



A Study on Employee Perception of Artificial Intelligence in Performance Management

Archita Giramkar¹

Student, MBA Department
Dhole Patil College of Engineering, Pune

Prof. Dr. Vidya Bhandwalkar²

Project guide, MBA Department
Dhole Patil College of Engineering, Pune

Author Email: architagiramkar16@gmail.com | ORCID: <https://orcid.org>

How to Cite this Article:

Giramkar, A. (2026). A Study on Employee Perception of Artificial Intelligence in Performance Management. International Journal of Creative and Open Research in Engineering and Management, <i>02</i>(04). <https://doi.org/10.55041/ijcope.v2i4.736>

License:

This article is published under the terms of the Creative Commons Attribution 4.0 International License (CC BY 4.0), which permits unrestricted use, distribution, and reproduction in any medium, provided the original author(s) and the source are credited.

© The Author(s). Published by International Journal of Creative and Open Research in Engineering and Management.



<https://doi.org/10.55041/ijcope.v2i4.736>

Abstract—

The increasing use of Artificial Intelligence (AI) in Human Resource Management has brought significant changes to how organizations manage employee performance. This study looks at how employees view the role, benefits, and challenges of AI in performance management. The main goal is to understand how people see the effectiveness of AI in monitoring performance, supporting managerial decisions, and improving evaluation processes. A descriptive research design was used, and primary data was gathered from 50 respondents using a structured questionnaire. The data was analyzed with percentage analysis and displayed in tables and charts. The findings show that most respondents know about AI usage and think it improves efficiency, fairness, and accuracy in performance management. However, there are concerns about transparency, privacy issues, and limited trust in AI-based systems. The study concludes that AI is seen as a helpful tool in performance management. Its effectiveness relies on proper implementation, keeping human involvement, and addressing employee concerns. The study offers practical insights for enhancing the use of AI in HR practices.

Keywords-

Artificial Intelligence; Performance Management; Employee Perception; HR Practices; Data-Driven Decision Making



I. INTRODUCTION

In today's digital era, organizations are increasingly adopting advanced technologies to improve efficiency and decision-making. One of the technological innovations that have had an impact on HRM is Artificial Intelligence (AI). It is being used in various HR functions such as recruitment, training, and especially performance management. Performance management has shifted from traditional appraisal systems to more continuous and data-driven approaches. AI helps organizations monitor employee performance, analyze data, and provide real-time feedback. This process becomes faster and more effective than the conventional approach. However, along with these advantages, there are also concerns related to privacy, transparency, and trust in AI-based systems. While many organizations are adopting AI, it is important to understand how individuals actually perceive its use in performance management. Therefore, this study focuses on analyzing employee perception regarding the role, benefits, and challenges of AI in performance management. The aim is to understand whether AI is viewed positively and what factors may affect its acceptance in organizations.

II. LITERATURE REVIEW

Performance management is defined as a continuous process of identifying, measuring, and improving employee performance in alignment with organizational goals. According to Armstrong [1], performance management is a systematic approach aimed at improving organizational performance by enhancing individual performance. Similarly, Aguinis [2] describes it as an ongoing process involving performance evaluation and employee development. With the advancement of digital technologies, traditional performance management systems have evolved into more dynamic and continuous systems. Cappelli and Tavis [3] highlighted that organizations are moving away from annual appraisals towards continuous feedback mechanisms to improve employee performance. Artificial Intelligence has emerged as an important tool in HRM, enabling organizations to automate processes and analyze large datasets. Haenlein and Kaplan [4] define AI as the ability of machines to perform tasks that require human intelligence. Tambe et

al. [5] emphasized that AI can improve decision-making in HR by providing data-driven insights, although challenges such as bias and ethical concerns remain. In the context of performance management, AI systems are used to collect and analyze employee performance data, provide real-time feedback, and support managerial decisions. Tong et al. [6] suggested that AI-enabled feedback systems can improve performance by offering timely insights. Similarly, Kalischko and Riedl [7] highlighted the role of AI in continuous performance monitoring. Despite these benefits, researchers have identified several challenges associated with AI adoption in HR. Wiblen and Marler [8] pointed out that privacy concerns arise due to continuous monitoring of employees. Additionally, concerns related to transparency and lack of trust in AI-based systems have also been highlighted. Although previous studies provide valuable insights into AI in performance management, most of them are conceptual in nature. There is a need for empirical research to understand how individuals perceive the role, benefits, and challenges of AI in real organizational contexts. This study attempts to address this gap by analyzing perception-based data collected from respondents.

III. METHODOLOGY

This study is based on a descriptive research design and focuses on understanding the perception of respondents regarding the use of Artificial Intelligence in employee performance management. Primary data was collected using a structured questionnaire consisting of both close-ended and open-ended questions. The questionnaire covered areas such as awareness of AI, its role in performance management, perceived benefits, challenges, and suggestions. Primary data was gathered from 50 respondents using a structured questionnaire. The sample included students, working professionals, HR professionals, and interns. Convenience sampling was used as respondents were selected based on their availability. Secondary data was collected from books, journals, and research articles to support the theoretical understanding of the topic. The collected data was analyzed using percentage analysis, and the results were presented in the form of tables and charts for better clarity and interpretation.



IV. RESULTS AND DISCUSSION

The findings of the study indicate that a majority of respondents are aware of the use of AI in organizations. Most respondents perceive that AI is actively used in monitoring employee performance and analyzing performance-related data. The analysis shows that respondents believe AI assists managers in making performance-related decisions and provides real-time insights into employee performance. This indicates a positive perception regarding the role of AI in improving performance management processes. In terms of benefits, respondents perceive that AI improves fairness in performance evaluation, reduces human bias, and increases efficiency. AI is also considered useful in providing accurate and data-driven feedback, which helps in identifying employee strengths and development needs. However, the study also highlights several challenges associated with AI in performance management. A majority of respondents believe that AI-based systems lack transparency and raise privacy concerns. Additionally, there is a moderate level of trust in AI-based evaluations, indicating that employees may not fully rely on AI systems. The findings also suggest that managers may require better understanding and skills to effectively use AI tools. There is a mixed perception regarding overdependence on AI, with some respondents believing that it may reduce human judgment in decision-making. Overall, the results indicate that while AI is perceived positively in terms of efficiency and effectiveness, addressing concerns related to transparency, trust, and privacy is essential for its successful implementation.

V. CONCLUSION

The study concludes that Artificial Intelligence is perceived as an important tool in employee performance management. Respondents believe that AI enhances efficiency, improves fairness, and supports data-driven decision-making in organizations. The ability of AI to provide real-time feedback and continuous monitoring is considered a significant advantage in modern performance management systems. At the same time, the study identifies key challenges such as lack of transparency, privacy concerns, and limited trust in AI-based evaluations. These challenges indicate that organizations need to focus on responsible and ethical use of AI in HR practices. Since the study is perception-based, the findings reflect the views and opinions of respondents regarding AI in performance management. Overall, the study suggests that while AI has strong potential to improve performance management systems, its effectiveness depends on proper implementation, human involvement, and addressing employee concerns.

REFERENCES

- [1] M. Armstrong, *Performance Management*. Kogan Page, 2000.
- [2] H. Aguinis, *Performance Management*, 3rd ed. Pearson, 2012.
- [3] P. Cappelli and A. Tavis, "The Performance Management Revolution," *Harvard Business Review*, vol. 94, no. 10, pp. 58–67, 2016.
- [4] M. Haenlein and A. Kaplan, "A Brief History of Artificial Intelligence," *California Management Review*, 2019.
- [5] P. Tambe, P. Cappelli, and V. Yakubovich, "Artificial Intelligence in Human Resource Management," 2019.
- [6] S. Tong et al., "AI Feedback and Employee Performance," *Strategic Management Journal*, 2021.
- [7] T. Kalischko and R. Riedl, "Electronic Performance Monitoring in the Digital Workplace," *Frontiers in Psychology*, 2021.



[8] S. Wiblen and J. Marler, “HRM and Technology: Privacy Concerns and Implications,” Human Resource Management Review, 2021.