ARTIFICIAL INTELLIGENCE IN MANAGEMENT: TRANSFORMING BUSINESS PRACTICES AND CORPORATE GOVERNANCE.

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Abstract

Artificial Intelligence (AI) has rapidly emerged as a transformative force in the realm of management. This paper explores how AI reshapes business practices across decision-making, operations, customer engagement, and strategic planning. By integrating AI technologies such as machine learning, natural language processing, and robotic process automation, organizations can significantly improve efficiency, accuracy, and innovation. The study concludes that while AI presents challenges related to ethics, bias, and workforce displacement, its benefits for competitive advantage and long-term sustainability are (IBMTeamData&andAI, 2024) Artificial Intelligence (AI) has emerged as one of the most transformative technologies in recent years, reshaping various aspects of human life, including the business and management sectors. In management, AI is not just a buzzword; it is a powerful tool that drives efficiency, enhances decision-making, and improves customer experiences. This article explores the role of AI in management, its benefits, challenges, and future implications.

Keywords: Artificial Intelligence in management, AI in processes, (AI) on human resource management

INTRODUCTION

Artificial Intelligence (AI) has transitioned from a technological novelty to a vital driver of organizational efficiency and strategic competitiveness. Businesses across all sectors are adopting AI to refine managerial functions, redefine operational procedures, and respond more dynamically to market changes. This paper analyzes how AI is transforming managerial approaches and the broader implications for modern business practices.

(Adam Uzialko, 2024) Perhaps more importantly, it's becoming an increasingly crucial business tool with ramifications across multiple industries (Chui, 2028) Many years ago, in trying to improve manufacturing and production, these improvements were related to the physical world (DiCarlo, 2025). AI in Strategic Decision-Making. One of the primary areas where AI is making an impact is in strategic decision-making. AI technologies, such as machine learning, natural language processing, and predictive analytics, can analyze vast amounts of data, uncover hidden patterns, and provide insights that might be missed by human managers.

LITERATURE REVIEW

Constant optimization of commercial processes is still a challenge for firms. In the era of digital transformation, rapidly changing customer expectations for faster delivery and better quality of goods and services, and, economic entities need to improve their internal processes and performance. (Daniel Paschek, 2017) In her paper, Maria Kamariotou says that: AI technology offers great potential to solve difficulties, challenges remain implicated in practical implementation and lack of expertise in the use of Artificial Intelligence at a strategic level to create and increase the value of the economic entity.

Machine learning algorithms process vast amounts of data to uncover patterns, forecast trends, and support real-time decision-making. Managers now rely on predictive analytics for customer behavior, risk assessment, and inventory control.

NLP tools such as chatbots, sentiment analysis, and AI assistants enhance internal and external communications. AI-driven customer service solutions allow for faster, more personalized support, improving customer satisfaction and retention. 2.1 Robotic Process Automation (RPA)

RPA streamlines repetitive administrative tasks such as payroll processing, invoicing, and data entry, freeing managers to focus on strategic priorities. RPA adoption is particularly high in finance, HR, and supply chain operations.

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3. AI and Strategic Management

AI supports data-driven strategy formulation by providing insights into market trends, competitor

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analysis, and scenario simulations. AI tools enable more agile planning, reduce uncertainty, and help anticipate market disruptions.

4. Human-AI Collaboration

AI is not replacing managers but augmenting their capabilities. Managers equipped with AI tools demonstrate improved decision accuracy and faster response times. However, effective collaboration requires digital literacy and continuous training.

5. Challenges and Ethical Considerations

Despite its advantages, AI adoption raises concerns:
- Bias and Fairness: AI systems can inherit data biases, leading to unfair decisions.
- Transparency: The 'black box' nature of some algorithms complicates accountability.
- Job Displacement: Automation threatens certain roles, necessitating upskilling programs.
- Privacy: Data-driven AI must comply with regulations to safeguard user privacy.

6. Case Examples

- Amazon: Uses AI for inventory prediction, dynamic pricing, and personalized recommendations.
- Unilever: Applies AI in recruitment via gamified assessments and NLP-based interviews.
- IBM Watson: Assists in financial forecasting and healthcare diagnostics, supporting managerial insights.

7. Future Outlook

As AI capabilities continue to evolve, future management will involve greater synergy between human intelligence and AI. Key trends include explainable AI (XAI), ethical AI frameworks, and AI-driven innovation ecosystems. Organizations that integrate AI ethically and strategically will be better positioned for sustainable success.

METHODOLOGY

This study adopts a quantitative research methodology, utilizing both primary and secondary data sources. Primary data will be collected through an online survey targeting a diverse group of professionals within the Albanian business sector, including entrepreneurs, market analysts, operational managers, and traders. Secondary data will be drawn from relevant industry publications, business databases, and existing academic literature to supplement and contextualize the findings.

The corporate form of organisation of economic activity is a powerful force for growth. The regulatory and legal environment within which corporations operate is therefore of key importance to overall economic outcomes.
The legislative and regulatory elements of the corporate governance framework can usefully be complemented by soft law elements based on the "comply or explain" principle such as corporate governance codes in order to allow for flexibility and address specificities of individual companies. What works well in one company, for one investor or a particular stakeholder may not necessarily be generally applicable to corporations, investors and stakeholders that operate in another context and under different circumstances. As new experiences accrue and business circumstances change, the different provisions of the corporate governance framework should be reviewed and, when necessary, adjusted.
Corporate governance objectives are also formulated in voluntary codes and standards that do not have the status of law or regulation. While such codes play an important role in improving corporate governance arrangements, they might leave shareholders and other stakeholders with uncertainty concerning their status and implementation.
Artificial Intelligence (AI) has the potential to significantly enhance quality of life by optimizing services across nearly every industry. Despite its promise, AI presents certain challenges - particularly for companies that need to be addressed as businesses increasingly adopt this technology. The integration of AI across different sectors opens up numerous opportunities for both customers and organizations alike.
Graph 1: The Status of Enterprises. Graph 1 presents data on the legal and operational status of various enterprises in the study. It illustrates the distribution of business types among respondents, such as registered companies, informal businesses, or startups.

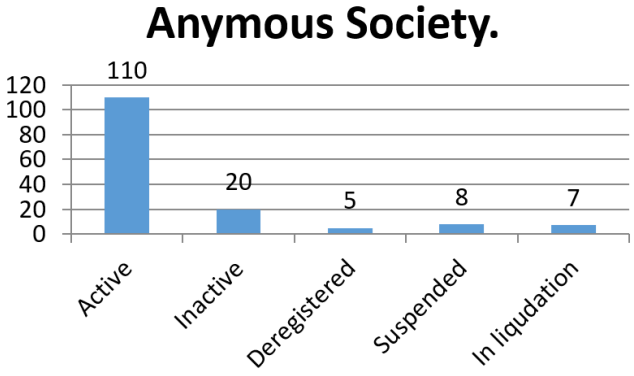

Fig. 1. The Status of Enterprises

This graph will illustrate the size of businesses based on the number of employees. The most common ones seem to be local enterprises in the field of trade, with businesses employing between 10 to 40 employees (with a few businesses employing more than 40). We will also highlight the fact that family businesses are more closed off in their operations (as you mentioned that they perform multiple roles like reception, kitchen, and waiter services).

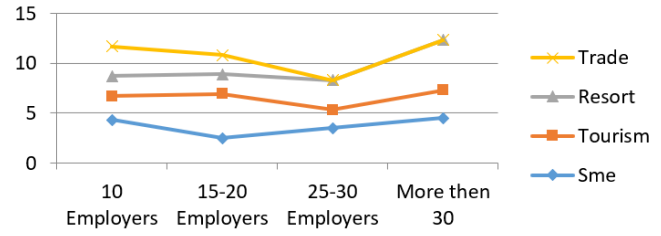

Fig 2: Enterprise Types by Sector and Size.

The second graph shows that the largest percentage are local enterprises in the field of trade, where these enterprises vary in number of employees from 10 to 40 or more. From the interviews we saw that family businesses are more closed from the point of view cyclical because the family members do everything themselves, they work in the hotel, reception, kitchen and waiter services.

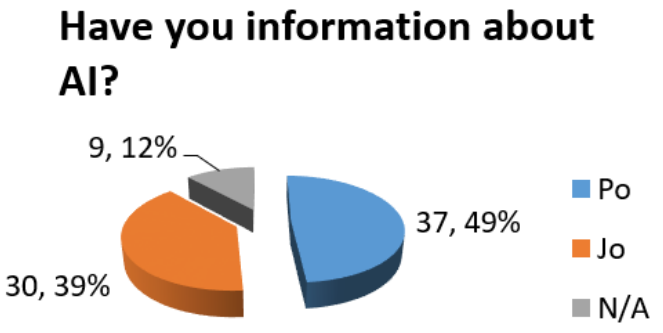

Fig 3: Awareness of Artificial Intelligence.

Graph 3: Awareness of Artificial Intelligence. Graph 3 displays the level of awareness about AI among the respondents. Notably, 37.49% of respondents reported having some knowledge about AI and its applications. This indicates a growing interest and curiosity about the potential of AI, although a significant portion of business owners still lack familiarity with the technology.

The third graph give information about the information of societies, when 37.49% have information about the AI. The same response are and for about corporate governance. This is the specific for this study.
Graph 4: Awareness of Corporate Governance (CG). Graph 4 displays the level of awareness about CG. 37.49% of respondents reported having some knowledge about CG and its applications in their companies.

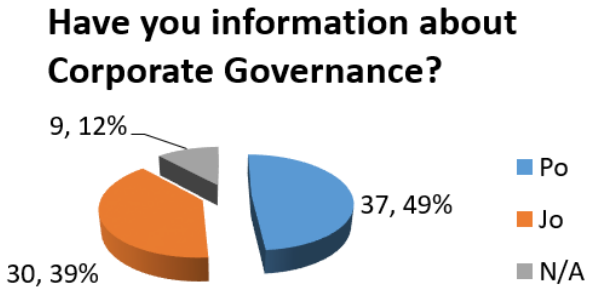

Fig 4: Awareness of CG.

The four graph give information about the information of societies, when 37.49% have information about the CG.30.39% have no information. The information of corporate governance is in the good nivel.

SUGGESTIONS SECTION

Corporate Governance and AI is expected to attract investors to invest their shares in the company at the same time has a great impact on private finance sector. Good governance and AI in a company will foster the welfare of stakeholders and employees who are directly involved in the company. This is intended to create a profitable company. Hence, the company will get added value from high profits. If enterprises have strong governance and AI, the companies will provide more accurate investments with external and internal financial resources. Today is the time of good CG and AI. All the companies has made progress on both of them.

CONCLUSIONS

In order to be effective, the legal and regulatory framework for corporate governance must be developed with a view to the economic reality in which it is to be implemented.
Artificial Intelligence and Corporate Governance are profoundly transforming management practices across various industries. Its ability to enhance decision-making, automate routine tasks, optimize financial operations, and strengthen customer relationships positions AI as a key driver of business evolution. As organizations increasingly adopt AI solutions, they unlock new levels of efficiency, innovation, and competitiveness. However, this transformation is not without challenges. Such issues that particularly affect the employment sector and the process of replacement and job displacement should be looked at more carefully. Another element that requires special attention has to do with data privacy, both for physical and legal entities. (Blogs, 2024) Responsible AI implementation guided by transparency, accountability, and ongoing workforce development is essential to ensure sustainable growth. Organizations should invest in robust AI strategies that balance technological advancement with ethical responsibility. This includes upskilling employees, implementing clear governance frameworks, and continuously evaluating AI systems for bias and fairness. By doing so, businesses can harness AI's full potential while fostering trust and long-term value.

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