

Workforce Management Driven by AI: Its Impact on Employee Engagement

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Abstract

Artificial Intelligence (AI) has revolutionized the way corporations work, as it enhances their effectiveness and efficiency in managing their workers, as well as their now making decisions. Although AI may accelerate processes, it still has a significant impact on employee engagement that is worth studying. This paper explores the connection between labor management based on AI and the engagement of employees with a focus on its advantage and limitation. Based on the survey analysis and statistical analysis, AI solutions implemented strategically can greatly enhance the level of employee engagement by cutting down workloads, allowing workplace flexibilities, and providing career development opportunities. A middle ground between AI and human is needed, however, as there is also the issue of a reduced human involvement and worries of job security. The authors discovered that employee engagement could be increased only through the implementation of an AI-based workforce management system, in which the management practices do not undermine humanism and the ethical considerations of AI policies.

Keywords: Ai-Driven Workforce Management, Employee Engagement, Impact of Artificial Intelligence On Workforce Management.

Introduction

The rapid changes in the field of Artificial Intelligence (AI) are changing the treatment of the workforce in companies. Businesses are increasingly automating tedious tasks, boosting productivity, and simplifying processes by using AI-powered labor management systems at an increasing rate. These intelligent solutions can simplify the administrative tasks and give employees better scheduling options, data-driven decisions, and individualized career growth recommendations to do better. The awareness of the positive or negative implications of AI-powered workforce management on employee engagement poses a major issue because firms consider AI as a tool to enhance operational effectiveness.

Although the advantages of AI are undeniable, it has raised concerns regarding the effects it will have on the workers. Less human interaction, potential loss of jobs, and inability to adapt to processes powered by AI are only some consequences of too much dependency on AI. Staff members might disagree with the idea of AI integration; some will view it as an empowerment instrument, whereas others will view it as a threat to their employment. To

implement based on artificial intelligence employees strategies, companies should have a solid idea of the way individuals view AI in the workplace.

In this paper, the authors examine the impacts of AI-based employee scheduling on employee engagement. The research would examine the employee sentiment in an effort to gain insights about the application of AI in enhancing satisfaction in the workplace, relieving stress, facilitating professional development, and promoting collaboration. The conclusions will guide businesses to develop AI-based solutions that would support the productivity and ensure that the work environment is both cozy and intellectually stimulating to the employees.

Literature Review

Artificial intelligence is increasingly having a larger role to play in the way companies manage their workforce. In the changing work environment in the modern world, it facilitates more employee experiences and efficiency. Given that companies apply artificial intelligence (AI) tools, it is important to find the right balance between automation and human interaction. Although these technologies are reducing the number of repetitive labor and expanding the possibilities of the individual development, their efficiency is subject to the extent of their ability to respond to the needs and welfare of employees. The incorporation of AI with the personnel of the organisation might lead to a workforce that feels motivated. When it is properly used, AI can build the teamwork, improve the workplace culture and contribute to the long-term development of both the firms and the employees.

Nurainurin Aqilah Binti Jamaludin, January 2025, The Role of Artificial Intelligence in Transforming Human Resource Management Post-COVID-19: Automation, Data Analytics, and Digitalization

Predictive scheduling is changing the way businesses manage the shifts of employees, which is being driven by AI. It helps to boost the employee participation, simplify staff scheduling, and enhance operational efficiency. The conventional scheduling methods often lead to understaffing, overstaffing and high turnover. To mitigate these problems, AI software, through the analysis of previous data, predictive demand, and schedules adjustment, serve the needs of both the employees and the business. Predictive scheduling has been enhancing job satisfaction by providing equitable and regular schedules, minimizing late changes to schedules, and work-life balance considerations. It also increases customer satisfaction by minimizing waiting times, enhancing quality of service and ensuring optimal staffing during the peak hours. AI-powered scheduling enables businesses to have a more productive, engaged, and customer-oriented workplace; it helps to plan and be more flexible with their workforce.

Oluwaseyi Kolawole Oladele, The Impact of AI-Driven Predictive Scheduling on Employee Engagement and Customer Satisfaction

The IT jobs are stressful and can lead to employee turnover, decreased engagement, and burnout. Many organizations solve the mentioned issues using AI-based workforce management systems. Recent research indicates that sentiment analysis, machine learning, and natural language processing (NLP) are some of the tools that assist in updating on the mood of the employee by examining the stress signals and communication patterns in real time. Through this, companies will be in a position to support their employees by lightening their burden and enhance their mental health. Another way that AI facilitates teamwork is by allocating tasks according to collaboration styles and strengths. But we must also be careful should these technologies come in our way. Employees need to be given consent, privacy issues addressed, and be transparent to build trust.

Adam Rajuroy, December 2024, AI-Driven Solutions for Monitoring and Addressing Employee Engagement in High-Stress IT Roles

Workforce management based on AI assists in transforming the work environment today by increasing efficiency and employee engagement. It has been discovered that artificial intelligence-driven automation makes work easier, reduces the cost of operation, and streamlines human resource requirements. This brings about increased productivity. The AI-based insights can assist organizations to customize employee experience by using career development platforms, workload management, and predictive scheduling. The application of AI is becoming problematic in terms of decision making, its transparency and impact on job satisfaction are issues of concern. Responsible AI could help businesses strike the right balance that would be more efficient and also take care of employee well-being.

Juhafizah binti Jumaani, January 2025, AI-Driven Workforce Management in the Post-Pandemic Era: Enhancing Operational Efficiency and Employee Engagement

The effect of AI on HRM such as scheduling, and employee engagement has been researched in the literature, but the ability of businesses to strike a balance between automation and retention of a human-centered workplace culture is not yet fully understood. The gap addressed in this study is the exploration of how the AI-based management of the workforce can achieve the greatest productivity without compromising employee engagement.

Research Gap

Although there is an increasing focus on the use of AI in workforce management, it appears that the use of AI to improve employee engagement and efficiency is under-researched. The majority of the literature on AI enhances productivity, automates, or assists with decision-making. There is however, lapse in reflections on the trade off between using the benefits of technology and the human experience in workplaces. The impact of AI on engagement is not a key aspect of most studies, but an implication.

Furthermore, regression and correlation analysis have been extensively criticized in the study of AI-powered workforce management and employee engagement because the two phenomenon are too complicated to be examined properly by these models. A research gap on how various industry types or organizational structure can affect the AI adoption and the workplace culture correlation is significant. Moreover, long-term effects that AI-based policies of workforce management will exert on job satisfaction, employee motivation, and interpersonal relations are rather under-researched. This is a literature gap that this study would seek to fill by shedding light on the people-centric AI workforce management opportunities.

Research Methodology

Research Objective

To analyze the impact of AI-driven workforce management on employee engagement.

Research Employed

This study explored the relevance of AI-influenced workforce management and employee engagement using descriptive research design. To identify the trends and relationships among the variables of interest, it was cross-sectional and correlational, collecting data simultaneously. The research, which concentrated on such problems as AI application, and employee involvement, utilised standardized Likert-scale questions to obtain valid and quantifiable data. This design allowed conducting an organized investigation of perceptions and the use of AI tools by staff members in everyday professional activities.

Sampling Method

The participants, whose experience using AI-driven systems of workforce management was first-hand, were selected in the non-probability manner. To be able to reach individuals working in multiple industries, the study combined convenience sampling with the snowball sampling specifically.

- Convenience Sampling: Convenience sampling is our primary sampling technique since it is an effective way to reach employees utilizing AI-based workforce management software. The respondents were chosen on the basis of their availability and willingness to respond. This strategy enabled faster data gathering. Because the adoption of AI varies across organizations, this approach allowed us to obtain feedbacks in the companies where AI is already embedded in HR practices, scheduling and automation of tasks.
- Snowball Sampling: AI-based workforce management is a relatively new concept, so in some cases, it was not convenient to find employees with first-hand experience. We did this by asking the first participants to recommend other people who work with AI in the same capacities. This contributed to the increased respondent pool, as well as made sure that the data was representative of those employees who interact with AI systems on a regular basis.

Sample Size: A total of 200 employees from different industries, including IT, finance, and retail, took part in the study.

Data Analysis Method

The data was analyzed using the Regression Analysis Tool of Data Analysis ToolPak that is inbuilt with Microsoft Excel. In order to reveal the relation between AI-based workforce management, and employee engagement, a simple linear regression analysis was performed. In the analysis, regression coefficients and ANOVA (F-statistic and significance), R-SQ, and other important statistical values were provided.

A correlation analysis was used to determine the extent and the direction of the relationship between the workforce management methods that are based on AI and employee engagement. The coefficient of Pearson was used to assess the linear association between these two variables.

Results and Discussion

Demographic Profile and Analysis

The demographic data include the years of experience, industry, occupation, age and sex. This information gives the context of analyzing AI-based workforce management trends in different segments of the workforce.

Data Analysis

Correlation Analysis

To examine the relationship between AI-driven workforce management and employee engagement.

Table 1 Correlation analysis conducted using Microsoft Excel’s Data Analysis ToolPak

	v1	v2
v1	1	
v2	0.634229892	1

v1 (AI-driven workforce management)

v2 (Employee engagement)

Interpretation

- The Pearson correlation coefficient (r) = 0.6342, indicating a moderate to strong positive correlation between AI-driven workforce management and employee engagement.
- This indicates that as AI-driven workforce management grows, employee engagement usually rises as well.
- However, correlation does not imply causation, external factors may also influence employee engagement.

Regression Analysis

To study the impact of AI-driven workforce management on employee engagement.

Null Hypothesis (H₀): AI-driven workforce management has no impact on employee engagement.

Alternative Hypothesis (H₁): AI-driven workforce management has a significant impact on employee engagement.

Regression Analysis Results

R-Square = 0.4022 (40.22%):

This indicates that 40.22% of the variation in employee engagement is explained by AI-driven workforce management.

Adjusted R-Square = 0.3962 (39.62%):

A slight adjustment, indicating a good fit of the model.

F-statistic = 66.62, p-value = 1.08E-12:

The model is statistically significant.

Table 2 Regression analysis conducted using Microsoft Excel’s Data Analysis ToolPak

SUMMARY OUTPUT								
Regression Statistics								
Multiple R	0.634229892							
R Square	0.402247556							
Adjusted R Square	0.396209652							
Standard Error	0.629775615							
Observations	200							
ANOVA								
	df	SS	MS	F	Significance F			
Regression	1	26.42280559	26.42280559	66.62040184	1.07749E-12			
Residual	99	39.2651152	0.396617325					
Total	100	65.68792079						
	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	0.996014247	0.181021209	5.502196427	2.94623E-07	0.636828896	1.355199597	0.636828896	1.355199597
v1	0.553369807	0.067797212	8.162132187	1.07749E-12	0.418845429	0.687894184	0.418845429	0.687894184

The p-value of 1.08E-12 (far less than the 0.05 threshold) is a demonstration that the independent variable, AI-driven workforce management, is statistically significantly impacting employee engagement. Based on the coefficient (0.5534), the increase in employee engagement by one unit of AI-driven workforce management is 0.5534 units. The null hypothesis (H₀) is rejected and the alternative hypothesis (H₁) is accepted because the p-value is much lower than 0.05, which proves that AI-based workforce management is much more effective in terms of employee engagement.

Comparison of Correlation and Regression Findings

- The regression analysis confirmed that AI-driven workforce management has a statistically significant impact on employee engagement.
- The correlation analysis supports this by showing a strong positive association.
- Together, these analyses validate the hypothesis that AI-driven workforce management plays a significant role in enhancing employee engagement.

Discussion of Finding

This paper has identified the pros and cons of AI in workforce management with the aim of showing how it is influencing employee engagement. The findings indicate that AI can boost employee engagement and efficiency of employees. The intelligent decision-making systems, workflow automation, and data analytics in real-time facilitate workers in redirecting their focus on the repetitive tasks to more meeting tasks, which increases job satisfaction. Although correlation analysis indicates that there is a significant correlation between AI implementation and job satisfaction among employees; regression analysis showed that there is a clear positive relationship between implementation of AI and worker engagement. With the same findings, AI implementation in organizations not only enhances the quality of the work experience, but also increases productivity and efficiency of the employees.

Conclusion

This research reveals the impact of AI-based workforce management on employee engagement, whether having a positive or a negative effect. AI can enhance efficiency, make operations easier, and aid in decision-making. AI assists companies in automating routine, streamlining their work processes, and customizing their work experiences. This increases job satisfaction and productivity. Nonetheless, even though AI has numerous positive aspects, people should be the first thing that one considers and they should focus on people. This is so that automation work is not replaced by human interactions. The trick is to do it in moderation. AI would not weaken interaction and connections at work, but instead, it would strengthen them. The potential obstacles that organizations should work upon are employee resistance, moral dilemmas and threat of over-dependence on automation. By combining AI, investing in employee education, and promoting the culture of people-first, businesses can utilize the advantages of AI to the maximum and do not harm the engagement and trust experienced in the workplace. Workforce management powered by AI ought to be regarded, finally, as the source of empowerment that fosters not only technological innovativeness but also the relationship between people at the changing workplace.

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