

Artificial Intelligent (AI) in Business Mediation: A Tool to Empower Mediators

Hanna Ambaras Khan

Senior Lecturer, School of Business and Economics, Universiti Putra Malaysia, Jalan
Universiti 1, 43400 Serdang, Selangor Malaysia
Email: hanna@upm.edu.my

To Link this Article: <http://dx.doi.org/10.6007/IJARBSS/v15-i6/25394> DOI:10.6007/IJARBSS/v15-i6/25394

Published Date: 01 June 2025

Abstract

Business mediation assists parties in maintaining relationships and resolves commercial disputes amicably. In the current era of the internet, Artificial Intelligence is currently being used in many fields including mediation. This paper aims to highlight the complementary relationship between AI and human mediators in enhancing efficiency, accessibility, and consistency in business dispute resolution. This paper concentrates on business mediation, however, there is dearth of literature in this area. In collecting and analysing data, this paper adopts a qualitative research method concentrating on library-based and a desk review method. From the data collected, it is found that AI acts as an aid for the mediators, AI cannot substitute human mediators due to some constraints such as grasping the emotions and culture of the disputing parties and there is a need to create policy or regulation for AI usage by mediators. Hence, AI complements the mediator and has taken the role of a fourth party in business mediation sessions.

Keywords: Artificial intelligence, Business Mediation, Mediation, Mediator

Introduction

The rising intricacy of business transactions and relationships has naturally resulted in an increase in commercial disputes. Traditional litigation is frequently seen as expensive, lengthy, and confrontational. Consequently, mediation has gained global acknowledgment as a preferred approach for resolving business conflicts while maintaining relationships. Business mediation means.

Business mediation is a voluntary and confidential method for resolving conflicts between business entities, aided by a neutral third party referred to as a mediator. In mediation, mediators do not make decision or determine the outcomes or enforce any decision like judges or arbitrators. Instead, mediators facilitate negotiation and encourage open dialogue and negotiation among the parties to help them come to a mutually satisfactory agreement. Mediation mostly is use in certain cases such as employee dan contract issues, disputes in partnership and in many other contracts. Business mediation is

beneficial compared to litigation in term of cost, duration in resolving disputes or time, and mediation process is confidential, and it maintain relationships between parties because it is a win-win situation. Mediation empowers the parties to make decision that is beneficial for their future relationship and practical to address their needs.

Nevertheless, the success of mediation process most of the time depends on the capacity of mediators in interpreting information and facilitate the negotiation. This task is not easy to be done in current rapidly evolving business landscape. In this situation, Artificial Intelligence (AI) will assist the mediator and be beneficial for the mediator. Cambridge Dictionary. (n.d.). define AI as:

“the use or study of computer systems or machines that have some of qualities that the human brain has, such as the ability to interpret and produce language in a way that seems human, recognize or create images, solve problems, and learn from data supplied to them.”

In business mediation, AI assist the mediator to be more efficient, effective and able to open to more solution to the issues in mediation session.

Edwards (n.d) encourages for the usage of AI by mediators to assist mediators to be more effective. He introduces the concept of "Augmented Intelligence,". Under Augmented Intelligence, AI assist in many tasks including preparation of documents, analyse the information, communication facilitation, drafting agreements, and to provide feedback. Mediators will be able to offer better options with the help of AI in processing data faster. In this article, the author showed how can AI offer valuable insights. Nevertheless, Edwards raise the issue of ethical dilemmas such as data privacy, bias and the danger of mediators depend too much on AI. The author envisions a future mediation where the mediators and AI work together. The mediators with human empathy and creativity whilst AI with the ability to analyse efficiently.

Achar (2024) investigates the ways in which different AI tools can improve mediation procedures. In addition to more advanced platforms like Disco and Casemark.ai that facilitate e-discovery and document analysis, it highlights tools like CalendarHero for scheduling, Descrybe.AI for legal research, and Sonix for meeting transcription and summarization. Real-world examples that demonstrate the role of Large Language Models (LLMs), such as ChatGPT, Gemini, and Claude.ai, in developing AI-driven mediation strategies were also used to highlight the growing significance of LLMs. The need for ethical AI use and the continued need for human oversight were brought up in the conversation. It ended with the powerful message that AI is already revolutionizing the mediation industry and that practitioners must change with the times to remain relevant, ethical, and successful.

AI improves mediation by providing data insights, simplifies complex terminology, forecasts potential outcomes, facilitates virtual meetings and interprets emotional signals. It is suggested that AI enhances the efficiency, access, and fairness of the mediation process. However, there are important issues that need to be addressed, including AI bias, and there are concerns about data privacy. Ultimately, by integrated strategy, which combines the skills

of human mediators with the resources offered by AI, there is a potential to create a fairer and more accessible process for resolving disputes in the digital age (Raj, 2024).

De Palo (2024) provides highlights from a recent gathering where ADR professionals examined the impact of AI on dispute resolution. A major focus was a mock mediation involving two technology firms: AI Horizon and Quantum Cognition, regarding problems stemming from AI-induced “hallucinations” in a large language model (LLM). A central inquiry was whether the very AI responsible for the issue could also contribute to its resolution. While AI facilitated data analysis and offered legal insights, it was ultimately the mediator who guided the parties to develop mutual understanding and arrive at a creative, culturally aware solution, which included an apology and reputational insurance. The event illustrated that although AI can enhance efficiency and aid, it cannot substitute for human mediators. Attributes such as emotional intelligence, cultural awareness, and ethical reasoning are still vital. The evolution of dispute resolution will likely involve a blend of AI technologies alongside human-led mediation.

Although AI is anticipated to affect numerous jobs, including those in mediation, the article posits that it will not completely substitute human mediators. The process of mediation relies on human attributes such as empathy, emotional intelligence, and cultural sensitivity. These qualities that AI cannot emulate. Artificial intelligence (AI) tools can help mediators by analyzing data or making recommendations, but they can't handle the social and emotional complexities of conflicts. The article also discusses the drawbacks of AI, such as prejudice, a lack of transparency, and privacy issues. It comes to the conclusion that artificial intelligence (AI) will support human mediators rather than take their place. For example, it will help with routine tasks so that mediators can focus on fostering relationships and handling complex issues. In order for mediation to be successful, the human element will remain crucial (Bergman, 2023).

In the UK, artificial intelligence is having a bigger impact on dispute resolution, especially in the mediation space. AI brings advantages such as enhanced efficiency and improved decision-making through predictive analytics and data assessment. Nonetheless, the piece underscores significant ethical issues, especially regarding confidentiality, an integral component of mediation. The utilization of AI tools may jeopardize sensitive information if not managed appropriately. To address this, the author proposes two main measures: (1) creating AI systems that incorporate privacy features like anonymized data, and (2) ensuring that participants provide informed consent, clearly understanding how their data will be utilized. Corsano wraps up by stating that while AI has the potential to enhance mediation, safeguarding confidentiality is imperative. Responsible implementation and collaboration between legal professionals and technology developers are essential to upholding trust in the mediation process (Corsano, 2024).

This paper aims to highlight the complementary relationship between AI and human mediators in enhancing efficiency, accessibility, and consistency in business dispute resolution. From the findings, it is showed that AI is a good tool for mediator in conducting mediation session. AI cannot substitute human mediators. However, there is a need of guideline or policy in using AI as mediator assistant in business mediation.

Literature Review

According to Noopur H. Amin (2023), AI does not fully replace human mediators. But it enhances the mediation process by boosting efficiency, emotional intelligence, and accessibility, especially in cross-border or high-volume disputes. The goal is to create a hybrid model where AI oversees structure and logic, while mindfulness nurtures empathy and understanding. This article explores how AI technologies can enhance and support online mediation within the broader framework of Online Dispute Resolution (ODR), particularly by integrating them with mindfulness practices to develop a more compassionate and effective process. She proposed a model that incorporates AI in mediation. The AI-assisted mediation process follows a systematic approach to enhance conflict resolution. In mediation process, first, AI gather information and evaluate the data collected using Best Alternative to a Negotiated Agreement (BATNA) and consolidate both parties' arguments. Second, AI facilitate dialogue by using natural language processing (NLP). AI encourage respectful and focus interactions by applying mindful cues. Third, AI suggests compromises and compensation to both parties. Fourth, if AI is unable to resolve the issues, AI refers to human mediator. In her view, in business mediation, there is a "Fourth Party" that is the AI which is use in Online Dispute Resolution (ODR). Whilst in traditional mediation, there will be two parties and human mediator to assist them to resolves the issues. According to her, in business mediation the role of AI is to analyse the claim, assess the problem and recommend the solution.

Machine learning extracts insights from prior cases to anticipate outcomes and recommend resolution strategies. Sentiment analysis detects emotional tones, aiding in guiding parties toward calmer and more constructive discussions. Systems like Smartsettle employ blind bidding and trade-off strategies to encourage fair and collaborative negotiations. AI can also incorporate mindfulness techniques to improve the mediation experience. This may include breathing exercises to help parties relax before sessions and prompts that encourage calm, empathetic communication. This blend of AI and mindfulness promotes clearer thinking, better emotional control, and more effective dispute resolution (Amin, 2023).

The integration of AI into mediation creates a complicated environment with notable risks alongside possible advantages. A key concern is the occurrence of errors, especially during the initial phases of AI technology, where it may produce inaccuracies and potentially detrimental guidance, as seen with chatbot "hallucinations." Additionally, generative AI currently lacks the emotional intelligence essential for navigating the often tense dynamics of mediation, a competency where human mediators excel in creating a positive atmosphere. Ethical and legal issues are also significant, with the possibility of unregulated AI breaching laws and moral standards, as evidenced by cases of AI fabricating legal references. Nonetheless, AI presents substantial benefits, such as its ability to analyze data efficiently, processing large amounts of information swiftly to reduce both time and costs. It can also aid in negotiations by uncovering core interests, suggesting offers, and forecasting their acceptance. In theory, AI systems might promote more objective decision-making due to their absence of emotions or personal biases. Moreover, a striking instance of AI's use was noted, where its potential engagement served as a catalyst for disputing parties to overcome a stalemate and achieve a resolution independently, showcasing a creative and indirect manner in which AI can impact the mediation process (Shonk, 2025).

Eyad Ayed Alsamhan (2023) examines the evolving function of AI in online mediation, emphasizing its ability to enhance the process by increasing speed, fairness, and effectiveness, particularly in simple or commercial disputes as well as low-value, high-traffic, and international cases. AI can support human mediators by automating standard operations such as document review, case assignment, and outcome prediction, and can even act as a semi-autonomous facilitator by guiding discussions, detecting emotional cues, and suggesting solutions. The article also considers the possibility of AI serving as an alternative mediator in specific situations, offering unbiased and neutral decision-making. However, it highlights the importance of regulation, ethical oversight, and continuous human involvement due to AI's shortcomings in understanding human emotions, empathy, and interpersonal dynamics that are crucial for achieving reconciliation. The article raises concerns regarding algorithmic bias, transparency challenges, and accountability in AI's decision-making processes. It concludes that while AI offers significant potential to enhance mediation, its use requires a thoughtful approach involving responsible regulation and a supportive role for human mediators to ensure fairness, empathy, and trust.

Giacalone, (2025) in "AI and the Future of Private Dispute Resolution Mechanisms" highlights the significant and evolving role of AI in reshaping mediation within private dispute resolution. Initially, AI serves as a tool that streamlines repetitive activities such as document review, scheduling, and evidence analysis, thereby boosting productivity. Progressing beyond this preliminary phase, AI evolves into a facilitator capable of performing more advanced functions, including diffusing emotionally charged communications, proposing settlement alternatives, predicting possible outcomes, and providing negotiation tactics. In its more developed applications, AI is even utilized as a semi-autonomous or alternative mediator, especially on platforms designed to address particular types of disputes like asset division or family matters, notably when human mediators are either hard to find or prohibitively costly. However, Giacalone cautions that it's essential to proceed with care, highlighting that AI should not entirely replace human judgment, especially in complex or sensitive circumstances. AI has its advantages such as increases efficiency and enhance impartiality. However, AI has its limitation as well such as it lacks empathy, it struggles with deep understanding, and AI cannot fully exercise ethical judgment. Hence, it is suggested for a hybrid model which combine human expertise and AI capabilities.

AI has a positive impact on business mediation and dispute resolution. It speeds up the mediation process, reduce the cost which allows people to afford the process, improves accessibility, analyse data and gives online advise on legal matters. However, there is some concern about the usage of AI in mediation. There is a risk of bias on the result of AI's mediation. AI has no ability to understand human emotions. Furthermore, there is a possibility AI depends on faulty data. AI's accountability and transparency are a challenge. Regarding ethical and legal issues, there is a lack of clear accountability for AI mistakes. Hence, AI should not replace human mediators but support them. Human mediator is needed to monitor AI in mediation and AI must follow ethical values such as maintaining privacy and confidentiality (Alsamhan, 2023).

Although AI is capable of analyzing data and making recommendations for solutions, concerns have been raised regarding its lack of empathy, bias, and the ambiguity of its decision-making process. Real-world examples demonstrate both the achievements and

challenges faced when incorporating AI into legal frameworks. Specialists argue that AI should enhance human judgment rather than replace it, emphasizing the importance of oversight and transparency to ensure fair justice (Fatima, 2023).

Artificial Intelligence acts as a valuable asset for mediation, enhancing the process without aiming to replace human mediators. By evaluating information, AI offers data-informed insights that result in objective forecasts and evaluations, improving negotiation results by providing parties with clear estimates and sentiment analysis to encourage more knowledgeable and balanced discussions. This ultimately enhances efficiency and the potential for resolving disputes sooner, thereby reducing delays and expenses associated with litigation. It is important to emphasize that AI is designed to enhance human judgment and abilities, serving as a decision-support system to aid communication and provide analytical resources, aligning with core mediation values such as facilitating informed decision-making, efficiency, neutrality, objectivity, and equipping parties with reliable information (Zhang *et al*, 2023).

The article titled "What the Article Says About AI and Conflict Resolution" explores how AI can significantly impact the resolution of workplace disputes, highlighting its ability to improve efficiency, neutrality, and scalability. By leveraging natural language processing and sentiment analysis, AI can detect early signs of conflicts by assessing digital communications. Key functionalities of AI include identifying conflict triggers, providing impartial recommendations through predictive analytics, and establishing secure platforms for employees to voice their concerns. However, the article advocates for a blended approach that merges AI with human involvement, where AI offers data-driven insights while human experts apply contextual awareness, emotional intelligence, and ethical judgments to ensure compassionate and fair resolutions, especially in delicate situations. It also touches on ethical concerns such as data privacy, biases in algorithms, and the absence of empathy in AI as significant drawbacks. Despite these issues, AI offers strengths like the ability to scale, speed, and uniformity in conflict resolution. Future advancements may involve enhancements in explainable AI (XAI) and affective computing to improve clarity and emotional responsiveness. The article concludes that responsibly integrating AI acted as a supplementary tool rather than a substitute for human efforts and it is crucial for effective conflict resolution, especially in complex workplace environments, which necessitates AI literacy training for HR professionals and the establishment of AI governance frameworks (Paul, 2025).

AI has the potential to simplify basic dispute resolution processes, improving both speed and accessibility; however, it struggles to address the emotional aspects of mediation, like empathy. Participants feel it is crucial for their voices to be acknowledged and their viewpoints to be expressed, something that a completely AI-based system cannot fulfill. Experts suggest a hybrid approach: leveraging AI for efficiency in straightforward cases while involving human mediators for more intricate issues or situations that require emotional understanding. It is essential to ensure AI decision-making is transparent and to build user trust for the successful incorporation of AI in mediation-like settings. Ultimately, AI should serve as a support tool for human mediators instead of fully replacing them, especially when dealing with sensitive or legally intricate matters (Motta *et al*, 2023).

Ngcobo (2024) promotes the implementation of AI-driven mediation and conflict resolution in South Africa to enhance the currently slow and expensive system, which often deters low-income individuals from seeking justice. The proposed AI-augmented Online Dispute Resolution (ODR) platform, modeled after successful existing systems, aims to aid users, automate negotiation processes and decision-making, and assess legal data to present potential outcomes. The design features levels of AI-facilitated conciliation and decision-making, with an option for human arbitration available as a recourse for appeals, achieving a balance between the efficiency of AI and human intervention. AI is seen as capable of fulfilling the roles of mediators in straightforward, repetitive situations. Key considerations for implementation include ensuring transparency, offering accessibility in all languages, and following data protection laws. Ngcobo (2024) further claims that this AI-enhanced ODR system fits within South Africa's legal framework for Alternative Dispute Resolution (ADR) and can efficiently handle a large volume of simple disputes, providing a faster and more affordable path to just resolutions for consumers while still recognizing the need for human mediators in more complex or emotionally charged scenarios.

Abeywickrama et al. (2024) investigate the application of AI and various digital technologies to improve Alternative Dispute Resolution (ADR) within the construction industry in Sri Lanka. The research underscores AI as an essential tool for optimizing dispute resolution, facilitating intelligent negotiation systems, predicting dispute outcomes through machine learning, and detecting patterns in legal documents with text mining. Although AI ranks fourth in effectiveness among digital technologies for ADR in Sri Lanka, its capability to automate and enhance decision-making is recognized, even though its current usage is limited. In mediation, a frequently utilized ADR method that encounters challenges such as its non-binding nature and reliance on the mediator's expertise, AI is seen as a beneficial support mechanism. It could enhance outcome consistency, deliver legal insights through predictive analysis, and improve efficiency in routine disputes. The authors propose a hybrid approach where AI aids rather than replaces human judgment by handling mundane tasks and assisting in fact-finding and resolution recommendations, while human mediators address complex or emotionally charged construction controversies. The study concludes that the integration of AI, along with virtual ODR and BIM, has the potential to transform conventional ADR into more efficient, transparent, and cost-effective methods, although achieving greater acceptance in Sri Lanka will require additional training, awareness, and legal frameworks.

Research Method

This study employs a qualitative research approach, focusing on library-based research and a desk review method. Research conducted in libraries relies on an academic framework that primarily draws on existing information sources, such as books, journal articles, reports, and other published works, instead of collecting new empirical data through experiments, surveys, or interviews. This type of research involves identifying, analyzing, and synthesizing established knowledge from various disciplines and is especially relevant in interdisciplinary studies, where insights from different fields are applied to address complex problems. The primary objective of library-based research is to generate new insights or arguments by reinterpreting and combining foundational scholarly work. Rather than yielding original data, it allows researchers to engage with and understand the existing literature, fostering critical thinking and the integration of diverse perspectives. By utilizing this method,

researchers can gain a comprehensive understanding of complex topics by exploring how distinct fields offer unique theories, methodologies, and insights (Newell, 2007). Juneja (n.d.) explains desk research is non-empirical research. It refers to data collected without fieldwork or secondary data. The data may be collected from the literature review, which refers to discussion and reference made to published in the field.

This paper seeks to explore in what ways do AI tools aid and elevate the function of mediators in enhancing the efficiency, accessibility, and uniformity of business dispute resolution? The objective of this paper is to investigate how Artificial Intelligence (AI) can support mediators in improving efficiency, accessibility, and uniformity in the processes of resolving business disputes. This paper is important as it contributes to literature on business mediation and the using of AI in mediation field especially business mediation. There is a dearth of research on AI and business mediation. Hence, it is a limitation to this research. Therefore, from this paper, researchers may want to do more research on AI policy in business mediation or to conduct empirical research on this subject.

Findings and analysis

Based on the literature review and the points raised in the introduction, the gathered data is organized thematically into three main categories: (1) the function of AI as an aid for mediators, (2) the constraints of AI in replacing human mediators entirely, and (3) the necessity for creating thorough guidelines or policy frameworks to regulate the application of AI in mediation practices.

AI as an Aid for Mediators

Recent academic studies highlight the increasing significance of artificial intelligence (AI) in improving the mediation process by enhancing efficiency and providing support. Corsano (2024) acknowledges AI's potential to speed up particular mediation stages. This supports the assertion by Motta et al. (2023) that AI can expedite and make more accessible basic dispute resolution. According to Corsano (2024), AI can assist the mediator to improve and make a better decision. Further, AI help the mediator to have an unbiased evaluation because AI helps the mediator to analyse the data and provides the knowledge or information which allows the mediator to have an informed insight (Zhang et al, 2023).

Amin (2023) and Shonk (2025) both agree and emphasize the important of Natural Language Processing (NLP) in interpreting the content accurately, understanding the tone in conversation, to detect emotional nuance and these are important to have constructive communication in mediation session. Both emphasize how important Natural Language Processing (NLP) is for understanding tone and content, which results in more civil conversations. According to them, application of Chatbots software assists the mediators to collect preliminary data, clarify issues in the early stages of the mediation process, and allows the mediators to pay attention to more complex aspect of the conflict.

AI's potential to facilitate more equitable negotiation processes is demonstrated by tools such as Smartsettle, which uses blind bidding and trade-off strategies (Amin, 2023; Shonk, 2025). Many authors (Alsamhan, 2023; Giacalone, 2025; Amin, 2023; Shonk, 2025) advocate for a hybrid model that blends the logical powers of AI with crucial human mediation skills like empathy, contextual awareness, and moral judgment. In order to emphasize the

structural and logical role of AI in online dispute resolution (ODR), Alsamhan (2023) even proposes the idea of AI as a "Fourth Party."

Giacalone (2025) cautions against permitting AI to undermine the justice system, reiterating the importance of human oversight. Both Amin (2023) and Shonk (2025) emphasize the synergistic potential of merging AI with mindfulness practices to cater to the human aspect of conflict resolution, advocating for a comprehensive approach to online mediation (Shonk, 2025). Raj (2024) points out AI's potential to create a more just and accessible method for resolving conflicts in the digital age, arguing for greater accessibility. According to her, AI may be use in mediation for business related cases such as intellectual property conflicts, contractual disputes, data privacy and security and employment and partnership issues.

According to Giacalone (2025), AI manages cases efficiently because it can handle more work without getting tired or slow down. AI bring benefits to insurance claim industry by resolving disputes. From the findings, the data showed that the advantage of AI is agreed by majority of the authors. AI is a valuable tool for mediators in the process of dispute resolution. It improves mediation process in various phases which lead to a more effective resolution. Mediators may use AI to analyse data and deliver objective evaluation to achieve a better decision-making. Most of the authors' opinions favour a combination of human mediator and AI in mediation session. AI assist human mediator in handling mediation cases by increases accessibility, improves capacity and enhance their skills to be more effective, and knowledgeable. Mediator can handle more cases in digital era by the help of AI.

From the data, AI as a Fourth Party is also applicable in face-to-face mediation session. In the cases, where mediators use AI as assistant, it helps the mediation session to complete faster. In directly, it assists to reduce legal cost. Further, the decision will be more informed and there will be lower risk of contract failure.

AI's Constraint to Substitute Human Mediators

AI can be a tool to a mediator. It is designed to assist the mediator in mediation process. There are certain human qualities crucial for mediation process that AI do not has such as emotional understanding, cultural sensitivity and empathy. According to De Palo (2024) and Bergman (2023), AI is not suitable to be standalone mediator because it struggles to interpret cultural sensitivity and emotions. This is one of AI limitation. AI assist mediators to enhance their capabilities (Amin, 2023). Cihanová (2023) is of the opinion that AI role is limited to automation of mediation because it cannot comprehend human emotions. AI unable to show empathy lie a human mediator do which is very important in mediation (Motta et al. (2023). It is also a concern on how AI reach a conclusion since it might be bias dur to its limitations as stated by Cihanová (2023) and Fatima (2023). The limitations can erode the trust and confidents of the parties in mediation towards the process. This is contrary to the human mediators who is skilled in empathizing with the parties, building rapport and facilitate communication. Zhang et al (2023) opined that AI is to support the mediators by providing analytical tools. AI contributes to improve efficiency of the human mediator in managing the parties' interpersonal dynamics. The intention of having AI is not to replace the human mediators but to support and assist them.

Further, as Paul (2025) opined, human mediators should work together with AI. From the information given in the mediation session, AI can extract the facts and the figures, however, AI unable to handle situations involving human feelings, to differentiate between right and wrong or to raise questions. This is because AI is good with data, not human feelings. Human mediators need to step when it involves tricky situations. This is agreed by Ngcobo (2024) who is of the opinion that AI can solve disagreement through online system. It helps to work online. But, when the disagreement or argument get complicated, or it involves human feelings like angry, human mediators is needed. AI can help in basic argument only. Abeywickrama et al. (2024) is of similar opinion where it is suggested that AI to be used as human helper in decision-making by digging up information. AI is a good assistant. It cannot replace human mediators who has wisdom and empathy in resolving disputes.

Experts unanimously agreed that AI can help to resolve disputes, makes the dispute resolution process quick, and gather information, but AI cannot replace the human mediators completely. This is because AI do not have human skill such as understanding culture, human emotions and feelings. Empathy is one of the crucial elements in mediation which AI is not good at. Experts also concern if AI might be unfair in making decisions due to its limitation. Hence, it is risky to let AI alone handle conflict that involve human sensitivity. Due to AI constraints, it is suggested that the best method is for AI to work together with human mediator in mediation session to assist the mediator. To conclude, AI is a great assistant to human mediator, but it cannot replace them. This is important especially in business mediation as the parties need to ensure that their relationship sustain. The sustainability of business relationships is crucial especially if it involves different countries and sole producer of certain product or services.

The Needs of Guideline or Policy

From the data collected, there must be a clear guideline and rules in using AI to address ethical issues and prevent misuse. Parties to dispute shares confidential and private information. There is a risk to use AI to conduct mediation alone. The data might be seen by others. Hence, there must be policies or rules to protect privacy and ensure the information is safe (Corsano, 2024). This is agreed by Cihanová (2023) who has similar opinion and call for adherence to legal and ethical standard of AI implementation in mediation. On top of that, the experts also suggested for a monitoring system for AI usage by mediators. This is important as the usage of AI in mediation must comply with the existing laws and professional ethics. Cihanová suggest for more research to be done in policy development of AI in mediation.

AI can assist to have better result in mediation but there must be rules and guideline in using it. Using AI as a tool in mediation is a great way to assist mediators but it must be done with responsible and oversight. Further, before a mediator is allowed to use AI software, he needs to undergo a training to get used to the AI tools (Edward, n.d.; Achar, 2024). The experts unanimously agreed that there must be oversight and transparency in integrating AI in the mediation session. An effective guideline or policy is needed through thorough research by the stakeholders. This is important to ensure ethical standards and prevent misuse. In business mediation, corporate data is very important to be kept confidential. Furthermore, cross-border data protection laws need to be taken into account in drafting policies or rules on implementation of AI in business mediation. On top of that, unequal power dynamics and

trade secret protection, and contract confidentiality must be included as part of the ethics for business mediation.

Conclusion

The most significant findings of this paper are that AI serves as a valuable assistant to human mediator. It assists the mediator to understand complex data and manage communication between the parties. It is an efficient tool as it enables more efficient resolution. AI has the complementary role only. AI alone cannot be a mediator since it has lack of human skills like empathy, understand the culture and human emotions and to maintain confidentiality of parties. Therefore, experts agreed that AI can be an assistant in mediation but not to replace the human mediators. Hence, AI is empowering mediators not to replace them. AI may be considered as the “fourth party” in the mediation session as AI assist the mediator in drafting, analyse and suggest suitable option for the case in the session. The majority of the authors suggest for a hybrid model combining human mediator and AI.

The major outcome of this paper is that AI helps to improve the efficiency and accessibility in mediation session especially is cases involving data-heavy process like intellectual property’s case. AI reduce time and cost and allows the mediator to handle more cases. However, AI cannot replace human mediator since AI struggles with emotional issue. AI judgment is not equal to human judgment. AI enhance the process only. Experts also agreed that there must be a proper guideline, rules or policies in using AI software to ensure ethical compliance and to avoid misuse. For future research, it is suggested that empirical research to be done in this topic, research in policy development and innovative techniques and manual of AI usage as the fourth party in business mediation.

Acknowledgements

The author wishes to express sincere gratitude to the Geran Penyelidikan Sekolah Perniagaan dan Ekonomi (GPSPE) for the research grant. Special thanks are also extended to the Deputy Dean (Research and Innovation), School of Business and Economics, for the trust and support, as well as to the entire team at the Office of the Deputy Dean (Research and Innovation) for their valuable assistance throughout the research process.

References

- Abeywickrama, A. P. T. M., Abeynayake, M. D. T. E., Eranga, B. A. I., & Illeperuma, I. E. (2024). Incorporating digital technologies for alternative dispute resolution in the Sri Lankan construction industry. *Proceedings of the 12th World Construction Symposium*, 568–580. <https://doi.org/10.31705/WCS.2024.45>
- Alsamhan, E. A. (2023). AI and online dispute resolution: Mediation. *Journal of Scientific Development for Studies and Research*, 4(13), 283–300.
- Amin, N. H. (2023). A new frontier in online dispute resolution: Combining AI and mindfulness. *Journal of Law, Technology & the Internet*, 15(2), 283–304.
- Bergman, R. (2023, February 10). Will AI replace mediators? *Mediate.com*. <https://mediate.com/will-ai-replace-mediators-and-neutrals/>
- Cambridge Dictionary. (n.d.). Artificial intelligence. In *Cambridge Dictionary*. Retrieved April 26, 2025, from <https://dictionary.cambridge.org/dictionary/english/artificial-intelligence>
- Cihanová, J. (2023). The role of artificial intelligence in alternative dispute resolution. *Acta Facultatis Iuridicae Universitatis Comenianae*, 42(2), [Article 6]. <https://doi.org/10.62874/afi.2023.2.06>
- Corsano, P. (2024, May 24). Mediation and AI: Balancing benefits and confidentiality. *Civil Mediation Council*. <https://civilmediation.org/ai-in-mediation-benefits-and-confidentiality/>
- De Palo, G. (2024, December 20). AI's double-edged role in dispute resolution: Insights from a simulated mediation. *JAMS ADR Insights*. <https://www.jamsadr.com/blog/2024/ais-double-edged-role-in-dispute-resolution>
- Edwards, B. A. (n.d.). Using artificial intelligence as “augmented intelligence”. *Edwards Mediation Academy*. <https://edwardsmediationacademy.com/artificial-intelligence-in-mediation-what-the-future-holds-for-mediators/>
- Fatima, N. (2023). From courtrooms to algorithms: The evolution of dispute resolution with AI. *Revista Brasileira de Alternative Dispute Resolution*, 5(10), Article 13. <https://doi.org/10.52028/rbadr.v5i10.ART13.IN>
- Giacalone, M. (2025, January 2). AI and the future of private dispute resolution mechanisms. *SSRN*. <https://doi.org/10.2139/ssrn.5083207>
- Motta, I., Lima, M. J., Ambrosio, T., Celecia, A., Mangeth, A. L., Frajhof, I., & Cury, C. (2023). Towards designing Artificial Intelligence (AI)-based Online Dispute Resolution (ODR) services: The case of +Acordo. In *ServDes 2023* (pp. 1–15). <https://doi.org/10.3384/ecp203061>
- Ngcobo, M. T. (2024). Artificial Intelligence and Blockchain Technologies in Online Dispute Resolution: A solution to consumer disputes in South Africa? *PER / PELJ*, 2024(27). <https://doi.org/10.17159/1727-3781/2024/v27i0a14648>
- Paul, J. (2025, April). Human-AI collaboration in resolving workplace conflicts. *ResearchGate*. <https://www.researchgate.net/publication/390355855>
- Raj, R. (2024, November 22). Mediation and AI: Revolutionising dispute resolution in the digital age. *The Barrister Group*. <https://thebarristergroup.co.uk/blog/mediation-and-ai-revolutionising-dispute-resolution-in-the-digital-age>
- Shonk, K. (2025, March 24). AI mediation: Using AI to help mediate disputes. *Program on Negotiation at Harvard Law School*. <https://www.pon.harvard.edu/daily/mediation/ai-mediation-using-ai-to-help-mediate-disputes/>

Zhang, W., Shi, J., Wang, X., & Wynn, H. (2023). AI-powered decision-making in facilitating insurance claim dispute resolution. *Annals of Operations Research*. Advance online publication. <https://doi.org/10.1007/s10479-023-05759-7>