

Ethical Dimensions of AI–Powered Business Decisions Ensuring Transparency and Responsibility

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EXECUTIVE SUMMARY

Artificial Intelligence (AI) is reshaping business decision-making by enabling predictive analytics, automation, and real-time insights across domains like finance, marketing, HR, and operations. While enhancing efficiency, AI also raises ethical challenges of transparency, fairness, privacy, and responsibility—especially when opaque algorithms affect vulnerable groups. This chapter explores the ethical dimensions of AI adoption in business through case-based learning, applying principles of justice, autonomy, beneficence, and non-maleficence. Real-world cases—such as biased loan approvals and facial recognition in retail—illustrate dilemmas of bias, consent, and surveillance. Students engage in reflection exercises, dilemma maps, and role-based analysis, guided by ethical frameworks including OECD, IEEE, the EU AI Act, and a proposed model, Ethical Reflexivity in AI (ER-AI). By combining

global perspectives, emerging challenges like generative AI, and the intersection of research and business ethics, the chapter equips future scholars and practitioners to navigate AI responsibly.

INTRODUCTION

Ethical considerations have always been the backbone of responsible research and business practice, but the advent of Artificial Intelligence (AI) has elevated these concerns to new dimensions. In the contemporary era, where organizations and researchers increasingly rely on data-driven algorithms for critical decision-making, the conversation around ethics is no longer confined to theoretical discussions- it has become a matter of immediate and practical urgency. Whether in business, healthcare, academia, or governance, decisions powered by AI are reshaping how information is processed, interpreted, and acted upon. This transformation raises pressing questions about accountability, fairness, and transparency, which traditional ethical frameworks are often ill-equipped to handle. For emerging researchers and practitioners, engaging with these dilemmas is essential not only for maintaining academic integrity but also for ensuring that technological innovations serve society responsibly.

Research ethics, as a discipline, has long been guided by principles of integrity, honesty, and respect for human subjects. Classic frameworks such as the Nuremberg Code, the Belmont Report, and the establishment of Institutional Review Boards (IRBs) laid the foundation for protecting participants and ensuring responsible research conduct. These guidelines were developed primarily in response to historical injustices and unethical practices in biomedical and social research. However, as research methodologies have expanded and technologies like AI have become embedded in scholarly inquiry and business applications, ethical dilemmas have grown more complex. For instance, the ethical issues in digital research do not always revolve around direct harm to human participants but instead around subtler concerns such as algorithmic bias, surveillance, and the misuse of personal data. Such challenges demand a more nuanced and adaptive understanding of ethics that goes beyond traditional frameworks.

The evolution of research ethics reflects the broader shifts in the scientific and business landscapes. Historically, ethical principles were designed to ensure the protection of human dignity and the credibility of research findings. In the biomedical field, the horrors of unethical experimentation in the 20th century spurred the creation of internationally recognized standards. Similarly, in social sciences, debates about confidentiality, informed consent, and researcher responsibility highlighted the moral dimensions of scholarly work. Today, however, research is no longer restricted to

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