

Chapter 9

Ethical AI and Decision-Making in Management Leadership

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ABSTRACT

Integrating Ethical Principles into the development and deployment processes becomes essential for management leaders as AI rapidly transforms workplaces. Ethical AI and Decision-Making ensure the alignment of AI applications with human values and societal goals. Fairness, transparency, accountability, privacy, societal impact, and human values are critical ethical principles that guide AI systems. Ethical decision-making models and methodologies offer structured frameworks for balancing competing ethical considerations. AI Ethics Boards provide governance and risk management. Interdisciplinary collaboration, Stakeholder engagement, and Inclusive processes bring diverse perspectives. Risk assessment, Governance Frameworks and mitigation strategies address potential harms and promote Responsible AI practices. By implementing ethical decision-making practices, promoting transparency and accountability, and engaging in responsible AI

DOI: 10.4018/979-8-3693-4147-6.ch009

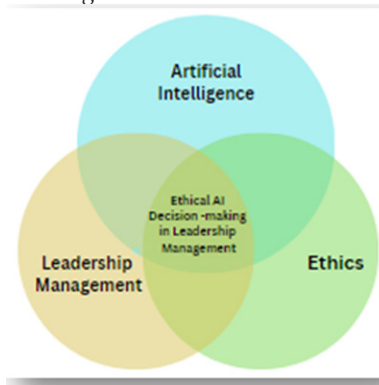
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governance, organizations and leaders can benefit from AI while minimizing ethical risks and maximizing societal benefits.

INTRODUCTION

Artificial Intelligence (AI) advancements are encouraged when developed while considering human needs (Watkins & Human, 2023). Further, such systems are welcome only when they behave ethically and responsibly. Ethical AI and Decision-Making in Management Leadership is an area of emerging study. As Figure 1 shows, It is an intersection of AI, Leadership Management, and Ethics. Ethics itself is considered a branch of Philosophy. It focuses on right or wrong, good or bad, or whether moral principles are used (DeMarco & Fox, 2021). Ethics are important because they touch upon human life and societal functioning.

Figure 1. AI, Leadership Management & Ethics



AI and Machine Learning (ML) tools help with evidence-based decisions. Management within organizations primarily use them to achieve (Gutiw et al., 2024):

1. Operational Efficiency
2. Provide customized Services
3. Reduce Organizational Risk

Several societal benefits can be accrued, such as transparency, justice, cost and time efficiency, high-quality services, and improved stakeholder collaboration (Tomažević et al., 2024). This algorithm decision-making is either supplementing or replacing human decision-making in organizations in several industries. Regulators

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