

TITLE

Subtitle

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Essay/Thesis:	xx hp
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Abstract

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Keyword: xx

Purpose: xx

Theory: xx

Method: xx

Result: xx

Foreword

Text

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Chapter 1. Introduction

1.1 Problem statement

Organizations are increasingly using Artificial Intelligence (AI) to support employee performance evaluations. This can make assessments faster, ratings more consistent and decision-making data driven. Major technology vendors, for example Google (n.d.) and Microsoft (n.d.), are offering AI power tools and platforms aimed at HR related activities.

Platform-style continuous monitoring is a digital work arrangement where employee performance is evaluated through ongoing, system-generated data, rather than mainly through periodic manager reviews (Kellogg et al., 2020).

Google Workspace is a cloud-based productivity and collaboration platform, which bundles professional versions of common office apps such as Gmail, Docs, Drive, Calendar, Meet and Chat for businesses, educational institutions and teams. Typical system-generated data gets pulled into “performance” narratives (Google n.d.).

Examples of such metrics are.

Collaboration activity

- Docs/Sheets/Slides edits, comments, suggestions (volume and timing)
- File sharing behavior (internal vs external collaboration)

Communication patterns

- Email and Chat metadata: frequency, responsiveness, network patterns (who interacts with whom)

Meeting behaviors

- Calendar/Meet metadata: meeting load, organizer frequency, attendance, time in meetings.

Process and compliance behavior.

- Data Loss Prevention (DLP) policy hits, security alerts, repeated policy violations (more “conduct/compliance” than “performance”)

From a sociomaterial perspective, AI does not only “assist” HR decisions. It can re-configure what counts as performance, how evidence is produced and how accountability and expectations are applied in practice. This implies that implementing AI in performance evaluation may reshape HR work itself, including its role boundaries and influence in the organization (Orlikowski, 2007).

1.2 Purpose

Artificial Intelligence (AI) is increasingly used in performance evaluation processes, and this creates a clear need to study what it means for the HR department specifically. Performance evaluation is one of HR's core responsibilities, and AI tools can influence what is counted as "performance," what evidence is used, and how decisions are justified. From a sociomaterial perspective, AI does not only support HR work. It can also re-shape HR practices by changing workflows, roles and the boundaries of HR responsibility (Orlikowski, 2007).

This study therefore focuses on the HR department and asks why HR adopts AI in performance evaluation and what happens to HR staff roles after implementation. AI is often introduced to make evaluation faster, more consistent and more data-driven (Ajunwa et al., 2017).

Several developments are happening at the same time. Instead of only relying on annual or semi-annual reviews, organizations increasingly use ongoing, system-generated data. They are for example using collaboration and communication metadata to build performance scores (Moore & Robinson, 2016)

Currently, AI is being integrated into everyday work platforms. Large vendors such as Microsoft and Google offer tools which connect to email, documents, chat and minutes of meetings. This makes it easier to capture behavioral traces of work and turn them into indicators of performance (Kellogg et al., 2020)

The HR departments may face new challenges when AI recommendations and system-generated outputs start to influence how performance is discussed and documented. It can become unclear how much HR should rely on the systems and how HR should explain AI-influenced decisions to managers and employees. Who will be accountable when the AI output is questioned?

A key concern is that HR professionals' judgment and authority may change. HR staff may shift from being evaluators and advisors to becoming operators and governors of AI-enabled processes. They can for example become responsible for setting the rules of tool usage, defining acceptable data sources. They can be expected to monitor compliance, handling of complaints and managing vendor relationships (Tambe et al., 2019)

At the same time, HR may be expected to defend decisions as "objective" because they are data-driven, even if the logic behind the AI is difficult to fully explain or audit. This raises important questions about HR's professional responsibility and control over the performance evaluation process (Kellogg et al., 2020; Tambe et al., 2019)

The purpose of this study is to create a cause-and-effect understanding focused on the HR role:

Cause

Why does the HR department adopt AI in the employee performance evaluation process?

Effect

How does the introduction of AI change HR staff roles, responsibilities and decision-making

authority in performance evaluation? How will HR define performance evidence, govern the use of tools and remains accountable for outcomes?

1.3 Research questions

What are the underlying motivations for implementing AI in employee performance evaluation processes?

In what ways does this transformation influence the roles, responsibilities and decision-making authority of HR professionals?

Disposition

Chapter 2. Previous Research

2.1 Why Organizations Adopt AI in Performance Evaluation

The study of artificial intelligence in HRM has increased rapidly in the last few years. Many studies, such as Tambe et al. (2019), Stone et al. (2015) and Marler & Boudreau, (2017) have found that AI is added to improve faster, more consistent and more data-driven HR decisions. When it comes to judging performance, this can involve managers or HR no longer basing their evaluations solely on annual appraisals and subjective decision making. Rather, data generated by the system through digital work platforms can be leveraged to produce a more continuous visualization of the activity and production of the employees.

This follows platforms' continuous monitoring style, which primarily evaluates performance through digital artefacts of work rather than through discrete meetings (Kellogg et al., 2020). In actuality, this might encompass information from documents, chat, email, meetings, and collaboration tools, and be transformed into signals that can be included in performance descriptions and ratings that may impact performance (Chen et al, 2021).

Previous studies further reveal that AI in HR is largely pitched as a means to improve efficiency and standardisation. AI may offer organizations the promise of less time spent on administrative tasks, more consistency across cases and more objective decision making (Tambe et al., 2017).

2.1 How AI Transforms What is Meant by Performance

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Agung (2024), for instance, has pointed to the issues of fairness, transparency and accountability that have emerged in the previous research. Using AI in HR decisions may lead to challenges in providing clarity about the production of a recommendation or a score (Ying et al, 2025). This can cause an issue if an employee doubts the outcome or if a manager is interested in finding out what the decision is based on. In such a context, HR practitioners might be required to defend results that could be partly based on a system-generated information, even if they do not necessarily have a clear understanding of the logic of the system (Nyathi, 2023).

This research implies, however, that AI can introduce paradoxes of objectivity and of limited explainability. As HR increasingly uses AI-generated content, it is crucial to understand who should be held accountable if the output is incorrect. Agung et al. (2024), Nyathi (2023) and Ying et al. (2025) found that issues like unfair outcomes, opaque systems and mistrust continue to be significant challenges in AI-driven evaluation.

Consequences for HR Roles and Authority

This evolution of definition and assessment of performance is closely linked to another theme that has been present in the literature: the role of HR in the evolution. A key finding of past studies is that AI can transform the function of HR. In a sociomaterial perspective, technology is not just used to facilitate human activity. It also plays a role in the formation of practices, responsibilities and power relations at work (Orlikowski, 2007). This will impact working practices, job expectations, and the power of HR professionals when it comes to performance reviews.

HR will be more likely to regulate the use of digital tools and set down rules for acceptable data sources in addition to assessing performance. It could also be responsible for ensuring adherence and addressing employee and management concerns. Thus, in this context, AI can shift HR roles from subjective decisions to monitoring, organizing, and risk management. Recent research has revealed that AI-HRM can be both enabling and alienating (Talwar et al., 2026), and that implementation can't always be done entirely with AI.

There is some additional research that indicates that the advent of AI can cause shifts in professional judgment. HR personnel might find that their choices are becoming more uniform and their discretion is becoming more limited (Talwar et al., 2026). Concurrently, they can be called upon to serve as stewards of fairness and process quality. This is a double role. HR must faith in the system and rely on data-based results. However, HR cannot be totally exempt from ensuring that the decisions made are suitable and in line with organizational values (Nyathi, 2023).

AI has therefore been demonstrated to enhance both the assistance and the strain on HR professionals. More recent research shows that trust, fairness, transparency, and employee participation in the implementation process are also important factors in the process of acceptance (Agung et al., 2024; Nyathi, 2023; Ying et al., 2025).

The results suggest that AI in the assessment process is not just a technological shift, but an organizational and professional transformation. It can enhance speed and consistency, but can also redefine what performance is, how performance is justified, and how HR work is organized (Tambe et al., 2019; Kellogg et al., 2020). But what remains less understood is how these dynamics play out specifically for HR, that is, why HR departments are adopting AI for performance evaluation in the first place, and how this adoption, in turn, transforms HR's roles, responsibilities and decision making power. This is an area that the thesis fills.

Chapter 3. Theory

This research uses three theories that complement each other to examine how AI is being used in HR performance evaluation. The theory of Sociotechnical Systems (STS) 3.1 focuses on the structure of how the technical and social components of an evaluation system are supposed to fit together. Sociomateriality (3.2) offers a practice-level lens for exploring the

intertwining of AI tools and HR routines in everyday work. Understanding the digital mindset (3.3) offers a cognitive and behavioral lens to interpret and act on AI outputs on a per-individual HR professional basis. The three levels are then synthesized into a unified analytical framework in Section 3.4, which is used throughout the analysis.

3.1. Applying the basic concepts of Sociotechnical Systems Theory.

To go beyond a simple description of attitudes toward AI, the analysis is based on Sociotechnical Systems (STS) theory. STS provides insight into the structuring and relation of technology and human work.

The theory of STS first emerged in the Tavistock Institute in the 1950s, particularly with Trist and Bamforth (1951) who investigated the longwall method of coal mining. They determined that when technical changes took place without changes in the social organization of work, productivity decreased, stress rose, and working conditions became poorer. Based on these results STS suggested that there are two interconnected subsystems in every work system (Trist, 1981):

Technical subsystem comprising tools, machines, technologies and procedures. For the purposes of this study, this is defined as the use of AI to facilitate the evaluation, appraisal, and decision support of performance.

The social subsystem (individuals, capabilities, positions, relationships, rules, and beliefs). This is human aspect of HR which involves Empathy, Ethical judgment, Interpersonal communication.

Joint optimization is an important concept in STS (Pasmore, 1995). A work system is successful over the long term only if both the technical and social subsystems are designed and managed complementary. Sub-optimization (Cherns, 1987) occurs when technology is optimized at the expense of human well-being and autonomy, or when human needs are emphasized but technology is not used well. In these instances, the level of performance of the system and the quality of working life will both suffer.

In HR, that translates to measuring efficiency, predictive accuracy, and data-driven decision-making not in isolation from the impact that these have on the role of HR, their identity, and their personal experience. The collaboration of an AI HR system can only be viewed as optimized when the technology empowers HR professionals while at the same time preserving ethics and human judgment that is pivotal in HR processes. While it was developed for industrial environments, its usefulness is still applicable to digital transformation, algorithmic management and the interaction between humans and technology (Boström & Monks, 2024). This structural, systems-level perspective on joint optimization is complemented below with a closer, practice-level account of how AI and HR routines are enacted in practice together (3.2).

3.2. Sociomateriality

This study also draws on Wanda Orlikowski's (2007) sociomaterial theory of technology at work, to further analyze the ways in which AI is used and experienced in relation to performance evaluations.

Much of the research in the field of organizations lacks both consideration for the physical dimension of technology and for its use in specific circumstances, such as “technology adoption” events, or studying technology effects (techno-centric) or human interpretation (human-centric), among others, according to Orlikowski. The methods used are not without their drawbacks. The first is one that conceptualizes technology as a static and external entity, and the second is one that could lead to the “disappear” of technology behind the sensemaking and social processes. In this study, sociomateriality thus extends STS theory by focusing on the processes of mutual constitution of AI-based performance tools and HR practices in the everyday use, as opposed to regarding this technology as a given input to an other social system.

3.3. This Learning Unit introduces the concept of the Digital Mindset as a Linking Perspective.

The digital mindset by Leonardi and Neeley introduces a cognitive and behavioral approach to STS and sociomaterial perspectives. STS is concerned with the structural integration of social and technical subsystems, and sociomateriality is concerned with the combination of them in practice.

The digital mindset is all about the thinking, foundational knowledge and lines of reasoning that practitioners bring to their data and AI work (Leonardi & Neeley, 2022). Their primary claim to fame is that “digital” isn't a job title nor a technology area, it's a way of thinking.

If you're looking to thrive in the digital age, you don't have to be a data scientist or a software engineer. Rather, they require a certain mindset regarding the use of data, the functioning and failure of algorithms, and the collaboration between people using digital systems. A Digital Mindset is not only cognitive and technical, but also behavioral (Leonardi & Neeley, 2022).

The “30% rule” is one of the key concepts. It is not necessary for professionals to have in-depth knowledge, but they must have knowledge of approximately 30% of important concepts in three fields: data, algorithms & AI, digital collaboration. This level of understanding is sufficient to formulate appropriate questions, make informed choices, collaborate effectively with technical professionals, and prevent naive/precautionary beliefs (e.g., “The algorithm is objective, so it has to be right”). (Leonardi & Neeley, 2022)

On the STS perspective, this literacy is a prerequisite skill for joint optimization as it allows HR professionals to ask, understand and influence the technical subsystem rather than simply adjusting to it.

A digital mindset is not exclusive to technical elites, and can be learned and taught, as do Leonardo and Neeley (2022). They emphasize the ethical and social issues, including privacy, surveillance, fairness, and employee well-being, as integral components of a genuine digital approach, rather than merely add-ons. Combined with STS and sociomateriality, this digital mindset is what makes it possible to jointly optimize the same AI system in one HR context, while in another it will optimize sub-optimally, depending on the digital literacy of the HR professionals involved.

3.4. How do you combine STS, Sociomateriality and the Digital Mindset for AI in HR?

This study can investigate three interrelated levels through STS theory, Orlikowski's sociomaterial theory and Leonardi and Neeley's digital mindset framework.

- How AI systems for HR are built (STS – how the social and technical components are put together and optimized together).
- The actual use of AI in work (Sociomateriality: how humans and technology are tightly coupled in practice)
- The attitude and knowledge that HR professionals have to data and algorithms, and their ethical awareness.

The two subsystems that STS identifies in daily use of the system are found as tangible sociomaterial configurations where the use of AI tools, HR practices, data systems, norms and expectations are interconnected and mutually dependent. The degree of effectiveness relies on HR professionals' and leaders' digital mindset.

When HR professionals do not understand how algorithms work, how data is generated, or what trade-offs performance metrics involve and missing a digital mindset, Leonardi and Neeley (2022) argue that they are more likely to:

- Undervalue the expertise of professionals (as is done with AI) – think it cannot ever make a mistake, it is not subjective, etc.

Anxiety and resistance due to under-trust of AI (viewed as not transparent and arbitrary).

Chapter 4. Method

This study uses a qualitative research design to understand how and why the HR department adopts AI in employee performance evaluation and how this affects the role of HR staff. The goal is not to measure how common AI tools are, but to explore HR professionals' reasoning, interpretations, and experiences when AI is introduced into performance evaluation work.

A qualitative approach is suitable when the research focuses on meaning, motivations and how people understand change in practice (della Porta & Keating, 2008). The study follows an interpretive orientation, meaning it aims to understand how HR staff make sense of AI and how they describe changes in responsibilities, authority, and daily work. This approach treats interviews as an important source for understanding how people interpret events and justify actions within their organizational context (della Porta & Keating, 2008).

4.1 Data collection

Data is collected through semi-structured interviews. This format makes it possible to ask the same main questions to each participant, while still allowing follow-up questions to clarify details and capture examples. The interview guide is designed to focus on:

- HR's reasons for adopting AI in performance evaluation
- What tasks HR staff perform before and after AI is implemented
- How HR responsibility, authority, and accountability change when AI outputs are used

4.2 Selection of participants

The study targets participants who have insight into HR's work in performance evaluation and the introduction or use of AI in that process. The main group is HR professionals, especially those involved in designing the process, setting policies, supporting managers or governing the tool. If relevant, one or two additional stakeholders, for example a system owner or HR analytics specialist, may be included. However, the analysis remains centered on the HR function.

4.3 Data analysis

The interview material will be analyzed using qualitative coding. Coding means assigning short labels (codes) to parts of the interview text to capture their meaning and organize the material in a systematic way (Saldaña, 2009). Coding is an interpretive step between data collection and deeper analysis, and it helps the researcher find repeated patterns across interviews (Saldaña, 2009).

The analysis will be done in steps:

The analysis will be conducted in several stages. First, the interviews will be transcribed and read several times to help the researcher become familiar with the material. Next, the data will be coded in a first cycle, where initial codes are applied to meaningful parts of the text, for example "new HR governance tasks," "reduced manager discretion," or "pressure to justify decisions with data" (Saldaña, 2009).

After that, a second cycle of coding will be used to group these initial codes into broader categories and themes, such as "HR role shift toward governance," "changes in HR authority," and "new accountability and risk work" (Saldaña, 2009).

Finally, themes will be compared across participants to identify similarities and differences in how HR roles are changing. This stepwise analysis supports the study's cause-and-effect focus by making it easier to connect the main drivers behind HR's adoption of AI with the observed consequences for HR staff roles, responsibilities and decision-making authority.

4.4 Ethical considerations

Ethical considerations are important because performance evaluation is sensitive and can involve personal and confidential information. Participants will receive information about the study purpose and how the interview material will be used (della Porta & Keating, 2008).

Participation is voluntary and participants can skip questions. The study will also protect confidentiality by removing identifying details and by describing findings in a way that does not expose individuals or internal company processes unnecessarily.

4.2 Interview Guide

Background and context

1. For which company do you work and which is your job title?
2. What is your role in performance evaluation and appraisal in your organization?
3. How is performance evaluated today (main steps)?
4. When did you start using AI tools in the process?
5. Which employee groups are covered (e.g., office, plant, managers)?

HR role and context

6. What is your current HR role and what is your responsibility in performance evaluation?
7. How did HR performance evaluation work before AI was introduced, and what does HR do today (key steps only)?
8. Which parts of the process does HR own versus managers, IT or vendors?

Why HR adopted AI, drivers from an HR perspective.

9. What were HR's main reasons for introducing AI into performance evaluation?
10. What problem in HR work was AI expected to solve (time, consistency, quality, compliance, other)?
11. Who in HR initiated the change, and who had final decision power (HR leadership, IT, business)?

What changed for HR staff (tasks, competence, authority)

12. What new tasks did HR staff take on after AI was implemented. For example configuration, monitoring, guidance, auditing, vendor management?
13. What HR tasks became smaller, moved to others, or disappeared?
14. Has HR's decision-making authority changed in performance evaluation? If yes, how and why?
15. How has HR's professional judgment changed when AI recommendations or outputs are available?

HR governance and accountability.

16. What is HR accountable for when AI is used in evaluation (fairness, explainability, documentation, outcomes)?
17. What rules or safeguards has HR set for how AI outputs can be used? For example "support only," no automated decisions and mandatory human review?
18. If someone challenges an AI-influenced evaluation, what is HR's role in handling the case (process, escalation, documentation)?

HR capabilities and change management.

19. What training or support did HR staff need to work with the tool responsibly?
20. What were the biggest challenges for HR during implementation (trust, change resistance, legal/privacy, data quality, other)?

Outcomes for the HR function.

- 21. What has improved for HR (concrete examples)?
- 22. What has become harder or riskier for HR (concrete examples)?

Closing questions.

- 23. Looking forward, what role should HR play in governing AI in performance evaluation?
- 24. Is there anything important about how AI has changed HR's role that we have not covered?

Chapter 5. Result**Chapter 6. Discussion****Chapter 7. Conclusion****Bibliography****Appendix**