growing interest and limited empirical research on the AI-HR interaction, this study explores how AI is being implemented in the HR function and its impacts on HR roles and the tensions they entail.

Keywords: Artificial intelligence; AI; HR roles; HR function; Employee wellbeing; Mutual gains; HR managers

1 | Introduction

Artificial intelligence (AI), the use of machines to perform ‘cognitive functions that are usually associated with human minds, such as learning, interacting and problem solving’ (Raisch & Krakowski, 2021: 192), holds the potential to reform, if not transform, a range of HR processes, including workforce planning, recruitment and selection, training and development, employee relations, performance management and pay (Budhwar et al., 2022; Pereira et al., 2023; Strohmeier & Piazza, 2015; Sattu et al., 2024). However, like the literature on human resource analytics (HRA) (Peeters et al., 2020; Cayrat & Boxall, 2022), current sources on the rise of AI in the HR function are disproportionately normative. This means there is a substantial research gap in terms of how AI is actually influencing, altering, or disrupting HR roles and affecting the tensions that have historically characterised HRM, including those between organizational effectiveness and employee wellbeing (e.g. Legge, 1978; Boxall & Purcell, 2022). Moreover, the adoption of AI in the HR function raises concerns about its potential impact on HR professionals themselves, such as deskilling and downsizing (Charlwood & Guenole, 2022).

As Charlwood and Guenole (2022: 3) state, “it is important to study the phenomenon now, because this is the moment at which it is, perhaps, possible to shape and improve on the direction of travel.” Our objective in this paper is to respond to their call for evidence on the complex interaction currently unfolding between AI adoption and the HR function: what can we discern in the direction, or directions, of travel and what are the implications? Given the low level of current understanding and the lack of accepted measures of key variables, we adopt a qualitative research design, drawing on interviews with HR analytics leaders overseeing AI-HR applications, HR professionals, and line managers in five large business organisations in France and Canada. Networking with HRA-AI communities of practice has identified these firms as leading exemplars in the application of AI to the HR function, making them valuable starting points for understanding how the AI-HR interaction is evolving and what its implications are for the HR function, managers, employees, and the future of the HR profession. Our research objective breaks down into three key questions:

- what critical developments are occurring in the relationship between AI and the HR function in large firms?
- what do they indicate about the strategic positioning of the HR function, about the impact of AI in HRM on employee wellbeing, and about the professional destiny of HR specialists?

- can we discern distinct models in the way the AI-HR interaction is unfolding?

Our exploratory study, informed by developments in these five large organisations, contributes to the literature on AI in HRM by identifying emerging trends in how HR professionals and managers are integrating AI into HR practices. It unearths varying degrees of disruption to traditional HR roles and highlights shifts in the strategic positioning of HR specialists as AI becomes more embedded in organisational processes. The study offers insights into how AI can enhance key HRM processes such as skill-matching, workload balancing, and employee development that can deliver mutual benefits for management and employees. Furthermore, the study enables us to distinguish between two divergent trajectories in the AI-HR interaction: an ‘AIHR’ model, dominated by automation and cost-reduction, and a ‘HAIR’ model, which more consciously prioritizes employee wellbeing while integrating AI. We argue that reflection on these trajectories is helpful as managers and HR professionals evaluate the implications for stakeholders of AI-infused HRM.

The paper is conventionally organized, starting with relevant theory, followed by methods, findings, discussion and conclusions.

2 | Theoretical Background

AI and analytics are increasingly changing the landscape of HRM. Since the 1990s, the use of advanced analytical tools has progressively enhanced the quality of HR decision-making and the efficiency of HR processes (Kim et al., 2025). While the various iterations of analytical tools and technologies have provided HR professionals with the means for statistical analyses of internal and external HR data, recent progress in AI has offered them advanced data science techniques and algorithms to perform complex cognitive HR tasks and generate predictive and prescriptive HR insights (Meijerink & Bondarouk, 2023; Sengupta et al., 2025). AI capabilities, in effect, automating and/or augmenting HR activities (Raisch & Krakowski, 2021), represent the latest stage of HRA maturity as well as a radical new basis on which to organize the core tasks of the HR function.

The application and use of AI in the HR function need, of course, to grapple with the reality of specialist HR work. Seminal, largely sociological, studies of the personnel (now, HR) function argue that this domain of management work is plagued by role ambiguities, conflicting interests, and uncertainties about effectiveness (Legge, 1978; Watson, 1977). Systemic dualities between ‘employee welfare and industrial engineering, human relations and efficiency improvement, employee advocacy and top management agency’ have created persistent tensions in the roles, values and commitments of HR specialists within organizations (Evans, 1999: 326).

As the seminal studies emphasize, the HR function plays a mediating role between management and the workforce and must share overlapping accountability with line managers rather than solely controlling HRM activities. In this context, it often ‘muddles through’ with limited resources and insufficient credit for its contributions. More recent studies have frequently echoed the findings of the seminal studies. For example, Guest and King (2004), in their study of senior executives, underline the ongoing relevance of Legge’s (1978) ambiguous HR roles: the overlapping relationship with other managers, the problems of measuring effectiveness, the conflict between loyalty to management and to workers, and the ‘vicious circles’ that ensue. Given the pluralist

reality of a mix of common and conflicting interests in employment relationships, the challenge for HR specialists is to help management build higher levels of mutuality with the workforce (greater win-win dynamics and fewer ‘vicious circles’) (Guest & Peccei, 2001; Boxall, 2013; Valizade et al., 2016). Higher levels of mutuality matter for worker wellbeing and can also lay the basis for more sustainable forms of competitive advantage.

Running through this literature is an important question about the ability of the HR function to be ‘more strategic’. What is typically meant by ‘being more strategic’ is making a greater degree of input into strategy formation and a stronger contribution towards strategy implementation (Hunt & Boxall, 1998). This dimension of ‘the great HR debate’ gained greater prominence from the mid-1980s as HR specialists were increasingly enjoined to better integrate HRM with business strategy in response to a rapidly changing environment. Along with strategic HRM frameworks designed for general managers (e.g. Beer et al., 1984; Dyer & Holder, 1988), HRM theorists developed models for analysing operational and strategic HR roles (e.g., Tyson & Fell, 1986; Storey, 1992). In what systematic literature review confirms is the most influential framework (Cayrat & Boxall, 2023), Ulrich (1997) developed a fourfold model: ‘administrative experts’ ensure efficient design and delivery of HR processes; ‘employee champions’ aim to increase employees’ commitment and competence by focusing on their needs; ‘strategic partners’ help develop and implement business strategy through aligning HR systems and partnering with line managers; and ‘change agents’ ensure readiness and adaptation to evolving business conditions by managing change.

The evidence so far on the strategic repositioning of HR specialists suggests that they have deployed a range of tactics to achieve greater strategic significance, including ‘strategies of upskilling, enhancing measurement and analytics in HRM, and relinquishing or redistributing operational roles through devolution, outsourcing and/or automation’ (Cayrat & Boxall, 2023: 12). Whether they have experienced success in doing so has been mixed and, unsurprisingly, heavily dependent on key contingencies in the specific context. For example, using longitudinal data, Truss et al. (2002) assessed the evolving nature of HR roles in a healthcare trust and a bank in the UK over seven years to identify the enablers and constraints of the HR function’s strategic contribution. Their investigation identified certain key variables influencing the ability of HR specialists to play a more strategic role, including the organisation’s economic climate, its industry, size, culture, structure, and workforce characteristics.

As such research attests, we must remember that HR specialists are enmeshed in a multi-stakeholder context: they are not totally in control of their own destiny or free to reframe their roles without regard to the reactions of other interested parties: most critically, line managers and employees generally. In a study of the British HR profession, Francis and Keegan (2006) observed that the shift of HR specialists towards strategic partnering, in conjunction with devolving transactional HR work, significantly diminished their engagement with employees. This risked loss of employee trust in the HR function, fraying its credibility and legitimacy due to an inability to balance workforce wellbeing with delivery on business objectives. They observed that the sidelining of the employee-champion role can lead to alienation and disillusionment among HR specialists.

All of this underlines the value of an analysis of change in the HR function that recognizes the importance of the ongoing management of organizational and professional tensions, a theme that runs through the literature. Consistent with tension-oriented analysis, Ulrich (1997: 45-46)

emphasizes that HR professionals need to ‘balance the tension inherent in being a strategic partner and an employee champion [...] and balance the need for change, innovation, and transformation with the need for continuity, discipline, and stability’. In her review of the Ulrich model, Gerpott (2015) discusses ‘tensions of identity’ stemming from the fact that ‘HRM professionals are torn between being an advocate of employee interest and a ward of management’; ‘learning tensions’ between ‘stability and change’; ‘performance tensions ... with conflicting goals and expectations’; and ‘organizing tensions’ over whether ‘to retain or delegate tasks when organizing their processes.’ This kind of analysis is guided by a paradox framework that ‘focuses on tensions that actors experience due to the juxtaposition of contradictory interrelated elements’ and that recognizes that ‘such tensions never go away’ (Keegan et al., 2019: 83, 88).

This tension-driven understanding of the role of the HR function also informs our analysis of the relationship between the function and the escalating adoption of AI in it. Automation (executing tasks or making decisions previously undertaken by humans) and augmentation (helping humans to carry out more powerful tasks) through AI constitute a new form of ‘persistent tension’ in HRM (Raisch & Krakowski, 2021: 195) or a duality that can both enhance and/or undermine specialist HR work and employee wellbeing (Meijerink & Bondarouk, 2023). We turn then to our empirical examination.

3 | Methods

To respond to the need for ‘qualitative phenomenological research’ at this juncture (Charlwood & Guenole, 2022: 738), we adopted a multi-case, qualitative design (Eisenhardt & Graebner, 2007; Yin, 2014), which may establish a more robust foundation for subsequent quantitative testing (Maxwell, 2013). Ethics’ approval for the study was granted by the appropriate committee at our university.

Our goal was to build a sample of five large-scale business services’ firms in which AI is substantively implemented in the HR function. In terms of field access, we approached leading French and Canadian HRA-AI communities of practice to take advantage of their knowledge about the practices and technologies used by their members. After presenting the contours and purpose of the study, we employed a homogeneous sampling technique, which allows for greater depth in the exploration of a phenomenon (Saunders & Townsend, 2018). Three key characteristics determined sample homogeneity. First, all five organisations (three from France and two from Canada) offer a range of commercial services at both the retail and corporate levels. They are all based in the financial sector. Second, they have well-established and similar maturity levels in AI for HRM. Third, all five organisations have structured their HR function in a way consistent with Ulrich’s (1997) three-legged configuration: HR Business Partners (HRBPs) (HR generalists with a consultant profile); Centres of Excellence (CoE), where HR professionals provide specialist advice and services to HRBPs and line managers; and Shared Service Centres (SSC), where administrative HR transactions (e.g., payroll and benefits, standard policy questions) are handled by HR staff, outsourced, and/or automated. The case organisations collectively employ over half a million employees. The exact number of employees for each is not disclosed to preserve their confidentiality.

HR and line managers were chosen as respondents because of their central role in translating organisational objectives into operational goals and in being the primary users of AI tools and

outputs. We interviewed the HRA leader who oversees AI applications for HRM, three HR professionals and three managers in each organisation, using two semi-structured interview canvasses: one for HRA leaders and one for HR and line managers (Table 1). All HR and line manager participants were active users of the AI applications, many serving as product owners (i.e., handling the tactical execution and delivery of operational requirements, including output validation and cross-functional collaboration) or as product managers (i.e., contributing at a more strategic level across the AI product lifecycle, such as developing the AI system's value proposition, performing risk analysis, identifying target users and sponsors, and monitoring progress). The canvasses were designed to enable us to gather data on our research question and were structured to prompt interviewees to draw on concrete examples from their direct experiences with AI, rather than offering abstract reflections on its potential. The semi-structured interviews lasted on average an hour and were conducted on a one-on-one basis, either in French or English, through an online platform such as *MS Teams* or *Zoom*. Interviews were audio recorded, transcribed verbatim, and translated from French to English when appropriate. Where relevant, field notes complemented interviews and documentary sources were obtained to corroborate interview data.

-Insert Table 1 about here-

Data analysis

We employed an iterative, qualitative data-analysis method to understand the impact of AI in the HR function and identify thematic patterns capturing HR and line managers' experiences and perspectives (Locke et al., 2022). The interview transcripts were imported into NVivo Pro 12. In line with the sequential thematic-analysis approach suggested by Braun and Clarke (2006), we immersed ourselves in the data through a recursive reading process that enabled us to identify preliminary chunks of meaning. The first layer of coding provided a basis to explore patterns across cases and cluster first-order codes to form second-order themes, which we then reviewed to ensure consistency. Finally, the overall chain of links between first-order codes and second-order themes was related to four aggregate dimensions related to our research question on the developments in the AI-HR interaction, the strategic positioning of the HR function, the impact of AI on employee wellbeing, and the professional destiny of HR specialists. Figure 1 depicts the data structure of the study.

-Insert Figure 1 about here-

4 | Findings

4.1 | Critical developments in the relationship between AI and the HR function in large firms

The first key aspect of our research question is: what critical developments are occurring in the relationship between AI and the HR function in these large firms? What is the 'state-of-the-art'?

Five domains of AI-affected HR work are evident, with variations in the frequency of AI use and its levels of advancement. Table 2 provides a comprehensive outline of these AI-driven interventions, detailing their core functionalities and the ways in which they blend automation and augmentation. An immediate observation is that automation and augmentation are co-existing and co-evolving, as Raisch and Krakowski (2021) argue.

In terms of the way AI is being infused into HR processes, the table can be summarised as follows: first, the organisations are dedicated users of chatbots, ranging from passive chatbots, suitable for addressing routine employee queries, through intermediate chatbots that offer enhanced, but still somewhat limited, responses, through to advanced chatbots capable of natural conversations and predictive analyses; second, AI-based recruitment and selection systems are heavily used to streamline talent-acquisition processes by sifting CVs, carrying out verification of applicants' assertions and backgrounds, and conducting the initial stages of the interviewing process; third, AI-based learning and career-management systems are offering a dynamic platform informed by AI algorithms that analyse employees' current skill sets and aspirations and suggest appropriate learning and career development opportunities; fourth, AI-based bias-detection systems are being used with the intention of promoting equity in organisations through scanning job advertisements, role descriptions, and performance reviews to identify language that may be biased; finally, AI's predictive power is being harnessed in workforce planning systems that analyse a plethora of internal (HR and business-related) and external (economy and market-related) metrics to better forecast staffing needs and, thus, better balance the demand for, and supply of, skilled employees across multiple business sites.

-Insert Table 2 about here-

4.2 | What do these developments indicate about the strategic positioning of the HR function, about the impact of AI on employee wellbeing, and about the professional destiny of HR specialists in these firms?

We break this question down into its three components: is the adoption of AI facilitating a more strategic approach to the HR function?; what is the impact of AI in HRM on employee wellbeing?; what are the implications of AI for the professional destiny of HR specialists?

4.2.1 | Is the adoption of AI facilitating a more strategic approach to the HR function?

In line with HR and line managers' motives for adopting AI in HRM, we observed a pronounced trend towards the automation of transactional HR tasks through AI. These tasks are being streamlined by AI systems in all five organisations. However, adoption strategies vary between the French and Canadian entities. In the Canadian organisations, HR professionals have been using AI to offload their operational roles by automating all employee queries through chatbots. The human touch with HR professionals is reserved only for exceptional cases, heavily reinforcing the AI interface as the primary point of contact for employees. Both HR and line managers argued that this radical shift allowed HR professionals to transition from a traditional operational role to a more strategic one, focused on (more) value-adding tasks, including partnering closely with line managers and building alignment between HR strategies and business objectives:

HR has been ... you know, highly associated with process and bureaucracy. So, what we've done is that the process and bureaucracy layers have been removed, enabling HR to focus on what it should be focused on, which is relationships and business partnering. So, all we're doing is using a tool that helps us do what should have been done. And the reality is that to add business value, well, sometimes you need to streamline the tasks that do not add to the bottom line (R30, Line manager, ServOrg5).

In the two Canadian organisations, HR professionals found in AI's efficiency gains the opportunity to enhance their business impact through closer partnerships with line managers and greater involvement in formulating strategies directly linked to employee and business outcomes:

It's really positive. The team spends less time on admin tasks like screening applications and scheduling interviews... it frees them up for work that truly matters to the business. We now collaborate more with line and regional managers... we develop hiring and retention strategies for high-potential employees that have a real impact. Even within three months, the process was more streamlined, and the team had more time for business projects... Everyone, HR and the business, is much happier (R20, HR professional, ServOrg4).

Compared with their Canadian counterparts, the French managers were more cautious about the chatbot interface, seeing its value with routine, non-emotional queries but recognising its limitations in areas requiring 'compassion and human support':

You do need HR managers and AI to work together. For straightforward tasks with no emotional aspect, AI can handle things step by step. But for more nuanced situations, like redundancies or dealing with life-threatening illness, human intervention is necessary... AI handles transactional tasks to leave HR to focus on areas where compassion and human support are needed (R18, Line manager, ServOrg3).

Consistent with this view, the French respondents, wary of the potential dehumanization of the HR function, were concerned about getting the balance right between what AI could handle and what humans *must* handle. In these organisations, HR chatbots were often used as a first layer of HR interaction, flagging critical HR issues in real-time and determining when and how to actively engage with employees (directly and/or through line managers):

The chatbot is like an additional team member, we treat it as such. We train it to assist with admin and to listen to employees... It's just a lot quicker and a lot more efficient. Also, it removes some of the blind spots we had about employees. For example, it has upgraded our ability to track employee feedback on HR services in real-time... from onboarding, training, health and safety, literally everything... they use it like a smartphone. So, we use it to help managers and improve the services we offer, we're very responsive and much more focused on the particular needs of employees now... (R8, HR professional, ServOrg2).

That said, it is apparent that the implementation of AI-driven chatbots had brought about a major reduction in the time spent on administrative HR tasks, enabling HR professionals to redistribute their time towards activities they see as enhancing the quality of the specialist HR contribution to the business:

Before AI, our HR teams spent weeks reviewing applications, which led to delayed responses and disruptions in customer service. Now, with AI, we've reduced recruitment time by 50% and are almost always fully staffed. We also use gender bias software to ensure job descriptions are neutral and attract a more diverse range of candidates. In our industry, time is money... By accelerating hiring with AI, we maintain service continuity, which directly impacts revenue. The saved time also allows our HR staff to focus on training and onboarding, so new hires are ready quickly. Our branches operate more smoothly, with less disruption. We've shown the exec team that AI isn't just an operational tool for HR, it helps the business deliver better, faster services and meet financial targets (R12, Line manager, ServOrg2).

Across all five organisations, both French and Canadian, AI's ability to provide real-time, hard-to-challenge data has seemingly strengthened the managerial credibility of the HR function. Over three-quarters of the line-manager respondents emphasised their increased trust in HR professionals' work and their perception of the HR function as playing a more strategic role:

HR is definitely a strategic role now... it's more than just admin help; it's about planning for the future workforce. They align their plan with business goals and they execute it using AI-driven insights to predict hiring needs and retention strategies. We trust them because they have data scientists and analysts who provide hard facts... Personally, I now take all their recommendations on board, something I wouldn't have done before (R24, Line manager, ServOrg4).

In sum, automation through AI was widely considered a pathway through which HR specialists could pivot towards a more strategic role, engaging in closer partnerships with line managers and enriching the value they could add to the management of employment relationships. While managers and HR professionals in the French firms were noticeably more circumspect about the role of chatbots, emphasising their limitations in emotionally-laden issues, the respondents across all five organisations perceived that AI's 'hard data' had bolstered line managers' trust in HR professionals, strengthening the credibility of the HR function.

4.2.2 | What is the impact of AI in HRM on employee wellbeing?

The interviews with HR and line managers also suggested that the integration of AI into HR processes has enhanced decision-making quality in mutually beneficial ways: improving both business and employee outcomes. For example, in one of the Canadian organisations, AI-driven recruitment and scheduling systems have allowed managers to avoid understaffing and better accommodate employees' work preferences, promoting a healthier work-life balance. Consequently, the branches have witnessed reduced staff stress and intention to quit, greater engagement and job satisfaction, and increased operational efficiency. Labour turnover rates have declined from 23% to a more manageable 15%.

In another example, the use of AI in a French company to offer customised learning recommendations has provided employees with expanded opportunities for internal mobility and job diversification while also addressing the organisation's skill deficits. Specifically, the introduction of the AI-powered Career Hub (i.e., internal talent marketplace), including its 'gig' feature, has facilitated employees in engaging with short-term projects that resonate with their interests and passions. As noted by an HR professional, 'the more we use AI to empower people to craft their learning and career journey, the larger their playground within the company, the more skilful and engaged they become, and the less likely they are to leave' (R2, HR professional, ServOrg1). In essence, with the assistance of AI, managers' focus was not only on filling positions but on aligning employees' interests with organisational needs, driving both individual and business growth:

It helps employees explore career opportunities, and one area that's working well is the gig marketplace. For example, if your team needs extra skills for a project, like a data storyteller to help communicate data, you can advertise a gig internally. Employees can ask their manager for approval and that enables them to work on projects that support their career while meeting the business needs, all without turning to external hires (R1, HR professional, ServOrg1).

Notable examples from both French and Canadian organisations showcased the potential of AI to customise training and career-development pathways, significantly improving person-organisation fit. This mutual benefit not only elevates the employee experience but also drives better HR outcomes, such as engagement, staffing sufficiency, and productivity which, in turn, bolster operational outcomes (e.g., customer service, sales growth).

But the evidence also pointed to threats to employment mutuality through the application of AI. The decision in the two Canadian organisations to automate all operational HR tasks, including administrative duties and employee requests, raised important challenges in managing the trade-offs between using AI for improving efficiency and serving employees. As one HR professional explained, the frustration of not being able to bypass the chatbot and speak to a human can be overwhelming. This sentiment resonated with many who felt that while AI might be efficient, it lacks the empathy and understanding that only a human can provide. Employees' experience with AI interfaces, where they intentionally provide incorrect responses to reach a human being, is a testament to this frustration. The risk is that while the HR function might achieve greater operational efficiency and manager-perceived legitimacy from its contribution to the business, it comes at the cost of employee trust and well-being:

We recently discussed this... none of us wants to go back to handling employee requests and admin. We have full support from top management because we've cut department costs in half. AI has been a great benefit, but the downside is employees tend to say the wrong thing until they reach a human. I understand it's meant to reduce waiting time, but now we're caught between a rock and a hard place... We've shown we can do more with less, and managers are happy with the project results, but we'll soon have to explain a drop in employee morale and satisfaction. It'll be tough to say: 'We need to spend to rehire folks for the tasks we automated to improve efficiency and bring that value you all congratulated us for' (R19, HR professional, ServOrg4).

Accordingly, while HR professionals harnessed AI to transition to a more strategic role, they still grappled with tensions stemming from conflicts between management and employee interests. Indeed, although they achieved notable efficiency gains, this resulted in an impersonal AI-mediated employment relationship with little human connection and support. As noted by the Canadian HR professional above, this left the HR function 'between a rock and a hard place' as employees' negative reactions began to ripple through the business. Therefore, although Canadian HR professionals striving for a more strategic role used AI to favour a managerial agenda, they grappled with the complexities of balancing pluralistic interests in the employment relationship and realised that using AI in such conditions might be harmful to their own interests:

We've had some complaints and tricky situations. We had a receptionist in one of our branches who inputted a question like 'my office manager is harassing me psychologically, what am I supposed to do?' We didn't catch it until her exit interview months later. It could have been worse, but that's one downside of using AI for efficiency. It puts the executive team in a tough spot too... When we reported it to our HR VP, he said: 'let's find a way to avoid this kind of situation', but it felt more like: 'that's the price to pay for saving millions in operating costs'... Obviously, our reputation is very important to us, but when it comes to numbers... we swear by the balance sheet... it'll be tough to keep the HR accounts positive and prevent that kind of unfortunate situation with employees from happening (R27, HR professional, ServOrg5).

In sum, there is a mixed picture in terms of the impact of AI on mutuality in HRM. On the one hand, there are signs of win-win outcomes in the applications of AI to the problems of ensuring adequate workforce staffing, of enhancing avenues for employee voice, if acted on in a timely and sensitive way, and of matching employee career aspirations to the opportunities available. On the other hand, in facilitating HR professionals' transition to a more strategic role, a very high level of automation through AI can undermine the employee-champion role, as particularly seen in the Canadian organisations. This may, in turn, compromise the HR function's credibility and legitimacy in the eyes of the wider workforce.

4.2.3 | AI and the professional destiny of HR specialists

As with the impacts on employee wellbeing, the evidence is mixed on the way AI is affecting the status, job satisfaction and career security of HR specialists. On the positive side, HR specialists have been benefiting from enhanced credibility when they are perceived by line managers as better serving their needs as ‘strategic partners’. In addition, the automation of transactional HR tasks through AI was perceived by HR professionals as capable of advancing their career:

Before, everyone in the operations team wanted to shadow people in the consultant roles for progressing in their job role. And there was just no time to travel... And since the chatbot has been implemented... they go out once a week to another location in the business to network, meet people from the business. And they're also able to shadow people in consultant roles, which is the job just above them that they will progress into one day. So, it's helping them progress their career (R26, HR professional, ServOrg5).

However, the risk of becoming overly dependent on AI emerged as a recurring theme. Scepticism about AI systems was particularly pronounced where HR managers lacked the technical knowledge to evaluate the rationales behind algorithmic decisions, and simultaneously lacked the power to directly tailor the AI system to fit managerial challenges, illustrated by some comments about an L&D system:

No, we can't influence its design or the algorithm in the background. We can exclude certain courses, but not all. Recently, the algorithm recommended a course to everyone because it received positive feedback, but we didn't want all employees to take it just because our customer reps liked it. We couldn't remove it from the suggestions, so we called the tech department. I'm a Learning Manager... it was uncomfortable explaining to the tech team, who don't understand HR, why this recommendation should be removed for certain employee groups (R14, HR professional, ServOrg3).

Slightly more than half of the HR managers felt ‘really uncomfortable’ justifying their HR decisions to AI developers, who occasionally ‘brushed them off,’ leading to concerns about the latter’s growing control over HR work. As one Canadian HR professional highlighted, it is concerning that AI developers’ judgement affects HR decisions, particularly in a context where they are unfamiliar with HR professional values:

The guys that actually create this AI and involved in making it work, you know, they are very knowledgeable and are like experts in this field... but can we really trust their judgement?... It's just a little bit of a sticky one because they're not CHRPs [chartered HR professionals], they don't know the values of our profession, and they probably care more about software and computers than people. So, I'm probably a little bit worried about zero human intervention (R21, HR professional, ServOrg4).

In this context, HR respondents emphasised the need for careful AI governance. For example, in one French organisation, they implemented rigorous risk analyses during AI development, appointing an HR ‘shepherd’ or ‘owner’ for AI systems. Highlighting the depth of the trust concerns with AI, every organisation’s Legal Department was actively involved in developing regulations to enhance control over it. Ironically, while the intention behind AI adoption in HR processes is to reduce transactional work, more than half of the HR managers found themselves investing significant time to train and audit AI systems, attempting to counter the adverse effects of biased algorithmic decisions. For example, an HR professional in a Canadian organisation pointed out the unintended consequences of their diversity initiative: the AI system, in trying to address imbalances, ended up overcompensating by exclusively recommending leadership programmes to women and ethnic minorities, sidelining others:

Currently, the system is audited by a human looking for potential errors, but it's not very efficient at identifying errors. We should probably address this more proactively, but it's tough because we often discover issues and their causes long after the damage is done. For example, we have a programme to promote women and ethnic minorities, with specific metrics to track its success. However, we realized that the platform was recommending our leadership programs to women and minorities, but stopped recommending them to all other employees... (R19, HR professional, ServOrg4).

The adoption of AI and the resultant streamlining of HR processes also implies a reduced need for HR professionals. For example, in one of the Canadian organisations, AI had replaced 80% of the HR recruitment team. This trend raised alarm about the potential elimination of HR jobs. While AI predominantly targeted junior, repetitive roles, the effects were felt throughout the HR hierarchy even though advanced HR roles currently remain beyond the scope of AI replacement. Nearly all HR respondents voiced concerns about the diminishing value of HR skills and the long-term implications for the profession, especially given that these junior roles often serve as the entry points into it:

A lot of operational and junior-level tasks have been automated by AI. For example, in recruiting, AI now handles sourcing CVs, a task that used to be done by a person. We've gone from a team of five to just one managing this. AI has also taken over transactional roles and various queries. To be honest, most of the junior-level roles in HR have been replaced by AI, and these are the roles with the highest turnover because they're repetitive. People don't stay long, so filling these positions was always a struggle. Now, it's no longer a problem, but the downside is that these roles were often entry points into HR. Without them, it's harder for people to break into the field. It's 50/50: it solves a problem but also blocks access to the profession. As AI improves, I believe job replacement will happen higher up, maybe not yet, but eventually (R19, HR professional, ServOrg4).

Indeed, while AI has ostensibly relieved the burden of lower-level tasks, it poses a threat by undermining professional skills, which may in turn impact remuneration and, ultimately, the motivation and development of HR managers. The reduction of entry-level HR roles and creeping deprofessionalization were seen as a serious challenge to the wellbeing of the profession:

Right now, they're lower-level tasks. The role has shifted from focusing on what's the best CV or best workforce planning or training module to more coordination, liaison, and acting as a buffer with employees. If AI became very advanced, though, I'd question the purpose of my role, as it could already handle it. We do everything to protect our jobs, but it could negatively impact salaries, as we wouldn't need the same technical expertise from HR advisors. It might just become a pure organizational role, requiring a coordinator rather than an HR specialist. In that case, the role might not be as skilled, trained, or well-paid, which could make people feel demotivated (R15, HR professional, ServOrg3).

In sum, while gains are seen in the substitution of transactional tasks for more career-enhancing activities, increasing reliance on AI in HR processes has led to concerns about a loss of control over classical HR decisions, threatening the legitimacy and continuity of the HR function. Many HR professionals expressed unease about the opaque nature of AI decisions and the influence of AI developers whose limited grasp of HR values fuelled concerns about the quality of AI-based decision-making. This view was shared more generally in management, leading to the deployment of resources to oversee and regulate AI decisions in HRM. Ironically, for HR professionals, the efficiencies gained from AI are, to some extent, being offset by the time spent in training and auditing AI systems and rectifying biases when they occur. Finally, the adoption of AI in the firms is reducing the need for HR professionals, particularly at entry level, posing a threat to the ground-floor developmental activities on which the careers of HR professionals are built, and generating concern about the deprofessionalization of the function.

5 | Discussion: three trends in the ‘direction of travel’

In terms of commonalities across the cases, what can be said about the ‘direction of travel’ (Charlwood & Guenole, 2022: 3)? Three general observations about trends across the cases can be made before we discuss the two trajectories or overall patterns that we discern in the data. First, in the pursuit of greater efficiency in the HR function, these firms are serious users of chatbots. These are showing their ability to handle straightforward employee queries at any time of the day or night but there are also instances where they are frustrating or unresponsive from an employee perspective. Overall, however, they are growing in sophistication and are more likely to be enhanced than ejected from the HR function (Malik et al., 2020). The firms are also serious users of AI to sift through the enormous number of job applications that large, well-known employers attract and to conduct initial interviewing and verification tasks. These applications are not, of course, terribly novel across the HR world (Vrontis et al., 2022) and they are consistent with the desire of many HR professionals to position themselves more strategically in organizations by using automation to release greater time for augmented, more empowering HR roles (Cayrat & Boxall, 2023). There is some offsetting of gains here due to the costs of training, auditing, and regulating the applications of AI to HR processes but, on balance, the trend is towards progressive improvements in the effectiveness of these systems. The net effect, as with chatbots, is to enable HR specialists to allocate more time to pursuing ‘strategic partnership’ with line managers and, in various instances, to more proactive forms of employee support (e.g., better onboarding or management of high-potentials).

A second point concerns what these cases show in terms of valuable leadership or innovation in HRM through AI. These large firms are innovatively applying AI to the HR planning and learning and development domains. Here, cleverly-designed forms of automation are enabling a better matching of people to the jobs they find attractive and to the career development opportunities they find motivating. Through advanced AI, we see that better matching of available people to the skill needs and workloads of complex, multi-site organizations is capable of bringing mutual gains in employee development and workforce retention (Boxall, 2013). These are, potentially, very significant gains over manual or less dynamic HRD systems in such organisations.

A third point, however, is that the cases also show that well-intended but perverse applications of AI are capable of reducing mutuality. The application of AI filters to detect unfair discrimination, for example, runs the risk that badly programmed AI behaves, unsurprisingly, in unintelligent ways, generating reverse discrimination and, thus, undermining merit-based inclusion. This, in turn, poses a threat to employee motivation, retention and organizational performance. Our data suggest that these mistakes are capable of being identified (albeit with a significant time lag in some instances). Hence, it is fair to argue that such discriminatory impacts from AI filters are ‘not inevitable’ (Charlwood & Guenole, 2022: 735).

6 | Theoretical implications: the ‘AIHR’ versus ‘HAIR’ models

Standing back from these observations, what overall patterns can we discern in the unfolding AI-HR interaction? We posit that a contrast exists between two trajectories, which encapsulate the tension or duality in the AI-HR interaction (Raisch & Krakowski, 2021; Meijerink & Bondarouk,

2023). The first of these is an ‘AIHR’ model: AI, driven by its technical developers, is prioritised and dominates the future of HR (e.g., van den Broek et al., 2021), something that is more noticeable in our Canadian cases than in our French ones. The model is one in which HR professionals, in embracing AI to reduce transactional tasks and adopt a more strategic stance, de-emphasise their employee-champion role (Francis & Keegan, 2006). The risk is that they fail to surface, and respond in timely and expert ways, to important conflicts of interest. In a case of ‘plus ça change, plus c’est la même chose’, the cost savings from a high degree of AI automation in this model are seductive, but dangerous when they heighten the tensions between business performance and employee well-being. This model, characterised by an ongoing pursuit of cost minimisation, is what one would expect from labour process theory, as Charlwood and Guenole (2022) argue. It brings with it a more threatening destiny for the HR profession: the ‘three Ds’ of deskilling, deprofessionalization, and downsizing. This, in turn, runs the risk of loss of institutional memory and domain expertise in HRM, which are ‘strategic assets’ that large organizations need.

The alternative is a ‘HAIR’ model in which AI is infused in the HR function but the ‘H’ of HR, its human-centricity and dedication to fostering employee wellbeing (Guest, 2017), has greater precedence. This is more noticeable in the French cases where the threat of AI dehumanizing the HR function is more widely recognised. The goal in this model is to harness AI to do what it can do best (e.g., foster better skill-matching and workload-balancing in large, highly complex organisations) while releasing HR specialists to do what they can do best (e.g., better support to, and development of, line managers as managers of people; leadership of initiatives that enhance employee voice). Because we are talking of business organizations, cost-effectiveness will still be important in the model (Boxall & Purcell, 2022). However, there is greater scrutiny in the decisions around how AI is adopted, trained, and monitored. ‘Shepherding’ of AI applications by HR specialists helps to provide theory and experience-based guidance on HR problems and to minimise perversities. Compared with the AIHR model, we are not talking about a total difference in category but about an important question of degree, of where the emphasis lies in managing the tension between AI and the HR function. Along with a heightened awareness of the impacts of AI on employee wellbeing, this model is likely to place greater restraint on the ‘three Ds’ through significant ring-fencing of HR staffing and a planned approach to the curation of HR domain expertise and the development of HR careers. This level of support for HR professionalism may, in turn, foster greater strategic impact by HR departments over time, leading to better, more mutually beneficial outcomes for management and employees. Overall, while AI is arguably the latest and most sophisticated technological development in HRM, the tension between it and the HR function, as captured by the two models discussed and their respective implications, reflects and stems from the systemic dualities and ambiguities that foundational sociologies of the HR function identify as inherent in specialist HR work (Legge, 1978; Watson, 1977).

7 | Practical implications

The practical implications that arise from this study depend on whether an AIHR or HAIR model is fostered. The first step, then, must be a periodic assessment of which model is apparent in the trajectory being followed in an organisation. Analysis is helped by a review of each sub-function of HRM and the roles HR specialists play in terms of the dimensions and dynamics of the AI-HR interaction (Budhwar et al., 2022; Pereira et al., 2023).

Assuming the choice is for a HAIR model, there is clearly a need for a better quality of engagement between AI developers and HR specialists to develop shared understandings. The degree to which HR professionals in the case organisations found AI to be either opaque or ill-informed, and distrusted it accordingly, shows that they are all vulnerable in this terrain. Arguably, AI developers in the HR space need greater support to acquire a theory-based understanding of HRM, and, for their part, HR specialists need support to develop ‘fusion skills’ (Wilson & Daugherty, 2018), which characterise the competencies needed to collaborate effectively with AI developers. These skills include identifying which tasks can, and should, be automated by AI, determining when to leverage synergies between human skills and AI capabilities for better outcomes, training AI systems effectively, overseeing their functioning, monitoring and explaining their outputs, and reconfiguring HR work as AI-altered HR processes require HR specialists to harness collaborative intelligence. This involves engaging in new activities and performing some tasks differently, such as making decisions, exercising intuition and judgement, and interacting with employees and managers (Wilson & Daugherty, 2018).

This suggests, as Chowdhury et al. (2023) argue, that large organisations now need to develop a formal strategy for the use of AI in the HR function: one that not only plans for the enablers of effective deployment of AI (e.g., governance policy, data infrastructure, training and development), but also includes communication and engagement strategies for the critical network of stakeholders, including line managers and employees. The need is to build trust and confidence by fostering a transparent understanding of AI’s capabilities, limitations, and its impacts on the overall employee and business experience.

8 | Limitations

The non-random composition of the purposive sample must be acknowledged, with factors such as snowball sampling and personal engagement with practitioners, and their communities of practice, likely to have influenced the case selection. Moreover, although the study was conducted among three types of respondents (HRA leaders, HR professionals, and line managers), incorporating perspectives from other stakeholders such as top management and employees and their representatives would provide a more comprehensive understanding of the economics and politics of AI.

While the aim of this study was not to conduct a cultural comparison, we also acknowledge that institutional environments may have helped to shape how organisations approached AI adoption, as well as the enactment of HR roles (Cayrat & Boxall, 2023). For example, stricter regulatory requirements such as the EU’s General Data Protection Regulation (GDPR), combined with the formal role of unions and works councils in France, may have encouraged more cautious experimentation with AI and greater emphasis on safeguarding the human aspects of HR interactions. In contrast, Canadian organisations, operating in a lighter regulatory environment and with less institutionalised employee voice, adopted more efficiency-oriented strategies, such as fully automating employee queries through chatbots (Coolen et al., 2023). These contextual differences may help to explain why French managers stressed the importance of balancing AI with compassion and human support, while Canadian managers emphasised AI’s role in freeing the HR function to focus on strategic, value-adding tasks.

9 | Future research avenues

This area of practice is characterised by rapid evolution. As highlighted in reviews of the literature on AI in HRM (Malik et al., 2023; Pereira et al., 2023; Budhwar et al., 2022), we need greater evidence, from both quantitative and qualitative sources, on the impacts of AI-driven HR solutions on employee and organisational outcomes. This should include research on how AI capabilities within the HR function influence the degree of mutuality in employment relationships: to what extent is the infusion of AI in HRM reducing and/or exacerbating conflicts of interest and the trade-offs they set in train? In addition, studies should aim to provide further evidence on how HR professionals negotiate and reshape their operational and strategic roles in the context of AI-infused HRM (Cayrat & Boxall, 2023). To address these questions, research should incorporate the perspectives of the entire system of stakeholders involved in the use of AI in the HR function and in the adoption and sustainability of ‘AIHR’ and/or ‘HAIR’ models. Moreover, the variations we observed in the reactions of Canadian and French HR professionals and line managers suggest that future studies must take account of societal institutions and cultural influences.

10 | Conclusion

There is a lack of empirical evidence on the rise of AI in the HR function, with limited understanding of the AI-HR interaction and its implications for HR roles and the tensions they entail. While the findings are based on a geographically and sector-specific sample, highlighting the need to test generalizability across industries and to better understand contingencies and boundary conditions across cultures and institutional contexts, this study responded to this call for evidence.

It would be trite and unhelpful to say that AI and the HR function stand at a crossroads. The situation is more fluid and the metaphor breaks down in the current torrent of change being experienced in the Fourth Industrial Revolution. What we can say, however, is that senior managers overseeing their HR functions in this volatile environment should aim to surface and evaluate the model underpinning the interaction between AI and the HR function in their organization. Is the trajectory weighted towards cost-minimisation through AI applications that increasingly exert dominance over the HR function (an ‘AIHR’ model)? Or is the trajectory more consciously guided by a wellbeing-oriented approach (a ‘HAIR’ model)? The latter will still involve serious considerations of cost-effectiveness in HRM, but it is more likely to recognise and respond to the enduring tensions of managing people in organizations that the application of AI, in a variety of ways, may help to ameliorate and/or exacerbate. The pace is fast but there is time to ‘shape and improve the direction of travel’ in the AI-HR interaction (Charlwood & Guenole, 2022: 3).

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Table 1. Sample characteristics

Organisation	Interviews			Sample homogeneity factors
	HRA leaders	HR professionals	Line managers	
ServOrg1 (France)	1	3	3	▪ Financial services sector offering retail and corporate services ▪ Similar AI maturity levels in HRM ▪ Similar HR function structure, as per Ulrich's configuration
ServOrg2 (France)	1	3	3	
ServOrg3 (France)	1	3	3	
ServOrg4 (Canada)	1	3	3	
ServOrg5 (Canada)	1	3	3	

Figure 1. Data structure

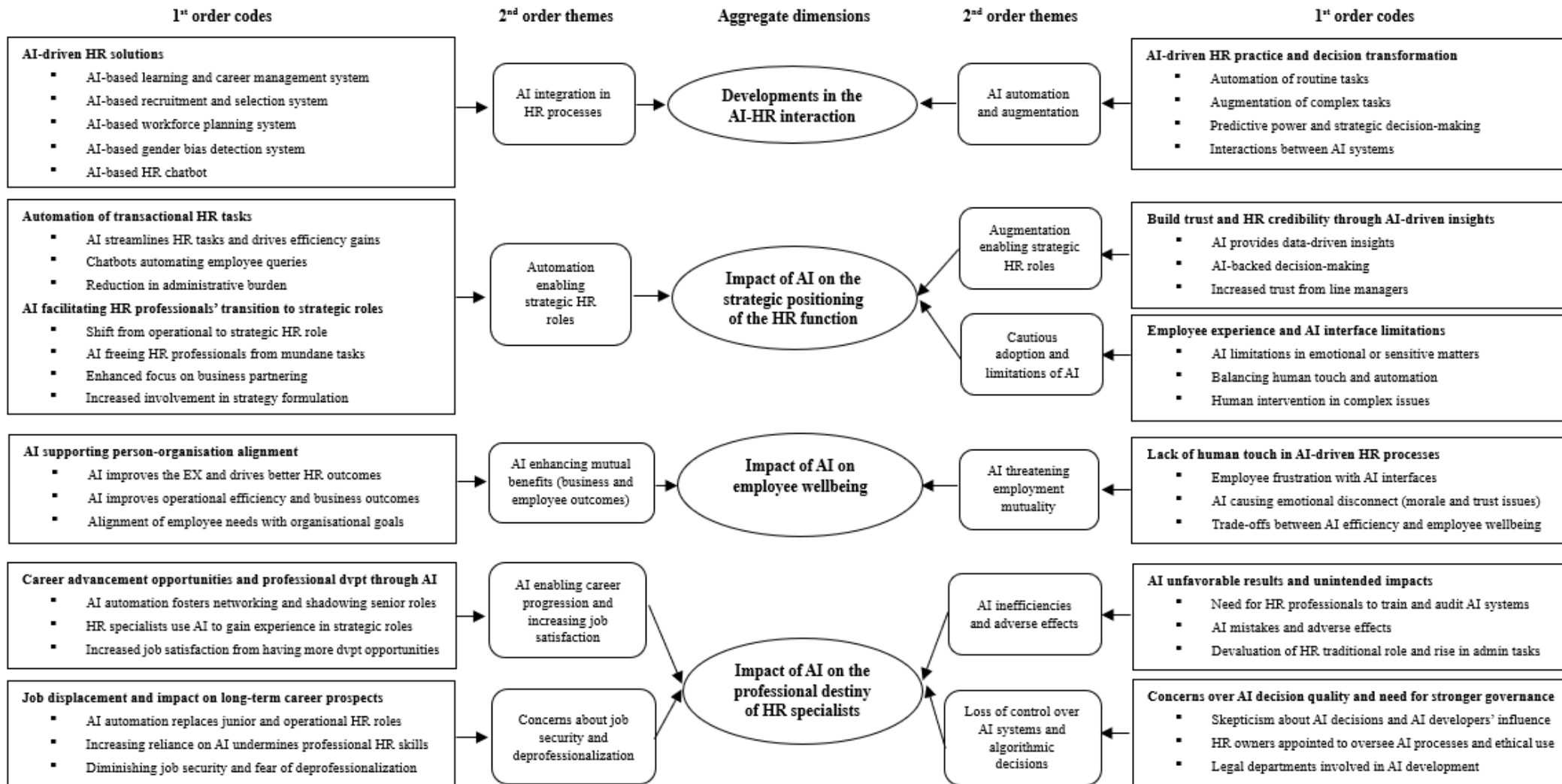


Table 2. AI-driven HR decisions and practices in 5 large organisations in the service sector

Automated/Augmented HR practices	AI technology	Core functionalities	Current and/or expected benefits
Employee self-service and voice	AI-based HR chatbot	Characterised by three main levels: <u>Level 1: The passive HR chatbot</u> A basic query-response system, relying on a pre-loaded knowledge base to provide pre-defined answers to common administrative questions. The chatbot's interface can be operationalised as a static Q&A or a natural-language search engine. Its initial effectiveness is contingent on the quality and quantity of the data points entered. <u>HR professionals' role:</u> - Monitor and analyse the questions employees ask the chatbot. - Expand and refine the chatbot's knowledge base based on the queries received. <u>Level 2: The intermediate HR chatbot</u> A step-up from the passive version, it learns from interactions and can autonomously develop its knowledge base from the questions it receives. While it can handle simple queries independently, complex questions are categorised and forwarded to HR professionals. Three layers of improvement characterise the intermediate HR chatbot: - 1st layer: Workflow-based human interaction for queries the AI cannot answer. - 2nd layer: Enhanced topic recognition with summarised information and actionable insights. - 3rd layer: Machine Learning (ML) enables the chatbot to infer responses even without direct information, allowing for more natural conversations. <u>HR professionals' role:</u> - Address complex queries forwarded by the chatbot. - Train the AI to handle similar future queries. - Prioritize high-value queries to refine the chatbot's learning. <u>Level 3: The advanced/dynamic HR chatbot</u> Designed to offer comprehensive support to employees and managers, tapping into the potential of advanced ML to perform unstructured content analysis and deploy predictive capabilities to provide reliable and personalised responses (e.g., developmental plans based on employee inputs regarding career objectives and desired skills, health and well-being questions) across a spectrum of queries, ranging from simple to complex. Engages in natural conversations with proactive and intelligent responses and has the potential (not yet realised) to show empathy and read emotions. <u>HR professionals' role:</u> - Use the chatbot to reduce administrative burdens. - Intervene in queries where human interaction is deemed essential, especially for personal or relational queries.	Automation - <u>Level 1:</u> The chatbot simplifies the process of addressing routine questions, reducing the need for human intervention for basic queries. - <u>Level 2:</u> The chatbot acts as a filter, handling basic queries and forwarding complex ones to HR professionals, reducing the transactional load on HR departments. - <u>Level 3:</u> The chatbot can handle a wide range of queries, from simple to complex, reducing the need for HR professionals' intervention in many cases. Augmentation - <u>Level 1:</u> HR professionals can use insights from the chatbot's interactions to enhance its database and improve its response accuracy. - <u>Level 2:</u> The chatbot enhances the employee experience by providing more accurate and insightful responses over time. - <u>Level 3:</u> The chatbot complements HR professionals by automating responses but qualifies queries that require a human touch, ensuring that employees receive the appropriate level of support.
Recruitment and selection	AI-based recruitment and selection system	Designed with two main features: <u>AI-based CV sifting</u> Instead of HR professionals manually going through them, automates the initial screening process by analysing CVs, identifying candidates that best match the job requirements based on keywords, experience, qualifications, and other relevant criteria. <u>AI-based interviews</u> Also offers an integrated interview module. Candidates can be interviewed directly within the platform, with AI algorithms analysing their responses. Provides automatic coding and assessment of candidates' responses, advising managers on the their suitability for the role based on the job description. Additionally, background checks and other verification processes are automated, ensuring a thorough and efficient assessment.	Automation - <u>Streamlined and scalable recruitment process:</u> Reduces the time and effort required in sifting through CVs and conducting interviews. Can handle large volumes of applications, making it ideal for large recruitment drives. - <u>Consistent evaluation:</u> Ensures that every CV is evaluated based on the same set of criteria and that only candidates deemed 'most relevant' are shortlisted. Augmentation - <u>Enhanced decision-making:</u> While the AI system provides a shortlist, HR professionals and line managers can make more informed decisions by combining AI analysis with their expertise and intuition. - <u>Personalised feedback:</u> Managers can provide more specific feedback to candidates based on AI analysis, enhancing the candidate experience.

Training and development	AI-based learning and career management system	Dynamic platform designed to assist employees in their professional development journey. Employees input their current skill set into the system, which then, through AI algorithms, suggests tailored learning and development opportunities. Primary objective is to bridge the skill gap between an employee's current capabilities and the requirements of their desired job or interests. The system has the ability to learn and adapt. It not only considers the individual's past learning modules but also draws implications from profiles of employees in similar roles. This continuous learning mechanism makes the system increasingly proficient at predicting and recommending relevant learning needs and courses. The platform fosters collaboration by connecting individuals with similar career aspirations, facilitating mentor-mentee and coach-coachee relationships.	Automation - <u>Automated training recommendations</u>: Employees receive automated training suggestions and professional development roadmaps based on their skills, past learning modules, and career aspirations. - <u>Dynamic course updates</u>: Training modules can be automatically updated based on feedback and changing organisational needs. Augmentation - <u>Tailored learning paths</u>: HR professionals can design more personalised and effective training programs by combining AI recommendations with their insights about team dynamics and organisational goals. - <u>Enhanced employee engagement</u>: By better understanding individual learning needs, HR professionals can engage employees more effectively, fostering a culture of continuous learning.
Diversity, equity, and inclusion	AI-based bias detection system	Designed to identify and eliminate gender biases within the recruitment, performance assessment, and promotion processes. Equipped with semantic analysis capabilities steered by ML, scans job adverts, role profiles, and performance reviews to pinpoint subtle nuances, phrases, and terminologies that may (inadvertently) favour one gender over another or carry cultural or societal biases that skew an assessment. Provides real-time feedback and suggestions for (more) neutral and inclusive alternatives.	Automation - <u>Real-time bias detection</u>: Detects and highlights biased language in real time as job descriptions, adverts, and performance reviews are drafted to maximise diversity in the pool of applicants and offer development opportunities based on performance. - <u>Consistent monitoring</u>: All recruitment and performance appraisal materials are consistently monitored for biases, ensuring uniformity in language use. Augmentation - <u>Informed decision-making</u>: HR professionals can make decisions about their recruitment and performance appraisal materials with a deeper awareness of potential biases, improving inclusivity, fairness, and alignment with organisational values and goals. - <u>Post-analysis feedback and continuous learning</u>: Feedback from the AI system can be used for training sessions, educating HR professionals about unconscious biases and promoting fair practices.
Workforce planning	AI-based workforce planning system	Designed with two main features: <u>Workforce planning predictive system</u>: Harnesses AI to forecast staffing needs based on economic conditions (e.g., market trends, interest rates), new product launches, and branch performance. Instead of relying on historical data or intuition, analyses current sales trends, comparative sales, and other relevant metrics to prescribe the number of hires required to meet organisational goals. <u>Employee behaviour prediction</u>: Based on psychometric results, the AI system predicts an employee's likely behaviours and strengths, forecasting how they might react in specific workplace scenarios. Can craft detailed employee personas, which represent archetypal employees, allowing assessment of person-organisation/branch fit by examining how candidates compare to employees in similar roles. With a better understanding of employee personas and person-organisation/branch fit, the system can foster an internal talent marketplace, promoting internal mobility, and helping employees find roles that align with their skills, aspirations, and personalities.	Automation - <u>Automated forecasts</u>: Predictive models can automatically forecast staffing needs based on various metrics, reducing the need for manual projections, and improving operational efficiency. - <u>Dynamic internal talent marketplace</u>: Based on anticipated skill gaps, job postings can be automatically generated to foster internal mobility and roster staff in roles that align with their personalities, skills, and interests, which is likely to increase their satisfaction and engagement. Augmentation - <u>Enhanced strategic decisions</u>: HR professionals and line managers can harness AI-generated predictions to make proactive, well-informed decisions regarding workforce planning, talent development, and retention strategies. Ensures that work sites are optimally staffed with individuals placed in roles that resonate with their strengths and passions, fostering achievement of operational and sales objectives.