

**Exploring employee responses to the use of generative AI in
performance management**

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Abstract

Purpose - Recent years have seen a significant transformation in business and society due to Artificial Intelligence (AI). A new subfield emerged: generative AI. This technology autonomously creates content, becoming essential across various sectors. The Human Resource Management (HRM) field is rapidly evolving with generative AI integration. Despite generative AI's potential to enhance HR practices, research on generative AI's role in performance management (PM) and how employees respond to this remains limited. Therefore, this study explores how employees respond to the potential use of generative AI within performance management.

Method – This research employed a qualitative research methodology. Fifteen key informants participated in semi-structured interviews to explore their responses to the (potential) use of generative AI in the PM-process.

Results - Key findings indicate that various burdens were identified: privacy, mental, emotional, bias, manipulation, and social burdens influence attitudes toward generative AI. However, experiencing a certain burden does not necessarily result in algorithmic aversion, nor does the absence of burdens automatically lead to algorithmic appreciation. These are rather separate concepts, not a continuum. Privacy concerns revolve around data storage and access, while emotional concerns stem from the lack of humanity in gen-AI assessments. Additionally, fears of manipulation arise from the potential bias in AI-generated outputs. Respondents expressed while generative AI can assist in PM, it should not replace human judgment. Maintaining the human aspect in PM is crucial, ensuring that emotional intelligence is preserved in assessments. To overcome burdens, organizations should establish clear guidelines, ensure transparency, and involve employees in the integration process. Providing continuous communication and making employees part of the process to build trust and acceptance.

Conclusion – This study found that no single burden alone dictates employees' perceptions of generative AI in performance management. Additionally, experience with generative AI shapes attitudes, more experienced employees are less skeptical and experience lower mental burdens. In general, employees are open to using generative AI in PM if it maintains human elements, ensures data security, and involves them in its integration. Clear guidelines and transparency are essential for overcoming burdens and fostering trust, leading to effective and accepted generative AI integration in PM.

Keywords: *Generative AI, Performance Management (PM), algorithmic appreciation, algorithmic aversion, burdens*

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1. Introduction

In recent years, businesses and society have undergone significant transformations: Artificial Intelligence (AI) has become indispensable. AI is a disruptive technology that fundamentally reshapes our lives and work (Dinh & Thai, 2018). The speed and amount of data we work with today cannot be handled by humans alone, necessitating the support of advanced technologies, such as Artificial Intelligence (von Krogh et al., 2023). Haenlein and Kaplan (2019) define AI as “a system’s ability to correctly interpret external data, to learn from such data, and to use those learnings to achieve specific goals and tasks through flexible adaptation” (p. 17).

Within the field of AI, a new subfield emerged: Generative Artificial Intelligence. Generative AI has gained more prominence among humans since a chatbot, called ChatGPT, was released for public use in late 2022. Generative AI refers to a category of AI, designed to generate new and original content. Instead of responding specifically to inputs or tasks, as in traditional AI models, generative AI has the capacity to autonomously produce new information, images, text or others forms of data (Kar et al., 2023). ChatGPT is based on machine learning (ML) and has the ability to identify patterns in large datasets and make predictions in the form of generating likely next words or phrases given the context of input it receives (Kar et al., 2023).

In the following years, the Human Resource Management (HRM) landscape is expected to change enormous and fast, as technological advancements are pushing the boundaries of business and management (Vrontis et al., 2021). These fast changes in the HR field require fast responses. Numerous organizations have responded to these technological changes by incorporating AI into their business processes (Lee et al., 2023), nowadays also increasingly in HR. For example, to assist organizations in the process of recruitment and selection (Nawaz & Gomes, 2019). A study of Pereira et al. (2023) has already outlined the potential impact of AI on HR practices, which are an important part of any organization (Iswahyudi et al., 2023). Organizational success depends on how effectively organizations can manage its workforce (Çalışkan, 2010).

Furthermore, Yawalkar (2019) examined the role of AI within HRM and thereby it benefits and challenges. However, there are currently a limited number of studies published that focus specifically on generative AI in HRM and the associated responses of employees, although there are a few papers published (Malik et al., 2020; Niehueser & Boak, 2020; Park et al., 2021). Park et al. (2021) explored the perspectives of workers regarding the application

of AI in performance assessment. They came up with six types of user burdens that employees may experience, in situations where AI is involved (Park et al., 2021). Burdens are challenges or difficulties that users may encounter (Park et al., 2021). Malik et al. (2020) demonstrated in their research that generative AI (gen-AI) - specifically the use of chatbots - across functions in HR positively influences employee experience, and thereby their overall satisfaction. Therefore, there is proof that the use of generative AI in HR can be of added value. However, the results from the study by Malik et al (2020) might be difficult to generalize, because it was conducted in organizations with a more technophilic culture. Finally, the study of Cardon et al. (2023) revealed that more than half of the participants (52 percent) of their study believe that gen-AI will replace more jobs than it creates.

Where some research has already been done on gen-AI and the HR practice recruitment and selection (Niehueser & Boak, 2020; Ore & Sposato, 2021) it is lacking for performance management (PM). This caveat is important because PM considers the assessment of people's performance at work, it provides continuous feedback for employees, which fosters the growth and development of individuals. This makes PM a core function of HR (Denisi & Murphy, 2017). According to Denisi and Murphy (2017), PM refers to "the wide variety of activities, policies, procedures, and interventions designed to help employees improve their performance. These programs begin with performance assessments, but also contain feedback, goal setting, training and the implementation of the reward system" (p.1). Additionally, the PM-process is designed to eventually result in improved firm performance (Aguinis & Pierce, 2008).

Systems supported by gen-AI can make the process of PM faster and more effective, due to the potential of gen-AI to reduce human bias and decreasing the administrative workload of HR professionals, while increasing economic benefits (Park et al., 2021). Employee appraisal criteria are entered into the system along with other relevant data, with the aim of obtaining results that target employee performance appraisals (Tewari & Pant, 2020). Integrating new technologies into HR can make work easier and less complex (Jain, 2018). This enables HR-professionals to focus on long-term strategic issues instead of spending most of their time on dealing with operational issues (Aguinis et al., 2024).

Furthermore, gen-AI can obtain employee data by initiating a dialogue via chat (Parisi, 2023). This enables continuous feedback mechanisms, providing employees with real-time insights into their performance as gen-AI can generate assessment results and performance reports (Andrieux, 2024), fostering ongoing improvement. Unlike traditional periodic reviews, which are infrequent and limited, continuous feedback ensures that employees are consistently aware of their performance (Rathnayake & Gunawardana, 2023).

Furthermore, gen-AI could provide coaching to employees, when it functions as a chatbot (Kaur, 2023). Overall, gen-AI has shown huge potential in improving human decision-making processes and thus increasing efficiency in various business environments (Jia et al., 2018).

However, there is a flipside. Employees may develop negative perceptions towards the use of gen-AI within PM. The integration of gen-AI within PM may heighten privacy and ethical concerns among employees, for example due to the capability of gen-AI to access and analyze sensitive information (Iswahyudi et al., 2023). In this case, employees may experience the so-called privacy burden (Park et al., 2021). Due to the ethical and privacy concerns, employees tend to develop negative attitudes towards being managed by gen-AI (Raveendhran & Fast, 2019). These negative perceptions of employees have implications for the entire organization. For example, they can reduce employee confidence in gen-AI, which can ultimately lead to a decline in employee job performance (Tong et al., 2021).

Also, the bias of algorithmic decisions is an issue in the use of gen-AI. People trust algorithms less than they trust humans, even though humans can make the same mistakes. Which is known as algorithmic aversion (Dietvorst et al., 2015). Therefore, gen-AI has a great potential within PM, but employees can still experience various burdens when algorithms assist in their performance evaluation.

Despite the mentioned advantages and disadvantages of using gen-AI, there is a need for a better understanding of employees' actual responses in this process. Specifically, there is a lack of empirical research focusing on burdens employees may experience when integrating gen-AI within PM and how these burdens may be related to an employees' algorithmic appreciation and/or aversion. Further research is required to explore employees' responses to the potential use of generative AI within PM.

With the aim of contributing to gaining and increasing the knowledge that enables organizations to make the implementation of gen-AI in HR practices successful and positively perceived by employees, this research aims to answer the research question at the heart of this study:

"What are the different antecedents for algorithmic appreciation and aversion in the context of generative AI in performance management, and what factors influence these responses of employees?"

To provide a comprehensive answer to this research question, the main question was divided into two sub-questions:

1. What burdens do employees face because of the potential use of generative AI within PM?
2. How are the burdens, faced by employees, related to an employees' algorithmic aversion and/or appreciation?

1.1 Theoretical contributions

By addressing the research question, this study aims to enhance the understanding of generative AI and increasing the knowledge base concerning employee perceptions related to the potential use of generative AI in the performance assessment and the performance review phase of PM. Where there is more research into other parts of HR, for example within recruitment (Niehueser & Boak, 2020; Ore & Sposato, 2021), research into generative AI and PM is limited.

This research extends the existing work on algorithmic aversion and appreciation (Dietvorst et al., 2015), by integrating this phenomenon with the burdens employees might experience, as described by Park et al. (2021). This integration aims to find out how specific user burdens – mental, emotional, privacy, bias, social and manipulation - are related to the concepts of algorithmic aversion and/or appreciation.

This research contributes to the literature on generative AI and HRM by providing insights into how employees might respond to the potential use of generative AI within the performance assessment and the performance review phase of PM, this contributes to ongoing research goals as outlined by Stone et al. (2024). In addition, this research contributes to the literature on employee responses to AI - by specifically focusing on generative AI - and studying employees who are potentially managed by generative AI, whereas other research focuses on employees who themselves work with gen-AI in performing their tasks (Niehueser & Boak, 2020; Ore & Sposato, 2021).

1.2 Practical contributions

For organizations, it is important to find out how employees might respond to implementing gen-AI in their HR practices and to what extent this is appreciated by employees. As Tambe et al. (2019) discuss, it's crucial to pay careful attention to the reaction of employees when AI is introduced within HR, to avoid conflicts between managers and employees, as happened when Scientific Management was first introduced (Dar, 2022). In addition, this research is practically

relevant because organizations could use this information in their consideration of whether to implement generative AI and in what way generative AI could then be deployed. Additionally, anticipated responses from employees can be expected. It is important to keep employees satisfied because, employees are a company's most important asset. Employees who are dissatisfied are less motivated and therefore perform worse (Varma, 2017).

Another practical implication is that types of burdens will be identified that may come up when generative AI is potentially used within the performance assessment and the performance review phase of PM. For (HR) managers and/or organizations, this information can be of huge value.

1.3 Outline of the study

In the following section, the concepts of Artificial Intelligence and Generative AI will be explained, the various phases of performance management will be explored and employees' reactions to the implementation of gen-AI through the lens of algorithmic appreciation/aversion are examined. The burdens that employees may experience during the use of gen-AI will also be discussed. At the end of the theoretical background, a research model will be presented, followed by an explanation of the methodology used in current research.

2. Theoretical Background

This chapter provides more information about (generative) Artificial Intelligence (AI) in general. It explains what performance management (PM) is and what steps are involved. Furthermore, this chapter explores how generative AI works within performance management and what employees' reactions could be to the use of generative AI, using algorithmic aversion/appreciation and the burdens employees may face in this process. Finally, this chapter provides an overview of the main concepts in an initial research model.

2.1 (Generative) Artificial Intelligence

The term Artificial Intelligence was introduced in 1955 by John McCarthy. He described AI as a creation that combines science and engineering to create machines that can interact with human intelligence (McCarthy, 2007). Now that technologies have evolved, it has become possible to create algorithms that are more advanced. This research makes use of the definition by Kaplan and Haenlein (2019) of Artificial Intelligence (AI): “a system’s ability to correctly interpret external data, to learn from such data, and to use those learnings to achieve specific goals and tasks through flexible adaptation” (p.17).

Generative AI - a form of AI - distinguishes itself from traditionally AI by besides making predictions, also generate new content based on existing data (Andrieux et al., 2024). The diffusion of generative AI is transforming our work processes and the way of communication (Feuerriegel et al., 2024). Generative AI can be used to assist humans as intelligent question-answering systems (Feuerriegel et al., 2024). Examples of generative AI models are Dall-E, LLaMA 2, and the most familiar to society, GPT-4 (Feuerriegel et al., 2024). These are the underlying AI models for ChatGPT, Runway and Midjourney (Feuerriegel et al., 2024). Runway and Midjourney are image and video generation systems. This research focusses on ChatGPT, which is a text-generator and conversational agent (Feuerriegel et al., 2024).

ChatGPT has gained popularity since the chatbot was launched for public use in late 2022. There was an explosive worldwide adoption of ChatGPT, due to its ease of use for non-expert users. ChatGPT, which stands for “Chat Generative Pre-train Transformer”, can generate answers that are indistinguishable from humans (Feuerriegel et al. 2024). The interaction with this chatbot is realistic and conversational: it can give answers to questions build up on earlier questions. The quality of the outputs ChatGPT gives depends on the input it gets. The large language model (LLM) behind ChatGPT uses generative AI. Generative AI uses Machine Learning (ML) models to generate new outputs (McKinsey & Featured Insights, 2023). Once

the user gives the chatbot a prompt, machine learning algorithms are applied to a large amount of data to generate an answer to the prompt of the user (An et al., 2022).

2.2 HRM – Performance Management (PM)

Leveraging the advancements in generative AI, organizations are exploring approaches to enhance the efficiency of its utilization within Human Resources Management (HRM). HRM is defined as “a strategic and coherent approach to the management of the employees in an organization” (Armstrong, 2006, p. 27). HRM consists of several practices, such as Learning and Development, Recruitment, Compensations and Benefits, and Performance Management. This study focuses on Performance Management.

Performance management (PM) defines, measures, and stimulates employee performance, by making sure the individual’s performance aligns with the organization’s strategic goals (Aguinis, 2009). PM is widely advocated to develop employees (Aguinis, 2013). Its focus is on enhancing the effectiveness of organizations, through improved performance by employees (Baron & Armstrong, 1998). PM is seen as an ongoing process, where performance evaluations are focusing mainly on future performance. Employee performance evaluations are (partially) based on measured performance outcomes. PM involves daily management of tasks, alongside the support (of growth) of people (Den Hartog et al., 2004).

PM shifted from annual performance goals, towards the use of shorter-term goals and constant interaction between management and employees (Rock and Jones, 2015). The factor underlying this change includes the nature of work, which changed to more teamwork and more globality and the need to attract, develop and retain talent through providing feedback on a more frequent basis, which leads to enhanced employee engagement and development (Brown et al., 2019). The performance appraisal stands out as one of the subjective tasks of HR. Some organizations even avoid it, because they do not like it (Keegan & Den Hartog, 2019). Parts of employees’ performance could be measured quantitatively. This is where AI could be used to assist in HR decisions, for example in employee reward and employee development (Keegan & Den Hartog, 2019).

PM is a process that works towards a situation where the organizational processes are designed to maximize the productivity of employees, and thereby the productivity of the whole organization. As mentioned before, it is about measuring and improving the performance of the workforce. PM is a dynamic, continuous, and ongoing process (Tool, 2012). *Figure 1* shows the process cycle of PM.

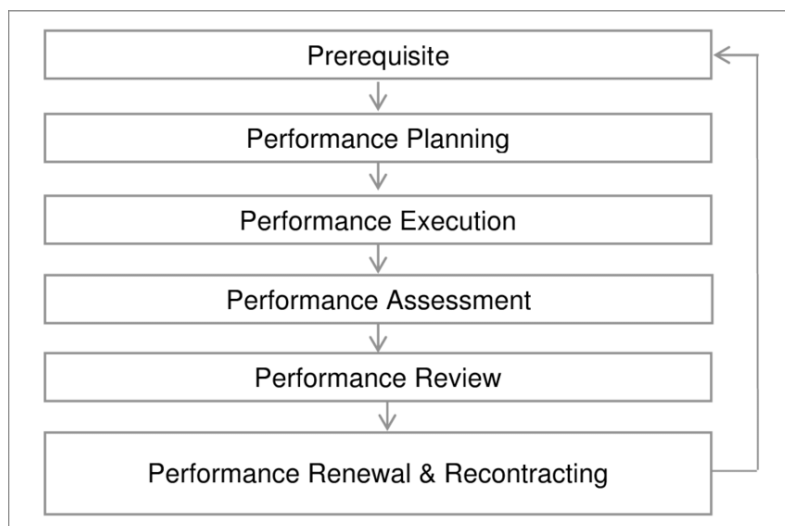


Figure 1. The Performance Management process (Aguinis, 2012, p 31).

Prerequisites

Before implementing the performance management process, there are two prerequisites that must be met: (1) the organization's mission and strategic goals must be understood, and (2) knowledge of the specific job. When these points are not clear, there will be ambiguity about what is expected from employees and what they need to accomplish to contribute to the organizational goals (Aguinis, 2009).

Performance planning

In the performance planning phase, employees need to develop a comprehensive understanding of the performance management system. Before a performance process starts, the supervisor and the employee discuss during a meeting what needs to be done and how to accomplish this. This meeting includes a consideration of (1) results, (2) behaviors and (3) a development plan (Aguinis, 2009).

Results. The results refer to the outcomes that the employee must produce, the things that the employee needs to accomplish (Aguinis, 2009).

Behaviors. This involves specific skills, knowledge and attitudes needed to be successful in a particular role or function. Furthermore, this involves how these competences can ensure that objectives are met. It is therefore important to also take the behaviors into account, as the results alone do not show a complete picture of an employee's performance (Aguinis, 2009).

Development plan. The supervisor and employee need to reach consensus on a development plan. This plan states which specific elements need improvement, but also which goals are set for each element. This plan includes both results and behaviors (Aguinis, 2009).

Performance execution

In this phase, the real execution of performance starts. The employee must try to achieve the predefined objectives and show the behaviors that were discussed in the performance planning phase. Besides this, the employee works on the developments that were discussed. Both the employee and the supervisor play a role in this phase. The supervisor observes and documents the employee's performance, gives feedback, and provides employees with resources to facilitate the growth and development (Aguinis, 2009).

Performance assessment

In the assessment phase, the employee as well as the supervisor evaluate the performance of the employee. They look if the desired results have been achieved, but also if the behaviors are in line with the predetermined objectives. The appraisal plays part in this phase, both the supervisor and the employee fill out a form. These forms are used in the performance review phase (Aguinis, 2009).

Performance review

During the performance review phase, the employee and the supervisor set up a meeting, to discuss the forms they completed during the performance assessment phase. In this formal meeting, the employee will receive feedback from the supervisor about his or her performance. Providing feedback has a positive influence on performance. This makes it is of great importance (Aguinis, 2009). A study conducted by Rahman (2006) found that regardless the outcome of the performance rating – high or low rating -, delivering effective feedback has a positive impact on employee satisfaction with the system. However, even though providing feedback is of great importance, supervisors often feel uncomfortable. This sometimes leads supervisors to avoid conducting performance reviews of employees. The performance review should not focus only on the past, it should also look ahead to the future. Therefore, objectives set for the next meeting are involved in this phase (Aguinis, 2009).

Performance renewal and recontracting

The last phase is the performance renewal and recontracting phase. It looks like the performance planning phase. The difference is that during this phase, the outcomes of other phases are combined. It is not over after this phase, as there is an iterative process. The process restarts due to the dynamic nature of markets, changing customer needs and preferences, product changes and other influencing factors (Aguinis, 2009).

This research is focused on the performance assessment and the performance review phase, because it is likely that generative AI could provide effective assistance in these specific phases. One reason for this is that generative AI can be used to provide more frequent and personalized feedback to employees (Ooi et al., 2023; Parisi, 2023). In the next section, more reasons will be explained in detail.

2.3 Generative AI within Performance Management

Gen-AI could have significant impact on employee performance management, because of the continuous development of PM (DeNisi et al., 2021). Within PM, supervisors make decisions based on high amounts of data. ChatGPT can assist in this process, because the chatbot can process high amounts of complex data relatively fast (Budhwar et al., 2023). In the past, HR managers would spend hours manually entering data into databases. This was a very time-consuming process and prone to errors. With the introduction of ChatGPT, these tasks can now be automated because ChatGPT can process information quickly and accurately (Léger, 2023).

There are several applications of using generative AI in PM, but the number of organizations that make use of ChatGPT in PM is low. Even though there is a great potential for ChatGPT to assist managers within PM, especially during the phases where they assess and review performance (Ooi et al., 2023; Parisi, 2023).

In the *performance assessment phase* gen-AI could assist the manager because gen-AI is able to extract, format and input data into HR systems. Consequently, HR managers can delve deeper into data analysis and the interpretation of data and do not have to input the data manually in the HR-system (Léger, 2023). With the assistance of gen-AI, for example a self-assessment tool incorporating personalized data about employees can be developed, in the form of a platform (Varma et al., 2024). The chatbot can facilitate in obtaining data for the platform by initiating conversations with employees and asking personalized questions regarding their personal goals or performance for example. Additionally, the chatbot can pose follow-up questions to foster a dialogue (Parisi, 2023). This approach can also be extended to interactions

with colleagues of the respective employee, where the chatbot asks questions about for example the employees' attitude, performance and communicative skills (Parisi, 2023). Additionally, Gen-AI can generate accurate assessment results and performance reports, partly based on the data obtained from the chatbot interactions (Andrieux et al., 2024). This real-time performance evaluations helps managers to gain timely insights into employees' work situations (Zhou & Cen, 2023), which they can use in the performance review phase. This process also provides individual employees with instant feedback, which has a positive effect on the employee's job performance. Providing feedback is a key factor in enhancing motivation (Hackman & Oldham, 1976). Enhanced motivation, in turn, has a positive impact on the organizational performance (Kluger & DeNisi, 1996).

Gen-AI can also be of significant assistance during the *performance review phase* of the PM-process. Performance appraisals are one of the most challenging tasks in HR. This is because there is only one person involved in this process who does the evaluation, and that person may be biased (Stone et al., 2024). Leveraging ChatGPT as an assistant in the PM-process has the potential to reduce this human bias and lower the administrative workload of HR professionals', while increasing economic benefits (Park et al., 2021). ChatGPT can be helpful in automating these tasks, because the chatbot can learn and improve over time, which can be applied to perform routine activities within PM (Korzynski et al., 2023). ChatGPT can help facilitate more effective conversations by providing intelligent prompts for managers based on the collected employee data, which they can use to assess employees based on factors that are beyond tangible outcomes (Ooit et al., 2023; Varma et al., 2024). In this way, the chatbot can be used to create scripts for providing feedback and conducting performance evaluations (Stone et al., 2024). Additionally, gen-AI can do suggestions for future goals for employees and assist managers in formulating feedback personalized to employee preferences (Varma et al., 2024). Gen-AI could also reduce the human bias of managers in PM, given that communication abilities can differ significantly between managers. Gen-AI can contribute to more uniformity and standardization in PM (Varma et al., 2024). However, the chatbot cannot replace the actual dialogue in the performance review phase, this interaction should remain a human-to-human exchange (Varma et al., 2024). Nevertheless, the chatbot can be of great assistance in the performance review phase. There is already an organization that has experimented with using ChatGPT in their PM review phase. The company led the chatbot draft performance reviews, based on the outputs of questions asked to colleagues of the ratee (Parisi, 2023). It turned out that the chatbot was very accurate in drafting the performance reviews. Since performance reviews are often a process that takes a lot of time of supervisors and results

may be biased, when conducted by one individual, the results can be limited. The challenge is becoming even more difficult due to the prevalence of remote and hybrid work nowadays. With the assistance of the chatbot, simply by responding to questions about your colleagues, we could predict how the manager would have rated the performance of employees about 80 percent of the time (Parisi, 2023).

The use of ChatGPT has a lot of advantages, as mentioned above, but there is a flipside. One example is that the use of ChatGPT involves the management of sensitive information, because the chatbot is provided with data of employees. When this sensitive data is not managed in the right way, it could impact the privacy of employees (Park et al., 2021). Organizations need to ensure that that employee performance data are protected carefully (Varma et al., 2024). Also, it is suggested when ChatGPT is used within PM, the trust levels of employees would be much lower because they would be concerned about the information that is used to make up decisions in a performance assessment (Varma et al., 2024). ChatGPT relies on information that is available to it, therefore organizations need to be careful when interpreting chatbot outputs and take into consideration that ChatGPT's responses are based on data that it has access to. However, if HR managers take the consequences into consideration, they can use it to their advantage within PM (Budhwar et al., 2023).

It needs to be figured out whether the help of gen-AI within PM ensures greater effectiveness. To find out, one of the most important aspects is to firstly look at how employees - who are potentially affected by gen-AI in PM - respond to the use of gen-AI (Au-Yong-Oliveira, 2019). The ongoing advances and discussions around gen-AI (Korzynski et al., 2023; Budhwar et al., 2023; Parker & Grote, 2021) already indicate that it can transform HRM practices.

Many prospective advantages are mentioned in current literature on the use of gen-AI in PM, but actual empirical evidence is lacking (Parker & Grote, 2020; Rathnayake & Gunawardana, 2023; Korzynski et al., 2023). Therefore, there is an urgent requirement for further empirical research to support these prospective advantages. Understanding how organizations can properly deploy gen-AI is important, but one more step before that: it is important to find out how employees would respond to the use of gen-AI, for example ChatGPT. This is pivotal, because building acceptance and trust for a new technology is crucial in an organization who (wants to) make(s) use of it (Sebastian, 2023).

2.4 Employee responses to generative AI

Research into the responses of employees to gen-AI are in an early stage. There are a number of studies into recruitment and selection (Malin et al., 2023), but research into PM is limited. This study will concentrate on employees who are (partially) managed by gen-AI. This area becomes more complex due to mixed emotions towards gen-AI. In this case it depends a lot more on the context of the situation (Lee, 2018).

On the one side, there is research that suggests that people prefer human judgment over AI judgment, which is called algorithmic aversion. On the other side, there is research that suggests that people prefer AI judgment over human judgment, which is referred to as algorithmic appreciation (Dietvorst et al., 2015; Logg et al., 2019). People's perceptions of algorithms and their comparisons with human supervisors plays an important role in their perceived trustworthiness, fairness, and their emotional responses to algorithms (Lee, 2018). Tasks that people think need human skills, like work evaluation, are often confronted with more negative emotions, such as feelings of unfairness and distrust (Tambe et al, 2019). However, the enhanced accuracy of algorithms – in comparison to humans – results in organizations investing more in algorithms (Dawes et al., 1989). This investment empowers organizations to efficiently analyze data. When employees are given the choice between a human or an algorithm as manager, employees choose the algorithm for analytical tasks because of their perception that algorithms are better in performing analytical tasks (Lee, 2018). Conversely, for social tasks, employees tend to prefer human managers because algorithms lack emotional understanding and are often considered as less fair by employees (Lee, 2018; Park et al. 2021).

Dietvorst et al. (2015) found in their research that people prefer human forecasts rather than algorithmic forecasts, once they had seen that the algorithm was not perfect, even when they had seen the algorithm forecasts outperform the human forecasts. Also, the algorithm outperformed the human on average. As a result, people do not want to make use of algorithms that they have experienced to be imperfect (Dietvorst et al., 2015). This phenomenon is costly, as it leads to suboptimal outcomes, and it is therefore important to understand what causes algorithmic aversion (Dietvorst et al., 2015). We lack real insight into which reasons drive algorithmic aversion, and thus when people are most likely to show algorithmic aversion (Dietvorst et al., 2015). It seemed that errors that we tolerate in humans become less tolerable when algorithms cause them. According to Dietvorst et al. (2015) it could be that algorithm aversion (partially) depends on people's experience with the algorithm. Conversely, understanding what drives algorithmic appreciation is equally important. It needs to be

determined whether it is influenced by the absence of burdens, or if other factors that play a role in shaping algorithmic preference.

To gain a deeper insight into what drives algorithmic aversion and appreciation, we look at types of burdens people may experience when dealing with algorithms, as identified by Park et al. (2021). This approach allows us to gain a more holistic understanding of the factors that influence aversion and/or appreciation, because it takes into account not only system performance, but also subjective experiences of employees (Park et al., 2021). When people have a positive experience with an algorithm, it can mitigate emotional burden and potentially increase algorithmic appreciation. In contrast, a negative experience with an algorithm may cause algorithmic aversion (Park et al., 2021; Dietvorst et al., 2015).

When generative AI is involved in HR decision-making, employees may experience six types of burdens: emotional, mental, bias, manipulation, privacy, and social (Park et al., 2021). The first type of burden is *emotional*, where negative emotions arising from the so-called ‘uncanny valley’ effect, can impede the acceptance, and ultimately the incorporation of algorithms in HR. Those emotions can emerge when employees perceive gen-AI lacking humanity, as gen-AI is focused on only objectivity (Park et al., 2021).

The second type of burden is *mental*, the cognitive load that arises from adopting new systems. When individuals are presented with new information, they engage in sensemaking – they make sense of the unknown, to act in unfamiliar situations (Park et al., 2021; Weick, 1995). In case of ChatGPT, its use in assessment and feedback is new to employees. Employees must acclimate to the notion that their performance assessments are (partially) conducted by a new technology, an algorithm. This may impose mental burdens on employees.

The third and fourth types of burden are *bias and manipulation*. People tend to trust algorithms less than human, even though people can cause the same errors (Dietvorst et al., 2015). Algorithmic decisions cannot be perfect because the algorithm uses imperfect information. For example, when the algorithm overemphasizes certain characteristics when making decisions and thus benefits or disadvantages a certain person or group more than others, when this should not be the case and there is no justified reason for this choice (Kordzadeh & Ghasemaghaei, 2022). Such bias could have a negative influence on the level of trust people have regarding algorithmic decision-making (Park et al., 2021).

The fifth type of burden is *privacy*, that refers to the involuntary use of personal information through algorithms; in this case, the information that ChatGPT uses for the assessment and feedback of employees, is stored somewhere. When this information is not protected carefully, this could impact privacy of employees (Park et al., 2021).

The *social burden* is the sixth type of burden. Employees may experience a burden due to unexpected social changes resulting from the use of algorithms, such as increased competition among colleagues due to AI-based performance reviews (Park et al., 2021; Tambe et al., 2019). It may negatively change the work environment by focusing on individual performance, which may negatively influence workers' incentive to create and keep social relationships with colleagues (Park et al., 2021).

To get a more fine-grained understanding of the employee responses to the use of gen-AI within PM, this study makes use of the work by Dietvorst et al. (2015), who developed a typology distinguishing between people who are algorithmic averse or appreciate algorithms. This typology is useful, because it helps to investigate reasons why people are algorithmic averse and/or appreciate it. To better capture this, current research makes use of the burdens, as described by Park et al. (2021) that employees may experience when gen-AI is used within PM. In addition, openness to other burdens that may emerge from the interviews is maintained. Current research aims to examine this relationship, therefore the research model, shown in Figure 2, is developed.

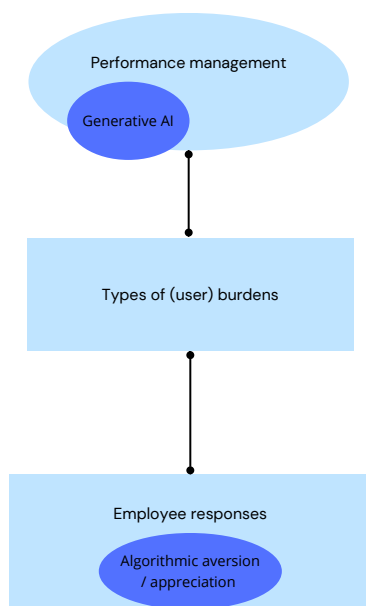


Figure 2. Initial research model

2.5 Research model

The research model shows that the relationship between the use of generative AI (ChatGPT) within PM and employee responses will be examined. The focus is on the performance assessment and the performance review phase within PM. Employee responses are operationalized using algorithmic aversion/appreciation. The study examines the various types of burdens employees may experience when ChatGPT is being used within PM and explores how these burdens are related to employees' responses, in terms of algorithmic aversion/appreciation. These types of burdens consist of *emotional, mental, bias, manipulation, privacy and social* (Park et al., 2021). By using ChatGPT within PM, employees could experience a privacy burden, as information about them is collected and stored. If this is not carefully secured, this could cause employees to tend to develop negative attitudes towards being managed by gen-AI (Raveendhran & Fast, 2019; Varma et al., 2024). This could make them more averse to the use of algorithms (Park et al., 2021). Another example is that because employees are assessed as individuals and individual performance is tracked, this could possibly create a social burden where meritocracy is fostered and the tendency to maintain social relationships with colleagues is negatively affected (Park et al., 2021).

In this research, the aim is to explore how these types of burdens relate to employees' responses towards the potential use of gen-AI within PM, in terms of algorithmic aversion and/or appreciation.

3. Method

In this chapter the methodology of this study is discussed, the research design is explained, the data collection and the data sample are described. Concluding this chapter, a detailed explanation of the data analysis is provided.

3.1 Research design

The goal of the current study was to gain a deeper understanding of how employees respond to the potential use of generative AI in the performance management practices of the individual employee. Because this field needs to be explored and the aim was to grasp participants' experiences regarding the use of generative AI within PM, a qualitative study fitted best here (Gioia et al., 2013). Qualitative research has the ability to offer comprehensive insights and provides in-depth information on a subject (Gioia et al., 2012), with a smaller number of participants to gain high-quality insights (Azungah, 2018). An exploratory qualitative study was conducted with employees of organizations who are considering to make use of gen-AI within the performance assessment and evaluation phase of PM, to find an in-depth understanding of the observed situation (Heale & Twycross, 2018). Exploratory studies are well-suited for situations where existing research, that can be tested, is lacking. Exploratory studies examine the phenomenon within the real-life context (Yin, 2002), they are usually employed to get an understanding of an under researched phenomenon (Chopard & Przybylski, 2021). The research method applied here is key informant interviews, which are in-depth interviews with people who possess specialized knowledge to obtain a (broad) perspective on a specific topic (Taylor & Blake, 2015). This method is chosen because such informants possess specific knowledge or unique perspectives on a particular topic (Kumar, 1989). Since existing academic research has not yet investigated how employees respond to the potential use of generative AI within PM and the burdens they may experience in this process, conducting an exploratory study enables the investigation of burdens employees could encounter, and how these burdens are related to their response to algorithms, in terms of algorithmic appreciation or aversion. The objective of this study was to examine how employees respond to the potential use of generative AI within the performance assessment and the performance review phase of PM.

3.2 Data collection and sample

To answer the research question at heart of this study, fifteen semi-structured interviews were conducted with employees who are potentially managed by generative AI in their performance

management. The participants had to meet the following inclusion criteria: they are employed in an organization that considers incorporating generative AI (for example ChatGPT) into their PM-process (in the future), and the respondent must have already had some experience of a performance assessment and/or review. Another criterion is that the respondents are not working with performance management as a reviewer themselves. Since participants employed in the HR department – specifically PM - are already engaged in this process from the reviewer side. The aim of this study was to examine how employees that are potentially being managed by generative AI within PM respond to this. To find suitable participants, it was necessary to search for organizations that currently have plans to make use of generative AI within their PM. By consulting online sources, an attempt was made to find out. After that, organizations that fit the inclusion criteria will be contacted, via e-mail or phone, or through a call on social networking platforms, such as LinkedIn. As it was not possible to find any organization that currently already use gen-AI in performance management, organizations that might deploy gen-AI for PM in the future were contacted.

The sampling method that was used is purposive sampling. This method was employed because it enables researchers to select participants who have direct experience with the phenomenon under study (Berndt, 2020), in this case, the potential use of generative AI within PM. It is a non-probability sampling method in which the sample is selected based on predetermined inclusion criteria (Berndt, 2020), as described above. Snowball sampling was subsequently applied. In this sampling technique, you begin with a small group of initial contacts who meet the established criteria. These contacts are then asked to recommend additional contacts who also meet the criteria, and the process continues in this way (Parker et al., 2019). After there was an entry at an organization, the relevant contact approached direct colleagues of hers to also participate in the study. This increased the number of respondents to five. After this, people from my own network were contacted – potential respondents – until the point of data saturation was reached, that is when enough data has been collected that no new insights are added (Fusch & Ness, 2015) and thus theory can emerge (Green & Thorogood, 2004). In this research, it was anticipated that data saturation would occur after conducting fifteen interviews.

A semi-structured interview protocol was used, with predefined questions to serve as a guideline, which can be found in *Appendix A*. Within a semi-structured interview protocol, there is flexibility to ask questions beyond the prepared ones, or to modify them when needed. This research instrument was chosen since semi-structured interviews leave enough room to the respondents to share their experiences, while simultaneously allowing the interviewer to ask

follow-up questions, spontaneously, but also questions that were formulated on beforehand (Miles & Huberman, 1994). The interview protocol was based on the types of burdens, as described by Park et al. (2021), serving as a guideline for the interviews.

Each interview began with some general questions about how the respondents think of gen-AI, how their PM-process looked within the organization they are employed and how gen-AI could assist in this process of PM. After the general questions, a scenario about the use of gen-AI, specifically ChatGPT, could look like within PM was presented. Subsequently there were a couple of questions about types of burdens employees may experience because ChatGPT is assisting within PM. This was followed by questions on how these burdens may be related to the perspective of the employees towards gen-AI, in terms of algorithmic appreciation/aversion. There were also questions about the potential advantages and disadvantages of using generative AI. At the end of the interview, the key points from the interview were summarized and a conclusion of the interview was formulated. An overview of the respondents can be found in *appendix F*.

3.3 Data analysis

The interview results were transcribed verbatim, or if conducted online using Microsoft Teams. This program automatically converts audio or video into text. The generated text was checked and manually adjusted, if necessary. The transcribed text was coded using Atlas.ti. The method of analysis is a thematic analysis: the template analysis (Brooks et al., 2015). Template analysis is a method that combines hierarchical coding with a structured approach to analyzing textual data. The development of a coding template is central to this technique, based on a subset of data, which is then applied to subsequent data, refined and adjusted as needed. The overview of the coding template can be found in *Appendix C*. Template analysis, in contrast to other thematic analysis, does not prescribe a fixed sequence of coding levels, but encourages analysts to explore themes in relation to the research question. The data involved in template analysis are usually interview transcripts, because it is about gaining in-depth knowledge (Brooks et al., 2015).

Brooks et al. (2015) defined different steps to follow in template analysis. The first step I followed was to become familiar with the data to be analyzed, by reading through the transcribed interview data in this case. The second step was to preliminary code the data, start with some a priori themes, which were identified in advance. The a priori themes consisted in this research of the different types of burdens (Park et al., 2021) – emotional, mental, bias, manipulation, privacy and social, but also algorithmic aversion/appreciation were a priori

themes. Each new code was in the third step clustered under these themes, and the interrelationships between them were defined. The fourth step was to define an initial coding template, this was done when I was convinced that the selected subset provided a comprehensive representation of the whole. After coding five interviews, approximately 180 first order codes arose. These were combined and shrunk down to eventually forty-eight first-order codes, that formed the initial coding template.

After this this step, the initial coding template was applied to further data and modified, which was step five. Modification was needed when existing themes did not fit the new data, new themes were then inserted, and existing themes were redefined or deleted. After this, forty-six first-order codes remained. So, the template was finalized and could be applied to the full data set, in this case it was applied to the ten other interview transcripts (Brooks et al., 2015). The final coding template can be found in *Appendix H*. The final coding template is elaborated in a visual overview, this can be found in *Appendix I*.

The data analysis technique employed in this study is both inductive and deductive. Deductive reasoning due to the predefined template, which included the burdens and algorithmic aversion/appreciation. This template guided the initial coding of the interviews. Conversely, inductive reasoning was also utilized, as the analysis aimed to identify information that is not covered in existing literature and remained open to emergent themes during data analysis. Inductive coding starts with the study area and allows theories to emerge from the collected data (Strauss & Corbin, 1998).

After coding all the interviews, I mapped out for each respondent which burden(s) could potentially apply to them if gen-AI supports the PM-process. This table can be found in *Appendix G*. This visual overview is crucial for the analysis and ultimately linking the occurrence of specific burdens to the extent to which respondents exhibit algorithmic aversion or appreciation.

4. Results

In this chapter, the results are presented. First, the perception of respondents towards gen-AI is discussed. After that, the performance management process of the employees is examined. Then, the burdens that (may) arise when gen-AI is integrated into the performance management process are addressed. Also, how these burdens are related to an employees' appreciation and/or aversion towards algorithms. Finally, the best ways to overcome or mitigate these burdens are discussed.

4.1 Perceptions of generative AI

All the respondents already knew gen-AI. When asked what the first thing is they think about when they hear generative AI, almost every respondent immediately said "ChatGPT". It was also mentioned that it is a conversational partner, into which you can put input that the chatbot then converts to extended output. Only one respondent worked with another gen-AI tool than ChatGPT, namely Copilot. The other respondents only make use of the chatbot ChatGPT.

"I first think of ChatGPT and co-pilot and all such things, then I think of machine learning things so also apart from communication with a CoPilot that asks you Things, but also more the things in the background, smart things that you can do with machine learning, which allows you to make algorithms, for example, to also do some smart planning or things like that." - 5

Some of the respondents already use gen-AI in their daily job, or for private matters. In work tasks they use the chatbot as a sparring partner, for example for rewriting their own written piece of text. Following that, they also use the chatbot as a spell checker, to check whether everything is written correctly. Finally, respondents use the chatbot for idea generation. This is the most frequently used function of the chatbot among respondents. For example, drafting job ads, coming up with new, personal goals and setting up marketing campaigns.

"We mainly use that in our work to really come up with ideas for a marketing campaign, for example." - 3

The use of gen-AI in the work tasks of the respondents that work in IT is higher compared to those of people that worked in a different sector. This can be logically explained by the nature of the organization they work for. The IT company is very forward-looking, while

maybe other organizations are more wait-and-see and not at the forefront of technological innovations.

The respondents were also asked about their general views on algorithms. They highlighted opportunities presented by Gen-AI. For instance, respondents mentioned that a *chatbot increases the speed and efficiency of tasks*. One example is using a chatbot to draft a basic outline and then making adjustments to the output. This also applies within PM, where it can assist employees in formulating or even conceptualizing their own goals. Additionally, it can also help managers in reviewing and assessing performance data, which can be utilized in performance assessments.

"The biggest time loss is often the preparation of a report, and the actions that must be followed afterwards. I believe generative AI can help significantly here by making these processes more efficient. Provided the system interprets correctly, it can also provide support in summarizing real performance reviews." – 12

Respondents also mentioned that the chatbot can offer a different perspective, due to its ability to analyze high amounts of data rapidly and recognize patterns, beyond the scope of human cognitions. These opportunities indicate that *chatbots will make our work easier*. Because it can take over tasks, thereby broadening our cognitive processes as they act as a sort of additional set of cognitive resources. This capability enables employees to handle complex tasks, thereby facilitating work processes. And in this way the *chatbot makes our work less administrative*, so the managers or employees can focus on substantive tasks.

"I do think it's very good to work with it, because it broadens enormously, and you can't know everything, and in this way, you get a lot more insights. So, that's very cool and it will make your work easier." – 8

These opportunities contribute to positive attitudes towards gen-AI, fostering an appreciative view towards algorithms. Where respondents indicate that they are open to using gen-AI within PM.

"I am positive about that and I'm also open to it being applied." – 4

Besides the mentioned possibilities and advantages, there are also disadvantages of using gen-AI (in PM). Respondents primarily emphasized that *chatbots can make mistakes*, and this should be kept in mind when using the technology. These errors can arise from biases of the chatbot, for example. Respondents indicate that they perform a final check on the chatbot's output themselves and do not copy and paste it directly.

"[...] at least I'm still not blindly assuming that my lines that I get out are completely correct, I'm really going to go through those at least 100 more times myself." – 15

Another disadvantage that emerged from the interviews is that the *chatbot disregards emotions*. Respondents expressed concerns that this is a significant shortcoming in PM, where the human aspect and personal interactions are crucial. They noted that the lack of emotional intelligence by *chatbots makes it less personal*. In human-to-human conversations, nuances and emotions and facial expressions are conveyed, which a chatbot cannot identify. This limitation underscores the importance of the human aspect in PM.

"The emotion in that is completely different from a human conversation. Then there is a different dynamic. But also, people's facial expressions and posture, being able to look into their eyes and feel or see feeling and emotion with that, that's missing. That is different with something that is computer-controlled, like the chatbot." – 4

Respondents have reported a more negative view towards gen-AI in PM due to its identified shortcomings. They mentioned that while chatbots can assist in various PM tasks, they are unable to fully take over the entire process. *The chatbot can't take over all tasks of the manager*, this limitation underscores the necessity of maintaining the human aspect in PM. As previously mentioned, emotions play a crucial role in PM. Respondents also mentioned that they think the ultimate decision-making should remain human-centric. Gen-AI can be a toolbox for the manager to assist in the process, rather than taking over all the tasks within PM.

"I think like in the end, that person, that supervisor that that person should just have the final judgement on that assessment." - 5

Respondents are *skeptical towards the use of the chatbot*, expressing a lack of confidence in certain aspects of their capabilities, such as decision making and emotional understanding. They do not believe that a chatbot could ever perform certain tasks adequately.

"Yes, in that I am skeptical. So yes, in the basic application, yes, but I don't believe that ultimately a chatbot could do the same work and validate properly as a team captain can do, I hope." - 10

The disadvantages highlighted in the interviews, lead to more negative attitudes towards gen-AI, which ultimately contribute to a growing sense of algorithmic aversion among respondents.

4.2 Performance management process

The use of gen-AI in performance management has several functions, it can help to provide feedback to employees, because using gen-AI more frequent feedback can be given to employees, because gen-AI systems are able to gather data continuously. The current performance management process varies enormously between the organizations where the respondents are employed. Some respondents still have a performance review once a year and others are employed by organizations that already have the so-called 3P reviews, some have multiple reviews per year and there are even organizations where colleagues also give feedback to each other. Several respondents also had a platform where they fill in questions, set targets and thus actually provide input for the performance assessment and review.

Integrating gen-AI in PM can transform how feedback is provided, shifting from annual performance reviews to more continuous, data-driven insights. In this case, employees will be able to receive more frequent feedback, in the form of detailed reports, like a performance summary. Respondents therefore certainly see this as a major benefit of using gen-AI in PM, which may be positive for an employees' personal development.

"I think it's definitely an opportunity through the use of generative AI that development points might be mentioned more quickly, so that does mean that you will develop yourself faster because the points might be mentioned more than they normally would." - 9

The gen-AI systems are also able to provide employees with real-time feedback. Partly because of the fast data processing of gen-AI systems and their fast communication, for example by such a platform where you can find your performance or feedback.

"I do think it's really quite efficient organization-wide and mainly receiving more feedback and real-time feedback, that employees are immediately adjusted where necessary, that's really a big advantage."- 2

This leads to an improved quality of feedback, but the quality of feedback is also influenced by the feedback colleagues give to each other. In the eyes of respondents, having direct colleagues also give (anonymous) feedback to other colleagues is positive. They will then receive a pop-up from the chatbot with some questions about the employees in question. Such as questions about attitude, communication, and performance. Especially when this happens across the breadth of the organization, when gen-AI assists in this process and random colleagues are approached for providing (anonymous) feedback, this should provide a fairer, less distorted picture.

"I do think that could do something to people, that the feedback that is now normally predominantly positive, that people might then be more critical because there is a chatbot sitting across from them instead of a person. But, then maybe it's more honest feedback." - 9

"I have also seen that in previous organizations who I have worked for, that the employee is in the lead for collecting feedback. So then as an employee you are steering in the feedback that you want to have come back, so rarely is someone going to ask for feedback from someone they have worked with that didn't go well, so you do collect the better things and with generative AI, if that then just happens across the board, yes you do get a more honest picture." - 4

Some respondents said it should be anonymous to get more honest feedback from colleagues, while others said it should not be anonymous because otherwise there is no dialogue. Employees cannot defend themselves or discuss it if they have no idea who gave the feedback. Opinions were divided on this. Most respondents thought it would be a good solution to do show the supervisor who gave which feedback, so that he or she could ask the person concerned about it.

"It has two sides. Because on the one hand I do think if it's anonymous you're going to get a more honest opinion, on the other hand I think people might stick more to the negative plane whereas, you can say you didn't do a good job, but you can also say you could have done better this way or that way." – 7

Eventually, the improved quality of feedback should lead to an improved performance assessment and review. Because gen-AI can also assist in setting or discussing goals. There will then be more uniformity in assessment because everyone will be measured in the same way. If a certain standard format is maintained. There are clearly predefined assessment criteria, with some of the human bias tackled by the addition of gen-AI.

"Mainly, it brings uniformity in appraisal, that every team captain will conduct his appraisal interviews in the same way. I think ChatGPT could possibly contribute to that, as a kind of toolbox for the manager." – 10

4.3 What burdens do employees face because of the (potential) use of generative AI within PM?

In this section the different burdens are discussed that employees experience because of the (potential) use of gen-AI in performance management, as described in the scenario, which can be found in *Appendix C*.

Privacy burden

The first burden that employees may experience is the *privacy burden*. Privacy burdens may arise through the use of gen-AI in PM, because this area involves handling sensitive information. In PM, details about employee goals, development plans and performance are stored and analyzed, with the assistance of gen-AI. The respondents mentioned *concerns regarding where data is stored*, and whether it is watertight. Or that it could be so public, or data leaked in case the system where it is stored is not watertight. There are major concerns about this among employees.

"That data or what is then recorded about you, also discussed or retrieved. That is then somewhere in the database. That's quite personal, especially when it comes to your assessment

and so on, of course you can also reason that you are already capturing it in systems now. But more the idea that generative AI also makes connections, maybe does things itself, that makes that the impact becomes bigger if something happens with that information or something." - 5

There are also *concerns regarding who has access to the data*, as they do not want just anyone to be able to see the data or data, which must remain well protected and secured. In addition, it should be clear to employees who can access the data.

Within performance management, you are dealing with sensitive information, about employees' development points, for example, or monetary rewards, this is private information that shouldn't be seen by everyone, and the sensitive information must be handled properly. This refers to the *use of sensitive information by humans*.

Respondents expressed *concern about the chatbot's access to data*. They stressed that this technology is different from a traditional HR system that stores data. Their concerns mainly focus on the fact that the chatbot can not only store data but also take actions independently. They fear that sensitive information, e.g. personal data, could be reused by the chatbot in other contexts or chats, leading to unwanted exposure of private information.

Emotional burden

The second burden that may arise is the emotional burden. Respondents mentioned different emotional reactions to technology, with some being *anxious towards technology*. This is because people do not fully trust a technological system, and many are quite reluctant to do so. Interestingly, respondents working in the IT sector, or already working a lot with generative AI, did not experience this burden as much. However, for other respondents, they would like to experience the technology first, so that they become familiar with it. This could possibly reduce fear towards technology. Age also plays a role here. The younger generation generally trusts technology more, partly because they grew up with it.

"Right now, it's still pretty simple to tell if a photo is AI-generated, for example, or if it's just real. But it amazes me how many people still don't realize that themselves, that they are looking at manipulation. I do find that very frightening." - 4

There are also concerns about the use of technology in assessment, because *emotions are not factored into the chatbot assessment*. All the respondents mentioned this and saw this

as something negative. The assessment is in this way almost only focused on objective, measurable data.

"[...] emotions are omitted, or no longer seen or taken into account in such an assessment, even though that says a lot about someone. It can also sometimes explain why someone might not perform as well on business, for example. A robot cannot assess that, so I do find that difficult and certainly it could be a burden for employees." – 3

All respondents agreed that the *human aspect should never disappear in performance management*. While gen-AI can provide assistance in the PM-process, it should never fully take over the human element. This sentiment was the most recurrent theme throughout all interviews, with respondents emphasizing repeatedly the importance of maintaining the human aspect in PM.

"[...] with supporting certain things, for example coming up with a summary or putting out some kind of report that the manager can use, But the human aspect should not disappear. So, it should really assist." – 10

Mental burden

The third burden that can occur is the so-called mental burden. It is divided into several categories, one of them is *anxious towards the unknown*. As Park et al (2021) described in their study, people can experience mental burden when something new is introduced. Employees must make an effort to get used to, a new system or new technology. This requires effort and energy from employees. Respondents showed that this is indeed the case. Initially, there will be a higher degree of this burden, but as people get used to the system, this burden will diminish or even disappear completely. It is often a matter of becoming familiar with a particular system to eventually rely on it.

"I think ultimately the fear towards chatbots, or technology in general also does decrease if you work with it more often, so that you know it, are familiar with it. But also, that you work with it yourself, you become familiar with a system, that takes away fear." – 2

Besides the fear of the unknown, unclarity also causes mental burdens according to respondents. They indicate that it is *unclear to them what exactly the system or technology of generative AI*

is based on. This lack of clarity contributes to their distrust of the technology. Moreover, it is not clear how generative AI should specifically function within performance management (PM), as each company has a unique PM-process, and the use of generative AI within PM may be different in each organization. There is no universal way of working for each organization, also not for their PM-process. The specific application of gen-AI can vary depending on the context and needs of the organization. This unclarity is also a reason why respondents mentioned the mental burden.

[...] new things just bring a certain fear. That's just something. Yes, that's often the case with new things and new ways of doing things. it's then not clear to people exactly how it's going to work. - 2

Bias burden

Another burden that emerged in the interviews is the bias burden, or the burden experienced by employees due to the biases in gen-AI systems. It is well known that *chatbots can be biased*, and these biases can have significant implications for performance management (PM). Respondents expressed concern about the possibility of biases in gen-AI, especially since such biases can lead to unfair judgements and decisions. Indeed, *chatbots can be customized*, which on the one hand can lead to reduced bias, but also to an increase in the bias of the chatbot. As individuals customize the chatbot, they may unwittingly allow their own biases to be reflected in the chatbot. This means that in that case the chatbot will still be biased. The chatbot is no longer that objective, which can lead to the occurrence of the bias burden. Respondents express their concern about this.

"[...] what I just meant by it, apart from type of information and asking through, it's also very much, how you make him look or what you ask him to look at, that's what he's going to go with. So that look, I think that also pretty much determines how you ask him to look." – 5

On the other hand, respondents also indicated that biases can be reduced by the deployment of the chatbot because the chatbot gets objective, measurable data as input. So, the *chatbot influences objectivity*. Many respondents think this is something very positive and therefore expect that by deploying the chatbot, the problem of subjectivity of a manager will be tackled. However, there is also the issue that the chatbot may be perceived as too objective,

lacking a personal touch, and failing to account for emotions in the process. Some respondents think and expect that the *biases are dependent on relation between manager and employee*.

Manipulation burden

Another burden is the manipulation burden. Respondents mentioned that manipulation burden could arise when using gen-AI in PM. Here, a distinction was made between the manager being manipulative by using gen-AI and gen-AI being manipulative on its own.

A major concern among respondents is the *manager being manipulative by using gen-AI*, could gen-AI potentially influence the manager in a manipulative way. Respondents expressed concerns about the possibility of gen-AI influencing a manager in a manipulative way. For example, the chatbot may weight certain aspects of an assessment more heavily than others, which may result in a distorted view of employee performance.

In addition, there are concerns that the chatbot may selectively display or omit information in employee information reports. This could lead to an unfair and unsubtle picture of an employee, which is a concern according to respondents. The possibility of a manager using this information to manipulate decisions highlights the need for clear guidelines and controls.

It could also be the case that the manager is manipulative on their own and *interprets the gen-AI outcomes in a manipulative way*. Respondents also expressed their concerns about this. For instance, if the chatbot delivers neutral, unbiased information, the manager could still interpret it in a manipulative manner. In this case, the manipulation originates from the human, rather than from the gen-AI system itself.

"[...] I think it is very important to prioritize. Suppose you have two achievements: one is that employee always arrives on time and the other is that employee has defined a strategic vision for a project. A chatbot does need to be able to distinguish that describing and conveying a strategic vision is a much bigger achievement than arriving on time. That seems quite tricky when working with such a chatbot. How can you explain to such a chatbot what the priority is? I think as a manager, you always must go through the transcripts." - 9

Gen-AI could also be manipulative on its own, according to the respondents. This is because the *prompt you give the chatbot determines the outcome*. If a user gives a particular question or instruction to the chatbot, for example the particular wording of that question or

instruction can greatly influence the way the chatbot responds and the information it produces. As a result, the outcome can be manipulated. For example, if the prompt contains subjective or biased information, the chatbot may build on this and produce a response that reinforces or reflects this bias. This can be problematic in a performance management context, where objective and fair evaluation is crucial.

"I think in addition to that, the way you enter something, the prompt you give ChatGPT also determines the outcome, so that's also down to the person entering it as it were, because then ChatGPT will still be biased..." - 10

Also, the *chatbot focuses on objective, measurable information*, as mentioned earlier, and respondents certainly see the positive side of this. However, this also has major drawbacks according to them. The focus on objective data may mean that other important subjective elements, such as context, emotions and personal circumstances, are not included in the assessment process. This can also be manipulative for the final assessment of employees. Moreover, it is difficult to include non-measurable performance in the chatbot assessment. This is because some performance cannot be quantified. Some respondents perform highly measurable functions, while others have functions that cannot be measured at all. The latter group therefore strongly wonders how this should be done concretely.

Social burden

The last burden is the social burden. Overall, there were few concerns about social burden among respondents. Many of them indicated that they do not expect the social burden to occur in their case because they are already used to giving feedback to each other in the company where they are employed or because they have a very open team culture. According to respondents, giving feedback to direct colleagues does not change the team dynamics. However, some expressed their concern about it or could imagine that it could be a burden in some cases. According to a few, the social aspect might change with the use of gen-AI in PM, but this would mainly depend on the culture prevailing in a team, in this case when there is no open culture in a team, or when the team dynamics is negative.

When *colleagues give each other feedback*, the use of gen-AI can have both positive and negative consequences. On the one hand, gen-AI can contribute to an easier process of giving feedback and ensure more honest feedback, since feedback is given anonymously. On the other hand, the anonymity of giving feedback can have negative consequences. According

to respondents, anonymity can lead to a lack of accountability and openness, which can result in less constructive feedback.

In addition, it may feel impersonal to employees, and they may react negatively to receiving certain feedback via an anonymous chatbot instead of face-to-face communication. This can be perceived as a lack of personal engagement, for example, which can damage the social aspect within a team or organization.

"[...] I really like it when colleagues you worked with on a particular project say to me, well, it went this way and that way, and you performed that way. I do really like the personal contact and wouldn't appreciate receiving anonymous, impersonal feedback via a chatbot that I can't discuss with the person in question myself." - 2

According to respondents, the impact of gen-AI on the social aspect depends heavily on corporate culture and/or team dynamics. In an open atmosphere, where there is a culture of open communication, mutual trust and cooperation, respondents generally expect that gen-AI will not change much on the social aspect. Rather, they believe gen-AI will play a supporting role within the process of PM without negatively interfering with human interaction.

In contrast, in a less open atmosphere, respondents do worry about the impact of gen-AI. Here, there may already be a lack of openness, trust or collaboration, leading team members to worry that gen-AI could promote further isolation by introducing anonymous feedback processes, for example. This could negatively affect human interaction and interpersonal relationships.

"It also depends a bit on the prevailing culture in a team. So, if there's maybe some insecurity there, or there's some how do you say that, that it's not quite right in such a team with each other. And you would then start using generative AI for feedback and anonymously. Then that kind of bombs the social interaction in such a team." - 5

4.4 How are the burdens, faced by employees, related to an employees' algorithmic aversion or appreciation?

This section presents an overview of the emerging connections between various burdens faced by employees and their algorithmic aversion and/or appreciation in the context of gen-AI use in performance management (PM), as shown in *figure 3*. Interestingly, in general, no respondent was exclusively averse to gen-AI. All participants were generally open to and positive about it.

However, certain burdens seemed to play a role in how people perceive algorithms. These influences are discussed below for each burden.

The *privacy burden* is uniformly present among every respondent, showing that there are major concerns regarding privacy when gen-AI assists in PM. But respondents who have privacy concerns still show appreciation for gen-AI. Respondents with mixed appreciation and aversion also reported privacy concerns, but the privacy burden does not solely depend on people's attitudes towards algorithms. Below are statements from the same respondent, who indicates having privacy concerns but also expressed a positive attitude towards the use of gen-AI in PM. In this case, the respondent believes that the disadvantages are outweighed by the benefits.

"That bit of privacy, I do have concerns about that. To what extent is it, say, really private of what all the data such a chatbot collects and stores. Where does that information stay and who sees it all?" - 2

"Well, I think then rather algorithmic appreciative, because I think it's really going to offer a lot. I think there are a lot of advantages. Also, that a lot that it automates that whole process as well that you can get more out of it and efficiency staff is less burdened with it." - 2

The *mental burden* shows variability among respondents. Respondents who experience increased mental burdens, exhibit mixed appreciation/aversion, this suggests that increased mental burden can lead to mixed feelings about gen-AI. On the other hand, respondents who reported to not experience a mental burden, show appreciation or mixed appreciation. So, when someone is not experiencing a mental burden, it does not mean that they will then always have a positive view about gen-AI.

The *emotional burden* is also uniformly present among every respondent. Respondents mentioned their concerns regarding the use of gen-AI in PM when the chatbot ignores emotions. For example, respondents reported heightened stress or anxiety. This widespread increase is associated with both mixed appreciation/aversion and appreciation. There are still respondents that report emotional burdens, but who are appreciative towards gen-AI. This indicates that the presence of the emotional burden does not exclusively predict aversion among respondents.

The *bias burden* shows a variety of responses. Respondents mainly mentioned that the burden may increase or decrease, but that it depends. There were also respondents who said that the bias burden decreases due to the use of gen-AI in PM, but these respondents show

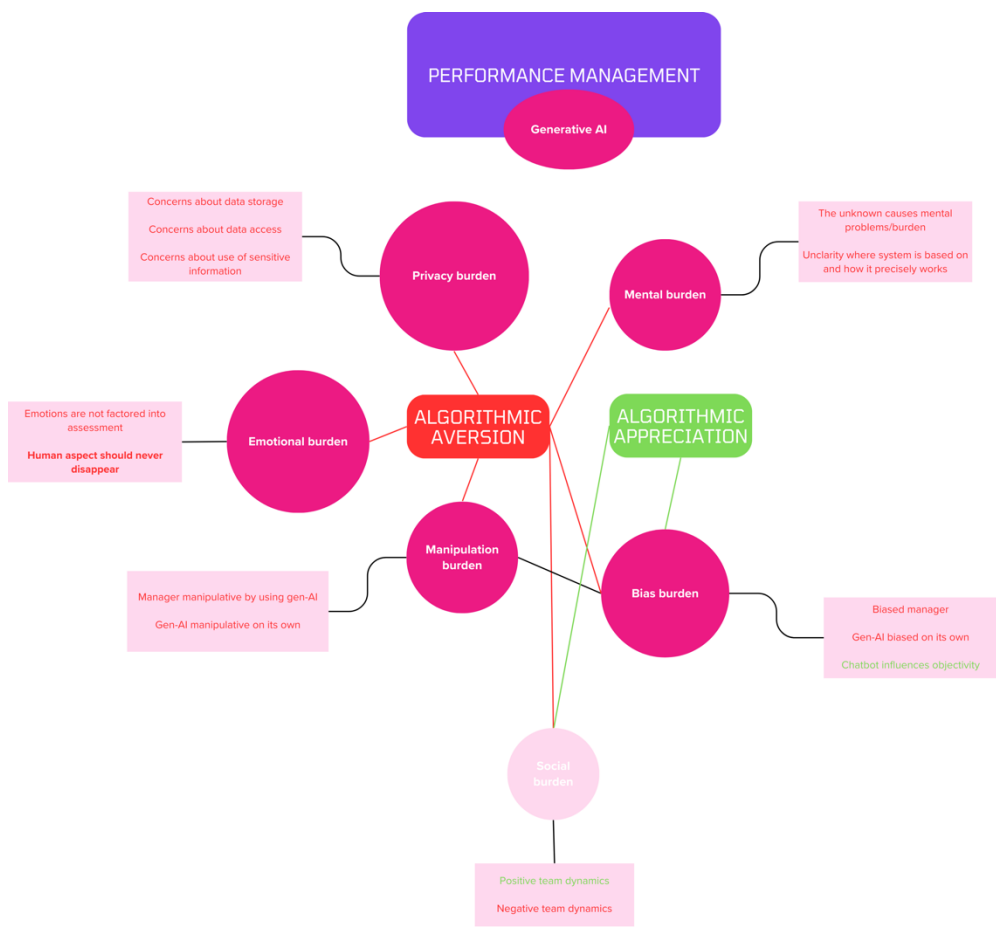
mixed appreciation / aversion or appreciation alone. This indicates that not experiencing a bias burden, or the decrease of the bias burden due to the use of gen-AI, does not guarantee a positive attitude towards gen-AI.

The *manipulation burden* responses are varied, some respondents indicate increased burdens and others report to not perceive the burden (N/A). The respondents with mixed appreciation / aversion reported most of the time to experience the manipulation burden increased. This suggests that worries about potential manipulation led to mixed feelings, or a more negative attitude towards gen-AI under the respondents. Respondents who are appreciative reported that the burden may increase or decrease, but that it depends. The concerns about manipulation are important, but not the only factor to determine the attitude of the respondents towards gen-AI.

The *social burden* was also varied, some respondents indicated that the burdens' decrease or increase depend, while others reported not experiencing the burden at all (N/A). Respondents who are not perceiving the burden show clear appreciation or mixed appreciation / aversion, suggesting that the absence of the social burden alone is insufficient to ensure an appreciative view of gen-AI.

In general, respondents who exhibit appreciation face fewer types of increased burdens and often reported no mental, social or bias burdens. Conversely, participants with mixed appreciation / aversion typically experience multiple (increased) burdens. A clear pattern emerged: no respondent exhibited an algorithmic aversive attitude when only one single burden was experienced.

Figure 3. Overview of burdens and algorithmic aversion / appreciation



4.5 How to overcome the burdens?

A new theme that emerged during the analysis, was how to overcome the burdens that were identified by the respondents. Respondents gave their ideas on how to overcome specific burdens.

Respondents mentioned to overcome the privacy burden, that there should be *clear guidelines and rules regarding the use of gen-AI in PM*. To ensure that not everybody can access the sensitive information about employees, there needs to be a watertight system, for example by building its own application as an organization based on gen-AI, this way there is no need to use a public application and it feels more secure for respondents.

"There are also organizations that develop their own chatbot say. Who say have their completely own chatbot so maybe that could also help." - 7

To mitigate or overcome the bias burden, respondents suggest that the *chatbot must be trained*. This training could involve *establishing clear boundaries* or guidelines within which the chatbot must operate to ensure consistent and appropriate output.

"It remains good to still just include human judgement in the end, but also to properly train such a chatbot so that it is not biased." - 2

Besides this, it is crucial to *check for errors* before implementing gen-AI. Otherwise, people are not going to trust the system.

"I think first of all you really have to make sure that the system is just right, so all the systems must work, because otherwise you're really going to get garbage in garbage out." - 1

Respondents also did suggestions to overcome the mental burden. The first is that they think it is best to let the employees take part in the process of the integration of gen-AI in PM. So, make them part of the process, by asking employees how they would like to see gen-AI support in PM, e.g. by engaging in conversation about this or conducting a questionnaire among employees.

Additionally, the mental burden can be mitigated by maintaining transparency with employees about the process and keeping them informed. For instance, organizing webinars,

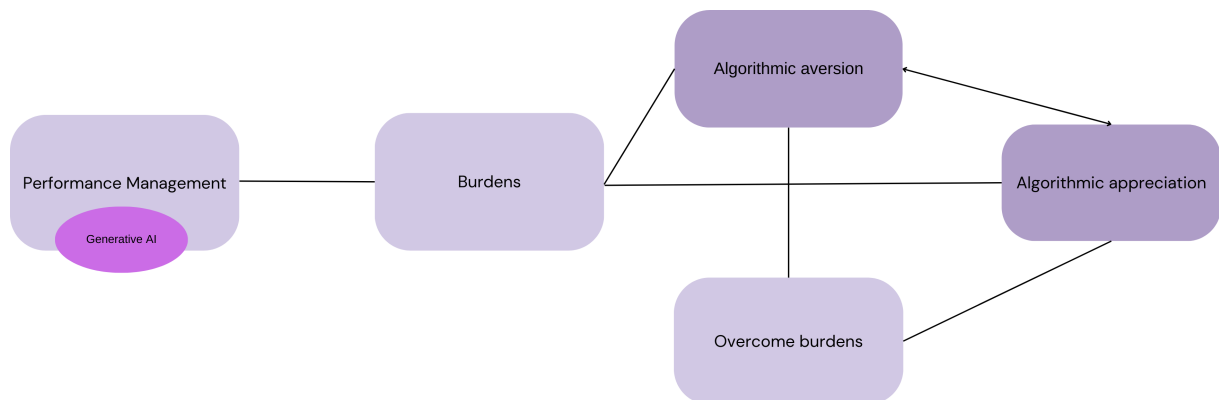
informational sessions, or pilot programs can familiarize employees with the system and build their confidence for the technology. Respondents indicated that in this way people are more comfortable and supportive of gen-AI. Gaining employee trust and support is crucial for implementing new things in an organization, such as a new technology. By providing clear and concrete information, the mental burden can be reduced or even overcome, as employees are less likely to feel anxious about the unknown, or unclarity.

“The organization should be open about that and concretely bring employees into it to concretely show how it will work.” – 12

On the other hand, there were also respondents who indicated that it was not necessary to conduct pilots or hold information sessions. Instead, they believed that familiarity and comfort with gen-AI could be achieved through just integrating it in the organization. They believe that always needs to grow and takes time. That that cannot be tackled through an information session.

[...] people then must start trusting AI. Then you don't have that confidence by telling it once or showing it in the webinar, but that just takes a lot of time and trying it out and experiencing it. That just needs to grow slowly. – 5

Figure 4. Emerging model.



In *Figure 4*, the emerging model is presented, illustrating that the assistance of gen-AI in PM creates several burdens for employees, including concerns related to privacy, social, emotional, mental, bias, and manipulation. However, it was found that the assistance of gen-AI in PM could also help reduce certain burdens. For a detailed overview of this, see *Appendix J*.

The burdens significantly influence individuals' attitudes towards gen-AI, in terms of algorithmic appreciation and aversion. The model indicates that these burdens predominantly contribute to a higher degree of algorithmic aversion, only the burdens that are reduced have a direct relationship with algorithmic appreciation. And it is important to note that there is still a notable presence of algorithmic appreciation among respondents, even when they are experiencing burdens. Additionally, respondents have proposed solutions or methods to mitigate or overcome these burdens, which, in turn, might foster algorithmic appreciation.

5. Discussion

In this chapter, the discussion is presented. First follows a brief overview of the main findings of the study, followed by a discussion of the theoretical and practical implications. The limitations of the study are then outlined and suggestions for future research are made.

5.1 Key findings

Current study aimed to explore how employees respond to the potential use of generative AI in performance management, focusing on algorithmic appreciation and/or aversion. The findings reveal that employees' attitudes towards gen-AI are complex and influenced by different burdens – privacy (concerns about data protection), mental (cognitive strain from learning new technologies), emotional (stress, anxiety and emotions in gen-AI), bias (perceived unfairness in gen-AI decisions), manipulation (fear of gen-AI outcomes being misused) and social (impact on relations). There are varied feelings towards gen-AI in PM. While recognizing the advantages, such as the objectivity in evaluations and the speed and efficiency of using gen-AI in PM, there are also downsides due to burdens that may arise. These burdens can contribute both to algorithmic appreciation and aversion, which was not the case in the study of Park et al. (2021), in their study different burdens were only related to algorithmic aversion. This study suggests that people who are more experienced with gen-AI, or technology in general, exhibited fewer burdens and were more positive about gen-AI. Familiarity or experience could play a role in the appreciation towards gen-AI in PM, which is in line with existing studies that found people are more resistant to using technology when they have not used it before (Nankervis et al., 2021; Niehueser & Boak, 2020). There is a strong preference that gen-AI functions as a tool for the manager, rather than taking over the entire process, so the human aspects do not disappear. Employees prefer human judgment in the PM-process for subjective decisions, so emotional intelligence is preserved, this preference aligns with previous findings in literature (Lee, 2018; Castelo et al., 2019). Another recurring theme was the importance of trust in the use of gen-AI in PM. In line with earlier studies (e.g. Sebastian, 2023), our results suggest that the more people have trust in technology, the higher their acceptance will be. Trust could be increased by for example ensuring transparency and guaranteeing the privacy of employees and clearly informing employees about the process of gen-AI in PM, making them part of the process. These different strategies were suggested, to reduce or overcome the burdens, which could ensure that the disadvantages are minimized. Overall, there was openness to the use of gen-AI in PM.

5.2 Theoretical implications

The results of the current study have several implications for literature on the use of generative AI in PM (e.g. Stone et al., 2024; Varma et al., 2024; Malik et al., 2020), and employee perception of this integration (Park et al., 2021). This study focused on gen-AI, thereby highlights its unique capabilities - which differs from traditional AI – in new content generation, real-time interaction and personalized feedback. The results of this study exhibit both similarities and differences compared to existing literature on traditional AI and PM. One similarity is that the assistance of gen-AI in PM could potentially reduce human bias, which is in line with the study of Lee (2018) on traditional AI. Lee (2018) also highlighted concerns among employees regarding the lack of empathy of AI, which aligns with the findings of this study. In contrast, there are differences as well. Park et al. (2021) found in their study on employees' reaction to traditional AI in employee evaluations, that the manipulation burden was not so much experienced, whereas it was a significant concern in this study. The same applies to the privacy burden, this discrepancy might be explained by the fact that gen-AI differs from traditional AI by being able to generate new content autonomously. Consequently, the likelihood of manipulation might be higher with gen-AI compared to traditional AI's reliance on only pre-existing data and the fact that it is not able to create new content autonomously, which likely contributes to fewer privacy concerns.

This study challenges the idea that people are either algorithmic averse or appreciative. It shows that people's preferences for algorithms are more complex and depend on the situation. The current research contests the dichotomy present in current literature about algorithmic appreciation / aversion (Dietvorst et al., 2015; Park et al., 2021). Employees are not fully appreciative or aversive towards gen-AI. They exhibit a more nuanced attitude towards algorithms, and burdens play a role here. However, experiencing a certain burden does not necessarily result in algorithmic aversion, nor does the absence of burdens automatically lead to algorithmic appreciation. These are rather separate concepts, not a continuum as depicted in the study of Dietvorst et al. (2015).

Burdens affect the way people feel towards algorithms, but it does not depend on a respondent's algorithmic preference. By incorporating the concept of burdens to identify patterns, this study provides a more nuanced understanding of employees' responses to gen-AI in PM. This research indicates that privacy is one of the biggest concerns. When discussing potential burdens, this was the first thing mentioned. This finding is in line with the research of Park et al. (2021), where privacy was also identified as one of the biggest concerns. The primary concern within privacy was the storage of sensitive (employee) information and who has access

to it. In addition, it also appears to be a major concern that employees feel that by deploying gen-AI in PM, emotions are no longer included in the process, they therefore see it as something impersonal (Park et al., 2021). The results of this study reveal that people prefer a hybrid model of gen-AI in PM. This model could benefit from the speed and objectivity of gen-AI, while keeping human judgement so that emotional intelligence is preserved (Lee, 2018). In line with the study of Castelo et al. (2019), this study also found that people are more likely to rely on algorithms for objective tasks, such as generating an information report in the PM-process. However, employees prefer human judgment for subjective decisions, such as making the final decision. Additionally, the performance assessment conversation itself should be conducted by a human.

The results of the current study reveal a complex relationship between gen-AI and bias. On the one hand, gen-AI in performance management has the potential to reduce human bias. Because humans are biased, this can lead to inconsistencies and unfairness in performance evaluations, as outlined by Dietvorst et al. (2015). It is recognized that gen-AI can play a crucial role here, because it relies on data-driven insights and objective measurable information. Existing literature highlights also the potential of gen-AI to reduce the human bias (Rathnayake & Gunawardana, 2023). However, it appears to be that gen-AI is not immune to bias, algorithms can also be biased because it is set up or trained by a human being, who may be biased (Jussupow et al., 2020). According to this study, by regularly checking for errors, continually training the algorithms and establishing clear rules and regulations, the bias in gen-AI can potentially be limited. Gen-AI is perceived as being able to contribute to more uniformity in assessments. This contrasts with existing literature, which often highlights that chatbots and gen-AI systems can lead to varying outputs without clear uniformity (Dietvorst et al., 2015; Logg et al., 2019). The results reveal that there is potential for gen-AI to deliver consistent and uniform assessments, if provided certain conditions are met. By training the chatbot and clearly defining boundaries, uniformity could potentially be improved, which was also found in the study of Jussupow et al. (2020).

To overcome or mitigate burdens, this study revealed that transparency towards the employees about the process and the way sensitive information is used and stored is very important, to overcome for example the privacy burden. This is in line with the research of Park et al. (2021), who found that it is critical to achieve process transparency to successfully integrate gen-AI in PM. Also, to overcome other burdens, respondents suggested to appoint a contact person that employees can fall back on. This was also mentioned in the outcomes of the study by Park et al. (2021), where participants suggested workplace counseling services for

employees. In addition, there was no or little mention that social burden would be an issue for employees in this study, while Park et al. (2021) frequently identified social burden as a significant concern.

Furthermore, current research indicated that a lower degree of experience with using gen-AI seems to be linked to employees being more skeptical about its use in PM. They also experience a higher mental burden, with anxiety towards the unknown being a major factor in this. This was also reflected in the fact that employees of IT organizations – with more algorithmic experience – generally reported not experiencing the mental burden and were more positive and open about the use of gen-AI in PM. This aligns with findings in the literature that indicate a significant role of experience with gen-AI in shaping attitudes towards it, these studies have shown that familiarity with technology reduces cognitive load to use new systems and fosters more openness towards the use of technologies (Nankervis et al., 2021; Niehueser & Boak, 2020).

5.3 Practical implications

The results of the current study also have several implications for practice. First, employers and organizations can use the insights from this study to anticipate how employees might respond to the use of gen-AI in PM, identify potential burdens employees might face and devise strategies to mitigate or overcome these burdens. For example, to address the privacy burden, organizations should ensure data protection measures. Employers and organizations can take into consideration the solutions to overcome burdens as identified in this study. For example, being transparent and open with employees and actively involving them in the process of gen-AI in PM. This helps build trust in the technology, which is in line with the research of Rathnayake & Gunawardana (2023) who found that transparency in HR systems is crucial for creating trust. The more trust people have in the technology eventually ensures a better integration of gen-AI in PM. This also accounts for providing training and education for employees on how gen-AI works within PM. This can reduce cognitive load - such as anxiety towards the unknown. In this way, people may be more open to the use of gen-AI in PM.

Additionally, when implementing gen-AI in the PM-process, organizations should acknowledge the importance that employees place on maintaining the human aspect within PM. Emotional intelligence is considered as crucial among employees. It is important that gen-AI supports rather than replaces human interactions in PM. Therefore, the integration of gen-AI should be designed to support the human involvement, ensuring that the human aspect is preserved.

This study has depicted that burdens do not only make people (more) averse towards algorithms, nor do they necessarily make them more appreciative of algorithms in their absence. While burdens do influence algorithmic appreciation and/or aversion, many other factors, such as experience and trust, are also crucial. Employers and organizations can use this insight to integrate gen-AI in PM in a successful way.

The findings of this study can potentially be extended to other HR practices, beyond PM, but this depends on several factors. The privacy concerns, for example, are also relevant for recruitment. Additionally, the outcome regarding experience and familiarity with gen-AI can be applied to other HR practices, rather than solely to PM. This also accounts for transparency and creating trust (to overcome specific burdens), these considerations are important not only for PM but also for other HR practices. However, these applications should be made with careful consideration, primarily because the participants in this study were employees in general, not specifically HR-professionals. Furthermore, the scenario presented in this study was specifically about gen-AI in PM. Therefore, while the insights of this study can be applied to the broader context of HR, their application must be evaluated carefully.

5.4 Limitations and future research

There are several limitations to this study that need to be considered. The first limitation is that the results are based on the potential use of generative AI in performance management. So, it is based on a scenario. Therefore, respondents talk about their expectations, how they would potentially respond. It is not a real-life experience where they could talk about. Therefore, future research could address organizations that are currently applying generative AI in their performance management process, to gain real-life experiences instead of expectations.

Another limitation, which also relates to the scenario, is that a scenario is an example of how something might look, but in this case the use of gen-AI in PM will differ for each organization. Some respondents, therefore, may not have identified as well with the scenario. Future research could present a scenario to respondents who all work within the same organization, to be able to align the scenario to the organization. So, respondents can better relate to the scenario.

Another limitation could be the use of the model of burdens as described by Park et al. (2020). This existing model may have constrained the current study from being more open to new forms of bias. Although respondents were asked on beforehand if they could think of burdens that could possibly occur, they might still have been influenced by the specific

questions related to the different burdens from Park et al.'s (2021) model. Future research could adopt a more open-ended approach to capture a wider range of biases or to be more open to other factors.

Current research also has a limitation regarding data saturation, which was used to determine the number of respondents in current study. Saturation has its weaknesses, in some cases the number of new themes that could potentially emerge during interviews is limitless and saturation does not occur (Green & Thorogood, 2004). Additionally, the interpretation of the interviewer is subjective regarding when data saturation is reached – what may not be considered as a new insight by one person, might be seen as such by another (Morse, 2015).

6. Conclusion

This study explored how employees respond to the (potential) use of generative AI in performance management, focusing on algorithmic appreciation and aversion and the burdens. To answer the research question formulated at the beginning of this study, *"What are the different antecedents for algorithmic appreciation and aversion in the context of generative AI in performance management, and what factors influence these responses of employees?"* This study focused on generative AI, thereby highlights its unique capabilities - which differs from traditional AI – in new content generation, real-time interaction and personalized feedback. The findings reveal that employees' responses are not simply divided into appreciation or aversion. This study found that various burdens - privacy, mental, emotional, bias, manipulation and social – play a role in how people perceive algorithms in this context. Sometimes, the use of generative AI reduces certain burdens while in other cases, it exacerbates them. Furthermore, the presence of (multiple) burdens does not necessarily result in aversion towards generative AI. Conversely, the absence of burdens does not necessarily indicate algorithmic appreciation. Key insights of this study include that no single burden alone dictates employees' perceptions of generative AI in performance management. Experience with generative AI shapes attitudes, more experienced employees are less skeptical and experience lower mental burdens. The results outline that it is always a combination of multiple burdens and additional factors such as organizational context, personal experiences, and specific use cases that shape these views. It could be said that employees are open to the use of generative AI in performance management, provided it meets the following conditions: maintaining the human aspect within performance management, ensuring the security of sensitive information and clearly informing employees about the process of generative AI in performance management, making the employees part of the process of the integration of generative AI in performance management. This approach will help balance the benefits of generative AI in performance management with the need for transparency and trust among employees, ultimately leading to effective and accepted generative AI integration in the performance management process.

7. Statement

Generative AI - specifically ChatGPT - was used in this study for the purpose of idea generation in the initial phase. Furthermore, ChatGPT was used to find the right search terms, these terms were then searched in databases, such as Google Scholar. Lastly, the technology was used to check spelling and correct sentence structure. After using this tool, the author reviewed and edited the content as needed and takes full responsibility for the content of the work.

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Appendix

Appendix A. Interview protocol (English)

Introduction

- Introduction of myself and the research
- The explanation of the purpose of the interview (including the duration time; 45-60 minutes)
- Consent for recording (video/audio) the interview (+ signed informed consent form)
- Ask the participant to introduce him or herself briefly (function in org.)

General questions

- Can you tell me something that you know about gen-AI? (Chatbots; ChatGPT, CoPilot)
- What does the performance review and assessment look like within the organization?
- Do you think generative AI can assist in this performance management process? Please explain.
- Have you ever used generative AI (e.g. ChatGPT, Copilot) in your daily work? Can you give some concrete examples.
 - Please describe your experiences.
- What do you think about algorithms (Gen-AI, AI) in general?
 - Can you elaborate on that?

Present the scenario about using gen-AI (ChatGPT) within PM.

Burdens of Integrating Generative AI in PM

- What challenges do you see from using gen-AI (such as ChatGPT) within PM?
- What specific burdens, if any, do you think you may face when gen-AI assists within PM?
- What mental challenges do you think you may encounter from using gen-AI within PM?
 - Why? Can you elaborate on that? Can you give some examples?
- To what extent does privacy play a role in attitudes towards the potential use of gen-AI within PM?
- How do emotions play a role in your attitude towards the potential use of gen-AI within PM?
- Do you think that the use of gen-AI within PM could influence decisions (of managers) in a manipulative way?
 - Do you have any concerns about this? If so, which ones?
- To what extent do you think biases may arise in the potential use of gen-AI within PM?

- How do you think social factors are influenced when using gen-AI within PM?
- Can you think of any (other) burdens that you may encounter when gen-AI assist the manager within PM?
 - How can these (potential) burdens affect your daily work routine (and overall job satisfaction)?
- Referring to the burdens you just mentioned, how do they influence your view or feelings towards generative AI in PM? If not: are there any other burdens you can think of that you may experience when gen-AI assists in PM?
- Do these burdens lead to an aversion towards generative AI, or do they foster appreciation in specific aspects? Please explain.

Opportunities/challenges of using ChatGPT in PM

- What opportunities do you see from using gen-AI within PM?
 - Why? Can you elaborate on that? Can you give some examples?
- How do you think gen-AI can contribute to more frequent feedback?
- How do you think the use of gen-AI can help reduce subjectivity and bias in performance appraisals?
- What do you think are the main barriers and challenges when adapting generative AI in PM?
 - Can you elaborate on that?
- How do these challenges affect your ability to perform or adapt in your role?
- What support or resources do you think are needed to overcome these challenges?

Conclusion

- Ask if they have any final thoughts or anything else to add.
- Thank them for their time and participation.

Appendix B. Interview protocol (Dutch)

Introductie

- Introductie van mezelf en het onderzoek.
- Uitleg van het doel van het interview (inclusief de duur; 45-60 minuten).
- Toestemming vragen voor het opnemen (video/audio) van het interview (+ getekend toestemmingsformulier).
- Vraag de deelnemer om zichzelf kort voor te stellen (functie in de organisatie).

Algemene vragen

- Kunt u me iets vertellen over generatieve AI? (Chatbots; ChatGPT, CoPilot)
- Hoe ziet de performance review en beoordeling eruit binnen de organisatie waar u werkzaam bent?
- Denkt u dat generatieve AI kan helpen bij dit performance managementproces? Kun je dit uitleggen?
- Heb je ooit generatieve AI (ChatGPT, CoPilot, enz.) gebruikt in je dagelijkse werk? Kunt u concrete voorbeelden geven?
 - Wat zijn uw ervaringen?
- Wat vind je van algoritmen (Gen-AI, AI) in het algemeen?
 - Kunt u daar meer over vertellen?

Presenteer het scenario over het gebruik van generatieve AI (ChatGPT) binnen PM.

Lasten van het integreren van Generatieve AI in PM:

- Welke uitdagingen ziet u bij het gebruik van generatieve AI (zoals ChatGPT) binnen PM?
- Welke specifieke lasten, indien aanwezig, denkt u dat u zou kunnen tegenkomen wanneer generatieve AI de manager assisteert bij de performance review?
- Welke mentale uitdagingen denkt u tegen te kunnen komen bij het gebruik van generatieve AI binnen PM?
 - Waarom? Kunt u daar meer over vertellen? Kunt u wat voorbeelden geven?
- Op het gebied van privacy, hoe denkt u daarover (als gen-AI assisteert binnen PM)?
- Hoe spelen emoties een rol in je houding ten opzichte van het potentiële gebruik van generatieve AI binnen PM?
- Denkt u dat het gebruik van generatieve AI binnen PM beslissingen (van managers) op een manipulatieve manier zou kunnen beïnvloeden?
 - Heb je hier zorgen over? Zo ja, welke?

- In hoeverre denkt u dat vooroordelen kunnen ontstaan bij het potentiële gebruik van generatieve AI binnen PM?
 - Of denkt u dat het juist de vooroordelen zou kunnen verminderen?
- Hoe denkt u dat sociale factoren worden beïnvloed bij het gebruik van generatieve AI binnen PM?
- Kunt u nog andere lasten bedenken die u zou kunnen tegenkomen wanneer generatieve AI de manager binnen PM ondersteunt?
 - Hoe kunnen deze (potentiële) lasten van invloed zijn op uw dagelijkse werkzaamheden (en algemene baantevredenheid)?
- Verwijzend naar de lasten die u zojuist hebt genoemd, hoe beïnvloeden ze uw kijk of gevoelens ten opzichte van generatieve AI in PM?
 - Zo niet: zijn er andere lasten waarvan u denkt dat u ze kunt ervaren wanneer generatieve AI helpt bij PM?
- Leiden deze lasten tot een afkeer van generatieve AI, of bevorderen ze waardering voor specifieke aspecten? Kunt u dit uitleggen?

Kansen/uitdagingen van het gebruik van ChatGPT in PM

- Welke kansen ziet u bij het gebruik van generatieve AI binnen PM?
 - Waarom? Kunt u daar meer over vertellen? Kunt u wat voorbeelden geven?
- Hoe denkt u dat generatieve AI kan bijdragen aan meer frequente feedback?
- Hoe denkt u dat het gebruik van generatieve AI kan helpen bij het verminderen van subjectiviteit en vooringenomenheid in prestatiebeoordelingen?
- Wat denkt u dat de belangrijkste barrières en uitdagingen zijn bij het aanpassen van generatieve AI in PM?
 - Kunt u daar meer over vertellen?
- Hoe beïnvloeden deze uitdagingen uw vermogen om te presteren of aan te passen in uw rol?
- Welke ondersteuning of middelen denkt u dat nodig zijn om deze uitdagingen te overwinnen?

Conclusie

- Vraag of ze nog laatste gedachten hebben of iets anders willen toevoegen.
- Bedank ze voor hun tijd en deelname.

Appendix C. Scenario ChatGPT assisting in PM (English)

(Based on Park et al., 2021; Stone et al., 2024; Varma et al., 2024).

Laura is HR manager at the company where you work. As such, she is responsible for conducting performance reviews and evaluations. This is a very time-consuming process and something that Laura prefers to put off for as long as possible. She must try to remain objective, but she is far from always able to do so and therefore there are quite a few challenges for Laura when it comes to performance evaluation. For this reason, Laura has decided she wants to do things differently from now on. She started looking for possibilities and came across ChatGPT, a chatbot that is very popular these days. After a while, she had ChatGPT integrated into their current HR system. Laura then asked the chatbot several questions, such as: "What are employee X's strengths?", "What are areas for improvement for employee X?", "Can you summarize employee X's performance from last year?". Based on these questions, the chatbot generates a detailed information report for each employee. Laura then reviews the reports and notes that the chatbot has helped identify patterns in the performance data, these insights are used to provide frequent feedback to employees, as well as development plans for example. Through the chatbot's assistance, Laura can now go through the appraisal process more objectively and efficiently. At the same time, she stays up to date on employee developments and lesser performance can be corrected immediately where necessary.

Appendix D. Scenario ChatGPT assisting in PM (Dutch)

(Based on Park et al., 2021; Stone et al., 2024; Varma et al., 2024).

Laura is HR-manager in het bedrijf waar u werkt. Zij is dan ook verantwoordelijk voor het uitvoeren van prestatiebeoordelingen en -evaluaties. Dit is een zeer tijdrovend proces en iets dat Laura het liefst zo lang mogelijk voor zich uitschuift. Ze moet namelijk proberen objectief te blijven, maar dat lukt niet altijd en daarom zijn er best wat uitdagingen voor Laura wat betreft de performance evaluation. Om deze reden heeft Laura besloten dat ze het vanaf nu anders wil doen. Ze is op zoek gegaan naar mogelijkheden en stuitte op de ChatGPT, een chatbot die tegenwoordig heel populair is. Na een tijdje heeft ze ChatGPT laten integreren in het huidige HR-systeem. Vervolgens stelt Laura een aantal vragen aan de chatbot, zoals: "Wat zijn sterke punten van werknemer X?", "Wat zijn verbeterpunten voor werknemer X?", "Kun je een samenvatting geven van de prestaties van werknemer X van afgelopen jaar?". Op basis van deze vragen genereert de chatbot een gedetailleerd informatierapport voor elke werknemer. Vervolgens bekijkt Laura de rapporten en merkt op dat de chatbot heeft geholpen bij het identificeren van patronen in de prestatiegegevens, deze inzichten worden gebruikt om frequente feedback te kunnen geven aan werknemers, en ook ontwikkelingsplannen op te stellen bijvoorbeeld. Door de assistentie van de chatbot, kan Laura de beoordelingsprocedure nu objectiever en efficiënter doorlopen. Tegelijkertijd, blijft ze up-to-date over ontwikkelingen van werknemers en kunnen mindere prestaties waar nodig gelijk bijgesteld worden.

Appendix E. Coding template (Park et al., 2021 p.7; Dietvorst, 2016)

Concept	Definition	Keywords
Emotional burden	It arouses fear, eeriness, spine-tingling feelings. It arouses users' frustration and helplessness because the AI is too objective, tight, and merciless. It arouses a severe affront/humiliation to human dignity and wellbeing.	<ul style="list-style-type: none"> - Fear - Frustration - Humiliation
Mental burden	It requires significant mental effort (e.g., attention and concentration) to guess/understand/predict how the AI makes decisions for performance evaluation.	<ul style="list-style-type: none"> - Attention - Concentration - Mental effort
Bias burden	It might harm employees (e.g., providing unintended favor or discrimination on arbitrary grounds, such as race and gender) because AI could be biased and make errors due to the imperfection in data or algorithms.	<ul style="list-style-type: none"> - Discrimination - Errors
Manipulation burden	It might harm employees due to the possibility of manipulating AI.	<ul style="list-style-type: none"> - Manipulation
Privacy burden	It risks using private information about employees that they would not prefer to share.	<ul style="list-style-type: none"> - Private information
Social burden	It negatively changes the work environment by fostering meritocracy and disrupts [35, 78, 87] the workers' incentive to create and sustain good social relationships with colleagues.	<ul style="list-style-type: none"> - Work environment - Disrupts - Meritocracy
Algorithmic appreciation	Individuals exhibiting positive attitudes and behaviors towards algorithms (Dietvorst, 2016).	<ul style="list-style-type: none"> - Opportunities - Positive attitudes
Algorithmic aversion	Individuals exhibiting negative attitudes and behaviors towards algorithms (Dietvorst, 2016).	<ul style="list-style-type: none"> - Negative attitudes - Disadvantages

Appendix F. Interview respondents

Participant	Gender	Age	Function	Industry	Interview time
#1*^	Female	26	Recruiter	IT	52 min.
#2*^	Female	24	Market researcher	IT	46 min.
#3	Female	32	Marketeer	Analytics	35 min.
#4^	Male	55	Account manager	Cooling technology	40 min.
#5	Male	43	Intern consultant	Energy	1u 12min
#6	Female	24	Recruiter	IT	40 min.
#7^	Female	27	Financial controller	Finance	48 min
#8*	Female	43	Corporate recruiter	IT	47 min
#9*	Female	29	Campus recruiter	IT	49 min
#10*	Female	27	Campus recruiter	IT	46 min
#11	Female	25	Customer services	Banking	1u 15min
#12	Male	27	Account manager	Transport	56 min.
#13	Female	24	Data analyst	Banking	53 min.
#14^	Female	29	Nurse	Health care	34 min.
#15	Female	33	Digital marketeer	IT	37 min.

**Respondents from the same organization*

^Face-to-face interview (all other interviews were conducted online via Teams)

Appendix G. Overview of burdens and algorithmic preference per participant

Participant	Privacy burden	Mental burden	Emotional burden	Bias burden	Manipulation burden	Social burden	Algorithmic preference
#1	+	N/A	+	-	+	N/A	++-
#2	+	N/A	+	-	-	N/A	+
#3	+	+	+	+/-	+	+	+--
#4	+	+	+	+/-	+	N/A	++-
#5	+	+	+	+/-	N/A	+/-	+--
#6	+	N/A	+	+/-	+	+/-	++-
#7	+	+	+	-	+	+	+--
#8	+	N/A	+	+/-	+	+/-	++-
#9	+	N/A	+	-	+/-	N/A	+
#10	+	N/A	+	+	+/-	N/A	++-
#11	+	+/-	+	+/-	+/-	+/-	++-
#12	+	+/-	+	+/-	+	N/A	+--
#13	+	N/A	+	-	+	N/A	++-
#14	+	+	+	+/-	+	N/A	+-
#15	+	N/A	+	-	+	N/A	++-

N/A = Burden not perceived

+ = Burden increases due to gen- AI

- = Burden decreases due to gen-AI

+/- = Burden may decrease or increase, it depends

Appendix H. Final coding template

1. Generative AI

- Perception of Gen-AI
 - Generative AI is about chatbots
 - Input is converted into extended output by the chatbot
 - Generative AI a conversation partner through chatting with a chatbot
- Use of gen-AI in worktasks
 - Chatbot used as a sparring partner
 - Chatbot used as a spell checker
 - Chatbot used for idea generation

2. Performance management

- Use of Gen-AI in PM
 - Helps to provide feedback to employees
 - Gen-AI assists in providing more frequent feedback
 - Gen-AI assists in providing real-time feedback
 - Improves the quality of feedback
 - Through gen-AI more honest feedback from colleagues will be gathered
 - Through the assistance of gen-AI in PM the manager is less biased
 - Improves the performance assessment/review
 - Gen-AI helps setting/discussing goals
 - Through the assistance of gen-AI there is more uniformity in assessment

3. Algorithmic appreciation

- Opportunities of Gen-AI
 - Chatbot increases speed and efficiency
 - Chatbot can offer a different perspective
- Positive attitudes towards Gen-AI
 - Chatbots will make our work easier
 - Chatbots will make our work less administrative

4. Algorithmic aversion

- Disadvantages Gen-AI
 - Chatbot can make mistakes
 - Chatbot disregards emotions
 - Chatbots make it less personal
- Negative attitudes towards gen-AI
 - Chatbot cannot take over all tasks of a manager
 - Skeptical towards chatbots

5. Privacy burden

- Privacy concerns about data storage
 - Concerns about where data is stored
 - Concerns about who has access to data
- Privacy concerns about data use
 - Use of sensitive information by chatbot
 - Use of sensitive information by human

6. Emotional burden

- Emotional reaction towards technology
 - o Anxious towards technology
- Concerns about the technology in assessment
 - o Emotions are not factored into the assessment of the chatbot
 - o Human aspect should never disappear in performance assessment

7. Mental burden

- The unknown causes mental burden
 - o Anxious for the unknown
- Unclarity causes mental burden
 - o Unclear what system of gen-AI is based on
 - o Not clear how gen-AI in PM precisely functions

8. Bias burden

- Chatbot can be biased
 - o Chatbots can be customized
 - o Chatbot independently generates information
- Chatbot reduces biases
 - o Chatbot influences objectivity
- Gen-AI has no influence on biases
 - o Biases depend on relation between manager and employee

9. Manipulation burden

- Manager manipulative by using Gen-AI
 - o Gen-AI is in a manipulative way influencing the manager
 - o Interpretation Gen-AI outcomes by manager is manipulative
- Gen-AI manipulative on its own
 - o The prompt you give the chatbot determines outcome
 - o Focuses on objective, measurable information

10. Social burden

- Social aspect changes due to Gen-AI
 - o Colleagues give each other feedback
- Change due to gen-AI depends on corporate culture or team dynamics
 - o Open atmosphere, no change due to gen-AI in social aspect

11. Overcome burdens

- Chatbot must be trained to reduce/prevent bias
 - o Define chatbots own boundaries
- System must be watertight
 - o Create own application as organization
- Regulations regarding the use of gen-AI
 - o Clear guidelines regarding privacy
- Support to overcome mental burden
 - o Employees take part in the process
 - o Being open and inform employees

Appendix I. Data structure



