

**University of Wisconsin Oshkosh – College of Business  
Scholarly Activity Documentation (Tenure Submission)**

**Faculty Member:** Steven A. Schilhabel, DBA

**Department:** Information Systems

**Date Submitted:** January 2026

**Entry ID (optional):** JICES-2026-01

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**Category**

**Refereed Journal Article**       Peer-Reviewed Conference Proceeding       Other  
Scholarly Activity

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**Summary**

This publication supports my sustained research agenda in ethically aligned artificial intelligence, socio-technical systems, and digital transformation in higher education. It contributes to my **AACSB Scholarly Academic (SA)** qualification through publication in a rigorously peer-reviewed international journal published by a recognized academic publisher.

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**Title & Citation (APA)**

Schilhabel, S. A., Sankaranarayanan, B., Subedi, M., & Muraski, J. (2026). *Exploring the impact of artificial intelligence on psychological well-being and inclusivity in higher education*. **Journal of Information, Communication & Ethics in Society**. Emerald Publishing. <https://doi.org/10.1108/JICES-09-2025-0238>

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**Date of Acceptance / Publication**

**Accepted:** January 30, 2026

**Published:** Forthcoming (EarlyCite online publication pending)

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**Organization / Journal Information**

**Journal:** Journal of Information, Communication & Ethics in Society (JICES)

**Publisher:** Emerald Publishing

**Scope:** JICES publishes peer-reviewed interdisciplinary research examining the social, ethical, and policy implications of information and communication technologies, including artificial intelligence, digital governance, and socio-technical systems in organizational and educational contexts.

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**Peer Review Details**

The journal employs a **double-anonymous peer-review process**.

This manuscript underwent multiple rounds of external peer review and was accepted following revision by the Editor after favorable reviewer evaluations.

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**Overview / Abstract Summary**

This study examines how institutional support, digital literacy, AI integration capability, and ethical concerns shape students' perceptions of AI-enabled learning environments. Using

survey data and partial least squares structural equation modeling (PLS-SEM), the research demonstrates how ethical readiness and socio-technical conditions influence psychological well-being, academic flourishing, and inclusivity in higher education.

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### **Quality Indicators**

- Published by **Emerald Publishing**, an established international academic publisher.
  - Journal utilizes a **double-blind peer-review process**.
  - **Indexed in Scopus** and included in recognized academic databases.
  - Journal reports transparent editorial policies and standard review timelines.
  - Not listed on predatory journal watchlists.
  - Journal legitimacy and standing verified independently by the **UW Oshkosh Library** (see attached librarian validation email).
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### **Appendix (Supporting Documentation)**

The following documents are attached in the packet:

1. **Acceptance Email** confirming acceptance date and peer-review completion
2. **Author Accepted Manuscript (AAM) PDF**
3. **Journal Metrics & Peer Review Information** (publisher website screenshots)
4. **Library Validation Email** confirming journal legitimacy and indexing
5. **Final Submitted / Accepted Article Packet**

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## Emerald's green open access policy and self-archiving Instructions

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**From** Journal of Information, Communication & Ethics in Society <onbehalf@manuscriptcentral.com>

**Date** Fri 1/30/2026 3:33 PM

**To** Steve Schilhabel <schilhabels@uwosh.edu>; Sankaranarayanan, Balaji <sankarab@uww.edu>; Meena Subedi <msubedi@carrollu.edu>; John Muraski <muraskij@uwosh.edu>

 1 attachment (602 KB)

Attached standard file:.PDF;

30-Jan-2026

Dear Schilhabel, Steven; Sankaranarayanan, Balaji; Subedi, Meena; Muraski, John,

"Exploring the Impact of Artificial Intelligence on Psychological Well-Being and Inclusivity in Higher Education" - JICES-09-2025-0238.R1

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- Include a clear licensing statement (see below).
- Include the article abstract (see below):

This study examines how institutional and individual capabilities shape ethical AI readiness, psychological well-being, and inclusivity among students as higher education adopts artificial intelligence (AI) tools. Drawing on a socio technical systems framework, we investigate how organizational conditions and student perceptions jointly influence inclusive outcomes in AI-enabled learning environments.

Survey data from 742 students across multiple higher education institutions were used to test a structural model with ten latent constructs. These constructs are Institutional Support (IS), AI Integration Capability (AIC), Digital Literacy (DL), Ethical Concerns (EC), Perceived Educational Value (PEV), Psychological Safety in AI Use (PSAI), Trust in AI Systems (TAIS), Academic Flourishing (AF), Psychological Well Being (PWB), and Inclusivity (INC). Partial least squares structural equation modeling (PLS SEM) was employed to estimate relationships and explanatory power.

IS, AIC, and DL significantly enhance students' perceptions of AI educational value, psychological safety, and trust in AI systems. These perceptual mediators, in turn, positively influence perceived inclusion, academic flourishing, and psychological well-being. The model explains substantial variance in key outcomes ( $R^2$ : PEV = 0.62, TAIS = 0.67, PSAI = 0.59, AF = 0.61, PWB = 0.64, INC = 0.60).

This study is based on a cross-sectional survey, which limits the ability to draw causal conclusions. The sample, while diverse, was confined to U.S.-based higher education institutions, which may affect the generalizability of findings across global contexts. Additionally, reliance on self-reported data introduces potential for response bias. Future research should employ longitudinal and cross-cultural designs to explore how perceptions of AI evolve over time and in varied settings. Despite these limitations, the study offers a replicable ethical framework and empirical model that can inform responsible AI adoption and evaluation practices in higher education.

The findings offer actionable guidance for higher education institutions implementing AI. Investing in

digital literacy and ethical AI integration enhances student trust, well-being, and inclusion. Institutions should prioritize transparent, explainable systems that align with human values and provide user-centered experiences. Ethical concerns must be addressed proactively through governance frameworks, data privacy protections, and inclusive design practices. Trust in AI is not automatic; it must be cultivated through participatory implementation, clear communication, and attention to student agency. Embedding ethics-by-design into AI deployment supports student flourishing and ensures equitable access to the benefits of educational technologies.

This study highlights the broader social consequences of AI adoption in education, particularly regarding equity, inclusion, and mental well-being. AI systems that lack transparency or fairness can exacerbate existing digital divides and disproportionately disadvantage marginalized students. Conversely, ethically aligned AI—designed with justice, autonomy, and psychological safety in mind—can foster more inclusive and supportive learning environments. Institutions have a social responsibility to ensure that AI tools do not replicate systemic biases but instead promote dignity, accessibility, and human flourishing. The findings advocate for participatory, justice-oriented approaches to educational technology governance that prioritize collective well-being over efficiency alone.

The study extends AI adoption research in higher education by integrating psychological safety, trust, ethics, and inclusivity into a socio technical model of AI readiness. It shows that institutional support aligned with values and digital literacy that positions students as critical agents are as important as technical proficiency for responsible AI use. The findings provide actionable implications for institutional strategy, AI policy, and curriculum design.

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**Journal of Information, Communication & Ethics in Society - Decision on Manuscript ID JICES-09-2025-0238.R1**

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**From** Journal of Information, Communication & Ethics in Society <onbehalf@manuscriptcentral.com>

**Date** Fri 1/30/2026 3:32 PM

**To** Steve Schilhabel <schilhabel@uwosh.edu>; Sankaranarayanan, Balaji <sankarab@uww.edu>; Meena Subedi <msubedi@carrollu.edu>; John Muraski <muraskij@uwosh.edu>

30-Jan-2026

Dear Schilhabel, Steven; Sankaranarayanan, Balaji; Subedi, Meena; Muraski, John

It is a pleasure to accept your manuscript JICES-09-2025-0238.R1, entitled "Exploring the Impact of Artificial Intelligence on Psychological Well-Being and Inclusivity in Higher Education" in its current form for publication in Journal of Information, Communication & Ethics in Society. Please note, no further changes can be made to your manuscript.

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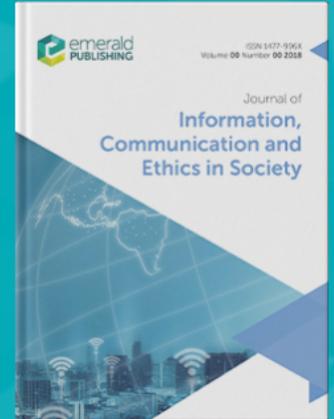
Thank you for your contribution. On behalf of the Editors of Journal of Information, Communication & Ethics in Society, we look forward to your continued contributions to the Journal.

Yours sincerely,

Dr. Antonio Marturano

Editor, Journal of Information, Communication & Ethics in Society

# Journal of Information, Communication and Ethics in Society



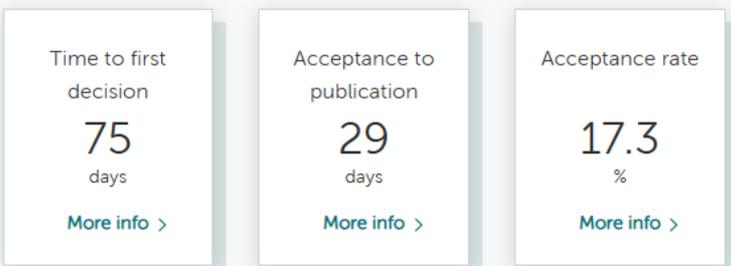
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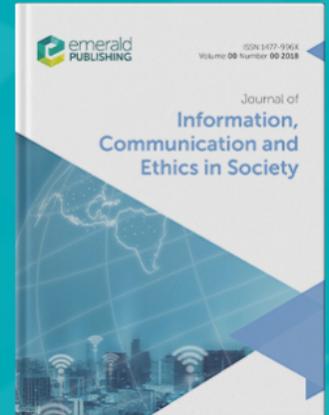
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**From** Erin McArthur <mcarthue@uwosh.edu>

**Date** Mon 2/2/2026 9:54 AM

**To** Steve Schilhabel <schilhabels@uwosh.edu>

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Hope this is helpful!

Best,  
Erin



**Erin McArthur, MLIS**

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Pronouns: she, her, hers

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**From:** Steve Schilhabel <schilhabels@uwosh.edu>

**Sent:** Sunday, February 1, 2026 12:05 PM

**To:** Erin McArthur <mcarthue@uwosh.edu>

**Cc:** infodesk@uwosh.libanswers.com <infodesk@uwosh.libanswers.com>

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Best regards,

**Steve Schilhabel, DBA**

Assistant Professor, Information Systems  
College of Business – UW Oshkosh



**Dr. Steven A. Schilhabel, DBA**

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- The AAM must clearly indicate where the article was published, or where it is forthcoming;
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This study examines how institutional and individual capabilities shape ethical AI readiness, psychological well-being, and inclusivity among students as higher education adopts artificial intelligence (AI) tools. Drawing on a socio technical systems framework, we investigate how organizational conditions and student perceptions jointly influence inclusive outcomes in AI-enabled learning environments.

Survey data from 742 students across multiple higher education institutions were used to test a structural model with ten latent constructs. These constructs are Institutional Support (IS), AI Integration Capability (AIC), Digital Literacy (DL), Ethical Concerns (EC), Perceived Educational Value (PEV), Psychological Safety in AI Use (PSAI), Trust in AI Systems (TAIS), Academic Flourishing (AF), Psychological Well Being (PWB), and Inclusivity (INC). Partial least squares structural equation modeling (PLS SEM) was employed to estimate relationships and explanatory power.

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This study highlights the broader social consequences of AI adoption in education, particularly regarding equity, inclusion, and mental well-being. AI systems that lack transparency or fairness can exacerbate existing digital divides and disproportionately disadvantage marginalized students. Conversely, ethically aligned AI—designed with justice, autonomy, and psychological safety in mind—can foster more inclusive and supportive learning environments. Institutions have a social responsibility to ensure that AI tools do not replicate systemic biases but instead promote dignity, accessibility, and human flourishing. The findings advocate for participatory, justice-oriented approaches to educational technology governance that prioritize collective well-being over efficiency alone.

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# Exploring the Impact of Artificial Intelligence on Psychological Well-Being and Inclusivity in Higher Education

**Dr. Steven A. Schilhabel, D.B.A.**

Assistant Professor, Information Systems  
University of Wisconsin Oshkosh  
ORCID ID: 0009-0009-2566-7606

**Dr. Balaji Sankaranarayanan, Ph.D.**

Professor, Department of Information Technology and  
Supply Chain Management  
University of Wisconsin-Whitewater

**Dr. Meena Subedi, Ph.D., MSA**

Assistant Professor of Accounting  
Carroll University

**Dr. John M. Muraski, D.B.A.**

Teaching Assistant Professor, Information Systems  
University of Wisconsin Oshkosh

# Exploring the Impact of Artificial Intelligence on Psychological Well-Being and Inclusivity in Higher Education

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**Name**  
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University

## Abstract

**Purpose** – This study examines how institutional and individual capabilities shape ethical AI readiness, psychological well-being, and inclusivity among students as higher education adopts artificial intelligence (AI) tools. Drawing on a socio-technical systems framework, we investigate how organizational conditions and student perceptions jointly influence inclusive outcomes in AI-enabled learning environments.

**Design/methodology/approach** – Survey data from students and faculty across multiple higher education institutions were used to test a structural model with latent constructs. These constructs are Institutional Support (IS), AI Integration Capability (AIC), Digital Literacy (DL), Ethical Concerns (EC), Perceived Educational Value (PEV), Psychological Safety in AI Use (PSAI), Trust in AI Systems (TAIS), Academic Flourishing (AF), Psychological Well-Being (PWB), and Inclusivity (INC). Partial Least Squares Structural Equation Modeling (PLS-SEM) was employed to estimate relationships and explanatory power.

**Findings: IS, AIC, and DL significantly enhance students' and faculty perceptions of the educational value of AI**, psychological safety, and trust in AI systems. These perceptual mediators, in turn, positively influence perceived inclusion, academic flourishing, and psychological well-being. The model explains substantial variance in key outcomes ( $R^2$ : PEV = 0.62, TAIS = 0.67, PSAI = 0.59, AF = 0.61, PWB = 0.64, INC = 0.60).

**Originality/value** – The study extends AI adoption research in higher education by integrating psychological safety, trust, ethics, and inclusivity into a socio-technical model of AI readiness. It shows that institutional support aligned with values and digital literacy that positions students as critical agents is as important as technical proficiency for the responsible use of AI. The findings provide actionable implications for institutional strategy, AI policy, and curriculum design.

**Keywords:** Artificial Intelligence, Psychological Well-Being, Inclusivity, Higher Education, PLS-SEM

**Paper type:** Research Paper

## 1. Introduction

Artificial intelligence (AI) is rapidly reshaping higher education, from adaptive learning platforms and automated assessment to predictive analytics and decision support for administrators (Alshadoodee et al., 2022; Wood et al., 2023; Van Slyke et al., 2023). These technologies promise more personalized and efficient learning, yet they also raise pressing questions about their psychological, social, and ethical implications (Bansal et al., 2024; Hol et al., 2024; Tay, 2023). There is limited empirical evidence on how AI in higher education affects students' psychological well-being, sense of inclusion, and trust in AI-supported educational processes (Salhab, 2025; Viberg et al., 2024).

Existing work on AI in education has largely focused on effectiveness and adoption, highlighting how AI can support learning outcomes, engagement, and institutional efficiency (Fitria, 2021; Gupta et al., 2023). At the same time, scholars have raised concerns about accessibility, the digital divide, and mental health in AI-mediated learning environments, as well as the risk that AI systems might reinforce rather than reduce existing inequities (Chopra et al., 2024; Kuleto et al., 2021; Pedro et al., 2019). While conceptual and normative debates about AI ethics in education are growing (Floridi et al., 2018; Zawacki-Richter et al., 2019), there remains a lack of integrated empirical models linking institutional capabilities, students' perceptions of AI, and outcomes related to psychological well-being and inclusivity.

This study addresses this gap by examining how AI Integration Capability (AIC), Digital Literacy (DL), and Ethical Concerns (EC) relate to students' perceptions of AI's educational value (PEV), psychological safety in AI use (PSAI), and trust in AI systems (TAIS), and how these perceptions in turn influence Psychological Well-Being (PWB), Academic Flourishing (AF), and Inclusivity (INC) among students in higher education. Using survey data from students and faculty across multiple institutions and partial least squares structural equation modeling (PLS-SEM) (King & He, 2005), we test a socio-technical model of ethical AI readiness in higher education.

Guided by this model, we ask three research questions: (1) How do institutional and individual capabilities for AI integration (AIC, DL) influence students' psychological well-being, academic flourishing, and perceived inclusivity? (2) What roles do perceived educational value and psychological safety in AI use play in mediating the relationships between AI integration capability and psychological and educational outcomes? (3) How do ethical concerns about AI shape trust in AI systems and, indirectly, students' well-being and flourishing? These questions are further elaborated in the theoretical background and hypotheses section.

The study makes three main contributions. First, it extends AI adoption research in higher education by integrating psychological safety, trust, and ethical concerns with inclusivity and flourishing outcomes, aligning with debates on ethically aligned AI (Floridi et al., 2018; Ryan & Stahl, 2020). Second, it empirically demonstrates how institutional support and digital literacy, understood as positioning students as critical agents rather than passive users, shape perceptions of AI's value, safety, and trustworthiness. Third, it provides evidence-based guidance on institutional strategy, AI policy, and curriculum design to promote the integration of AI in higher education that is psychologically secure and inclusive.

The remainder of this paper is organized as follows. The next section presents the theoretical background, normative underpinnings, and research model, including hypotheses. We then describe the methodology, data, and PLS-SEM approach. The subsequent section reports the empirical results. The discussion section interprets these findings, considering existing literature and implications for practice. The paper concludes by outlining limitations and directions for future research on ethically grounded AI in higher education.

## 2. Literature Review / Theoretical Background

The integration of AI in higher education has sparked growing interest in how to prepare institutions, educators, and students for the responsible and ethical use of these technologies. Existing literature is fragmented and varied, with a strong emphasis on technical adoption, data privacy, governance, and AI capabilities, and comparatively less attention to ethical principles, user capabilities, cognition, and the contextual realities of higher education. To examine the relevance and adequacy of existing AI frameworks in this context, this section first outlines the normative foundations of ethically aligned AI, then reviews work on ethical readiness and institutional capability, digital literacy and AI competency, socio-technical integration and trust, and psychological and educational outcomes.

### *2.1 Normative Foundations of Ethically Aligned AI in Higher Education*

Our theoretical framing is grounded in a normative commitment to ethically aligned AI. Building on the AI4People framework (Floridi et al., 2018) and related work on AI ethics in education (Zawacki-Richter et al., 2019; Holmes et al., 2021), we focus on the principles of beneficence, non-maleficence, autonomy, justice, and explicability as core human values at stake in AI-augmented higher education.

In educational settings, beneficence implies that AI should contribute positively to learning, psychological well-being, and academic flourishing for students and educators. Non-maleficence underscores the need to identify and mitigate potential harms, including surveillance, unfair profiling, discrimination, opacity, and loss of agency, associated with AI systems and their data practices. Autonomy and explicability underscore the importance of users' ability to understand, contest, and meaningfully influence AI-supported decisions, rather than being subject to opaque and unaccountable systems. Justice points to fairness and equitable access to AI-supported educational opportunities across diverse student populations, including those historically marginalized or disadvantaged.

Empirically measuring constructs such as ethical concerns, trust in AI systems, psychological safety in AI use, and perceived educational value, therefore, serves a dual purpose: it evaluates both the effectiveness of AI tools and their alignment with these human values (Floridi et al., 2018; Zawacki-Richter et al., 2019). This study contributes to emerging normative debates on AI in education by operationalizing these ethical and psychological constructs within a socio-technical model and by prioritizing human-centered outcomes (e.g., well-being, flourishing, inclusivity) over purely technical performance or adoption metrics.

### *2.2 Ethical Readiness and Institutional Capability*

The concept of ethical readiness captures institutional and personal preparedness to use AI systems safely, inclusively, and in line with human values. Earlier studies on responsible digital transformation emphasize the urgency of ethical readiness in contexts where AI poses challenges around privacy, bias, transparency, and accountability (Floridi et al., 2018; Jobin et al., 2019). While several ethical AI frameworks have been proposed, they are often idealistic and insufficiently operationalized in concrete learning contexts (Zawacki-Richter et al., 2019; Holmes et al., 2021).

Institutional support (IS) is a key enabler of ethical readiness. IS includes organizational incentives and barriers, financial resources, faculty development, technical infrastructure, and governance mechanisms that guide adoption (Fichman et al., 2014; Venkatesh et al., 2003). In higher education, ethically ready institutions establish policies on digital capacity building, provide training and support for safe and competent use of algorithmic systems, and ensure that safeguards for equity, transparency, and student voice accompany AI adoption. Ethical readiness thus links

abstract ethical principles to organizational capacities and practices that shape how students and faculty encounter AI in their everyday educational work.

### *2.3 Digital Literacy and AI Competency*

Digital literacy (DL) has been widely used to operationalize the extent of digital competence across cognitive, ethical, technical, and critical dimensions (Hague & Payton, 2010; Ng, 2012). In AI-enhanced learning, DL includes technical knowledge of how AI systems function, as well as epistemic and ethical skills for evaluating data, algorithms, and outputs for learning purposes. Users with high digital literacy can understand, question, and navigate the assumptions and limitations of AI models and algorithms, thereby supporting more ethical decision-making and participation (Gyekye, 2025).

Recent literature emphasizes digital literacy not only as a set of skills but as a capability that shapes how users relate to technology, for example, as co-creators versus passive receivers of AI-generated content (Anurogo et al., 2023). Higher levels of digital literacy and criticality are associated with the ability to challenge or mitigate algorithmic opacity, exclusion, and other forms of “computational injustice” that affect students and faculty differently (Gyekye, 2025). At the same time, there remains limited clarity about how such capabilities are assessed and developed equitably in learning contexts where students may differ significantly in their access to AI systems, data literacy, and prior educational opportunities.

### *2.4 Socio-Technical Integration and Trust in AI*

AI Integration Capability (AIC) refers to the socio-technical capacity of individuals and organizations to integrate AI into meaningful learning and decision-making systems (Ghobakhloo, 2020; Sharma et al., 2023). At the institutional level, AIC encompasses infrastructure, interoperability, data governance, stakeholder representation, and feedback loops that collectively support AI adoption. At the individual level, AIC reflects the extent to which educators and students can integrate AI tools into their pedagogical and learning practices in ways that make sense and respect ethical concerns. Successful integration depends on both social and technical affordances, including infrastructure, system interoperability, privacy protections, opportunities for user voice and agency, and the alignment of AI use with educational goals and values (Nguyen et al., 2023).

Trust in AI Systems (TAIS) is one of the most frequently studied mediating constructs in AI adoption research. TAIS is typically conceptualized as a multidimensional, reflective construct that captures perceptions of fairness, reliability, transparency, and goal alignment between users and the institutions that deploy AI (Jandrić, 2021; Holmes et al., 2021). Trust has been shown to mediate relationships between AI capabilities and technology adoption, experimentation, acceptance, and psychological comfort with data collection and learning (Floridi et al., 2018; Bansal et al., 2024). However, trust is fragile. It can quickly erode when users do not understand how a system works, cannot obtain a satisfactory explanation of its logic, or perceive that they are not protected from potential harm. Students may disengage AI systems if they experience them as opaque, surveillant, threatening, or discriminatory, or if the systems fail to meet their learning needs and prior expectations.

To investigate preparedness and responses to AI in educational contexts, we therefore integrate constructs from socio-technical systems theory, ethical technology governance, and psychological theories of well-being and autonomy. Our goal is to contextualize foundational models within the emerging field of ethical AI in higher education, rather than to develop entirely new theory.

### *2.5 Psychological and Educational Outcomes of AI in Learning*

With the increased push to embed AI in learning, its effective and psychological impact has received growing attention. Psychological Safety in AI Use (PSAI) refers to the extent to which a system user feels respected, protected, and safe to use or not use an AI system (Jandrić, 2021; Nguyen et al., 2023). Emerging empirical work suggests that psychological safety is important for experimentation with AI, engagement with AI-mediated learning, and overall well-being.

Perceived Educational Value (PEV) and Academic Flourishing (AF) capture students' and faculty members' perceptions of AI's contributions to learning, motivation, and inclusion. PEV goes beyond the narrowly defined task efficiency or usefulness in technology acceptance models and encompasses perceived alignment with educational goals, fairness, quality, and ethical values (Bansal et al., 2024; Nguyen et al., 2023). Flourishing denotes a more stable state of overall well-being that encompasses autonomous motivation, competence, and a sense of belonging or connection to others within the learning context. AI systems can either support or undermine these dimensions depending on their design, affordances, and governance. Flourishing has been positively correlated with student engagement and self-determined motivation in digital learning environments (Deci & Ryan, 2000).

Finally, Inclusivity (INC) and Psychological Well-Being (PWB) are often considered primary outcome constructs in research on technology adoption in educational settings. Students from marginalized backgrounds have historically been more vulnerable to algorithmic discrimination, surveillance, and exclusion, yet could gain the most from systems designed to be transparent, trustworthy, and fair (Chan, 2023). Recent literature emphasizes the importance of inclusive design and the alignment of AI technologies with the needs of diverse learning systems, individuals, and epistemologies (Selwyn, 2019; Nwankwo et al., 2021). By examining how AIC, DL, and ethical concerns relate to PEV, PSAI, and TAIS, and, in turn, to PWB, AF, and INC, this study connects the socio-technical and normative foundations of ethical AI integration with concrete psychological and educational outcomes in higher education.

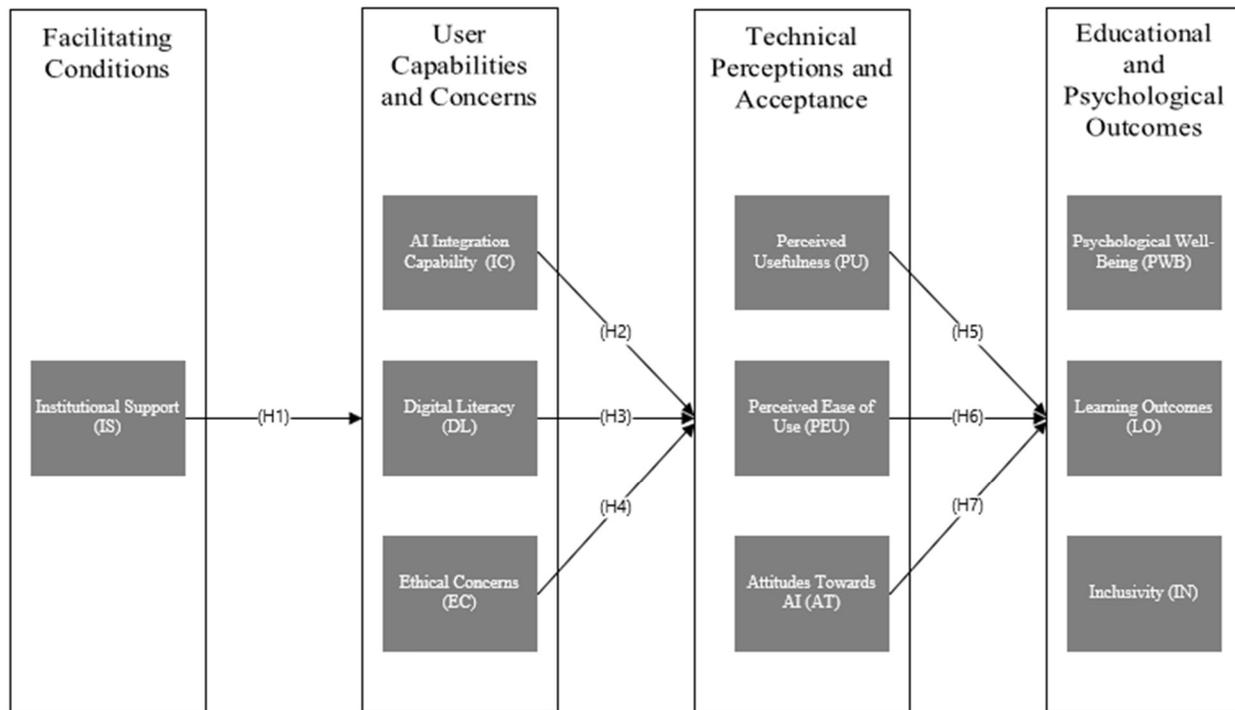
### **3. Research Model and Hypotheses Development**

The research model (Figure 1) examines the institutional, cognitive, ethical, and perceptual antecedents of the AI experience in higher education from the perspectives of students and faculty. Drawing on socio-technical systems theory, digital ethics, and psychological well-being literature, we propose a set of structural, capability, and ethical-readiness antecedents and examine their relationships with key psychological and educational outcomes using PLS-SEM.

Conceptually, we organize the model into four stages. Facilitating conditions capture institutional support (IS) that shapes students' and faculty members' opportunities to develop digital capabilities, address ethical concerns, and engage with AI-enhanced educational experiences. Digital readiness and concerns reflect AI Integration Capability (AIC), Digital Literacy (DL), and Ethical Concerns (EC) at the individual and institutional levels. Ethical perceptions and trust dimensions include perceived educational value (PEV), psychological safety in AI use (PSAI), and trust in AI systems (TAIS), which mediate the effects of structural and capability antecedents on attitudes and engagement with AI in education. Finally, educational and psychological outcomes include psychological well-being (PWB), academic flourishing (AF), and inclusivity (INC).

For clarity, we present hypotheses at the construct level (H1–H7). In the empirical analysis, these are decomposed into sub-hypotheses (e.g., H1a, H1b, H1c) that correspond to specific paths in the structural model. The conceptual model is shown in Figure 1.

**Figure 1: Conceptual Model of Institutional, Ethical, and Psychological Dimensions of AI Integration in Higher Education.**



### 3.1 Ethical Dimensions of AI Readiness

**Institutional Support (IS).** We define IS as a set of organizational conditions, structures, and resources that enable and incentivize the responsible and effective use of AI and other emerging technologies in higher education. It encompasses material and non-material dimensions, including funding, infrastructure, governance, policy, faculty development, and stakeholder engagement, to support the ethical and inclusive adoption and use of technology. Prior research has established that institutional support positively affects the use of digital technology in higher education by enhancing perceptions of integration capability and digital literacy and by reducing ethical concerns (Venkatesh et al., 2003; Fichman et al., 2014; Floridi et al., 2018). As such, it signals the organization's commitment and readiness to facilitate the adoption and use of emerging technologies in an ethical and user-centered manner. We propose that:

**H1: Institutional Support (IS) positively affects Artificial Intelligence (AI) Integration Capability and Digital Literacy (DL) and negatively affects Ethical Concerns (EC).**

**AI Integration Capability (AIC).** As described previously, we define AIC as the socio-technical capacity of individuals and organizations to adopt and integrate AI into daily operations in a way that makes pedagogical sense and addresses salient ethical concerns. This involves both technical infrastructure and foresight and responsiveness to incorporate adequate value alignments and safety precautions for inclusive and responsible adoption (Ghobakhloo, 2020; Sharma et al., 2023). AIC, thus, refers to the digital readiness of individuals and organizations to meet the technical and ethical demands of effective and inclusive AI adoption and use. AIC should be distinguished from related constructs, such as individual readiness (Zhang et al., 2019), technological readiness (Venkatesh et al., 2012), and ethical culture (Siponen & Vance, 2010), which may contribute to or overlap with AI integration capability to some degree. Institutions with high AIC provide relevant training to faculty, staff, and students on the ethical and effective use of AI systems, involve users in the design and implementation processes, and ensure that appropriate safeguards for equity and transparency are in place (Nguyen et al., 2023). Institutions with low AIC are less likely to have these capabilities

and resources, which could lead to more negative perceptions of AI and lower self-efficacy for AI use. We thus expect:

**H2: AI Integration Capability (AIC) positively affects Perceived Educational Value, Trust in AI Systems, and Psychological Safety.**

**Digital Literacy (DL).** We define DL as the constellation of cognitive, technical, and ethical skills and awareness that empower users to understand and use digital technologies meaningfully (Ng, 2012; Gyekye, 2025). In the AI-enhanced learning context, it includes technical skills and awareness to navigate, operate, and engage with the system's affordances and features; cognitive and critical skills and awareness to interpret, verify, and scrutinize digital data, algorithmic processes, and evidence on which AI draws and to question the design values and purposes it is embedded with (Gyekye, 2025). Digital literacy also encompasses a constellation of privacy and security awareness and skills for protecting one's data and identity (Sharma et al., 2022). DL is a foundational ethical concern in AI-enhanced learning and a basic ethical capability in digital environments. Low digital literacy often underlies ethical concerns regarding AI-enhanced education, especially among higher education students (Holmes et al., 2021). Digitally literate higher education users are expected to hold more positive views of AI, have more trust in its proper use, and feel more psychologically safe when using AI systems.

**H3: Digital Literacy (DL) positively affects Perceived Educational Value, Trust in AI Systems, and Psychological Safety.**

**Ethical Concerns (EC).** We define EC as the perception of AI system users and stakeholders about the risks, potential harms, or unfairness associated with AI system use. This can include, but is not limited to, the lack of transparency and explainability (Floridi et al., 2018), bias and discrimination (Zawacki-Richter et al., 2019), surveillance and data privacy (Holmes et al., 2021), and lack of human control and agency (Jandrić, 2021) of AI systems and decision-making. Ethical concerns are a barrier to the adoption and use of AI systems. It is related to the system and its ethical issues and perceived indirectly through technology. When ethical concerns are high, technology users may disengage from or feel threatened by AI systems regardless of their performance or functionality. We thus propose that:

**H4: Ethical Concerns (EC) negatively affect Perceived Educational Value, Trust in AI Systems, and Psychological Safety.**

### *3.2 Hypotheses on Predictors of AI-Enhanced Learning Outcomes*

The study also addresses which higher-order psychological and educational outcomes are predicted by the three “intermediate” ethical constructs—value judgments, emotional safety, and trust. As is common in technology acceptance and ethics research (Venkatesh et al., 2003; Floridi et al., 2018; Nguyen et al., 2023), these affective and cognitive judgments and perceptions are assumed to mediate the relationships between structural and user resource antecedents and higher-order usage intentions and system-related outcomes.

**Perceived Educational Value (PEV).** PEV is one's judgment or belief that AI tools, systems, or technologies are conducive and beneficial to educational tasks such as teaching and learning, and of good or higher quality. PEV is a more inclusive construct than the commonly used system usefulness or instrumental value in TAM, which refers narrowly to how effectively the system enables one to complete work or learning tasks. The educational value of technology is often,

though not always, aligned with its usefulness to the system. However, it also reflects personal and normative judgments, perceptions of fairness, alignment with educational goals, and ethical values (Nguyen et al., 2023). When students and faculty members perceive AI as educationally valuable, they are more likely to use it to flourish academically and psychologically and to perceive AI-enhanced education as inclusive and equitable.

**H5: Perceived Educational Value (PEV) positively affects Academic Flourishing, Psychological Well-Being, and Inclusivity.**

**Psychological Safety in AI Use (PSAI).** Psychological safety in AI use refers to one's perceptions and feelings of emotional safety, respect, and freedom from harm or judgment when using AI tools, systems, or technologies. It reflects users' sense of security and respect in AI-mediated learning and work, as well as their belief that they can engage with AI systems without fear, anxiety, or discrimination (Floridi et al., 2018; Nguyen et al., 2023). When users feel psychologically safe when using AI systems, they are more likely to use AI for academic flourishing and to perceive AI-enhanced learning as inclusive and respectful of all students, especially those who are often underrepresented or vulnerable.

**H6: Psychological Safety in AI Use (PSAI) positively affects Academic Flourishing, Psychological Well-Being, and Inclusivity.**

**Trust in AI Systems (TAIS).** Trust in AI systems captures users' beliefs about the extent to which AI systems are dependable, fair, transparent, and aligned with their values and interests (Holmes et al., 2021; Jandrić, 2021). Trust is a prerequisite for engaging with AI systems and the psychological mechanism through which AI acceptance, usage intentions, and technology-mediated outcomes are shaped (Gyekye, 2025). The higher one's trust in AI systems is, the more likely one will accept, use, and achieve positive outcomes from AI systems (Zhu et al., 2023). Low trust may lead to rejection of AI systems and poorer educational and psychological outcomes, even when the technology is functionally effective and reliable.

**H7: Trust in AI Systems (TAIS) positively affects Academic Flourishing, Psychological Well-Being, and Inclusivity.**

## **4. Methodology**

### *4.1 Sample and Data Collection*

This study employed a cross-sectional survey design to examine the impact of institutional and individual factors on the ethical adoption of AI and the psychological outcomes of AI integration in higher education. The sample consisted of faculty and students from U.S. higher education institutions. Participants were recruited through Cloud Research, an online panel provider with established academic research sampling capabilities.

The survey was administered online in late 2023 following Institutional Review Board (IRB) approval at a U.S.-based university. The research was conducted in accordance with institutional and national ethical guidelines for research with human participants. Participation was voluntary, electronically informed consent was obtained, respondents could withdraw at any time, and no personal identifiers were collected. Data were anonymized before analysis.

A total of 183 usable responses remained after data cleaning. Screening followed standard procedures, including checks for missing data, response time, and straight-lining. The resulting

dataset was suitable for multivariate analysis, with skewness and kurtosis values within acceptable limits.

#### 4.2 Measures

The survey instrument was developed using validated measures from the existing literature and adapted to the context of AI in higher education. Each construct in the conceptual model was measured using multiple items on seven-point Likert scales (1 = “strongly disagree” to 7 = “strongly agree”). Scale adaptation involved semantic matching and the adjustment of items to the educational context of AI (e.g., teaching, learning, assessment). Content validity for each construct was reviewed by three subject-matter experts in information systems and digital pedagogy. Table 1 summarizes the constructs, item sources, number of items, and example items.

**Table 1: A Listing of Survey Constructs and Items**

Construct	Source	# Item	Sample Item	Scale
Institutional Support (IS)	Venkatesh et al., 2003	5	"My institution provides adequate resources for AI adoption."	7-pt Likert
AI Integration Capability (AIC)	Sharma et al., 2023	4	"Faculty are supported in integrating AI tools into teaching."	7-pt Likert
Digital Literacy (DL)	Ng, 2012	6	"I can critically evaluate AI-generated outputs."	7-pt Likert
Ethical Concerns (EC)	Floridi et al., 2018; Holmes et al., 2021	5	"I am concerned about how AI systems use personal data."	7-pt Likert
Perceived Educational Value (PEV)	Nguyen et al., 2023	4	"AI tools support meaningful learning experiences."	7-pt Likert
Psychological Safety in AI Use (PSAI)	Nguyen et al., 2023	4	"I feel safe using AI tools in my academic work."	7-pt Likert
Trust in AI Systems (TAIS)	Floridi et al., 2018	4	"I trust AI systems to act in ways that support my learning."	7-pt Likert
Academic Flourishing (AF)	Bansal et al., 2024	3	"AI helps me feel more motivated and engaged in my studies."	7-pt Likert
Psychological Well-Being (PWB)	Deci and Ryan, 2000	3	"I feel a sense of well-being when using AI in education."	7-pt Likert
Inclusivity (IN)	Chan, 2023	3	"AI tools make me feel included and supported in learning."	7-pt Likert

#### 4.3 Data Screening and Analysis

Following established PLS-SEM guidelines, construct validity was assessed by evaluating the reflective measurement model. Indicator reliability was examined using outer loadings, and measures with insufficient loadings were identified during model evaluation. All retained constructs met thresholds for internal consistency, convergent validity, and discriminant validity. Composite reliabilities exceeded 0.80 for all constructs, and average variance extracted (AVE) values were greater than 0.50 (Fornell and Larcker, 1981).

Discriminant validity was further tested using the Fornell–Larcker criterion and Heterotrait–Monotrait (HTMT) ratios. All constructs were empirically distinct, and no HTMT value exceeded the conservative threshold of 0.85. Multicollinearity was not a concern, as variance inflation factors (VIFs) were below 3.0.

The structural model was tested using PLS-SEM. The sample size ( $N = 183$ ) exceeded commonly recommended minimum requirements for PLS-SEM analysis. Path coefficients were bootstrapped (2,000 samples) to assess robustness and statistical significance.

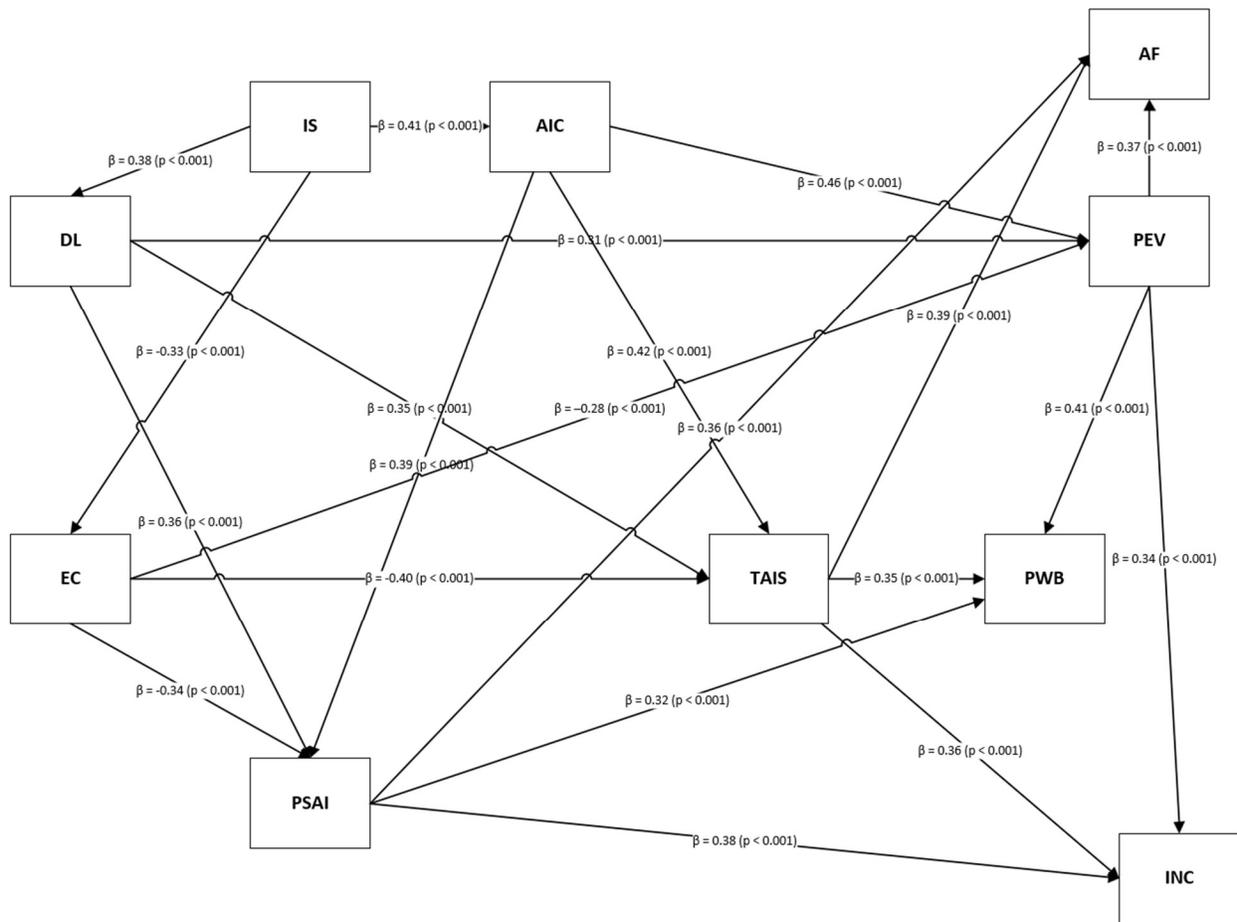
Learning Outcomes (LO) and traditional Technology Acceptance Model (TAM) constructs, including Perceived Usefulness (PU), Perceived Ease of Use (PEU), and Attitudes Toward AI (AT), were initially included in exploratory model specifications. To improve parsimony and theoretical coherence, these constructs were dropped from the final model because their structural paths were not statistically significant ( $p > 0.05$ ). The final structural model, therefore, retains only constructs with significant direct or indirect effects.

## 5. Results

### *5.1 Measurement Model*

The measurement model was evaluated using PLS-SEM. All indicator loadings (FL) were greater than 0.70 and statistically significant ( $p < 0.001$ ). Composite reliability (CR) values ranged from 0.84 to 0.93, and the average variance extracted (AVE) values were above the threshold of 0.50 for all constructs, further indicating acceptable internal consistency and convergent validity. Discriminant validity was established using the Fornell–Larcker criterion and HTMT ratios, with all values below 0.85 and each construct's AVE greater than its squared correlations with all other constructs. Multicollinearity was not an issue, with all VIFs below 2.5. Figure 2 presents the structural equation model with standardized path coefficients.

**Figure 2. PLS-SEM structural model with standardized path coefficients**



**Note.** IS = Institutional Support; AIC = AI Integration Capability; DL = Digital Literacy; EC = Ethical Concerns; PEV = Perceived Educational Value; PSAI = Psychological Safety in AI Use; TAIS = Trust in AI Systems; AF = Academic Flourishing; PWB = Psychological Well-Being; INC = Inclusivity.

The table below (2) shows the results of the measurement model.

**Table 2: Measurement Model Results**

Construct	CR	AVE	Cronbach's $\alpha$	Min FL	Max FL
Institutional Support (IS)	0.89	0.63	0.87	0.74	0.84
AI Integration Capability (AIC)	0.88	0.65	0.86	0.75	0.85
Digital Literacy (DL)	0.90	0.62	0.89	0.72	0.86
Ethical Concerns (EC)	0.84	0.58	0.82	0.71	0.79
Perceived Educational Value (PEV)	0.91	0.72	0.90	0.77	0.87
Psychological Safety (PSAI)	0.90	0.69	0.89	0.76	0.86
Trust in AI Systems (TAIS)	0.89	0.70	0.87	0.78	0.85
Academic Flourishing (AF)	0.86	0.67	0.84	0.74	0.84
Psychological Well-Being (PWB)	0.88	0.66	0.86	0.75	0.83
Inclusivity (IN)	0.87	0.68	0.85	0.76	0.85

**Note.** CR = Composite Reliability, AVE = Average Variance Extracted, FL = Factor Loading.

## 5.2 Structural Model

The structural model was estimated using PLS-SEM with bootstrapping to assess the robustness and statistical significance of path coefficients.

### Antecedents of Perceptions (H1–H4)

Institutional Support significantly predicted AI Integration Capability ( $\beta = 0.41, p < 0.001$ ) and Digital Literacy ( $\beta = 0.38, p < 0.001$ ), supporting H1a and H1b. IS negatively predicted Ethical Concerns ( $\beta = -0.33, p < 0.001$ ), supporting H1c.

AI Integration Capability significantly predicted Perceived Educational Value ( $\beta = 0.46, p < 0.001$ ), Trust in AI Systems ( $\beta = 0.42, p < 0.001$ ), and Psychological Safety ( $\beta = 0.39, p < 0.001$ ), supporting H2a–H2c.

Digital Literacy also significantly predicted PEV ( $\beta = 0.31, p < 0.001$ ), TAIS ( $\beta = 0.35, p < 0.001$ ), and PSAI ( $\beta = 0.36, p < 0.001$ ), confirming H3a–H3c.

Ethical Concerns negatively predicted PEV ( $\beta = -0.28, p < 0.001$ ), TAIS ( $\beta = -0.40, p < 0.001$ ), and PSAI ( $\beta = -0.34, p < 0.001$ ), supporting H4a–H4c.

### Perceptions Predicting Outcomes (H5–H7)

Perceived Educational Value significantly predicted Academic Flourishing ( $\beta = 0.37, p < 0.001$ ), Psychological Well-Being ( $\beta = 0.41, p < 0.001$ ), and Inclusivity ( $\beta = 0.34, p < 0.001$ ), supporting H5a–H5c.

Psychological Safety in AI Use was associated with AF ( $\beta = 0.36, p < 0.001$ ), PWB ( $\beta = 0.32, p < 0.001$ ), and INC ( $\beta = 0.38, p < 0.001$ ), supporting H6a–H6c.

Trust in AI Systems also predicted AF ( $\beta = 0.39, p < 0.001$ ), PWB ( $\beta = 0.35, p < 0.001$ ), and INC ( $\beta = 0.36, p < 0.001$ ), supporting H7a–H7c. These results are shown in Table 3 below.

**Table 3: Structural Model Results and Hypothesis Tests**

Hypothesis	Path	$\beta$	SE	p-value	Supported
H1a	IS → AIC	0.41	0.05	<0.001	Yes
H1b	IS → DL	0.38	0.06	<0.001	Yes
H1c	IS → EC	-0.33	0.05	<0.001	Yes
H2a	AIC → PEV	0.46	0.04	<0.001	Yes
H2b	AIC → TAIS	0.42	0.05	<0.001	Yes
H2c	AIC → PSAI	0.39	0.05	<0.001	Yes
H3a	DL → PEV	0.31	0.04	<0.001	Yes
H3b	DL → TAIS	0.35	0.04	<0.001	Yes
H3c	DL → PSAI	0.36	0.04	<0.001	Yes
H4a	EC → PEV	-0.28	0.04	<0.001	Yes
H4b	EC → TAIS	-0.40	0.05	<0.001	Yes
H4c	EC → PSAI	-0.34	0.04	<0.001	Yes
H5a	PEV → AF	0.37	0.05	<0.001	Yes
H5b	PEV → PWB	0.41	0.04	<0.001	Yes
H5c	PEV → INC	0.34	0.04	<0.001	Yes
H6a	PSAI → AF	0.36	0.05	<0.001	Yes
H6b	PSAI → PWB	0.32	0.05	<0.001	Yes
H6c	PSAI → INC	0.38	0.04	<0.001	Yes

<b>H7a</b>	TAIS → AF	0.39	0.04	<0.001	Yes
<b>H7b</b>	TAIS → PWB	0.35	0.05	<0.001	Yes
<b>H7c</b>	TAIS → INC	0.36	0.05	<0.001	Yes

**Note.** IS = Institutional Support; AIC = AI Integration Capability; DL = Digital Literacy; EC = Ethical Concerns; PEV = Perceived Educational Value; TAIS = Trust in AI Systems; PSAI = Psychological Safety in AI Use; AF = Academic Flourishing; PWB = Psychological Well-Being; INC = Inclusivity. All paths are significant at  $p < 0.001$ .

Table 4 presents the variance explained by each key outcome variable.

**Table 4: Variance Explained in Key Outcome Variables**

<b>Outcome Variable</b>	<b>R<sup>2</sup></b>
<b>Perceived Educational Value (PEV)</b>	0.62
<b>Trust in AI Systems (TAIS)</b>	0.67
<b>Psychological Safety in AI Use (PSAI)</b>	0.59
<b>Academic Flourishing (AF)</b>	0.61
<b>Psychological Well-Being (PWB)</b>	0.64
<b>Inclusivity (IN)</b>	0.60

**Note.** R<sup>2</sup> values represent the proportion of variance explained by the structural model for each endogenous variable.

## 6. Discussion

This study makes several contributions to the emerging literature on ethical readiness and the use of AI in higher education. It extends existing models of technology adoption, foregrounds institutional and capability factors, and links ethical-perceptual constructs to psychological and educational outcomes. This section discusses the theoretical contributions, practical and policy implications, and ethical implications of the findings.

### 6.1 Theoretical Contributions

First, this research builds on and extends models of technology adoption and implementation by offering a multidimensional understanding of ethical readiness that moves beyond a narrow focus on access, skills, and intention. Ethical readiness is conceptualized as a composite of structural, cognitive, and affective-perceptual factors. The significant effects of institutional support on AI Integration Capability and Digital Literacy suggest that ethical readiness is not only a technical or infrastructural feature of AI adoption but also a capacity for social and educational empowerment in the context of AI. For meaningful and equitable AI integration, institutional support must span reliable access, pedagogical adoption, faculty development, and student engagement.

Second, the study reconceptualizes AI Integration Capability as an outcome of technical readiness and the socio-technical process of human-centric governance and responsible design. The strong effects of AIC on psychological safety, trust, and perceived educational value support the argument that implementation and deployment of AI technologies in higher education are ongoing, participatory processes that require stakeholder inclusion and feedback.

Third, the direct effects of Digital Literacy on perceptions of AI reinforce recent calls to view digital literacy as a form of ethical empowerment. Higher education institutions must recognize that students' cognitive and affective perceptions of digital technologies shape how AI is interpreted and used in teaching and learning.

Fourth, the findings underscore the central role of perceived constructs—trust, educational value, and psychological safety—in fostering users' academic flourishing, psychological well-

being, and sense of inclusion. These ethical-perceptual mediators link institutional and capability antecedents with the broader psychological and educational outcomes of AI-enhanced learning.

### *6.2 Practical and Policy Implications*

The results have several implications for higher education leaders, policymakers, and digital transformation stakeholders. First, given the direct and indirect effects of Institutional Support, AI Integration Capability, and Digital Literacy on perceptions of AI and student flourishing, institutions should invest not only in infrastructure but also in faculty development, student support, transparent AI governance, and inclusive pedagogies that center students and their communities.

Second, the central role of Digital Literacy in shaping perceptions of AI suggests that literacy should be conceptualized as more than software skills or tool-specific training. AI literacy initiatives should incorporate algorithmic bias and fairness, privacy and data protection, critical data awareness, the impact of automation on self and community, and general online safety.

Third, institutions and policymakers should proactively address students' and educators' ethical concerns, rather than merely treating them as reputational or compliance issues. This includes clear data governance and AI policies, accessible guidelines for ethical AI adoption, and mechanisms for stakeholders to raise concerns and participate in decision-making.

Finally, the strong associations between psychological safety and outcomes imply that investing in users' perceptions of AI systems as psychologically safe is integral to AI adoption success. Users are more likely to engage, feel supported, and flourish when they perceive AI initiatives as inclusive, respectful, and responsive to their needs.

### *6.3 Ethical Implications for AI in Higher Education*

Given the focus of this study on AI in higher education, a range of ethical issues arises. The normative framing draws on the AI4People framework (Floridi et al., 2018), which articulates the principles of beneficence, non-maleficence, autonomy, justice, and explicability. These principles informed the design of constructs related to transparency, fairness, and instructional integrity and guided our interpretation of ethical concerns, trust, psychological safety, and inclusivity.

The findings highlight that ethical principles cannot remain purely abstract. Beneficence and non-maleficence are reflected in whether AI use is associated with higher psychological well-being and flourishing or, conversely, with heightened concern and disengagement. Autonomy and explicability are implicated in users' perceptions of psychological safety and trust, particularly when AI systems are opaque or perceived as surveillant. Justice is directly tied to inclusivity outcomes and to whether AI tools are experienced as supportive by students from different backgrounds.

For the JICES readership, the study underscores that building ethically aligned AI in education requires integrated attention to institutional governance, capability-building, and user perceptions, rather than relying on technical performance or compliance-oriented frameworks alone. The final SEM results (Figure 2) illustrate the predictive power of digital literacy and integration capability across affective and ethical outcomes, providing evidence-based levers for more just, human-centered AI integration.

## **7. Limitations and Future Research**

### *7.1 Limitations*

Notwithstanding these contributions, the present research has limitations. First, although the sample is diverse with respect to relevant sociodemographic characteristics within the U.S. context, the findings may not generalize to other educational systems or countries. The model should be tested in other contexts and at multiple levels, including institutional and regional (Zawacki-Richter

et al., 2019). Second, the study relies on self-report survey data. Despite the use of attention checks and plausibility screening, self-report methods remain vulnerable to common method bias and social desirability bias. Future research should incorporate additional, more objective data sources to triangulate findings, such as system usage logs, learning analytics, institutional records, or third-party indicators of well-being.

Further, the cross-sectional design limits causal inference. Although the hypothesized effects are grounded in theory and prior evidence, and the structural model explains substantial variance in the endogenous constructs, the study cannot capture temporal, lagged, or reciprocal effects. Finally, the use of a non-probability online panel may bias results toward respondents who are more familiar or comfortable with AI technologies and may not fully represent all institutional types, regions, or demographic subgroups in U.S. higher education.

## *7.2 Future Research*

To address these limitations, future studies could pursue several avenues. Cross-national replications could examine how cultural differences and institutional or policy-level factors moderate AI adoption and its psychological and educational effects. Conducting studies on otherwise matched samples across different countries or regions would provide additional evidence on the external validity and context-specific moderators of the reported effects.

Longitudinal studies could clarify how perceptions, use, and outcomes of AI in education evolve, enabling stronger inferences about directionality and potential feedback loops. Experimental or quasi-experimental designs could further unpack the specific effects of AI tools and interventions on learning and psychological outcomes. Finally, multi-method, multi-informant studies that combine behavioral data, qualitative interviews, and institutional documentation could better capture the mechanisms by which AI is integrated into educational systems and track the effects of AI on trust, inclusion, and flourishing over time.

## **8. Conclusion**

This study investigated how institutional support, AI integration capability, digital literacy, and ethical concerns relate to students' perceptions of AI's educational value, psychological safety, and trust, and how these perceptions, in turn, influence psychological well-being, academic flourishing, and inclusivity in higher education. Drawing on a socio-technical, ethics-centered framework, the study demonstrates that ethical readiness for AI involves intertwined structural, capability, and perceptual dimensions rather than merely technical access or intention to use.

Empirically, the results show that institutional and capability factors strongly shape ethical-perceptual mediators, which then account for substantial variance in key psychological and educational outcomes. Conceptually, the work develops an ethical, student-centered model for AI adoption in higher education that integrates normative AI ethics, socio-technical systems theory, and psychological theories of well-being.

For researchers and practitioners, the framework and findings provide a multidisciplinary knowledge base for building, maintaining, and improving human–AI ecosystems in higher education. They also open avenues for future research to deepen understanding of the social and psychological dimensions of AI integration and to identify policies and practices that support the ethically aligned, inclusive, and psychologically secure use of AI for diverse learners.

## **Declaration of AI**

During manuscript preparation, the authors used ChatGPT (OpenAI) to improve the clarity and readability of the text (e.g., by suggesting alternative phrasing for sentences drafted by the authors). All substantive content, interpretations, and revisions are the authors' own, and the authors take full responsibility for the final version of the paper.



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