Summary of Paper: Using Artificial Intelligence to Evaluate Employees: The Effects on Recruitment, Effort, and Retention

What is this study about?

This study examines how using artificial intelligence (AI) instead of a traditional White male manager to evaluate employee performance affects recruitment, employee effort, and retention across different demographic groups. The researchers conducted two controlled experiments involving more than 1,200 participants. One experiment examined whether prospective employees would accept a job offer based on who conducted performance evaluations, while the second explored how current employees responded to negative performance feedback. The study is timely because approximately 40% of international HR departments already use AI-driven tools for employment decisions.

What are the major findings of the study?

The researchers found that AI evaluators were viewed as equally attractive by employees from all demographic groups, whereas White male evaluators were significantly less attractive to underrepresented minority (URM) employees. URM participants were more likely to accept jobs at firms using AI evaluations and maintained higher effort after receiving negative feedback from AI than from a human manager. Under traditional manager evaluations, URM employees reported lower effort, but this difference disappeared under AI evaluations. However, AI did not significantly affect employees' intentions to remain with their employer. Participants generally perceived AI as less biased than human managers, although the authors caution that AI systems can still inherit biases if poorly designed.

Why is the study important?

Accounting firms increasingly use AI to support performance evaluations, promotions, compensation, and talent management. The findings suggest AI-based evaluations may help organizations attract more diverse talent while improving perceptions of fairness and employee engagement. Firms should recognize, however, that AI must be carefully designed and monitored to ensure equitable outcomes.

What is the impact on professional practice and society at large?

The study suggests AI-supported evaluations can strengthen workforce diversity and motivation without discouraging majority-group employees. However, organizations should not assume AI

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is inherently unbiased. Strong governance, regular monitoring for algorithmic bias, transparency, and compliance with employment regulations remain essential to reduce legal, ethical, and reputational risks while supporting responsible AI adoption.

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