

The Dark Side of Adopting Artificial Intelligence in Organizations

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Abstract. *The rapid adoption of artificial intelligence (AI) technologies within organizations has significantly changed the way they operate. While much of the existing discourse emphasizes the benefits of AI, significantly less attention has been paid to its negative implications for organizations. This paper addresses this gap by critically examining the negative effects of adopting AI at the organizational level. In this regard, this paper adopts a qualitative research methodology based on a systematic review of recent literature in the field, coupled with an exploratory analysis of real examples and case studies from international organizations, documented and analyzed by the author. The findings show that the adoption of AI can exacerbate organizational vulnerabilities by reducing human oversight, reinforcing existing inequalities and creating new forms of operational and ethical risk. Furthermore, the results indicate that inadequate governance frameworks and limited AI literacy among managers intensify these negative outcomes. The paper discusses the implications of these findings for organizational theory and practice, highlighting the need for balanced strategies for integrating AI. This paper makes an important contribution to the field of using new digital tools, especially AI technologies, within organizations, by providing a relevant analysis of the risks associated with them. In doing so, it promotes a more critical and nuanced understanding of the risks that come with adopting AI in organizations.*

Keywords: AI Adoption, Digital Transformation, Algorithmic Management, Decision-Making, Ethics, Human–AI Interaction.

Introduction

One of the most important and discussed specific directions of digital transformation is represented by the adoption of artificial intelligence (AI) in organizational processes. This digital tool has evolved quite quickly from an experimental approach of digital transformation, to an increasingly important strategic component within various organizations, redefining the way they make decisions, organize their work and relate to employees, customers, partners and other key actors.

Digital transformation, especially in the context of the spread of artificial intelligence technologies, is a complex current phenomenon, with a strong impact on organizations. It involves both benefits and negative effects, influencing processes, values, attitudes, strategies and organizational culture. By adopting them, especially those based on artificial intelligence, the organizational environment is significantly redefined, increasing efficiency and innovation capacity, but, at the same time, there are also challenges related to cybersecurity, employee resilience (with all its implications, from lack of digital skills, to digital anxiety and the feeling of loneliness felt by them) and, in general, the harmonization of traditional organizational culture and the integration of new business models. In this context, organizational culture becomes focused on innovation, continuous learning and collaboration, being increasingly focused on ethical, social and environmental issues.

Therefore, the impact of digital transformation on industrial organizations is multidimensional, long-term and still not fully known. In any case, this transformation must be viewed and approached as a strategic process that defines the organization in the contemporary and future reality, requiring measures such as implementing coherent and efficient management

strategies, ensuring solid governance from an ethical, social and economic point of view, but also promoting a culture of learning, adaptation and resilience among employees.

The main research question addressed in this paper focuses on examining how the adoption of artificial intelligence within organizations impacts organizational processes (such as HR management), as well as the extent to which it influences the company's relationship with relevant stakeholders (employees, customers, etc.), especially with regard to the associated negative consequences.

How do AI systems negatively affect organizational processes, as well as the interaction with the most important stakeholders?

In order to answer this main question, the paper is guided by the following hypotheses:

H1: Artificial intelligence-based HR management systems, without constant ethical oversight, can lead to bias, as well as unfair and inefficient outcomes.

H2: AI systems used without human filters are susceptible to errors, affecting trust in the human-AI relationship.

Literature review

Understanding the artificial intelligence (AI) concept

Artificial intelligence is a concept for which it is quite difficult to formulate a comprehensive and unanimously accepted definition, especially as a result of its continuous evolution. This has been viewed, in chronological order, as the equivalent of algorithms, the imitation of human intelligence by computers, or technologies that allow machines to imitate various complex human abilities. In recent years, AI has become an increasingly common topic, often associated with the latest technologies, mainly due to the progress in the area of machine learning (ML), where constant innovation has led to the emergence of deep learning (DL). Through these recent technologies, computers have gained more and more abilities, such as facial recognition (Sheikh et al, 2023).

One of the proposed definitions of artificial intelligence refers to a software system developed based on one or more techniques and approaches, with the ability to generate results for a series of specific objectives, such as content elements, recommendations, predictions or decisions. These systems can operate within the limits of different levels of autonomy, being used either as a component part of a product, or serving the functionality of the product without being part of it (European Commission, 2021).

The concept of AI involves interdisciplinary elements, such as those from computer science, mathematics, engineering (the field of computers), neuroscience, or cognitive science. Therefore, it aims to develop and implement mechanisms and systems that effectively imitate human-specific cognitive processes – learning, creating reasoning or making decisions (Russell & Norvig, 2021).

The impact of artificial intelligence on decision-making and management at the organizational level

Among the main tasks of an organization's management is decision-making, which most often involves a complex process of choosing between several possible options for acting in the medium and long term, directly influencing the organization's performance. Traditionally, strategic decisions at the organizational level have been made by people (managers), based on their knowledge, previous experience, intuition or the direction in which they wanted the organization to go. However, rapid advances in the field of artificial intelligence could bring significant

paradigm shifts, in the sense that aspects of the decision-making process that were considered to be exclusively the responsibility of the human factor are increasingly being left to artificial intelligence (Csaszar et al., 2024).

Within human resource management, there are several specific areas that can successfully benefit from AI assistance, including: the planning process, recruitment, selection, training and development, and performance management (Budhwar et al., 2023). However, researchers also referred to the challenges of implementing AI technologies in these processes at the organizational level, as well as ethical or legal issues.

Adopting artificial intelligence involves collaboration between it and humans, discussing its impact on the emotional experiences and needs of employees (Marriott & Pitardi, 2024). There are some studies that have focused on studying counterproductive work behavior, as a result of this ineffective human-AI collaboration, which involves a series of employee behaviors that are harmful to the organization (Zhou et al., 2025). Therefore, employees may need support to overcome these problems, with managers having the responsibility to perform their tasks in a prompt and efficient manner. The emotional support provided by them – by demonstrating care and compassion towards employees, as well as increasing their motivation – is a very important factor in reducing the negative effects of collaboration between artificial intelligence and humans (Kock et al., 2018).

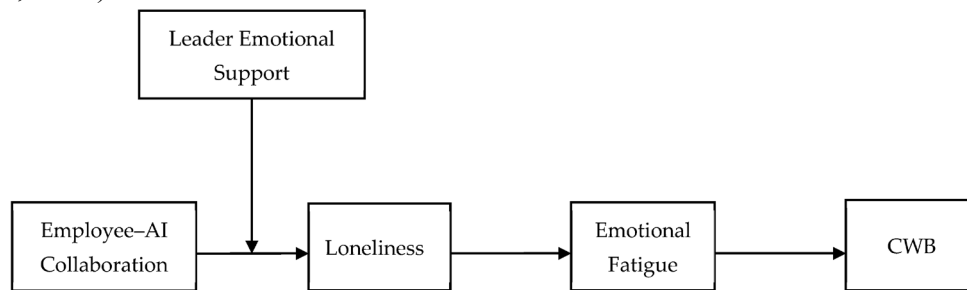


Figure 1. Employee-AI collaboration theoretical model.

Source: Meng et al. (2025).

Negative ethical and social effects of using AI

Researchers discuss the ethical and social dimensions of the use of artificial intelligence, often associated with legal or moral challenges regarding AI's responsibility in relation to the various errors that may occur (Gupta & Kumari, 2017). A good example of this is represented by concerns or lack of trust at the level of organizations or employees regarding the ethics of data use by AI systems (Sun & Medaglia, 2019). Furthermore, AI technologies imply significant ethical dilemmas regarding confidentiality, transparency and algorithmic distortions, which can have a negative impact on existing values and norms at the organizational level and, ultimately, affect trust, reputation, relationships and the entire activity of the organization (Felzmann et al., 2020).

Artificial intelligence is becoming an important, sometimes even decisive, factor in organizational decision-making. This involves some significant risks, as in the following example: if AI technology is trained to make decisions in order to minimize costs and maximize profits, it could ignore other implications, such as ethical, social or environmental ones. Moreover, the quality of the product or service could be affected or the cost-saving measures could lead to problems for employees, customers, partners and the community, all because an AI system, unless effectively programmed to the contrary, would not be sensitive to moral details, risks to

organizational image and reputation or other social aspects. Also, even if decisions at the organizational level were to pass through the human filter, there would still be the possibility that AI recommendations would naturally be considered the right ones, and people could be tempted to accept harmful decisions at the suggestion of AI technologies seen as more objective and better informed (Gill, 2020).

Current legislation does not sufficiently address these issues in order to effectively protect intellectual property and the results of people's work (Zatarain, 2017). Especially as the pace of change and development of AI is rapid, the risk that ethical, social or other issues will not be formally and effectively addressed increases exponentially. Researchers and specialists have not yet discovered a universal solution to resolve these concerns, especially those related to the analysis of decisions based on AI systems and their responsibility, but there is discussion about the need for competent authorities to develop and implement policies, regulations, ethical guidelines, as well as the usefulness of creating an appropriate legal framework, in order to reduce the risk of abusive use of artificial intelligence (Duan et al., 2019).

Neglecting or ignoring the ethical implications of using artificial intelligence can lead to immediate negative effects for the organization, such as legal issues, associated sanctions, and damage to its image and reputation (Awalluddin et al., 2022). In this context, to avoid such challenges, it is necessary to develop solid ethical frameworks, as well as clear governance and accountability mechanisms, which act to support organizational values and the responsible use of artificial intelligence (Radanlievet et al., 2024; Dumitrache, 2025).

Methodology

This paper analyzes the negative implications of adopting artificial intelligence tools in organizations, as a specific element of their digital transformation process, with a particular focus on the main managerial, ethical and social risks associated. Also, this research explores both documented cases and theoretical aspects to identify patterns in terms of vulnerability and challenges in the organizational processes (such as decision-making process) and consequences targeting employees, as a result of the implementation of AI technologies.

The research considers both the qualitative and quantitative aspects, using mainly secondary sources – the review of relevant literature, such as scientific articles, studies and reliable statistical data) – but also primary sources – data based on the author's own observations, concrete examples of good practices from relevant organizations).

The data were collected, processed and synthesized manually, with the limited use of general tools such as Microsoft Excel for organizing the data and generating comparative tables.

Results and discussions

H1: Artificial intelligence-based HR management systems, without constant ethical oversight, can lead to bias, as well as unfair and inefficient outcomes.

This research hypothesis is supported by the case of Amazon, which developed an artificial intelligence-based recruitment system designed to automate the selection of candidates. Thus, its algorithm analyzed all CVs sent to the company over a period of ten years with the targeted goal of learning how to identify the best candidates. As is the case in many technology companies, in the case of Amazon, the percentage of female employees turned out to be lower compared to that of men, and the AI algorithm considered this male preponderance among employees as a success factor in the selection and evaluation process (Lavanchy, 2018).

Therefore, the algorithm that initially aimed to streamline the recruitment process became biased, remaining stuck in this sexist pattern against female candidates. This led to counterproductive results, including amplifying existing prejudices and ultimately the company's abandonment of the artificial intelligence tool.

While there is no detailed public assessment of the impact of this algorithm error, the initiative has raised concerns about the ethics of using AI in employee recruitment, highlighting the limits of artificial intelligence when human oversight and filters are insufficient. The Amazon case demonstrates that assigning sensitive tasks to AI technologies, without adequate safeguards, can perpetuate bias and human error, undermine fairness and organizational image, and lead to initially unanticipated negative consequences. Therefore, this example supports the hypothesis that AI-based HR management systems, without constant ethical oversight, can lead to bias, as well as unfair and inefficient outcomes.

H2: AI systems used without human filters are susceptible to errors, affecting trust in the human-AI relationship.

This research hypothesis is supported by a concrete example, namely DPD, an international parcel delivery company, which implemented an artificial intelligence-based chatbot for customer issues. In this context, a customer who was trying to track a lost package, disappointed that the chatbot could not solve his problem, asked the chatbot to generate self-criticism in the form of a poem that denigrated the company. As a result, the AI assistant provided inappropriate responses to the user's requests, deviating from the expected behavior. In response, the company disabled some of the chatbot's functionality and initiated updates to prevent similar issues in the future (Gerken, 2024).

Consequently, such systems may cause significant issues in terms of the information accuracy, customer experience and company's reputation, ultimately undermining trust in both the customer-company and human-AI relationship.

Conclusion

This paper argues that, while bringing many recognized benefits to organizations, the adoption of artificial intelligence also involves some unintended negative effects such as significant managerial, ethical and social risks. Thus, it is confirmed that AI systems implemented without effective human oversight can increase existing biases, generate errors and seriously affect trust in human-AI collaboration, the case studies analyzed being evidence in this regard.

The study contributes to the specialized literature by providing a critical perspective on the negative effects of artificial intelligence technologies used in the digital transformation process of organizations, emphasizing the importance of the existence of well-established human filters. The research is limited by its qualitative approach and reliance on secondary data, indicating the need for future empirical studies to further explore the long-term organizational implications of AI adoption.

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