# Title : Enhancing Employee Performance through AI- Driven Performance Management System in Human Resource

**Researcher:**

M. Terese Veronika B.A, MBA, DMT, DEO.

Experience: Worked as a assistant professor at Sri Krishnasamy Arts and Science College

Visiting Faculty as SRM University ( Easwari Engineering College)

Contact Information:78454531824

## Introduction:

The rapid integration of artificial intelligence (AI) into Human Resources (HR) is reshaping traditional performance management practices. With the implementation of AI-driven systems, companies can now deliver real-time feedback, create personalized learning pathways, and enhance employee engagement through predictive insights. This research aims to understand how AI-driven performance management systems impact employee performance and influence the feedback process between managers and employees.

## Statement of the Problem:

This study addresses the critical question of how AI feedback affects the performance management process:

### Primary Question:

How does AI feedback change the role of line managers in performance management?

### Secondary Questions:

1. How does AI-driven feedback alter the performance management experience for both managers and employees?
2. How do stakeholders adapt to and interpret AI-generated feedback?

The problem is significant as organizations increasingly rely on AI to guide performance reviews, potentially altering the traditional manager-employee dynamic.

## Scope of the Study:

The study is limited to the application of AI in performance management systems . It will focus on understanding AI users' experiences, the extent of AI utilization in feedback processes, and challenges faced, including privacy and ethical concerns. The scope is defined by:

1. Collecting data from AI-using employees and managers.
2. Exploring perceptions about AI's role in enhancing or hindering performance management.
3. Identifying how users adapt to AI-driven tools in their work environments.

## Objectives of the Study:

This study aims to:

1. Develop a comprehensive understanding of AI-driven performance management systems and their impact on employee engagement.

2. Identify preferences and expectations of AI technology users within performance management contexts.

3. Examine factors that influence the adoption of AI tools in performance management.

4. Highlight challenges faced by AI technology users regarding privacy, adaptability, and user satisfaction.

5. Provide actionable recommendations to optimize AI usage in HR.

## Literature Review:

This section will examine existing research on AI in HR, focusing on AI's role in performance management. Key studies will be reviewed to provide context on:

1. AI's impact on traditional HR processes.
2. The effectiveness of real-time, data-driven feedback.

Ethical and privacy concerns related to AI in employee monitoring and performance tracking. This review will establish the foundation for understanding current trends and gaps in the literature related to AI in performance management.

## Research Methodology:

This study will employ both primary and secondary data collection methods.

**Primary Data:** A structured questionnaire will be distributed to approximately respondents who use AI-driven performance management systems. This will help collect firsthand insights on AI usage, satisfaction, and challenges.

**Secondary Data:** Academic journals, articles, and online resources will be used to support the primary data and provide additional context on AI applications in HR.

**Sampling Technique:** Judgmental sampling will be used to focus on individuals with experience using AI in performance management, ensuring relevant responses.

## Data Analysis:

1. Percentage Analysis: To measure the distribution of responses.
2. Garrett Ranking Technique: To rank key factors influencing AI adoption.
3. Chi-Square Test: To analyze relationships between demographic factors and AI usage.
4. Independent t-test and ANOVA (using SPSS): To assess significant differences in user experiences across different demographics.

## Significance of the Study:

This research is timely as organizations are increasingly turning to AI for enhanced performance management. By examining AI's effects on employee performance, this study provides actionable insights for companies looking to balance AI's efficiency with traditional human-centered management approaches. Additionally, it will address potential ethical and privacy concerns, ensuring that companies adopting AI tools do so responsibly.

## Expected Outcomes:

The study is expected to reveal:

1. Insights into AI's effectiveness in enhancing or challenging employee performance management.
2. Identification of user preferences and key factors driving the adoption of AI in HR.
3. Challenges AI users face, with particular attention to privacy and ethical concerns.
4. Recommendations to optimize AI integration in HR, balancing technology with the need for human interaction.

## Conclusion:

This research will contribute valuable knowledge to the field of HR, particularly in understanding how AI can be effectively used in performance management. By exploring the experiences and challenges faced by AI users, this study will offer strategies for enhancing employee engagement and satisfaction through AI-driven systems, ensuring responsible and ethical AI usage.

**References:**

1. Bhardwaj, R., Singh, P., & Kumar, N. (2021). "Artificial Intelligence in Human Resource Management: A Systematic Literature Review". Journal of Business Research, 123, 344-356.This review discusses the various ways AI is transforming HR, including performance management, employee monitoring, and predictive analytics.

2. Jarrahi, M. H. (2018). "Artificial Intelligence and the Future of Work: Human-AI Symbiosis in Organizational Decision Making". Business Horizons, 61(4), 577-586.Explores the partnership between AI and human roles, focusing on decision-making processes within HR, including performance feedback and management.

3. Calderon, A., & Sheridan, J. (2020). "AI in HR: Real-time Employee Feedback and Ethical Implications". AI & Society, 35(3), 485-497.Examines the impact of AI-driven real-time feedback systems on employee engagement and ethical challenges associated with privacy and data usage.

4. Haenlein, M., & Kaplan, A. (2019). "A Brief History of Artificial Intelligence: On the Past, Present, and Future of Artificial Intelligence". California Management Review, 61(4), 5-14. Provides a historical perspective on AI and its impact on various fields, including HR. This article discusses the potential and limitations of AI in performance management.

5. Johnson, R., & Stone, D. L. (2022). "Ethical Issues in the Use of Artificial Intelligence in HR Practices". Human Resource Management Review, 32(1), 123-131.Focuses on the ethical concerns surrounding AI in HR, particularly with data privacy and the potential reduction of human interaction in performance management.

6. Tambe, P., Cappelli, P., & Yakubovich, V. (2019). "Artificial Intelligence in Human Resources Management: Challenges and a Path Forward". Human Resource Management Journal, 30(1), 49-63. Discusses the challenges HR departments face when adopting AI, especially in performance management, and offers strategies for effective AI implementation.

7. Rao, M., & Verweij, D. (2020). "AI-driven Performance Feedback Systems and Employee Motivation: A Study". Journal of Management Analytics, 7(2), 132-149.Analyzes how AI-based feedback systems can positively or negatively impact employee motivation, providing insights into user preferences and experiences.

8. Stone, D. L., & Deadrick, D. L. (2015). "Challenges and Opportunities Affecting the Future of Human Resource Management". Human Resource Management Review, 25(2), 139-145. While not solely focused on AI, this article provides a broader context for the evolution of HR practices, including the integration of technology and AI.