

Impact of Artificial Intelligence in Human Resource Management in Animation Industry

Dr. V Mary Diana*

Assistant Professor, Department of Business Administration, Shri Shankarlal Sundarbai Shasun Jain College for Women, Chennai, Tamil Nadu, India.

*Corresponding Author: marydiana@shasuncollege.edu.in

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ABSTRACT

The advancement of Artificial Intelligence (AI) is ushering in a new era of transformation across industries, reshaping not only how businesses operate but also how they manage their most valuable asset — human capital. Human Resource (HR) management, once reliant on manual processes and human intuition, is increasingly being enhanced by AI technologies that offer precision, efficiency, and scalability. The Paper focuses on 1. To study the current HR processes and systems used. (ii) To identify the AI tools and technologies being adopted (or that can be adopted) for HR functions. The study involves both Primary and Secondary Data and is based on Convenience Sampling. Friedman test was used to test the hypothesis of the study. This research is essential not only for HR professionals and studio managers but also for policymakers, software developers, and educators in the fields of animation and human resource management. It will contribute to a deeper understanding of how to strategically and ethically harness the power of AI in a sector that relies on both technological advancement and creative excellence.

Keywords: Human Resources, Human Resource Management, Artificial Intelligence.

Introduction

The animation industry, known for its creativity, innovation, and collaborative workflow, represents a unique environment where HR management plays a pivotal role. Animation studios operate in a fast-paced and competitive market that relies heavily on specialized talent, short project cycles, and a seamless blend of technical and artistic expertise. In such an environment, managing human resources effectively is critical to maintaining productivity, creativity, and employee satisfaction.

AI is emerging as a strategic tool in animation studios to address these challenges. By integrating AI into HR systems, studios can automate repetitive tasks, improve talent acquisition, personalize learning and development programs, enhance employee engagement, and support data-driven decision-making. For instance, AI-based applicant tracking systems can quickly identify the best candidates based on skills and portfolios, while machine learning algorithms can predict employee turnover, allowing proactive retention strategies.

Significance of the Study

The animation industry thrives on creativity, innovation, and a highly skilled workforce. Human Resource Management (HRM) plays a central role in identifying, nurturing, and retaining creative talent while ensuring smooth coordination across diverse teams and projects. With the growing complexity of HR operations and the need for faster, more accurate decision-making, Artificial Intelligence (AI) has

emerged as a game-changing force. This study highlights the significant value AI brings to HRM in animation studios, outlined below:

- Enhancing Talent Acquisition and Recruitment
- Streamlining Onboarding and Training
- Improving Performance Management
- Strengthening Employee Engagement
- Supporting Workforce Planning

Statement of the Problem

The animation industry is undergoing a significant transformation due to increasing global demand, project complexity, and the rise of remote and hybrid work models. In this fast-paced and highly creative environment, Human Resource (HR) management plays a critical role in ensuring the right talent is recruited, trained, engaged, and retained. However, traditional HR practices often struggle to keep pace with the dynamic needs of animation studios, leading to inefficiencies in talent acquisition, time-consuming administrative work, and challenges in employee engagement and performance management.

Objectives of the Study

- To study the current HR processes and systems.
- To identify the AI tools and technologies being adopted (or that can be adopted) for HR functions such as recruitment, onboarding, performance evaluation, and employee engagement.

Methodology of the Study

The study involves both Primary and Secondary Data. Source material for Secondary Data was collected through Books, Journals and Website. Primary Data was collected by circulating Structured Questionnaire to the respondents in and around Chennai. The sample size is restricted 116. The study is based on Convenience Sampling. Statistical Tools like Fried men Test.

Hypothesis of the Study

H₀: There is no significant difference among the mean rank towards the most useful feature used by the respondents.

Review of Literature

Smith & Brown (2021) found that AI is being integrated into HR primarily through recruitment, payroll automation, and employee analytics. Found that AI is being integrated into HR primarily through recruitment, payroll automation, and employee analytics. By 2022, **44% of HR departments** used AI tools for payroll automation. **62% of HR leaders** reported improved efficiency in routine HR tasks after AI adoption.

Gupta & Mehta (2022) reported that AI adoption in creative workforce hiring enhances efficiency in portfolio screening. Reported that AI adoption in creative workforce hiring enhances efficiency in portfolio screening AI reduced portfolio review time by **48%** in animations. **70% of HR managers** agreed AI provided faster shortlisting of creative candidates.

Johnson et al. (2022) revealed that 60% of HR managers noted AI helped manage large applicant pools effectively. Revealed that 60% of HR managers noted AI helped manage large applicants. AI tools screened applicants **75% faster** than manual methods. Firms using AI reduced candidate backlog by an average of **32%**.

Nguyen & Tran (2020) found that AI-based onboarding systems reduced employee adaptation time by 25%. AI-based onboarding systems reduced employee adaptation time. Average time to full productivity decreased from **8 weeks to 6 weeks**. **58% of HR teams** reported smoother new-hire integration with AI onboarding.

AI is Integrated into HR Functions at Animation Studios

Human Resource Management (HRM) in animation studios is not the same as in traditional industries. Unlike manufacturing or service sectors where roles are standardized, animation companies rely heavily on highly creative and technical professionals—such as 2D/3D animators, visual effects

(VFX) artists, rigging experts, scriptwriters, and creative directors. Managing such a workforce requires flexible, innovative HR practices.

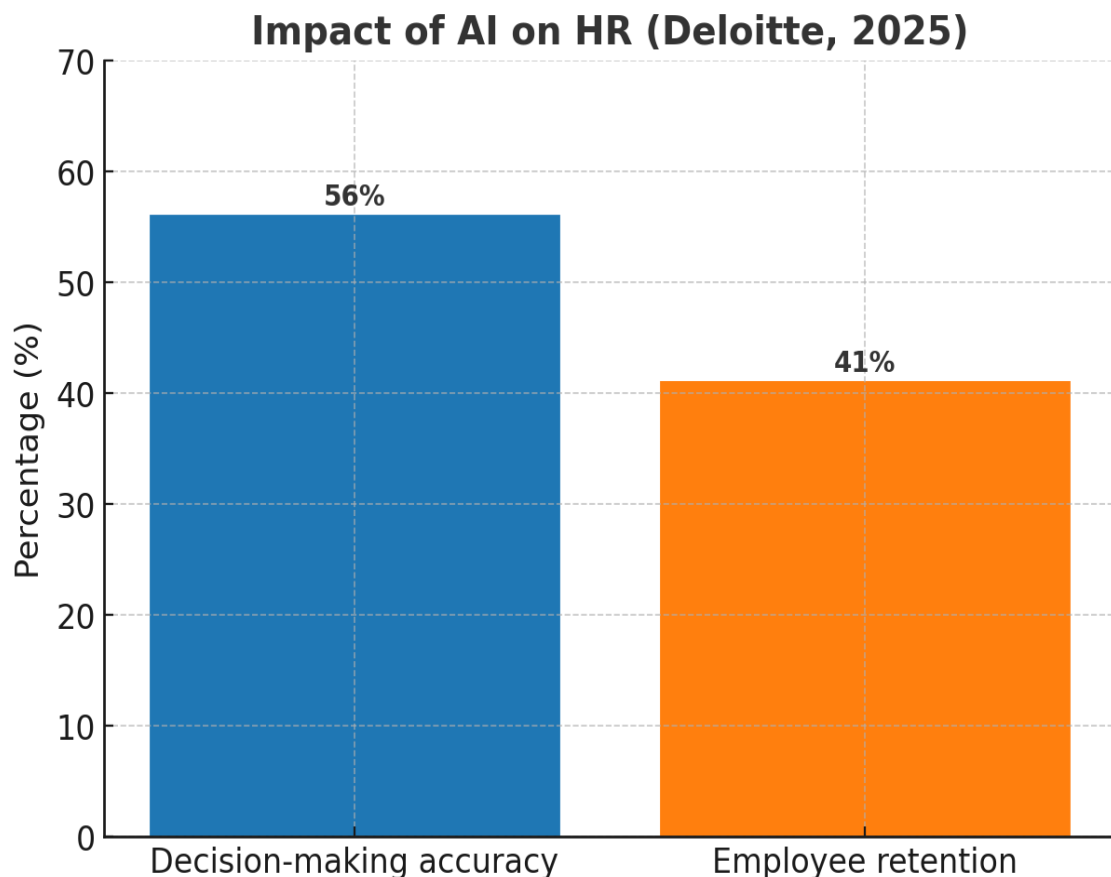
With the rapid adoption of Artificial Intelligence (AI), HR functions in animation studios are transforming. AI is no longer limited to automation of clerical work; it is increasingly being integrated into recruitment, performance tracking, employee engagement, training, and talent management. This section explores how **Animation Studio** integrates AI into its HR functions, why it matters, and what implications it has for the future.

- **AI Tools Commonly used in HR Functions**

AI integration takes place through multiple tools and platforms:

- Applicant Tracking Systems (ATS) powered by AI for resume and portfolio screening.
- AI chatbots for answering applicant queries and scheduling interviews.
- Predictive analytics tools for employee performance and attrition forecasting.
- AI-driven Learning & Development platforms (adaptive training modules for new software).
- Facial recognition and sentiment analysis tools used in online interviews.

Each of these contributes to reducing manual HR tasks while improving accuracy, speed, and decision-making.



Source: ChatGPT (OpenAI, 2025) – AI-driven insights and structured explanations

Here's a clear, colorful bar diagram showing Deloitte's (2025) findings:

- 56% HR executives saw improved **decision-making accuracy**
- 41% noticed improved **employee retention** after AI adoption.

Analysis and Data Interpretation

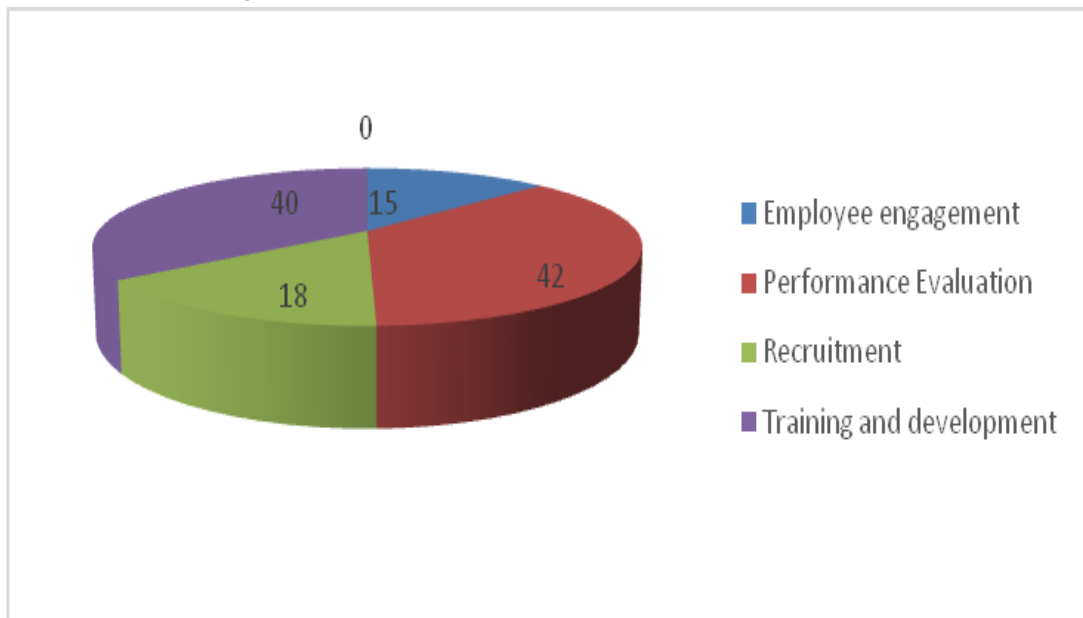
• **Classification of Demographic Factors**

S. No	Demographic Factors	Particulars	Frequency	Total
1	Gender	Male	46	116
		Female	70	
2	Age	<30	36	116
		30-40	40	
		40-50	20	
		>50	20	
3	Educational Status	UG	10	116
		PG	46	
		Professional	70	
4	Marital Status	Married	80	116
		Unmarried	36	
5	Job Role held	Administrative	20	116
		Analyst & Senior Analyst	30	
		Professional	35	
		Managerial	31	
6	Income	>25000	26	116
		25-50000	40	
		50000-75000	20	
		>75000	30	

Source : Primary Data

The above table 4.1.2 shows the demographic factors. Demographic factors included gender, age, educational status, marital status and designation of the respondents.

• **Chart Showing Benefits of AI in HR**



Source : Primary Data

The above table shows the largest benefit of AI in HR is for Recruitment (42), suggesting it's the most impactful area, likely due to AI's efficiency in screening and sourcing. Training and development (40) is the second largest, indicating a strong focus on using AI for employee skill enhancement.

• **Table Showing most Useful AI Tool in HR**

S. No	Particulars	Chatbots		Resume Screening		Training AI Platforms		Sentiment Analysis	
		R	%	R	%	R	%	R	%
1	Strongly Agree	80	68.9	17	14.6	25	21.5	21	18.1
2	Agree	12	10.3	61	52.5	34	29.3	41	35.3
3	Neutral	13	11.2	28	24.1	43	37.0	39	33.6
4	Disagree	7	6.0	5	4.3	8	6.8	7	6.0
5	Strongly Agree	4	3.4	2	1.7	4	3.4	5	4.3
	Total	116	100	116	100	116	100	116	100

Source: Primary Data

The above table shows the largest benefit of AI in HR is for Recruitment (42), suggesting it's the most impactful area, likely due to AI's efficiency in screening and sourcing. Training and development (40) is the second largest, indicating a strong focus on using AI for employee skill enhancement.

Application of Statistical Tools

H0: There is no significant difference among the mean rank **rank towards** the most useful feature used by the respondents.

- **Friedmen test for significant difference among mean rank towards** the most useful feature used by the respondents.

The most useful feature used by the respondents	Mean Rank	Chi – Square value	P Value
Which tool/feature do you think is most useful in HR [Chatbots]	3.18	65.948	< 0.000**
Which tool/feature do you think is most useful in HR [Resume screening AI]	2.43		
Which tool/feature do you think is most useful in HR [2 AI platforms]	2.17		
Which tool/feature do you think is most useful in HR [Sentiment Analysis]	2.21		

Note: denotes significant at 1 % level

Since P Value is less than 0.01, the null hypothesis is rejected at 1% level of significance. Hence concluded that there is significant difference among mean ranks towards most useful feature used by the respondents. in the study area.

Major Findings of the Study

- The largest benefit of AI in HR is for Recruitment (42), suggesting it's the most impactful area, likely due to AI's efficiency in screening and sourcing. Training and development (40) is the second largest, indicating a strong focus on using AI for employee skill enhancement.
- Most respondents are somewhat aware (46) and very aware (36) of AI use in HR. A smaller group has only heard of it but is unclear (24), while very few are unaware (10). This suggests rising awareness as AI becomes more common in HR practices.
- Most respondents agree (55) and strongly agree (20) that AI improves workforce hiring. A smaller number are neutral (21), while very few disagree (12) or strongly disagree (8). This indicates that AI is largely viewed as a helpful tool in making hiring more efficient.
- Most respondents find chatbots as most useful with stronglyagreeing (80) and resume screening as least useful with strongly disagreeing (2).
- AI in shortlisting is more effective, with the highest responses for effective (40) and highly effective (38). Neutral (28) and not effective (10) are comparatively less. This indicates AI is largely trusted for accuracy and efficiency in shortlisting.
- More respondents (47) agree that AI reduces hiring bias, while fewer (5) strongly disagree. This indicates a largely positive perception of AI in ensuring fairness. The small proportion of disagreement may arise from concerns about AI's hidden biases.

- The highest benefits of AI in recruitment are saves time and reduces cost because of efficiency and automation, both at 30.2% and the lowest reported benefit is reduces bias at 17.2% because of newly introduced algorithmic bias.
- “Mostly Yes” (48) is more, showing that respondents generally believe AI evaluates portfolios fairly. “Yes always” (33) follows, while fewer people are uncertain (25) or disagree (10). This indicates a higher trust in AI’s fairness, though some doubts still remain.
- AI is used sometimes the most in recruitment (50%), as firms prefer balancing technology with human judgment. Use of AI is always at 23.3%, showing some companies rely heavily on it. Rarely (17.2%) and never (9.5%) responses are lower, indicating that AI has become an integral part of recruitment

Conclusion

The animation industry is undergoing rapid transformation, with technological advancements—particularly in Artificial Intelligence—reshaping core business and human resource functions. The industry profile indicates a global and domestic surge in demand for high-quality animated content, driven by entertainment, advertising, gaming, and educational sectors. In this competitive landscape, studios like Animation Studio must balance creative excellence with operational efficiency. Overall, the findings suggest that AI has the potential to significantly enhance HR functions in animation studios, enabling them to attract, retain, and develop top creative talent. The insights gained from this chapter lay the foundation for the subsequent research analysis, where the specific impact of AI on HR department will be studied in depth. AI integration in HR functions at Animation Studio has transformed routine HR processes into efficient, data-driven practices. Recruitment, onboarding, training, and performance evaluation have become more streamlined. While challenges like bias, cost, and privacy remain, the overall impact is largely positive.

Suggestions to the Study

- Balanced Integration of AI and Human Judgment –Animations should use AI for repetitive and analytical tasks while ensuring critical HR decisions maintain a human-centered approach.
- Continuous Upskilling Programs – Regular training sessions must be provided to HR professionals and employees to adapt to AI-driven systems effectively.
- Strengthening Data Privacy and Ethics – The company should adopt clear policies on AI ethics, fairness, and data protection to build employee trust.
- Cost–Benefit Optimization – Instead of investing in all available AI tools, Animation studios should prioritize solutions that directly enhance recruitment, employee engagement, and performance.
- Promoting Creativity with AI Support – AI should be positioned as a supportive tool in animation and HR processes, ensuring that human creativity and innovation remain the focus.

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