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Parkhomenko N.,
Prof., Dr. Sc., PhD,

Štarchoň P.,
Prof., PhD,

Gubíniová K.,
Assoc. Prof., JUDr., PhD,

Comenius University in Bratislava, Slovakia

RISKS AND OPPORTUNITIES OF USING AI IN HUMAN RESOURCE MANAGEMENT

In today's world of rapid digital development, artificial intelligence (AI) is increasingly being integrated into management processes in various fields, including human resources management. The use of AI in the HR field opens up significant opportunities for optimizing the processes of recruitment, training, assessment and retention of personnel. At the same time, it is accompanied by a number of risks related to ethics, confidentiality and discrimination. Table 1 shows the level of implementation of artificial intelligence in HR functions.

Table 1

Level of AI implementation in HR functions (Hirebee.ai, 2025) [5]

Indicator	Value, %
Organizations using AI in HR	45
Organizations planning to implement AI in HR	38
Organizations that do not plan to use AI in HR	17

In this research, we will consider both the positive aspects and challenges that accompany the implementation of AI in human resources management practices.

One of the most notable benefits of using AI in HR is the optimization of recruitment processes. Modern algorithms allow you to automate the initial screening of resumes, assess the suitability of candidates for the job profile, and conduct video interviews with analysis of facial expressions and voice tone (Cappelli, Tambe, & Yakubovich, 2018) [2]. This significantly reduces the workload on HR professionals and increases the objectivity of decision-making.

Another promising area is personalized learning. AI technologies allow for the creation of individual learning trajectories for each employee, taking into account their previous experience, learning style, test scores, and desired career path (ILO, 2021) [6]. This contributes to more effective talent development and increased staff motivation.

It is also worth mentioning the possibility of predicting employee turnover. By analyzing large amounts of data – including engagement information, survey results, and productivity dynamics – AI can detect signals indicating a potential risk of employee dismissal (Tambe, Cappelli, & Yakubovich, 2019) [9]. This allows for timely response and implementation of retention measures.

In addition, AI can be used to objectively assess employee performance, helping to avoid subjective factors such as personal preferences or manager bias (Leicht-Deobald et al., 2019) [7]. Also, properly tuned algorithms contribute to the implementation of the principles of inclusion and equality, reducing the influence of discriminatory bias in personnel decisions (Raghavan et al., 2020) [8].

However, with the potential of AI in HR, there are also significant risks. The most common of these is the problem of algorithmic bias. If AI is trained on historical data that contains discriminatory patterns, these biases can be transferred to modern HR practices (Dastin, 2018; Binns et al., 2018) [1; 3]. For example, the system may favor candidates of a certain gender or race, even if this is not included in the initial parameters.

Another important aspect is the confidentiality of personal data. AI-based HR systems collect and analyze huge amounts of information about employees. Improper storage or use of this data can lead to violations of employee rights and even legal liability for the company (Eubanks, 2018) [4].

Furthermore, excessive automation of HR processes can lead to a dehumanization of interactions with employees. Employees may feel a lack of empathy when important decisions about their development or dismissal are made not by a human but by an algorithm. This can also lead to a decrease in trust in the employer (Leicht-Deobald et al., 2019) [7].

Another risk is the lack of transparency in how AI works. Algorithms often operate as a “black box” and it can be extremely difficult to understand the logic behind their decisions (Binns et al., 2018) [1]. This creates distrust among employees, especially when AI decisions affect their careers, salaries, or participation in projects.

The legal aspect is equally important. Legislation on the use of AI in employment relations is still in its infancy, creating potential legal gaps and risks for employers (ILO, 2021) [6].

Therefore, the effective use of artificial intelligence in HR management requires a comprehensive approach. First, algorithms must be transparent and open to audit. Second, HR professionals must have basic knowledge in the field of digital technologies and ethics. Third, it is necessary to develop internal policies that would regulate the use of AI at all stages of work with personnel. And most importantly, the implementation of AI should not contradict the principles of respect for people, justice and equality.

Artificial intelligence has great potential to improve the efficiency of HR functions, but its application must be based on a responsible, ethical and human-centric approach.

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Prytomanova O.,
Doctor of Physical and Mathematical Sciences, Professor,
Romanenko I.,
applicant for the first (Bachelor's) level of higher education,
Kyiv National Economic University named after Vadym Hetman

CREATION AND APPLICATION OF AN AI-POWERED CRYPTO INDEX FOR OPTIMAL CRYPTOCURRENCY PORTFOLIO FORMATION

The rapid growth of the cryptocurrency market, high asset volatility, and fragmented regulatory frameworks create a need for reliable tools that can measure the overall condition of the “digital” market and provide balanced investment decisions [1]. Traditional capitalization-weighted indices (CMC 200, Bitwise 10) tend to be dominated by a few top coins and do not account for the dynamic correlation structure, which significantly reduces their stability during market shocks [3].

The use of artificial intelligence methods (clustering, recurrent neural networks, risk parity optimization) opens the door to creating flexible indices that can adapt asset weights to current market regimes and limit portfolio risk without relying on subjective assumptions about returns [2, 4].

This study presents a comprehensive approach to modeling the AI-Powered Crypto Index (AICI), which combines: clustering-based asset selection using log returns [5], volatility forecasting for each coin via LSTM networks, and balancing of risk