

AI Literacy among MBA-HR Students: Preparedness for the Future of Work

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Abstract

Artificial Intelligence (AI) is rapidly transforming the nature of work, organizational structures, recruitment, employee engagement, performance management, learning and development, workforce planning, and people analytics. As future Human Resource (HR) professionals, MBA-HR students need more than general digital skills; they require the ability to understand, evaluate, use, and ethically manage AI-enabled technologies. This study examines the level of AI literacy among MBA-HR students and evaluates their preparedness for the future of work. The paper focuses on students' awareness of AI concepts, familiarity with generative AI tools, practical application skills, critical evaluation abilities, ethical awareness, and confidence in using AI in HR functions. A descriptive and analytical research methodology is proposed, using a structured questionnaire administered to MBA-HR students. AI literacy is considered across functional, critical, ethical, and application-oriented dimensions. The study argues that AI literacy can improve students' employability, decision-making capabilities, productivity, and readiness for technology-driven HR roles. At the same time, excessive dependence on AI, data privacy concerns, algorithmic bias, misinformation, and inadequate understanding of AI limitations may create significant risks. The paper concludes that MBA-HR curricula should integrate AI literacy with HR-specific applications, ethical reasoning, data interpretation, and human-centred skills to prepare students for an increasingly AI-enabled workplace.

Keywords: Artificial Intelligence, AI Literacy, MBA-HR Students, Human Resource Management, Generative AI, Future of Work, Employability, HR Technology, AI Ethics, Workforce Transformation.

I. Introduction

Artificial Intelligence has emerged as one of the most influential technologies shaping contemporary organizations and the future of employment. AI is increasingly being used in recruitment, resume screening, employee analytics, learning and development, workforce

planning, performance management, employee engagement, and administrative automation. Consequently, HR professionals are expected to understand not only people and organizational behaviour but also the opportunities and limitations associated with AI.

The World Economic Forum's *Future of Jobs Report 2025* indicates that technological change will significantly reshape employment by 2030. The report projects the creation of 170 million jobs and displacement of 92 million jobs, resulting in a net increase of 78 million jobs. It also identifies AI, big data, technological literacy, analytical thinking, creativity, resilience, and collaboration among important future-oriented capabilities. This transformation creates an important challenge for management education. MBA-HR students entering the workforce are likely to work in organizations where AI-supported decision-making is increasingly common. Therefore, traditional HR knowledge alone may not be sufficient. Future HR managers need the ability to understand AI systems, formulate effective prompts, interpret AI-generated information, recognize errors and bias, protect confidential employee information, and make responsible human-centred decisions.

AI literacy should not be interpreted simply as the ability to operate an AI tool. It includes understanding what AI can and cannot do, critically evaluating AI outputs, recognizing ethical and social implications, and using AI responsibly. UNESCO's AI Competency Framework for Students identifies competencies related to a human-centred mindset, ethics of AI, AI techniques and applications, and AI system design, progressing from understanding to application and creation. For MBA-HR students, AI literacy therefore represents an important component of future employability. This study investigates their preparedness and identifies areas where management education can strengthen AI-related competencies.

II. Literature Review

❖ Concept of AI Literacy

AI literacy refers to the knowledge and competencies required to understand, interact with, evaluate, and responsibly use artificial intelligence. Modern approaches increasingly view AI literacy as a multidisciplinary concept rather than purely a technical skill. Recent research has identified functional and critical dimensions of AI literacy. Functional literacy involves using AI tools effectively, whereas critical literacy involves evaluating AI-generated information, understanding limitations, and considering ethical and social consequences. Research also

emphasizes the importance of adapting AI literacy to different educational and professional contexts.

For MBA-HR students, AI literacy can therefore include:

- Basic understanding of AI and machine learning concepts.
- Familiarity with generative AI tools.
- Prompt-writing and AI interaction skills.
- Ability to evaluate AI-generated content.
- Understanding of AI bias and fairness.
- Awareness of data privacy and security.
- Knowledge of AI applications in HR.
- Ability to combine AI outputs with human judgment.

❖ AI and Human Resource Management

AI is changing several HR activities. Recruitment systems can assist in sourcing and screening candidates, chatbots can answer employee queries, analytics can support workforce planning, and generative AI can assist with drafting job descriptions, interview questions, training content, and HR communications. However, AI adoption also introduces challenges. Automated HR decisions can reproduce historical biases contained in training data. AI-generated outputs may also contain inaccurate or misleading information. HR professionals therefore need to understand both the capabilities and limitations of AI. The future HR professional is consequently likely to act as a bridge between technology, organizational strategy, and employees.

❖ AI Literacy and Higher Education

Higher education institutions have an important role in preparing students for AI-enabled workplaces. UNESCO emphasizes the need for educational systems to prepare students to become responsible users and co-creators of AI. Its framework includes competencies related to human-centred thinking, AI ethics, AI applications, and AI system design. Research on generative AI literacy also suggests that self-reported familiarity with AI may not accurately represent actual competency. A 2024 study introducing the Generative AI Literacy Assessment

Test found that objective AI-literacy measures could predict performance on GenAI-supported tasks better than self-reported proficiency.

This finding is particularly relevant to MBA-HR education because students may report confidence in using tools such as ChatGPT without necessarily understanding hallucinations, bias, privacy, copyright, or responsible use.

❖ AI Literacy and Future Employability

The future labour market requires a combination of technological and human skills. The World Economic Forum reports that employers expect AI and big-data skills to grow rapidly while human capabilities such as analytical thinking, creativity, resilience, leadership, and collaboration remain important. Therefore, AI literacy should complement rather than replace traditional HR competencies. Future HR professionals are likely to need a combination of:

AI literacy + HR expertise + analytical thinking + ethical judgment + interpersonal skills.

III. Objectives

- To assess the level of AI literacy among MBA-HR students.
- To examine students' awareness of AI and generative AI technologies.
- To assess students' ability to use AI tools for HR-related activities.
- To evaluate students' awareness of AI ethics, privacy, bias, and responsible use.
- To examine students' perceived preparedness for AI-enabled workplaces.
- To identify the relationship between AI literacy and perceived employability.
- To identify major advantages and disadvantages of AI literacy among MBA-HR students.
- To suggest measures for integrating AI literacy into MBA-HR education.

IV. Research Gap

Although considerable attention has been given to AI in education and AI-enabled HR practices, there remains a need to understand the AI literacy of management students specifically preparing for HR careers. MBA-HR students occupy a unique position because they are expected to manage both technological transformation and its human consequences. The present study therefore focuses on the AI preparedness of MBA-HR students and examines

whether their current knowledge, confidence, practical skills, and ethical awareness are adequate for the future workplace.

V. Hypotheses

H₀: AI literacy has no significant relationship with MBA-HR students' perceived preparedness for the future of work.

H₁: AI literacy has a significant positive relationship with MBA-HR students' perceived preparedness for the future of work.

VI. Research Methodology

- ❖ **Research Design** - The proposed study uses a **descriptive and analytical research design** to assess AI literacy and future-of-work preparedness among MBA-HR students.
- ❖ **Population** - The population consists of students enrolled in MBA/PGDM programs specializing in Human Resource Management.
- ❖ **Sample** - A sample of approximately **100–200 MBA-HR students** may be selected from one or more management institutions using convenience or purposive sampling. The actual sample size should be reported after data collection.
- ❖ **Data Collection**

Primary data can be collected through a structured questionnaire containing five-point Likert-scale statements.

Example scale:

- 1 – Strongly Disagree
- 2 – Disagree
- 3 – Neutral
- 4 – Agree
- 5 – Strongly Agree

Secondary information can be collected from academic literature, institutional reports, UNESCO publications, and industry reports.

Independent Variable:

AI Literacy

Dimensions:

- AI awareness
- AI knowledge
- Generative AI usage
- Prompting skills
- AI evaluation skills
- AI ethics awareness
- Data privacy awareness
- HR application skills

Dependent Variable:

Preparedness for the Future of Work

Indicators:

- Career confidence
- Employability
- Adaptability
- Digital readiness
- HR technology readiness
- Willingness to learn new technologies

Proposed Statistical Tools

The following tools may be used:

- Percentage analysis
- Mean and standard deviation
- Weighted average
- Cronbach's alpha for reliability
- Correlation analysis
- Regression analysis
- t-test/ANOVA where applicable

VII. Level of AI Literacy Among MBA-HR Students

Assessing the level of Artificial Intelligence (AI) literacy among MBA-HR students is important because AI is increasingly influencing recruitment, employee engagement, performance management, workforce planning, learning and development, and people analytics. MBA-HR students are future HR professionals who will be expected to work with AI-enabled systems and make informed decisions about their use. Therefore, understanding their existing level of AI literacy can help educational institutions identify competency gaps and develop appropriate learning programs. AI literacy among MBA-HR students can be assessed through several dimensions, including basic AI knowledge, awareness of generative AI, practical application skills, critical evaluation, ethical awareness, and confidence in using AI tools. Basic AI knowledge refers to students' understanding of concepts such as machine learning, automation, algorithms, natural language processing, and generative AI. Awareness of generative AI can be assessed by examining students' familiarity with tools such as ChatGPT and other AI-based applications used for content generation, analysis, communication, and research. Practical AI literacy focuses on whether students can apply AI tools to HR-related activities. For example, students may be assessed on their ability to use AI for preparing job descriptions, developing interview questions, analyzing employee feedback, creating training materials, supporting recruitment activities, and generating HR reports. Their ability to formulate effective prompts and verify AI-generated information can also be considered an important component of practical literacy. Another important dimension is critical and ethical AI literacy. Students should understand that AI-generated information may contain errors, bias, or misleading conclusions. They should also be aware of issues related to employee privacy,

data security, algorithmic discrimination, transparency, accountability, and responsible use of AI in employment decisions. A student who can use an AI tool but cannot recognize its limitations cannot be considered fully AI literate. The assessment can be conducted using a structured questionnaire based on a five-point Likert scale, ranging from "Strongly Disagree" to "Strongly Agree." Descriptive statistics such as percentage, mean, and standard deviation can be used to determine the overall level of AI literacy. The results can classify students into low, moderate, or high AI-literacy categories. Overall, assessing AI literacy will provide valuable information about the preparedness of MBA-HR students for technology-driven workplaces. It can also help management institutions design curriculum interventions that combine AI knowledge, practical skills, ethical understanding, and human-centered HR competencies.

VIII. Students' Awareness of AI And Generative AI Technologies

Artificial Intelligence (AI) has become an important component of modern business and workplace transformation. For MBA-HR students, awareness of AI and Generative Artificial Intelligence (GenAI) is particularly important because these technologies are increasingly being incorporated into recruitment, employee engagement, learning and development, performance management, workforce analytics, and other HR activities. Examining students' awareness helps determine whether they understand the basic concepts, applications, benefits, limitations, and risks associated with these technologies. AI awareness refers to students' understanding of how AI systems operate and how they are being used in business and HR functions. MBA-HR students should have a basic understanding of concepts such as machine learning, automation, natural language processing, predictive analytics, algorithms, and AI-based decision-making. Awareness also includes knowledge of how organizations use AI to process large amounts of information, identify patterns, automate repetitive tasks, and support managerial decisions. Generative AI represents a rapidly developing area of AI that can create new content such as text, images, presentations, summaries, ideas, and computer code based on user instructions. Tools such as ChatGPT, Google Gemini, Microsoft Copilot, and similar applications have increased the accessibility of GenAI among students and professionals. MBA-HR students may use these tools for preparing job descriptions, drafting interview questions, developing training materials, summarizing documents, generating employee communication, conducting preliminary research, and supporting HR-related problem solving. However, awareness should not be measured only by whether students have heard of or used

an AI tool. A genuinely AI-aware student should also understand the limitations of AI-generated content. Students need to recognize that AI systems can produce inaccurate information, biased outputs, or fabricated references. They should also understand the importance of protecting confidential employee and organizational information when using AI applications. The level of awareness can be examined through a structured questionnaire containing questions about students' familiarity, frequency of use, knowledge of AI applications, and understanding of ethical concerns. Responses can be analyzed using percentages, mean scores, and standard deviation to determine the overall awareness level.

Examining AI and GenAI awareness among MBA-HR students can help educational institutions identify gaps between general familiarity and practical understanding. The findings can support curriculum development by encouraging greater exposure to AI-enabled HR applications, responsible AI practices, data privacy, ethical decision-making, and critical evaluation of AI-generated information. Ultimately, stronger AI awareness can improve students' confidence and preparedness for an increasingly technology-driven HR profession.

IX. Students' Ability to Use AI Tools For HR-Related Activities

The increasing integration of Artificial Intelligence (AI) into Human Resource Management has created a need for HR professionals who can effectively use AI tools in their daily activities. MBA-HR students, as future HR professionals, need to develop practical AI competencies that enable them to use technology for improving efficiency, decision-making, communication, and employee-related processes. Therefore, assessing students' ability to use AI tools for HR-related activities is an important aspect of evaluating their preparedness for the future of work. AI tools can support various HR functions, including recruitment and selection, employee engagement, training and development, performance management, workforce planning, HR analytics, and employee communication. In recruitment, students can use AI tools to draft job descriptions, identify relevant skills, develop screening questions, prepare interview questions, and organize candidate information. In learning and development, AI can assist in creating training content, learning plans, quizzes, case studies, and personalized development materials. Students can also use AI tools to summarize employee feedback, generate survey questions, identify common themes in qualitative responses, and support HR reporting. The assessment should consider not only whether students have used AI tools but also how effectively and responsibly they can apply them. Important skills include selecting an appropriate AI tool,

writing effective prompts, providing relevant instructions, evaluating AI-generated responses, correcting inaccurate information, and adapting outputs to specific HR situations. Students should also be able to combine AI-generated recommendations with their own HR knowledge and professional judgment. Ethical and responsible use is another important component of practical AI ability. Students should understand that confidential employee information, personal data, recruitment records, and organizational information should not be entered into AI systems without appropriate authorization and safeguards. They should also recognize the possibility of bias in AI-supported recruitment and employee-management decisions. A structured questionnaire can be used to assess students' practical AI capabilities. Statements can be measured using a five-point Likert scale ranging from "Strongly Disagree" to "Strongly Agree." The questionnaire may include areas such as AI use in recruitment, training, employee engagement, HR analytics, communication, and performance management. Frequency of AI use and students' confidence levels can also be examined. Overall, assessing students' ability to use AI tools will help identify the gap between theoretical awareness and practical application. The findings can assist management institutions in designing experiential learning activities, workshops, simulations, and projects that develop AI-enabled HR competencies. Such practical exposure can improve students' confidence, productivity, employability, and readiness to work effectively in technology-driven HR environments.

X. Students' Awareness of AI Ethics, Privacy, Bias, And Responsible Use

The growing use of Artificial Intelligence (AI) in Human Resource Management has created significant ethical responsibilities for future HR professionals. MBA-HR students need to understand not only how AI tools work and how they can improve HR activities, but also the ethical, legal, and social risks associated with their use. Awareness of AI ethics, privacy, bias, and responsible use is therefore an essential component of AI literacy and professional preparedness.

AI ethics refers to the principles that guide the fair, transparent, accountable, and responsible development and use of AI systems. In HR, ethical considerations are particularly important because AI may influence decisions related to recruitment, selection, promotion, performance evaluation, compensation, and employee monitoring. MBA-HR students should understand that AI-supported decisions must be carefully reviewed to ensure that they do not unfairly discriminate against individuals or groups.

Privacy is another major concern. HR departments handle sensitive information such as resumes, contact details, performance records, salary information, employee feedback, and personal data. Students should understand the importance of protecting such information when using AI applications. They should avoid entering confidential organizational or employee information into AI tools without appropriate authorization and should be aware of applicable organizational policies and data-protection requirements.

AI bias is also an important area of awareness. AI systems learn from data, and if the underlying data contains historical or societal biases, AI-generated recommendations may reproduce or amplify those biases. For example, an AI-based recruitment system could unfairly favor certain candidates if its training data reflects previous discriminatory hiring patterns. Future HR professionals therefore need to question AI recommendations, examine outcomes, and maintain human oversight.

Responsible AI use requires students to recognize the limitations of AI-generated information. Generative AI tools may produce inaccurate, incomplete, outdated, or fabricated information. Students should therefore verify important information before using it in academic or professional contexts. Human judgment should remain central to decisions that have significant consequences for employees or job applicants. Students' awareness can be measured through a structured questionnaire covering ethical decision-making, data privacy, algorithmic bias, transparency, accountability, information verification, and responsible AI usage. Responses can be analyzed using percentages, mean scores, and standard deviations.

Developing strong awareness of AI ethics, privacy, bias, and responsible use will help MBA-HR students become responsible technology users. It will enable them to balance the efficiency benefits of AI with fairness, confidentiality, transparency, human dignity, and professional accountability. Such awareness is essential for building trustworthy and human-centered AI practices in the future workplace.

XI. Students' Perceived Preparedness For AI-Enabled Workplaces

The rapid adoption of Artificial Intelligence (AI) is changing the skills, responsibilities, and expectations associated with modern workplaces. For MBA-HR students, preparedness for an AI-enabled workplace is particularly important because future HR professionals are expected to manage employees, support organizational transformation, and work with AI-based

technologies. Students' perceived preparedness refers to their own assessment of their knowledge, skills, confidence, adaptability, and ability to work effectively in environments where AI is increasingly integrated into business and HR functions.

Preparedness for an AI-enabled workplace involves more than simply knowing how to use AI applications. MBA-HR students need to understand how AI can be applied to recruitment, employee engagement, performance management, learning and development, workforce planning, and HR analytics. They should also be able to interpret AI-generated information, identify limitations, verify outputs, and combine technological recommendations with professional HR judgment.

Students' confidence is an important element of perceived preparedness. Students who regularly interact with AI tools and understand their practical applications may feel more confident about adapting to technology-driven workplaces. On the other hand, students who have limited exposure to AI may experience uncertainty about their future roles, changing job requirements, or the possibility of automation affecting traditional HR activities. Another important component is adaptability and continuous learning. AI technologies are developing rapidly, meaning that specific tools and applications may change over time. Therefore, MBA-HR students should be prepared to continuously acquire new technological skills. Their willingness to learn, experiment with new tools, and update their knowledge can influence their long-term employability.

Perceived preparedness also includes awareness of the human skills required alongside AI capabilities. Communication, leadership, emotional intelligence, critical thinking, creativity, negotiation, problem-solving, and ethical decision-making remain important HR competencies. Students should understand that AI is primarily a support mechanism and that many HR decisions require empathy, contextual understanding, and human accountability.

Students' perceived preparedness can be measured through a structured questionnaire using a five-point Likert scale. Statements may assess their confidence in using AI tools, readiness to work with AI-enabled HR systems, ability to adapt to technological changes, willingness to undertake AI-related training, and confidence in maintaining human judgment while using AI. Assessing perceived preparedness can help educational institutions identify whether MBA-HR students feel ready to enter AI-enabled workplaces. The results can guide curriculum development, industry-based projects, AI workshops, internships, simulations, and continuous

learning initiatives. Strengthening both technological and human competencies can help students become adaptable, confident, and responsible HR professionals capable of contributing effectively to the future of work.

XII. Relationship Between AI Literacy and Perceived Employability

Artificial Intelligence (AI) is increasingly transforming the skills and competencies required in the modern workplace. As organizations adopt AI for recruitment, workforce analytics, employee development, automation, and decision-making, employees and job seekers are expected to possess a combination of professional knowledge and technological skills. For MBA-HR students, AI literacy may therefore play an important role in shaping their perceived employability and confidence in securing and performing future HR roles.

AI literacy refers to an individual's ability to understand, use, evaluate, and responsibly interact with AI technologies. In the context of MBA-HR students, it includes knowledge of AI concepts, familiarity with generative AI tools, practical application of AI in HR functions, prompt-writing skills, ability to evaluate AI-generated information, and awareness of ethical issues such as privacy and algorithmic bias. These competencies can provide students with an advantage when entering organizations where AI-supported HR systems are increasingly common. Perceived employability refers to students' belief in their ability to obtain employment, perform effectively in a professional environment, adapt to changing job requirements, and maintain their career prospects. Students who possess stronger AI literacy may perceive themselves as more employable because they can demonstrate both traditional HR competencies and emerging technological capabilities. For example, a student who understands AI-based recruitment, HR analytics, automated employee communication, and generative AI applications may feel better prepared for technology-enabled HR positions.

The relationship between AI literacy and perceived employability can be examined through primary data collected from MBA-HR students. A structured questionnaire can measure AI literacy using dimensions such as AI knowledge, practical usage, critical evaluation, and ethical awareness. Perceived employability can be measured through students' confidence in obtaining employment, adapting to technological changes, performing HR tasks using digital tools, and competing in an AI-enabled job market.

Statistical techniques such as Pearson's correlation and regression analysis can be used to determine the relationship between the two variables. A positive and statistically significant correlation would suggest that higher AI literacy is associated with greater perceived employability. Regression analysis can further determine whether AI literacy significantly predicts students' perceived employability. However, AI literacy alone cannot guarantee employability. HR professionals also require communication, leadership, emotional intelligence, creativity, critical thinking, problem-solving, and ethical decision-making skills. Therefore, AI literacy should complement rather than replace traditional HR competencies.

Overall, developing AI literacy can strengthen MBA-HR students' confidence, adaptability, and perceived career readiness. Integrating AI-focused learning into HR education can consequently contribute to the development of more employable and future-ready HR professionals.

XIII. Measures For Integrating AI Literacy Into MBA-HR Education

The rapid development of Artificial Intelligence (AI) is creating a strong need to integrate AI literacy into MBA-HR education. Future HR professionals will be required to work with AI-enabled recruitment systems, people analytics platforms, generative AI applications, employee engagement technologies, and automated workforce-management systems. Therefore, MBA-HR programs should move beyond theoretical awareness and provide students with practical, ethical, and application-oriented AI competencies.

1. Introduction of AI-Focused HR Courses

Management institutions can introduce dedicated courses or modules covering AI fundamentals, machine learning concepts, generative AI, automation, HR analytics, and AI applications in human resource management. These courses should be designed specifically for HR students rather than focusing exclusively on technical programming.

2. Practical Training in Generative AI Tools

Students should receive hands-on training with commonly used generative AI tools. Practical exercises can include preparing job descriptions, creating interview questions, developing training materials, drafting HR communications, analyzing employee feedback, and generating

HR reports. Students should also learn effective prompt-writing techniques and methods for verifying AI-generated information.

3. AI-Based HR Case Studies and Simulations

Case studies and simulations can help students understand how AI is applied to real HR situations. For example, students can analyze an AI-assisted recruitment scenario and identify potential benefits, errors, bias, privacy concerns, and ethical issues. Such activities can develop critical thinking and professional judgment.

4. Integration of AI Ethics and Data Privacy

AI education should include strong emphasis on ethics, data privacy, transparency, accountability, fairness, and algorithmic bias. Students should understand the risks of using AI for employment-related decisions and learn how to maintain human oversight over important HR decisions.

5. Development of AI and Data Literacy

MBA-HR students should develop basic data-analysis skills so that they can interpret AI-generated reports and HR analytics. Training in spreadsheets, dashboards, visualization, statistics, and people analytics can help students make informed decisions using technology-supported data.

6. Industry Collaboration

Institutions can collaborate with organizations and HR technology professionals to provide workshops, guest lectures, internships, demonstrations, and live projects. Exposure to real-world AI applications can help students understand current industry expectations.

7. Faculty Development

Faculty members should receive continuous training in AI tools, HR technology, emerging workplace trends, and responsible AI practices. Faculty development is essential for ensuring that AI concepts are taught accurately and applied effectively across the MBA-HR curriculum.

Students can be evaluated through practical projects rather than only theoretical examinations. Assignments may require students to use AI to solve HR problems, critically evaluate AI outputs, compare human and AI-generated decisions, and develop responsible AI implementation strategies.

9. Continuous Learning and Skill Development

Because AI technologies change rapidly, AI literacy should be treated as a continuous learning process. Institutions can provide short-term certification programs, workshops, webinars, AI laboratories, and self-learning resources to help students continuously update their knowledge.

10. Maintaining Human-centred HR Skills

AI literacy should complement, not replace, essential human skills. MBA-HR education should continue to emphasize communication, leadership, empathy, negotiation, creativity, critical thinking, conflict management, and ethical decision-making. These competencies will remain essential for managing people effectively in AI-enabled organizations.

Overall, integrating AI literacy into MBA-HR education requires a balanced approach combining **technical awareness, practical application, ethical understanding, data literacy, industry exposure, and human-centered skills**. Such measures can help MBA-HR students become confident, responsible, adaptable, and employable professionals who are prepared to contribute effectively to the future of work.

XIV. Threats

AI literacy among MBA-HR students can be affected by several threats and challenges.

- 1. Skill Gap** - Students may have general familiarity with AI but lack the technical and analytical skills required for effective professional application.
- 2. Overdependence on AI** - Excessive reliance on AI may reduce independent thinking, creativity, problem-solving, and professional judgment.

3. Algorithmic Bias - AI systems may produce biased recommendations if they are trained using biased or incomplete data.

4. Data Privacy - HR professionals deal with sensitive employee and candidate information. Improper use of AI tools may expose confidential information.

5. Misinformation and Hallucination - Generative AI may produce inaccurate or fabricated information. HR professionals must therefore verify AI-generated outputs before using them.

6. Ethical and Legal Uncertainty - The rapid development of AI creates continuing questions about accountability, transparency, discrimination, privacy, intellectual property, and responsible use.

7. Unequal Access - Differences in institutional resources, internet access, paid AI tools, training opportunities, and faculty expertise can create differences in AI literacy among students.

XV. Data Analysis

Since this paper is designed as a research framework and no primary dataset has been supplied, actual numerical results should be inserted after conducting the survey.

Proposed Correlation Analysis

The relationship between AI literacy and future-of-work preparedness can be tested using Pearson's correlation coefficient.

If the correlation coefficient is positive and statistically significant, it would indicate that students with higher AI literacy tend to report greater preparedness for AI-enabled workplaces.

Proposed Regression Model

The following model can be used:

$$\text{Future-of-Work Preparedness} = \beta_0 + \beta_1(\text{AI Literacy}) + \varepsilon$$

Where:

- β_0 = Constant
- β_1 = Effect of AI literacy

- ε = Error term

The regression analysis can determine whether AI literacy significantly predicts students' perceived preparedness.

Questions

Q1. What is the level of AI literacy among MBA-HR students?

Ans 1. AI literacy among MBA-HR students refers to their ability to understand, evaluate, and effectively use artificial intelligence in human resource management. The level of AI literacy varies among students, depending on their exposure to technology, academic background, and practical experience. Many students are familiar with basic AI tools such as ChatGPT, automated recruitment platforms, and data analytics applications. However, their understanding of advanced AI concepts, ethical considerations, data privacy, algorithmic bias, and responsible AI use may be limited. Overall, MBA-HR students demonstrate a developing level of AI literacy, highlighting the need for greater practical training, awareness, and integration of AI-related learning into HR education.

Q2. How confident are MBA-HR students in applying AI to HR functions?

Ans 2. MBA-HR students generally show a moderate level of confidence in applying AI to various HR functions. Many students feel comfortable using AI tools for tasks such as recruitment, resume screening, employee communication, performance analysis, training, and workforce planning. However, their confidence may decrease when dealing with advanced AI applications, data interpretation, ethical concerns, algorithmic bias, and privacy issues. Practical exposure to AI-based HR tools significantly influences their confidence and willingness to use these technologies. Overall, MBA-HR students appear increasingly confident in applying AI to HR functions, but structured training, hands-on experience, and industry exposure are needed to strengthen their skills and confidence.

Q3. Are students aware of the ethical risks associated with AI?

Ans 3. MBA-HR students demonstrate a growing awareness of the ethical risks associated with the use of AI in human resource management. Many students recognize concerns such as employee data privacy, algorithmic bias, discrimination, lack of transparency, job displacement, and misuse of personal information. However, their understanding of these issues may vary depending on their academic exposure and practical experience with AI.

Students may be aware of ethical concerns at a general level but may have limited knowledge of how to identify and manage such risks in real-world HR practices. Therefore, greater emphasis on AI ethics, responsible technology use, and data governance is essential.

Q4. Does AI literacy influence students' perceived preparedness for the future of work?

Ans 4. AI literacy can positively influence MBA-HR students' perceived preparedness for the future of work. Students with stronger AI knowledge are generally more confident in understanding emerging technologies, adapting to digital transformation, and applying AI tools in HR functions. AI literacy also helps students develop awareness of changing job roles, required skills, and the importance of continuous learning. However, perceived preparedness depends not only on technical knowledge but also on practical experience, problem-solving abilities, adaptability, and ethical awareness. Overall, higher AI literacy is likely to enhance students' confidence and readiness to manage technology-driven changes in the future HR workplace.

Q5. What AI competencies should be included in MBA-HR curricula?

Ans 5. MBA-HR curricula should include a range of AI competencies to prepare students for technology-driven workplaces. Key competencies include understanding AI fundamentals, machine learning concepts, generative AI, and automation in HR processes. Students should develop practical skills in using AI tools for recruitment, employee engagement, performance management, workforce analytics, and learning and development. Data literacy, prompt engineering, and basic data analysis should also be emphasized. In addition, curricula should address ethical AI use, data privacy, algorithmic bias, fairness, transparency, and responsible decision-making. Hands-on projects, case studies, and industry-based training can help students apply these competencies effectively in real-world HR environments.

XVI. Key Findings

The following are **expected findings based on the literature and proposed research framework**, not fabricated survey results:

1. MBA-HR students are likely to demonstrate relatively high awareness of popular generative AI tools.
2. Students may have greater confidence in basic AI usage than in advanced HR-specific applications.

3. Practical knowledge of AI in recruitment, people analytics, learning and development, and workforce planning may vary considerably among students.
4. Students who regularly use AI tools may demonstrate greater confidence in adapting to technology-driven workplaces.
5. Awareness of AI ethics, privacy, algorithmic bias, and verification of AI outputs may be weaker than general tool familiarity.
6. AI literacy is expected to have a positive relationship with perceived future-of-work preparedness.
7. Students are likely to recognize AI as a productivity-enhancing technology while simultaneously expressing concerns about job displacement and ethical risks.
8. Human skills such as communication, empathy, leadership, creativity, critical thinking, and decision-making are expected to remain important alongside AI competencies.

XVII. Advantage

AI literacy provides several advantages for MBA-HR students.

- 1. Improved Employability** - Students with AI competencies may be better positioned for emerging HR roles involving people analytics, HR technology, digital transformation, and AI-enabled recruitment.
- 2. Higher Productivity** - AI can automate repetitive HR activities and allow professionals to focus on strategic and human-centred responsibilities.
- 3. Better Decision Support** - AI-powered analytics can help HR professionals identify workforce trends and support evidence-based decision-making.
- 4. Improved Recruitment Processes** - AI can assist with candidate sourcing, screening, communication, interview preparation, and job-description development.
- 5. Continuous Learning** - Generative AI can provide personalized explanations, learning resources, simulations, and professional development support.

6. Future Readiness - AI literacy can help students adapt to changing technologies and continuously develop their skills.

7. Strategic HR Capability - AI-aware HR professionals can contribute more effectively to organizational digital transformation and workforce strategy.

XVIII. Disadvantage

Despite its advantages, AI literacy and AI adoption also have potential disadvantages.

1. Dependence on Technology - Excessive reliance on AI may reduce independent analysis and professional judgment.

2. Job Displacement Concerns - Automation may reduce demand for certain routine administrative and transactional HR activities.

3. Privacy Risks - Improper handling of employee data through AI systems can create serious privacy and security problems.

4. Bias and Discrimination - AI systems can reproduce or amplify biases present in historical data.

5. Incorrect Information - Generative AI may produce inaccurate information, requiring human verification.

6. Reduced Human Interaction - Overuse of AI in HR may reduce personal interaction between employees, candidates, and HR professionals.

7. Training Costs - Institutions and organizations need to invest in training, infrastructure, software, governance, and continuous upskilling.

XIX. Comparison

Table 1: Traditional HR Skills vs. AI-Enabled HR Skills

Dimension	Traditional HR Approach	AI-Enabled HR Approach
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Recruitment	Manual screening	AI-assisted screening and sourcing
HR Analytics	Spreadsheet/manual analysis	AI-supported predictive analytics
Employee Queries	Human-only support	AI chatbots + human support
Learning	Standard training programs	Personalized AI-supported learning
Performance Management	Periodic evaluations	Continuous data-supported insights
Decision Making	Primarily experience-based	Data + AI insights + human judgment
Communication	Human-generated content	AI-assisted content with human review
HR Strategy	Conventional workforce planning	Data-driven and technology-enabled planning
Skills Required	HR knowledge and soft skills	HR + AI + data + ethical judgment
Risk Management	Conventional compliance	AI governance, privacy, bias and compliance

The comparison demonstrates that AI is more appropriately viewed as a **complement to HR expertise rather than a complete replacement for HR professionals**. The future HR professional will need to combine technological competence with human judgment.

XX. Conclusion

Artificial Intelligence is transforming the workplace and creating new expectations for management professionals. For MBA-HR students, AI literacy is becoming an important employability and professional-development competency. The ability to understand AI, use generative AI tools, evaluate outputs, recognize bias, protect sensitive information, and make ethical decisions will be increasingly relevant to HR careers. The future of HR is unlikely to be based exclusively on either human intelligence or artificial intelligence. Instead, effective HR practice will increasingly depend on **human-AI collaboration**. AI can support automation,

analytics, information processing, and decision support, while human professionals remain essential for empathy, leadership, ethical judgment, conflict resolution, organizational culture, and complex interpersonal decisions. Therefore, business schools should integrate AI literacy into MBA-HR curricula rather than treating AI as a separate technical subject. Students should receive practical exposure to AI applications in recruitment, employee engagement, learning and development, people analytics, performance management, and workforce planning. At the same time, curriculum should emphasize AI ethics, privacy, algorithmic bias, critical thinking, fact verification, and responsible use. The proposed study provides a framework for assessing whether MBA-HR students possess the competencies required for an AI-enabled future of work. A systematic assessment using primary survey data can help management institutions identify skill gaps and design targeted AI-learning interventions. Ultimately, preparing MBA-HR students for the future requires a balanced approach that combines **AI literacy, HR expertise, data literacy, ethical awareness, and uniquely human capabilities.**

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