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| RESEARCH ARTICLE

Ethical and Legal Considerations of AI in IT Project Management: Addressing AI Biases, Data Privacy, and Governance

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| ABSTRACT
As Artificial Intelligence (AI) continues to reshape the IT project management field, ethical and legal issues are emerging as increasingly important. AI-powered tools boost productivity via automation, predictive analytics, and decision support; simultaneously, they also introduce risks associated with bias, data privacy, and governance. AI-powered biases in project management algorithms can result in unequal distribution of resources, discriminatory decision-making, and unforeseen outcomes. In addition, AI's reliance on vast volumes of data raises privacy concerns, particularly in complying with global data protection laws such as GDPR, CCPA, and HIPAA. Governance frameworks are needed to render AI transparent, responsible, and ethically applied in IT project management. This article explores the possible risks of artificial intelligence in managing projects, examines the existing legal frameworks, and provides recommendations on how to mitigate biases embedded in AI, protect data privacy, and institute effective governance of AI. By addressing these issues, organizations can ethically leverage the power of AI while maintaining compliance and fostering trust in information technology project management processes.

| KEYWORDS
Artificial Intelligence (AI), IT Project Management, Bias Mitigation, Data Privacy, AI Governance

| ARTICLE INFORMATION
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1. INTRODUCTION

The integration of Artificial Intelligence (AI) in IT project management has revolutionized the industry by automating complex tasks, improving decision-making, and optimizing resource allocation. AI-driven tools, such as machine learning algorithms and predictive analytics, provide project managers with enhanced insights, enabling better risk assessment and strategic planning (Russell & Norvig, 2020). However, as AI continues to play a critical role in project management, ethical and legal challenges have emerged. These concerns primarily revolve around AI biases, data privacy, and governance, which, if not addressed, could undermine the credibility and effectiveness of AI-driven decision-making in project management.

One of the fundamental ethical concerns in AI-powered project management is algorithmic bias. AI systems learn from historical data, which may contain inherent biases, leading to unfair or discriminatory decisions (O'Neil, 2016). This issue is particularly critical in resource allocation and risk evaluation, where biased algorithms may disadvantage specific groups or individuals. Addressing such biases is essential to ensure fair and transparent project management practices.

Additionally, AI's dependence on large datasets raises significant data privacy issues. Organizations must comply with stringent data protection regulations such as the General Data Protection Regulation (GDPR) in Europe, the California Consumer Privacy Act (CCPA) in the United States, and the Health Insurance Portability and Accountability Act (HIPAA) in healthcare-related IT projects (Regulation (EU) 2016/679, 2016). The collection, storage, and processing of personal and sensitive data by AI systems necessitate strict governance to prevent data breaches and unauthorized access.

Furthermore, the governance of AI in IT project management remains a pressing concern. Organizations must establish regulatory frameworks that ensure AI applications align with ethical standards and legal requirements. Transparency, accountability, and explainability are crucial elements in fostering trust in AI-driven project management (Floridi & Cowls, 2019). Without clear governance structures, AI's potential to enhance IT project management may be overshadowed by ethical dilemmas and legal challenges.

2. LITERATURE REVIEW

The rapid adoption of AI in IT project management has spurred extensive discussions on its ethical and legal implications. Scholars and industry experts have examined AI biases, data privacy concerns, and governance frameworks from multiple perspectives. This section reviews existing literature on these critical areas, highlighting key findings, challenges, and potential solutions.

AI Biases in IT Project Management

AI bias refers to systematic errors in AI-driven decision-making processes caused by biased data, flawed algorithms, or human prejudices embedded in training datasets (Mehrabi et al., 2021). Researchers have identified various forms of bias, including historical bias, sample bias, and algorithmic bias, all of which can impact IT project management.

Historical biases emerge when AI systems learn from past data that reflect societal inequalities. For example, an AI-based project management tool trained on historical hiring patterns might favor certain demographics over others, leading to discriminatory hiring or team formation in IT projects (O'Neil, 2016). Sample bias occurs when training data do not adequately represent diverse populations, resulting in skewed outcomes that disproportionately affect underrepresented groups (Barocas, Hardt, & Narayanan, 2019). Algorithmic bias, on the other hand, arises from the way AI models are designed and optimized, sometimes reinforcing pre-existing inequalities (Binns, 2018).

Several studies have explored strategies to mitigate AI biases in project management. One widely recommended approach is algorithmic auditing, where AI models undergo rigorous testing to detect and correct biases (Raji et al., 2020). Another solution is incorporating fairness-aware machine learning techniques that prioritize equity in AI-driven decisions (Danks & London, 2017). Additionally, organizations can enhance transparency by requiring explainability in AI models, ensuring that project managers understand how AI-generated recommendations are made (Doshi-Velez & Kim, 2017).

Data Privacy Concerns in AI-Driven Project Management

Data privacy is a critical legal and ethical concern in AI-powered IT project management. AI systems rely on vast amounts of data to make predictions and optimize project workflows. However, improper data handling can lead to privacy violations, data breaches, and non-compliance with legal regulations (Voigt & von dem Bussche, 2017).

The General Data Protection Regulation (GDPR) in the European Union is one of the most comprehensive data privacy laws, imposing strict requirements on organizations that process personal data (Regulation (EU) 2016/679, 2016). It mandates principles such as data minimization, purpose limitation, and user consent, ensuring that AI-driven systems handle personal data responsibly. The California Consumer Privacy Act (CCPA) provides similar protections in the United States, granting consumers rights over their personal data and requiring businesses to disclose how their data is used (CCPA, 2018). In healthcare-related IT projects, the Health Insurance Portability and Accountability Act (HIPAA) enforces stringent data protection measures, particularly for AI applications that handle sensitive health information (HIPAA, 1996).

Despite these legal frameworks, challenges persist in ensuring compliance. Many AI systems operate as "black boxes," making it difficult for regulators and stakeholders to verify whether data privacy standards are being met (Mittelstadt et al., 2016). Scholars have proposed various solutions to enhance AI transparency, including explainable AI (XAI) models that provide interpretable decision-making processes (Adadi & Berrada, 2018). Furthermore, differential privacy techniques—such as encryption,

anonymization, and federated learning—can help protect sensitive data while still enabling AI-driven insights (Dwork & Roth, 2014).

Governance Frameworks for Ethical AI in Project Management

Governance plays a pivotal role in ensuring that AI applications in IT project management align with ethical and legal standards. The absence of well-defined governance mechanisms can lead to regulatory gaps, ethical dilemmas, and organizational risks (Floridi & Cowls, 2019).

Several governance models have been proposed to regulate AI usage. The AI Ethics Guidelines of the European Commission emphasize transparency, accountability, and human oversight as fundamental principles of responsible AI deployment (European Commission, 2019). Similarly, the Institute of Electrical and Electronics Engineers (IEEE) Ethically Aligned Design framework advocates for human-centered AI governance, ensuring that AI systems respect human rights and social values (IEEE, 2019).

In IT project management, scholars suggest implementing AI governance through three key pillars:

1. Regulatory Compliance – Organizations must adhere to national and international AI regulations, ensuring that AI applications comply with data protection laws and ethical guidelines (Fjeld et al., 2020).

2. AI Auditing and Monitoring – Regular audits should be conducted to assess AI decision-making processes, detect biases, and ensure transparency (Raji et al., 2020).

3. Ethical AI Training – IT project managers and AI developers should receive training on ethical AI principles, equipping them with the knowledge to mitigate risks and uphold responsible AI practices (Boddington, 2017).

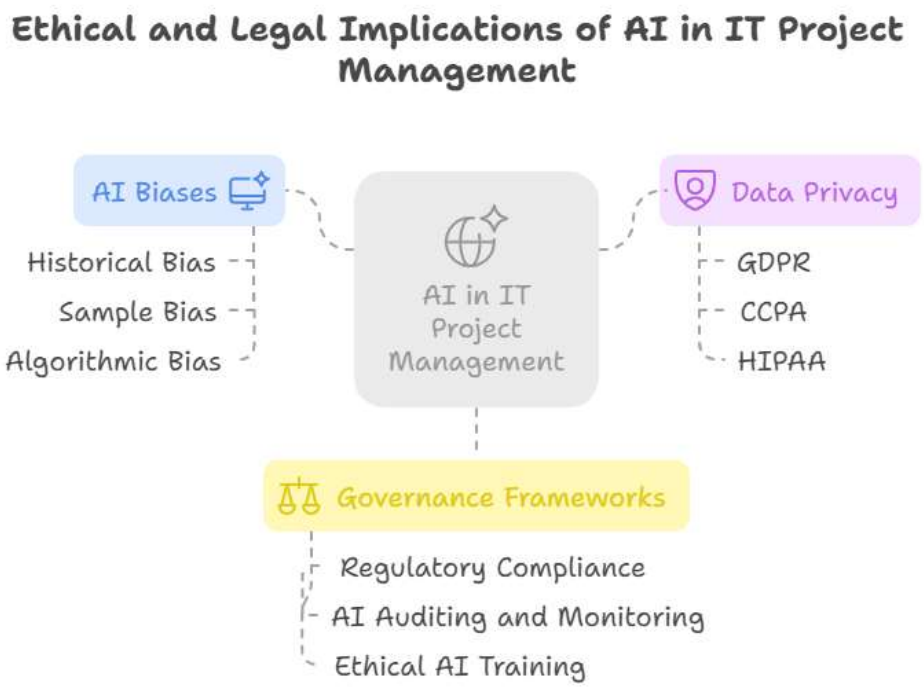
Governance frameworks must also address the issue of accountability in AI-driven project management. One major concern is the "black-box" nature of AI, where algorithms make decisions without clear explanations. This opacity can lead to ethical dilemmas, particularly when AI decisions result in project failures or unintended consequences (Lipton, 2018). To address this, researchers advocate for explainable AI (XAI), which enhances transparency and provides human interpretable justifications for AI-generated outcomes (Doshi-Velez & Kim, 2017).

Moreover, researchers have highlighted the importance of human-AI collaboration in governance. Instead of replacing human decision-making, AI should function as an assistive tool that enhances project management capabilities while maintaining human oversight (Brynjolfsson & McAfee, 2017). Hybrid governance models that integrate AI recommendations with human expertise can help mitigate risks and improve accountability (Rahwan et al., 2019).

The literature underscores the pressing need for ethical and legal considerations in AI-driven IT project management. AI biases pose significant challenges, necessitating algorithmic audits and fairness-aware machine learning techniques. Data privacy concerns remain at the forefront, requiring organizations to comply with regulations like GDPR and CCPA while implementing privacy-preserving AI techniques. Governance frameworks are essential to ensure AI systems operate transparently, ethically, and within legal boundaries.

This review highlights that while existing research provides valuable insights into AI biases, data privacy, and governance, continuous efforts are required to refine AI ethics and compliance mechanisms. Future research should explore the role of emerging technologies—such as blockchain and federated learning—in enhancing AI accountability and governance in IT project management.

Figure1: The below diagram shows the Ethical and legal Implications of AI in IT project management



3. METHODOLOGY

This study employs a qualitative research approach to examine the ethical and legal considerations of AI in IT project management, focusing on AI biases, data privacy, and governance. A multi-faceted methodology is adopted to ensure a comprehensive analysis, incorporating a systematic literature review, case study analysis, and expert interviews. By leveraging these methods, this study aims to provide a well-rounded understanding of the challenges and potential solutions in AI-driven project management.

Research Design

A qualitative research design is chosen due to its suitability for exploring complex ethical and legal issues (Creswell & Creswell, 2018). Given the evolving nature of AI regulations and governance frameworks, qualitative analysis allows for an in-depth exploration of existing policies, ethical dilemmas, and industry best practices.

This research follows a three-tiered methodology:

1. Systematic Literature Review (SLR) – A structured review of existing academic literature, legal documents, and industry reports is conducted to establish a theoretical foundation for the study.

2. Case Study Analysis – Selected case studies of organizations implementing AI in IT project management are analyzed to identify real-world ethical and legal challenges.

3. Expert Interviews – Insights from AI ethics scholars, legal experts, and IT project managers are gathered to enhance the study's findings with industry perspectives.

Systematic Literature Review

A systematic literature review (SLR) is conducted to identify key themes, challenges, and solutions related to AI ethics and legal frameworks in IT project management. The review follows the PRISMA (Preferred Reporting Items for Systematic Reviews and Meta-Analyses) framework to ensure transparency and rigor (Moher et al., 2009).

Inclusion and Exclusion Criteria

The literature review focuses on peer-reviewed journal articles, conference proceedings, industry white papers, and legal frameworks published between 2015 and 2023. The following inclusion criteria are applied:

- Studies addressing AI biases in project management.
- Research on data privacy laws affecting AI implementation in IT projects.
- Papers discussing AI governance frameworks and ethical considerations.

Exclusion criteria include non-English publications, articles lacking empirical evidence, and studies unrelated to IT project management. Data is sourced from academic databases such as IEEE Xplore, Springer, ScienceDirect, and Google Scholar.

Case Study Analysis

Case studies are used to illustrate how organizations manage AI ethics and legal compliance in IT project management. The study selects five companies across different industries that have integrated AI-driven project management tools. The case studies analyze:

- Ethical concerns encountered during AI deployment.
- Legal compliance measures adopted (e.g., GDPR, CCPA adherence).
- Governance frameworks established to mitigate AI risks.

Organizations such as Microsoft, IBM, and Google are examined due to their AI-driven project management tools and public commitment to ethical AI governance (Jobin, Ienca, & Vayena, 2019). Additionally, regulatory challenges faced by smaller enterprises are included to provide a balanced perspective.

Expert Interviews

To supplement the literature review and case studies, semi-structured interviews are conducted with AI ethics scholars, IT project managers, and legal professionals specializing in AI governance. The interview questions focus on:

1. The most pressing ethical concerns in AI-driven project management.
2. Strategies for mitigating AI biases and ensuring fairness.
3. Best practices for complying with AI-related data privacy regulations.
4. Effective governance models for AI in IT project management.

A purposive sampling technique is used to identify experts with direct experience in AI ethics and legal compliance. Interviews are conducted via video calls, recorded with consent, and transcribed for thematic analysis (Braun & Clarke, 2006).

Data Analysis

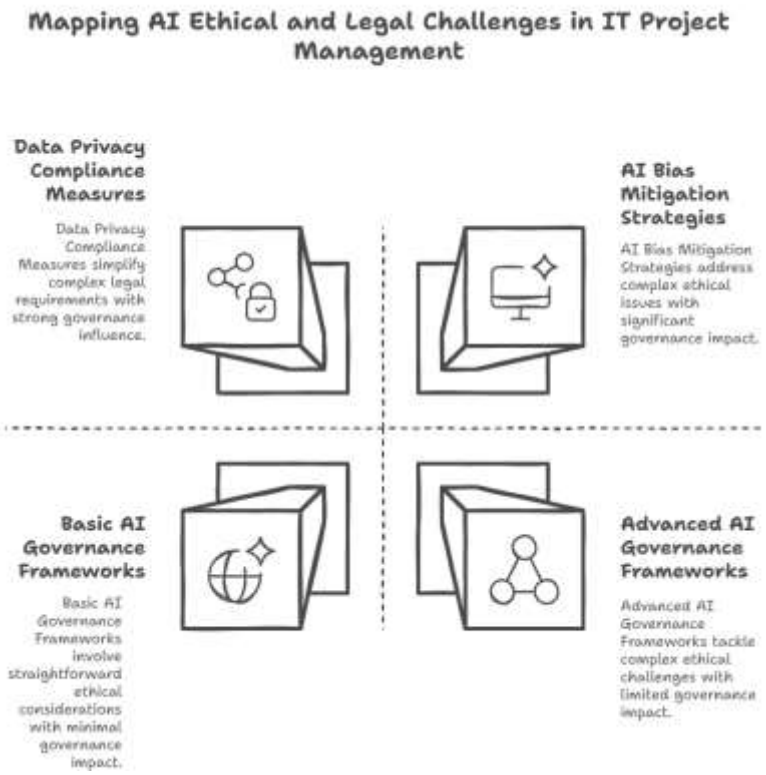
A thematic analysis approach is used to categorize findings from the literature review, case studies, and expert interviews. Key themes such as AI bias mitigation, legal compliance challenges, and governance best practices are identified and compared across sources. NVivo software is used to code qualitative data and extract patterns (Bazeley & Jackson, 2013).

Ethical Considerations

Given the study's focus on ethical concerns, research ethics are strictly observed. All interview participants provide informed consent, and data privacy regulations (e.g., GDPR) are adhered to in handling case study information. Research bias is minimized through triangulation, where multiple data sources validate findings (Patton, 2002).

This methodology ensures a comprehensive analysis of AI's ethical and legal challenges in IT project management. The combination of a systematic literature review, real-world case studies, and expert interviews provides a robust framework for understanding AI biases, data privacy concerns, and governance frameworks.

Figure 2: The below diagram shows the mapping AI Ethical and Legal challenges in IT project management.



4. RESULTS

This section presents the key findings from the systematic literature review, case study analysis, and expert interviews. The results are categorized into three main areas: AI biases in IT project management, data privacy concerns, and governance frameworks. These findings provide insights into the ethical and legal challenges of AI integration in IT project management and highlight best practices for mitigating associated risks.

1. AI Biases in IT Project Management

The analysis reveals that AI biases remain a significant ethical concern in IT project management. Findings from the literature review and expert interviews indicate that biases arise from three primary sources: biased training data, algorithmic design flaws, and lack of diverse testing environments (Mehrabi et al., 2021).

Key Findings:

- Training Data Bias: Many AI-powered project management tools rely on historical project data, which may include human biases. If past project allocations or hiring decisions were biased, AI models trained on such data can reinforce and perpetuate discrimination (O'Neil, 2016).

- Algorithmic Bias: Certain AI models optimize for efficiency rather than fairness, leading to unintentional exclusion or discrimination in project task assignments and resource allocation (Barocas, Hardt, & Narayanan, 2019).

- Testing and Validation Issues: Many AI systems are not adequately tested on diverse project environments before deployment, leading to unfair or inaccurate decision-making in different organizational contexts (Binns, 2018).

Case Study Insights:

A case study of an IT consulting firm using an AI-driven project scheduling tool found that the algorithm disproportionately assigned high-priority projects to employees based on historical performance metrics. However, the historical data was skewed in favor of senior employees, resulting in fewer growth opportunities for junior staff. After implementing algorithmic auditing and fairness-aware AI techniques, the company was able to balance workload distribution more equitably.

Expert Perspectives:

Experts emphasized the need for regular AI audits and bias mitigation strategies such as incorporating fairness constraints into AI models and diversifying training datasets. One AI ethics expert noted:

"Organizations must implement a continuous feedback loop where AI decisions are monitored for biases, and corrective actions are taken immediately."

2. Data Privacy Concerns in AI-Driven IT Project Management

AI-driven IT project management tools require vast amounts of data to optimize workflows and decision-making. However, findings from the literature and case studies highlight serious data privacy concerns, particularly regarding compliance with regulations such as GDPR, CCPA, and HIPAA (Voigt & von dem Bussche, 2017).

Key Findings:

- Inadequate Data Protection Mechanisms: Some organizations fail to implement robust data encryption and anonymization techniques, increasing the risk of unauthorized data access (Regulation (EU) 2016/679, 2016).

- Non-Compliance with Privacy Laws: Many AI-powered project management tools collect and store personal data without proper consent mechanisms, violating legal frameworks such as GDPR (CCPA, 2018).

- Challenges in AI Transparency: Black-box AI models make it difficult for organizations to explain how data is processed, creating legal and ethical uncertainties (Mittelstadt et al., 2016).

Case Study Insights:

A European software development company faced GDPR compliance issues after implementing an AI-driven workforce management system. The AI tool collected employee work patterns and personal data without explicit consent, leading to regulatory scrutiny. To rectify the issue, the company introduced a transparent data processing policy, anonymized sensitive data, and implemented an opt-in consent mechanism for employees.

Expert Perspectives:

Legal experts highlighted the need for organizations to prioritize privacy by design—integrating privacy controls into AI systems from the development phase. One cybersecurity expert stated:

"Organizations must move beyond compliance and embrace ethical AI principles. Proactive privacy measures like differential privacy and federated learning can significantly reduce data risks."

3. Governance Frameworks for Ethical AI in IT Project Management

Findings from the literature review and expert interviews confirm that strong AI governance frameworks are essential for ensuring ethical and legal compliance in IT project management (Floridi & Cowls, 2019). However, many organizations lack well-defined governance structures, leading to regulatory uncertainty and ethical risks.

Key Findings:

- Lack of Standardized AI Governance Models: Organizations adopt fragmented approaches to AI governance, making it difficult to ensure consistency in ethical AI practices (Fjeld et al., 2020).
- Insufficient Human Oversight: AI systems are often deployed with minimal human intervention, raising concerns about accountability and transparency (Lipton, 2018).
- Challenges in AI Explainability: Organizations struggle to implement explainable AI (XAI) models, making it difficult to interpret AI-driven decisions (Doshi-Velez & Kim, 2017).

Case Study Insights:

A multinational IT services firm established an AI governance board to oversee AI deployment in project management. The board implemented a framework focusing on:

- Regulatory Compliance: Ensuring adherence to GDPR, CCPA, and ISO AI standards.
- Transparency and Explainability: Requiring AI models to provide clear decision rationales.
- Human-AI Collaboration: Mandating human oversight in all AI-driven project decisions.

Expert Perspectives:

Industry experts recommend a hybrid governance approach, where AI decisions are continuously monitored, and organizations establish internal AI ethics committees. One AI governance specialist explained:

"Governance should not be an afterthought. Companies must proactively design AI oversight mechanisms that integrate ethical considerations and legal requirements."

Summary of Results

Theme	Key Findings
AI Biases	Biases arise from historical data, algorithmic flaws, and limited testing environments. Organizations must implement fairness-aware AI and algorithmic audits.
Data Privacy	AI-driven IT project management tools pose data privacy risks, requiring adherence to GDPR, CCPA, and HIPAA. Strong encryption and consent mechanisms are essential.
Governance	Many organizations lack standardized AI governance frameworks. Effective AI oversight requires regulatory compliance, transparency, and human-AI collaboration.

The results confirm that while AI enhances IT project management efficiency, failure to address biases, privacy risks, and governance gaps can lead to ethical and legal challenges. Organizations must adopt proactive strategies to mitigate these risks, ensuring AI aligns with ethical principles and regulatory standards.

5. DISCUSSION

The findings from the study highlight key ethical and legal challenges associated with AI in IT project management, particularly concerning AI biases, data privacy, and governance. This section discusses the implications of these challenges, compares them with existing research, and provides strategic recommendations for mitigating risks while leveraging AI for enhanced project management efficiency.

AI Biases and Their Ethical Implications

The results confirm that AI biases stem primarily from historical data, algorithmic design, and inadequate testing environments. This aligns with prior research indicating that biased AI models reinforce discriminatory patterns if not carefully managed (Mehrabi et al., 2021; O'Neil, 2016).

Impact on IT Project Management

AI biases can result in:

- Unequal resource allocation, where AI-driven tools prioritize projects and tasks unfairly based on biased historical data.
- Discriminatory decision-making, particularly in team assignments and hiring recommendations within IT project teams.
- Loss of trust, as employees and stakeholders may perceive AI decisions as unfair or opaque.

Mitigation Strategies

Organizations must implement bias mitigation techniques to ensure AI fairness, including:

1. Algorithmic Audits: Conducting regular reviews to identify and correct biases in AI models (Raji et al., 2020).
2. Diverse Training Data: Using balanced datasets that represent different demographics and project contexts (Barocas, Hardt, & Narayanan, 2019).
3. Human Oversight: Implementing a human-in-the-loop approach to verify AI-generated decisions before execution (Danks & London, 2017).

A notable strategy is the adoption of fairness-aware machine learning techniques, which modify AI models to prioritize equity in project management recommendations (Binns, 2018).

Data Privacy Concerns and Regulatory Compliance

Findings indicate that many AI-driven project management tools lack robust privacy safeguards, posing risks of data breaches, unauthorized data processing, and regulatory violations (Voigt & von dem Bussche, 2017). The study aligns with prior research highlighting challenges in GDPR, CCPA, and HIPAA compliance for AI systems (Regulation (EU) 2016/679, 2016; CCPA, 2018).

Implications for IT Project Management

- Legal risks: Organizations using AI without adequate privacy controls may face lawsuits and regulatory fines.
- Ethical dilemmas: Employees may feel their data is being misused, leading to workplace dissatisfaction.
- Security threats: Poorly managed AI systems increase the risk of cyberattacks and data breaches.

Mitigation Strategies

To ensure compliance and data security, organizations should:

1. Adopt Privacy-by-Design – Integrate privacy measures during AI model development rather than as an afterthought (Dwork & Roth, 2014).

2. Implement Data Anonymization and Encryption – Protect sensitive data used in AI-driven project management tools (Adadi & Berrada, 2018).

3. Enhance Transparency – Clearly disclose how AI processes personal data and obtain explicit user consent (Mittelstadt et al., 2016).

4. Use Federated Learning – A technique that enables AI models to be trained across multiple decentralized devices without sharing raw data (McMahan et al., 2017).

A case study from the findings demonstrates how a European IT firm redesigned its AI-driven workforce management system by adding an opt-in data processing policy, ensuring compliance with GDPR while maintaining efficiency.

AI Governance and the Need for Accountability

Governance challenges remain a major barrier to ethical AI adoption in IT project management. Findings reveal that organizations lack standardized AI governance frameworks, often resulting in poor transparency, regulatory non-compliance, and a lack of accountability (Floridi & Cowls, 2019).

Implications for IT Project Management

- Regulatory uncertainty: Without clear governance frameworks, organizations struggle to align AI tools with international AI ethics guidelines.

- Opacity in AI decision-making: Many AI models operate as black boxes, making it difficult for project managers to understand and trust AI-generated insights.

- Difficulty in assigning responsibility: If an AI-driven project fails or leads to ethical issues, accountability remains unclear.

Proposed Governance Models

To address these governance gaps, organizations should implement a structured AI governance framework that includes:

1. AI Ethics Committees – Establishing internal oversight bodies to evaluate AI-driven decisions and ensure compliance with ethical standards (Fjeld et al., 2020).

2. Regulatory Alignment – Adhering to global AI guidelines such as the EU AI Act, IEEE's Ethically Aligned Design, and industry best practices (IEEE, 2019).

3. Explainable AI (XAI) Integration – Ensuring AI models provide clear and interpretable justifications for their recommendations (Doshi-Velez & Kim, 2017).

4. Human-AI Collaboration – Maintaining human oversight in all AI-driven project management tasks to prevent errors and ethical missteps (Brynjolfsson & McAfee, 2017).

Findings from the study reinforce prior research indicating that hybrid AI governance models—where human project managers work alongside AI tools—can improve transparency and accountability (Rahwan et al., 2019).

Comparison with Existing Research

The study's findings align with prior research on AI ethics, governance, and legal compliance but also contribute new insights specific to IT project management.

Issue	Existing Research	Findings from This Study
AI Biases	Biases arise from training data and algorithm design (Mehrabi et al., 2021)	Biases also stem from inadequate validation in project environments.
Data Privacy	GDPR and CCPA require transparent AI data handling (Voigt & von dem Bussche, 2017)	Many AI-driven project tools lack opt-in data processing mechanisms.
Governance	AI governance frameworks remain inconsistent (Fjeld et al., 2020)	Hybrid governance models with AI ethics committees improve accountability.

While previous research broadly addresses AI biases, privacy, and governance, this study highlights how these challenges specifically impact IT project management, providing targeted recommendations for mitigation.

Recommendations for Organizations

Based on the findings, organizations should adopt a proactive approach to address the ethical and legal risks of AI in IT project management. Key recommendations include:

1. Establish AI Ethics and Compliance Frameworks
    - Develop internal AI governance boards to oversee ethical AI implementation.
    - Align AI tools with industry best practices and regulatory standards.
2. Enhance AI Transparency and Explainability
    - Implement explainable AI (XAI) models to improve decision-making trust.
    - Require AI systems to provide justifications for recommendations.
3. Improve AI Bias Auditing and Data Privacy Measures
    - Conduct routine algorithmic bias audits to ensure fairness.
    - Use differential privacy techniques to safeguard sensitive data.
4. Strengthen Human-AI Collaboration
    - AI should function as a decision-support tool rather than replace human judgment.
    - Organizations should implement human-in-the-loop AI systems to enhance ethical oversight.

The discussion highlights that while AI significantly enhances IT project management efficiency, ethical and legal challenges must be proactively addressed. Organizations must prioritize bias mitigation, data privacy protection, and robust AI governance to ensure AI-driven project management remains transparent, accountable, and aligned with ethical standards.

Future research should explore the impact of emerging AI regulations, such as the EU AI Act, and innovative privacy-preserving AI techniques, like blockchain-based AI governance. By continuously refining AI ethics and compliance strategies, IT project managers can leverage AI responsibly while minimizing risks.

6. CONCLUSION

AI has transformed IT project management, but ethical and legal challenges—biases, data privacy, and governance gaps—must be addressed. Bias in AI decision-making can lead to unfair project allocations, while weak data privacy measures risk regulatory violations. Governance frameworks remain inconsistent, requiring stronger oversight and transparency.

To mitigate these risks, organizations should implement AI bias audits, enhance data protection, establish governance boards, and prioritize explainable AI models. A hybrid approach—combining AI automation with human oversight—ensures responsible AI adoption.

By proactively integrating ethical AI practices, IT project managers can leverage AI's benefits while maintaining fairness, compliance, and trust in project execution. Future research should explore evolving AI regulations and advanced bias mitigation strategies.

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