A META ANALYTICAL DESCRIPTIVE STUDY ON EVOLVING CONCEPTS OF HUMAN CAPITAL AND ITS APPLICATION IN THE AGE OF ARTIFICIAL INTELLIGENCE (AI)

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Abstract: A new perspective is visible in the area of Human Capital Management Perspective, simultaneously Human Capital with AI is now operating as litmus test on many parameters. AI and its parameters are forcing changes dynamically and it is time that organizations tries to understand the workforce, from humpty number of angles, theoretically, mathematically, conceptually and functionally, and still there exists a surprise element always on the capacity to deliver, capacity to augmentation in skills, capacity to grow up multiple ways, and even the overly meticulously tested significant testing ways, surprises us with shocking results. The paradox of investing in the human factor is still looming large as a fragile parameter to many of the top management, what so ever the analysis tells, and now with AI, the new perspective towards all the statistical permutation combinations needs to be looked at differently.

Key Words: **Human Capital, Capacity Building, Workforce, Skills, Balance Sheet, Augmentation**

Introduction:

Human capital is now a significant factor of production amongst all the production factors, and is considered as the ever-growing asset, comparative to other sources, and accepted as a contributing catalyst. The success factor of the organizations is not isolated only to the products, process, marketing and technology, but very much the level of human capital formation, and the consistent growth in terms of contributing abilities and capabilities. In terms of cost, though as a cost center, the concept of investing in the human capital formation has gone leaps and bounds, nevertheless the balance sheets are still not figuring on the human capital as an asset. The traditional accounting practice does require its parameters to accommodate the assiduousness of the ever-growing human capital, which though is intangible, but stays very significant, in the dynamic technological business environment. Any organization with better human capital growth only, is able to surpass the set goals and targets and could reach the surface of the in-depth competition. The skill development initiatives vis- a- vis the contributing capabilities, the growth in terms of promotions and careers now, are based not on the number of years, but on skill metrics which has added significance to the balance sheet, though remains intangible, but, still is a very big value driving force for companies sustenance. Human Capital has become a significant factor in the success of organizations, and is often regarded as one of the most valuable **assets** of corporations. However, traditional accounting practices still do not classify **human capital** as an **asset** on the balance sheet.

Problem Statement: The biggest challenge, as well as the problem, is on the clarity of every growing importance of Human Capital in the practices of management, but now with the induction of AI, how will it be looked at in the balance sheet of a company.

Research Questions for this Paper:

The Primary Question is; While it is obvious that AI, with various skill levels, depends on the capacity building of different level skills, weather, the elevation could happen, with low level to middle, middle to higher, and higher to top levels, for enhanced contributions to the company, thereby improving the bottom line?

The Secondary Question is; If the AI related to Human Capital or Human Interaction, throws up a new perspective, and the wild imagination that the low skilled jobs are to be thrown out, that are prevailing till now as a misconception, if carried down the line, which makes a common man hate the AI, machine languages, or for that matter the very word automation, what would be Human Capital Calculations run around?

Review of Related Literature:

Robert Gibbon (2004), found that the Human Capital is accumulated specific to the nature of the task (or skills required for the task), and the accumulation helps in the application of the concept to job-assignment, wage dynamics, promotional analysis inside the firm.

Arthur Lewis (1954), found that investment in human capital, as well as investment in material capital to a point, is consumption, and the term human capital was not used due to its negative undertones until it was first discussed.

Jacon Mincer(1958), found human capital is similar to physical means to production like the factories and machines, that the investment can happen in the human capital via education, training and medical treatment and the individual's output depend partly on the rate of return on the human capital one own's.

Crook et al (2011), found human capital increases through education and experience and is also important for the success of cities and regions, with a study in 2012 study examined how the production of universities and R&D activities of the educational institutions are related to human capital metropolitan areas in which they are located.

Wright et al., (2001), found external positioning in the industry and relative balance of competitive forces as crucial to sustained effectiveness.

Penrose(1959), found that the beginning of the resource-based view of the firm is the beginning of the thought process as articulated by Rnmelt (1984), Barney (1991,1995) and Dierickx & cool (1989).

Wright et al (2001), found that the intellectual capital is a factor inclusive of human capital, social capital and organizational capital.

Nanhapiet and Goshal (1998), found that intellectual capital refers to the knowledge and knowing capability of a socially collective community with standardized professional practice. They also found that the central proposition of social capital theory is that networking of relationships is embedded within the network of a mutual acquaintance.

Leonard-Barton (1995), found that four processes are supporting the organizational learning and innovation, they are owning/solving problems, integrating internal knowledge, continuous experimentation and integrating external knowledge.

Nerdrum and Erikson (2001), found investing in education and training will raise their skill level and will be more productive than those less skilled, and raised the concern that those less skilled cannot justify higher earnings and those highly skilled as a result of their investment in human capital will demonstrate high interest and will attempt to value the contribution of employees.

Objectives of the study:

Main Objective: To conceptualize the latest developments in the field of AI applications to HR and in a sequel to Human Capital Formation.

Sub Objectives;

(i) To analyze the evolving theoretical developments in the concept of Human Capital Formation in the age of AI.
(ii) To assimilate the evolving components of Human Capital in the age of AI to understand the AIHCM (Artificial Intelligence Human Capital Management).
(iii) To assess the upcoming methodologies in the AI to make Human Capital effective.
(iv) To evaluate a variety of perspectives in AI Human Capital Formation.
(v) To examine the relative advantages of the AI contributions to Human Capital formation and other perspectives for the future of organizations,
(vi) To assess the transformation process happening with AI in the area of Human Capital Formation and Human Capital Management.

Methodology:

The research framework: this study is basically to assimilate the AI perspectives related to human capital management, and to assess the future probabilities of Human capital obtaining a place in the balance sheet, and used for determination for calculation of economic value added in an organization.

The data: Secondary sources of data in the way of review of the literature, concepts from various application sources, theoretical chronicles on AI, application practices of the various organisation and secondary data of various conceptualized and structured application of AI in human capital formation**.**

Findings;

(i) To analyze the evolving theoretical developments in the concept of Human Capital Formation in the age of AI.

To analyze the evolving theoretical developments in the concept formation of human capital formation, in the age of AI, the components like the:

(a) incompletion in parameters for the **Economic value determination**, which is still a matter of concern, while the accounting practices accommodate the tangible or intangible that is owned or controlled, produces positive economic value, it can be considered as assets, but, still the intangibility in terms of the contribution of the human element is not finding place under the GAAP rules. Employees, the most potent factor of production, what so ever they contribute, is still not under the positive produce economic value inside the balance sheet or as economic value as an asset.

(b) An **intangible asset** is something a company uses but has no physical representation. Items like copyrights, patents, trademarks and rights to use contracts are common **intangible assets**. Under GAAP rules, **employees** are not **intangible assets** and do not have representation on the company's financial statement.

(c) Human capital is an asset consisting of the knowledge and skills held by a person that can be used by an organization to advance its goals. **Human capital** is **important** because some level of **human** knowledge and skills is necessary in order for an organization to accomplish anything.

The collective skills, knowledge, or other intangible assets of individuals that **can** be used to create economic value for the individuals, their employers, or their community: Education **is** an investment in **human capital** that pays off in terms of higher productivity. **People** are not **assets** like tangible fixed **assets** such as equipment. **People** cannot be owned. **People** do not depreciate. If they are **assets**, **people** are intangible **assets**. **Human capital** is **considered** to be the **best capital** because it is the stock of productive knowledge and skills embodied in the **human** being. The other **capital** like land is useless without **human capital** because humans can only make productive use of this **capital. Human capital** is the stock of knowledge, habits, social and personality attributes, including creativity, embodied in the ability to perform labor so as to produce economic value.

Objective (ii) To assimilate the Human Capital components of AI and, analyze what constitutes the fulcrum of AIHCM (Artificial Intelligence Human Capital Management).

Human capital formation has evolved as the process of transforming the people in a country into workers who are capable of producing goods and services. During this process, relatively unskilled individuals are given the tools they need to contribute to the economy. **Human capital** is as **important** as physical **capital** for economic **development**. **Human capital formation** is the process of adding to the stock of **human capital** over time. **Human capital** can be developed through the creation of skilled, trained and efficient labor force by providing better education, health care facilities, etc.

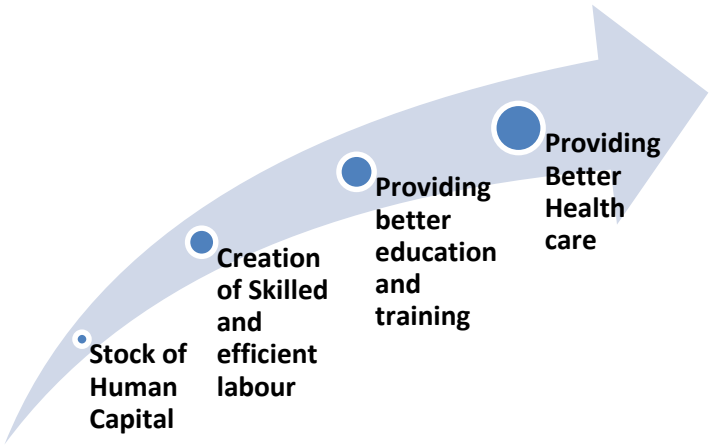

Fig 1: The traditional process of Human Capital Formation: Concept Designed by Author: Prof Dr.C.Karthikeyan

The mass automation, machine language, AI iteration of algorithms, deep learning algorithms, and other mathematical hyper calculations have put the concept of AI to human capital in a disarray, whereas the AI combo with other technological sophistication is actually contributing much more, to the advantage of the work culture, rather than taking our time to skeptical issues.

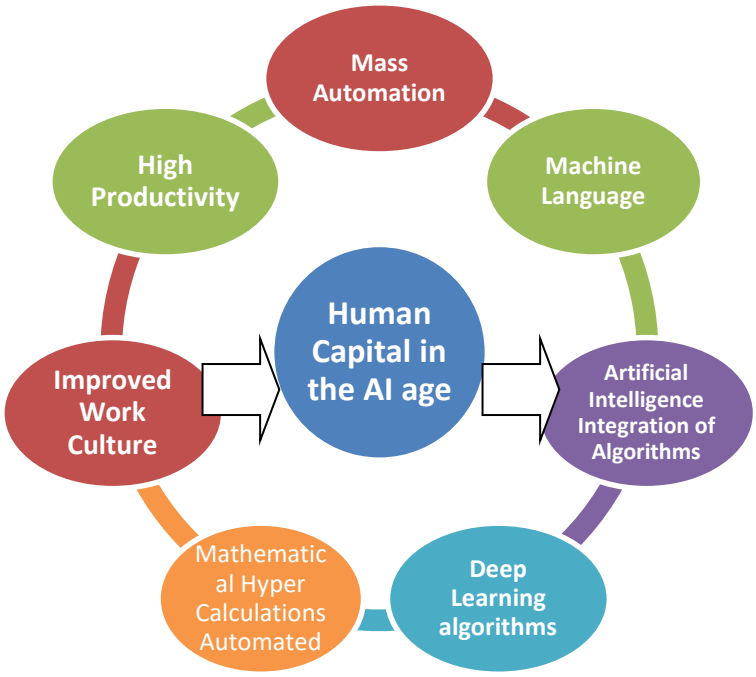

Fig:2; AIHCM Process flow: The Human Capital Formation in the age of AI. Concept designed and developed by Author: Prof Dr.C.Karthikeyan

The above Fig 2, postulates the nature of the contribution of AI in almost all areas of life is sine-qua-non and unstoppable. The application of AI in every aspect of organizational process flow or the people involved and their professional life, or in short every walk of human interaction in every area of industrial production, including any profession is gaining prominence. The applied AI is forcing every industry, whether medium, large or SME, will continue to benefit by taking over menial jobs and alleviate the monotonous non-core or non-productive or intensive, or less productive physical labour. The AI will be able to avert indulgence of labour in the dangerous and tedious inhuman work atmosphere, degrading and disturbing and laborious continuous menial, demeaning jobs, (cleaning ditches, or other dirty areas where human interaction in the environment at work). The high-speed menial works and other humanly disastrous professions will be regulated by AI. The revolution of replacing robotic arms made life of assembly line workers, and RFID contribution through AI in most of the booths replacing the tedious working conditions of human being, and multiple transactions in one click are the examples of real life. The AI through its high speed automated online transaction and truncation helps financial movements, safer, faster and easier, which further contributes to efficient e-commerce activities more faster, efficient and effective, averting event minute mistakes which enhances business activities.

AI impact on Job Market Redundancies: The paradox of jobs to be taken away by AI, is looming large. It is true that, AI has replaced the dynamics of job market redundancies, perpetuated positivity by way of increasing the quality and skill matrices in the candidates across the world. The job seekers are always on the edge to update on the newer skill development requirements, related to the career. The job seekers profile is on the increasing mode, as every job seeker needs higher and updated skill matrix explaining the multilevel skills with which he or she can work, and can contribute to the operations improving the access to essential products and services. The AIs contribution to improving the quality has risen fourfold, of which one side reduced the cost of expanding operations and improvising the nature and quality of essential products and services. The optimal levels are almost prevalent in all the automated processes, and companies are hiring more people in different roles including the engineering, sales, support staffs and project managers at certain levels since the parameters to assess the work outcome has also changed.

Objective (iii) To examine the feasibilities in the upcoming methods in the AI for making Human Capital effective.

Application Perspectives of AI: The advanced applications of AI, with smart technologies, have almost made all kinds of menial or hard labour work to extinct, and almost automated. The technology of self-driven operating vehicles has undergone a metamorphosis, and in the factory, the programmed safety equipment of manufacturing types of equipment are self-operational and programmed an adequate amount of high-risk manufacturing is done by AI. The commercial vehicles, specialist vehicles are now working with instructions from remote sensors, the monitoring capacity, self-monitoring with smart sensors in the vehicles, have brought down the cost in terms of maintenances and has improved the business, with speed and accuracy. The empowerment of machines with AI in many sensitive operational areas, have brought down the accident and legal compliances coupled with contingencies are now averted, and many accidents related loss of life, or organs, and accidental claims are brought down to a very significant level, which further brings down the elements of risk, and untoward expenses as well as the reputation of the company. The work culture in medical pathologies has under gone a paradigm shift, by making medical sciences and innovation much consistent, and qualitative, with highest levels of accuracy. The applied AI with numerous computational support services, are performing more accurately, with highest of the speeds that is improving efficiency at very high level, and has augmented the capacity to the next level, which in turn is supporting further innovation. The highest levels of digital transformation and correlation of literacy developments and facilitating factor of AI in teaching-learning technologies and educational support service systems, and its speed and variety with 24/7x365, has improved the access to multi-model learning opportunities are contributing to improvements in the quality of people altogether.

The developments in AI has improved the level of crime detection on the investigating agencies, and the positive trends in creating quality life with high levels of science and technology contributions, and has even gone to the extent of support to mental moods and supplementing stress-busting activities in the gaming and entertaining modes.

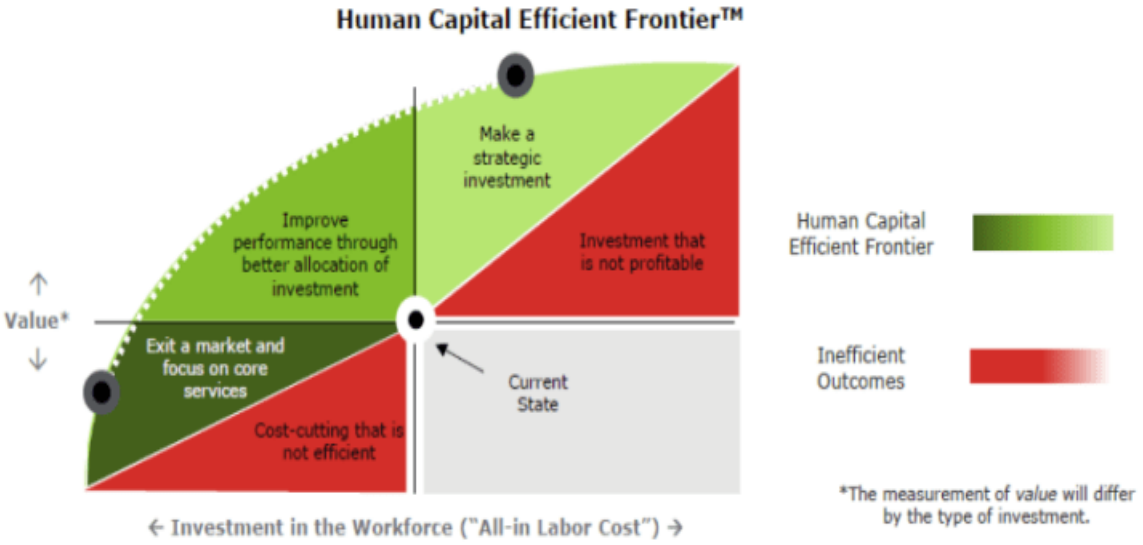

Fig 3: Human Capital Efficient Frontier, Reference Source; Deloitte Consulting LLP

Objective: (iv) To evaluate a variety of perspectives in AI Human Capital Formation. Variety of Perspectives in Human Capital Formation: Human Capital, though conceptually looking like a physical entity actually is a full-blown Intangible concept, neither owned by the productive firms nor is stable or shall be declared that the organization's permanent assets, but very obviously, high-value intangible asset. Every day the cease working hours witness that the labor-capital or human capital walk away from the office and returns back the next day. When in

time perspective, the intangible asset which is in possession of most of the knowledge and relationships with them are partly available, and can never be called as a full time owned asset of any corporate or organization, but nevertheless has the following characteristics as shown in Fig;4;

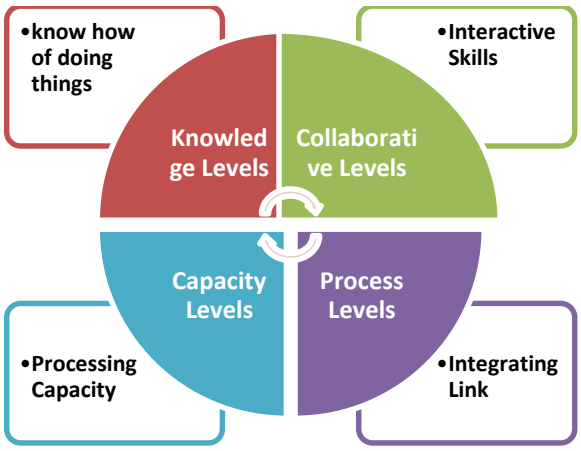

Fig 4: Perspectives Present in Human Capital Formation; Source: Concept Design Author Prof Dr.C.Karthikeyan

a. **Knowledge levels** (the know-how of doing things, knowing methods and principles, updated information on improvements happening in work and policy, the depth of understanding and combination of all with expertise)
b. **Collaborative levels** (interactive skills, interaction in a group, working in a group, working in a team, working as a department, associating with departments, relating and correlating with various expertise and skills)
c. **Process levels and process capacity** (the part and integral link for the department and aligning with organization goals with process capacity)
d. **The absence of leave** (the intangible asset will be on leave, but with varying levels of absence, like the year-end leave, casual leave, annual leave, sick leave, etc)
e. **Social Relationships** that is the ability of the workforce to stabilize and streamline their relationship at all levels, upward and downward and in fact as per the terms of hierarchy.
f. **Appreciation**, the process of appreciation flows automatically and is set in the automated feedback loop, as and when the task requires completion of a timeline, and the appreciation in the form of scores hits the completion status, the appreciation is instantaneous with feedback as a rejoinder.
g. **Depreciation**, the alerts on the preceding values in terms of skills, attainment of goals, targets not getting closure, depleting tolerance levels and other asset depreciations are instantaneously given in terms of feedback, and the status quo is maintained.
h. **Skill additions**, the TNA(training need analysis) which acts as the subpart in the automated system of human capital formation, the skills required are visible with the supportive metrics that specify the levels of the skills required to accomplish the task.
i. **Skill extinction**, the above mechanism, automatically alerts the levels of skill extinction or the jobs getting redundant or the skill set not put to use, will make the AI process to alert, as to where to augment the skill levels or to entirely change the requirements and introduce the new levels of skill.
j. **Experience**, the work experience and the overall performance experience of the workforce are always measured, monitored, altered and iterated to keep the performance status quo in optimal condition, and this can happen only when the attributes related to experience are meticulously monitored and highlighted with the scores related to taking decisions on the experiences can happen.

k. **Expertise**, all the above factors will definitely find the way or evolve into expertise, since the continuous updation on the value additions and the best performances are taken as benchmarks and created as the bar of standards, the AI expertise will definitely go a long way in contributing to the Human Capital Formation.

The Human Capital and Its Peculiar Characteristics that needs to be merged with AI: The Human Capital attributes:

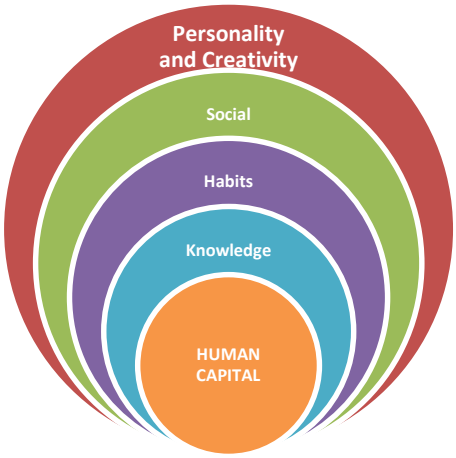

Fig 5: The upcoming trends in Human Capital Management Issues: Concept Design: Prof Dr.C.Karthikeyan

The technology trend has amalgamated with every aspect of management functions, operations, strategy and implementation followed with systemic standards. The only aspect that is permanent is the regular updation.

Objective: (v) To examine the relative advantages of the AI contributions to Human Capital formation and other perspectives for the future of organizations.

AI leads the organization of the future: The AI and machine languages with systemic automation is dictating terms since 2017, and are actively building on organizational ecosystems and networks. The ability of the AI is so fast and with stupendous accuracy, even the cumulative accumulation of values traits and other value additions surrounding the organization is happening with agility. The structural hierarchies are disappearing as the networks and systemic operational teams decide on the course of action, rather the bottom up or top down. The same applies to the Human Capital Formation. The entire ecosystem of traditional Human Capital Formation is now trending in a different direction, which is more data-driven, technically programmed and skills and traits of human capital needs abundant ambiguity tolerance to take a shape, an organization needs to set space for the intertwining of human capital formation with HUMAN INTELLIGENCE + ARTIFICIAL INTELLIGENCE, since the traits alongside the traditional skills needed to complement with high level of machine reading and data inquisitiveness. **Recruitment to become cognitive intelligence based**: the AI is throwing challenges on the companies upfront with newer technologies and dictates terms and conditions as what are the talents, traits, personality, and qualities required to sustain in the technological ambiguity the situations are throwing on the organization, hence the recruitment is altogether a AI driven cognitive cross check with algorithmic system, than any other. The talent acquisition is throwing open numerous challenges, with the data platforms, like the social networking, analytics, and cognitive tools that dictate terms, the age-old ways and means of recruiting people, and this will impact the trend of recruiting through cognitive technologies, that are in place transforming, from the forefront in revolutionizing organizational

working style. **The Trend of real time career and learning round the clock**: The everlasting online learning experiences that are allowing employees to build skills quickly, and competing to be the best, with thriving to grow as per the terms of the competition in the market, keeps the employees scale up, thrive in real time, since the trend of static career is disappearing. Now the concept of "long-time career" is getting obsolete and the trend of **24/7/365** learning career, rather than a mere career is the ultimate trend, with AI in place, the trends changing are stressful but for good.

The experiencing of engagement, culture and beyond: the mandates are different and typical, workplace redesign, well-being, work productivity systems, and net promotion scores are dominant and prominent, rather than looking at employees journey in an organization for the number of years. The work culture, redesign of the workforce, matrix structures, systemic thinking, decisions with the use of data, driven with numbers, interacting with complex ideas surfaces in almost in the sunrise organizations are normal now and, is evolving as a culture in most of the organization.

Objective (vi): To assess the transformation process happening with the digitalization process of AI in the area of Human Capital Formation and Human Capital Management.

Digitalising and AI driven platforms for HR functions: The routines are no more human intelligence driven, or the skills to repeat work or maintain status quo is required. The HR now needs to lead from the front to make the organization more effective and efficient. The real human capital formation shall happen only a wide variety of technology tools, and efficient platforms, can deliver with alacrity to the ever-changing skill requirement, and fast moving human resources. The cognitive skills by using AI need to increase in a high tech environment. The Performance Management System influencing Human Capital Formation: the feedback system has gone from normal paper pencil to auto driven, and alert drove, with improvisation from the 360-degree multimodal system. The generation of scientific application tools, with parameters giving way to the very intuitive behavioral elements which can take cognizance of the entire personality of the individual, is growing in and out. Human Capital Transformation Process with AI: though it looms large on the capacity of AI to transform human capital, nevertheless the significant changes are in place, and AIHCM (AIHCM concept may come into place). From online to customer chat bots to smart technologies are the norms of business and so with the HCM too. AIHCM process can take place in the following ways, as described in figure 6 below;

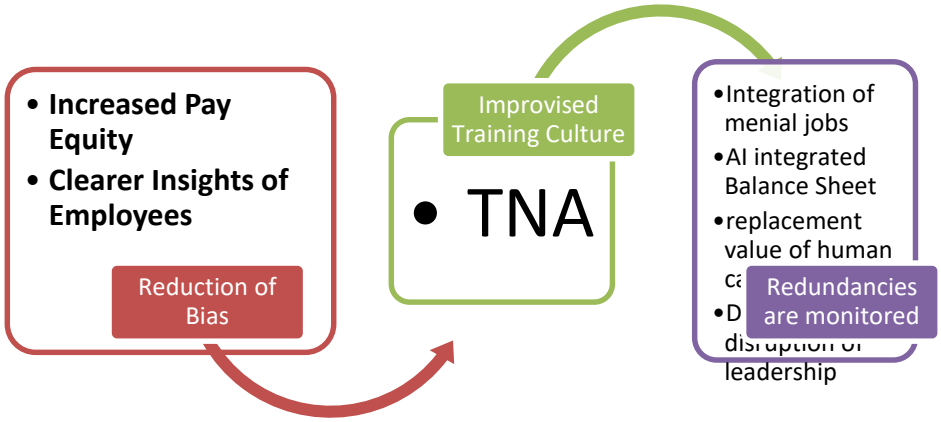

Fig 6: The predicted HR changes in the AICHM process. Concept and Design; Prof Dr.C.karthikeyan

- **Reduction of Bias** on assessments: the automated metrics and accuracy levels of the human capital management parameters that is numerically and qualitatively induced would help eliminate the unconscious bias in the process of human capital formation, and would help in setting impartial process in hiring process,

reviewing process, assessment outcomes on the skill sets and experience gathering including the innate aspects of behavioural elements HR to make the organization perform better.

- **Increased Pay Equity**: the unbiased evaluation and its process in the sequel would lead to the greater equity in terms of pay, as the evaluation parameters are accurately monitored and the top leadership can take cognizance of the contribution and it can affect the pay equity decisions correctly.
- **The insights of employees are clearer**: the employees could foresee the growth of the organizations, as the values are measured with metrics that are both visible, traceable and contributable, and altogether is giving the picture to the employee on the contributions in terms of economic value, and in turn the overall brand value. When this visibility happens, it also converges the talent transformation, into the team, which strengthens the feedback loop and the companies are able to retain talent. The workplace culture gives the employees the feeling of ownership and also renders practical utilities in retention strategies that will be in place.
- **Effective and Improvised Training culture**: The training are getting more scientific and application oriented as the TNA(training need analysis) is in place, and the human capital management system facilitates to modulate the training programme into workable components, and as a continuous process rather than an isolated function. The employee's skills, interests, career stages, abilities, capabilities, and attitude towards work are progressively monitored and meticulous planning elements fall in place to decide what the most suitable outcome-based training activities are for the employees. The results of the training outcome get cumulatively contributory and return on investment in training for the company increases.
- **The redundancies are monitored accurately**: the AI support in HR accurately points out the redundancies happening at the workplace, in terms of skills set, tasks, goals and other factors related to the accomplishment of work.
- **AI integration of menial jobs to alleviate monotony**: the AI integrated industry would develop system based work culture and like usage of RFID to scan and sort, and most of the assembly line work systems are spread with robots and will soon see the entire process like the tellers, self-service checkout counters, retail carts with chat bots, and automated gas fillings, etc are some of the examples.
- **AI Integrated Human Capital in the Balance Sheet**: Personnel is not a cost item, despite the cost to company's for the CEOs, Consultants, HRM activities, and related expenses in terms of salaries are still not part of the balance sheet, nor an entry on the balance sheet for the human capital, nevertheless, the investment with all implications go with it. The ROI will be easier to predict the investment if an item "personnel" is included in the balance sheet of the organization. The IFRS (International Financial Reporting Standards) and the IAS (International Accounting Standards) still holds the term "intangible assets" as knowledge and experience and holds these intangible factors as working capital, and henceforth a place in the balance sheet.
- **The Parameters of the replacement value of human capital**: this parameter of replacement value includes the recruitment and selections costs, training cost and cost for dismissal (payroll salary and legal process), is still having enough doubts about its impact on the balance sheet.
- **Human Analytics with automated re-calculation**: Talent acquisition, operations management, financial performance, and the entire technical discipline and people analytics on every activity relating to performance outcome has changed with the input of AI, and the entire human capital formation is more automated.
- **Digital Disruption with Leadership Capabilities**: The bar of standards is always on the rise and almost every activity is automated, and speed in technology determines everything, and with AI adding to the speed, the surpassing of human movements is now the new normal. These changes are impacting on the leadership roles as well. The ability to handle pressure in a technological atmosphere is a huge challenge altogether. The digital way to operate business in ever dynamic ambiguity is not as easy as it is heard or learned, the present day algorithmic technical challenges are manifesting new challenges to survive, and

leadership style, thinking capacity, capability building and motivating the team to perform is taking its toll, and no one is an exemption.

- **The Changing Parameters of Human Capital**: The World Economic Forum, every year makes its Global Human Capital report, which includes the GHCI (Global Human Capital Index), and another way of expressing or involving human capital growth is HCI (Human Capital Index) which is developed by the world bank, and it reveals the economic success of the nation, by having sub-parameters check with investment on education, health care and nature of work, with the impact of technology and future of work.
- **The Paradox of Return on Investment in Human Capital Management**: The attributes that are intangible including the creativity that makes a human element contribute to the organization is not finding the place of value addition, nor any score in the balance sheet, the reason being the difficulty in the calculation of return on investment. The levels in growth or value addition due to experience, training and exposure, with a stock of skills in Knowledge, habits, social relationships, personality attributes, ability to perform labor, and in turn helps in the growth of the organization and producing the economic value is never coming in the columns of balance sheet.

- **The contributions of recent modern theorists**, like the noble laureate from the University of Chicago, Jacob Mincer and Theodore Schultz, postulating human capital as the key factor, and contributions of innovation-driven approach to understanding economic growth, from where, the concept of task-specific human capital, as in 2004, and the emphasis is given by Robert Gibbon, an economist from MIT, finds, human capital accumulates the nature of the task (or skills required for the task), that are valuable to many firms requiring the transferable skills. The concept can be applied to job-assignments, tasks related to the assignment, wage dynamics, promotional and career dynamics inside and outside firms, etc.

Conclusion:

The Concept of human capital is gaining prominence in the digital era, since the parameters to assess human capital formation as well as contributions, needs to be calculated in much scientific manner, and is assiduously building up, since the skill levels globally is increasing owing to the walls from knowing latest developments are broken with the digital revolution and transformation of skills happening every hour. Every corporate, it states, countries are significantly contributing to the human resource, as the realization of the fact that the human resource can be transformed into an impactful and effective capital resource with education, health, and values like ethical values, moral values, and spiritual values neutralizing the gaps are often happening across the world. The intangibility in human capital through a challenge is still the most important catalyst for the national economies of the world. The education and health sectors need to contribute to the consistent growth of human capital of the country.

The importance of HDI: Henceforth reiterating the importance the HDI (Human Development Index): The United Nations (UN), which deliberates always on the HDI, with comparative statistics to even out the entire world into one developed forum so that world with peace and prosperity prevails. While the statistical indicators include the Life expectancy Index, and Educational Index, with Income Index (to determine the standard of living), but still contributes to cater to the knowledge creation as which part of the world develops its human capital formation in a better way. India has a long way to go.

Suggestions: India's backbone is the human capital, owing to the advantage of the youngest population (as per age wise demographics) in the world, is innately important for the country to have a macro-level outlook on the human capital management. The capacity building is the key to the development of the human capital, which in turn will produce the economic value, which in turn will be a catalyst for the overall economic development of the country, hence the capacity to deploy talent, the capacity to influence the talent from other parts of the world, and most importantly to develop or nurture talent continuously as per the worlds requirements. The strong need for the corporate to create user-friendly ecosystem of HR values needs to prevail at all times, that the humans working in the organization feel the growth and importance of self. The monitoring mechanisms and reporting mechanisms with the advent of AI, and digitalization with automated machines that reads the human tendencies, will add value to the existing knowledge in allocating parameters, which can be cumulative to monitor growth of human capital, in tandem with human intelligence. This can make human capital distinctly differ from the monetary capital that

vanishes once the stock markets plummet, or when economic winds change, and this thought process can elevate the standards of processing human capital formation. The foundation pillars into the human capital needs to be supplemented with educational and health inputs, and with the support of AI, research in AI, Machine language, with a mix of Human Intelligence will definitely take it forward for the betterment of human life, corporate growth, economic growth and growth of the country in turn. AI is definitely the future, and is an extension to existing system than as a threat, as per the findings of this paper.

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