# THE IMPACT OF THE POTENTIAL OF ARTIFICIAL INTELLIGENCE IN THE FIELD OF MANAGEMENT EDUCATION

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**ABSTRACT**

The paper aims to showcase the technological advancements in artificial intelligence and highlight its significance in the realms of management. Additionally, the research addresses the anticipated requirements of management education in the future.

In the paper, various definitions of artificial intelligence have been examined, including those provided by high-ranking expert groups such as the Organization for Economic Cooperation and Development (OECD), the Council of Europe, and the European Commission. Additionally, we have formulated our own definition.

We define artificial intelligence as systems capable of exploring external data to achieve specific goals. These systems have the capacity to learn and autonomously perform tasks, reaching near- superhuman performance across a broad spectrum of activities. In your research, focusing on areas such as fraud detection will allow you to consider both the risks and opportunities associated with AI. Artificial intelligence holds immense potential to reshape the economy, foster the emergence of new industries and business models, enhance productivity, and elevate the overall standard of living. By automating routine tasks, it liberates time, allowing individuals to concentrate on more creative endeavors.

Modern business education plays a crucial role in equipping students with relevant knowledge and skills. There is a growing necessity to orient management training programs towards the utilization of future technologies in the business sector. The ultimate objective is to enhance leaders' proficiency in leveraging these technologies to accurately analyze business challenges and make timely decisions that contribute to the success of the organization.

**Keywords:** Artificial Intellect, Business Education, Hypercompetitive Environment.

**Introduction**

Scientists and public policy representatives have shown a growing interest in artificial intelligence technology. We have studied research conducted by foreign scientists on artificial intelligence. Especially noteworthy are the studies conducted by modern British and American scientists: Alshare, K., & Sewailem, M. F., Brown, B., Chui, M., & Manyika, Bughin, J., Seong, J., Bunch, K. J. Cappelli, P., Cardenas-Navia, I., & Fitzgerald, Chamorro-Premuzic, T., & Frankiewiez, B., Clayton,

P. R., & Clopton, J., Fleming, M., among others.

The paper aims to explore the vast potential of artificial intelligence in the realm of business and management, underscoring the necessity for future studies in management education.

There are various definitions of artificial intelligence. According to the definition of OECD (Organization for Economic Co-operation and Development), artificial intelligence (AI) is described as "a system based on machine technology that, given human-defined goals, can make predictions and recommendations or make decisions that affect real or virtual environments."

**Discussion**

„Evolving of artificial intelligence has no boundaries", says Elon Musk. Humanity has indeed achieved remarkable technological advancements, such as human artificial insemination. Furthermore, we have established instantaneous connections not only across different places on Earth but also with the cosmos itself. Additionally, breakthroughs in genetic technology have enabled the removal of not only disease-causing genes but also genes associated with aging, offering the promise of eternal youth, among other advancements.

Regrettably, the legislation of Georgia does not provide a precise definition of artificial intelligence, nor does it offer a clear differentiation between artificial intelligence and other types of algorithms. Currently, there is a lack of laws regulating the use of software services containing AI in Georgia. As a result, individuals are not adequately protected from the potential risks associated with various fakes that may arise from the operation of artificial intelligence. However, the country's constitution establishes some statutory requirements that somewhat regulate the use of artificial intelligence.

Artificial intelligence holds significant potential to enhance economic performance, foster the development of new industries and business models, and elevate productivity and living standards. It enables the automation of routine tasks, thereby streamlining processes and increasing efficiency. By freeing up time to focus on creative tasks, we can harness the potential of rapid technological advancements, which suggests that the future of humanity will increasingly depend on our ability to innovate.

Countries that successfully advance artificial intelligence technology stand to gain a significant global competitive advantage across various domains. The leadership of the United States of America and China in artificial intelligence development is already evident, with the US leading in research and development, while China leads in adoption. Both the UK and Canada are making significant long- term investments in artificial intelligence development, positioning themselves to become more competitive in the future.

AI possesses the potential to drive innovation. According to the McKinsey Global Institute, by 2030, around 70% of firms are projected to transition to utilizing artificial intelligence technology. According to the study, artificial intelligence has the potential to contribute an additional US$13 trillion in value by 2030, thereby boosting global output by approximately 1.2% annually. This growth is primarily attributed to the substitution of human labor with automation, as well as the innovation of products and services.

According to forecasts by the McKinsey Global Institute, artificial intelligence will significantly impact labor markets, leading to increased costs associated with managing it. This will result in structural changes in labor markets, with robots replacing workers in roles that involve routine and repetitive tasks. Clearly, even in the long term, robots will not be able to completely replace human employees due to the current limitations of artificial intelligence in achieving high levels of intelligence. However, structural changes are inevitable, which could exacerbate income inequality and social disparities.

In Georgia, artificial intelligence systems are extensively utilized in private businesses. These include successfully implemented verification systems, automatic document identification systems, communication programs, and various other tasks.

These transformations underscore the necessity for updates in business and management education to ensure its relevance. Specifically, curricula should incorporate the skills required for individuals to thrive as successful professionals. In Georgia, there exists a notable gap between the desired jobs for graduates and their skill sets. To prevent this gap from widening further, business education programs must evolve to play a more proactive role in preparing students to address this significant challenge. Business is among the earliest interdisciplinary professions. Traditionally, business and management programs have been geared towards nurturing future leaders, managers, and entrepreneurs. Professors emphasize to students that only businesses that innovate and adapt to the rapidly evolving global

landscape will thrive and survive. To meet the demands of business companies, higher education needs to constantly assess strengths and weaknesses, threats and opportunities. It is necessary to use a more complex approach to disciplines. [7]

The utilization of artificial intelligence necessitates professionals with enhanced education and the cultivation of skills such as ethics, leadership, emotional intelligence, and change management. As a result, business faculties are confronted with the imperative to cultivate and enhance intellectual skills. Creativity, sound judgment, and effective business communication are progressively deemed essential, and should therefore constitute integral components of any robust business education. [8] Artificial intelligence is increasingly utilized in marketing and sales to enhance targeting and personalize communications. AI can identify thousands of psych types and customize messages to recipients' specific preferences. Additionally, financial technology (Fintech) has revolutionized the field of asset management entirely. In the retail sector, AI is employed for inventory management. For instance, Amazon utilizes a pre-shipment patent that can predict what customers will order before they place an order. [6]

Artificial intelligence significantly impacts key areas of private business, including human resource management, information technology, marketing, and finance. Hence, students pursuing degrees in business and management must possess the ability to gather pertinent information, analyze existing problems, employ logical reasoning, and effectively solve real-world challenges in the competitive business landscape. As artificial intelligence takes center stage in these processes, we must also acknowledge the rise of certain challenges in the field of education in our country. These include a low level of mathematical competence, underestimation of literacy, and a mismatch between teaching, research, and practical needs. This trend is particularly evident in the fields of science, statistics, and information technology. The surge in data volume has compelled companies to recruit specialists capable of managing vast data streams to make informed decisions. Consequently, there has been an increased demand in the labor market for graduates equipped with these skills.

It is crucial for students to develop data analytics tools and possess analytical skills to process vast data streams, as this need is growing across all fields, including accounting, entrepreneurship, finance, management, and marketing. [6]

The development of artificial intelligence offers solutions to numerous problems. AI holds the potential to revolutionize education by making learning more personalized, adaptive, and engaging. Additionally, it can reinforce valuable teacher insights and provide tools to support student success; helps us focus on multidisciplinary business processes; This action helps to achieve a competitive advantage.

A report by the McKinsey Global Institute highlights that the US will face a significant shortage of people with analytical skills. Similarly, Georgia is grappling with the same issue: a lack of qualified personnel proficient in data analysis and decision-making. These circumstances underscore the critical need for specialists with both analytical and supportive skills. [7]

It's crucial to acknowledge that the advancement of artificial intelligence presents risks and challenges. Differentiating real facts from fake ones becomes increasingly difficult. Military applications of AI, especially without proper human oversight, can lead to unintended consequences and escalation. Therefore, global regulations are imperative in this regard.

**Conclusion**

Business and management education will continue to be relevant in the future. However, it is becoming increasingly important for curricula to anticipate the evolution of the business environment and equip students with the skills needed to thrive in a rapidly changing technological world.

In order to thrive in a hyper-competitive environment, students must possess the ability to utilize artificial intelligence and employ logical thinking. This necessitates a revision of the business school curriculum. Our research indicates that enhancing students' mathematical and logical skills is imperative;

they should not rely solely on traditional tools and approaches. Instead, they should begin mastering AI-related technologies. Consequently, our graduates will evolve into leaders who continually develop and refine their skills, utilizing innovative systems to achieve successful solutions.

Our observation conducted in Georgian universities suggests that business faculties may benefit from a return to ''classical'' teaching methods. This approach prioritizes the development of critical thinking and analytical skills alongside traditional business disciplines, fostering logical thinking and problem-solving abilities in students.[8]

Hence, the role of management education encompasses the cultivation of fundamental skills in students. The overarching objective is to enhance leaders' proficiency in leveraging modern technologies to address business challenges, formulate compelling recommendations, and make informed decisions aimed at enhancing company performance.

It is imperative for business faculties in Georgia to persist in developing and refining students' critical thinking and analytical skills. These skills are indispensable, as without them, artificial intelligence could soon become indistinguishable from human intelligence. At its current stage of development, AI does not possess the same level of intelligence as humans.

Our studies confirm that artificial intelligence educational technologies are effectively utilized in the teaching process at Georgian universities. AI holds the potential to revolutionize education by making learning more personalized, adaptive, and engaging. Moreover, it empowers teachers to reinforce valuable insights and provide tools to support student success. However, it is crucial to prioritize considerations such as data privacy, equity, and ethical use of AI in education to ensure that these technologies benefit all students. Business graduates equipped with modern skills and competencies will have significantly enhanced prospects for success in today's hyper-competitive world. [2]

In summary, to maintain relevance, management education must anticipate the evolution of the business environment, equipping students to navigate the rapidly changing landscape of today and tomorrow. To thrive in the realm of artificial intelligence, students must embrace changes in the business school curriculum. These "digital natives" view technology as a natural extension of daily life. Students should not limit themselves to discussing traditional tools and approaches; they must become proficient in AI-related tools and techniques. Organizational leaders refine their skills and leverage various systems and technologies to make informed decisions.

According to our research, there might be a need for business schools to revisit "classical" education, focusing on cultivating critical thinking and analytical skills. It's essential for students to prioritize learning logical thinking and problem-solving skills over specific business disciplines. Emphasizing that AI involves the tools used, not just the process, can help them understand the broader implications and applications of artificial intelligence in various fields. To achieve this, business programs should prioritize developing students' working knowledge of the tools and techniques used in the business environment. The goal is to empower future leaders with the ability to critically analyze business problems and opportunities, making compelling recommendations and decisions to enhance organizational performance.

Business schools must continue to prioritize the development and refinement of students' critical thinking and analytical skills. These skills are indispensable, as they ensure that artificial intelligence remains complementary to, rather than a replacement for, genuine human intelligence. AI, at least in its current stage of development, does not possess the same level of intelligence as humans.

Acquiring 21st-century skills, including an understanding of artificial intelligence, is increasingly crucial for students to adapt to the rapidly changing business landscape. Educators and employers widely acknowledge these skills as essential for students' educational and professional success. Absolutely, integrating artificial intelligence and other 21st-century skills into business education is becoming imperative. Graduates who possess these skills and competencies will undoubtedly have a significant advantage in navigating the complexities of today's competitive business environment.[2] Indeed, developing

students' critical thinking and analytical skills should be a central focus of business education. This is the largest set of skills. After all, the most accurate measure of any business school is how marketable and in-demand their graduates are. Modern businesses are increasingly seeking specialists who can analyze problems based on their disciplinary knowledge. Among these businesses are IBM, Toyota, General Electric, and Microsoft, all of which have shifted the focus of their management development.

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# ხელოვნური ინტელექტის პოტენციალის გავლენა მენეჯმენტის განათლების სფეროში

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**რეზიუმე**

სტატია მიზნად ისახავს წარმოაჩინოს ხელოვნური ინტელექტის ტექნოლოგიური მიღწევები, მისი როლი ბიზნესის და მენეჯმენტის სფეროში. კვლევა ეხება ასევე მომავლის მენეჯმენტის განვითარების საჭიროებებს.

სტატიაში განხილულია განსხვავებული განმარტებები ხელოვნური ინტელექტის შესახებ, მათ შორის ეკონომიკური თანამშრომლობის და განვითარების ორგანიზაციის OECD-ს, ევროპის საბჭოს, ევროკომისიის მაღალი რანგის ექსპერტთა ჯგუფის განმარტებები და ასევე ჩვენეული განმარტება.

გაანალიზებულია ხელოვნურ ინტელექტის უდიდესი პოტენციალი, გარდაქმნას ეკონომიკა, განავითაროს ახალი ინდუსტრიები და ბიზნეს პროექტები, გაზარდოს მწარმოებლურობა, ცხოვრების დონე. მისი მეშვეობით შესაძლებელია რუტინული საქმის ავტომატიზირება, რაც გამოათავისუფლებს დროს კრეატიულ ამოცანებზე ფოკუსირებისთვის.

დასაბუთებულია, რომ თანამედროვე ბიზნეს განათლებას ენიჭება უდიდესი როლი შესაბამისი ცოდნა და უნარები ჩამოუყალიბოს სტუდენტებს. საჭირო ხდება მენეჯმენტის სასწავლო პროგრამების ფოკუსირება მომავლის ტექნოლოგიების გამოყენებაზე ბიზნესის სექტორში. საბოლოო მიზანი არის განვითარდეს ლიდერის უნარი გამოიყენოს ეს ტექნოლოგიები ბიზნესის ამოცანების სწორად გასაანალიზებლად, რომ მიიღოს დროული გადაწყვეტილებები კომპანიის წარმატების მისაღწევად ჰიპერკონკურენტულ გარემოში.

**საკვანძო სიტყვები:** ხელოვნური ინტელექტი, ბიზნეს განათლება, ჰიპერკონკურენტული გარემო.

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