

The Effect of Artificial Intelligent-Enabled Human Resource Management Practices on Employee Engagement in Manufacturing Sector in Malaysia

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ABSTRACT

The increasing influence of Artificial Intelligence Technology on Human Resource Management (HRM) particularly on people planning, recruitment and selection, training, compensation and benefits and performance management is undeniable. Although the emergence of AI-enabled HRM strives to improve efficiency in HR functions and aid in the decision-making process in value-based management, the influence of AI on employee engagement in the industrial sector in Malaysia is still not fully explored. Hence, the study seeks to explore the effects of AI-enabled HRM practices, namely, Human Resource Planning, Recruitment and Selection, Training and Development, Compensation and Benefits, and Performance Management, on employee engagement in the manufacturing sector in state of Kedah. Quantitative research methodology is operationalized by administering a structured questionnaire to employees in a sample of selected factories. Data analysis suggests that performance management and people planning are the constituents of employee engagement. This suggests that employee engagement in an organization is a function of the extent of performance management and people planning. It is expected that there will be a theory on the digital transformation of HR (as) a result of the research, and the practical use of the research would be useful to the HR directors, HR policymakers, and organizations that integrate AI in HRM. The research opened the value of AI in improving employee engagement.

JEL Codes:

Keywords: Employee engagement, artificial intelligent, human resource management, artificial intelligent-enabled human resource management, manufacturing