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The Ethical Limitations of AI

Parth Manoj Purandare¹

¹Research scholar Bachelor's of Science in Global Business Management Rochester Institute of Technology, Dubai - UAE

Abstract

Artificial intelligence (AI) has been increasingly integrated into the decision-making process of corporations across various industries, including finance, healthcare, marketing, supply chain management, cybersecurity, and human resources. Although AI has proven to be highly efficient, automated, and data-driven in its strategic decision-making, its increasing autonomy in high-stakes strategic decisions raises important ethical concerns. This paper discusses the ethical constraints of AI in corporate decision-making, especially in terms of accountability gaps, algorithmic bias, transparency issues, privacy risks, and the loss of human judgment and moral reasoning.

This paper is aimed at critically assessing whether AI systems should be allowed to make autonomous strategic business decisions without meaningful human control and also exploring the impacts of these ethical constraints on stakeholders such as employees, consumers, executives, and policymakers. This study is a synthesis of interdisciplinary academic literature, industry reports, and real-world case studies in relation to AI governance and corporate ethics using a qualitative conceptual research approach.

The results indicate that despite the fact that AI can be used to increase the efficiency of operations and assist in making informed decisions, fully autonomous AI systems are ethically unreliable in situations that require empathy, situational understanding, and responsibility. The experience in the fields of hiring systems, cybersecurity, advertising, and data governance proves that AI may unintentionally support discrimination, introduce transparency in decision-making, and expose organizations to considerable ethical and reputational risks.

This paper concludes that AI must be used as a decision-support tool and not an autonomous corporate decision-maker and that human oversight, transparent governance structures, and ethical regulation are necessary to ensure responsible AI adoption in corporate settings.

Keywords; Artificial Intelligence (AI), Corporate Decision-Making, AI Ethics, Algorithmic Bias, Human Oversight.

INTRODUCTION

Artificial Intelligence (AI) is a significant catalyst of corporate change that is radically changing how companies process data, predict trends and develop strategic plans. In the financial sector, healthcare, retail and manufacturing business sectors, AI systems are now being embraced by companies in an effort to increase efficiency, maximize profits, minimize human error and as a competitive edge in the fast-changing business environments. AI has enhanced speed and scale of corporate decision making by providing fast and data-driven information.

Nonetheless, the increasing incorporation of AI into the corporate strategy of high stakes results in complicated ethical dilemmas, such as accountability, transparency, bias, fairness, and human well-being concerns. What is the answer to the question Who Is in Control of AI-based decisions? The more organizations start to rely on algorithms, the more important the question. What impact do these decisions have on the stakeholders? And what are the safeguards which are needed to prevent harm? Artificial intelligence does not have moral thinking and situational

judgment, but it is increasingly placed in positions that define the way of work, investments, prices, and future corporate orientation.

This paper seeks to introduce such ethical shortcomings of AI in corporate decision-making, explore the challenge of responsibility to AI-based results, and ponder on the overall consequence of the use of AI on key stakeholders, such as executives, employees, consumers, and policymakers. It also aims at suggesting ways of alleviating these restrictions using governance systems, transparency and organized human controls. Although AI has unquestionable advantages in terms of operations, the study posits that AI should be used as a decision-support system, as opposed to a system that makes decisions in high-quality situations in the business world. This paper is a contribution to the current discussion on responsible AI adoption in corporate governance since it covers both the opportunities and the risks.

LITERATURE REVIEW

Previous studies on AI have already examined how AI is increasingly being used in business operations, automation, and organizational decision making. AI systems have been noted for their efficiency, capacity to process vast amounts of data, and their role in predictive decision-making, which is valuable for various sectors including finance, healthcare, marketing, supply chain management, and human resources (Rodgers & Nguyen, 2022; Zhao & Wang, 2023). The use of AI in strategic decision-making processes has become a growing trend in the corporate world, leading to a shift in focus from the capabilities of AI to the ethical implications of autonomous decision-making systems. One of the key research areas of AI ethics is algorithmic bias, transparency, accountability and fairness. AI systems can inadvertently perpetuate human biases found in the data used to train them, which can result in discriminatory outcomes in hiring, performance assessment, and other areas, as argued by Figueroa-Armijos et al. (2022). Likewise, Gerlich (2024) highlights the rising public concerns about AI, including the lack of transparency in the “black box” models that limit transparency and decrease stakeholder trust. Hauer's (2022) research also raises the ethical issue of the accountability of the creators and institutions of AI systems that can make decisions that harm or are unpredictable.

The connection between AI adoption and managerial accountability has also been a focus in corporate governance literature. However, scholars like Tóth et al. (2022) and Štrukelj and Dankova (2025) suggest that AI can aid strategic decision-making, but organizations must also have robust ethical leadership and governance processes to hold

AI systems accountable for their decision-making results. The literature emphasizes the need for ethical monitoring to be done by humans rather than autonomous systems, especially when the stakes are high and they involve decisions that impact employees, consumers and corporate stakeholders.

Moreover, the social and security impacts of AI use have been the subject of recent research. Studies in cybersecurity and AI misuse highlight the potential of AI systems to be used in cybercrime automation, surveillance, misinformation, and unethical content creation (Al-Azzawi et al., 2025). The worries underscore the dual nature of AI technologies, as tools meant to foster innovation can be used to raise novel ethical and governance challenges.

While there is a lot of existing literature that covers certain aspects of AI ethics, most of the existing studies cover specific functions like marketing, hiring, or consumer analytics, but not the broader use of AI in corporate strategic decision-making. Moreover, there are numerous studies that talk about ethical risks without making a link with corporate governance, stakeholder accountability and executive oversight. This paper is thus a contribution to the existing body of literature, as it brings together interdisciplinary viewpoints on the ethics of AI and critically examines the ethical challenges of AI-driven autonomous decision-making in several business sectors. The paper also highlights the need for human oversight and clear governance frameworks to promote responsible AI use in contemporary enterprises.

RESEARCH APPROACH

The paper uses a qualitative conceptual research method that involves analyzing interdisciplinary academic literature, industry reports, and current real-world examples of artificial intelligence ethics and corporate governance. The research brings together various studies from disciplines such as business ethics, corporate strategy, cyber security, marketing, human resource management, and technology governance to critically analyze the ethical constraints of AI in corporate decision-making.

The paper also draws on relevant case studies and recent developments in the field of generative AI, algorithmic bias, cybersecurity threats, and AI governance challenges to illustrate the real-world context in which ethical issues arise in the corporate world. This study seeks to integrate theoretical frameworks and real-world applications to offer a comprehensive understanding of the impact of autonomous AI systems on accountability, transparency,

trust among stakeholders, and ethical responsibilities in today's context.

This conceptual approach is not intended to measure the performance of AI, but to critically analyze the governance and ethical considerations of the growing use of AI in corporate decision-making processes.

Artificial Intelligence in the Business World and the way it is employed AI is no longer an experimental technology but as a matter of fact, AI is the engine of most modern companies. The companies are implementing it in all departments in order to enhance efficiency, nail prediction models, and decision-making processes. It is transformative and it is massively influential, as we can see AI in HR to finance, marketing to supply chain and so on.

Human Resources (HR):

AI has increasingly been integrated into HR functions, where it has been applied to screen resumes, shortlist candidates, crunch performance data, and workforce planning. The algorithms will search through hiring history in order to predict who can perform well and reduce the duration of hiring. However, similar to the hiring case of Amazon that we read about (Figuerola-Armijos et al.; Dastin, 2022), the systems have their own way of unknowingly replicating the old biases that had been latent in the training data. Thus, as far as AI will assist the HR to operate more efficiently, it requires much more moral consideration.

Finance:

AI is the tool of choice in corporate finance, as it is used to spot fraud, credit scores, model risk, trade algorithmically, and predict. Financial institutions are relying on machine learning to filter large volumes of data in real-time, identify anomalies, and refine risk estimates. Also, AI contributes to fintech hype, and customer experience is seamless, and it also creates privacy and ethical concerns (Aldboush and Ferdous, 2023). Although AI narrows the error, the black-box character of AI may complicate the process of making decisions accountable in cases where vast amounts of money may be at stake.

Marketing:

AI has completely transformed marketing through the ability to create hyper-personalized advertising, predictive analysis of customers, and automated content generation. Studies demonstrate that AI can increase ad performance and alter the direction of consumer behavior in companies (Li, 2019b; Rodgers et al., 2021; Kietzmann et al., 2022). Engage with recommendation engines and virtual influencers are

even more engaging, but those are also associated with manipulation, ethics of fairness, and targeting (Allal-Cherif et al., 2024).

Supply Chain Management:

AI in supply chain operations enhances demand prediction, streamlines pathways, runs inventory, and observes sustainability. According to Hao and Demir (2024), AI is able to enhance the ESG results through increasing transparency and efficiently operating the system. In the field of logistics, AI is particularly effective in humanitarian logistics and can be used to distribute resources more effectively and maintain the supply lines more responsive.

Healthcare Operations:

In the corporate health context, AI supports diagnostic aids, prescribes medication, automates the administrative procedures, and processes patient data. Although it increases efficiency and predictive ability, incidences such as the biased allocation of treatments that Diller (2024) points out indicate the dangers of implementing such systems without extreme validation and oversight.

Data Science and Strategic Analytics:

Corporate data science is essentially anchored by AI. Machine learning helps teams to predict, identify trends, simulate and model strategy. Such tools as ChatGPT demonstrate how AI can be used to analyze and synthesize knowledge (Zhao et al., 2023). However, as we have observed, constraints such as old training data and glimpsed outputs are capable of reducing reliability in strategy.

IT and Cybersecurity:

In cybersecurity, AI is used as a regular tool to identify the threats, observe the abnormalities, automatically react, and stop fraud. AI systems are able to identify patterns in the traffic across the network and therefore detect any breach more quickly than rule-based approaches as stated by Aggarwal, et al. (2023). Nevertheless, the use of AI as a method of attack leaves the opportunity of attackers to exploit the algorithm weaknesses themselves.

ETHICAL LIMITATIONS

AI introduces significant ethical concerns related to bias, transparency, and the erosion of human judgment. As Figuerola-Armijos et al. and Gunz & Thorne argue, AI systems can perpetuate and even amplify biases embedded in their training data, especially when those datasets reflect historical inequalities (2022). This results in discriminatory outcomes in areas such as hiring, promotion, and resource

allocation. Hauer (2022) further notes that the more autonomous and unpredictable an AI system becomes, the harder it is to hold its creators accountable, creating a “black box” problem where neither the decision logic nor responsibility is clear.

Transparency and bias issues:

Harshini Chakka (2025) emphasizes that tackling issues of bias and transparency is imperative to ensure fairness and trust in AI systems, while also cautioning that unchecked reliance on automated decision-making risks undermining human judgment and responsibility. These concerns highlight the urgent need for ethical frameworks and governance mechanisms that balance innovation with accountability, ensuring that AI serves society without eroding fundamental human values (Chakka, 2025).

Gerlich (2024) similarly highlights that the opacity of many AI systems undermines stakeholder trust by preventing meaningful scrutiny of decision-making processes. Without transparent governance and ethical oversight, organizations risk entrenching systemic inequities rather than driving innovation. This growing dependence on AI may also weaken human critical thinking; as Figueroa-Armijos et al. explains, blind trust in automated processes can marginalize human sense-making and lead to flawed strategic decisions.

Real-world examples further illustrate these risks. Diller (2024) documents cases where AI systems demonstrated racially biased behavior, such as discriminatory hiring filters or inequitable allocation of healthcare resources. Even widely used tools like ChatGPT are not exempt from these limitations. Research by Zhao et al. (2023) shows that ChatGPT can confidently produce incorrect information and exhibit biased or prejudiced responses, reinforcing the broader concerns surrounding unchecked AI use in corporate decision-making.

Privacy and data protection issues:

Building on the concerns surrounding bias and transparency, AI also presents broader ethical dilemmas related to privacy, data security, manipulation, and misuse. Alberto (2025) notes that AI systems depend on vast amounts of personal data, increasing the risk of breaches, unauthorized access, and other forms of misuse. This heavy reliance on data raises serious privacy and security concerns, particularly when sensitive information can be exposed through system vulnerabilities.

AI’s influence extends further into consumer behavior, where algorithmic analysis of preferences can lead to subtle forms of manipulation or exploitation. Allal-Cherif et al. (2024) emphasize the need for regulation, such as laws governing virtual influencers, to protect vulnerable groups from deceptive or persuasive AI-driven tactics. These concerns illustrate why strong oversight and clear ethical guidelines are essential for companies adopting AI technologies.

The consequences of inadequate safeguards affect not only consumers but also businesses. For example, ChatGPT’s training data in 2023 included information only up to September 2021, leaving the system unaware of later developments claimed by OpenAI. Zhao et al. (2023) argue that without regular fine-tuning, such models produce outdated or unreliable information, limiting their usefulness for business decision-making. Rodgers et al. (2022) similarly point out that AI-related issues such as bias and deception already impact both organizations and individuals.

Compounding this, AI can generate confident but incorrect outputs, a phenomenon highlighted by Kopalle et al. (2024), which poses serious risks in high-stakes areas like security, healthcare, and automated customer service. These limitations underscore that AI still requires significant improvement before it can be considered fully reliable in corporate contexts. Addressing these risks through regulation, transparency, and human oversight is crucial for protecting individuals and sustaining public trust in AI technologies.

Lack of Emotional Intelligence:

In addition to challenges involving bias and privacy, AI’s limitations become even more evident when decisions require **emotional intelligence** and moral reasoning. While AI systems can process data and identify patterns, they cannot interpret human emotions or understand the ethical nuances behind complex corporate decisions. As reliance on automated guidance increases, managers risk losing critical judgment and ethical responsibility. Gerlich (2024) cautions that delegating high-stakes decisions to opaque algorithmic systems undermines accountability, as executives cannot fully verify or challenge AI-generated outcomes. This dependence not only weakens ethical oversight but also allows efficiency-driven algorithms to overshadow human values in areas like hiring, resource allocation, and market behavior. Gerlich (2024) further warns that replacing human reasoning with AI-driven recommendations may entrench systemic biases and erode public trust in corporate governance. As a result, AI may produce decisions that

appear logically sound yet fail to consider human well-being or the emotional reality of those affected.

To address these concerns, ethical guidelines and stronger governance frameworks have been proposed as essential safeguards. Alberto (2025) emphasizes that effective regulation, ethical AI training, and collaboration between industry, government, and civil society can mitigate many risks. These interventions are especially important in emotionally sensitive contexts. For example, Diller, Passmore et al. (2023) note that AI coach bots struggle to “respond appropriately to the emotional state of a client,” illustrating their lack of moral and emotional intelligence. Diller (2024) adds that even when emotional intervention is required, digital systems are limited in their ability to support users meaningfully. Ming (2019) similarly argues that algorithms merely detect correlations without understanding them, making it unrealistic to assume that AI can solve problems that humans themselves cannot yet fully explain. Collectively, these insights highlight AI’s ongoing inability to apply context, empathy, or ethical judgment, capabilities that remain essential in high-stakes decision-making.

POSITIVE CONTRIBUTIONS OF AI

Despite the ethical concerns surrounding AI, it can still generate positive contributions when used carefully and with human oversight. In humanitarian supply chains, AI has the potential to enhance transparency, improve efficiency, and support sustainability initiatives. As Hao and Demir (2024) explain, supply chains present “a promising opportunity for AI to assist sustainability and ethical practices... thus contributing to environmental sustainability.” A similar trend appears in marketing, where AI has increased efficiency and reshaped how advertisers understand and guide consumer behavior (Li, 2019b; Rodgers et al., 2021; Kietzmann et al., 2022). These examples show that AI can strengthen operations and create value across sectors when ethically integrated.

AI tools can also reduce the burden of manual work. Zhao et al. argues that systems like ChatGPT can automate repetitive tasks, enabling employees to shift toward more strategic and leadership-oriented roles. Ming (2019) reinforces that AI does not inherently diminish human critical thinking; rather, when humans already understand a problem, AI can “fundamentally transform the economics of your solution.” In such cases, AI becomes a complement to human insight, amplifying good decisions rather than replacing human judgment.

However, these benefits are conditional and do not eliminate AI’s ethical risks. Intelligent advertising, for example, still requires new models capable of addressing ethical considerations and delivering appropriate content at the right time (Rodgers et al., 2022). Even with improved efficiency, unresolved issues remain. Ming (2019) emphasizes that the core problem is not just biased data but the mistaken belief that algorithms can substitute for human problem-solving. If humans cannot solve a problem - such as bias in hiring - AI will not fix it either. This underscores the need for human insight and governance to prevent accountability gaps.

REAL-WORLD CASES

The consequences of insufficient oversight are illustrated by Amazon’s AI hiring tool developed in 2014, which was initially praised for its accuracy but later discontinued after it was found to discriminate against women in technical job applications (Figueroa-Armijos et al.). The system had learned from historical data dominated by male applicants, unintentionally embedding systemic bias into its recommendations. This real-world example demonstrates how quickly AI can replicate and even amplify discriminatory patterns when left unchecked, reinforcing why corporate decision-making cannot rely solely on automated systems.

Furthermore, the recent events indicate that cybercriminals increasingly use AI to automate more tricky components of cyberattacks, such as advanced large language models. As Al-Azzawi et al. (2025) argue, AI-based methods currently enable them to automatically cope with activities, including reconnaissance of systems, penetration, and data gathering, which essentially accelerates and streamlines the attack process.

In line with this, an official report about an AI chatbot developed by the company Anthropic has pointed out a case of hackers utilizing the tool to identify vulnerabilities, write malicious code, extract sensitive data, and even generating extortion demands as part of a large-scale cybercrime incident never seen before (Computing, 2025). The above illustrations highlight the idea that AI is a two-sided sword, in that it can enhance cybersecurity measures, but it can reduce the cost of more advanced attacks, when adapted by malicious people.

Additionally, one of the most controversial and popular examples is the GROK AI being used for inappropriate purposes. According to reports in several jurisdictions, Grok, an AI chatbot created by the xAI of Elon Musk that was

implemented into the X platform, has been abused by creating unethical and harmful content. Europe Investigations in response to the sexualized and reportedly sexualized deepfake images generated by the AI, including those of children, raised questions about the adherence of the data protection legislation and the duty of responsibility in the field of content moderation (AP News, 2026). On the same note, watchdog groups have also recorded cases, where Grok was being used to generate child sex abuse imagery, which brought about a lot of public anxiety and regulatory investigation (The Guardian, 2026). The above-mentioned developments show that even the AI tools that are supposed to be used by ordinary people may be reused to create highly inappropriate and exploitative content, which points to the pressing ethical and governance issues.

In general, AI is everywhere in businesses, and the question is not whether we need it at all, but what the way to manage it and control its usage is. Since bots are employed to hire predictive finance models, marketing automation, and even cybersecurity systems, AI is now involved in making decisions that have direct impact on workers, consumers, shareholders, and the entire society. Its influence only increases with its growth.

Our ethical concerns such as bias, lack of transparency, accountability, privacy risks, and impact of AI on human judgement are not inconvenient technical glitches. They are based on the construction and implementation of AI systems. These problems are internal and not marginal glitches.

To the modern business, it is not only the extent to which their technology is highly developed, but how they manage the technology in a responsible way. Organizations must strike a balance between technological innovation and ethical responsibility, and therefore AI can even enhance good corporate governance rather than compromising it.

RECOMMENDATIONS FOR ETHICAL AI GOVERNANCE

With the growing role of AI in corporate strategy and decision-making, companies need to establish governance structures to guarantee responsible and ethical use of AI systems. AI can enhance efficiency and enable data-driven insights, but it also highlights the need for robust human oversight and accountability mechanisms.

A key protection is the use of a human-in-the-loop strategy, which involves human decision-makers actively participating in the review, validation, and challenge of AI-generated recommendations. Autonomous systems are not

equipped to make high-stakes decisions, such as hiring, firing, investments, healthcare, cybersecurity, and resource allocation, without human oversight, because they do not have contextual understanding, empathy, or moral reasoning. Ethical oversight ensures that ethical considerations are taken into account in corporate decision-making, not just for the sake of algorithmic efficiency.

Furthermore, organizations should come up with more robust guidelines for transparency in AI to minimize the “black box” nature of machine learning systems. It is crucial that decision-makers and stakeholders can grasp how AI systems produce outputs, what data is being used, and whether there are potential biases that could impact the outcomes. The use of frameworks for Explainable AI (XAI) is also closely related to transparency, as it seeks to make AI-driven decisions interpretable and understandable to both technical and non-technical stakeholders. In a corporate setting, where executives are accountable for organizational results and have to defend strategic choices, explainability is of paramount importance.

Further, companies should regularly audit their AI systems for biases, privacy concerns, discriminatory results, and governance issues. Independent auditing processes can be used to assess the ethical, legal, and organizational implications of AI systems. Such audits should not be static, but rather continuous, since AI systems evolve over time due to new data and model updates.

Compliance is also a key aspect of responsible AI governance. Organizations need to make sure that the use of AI is compliant with data protection regulations, cybersecurity regulations, anti-discrimination policies, and new AI governance regulations. With governments and international bodies still shaping AI regulations, businesses must adopt flexible approaches to ensure compliance with changing legal and ethical standards. Governments and international organizations are still working on AI regulations, and businesses will need to be flexible to meet evolving legal and ethical expectations.

In addition, AI ethics education should be integrated into various organizations to enhance the awareness of executives, developers, managers and employees. Ethical AI governance is not just a matter of technical teams; it's about the societal and organizational impact of AI-driven decisions, and corporate leaders need to grasp this. AI training programs can raise awareness among stakeholders about algorithmic bias, privacy issues, accountability challenges, and ethical implications in the use of AI.

Lastly, cross-functional AI governance boards made up of executives, legal counsel, ethicists, cybersecurity, HR, and AI experts should be created. These governance bodies can offer multidisciplinary oversight, assess ethical risks, and make sure that AI systems adhere to organizational goals and stakeholder interests. A collaborative governance framework helps to minimize the risk of unbalanced, profit-driven implementation of AI and encourages responsible and ethical decision-making.

However, the responsible use of AI involves organizations recognizing that AI is a tool to support decision-making, not replace it. Transparency, accountability, regulation, and human oversight are essential elements that can help corporations ensure that the innovation of AI systems does not compromise ethical corporate governance.

LIMITATIONS AND FUTURE RESEARCH

This paper is mostly conceptual in nature and thus has some limitations. First, the AI landscape is constantly changing, with new technologies, governance models, and ethical issues emerging fast that can quickly outpace current research. Ethical issues on accountability, transparency, cybersecurity, and human oversight could change drastically in the future as AI systems grow more complex and become more deeply embedded in business strategy.

Furthermore, the paper is rich in existing academic research, industry reports, and current case studies, but lacks empirical data that is longitudinal, collected first-hand from corporations. This interdisciplinary perspective offers a wide range of theoretical understanding of the ethical challenges of AI-driven decision-making, but it makes it difficult to quantify the long-term organizational and societal consequences of AI adoption in various industries.

One drawback is the absence of a comparative analysis by sector. While this paper covers various aspects of AI applications, including finance, marketing, healthcare, cybersecurity, human resources, and supply chain management, further research is needed to explore the ethical risks in more detail, comparing different sectors with varying regulatory frameworks and stakeholder expectations.

Empirical studies on the practical application of AI governance frameworks are therefore needed to explore the effectiveness of human oversight systems, ethical auditing processes, and explainable AI models, among other aspects of the implementation. Longitudinal research on the trust of

stakeholders, the accountability of organizations, and the quality of decisions over time would be beneficial to the understanding of the dynamic nature of the relationship between AI systems and corporate governance. In addition, interdisciplinary studies in the fields of business ethics, law, technology, and public policy will be crucial in the future for establishing AI governance standards that are sustainable and globally consistent.

CONCLUSION

In conclusion, although artificial intelligence has transformed corporate decision-making by enabling rapid, data-driven insights, it also introduces substantial ethical risks. AI systems can reinforce existing biases, reduce transparency, and weaken human judgment, while their reliance on large datasets raises ongoing concerns about privacy, data ownership, and security. As Gerlich (2024)

emphasizes, the collection and control of sensitive information create opportunities for misuse and heightened surveillance, particularly when organizations lack clear governance structures. These risks undermine trust, as stakeholders fear that algorithmic efficiency may be prioritized over ethical responsibility (Gerlich, 2024).

Despite these challenges, AI offers meaningful benefits when applied responsibly, for instance, improving transparency in humanitarian supply chains and increasing efficiency in marketing. However, these advantages do not eliminate the ethical limitations of AI. Human oversight remains essential, especially in high-stakes decisions where empathy, context, and moral reasoning are required. As the opacity of algorithmic systems makes it difficult for executives to scrutinize or challenge AI-driven

recommendations, the “black-box” nature of machine learning continues to erode accountability and managerial control (Gerlich, 2024). Without transparent frameworks and clear ethical guidelines, organizations risk adopting AI outputs that perpetuate inequities or conflict with organizational values.

Ultimately, while AI can amplify well-informed decisions, it cannot substitute for human insight. Ensuring responsible use of AI in corporate strategy requires maintaining strong oversight, addressing ethical vulnerabilities, and prioritizing accountability, so that technological innovation supports rather than undermines ethical corporate governance.

KEYWORDS

Artificial intelligence (AI)

Artificial Intelligence is a technology that involves computer systems or software that can learn, analyze data, recognize patterns, solve problems, and make decisions, which are tasks typically done by humans.

Corporate decision-making

Corporate decision making is the decision-making process in which the business or organization makes decisions related to the company and its stakeholders which impact the business in terms of strategy, finances, operations, or management.

AI ethics

AI ethics is the ethical guidelines and principles that shape the responsible and ethical design, development, and application of AI.

Algorithmic bias

Algorithmic bias is when the AI system yields unfair, discriminatory or inaccurate results because of biased training data, faulty programming, or unequal representation in data sets.

Accountability gap

An accountability gap occurs when it's hard to identify who's responsible for the harm, unethical decisions, or negative outcomes that an AI system may cause.

Explainable AI (XAI) / Transparency

Explainable AI is AI systems that are understandable and interpretable by humans. Transparency involves providing clear explanations of AI systems and decision-making processes.

Human oversight / Human-in-the-loop

Human oversight involves ensuring that humans are still involved in reviewing, monitoring and controlling AI decisions, rather than the systems operating without human intervention.

AI governance

AI governance is the set of policies, regulations, ethical guidelines, and organizational structures that are implemented to ensure the responsible and safe use of AI systems.

Data privacy and data protection

Data privacy and protection is the process of securing personal, sensitive and organizational data from misuse, unauthorized access, breaches and unethical collection.

Ethical risk management

Ethical risk management involves recognizing, assessing, and mitigating ethical risks that can surface in the application of AI technologies within organizations.

Stakeholder impact

Stakeholder impact is the effect of AI-based decisions on people or groups who are involved with an organization, such as employees, customers, investors, regulators or society.

Responsible AI adoption

Responsible AI adoption involves using AI systems in a manner that is fair, accountable, transparent, promotes human welfare, and makes ethical decisions.

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