

Artificial Intelligence In Future Performance Management: A Conceptual Framework

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Abstract:-

In this competitive scenario, collecting and analyzing precise data for organizational growth, is highly essential. Artificial Intelligence (AI) aids, to finish the work in a very fast and efficient way, whereas it enters into various departments with AI systems. AI is a technological revolution, changes human perspectives, scope, complexity, and transformation.

Purpose: *The study investigates applications and usage of Artificial Intelligence on performance management activities and further analyses the future of PM in the HR department in the organization.*

Methodology: *The study is descriptive in nature, used secondary data where the data were collected from research papers, publications, websites, HR blogs, survey reports, etc.*

Finding: *Employee performance measured and changed perspectives by information technology, big analytics and artificial intelligence. The quality of employee performance perpetually develops with the integration of AI that enables the adoption of predictive analytics in accentuating employee performance.*

Research Implication: *Digital performance management system will reduce the time, efforts of management and lead to transparency and honesty in employee performance appraisal. The outcome of the study is based on the practical applicability of performance management system.*

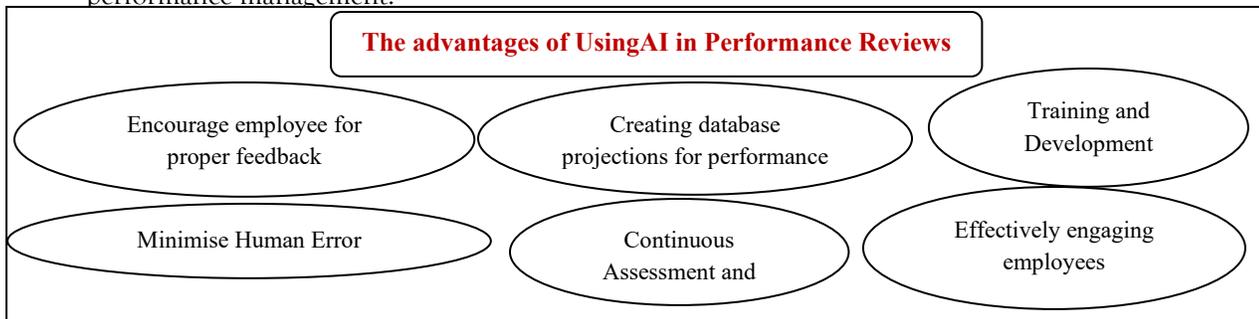
Theoretical Implication: *The findings of the study endows with HR managers, academicians, IT professionals and practitioners with insight into how AI usage for performance management might look like, and what implications it holds for their functioning. Also, a contribution is made to the connection with the PMS strategy adopted by the Indian and global industries on performance management and Artificial Intelligence.*

Key words: *Performance Management, Artificial Intelligence, Organization.*

1. INTRODUCTION

Artificial intelligence is the capability of a computer includes digitalization and robots to perform tasks frequently and always connected with intellectual beings. This is habitually related to the project of developing systems endowed with the intellectual processes characteristic of humans, such as the ability to reason, discover meaning, generalize, or learn from past experience (Wang, Shao, Guo, Tao, Zhang, Snoussi, and Tang, 2021). There are many programs associated with the performance levels of human experts and professionals in performing certain assured explicit tasks, so that artificial intelligence in this limited sense is found in applications as diverse as a health diagnosis, computer search engines, and accent or handwriting recognition. The AI dimensions create a differentiated remark from ordinary software as it comprises high speed computation, advance algorithm and a large amount of quality data. AI uses an algorithm that integrates quality data and quick computational services which resulting that Core AI provides stability and accuracy to everyday processes (Hassan, Spadaccini, Iannone, Maselli, Jovani, M., Chandrasekar, and Repici, 2021). AI is a method of theory and development of computer systems that includes the intelligence level of human beings that features of visual perception, Speech recognition, and the ability in decision-making, may grasps as an interesting area for the study. Learning Machines and humans are working together to create

huge amounts of HR data in the cloud and implementation of artificial Intelligence provide better insight into how to operate and execute. The growth of any organization depends on how efficiently it merges manpower, methods and machinery intelligently to bring transformational value at minimum cost. This study has focused on applications and usage of AI on performance management and further analyses the future of performance management in the perspectives of AI. The study replicates technology based on design thinking and technology has shown an effective way to automate HR transaction in principles and disciplines, is a creative effort of AI. In today's global economy if an organization wishes to remain competitive, they need to come across at ways to collaborate AI and HR transactions in their decision making process (Maduravoyal, 2018). At present, the organization should confident on AI to perform administrative responsibilities to become more effective. Many HR professionals are not able to understand that AI has the capabilities and unique attributes to redefine HR and can give it better relevance. This study covers a new and innovative framework of AI in HR domain specifically recruitment, engagement, training, development, performance management and further suggest a conceptual framework for the future role in contemporary business organization. Additionally, the study provides performance evaluation/assessment patterns of different organization based in India and abroad as well. The organization presently based on high promises in AI and reflect on how it will carry forward the future of the organization and business itself. It can be measured through results on AI-driven performance management software. As a move can forwarded on artificial intelligence management software for performance management, it can renovate business processes effectively. Professionals are fetching technology savvy, where the organization is focusing on implementing many systems and softwares, followed by automated repetitive tasks. Furthermore, the organization's mission and feedback system may evolve with respective time and performance of professionals (Jiang, Du, Fu, and Xiao, 2019). Hence, the machine / appliance can assist to stay for improvement with essential assessment and a good track of it. The prospect of managing employee performance is vivid for AI driven performance management. It is to instigate an enormous change in business operations and interface performance challenges in everyday activities. The activities which are driven by AI and automation, must be carried out usual tasks and daily assignments, may include self generate joining letters, pay slips, form 16, and other documents for faster process completion and convenience. Hence, the performance management that enabled software may encourage mental well being and emotional levels of professionals. With the exception of, professionals were not worried about superfluous or machines enchanting over their scheduled task. HR Managers were just serving to emphasize on which is more imperative and value-generating, up-skill development. The research has focused on all above discussion. Through extensive literature, the study is trying to prove that AI in performance management functions which enabled artificial intelligence software will extricates cost, time and assets (Kaushal, Kaurav, Sivathanu, and Kaushik, 2021). Hence, It is the most effective way to measure or investigate that organizations can cuddle for a flawless experience of professionals today, that may stimulate and boost the degree of productivity and scalable work environment (Panda and Sahoo, 2017). The figure shown underneath reflects the various means of advantages for using AI in performance management.



2. Purpose of the Study

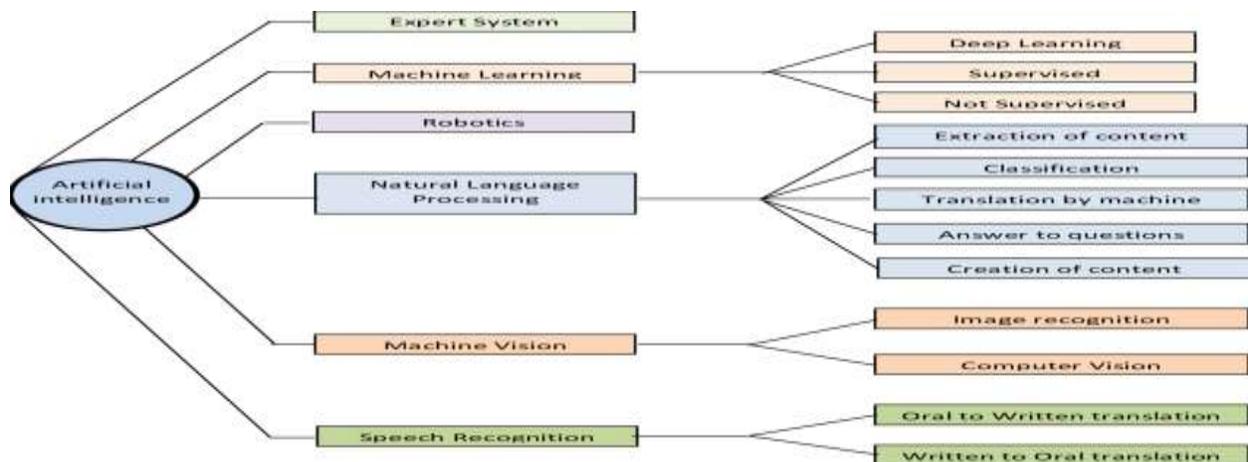
Technological intrusion and development for Industry, and exclusively with worldwide economy digitalization economy, is having a significant persuasion on the labor market and in managerial job/task functions. The operational aspect of Artificial Intelligence systems and robotics transmits a magnificent aspects and intimidation of changes and even if other professions are changed likewise. The competence on re-design the management system with pioneering and creative opportunities and pressures will be an imperative feature for adjusting organizations to the new conditions in the interests of employees, employers and society. On this behalf, the study has investigated adoption and utilization of artificial intelligence on performance management based on Indian Industries. The purpose of the study manifolds as

- To examine applications and usage of AI on performance management in India and abroad Organizations.
- To explore and analyze the future of PM in the perspectives of AI based Indian Industries.

3. LITERATURE REVIEW AND DEVELOPMENT

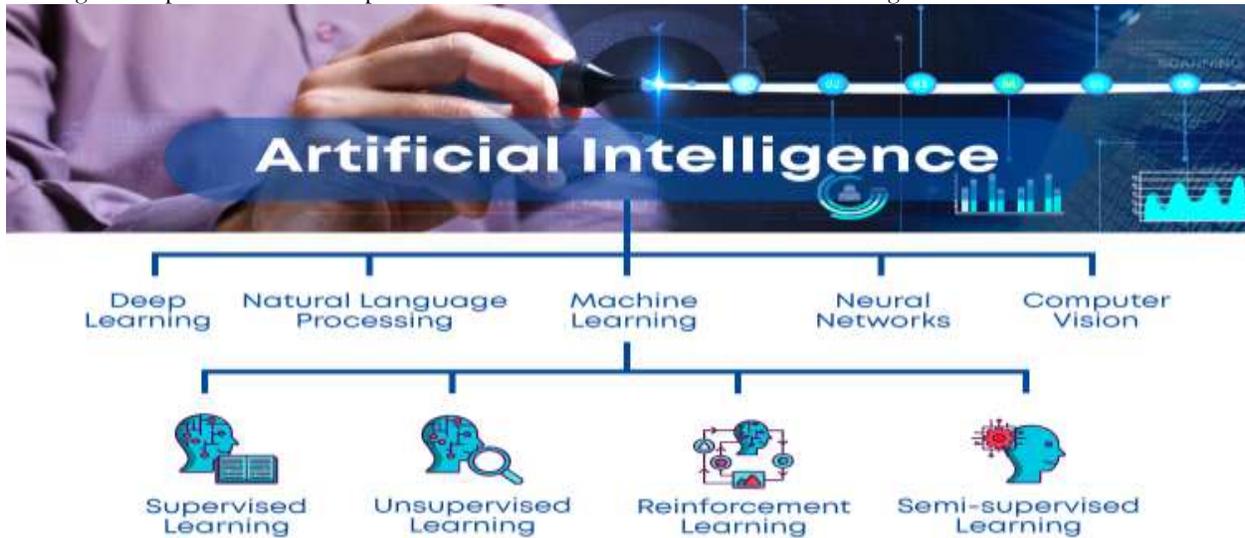
3.1 Artificial Intelligence (AI)

AI (Artificial Intelligence) is combated as a machine that can imitate individual tasks cognitively (Jarrahi, 2018), which is applied in many various fields like healthcare, transport, human resource, finance, and in research development (Dejoux and Leon, 2018). Figure 2 reflects the various ranges of functions performed by artificial intelligence. The AI functions, includes in today's corporation world which is followed by language processing, Expert Systems, intended to simulate the problem-solving behavior of a human, and machine Learning, which is "the ability of a computer to automatically refine its methods and improve its results as it gets more data" (Kim, D, Jang, H, Kim, Shin and Park, 2019), Natural Language Processing, designed to understand and analyze language as used by humans and at the same time considered to be the base for the Speech Recognition AI, and finally Machine Vision which is "algorithmic inspection and analysis of image" (Jarrahi, 2018). Impending towards AI performance, that may imitate the major functions of human intelligence - we are still far from it. When we discuss AI functions and various aspects, it pretends as a moderately polemical issue that Separate specialists' opinion into three schools of thoughts. The first one considers AI as a useful technology is helpful in decision making (Dejoux and Léon, 2018) and managers should treat it as a colleague. The second group expects the merge between AI and human in order to improve humanity (Dejoux & Léon, 2018). The third school of thoughts considers strapping AI as a threat to humanity because it can take human jobs by automation of their working tasks (Jarrahi, 2018).



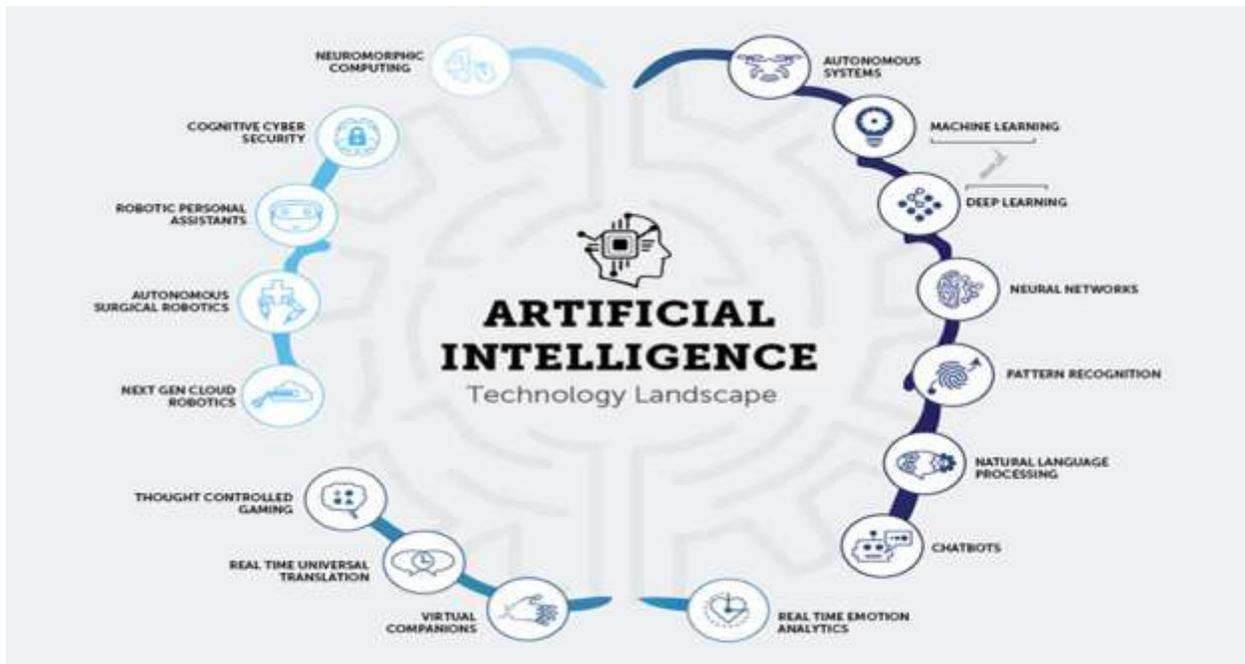
Source: Dejoux and Leon, 2018

The figure 3 specified below depicts on the features based on Artificial Management functions



Source:GreatLearning.com

Figure3: Features of Artificial Intelligence



Source:IIT Madars

Figure 4: Artificial Intelligence's Lanadscape

3.2 Performance Management System

Performance Management is a very imperative aspects to find out a possible solution at reach organizational goal through a stable assessment and feedback connecting to employee performance (Prentice, Dominique Lopes, and Wang,2020).As we know the international world has exaggerated with globalization, which turned

up with the competition and challenges and who succeed in the context of 'survival of the fittest' has come to the first, based on performance management and evaluation too (Strohmeier and Piazza, 2015). Therefore, Performance management has been recognized as a tune for success and competitive growth from this exigent situation. Consequently, organizations have been striving hard to re-invent strategies and models to measure, manage and accelerate the performance of their employees (Yawalka, 2019). In the views of Maduravoyal (2018), industries may perform, learn, and renovate for mounting into a towering performance based organizations. The corporate world instigates on the organizational performance based evaluation process and appraisal of professionals in a sophisticated way of equipment to manage and work with their hierarchical objectives (Mesko, Hetenyi, and Gyorffy, 2018). It builds a strapping use of metrics and goal-setting towards augmented progress on employees' strengths and competency, which concludes that modern and AI based performance management has numerous benefits as compared to traditional annual evaluation.

3.2.1 Performance Management System in HPM (High Performing System)

The commitment of Indian industries depends on the level of employee performance which must be planned, monitor and assessed with their task at whole. To a certain extent than annual performance review, performance management is the continuous process of setting objectives, assessing progress and providing on-going coaching and feedback to ensure that employees are meeting their objectives and career goals (Qamar, Agrawal, Samad, Jabbour, and C, a2021). In the words of author and eminent HR expert TV Rao (2004), "some of the vital components of Performance Evaluation System are Identification of Key Performance Areas (KPA) and setting objectives, identification of attributes to be shown by all managers irrespective of levels, self-evaluation, performance analysis to identify factors facilitating and hindering performance and taking corrective action, identification of training needs and preparation of development plans (Verma and Bandi, 2020), assessment by the reporting officer and sharing the ratings with the appraisee to arrive at mutually agreed rating, performance analysis to help the individuals learn from their seniors (Abdeldayem and Aldulaimi, 2020) and improve the performance, review by the reviewing officer, expansion action by the HRD department and de-linking assessment with performance management (Bhardwaj, Singh and Kumar, 2020). The following figure (3), depicts the the fundamental components of performance management system.



Source: software suggest.com

Figure 5: Performance Management System Procedures

PMS comprises various ways of growth strategy of the organization, engagement of leader and manage employees, as a vital aspect of an organization (Tambe, Cappelli, and Yakubovich, 2019). PM is all about connecting with professionals in significant ways, generating opportunities for individual team members to advance, and paving the way for larger organizational growth. Performance management encompasses almost every step of your employee's journey, from starting the job to leave (Parveen & Palaniammal, 2019; Garg, Srivastav, and Gupta, 2018). It only makes sense to flesh out a strategy that will genuinely direct your organization to growth and success. An inimitable situation replicates performance management strategy and practices by the HR leader of the respective organization, followed by ensuring when we set apparent goals and objectives, and delineates for each employee (Mathur, 2019 and Nawaz, 2020). This professional should understand the responsibilities of their position, and strengthens the team and encourages individuals to fulfill the tasks (Adepu, Agarwal, Chitranshi, Nagendra and Islam, 2020). The organization should contribute to various programs for qualified employee growth to work in a smarter way and encourage leadership development (Panda and Sahoo, 2021). Along with giving actionable feedback to employees, an organization should allow them to give feedback back to managers and recognize good performance and reward for the potential employees, whether it's financial compensation or something else (Kaushal, Kaurav, Sivathanu, Kaushik, 2021); and Sridevi and Suganthi, 2021). It is important to recognize when your employees do exceptional work (Kumari and Hemalatha, 2021) Rewarding employees not only motivates them to continue their hard work, but it also shows them that you see their value and that they play an important part in the business. The organization should follow up with feedback and suggestions given to employees in order to track progress (Jatobá, Santos, Gutierrez, Moscon, Fernandes, and Teixeira, 2019). While outlining steps to improve internal processes and providing employees with actionable feedback is great, it doesn't do much if it isn't followed up on (Panda and Sahoo, 2021). Make sure you're consistently checking in with team members to see how they're doing and their progress with projects. Your performance management strategy ultimately relies on active and valuable engagement with employees and an organized system to keep track of it, where a performance management system comes into that (Sexena, 2020; and Kreutzer and Sirrenberg, 2020). The following figure says about human resource aspects through where artificial intelligence can be used.



Figure 6: Artificial Intelligence Management

3.3 Performance Management and Artificial Intelligence

An extensive literature examines the adoption and effectiveness of AI with human resource management (Buzko et al., 2016; Yu, 2010). Artificial intelligence is a highly effective software which is used in operating machines, systems, and effective use of intelligence same as like individuals, specifically in analytical and problem-solving decisions (Mikalef and Gupta, 2021; De Geofroy & Evans, 2017). According to the view of Jain (2018), organizations those were espousing on existing technology in many human resource functions such as hiring process, performance assessment, training and development, cloud-based HR systems, and also in learning development. The following figure (figure. 6) reflected on HR functions where AI has been used as an effective tool. In the views of Ilić, Păun, Popović, Hadžić, and Jianu, (2021), Artificial intelligence is need to be very successful in problem solving, decision making, how to work with uncertainty, and specifically if any ambiguity on decision-making in an industry. Jia et al. (2018) examines while strategy and HR Planning are joined with information, facts and data mining, it may produce an outcome and modern method of intelligent decision support (Hislop et al., 2018; Rajesh et al., 2018). If we discuss both a clients and human being, artificial intelligence software applications for managing the hiring process, that directs towards a high achievement and effectiveness (Hassan, Spadaccini, Iannone, Maselli, Jovani, Chandrasekar, V. and Repici, 2021). Furthermore, the development of human resource information system (HRIS) offers a means of AI applications (Wang, Shao, Guo, Tao, Zhang, Snoussi, and Tang, 2021). HRIS, which is a procedure for data storing, collecting, authenticating, recovering, and also preservation, essential by the HR department on its database, personnel actions, and characteristics of the industries. Conversely, if we have a comparison between AIHRM and information system, the information system deals with data entry and storing, but still Lacks in the intelligence, decision assistance function (Tabbussum and Dar, 2021). AI also directs the attention of organizations towards Knowledge management (KM), which is a strong resource for sustainable competitive advantage in organizations (Abubakar et al., 2019; de Geofroy and Evans, 2017). In utilizing data science techniques for HR tasks Olyaie, Banejad, Chau, and Melesse, (2015), identified challenges: 1) complication of HR phenomena, 2) limitations enforced by sets of small data, 3) accountability queries linked with fairness and other legal and ethical limitations, and 4) probable opposing employee responses to management decisions via data based algorithms. Furthermore, according to Alzaidi (2018), as compared to traditional SVIs, the use of artificial intelligence (AI)-based decision agents and AVI permits more effective screening of employment.



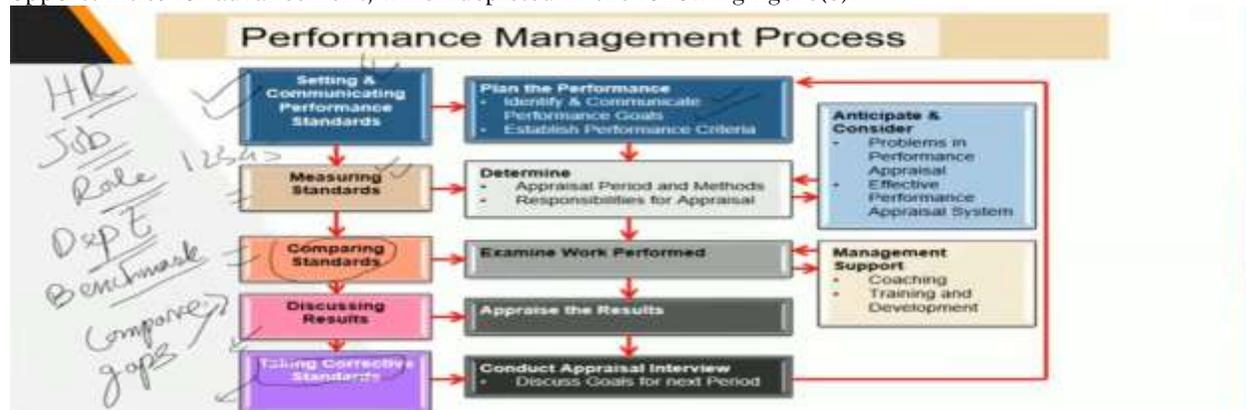
Figure 7: Functions and key features of performance Management

4. Research Methodology

The present study intends to explore the role of artificial intelligence in employee performance, and on the human resource drives such as hiring process, employee engagement, learning and development, compensation, audit soon. The research is based on purely secondary research. Due to prevalent Corona pandemic situation and constraints of time pushed the researcher to conduct the secondary review for this study. Hence, the study has undergone the secondary information which is collected from earlier literature, journals, HR manuals from the organizations, blogs and other secondary relevant information from the respective websites. The present research has targeted India based organizations including, manufacturing, service based, IT based, automobile industry. The study provides present overview of artificial intelligence on performance management India based organizations, further it has analyzed the future role of AI on performance management and performance evaluation in the respective organization. Furthermore, the study has given many outline of some organizations, how and in which way, they used artificial intelligence performance management as well as human resource functions.

5. Implication and Analysis of the Secondary Research

According to Armstrong (2009), the traditional cycle of performance management starts with the first phase, which is called as planning phase that has conducted only once in a year. So at this stage, professionals were associated with SMART (specific, measurable, achievable, relevant and time bound) objectives, plan and a review as per the requirements and responsibility), second phase sets with 'Act' and 'Track', that takes place during the whole year, and endows with feedback, last phase of performance management is based on 'Review', which comes together with ratings and assessment of employee performance. Hence earlier in this phase, which encompasses an annual performance review, and assemble where the employee and manager discuss and evaluate goals progression and completion, performance issues, training and development, and opportunities for advancement, which depicted in the following figure(8).



Source: QLG Consultants

Figure 8 : Performance management Process

5.1 Performance Evaluation in Maruti Suzuki Ltd.

Maruti Suzuki have been implementing performance evaluation system which is helpful in evaluating the performance and progress of an employee or a group of employees on a given job and his / their potential for future development it applies appraisal & reward appraisal, reward, carrier design, retention and employee welfare, quality circle in their organisation to motivate employees (Verma and Ravi, 2017). Maruti Suzuki Ltd, formerly is an Indian multinational automotive manufacturing company headquartered in New Delhi,

India and a subsidiary of the Maruti Group. Its products include passenger cars, and commercial vehicles. It is the world's eighteenth largest motor vehicle manufacturing company, fourth largest truck manufacturer and second-largest bus manufacturer by volume. **Maruti Suzuki** has auto manufacturing and assembly plants in: 1) Maneswara 2) Gurugram 3) Bangalore. The performance appraisal techniques related information has been collected from Tatamotors library, Jamshedpur, and HR manuals. Their performance appraisal includes a. New Appraisal System based on KRAs and targets given to them b. Review of Targets at regular Intervals. c. People Development an important KRA and reward appraisal technique. The REWARD management based on Promotions based on Performance, Productivity, & Profit-linked Incentive Schemes, Training including Long-term Term assessment.

The CAREER DESIGN of **Maruti Suzuki Ltd.** based on:

- *Performance & Potential based Appraisals*
- *Fast Track Option for High-performers*
- *Promotions after Managers Vacancy based*
- *Interviews for promotions above Managers*
- *Selection of Supervisors:- Performance / Attendance / Discipline record- Written Test & Interview*
- *Job Rotation - including Inter-functional.*

5.2 Performance appraisal in Reliance Ltd.

PA is defined as “a managerial process through which an individual employees’s behaviour and accomplishments for a fixed time period are measured and evaluated” PA is a tool used in a organised and objective way to measure the actual performance of employees to the standards set by the organization followed by formal or informal feedback from the superior in judging the relative worth or ability of the employee performing his or her task (Dessler, Gary. (2011), The road to effective performance management isn’t always an easy one. The Reliance Ltd team is always ready to support employees manage performance management as a process of creating a performance-driven culture. They perform to the best of their abilities and thereby contributing to the growth of the organization. They always strive for performance management software since the team cares about you, your business, and your team. Most effective techniques in PA at Reliance Ltd. were used as 360 degree feedback evaluation, critical incident methods, behavioral anchored rating scales, HR accounting.

5.3 Performance appraisal in Hindustan Unilever Ltd.

Performance appraisal (PA) is a foremost tool in developing the capabilities of an individual and organizations. Since the era of economic modernization and globalization in India, PA has been adopted and practiced across many organizations. In addition, there is a great need for functional human resource department (HRD) to monitor and regulate the relationship, growth and developments of individuals and organizations for improved performance and job satisfaction. Simultaneously, a sound HRD is required in every organization for optimum effective utilization of human and organizational resources. PA is also recognized as a systematic instrument due to the method deployed in obtaining, analyzing and recording information in relation to the individual that being assessed. The techniques as performance management tools in Hindustan Unilever as used before 50 years were Management By Objectives (MBO), Graphic Rating Scales, 360 Degree feedback evaluation, 720 degree evaluation, Critical Incident Method, Human Resource Accounting, Check List method, Assessment Centers, Behaviourally Anchored rating Scales (BARS) and so on. They practised with other software techniques which has been used to save the time and money.

5.4 Performance Evaluation by other companies

Preview and complete review have been compressed two performance annual assessments at Google, and complete review that is pretends as a second evaluation tool and used as a 360-degree feedback collection process (Prentice, Weaven, and Wong, 2020). Professionals and supervisors focus on outcome and result oriented that accomplished by professional behaviors and positive actions. The organization assumes professional as assets who involves self-assessment, which is pursued by peer-reviews. On the review side,

Google professionals are requested to review by own and do with each other, and their direct reports, as per the subsequent criteria such as Googleness, leadership skills and problem solving. The most important cause for the removal of this procedure is the way, which is influenced by professionals mind. The study has shown that the response that the human brain gives to criticism of any kind is the same type of neural response that they give when confronted with some kind of physical danger.

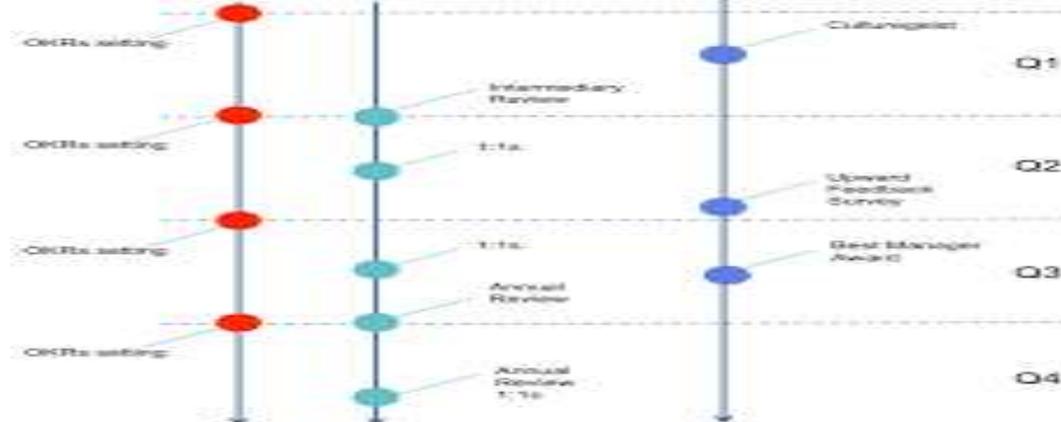


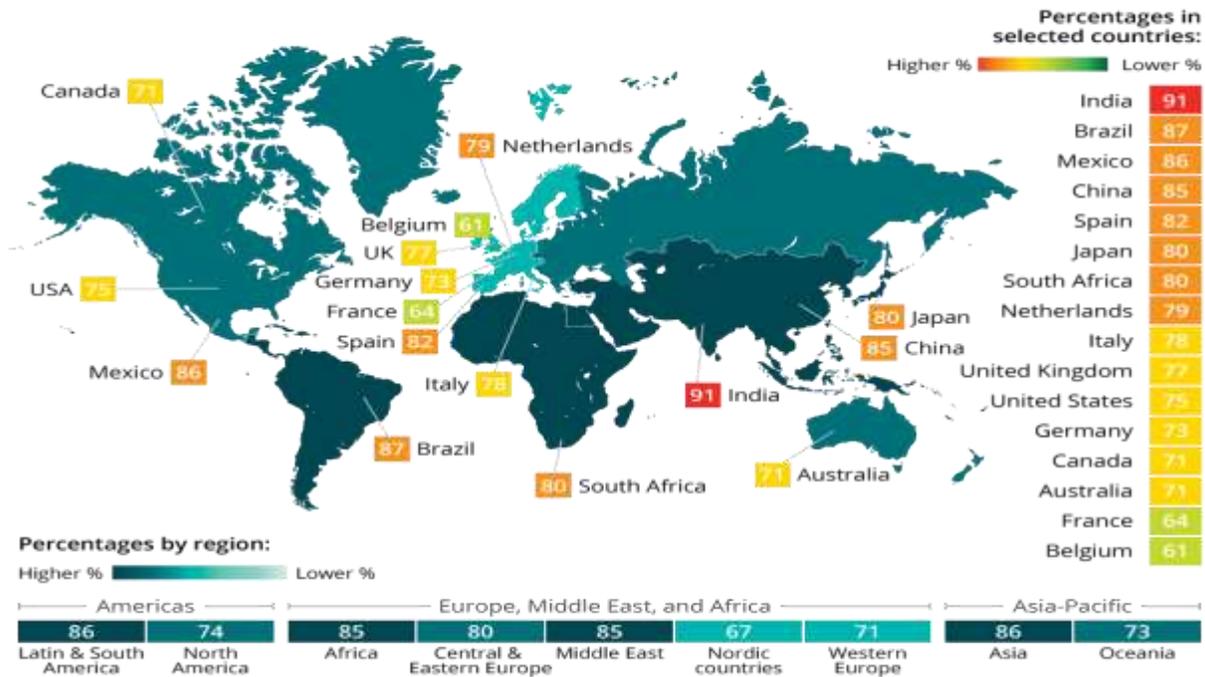
Figure 9- Performance management schedule of Google

In Google, they used Forced ranking system where professionals forced to rank employees. Managers soon developed a habit of giving most employees an average score of 3 (out of 5). This number also decided compensation decisions and promotions of employees. The new PMS at GE developed a mobile app called PD@GE, which enables frequent feedback. Managers are expected to have frequent conversations, named “touchpoints” with their employees, highlighting how far they are from reaching their predefined targets. 250000 to 30000 employees in GE are currently using this app. The most important feature of this app is aiding GE’s cultural change and ensuring continuous conversations. The app and its mobile technology is not as important as the intention behind it to foster conversations and engagement. This revolutionary system of performance management adopted by GE has been in the news for all the reasons and the impact it has actual motivation levels of employees will be worth documenting.

6. The Recent Statistics of PMS

The PMS (performance management system) has been revamped and redesigned as a top priority. An organization’s ability to develop the performance management, that has increased 10% more compared to 2015. The collision of new performance practice are in high level. 90% of companies have redesigned its performance management as there is a benefit of 96% its simpler, 83% said the quality of conversations between employees and managers going up. Today companies need align goals, proper feedback and coach to provide real time feedback, there is need for continuous learning by the employees and organizations, 91 percent companies have adopted continuous performance management which give better data for decision with major changes by eliminating the bias and discrimination in promotion and career advancement. New performance approach improving discussions, creating frequent check-in and developmental focus. Software leading in a new direction which enabling goal making to be more social, transparent, mobile and digital. Enabling easy progress tracking by providing continuous feedback, providing instant information, deploying data/analytics, Supporting career development and the integration of PM tools with products like Slack, outlook, Gmail.

Figure 1. Performance management: Percentage of respondents rating this trend “important” or “very important”



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7. Impacts and Top Recommendations for Rethinking PM in the AI ERA

For alliance, improving, and transparency organizational settings oblige investigating long-established performance management system with further unremitting approaches and different connecting schedules (Imran,2021; and Kim, 2021). Any alteration in PM procedures and development, such as confiscating the annual appraisal score, force a rethink of compensation policies, program and tools. Increased performance feedback frequency and gratification will lead to increase usage of individual employee performance Metrics(Pereira, Hadjielias, Christofi, and Vrontis,2021). Increased performance feedback frequency and gratification will lead to increase usage of individual employee performance metrics (Yano,2017). They are a few recommendations for rethinking PM in the AI era as it embraces new approaches in an employee PM that support frequent performance conversations, personalized development and visibility of accomplishments(Nica,Miklencicova, and Kicova, 2019). Hire managers with strong coaching and communication skills and hire and develop digital dexterity across the Workforce. Adjust compensation practices to make new performance management alternatives more effective. Re-evaluate practices and policies around data sharing with individuals and teams, balancing the risk of over shaping and sharing while supporting the need for greater transparency (Jiang, Du, Fu, and Xiao, 2019; and Berhil, Benlahmar, and Labani, 2020).Performance Evaluation or performance monitoring, explains the tools and processes in place to analyze data from a network or application’s performance with the intention of discovering and troubleshooting problems. Examples of performance tools include application performance management (APM), network performance management (NPM), and unified performance management (UPM).Dynatrace conducted a study in January 2018 which included interviews from 800 CIO’s on their opinion on digital performance management and artificial intelligence (AI). The study found

some interesting revelations, mainly that CIOs are aiming to implement AI into their performance monitoring within the next year. Some other interesting facts from the study include, “29 percent of IT’s work time is spent with digital performance problems” and “81 percent of CIOs feel AI is critical to mastering increasing IT complexity ().”

- AI will enhance performance management tasks and processes. Review the benefits below of using AI in performance management.
- AI can instantly analyze the nearly infinite permutations of interdependencies that exist between an organization’s physical and virtual infrastructure layers. This allows it to instantly trace the source of any performance degradations right back to the root cause, giving IT experts a solution for how to resolve the issue quickly before it impacts the end user.
- AI can provide end-to-end visibility.
- AI can predict issues before they occur. For example, Instana’s APM tool currently uses AI in “the application of neural networks to predict and avoid service impact” within Amazon Web Services (AWS) environments.
- Combining AI with automation will lead to several resolutions, including AI troubleshooting instead of AI alerting the IT department of the issue. This boosts the IT department’s productivity as they will have more time to handle other IT issues. AI and automation, in conjunction, will also provide the “ability to handle modern development and deployment paradigms such as microservices and containers,” according to APM Digest. In particular, when it comes to fluid and scalable environments.

8. The Practical Implications

The efficacy of PMS on performance evaluation and assessment has been a imperative concern for the organizations. Inference of Performance Management is a continuous process that creates a working culture to encourage employees to improve their work performance and reach their full potential during their stay of employment. PMS is a systematic process which offers a planned direction in a strategic way, extend capability of professionals and which directly affects on organization growth and value. It provides both managers and their team members to involve clear goal setting and commitment and degree of loyalty to achieve all. For the moment the appraiser and the manager must be clarified the pattern and structure of assessment and feedback mechanism which is applicable to the employees involved(Hummel, Robinson,1989). The connection with performance, recognition, and rewards will stimulate and encourage the professionals to give their best to the organizations. Performance needs to be appraised in scheduled intervals, that may incorporate employees to achieve the outcome. Hence, permitting the organization to spend less time making Corrections due to their employees. Outstanding Performance Plans the co-systems of the plan work to make sure the goals are achievable(Wang and Li,2019). While performance management tools can be processes that are put in place, such as frequent performance discussions and recognition schemes, a performance management tool can also refer to a software package. Performance management software is a performance management tool(Kim, 2019; and Nawaz, 2019)that can be used to improve company-wide communication, facilitate real-time feedback and schedule one-on-one meetings. Tools for performance management using AI may collect data from different sources which will help managers to draw insights. Since this is totally data driven, there is less or no space for biases(Pan, Froese, Liu, Hu,and Ye, 2021). These are anytime available real-time feedback. Where, AI can unveil the potential of an (Devyania, Jewanc, Bansal, and Denge, 2020) employee.

Therefore, the AI plays a significant role in performance management system. The data driven assessment of review system helps in maintaining the transparency and avoids any sort of misunderstanding or doubts (Kumar and Pasumarthi,2019; Panda,2019). It also helps in avoiding bias, “Halo effect” and “Stereotypes” (Patnaik, Pasumarti, Nayak, 2019;Buzko, Dyachenko, Petrova,Nenkov,Tuleninova, and Koeva,2016). There are several other benefits of AI in performance management. Tools for performance management using AI can collect data from different sources which will help managers to draw insights. Since this is totally data driven, there is less or no space for biases (Panda and Sahoo, 2021). These are anytime available real-time feedback in an organization.

9.CONCLUSION

The horizon of Performance management is radically changed his perspectives from long-established and old mechanisms towards modern contemporary methods which covers an efficient, translucent, criterion based and oriented on effective feedback. The traditional Database process of performance evaluation has been articulated as unsuccessful in nature. As a replacement for, organization leaders should utilize numerous different ideas. The organizations should emphasize on a forward-looking performance reviews, giving more attention on training, career development and coaching and less on evaluation and assessment. New performance management software tools are rapidly adopted and the companies should know about the software usage. Clinching with new approaches in employee Performance management that support frequent performance conversations, personalized development and visibility of accomplishments. Employee PM tools help to motivate the workforce. Most employees are more motivated by appreciation than money and it can also minimize voluntary turnover. The organizations need to realize the benefits of adopting the recent trends in performance management and work towards organization goals in a SMART way, ie; Specific, measurable, achievable, realistic, time frame, hence organizations may attain set goals by creating happiness among the professionals.

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