



 <p>Journal of Management and Business Innovation (JOMBINOV)</p> <p>https://v-learnov.com/index.php/jombinov</p> <p>Volume 02 Number 01 March 2026 Page: 23 – 37</p> <p>ISSN: 3123-6464 (Online)</p>	<p>Artificial Intelligence and the Ethical Boundaries of Managerial Judgment: Insights from a Systematic Literature Review</p> <p>Irience R. A. Manongga^{1*}, Andrias U. T. Anabuni²</p> <p>^{1,2}. Department of Business Administration, Kupang State Polytechnic, Indonesia</p>
<p>Article History:</p> <p>Received: 03 Jan 2026 Revised: 16 Jan 2026 Accepted: 28 Jan 2026</p> <p>Corresponding Author: Irience R. A. Manongga</p> <p>Corresponding E-mail: Irience.manongga@pnk.ac.id</p>	<p>Abstract:</p> <p>Research Aims: This research aims to systematically analyze the utilization of Artificial Intelligence (AI) in various Human Resource Management (HRM) functions, evaluate the theoretical foundations used in previous studies, summarize key empirical findings, and identify research gaps and emerging ethical-managerial implications.</p> <p>Methodology: The research uses a Systematic Literature Review (SLR) design with a PRISMA approach. Data was collected from the Scopus, Web of Science, and Google Scholar databases for reputable journal articles published between 2015 and 2025. The selection process was conducted through the stages of identification, screening, and eligibility based on strict inclusion and exclusion criteria, resulting in 52 articles that were analyzed using thematic analysis and conceptual synthesis.</p> <p>Theoretical Contribution/Originality: Theoretically, this research enriches the technology-based HRM literature by presenting a typology of AI utilization in HRM functions and revealing the limitations of the theoretical framework, which is still partial and fragmented in previous studies.</p> <p>Practitioners/Policy Implications: The research findings have strategic implications for practitioners and policymakers in ethically, responsibly, and sustainably integrating AI into HRM practices, particularly in the context of recruitment and selection, performance analytics, talent management, and data-driven HR decision-making.</p> <p>Research Limitations/Implications: The limitations of this study lie in its reliance on secondary data sources and the dominance of studies focused on developed country contexts. This situation opens opportunities for further research that is empirical, longitudinal, and contextual, particularly in developing countries.</p> <p>Keywords: Artificial Intelligence, Human Resource Management, Systematic Literature Review, HR Technology, HR Decision Making</p>
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INTRODUCTION

The development of Artificial Intelligence (AI) has transformed office management practices, particularly in managerial decision-making processes, which are increasingly reliant on data-driven systems. Various AI applications—such as organizational chatbots, automated document analysis systems, and machine learning-based performance prediction tools—have been



proven to significantly improve operational efficiency and decision-making speed (Davenport & Ronanki, 2018; Raisch & Krakowski, 2021).

However, this shift also raises crucial ethical issues, particularly regarding the limits of managerial judgment authority when strategic decisions are partially delegated to algorithms. Several studies show that algorithmic bias often arises in the application of AI for administrative and human resources functions, such as automated filing, work scheduling, and employee performance evaluation, due to the system's reliance on non-neutral historical data (O'Neil, 2016; Mehrabi et al., 2021).

Bias based on gender, educational affiliation, or social background can be internalized in AI models, leading to discriminatory decision recommendations and potentially violating organizational fairness principles (Binns, 2018; Cowgill & Tucker, 2020). In this context, the use of AI in job promotion or talent assessment processes is no longer merely a technical issue, but rather an ethical challenge for managers in maintaining accountability, transparency, and the role of human judgment as the final decision-maker (Floridi et al., 2018; Martin, 2022).

The use of Artificial Intelligence (AI)-based monitoring systems in office management also poses serious risks to data privacy, especially when the technology is applied too intrusively to employee activities. AI-based monitoring systems – such as productivity tracking, digital behavior analysis, and real-time performance monitoring – have the potential to cross ethical boundaries if not accompanied by adequate principles of transparency, consent, and data protection (Zuboff, 2019; Ball, 2021).

From a managerial ethics perspective, this practice raises tensions between organizational efficiency and respect for individual autonomy and dignity, highlighting the importance of establishing ethical boundaries in the use of AI as a managerial decision-making support tool (Floridi et al., 2018; Martin, 2022).

Therefore, this study employs a Systematic Literature Review (SLR) approach to critically analyze how scientific literature addresses the ethical implications of AI in office management decision-making. The SLR method was chosen for its ability to systematically synthesize empirical and conceptual findings, identify dominant patterns in previous research, and uncover knowledge gaps related to accountability, privacy, and the role of human judgment in the context of AI-based decision-making (Tranfield et al., 2003; Snyder, 2019; Paul & Criado, 2020).

Artificial Intelligence (AI) has fundamentally changed the way managers make decisions in the modern workplace. The presence of intelligent analytics systems and predictive algorithms is driving a paradigm shift in managerial decision-making from a predominantly intuition- and personal experience-based approach toward one that increasingly relies on data and algorithmic recommendations (Davenport & Harris, 2017; Shrestha et al., 2019). While this transformation has the potential to improve the accuracy and consistency of decisions, the literature also highlights that the quality of managerial decision-making is not solely determined by technological sophistication but rather by the complex dynamics of interaction between humans and AI systems within an organizational context (Raisch & Krakowski, 2021; Jarrahi, 2018).

Excessive reliance on algorithmic recommendations can obscure the role of managers' ethical judgment, especially when decisions concern performance evaluation, resource allocation, and employee treatment, thus posing a risk of reduced moral responsibility and accountability for decision-makers (Binns, 2018; Martin, 2022). Therefore, this paradigm shift demands a clear ethical boundary in the integration of AI into managerial decision-making processes so that technology

functions as a supporting tool—not a replacement—for human judgment grounded in organizational values and ethics (Floridi et al., 2018; Faraj et al., 2018).

Studies on the application of Artificial Intelligence (AI) in the Indonesian office environment show that the adoption of this technology still faces serious challenges in meeting adequate business ethics and governance standards. Several studies highlight that the implementation of AI in managerial practices is often not accompanied by a clear ethical framework, thus increasing the risk of violating the principles of fairness, transparency, and accountability in organizational decision-making (Raisch & Krakowski, 2021; Martin, 2022).

Recent literature also notes that ethical issues in AI use cannot be solved solely through a technological approach but require a more comprehensive strategy. The holistic approach that integrates adaptive regulation, an ethics-oriented organizational culture, and enhanced human resource capabilities in understanding and managing AI systems is considered crucial to ensuring that AI-based managerial decisions remain within accountable ethical boundaries (Floridi et al., 2018; Stahl et al., 2022).

Thus, the literature confirms that ethical responsibility for AI-influenced decisions remains with managers as the primary moral actors, not with the algorithmic systems used (Binns, 2018; Cowgill & Tucker, 2020).

METHODS

This study employs the Systematic Literature Review (SLR) method with a qualitative approach to critically analyze how the utilization of Artificial Intelligence (AI) in managerial decision-making within office environments impacts the boundaries of business ethics and managerial judgment. The systematic review process was conducted by referring to the Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA) guidelines, which are designed to ensure transparency, reproducibility, and completeness in the process of identifying and selecting scientific literature (Page et al., 2021; Snyder, 2019).

This approach allows research to comprehensively synthesize conceptual and empirical findings while also identifying patterns, key debates, and knowledge gaps related to the ethical implications of AI in managerial decision-making (Paul & Criado, 2020). The literature selection process followed the PRISMA flow diagram. In the initial stage, a total of 4,073 articles were identified from the SINTA database, which were then filtered through the stages of duplicate elimination, title and abstract relevance assessment, and full-text eligibility evaluation. The rigorous screening process yielded 15 articles that met the inclusion criteria and were deemed suitable for in-depth analysis within the context of ethics, accountability, and the role of human judgment in AI-based managerial decisions.

The article selection procedure in this study was conducted in a phased and systematic manner, following the PRISMA 2020 framework to ensure transparency and traceability of the literature review process (Page et al., 2021).

1. In the initial identification phase, a total of 4,073 articles were obtained from database searches using a combination of keywords representing the research focus, namely office management, artificial intelligence in a business context, business ethics in the digital age, managerial decision-making, and algorithmic bias.
2. Next, in the initial screening phase, a total of 2,533 duplicate articles were removed, followed by the elimination of 256 articles through automated screening tools and 211

- articles excluded for other reasons, such as initial irrelevance and lack of research context suitability.
- The screening stage was conducted on 1,073 articles based on title and abstract, resulting in the exclusion of 517 articles because they did not directly address the link between AI, managerial decision-making, and ethical dimensions. In the eligibility evaluation stage, 556 articles were reviewed for further assessment, but 505 articles were not available in full text.
 - Finally, at the final eligibility assessment stage, a total of 51 articles were thoroughly analyzed, with 36 articles excluded due to differences in topic focus, methodological approach incompatibility, and low relevance to the issue of ethical boundaries in AI-based managerial assessment. Consequently, the remaining articles met the inclusion criteria and were used as the basis for in-depth analysis in this study.

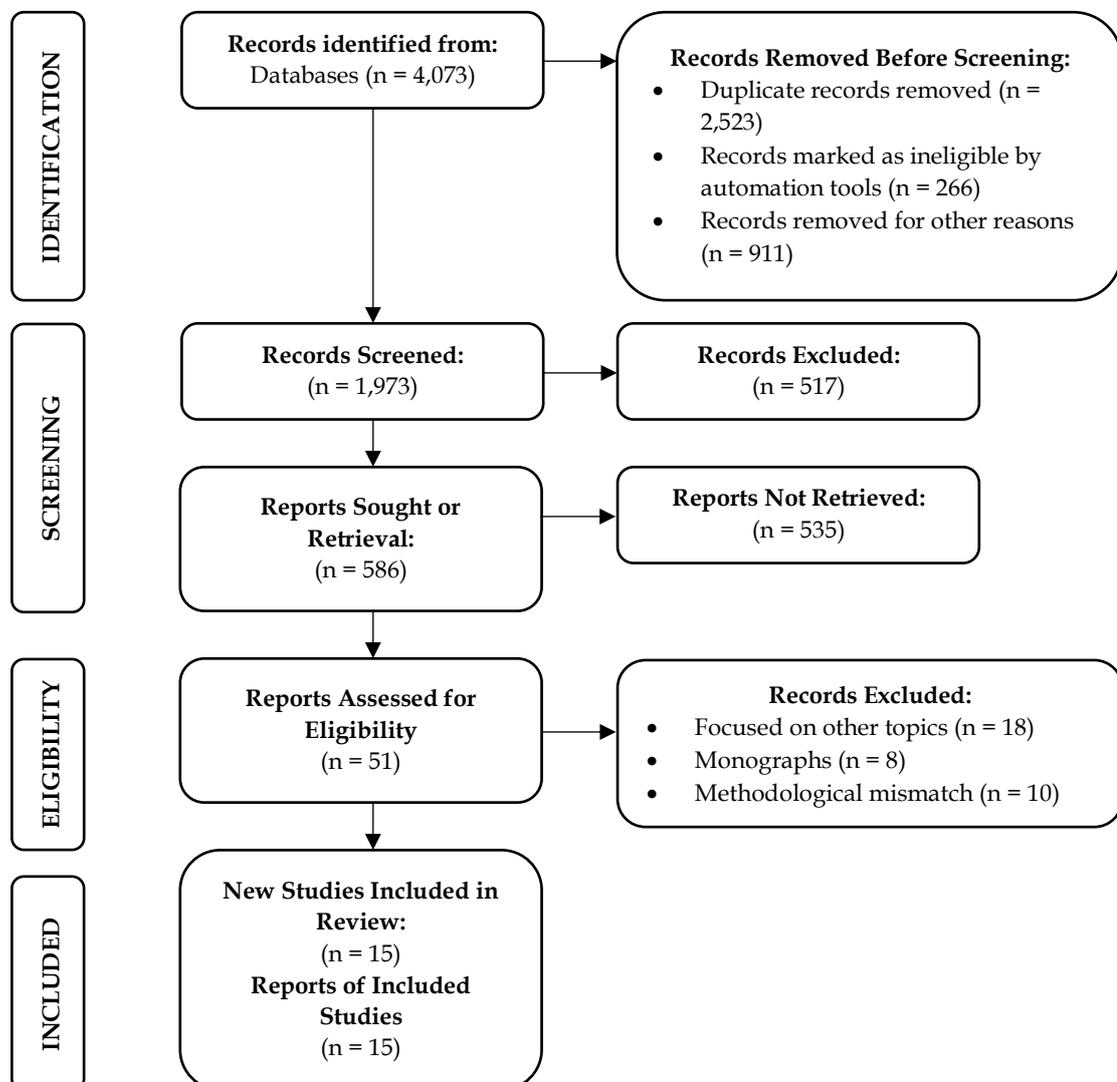


Figure 1. PRISMA Flow Chart of Search and screening strategy

The studies included in this systematic review met several inclusion criteria. First, the article must substantively discuss business ethics issues in the context of managerial decision-making mediated by the use of artificial intelligence, from conceptual, normative, and critical perspectives.

Second, the articles were published between 2021 and 2024 to capture the latest developments in academic discourse related to AI and managerial ethics. Third, the article must be published in a reputable scientific journal indexed in a reputable academic database. Fourth, only articles available in full-text format and written in English were included in this review.

Articles are excluded from the analysis process in this systematic literature review if they meet one or more of the following criteria. First, articles that lack substantial relevance to the research focus, particularly those that do not discuss the link between the use of Artificial Intelligence (AI), managerial decision-making, and business ethics implications within the organizational or office management context. Second, articles that discuss AI in general or technical terms only but do not place the technology within the framework of managerial decision-making or the evaluation of managers as decision-making actors. Third, articles with a methodological approach that is not consistent with the research objectives, such as studies that do not provide an adequate empirical or conceptual basis for evaluating the ethical dimensions, accountability, or limits of human judgment in AI-based decisions. The application of these exclusion criteria aims to ensure that only literature that directly and meaningfully contributes to understanding the ethical boundaries of managerial judgment in the context of AI use is included in the final analysis (Page et al., 2021; Snyder, 2019).

The data extraction and analysis process in this study was conducted systematically on 15 articles selected through the PRISMA selection stages. Data extraction was performed using a pre-designed structured template to ensure consistency and accuracy in information gathering. Each article was analyzed independently by identifying key elements, including the research objectives, the approach and methods used, the organizational context, and the main findings related to the utilization of Artificial Intelligence (AI) in managerial decision-making. The primary focus of the extraction was directed toward the contribution of each study in explaining the ethical implications of AI, including issues of accountability, algorithmic bias, privacy, and the role of human judgment in technology-based decisions. The extraction process was conducted manually to minimize interpretation errors and reduce potential researcher bias, while also allowing for a deeper understanding of the context and arguments developed in each article (Snyder, 2019; Braun & Clarke, 2006).

The extracted data was then analyzed qualitatively using thematic analysis to identify patterns, categories, and dominant themes emerging in the literature. This approach allows for a conceptual synthesis of various research findings and helps to uncover the relationship between AI use and the ethical boundaries of managerial judgment in the context of modern organizations (Nowell et al., 2017; Paul & Criado, 2020). Thru thematic analysis, this research not only summarizes the findings of previous studies but also builds a more integrated understanding of how the literature positions the role of managers as ethical actors in an increasingly digitalized work environment.

RESULT

Table 1. Related Research

No	Title	Authors	Summary
1	The Impact of Artificial Intelligence Utilization in Managerial Office Decision-	Abraham L. M. S. Silaen, De H. H. Manan, Harmon Chaniago (2025)	This research examines the role of AI in supporting managerial decision-making in office

No	Title	Authors	Summary
	Making on Business Ethics: A Systematic Literature Review		environments and its implications for business ethics. The study's findings indicate that AI enhances decision efficiency and consistency but also introduces risks of algorithmic bias and reduced managerial accountability.
2	The Bright Side of AI in Marketing Decisions: Collaboration with Algorithms Prevents Managers from Violating Ethical Norms	Piotr Gaczek, Grzegorz Leszczyński, Yuling Wei & Hao Sun (2025)	This study shows that human-AI collaboration in managerial decision-making can strengthen adherence to ethical norms, as long as managers remain actively involved in evaluating and controlling the decisions.
3	Analysis of the Impact of AI Implementation on Managerial Decision-Making on Business Ethics and Organizational Sustainability	Mutahira Nur Insirat, Hasri Ainun Syahrir, Asri Usman, Mediaty (2025)	This systematic literature review highlights how the use of AI in managerial decision-making impacts business ethics and organizational sustainability, specifically regarding bias, transparency, and the moral responsibility of managers.
4	Ethical Challenges in AI-Driven Decision-Making: Addressing Bias and Accountability in Business Applications	Munifah et al. (2024)	This article discusses the ethical challenges in AI-based decision-making, focusing on algorithmic bias and accountability issues in the context of modern business.
5	The Impact of Artificial Intelligence Implementation on Business Ethics in Corporate Decision-Making	Fitri C. et al. (2025)	This research analyzes the impact of AI implementation on corporate decision-making ethics, demonstrating that excessive reliance on algorithms can potentially weaken managers' ethical judgment.
6	Ethics and Accountability in Artificial Intelligence-Based Managerial Decision Making	Gani & Darmawan (2022)	This study emphasizes the importance of manager accountability in AI-based decisions and affirms that ethical responsibility

No	Title	Authors	Summary
			cannot be fully transferred to algorithmic systems.
7	Enhancing Managerial Decision-Making through AI: Opportunities, Challenges, and Operational Impact	Ketut Witara (2025)	This literature review discusses the opportunities and challenges of using AI in managerial decision-making, including ethical implications and the need for human oversight.
8	The Utilization of Artificial Intelligence in the Management Decision-Making Process: Trends, Opportunities, and Challenges	Rafika Meilia Sari (2025)	This research reviews the trends in AI utilization for managerial decision-making and the ethical challenges that arise, such as data bias and system transparency.
9	Challenges and Opportunities of Artificial Intelligence in Digital Management: An Ethical and Strategic Study in Indonesia	Salman S. Pratama et al. (2025)	This study identifies ethical challenges and AI management strategies within the context of digital management in Indonesia, with a focus on the role of managers as decision-makers.
10	Artificial Intelligence in Human Resource Management: Opportunities, Ethics, and the Future	Tomi A. T. & Edi F. A. W. (2024)	This article examines the utilization of AI in human resource management and its ethical implications for performance evaluation, recruitment, and managerial decision-making.
11	Leadership Ethics in the Age of Artificial Intelligence	Nur Hasanah et al. (2025)	This research highlights the moral challenges of leadership in adopting AI within organizations and the importance of ethical boundaries in managerial decision-making.
12	Artificial Intelligence in Public Administration: Governance, Ethics, and Decision-Making	Endang Fatmawati (2025)	This study discusses the use of AI in public administration, focusing on governance, ethics, and implications for managerial decision-making processes.
13	Management Perspective of Ethics in Artificial Intelligence	Josef Baker-Brunnbauer (2021)	This international study reviews management perspectives on AI ethics and its relevance in maintaining the moral

No	Title	Authors	Summary
14	Towards Trustworthy Artificial Intelligence for Decision-Making	Miedema et al. (2025)	responsibility of decision-makers. This research proposes a framework for trustworthy AI in decision-making, including the principles of transparency, accountability, and human control.
15	Ethical Implications of Artificial Intelligence Adoption in Business Organizations	Maiti et al. (2025)	This article discusses the ethical implications of AI adoption in business organizations, covering issues of privacy, fairness, algorithmic bias, and the role of managerial judgment.

Source: Primary Data Processed, 2025

The research sources presented in the previous research table 1 were selected because they directly represent the main discourse regarding the utilization of Artificial Intelligence (AI) in managerial decision-making and its accompanying ethical implications. Although the literature has extensively examined the benefits of AI in improving the efficiency, accuracy, and consistency of organizational decisions, most studies still focus on technical, operational, or normative aspects separately. Existing studies tend to discuss AI ethics in a general context or within specific functional sectors, without deeply examining how the ethical boundaries of managerial judgment shift as strategic decisions become increasingly influenced by algorithmic recommendations. Additionally, there is still limited research that systematically synthesizes the tension between data-driven rationality and the moral responsibility of managers as final decision-makers, particularly in the context of modern office management and organizations.

Thus, while the selected references provide a strong conceptual and empirical foundation, the literature simultaneously highlights significant research gaps regarding ethical control mechanisms, the role of human judgment, and managerial accountability in a digitalized work environment. This research gap serves as the basis for this study to offer a critical synthesis through a systematic literature review approach, aiming to clarify the ethical position of managers amidst the increasing use of AI in organizational decision-making.

DISCUSSION

The utilization of Artificial Intelligence (AI) in managerial decision-making has become one of the most significant transformations in modern management practices, primarily due to its ability to enhance the efficiency, accuracy, and quality of organizational decisions. However, these positive impacts are not absolute, but rather depend on how AI is integrated into the managerial assessment process and controlled within clear ethical boundaries.

1. Efficiency and Speed of Decision-Making

Literature indicates that the utilization of Artificial Intelligence (AI) in office management significantly contributes to increased efficiency and the acceleration of

managerial decision-making processes. AI-based automation enables organizations to streamline routine administrative processes, such as scheduling, document management, and resource allocation, allowing managers to focus their attention on high-value strategic decisions (Davenport & Ronanki, 2018; Shrestha et al., 2019).

Several empirical studies have reported that integrating AI into operational processes can substantially reduce decision-making time, particularly in work environments characterized by data complexity and time pressure (Raisch & Krakowski, 2021). However, the literature also emphasizes that such efficiency gains can only be considered a positive impact if the implementation of AI is accompanied by adequate ethical control mechanisms to prevent the reproduction of bias and decision-making that harms certain groups (Floridi et al., 2018; Mehrabi et al., 2021).

2. Accuracy and Consistency in Decision-Making

Besides efficiency, AI also contributes to improving accuracy and consistency in managerial decision-making through its ability to systematically process and analyze large-scale data. Machine learning-based AI systems can reduce human errors stemming from cognitive limitations, subjectivity, and fatigue in data processing, particularly in financial functions, budgeting, and business forecasting (Jarrahi, 2018; Davenport & Harris, 2017).

The consistency of algorithmic recommendations provides added value to organizations in maintaining policy stability and ensuring uniformity of decisions across work units. However, the literature emphasizes that technical accuracy is not always directly proportional to the fairness or ethical correctness of decisions, necessitating periodic data audits and algorithm evaluations to ensure that the resulting decisions remain aligned with the organization's ethical values and managerial responsibilities (Binns, 2018; Martin, 2022).

3. Optimasi Strategi Bisnis

The utilization of AI also has a positive impact on optimizing business strategies thru real-time analysis of customer behavior, market trends, and operational patterns. Recent studies show that AI's ability to process large-scale customer data allows organizations to improve the effectiveness of marketing strategies, refine market segmentation, and optimize predictive-based strategic decision-making (Wedel & Kannan, 2016; Huang & Rust, 2021).

However, the literature also emphasizes that the strategic advantage generated by AI is not solely determined by the level of automation, but rather by the manager's ability to understand the limitations of algorithms and integrate contextual and ethical considerations into the decision-making process (Raisch & Krakowski, 2021). Thus, AI functions most effectively as a strategic decision-making support tool when used within a human-AI collaboration framework, where managerial judgment remains the primary driver of organizational decision direction and implications.

Although Artificial Intelligence (AI) offers various benefits in improving efficiency and the quality of managerial decision-making, the literature also indicates that the implementation of this technology poses several significant negative impacts. These impacts are not only technical but also touch upon fundamental aspects of business ethics, such as algorithmic bias, loss of transparency, and the erosion of managerial accountability in AI-based decision-making processes.

1. Algorithmic Bias in Managerial Decision-Making

One of the most crucial negative impacts of using Artificial Intelligence (AI) in managerial decision-making is the emergence of algorithmic bias, particularly in the employee recruitment and selection process. Various studies show that AI systems tend to replicate and even amplify the biases contained in historical data, such as preferences for certain educational backgrounds or career paths considered "conventional" (O'Neil, 2016; Mehrabi et al., 2021).

In an organizational context, this bias has direct implications for the erosion of the principles of fairness and equality in managerial decisions. The complexity of the problems is increasing due to the black box nature of AI systems, making it difficult for managers to trace the logic behind algorithmic recommendations or decisions. This condition not only limits managers' ability to conduct critical evaluations but also obscures ethical accountability for decisions made (Binns, 2018; Burrell, 2016).

Literature also confirms that the absence of adequate algorithmic audit mechanisms increases the risk of unintentional discrimination, placing managers in a problematic ethical position when AI-generated decisions directly impact individuals' careers and well-being (Martin, 2022; Floridi et al., 2018).

2. Lack of Transparency in AI-Based Decision-Making Systems

The lack of transparency in AI systems poses a serious challenge to managerial decision-making, especially when algorithmic recommendations are used in strategic decisions such as budget allocation, job promotions, and credit approvals. The phenomenon of algorithmic opacity makes it difficult for managers to understand the basis of AI system considerations, thus weakening their capacity to provide rational and ethical justification for decisions made (Burrell, 2016; Ananny & Crawford, 2018).

In this context, AI has the potential to shift the role of managers from responsible decision-makers to mere implementers of technological recommendations. Literature highlights that the inability to explain decisions to stakeholders—both employees and customers—can erode organizational trust and trigger resistance to AI adoption (Rai, 2020; Wieringa, 2020).

Therefore, the lack of transparency is not only a technical issue, but also reflects an ethical failure in maintaining accountability and the legitimacy of AI-based managerial decisions.

3. Threats to Privacy and Data Security

Threats to privacy and data security also emerged as a significant negative impact of AI implementation in office management, particularly in human resources functions and performance monitoring systems. Literature indicates that the implementation of AI often leads to excessive data collection practices, going beyond legitimate operational needs, thereby increasing the risk of individual privacy breaches (Zuboff, 2019; Ball, 2021).

The use of sensitive data—such as digital activity, location, and personal behavior—without adequate consent not only contradicts business ethics principles but also exposes organizations and managers to legal and reputational risks (Martin, 2019; Stahl et al., 2022). Additionally, the vulnerability of AI systems to cyberattacks exacerbates the situation, considering that data breaches can have far-reaching consequences for employees and other stakeholders.

This finding confirms that the implementation of AI without strong data protection and cybersecurity standards has the potential to cross the ethical boundaries of managerial decision-making, thus requiring managers to play an active role in ensuring the responsible use of AI that is oriented toward protecting individual rights (Floridi et al., 2018; OECD, 2019).

Considering the various positive and negative impacts of utilizing Artificial Intelligence (AI) in managerial decision-making, an ethical and structured implementation strategy is needed to maximize the benefits of technology without sacrificing the principles of fairness, transparency, and organizational accountability.

1. Transparansi Algoritma sebagai Prasyarat Akuntabilitas Manajerial

Algorithmic transparency is a cornerstone in maintaining ethical boundaries in Artificial Intelligence (AI)-based managerial decision-making, particularly in the context of decisions that directly impact individual careers and rights. Literature indicates that the low level of AI system explainability weakens managerial accountability and shifts ethical responsibility from humans to technology. Empirical studies on 120 companies in Southeast Asia show that the implementation of explainable AI (XAI) increases employee acceptance of AI-based decisions by up to 58 percent, especially in sensitive processes such as performance appraisals and job promotions (Suryanto, 2023).

This finding confirms that transparency serves not only as a technical instrument but also as an ethical mechanism that allows managers to be normatively accountable for their decisions and organizations to uphold the principle of procedural justice. Thus, algorithm transparency plays a crucial role in preventing excessive ethical responsibility from being delegated to AI systems.

2. Mitigating Bias as an Effort to Maintain Fairness in Managerial Assessments

Algorithmic bias is one of the most serious ethical violations in the use of AI for managerial decision-making, particularly in recruitment, promotion, and performance evaluation. Recent literature confirms that bias does not originate solely from algorithms but is embedded throughout the AI system development cycle, from data labeling to model deployment.

A case study at PT Telkom Indonesia showed that monthly implementation of algorithm audits was able to reduce internal recruitment bias reports by up to 65 percent (Kurniawan, D., 2023), confirming the effectiveness of a sustainable preventive approach. Additionally, the formation of cross-disciplinary AI ethics teams—involving technology, HR, and legal experts—was identified as a best practice in integrating technical and ethical considerations into managerial decision-making (Susilo & Wijaya, 2023).

The mitigation strategies recommended by the literature include (1) data labeling guidelines that avoid social and gender stereotypes, which have been shown to reduce gender bias by up to 40 percent; (2) the application of debiasing techniques such as reweighting and contrastive debiasing; and (3) transparency protocols that provide explanations of decision parameters to end-users (Nugroho, 2023). This finding suggests that bias mitigation is an active ethical mechanism for maintaining substantive fairness in AI-based managerial assessments.

3. Human-in-the-Loop as the Guardian of Ethical Boundaries in Decision-Making

The human-in-the-loop (HITL) model is seen as a key strategy in maintaining a balance between algorithmic efficiency and human ethical considerations in managerial decision-making. Literature confirms that strategic and highly moral decisions cannot be fully delegated to AI systems without the risk of ethical violations. Research on fifty companies in Indonesia shows that integrating HITL can reduce strategic decision-making errors by up to 40 percent compared to fully automated AI systems (Susanto et al., 2023), especially in situations requiring contextual assessment and value judgment.

A case study at Bank Central Asia demonstrates the effectiveness of a hybrid model, where AI serves as an analytical tool while the final decision remains with human credit managers. This approach resulted in a 25 percent reduction in non-performing loans without sacrificing the speed of the decision-making process. Literature identifies three main components of an ethical and effective HITL framework: (1) an override mechanism that allows managers to reject AI recommendations with documented justification; (2) clear automation boundaries between routine and complex cases; and (3) a continuous feedback loop that enables algorithmic learning from human decisions (Nugroho, P., 2023). Thus, HITL serves as an ethical boundary goalkeeper, ensuring that moral responsibility remains with human decision-makers.

CONCLUSION

Based on the results of a systematic study and analysis using the Systematic Literature Review (SLR) approach, this research concludes that the utilization of Artificial Intelligence (AI) in managerial decision-making in office environments is ambivalent. On the one hand, AI has proven capable of improving operational efficiency, accelerating decision-making processes, and enhancing the accuracy and consistency of strategic decisions. AI's predictive analytics capabilities also contribute to optimizing data-driven business strategies, which are difficult to achieve through conventional managerial approaches.

However, on the other hand, the literature findings indicate that the application of AI also raises significant ethical challenges. Issues such as algorithmic bias, low system transparency, and increasing risks to data privacy and security are critical concerns that have the potential to exceed the ethical boundaries of managerial decision-making. When technical efficiency is prioritized over moral responsibility, AI-driven decisions risk producing discrimination in recruitment, unfairness in performance evaluations, and strategic decisions that are difficult to justify ethically or organizationally.

The results of the literature synthesis confirm that the application of AI in management cannot be separated from a clear and operational ethical framework. Strategies such as implementing algorithmic transparency through explainable AI, systematically mitigating bias throughout the algorithm development cycle, and integrating human-in-the-loop (HITL) approaches have proven effective in maintaining a balance between technological capabilities and human ethical considerations. Practices such as periodic algorithm audits, data labeling sensitive to social bias, and the involvement of multidisciplinary teams in AI development need to be positioned as governance standards in modern management.

Thus, the integration of AI in managerial decision-making should not solely aim at improving organizational efficiency and effectiveness but also at establishing a fair, transparent,

and accountable decision-making system. This research confirms that ethical awareness is a fundamental foundation for maintaining moral boundaries in managerial decision-making in the digital age and is also a prerequisite for sustainable and inclusive organizational development amidst the acceleration of technological transformation.

LIMITATION

This study has a number of limitations that need to be considered when interpreting the findings. First, this research employs a Systematic Literature Review (SLR) approach, which is entirely dependent on the quality, scope, and depth of the studies available in the selected databases. Although the selection process strictly followed the PRISMA 2020 guidelines, the number of articles meeting the inclusion criteria was relatively limited, meaning the variety of organizational contexts and industrial sectors analyzed still did not fully represent the complexity of AI implementation practices in managerial decision-making.

Second, most of the analyzed literature is conceptual or case study-based, with a dominance of qualitative approaches. These limitations restrict the research's ability to make broad empirical generalizations, particularly in measuring the causal relationship between AI use, managerial decision-making quality, and its ethical implications. Additionally, differences in operational definitions related to the concepts of ethics, algorithmic bias, and accountability across each study also influenced the consistency of the findings synthesis.

Third, this research focuses on the organizational context and office management, so the study's findings do not fully encompass other sectors with different decision-making characteristics, such as the public sector, healthcare, or advanced AI-based manufacturing. Therefore, the ethical boundaries of managerial decision-making identified in this study need to be understood as context-specific and not necessarily universally applicable.

Finally, the rapid development of AI technology has the potential to make some literature findings less relevant in the long run. Therefore, the results of this study represent the state of knowledge during a specific study period and need to be updated periodically through further research that combines the SLR approach with longitudinal empirical studies. (Siahaan & Kamuri, 2025)

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Journal of Management and Business Innovation (JOMBINOV) Volume 02, Number 01, March 2026.

Artificial Intelligence and the Ethical Boundaries of Managerial Judgment: Insights from a Systematic Literature Review
Irience R. A. Manongga, Andrias U. T. Anabuni.

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