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The Impact of Artificial Intelligence on Business Management

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1. Chapter 1: Introduction

1.1. Research Background

Artificial Intelligence (AI) has become one of the most important technological developments influencing modern organizations. Businesses increasingly rely on AI technologies to improve efficiency, automate repetitive activities, and support managerial decision-making. The ability of AI systems to process large volumes of data and generate meaningful insights has transformed the way organizations operate in competitive business environments.

Over the last decade, AI has expanded from a purely technical concept into a strategic business tool. Organizations use AI applications in finance, human resources, marketing, customer service, procurement, and operations management. These applications support managers in planning activities, allocating resources, forecasting future trends, and improving organizational performance. As a result, AI has become an essential component of digital transformation initiatives across many industries.

Researchers have highlighted several benefits of AI adoption in organizations. AI technologies can improve decision quality, increase operational efficiency, reduce costs, and enhance productivity. In addition, intelligent systems can provide real-time information that assists managers in responding quickly to market changes and organizational challenges. Such capabilities allow businesses to strengthen their competitive position and improve overall performance.

Despite these advantages, the implementation of AI remains a challenge for many organizations. Difficulties related to employee acceptance, integration with existing systems, data management, and organizational readiness continue to affect successful adoption. Furthermore, while many studies have examined specific AI applications, there is still a need to understand how AI influences business management as a comprehensive managerial practice.

Therefore, this study examines the impact of Artificial Intelligence on Business Management. The study seeks to explore how AI contributes to improving managerial effectiveness,

organizational efficiency, and business performance through its application across different organizational functions

1.2. Research Problem

Organizations are increasingly investing in Artificial Intelligence technologies to improve business processes and management activities. However, there is still uncertainty regarding the overall impact of AI on business management and the extent to which organizations can benefit from its implementation across different managerial functions

1.2.1 Theoretical Gaps

Previous studies have focused on Artificial Intelligence in specific areas such as automation, organizational performance, and decision-making. However, limited research has examined the overall relationship between Artificial Intelligence and Business Management as an integrated concept that includes planning, organizing, leading, and controlling.

1.2.2 Practical Gaps

Although organizations continue to adopt AI technologies, many managers face challenges related to implementation, employee adaptation, and system integration. Consequently, organizations require a better understanding of how AI can be utilized effectively to improve business management practices and organizational outcomes.

Main Research Question: What is the impact of Artificial Intelligence on Business Management?

1.3 Research Significance

This study is significant due to the growing role of Artificial Intelligence (AI) in modern organizations and its increasing impact on business management practices. As organizations continue to adopt AI technologies to improve efficiency, decision-making, and operational performance, understanding the relationship between Artificial Intelligence and Business Management has become an important area of academic and practical interest. Therefore, this study seeks to provide valuable insights into how AI can contribute to improving management functions and organizational effectiveness.

1.3.1 At the theoretical level

This study contributes to the existing literature by providing a broader understanding of the relationship between Artificial Intelligence and Business Management. It addresses gaps in previous studies and supports future research related to AI applications in management and organizational development.

1.3.2 At the practical level

The findings of this study may assist managers and organizations in understanding the potential benefits of Artificial Intelligence. The study may also support decision-makers in developing strategies that improve efficiency, productivity, and managerial effectiveness through AI adoption

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