

GENERATIVE AI, TRUST AND TRANSPARENCY: A STUDY ON ETHICAL CONCERNS AND AI GOVERNANCE AMONG MANAGEMENT STUDENTS

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Abstract

In recent years, generative AI (GenAI) tools such as ChatGPT, Gemini and Copilot have become part of education, and students use them for preparing assignments, clarifying doubts and creating academic content. Although GenAI supports learning and saves time, it also raises ethical challenges such as data privacy, bias, plagiarism and a lack of clarity in AI-generated answers. Understanding how students view these issues is important because they are future managers who may play a key role in digital transformation. This descriptive study is based on primary data collected from 114 students in Ramanathapuram District through a structured questionnaire and analysed using frequency and percentage analysis. The results show that 71.68% of students use GenAI sometimes and 25.66% use it daily; half of the respondents fully trust GenAI answers, and 30.09% are worried about data privacy. A majority (77.68%) felt that colleges should teach the ethical use of GenAI, while 44.64% reported that their institution has no clear rules for its use. The study highlights the need for better ethical awareness, clear institutional guidelines and responsible AI governance in education and proposes a Trust–Transparency–Governance (T-T-G) model for responsible GenAI use among students.

Keywords

Generative AI, Business Ethics, Trust, Transparency, AI Governance, Ethical Awareness, Responsible AI, Digital Transformation

1. Introduction

Generative artificial intelligence (GenAI) refers to AI models that can create new content, such as text, images and ideas, based on patterns learned from training data (Kaplan & Haenlein, 2020; Dwivedi et al., 2023). In recent years, tools such as ChatGPT, Gemini and Copilot have been widely used by students. In commerce and management education, GenAI is used for preparing assignments, understanding concepts, creating presentations and other academic purposes, and its growing adoption has influenced traditional learning methods and become an important part of students' academic activities (Lim et al., 2023).

With rapid digital growth, the need for ethical awareness has increased. Trust, transparency, accountability and governance are key factors in the responsible use of GenAI. While GenAI supports digital transformation, its improper use may lead to

plagiarism, data privacy concerns, the spread of inaccurate information and over-dependence on AI tools (García-López & Trujillo-Liñán, 2025). Understanding the ethical aspects of GenAI is therefore essential for sustainable and responsible digital transformation. The present study, conducted among 114 student respondents in Ramanathapuram District, predominantly B.Com. (Computer Applications) students, focuses on students' usage patterns of GenAI, their awareness of ethical issues such as data privacy and plagiarism, their level of trust in AI-generated answers, and their opinions on the need for institutional rules and ethical education.

2. Review of Literature

Generative AI and business education: Dwivedi et al. (2023) discussed the growing use of GenAI and its possible impact on education, organisations and society, highlighting that tools such as

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ChatGPT can support learning and productivity but raise concerns about accuracy, ethics and responsible adoption. Chan and Hu (2023) studied the perceptions of 399 university students and found that students generally viewed GenAI positively and recognised its usefulness for learning, writing, brainstorming and research, while expressing concerns about accuracy, privacy, ethical issues and its possible impact on learning and future careers. Recent research also shows that students and educators hold varied views about ChatGPT, its ethical implications and the need for institutional support (Acosta-Enriquez et al., 2024; Espartinez, 2024). GenAI can therefore be useful in education as a learning-support tool, but students also need awareness of its limitations and responsible use, which is particularly relevant to commerce and management students who use AI tools for assignments, presentations and information searching.

Trust and transparency in AI: Trust is an important factor in the acceptance and responsible use of AI systems. Shin (2021) examined the relationship between explainability, trust and acceptance of AI and suggested that explanations help users understand AI-based decisions and contribute to greater trust and acceptance, making transparency and accountability important when users interact with AI systems. Recent evidence suggests that trust in GenAI is influenced by accuracy, privacy protection and experience, and is important for responsible adoption in higher education (Đerić et al., 2025). Research on trust in AI has also identified transparency, explainability, knowledge and appropriate guidelines as important factors in developing trust (Nazaretsky et al., 2022). For students, trust should not mean accepting every AI-generated answer without checking it; AI-generated information has limitations and should be evaluated before being used for academic or professional purposes.

AI governance and ethics: Jobin et al. (2019) examined AI ethics guidelines from different countries and organisations and identified five principles with broad agreement – transparency, justice and fairness, non-maleficence, responsibility and privacy – while noting that they can be interpreted and implemented differently in different contexts.

Holmes et al. (2022) examined ethical issues in AI in education and highlighted the need to consider the interests of students, teachers and other stakeholders, discussing privacy, autonomy, fairness, transparency and human responsibility. Chan (2023) proposed a comprehensive AI policy framework for university teaching and learning based on the perceptions and experiences of students, teachers and staff, highlighting the importance of clear policies and responsible integration of GenAI. Recent studies have also emphasised academic integrity, privacy, transparency and accountability in governing the use of GenAI in higher education (Alfiras et al., 2026; Jin et al., 2025; McDonald et al., 2025).

3. Research Gap

Several studies have examined the use of GenAI in higher education and discussed its benefits, challenges and impact on students; for example, Chan and Hu (2023) reported both positive views and concerns about accuracy, privacy and ethics among university students. Research has also discussed trust, transparency, governance, ethics and responsible use of AI. However, limited attention has been given to how students in specific local, district-level settings such as Ramanathapuram understand ethical concerns related to GenAI, including data privacy, plagiarism, trust in AI-generated answers and its possible impact on employment, and to their views on institutional rules and ethical education. The present study addresses this gap.

4. Objectives of the Study

1. To study the usage pattern of GenAI tools among students in Ramanathapuram District.
2. To examine students' awareness of ethical issues such as data privacy and plagiarism and their level of trust in AI-generated answers.
3. To understand students' perceptions of the impact of GenAI on learning and employment.
4. To examine students' opinions on the need for institutional guidelines and ethical education on the responsible use of GenAI.

5. Research Methodology

The study is descriptive in nature and adopts a quantitative approach to describe students' usage patterns, awareness and perceptions of GenAI through frequencies and percentages, without testing cause-and-effect relationships. It was conducted in Ramanathapuram District, Tamil Nadu, among 114 respondents from commerce and related disciplines, predominantly B.Com. (Computer Applications) students, selected through convenience sampling. Primary data were collected in September 2026 through a structured questionnaire prepared using Google Forms and distributed online; Part A covered the demographic profile of the respondents, and Part B covered GenAI usage, trust, ethical awareness, data privacy, plagiarism, employment perceptions and institutional guidelines. The data were analysed using frequency and percentage

analysis, which is commonly used to describe categorical responses in survey-based research; percentages are calculated on the valid responses to each question (112 or 113).

Limitations: The study is limited to 114 students in Ramanathapuram District selected by convenience sampling, so the findings cannot be generalised to all students. It relies on self-reported responses, which reflect respondents' personal perceptions, and uses descriptive analysis only, so it does not examine statistical relationships or causal effects between variables.

6. Data Analysis and Interpretation

The responses are summarised in Tables 1–3.

Table 1. Profile and GenAI Usage of Respondents

<i>Variable / response</i>	<i>Frequency</i>	<i>Percentage (%)</i>
Course of study (n = 112)		
B.Com. (CA)	111	99.11
BCA	1	0.89
Frequency of use (n = 113)		
Daily	29	25.66
Sometimes	81	71.68
Never	3	2.65
Main purpose of use (n = 112)		
To clear doubts	60	53.57
For assignments	44	39.29
Content creation/management	4	3.57
Just for fun	4	3.57

Source: Primary data

B.Com. (CA) students formed almost the entire sample (99.11% of valid responses). In all, 71.68% of the respondents use GenAI sometimes and 25.66% use it daily, while only 2.65% never use it, indicating that GenAI is commonly used, although

occasional use is more common than daily use. The main purpose of use is to clear doubts (53.57%), followed by assignments (39.29%), showing that students mainly use GenAI for learning support and academic purposes.

Table 2. Ethical Perceptions and Trust in GenAI

<i>Question / response</i>	<i>Frequency</i>	<i>Percentage (%)</i>
Is using GenAI for college assignments cheating? (n = 113)		
No, it is okay for help	76	67.26
Yes, it is cheating	19	16.81

<i>Question / response</i>	<i>Frequency</i>	<i>Percentage (%)</i>
Not sure	18	15.93
Are you worried about data privacy when using GenAI? (n = 113)		
No, I feel it is safe	53	46.90
Yes, I am worried	34	30.09
Not sure	26	23.01
Can GenAI copy others' work without permission? (n = 112)		
Yes	46	41.07
No	38	33.93
Not sure	28	25.00
Do you trust GenAI answers? (n = 112)		
Yes, I trust fully	56	50.00
Maybe	43	38.39
No	13	11.61

Source: Primary data

In all, 67.26% of the respondents consider using GenAI for help with assignments acceptable, 16.81% consider it cheating and 15.93% are not sure, indicating that some students remain uncertain about its ethical use. While 46.90% feel that their data are safe, 30.09% are worried about data privacy and 23.01% are not sure, so privacy remains a concern for a considerable number of respondents.

Regarding plagiarism, 41.07% believe that GenAI may copy other people's work without permission, 33.93% disagree and 25.00% are unsure, showing different levels of awareness about originality in GenAI-generated content. Half of the respondents (50.00%) fully trust GenAI answers, 38.39% are uncertain and only 11.61% do not trust them.

Table 3. Perceptions of Employment Impact and Institutional Governance

<i>Question / response</i>	<i>Frequency</i>	<i>Percentage (%)</i>
Will GenAI affect future jobs? (n = 112)		
Yes, it will reduce jobs	48	42.86
No idea	36	32.14
No, it will create new jobs	28	25.00
Does your institution have rules for using GenAI? (n = 112)		
No	50	44.64
I don't know	31	27.68
Yes	31	27.68
Should colleges teach the ethical use of GenAI? (n = 112)		
Yes, very much needed	87	77.68
No, not needed	25	22.32

Source: Primary data

In all, 42.86% of the respondents believe that GenAI will reduce jobs, 32.14% have no clear opinion and 25.00% believe that it will create new jobs, reflecting varied perceptions of its impact on employment. Further, 44.64% reported that their

institution has no rules on GenAI use, 27.68% said such rules exist and another 27.68% were not aware of any rules, highlighting the need for clear and well-communicated institutional guidelines. A large majority (77.68%) feel that colleges should

teach students about the ethical use of GenAI.

7. Major Findings

1. GenAI is commonly used: 71.68% of the respondents use it sometimes and 25.66% daily, mainly to clear doubts (53.57%) and for assignments (39.29%).

2. Students hold different views on the ethics of academic use: 67.26% consider GenAI acceptable for assignment help, while 16.81% regard it as cheating and 15.93% are unsure.

3. Privacy and originality are concerns for a considerable share of students: 30.09% are worried about data privacy and 41.07% believe that GenAI can copy others' work without permission.

4. Half of the respondents (50.00%) fully trust GenAI answers and 38.39% are uncertain, indicating generally positive but not fully settled trust in its reliability.

5. Views on employment are mixed: 42.86% expect GenAI to reduce jobs, 25.00% expect it to create new jobs and 32.14% have no clear idea.

6. Institutional governance is weak or poorly communicated: 44.64% report no rules on

GenAI use and 27.68% are unaware of any, while 77.68% feel that colleges should teach the ethical use of GenAI.

8. Suggestions and Proposed Model

Students are actively using GenAI but have concerns about privacy, plagiarism, trust and its proper use. Colleges should therefore provide simple and clear rules on how students can use GenAI for academic work; students should be given basic awareness of data privacy, plagiarism, copyright and the limitations of AI-generated information and should verify AI-generated information against reliable academic sources; and teachers should guide students to use GenAI for learning support while maintaining their own thinking and originality.

The T-T-G model for responsible AI governance: Based on these findings, the Trust–Transparency–Governance (T-T-G) model is proposed to encourage responsible use of GenAI among students (Figure 1). Students need to understand both the usefulness and the limitations of GenAI; transparency about AI-generated content can help develop appropriate trust, while clear institutional guidelines can direct students towards ethical and responsible use.

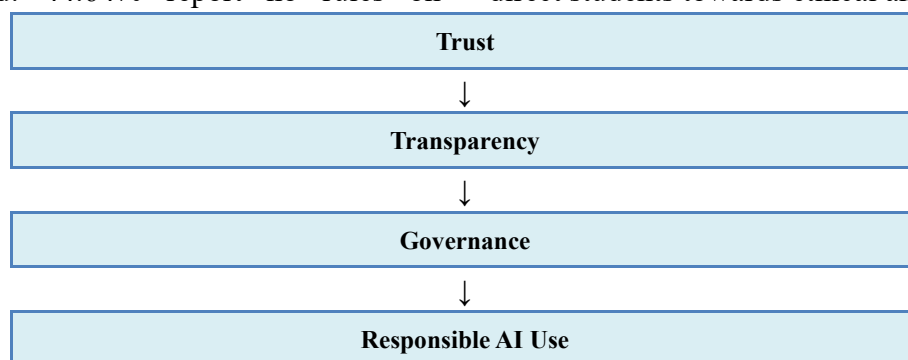


Figure 1. The T-T-G Model for Responsible AI Governance

Implications for sustainable digital transformation: Digital transformation in education should go beyond the use of technology, as ethical awareness and responsible practices are equally important. Providing ethical AI education, maintaining transparency and establishing clear guidelines can help students use GenAI responsibly and prepare them for AI-supported workplaces, contributing to a more sustainable approach to digital transformation.

9. Conclusion

GenAI has become a useful part of students' academic activities, particularly for clearing doubts and preparing assignments. Students generally have a positive attitude towards GenAI, but concerns about data privacy, plagiarism, trust and employment, together with the absence of clear institutional guidelines, are also present. The finding that

77.68% of the respondents feel colleges should teach the ethical use of GenAI highlights the need to combine AI usage with proper ethical awareness and guidance, and the proposed T-T-G model offers a simple approach for promoting responsible AI use among students. Overall, responsible use of GenAI requires a balance between technological benefits and ethical practice; clear institutional guidelines, ethical education and responsible use can help students make better use of GenAI and contribute to sustainable digital transformation in education.

Ethical declaration: The study was conducted for academic purposes. Respondents participated voluntarily, the information collected was used only for this study, and responses were kept confidential and presented in aggregate form. The author declares no conflict of interest.

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