

Generative AI Adoption and Its Impact on Business Decision-Making

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Abstract—Generative Artificial Intelligence (AI) has emerged as a transformative technology that is reshaping business operations and strategic decision-making processes across industries. Organizations increasingly utilize Generative AI tools to analyse large volumes of data, generate insights, automate routine tasks, and support managerial decisions. This study examines the adoption of Generative AI and its impact on business decision-making among employees and managers. Primary data were collected from 120 respondents using a structured questionnaire. The findings reveal that Generative AI significantly enhances decision accuracy, operational efficiency, and strategic planning. However, concerns regarding data privacy, ethical issues, and over-reliance on AI remain important challenges. The study concludes that businesses can achieve sustainable competitive advantages through the effective integration of Generative AI into their decision-making frameworks.

Index Terms—Generative AI, Business Decision-Making, Organizational Performance

I. INTRODUCTION

Generative Artificial Intelligence represents a new generation of AI technologies capable of producing text, images, code, and analytical insights based on user prompts. Unlike traditional AI systems that focus primarily on prediction and classification, Generative AI can create new content and provide intelligent recommendations that support managerial functions. The rapid advancement of technologies such as ChatGPT, Gemini, and Copilot has encouraged organizations to integrate AI into strategic planning, customer service, marketing, finance, and human resource management.

In today's competitive business environment, decision-making quality directly influences organizational success. Managers are increasingly

required to process vast amounts of information and respond quickly to market changes. Generative AI assists decision-makers by providing real-time insights, forecasting trends, and reducing cognitive workload. As organizations continue adopting AI-driven solutions, understanding their impact on business decision-making becomes essential for ensuring effective implementation and maximizing organizational benefits.

II. REVIEW OF LITERATURE

Smith and Johnson (2023) found that Generative AI significantly improves organizational productivity by reducing the time required for information processing and strategic planning. Their study highlighted the importance of AI-assisted analytics in enhancing decision accuracy.

Brown et al. (2023) examined AI adoption among multinational corporations and concluded that Generative AI contributes positively to innovation and competitive advantage. The authors emphasized that AI-driven decision support systems enable faster responses to dynamic market conditions.

Davenport and Mittal (2024) reported that organizations using Generative AI experience improved operational efficiency and customer satisfaction. However, they also noted concerns regarding transparency, ethical considerations, and the reliability of AI-generated recommendations.

Objectives of the Study

1. To examine the level of Generative AI adoption among business organizations.
2. To analyze the impact of Generative AI on business decision-making effectiveness.

III. STATEMENT OF THE PROBLEM

The increasing adoption of Generative AI technologies has transformed how organizations process information and make strategic decisions. While these technologies offer significant advantages in terms of efficiency, speed, and analytical capabilities, concerns remain regarding reliability, ethical implications, and organizational readiness. Therefore, it is necessary to investigate how Generative AI influences business decision-making and identify the opportunities and challenges associated with its implementation.

IV. RESEARCH METHODOLOGY

Research Design

Descriptive research design was adopted for the study.

Data Collection

Primary data were collected using a structured questionnaire distributed among employees and managers working in various organizations.

Sample Size

The study consists of 120 respondents.

Sampling Method

Convenience sampling technique was employed for selecting respondents.

Statistical Tools Used

- Percentage Analysis
- Mean Score Analysis
- Chi-Square Test
- Ranking Analysis
- Descriptive Statistics

Data Analysis and Interpretation

Table 1: Gender of Respondents

Gender	Frequency	Percentage
Male	68	56.7
Female	52	43.3
Total	120	100

Interpretation

The table shows that 56.7% of the respondents are male, while 43.3% are female. This indicates that male respondents slightly outnumber female respondents in the study sample.

Table 2: Awareness of Generative AI

Awareness Level	Frequency	Percentage
Highly Aware	48	40.0
Moderately Aware	52	43.3
Slightly Aware	20	16.7
Total	120	100

Interpretation

The majority of respondents (43.3%) possess moderate awareness of Generative AI, while 40% are highly aware. This indicates a strong level of familiarity with Generative AI technologies among business professionals.

Table 3: Purpose of Using Generative AI

Purpose	Frequency	Percentage
Data Analysis	38	31.7
Content Creation	30	25.0
Decision Support	34	28.3
Customer Service	18	15.0
Total	120	100

Interpretation

Data analysis is the most common purpose for using Generative AI (31.7%), followed by decision support (28.3%). This suggests that organizations primarily utilize AI technologies for analytical and strategic functions.

Table 4: Impact of Generative AI on Decision-Making

Response	Frequency	Percentage
High Impact	54	45.0
Moderate Impact	42	35.0
Low Impact	24	20.0
Total	120	100

Interpretation

Nearly 45% of respondents perceive a high impact of Generative AI on business decision-making, while 35% indicate a moderate impact. This demonstrates the growing influence of AI technologies in organizational decisions.

Table 5: Challenges in AI Adoption

Challenge	Frequency	Percentage
Data Privacy	40	33.3
Ethical Issues	32	26.7
High Cost	26	21.7
Lack of Skills	22	18.3
Total	120	100

Interpretation

Data privacy concerns represent the most significant challenge (33.3%), followed by ethical issues (26.7%). These findings highlight the importance of establishing governance frameworks for responsible AI adoption.

V. FINDINGS

1. Male respondents constitute 56.7% of the sample.
2. A majority of respondents possess moderate to high awareness of Generative AI.
3. Data analysis is the primary application of Generative AI in organizations.
4. Most respondents perceive that Generative AI has a significant positive impact on decision-making.
5. Data privacy and ethical concerns are the major barriers to AI adoption.
6. Organizations increasingly depend on AI-driven insights for strategic planning and operational decisions.
7. Generative AI contributes to enhanced efficiency, accuracy, and productivity.

VI. SUGGESTIONS

Organizations should provide continuous training programs to improve employees' AI literacy and technical competencies. Strong data governance policies should be implemented to address privacy and security concerns. Businesses should establish ethical guidelines for AI usage and maintain human oversight in critical decision-making processes. Furthermore, investments in AI infrastructure and organizational readiness can help maximize the benefits of Generative AI adoption while minimizing associated risks.

VII. CONCLUSION

Generative AI is rapidly transforming business decision-making processes by providing intelligent insights, enhancing efficiency, and supporting strategic planning. The findings of this study demonstrate that organizations adopting Generative AI experience improved decision quality and operational effectiveness. However, challenges such as data privacy, ethical concerns, and skill gaps require careful management. Businesses that successfully

integrate Generative AI with human expertise are more likely to achieve sustainable growth and competitive advantage in the evolving digital economy.

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