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# AI in Strategic Decision and Talent Acquisition

**Rakhi Sharma**

Assistant Professor, Department of Commerce and Management, GNIOT Institute of Professional Studies, Greater Noida, India

**Abstract:** ***This paper examines how AI can be used in strategic decision-making and talent acquisition; the paper will be specific to the effect of AI in the efficiency of workforce planning, recruitment, and alignment within an organization. According to the descriptive research design, and the results of percentages, correlation, and chi-square analysis, including 160 respondents, the study concludes that AI can significantly increase the candidate sourcing, minimize ambiguity, speed up the decision-making process, and predictive analytics in HR practices. The correlation outcomes reveal strong positive correlations between AI-driven recruitment practices and important HR outcomes and chi-square tests reveal that there are statistically significant interrelationships between AI implementation and the decrease in uncertainty, organization-alignment and strategic decision support. Altogether, the analysis concludes that AI-powered HR systems can improve the accuracy, transparency, and operational efficiency of an organization, which creates an avenue to more strategic and evidence-based talent acquisition management.***

**Keywords:** Strategic Decision, Talent Acquisition, Artificial Intelligence, Analytics, Performance

## 1. Introduction

Strategic AI deployment is driving a dramatic shift in the recruiting environment in today's lightning-fast digital world. A strategic, data-driven role enabled by intelligent technology is replacing a manual, time-consuming one. Automated resume screening and the prediction of recruiting results are only two examples of how AI has transformed talent acquisition by making activities more strategic. There are two sides to every coin, and the rapid advancement of technology has brought with it new and complicated problems, such as worries about privacy, ethical dilemmas, and algorithm prejudice.

Academic study is needed to address strategic and psychological concerns raised by the increasing use of AI-based technologies in organizational processes, which extend beyond operational productivity. [1] With the use of AI, SHRM theory facilitates data planning and predictive talent acquisition by coordinating HR practices with business objectives. Originally, AI systems were created to assist with and solve issues that were well-defined or organized, and to emulate human cognitive abilities. [2]

In the year 1989, Davis put up the TAM in order to provide an explanation for the way that experts see the process of using AI in the context of recruiting. The recruiting process has been completely transformed by the use of AI, which is capable of scanning, examining, and analyzing the potential of applicants in a fraction of the time it used to take. Through the automation of duties and a decrease in the amount of time needed to bring on new employees, artificial intelligence has enhanced the effectiveness of the procurement process. Candidates will be able to use chatbots powered by Artificial Intelligence to address their questions, provide more seamless communication, and keep their application statuses up to date. Because of its ability to analyze a substantial amount of data from the global talent pool, Artificial Intelligence is considered to be one of the most effective alternatives [3] for recruiters who want to make judgments based on facts.

### The Importance of AI in Making Long-Term Plans

Artificial intelligence (AI) is aiding in strategic decisions in most sectors. Artificial intelligence (AI) enables faster and improved decisions through the analysis and processing of giant amounts of data. [4] [5] Artificial intelligence can process previous data and modern market trends, find patterns, and predict changes in the future correctly. [6].

One such application of artificial intelligence in strategy decisions would be machine learning, which allows computers to learn based on past information and identify patterns that can be applied to predict possible future events. The banking sectors can apply AI to predict a change in the stock market or calculate the investment risk based on the already available information. Artificially intelligent systems can also help businesses within the marketing sector analyze the needs of their customers and deliver them personalized products which in turn increase chances of conversion and consumer satisfaction. [7] [8]

Maximizing choices is another area where AI plays a significant role. Allocating resources more wisely, optimizing manufacturing schedules and supply chains, and discovering profitable market possibilities are all areas that might benefit from AI's capacity to examine the many factors involved in decision-making. [9] This increases profits to the business due to increased productivity and reduction of wastage caused by the same. Moreover, AI can be applicable in risk management. [10] Any action that you take as a businessman carries a certain amount of risk. [11] [12] The eleventh through use of AI, we will be able to know what to expect, what we can do to reduce their effects and identify what to worry about sooner. [13] By so doing, the businesses could reduce the risk of losses incurred due to bad judgments. [14] [15]

## 2. Objectives

- To evaluate the efficiency and efficacy of AI-driven selection.
- To understand the function of AI in the future of corporate culture and performance.
- To examine the role of AI in facilitating strategic choices using predictive analytics.

- To investigate how AI-driven hiring practices influence employee happiness, satisfaction, and overall experience.

## 3. Research Methodology

This study aims to explore the possible uses of AI in the selection process. It has been determined that in order for contemporary businesses to succeed, they need effective management over their workforce, which is dominated by fierce competition. Employing skilled employees who are committed to their jobs and employers' interests can help businesses prosper in their various fields of operation, especially banking, telecommunications, and information technology, among others whose work is done by people. A staff like that is likely to increase productivity, which will improve the company's overall performance. Since the descriptive technique has helped me to build a thorough comprehension of the research issue, it has been the major focus of my investigation. Researchers often rely on surveys as a means of gathering data. However, they also make advantage of created data traces, including those found in electronic digital archives and databases like ProQuest.

They reference printed documents, studies, and summit credentials, among other materials, when doing research. Participants provided feedback with five-point closed-ended questions designed on a Likert Scale. This research used convenience sampling, a kind of non-probability sampling in which participants were picked based on random convenience. A questionnaire is provided to respondents, and conclusions are generated from the sample population using the SPSS. Approximately 160 of these replies were examined using percentage, chi-square, and correlation analyses.

## 4. Results

The correlated studies that focus on the independent and dependent variables, the chi-square tests that are performed on the hypothesis, and the rates for some of the most significant influences that influence deep learning in terms of HR practices. Each piece of the data is broken down into components, and each of those sections is examined individually.

**Table 1:** AI methods support in reducing budget

| AI reduces budget | % | Frequency |
|---|---|---|
| Agree | 36.88 | 59 |
| Strongly Agree | 31.25 | 50 |
| Disagree | 9.38 | 15 |
| Strongly Disagree | 5.63 | 9 |
| Neutral | 16.88 | 27 |
| Total | 100 | 160 |

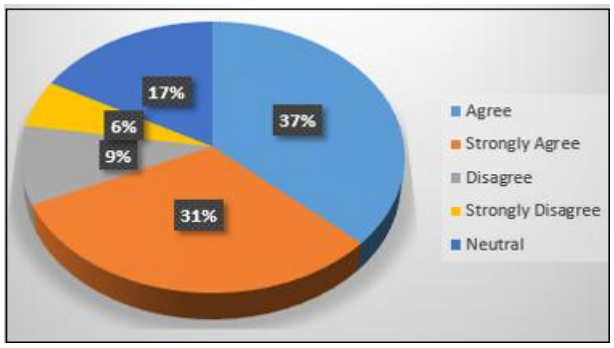


**Figure 1:** AI methods support in reducing budget

It was determined that 31.25% of respondents endorsed the assertion that using deep learning methodologies aids the organization in reducing expenses. Hiring talented personnel is reportedly costly. Furthermore, corporations consistently seek possibilities to save expenses. Consequently, many enterprises are seeking alternate methods to reduce expenses. Deep learning techniques may assist managers in concentrating on the reduction of time and costs throughout the recruiting process. Additionally, 36.88% of participants in this survey endorse the concept.

**Table 2:** Assisting HR procedures effectively

| HR procedures effectively | % | Frequency |
|---|---|---|
| Agree | 34.75 | 54 |
| Strongly Agree | 34.38 | 55 |
| Disagree | 8.75 | 14 |
| Strongly Disagree | 6.88 | 11 |
| Neutral | 16.25 | 26 |
| Total | 100 | 160 |

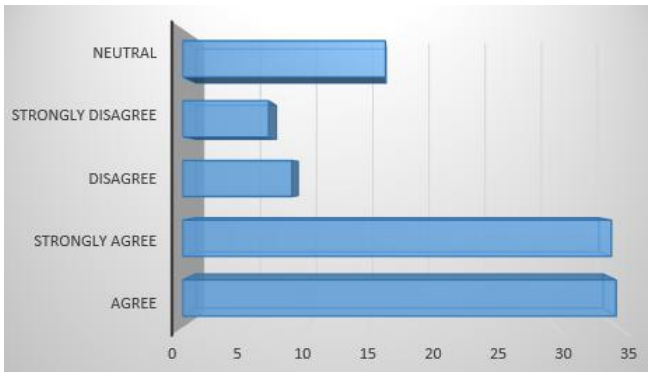


**Figure 2:** Effective H.R. procedures

In the table, there was a preliminary answer to the assertion that deep learning technologies improve the efficiency of the organization's human resource operations by a rate of 34.38 percent. The increasing relevance of deep learning approaches in human resource operations is a logical conclusion to draw given the high priority that several firms place on getting the most out of these techniques.

**Table 3:** Perception of AI Predictive Analytics in Strategic Decisions

| Response Category | % | Frequency |
|---|---|---|
| Agree | 38.13 | 61 |
| Strongly Agree | 36.25 | 58 |
| Disagree | 7.50 | 12 |
| Strongly Disagree | 4.37 | 7 |
| Neutral | 13.75 | 22 |
| Total | 100 | 160 |

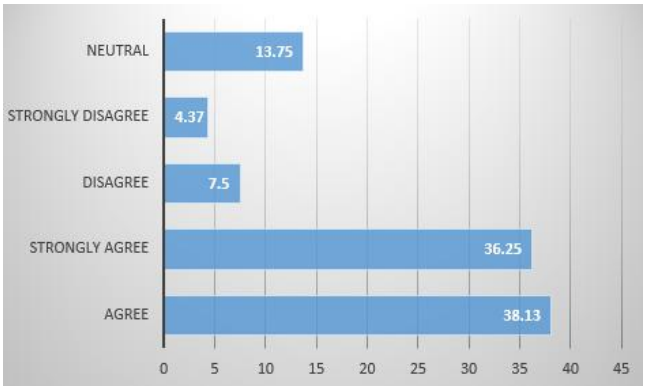


**Figure 3:** Perception of AI Predictive Analytics in Strategic Decisions

The table displays the perspectives of the people who were surveyed about the ways in which artificial intelligence-driven predictive analytics assists in the process of making strategic decisions inside enterprises. The overwhelming majority of those who participated in the study had a favorable opinion. In addition, a significant number of the participants said that artificial intelligence improves the speed, accuracy, and quality of strategic decisions. This indicates that workers are aware of the fact that artificial intelligence is a significant resource that enables executives to anticipate trends, evaluate risks, and arrive at choices that are more well-informed. According to the distribution of replies, there is a general acceptance and trust in the use of AI-based analytical tools as a method to provide assistance for strategic planning.

**Table 4:** Correlation Analysis

| Karl Pearson coefficient | Sourcing better candidates | Reduces ambiguity and error | Better Workforce Planning | Al in Recruitment and Selection |
|---|---|---|---|---|
| Sourcing better candidates | 1 | .893** | .833** | .837** |
| Reduces ambiguity and error | .893** | 1 | .855** | .842** |
| Better Workforce Planning | .833** | .855** | 1 | .757** |
| AI in Recruitment and Selection | .837** | .842** | .757** | 1 |

The nature of the relationships between the dependent variable and the independent variables was determined using the Karl Pearson correlation coefficient, which may range from -1 to +1. The greater the positive correlation between the two variables, the closer the value is to +1. The relationship between AI and the enhancement of candidate sourcing, the reduction of ambiguity and inaccuracy, and the improvement of workforce planning is a strong one, as is shown by the correlation matrix. The correlation coefficients fall within the range of 0.757 to 0.893, which demonstrates that there are substantial positive associations between every single one of the variables. As a consequence of these findings, it can be concluded that firms that make use of AI-powered recruiting solutions should expect to see improvements in the accuracy, efficiency, and strategic alignment of their human resources operations.

**Table 5:** Chi square analysis involving recruiting applicants & A.I. implementation

| Chi-Square Tests | Value | df | P data |
|---|---|---|---|
| Linear Association | 112.942 | 1 | 0.00 |
| Chi-Square test | 234.210 | 16 | 0.00 |
| Likelihood Ratio | 184.533 | 16 | 0.00 |

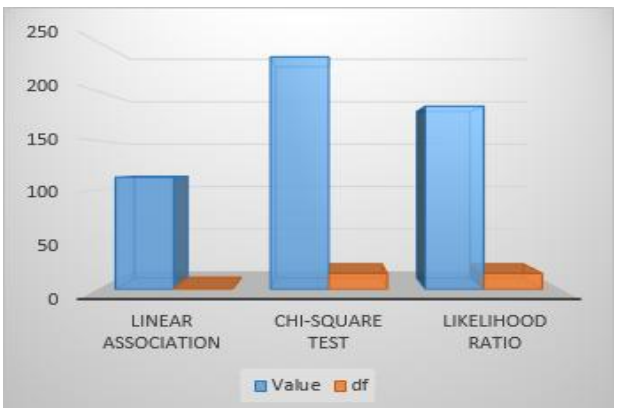


**Figure 4:** Chi square analysis involving recruiting applicants & A.I. implementation

The results have shown that P is less than 0.001, which is a smaller value than the significance threshold of 0.05. Therefore, it is possible to conclude that the connection is statistically significant enough when it comes to sourcing high-quality job candidates as well as using AI in the processes of talent management and recruiting.

**Table 6:** Chi square analysis between lowering uncertainty & A.I. implementation

| Chi-Square Tests | Value | df | P data |
|---|---|---|---|
| Linear Association | 111.220 | 2 | 0.01 |
| Chi-Square test | 228.120 | 14 | 0.01 |
| Likelihood Ratio | 172.880 | 14 | 0.01 |

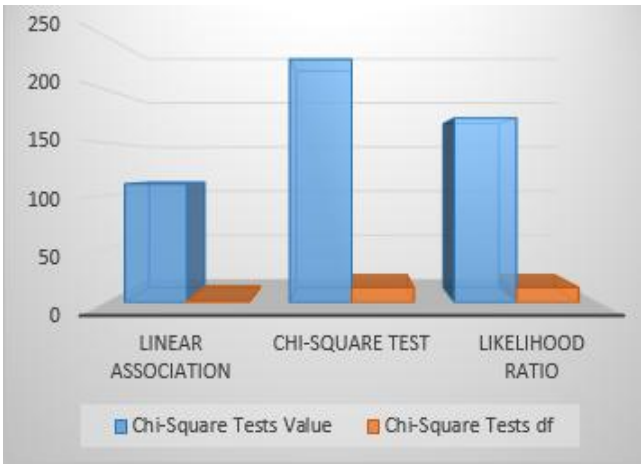


**Figure 5:** Chi square analysis between lowering uncertainty & A.I. implementation

There is a statistically significant link between the use of AI and the reduction of uncertainty in workforce planning and recruitment, according to the chi-square test findings ($\chi^2$ = 228.120, df = 14, $p < 0.001$). We can say with confidence that the HR department's decision-making is far more consistent and less fraught with ambiguity when artificial intelligence (AI) technologies are used. The p-value is much

less than the 0.05 significance threshold, which supports this conclusion.

**Table 7:** Chi square analysis between employees' organization & A.I. implementation

| Chi-Square Tests | Value | df | P data |
|---|---|---|---|
| Linear Association | 92.110 | 2 | 0.01 |
| Chi-Square test | 198.530 | 14 | 0.01 |
| Likelihood Ratio | 159.400 | 14 | 0.01 |

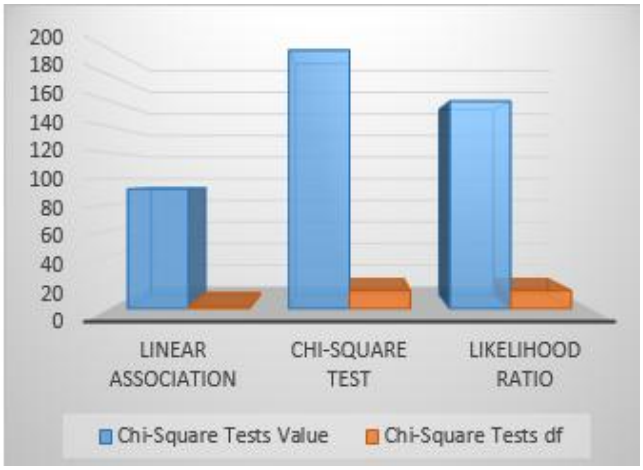


**Figure 6:** Chi square analysis between employees' organization & A.I. implementation

The results of the chi-square test ($\chi^2 = 198.530$, df = 14, $p < 0.001$), there is a very significant correlation between the implementation of AI and the alignment of staff with the company. Workers' ability to connect with, engage in, and adapt to their employers' structures and practices is positively affected by AI-supported recruitment and HR operations, according to the results. We may say this since the p-value is less than the 0.05 level of significance. In other words, this proves that AI leads to more cohesive organizations and more integrated workers.

**Table 8:** Chi-Square between AI Predictive Analytics and Strategic Decisions

| Chi-Square Tests | Value | df | p-value |
|---|---|---|---|
| Pearson Chi-Square | 225.462 | 16 | 0.00 |
| Likelihood Ratio | 178.330 | 16 | 0.00 |
| Linear-by-Linear Association | 118.210 | 1 | 0.00 |

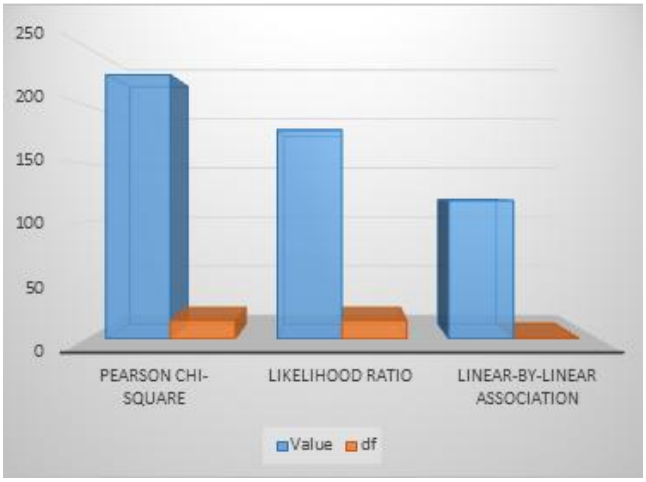


**Figure 7:** Chi-Square between AI Predictive Analytics and Strategic Decisions

The results from a chi-square test investigating the connection between strategic decision-making and predictive analytics are shown in the table. According to the findings, there is a very high degree of association, suggesting that AI may significantly improve decision quality. Since the p-values were found to be much lower than the recognized significance threshold ($p < 0.05$), the results demonstrate that predictive analytics plays a crucial role in assisting with strategic decision-making. Companies that use analytical tools based on AI tend to have higher strategic performance and better decision-making results, according to these statistics.

The study results offer pieces of evidence that AI positively and substantially affects the effectiveness of recruitment and strategic HR results. Most of the respondents felt that AI minimized expenditure on recruitment and increased efficiency of HR processes hence demonstrated significant acceptance of AI-powered tools in organizational processes. The conclusion also goes further to determine that predictive analytics that is supported by AI can be applied to employees in enhancing increased precision and speed in strategic decision-making. The correlation analysis also established a significant positive relationship ($r = 0.757$ to 0.893) between AI in recruitment and such important HR variables as improved sourcing of candidates, lower ambiguity and error, and improved workforce planning. In addition to this, chi-square tests in all four of the models provided statistically significant correlations ($p < 0.001$) between AI implementation and quality improvements in hiring, less uncertainty, better organization fit, and greater support of strategic decisions. In general, the results indicate that the incorporation of AI in HR operations leads to not only the optimization of the working process but also allows making more informed, trustworthy, and strategically oriented decisions within an organization.

## 5. Discussion

This study has revealed that AI in the employment process significantly enhances productivity, reduces uncertainty and aids in creating a strategic decision when running a business. These results are aligned with previous research results which established that AI-driven hiring decreases human bias and accelerates processing time, which improves applicant screening accuracy and contributes to data-driven HR decision making. [16] [17] The premise that AI makes HR more effective by increasing objectivity and maximizing decision quality, as pointed out in previous studies on AI-inspired HR analytics, is also supported by the significant relationships that were demonstrated between AI-assisted sourcing, reduced mistake, and improved workforce planning. [18] [19] Moreover, the chi-square test revealed that organizational alignment had a statistically significant relationship with AI adoption, indicating that AI does not only influence work outcomes through the optimization of working processes. [20] It is consistent with the studies stating that AI enhances fairness, increases organizational performance, and alters recruiter-candidate relationships. [21]. Everything said and done, the results can be added to the existing body of evidence that AI is a strategic resource that can assist the company in hiring better people, gaining

more accurate predictive information, and making more informed HR decisions. [22] [23]

## 6. Conclusion

The findings of the current study prove that the implementation of the AI in recruitment and strategic HR processes is of great value to organizations due to enhanced efficiencies, less biases, and more informed decision-making processes. High correlation and chi-square values prove that AI affects positively candidate sourcing, workforce planning, and organizational alignment that firmly establishes it as an ever-growing significant strategic HR tool. Going forward, AI-powered systems will allow more effective predictive value, more effective workflow performances in the hiring process and more effective candidate assessments due to increased competition and complexity within organizations. To conclude, AI integration in human resources practices helps to increase the effectiveness of recruitment, but also improves the overall performance of the organization due to smarter, faster, and more consistent strategic decision-making.

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