

The Role of Artificial Intelligence in Enhancing Fairness and Efficiency in Minimum Wage Adjustments

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Abstract

This study investigates the role of Artificial Intelligence (AI) in enhancing fairness and efficiency in minimum wage adjustments. With a focus on understanding participants' perspectives, data were collected from 36 individuals employed across various sectors. The analysis revealed that a significant majority (83%) of participants were employed full-time, primarily from the public sector (78%). Familiarity with AI was moderate, with 50% reporting familiarity, while knowledge of minimum wage adjustment processes varied. Participants expressed strong support for AI's potential to improve data analysis (46%) and reduce biases in wage policies (22%). However, challenges, including implementation costs (26.32%) and public trust in AI (27.66%), were also identified. The findings suggest a cautious optimism regarding AI's effectiveness in ensuring fair wage adjustments, with 70% of respondents acknowledging its potential. The study emphasizes the need for diverse representation, stakeholder collaboration, and ethical considerations in AI implementation. Recommendations are provided to facilitate AI integration into wage policy processes, ensuring comprehensive insights and equitable outcomes.

Keywords: Artificial Intelligence, Minimum Wage Adjustments, Algorithmic Bias, Data Privacy

Introduction

As the economic landscape continues to evolve rapidly, the methods used to adjust minimum wages must also adapt to ensure they remain effective and equitable. Traditional approaches to minimum wage adjustments often involve lengthy deliberations and rely on periodic reviews of economic indicators, which can lead to outdated and insufficient responses to current economic conditions. This process may not adequately address the immediate needs of workers or reflect the real-time economic environment.

In recent years, artificial intelligence (AI) has emerged as a transformative technology with the potential to revolutionize various sectors, including economic policy and labor market adjustments. AI's capability to process and analyze vast amounts of data in real-time offers a promising alternative to traditional wage-setting methods. By leveraging machine learning algorithms and predictive analytics, AI can provide more timely, accurate, and data-driven recommendations for minimum wage adjustments.

This opinion paper explores the role of AI in enhancing the process of minimum wage adjustments. It investigates how AI can improve the accuracy of wage recommendations by analyzing economic data, assesses the impact of AI on fairness and equity in wage policies, and identifies the challenges associated with integrating AI into wage adjustment frameworks. The discussion is grounded in a review of existing literature, case studies, and expert opinions, aiming to provide a comprehensive understanding of AI's potential benefits and limitations in this context.

By examining these aspects, this paper seeks to highlight how AI can address the inefficiencies of traditional wage-setting methods and contribute to more equitable and responsive wage policies. It also aims to identify the practical and ethical considerations that must be addressed to successfully implement AI-driven systems in minimum wage adjustments.

Aim

The aim of this study is to evaluate the role of artificial intelligence (AI) in enhancing minimum wage adjustments.

Objectives

1. Critically Assess the Potential of AI in Minimum Wage Adjustments
2. Examine the Ethical Implications and Fairness of AI-Driven Wage Policies
3. Identify and Discuss the Challenges and Barriers to Implementing AI in Wage Adjustments

Statements of the Problem

The traditional approaches to minimum wage adjustments often face significant limitations, including delays in responding to economic changes, inefficiencies in processing large volumes of data, and susceptibility to biases and external influences. These challenges can result in wage

policies that do not accurately reflect current economic conditions or address the needs of all workers fairly.

In particular, the process of adjusting minimum wages frequently relies on periodic reviews and outdated economic data, which can lead to slow and imprecise adjustments. This lag can affect workers' purchasing power and fail to account for real-time economic shifts. Additionally, traditional methods are often influenced by political and economic pressures, which may lead to biased or inequitable wage policies.

Artificial intelligence (AI) has the potential to address these issues by providing more accurate, timely, and data-driven recommendations for wage adjustments. However, the implementation of AI in this context poses several challenges, including concerns about algorithmic bias, transparency, data privacy, and the overall feasibility of integrating AI systems into existing wage policy frameworks.

This study aims to investigate how AI can be effectively utilized to improve minimum wage adjustments, exploring both its potential benefits and the obstacles that need to be overcome to achieve successful integration.

Reviews

Conceptual Review

Introduction

Artificial Intelligence (AI) has increasingly become a pivotal tool in various sectors, particularly in optimizing processes that require data-driven decision-making, such as minimum wage adjustments. This conceptual review aims to explore the theoretical frameworks and existing literature surrounding AI's role in enhancing fairness and efficiency in wage policies. By synthesizing key concepts, this review seeks to provide a comprehensive understanding of the implications of AI in wage adjustment processes.

Theoretical Framework

The integration of AI in minimum wage adjustments can be analyzed through various theoretical frameworks, including systems theory, decision theory, and the technology acceptance model (TAM). Systems theory posits that organizations operate as complex systems where various components interact to achieve a common goal (Von Bertalanffy, 1968). In the context of wage adjustments, AI serves as a component that can optimize decision-making processes, leading to more efficient outcomes.

Decision theory, which focuses on the principles of making rational choices under uncertainty, highlights how AI can analyze vast amounts of data to forecast economic trends and assess the implications of wage changes (Savage, 1954). By employing machine learning algorithms, AI can predict the impacts of wage adjustments on employment, inflation, and overall economic growth (Brynjolfsson & McAfee, 2014).

The Technology Acceptance Model (TAM) offers insights into how users adopt new technologies based on perceived ease of use and usefulness (Davis, 1989). This model is particularly relevant in understanding stakeholders' perceptions of AI in wage policy, as acceptance by policymakers, employers, and employees is crucial for successful implementation.

AI in Wage Adjustments

AI's role in wage adjustments encompasses several functionalities, including data analysis, bias reduction, and predictive analytics. A study by Dastin (2018) illustrates how AI can analyze historical wage data to identify trends and suggest optimal wage levels based on economic indicators. Furthermore, AI has the potential to minimize biases in wage policies by ensuring that decisions are made based on data rather than subjective judgments (Binns, 2018). This capability is particularly vital in addressing issues of inequality and discrimination in wage settings.

Moreover, AI can enhance transparency in wage adjustment processes. By providing stakeholders with access to data and algorithms used in decision-making, AI fosters accountability and trust (Zarsky, 2016). Such transparency is essential in mitigating public concerns regarding the fairness of AI-driven policies, especially in regions with a history of corruption or biased practices.

Challenges and Considerations

Despite its potential benefits, the integration of AI in wage adjustments is fraught with challenges. Public trust in AI remains a significant barrier, as many individuals are skeptical of the technology's ability to make fair and unbiased decisions (Kramer, 2016). Additionally, ethical considerations regarding data privacy and the implications of algorithmic decisions must be addressed to ensure responsible AI deployment (O'Neil, 2016).

The successful implementation of AI in wage adjustments also requires collaboration among stakeholders, including government agencies, employers, and labor unions. Engaging these parties in discussions about the development and application of AI can help address concerns and foster a shared understanding of its benefits and limitations (West, 2018).

Empirical Reviews

The paper by Ernst, Merola, and Samaan (2019) delves into the economic implications of artificial intelligence (AI) and its impact on the future of work. The authors address concerns related to job loss and increasing inequality associated with technological advancements in AI. They compare the current wave of AI-driven changes with previous technological revolutions, emphasizing the unique aspects of AI and its potential to boost productivity, particularly in developing countries and among low-skilled workers. The paper highlights that while AI presents significant opportunities for productivity gains, it also poses risks of exacerbating inequality. To mitigate these risks and ensure that the benefits of AI are broadly shared, the authors advocate for comprehensive skills policies and new forms of regulation. These include measures to prevent market concentration, ensure data protection and privacy, and facilitate equitable distribution of productivity gains through mechanisms such as profit sharing, digital capital taxation, and reduced

working hours. The paper concludes with a call for a balanced and moderately optimistic perspective on AI's potential, contingent on effective policy and regulatory responses.

De Stefano (2019) addresses the impact of automation on labor protection and job security. The piece begins with a critique of a 2017 *New Yorker* cover illustration, which depicted humanoid robots giving money to a human beggar, reflecting prevalent fears about automation leading to job displacement. De Stefano argues that this imagery underscores a dominant narrative focused on the negative aspects of automation, specifically the potential loss of jobs. The article contrasts this narrative with a more nuanced analysis of automation's effects on existing jobs and the broader labor market. De Stefano critiques the "quantitative" approach that dominates academic and policy discussions, which typically emphasizes estimates of job losses without sufficiently addressing the potential benefits of technological progress. He highlights significant studies on job automation and its impact on labor, including the work of Frey & Osborne and Dauth et al., to illustrate both the risks and opportunities associated with automation. De Stefano advocates for a broader perspective that considers not only the displacement of jobs but also the potential for technological advancements to improve labor conditions and job quality. He emphasizes the need for effective labor protection measures and regulatory frameworks to ensure that the benefits of automation are equitably distributed and to address the challenges faced by workers in an increasingly automated economy.

Sabil, Bangkara, Moge, Niswan, and Timotius (2023). This study explores the integration of artificial intelligence (AI) into human resource management (HRM) strategies, emphasizing its potential to enhance employee learning and development opportunities. The authors discuss how AI can tailor training programs to individual learning styles and paces, thereby improving job satisfaction and motivation among employees. Furthermore, the paper highlights the necessity for empirical research to assess the effectiveness of AI-driven HRM strategies while addressing concerns related to privacy, bias, and ethical considerations in the implementation of these technologies. They provide valuable insights into the transformative role of AI in HRM and suggests pathways for future research in this evolving field.

Batchu (2023) investigates the transformative impact of artificial intelligence (AI) on credit risk assessment methodologies. The research aims to augment both accuracy and efficiency in evaluating borrowers' creditworthiness, addressing the limitations of traditional credit assessment methods. By exploring the integration of AI algorithms and machine learning models, the paper highlights how these technologies can redefine the processes involved in assessing credit risk in the financial industry. In the introduction, the paper outlines a paradigm shift at the intersection of finance and technology, particularly focusing on how AI is revolutionizing credit risk assessment. It emphasizes the need for a more adaptive approach to evaluate creditworthiness, given the complexities of modern financial landscapes. Traditional methods, while reliable, often struggle to keep pace with the dynamic nature of borrower behaviors and market conditions, necessitating the adoption of more sophisticated, data-driven techniques. The methodology section employs a mixed-methods design, combining quantitative and qualitative approaches to capture a holistic view of AI's impact on credit risk assessment. Data is collected from financial institutions, including credit histories and transaction records, with key variables such as credit scores and

socio-economic factors analyzed. This rigorous approach allows for a comprehensive examination of how AI technologies contribute to enhanced accuracy and efficiency in evaluating creditworthiness. The findings of the study reveal that AI technologies significantly enhance the accuracy of credit risk evaluations by processing vast datasets and uncovering complex patterns that traditional models may overlook. Additionally, the research discusses the efficiency gains achieved through automation, which streamlines data collection and decision-making processes, ultimately providing financial institutions with a competitive edge in a rapidly evolving market. However, the paper also addresses potential challenges associated with AI, including the "black-box" nature of some algorithms, which raises concerns about transparency and interpretability. It emphasizes the importance of addressing biases in AI models to ensure fairness in credit assessments and discusses ethical considerations related to data privacy and the responsible use of AI technology. These challenges underscore the need for a balanced approach to AI adoption in credit risk assessment.

Methodology and Analysis

In this section, we outline the methodology employed to assess the role of artificial intelligence (AI) in minimum wage adjustments, focusing exclusively on the use of a questionnaire. We describe the design and administration of the questionnaire and summarize the findings based on the responses gathered from experts in the fields of AI, economics, and labor policy.

Questionnaire Design

The primary method of data collection for this study was a structured questionnaire. The questionnaire was designed to gather detailed insights from experts regarding the potential benefits, ethical implications, and challenges of using AI for minimum wage adjustments. The questionnaire included questions on several key areas:

1. **Potential of AI:** Assessing experts' views on how AI can enhance the accuracy and efficiency of minimum wage adjustments.
2. **Ethical Implications:** Understanding concerns related to fairness, bias, and equity in AI-driven wage policies.
3. **Implementation Challenges:** Identifying practical challenges and barriers to integrating AI into wage adjustment systems.

The questionnaire consisted of both closed-ended questions, which allowed for quantifiable analysis, and open-ended questions, which provided qualitative insights. This approach aimed to capture a comprehensive view of the experts' opinions on AI's role in wage adjustments.

Administration of the Questionnaire

The questionnaire was distributed to a selected group of experts in AI, economics, and labor policy. These experts were chosen based on their relevant experience and contributions to the field. The distribution method included email invitations and online survey platforms to ensure broad

participation. The response period lasted for four weeks, allowing sufficient time for experts to provide thoughtful and detailed answers.

Data Collection and Analysis

Upon completion of the data collection process, the responses were compiled and analyzed. Quantitative data from closed-ended questions were analyzed using statistical methods to identify patterns and trends. Qualitative data from open-ended questions were subjected to thematic analysis to extract key themes and insights.

Result

Table 1: Participants status

Status	Frequency	Percentage(%)	Cumulative %
Employed full-time	30	83%	83%
Self-employed	4	11%	94%
Student	1	3%	97%
Unemployed	1	3%	100%
Total	36		

Table 1 shows the status of participants in a study on AI's role in minimum wage adjustments. Most participants (83%) are employed full-time, indicating a strong bias towards the perspectives of those in stable employment. Smaller groups include the self-employed (11%), students (3%), and unemployed individuals (3%), showing limited representation of more precarious employment conditions. This skew suggests that the study's findings may primarily reflect the views of securely employed individuals, potentially overlooking the unique perspectives of those with less stable or non-traditional employment. To fully assess AI's impact on wage policies, a more diverse participant representation is needed.

Table 2: Industry or sector of employment

Categories	Frequencies	Percentage (%)	Cumulative Percentage
Non-profit/NGO	3	8%	8%
Other	2	6%	14%
Private sector	3	8%	22%
Public sector	28	78%	100%
Total	36		

The table reveals that 78% of participants work in the public sector, indicating a predominant representation in the study. Non-profit/NGO and private sector employees each constitute 8%, while the "Other" category accounts for 6%. This distribution suggests a potential bias toward the public sector's perspectives on AI's role in minimum wage adjustments, which may not fully capture the nuances of other sectors. To ensure comprehensive insights into AI's impact on wage policies across various industries, the study would benefit from a more balanced representation of participants from diverse employment sectors.

Table 3: Participants' familiarity with AI

Familiarity with AI	Frequencies	Percentage (%)	Cumulative Percentage
Familiar	18	50%	50%
Not familiar	5	14%	64%
Somewhat familiar	7	19%	83%
Very familiar	6	17%	100%
Total	36	100%	

The table 3 shows participants' familiarity with AI, revealing that 50% are familiar and 17% are very familiar, suggesting that two-thirds of the sample have a moderate to high understanding of AI. The remaining participants are either somewhat familiar (19%) or not familiar (14%),

indicating varied levels of AI knowledge. This diversity in familiarity could influence how participants perceive AI's role in enhancing fairness and efficiency in wage adjustments, as those less familiar may have different concerns or expectations. The study's findings should consider these differences to accurately assess AI's impact across varying levels of understanding among participants.

Table 4: Familiarity the process of minimum wage adjustments in your country

Familiar process of minimum wage adjustments in your country			
Familiarity	Frequencies	Percentage (%)	Cumulative Percentage
Familiar	15	42%	42%
Not familiar	7	19%	61%
Somewhat familiar	9	25%	86%
Very familiar	5	14%	100%
Total	36	100%	

The table 4 reflects participants' familiarity with minimum wage adjustments, showing that 42% are familiar and 14% are very familiar with the process in their country. A quarter of the participants (25%) are somewhat familiar, while 19% are not familiar at all. This distribution indicates that the majority have at least some understanding of wage adjustment mechanisms, although knowledge varies widely. These differences in familiarity could influence perceptions of AI's role in wage adjustments, as those less informed might have different insights or concerns. The study should account for this range of understanding to comprehensively evaluate AI's impact on wage policy decisions.

Table 5: Participant's opinion on AI be used to enhance the process of minimum wage adjustments

Participant's opinion on AI be used to enhance the process of minimum wage adjustments			
Opinion	Frequencies	Percentage (%)	Cumulative Percentage
Data analysis for informed decisions	19	46%	46%
Predicting economic impacts of wage adjustments	10	24%	71%
Reducing biases in wage policy decisions	9	22%	93%
Other	3	7%	100%

Total	41	100%	
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The table 5 reveals participants' opinions on using AI to enhance minimum wage adjustments. A significant 46% believe AI can improve data analysis for informed decision-making, while 24% see its potential in predicting economic impacts. Another 22% think AI could reduce biases in wage policy decisions, highlighting its role in fostering fairness. A minority (7%) have other opinions, indicating diverse views on AI's applications in wage adjustments. Overall, the responses suggest broad support for AI's potential to enhance policy-making processes through better data use, predictive analytics, and bias reduction, though some varied opinions remain among participants.

Table 6: AI's role in ensuring fair minimum wage adjustments

AI could be in ensuring fair minimum wage adjustments			
Factor	Frequencies	Percentage (%)	Cumulative Percentage
Effective	15	42%	42%
Not effective	2	6%	47%
Somewhat effective	9	25%	72%
Very effective	10	28%	100%
Total	36	100%	

The Table 6 shows that a positive inclination towards AI's role in ensuring fair minimum wage adjustments, with a majority of respondents (70%) acknowledging its effectiveness to varying degrees. While a small percentage (6%) view AI as not effective, the overall perception is supportive, suggesting AI is seen as a valuable tool for enhancing fairness in wage policies. However, the varying levels of effectiveness noted by respondents indicate that there may be areas for improvement or specific contexts where AI's effectiveness could be further evaluated.

Table 7: Analysis of Factors AI Should Consider for Minimum Wage Adjustments:

The table provides a clear breakdown of key factors that should be taken into account when AI proposes minimum wage adjustments.

Factor(s)	Frequency	Percentage (%)	Cumulative Percentage (%)
Cost of living	12	24%	24%
Economic growth	10	20%	44%
Inflation rates	11	22%	66%
Employment rates	7	14%	80%
Industry-specific factors	5	10%	90%
Regional disparities	5	10%	100%
Total	50	100%	

The table reveals that **cost of living (24%)**, **inflation rates (22%)**, and **economic growth (20%)** are the most important considerations, together accounting for 66% of the total weight. These factors ensure that wages reflect living costs, maintain purchasing power, and align with economic performance. Additional factors like **employment rates (14%)**, **industry-specific factors (10%)**, and **regional disparities (10%)** highlight the need for AI models to consider sector-specific and geographical variations. This ensures wage policies are adaptable and fair across different regions and industries. The cumulative approach shows that AI should prioritize macroeconomic factors while remaining flexible to regional and industry-specific conditions.

Table 8: Survey on the Perception of Fairness in AI-Driven Wage Policies

Response	Frequency	Percentage (%)	Cumulative Percentage (%)
Yes	21	60%	60%
Unsure	10	29%	89%
No	4	11%	100%
Total	35	100%	

Table 8: Survey on whether AI-driven wage policies can be fair and unbiased reveals that **60%** of respondents believe AI can ensure fairness, indicating a positive outlook on AI's role in wage adjustments. However, **29%** are unsure, reflecting significant uncertainty about AI's capabilities in this area. A smaller group, **11%**, disagrees, suggesting concerns about potential biases or fairness issues in AI-driven policies. This indicates a majority confidence in AI, but also a need to address skepticism.

Table 9: Factors to Consider for AI-Driven Minimum Wage Adjustments

Factor	Frequency	Percentage (%)	Cumulative Percentage (%)
Cost of living	12	24%	24%
Inflation rates	11	22%	46%
Employment rates	7	14%	60%
Economic growth	10	20%	80%
Industry-specific factors	5	10%	90%
Regional disparities	5	10%	100%
Total	50	100%	

The table indicates that **cost of living** (24%), **inflation rates** (22%), and **economic growth** (20%) are the most critical factors participants believe should be considered when adjusting minimum wage policies using AI. Together, these three factors account for **66%** of the total responses, highlighting their significant influence on wage adjustments. Additionally, **employment rates** (14%), **industry-specific factors** (10%), and **regional disparities** (10%) were also noted as important, though to a lesser extent. The distribution shows that AI models should prioritize macroeconomic factors like cost of living and inflation while ensuring flexibility to account for industry-specific and regional variations to ensure fair and comprehensive wage adjustments.

Table 10: Importance of Human Oversight in AI-Driven Wage Policies

Importance Level	Frequency	Percentage (%)	Cumulative Percentage (%)
Important	20	55.56%	55.56%
Very important	8	22.22%	77.78%
Somewhat important	7	19.44%	97.22%
Not important	1	2.78%	100.00%
Total	36	100%	

The table shows the distribution of responses regarding the importance of including human oversight in AI-driven wage policies. The majority of respondents (55.56%) indicated that human oversight is "Important," while 22.22% found it "Very important." A smaller portion (19.44%) rated it as "Somewhat important," and only 2.78% considered it "Not important." Overall, 97.22% of respondents found some degree of importance in human oversight in AI-driven wage policies, emphasizing the general consensus on its necessity.

Table 11: Challenges in Implementing AI in Minimum Wage Adjustments

Challenges	Frequency	Percentage (%)	Cumulative Percentage (%)
Cost of implementation	15	26.32%	26.32%
Legal and regulatory hurdles	9	15.79%	42.11%
Technical limitations of AI	12	21.05%	63.16%
Ethical and fairness concerns	10	17.54%	80.70%
Resistance from stakeholders	8	14.04%	94.74%
Other	3	5.26%	100.00%
Total	57	100.00%	

The table shows that **cost of implementation** is the most frequently cited challenge, accounting for 26.32% of responses. This is followed by **technical limitations of AI** at 21.05%, and **ethical and fairness concerns** at 17.54%. **Legal and regulatory hurdles** make up 15.79% of the responses, while **resistance from stakeholders** accounts for 14.04%. A smaller portion (5.26%) cited **other challenges**. Together, these challenges reflect a broad range of concerns, from financial and technical issues to ethical and regulatory considerations.

Barrier	Frequency	Percentage (%)	Cumulative Percentage (%)
Public trust in AI	13	27.66%	27.66%
Lack of AI expertise	11	23.40%	51.06%
Policy and regulatory alignment	9	19.15%	70.21%
Data privacy concerns	4	8.51%	78.72%
Other	1	2.13%	80.85%
Total	38	100%	100%

The table summarizes the key barriers to adopting AI in wage adjustments. The most significant barrier is **public trust in AI**, accounting for **27.66%** of responses. This is followed by a **lack of AI expertise (23.40%)**, and **policy and regulatory alignment (19.15%)**. **Data privacy concerns** account for **8.51%**, while **other barriers** make up **2.13%**. These barriers cumulatively account for **100%** of the responses.

Table 12: Responses and Suggestions on the Use of AI in Minimum Wage Adjustments

Response	Frequency	Percentage (%)	Cumulative Percentage (%)
Price control	1	9.09%	9.09%
AI for accountability, transparency, and diligent execution	1	9.09%	18.18%
Proper implementation and public enlightenment	1	9.09%	27.27%
AI adjustment's objectivity considering corruption and bias	1	9.09%	36.36%
Policy should be free and fair	1	9.09%	45.45%
AI teaching from secondary school	1	9.09%	54.55%
No additional comments	6	54.55%	100.00%
Total	11	100%	

The table reveals a total of 11 responses, with the majority (54.55%) indicating "No additional comments." Among the specific suggestions provided, each representing 9.09% of the total responses, were ideas such as implementing price control, utilizing AI for accountability, transparency, and diligent execution, ensuring proper implementation and public enlightenment, and advocating for AI adjustment's objectivity in light of corruption and bias. Additionally, respondents emphasized that policies should be free and fair and suggested introducing AI education from secondary school. This distribution of responses reflects a general satisfaction with the current discourse, alongside specific calls for improvement and consideration in the implementation of AI in wage adjustments.

Findings

The findings from the study provide insights into various aspects of participants' demographics, familiarity with AI, their perceptions of AI's role in minimum wage adjustments, and the challenges associated with its implementation.

1. **Participant Status:** The majority of participants (83%) are employed full-time, with only 11% self-employed and 3% each being students or unemployed. This indicates a strong representation of individuals in stable employment, potentially limiting perspectives from those in precarious or non-traditional work situations.
2. **Industry Representation:** A significant 78% of participants work in the public sector, while 8% are from non-profit/NGO and private sectors. This concentration suggests a bias toward public sector views, which may not reflect the broader context of minimum wage adjustments across different industries.
3. **Familiarity with AI:** About half of the participants (50%) are familiar with AI, and 17% are very familiar, indicating a moderate to high level of understanding within the sample. However, varying familiarity could influence perceptions of AI's potential effectiveness and relevance in wage adjustments.
4. **Familiarity with Minimum Wage Adjustments:** The results show that 42% of participants are familiar with the process of minimum wage adjustments in their country, while 14% are very familiar. This indicates that while many participants have some understanding, there is still a notable portion who may lack sufficient knowledge to contribute effectively to discussions on the topic.
5. **Opinions on AI Enhancing Wage Adjustments:** Participants generally view AI positively in terms of enhancing minimum wage adjustments, with 46% believing it can improve data analysis for informed decision-making. A notable portion also sees AI as beneficial for predicting economic impacts and reducing biases in wage policy decisions.
6. **Perception of AI's Role in Fairness:** The majority (70%) of respondents believe AI can ensure fair minimum wage adjustments, indicating optimism about AI's capabilities. However, 29% remain unsure, reflecting uncertainty about AI's ability to mitigate bias.
7. **Factors for AI Consideration:** Cost of living, inflation rates, and economic growth were identified as critical factors for AI to consider when making wage adjustments. Together,

these factors represent 66% of responses, emphasizing the importance of aligning wages with economic realities.

8. **Importance of Human Oversight:** A substantial majority (97.22%) of respondents agree on the necessity of human oversight in AI-driven wage policies, highlighting concerns about AI functioning independently without human intervention.
9. **Challenges in AI Implementation:** The primary challenges identified include cost of implementation (26.32%), technical limitations of AI (21.05%), and ethical concerns (17.54%). These challenges underscore the multifaceted obstacles to integrating AI into wage adjustment processes.
10. **Barriers to AI Adoption:** Public trust in AI was identified as the most significant barrier (27.66%), followed by a lack of AI expertise and policy alignment. These barriers point to the need for enhanced education and trust-building measures to facilitate AI adoption in wage policies.
11. **Responses and Suggestions:** While a majority of participants (54.55%) had no additional comments, specific suggestions included ensuring accountability and transparency in AI processes and advocating for public education about AI. This indicates a general satisfaction with current discussions but also a desire for improvements in implementation practices.

Overall, the findings suggest a cautious yet optimistic perspective on the role of AI in minimum wage adjustments, emphasizing the importance of diverse representation, public understanding, and the need for effective oversight to ensure that AI contributes positively to wage policy decisions.

Conclusion

The findings from this study highlight several key insights into participants' perceptions of AI's role in minimum wage adjustments. The majority of participants are employed full-time, predominantly from the public sector, which may bias the perspectives represented. While there is a substantial familiarity with AI and minimum wage processes among participants, the variations in understanding suggest that opinions on AI's effectiveness and applications are diverse.

A significant number of participants view AI as a valuable tool for enhancing data analysis, predicting economic impacts, and reducing biases in wage policies. The overall sentiment indicates a strong belief in AI's potential to improve fairness and efficiency in wage adjustments, with 70% acknowledging its effectiveness to varying degrees.

Participants identified crucial factors for AI consideration, emphasizing the importance of macroeconomic indicators like cost of living, inflation rates, and economic growth. The need for human oversight in AI-driven wage policies is also strongly supported, reflecting a consensus on the importance of balancing technology with ethical considerations.

However, challenges and barriers to AI implementation remain, particularly concerning cost, technical limitations, and public trust. Addressing these challenges is essential for harnessing AI's full potential in wage policy adjustments.

Recommendations

Based on the findings of this study, the following recommendations are proposed to enhance the effective integration of AI in minimum wage adjustments:

1. **Broaden Participant Representation:** Future studies should aim to include a more diverse range of participants from various employment sectors, including self-employed individuals, students, and the unemployed. This will provide a more comprehensive understanding of the perspectives and concerns regarding AI in wage adjustments.
2. **Enhance Public Awareness and Education:** Initiatives to educate the public about AI and its potential applications in wage policies should be prioritized. Awareness campaigns can help demystify AI technologies and build trust, particularly among those who are less familiar with AI concepts.
3. **Promote Collaboration between Stakeholders:** Encourage collaboration among government agencies, private sector organizations, and educational institutions to foster a unified approach toward the implementation of AI in wage policies. Stakeholder engagement can facilitate better policy development and implementation processes.
4. **Implement Pilot Programs:** Pilot programs should be established to test AI-driven wage adjustment frameworks in controlled environments. These programs can provide valuable insights into the effectiveness, challenges, and ethical considerations associated with AI applications in real-world scenarios.
5. **Prioritize Human Oversight:** Emphasize the importance of human oversight in AI-driven wage policies to ensure ethical considerations and accountability. Establishing a framework for regular reviews and evaluations of AI systems will help maintain public trust and transparency.
6. **Address Barriers to Implementation:** Develop targeted strategies to address the identified barriers, such as enhancing AI expertise among stakeholders, improving policy and regulatory alignment, and alleviating public concerns related to data privacy and trust in AI systems.
7. **Incorporate Feedback Mechanisms:** Establish feedback mechanisms that allow stakeholders and the public to provide input on AI-driven wage policies. Continuous feedback will help adapt and refine policies to meet the evolving needs of various sectors and communities.
8. **Focus on Ethical and Fair Practices:** Ensure that AI systems used in wage adjustments are designed and implemented with fairness and equity in mind. This includes regularly

assessing algorithms for potential biases and ensuring diverse representation in AI training datasets.

9. **Research and Development Investment:** Invest in research and development of AI technologies tailored to wage adjustment processes, focusing on innovative solutions that consider regional disparities and sector-specific factors.
10. **Policy Framework Development:** Collaborate with policymakers to create a comprehensive framework that outlines guidelines and standards for AI usage in minimum wage adjustments. This framework should prioritize transparency, accountability, and fairness in AI applications.

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