AI – Enabled Entrepreneurship with A Human – Centric Approach

A Conceptual and Literature – Based Research Article

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Abstract

By reducing information, coordination, experimentation, and scaling costs, artificial intelligence (AI) is transforming entrepreneurship. At the same time, it raises new concerns about human agency, trust, justice, privacy, and the nature of entrepreneurial activity. Through a focused examination of recent research on AI, entrepreneurship, human–AI collaboration, explainability, AI literacy, and social value creation, this essay presents a human-centric viewpoint on AI-enabled entrepreneurship. In order to determine the capabilities and governance circumstances necessary for AI to supplement rather than replace entrepreneurial judgment, the review synthesizes evidence from current peer-reviewed studies and supplementary institutional research. Human agency, augmentation of entrepreneurial capabilities, explainability and trust, responsible data and governance, inclusive capability development, and quantifiable stakeholder value are the six mutually reinforcing dimensions of the Human-Centric AI Entrepreneurship (HCAIE) framework that the analysis suggests. According to the review, AI can help with opportunity recognition, consumer insight, innovation, automation, decision support, and venture scalability. However, these benefits are contingent upon entrepreneurs' capacity to critically assess AI outputs and maintain significant decision authority. Additionally, recent research highlights explainable interfaces, ecosystem support, and AI literacy as critical adoption prerequisites. A process-oriented paradigm that connects opportunity discovery, human-AI co-creation, responsible validation, implementation, and stakeholder learning is presented in this article. Research gaps on mature AI adoption in small businesses, long-term impacts on entrepreneurial identity, geographical

access disparities, and the social and environmental ramifications of AI-enabled endeavors are also identified. The study ends with research and managerial implications for construction projects where AI is viewed as a collaborator and capacity while humans continue to be responsible for purpose, values, and important decisions.

Keywords: AI-enabled entrepreneurship; human-centric AI; human–AI collaboration; AI literacy; responsible innovation; entrepreneurial innovation

1. Introduction

`Entrepreneurial endeavors that previously relied on human search, interpretation, experimentation, and coordination are increasingly using artificial intelligence. Decision-making, innovation, customer experience, risk mitigation, and competitive positioning are all impacted by AI, according to recent research, which also identifies it as a source of opportunity creation and process transformation. The AI-entrepreneurship literature has grown quickly, but it is still fragmented and conceptually superficial in many areas, according to a 2025 hybrid literature analysis of 345 peer-reviewed papers.Reference: Uriarte and colleagues, 2025.
Therefore, the key question is not whether or whether entrepreneurs should employ AI, but rather how AI should be included so that technology competence enhances stakeholder value and human judgment. Research on the human-AI dyad raises issues about entrepreneurial identity, innovation, and ethics while highlighting how new forms of collaboration, strategic foresight, and individualized consumer interaction are reshaping entrepreneurship. Reference: Jeremiah (2025)

A human-centric strategy centers the deployment of AI around people, purpose, and accountability. Instead than treating AI as a stand-alone replacement for entrepreneurial responsibility, it views it as an enhancing tool. This viewpoint is particularly pertinent for small businesses and individual entrepreneurs since AI can alleviate some resource limitations, but it can also increase vulnerability due to unequal access, skill gaps, bias, and poor governance. While acknowledging ethical and regional access problems, recent work on AI-enabled individual entrepreneurship clearly relates AI with talent augmentation, capital access, risk reduction, and scalable activity.cite: Ganuthula (2025)

Thus, three questions are addressed in this article: (1) Which entrepreneurial endeavors are most impacted by AI? (2) Under what human-centered circumstances is the introduction of AI responsible and beneficial? and (3) How can business owners arrange for human-AI cooperation throughout the venture-creation process

2. Literature Review and Conceptual Background

2.1 AI and the Entrepreneurial Process

AI can influence entrepreneurship at several stages: opportunity recognition through market and customer analysis; opportunity development through ideation, prototyping and experimentation; and opportunity exploitation through automation, personalization, forecasting and scaling. Recent research on social enterprises distinguishes an AI-augmented pathway, where AI enhances an existing social-value proposition, from an AI-centric pathway, where AI is central to the value proposition itself. □cite:Technology in Society, 2026□

Empirical work is also emerging. A 2026 study of 279 founders, managers and AI leaders in Indian startups examined AI, innovation and entrepreneurship across fintech, healthcare, retail, manufacturing and edtech, using structural equation modeling. □cite:Singh et al., 2026□ This is important for emerging-market entrepreneurship because AI adoption is shaped not only by technical capability but also by sector context, skills, capital and institutional support.

2.2 Human–AI collaboration

Entrepreneurial judgment cannot be reduced to prediction or optimization, according to human-centric entrepreneurship. Entrepreneurs negotiate stakeholder interests, analyze challenges, decipher unclear signals, and make decisions based on values. While AI can speed up information processing and produce alternatives, its results may replicate data restrictions, prejudices, or implicit preconceptions. Large language models can replicate organized, human-like entrepreneurial profiles, according to a 2025 study on entrepreneurial AI agents, but it cautions that these results might be the result of statistical simulation rather than true cognition. Reference: Business Venturing Insights Journal, 2025.

2.3 Explainability, Trust and Responsible Use

When AI influences vital business decisions, explainability becomes very crucial. The human-AI interface is crucial to utilizing AI recommendations, according to recent qualitative

study on entrepreneurial firms. It emphasizes explainability, contextual alignment, checks, feedback mechanisms, and intuitive interfaces as mechanisms for trust and responsible adoption.cite: Chaudhary and associates, 2025

Table 1: Core dimensions of human-centric AI-enabled entrepreneurship

Dimension	Entrepreneurial purpose	Human-centric requirement
Human agency	Define goals and make consequential decisions	Human accountability and override authority
Augmentation	Improve search, analysis, creativity and execution	AI complements rather than replaces expertise
Explainability	Support informed use of recommendations	Understand assumptions, limits and uncertainty
Responsible data	Use customer and operational data safely	Privacy, security, consent and data quality
Inclusive capability	Enable founders and teams to use AI effectively	AI literacy, reskilling and accessible tools
Stakeholder value	Create economic and social value	Measure effects on customers, workers and communities

3. Methodology

This article uses a focused literature-review and conceptual synthesis design rather than a new survey or experimental dataset. The objective is to integrate recent research on AI-enabled entrepreneurship with literature on human–AI interaction and responsible innovation. Searches were conducted for recent peer-reviewed work using combinations of the terms artificial intelligence, AI entrepreneurship, entrepreneurial organizations, human–AI collaboration, explainable AI, AI literacy, social entrepreneurship and individual entrepreneurship.

The evidence base emphasizes recent peer-reviewed studies published in 2024–2026, supplemented by a major review and an institutional report relevant to Indian MSMEs. The selected studies cover entrepreneurship, AI adoption, individual entrepreneurship, social entrepreneurship, explainable AI, e-entrepreneurship and entrepreneurial ecosystems. A major

review by Uriarte et al. analyzed 345 peer-reviewed articles and was used to position the broader field. cite:Uriarte et al., 2025

3.1 Thematic Coding Procedure

Six human-centric themes—human–AI collaboration, explainability and trust, AI literacy and skills, ethics and responsible AI, societal or stakeholder value, and scalability or performance—were used to code the chosen literature. Since a single article can address multiple themes, multiple codes were allowed for each study. The coding should not be understood as a comprehensive meta-analysis or as prevalence estimates for the entire field of study; rather, it is an authorial synthesis of the chosen sources.

Scope note: This is a focused conceptual review rather than a systematic meta-analysis or primary-data study; the proposed framework and propositions are intended for future empirical testing.

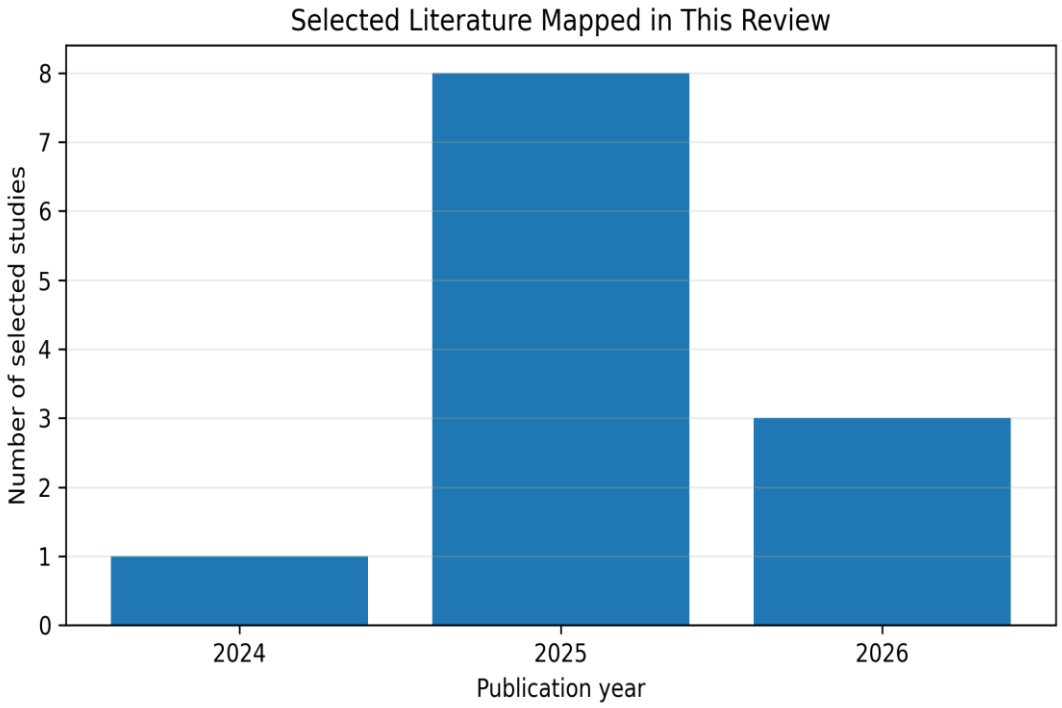

Figure 1: Publication-year distribution of the selected sources used in this focused review. The chart is descriptive of the selected evidence base, not of all AI-entrepreneurship publications.

Table 2: Selected evidence base

Study / source	Year	Primary contribution
Jeremiah – The human-AI dyad	2025	Human–AI collaboration, entrepreneurial identity and AI literacy
Ganuthula – AI-enabled individual entrepreneurship theory	2025	Skill augmentation, capital access, risk reduction and sustainability
Uriarte et al. – Hybrid literature review	2025/26	345-article map of AI and entrepreneurship research
Chaudhary et al. – Explainable AI	2025	Human–AI interface, explainability and responsible adoption
Technology in Society – Social entrepreneurship model	2026	AI-augmented versus AI-centric pathways
Singh et al. – Indian startup study	2026	AI, innovation and entrepreneurial performance in Indian sectors
Al-Mamary – AI capabilities and venture success	2025	Decision-making, automation, customer experience and innovation
WEF – AI Playbook for India's MSMEs	2025	AI adoption barriers and implementation guidance

4. Findings and Conceptual Framework

4.1 Finding 1: AI changes the unit of entrepreneurial capability

AI is increasingly framed in the literature as a capability layer that increases what a small team or lone entrepreneur can achieve rather than just as software. According to AI-enabled individual entrepreneurship theory, AI can improve skills, increase access to resources, and lower certain risks, which may enable people to engage in activities that were previously only available to larger firms. Cite: Ganuthula, 2025 This changes the skill profile toward problem formulation, critical evaluation, quick and process design, domain knowledge, communication, and governance rather than doing away with the requirement for human talents.

4.2 Finding 2: Human–AI interaction is a governance mechanism

Rather than being limited to interface design, human-centric design should be viewed as a component of governance. Entrepreneurs must understand when AI should offer advice, when it should automate tasks, and when it should not be allowed to make decisions. AI recommendations can be contested through explainability, audit trails, human scrutiny, and feedback loops. Cite: Chaudhary and colleagues, 2025

4.3 Finding 3: AI literacy affects entrepreneurial feasibility

Research on e-entrepreneurship shows that generative-AI integration and AI literacy might affect how desirable and feasible entrepreneurial activity is considered. Desirability and practicality were linked to e-entrepreneurial intention in a 2025 study of 504 Vietnamese higher education students, and alignment between the two was crucial.cite: Nurturing e-entrepreneurs, 2025. This suggests that having access to technologies is not enough; entrepreneurs also need to be able to assess the limitations, quality, and suitable usage of AI output.

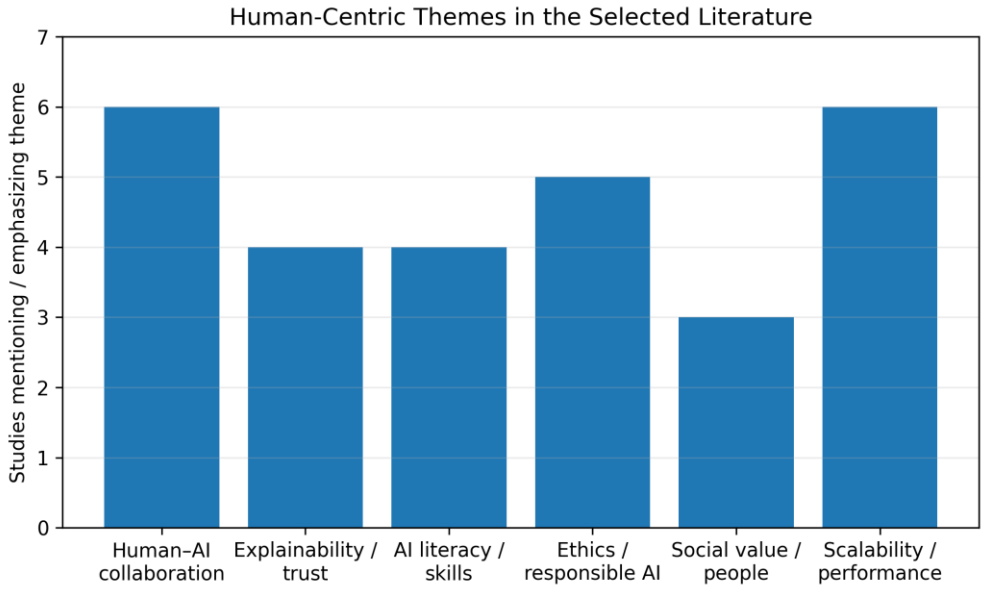

Figure 2: Authorial thematic coding of the selected literature. Multiple themes could be assigned to one study; therefore, values do not sum to the number of studies.

4.4 Human-Centric AI Entrepreneurship (HCAIE) Framework

The suggested framework links six human-centric safeguards with five stages of entrepreneurial activity. First, while maintaining the authority to define problems, entrepreneurs use AI-supported market sensing to find opportunities. Second, they collaborate with AI to co-create ideas, using domain judgment to generate alternatives. Third, they use

responsible data techniques and consumer evidence to validate concepts. Fourth, they include AI into processes that have clear human checkpoints. Fifth, they make revisions to the AI workflow and the business model after learning from the results.

Venture stage	AI contribution	Human responsibility	Control mechanism
Opportunity recognition	Trend, market and customer analysis	Define meaningful problem	Source validation
Co-creation	Ideation, simulation, prototyping	Select and contextualize ideas	Human review
Validation	Testing, segmentation, forecasting	Assess customer and social fit	Evidence + bias checks
Implementation	Automation and personalization	Set limits and escalation	Human-in-the-loop
Learning	Performance analysis and feedback	Interpret outcomes and adapt	Audit + continuous improvement

5. Discussion

5.1 From Automation to Augmentation

The goal of adopting AI is altered by a human-centric approach. While augmentation examines which human talents can be enhanced without compromising accountability, automation asks which activities can be completed by machines. Faster market scanning, alternative generation, customer communication, administrative automation, and scenario analysis are examples of augmentation for entrepreneurship. The entrepreneur is still in charge of determining which trade-offs are acceptable and which prospects merit investment.

5.2 Human-centric value creation

The stakeholder viewpoint extends venture performance beyond efficiency or revenue. Customers can benefit from AI-enabled businesses through accessibility and customisation, employees can benefit from less repetitive labor and better decision assistance, and communities can benefit from new services. However, AI can also be harmful through surveillance, exclusion, loss of privacy, biased recommendations, or reliance on opaque systems. AI integration can be instrumental or constitutive of the social value proposition,

according to research on social entrepreneurship. This suggests that governance should be in line with the venture's objective and level of AI integration.Reference: Technology in Society, 2026

5.3 Implications for Indian entrepreneurship

The significance of human-centric implementation is demonstrated by the Indian MSME environment. In addition to identifying resource and scalability hurdles, the World Economic Forum's 2025 AI Playbook for India's MSMEs offers an adoption pathway centered on awareness, action, and recognition. Additionally, it highlights coordinated responsibilities for government, industry, academia, associations, and startups while estimating significant potential economic benefit from AI adoption.Reference: WEF, 2025 The practical implication for entrepreneurs is that adopting AI should be connected to developing capabilities rather than just buying technologies.

Table 3: Managerial practices for human-centric AI entrepreneurship

Practice	What to implement	Indicative measure
AI use-case selection	Prioritize high-value, low-harm workflows	Time saved; quality improvement
Human checkpoints	Define decisions requiring human approval	% consequential decisions reviewed
AI literacy	Train founders and employees in evaluation	Training completion; error detection
Data governance	Set rules for privacy, access and retention	Incidents; compliance checks
Explainability	Document model purpose, assumptions and limits	Documentation coverage
Stakeholder monitoring	Track customer and worker effects	Complaints; accessibility; satisfaction
Continuous audit	Review model and workflow performance	Drift/error rate; audit frequency

5.4 Risks and Tensions

Explicit management is needed for four tensions. First, speed and verification may be at odds since quicker AI-assisted experimentation may potentially hasten false assumptions. Second, privacy and personalization may clash. Third, automation may change occupations and skill development while simultaneously reducing routine workload. Fourth, depending too much on generative AI may reduce creative variation by standardizing concepts and terminology. The necessity to avoid anthropomorphizing AI systems is further highlighted by recent research on entrepreneurial AI agents, which raises the possibility that apparent entrepreneurial features in AI may be simulated rather than cognitive.cite: Business Venturing Insights Journal, 2025

6. Research Propositions and Future Research Agenda

Based on the synthesis, the following propositions are offered for future empirical testing:

Proposition	Statement
P1	Human agency moderates the relationship between AI capability and entrepreneurial performance; stronger agency should be associated with more deliberate use of AI recommendations.
P2	AI literacy strengthens the effect of AI access on perceived entrepreneurial feasibility because users with greater literacy can better evaluate and operationalize AI outputs.
P3	Explainability and feedback mechanisms strengthen trust in AI-supported entrepreneurial decisions, particularly when decisions are consequential or uncertain.
P4	Responsible data governance mediates the relationship between AI adoption and stakeholder trust by reducing privacy, security and misuse concerns.
P5	The effect of AI on venture scalability depends on organizational readiness, including skills, workflow redesign and ecosystem support rather than technology access alone.

P6	Human-centric AI adoption will have more durable value when performance measures include stakeholder outcomes alongside productivity and financial indicators.

Table 4: Future Research Priorities

Research gap	Suggested design	Potential contribution
Long-term AI adoption in SMEs	Panel / longitudinal studies	Evidence on sustained productivity and capability effects
Human–AI entrepreneurial identity	Interviews + experiments	Understanding changing roles and skills
Regional access inequality	Cross-country comparative studies	Evidence on inclusion and digital divides
Responsible AI in ventures	Case studies + audits	Governance mechanisms for small firms
AI and entrepreneurial creativity	Controlled experiments	Effects on originality and idea diversity
Social/environmental outcomes	Impact measurement	Broader understanding of venture value

7. Conclusion

Instead of merely replacing people with machines, AI-enabled entrepreneurship is best understood as a change of entrepreneurial capability. AI can help with opportunity recognition, ideation, decision support, customer interaction, automation, innovation, and scalability, according to the examined literature. These advantages, however, are contingent upon organizational circumstances and human capabilities: entrepreneurs must create significant issues, assess results, handle data sensibly, and maintain accountability for important choices.

Therefore, the proposed HCAIE paradigm centers an iterative process of AI-supported opportunity recognition, co-creation, validation, implementation, and learning around human agency. Enabling conditions include explainability, AI literacy, ethical data governance, and stakeholder measurement. Additionally, the approach acknowledges that AI can be either the

foundation of a new venture's value proposition or an enhancing layer, and governance should take that distinction into account.

Future studies should focus on long-term data on productivity, innovation, entrepreneurial identity, employment, inclusivity, and social value rather than just short-term adoption intentions. The fundamental idea for practitioners is simple: use AI to increase organizational learning and human capabilities while maintaining meaningful human control over high-impact decisions, purpose, and values.

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