MODIFICATION OF PERFORMANCE APPRAISAL WITH THE INTEGRATION OF ARTIFICIAL INTELLIGENCE:

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Abstract: The main objective of this research is to find out the impact of Artificial Intelligence (AI) on the performance appraisal and how the artificial intelligence is modified day by day. Based on some studies the research focuses on the detailed study of artificial intelligence as well as the history of artificial intelligence and the role of artificial intelligence. With the help of this study we found that artificial intelligence helps organizations to conduct intelligent surveys and gather feedback in real time.

The study finds that artificial intelligence has both positive and negative impact on organization and we found that 91.5% of leading businesses invest in AI on a regular basis as well as customer satisfaction also grow by 25% by 2023 in the organization which uses artificial intelligence (according to tech jury article).

In this article we also know about the impact of covid19 on performance appraisal in any organization and the use of artificial intelligence to improve performance appraisal during covid19 pandemic. We come up with suggestions and recommendations to increase investment in artificial intelligence in organizations.

Keywords: Artificial Intelligence, Performance appraisal, Feedback, Customer satisfaction, Technology adoption.

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1.Introduction

John McCarthy initially used the phrase artificial intelligence in 1956 when he hosted the first scholarly conference on the topic. AI is essentially the computerization of human intelligence processes. McCarthy (1956) described AI as "the science and engineering of creating intelligent machines".

Each organisation can apply artificial intelligence in a variety of areas, including marketing, operations, accounting, customer service, and human resources. We will concentrate on the performance appraisal AI system and how artificial intelligence is used to change performance appraisal. Bill Gates remarked that in business, "you thrive on the idea of monitoring what you are doing, picking the measurements that count like customer happiness and performance. Performance evaluation is a vital component of every organisation because it is one of the key variables in the expansion of any firm. It involves assessing how well people perform and how they contribute to the business. Artificial intelligence (AI) minimises error and offers unbiased feedback; free of personal preferences, AI gathers information for performance evaluation from a variety of sources. According to a poll from 2020, 52% of firms implemented artificial intelligence as a result of the covid problem. The pandemic spurred many businesses to adopt the technology.

2.Research Questions

The purpose of this research is to study and investigate the following research questions.
- How artificial intelligence improves performance appraisal systems?
- Impact (positive, negative) of artificial intelligence on the performance appraisal?
- How artificial intelligence helped organization in performance appraisal during pandemic (covid19)?
- What are the suggestions or recommendations to reduce failure of artificial intelligence?

3.Literature Review

It was John McCarthy who first coined the phrase "artificial intelligence" (1956). Artificial intelligence has experienced changes since it was first discovered by humans, who have known about it for a very long period. Artificial intelligence in performance appraisals aids in the collection of data from many sources, including calendars, written employee interactions, and other such items; it also lessens human mistake and supports continuous assessment and real-time analysis. A 2020s research found that 52% of companies now use artificial intelligence within their organisations as a result of covid. Artificial intelligence has both beneficial and detrimental characteristics. Due in part to unique limitations in its development and implementation, AI is not widely used in both national and international organisations. Nonetheless, there are suggestions and ideas that can help you avoid these restrictions. Employee comfort and confidence with regard to artificial intelligence used in the workplace can be increased by, among other things, providing training, allocating adequate funding for the use of cutting-edge technology, engaging in a process of strategic planning for its use, developing AI that is specifically tailored for a given task, etc.

4. Methodology of the paper

This research paper uses valuable inputs from different articles as well as it use the data of different websites. All the description of the source of data collection is provided in the reference below. The study depends upon the secondary data as there was no primary research conducted and this research helps us to know about the concept of artificial intelligence and usage of artificial intelligence to improve performance appraisal. This research also provides recommendations for the betterment or modification of artificial intelligence in organization. It also helps to understand the concept of performance appraisal in any organization. Google scholar

5.Discussion

Artificial intelligence is the most recent phenomenon in the human resource world, AI is the simulation of human intelligence processes by computer system. John McCarthy initially used the phrase artificial intelligence in 1956 when he hosted the first scholarly conference on the topic. McCarthy (1956) described AI as "the science and engineering of creating intelligent machines". In business, artificial intelligence is a popular topic of conversation. Businesses are increasingly utilising AI capabilities to help them innovate and grow. According to TechJuryArticle, 35% of businesses are adopting AI, 42% are studying AI for future adoption, 91.5% of market leaders are continuously investing in AI, and in 2023, customer satisfaction is predicted to rise by 23%. IT analyst firm, Info-Tech Research Group reports that 44% of private sector enterprises expect to invest in AI systems by 2023.

The process of performance evaluation, which aids in assessing employee performance in order to close performance gaps, is the most crucial component of any organization's growth. Performance evaluation and the use of artificial intelligence to modify performance evaluation. "In business, the idea of measuring what you are doing, picking the measurements that count like customer satisfaction and performance...you thrive on that," said Bill Gates. Artificial intelligence in performance reviews helps to gather information from various sources, such as calendars, written employee communications, and other such items. It also reduces human errors and facilitates continuous assessment and real-time analysis. Artificial intelligence in the performance assessment system makes sure that all the data is listed and saved in one location, making it simple for leaders and stakeholders to assess employee performance and communicate it to the rest of the team. AI in performance evaluations aids managers in drawing conclusions from real-time analysis. AI assists in forecasting by identifying patterns in historical data that may be used to anticipate future behaviour. The best example to prove the power of AI is during covid (pandemic) many employees started working from home and it became difficult to have a face to face interaction and due to this there was improper performance appraisal because performance appraisal has a more personal approach with an emphasis on human emotions. So to solve this problem the company tried to increase the involvement of AI. Artificial intelligence helped the organizations during the pandemic as it provided the platform to connect, to share views and to do virtual meetings. Many online applications were created and updated during covid for the working of organization such as go free, slack, basecamp 3, zoom. The pandemic inspired many businesses to adopt artificial intelligence, 2020s survey show that 52% of companies adopted artificial intelligence because of the covid crisis.

It is very important to modify the AI system of the organization because in today's world competition we need fast, reliable and latest technology. So organizations should try to combine with the latest technology partners and hyperscalers to make your business ready for AI. It is important to combine reliable, modular, scalable solutions with the existing data architecture for the data modernization journey that will help to accelerate data preparation with automated workflow and modern data fabric. Now we look after the advantages of AI in performance appraisal:

- No human errors: Managers have a lot of work from taking feedback to providing training to fill up the performance gap and a single mistake by him can make or break their career. As AI performance management is totally data driven and it has no personal likes and dislikes. AI collects data from different sources and can make real time analysis.

- Projections based on more comprehensive data: Managers make feedback of employees based on limited data while AI looks after the performance through vast data. AI looks at the performance of employees since the beginning of their career.

- Employee involvement: As we know that performance appraisal is a continuous process and AI can conduct frequent intelligent surveys and collect information in real time and this helps management to engage with the employees for their betterment.

- Training and development improvements: AI helps to find out the gap between the employees and the skills required and provides personalized training to the employees which helps the employees to improve their weak parts.

● 24*7 availability: Advanced technology helps to get the details of any employee at any time, managers do not need to struggle to find the details of employees as AI provides the details of employees since the beginning of their joining.

Disadvantages of AI in performance appraisal:

● Cost: As AI is developing day by day, organizations have to invest a lot in AI for performance management as well as for other management also. So organizations need to decide whether the benefits would overweigh the costs involved.

● Loss of crucial human potential: AI cannot make decisions correctly all the time because it does not have human potential because sometimes we need empathy for the betterment in performance appraisal of employees and this human emotions is lacking in AI.

● The ethical side of AI: This is the most crucial disadvantage of AI because when organizations need more personal data, AI designed to collect personal data can become extremely intrusive.

● No creativity: AI cannot be creative and it cannot learn things out of the box because it is capable of doing the work which is pre-fed data and from past experience.

● No improvement: We cannot develop artificial intelligence because it is a technology based on pre data and experiences. AI carries out the same task and if we want to do improvement we have to manually alter the codes.

Recommendations to reduce failure of artificial intelligence are as follows:

● There should be proper budget planning for Artificial Intelligence so that the latest technology should be introduced from time to time without any disruption and the company would face any problem with respect to its budget.

● It is necessary for the employees to have a detailed knowledge about the AI so that they can handle the AI of the company effectively and efficiently. To fill up the skill gap of employees towards AI there should be proper training regarding all the systems of AI.

● There should be proper strategic planning for the implementation of AI. As it is necessary to put the right AI at the right place with the right employee at the right time for the fluency of work in the organization.

● Artificial Intelligence should be personalized for the particular work in the organization as it will help for the smooth working in the organization.

6.Conclusion

Artificial Intelligence (AI) is the simulation of human intelligence processes by computer system. It has a wide range of uses in any business, such as sales, marketing, operations, accounting, customer support and human resource. TechJury reports that 42% of businesses are investigating the use of AI while 35% of businesses are now utilising it. According to the IT analyst company Info-Tech Research Group, 44% of private sector businesses intend to invest in AI systems by 2023. The most crucial aspect in any organization's growth is performance evaluation, and AI may help by reducing mistake and offering unbiased feedback. Moreover, it facilitates continuous assessment, real-time analysis, and a reduction in human error.

Artificial intelligence (AI) in performance appraisal systems helps to store and list information, extract insights from real time analysis, and forecast future behavior. During the pandemic, AI was used to increase the involvement of employees and provide a platform to connect and share views. Organizations should combine with the latest technology partners and hyperscalers to make their business ready for AI. AI offers advantages such as no human errors, projections based on more comprehensive data, employee involvement, and continuous process. AI in performance appraisal has advantages such as training and development improvements, 24*7 availability, cost savings, loss of crucial human potential, ethical side of AI, and no creativity.

However, organizations must decide whether the benefits outweigh the costs. Recommendations to reduce failure of artificial intelligence include proper budget planning, detailed knowledge about the AI, proper training, strategic planning, and personalized AI for specific work in the organization.

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