

# A STUDY ON DIGITAL TRANSFORMATION WITH THE USE OF AI ON MANAGEMENT SECTOR

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## **Abstract**

Digital transformation refers to the integration of digital technologies into all aspects of an organization's operations, resulting in fundamental changes to how businesses operate and deliver value to customers. The management sector plays a critical role in driving digital transformations, as it involves rethinking traditional business models and processes to take advantage of the latest digital tools and technologies. Effective management during a digital transformation involves understanding the impact of emerging technologies, identifying opportunities for innovation, and leading the change management process. It also requires a deep understanding of the organization's goals, customer needs, and market trends to ensure that digital transformation initiatives align with overall business objectives. In short, digital transformation has a profound impact on the management sector, and effective management is critical to ensure that organizations can adapt and thrive in an increasingly digital world.

**Keywords:** Management, Digital Sector, Artificial Intelligence (AI).

## **Introduction**

Digital transformation refers to the process of adopting and integrating digital technologies into various aspects of an organization's operations, including business models, processes, and customer experiences. This shift towards digitalization has become increasingly important for organizations across all industries as they seek to remain competitive in today's rapidly evolving digital landscape. A successful digital transformation can help organizations improve efficiency, enhance customer experiences, and unlock new revenue streams. However, implementing such a transformation is not always an easy process, as it often requires significant changes in organizational culture and the adoption of new technologies. Nonetheless, digital transformation is critical for organizations that want to stay ahead of the curve and thrive in the digital age.

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Digital transformation refers to a process that involves the utilization of digital media in management to achieve significant changes and enhance output. A fundamental necessity is the use of software or a centralized system to manage various tasks. However, the integration of artificial intelligence (AI) into the management sector is a major transformation that will occur in the digital world. Incorporating AI allows for the creation, automation, and management of a variety of tasks within an organization. In India, there are recognized AI firms that are entirely automated, where business operations are based on AI. Various other techniques using AI have enabled companies but also the departments to operate fully automated and process-based without focusing excessively on input.

Commonly used AI techniques in HR are

- Pre Employment Screening Test by a variety of software's that compute, assess and give results on a person's input
- Application tracking system ATS, which helps in collecting data for hiring people
- Remote Hiring which is not subject to a specific geographical location
- Virtual Employee On boarding which helps the employee in training and development

## **Literature Review**

**“Human Resource Transformation in India: Examining the Role of Digital Human Resource Technology and Human Resource Role“** This is the research paper focusing on the role of HR Technologies in enhancing the role of HR structures in India. The role of e-HRM is explained by citing the important studies related with this. The research paper has 4 hypotheses but the conclusions framed out of it is not clear as per the results which is a research gap in this research paper.

### **“Digital Marketing by Manasmita Panda and Aishwarya Mishra”**

This is the research paper focusing on the marketing process and effectiveness of the marketing platforms. The authors have assessed the marketing strategies and concluded in their study about the marketing platforms and their underlying benefits. The research is descriptive research which includes a chart as a data source, which is the research gap as the elements of research are mentioned and explained without the testing parameters or the relevancy of the data, which is difficult to correlate in this research paper.

**“Digital Marketing and its Challenges by Sanmathi Anbumani”:** This research paper focuses on the analysis of digital marketing. The paper involves extensive statistical analysis on various factors like standardized marketing strategy. It also focuses on Consumer Awareness. The research is adequate as it is stated with the solution of the challenges, the statistical calculations which are primary data based, are correlated with the objectives. but the challenges are given in the generalized concept which is not correlating with the conclusion given.

## **Objectives of Research**

To find the effectiveness in the use of AI tools in the field of business by HRs in their company.

## **Research Methodology**

The research paper consists of primary data research with the data collected by existing people working in firms and using AI tools for business. The data was collected through Google Forms which was sent by emails and for deriving conclusions hypothesis testing is used. The statistical tool to get the results is by Chi Square Testing at 0.05% level of significance.

## **Uses Case Scenarios**

The following types of technologies are utilized by various business in India,

1. Recruitment process
2. Saas platforms like Google Apps, Office 365, Salesforce, HubSpot, Dropbox, and MailChimp, that facilitate workflow management and administration can help managers gauge the productivity of employees and teams.
3. Decision making tools
4. Keeping database of employees apart from an MIS
5. Remote working cultures and use of software to track work completion and updates on work

## **Indian Government in implementing AI**

1. **AI in Research:** National Research Foundation for Research process
2. **AI in Education:** NCERT to promote developments in educational sector
3. **AI in Corporate Affairs:** Use of AI by Ministry of Corporate Affairs

4. **AI in Flagship Program with US:** The Indo-US Science and Technology Forum (IUSSTF) launched its flagship program on 18th March 2021, the US-India Artificial Intelligence Initiative.

### Challenges in Implementing AI in India

- 1. Lack of Ecosystem:** Ecosystem plays a significant role in implementing AI in companies. The existing ecosystem of the various companies have to be compared and the costs have to be applied. The company's capacity to involve AI and sustain it in the long run is also a major concern
- 2. Lack of IPR for using AI:** IPR rights related with AI are not yet implemented in India and thus this is the major drawback related with using AI
- 3. Lack of expertise in using AI:** There is huge requirement of a skilled workforce who is an expertise in using and implementing AI in the firms.
- 4. Lack of proper AI research:** There is a huge requirement of research in the field of AI so that existing companies and all the resource persons in various companies can benefit from it.

### Chi Square Testing

Sample size 105

Sample size = Large population

Application of test: Chi square to test association among the variables

### Chi Square Test: H<sub>0</sub> There is no significance association between Digital Media and Management

To study the relationship among the two variables, this is the table with the data

**Table 1**  
**Significant association between AI Tools and Management**

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
AI Tools	3	10	12	5	40	70
Management	20	6	2	1	1	30
Total	23	16	14	6	41	100

**Source:** Chi Square Testing (Primary Data Source and calculations from the real data obtained)

For the interpretation of the data hypothesis testing is done

According to the calculation of Chi Square Statistic: Obtained Chi square value is 10.659 for AI Tools and 24871 for Management. p value is 9.48 at 0.05 level of significance, thus The result is **significant** with the Level of Significance being 0.05

**Result:** Association of variables exist, thus hypothesis is accepted

### **Suggestions and Findings Theoretical Implications From The Study**

1. AI Tools must be used by the Firms
2. AI tools support employees work and helps in generating smart outputs
3. AI tools help in competing with the firms
4. AI Tools have a future, thus it must be implemented

### **Managerial Implications From The Study**

1. HR work is automated through AI tools
2. HR work is now focused on smart employees who are able to generate their results through Technology
3. AI training will be an additional cost for the firms
4. Generating fully automated work based on AI can require certain firms to cut short their employees in long run
5. Every business can generate systems to get their work done, so employee's value in the long run can diminish which is a challenge

### **Conclusion**

The management industry has undergone major changes as a result of the digital revolution in HR. Employing AI tools significantly helps with both streamlining work and gaining an advantage over rivals. As a result, most businesses may use and develop more automated work with the arrival of AI rather than viewing a human as a resource. As many firms, businesses, and startups are embracing digital tools and AI to gain the first mover advantage, it is crucial to understand this and stay ahead of the competition. In fact, not using this technology to get the most out of your employees is almost impossible in the current environment.

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