AI Is Writing Performance Reviews. What Could Go Wrong? - Carrier Management

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Executive Summary

This article examines the growing adoption of AI tools in the performance review process, prompted by JPMorgan Chase & Co.'s formal decision to permit manager use of an internal chatbot for drafting reviews. The author's central argument is that AI-assisted reviews present a genuine tradeoff: potential gains in objectivity, data synthesis, and time efficiency on one side, and risks of dehumanization, sycophancy, reduced credibility, and analytical offloading on the other. Key evidence includes JPMorgan's internal guidelines prohibiting AI from assigning scores or influencing pay decisions, commentary from Wharton professor Peter Cappelli on human cognitive bias and AI credibility gaps, and examples from companies such as KPMG, Shopify, and Rippling, the latter of which markets an automated 90-day employee assessment tool called Talent Signal. HR consultant Nora Jenkins Townson cautions that AI tools require a pre-existing, well-defined performance standard to function effectively. The article concludes that organizational norms around AI in performance management remain unsettled, and that human judgment retains a necessary role regardless of the technology deployed.

Key Insights

1. AI can help managers synthesize larger volumes of employee data — such as peer feedback and work submissions — reducing recency bias and cognitive load, but risks reducing employee perception of review authenticity.

2. Chatbots are observed to exhibit sycophantic tendencies, raising concerns that AI-assisted reviews may be overly positive and fail to surface genuine performance issues.

3. Experimental research indicates that when people are given AI tools, they tend to offload cognitive analysis to the technology, which in a performance review context could degrade the quality of managerial judgment rather than augment it.

Practical Takeaways

• JPMorgan Chase's approach — permitting AI for drafting assistance while prohibiting its use in scoring, pay, and promotion decisions — represents one organizational model for drawing boundaries around AI involvement in performance evaluation.

• Organizations such as KPMG and Shopify have incorporated AI utilization itself as a performance review criterion, signaling a shift in how AI competency is being formally recognized within evaluation frameworks.

Critical Analysis

The article presents a balanced range of perspectives, drawing on corporate examples, an academic source, and HR practitioner commentary. However, it is primarily opinion- and anecdote-driven, with no original empirical data or cited quantitative studies to support claims about AI's effect on review quality or employee outcomes. The reference to 'experimental studies' showing cognitive offloading is vague and unsourced. The inclusion of Rippling's Talent Signal product, described with promotional framing, introduces a mild commercial tone without critical scrutiny of that system's validity or accuracy. Peter Cappelli provides the article's strongest academic grounding, though his commentary is brief and not linked to specific research. The article does not address legal or regulatory dimensions of AI in employment decisions, which are increasingly relevant. Overall, the piece functions as informed journalism rather than rigorous analysis.

Organizational Practice

JPMorgan Chase permits managers to use an internal AI chatbot to assist with drafting performance reviews, while explicitly prohibiting AI from assigning performance scores or influencing pay and promotion decisions. Ramp's AI and operations lead describes a practice of using AI to summarize peer feedback and work submissions as inputs to manager-authored reviews. Rippling offers a commercial tool called Talent Signal that evaluates new employees' first 90 days of output and labels them across three tiers, with managers providing a binary approval or override. KPMG and Shopify have added employee AI usage as a formal criterion within their performance review processes.

Strategic Implications

The article points to an emerging fragmentation in organizational norms around AI's role in performance evaluation, with companies adopting divergent models ranging from light drafting assistance to near-automated assessment. The credibility gap identified — where employee trust in a review may diminish if AI involvement is known — has implications for how transparency around AI use in PMS is communicated. The observation that AI assessment quality is contingent on pre-existing, well-defined performance standards suggests that AI adoption may expose weaknesses in organizations that lack clear role-level definitions of success. The incorporation of AI proficiency as a review criterion at firms like KPMG and Shopify signals a possible directional shift in what competencies performance management systems are being asked to measure.

Validation Status: passed
