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# **AI Reshaping in HR: How AI Tools Revolutionizing the Employee Relationship at Nelcast Limited., Chennai**

**Santhosh D, Dr. Nivetha P**

Student, Dept. of MBA, School of Management Studies, Sathyabama Institute of Science and Technology, Chennai,  
Tamil Nadu, India

Assistant Professor, School of Management Studies, Sathyabama Institute of Science and Technology, Chennai,  
Tamil Nadu, India

**ABSTRACT:** Technology is rapidly transforming human resource practices, changing how organizations manage employees, communicate internally, and make decisions. Artificial intelligence is playing a key role in this shift by introducing smarter tools for recruitment, performance tracking, and employee interaction. These advancements are making HR processes faster and more data-driven, while also influencing how employees connect with the organization and maintain their work-life balance. The main objective of this study is to research how artificial intelligence is changing HR practices and transforming employee connection in Nelcast Limited, Chennai. The sample of the study is 120. Descriptive research design and convenience sampling method has been used. Questionnaire has been used as a primary data. Simple percentage analysis, chi-square analysis, correlation statistical tools have been applied to reach the findings of the study. It found that AI application in the human resource management has a vast transformation of employee relationship in terms of efficiency, transparency and responsiveness in the organization. Applications of AI technology in communication, performance appraisal, and administrative tasks lessen manual inefficiencies and decrease the level of subjectivity thus creating a more organized and data-driven workplace. The conclusion arrives that AI-powered HR practices lead to greater engagement, cooperation, and retention of employees in the case of an appropriate balanced strategy connecting both technology and human touch. Thus, the effective implementation of AI into HR must be strategically based on the issues of employee well-being, ethical issues, and continuous enhancement to attain sustainable organizational development.

**KEYWORDS:** AI Tools, employee communication, work-life balance, Performance Management Systems, Employee Relationship.

## **I. INTRODUCTION**

Artificial intelligence (AI) has evolved at a very high rate, thus making a profound change in the various functions of the organization and human resource management (HRM) is not an exception. Historically, HR functions like recruitment, performance management and learning of employees were mostly manualized and thus prone to inefficiencies, delay, and human bias. Nonetheless, the inclusion of AI technologies in HR has also helped organizations to simplify these functions, improve decision-making, and add data-driven insights to assist in managing the workforce strategically. Specifically, AI-driven recruitment devices aid companies in finding the appropriate talent quickly, minimize potential subjectivity in the choice of a candidate, and enhance the overall hiring performance. On the same note, AI-generated performance management systems can be monitored in real time, objectively assessed, and forecasted regarding employee performance to promote increased productivity and equity. Personalized training prescriptions, skill gap tracking, and ongoing professional development with the help of AI-based learning and development platforms make employees stronger in engagement and motivation. These AI interventions are also crucial together in enhancing employee relationship, developing trust, satisfaction and loyalty.

**Objectives of the study**

- To identify the various AI tools used in the HR department of Nelcast Limited.
- To analyze the impact of AI tools on employee communication and work-life balance.
- To examine the role of AI in recruitment and performance management systems.
- To evaluate how AI tools strengthen employee relationships within the organization.

**II. REVIEW OF LITERATURE**

**(Dixit et al., 2024)** This is an empirical study that examined how AI influences digital employee engagement in terms of job autonomy and digital orientation towards learning in 527 administrative employees in private sectors. The aim was to study predictors of engagement, which is one of the dimensions of employee relations. The questionnaires were taken and analysed with the help of PLS-SEM. The result revealed that digital learning engagement was greatly anticipated by job autonomy and digital learning orientation. The research recommended that organisations improve employee autonomy and online learning opportunities to improve relationships among employees. It was concluded that the use of AI contributes to employee engagement and engagement improves relational connections in online workplaces.

**(Xiao & Hou, 2024)** The study was a survey-based research that investigated the synergy between AI-driven sustainable HRM and employee engagement among 470 workers in Chinese firms to reveal how technological HRM affects relationships among the parties. The aim was to determine the influence of AI-based sustainable practices and personal characteristics such as conscientiousness on the results of engagement. The information was collected through surveys among the employees and analysed in terms of a structural model that combined the AMO and PO-Fit theories. The results indicated that AI-based HRM had a positive effect on engaging employees and mediated by personality characteristics. Recommendations were given on improving AI tools keeping in mind personal differences. The conclusion was to emphasize the fact that the relationship and engagement between employees become better in the case of sustainable and personalized AI HR practices.

**(Sharma et al., 2025)** This bibliometric review of the changes in the research on AI-based solutions and employee engagement/performance traced thematic trends and ethical issues affecting employee relations in 42,358 articles. It was aimed at emphasising the trends and research developments in terms of AI influence on employee behaviour and organisational dynamics. Several academic databases were used to gather the data and put them through the bibliometric analysis. The results showed that AI completely transforms the outcome of engagement and relationships work, yet it brings up the concerned ethical issues of fairness and application. The authors recommended that more attention to ethical frameworks should be paid in further studies. The conclusion highlighted the need to adopt AI in a balanced manner in order to improve and retain healthy employee relationship.

**III. RESEARCH METHODOLOGY**

Descriptive research is appropriate because it describes the current level of adoption and impact of AI tools on HR processes and employee relationships in the organization. Both primary and secondary data have been employed for the research. The technique of sampling that has been adopted for this research is convenience sampling. The data collected from respondents have been analyzed using statistical tools. The main tools used for analysis include Simple Percentage Analysis, Chi-Square Test, and Correlation Analysis.

**IV. DATA ANALYSIS AND INTERPRETATION**

**Table No. 1: AI tools in HR department**

Statements	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
AI tools are implemented to automate payroll and attendance management	28 (23.3%)	32 (26.7%)	20 (16.7%)	22 (18.3%)	18 (15.0%)	120 (100%)
Data analytics tools in HR leverage AI to generate insights for strategic decision-making	26 (21.7%)	34 (28.3%)	18 (15.0%)	24 (20.0%)	18 (15.0%)	120 (100%)
AI tools support performance tracking and evaluation of employees	30 (25.0%)	31 (25.8%)	19 (15.8%)	21 (17.5%)	19 (15.8%)	120 (100%)
Learning and development platforms powered by AI are employed for employee training	27 (22.5%)	33 (27.5%)	21 (17.5%)	22 (18.3%)	17 (14.2%)	120 (100%)
AI chatbots are used to address routine employee queries and support services	25 (20.8%)	35 (29.2%)	20 (16.7%)	23 (19.2%)	17 (14.2%)	120 (100%)

Source: Primary data

**INTERPRETATION**

The table above demonstrates that 23.3% of the respondents are strongly agree towards AI tools being implemented to automate payroll and attendance management, 21.7% of the respondents are strongly agree towards data analytics tools in HR leveraging AI to generate insights for strategic decision-making, 25.0% of the respondents are strongly agree towards AI tools supporting performance tracking and evaluation of employees, 22.5% of the respondents are strongly agree towards learning and development platforms powered by AI being employed for employee training, and 20.8% of the respondents are strongly agree towards AI chatbots being used to address routine employee queries and support services.

**Table No. 2: Employee Relationship**

Statements	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
Employee relationships are strengthened through timely feedback and communication	29 (24.2%)	33 (27.5%)	21 (17.5%)	20 (16.7%)	17 (14.2%)	120 (100%)
Engagement levels increase with supportive work	31 (25.8%)	34 (28.3%)	18 (15.0%)	21 (17.5%)	16 (13.3%)	120 (100%)

environments						
Collaborative culture enhances teamwork and productivity	30 (25.0%)	32 (26.7%)	20 (16.7%)	22 (18.3%)	16 (13.3%)	120 (100%)
Retention rates improve with better employee relationship management	28 (23.3%)	35 (29.2%)	19 (15.8%)	21 (17.5%)	17 (14.2%)	120 (100%)
Effective grievance handling strengthens employee trust	27 (22.5%)	36 (30.0%)	18 (15.0%)	22 (18.3%)	17 (14.2%)	120 (100%)

Source: Primary data

**INTERPRETATION**

The table above demonstrates that 24.2% of the respondents are strongly agree towards employee relationships being strengthened through timely feedback and communication, 25.8% of the respondents are strongly agree towards engagement levels increasing with supportive work environments, 25.0% of the respondents are strongly agree towards a collaborative culture enhancing teamwork and productivity, 23.3% of the respondents are strongly agree towards retention rates improving with better employee relationship management, and 22.5% of the respondents are strongly agree towards effective grievance handling strengthening employee trust.

**Table No. 3: AI tools on employee communication and work-life balance**

Statements	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
AI tools facilitate faster and more effective communication between employees and management	30 (25.0%)	34 (28.3%)	20 (16.7%)	22 (18.3%)	14 (11.7%)	120 (100%)
AI tools improve transparency in sharing organizational updates and policies	28 (23.3%)	35 (29.2%)	21 (17.5%)	22 (18.3%)	14 (11.7%)	120 (100%)
AI applications help employees manage work tasks more efficiently, contributing to better work-life balance	27 (22.5%)	33 (27.5%)	22 (18.3%)	23 (19.2%)	15 (12.5%)	120 (100%)
AI-driven communication tools enhance collaboration among teams across different departments	29 (24.2%)	32 (26.7%)	21 (17.5%)	22 (18.3%)	16 (13.3%)	120 (100%)
AI applications support flexible work arrangements, helping employees balance personal and professional responsibilities	26 (21.7%)	34 (28.3%)	22 (18.3%)	23 (19.2%)	15 (12.5%)	120 (100%)

Source: Primary data

**INTERPRETATION**

The table above demonstrates that 25.0% of the respondents are strongly agree towards AI tools facilitating faster and more effective communication between employees and management, 23.3% of the respondents are strongly agree towards AI tools improving transparency in sharing organizational updates and policies, 22.5% of the respondents are strongly agree towards AI applications helping employees manage work tasks more efficiently, contributing to better work-life balance, 24.2% of the respondents are strongly agree towards AI-driven communication tools enhancing collaboration among teams across different departments, and 21.7% of the respondents are strongly agree towards AI applications supporting flexible work arrangements, helping employees balance personal and professional responsibilities.

**Chi-Square Analysis: Relationship between Ai Tools in Hr. Department And Employee Relationship Hypothesis Testing**

**Null hypothesis (H0):** There is no significant relationship between AI tools in HR department and employee relationship.

**Alternative hypothesis (H1):** There is some significant relationship between AI tools in HR department and employee relationship.

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	192.405 <sup>a</sup>	196	.559
Likelihood Ratio	154.986	196	.986
Linear-by-Linear Association	.003	1	.960
N of Valid Cases	120		

a. 225 cells (100.0%) have expected count less than 5. The minimum expected count is .01.

**INTERPRETATION:**

As per the above table, it is inferred that the P value is 0.559; it is not significant to 5% (0.05) significant level. The minimum expected count is 0.01. Thus null hypothesis is accepted and it is found that there is no significant difference between AI tools in HR department and employee relationship.

**Correlation Analysis: Relationship Between Ai Tools On Employee Communication And Work-Life Balance And Employee Relationship**

**Null hypothesis (H0):** There is no significant relationship between AI tools on employee communication and work-life balance and employee relationship.

**Alternative hypothesis (H1):** There is some significant relationship between AI tools on employee communication and work-life balance and employee relationship.

Correlations			
		AI tools on employee communication and work-life balance	Employee Relationship
AI tools on employee communication and work-life balance	Pearson Correlation	1	.112
	Sig. (2-tailed)		.223
	N	120	120
Employee relationship	Pearson Correlation	.112	1
	Sig. (2-tailed)	.223	
	N	120	120

**INTERPRETATION:**

The above table indicates that, co-efficient of correlation between AI tools on employee communication and work-life balance and employee relationship is 0.112. It is below 1. So there is positive relationship between AI tools on employee communication and work-life balance and employee relationship.

**V. SUGGESTIONS**

- The AI tools should be utilized by the company to help the employees and the management communicates more effectively and with less time.
- AI systems should be used by the company to foster organizational transparency in disseminating organizational messages and policies.
- It should implement AI applications to enable employees to be more effective at work and achieve a work-life balance.
- The company can use AI-based communication tools to improve interdepartmental collaboration.
- AI applications should facilitate flexible working patterns in the company to increase the satisfaction of the employees.
- The company needs to adopt AI performance systems, which will give real-time feedback to the employees.

**VI. CONCLUSION**

It found that AI application in the human resource management has a vast transformation of employee relationship in terms of efficiency, transparency and responsiveness in the organization. Applications of AI technology in communication, performance appraisal, and administrative tasks lessen manual inefficiencies and decrease the level of subjectivity thus creating a more organized and data-driven workplace. Nonetheless, AI performance strongly hinges on the quality of implementation and alignment with the organizational objectives since its misuse can cause difficulties of trust, flexibility and acceptance among employees.

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