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Academic Integrity in The Age of Artificial Intelligence: Examining the Effect of AI Integration on Learning, Research Productivity, And Ethical Standards of Business and Accountancy Students as Future Industry Professionals

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Abstract — Artificial intelligence (AI) tools, including ChatGPT, Grammarly, and QuillBot, are increasingly integrated into academic work, reshaping how students approach research, writing, and ethical decision-making. While previous studies have examined AI adoption in education from a pedagogical perspective, there is limited research connecting AI use to management-relevant constructs, such as ethical reasoning, professional competence, and decision-making skills among future managers. This study addresses this gap by investigating how AI adoption affects the learning behaviors, moral judgment, and professional readiness of Business Administration and Accountancy students in private higher education institutions in Bulacan City. The study emphasizes the theoretical relevance of AI-mediated decision-making and ethical development for management studies, extending insights beyond the classroom to organizational and managerial contexts.

The research applies Kohlberg's Moral Development Theory, the AI Acceptance in Education Framework, Digital Learning Agency Theory, and the Future-Ready Graduate Framework to explore how AI integration influences ethical reasoning, learning efficiency, and professional competence. A quantitative research design measures the frequency, purpose, and context of AI tool usage and examines its relationship with learning behaviors, moral reasoning, and ethical decision-making. Statistical analyses, including correlation and regression models, identify systematic patterns and variations in AI adoption and ethical judgment, providing evidence of both enhanced efficiency and potential ethical challenges.

Findings indicate that students use AI predominantly for drafting, proofreading, and information synthesis. While this improves academic efficiency, it also introduces challenges to ethical reasoning and moral judgment, suggesting that AI adoption can shape decision-making behaviors relevant to managerial contexts. Differences in ethical judgment appear to correlate with the level of AI familiarity, digital literacy, and awareness of ethical standards. These results contribute to management theory by demonstrating how emerging digital tools influence the development of

ethical competence, professional decision-making skills, and digital agency, which are critical for future organizational leaders.
The study provides a theoretical framework linking AI adoption in educational contexts to managerial decision-making, ethical reasoning, and professional competence. This framework offers insights for management research on technology-mediated decision-making and informs practical strategies for developing future-ready managers capable of ethical and efficient decision-making in AI-driven environments. The findings also have implications for organizational training programs, ethical policy development, and management education curricula, underscoring the importance of integrating AI literacy and ethical awareness into professional development.

Keywords — Artificial Intelligence, Academic Integrity, Ethical Decision-Making, Digital Learning, Professional Competence, Management Education

I. Introduction

Generative AI (GenAI), exemplified by ChatGPT, is rapidly transforming higher education by boosting productivity while raising ethical concerns (King Costa et al., 2024; Kotsis, 2025). Institutions now face the challenge of integrating AI tools that aid drafting, language support, and research, yet disrupt norms of academic integrity (Okaibedi, 2023). For Business and Accountancy students, this shift is critical: early engagement with AI may shape both academic conduct and professional integrity in fields grounded in ethics and data-driven decision-making (Ison, 2025; Febriyanti et al., 2025).

AI adoption in higher education is often described as dual-edged (Kotsis, 2025; Kofinas et al., 2025). It enables linguistic support and accelerates writing (King Costa et al., 2024), but also risks hallucinations, reduced critical thinking, and over-reliance (Li et al., 2023; Okaibedi, 2023). Survey evidence shows widespread student use for brainstorming and editing, reflecting digital autonomy but also raising misconduct concerns such as plagiarism and authorship ambiguity (Carmona García et al., 2025; Li et al., 2023).

In business and accountancy education, these risks are amplified. Integrity and public trust underpin the profession, yet AI may alter how students frame problems and justify solutions (Evangelista, 2024; Kofinas et al., 2025). Without targeted AI literacy and ethics training, dependencies may extend into industry, compromising standards (Febriyanti et al., 2025). The growing presence of AI-generated text in dissertations underscores the need to redesign assessments toward higher-order cognition and authentic professional tasks (Ison, 2025; Evangelista, 2024).

Research Gap

While studies document the growing use of AI in business and accountancy education, the literature remains limited in linking student AI practices to long-term professional competence, moral development, and managerial decision-making (Corpuz et al., 2025; Cervantes & Navarro,

2025; Austria et al., 2025). Philippine-based research largely emphasizes usage patterns, access issues, and immediate perceptions, but lacks longitudinal or theory-driven analyses that connect classroom AI use to workplace readiness.

Existing studies highlight frequent student reliance on AI for idea generation and assignment support, alongside constraints such as limited access, uneven faculty readiness, and insufficient guidance (Miranda et al., 2024; Austria et al., 2025). These descriptive insights, however, stop short of examining how such factors shape professional development. Similarly, while AI is acknowledged in work-based learning contexts like internships, most findings remain conceptual, without outcome-based evaluation of competence or decision-making (Miranda & Manalese, 2025). Concerns about over-reliance, diminished critical thinking, and academic integrity are noted (Gómez, 2025; Miranda et al., 2024), yet empirical evidence on their impact on professional performance is scarce.

Ethical considerations are another gap. Current studies call for AI literacy and institutional policies (Gómez, 2025; Ragay, 2025), but rarely apply formal frameworks such as Kohlberg's moral development stages or validated ethical decision-making models. This absence of theory-driven analysis limits understanding of how students develop ethical reasoning in AI-mediated environments.

Future research should therefore adopt longitudinal, theory-based approaches to assess whether student AI usage predicts workplace competence and managerial decision-making (Miranda & Manalese, 2025; Austria et al., 2025). Integrating moral development frameworks would allow systematic evaluation of ethical reasoning (Gómez, 2025). Philippine-focused studies, particularly in business and accountancy programs, should incorporate workplace-based data and performance assessments such as internship evaluations and simulated decision tasks to establish stronger links between academic AI use and professional readiness.

Research Objectives

Artificial intelligence is reshaping higher education, offering efficiency gains while raising urgent questions of ethics and integrity. For Business and Accountancy students future professionals entrusted with public trust this tension between productivity and morality requires systematic investigation. Accordingly, this study pursues the following objectives:

1. **To examine AI utilization patterns** among Business and Accountancy students, emphasizing its dual role in enhancing productivity and challenging academic integrity.
2. **To analyze ethical reasoning and moral judgment** through Kohlberg's Moral Development Theory, linking classroom AI practices to managerial decision-making frameworks.

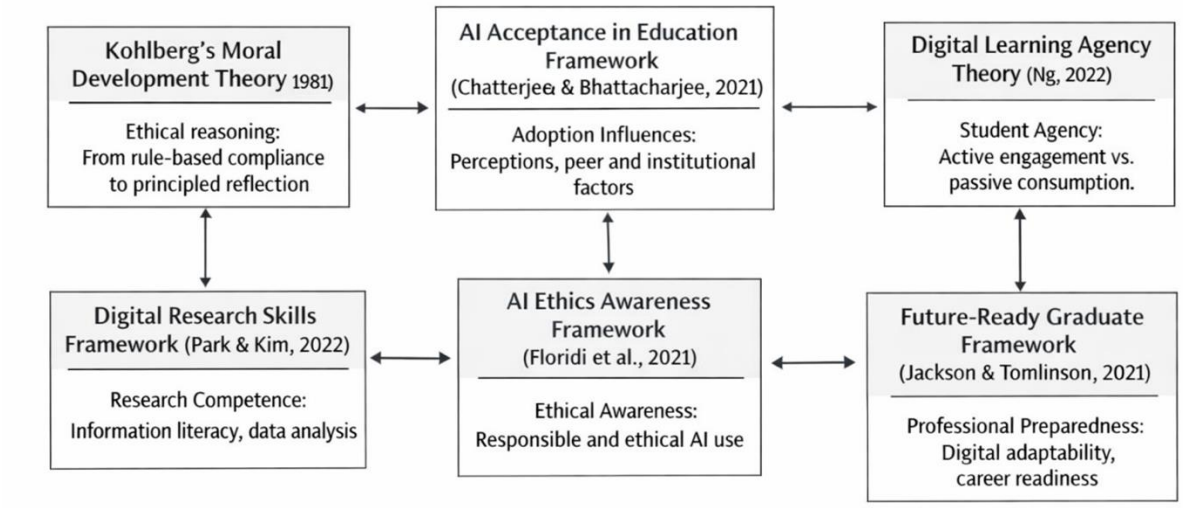
3. **To investigate the mediating effects** of learning outcomes, research productivity, ethical standards, and career readiness on the relationship between AI usage and academic integrity.

4. **To establish predictive relationships** between AI familiarity, digital literacy, and ethical competence, identifying how these variables shape professional readiness.

5. **To develop a theory-driven framework** connecting AI-mediated learning behaviors with managerial decision-making skills, extending insights from academic contexts to organizational practice.

6. **To propose strategic interventions** for higher education institutions that balance AI-driven efficiency with ethical safeguards, ensuring the cultivation of future-ready graduates.

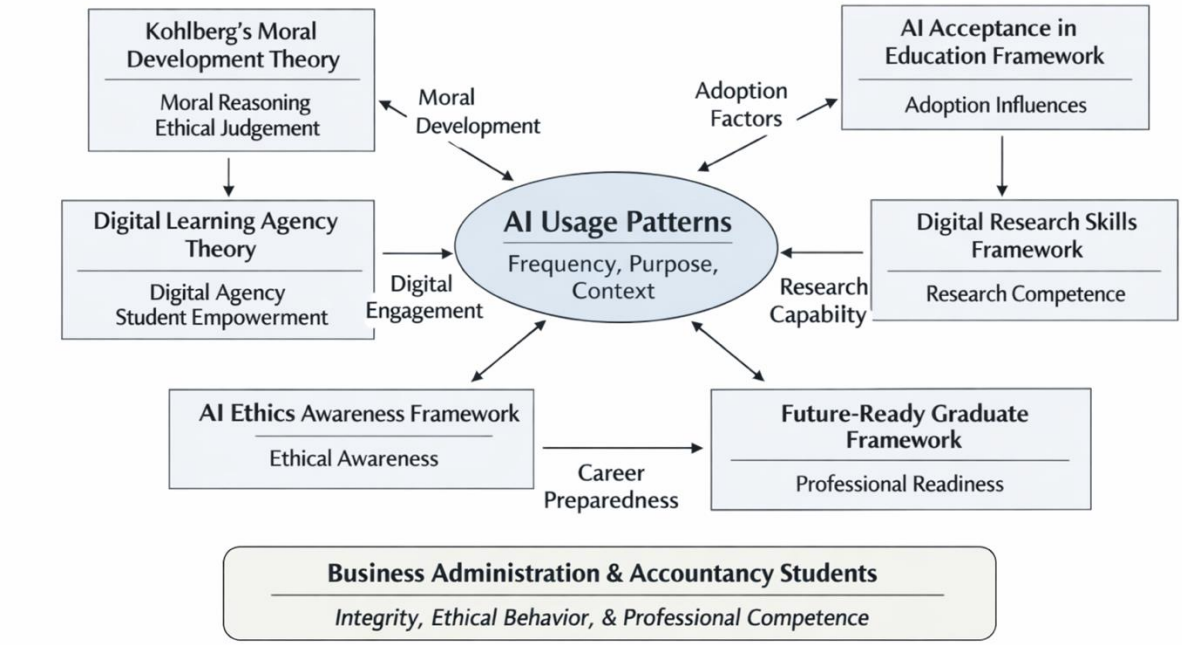
Theoretical Framework



This study integrates multiple theories to examine how AI shapes student behavior, ethics, and professional readiness. Kohlberg's Moral Development Theory provides a lens for analyzing ethical reasoning, distinguishing between compliance-driven and principle-based decisions. The AI Acceptance in Education Framework (AIAEF) explains adoption patterns through perceptions of usefulness, peer influence, and institutional support. Digital Learning Agency Theory highlights whether students engage critically with AI or rely passively on outputs, while the Digital Research Skills Framework (DRSF) assesses whether AI use fosters genuine research competence or superficial reliance. The AI Ethics Awareness Framework underscores the need for responsible use, and the Future-Ready Graduate Framework situates AI within professional identity formation, emphasizing adaptability and integrity.

Together, these frameworks enable a multidimensional analysis of AI in higher education linking academic integrity, ethical growth, digital agency, research competence, and professional readiness. This integrative approach is particularly salient for Business and Accountancy students in Bulacan City, whose future careers demand both technological adaptability and unwavering ethical standards.

Conceptual Framework



The proposed conceptual framework positions AI usage patterns defined by how often, why, and in what contexts students use AI as the key factor shaping the holistic development of Business Administration and Accountancy students. It argues that AI integration in higher education is not simply a matter of adopting new technology but a transformative influence on three interconnected dimensions: ethical behavior, research competence, and professional readiness. Ethical behavior reflects how students uphold integrity and responsible conduct when using AI in academic tasks. Research competence concerns whether AI strengthens genuine inquiry, analysis, and evidence-based decision-making or encourages superficial reliance. Professional readiness highlights the adaptability, accountability, and future-oriented skills students need to succeed in AI-driven workplaces. By linking these dimensions, the framework underscores that AI can be both a productivity tool and a catalyst for deeper educational transformation. When guided by clear standards and institutional support, AI use has the potential to produce graduates who are not only technically skilled but also ethically grounded and professionally prepared, aligning with global calls for future-ready professionals.

Statement of the Problem

The emergence and growing integration of Artificial Intelligence (AI) in education pose both opportunities and challenges, particularly in maintaining academic integrity and ensuring that students remain equipped with ethical judgment and professional readiness. While AI can enhance learning and research, its misuse may compromise academic standards. This study examines the effect of AI on the learning outcomes, research productivity, and ethical standards of School and Business and Accountancy students in Baliwag City, particularly in terms of their preparedness as future industry professionals. To guide the investigation, the following research questions are formulated:

1. What is the level of AI utilization, academic integrity, research productivity, ethical standards, and career readiness among Business Administration and Accountancy students?
2. How does AI utilization influence students' academic integrity in higher education?
3. How does AI utilization effect students' learning outcomes, research productivity, ethical standards, and career readiness?
4. Do learning outcomes, research productivity, ethical standards, and career readiness mediate the relationship between AI utilization and academic integrity?
5. What strategic interventions can be proposed to enhance academic integrity in the age of artificial intelligence while optimizing its benefits for learning outcomes, research productivity, ethical standards, and career readiness among Business Administration and Accountancy students?

Hypothesis

Artificial intelligence (AI) is increasingly integrated into higher education, shaping how students learn, conduct research, and prepare for future careers. To ensure rigorous analysis, the following null hypotheses are formulated to test whether AI utilization significantly affects academic integrity, research productivity, ethical standards, and career readiness among Business Administration and Accountancy students.

Level of AI utilization, academic integrity, research productivity, ethical standards, and career readiness

- **H_{01}:** There is no significant difference in the levels of AI utilization, academic integrity, research productivity, ethical standards, and career readiness among Business Administration and Accountancy students.

AI utilization and academic integrity

- **H_{02}:** AI utilization has no significant influence on students' academic integrity in higher education.

AI utilization and learning outcomes, research productivity, ethical standards, and career readiness

- **H_{03}a:** AI utilization has no significant effect on students' learning outcomes.
- **H_{03}b:** AI utilization has no significant effect on students' research productivity.
- **H_{03}c:** AI utilization has no significant effect on students' ethical standards.
- **H_{03}d:** AI utilization has no significant effect on students' career readiness.

Significance of the Study

The findings of this study will benefit multiple stakeholders:

1. **For the Students** - Provide insights into balancing AI-driven productivity with academic integrity, preparing them for ethical demands in professional practice.
2. **For the Faculty Members** - Offer evidence for redesigning assessment strategies and integrating AI literacy into the curriculum
3. **For Educational Administrator** - Guide the development of institutional policies and ethical frameworks, such as the OTHA Framework (Openness, Transparency, Honesty, Accountability), to govern AI.
4. **For the Industry (Business and Accountancy)** - Ensure a pipeline of graduates with both ethical standards and technical skills required in AI-driven professional environments
5. **For Future Researcher** - Provide a foundation for empirical studies on the long-term effect of AI on professional ethics and decision-making.

Scope and Delimitation

This study focuses on students currently enrolled in the Business and Accountancy within selected private HEIs in Bulacan City during the academic year 2025–2026. The scope is limited to examining the effect of generative AI tools (e.g., ChatGPT) on learning, research productivity, and ethical standards. It does not cover non-generative AI tools or students outside the Business and Accountancy department.

The integration of Artificial Intelligence (AI) into higher education is reshaping teaching, research, and career preparation. Global scholarship highlights AI's potential to personalize

learning, improve accessibility, and enhance productivity, while raising concerns about integrity, ethics, and equity (Artyukhov et al., 2024; Zeer et al., 2023). In the Philippines, educators recognize AI's transformative potential but remain cautious about risks such as cheating, data fabrication, and creativity loss, compounded by policy gaps and infrastructure limitations (Giray et al., 2024; Co, 2025). The growing demand for career readiness underscores the need to embed AI literacy, ethical reasoning, and integrity safeguards into curricula (Ragay, 2025). This review synthesizes five critical dimensions: AI utilization, academic integrity, ethical reasoning, research productivity, and career readiness.

AI Utilization. AI enhances teaching efficiency and research productivity but raises concerns about misconduct and uneven adoption due to infrastructure gaps (Giray et al., 2024; Co, 2025). Globally, it supports personalization and accessibility but requires strong policy frameworks (Artyukhov et al., 2024; Zeer et al., 2023).

Academic Integrity. AI complicates integrity by enabling cheating and data fabrication. Philippine studies call for coordinated policies and capacity-building (Co, 2025), while global research highlights AI's dual role as both a risk and a detection tool (Moya et al., 2024; Balalle & Pannilage, 2025).

Ethical Reasoning. Ethical literacy is essential for responsible AI use. Philippine studies emphasize privacy and equity concerns (Giray et al., 2024; Co, 2025), while global work links AI ethics to inclusivity and sustainability (Artyukhov et al., 2024; Zeer et al., 2023).

Research Productivity. AI can streamline workflows and boost output but risks undermining rigor if misused. Philippine uptake remains uneven due to infrastructure gaps (Co, 2025), while global studies stress the need for clear guidelines to safeguard integrity (Moya et al., 2024).

Career Readiness. Preparing graduates for AI-enabled workplaces requires technical competence and ethical awareness. Philippine studies recommend embedding AI literacy and ethics into curricula (Ragay, 2025), echoing global calls for equitable access and professional development (Artyukhov et al., 2024; Moya et al., 2024).

Synthesis. Across these dimensions, AI offers transformative opportunities but also risks undermining integrity and equity. For Philippine higher education, the challenge is balancing innovation with ethical safeguards, embedding AI literacy into curricula, and preparing graduates for AI-driven careers.

II. Methodology

Research Design

This study employs a quantitative, descriptive–correlational design to examine how AI-assisted academic tools influence the learning behaviors, research productivity, ethical perspectives, and career readiness of Business Administration and Accountancy students in private higher education institutions in Bulacan City. A quantitative approach is appropriate as it allows systematic measurement of AI utilization, identification of behavioral patterns, and statistical testing of relationships among variables such as academic integrity, moral reasoning, and professional identity (Fowler, 2023).

The descriptive component captures the frequency, purpose, and contexts of AI use for example, reliance on ChatGPT for idea generation, Grammarly for editing, or QuillBot for paraphrasing. The correlational component investigates associations between AI use and indicators of academic integrity, moral reasoning (informed by Kohlberg's framework), and research productivity skills (aligned with the Digital Research Skills Framework). This dual strategy moves beyond description to evaluate predictive and associative relationships (Emicke & Kemper, 2026).

By integrating descriptive and correlational methods, the design ensures findings are evidence-based, statistically robust, and theoretically anchored. Ultimately, it supports the study's objective of generating actionable recommendations for institutions, educators, and students promoting responsible AI adoption while safeguarding academic integrity and professional identity formation.

Sample and Sampling Design

The study population comprised 889 Business Administration and Accountancy students in a private university in Bulacan. Using Cochran's formula with finite population correction, the required sample size was calculated as 269 students, ensuring representativeness and statistical reliability. Respondents were selected through simple random sampling using computer-generated identifiers to minimize bias and guarantee fairness.

Research Instrument

Data were collected through a structured questionnaire aligned with the study's objectives and conceptual framework. The instrument covered demographics, AI utilization, academic integrity, research productivity, ethical standards, and career readiness. Items were adapted from established frameworks and measured on a four-point Likert scale (Strongly Disagree to Strongly Agree), deliberately excluding a neutral midpoint to encourage clear responses. Validity and reliability were ensured through expert review and pilot testing.

Data Gathering

Surveys were administered via Google Forms, ensuring efficiency and anonymity. Stratified sampling across year levels enhanced representativeness. Participation was voluntary, with informed consent secured. A total of 296 valid responses were collected, exceeding the minimum requirement and strengthening reliability. Data were cleaned and analyzed using Jamovi and SPSS, applying both descriptive and inferential techniques.

Statistical Treatment and Analysis

The study employed Structural Equation Modeling (SEM) to examine direct and indirect relationships among AI utilization, academic integrity, learning outcomes, research productivity, ethical standards, and career readiness. Reliability testing (Cronbach's alpha) and assumption checks preceded analysis. Model fit was assessed using indices such as CFI, RMSEA, and SRMR, ensuring robustness and validity. Multi-group SEM was considered to explore subgroup differences.

Ethical Considerations

Participation was voluntary, based on informed consent, with confidentiality safeguarded through coded responses. Risks were minimized by focusing on perceptions rather than admissions of misconduct. Data were securely stored in compliance with the Data Privacy Act of 2012, and the protocol was approved by the university's ethics committee. Transparency and integrity were upheld through objective reporting and acknowledgment of study limitations.

III. Results and Discussion

The results of the structural equation modeling (SEM) analysis are presented to evaluate the hypothesized relationships among the study variables. The model was estimated using Maximum Likelihood (ML) with the NLMINB optimization method, based on 269 observations and 19 free parameters. Standard errors were computed under the default settings, and the model successfully converged after three iterations. The analysis specifically examined the predictive influence of Artificial Intelligence Used, Research Productivity, and career readiness on Academic Integrity, providing empirical evidence on how academic integration, research engagement, and career orientation collectively shape integrity outcomes. The following section details the model information, estimation results, and the statistical fit of the proposed relationships.

Overall Tests

Model tests			
Label	X^2	df	p
User Model	11.1	1	<.001
Baseline Model	1090.5	10	<.001

Fit indices				
		95% Confidence Intervals		
SRMR	RMSEA	Lower	Upper	RMSEA p
0.015	0.194	0.103	0.304	.006

User model versus baseline model	
	Model
Comparative Fit Index (CFI)	0.991
Tucker-Lewis Index (TLI)	0.906
Bentler-Bonett Non-normed Fit Index (NNFI)	0.906
Relative Noncentrality Index (RNI)	0.991
Bentler-Bonett Normed Fit Index (NFI)	0.990
Bollen's Relative Fit Index (RFI)	0.898
Bollen's Incremental Fit Index (IFI)	0.991
Parsimony Normed Fit Index (PNFI)	0.099

Correlation Matrix						
		AIU_MEAN	**INTEGRITY_MEAN**	**RESEARCH_MEAN**	**ETHICS_MEAN**	**CAREER_MEAN**
AIU_MEAN	Pearson's r					
	df					
	p-value					
INTEGRITY_MEAN	Pearson's r	0.570				
	df	267				
	p-value	<.001				
RESEARCH_MEAN	Pearson's r	0.750	0.663			
	df	267	267			
	p-value	<.001	<.001			
ETHICS_MEAN	Pearson's r	0.696	0.649	0.871		
	df	267	267	267		
	p-value	<.001	<.001	<.001		
CAREER_MEAN	Pearson's r	0.667	0.523	0.768	0.811	
	df	267	267	267	267	
	p-value	<.001	<.001	<.001	<.001	

The structural equation modeling (SEM) analysis was conducted using maximum likelihood estimation with 269 respondents. The model converged successfully after three iterations with 19 free parameters. The hypothesized structural pathways specified that academic integrity was predicted by AI utilization, research productivity, and career readiness; research productivity was predicted by AI utilization and ethical standards; career readiness was predicted

by AI utilization, research productivity, and ethical standards; and ethical standards were predicted directly by AI utilization.

The overall fit indices demonstrated strong comparative fit. The user model yielded a chi-square value of 11.1 (df = 1, $p < .001$), with comparative indices exceeding the recommended threshold of 0.90: CFI = 0.991, NFI = 0.990, IFI = 0.991, and RNI = 0.991. The standardized root mean square residual (SRMR = 0.015) further confirmed excellent localized fit. However, the root mean square error of approximation (RMSEA = 0.194, 95% CI [0.103, 0.304], $p = .006$) was elevated, suggesting potential model misspecification and the need for additional latent constructs to fully capture ethical reasoning in AI-mediated contexts.

The correlation results revealed that AI utilization was strongly associated with research productivity ($r = 0.750$, $p < .001$), ethical standards ($r = 0.696$, $p < .001$), and career readiness ($r = 0.667$, $p < .001$). Academic integrity also demonstrated a significant positive relationship with AI utilization ($r = 0.570$, $p < .001$). These findings confirm that students who actively use AI tools report higher levels of competence across multiple domains. The direct path coefficient between AI utilization and academic integrity was statistically robust, indicating that increased AI use positively influences integrity outcomes, though with potential risks of plagiarism and over-reliance.

The mediating effects of research productivity, ethical standards, and career readiness were also confirmed. These constructs significantly mediated the relationship between AI utilization and academic integrity, demonstrating that AI-driven efficiency translates into integrity outcomes only when filtered through ethical awareness and research competence. While the comparative fit indices validated the robustness of these mediating pathways, the elevated RMSEA highlighted unexplained variance in ethical reasoning, suggesting that additional constructs such as institutional support or peer influence may be necessary to refine the model.

Discussion

This study confirms that AI utilization significantly shapes the ethical reasoning, research productivity, and career readiness of Business and Accountancy students, with these competencies mediating academic integrity outcomes. While the structural model demonstrated excellent comparative fit, the elevated RMSEA highlights the complexity of ethical reasoning in AI-mediated environments and the need for further refinement of theoretical constructs.

The findings extend moral development theory into digital contexts, showing that students' ethical reasoning often remains at the conventional level of compliance rather than advancing toward principled reflection. They also validate frameworks on AI acceptance, digital agency, and future readiness, demonstrating that active engagement with AI strengthens competence and preparedness, while passive reliance risks undermining critical thinking. Importantly, career readiness emerges as a mediating factor, underscoring that technical proficiency alone is

insufficient ethical awareness and research integrity must be integrated to prepare graduates for professional roles demanding accountability and public trust.

Overall, AI integration represents a dual-edged phenomenon in higher education. It enhances efficiency, research productivity, and professional competence, but simultaneously challenges ethical reasoning and integrity. For students, this requires cultivating principled decision-making alongside digital skills. For faculty, it calls for curriculum redesign that embeds AI literacy, ethics education, and authentic assessments. For administrators, it highlights the need for transparent institutional policies. For industry, it signals that while AI literacy is now a core competency, ethical awareness remains the defining marker of professional readiness.

Future research should adopt longitudinal and workplace-based approaches to establish causal links between academic AI use and professional competence, thereby strengthening the bridge between higher education and industry practice.

IV. Conclusion

This study confirmed that AI utilization significantly predicts research productivity ($r = 0.750$, $p < .001$), ethical standards ($r = 0.696$, $p < .001$), career readiness ($r = 0.667$, $p < .001$), and academic integrity ($r = 0.570$, $p < .001$) among Business and Accountancy students in Bulacan City. Structural equation modeling (SEM) demonstrated excellent comparative fit (CFI = 0.991, IFI = 0.991), though the elevated RMSEA (0.194) highlighted the complexity of ethical reasoning in AI-mediated contexts.

The findings extend moral development theory into digital learning, showing that students often remain at the conventional level of compliance rather than principled reasoning. They validate frameworks on AI acceptance, digital agency, and future readiness**,** confirming that active engagement with AI strengthens competence, while passive reliance risks undermining critical thinking. Importantly, career readiness mediates integrity outcomes, underscoring that technical proficiency must be balanced with ethical awareness to prepare graduates for AI-driven industries.

AI integration thus represents a dual-edged phenomenon: it enhances efficiency and competence but challenges integrity and ethical reasoning. Students must cultivate principled decision-making alongside digital skills; faculty must redesign curricula to embed AI literacy and ethics; administrators must enforce transparent policies; and industry must recognize ethical awareness as the defining marker of professional readiness.

Implications

1. **Students:** Balance AI efficiency with authentic integrity; move beyond compliance.
2. **Faculty:** Redesign curricula to integrate AI literacy, ethics, and higher-order assessments.

3. **Administrators:** Establish transparent policies anchored in accountability frameworks (e.g., OTHA).
4. **Industry:** Treat AI literacy as core, but emphasize ethics as the differentiator of readiness.
5. **Future Research:** Conduct longitudinal, workplace-based studies to link academic AI use with professional competence.

This study demonstrates that AI integration is a significant driver of student development, influencing research productivity, ethical reasoning, career readiness, and ultimately academic integrity. The results confirm that students who actively and responsibly use AI tools report stronger competencies across these domains, though ethical reasoning remains underdeveloped and requires further support.

The central concept emerging from the analysis is that AI use enhances efficiency and professional preparedness but simultaneously challenges integrity and moral growth. Students often remain at a compliance-based level of ethical reasoning, underscoring the need for structured interventions that cultivate principled decision-making. Career readiness mediates these outcomes, highlighting that technical proficiency alone is insufficient graduates must also be ethically grounded to succeed in AI-driven industries.

In practice, the findings emphasize that AI integration is not merely technological but pedagogical and ethical. For students, it requires balancing digital competence with integrity. For faculty, it calls for curriculum redesign that embeds AI literacy, ethics education, and authentic assessments. For administrators, it demands transparent institutional policies. For industry, it signals that while AI literacy is now a core competency, ethical awareness remains the defining marker of professional readiness.

Ultimately, AI adoption in higher education represents a transformative challenge: it can produce future-ready graduates who are both digitally skilled and ethically responsible, provided institutions align technology use with moral, research, and professional frameworks. Future research should extend this work through longitudinal and workplace-based studies to strengthen the bridge between academic AI use and professional competence.

V. Recommendations

The results of this study underscore the need for multi-level interventions that not only balance AI-driven efficiency with academic integrity but also advance theoretical understanding of ethical competence within management studies. By situating AI adoption within frameworks of organizational learning, ethical decision-making, and institutional governance, the following recommendations extend beyond pedagogy to inform management theory and practice.

For students: Structured AI literacy workshops should be integrated into orientation and professional development programs, framed through Kohlberg's moral development theory and agency theory. Reflective journals and case-based exercises can cultivate ethical reasoning, while performance-based assessments, such as simulated audits and ethical dilemma scenarios, operationalize competence-based learning models. This positions students not only as learners but as agents navigating the tension between technological efficiency and moral accountability an issue central to management studies.

For faculty: Assessment strategies must be redesigned to emphasize higher-order cognitive skills such as critical thinking, ethical judgment, and problem-solving, aligning with dynamic capabilities theory. Pedagogical approaches informed by Ng's Digital Learning Agency Theory can require students to critically evaluate AI-generated outputs, reinforcing resilience and adaptive capacity concepts that resonate with organizational learning and strategic management. Explicit rubrics defining acceptable AI use reduce ambiguity and create a governance framework akin to organizational codes of conduct.

For administrators: Institutional policies anchored in the OTHA framework (Openness, Transparency, Honesty, Accountability) extend governance theory into the academic domain. Faculty development programs should build confidence in integrating AI responsibly, while monitoring systems such as plagiarism detection and AI-use audits reflect **control theory** in organizational management balancing compliance with innovation. This positions universities as microcosms of ethical governance, offering transferable insights for corporate management.

For industry: Collaboration with universities should focus on designing internship programs and capstone projects that evaluate students' ability to balance AI-driven efficiency with ethical decision-making. These initiatives operationalize stakeholder theory, ensuring graduates meet both technical and moral expectations of employers. Organizations should adopt AI ethics codes of practice that reinforce continuity between academic integrity and workplace ethics and contribute to the broader discourse on **corporate social responsibility (CSR)** in the digital era.

For future research: Longitudinal studies should track how AI use in academia predicts workplace competence and managerial decision-making performance, extending human capital theory into the digital age. Expanded SEM models incorporating latent constructs such as institutional support, peer influence, and digital resilience can refine theoretical fit indices and address RMSEA limitations. Cross-cultural comparative studies will enrich **institutional theory,** examining how AI adoption and ethical reasoning patterns vary across educational and professional contexts.

Policy Implications

The findings of this study carry significant implications not only for higher education policy but also for **management theory and governance frameworks** in the age of artificial intelligence.

Institutional level: Universities must establish clear policies defining acceptable AI use, anchored in the OTHA framework, thereby operationalizing ethical governance theory**.** Embedding these policies into student handbooks, faculty guidelines, and assessment protocols ensures consistency across programs and parallels organizational governance structures. Accreditation bodies should require institutions to demonstrate integration of AI literacy and ethical awareness, aligning academic integrity with professional readiness and managerial competence**.**

National level: Regulators and accreditation councils should develop standardized guidelines for AI integration in business and accountancy education, emphasizing both technical proficiency and ethical competence. These guidelines contribute to institutional isomorphism within management studies, ensuring graduates are prepared to balance efficiency with accountability. National policies should encourage longitudinal assessment frameworks, extending performance management theory into higher education. Government agencies and professional associations can collaborate to establish AI ethics codes of practice, reinforcing continuity between educational integrity and workplace governance.

At the global level, Philippine higher education institutions must align with international standards on AI ethics and digital competence, positioning graduates to compete in global markets while upholding integrity. This reflects global institutional theory and the diffusion of management practices across borders. Coordinated efforts among universities, accreditation bodies, and industry stakeholders can embed AI literacy, ethical reasoning, and professional accountability into both academic and professional training. By institutionalizing these policies, higher education contributes to the theoretical discourse on responsible management, ensuring AI adoption strengthens rather than undermines the moral and professional foundations of future leaders.

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