# AI in performance reviews: what HR needs to know - People Management

**Source:** gnews-performance-management | **Published:** March 27, 2026 | **PMS Relevance:** PMS CORE | **Type:** Opinion/Commentary | **Geography:** United Kingdom

**Source URL:** https://news.google.com/rss/articles/CBMikAFBVV95cUxNZnRiYVBCNXRMZk54bV8xcVdqTGp

## Executive Summary

The article examines the implementation of AI tools in performance reviews, using JPMorgan Chase's 2024 deployment as a case study. The author argues that while AI offers efficiency benefits like faster drafting and consistent language, it creates significant legal and discrimination risks for UK employers. Key evidence includes the upcoming Employment Rights Act changes in 2027, which will remove caps on unfair dismissal awards and reduce qualifying periods. The analysis highlights how AI models can perpetuate bias through training data, lose context and nuance, and complicate employment tribunal assessments of manager intent. The article concludes that AI can support performance management if used with proper guardrails, training, and human oversight, but warns against letting efficiency replace human judgment in employee development.

## Key Insights

1. AI-generated performance reviews create a discrimination minefield where biased language patterns from training data can systematically disadvantage protected groups without employer awareness
2. Employment tribunals assess manager intent and genuine belief, which becomes legally problematic when reviews are substantially AI-drafted rather than human-authored
3. The UK Employment Rights Act changes from January 2027 will increase legal risks by removing unfair dismissal award caps and reducing qualifying periods from two years to six months

## Practical Takeaways

- Establish comprehensive frameworks combining clear AI usage policies, manager training, and oversight systems to detect bias patterns before they create legal risk
- Maintain human decision-making authority for judgments and ratings while using AI only for structural support and grammar assistance

## Critical Analysis

Strengths include specific legal expertise, timely analysis of emerging UK employment law changes, and practical risk assessment. The JPMorgan case study provides concrete context. Limitations include lack of empirical data on AI performance review outcomes, limited discussion of successful implementation models, and no quantitative analysis of bias patterns. The analysis relies heavily on theoretical legal risks rather than documented cases of AI-related employment disputes.

## Organizational Practice

JPMorgan Chase implemented an AI tool in 2024 that generates performance review drafts from manager prompts, using a proprietary model designed to prevent data leakage and address GDPR concerns

## Strategic Implications

The convergence of AI adoption in performance management and strengthening employment protections in the UK suggests organizations will need to balance efficiency gains against increased legal scrutiny and potential discrimination liability

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**Validation Status:** passed

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