



## **Artificial Intelligence in Human Resource Management and Its Financial Implications: A Systematic Literature Review**

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### **Abstract**

The integration of financial management and Human Resource Management has emerged as a critical pathway for business growth and tactical decision-making. Driven by rapid development in Artificial Intelligence (AI), Organizations can significantly reduce operating cost/expenses and increase cost effectiveness through automated processes in all the HR functions as Talent acquisition, Training & Development, performance management, etc. This study investigates the relationship between financial implications of Artificial Intelligence in Human Resource Management. This systematic review explores the impact of AI technology in the transformation of HRM into strategic role in cost efficiency, budget allocation in operation and decision-making. It will also focus on the economies resulting from data analysis and decision-making, as well as problems encountered in this technology. Research results have shown that AI maximizes efficiency in HR activities by streamlining repetitive tasks, thereby reducing operational costs substantially. Predictive models have also allowed technology driven decision-making. Consequently, there has been effective synchronization of human capital with financial outcomes. Nonetheless, the sustainability of AI strategy in human capital development has posed some risks that need to be effectively mitigated. In the summing up, integration needs to be balanced, so that long-term organizational viability is assured as well as the ability to bargain the best way through the intricacies of the contemporary digital economy.

