A STUDY ON "EMPLOYEES' PERCEPTION TOWARDS ARTIFICIAL INTELLIGENCE IN PERFORMANCE EVALUATION"

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Abstract
Today, the influence of Artificial Intelligence (AI) on human activities is becoming increasingly evident. AI has emerged as a powerful tool, both for organizations and individuals. In particular, it has transformed the Human Resources (HR) sector, making it more efficient by automating tasks that involve collecting and organizing large volumes of data. This paper aims to explore how employees perceive AI within the Performance evaluation process, as well as assess its role in this area. The study sheds light on the growing integration of AI in Human Resource Management (HRM). This is a conceptual paper based on descriptive research methods. The research draws on data collected from surveys, articles, and academic journals. Findings indicate that AI-based tools in Performance evaluation foster unbiased decision-making and most employees favour AI-driven training over traditional approaches. However, some employees feel that these methods lack the personal touch of human interaction. The scope of this study is limited to employees working in multinational companies. The implementation of AI tools in Performance evaluation is shown to enhance efficiency in skill-building processes. This paper provides valuable insights for researchers interested in understanding employees' perceptions of AI in Performance evaluation.
Keywords: Artificial Intelligence (AI), Human Resources (HR), Human Resource Management (HRM), Performance evaluation, unbiased decision making.

1. Introduction

Over the past few decades, the internet has transformed dramatically, evolving from a simple collection of documents into a complex global network that connects people, applications, and devices in ways that were once unimaginable. This shift has had far-reaching effects across all sectors, reshaping how we communicate, conduct business, and access information. Similarly, the concepts of Artificial Intelligence (AI) and machine learning, once vague and poorly understood, have gradually become integral to our everyday lives. While philosophers and mathematicians have long pondered the idea of "formal" or mechanical reasoning, it wasn't until the advent of digital computers in the mid-1950s that the idea of an "electronic brain" began to take a tangible form. By the 1980s, AI programs were developed that could simulate the analytical capabilities of human experts, marking a shift from traditional methods of problem-solving to innovative AI-powered solutions.

Today, AI and machine learning are data-driven processes that play a crucial role in automating tasks across a multitude of industries, as well as in households worldwide. One of the most significant applications of AI is in the training process, where it helps organizations identify and acquire talent to strengthen their workforce. In this context, AI serves as a powerful tool in streamlining and optimizing the HR developing process. AI systems are designed to learn from vast datasets, analyze trends, and predict outcomes, making the training process more efficient and less reliant on manual tasks. Through these advancements, AI has become indispensable in helping organizations find the right talent, which is a critical element in fostering growth and success. AI-powered training tools, for example, are specifically designed to screen thousands of trainees in a fraction of the time it would take a human trainer. This automation significantly reduces the time-consuming tasks traditionally associated with training, such as manually provide training through countless trainees or conducting repetitive training. As a result, the role of human resources (HR) departments has evolved into one that is much faster and more efficient, with AI handling many of the routine tasks. By automating these processes, HR professionals can focus their time on more strategic and personal aspects of training, such as interacting with trainees and making final decisions. Furthermore, AI's involvement in training has made the process less tedious and more effective. It has simplified communication between trainees and trainers, ensuring that all necessary information is processed quickly and accurately. The training process has thus become more agile, with AI handling most of the tasks involved in couching and lecturing, while the final decision-making rests with HR professionals who ensure the trainees aligns with the organization's needs and

culture. Despite the obvious advantages, some individuals raise concerns about the effectiveness and efficiency of AI in training. However, research suggests that AI can actually reduce bias in training, as it can be programmed to focus solely on relevant knowledge and performance data, rather than subjective factors such as appearance or personal opinions. Additionally, AI has proven to be a valuable asset in increasing the overall quality of training, by analyzing vast amounts of trainees to find the best match for a position. In conclusion, AI has clearly had a transformative impact on the Performance evaluation process. It has not only made training faster, more efficient, and more cost-effective, but has also raised the standard of talent appraisal across industries. While there are still concerns and challenges associated with the integration of AI into HR practices, it is clear that AI is here to stay, reshaping the way organizations train talent. This study aims to explore the perspectives of employees regarding the role and effectiveness of Artificial Intelligence in modern training processes, offering insights into how AI is perceived within the workforce and its long-term implications for the future of employment.

2. Objectives of the Study

➤ To study the emerging trend of implementing Artificial Intelligence in Human Resource Management (HRM).
➤ To assess the role of Artificial intelligence in the Performance evaluation process
➤ To evaluate the perception of employees towards Performance evaluation process through Artificial intelligence.

3. Research Methodology

The current study is based on empirical data obtained from both primary and secondary sources, involving 50 MNC employees from 5 MNCs who participated in an e-mail questionnaire survey in the Bengaluru district. In light of the increasing use of AI, this study serves as a basis for examining the penetration level of AI and its impact on various aspects of the MNC sector in Karnataka. The researcher has attempted to describe the current scenario regarding artificial intelligence techniques, HRM patterns, as well as awareness, preferences, and perceptions

4. Discussions

4.1 AI is used in MNC Performance evaluation:

Personalized Learning is one tool that AI can analyze employee performance to identify skill gaps and suggest customized training. It adapts content and pace based on progress, creating tailored learning paths based on role, career goals, and skill levels, **Content Creation and Duration** means AI can autonomously generate training resources like texts, videos, and quizzes, while also aggregating materials from various sources for easy access, **VR and AR** provides the data of AI-driven immersive VR and AR simulations allow realistic, safe training experiences for tasks like machinery operation or customer interactions, **Real-time Feedback and Coaching** means AI tracks progress, provides immediate feedback, and offers virtual coaching through chat bots to support employees throughout their training, **Gamification** explains AI enhances engagement by incorporating interactive elements such as points, badges, and leader boards in training programs, **Learning Management Systems (LMS)** means AI-powered LMS platforms personalize learning experiences with tailored content, recommendations, and progress tracking., **Chat bots** demotes AI chat bots assist with answering queries, providing reminders, and recommending learning materials and **Intelligent Tutoring Systems (ITS)** means TS adapt to individual learning styles, offering personalized feedback and guidance during training

4.2. Analysis and Interpretation

Table showing the distribution of employees by gender

Gender	Number of Employees	Percentage of Total Employees
Male	38	76%
Female	12	24%
Total	**50**	**100%**

Source: Primary data
Out of 50 employees in total, with 38 males and 12 females.

Table showing the location of the employees

Location	Number of Employees	Percentage of Total Employees
Bengaluru	43	86%
Other Locations	7	14%
Total	**50**	**100%**

Source: Primary data
Out of 50 employees, with 43 from Bengaluru and 7 from other locations.

Table showing Job type of the employees

Job Type	Number of Employees	Percentage of Total Employees
Full-time	35	70%
Part-time	15	30%
Total	**50**	**100%**

Source: Primary data
Out of 50 employees in total, with 35 having full-time jobs and 15 with part-time jobs

Table showing work experience of the employees

Work Experience	Number of Employees	Percentage of Total Employees
Less than 1 year	20	40%
1 to 3 years	18	36%
More than 3 years	12	24%
Total	**50**	**100%**

Source: Primary data

Out of 50 employees in total, with 20 having less than 1 year of experience, 18 having 1 to 3 years of experience, and 12 having more than 3 years of experience.

Table showing employees are familiar with Artificial Intelligence in the Performance evaluation **process:**

Familiarity with AI in Performance evaluation	Number of Employees	Percentage of Total Employees
Yes	48	96%
No	2	4%
Total	**50**	**100%**

Source: Primary data

96% of employees are familiar with Artificial Intelligence in the Performance evaluation process, and 4% are not.

Table showing employees agree with the implementation of AI in Performance evaluation

Opinion on AI in Performance evaluation	Number of Employees	Percentage of Total Employees
Strongly Agree	30	60%
Agree	15	30%
Neutral	3	6%
Strongly Disagree	2	4%
Total	**50**	**100%**

Source: Primary data

Out of 50 employees' total, with 30 strongly agreeing, 15 agreeing, 3 being neutral, and 2 strongly disagreeing.

Table showing employees are aware of Artificial Intelligence-Based Candidate Identification tools

Awareness of AI-Based Candidate Identification	Number of Employees	Percentage of Total Employees
Aware	28	56%
Not Aware	22	44%
Total	**50**	**100%**

Source: Primary data

Out of 50 employees in total, with 28 aware and 22 not aware.

Table showing employees agree with the statement "Artificial Intelligence is the latest trend in Performance evaluation"

Opinion on AI as the Latest Trend in Performance evaluation	Number of Employees	Percentage of Total Employees
Strongly Agree	23	46%
Agree	20	40%
Neutral	3	6%
Disagree	3	6%
Strongly Disagree	1	2%
Total	**50**	**100%**

Source: Primary data

Out of 50 employees' total, with 23 strongly agreeing, 20 agreeing, and smaller percentages in the other categories.

Table showing employees feel the reliability of AI-based decision-making is fair

Opinion on Reliability of AI-Based Decision-Making	Number of Employees	Percentage of Total Employees
Excellent	5	10%
Good	25	50%
Fair	18	36%
Poor	2	4%
Total	**20**	**100%**

Source: Primary data

Out of 50 employees, with 18 considering it fair, 25 good, and 5 excellent and 2 poor.

Table showing employees prefer Artificial Intelligence-based Performance evaluation over traditional methods

Preference for Performance evaluation Method	Number of Employees	Percentage of Total Employees
Prefer AI-Based Performance evaluation	28	56%
Prefer Traditional Methods	22	44%
Total	**50**	**100%**

Source: Primary data

Out of 50 employees, with 28 preferring AI-based training and 22 preferring traditional methods

Table showing the employees responses

Perception Alignment of AI Between trainees and trainers	Number of Employees	Percentage of Total Employees
Sometimes Agree	25	50%
Always Agree	10	20%
Rarely Agree	13	26%
Never Agree	2	4%
Total	**50**	**100%**

Source: Primary data

Out of 50 employees, with 25 employees responding that the perception alignment occurs only sometimes

Table showing the employees are neutral about the efficiency of Artificial Intelligence-based software in the Performance evaluation process

Opinion on the Efficiency of AI-Based Performance evaluation Software	Number of Employees	Percentage of Total Employees
Very Efficient	8	16%
Efficient	15	30%
Neutral	23	46%
Inefficient	3	6%
Very Inefficient	1	2%
Total	**50**	**100%**

Source: Primary data

Out of 50 employees, with 23 employees being neutral and other percentages reflecting varying opinions on the efficiency of AI-based Performance evaluation software.

Table showing the employees agree with the statement "Machines will replace human trainers in the future,"

Opinion on Machines Replacing Human Trainers	Number of Employees	Percentage of Total Employees
Strongly Agree	8	16%
Agree	10	20%
Neutral	20	40%
Disagree	8	16%
Strongly Disagree	4	8%
Total	**50**	**100%**

Source: Primary data

Out of 50 employees, with 10 agreeing, 8 strongly agreeing, and the others split between neutral, disagree, and strongly disagree. Adjust the numbers as needed based on your actual survey results.

5. Findings

1. The majority of the employees were found to be male as compared to female.
2. About 86% of the employees are from Bengaluru and only a few employees are from other places.
3. According to the survey, most of the employees have full-time jobs.
4. Post pandemic the companies are recruiting new candidates, so the majority of the employees have work experience of less than 1 year or 1 to 3 years.
5. Almost all the employees are familiar with Artificial Intelligence in the Performance evaluation process.
6. Many employees agree with the implementation of Artificial Intelligence in Performance evaluation but only a few i.e., 4% strongly disagree with the implementation of Artificial Intelligence in the Performance evaluation process as they feel human touch is important.
7. 56% of employees are aware of Artificial Intelligence Based Candidate Identification tools.44% are not aware of it.
8. The majority of the employees agree with the statement – "Artificial Intelligence is the latest trend in Performance evaluation".
9. The employees say that reliability of Artificial Intelligence-based decision-making is fair and only 4% feel that it is poor.
10. More than half of the employees i.e., 56% prefer Artificial Intelligence-based Performance evaluation over traditional methods.
11. According to the survey, 50% of the employees responded that only sometimes do both trainees and trainers have the same perception of Artificial Intelligence.
12. 46% of the employees are neutral about the efficiency of Artificial Intelligence-based software in the Performance evaluation process.
13. About 40% of the employees agree with the statement- "Machines will replace human trainers in the future" but 8% of the employees strongly disagree with the statement.

6. Suggestions

1. Further studies can be done to assess the risks and challenges in adopting Artificial Intelligence in organizations.
2. HR professionals can let go of theirs skepticism of new technologies and adopt and adapt to the changes.

3. The reservations about the implementation of Artificial Intelligence could be overcome with proper propaganda.
4. Valid data entry is essential for the efficient working of Artificial intelligence Tools.
5. Webinars, Seminars, and guest lectures by experts can be conducted to increase awareness among the employees about the Artificial Intelligence-based candidate identification tools.
6. Data security and privacy concerns have to be addressed by using security measures like Firewalls and pass codes.
7. Special training programs can be conducted for HR personnel on how to operate the Artificial Intelligence tools.
8. Collect and analyze feedback from trainees to assess their perception of the Performance evaluation process by Artificial Intelligence.
9. Artificial Intelligence is here to stay. So, the trainers and trainees should be equipped with the right mindset to adapt them to the trending process.
10. The problem of rechecking the data provided by AI has to be addressed to, as there are very few means to do it.

7. Conclusion

The results of this study state that the majority of the employees are from Bengaluru and most of them are aware of artificial intelligence in the Performance evaluation process. There seem to be some who are not aware of AI-based Performance evaluation tools in the Performance evaluation process. It is observed that the majority of the employees accept the implementation of AI but those who disagree with it feel that there is a lack of human emotions.

In this study, it is observed that there is a significant relationship between experience and implementation of Artificial Intelligence however; there is no association between experience and reliability of Artificial Intelligence decision making. The future of Artificial Intelligence and its reliability are closely associated.

Using Artificial Intelligence in HRM is path-breaking. Trainers are doing away with the outdated methods of Performance evaluation by inducting Artificial Intelligence in the process. By employing Artificial Intelligence, the human biases and inconsistencies have been completely removed. Artificial Intelligence improves the work of the trainers and the quality of train new employees. Automating the repetitive administrative tasks has simplified the

Performance evaluation process. If the issues of data security and privacy concerns are addressed properly and dealt with then the application of Artificial Intelligence in the Performance evaluation process will be the answer to the struggles of HR.

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