



BLURRING BOUNDARIES WHERE ARTIFICIAL INTELLIGENCE ENDS AND HUMAN POTENTIAL BEGINS

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ABSTRACT

AI, which stands for "artificial intelligence," is a new technology that not only copies but also makes people smarter and better at learning, thinking, and making decisions. AI is a great tool for computers, but we shouldn't forget that it can't do everything. For example, it needs data, and it can't always think for itself. AI is good at some things, and people are good at others, like being nice, moral, and creative. That's why people and machines need to work together. AI works better with human supervision and vice versa, so this partnership is very important when things are really important and hard. It is also important to use and make AI technologies in a responsible way, as shown by governance frameworks and ethical issues. As we move forward, we need to make hybrid intelligence systems that put people first and use the best parts of AI. This will help us fix the problems we have now and make it easier for people to think of new ideas in many different fields. Ultimately, the effective integration of AI into society hinges on our capacity to contemplate and address these issues ethically. We need to make sure that technology doesn't make things worse.

Keywords: Transformative Technology, Governance Frameworks, Hybrid Intelligence Systems, Ethical Considerations.

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1. Introduction

AI technologies are changing quickly, which is having a big effect on how people and machines work together and solve problems. Modern AI systems can often do as well as or better than people at things like recognizing images, processing natural language, playing advanced games, and making predictions. This happens because they use really powerful computers and complicated math. But these improvements can only go so far because AI needs data that is already there, statistical trends, and optimization that stays within certain limits. At this point, human thought is needed to go beyond what algorithms can do. This dynamic shows how biological intelligence has cognitive and emotional abilities that are hard to copy with computer systems. Creativity, empathy, the ability to think strategically ahead, the ability to think in abstract terms, and the ability to tell right from wrong are all parts of human intelligence. These traits help people start businesses, handle uncertainty, and figure out what to do with information that isn't clear. These skills aren't common in modern AI technologies.

The goal is to look into the lines that are becoming less clear between AI and human abilities by comparing AI's limits to specific human traits that make intelligence better and more powerful than machines. The text talks about collaborative frameworks where AI helps people instead of replacing them. This shows how human creativity and machine skill can work together. It also talks about what this convergence means for system design, ethics, and the future research paths that need to be taken to make hybrid intelligence models that use the best of both human and AI skills. It's important to remember that AI algorithms have limits when you compare what AI can do to what people can do. A few primary categories of these limits are as follows:

1. Data Bias: AI relies on training data, which can exacerbate existing biases. This leads to different groups of people being less trusting.
2. AI lacks true semantics and the ability to apply commonsense that would help it analyze how people behave and what to do in uncertain situations.

3. Little ability to generalize: AI models tend to be domain-specific, and struggle to react when presented with new or unexpected circumstances, and often require substantial additional training before they can be deployed elsewhere.

4. Issues with transparency: Many AI models are considered blackboxes, and inability for people to understand how a machine has made decisions erodes trust and responsibility.

5. Ethical Issues: The use of AI raises complicated ethical issues about research, fairness, and responsibility, and has become clear that only humans should discern when to use AI.

AI systems often struggle to generalize, which is a clear indication that the AI system is operating incorrectly or is malfunctioning. Once these systems are trained, they are difficult to change because they produce outputs based on patterns they have recognized in training data. The challenge arises when the models sometimes return inaccurate responses to input data that are outside the training data of the model. This is termed a "distributional shift" and is a concerning indicator of poorly constructed AI models. The model may be performing well in situations that it has previously encountered, but may be performing poorly in situations that are novel or ambiguous. AI models may be misapplying noise and important observable actionable patterns leading to poor conclusions. This is exacerbated when the model is overfitting the data set, especially when data sets are small, and can lead to inaccurate conclusions. Humans can draw on previous knowledge when situations change, but AI systems must be retrained on new data sets for each new situation, which can be time and cost prohibitive [2].

There can be failing in AI pictures, misunderstandings of language, or medical advice when encountering data that AI does not recognize. These are actual examples where generalization failed demonstrates some boundaries of AI. These examples also reflect the important realities of needing to test AI systems outside of their baseline, update AI systems to continually improve, and to have supervised and monitored AI better improve 'real world' performance. The idea of real generalization continues to be an area of active research in AI. It needs to learn new ways to make models and how to handle real-life problems. AI won't work well in a lot of cases if these problems aren't fixed. In many ways, this will make it less useful and effective. Improving AI's ability to generalize is not only a technical challenge, but it is also an important step toward unlocking its full potential to change industries and make people's lives better [2].

2. AI Constraints vs Human Capabilities

Research on bias and data dependency in AI systems shows that getting fair and accurate results depends on having high-quality, representative training data. The biases that come from having too few people in a dataset show a big ethical problem that needs to be fixed so that AI can be used fairly, especially in important areas like hiring and lending. AI doesn't have a lot of common sense or understanding of what's going on, which shows how people and machines learn in different ways. Because of this gap, AI is less useful for real threats that are difficult and involve lots of information processing.

AI systems are limited in their ability to change what they have previously stored or used in new contexts. While they may be good at leveraging previous knowledge with relatively little additional input, they do poorly in new circumstances where they have previous knowledge and are also required to leverage their knowledge. Since AI is not necessarily adaptable, it's difficult to engage in areas that continuously shift to new knowledge and background. This confirms the need for systems to adapt to the environment. [3].

Most advanced models are complex and often difficult to describe or make clear. It's even more difficult to hold people accountable and reliable. AI solutions must make clear what their decision-making processes are and last only as long as specified. Sometimes moral debates arise from the outcome of AI decision. AI systems do not bring any form of morals so people ought to closely monitor their work and especially look out for safety issues such as privacy violations and maintaining bias. This detailed exploration illustrates how today's AI approaches computing tasks in a different way than we do. It also reveals how crucial it is to deploy systems that leverage both the speed of AI and the judgement of humans. As we figure out how to possess AI, we must prioritize ethical responsibility, honesty, and adjustability in deploying AI (AI). The more we establish ethical responsibility, honesty and adjustability in deploying AI, the more effectively we can leverage AI (AI) positively [4].

The latest works try to regulate bias in AI, specifically in Graph Neural Networks and the like, indicate multiple strategies and characteristics have been recognized. Mayer and Hoffmann (2025) [5] demonstrate that approaches like data sparsification, feature modification, and synthetic data augmentation have been effective and demonstrate a delicate balance between demographic representation and model performance. Waller et al. (2024) [6] approach the analysis with a legal perspective by sorting bias methodology into three classifications: pre-processing, in-processing and post-processing classifications, and propose guidance that models operating in various jurisdictions across the world are compliant with laws and ethical

standards. We need this legal framework so that AI systems operate fairly, efficiently, and lawfully.

Explore Hasanzadeh et al. (2025) [7], who examined specific biases that arise in AI uses in healthcare and stressed the necessity of stakeholder accountability to achieve equitable results. Their examination supports that removing bias is not just a technical issue, but also is an ethical issue, and is a group commitment. The innovative method offered by González-Sendino et al. (2024) [8], which uses causal models for equitable data, shows promise for a key area of future research. It indicates the use of systemization can make AI training datasets fairer. It indicates how causal modeling early in the AI process can create less bias. Even though AI has improved significantly in many ways, it still lacks the capability to do everything that people do.

AI can only observe patterns in data. It can't interpret or apply meaning to those patterns. This means that AI can't copy the part of people that makes them creative, which is based on their feelings and experiences. AI also doesn't have the emotional intelligence that lets people understand and care about other people, which makes it less useful in situations that need compassion and careful human judgment. AI systems can only follow rules that are programmed into them. People can think about right and wrong in a way that AI systems can't. Different social and cultural values shape what people think is right and wrong. People can also do well in situations that are hard to predict because they can change and adapt. AI, on the other hand, has a hard time doing this because it has to look at patterns and data from the past. As technology continues to change our lives, it's important to remember and celebrate the unique things about human potential that are still needed for innovation, empathy, and making moral choices in a world that is changing quickly [9].

3. Emotional Empathy: Humans and AI Compared

The proposed experimental designs offer an extensive framework for assessing the emotional empathy of both humans and AI in regulated environments. Researchers can systematically examine the intricacies of empathetic engagement by concentrating on tasks such as emotion recognition, empathy response generation, emotional support meetings, and physiological evaluations. The expected results indicate that humans possess an innate ability to detect subtle emotional cues and deliver contextually appropriate responses, while AI may encounter difficulties in the complexities of emotional interpretation and the maintenance of empathy over time. Moreover, the emphasized ethical considerations underscore the necessity

of ethical practices in conducting such research, ensuring informed consent and protecting data privacy. In the end, these studies will make it clearer what the main differences are between how humans and AI process emotions. This will help us understand empathy better in the age of AI. This study enhances our comprehension of emotional intelligence and prompts significant inquiries regarding the role of AI in emotionally significant interactions, facilitating advancements in the development of AI systems capable of understanding and responding to emotions.

There are many different ways to think about and deal with hard moral issues because there are many different ways to judge moral and ethical choices. The Framework of Fundamental Ethical Principles is about basic values like being fair and treating other people with respect. There are three main ways to think about normative ethics: consequentialism, deontology, and virtue ethics. Consequentialism focuses on the outcomes of actions, deontology on duties, and virtue ethics on moral character. The Markkula Center's Ethical Decision-Making Framework builds on this by adding ways to make decisions based on rights, justice, the common good, and virtue. This helps you choose. Lastly, the Blanchard-Peale Framework helps us judge ethics by asking simple questions that put legality, fairness, and personal integrity first. These frameworks help us understand moral principles better. They are also useful in schools, workplaces, and other places where rules are made because they help people and groups make decisions based on facts and principles. Putting these different points of view together helps us make better and more complicated moral and ethical choices. This shows how important it is to think about the things we do and the choices we make.

There are good and bad things about different ethical frameworks when it comes to solving moral problems. The consequentialist approach, which prioritizes outcomes, may contravene fundamental moral principles and individual rights to attain the greater good. Deontological ethics is simple to understand because it tells you what your duties are, but it's hard to use in real life because you can't change anything. Virtue ethics promotes moral integrity but lacks definitive guidelines for decision-making, potentially complicating the pursuit of ethical actions in certain contexts. The necessity for contextual interpretation is emphasized as ethical frameworks endeavor to harmonize conflicting principles, highlighting the significance of adaptability. The Markkula Center Framework gives a more complete picture by showing different points of view. This makes it harder to make decisions and takes longer. Table 1 [10] shows that the Blanchard-Peale Framework isn't as good for quick evaluations:

Table 1: Strengths and Weaknesses of Major Ethical Assessment Frameworks

Framework	Strengths	Weaknesses
Consequentialist (Utilitarianism)	Emphasizes outcomes and overall good; useful for policy-level decisions involving trade-offs	Can justify ethically questionable acts if outcomes are positive; hard to predict all consequences
Deontological (Duty-Based)	Focuses on universal moral duties and rules; provides clear ethical standards	Can be rigid and ignore context or consequences; conflicting duties can be problematic
Virtue Ethics	Centers on moral character and intentions; encourages ethical development and reflection	Lacks clear guidance for specific actions; subjective interpretation of virtues
Basic Ethical Principles	Simple, widely accepted principles (justice, beneficence, autonomy); adaptable	Can be too broad or general; principles may conflict and require balancing
Markkula Center Framework	Multi-faceted approach combining consequences, rights, justice, common good, virtues; practical decision-making steps	Can be complex and time-consuming; requires weighing multiple sometimes conflicting perspectives

3.1 Architecture

The responsible use of artificial intelligence (AI) depends on the incorporation of ethical principles and governance frameworks at every stage of its life cycle. This promise to safety, dependability, and legality is important for protecting basic rights and building public trust. We make sure that AI is a tool for empowerment and not a replacement for human judgment, especially in situations where a lot is at stake, by putting the focus on human agency and supervision. Transparency and reducing bias are important parts of good AI governance because they make AI systems more fair and accountable and increase people's trust in them.

Advances in affective computing, neuromorphic computing, and explainable AI are likely to narrow the gap between what humans and machines can do in the future. This will make it easier for people to work together and build on their strengths. But getting to ethical AI is not easy. There are many problems to solve, like the need for strong models of ethical reasoning and ways to find bias that can be used on a larger scale. To fix these problems, people from different fields will have to work together to make sure that AI development is both new and good for society. The future of AI will depend on how well it can help people choose. Governance needs to keep getting better and more open so that people can deal with the complexities of this technology that changes the game.

Figure 1 below shows that designing human-in-the-loop systems for high-risk artificial intelligence (AI) requires a careful balance between the efficiency of automation and human decision-making. Dynamic interactions, the setting of specific checkpoints, ongoing learning

processes, and the use of easy-to-use oversight tools all help to keep this balance. These kinds of designs are especially important in sensitive areas like healthcare, banking, and the justice system because they make things safer, build trust, make sure that ethical standards are followed, and give operations more freedom [11].

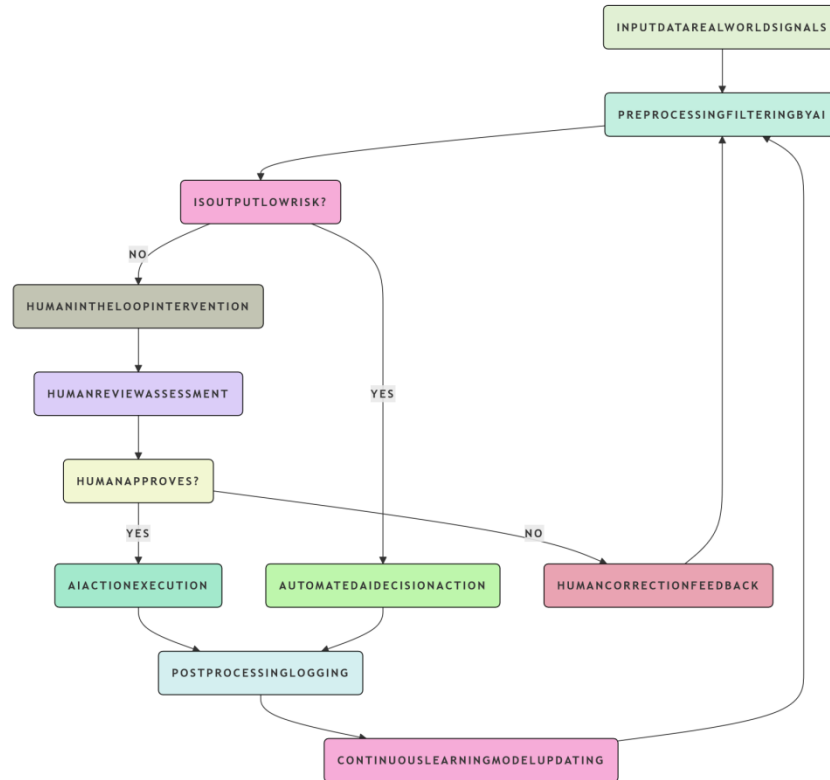


Figure 1: Human-in-the-Loop Architecture for High-Risk AI Systems

1. **Human Checkpoints with Selective Automation:** Use AI to flag complicated or important decisions for human review while automating less risky tasks. At important checkpoints, people act as gatekeepers to make sure that operations are safe and can grow.
2. **Preparing Human Inputs:** Before deploying AI, get people involved in shaping how it works by filtering data and setting rules. This will reduce bias and make the system more reliable.
3. **Real-Time Interaction in the Loop:** Create systems where AI stops making decisions to ask people for help with unclear or sensitive issues. This is very important in regulated fields like finance and healthcare.
4. **Quality Control and Post-Processing Evaluation:** Make sure that people check and fix AI outputs after they are generated to make sure they are correct and in line with human values, like in tools like GitHub Copilot.

5. Ongoing Feedback and Learning Loops: Allow people to keep giving feedback so that models can be improved and mistakes can be fixed. This will keep them reliable and able to adapt to new situations over time.

6. User-Centric Interface Design: Create interfaces that make it easier for people to make decisions by clearly showing AI results and providing confidence levels. This will help cut down on mistakes and decision fatigue.

7. Multidisciplinary Human Oversight Teams: Create teams with people from different fields, such as engineers, ethicists, and specialists, to work together on difficult AI-related decisions that have both ethical and technical aspects.

A radar chart compares AI, human, and collaborative performance based on six main factors: Task Success Rate, Time Efficiency, Accuracy, Cognitive Load Reduction, Adaptability to Novelty, and Emotional & Ethical Judgment. There are scores from 0 to 10 on each axis, and the shapes show strengths and weaknesses. People are better at being flexible and making moral decisions, while AI is better at being efficient, accurate, and lowering cognitive load. The combined shape of human-AI partnerships shows that working together leads to better results and makes it easier to see how AI and people are different. Figure 2 below shows how this works in systems with integrated intelligence:

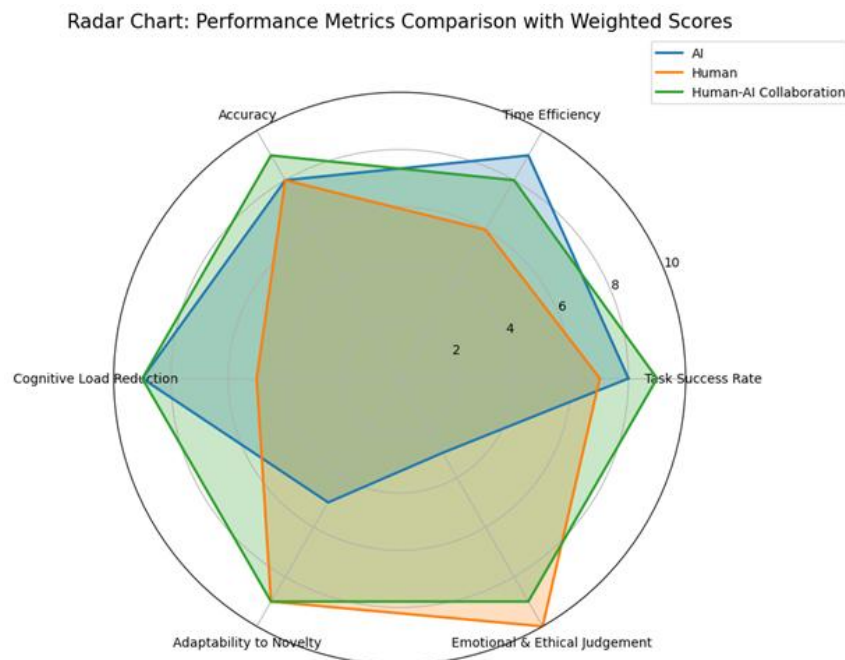


Figure 2: AI vs Human Performance Metrics

4. Conclusion

A new era of collaborative intelligence is beginning because of the combination of human potential and artificial intelligence. This synergy not only makes people more productive and creative, but it also makes it hard to tell the difference between human and AI skills, which gives people new ways to work together. But for this collaboration to work, careful planning, ethical leadership, and constant oversight must come first. This will keep things open and let people be free. In the future, better agentic AI, emotional computing, and explainable AI could help people and AI work together better. By focusing on adaptive hybrid intelligence, making things easier to understand, getting people more emotionally involved, and encouraging ethical thinking, we can close the gaps in people's skills and give them more power in AI-augmented roles. Ultimately, embracing these changes will unlock new opportunities across various domains, fostering a future where human creativity and AI efficiency collaborate in unprecedented ways to propel progress and innovation.

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