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Ethical Decision-Making Using AI in Multinational Corporations

Tracey Nyaribo*
Shanice Mumbi**
Danish Bashir***

Abstract

With technology developing at such a swift pace, much transformation is observed in multinationals. As known, one of the most sensational inventions that is changing business processes and decision-making is Artificial Intelligence. In this paper, we will discuss the ethical problems arising when decisions involving artificial intelligence have to be made by a multinational firm and how the problems can be solved by the firms while using this latest technology to gain a competitive advantage as well as make moral decisions in a world that is becoming complex with each passing day. We presented a relevant case study, based on recent events from leading multinationals such as Coca-Cola as well as relevant examples from Microsoft and Amazon and showed how AI is needed for ethical decision making.

By using Artificial Intelligence, numerous corporations can automate their processes, understand certain data and therefore effortlessly adapt to market adjustments. This will not only promote efficiency but also support multinational companies in making ethically effective decisions. As the company deals with problems in the global world, emphasis on ethical decision making serves as a key issue while attempting to build trust and integrity in their expansion efforts. The overall result is that ethical use of AI in business decision-making will bring about an overhauling of the corporate world and its advancement. Multinationals that will choose to adopt using AI ethically, stand tall and prepared for success in growth in a high-tech business atmosphere.

Key words: Artificial Intelligence, Multinational Corporations, Ethics, Decision Making.



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* LIS, Kenya, traceyimanipb@gmail.com

** Anatoli Academy, Kenya

*** LIS, Kenya



Introduction

The incorporation of artificial intelligence (AI) into decision making, has changed how multinational corporations work. Multiple benefits come up while using technology such as efficiency and time in work, more accurate identifications and even better data collection. Businesses are able to sort through massive amounts of data, make choices quickly, and react to market shifts due to artificial intelligence (AI) technology. This ability in the global environment improves competitiveness and improves efficiency in the organization (Sydoruk, 2024). However, there are hurdles that come about when implementing AI. With regards to the duties and rights of people as well as the social aspects of AI technologies, there are ethical issues that arise. A case in point is Microsoft's chatbot project which did not succeed and was abandoned, partly because of its issues of the use of inappropriate language and the challenges of satirical interactions that led to unwanted behaviors by users. (Miller, 2017).

In order for multinational companies to remain competitive, they have to make ethical decisions. Each consideration when making AI driven solutions requires availability, security, transparency and equity. This paper highlights how businesses can adopt ethical practices and navigate challenges that come up after making specific decisions (Pembi & Ali, 2024).

Understanding AI

AI stands for artificial intelligence and generally, an AI is a computer program that's capable of learning (i.e., adapting its behaviour intelligently in response to new information, thus enabling novel behaviour that humans never had to program it to be capable of (Stryker, 2024). This enables it to do things that historically would have only been possible for humans, like holding a conversation, writing, generating novel images, recognizing and labelling things it "sees", and the like. General AI performs any intellectual task a human can do, whereas narrow AI focuses on specific tasks. For example, Siri and Alexa. For multinational businesses AI matters because it enhances efficiency and decision making by analysing vast amounts of data quickly and providing insights. While it offers a myriad of benefits, it also raises ethical concerns. For multinational businesses, ensuring AI systems adhere to diverse legal frameworks is critical to maintaining trust, avoiding penalties, and sustaining operations across global markets. As AI often involves processing vast amounts of data, legal compliance becomes a complex but essential task (Stryker, 2024).

Ethics

Ethics is the study of well-founded moral principles that dictate what people should do in terms of what's right and wrong, frequently in relation to rights, duties, societal benefits, justice, and particular virtues (Twin, 2024). It entails researching the moral standards and ideals that determine how people ought to behave in different circumstances. Because ethics cannot be reduced to sentiments alone, some people base their ethics on their own beliefs, which is regarded as unethical. There are various types of business ethics. What mainly makes a business stand out are its corporate social responsibility practices, transparency and trustworthiness, fairness, and technological practices (Ethics in Life and Business, 2019). Ethics goes beyond the legal requirements for a company and is, therefore, about discretionary decisions and behaviour guided by values (Kumar, 2023).

Using AI for ethical decision making

a. Corporate integrity

This is the base for the ethical application of AI in international corporations. Specifically, it is about making sure that AI systems behave in a way consistent with the society standards as well as company standards. (World Economic Forum, 2024). It begins with transparency: companies must be open to the process of creating AI models, what data they are built from, and the reasoning of the models.

Bias detection and mitigation are critical, as unaddressed biases can exacerbate inequality, harm marginalized groups, and lead to reputational damage (Cellarius,2024).

Accountability is equally vital. Multinational corporations must establish internal governance frameworks that define roles and responsibilities regarding AI oversight. For example, appointing AI ethics boards or compliance officers can provide ongoing evaluation of AI's societal impacts. (Twin, 2024). Multiple companies for example IBM and Microsoft already took the lead in integrating ethical principles into their Ai developments. Especially because public trust is based on ethical use of AI. Examples of AI abuse or data leaks can damage consumer trust, in which corporate integrity goes from an ethical limit to a business requirement. Companies that successfully adopt ethical AI governance are more equipped to deal with regulatory oversight and to preserve competitive advantage (Twin,2024).

b. How AI Affects Multinationals in the Economy and Industry

The economic benefits of artificial intelligence (AI) in multinational firms are not shared fairly; businesses in wealthy nations benefit significantly more than those in poor nations. Cross-border cooperation and the making of AI technology broadly accessible across the globe are both required to bridge this gap (World Economic Forum, 2024). AI in return disrupts labour markets that previously held strong steady-state hegemonies (Mirbabie,2022). Although it opens possibilities for both labor-intensive jobs, such as data science, it also threatens jobs that are labor-intensive and repetitive (Eng,2024). In order to mitigate that, companies and policymakers need to focus on programs for lifelong learning and workforce up-skilling.

Case study

The latest November 2024 Coca-Cola Christmas ad debut employed Artificial Intelligence. It was used to generate much of the visual content. The ad used generative AI tools to create holiday-themed visuals, from snow-covered landscapes and festive Coca-Cola trucks to celebratory scenes.

From an ethical perspective, it raised a larger debate on the relevance of AI in creative fields. In replacing human creatives with generative AI, Coca-Cola was accused of prioritising cost-cutting and efficiency over artistic integrity and employee livelihoods (Gulen, 2024). This raises critical concerns for multinationals on how to install AI ethically without eroding human creativity and contribution.

Beyond internal considerations, the public perception of Coca-Cola's decision was overwhelmingly negative, with many feeling that the brand had sacrificed its holiday "magic" for a soulless, mechanical alternative (Agarwal,2024).

This controversy is particularly relevant to discussions of AI-driven ethical structures in multinational corporations. Coca-Cola's misstep emphasises the importance of integrating ethical oversight into decision-making processes when installing AI. Multinational companies must ensure that AI enhances their core values and does not alienate their audience or erode brand trust. Transparency is a crucial aspect; openly communicating the role of AI in creative projects can help manage consumer expectations and mitigate backlash. The Coca-Cola incident demonstrates that innovation, while desirable, must align with the ethical and emotional dimensions that define a brand's identity. For multinational corporations, these lessons emphasize the importance of integrating human oversight, stakeholder input, and ethical foresight into every stage of AI adoption.

c. Deep Fakes

Deepfakes are videos, pictures or audio clips made with artificial intelligence to appear real (Deepfake Technology BBC,n.d).With deepfake technology at the interface of corporate operations, branding, and stakeholder engagement, multinationals are facing some unique ethical and decision-making challenges. Deepfakes can disrupt businesses through the creation of false narratives, erosion of trust, and reputational risks, yet at the same time, they offer creative opportunities in industries, marketing, and training simulations. Multinationals need to balance these dual aspects by integrating ethical frameworks that make for responsible development and application.

Multinationals will need to grapple with the consequences of deep fakes for their labor pools. For example, training videos for employees created by deep fakes would simplify operations but could further complicate the credence placed in such material. Organizations will have to involve ethical review boards in deciding when and how such technology is used to avoid exploitation or misinformation (Watters,2023).

Deepfakes can enable corporate espionage or financial fraud, for example, AI-generated voice impersonations used in phishing scams. Multinationals must institute stringent AI governance policies in order to protect their operations.

This involves:

- Advanced tools of AI detection application.
- Establishing crisis management procedures to handle deepfake-related situations with speed
- Educating employees on the risks and prevention tactics for AI-driven fraud (Bogdanov, 2024)

Legal and Regulatory Compliance: MNCs operate in every corner of the world with diverse regulatory environments in respect of deepfakes. While some jurisdictions require disclosures, others do not have a legislative framework for deepfakes. Decisions must consider these differences as MNCs establish global internal standards for themselves that meet or exceed minimum regulatory standards (Rootstrap, 2024).

Corporate Initiatives to address deepfakes

Media Companies: Disney and Warner Bros. use deep fake technology for content enhancement while adhering to ethical guidelines, such as securing actor consent and disclosing AI usage.

Tech Giants: Microsoft's Video Authenticator and Facebook's Deep fake Detection Challenge demonstrate efforts to develop tools for detecting manipulated media and promoting transparency

1. Literature view

1.1 AI used in decision making in business

Analyzing vast amounts of data can produce valuable information and aid in making the best choices. However, because of its computer programs, it might not always perform properly, therefore leading to a few disadvantages such as being biased like Amazon's AI recruitment tool that was made to select preferably male applicants over women applicants (Wicks, 2021).

1.2 Ethical frameworks in multinational corporations

Business ethics debates and the promotion of justice and equity in societal organizations, including firms, should offer organized methods. To avoid unanticipated implications, the frameworks should be modified to address issues like sustainability, transparency, and privacy concerns. (Changwu, 2024)

1.3 Latest developments in AI Ethics

Many discussions on AI have taken place in recent years, and as a result, firms like IBM, NVIDIA, and Intel have established particular guidelines. Surveys show that more than 77% of people believe that companies should be held ethically responsible for the decisions made by AI, demonstrating the widespread expectation of accountability. Companies should actively develop clear criteria for monitoring AI performance, carry out frequent audits to identify and fix any biases or mistakes, and cultivate a corporate culture that prioritizes ethical issues alongside technology breakthroughs (Twin, 2024).

2. Methodology

This research employs a mixed-methods approach to analyze the significance of ethics in artificial intelligence (AI) and its influence on the management of a business. It tries to elaborate by examining a range of material including, annual documents, articles, case studies and also making use of survey percentage data on how ethical issues related to Artificial Intelligence are addressed by multinational businesses.

In order to evaluate the existing state of ethical norms and the reasons for their absence in the use of AI, the main emphasis was put on the academic literature and corporate web pages. Such a methodology doesn't only show the existing ethical principles, but also reveals how lack of ethics impacts corporations. Eventually, the research seeks to address the debate by improving on the way various business enterprises apply and formulate their AI strategies to follow ethical guidelines.

3. Findings

3.1 Key Ethical Principles

Through the research, the following ethical principles emerged as crucial components of an AI-driven ethical framework:

- **Fairness:** Ensuring that AI does not exacerbate existing bias or inequalities (which in turn fosters consumer desire and trust). (Nguyen & Simkin, 2012).
- **Transparency:** An enabler of stakeholder and consumer understanding of the decision-making of AI systems and their implications for their life (Cheong 2024).
- **Accountability:** Determining who is responsible for an AI-powered decision and ensuring that it doesn't cause problems or damages. Cheong (2024).
- **Privacy:** User data privacy and ethics in data management practices. As a result, no client believes that data was stolen or copied (Zhao, 2020).

Conclusion

In general, application of artificial intelligence in the decision-making process of multinational corporations in terms of business affairs offers a great promise along with a significant ethical concern. In regard to how AIs can be used in the functions that are normally in the domain of humans-specifically, work people-*ie.*, hiring, human-to-human service, strategic planning, etc, understanding the need for an ethical framework that guides such work is of greater importance. The urgency of ensuring that AI technologies are fair, transparent, and accountable is underscored by the numerous examples of algorithmic bias and unforeseen impacts that have already been exposed.

In this paper, we summarized the growing influence of AI on international business, including both its potential applications and the ethical issues it brings up on its own. AI is transforming sectors, and businesses are facing the most challenging task of attaining social responsibility, efficacy, and trust.

However, in this context of the industrial revolution, artificial intelligence also raises a number of significant ethical questions that require serious thought. The Coca-Cola commercial and the threat of deepfake technology serve as an example of these problems covered in the article. They reflect a difficult trade-off between the strategic use of AI and business respectability, authenticity, and trustworthiness.

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