

# AI MEETS HR

## Guardrails Can Keep Human Focus

By Anthony Schoettle

From advanced manufacturing plants and architectural companies to health systems and tech firms spread across Indiana, artificial intelligence (AI) is gaining ground in an area once defined primarily by people skills and paperwork: human resources.

Indiana employers are increasingly adopting AI driven tools to streamline hiring, develop talent and improve retention in a tight labor market. While supporters say the technology helps organizations work smarter and compete for talent, others caution that without safeguards, automation can deepen bias, lead to security and compliance issues and potentially erode employee trust.

Fueling the adoption – and debate – is the speed with which AI is advancing.

Unlike many other technologies, AI advancements don't replace old systems, they build on them. AI is advancing on the scale of months, not decades. By comparison, mainstream use of the internet took 20 years to evolve and the cell phone was more than 10 years. The widespread adoption of AI tools has happened over two years – and that timeline continues to accelerate.

"AI is becoming more prevalent in firms, especially HR functions, as it's able to process large amounts of data very quickly," states Ashley Sauciuc, assistant professor at Indiana University's Kelley School of Business and a noted AI expert. "While the upfront costs of AI implementation are still high, this increased efficiency is particularly attractive to firms from a long-term cost perspective."

While the initial price tag of

meaningfully implementing AI in HR can be tens of thousands – or even hundreds of thousands of dollars for a large company – a recent PricewaterhouseCoopers study reported nearly 50% of U.S. businesses have implemented AI in their HR functions in a significant way. HR experts interviewed for this story say that estimate could be low or, at the very least, is rising quickly.

### Recruitment rush

At the center of the HR shift is recruitment. A growing number of Indiana companies now rely on applicant tracking systems powered by AI to screen resumes and identify candidates whose skills align with job requirements. Using natural language processing, these tools scan applications far faster than human recruiters could alone.

"This advancement comes at an ideal time," says Eric Stanley, founder of M2N, an



Indiana-based company focused on HR technology and workforce equity. “These days, job seekers are applying for hundreds or even thousands of jobs with a push of a button. That’s creating a bottleneck on the HR side. For employers facing hundreds or even thousands of applications, AI can make the process more manageable.”

Stanley points out too that with the mass exodus of Baby Boomers from the workforce – more than 11,000 per day – the pressure on HR departments to fill positions has never been higher.

One key benefit of the fast-emerging technology is that AI can handle many of the more mundane tasks while allowing HR officials to focus on the more “human side of human resources,” offers Jeremy King, CEO of StrataBlue, an Indianapolis firm that installs production-ready AI systems for revenue, service and HR.

“It allows HR teams to spend more time on interviews – or after the hire on employee relations – and less on manual sorting and paperwork,” King notes.

The technology is widely used in sectors, including manufacturing, logistics and healthcare, where employers are under intense pressure to fill roles quickly. Some Indiana employers also use AI powered chatbots to answer applicant questions, schedule interviews and provide status updates, offering a more responsive experience for job seekers.

Like King, Melissa Watson, chief administrative officer with eimage, a full-service Hoosier information technology consulting company founded in 1998, says AI tools used in HR can make the department more human – not less. While eimage has used AI in various ways in HR for several years, Watson says it has escalated dramatically in the last two years.

“The use of AI is freeing up some time. If you can automate some of (the HR) tasks, you’re able to focus where you need to be to support the employee the most,” Watson explains. And ultimately, she adds, that leads to better client service.

## Recognized pitfalls

However, these efficiencies don’t come without scrutiny. Because AI systems are often trained on historical hiring data, they can replicate existing biases unless carefully monitored. Indiana employment attorneys and HR leaders say transparency and human oversight are critical to ensure hiring tools comply with equal employment opportunity laws.

“AI is everywhere in HR right now, but much of the automation is laid on top of a flawed foundation and in those cases, it’s making broken hiring faster, not better,”



At its best, AI can drive efficiencies and streamline mundane tasks, HR managers say, while freeing them and their staffs to increase the time spent on functions that require the critical human touch.

Stanley remarks.

“Seventy-five percent of employers still report difficulty finding skilled candidates, even with all these tools. So, I think the question Indiana business leaders should be asking isn’t, ‘Are we using AI in hiring or how much are we using it?’ It’s, ‘What problem is our AI actually solving and for whom?’”

AI, Watson reports, is forcing HR professionals to scrutinize their internal processes.

“AI is a wonderful tool; it’s a multiplier,” she relates. “But if you just throw AI on top of a process that’s not ideal or doesn’t have good data, it can turn out poorly. So, we’re forced to really evaluate those processes and the workflows and then say, ‘OK, knowing our strategy, how will AI help us accomplish that?’”

## ‘Human in the loop’

Watson shares how eimage uses a “human-centric” approach with AI.

“You have to have guardrails, you need the (human) governance,” she emphasizes. “I want to make sure the human is always in the loop. It’s really less about the new technology. It’s how are we adopting the technology, and how are we working together to accomplish our objectives?”

American Structurepoint, an Indiana professional services firm offering integrated planning, engineering, architecture and design services, began using AI in its HR department in the last year. But well before that, the company started an AI steering committee and put an AI policy in place.

The company has more than 800 employees and operates 18 design centers

across Indiana, Illinois, Florida, Ohio, Kentucky, Tennessee and Texas, serving public and private sector clients nationwide.

Troy Eutsler, American Structurepoint’s director of people operations, has seen firsthand the efficiencies AI has driven for the company’s 18-person HR department. In one instance it reduced a task that took 16 hours manually to one hour with the aid of AI.

“Time savings and efficiencies like that are a huge advantage for us,” Eutsler relates. “This industry is hyper competitive for talent. There’s a great need for talent in this industry and it’s not that abundant.”

But, he admits, success in using AI in HR “comes down to how you position and govern it. Our team has had constant conversations about the appropriate use of AI. It’s a support tool and not a decision maker. It gives us a baseline to build from.”

## Talent identifier

Skills-based hiring is an area seeing momentum in Indiana – and nationwide. Rather than emphasizing four year degrees, some employers are using AI to identify transferable skills, certifications and hands-on experience. This approach aligns with the state’s workforce development goals, particularly efforts to connect Hoosiers to middle skill jobs in manufacturing, healthcare support and IT.

State workforce leaders have encouraged employers to focus on competencies rather than credentials, especially as Indiana faces ongoing labor shortages and an aging population. AI tools help make those skill



The staff at eimage, a full-service IT consulting firm headquartered in Indiana, is focused on how its teams leverage AI to identify where it should prioritize skill development – to meet clients’ needs and anticipate future demands.



“AI is an incredible opportunity to grow, learn, change and help our employees differently. It’s reimagining how we serve employees in their life cycle. And in the end, it’s a tool to better help serve our customers’ needs. That shouldn’t be scary. That should be exciting.

– Melissa Watson  
*eimage chief administrative officer*

matches at scale, supporters say.

Stanley stresses the skills-based approach has a big return for businesses.

“If you have the right system set up – and that could definitely include using AI, you can have retention rates that are five times higher using a skills-based approach to hiring and be much more successful than basing hiring solely on education,” he suggests.

“Skill-based hiring even leads to two and a half times higher retention and success rates than hiring based off prior job roles. And you get (a broader) workforce because you tap into what we call underestimated or invisible talent.”

### After the hire

Once an employee is hired, AI increasingly supports onboarding and training. Indiana companies with large regional footprints use AI-driven platforms to personalize onboarding schedules, automate compliance paperwork and recommend learning modules tailored to specific roles or locations.

Learning and development have become key use cases. AI systems analyze workforce data to identify skill gaps and suggest training opportunities, allowing employers to respond more quickly to technological and operational changes. For employees, the promise is clearer career pathways and more relevant professional development.

Performance management also is evolving. Some Indiana employers now use AI enhanced tools to track goals, gather feedback and identify productivity patterns throughout the year. Proponents say the data supports more consistent coaching and reduces reliance on

once-a-year reviews.

Employee buy-in with AI is a serious concern, HR professionals acknowledge. But recent research by IU’s Sauciuc and coauthors, Jason Brown (IU) and Joe Burke (Colorado State University) indicate that may be overstated, especially when it comes to evaluations.

“In that study, we look at employee perceptions of bias and if they differ based on whether their evaluation is prepared by a traditional human manager or AI. Overall, we find that people generally see AI as less biased and more objective, which can make a firm more attractive to some prospective employees and help improve their responses to negative feedback.”

Yet, concerns remain about how performance data is collected and used. Labor advocates warn that overly intrusive monitoring could damage morale or blur boundaries between oversight and surveillance. HR professionals in Indiana emphasize the importance of clear policies and communication.

“Employees need to understand what information is being collected and why,” M2N’s Stanley states. “Without that trust, the technology can do more harm than good.”

Employee engagement and retention also are increasingly tied to AI analytics.

Some organizations analyze anonymous survey results or turnover trends to identify departments experiencing stress or burnout. Predictive models flag employees who may be at risk of leaving, prompting managers to intervene early with support or career development conversations.

Importantly, they can also be a general boost to overall culture.

“AI has helped us listen to the voice of the employees through engagement surveys,” Watson begins. “In management, we might think we’re doing something well. But do the employees think that? AI helps us understand what people value most and where we have opportunities to improve our culture. AI helps us meet (employees’) needs because they evolve. AI helps me and the HR team to connect the dots more easily, listen to concerns and figure out how to (approach) them effectively.”

### Foundational advice

As Indiana’s workforce continues to change, AI is clearly becoming a permanent part of the human resources toolkit. The challenge facing employers is not whether to use it, but how to do so responsibly, balancing innovation with fairness and trust in the modern workplace.

“As I talk to my HR peers, I know this can be overwhelming,” Watson imparts. “But I encourage them to make sure someone from HR has a seat at the table as their company navigates AI.

“I tell them, ‘Don’t start by asking what AI tool should I buy?’ Start with your pain points and what issues you need to solve to support your employees in the best way possible – and then go from there.”

**RESOURCES:** Troy Eutsler, American Structurepoint, at [www.structurepoint.com](http://www.structurepoint.com) | Jeremy King, StrataBlue, at [www.stratablue.com](http://www.stratablue.com) | Ashley Sauciuc, Indiana University, at [www.iu.edu](http://www.iu.edu) | Eric Stanley, M2N, at [www.M2N.us](http://www.M2N.us) | Melissa Watson, eimage, at [www.eimage.com](http://www.eimage.com)