

The Role of HR in Shaping Employee Trust in AI-Driven Performance Reviews

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Abstract—Artificial Intelligence (AI) performance management is gaining popularity very fast as businesses seek faster, smart, and objective methods of appraising their employees. AI systems will be able to accept immense amounts of data, identify your progress or lack of progress towards a specific goal and react promptly. To most businesses, this is a better and more objective process over the previously used appraisals that were largely based on the perception of the manager. But it is not always viewed that way by the employees. There are those who desire to eradicate favouritism and unfairness and those who believe that AI will raise issues touching the areas of fairness, privacy, and inability to understand the human aspects of work such as creativity, teamwork, and hard work.

The study examines how employees perceive AI during their performance appraisal and the issues it raises in their perception in terms of fairness and privacy. Surveys enable the organizations to have a big picture of the overall thinking of their employees and interviews are a powerful means of having the employees express their detailed thoughts and experiences. Possible challenges and opportunities will be demonstrated in the results. AI simplifies decision-making and offers significant ideas to assist individuals in the development of their professions. On the other side it may arouse some worries about data theft, unrecognized bias and the loss of humanity.

Minimizing such issues is the critical role of HR professionals. HR needs to inform employees about the functionality of AI, safeguard their data, and make sure, that technology does not replace the human decision-making. This study will help inform the HR leaders on how to create appraisal systems that are effective and fair, empathetic and trustworthy by bringing out the voices of employees. The study ends by stating that both technology and the confidence of the employees in the system will be the determinants of AI success in HR. It stresses the fact that building trust is as critical as building efficiencies.

Index Terms—Artificial Intelligence, Employee Trust, AI-Driven Performance Reviews, Human Decision Making.

I. INTRODUCTION

The impact of artificial intelligence on the human resource role, the influence of the artificial intelligence on human resource, applications of the artificial intelligence in organizational behaviour and human resource management, studies on the artificial intelligence and human behaviour, and the impact of the artificial intelligence on employability.

Performance management has been central in all organisations. It assists in motivation and development of employees and enhancing productivity. Performance reviews where the managers rate employees on semi-annual or annual basis on the basis of structured appraisals. This is a flexible and personally observable approach but is said to lack consistency, biasness and at least is not always in touch with physical contributions. It is now that organizations are employing performance management systems to address these issues these days now. These tools are more rapid, regular and data-driven assessment. Even so, the application of AI in such sensitive processes is associated with underlying issues of fairness, transparency, and trust. The most pressing question among many workers is whether AI can fully comprehend the intricacy of human behavior and whether the personal information of individuals is being abused. HR professionals also ensure that AI is brought into practice in a responsible manner by the organization so that it becomes a way to gain the trust of the employees, but increases organizational performance due to AI activities.

1.1 Shift to AI in Performance Management

One of the areas in which AI is fast being applied in HR is performance management. Annual reviews are not the only way that AI systems can be used. They have access to the records of our working, goal tracking and even the prediction of several years in the future. This will allow us to offer continuous feedback and monitor the performance in real-time. This is said to eliminate biases and reviews are made fair. The change however is usually uncertain to employees. The question that some people will raise is how AI can capture their teamwork or creativity, which cannot be measured. When the fact that something has been simplified through the implementation of a specific AI is acceptable to the workers, then this is said to be legit.

1.2 The Process of AI in Performance Review

AI-based reviews are based on gathering and analyzing information. The system has a view of the outcome of the project, attendance, communication records, and doing things together in Teams or Slack. It is then used by machine learning to rank performance, identify the best performers and give a person an idea of where they can be improved. This minimizes individual manager prejudice. However, it produces the black-box problem - the workers do not always see how the system arrived at that decision. And when everything is ambiguous, it is difficult to believe the fact as people would want to understand why they received a rating or a recommendation.

1.3 HR Functions of Developing Trust in Employees

HR, in this regard, has a significant role to play in ensuring this transition is painless. It is also necessary that the HR should explain the system to the employees in a friendly way, not merely install the system. The people need to know the data that is collected, how it is used and it needs to be safe. Trust among employees can be established when HR integrates the results that have been created by the AI with human judgment. It makes them feel respected as well should you train your employees well and talk with them openly and provide them with the opportunity to appeal. Fairness and trust that develops corporate success can be enhanced by transparency and support of the human resource department.

1.4 Opportunities and Benefits

Performance reviews can be positively changed by AI in many ways. It also has the advantage of making

things faster, enabling managers to have fewer things to worry about, and is providing regular and data-driven feedback. Employees will be able to enjoy the benefits of timely recognition as well as improved career development leading to individualized development opportunities. AI allows companies to build a larger consistency and minimize favoritism besides making smarter decisions. With performance management well enforced it is no longer a ritual that is practiced once every year. Rather, it is made a prolonged process that can keep up with the work rate of the modern day.

1.5 Problems and Ethical issues

Naturally, not everything is easy with these advantages. Employees may be afraid of unfairness in the system - or that their personal information is at stake - or that AI will be deprived of the human aspect of work. The other possible issue is the bias of algorithms, i.e. artificial intelligence may unwillingly reproduce the bias of the data to which it was exposed. The lack of transparency can lead to many problems among employees. Lack of knowledge on how decision making occurs within the organization may lead to loss of trust amongst the employees. The anxiety is augmented by the fears of being surveilled all the time. In order to make the employees feel safe and treated with dignity, the HR should make sure that there is fairness, human participation in major decisions and establishment of rigorous ethical guidelines.

1.6 Future of AI in HR and Current Trends

Most companies are currently attempting to increase the transparency of AI by employing explainable AI (XAI) to demonstrate the decision-making process. One of the emerging trends is the use of hybrid models which entails faster AI insights and human judgment, which can create empathy in decision-making. There are numerous cohorts in search of ethical AIs and bigger data security and an employee-friendly design. AI will most likely serve performance management in the future. People are not likely to be substituted with it. It is to support people. Provided that HR can use the tech responsibility and can make sure that no one is disadvantaged, respect and trust will be the core of the communication.

1.7 Statement of the Problem

Although one of the fields where AI becomes more and more common is the sphere of performance management, we are yet to learn all about it.

- To what extent can AI detect employee burnout, de-engagement, and motivation loss and address each of them compared to the traditional reviews?
- What is the impact of AI-based, real-time feedback on the relationship between the employees, the managers and the overall process of engagement?
- What are some ethical practices that can be put in place in order to promote fairness, privacy protection, and a culture of trust that offers psychological safety and respect to the employees.

1.8 Objectives of the Study

The research aims to establish the impact of the AI performance management on employees and workplace.

- The objective was to know how the employees perceive fairness, privacy, and trust in using AI tools to carry out performance reviews.
- The aim is to examine how HR can participate in making sure that the AI systems are constructed, implemented and used in an ethical manner.
- The study purpose is to determine the effect of AI-powered feedback on employee motivation, engagement and work experience in general compared to appraisal.
- To offer practical solutions to organizations in order to make sure that technology-inspired insights are not achieved at the expense of empathy, fairness, and humanity.
- The purpose of this proposal is to find out and discuss whether systems constructed in accordance with AI algorithms decrease favouritism and bias in comparison with the traditional systems used by people.
- To establish the impact of HR transparency, explainability, and communication on employee trust in AI tools.

II. REVIEW OF LITERATURE

AI has been applied in Human Resource Management (HRM) since the recruitment process to the training and performance. According to a

systematic literature review (2020-2024) by Astawa and Mahayasa (2024), AI can be used to increase efficiency through the screening of candidates, the creation of individualized learning programs, and the objective assessment of performance. A recent article in *Procedia Computer Science* (2023) performed a mapping of AI tools applicable to the HRM in engagement; appraisal; and decision making through advanced analytics in HRM.

A bibliometric literature review of 659 Scopus indexed articles was conducted by Bansal et al., (2025) through a thematic clustering method. The paper has identified problems related to transparency and fairness and employee trust as the largest clusters of AI-HRM studies. The study also established that organizations are beginning to incorporate AI in agile human resource practices to well-being.

The challenges include trust and perceptions of employees. Ravichandran et al. (2023) stressed the possibility of using NLP sentiment analysis to get real-time employee feedback using informal data such as chats, surveys and emails. The open communication and explanations provided by Human Resource Activities will assist it in mitigating resistance to change. Sentiment mining was also employed by Lee and Song (2024) to extract 135 keywords connected to the positive experience. They categorized them into work, relationships, system, and culture groups. This model can help HR professionals to understand the experiences of employees in depth.

The ethical issues and the privacy concerns are highly rated over the texts. One of the risks suggested by Sadeghi (2024) is the privacy invasion, fairness, and transparency in an AI -employee well-being framework. Malik et al. (2022) emphasized that when AI is applied to people management, the HR should also be a protector of caprice since this sphere should not be contested.

The issue of HR influence on the creation of trust has been a subject of many studies. Predictive analytics in HR is a method of protecting the ethical and scalable designs to guarantee employee trust (Ekhande and Khanuja 2024). Training programs and free and fair communication would inculcate acceptance by HR. HR also has a significant part to play in ensuring there is fairness and clarity of usage of data. According to Lee and Song (2024), such

actions will make the employees feel safe in the AI system.

The hybrid methods are becoming significant. Taslim, Rosnani, and Fauzan (2025) analyzed 193 articles of the effect of AI system design in employee decision-making. The review established that employee trust on the designs is achieved through the involvement and co-creation of the employees. Porkodi and Cedro (2025), in their turn, suggested the use of hybrid human-AI models to ensure the ethical precautions and explainability, where the role of mediators between employees and algorithms is performed by the HR professionals.

The new contributions are moving towards new trends. Lenka and Chanda (2025) explored the application of Generative AI to HR, but besides the opportunities, they also found out the possibilities of predicting engagement in the future, they also raised the issue of ethical dangers. A few other studies have mentioned the value of XAI or explainable AI, ethical governance systems and real-time employee feedback systems. They are reported to be necessary in creating trust on appraisals that have been conducted using AI.

In conclusion, the research of the past indicates the ways in which the use of AI could help to streamline performance reviews and make them more objective. More so, the entrapment in the HR to maintain fairness, transparency and ethical safeguards will have a strong influence on the trust of the employee. We are yet to fill the gaps in our research and knowledge of how employees experience these systems personally. Then there is the necessity of conducting research on the ways in which HR would instill confidence in the AI tools of performance reviews.

Research Gaps

Even though there is already existing research on the topic of integrating AI in HRM and performance management, there remain critical gaps.

Numerous studies applaud AI on enhancing efficiencies and reduction of bias during performance reviews. These however are more concerned with what the organization is earning, not what the employees are thinking or feeling. AI-based performance reviews are employed by the employees but the absent voices in this equation are that of the employees. We do not know whether workers feel comfortable with an algorithm that is judging them.

Nor do we know whether they feel this judgment to be an effective record of their contributions. And, however, these impressions are perhaps the sources of larger trust in the workplace. A lack of perceived emotion and intelligence causes uncertainty of the effectiveness and impact of AI.

AI may not be easily comprehensible, it is a kind of black box to employees who may not know how or why it arrived at a particular rating or recommendation. This not explainability has an adverse effect on communication. Although this problem is thoroughly documented in principle, little has been done to understand how HR can seal the gap clarifying, training or simplifying. In case AI results cannot be rendered comprehensible through some effort, the employees will turn to viewing the system as unjust or biased.

There is a lot of data gathered by the AI systems operating as performance appraisals, including project completions and attendance, and even communications within the on-chat applications. The employees can have problems with these under-researched privacy and data security issues.

Some studies state that there is a risk of misuse of data but hardly any research was conducted on how the employees feel about such a degree of monitoring. Are they perceived as either supportive or intrusive? Fear of monitoring and exploiting of personal information? The unanswered questions signify the gap in the research on the correlation between technical privacy concerns and employee trust and welfare.

The role of the HR as a mediator is overlooked by many research as the vast majority of research focus on the technical characteristics of the AI and not the human processes surrounding it. Introduction of HR professionals is carried out ethically, transparently and compassionately with the assistance of the HR professionals. However, minimal studies exist on how HR can offset technology and human oversight, guarantee workers, or create an appeal system when the AI judgment seems unjust. The omission of concentrating on the role of HR in the formation of trust has led to the essentially unexplored direction.

Avoiding the barrier of culture and demography is one of these major setbacks. The same cannot be said of people and groups who do not trust AI. We observe age-based variations as well as differences in industries. The levels of digital literacy of people

matter. The issue of cultural background is also important. Younger employees will be more comfortable with technology, whereas older employees will be rather skeptical. The recent studies however, except a few, consider the employees as a homogenous group without considering the differentials. This knowledge gap implies that various perspectives of acceptance and trust in AI systems may exist in workplaces.

Some of the experts believe in the value of hybrid human-AI systems where AI may provide insights and humans make the final decision or validation. This practice is viewed by people as a means of combining efficiency and empathy. However, the victimological model does not have empirical evidence to prove that it is an efficient awareness-raising process that the population can be empathetic to. The hybrid models are not operational and have no evidence of their work in the HR processes.

Numerous current research on the application of AI in performance management is based on short-term effects, including rapid reviews, reduced bias or increased consistency. Little research has been done on how these systems impact on employee morale and workplace culture in the long-term. The Employees are either becoming more invested or more Estranged and monitored over a period of time. In order to ensure the successful and responsible utilization of AI tools in the HR, it is better to familiarize themselves with the long-term consequences on the human capital and the workplace culture.

Minimal research has been conducted on how much AI-mediated reviews have been considered as fairer (or unfairer) than reviews made by human beings. Stillness is seen as subjective by the workers, what the system considers to be objective might not seem just to workers. AI, in particular, might not focus on such more difficult to quantify aspects of a job as teamwork, innovation, or problem-solving, but can also suggest measurable results of deadlines and attendance records. Limited research compares the disconnect between algorithmic fairness and what users consider as the fairness. This is the point at which the question arising is whether AI is actually beneficial in the attainment of equity, or, it introduces new types of discrimination.

The majority of organizations choose to install AI systems at the highest level and fail to consult or

involve the employees who will be assessed by the organizations. This brings a feeling of remoteness and even an opposition. Very little research has taken into account the possibility that greater trust and receptiveness can be developed through the incorporation of employees in the design process, in feedback, or testing of AI tools. Currently, the activities that lack the input of the employees in the implementation process are not seizing the opportunity to build systems collectively that can be deemed fair and trustworthy.

III. RESEARCH METHODOLOGY

This study is designed as cross-sectional survey of descriptive type. The study uses the quantitative approach. The perceptions that 3.1 Research Design. employees will have regarding AI-enabled role of HR in subjecting trust to AI-enabled performances review will be analyzed. The design may help in the collection and statistical analysis of data to identify trends amongst employees regarding fairness, transparency, privacy and trust in performance systems that are based on AI.

The questionnaire will consist of questionnaires that are closed-ended questions only. The questions in the study will assess the employee demographics (age, gender, work experience, job level), understanding of the existence of AI in the performance evaluation process, perceived fairness and accuracy of the use of AI, and effectiveness of the HR communication. This questionnaire form of response is designed to facilitate comparison and analysis, quantification to be statistically interpreted. The questionnaire will be administered with the help of Google forms that have simple and easy to collect data with easy access.

You do not need to fill in this survey, and nobody will recognize you in the survey. No personally identifiable information will be gathered and presentation of results will be done in the aggregate form. This will enable the employees to react with ease and sincerity. It will also assist the study to offer practical results on the influence of the HR practices on trust of AI-based performance management.

Secondary Data Overview

The secondary data collection was an important aspect of the research as it obtained important theoretical backing. Thorough literature research of the extant academic works, peer-reviewed journals,

research papers and relevant articles in AI as performance management was done. Special attention was paid to the research on fairness, transparency, privacy and trust in the AI systems. To examine real-life results and issues, we had reports and case studies of organizations, which have applied AI-based performance review systems. This chapter used the secondary sources to inform the conceptual framework of the study. They also helped in formulating the objectives and interpretation of findings in the study.

Primary Data Overview

To complete this research, structured questionnaires were used to collect the data aiming to define how employees were perceived regarding AI-based performance evaluation from Homag India Pvt Ltd. The questionnaire remained centered on the major themes and concerns, including whether the evaluation has been fair, whether the processes of AI have been transparent, whether the data was private, whether the HR system and the general attitude toward the AI system were trusted. A total of 100 employees of different job levels and department were contacted to get a diversity of views. The questionnaires were administered online using Google Forms making it easy to administer. Due to this systematic nature, the responses were similar and the analysis of employee attitude towards AI during performance reviews was systematic.

3.2 Sampling Strategy

The sampling method that was employed in the study was purposive sampling. The study sampled respondents who have experience in the performance management practice. In this manner, only employees with the ability to offer informed responses concerning AI performance reviews are included.

The sample size of the study consists of 100 employees. This size was considered to be adequate to the research that can permit valuable data to be analyzed without excessive knowledge.

The study involved a mix of employee personnel of various departments, job levels and backgrounds. The middle level employees and the managers included in the sample would capture the views of the multiple organizational levels and also included the entry-level employees.

The sample was made to cover variation in terms of age, gender, work experience and job role. The

approach was selected to obtain a wholesome image of the employee perceptions. The group of people who are diverse and relevant can shed some light on common issues, and the individual visions of the methods of AI impact and influence on the performance reviews.

3.3 Data Collection Method

The structured questionnaire design is the source of data in this specific study. The questionnaire is comparatively and statistically easier to use and compare because it has alternatives to make a choice. This questionnaire was created and posted on the Google Forms site. This platform was chosen due to its unproblematic character, simplicity and possibility to gather the feedback of employees.

The questions were expected to determine whether the respondents believed that the AI-based evaluations are just, whether the HRs share the correct information and transparency, whether the evaluations are effective, whether the respondents feel a problem with the data privacy, and their overall trust in the AI systems. The media units where closed ended questions were used made the coding easier.

The survey link was electronically spread out to the employees via emails and other internal communication. This did not interfere with the day job of the employees where a greater audience was reached making participation possible.

In order to have unbiased responses, the respondents were promised anonymity and confidentiality of the information they will give. The answers were kept somewhere safe so that they could be used in the research; no data that could identify you was gathered.

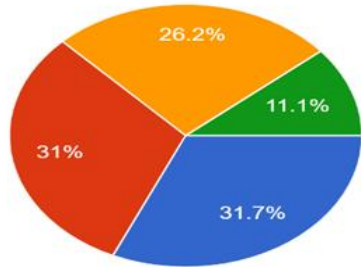
Participation was completely optional. Before the survey, employees had been made aware of the objective of the research. They were also informed that they could withdraw any time without being punished.

3.4 Data Analysis Method

Quantitative Focus: The research examines numerical and pattern data of the survey outcomes. Most of the questions are closed-ended, which allows measuring the opinions of employees regarding AI-based performance reviews in a clear and structured manner.

Summarizing Responses: Tracking The general pattern of responses is done with simple tools such as averages, percentages and counts of frequency. As an

illustration, this can be used to demonstrate how the majority of employees perceive that AI systems are fair and transparent or whether they are skeptical.



Comparing Groups: The data is also compared with the different groups of employees- like in terms of the department or in terms of work experience. This is useful in determining whether the level of confidence in AI systems is relative to the position of an individual within the organization.

Using Visuals: The results are presented in charts, graphs and tables. This simplifies the findings to easy to perceive with the naked eye and patterns are easily identified.

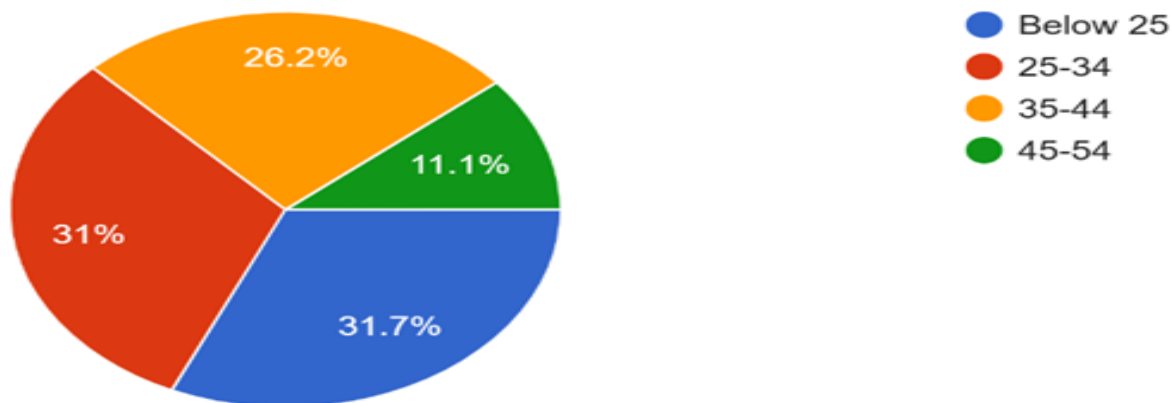
Linking Back to HR: Lastly, the numbers are not merely viewed on a case-by-case basis. They are

linked with HR practices, e.g. the way managers speak or explain the policies. This aids in converting the data into actual information that can be utilized by the HR teams to enhance the confidence in the AI-based reviews.

IV. DATA ANALYSIS AND INTERPRETATION

4.1 Age Distribution of Respondents

It can be concluded that most of the respondents were less than 35 years old indicating a young and tech-adaptive workforce. The younger employees would be more receptive towards the adoption of AI applications and they have the confidence of using electronic systems to conduct professional assessments. They are comfortable with technology, which leads to a positive impact on the acceptance of AI-based performance reviews. On the contrary, older workers, who were less in number, were more cautious and wanted evaluations to be conducted by humans. This implies that the attitude towards AI integration is affected by the generational experience. Consequently, the HR should design its approach to communication and training so that it minimizes the level of confidence gap among the various age groups.



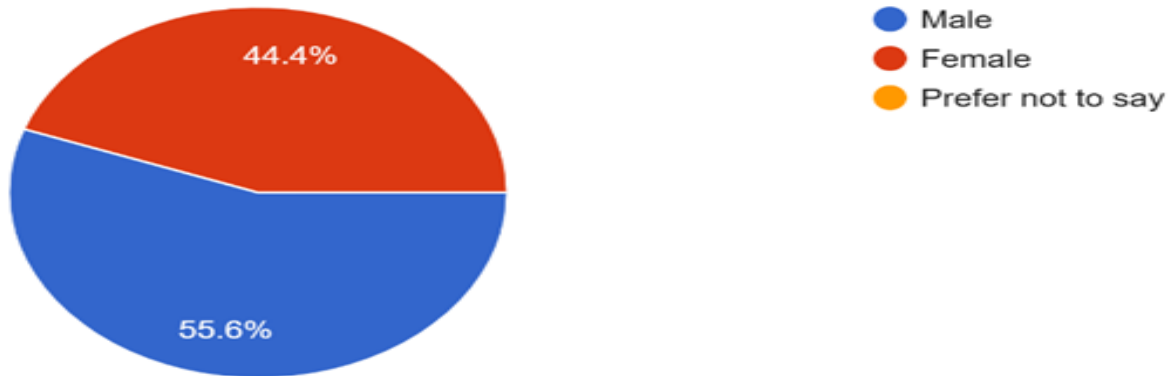
4.2 Gender Composition of Respondents

The sample composition in terms of gender was relatively equal with respect to men and women. There was also no significant difference in the level of understanding and concern of both genders towards AI-driven performance systems. Though the men were a bit more confident in the efficacy of AI,

women were much more concerned with its fairness and ethical application. This proves that there is not much gender difference that can influence the acceptance rate, and the process of trust is slightly different. The HR policies instead should be gender-inclusive, which will make AI tools and evaluation criteria unbiased. It is also possible to promote

confidence among all genders by being equally

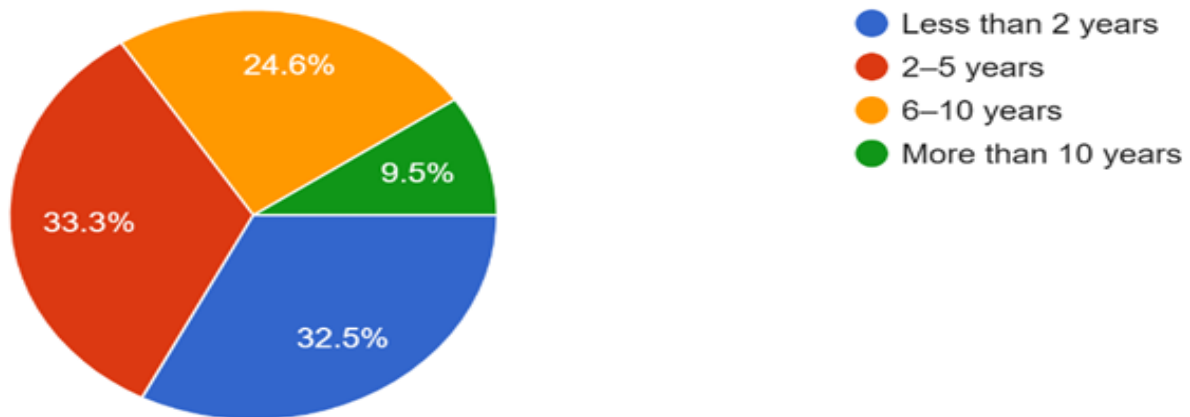
involved in AI training and communication.



4.3 Work Experience of Respondents

The respondents with less than five years of work experience were high in number which was followed by respondents with six to ten years of work experience. The less experienced employees were more enthusiastic and interested in AI systems that seemed innovative and just. The more experienced workers, on the other side, were more conservative, and they would rather have the conventional review systems that involve human evaluation. This implies

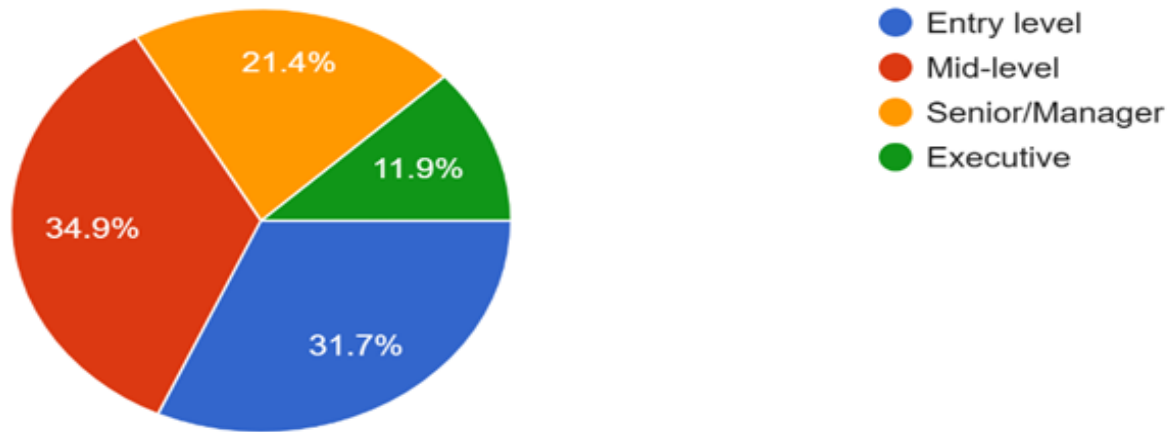
that the exposure to traditional ways influences the receptiveness to digital transformation. HR practitioners should thus embrace the concept of differentiated communication whereby younger workforce is provided with educational programs and assurance-driven conversations with the older personnel. A compromise between these views will contribute to the increase in the general trust and cooperation.



4.4 Job Level of Respondents

Majority of the respondents were part of the entry and middle-level cadres with a smaller proportion in senior and managerial cadres. Operation level employees are the most often exposed to AI-based review systems and thus they were able to give practical ideas about the usability of the review systems. The opinion of entry-level employees was of interest and openness, but mid-level employees

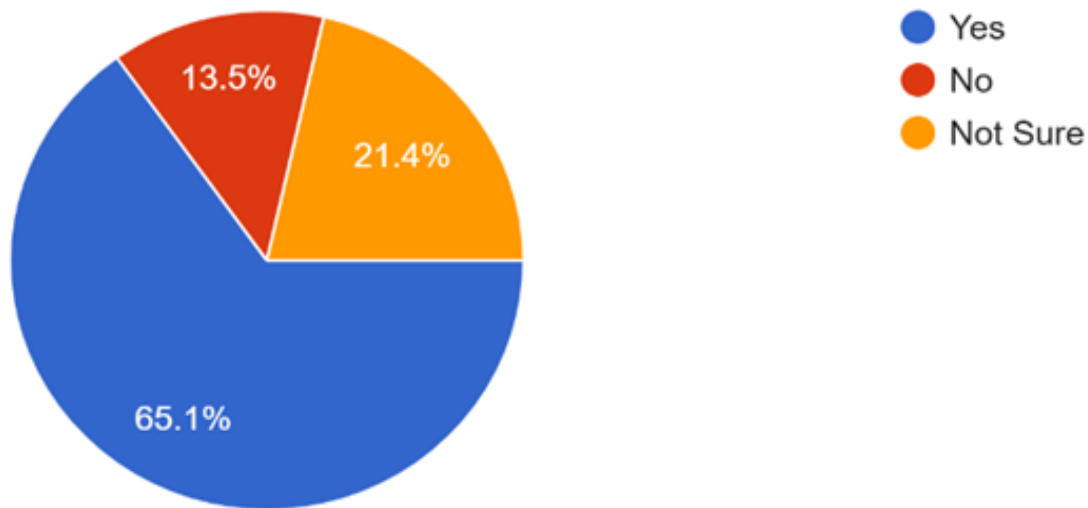
and senior managers indicated the necessity of transparency and interpretability in the AI considerations. Their responses reveal a need to have HR intervention on the ultimate decision making. This implies that AI-based systems are not supposed to operate autonomously, but they are supposed to be supportive of human control. The moderator role that the HR plays makes the system efficient and empathetic.



4.5 Organizational Use of AI in Performance Reviews

The results suggest that majority of the organizations sampled in the research are already using AI or digital resources in performance evaluation. Nonetheless, some percentage of workers were not sure whether AI was applied in their assessments. This implies that despite the rise in the use of technologies, there is still a low communication

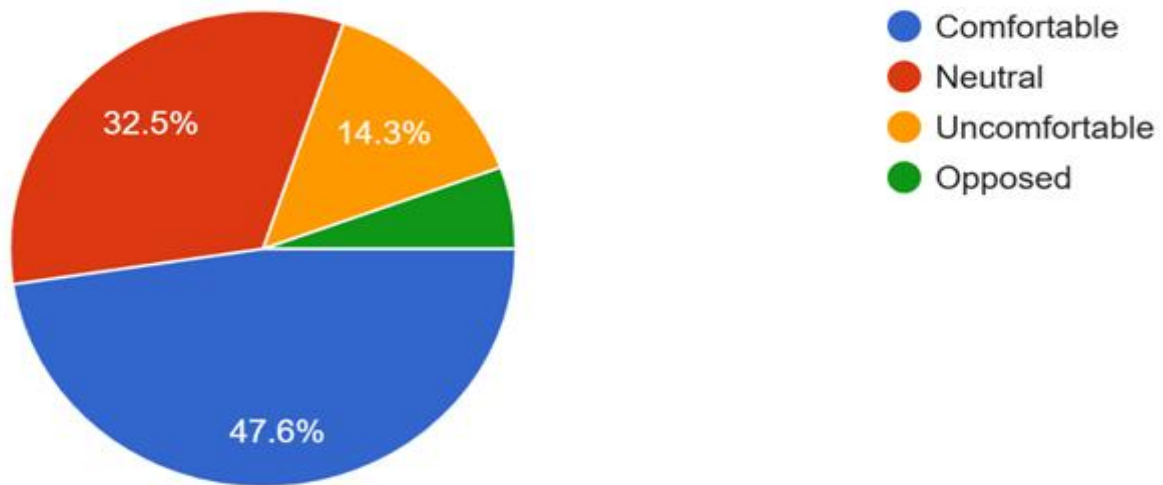
regarding their use. Ignorance may lead to uncertainty and suspicion amongst members of staff. Thus, HR departments should focus on transparency, i.e., the clear description of how AI is exploited in performance appraisals. Communication and awareness campaigns will make the employees think that AI is a supportive, fair, and data-driven mechanism.



4.6 Employee Comfort with AI Integration

Most of the interviewees indicated that they were comfortable with the idea of AI in their performance appraisal. This shows a growing belief in technological intervention in HR functions. Nevertheless, some portion of employees was neutral or not comfortable, which was frequently caused by the fear of inaccuracies or human insensitivity. There

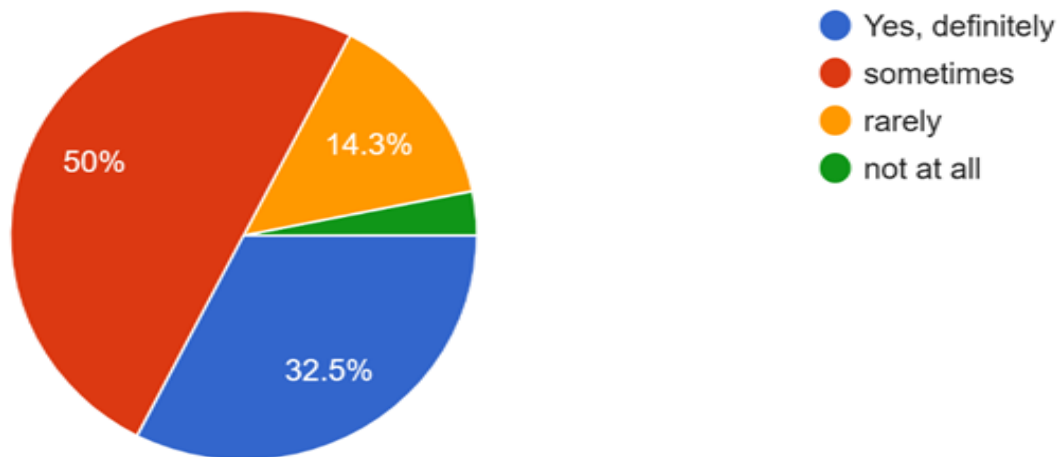
was an increase in the level of comfort among employees who were informed of AI operations. This indicates that knowledge creates trust and decreases anxiety. Therefore, to enhance the acceptance and confidence in AI-driven review systems, the HR must center on the orientation of employees and open communication.



4.7 Perception of Fairness and Objectivity in AI

The results showed that the majority of the employees believed that the AI evaluations were fair to some degree, which indicated that the employees are moderately confident in the objectivity of the AI. The workers valued AI as an opportunity to minimize the human factor but doubted its ability to interpret situational aspects of performance. The perceptions of fairness had a direct correlation with the

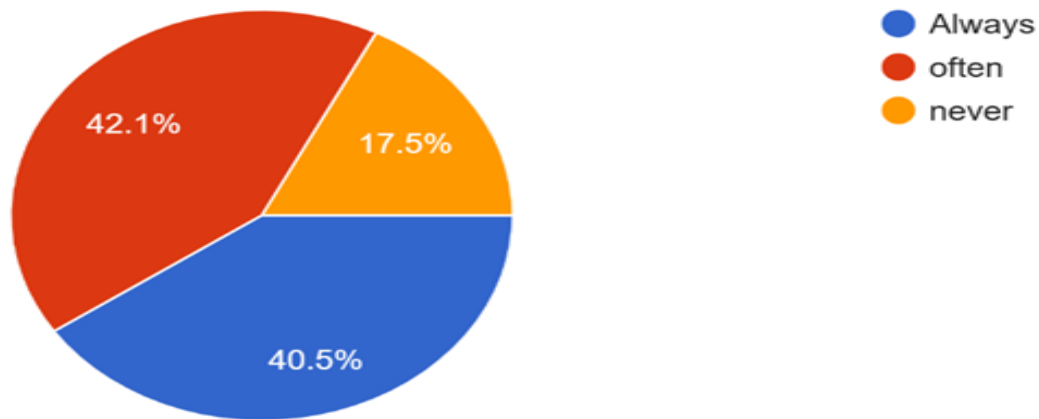
knowledge about the functioning of AI systems. The employees who were given explanations by the HR were more likely to believe that AI is objective. Thus, the HR has to maintain the algorithmic operation clarity and constantly inform about the accuracy of the systems. Uncertainty can be transformed into trust through educating the employees on AI fairness measures..



4.8 Trust in AI-Generated Results

The level of trust among the respondents was highly differentiated. Countries have seen some employees stating that they often or always trusted the results of AI generation, whereas others stated they rarely or never did so. The extent of trust was also an important factor based on the effectiveness of the HR in communicating the objective and the procedure of AI assessments. When there was a proper

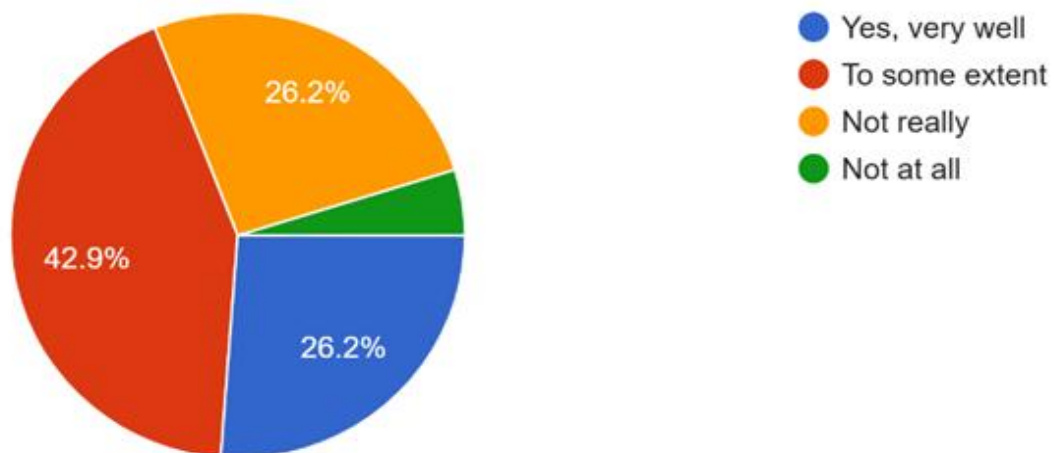
explanation, the employees who were so clarified developed greater belief in AI-driven results. On the other hand, the ignorance resulted in suspicion and opposition. Such an observation solidifies the fact that technological reliability is unable to establish trust by itself, but it should be supported by HR transparency and communication. Therefore, the HR is an important person that helps to convert technical credibility into emotional comfort.



4.9 Recognition of Human and Teamwork Qualities

The general opinion of the employees was that AI can recognize teamwork and cooperation only to some degree. According to many respondents, AI-based systems fail to capture the intangible human qualities like creativity, empathy and leadership potential. The inability to assess qualitative performance was a recurrent challenge of AI.

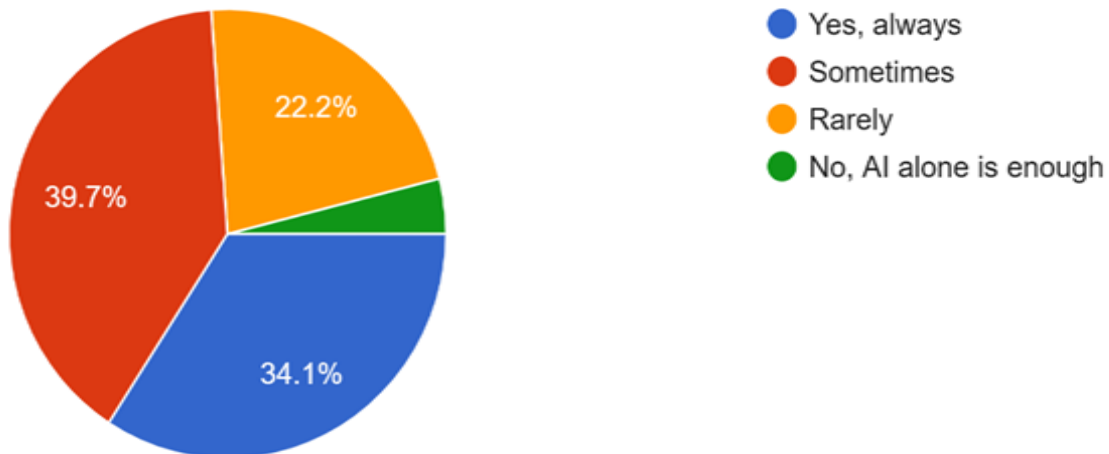
Employees noted that the HR should decode and decipher AI-generated insights and humanize them by applying judgment. This compromise will guarantee a fair and acceptable consideration of soft skills that the data-driven algorithms may fail to capture. Therefore, the role of human being in performance evaluation is essential to retain the holistic character of the process.



4.10 Inclusion of Human Judgment in Reviews

The majority of the respondents said that AI-based performance reviews could not exclude human judgment. This indicates that the employees consider AI as an aiding tool and not a substitute to human evaluators. The incorporation of the HR professionals will make sure that emotional intelligence and understanding of the context is also considered in the

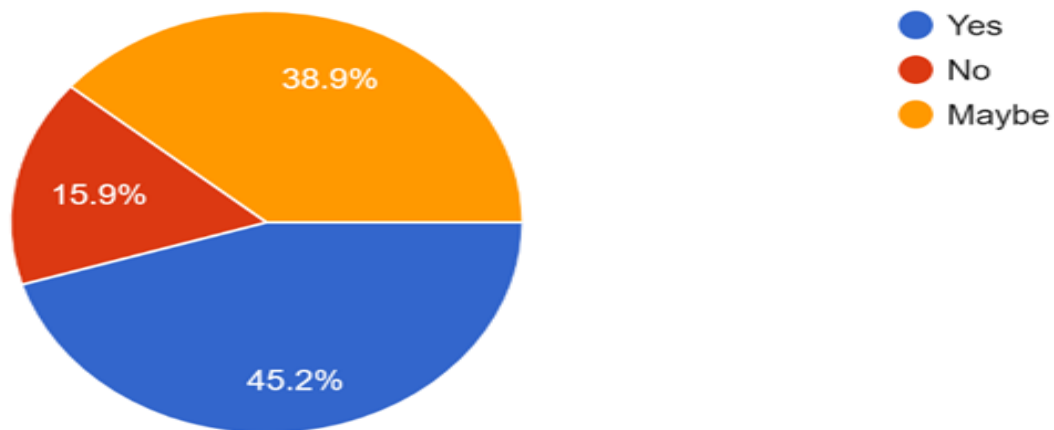
appraisals. Workers do appreciate objectivity and yet they still need compassion and flexibility in judgment. Thus, human supervision is incorporated in AI systems, which enhances human trust and acceptance. Most balanced and reliable are considered to be the hybrid appraisal models that combine AI efficiency and human interpretation.



4.11 Concerns about Algorithmic Bias

Most of the respondents showed that they were worried about the possibility of AI accidentally replicating hidden biases of previous data. This is the cause of this fear as the algorithm has the capability of mirroring the pre-existing inequities unless closely monitored. Employees want the HR to actively engage in the prevention of such biases by

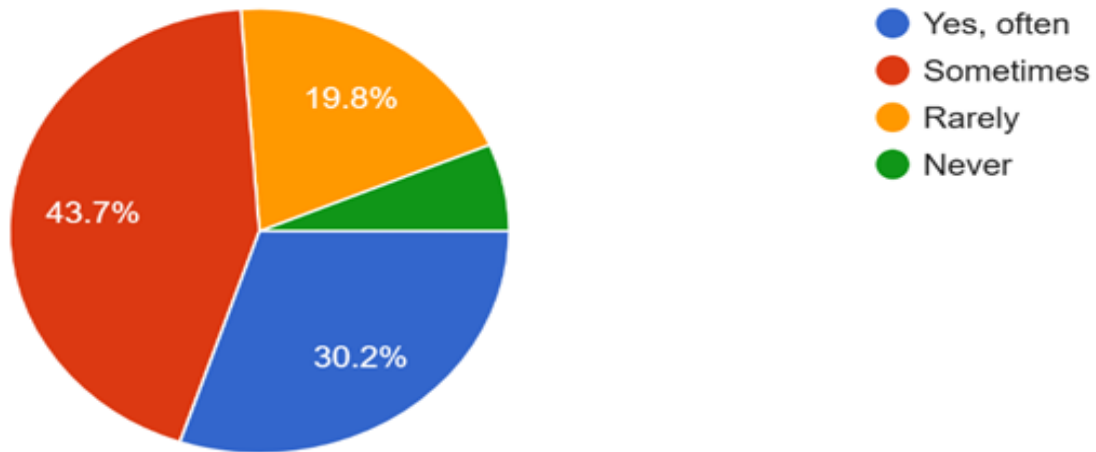
implementing ethical AI governance and periodic audits. Uncertain respondents were those who were likely to be less familiar with the technical aspects of AI mechanisms. These lessons reveal that HR should train the workers concerning the ways of bias reduction and fairness confirmation. Open review procedures are essential in enhancing the credibility and the ethical trustworthiness of AI tools.



4.12 Perception of AI Overlooking Unique Contributions

There was a sense among many employees that AI systems do not recognize individual performances and non-measurable contributions. The creative process, innovation and team play may be underestimated by the algorithmic emphasis on deliverable results. This issue was raised especially by the mid- and senior-level employees that make

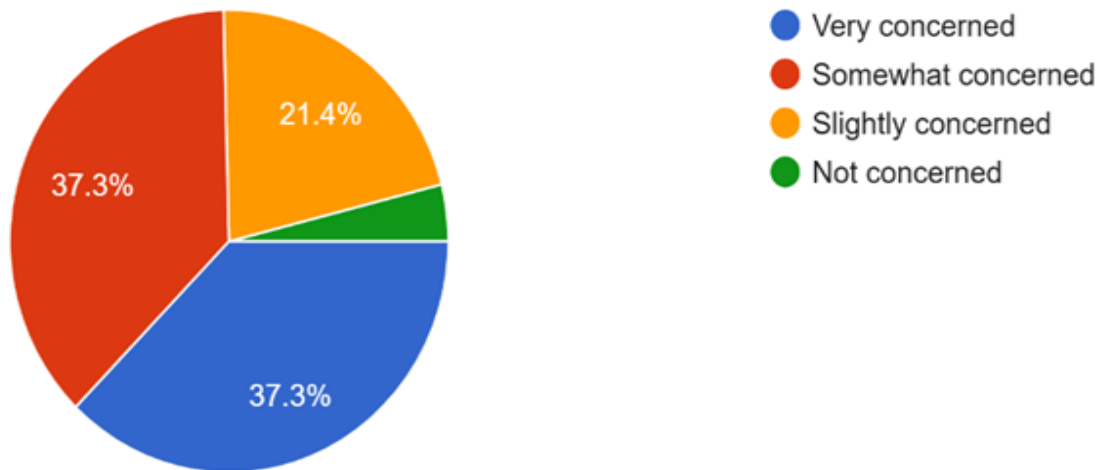
contributions that go beyond the standard measures. To put AI data in the proper context, HR intervention is needed to understand the qualitative aspects of performance. Employees pointed out that AI outcomes should be accompanied by feedback discussions and review panels constituted by humans. The combination of algorithmic accuracy and empathy of humans will allow the HR to provide comprehensive and fair rewards to all contributions..



4.13 Concerns Regarding Data Privacy

Respondents expressed great concern about data privacy. A high percentage of employees indicated that they were moderately or highly concerned about the personal information gathered by AI systems. These issues are an indication of increased awareness on data misuse and security threats. Employees hope

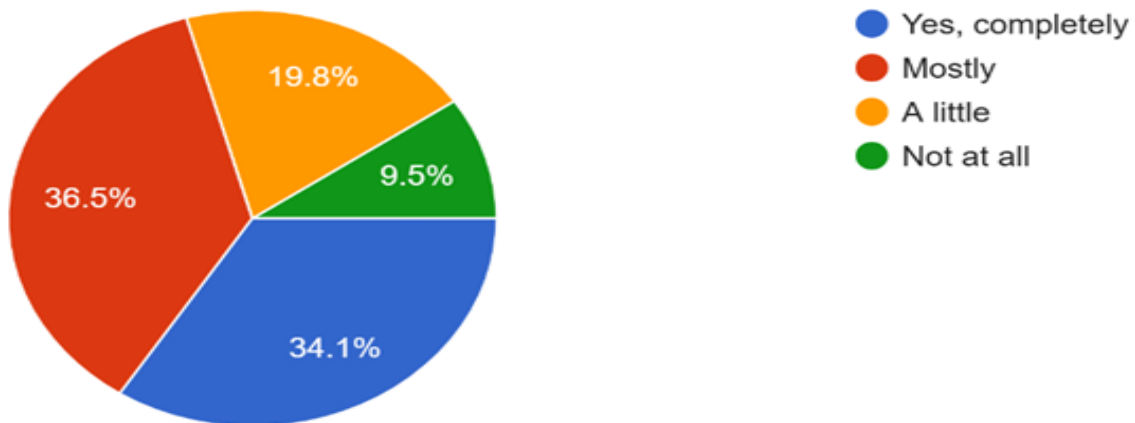
that the HR will provide strong privacy protection and explain how they use their personal information. The stress can be reduced by communicating the data protection policies, access controls, and consent mechanisms clearly. Therefore, to keep employees to trust AI-based HR systems, it is vital to practice ethical data management.



4.14 Trust in Organizational Data Security

The majority of the respondents reported moderate to high trust in the capacity of their organization to remain private on AI-related data. Nevertheless, others had a partial or low confidence, which indicated that there should be improved communication and policy implementation. Companies with clear data protection measures are

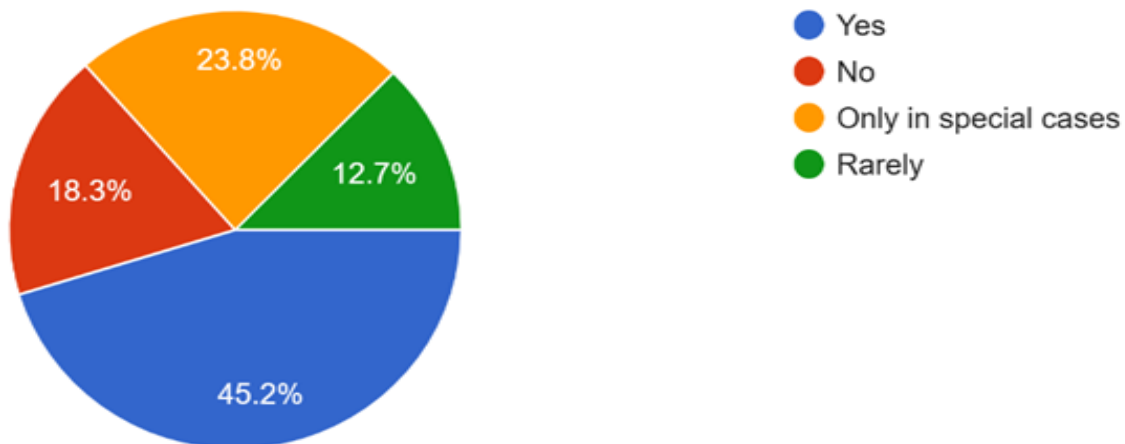
likely to gain more trust among the employees. HR is a crucial factor in enhancing this confidence by training employees on cybersecurity activities and confidentiality provisions. The ongoing interaction and observable data protection measures will guarantee permanent trust in the integrity of the organization. Therefore, data security is the basis of consideration in the general acceptance of AI.



4.15 Employee Right to Question AI Results

Most of the interviewees felt that the AI-generated appraisal outcomes should be subject to questioning or appeal by the employees. This observation indicates that there is high demand of accountability and equity within automated systems. Workers want to know that they will not be punished because they will fight false appraisals. Others advocated the right

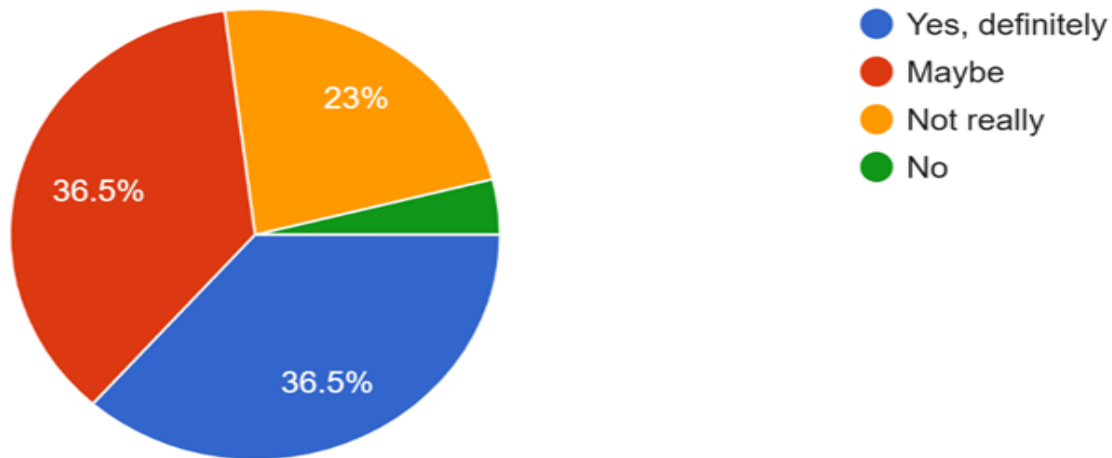
to question under special occasions in order to continue being efficient in the system. Such views highlight the significance of participative and open review process. HR ought to design official feedback and clarification systems, and strengthen the organization culture of ethical and people oriented AI application.



4.16 Importance of Clear Explanations of AI Functioning

Many of the interviewees affirmed that they would trust it more with straightforward and easy explanations regarding the functionality of AI. Those employees who had a sense of how the evaluation process was followed were more convinced of its fairness and reliability. Information absence will usually result in misunderstanding and opposition.

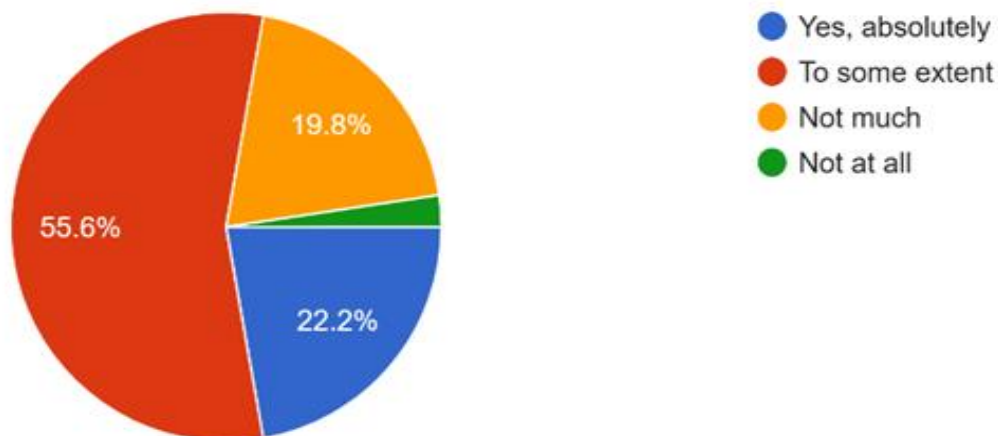
HR should, thus, focus on the communication that will demystify AI systems explaining it in simple terms and in the form of examples. The AI can be made more relatable to staff members by implementing awareness sessions and providing case studies. Open communication establishes not only knowledge but also property and trust in electronic performance tools.



4.17 Effect of Regular Audits on Employee Confidence

The majority of workers reported that the frequent audits and reviews of AI systems would make them more confident about the procedure. They held that periodic evaluations are fair, accurate and ethical. The view of independent audits is perceived as accountability and commitment of the organization to transparency among the employees. HR departments

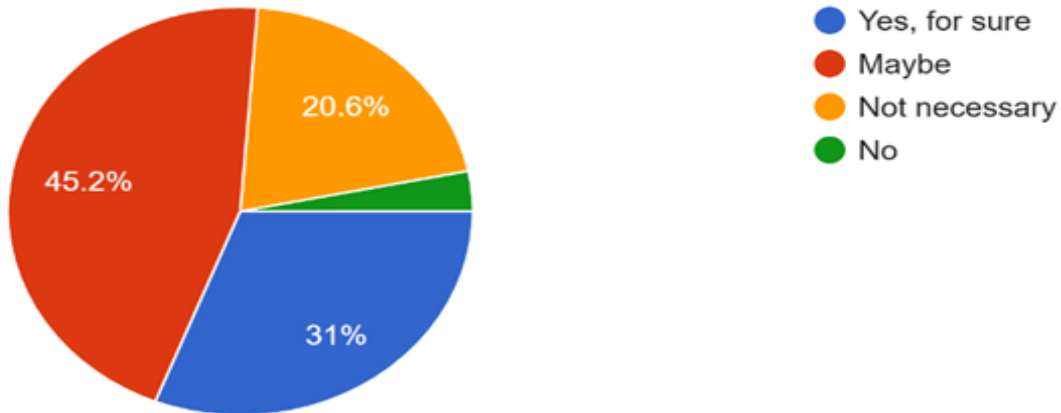
are to institutionalize AI audit practices and present the summarized results to the employees. The system is less biased and is more reliable due to regular monitoring that reduces bias and errors in operations. The practice will strengthen the culture of continuous improvement and increase the confidence of employees in the use of AI-driven reviews in the long term.



4.18 Effect of Employee Training on Trust

It was found that training is one of the key elements in minimizing the suspicion and apprehension of AI-based reviews. One of the key points that respondents raised was that fear and doubt are products of lack of awareness. Employees that were trained or supported with information were more accepting of the AI systems. HR must consider AI training as a part of

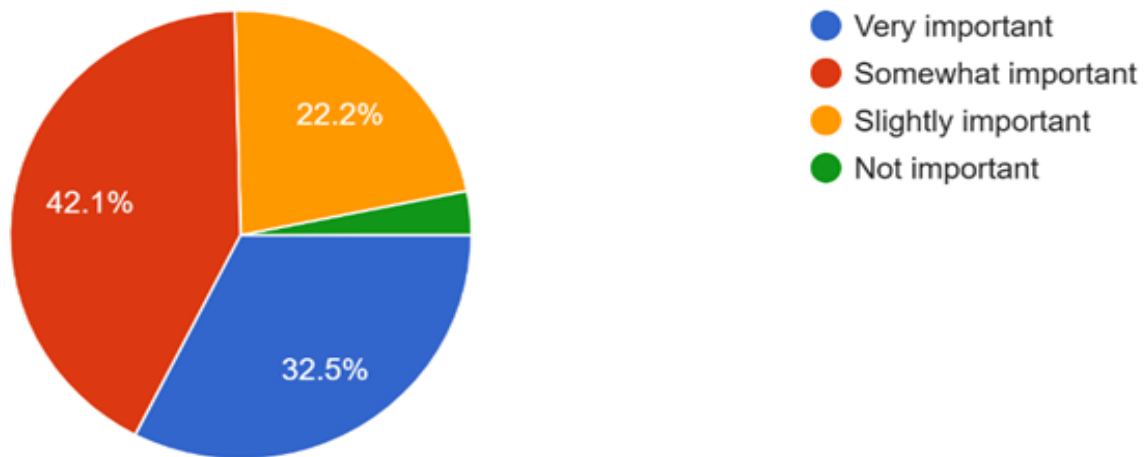
the employee development programs, paying attention to functionality, benefits, and ethics. Through such programs, one will have knowledgeable workers who know what AI can and cannot do. The capacity building that is managed by the HR therefore plays a key role in nurturing informed trust and technological preparedness among the employees.



4.19 Importance of HR Communication

The HR communication turned to be one of the most powerful predictors of employee trust towards AI-based reviews. Most of them ranked HR communication as very or somewhat important. Open communication aids in making the employees aware of the system goals and eliminates myths. HR should be constantly able to describe the way AI decisions

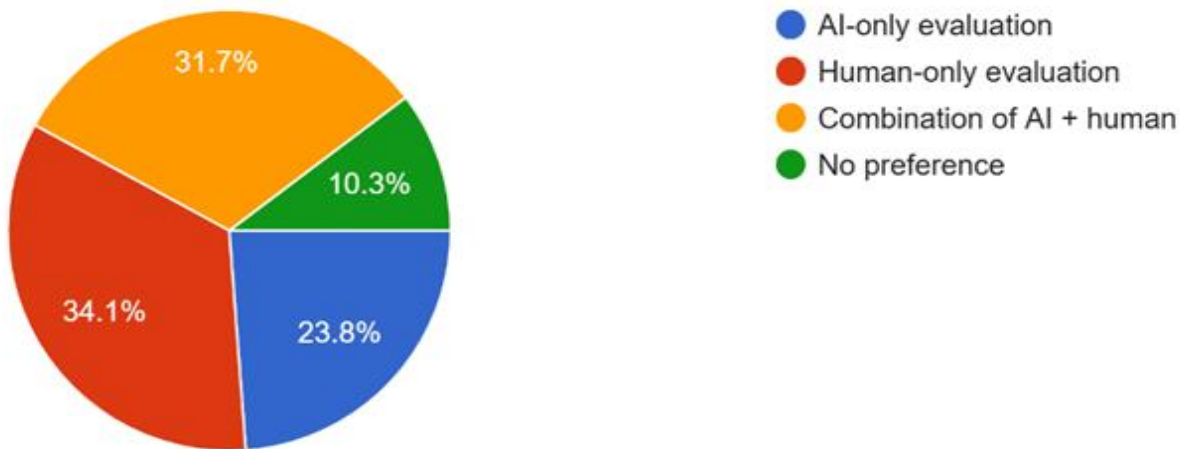
are made and how it is fair. Absence of communication may lead to confusion and resistance. Timely updates, feedback meetings, and open-ended forums create credibility and make employees assured of good intention in terms of ethics. Therefore, the role of HR communication lies in the contact between technology and employee confidence.



4.20 Preference for Type of Performance Review

The preferences of the respondents were biased as a lot of them preferred a hybrid approach of human and AI methods of assessment. This portrays a value of analytical precision of AI and the emotional intelligence of a person. Not many employees were fond of AI-only assessments, which means that there was inadequate confidence in complete automation.

The inclination to mixed reviews evidences the wish of the employees to fairness provided by data and human knowledge. The contribution of HR is to make these systems work in sync so that efficiency is achieved without dealing with empathy. Hybrid review models are thus considered as the most acceptable and credible methodology to be used in the contemporary workplace.



V. FINDINGS

According to the research, Artificial Intelligence (AI) is becoming more and more a part of the performance management systems in most organizations. The majority of the companies have been employing AI software that assists the HR department in the assessment of the performance of the employees rapidly and accurately. However, AI is also being applied to assess employees without their knowledge. It demonstrates that HR departments do not always go on record on what AI is and where it is being utilized. The employees can become insecure because they are not made to understand sufficiently about the fairness of the system.

Employees had different attitudes towards AI-driven results (10 words). Some of them said they tend to trust AI-driven results whereas others said they tend to or do not trust them. Individuals, who were communicated with by the HR clearly, were likely to trust the results of AI. Support and communication provided to the HR during assessment process demonstrates that there is a close relationship between trust and communication. Several workers concurred that AI can be used to reduce individual bias during appraisals. However, they believe that AI systems can not comprehend other human traits as such teamwork, creativity, leadership or emotional effort. The employees believed that these traits can only be rated by human beings and not machines. Another important finding was that most of the respondents gave a hybrid model of performance

review, which incorporated two parties, the AI systems and the HR personnel. Workers feel that AI must be used in appraisals and not completely replace it. The issue of data privacy and algorithm bias also came to be concerned. Other workers feared that AI technology will store excess personal information or otherwise abuse the information. Another concern that they had was that the algorithms might end up favoring various sets of employees accidentally unless they were monitored.

Employees who were trained or sensitized on AI technology were more comfortable and trusting of AI technology than the other employees who did not. When the employees realize the functioning of AI, it turns out that they are more confident in it. Most of the workers also believed that periodical audits or verification of AI systems would be significant in bearing the results which are correct and just. It was found out that younger workers were more willing to use AI tools but those aged older or more experienced tended towards human-based appraisal. In general, the research demonstrates that the high communication, transparency, training and human involvement in HR helps to create employee trust in AI-based performance reviews.

VI. SUGGESTIONS

Based on the outcomes, the success of the AI-based performance appraisal systems should be improved by some methods to improve staff trust. Firstly, the HRs are to be more transparent about the applications of AI. The employees must know the functionality of

the AI, data it utilizes, and the way it assists in the evaluations in a fair manner. The better the employees understand the process the less they will be anxious or distrustful.

Second, a hybrid model of performance reviews ought to be implemented in organizations. This involves letting the HR managers make calls with the help of the AI in areas such as recruitment, staff training, promotion, etc. This mixture will result in fairness and humanness in the appraisal. To create awareness about AI tool, HR should arrange regular training and awareness on this tool. Training program can help employees to grasp the concept of AI and how it works.

Moreover, the HR professionals need to make sure that the audits of AI systems should be performed regularly. Such audits may determine mistakes, prejudices, or unfair outcomes. Audit results ought to be shared with employees in order to enhance transparency. Every HR department must possess an explicit data privacy policy to protect workers against the abuse of the information that does not belong to their working profile.

Another critical suggestion is that employees should be provided with an opportunity to challenge or appeal the outcomes of the AI-based appraisal in case they believe that they are wrong or unjust. The system will be more transparent through a formal way of providing feedback. The HR strategy should also vary based on the experience of the employee where younger employees will feel more at ease with technical detail whereas older employees we will be compelled to impress on fairness and compassion.

Finally, the human resources department must also make sure that the human review takes into account the soft skills and human traits including teamwork, innovation, and leadership abilities. This will come to provide a balanced and holistic performance review of the employee. With the human judgement paired with the speed and accuracy of AI, organizations are able to come up with a more reasonable, and fairer review.

VII. CONCLUSION

It is evident that AI is used more and more in performance appraisals. Nonetheless, the credibility of such appraisals with employees depends on the management of the systems by HR. The employees

enjoy AI since it would make performance reviews much more valuable as they would require less time and become more objective, yet they fear that it would be unable to recognize the gentler side of human communication and would fail to notice the contributions of a person. Therefore, HR plays a key role in ensuring that it becomes the linkage between technology and people.

People do not merely just trust AI because the technology works. It also has much to do with the performance of HR in communicating, explaining, and managing the system. When employees recognize the operations of AI and feel that AI is used fairly, chances are high that they will embrace AI. Trust can be achieved through regular communication, data dealt with ethically and transparent policies.

The most suitable performance review system is a hybrid model that combines AI and HR people, as the study demonstrates. Such system should possess the analysis of AI and human skills of the HR. HR offices have to assure employees that they remain appreciated, educated and safe when performance is measured using technology. Companies that will find a balance between technology and human connectivity will strengthen trust within the companies in the future to create a more transparent and progressive working environment.

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