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Artificial Intelligence in Performance Evaluation (Case Study of PT. Pos Indonesia Employees)

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Abstract

The development of artificial intelligence (AI) has revolutionized various aspects of human resource management, including employee performance evaluation. While existing studies have extensively explored the potential of AI in improving efficiency and objectivity, they often overlook the nuanced employee experiences and organizational dynamics that influence its successful implementation. This research bridges this gap by examining the perceptions and experiences of PT Pos Indonesia employees regarding the use of an AI-based performance evaluation system. Using a qualitative approach with a phenomenological design, data was collected through in-depth interviews with employees who have used the system for at least six months. The findings reveal that AI contributes significantly to enhancing efficiency and reducing subjectivity in evaluations. However, challenges such as algorithm bias, the relevance of performance metrics, and system transparency remain prevalent. Importantly, this study identifies critical factors influencing acceptance, including employee understanding, trust, and perceptions of fairness in the evaluation process. Unlike previous research, this study emphasizes the interplay between technological and human factors, highlighting the irreplaceable role of human interaction in providing qualitative context. This research extends the existing literature by offering a deeper understanding of employee-centered factors and organizational practices that facilitate the integration of AI in performance evaluation. Practically, it provides actionable insights for organizations aiming to implement AI-based systems effectively, ethically, and equitably.

I. INTRODUCTION

The rapid advancements of the Industrial Revolution 4.0 have brought transformative changes across various sectors, including state-owned enterprises like PT. Pos Indonesia. As digitalization reshapes traditional business practices, organizations increasingly adopt technologies such as artificial intelligence (AI) and big data analytics to remain competitive. Within human resource management (HRM), one critical area that has seen a profound impact is performance evaluation. AI-based systems offer innovative solutions to challenges long associated with traditional methods, such as subjectivity, inefficiency, and inconsistency [1][5]. This research explores the intersection of AI and performance evaluation in the context of PT. Pos Indonesia, a legacy company navigating the demands of modernization and digital transformation.

Performance evaluation systems are pivotal in HRM as they directly influence organizational growth, employee development, and overall productivity [19]. They serve to measure individual contributions, provide actionable feedback, and identify potential areas for improvement. However, traditional performance evaluation approaches are often criticized for their reliance on subjective judgments from managers or peers, which can lead to bias, inequity, and inaccuracies. These challenges are further exacerbated by limited data utilization, inconsistency in evaluation standards, and time-consuming processes. As PT. Pos Indonesia undergoes its digital transformation, these limitations become barriers to achieving operational excellence and optimizing workforce

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performance. AI-based systems emerge as a compelling alternative, leveraging machine learning algorithms and big data analytics to provide more objective, efficient, and personalized evaluations [13]. These systems can analyze vast datasets, encompassing both quantitative indicators (e.g., task completion rates, sales figures) and qualitative feedback (e.g., customer reviews, peer evaluations). By identifying patterns and trends, AI enables organizations to gain deeper insights into employee performance, offering more accurate assessments that go beyond surface-level metrics. This capability is particularly relevant for PT. Pos Indonesia, where diverse job roles and a geographically dispersed workforce necessitate an evaluation system capable of handling complexity.

Additionally, AI offers several operational benefits that address the inefficiencies of traditional methods [7]. It can automate administrative tasks, reducing the workload of managers, and ensure consistency in evaluations across different departments and locations. AI systems can also deliver real-time, personalized feedback tailored to individual employees, fostering a culture of continuous improvement and proactive career development [9]. Such systems not only enhance organizational productivity but also contribute to employee satisfaction and engagement, aligning individual goals with broader organizational objectives.

Despite these advantages, the implementation of AI in performance evaluation is not without challenges. A major concern is the risk of algorithmic bias, where the quality of AI predictions depends heavily on the training data used. If this data reflects historical biases or imbalances, the system may perpetuate these issues, leading to unfair evaluations [9]. Moreover, employees may perceive AI systems as intrusive or dehumanizing, raising questions about trust, acceptance, and ethical implications. The psychological impact of AI-driven evaluations on employees' motivation, engagement, and job satisfaction remains an underexplored area, highlighting the need for further research.

While the technical capabilities of AI in performance evaluation have been extensively documented, there is a notable gap in the literature regarding its practical implementation in organizations with unique characteristics, such as state-owned enterprises in developing countries. Existing studies often focus on private sector organizations with advanced technological infrastructure, leaving a void in understanding how companies like PT. Pos Indonesia, which operate within the dual demands of public service and commercial viability, can adapt to these innovations. This study aims to fill this gap by examining the perceptions and experiences of PT. Pos Indonesia employees regarding AI-based performance evaluation systems.

As a state-owned enterprise with a long history, PT. Pos Indonesia represents a unique case for studying the application of AI in HRM. The company is in the midst of a significant digital transformation, driven by the need to enhance efficiency, improve service delivery, and remain competitive in an increasingly digital economy. However, this transformation also poses challenges, particularly in aligning new technologies with existing organizational structures and cultural dynamics. By focusing on PT. Pos Indonesia, this research provides insights into how AI can be effectively implemented in performance evaluation within such a context, balancing technological innovation with human and organizational considerations.

A critical aspect of this study is understanding the factors that influence employee acceptance of AI-driven evaluation systems. Acceptance is a key determinant of the success of any technological innovation, and it is shaped by factors such as perceived fairness, transparency, ease of use, and alignment with organizational values. Employees' experiences with these systems, including their perceived benefits and challenges, offer valuable insights into how AI can be integrated into HRM practices in a way that supports both organizational goals and individual development.

Furthermore, this research contributes to addressing the ethical implications of AI in performance evaluation. Concerns about privacy, transparency, and accountability are central to the debate on AI adoption in HRM. By examining these issues within the context of PT. Pos Indonesia, this study aims to provide recommendations for developing ethical frameworks that ensure fairness and inclusivity in AI-based evaluations. Such frameworks are essential for fostering trust among employees and mitigating potential risks associated with AI implementation.

In addition to its practical implications, this research also seeks to enrich the academic discourse on AI in HRM, particularly in the context of Indonesia. While global studies have highlighted the transformative potential of AI in HRM, there is limited research on its application in Indonesian organizations, where cultural, economic, and organizational factors may influence outcomes. By focusing on PT. Pos Indonesia, this study offers a localized perspective that complements existing literature and provides a foundation for future research on AI in HRM in similar contexts.

In summary, this research explores the perceptions and experiences of PT. Pos Indonesia employees regarding the application of AI in performance evaluation. It aims to address gaps in existing literature by examining the practical challenges and opportunities of implementing AI in a state-owned enterprise undergoing digital transformation. The findings of this study are expected to contribute to the development of more effective and ethical AI-based performance evaluation practices, while also providing valuable insights for other organizations navigating similar transitions in Indonesia and beyond.

II. RELATED WORKS/LITERATURE REVIEW

A. The Concept of Artificial Intelligence (AI) in the HR Context

Artificial Intelligence (AI) has become the driving force behind digital transformation in various industries, including human resource management [10]. In the context of employee performance evaluation, AI, particularly machine learning and deep learning techniques, offers tremendous potential to improve the objectivity, efficiency and accuracy of the assessment process [21]. With its ability to analyze large volumes of data quickly and accurately, AI can identify performance patterns and trends that humans may miss [10]. For example, AI can analyze historical employee performance data, team performance data, as well as data from various other sources such as customer satisfaction surveys to provide a more comprehensive assessment [20]. The history of AI development in HR records a significant evolution, from simple rule-based systems that can only perform very specific tasks, to algorithms that are able to learn from large-scale data and make more complex decisions [17]. One example of the application of AI in HR is the use of chatbots to answer employee questions regarding company policies or the performance evaluation process. In addition, AI can also be used to personalize employee development programs based on their performance data and interests [23]. While offering a number of significant benefits, the use of AI in performance evaluation also poses a number of challenges. One of the main challenges is the potential for algorithm bias [14]. If the training data used to train an AI model contains bias, then the model will also produce biased outputs. In addition, data privacy issues are also a major concern, especially when AI is used to analyze employees' personal data. Lastly, employee resistance to automation can also be a barrier to the application of AI in performance evaluation. To overcome these challenges, it is important for organizations to develop an ethical framework for the use of AI in HR. This framework should include principles such as transparency, accountability, and fairness. In addition, organizations also need to involve employees in the design and implementation process of AI systems to reduce resistance and ensure that the system meets their needs.

B. Comparison of Traditional Performance Evaluation with AI-Based Performance Evaluation

Performance evaluation has undergone a significant transformation with the emergence of artificial intelligence [9]. Traditional methods such as annual and 360-degree performance appraisals, although long used, are often limited by rater subjectivity, cognitive biases, and delays in providing feedback. In contrast, AI-based performance evaluation offers the potential to overcome these limitations through more objective and real-time data analysis [16]. AI algorithms can identify complex performance patterns, provide more specific feedback, and measure performance against a wider range of metrics [8]. However, the application of AI also raises challenges such as the risk of algorithmic bias, data privacy concerns, and the need for transparency in decision making. Recent research by Kim and Heo [12] shows that a combination of traditional methods and AI can produce a more comprehensive and effective performance evaluation system, with AI acting as a tool to increase the accuracy and objectivity of assessments.

C. Employee Perceptions and Experiences Of The Use Of AI In Performance Evaluation

Employee perceptions and experiences regarding the integration of artificial intelligence (AI) in the performance evaluation process is a crucial issue in organizational digital transformation [4]. Research [3] shows that employee acceptance of AI-based evaluation systems is influenced by various factors, including the level of trust in the technology, concerns about algorithm bias, and perceptions of fairness in the evaluation process. In addition, employees' experiences in interacting with AI systems can also shape their perceptions of the system's effectiveness and relevance in measuring performance [11]. This in-depth understanding of employee perceptions and experiences is critical to designing and implementing an AI-based evaluation system that is effective and well received by employees.

D. Conceptual Framework

Rapid digital transformation has encouraged organizations to adopt advanced technologies, including artificial intelligence (AI), in various aspects of their operations [2]. One critical area undergoing significant transformation is employee performance evaluation. The application of AI in performance evaluation offers the potential to enhance objectivity, efficiency, and accuracy in measuring individual contributions to organizational goals [14]. However, the integration of AI in the performance evaluation process is not without challenges and complexities. These include concerns about transparency, algorithmic bias, and employee trust, which significantly influence the adoption of such systems [22].

To address these dynamics, this study adopts a conceptual framework that integrates perspectives at the technological, organizational, and individual levels. As illustrated in Figure 1, the mapping of AI’s role in performance evaluation underscores a multi-dimensional interaction. Figure 1 provides a visual representation of the critical elements influencing the acceptance of AI-based systems, showing the interplay between AI system characteristics (e.g., algorithmic transparency and adaptability), organizational policies (e.g., communication and

cultural adaptability), and individual factors (e.g., perceptions of fairness and demographic influences). This mapping is pivotal in understanding the pathway through which AI contributes to employee experiences and its broader implications for organizational outcomes.

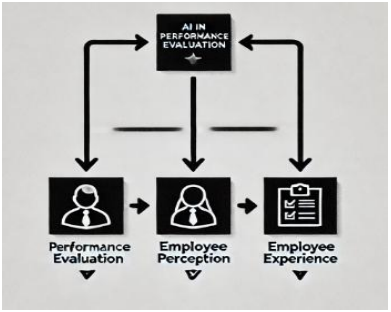

Fig. 1 Mapping AI in Employee Performance Evaluation

The figure 1 highlights the relationships between AI system characteristics, organizational factors, and individual employee traits in influencing AI acceptance in performance evaluation. From an organizational perspective, transparent policies and well-defined procedures are foundational for building employee trust in AI systems. As depicted in Figure 1, effective communication channels and involving employees in the development and implementation stages of AI systems are critical to reducing resistance to change. Furthermore, an adaptive and innovation-driven organizational culture fosters a conducive environment for integrating AI technology seamlessly [12].

On the individual level, attitudes towards technology significantly shape employee acceptance of AI systems. Employees with positive perceptions of technology demonstrate greater openness to adopting AI-based evaluation systems. In Figure 1, these attitudes are closely linked to perceived fairness, which is a key determinant in ensuring the acceptance and effectiveness of AI evaluations. Employees must feel that the AI system operates impartially, accurately, and without bias. Demographic factors, such as age, educational background, and work experience, also moderate individual responses to AI. Younger employees or those with higher educational levels often exhibit greater adaptability to new technologies, which is depicted as a moderating factor in the framework [21].

The conceptual framework synthesized in this study provides a structured approach to examining AI's role in performance evaluation. It not only highlights the technological attributes of AI but also emphasizes the socio-organizational context and individual predispositions as crucial determinants of its successful implementation. By addressing these interrelated factors, organizations can leverage AI to deliver more objective and reliable performance evaluations while minimizing potential resistance and maximizing employee trust and engagement [23].

III. METHODS

A. Research Design

This study employed a qualitative research design with a phenomenological approach. The phenomenological approach was chosen to explore deeply the meaning and experiences of research subjects—employees of PT Pos Indonesia—regarding the implementation of AI in performance evaluation. This design aims to capture employees' holistic perceptions and experiences.

Population and Sample

1. Population: The population consists of all employees of PT Pos Indonesia who have used the AI-based performance evaluation system.
2. Sample: A purposive sampling technique was used to ensure the informants met specific criteria relevant to the research objectives. The criteria for informants include:
    a) Experience with AI-based systems: Informants must have used the AI-based performance evaluation system for at least six months. This duration ensures that the participants have substantial experience with the system, enabling them to provide meaningful insights into its advantages, challenges, and overall impact.
    b) Diverse roles and levels: To capture a wide range of perspectives, informants will represent various levels of positions (e.g., staff, supervisors, and managers) and departments within PT Pos Indonesia.
    c) Technology familiarity: Participants with differing levels of familiarity and comfort with technology will be included to understand how technological expertise influences their experiences with AI-based evaluations.

The sampling approach ensures that the data collected is comprehensive and representative of the organization's diverse workforce, enabling an in-depth exploration of the phenomenon.

B. Data Collection Techniques

1. In-depth Interviews
   In-depth interviews will be conducted with selected informants who have direct experience in implementing AI in performance evaluation. The interviews will use a semi-structured format guided by carefully crafted open-ended questions to elicit detailed narratives about their perceptions, experiences, and subjective interpretations. Both face-to-face and online platforms will be utilized, ensuring flexibility and accessibility for the participants.
2. Documentation Analysis
   A thorough documentation study will complement the interview data. Relevant documents, including:
   a) Company policies: Guidelines and protocols governing AI-based performance evaluation, offering insights into the organizational framework and governance.
   b) AI-generated evaluation reports: Data from these reports will help illustrate how the system functions, its key metrics, and its operational strengths and weaknesses.
   c) Relevant literature: Current research and scientific discussions on AI applications in human resource management will provide theoretical support and contextualize findings within broader trends.

The analysis of these documents is not merely supplementary but a critical component of this study. It enriches the understanding of how AI-based performance evaluation operates and its practical implications, bridging the gap between employee perceptions and documented outcomes.

By triangulating data from interviews and document analysis, this study achieves a robust methodological framework, enhancing the validity and credibility of findings. This approach allows for cross-verification of insights derived from different sources, ensuring a comprehensive understanding of the phenomenon under investigation.

C. Data Analysis

Data analysis will follow a systematic thematic approach, involving the following steps:

a) Transcription: Full transcription of interview recordings.
b) Open Coding: Identification of keywords, phrases, and initial themes through iterative readings of the transcripts.
c) Axial Coding: Grouping of initial codes into broader, abstract categories, allowing patterns and relationships to emerge.
d) Theme Development: Synthesizing categories into major themes that reflect the deeper meanings within the data.
e) Verification: Findings will be validated by comparing them with the original transcripts, documentation, and related literature to ensure consistency and alignment with the research objectives.

IV. RESULTS

Employee Perceptions of the Application of AI in Performance Evaluation From the results of in-depth interviews, the majority of informants have mixed perceptions of the application of artificial intelligence (AI) in performance evaluation. Most informants appreciated the transparency offered by AI-based systems. They feel that AI can reduce the subjective bias that was previously common in traditional evaluation methods. However, some employees voiced concerns that AI algorithms do not provide enough context or flexibility in understanding certain work dynamics, such as unstructured or creative-based tasks.

One informant from the operations division stated:

"AI gives me a quantitative picture of my performance, but I feel it does not understand the specific challenges I face in the field."

On the other hand, the perceived fairness of the AI system is a dominant issue. Employees working in administration, for example, feel that the performance metrics used by AI tend to be more relevant to numerical or target-based jobs. This suggests a need to customize performance metrics to suit diverse job types.

Employee Experience in Using the AI-Based Evaluation System The experience of using the AI-based evaluation system also shows an interesting pattern. Informants from various levels of positions recognize that this system is able to provide more frequent and measurable *feedback*. They feel motivated to improve their performance based on the reports generated by AI. However, this experience was not always smooth.

Some employees revealed that using AI was stressful, especially when the evaluation results did not reflect their overall efforts. One employee from the customer service division explained:

"There are times when I feel like the system only looks at numbers without understanding my contributions that are harder to measure, such as building good relationships with customers."
In addition, most employees showed varying degrees of adaptation to the technology. Younger employees with a technology education background are more receptive to and utilize AI systems than more senior employees.

Employee acceptance of AI is the result of an interaction between psychological, technical, and social factors. First, the level of employee confidence in AI capabilities is a key determinant. A deep understanding of how AI works, supported by hands-on experience and effective communication from management, can increase trust. Second, concerns about data security and the potential replacement of jobs by AI also need to be addressed. Organizations need to provide data security assurance and adequate training to address these concerns. Third, employee involvement in the decision-making process related to AI implementation can increase ownership and support for change.

While employee concerns about personal data security in the context of AI are legitimate, it is important to look at the issue in a more nuanced manner. Modern AI systems are equipped with various security mechanisms to protect personal data. However, the risk of data misuse remains, especially if it is not matched by strong security policies and high employee awareness. To address this, a comprehensive approach is required, involving collaboration between stakeholders, including management, IT, and employees themselves. The implementation of artificial intelligence (AI) systems in an organization is often faced with the challenge of employee acceptance. Such a significant change can trigger concerns and resistance. However, research shows that active employee involvement in the AI implementation process can be the key to success. By involving employees from the start, companies not only gain valuable input, but also create a stronger sense of ownership of the new system.

Employee involvement in AI implementation has a positive correlation with their level of acceptance of change. When individuals feel that their voices are heard and their opinions are valued, they tend to be more open to innovation. In addition, active engagement can help employees understand the benefits of AI systems, reduce misconceptions, and address concerns that may arise. Thus, employee engagement can create a work environment that is more conducive to the adoption of AI technologies. The results of this study have significant implications for management practitioners. To ensure successful AI implementation, companies need to design strategies that actively engage employees. This can be done through various means, such as forming project teams involving representatives from various departments, organizing brainstorming sessions, or providing comprehensive training. By doing so, companies can build consensus, increase motivation, and accelerate the adoption of AI technologies.

V. DISCUSSION

This study highlights the potential of AI to enhance objectivity and efficiency in performance evaluations. In alignment with prior research [7], AI systems can reduce human biases by relying on data-driven performance metrics. However, the findings emphasize the importance of considering qualitative aspects of work, such as creativity, collaboration, and problem-solving, which are not easily quantifiable. Therefore, AI-based evaluation systems should integrate qualitative components that allow supervisors to provide contextualized feedback. This hybrid approach ensures that both quantitative metrics and qualitative insights are considered, enhancing the comprehensiveness of evaluations.

Algorithmic bias is a critical concern in AI implementation, as it can arise from skewed training data or flawed design parameters. Such biases risk perpetuating inequalities in performance evaluations, especially for employees whose roles or demographics are underrepresented in the data. This aligns with [6], which underscores the need for transparency in algorithm design. To mitigate these risks, PT. Pos Indonesia should conduct regular audits of AI algorithms to identify and rectify potential biases. Furthermore, algorithm updates should include stakeholder input to ensure diverse perspectives are represented.

Data privacy is another key issue, particularly given the sensitive nature of performance data. Employees must be assured that their data is securely stored and utilized solely for performance evaluation purposes. This requires strict adherence to data protection regulations, such as the General Data Protection Regulation (GDPR), and implementing robust cybersecurity measures. Transparent communication regarding data usage policies will also help alleviate employee concerns and build trust in the system.

Trust in AI systems is paramount for successful implementation. This study finds that employees' perception of fairness significantly influences their acceptance of AI. However, algorithmic opacity can foster skepticism, particularly if employees do not understand how the system generates performance evaluations. To address this, PT. Pos Indonesia should offer comprehensive training to employees, covering how AI works, its benefits, and limitations. Transparent reporting mechanisms should also be established, allowing employees to review and challenge evaluation results if necessary.

The psychological impact of AI-based evaluations varies among employees. While some are motivated by clear, data-driven feedback, others feel demoralized due to the perceived lack of context in the AI's analysis. These findings echo [18], which stresses the importance of incorporating human-centric elements into AI design. To address this, PT. Pos Indonesia could implement a balanced evaluation model, combining AI

assessments with regular discussions between employees and supervisors. Personalized communication can mitigate feelings of alienation and foster a more empathetic evaluation environment.

To optimize the implementation of AI in performance evaluation, PT. Pos Indonesia should focus on personalization and transparency. Performance metrics should be tailored to the unique characteristics of each role, ensuring that evaluations are relevant and actionable. Early involvement of employees in the design and implementation process is crucial to promote ownership and acceptance of the technology. Additionally, the company should establish an AI governance framework to oversee ethical considerations, algorithm audits, and data privacy compliance.

For future research, it is recommended to explore:

a) The long-term psychological effects of AI-based performance evaluations on employee motivation and satisfaction.
b) Strategies to design algorithms that incorporate qualitative aspects of work more effectively.
c) Cross-industry comparisons to identify best practices in mitigating algorithmic bias and ensuring fairness in AI evaluations.

By addressing these areas, researchers can contribute to the development of more equitable and efficient AI systems for performance management.

VI. CONCLUSIONS

This research reveals the transformative potential of artificial intelligence (AI) in revolutionizing performance evaluation practices at PT Pos Indonesia. The piloted AI-based evaluation system demonstrated significant improvements in objectivity and efficiency. AI's ability to rapidly process large volumes of data enables more in-depth and comprehensive performance analysis, identifying patterns and trends that manual evaluations may miss. For example, AI can identify employees with consistently high performance, identify areas for improvement, or even predict potential future performance issues. However, this research also highlights the inherent limitations of AI. While AI excels at analyzing quantitative data, such as quantifiable performance metrics, it still struggles to capture the qualitative and contextual nuances of work. Qualities such as leadership, creativity, and adaptability, which are often difficult to measure objectively, still require human judgment. Therefore, it is important for PT Pos Indonesia to adopt a hybrid approach, combining the power of AI with the subjective judgment of direct supervisors. Employee perceptions of AI-based evaluation systems vary widely. Factors such as level of digital literacy, trust in technology, and previous experience with automated evaluation systems may influence their acceptance. Research shows that transparency in AI algorithms is critical to building employee trust. Employees need to understand how their data is collected, processed, and used to generate performance ratings. In addition, the fairness and relevance of performance metrics used by AI is also a major concern. Performance metrics should accurately reflect an individual's contribution to organizational goals and should not be biased towards a particular group. To increase employee buy-in, PT Pos Indonesia needs to actively involve them in the AI system design and implementation process. By giving employees the opportunity to provide input and feedback, the company can ensure that the developed system meets their needs and expectations. In addition, the company needs to provide adequate training to employees on how AI works and its benefits to individual and organizational performance. This training can include simulations, case studies, and Q&A sessions to address concerns and improve understanding.

Successful implementation of AI in performance evaluation depends not only on technology, but also on human factors. Companies need to build an organizational culture that supports innovation and change. This includes visionary leadership, effective communication, and a commitment to employee development. In addition, companies need to regularly evaluate and improve AI systems to ensure that it remains relevant and effective in achieving organizational goals. In conclusion, AI has great potential to improve the quality and efficiency of the performance evaluation process at PT Pos Indonesia. However, to achieve optimal results, the company needs to adopt a balanced approach between technology and human aspects. By engaging employees, building trust, and ensuring that the AI system is fair and transparent, PT Pos Indonesia can utilize this technology to create a more productive and fulfilling work environment. The application of AI in performance evaluation is increasingly promising a significant transformation in the modern world of work, including at PT Pos Indonesia. The potential of AI in analyzing employee performance data in depth, identifying patterns, and providing objective recommendations cannot be denied. However, successful implementation of AI is not just a matter of technology. The complex interaction between technology, people, and organizational culture is the key to determining success.

Companies need to build an organizational ecosystem that is conducive to innovation. Visionary leadership plays a crucial role in driving the adoption of new technologies and creating a culture of continuous learning. Effective communication between management and employees is an important bridge in overcoming resistance to change and building trust in AI systems. In addition, a commitment to employee development through training and digital competency development will prepare them for an increasingly technology-dependent workforce. Regular evaluation and improvement of AI systems is a strategic step to ensure the relevance and effectiveness of

the system. AI algorithms need to be continuously updated to accommodate changes in the business and work environment. Transparency in AI-based decision making is also important to build employee trust and prevent algorithmic bias.It is important to remember that AI is just a tool. Human intelligence remains the deciding factor in the interpretation of AI analysis results and strategic decision-making. Collaboration between humans and machines will create optimal synergy in the performance evaluation process. By involving employees in the development and implementation process of AI systems, companies can ensure that the system is relevant to the needs and aspirations of employees. However, AI implementation also presents challenges. One of the main challenges is employee concerns about data privacy and potential algorithmic bias. Companies need to design AI systems with data privacy and security in mind. In addition, efforts to reduce algorithmic bias need to be made continuously through testing and validating AI models. The implementation of AI in performance evaluation at PT Pos Indonesia has enormous potential to improve productivity, effectiveness, and employee satisfaction. However, successful implementation requires a holistic approach, involving various aspects ranging from technology, people, to organizational culture. By building a culture of innovation, effective communication, and a fair and transparent AI system, PT Pos Indonesia can leverage this technology to create a more productive and performance-oriented work environment.

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