

ETHICAL ISSUES IN ARTIFICIAL INTELLIGENCE IN HIGHER EDUCATION: A REVIEW AND A FACULTY-CENTRED ETHICAL FRAMEWORK

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ABSTRACT

The rapid integration of artificial intelligence (AI) into higher education has outpaced the development of coherent ethical and governance frameworks, generating urgent concerns about academic integrity, algorithmic bias, data privacy, surveillance, and institutional accountability. This paper presents a review-cum-conceptual study that synthesises recent literature on ethical issues in AI-mediated higher education and proposes a faculty-centred ethical framework for its practical implementation in teaching, assessment, and administration. Drawing on global AI-ethics principles, UNESCO recommendations, and emerging empirical studies from 2023 to 2026, the paper distils key ethical tensions into four interrelated dimensions: learning-goal alignment, fairness and bias, transparency and consent, and governance and limits. The framework is operationalised for commerce and management education through illustrative case-sketches of AI-assisted assessment, project-based learning, and plagiarism-detection practices. The study argues that higher education requires discipline-specific, practice-oriented AI-ethics guidelines anchored in faculty judgement rather than relying solely on top-down compliance rules. The paper offers implications for policy, syllabus design, and faculty development.

Keywords: artificial intelligence, AI ethics, higher education, academic integrity, faculty-centred framework, commerce education

INTRODUCTION

Artificial intelligence (AI), particularly generative and analytical tools such as large language models, learning-management-system analytics, and AI-powered plagiarism detectors, has entered higher education at an unprecedented pace. Universities increasingly use AI tools to support assessment, personalise feedback, optimise advising, and assist research-related tasks. At the same time, these technologies challenge established understandings of academic integrity, authorship, fairness, and institutional accountability.

Recent discussions indicate that the adoption of AI in higher education has advanced faster than the development of clearly articulated ethical-governance frameworks. This gap leaves faculty members to make consequential decisions on assessment design, student disclosure, data handling, and acceptable AI use without sufficiently specific disciplinary guidance. The problem is especially relevant in commerce and management education, where analytical writing, interpretation, project work, and applied assessment are central to learning.

The paper addresses two core questions. First, what are the major ethical issues in AI-mediated higher education identified in recent literature? Second, how can a faculty-centred

ethical framework support educators in making context-sensitive decisions regarding teaching, assessment, and supervision? By combining a literature-based review with conceptual framework development, the paper seeks to contribute both analytical clarity and practical utility.

OBJECTIVES OF THE STUDY

The study has four objectives:

1. To review and synthesise recent literature on ethical issues in AI-mediated higher education, with emphasis on academic integrity, bias, privacy, and governance.
2. To identify gaps and under-theorised areas, particularly in commerce and management education and in Global South institutional contexts.
3. To develop a faculty-centred ethical framework for AI use in higher-education classrooms grounded in principles such as fairness, accountability, transparency, privacy, and human-centredness.
4. To illustrate the framework through discipline-specific case-sketches and derive policy-oriented recommendations.

METHOD

This study adopts a qualitative, conceptual, and literature-informed design. It does not generate primary empirical data; instead, it uses an integrative review approach to synthesise scholarly and policy literature and then develops a practice-oriented conceptual framework from that synthesis.

RESEARCH DESIGN

The paper is situated within a constructive and interpretive research orientation. An integrative review design is appropriate because it allows the consolidation of conceptual and policy debates across diverse sources while also supporting framework building for educational practice.

DATA SOURCES AND SEARCH STRATEGY

The literature base includes peer-reviewed journal articles indexed in major academic databases, policy documents from international organisations, higher-education guidance documents, and selected grey literature relevant to AI ethics in education. The review period covers 2020 to 2026. Search strings included combinations of terms such as “AI ethics in higher education,” “ethical issues in AI assessment,” “algorithmic bias in universities,” “AI governance in higher education,” and “academic integrity and generative AI.”

SELECTION LOGIC AND ANALYTICAL PROCEDURE

Sources were selected on the basis of conceptual relevance to higher education and ethical governance. The analysis proceeded in three stages: identification of recurrent ethical themes in the literature, grouping of these themes into broader principle-based categories, and development of a faculty-centred framework that translates abstract principles into classroom-level decision criteria.

SCOPE AND LIMITATION OF THE METHOD

Because the study is conceptual, its contribution lies in synthesis and model development rather than empirical validation. The framework therefore should be read as a theoretically grounded and practice-oriented guide that invites further testing in institutional settings.

REVIEW OF LITERATURE

Academic integrity and AI-assisted learning

One of the most widely discussed concerns is the effect of AI-assisted writing and problem-solving on academic integrity. Generative AI tools can produce essays, summaries, and analytical responses that may conceal the extent of student authorship. Yet the literature also suggests that AI use need not be treated as inherently unethical; under transparent rules and appropriately designed assessments, AI-assisted drafting may support learning while preserving educational standards.

Bias, fairness, and equity

AI-based grading systems, predictive analytics, and recommendation tools may reproduce existing inequalities when they are trained on biased data or when they privilege particular linguistic, social, or cultural patterns. These risks are especially serious for students from underrepresented groups and for learners working in multilingual or resource-constrained environments. Ethical governance therefore requires human review, contextual interpretation, and procedural safeguards.

Data privacy, surveillance, and consent

AI-enabled educational technologies often collect large volumes of behavioural and performance-related student data. This raises concerns regarding informed consent, secondary data use, vendor access, retention practices, and the surveillance-like effects of constant monitoring. Ethical use of AI in higher education requires clarity regarding what data are collected, how they are processed, and who remains accountable for their protection.

Authorship and intellectual responsibility

The spread of AI-generated content has complicated conventional understandings of authorship, originality, and intellectual responsibility. Instructors increasingly face questions regarding whether and how students should disclose AI assistance, how AI-supported work should be assessed, and where to draw the line between assistance and substitution. These concerns are particularly salient in written assignments, research projects, and reflective tasks.

Governance and institutional accountability

A recurring theme in the literature is the mismatch between rapid adoption of AI tools and the slow development of institutional governance frameworks. Universities may adopt AI applications in piecemeal ways without clear standards on faculty discretion, student rights, appeals mechanisms, or audit processes. This governance gap underlines the need for faculty-level ethical guidance that is aligned with but not dependent solely upon central policy.

Faculty-Centred Ethical Framework

Building on the literature, the paper proposes a four-dimension faculty-centred ethical framework for decision making in AI-mediated higher education.

Learning-goal alignment

The first question is whether AI use supports or undermines intended learning outcomes. AI may be appropriate where the goal is idea generation, editing, or exploratory learning, but it may be inappropriate where the primary purpose is to assess independent reasoning, disciplinary mastery, or authentic skill performance.

Fairness and bias

The second question is whether the AI tool may systematically disadvantage specific students or student groups. This dimension requires attention to linguistic bias, unequal access to premium tools, accessibility needs, and the possibility that algorithmic outputs may reflect embedded social biases.

Transparency and consent

The third question is whether students are fully informed about the use of AI, the role it plays in teaching and assessment, and the implications of data collection. Ethical use requires explicit communication, clear syllabus statements, and disclosure norms that are understandable and enforceable.

Governance and limits

The fourth question is whether there are institutional safeguards, clear boundaries, and meaningful human oversight. High-stakes academic decisions such as admissions, progression, and final misconduct determinations should not be delegated wholly to automated systems.

Faculty AI-Ethics Checklist

Table 1
Faculty-Centred AI-Ethics Checklist for Higher Education

Dimension	Guiding question	Example action
Learning-goal alignment	Does AI use support or undermine the intended learning outcome?	Permit AI for brainstorming or drafting, but restrict it in examinations or tasks requiring independent demonstration of competence.
Fairness and bias	Could the tool disadvantage certain students?	Review outputs for bias, provide human override, and ensure non-AI alternatives where appropriate.
Transparency and consent	Are students informed and able to understand the implications of AI use?	Include syllabus statements, disclosure rules, and data-use explanations.
Governance and limits	Are boundaries and safeguards clearly defined?	Avoid fully automated high-stakes decisions and establish review or appeal procedures.

APPLICATION TO COMMERCE AND MANAGEMENT EDUCATION

Case-sketch 1: AI-assisted financial statement analysis

In commerce programmes, AI tools may assist students in summarising complex financial information and improving report presentation. However, core analytical competence should still be demonstrated independently in tests, viva voce, or supervised classroom tasks. Ethical use in this context requires careful attention to learning-goal alignment and to inequities that may emerge when some students have better access to AI tools than others.

Case-sketch 2: AI-generated marketing plans

In management education, AI may be used for brainstorming campaign ideas, preparing draft segmentation strategies, or generating market-entry options. Faculty can preserve educational value by requiring students to critically evaluate AI suggestions, justify final decisions, and reflect on contextual limitations, especially in relation to local markets and non-Western consumer environments.

Case-sketch 3: AI-powered plagiarism detection in student research

AI-enabled plagiarism detection may be useful as a preliminary screening mechanism, but it should not function as an automatic basis for academic misconduct decisions. Similarity scores and AI-generated flags must remain subject to human interpretation, student explanation, and fair appeal processes.

DISCUSSION

The central argument of this paper is that ethical governance of AI in higher education cannot be achieved solely through broad policy statements. Faculty members are the primary actors who translate institutional norms into classroom practice, assessment design, and student communication. A faculty-centred ethical framework therefore serves as a practical bridge between abstract principles and everyday academic decision making.

The proposed model is also relevant to Indian and other Global South contexts where AI adoption may be rapid but faculty training, localised guidance, and institutional capacity remain uneven. In such settings, a simple but principled decision framework can help institutions move beyond blanket prohibition or uncritical adoption.

CONCLUSION

The growing use of AI in higher education has intensified ethical concerns relating to academic integrity, bias, privacy, authorship, and governance. This paper responds by proposing a four-dimension faculty-centred framework that translates broad ethical principles into usable classroom-level guidance.

The framework is especially valuable for commerce and management education because these disciplines rely heavily on applied reasoning, case analysis, written interpretation, and evaluative judgement. Future studies should empirically test the framework across different institutional settings and disciplinary domains.

PRACTICAL IMPLICATIONS

- Faculty should adopt explicit course-level AI-use statements and align them with learning outcomes.
- Departments should provide model disclosure templates, review mechanisms, and training on AI ethics.
- Universities should create discipline-sensitive guidelines instead of relying only on generic AI policies.
- Researchers should validate the proposed framework through mixed-methods and comparative institutional studies.

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