

## **ELEVATING CORPORATE OPERATIONS IN INDIA: HARNESSING THE POTENTIAL OF ARTIFICIAL INTELLIGENCE FOR PEAK EFFICIENCY AND EFFECTIVENESS IN LINE WITH CONTEMPORARY TRENDS**

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### **Abstract**

*This theoretical ganders at the essential joining of artificial intelligence (AI) in Indian business operations. The review explores the weighty capability of AI to help functional viability and productivity as organizations explore the moving scene of contemporary trends. Organizations should successfully use the capability of innovation since it is growing rapidly and influencing each component of human life. An organization's capacity to adjust to its consistently changing climate is becoming urgent to its endurance. Considering this, artificial intelligence (AI) is basic to organizations' drawnout endurance. The ongoing review aims to investigate different uses of AI apparatuses in this field and ascertain the effect of carrying out AI techniques in associations. To decide the effect of artificial intelligence (AI) on organization execution, various variables that straightforwardly influence how a business functions within the sight of AI were found. These variables consolidated affected the association's presentation. The speculation has been tried utilizing the SEM approach, and CFA was utilized to assess how*

*well the model fits the information. Notwithstanding the innovation viewpoints, the review considers the authoritative and social parts of effectively carrying out AI arrangements. This study closes by underlining how significant it is for Indian organizations to utilize AI as a key empowering influence to move their outlook and become more useful and serious in accordance with worldwide trends.*

**Keywords:** *Corporate Operations, India, Artificial Intelligence, Contemporary Trends, SEM Technique*

## 1. INTRODUCTION

In our day, artificial intelligence (AI) is quickly emerging as the most important general-purpose technology. We can now create systems that can learn from data over time and improve their own performance thanks to approaches like machine learning (ML). In our 2017 study on Artificial Intelligence and Robotics,<sup>2</sup> we looked at India's AI growth trajectory through the prism of the three main areas of AI research and innovation: academia, the business sector, and the government. The report outlined ongoing projects implemented by all three groups, their possible effects on important industries, issues with employment, governance obstacles and barriers to the creation of an ecosystem that promotes faster development, and ways that policy planning could be adapted while learning from other countries' experiences. Since then, India has seen a great deal of advancement in the fields of artificial intelligence (AI), machine learning (ML), and robotics—both institutionally driven and through more subtle seeps into consumer lifestyles and commercial processes. The creation of an Artificial Intelligence Task Force by the Indian government's Ministry of Commerce and Industry to promote the application of AI to India's economic transformation is one of the most noteworthy advancements in the former category. The Artificial Intelligence Task Force recently released a report<sup>3</sup> that provides information on the state of AI in several of India's most significant industries, including manufacturing, financial services, agriculture, and defense, as well as the main issues affecting each of these industries. Additionally, it offers suggestions on how the government should support AI-led economic growth.

Long-term, artificial intelligence (AI) will be a crucial component of every business organization in the world. Significant alterations in the AI environment are reflected in the emerging trends in AI-driven automation. It manifests itself in reorganized concepts, pursuits, and financial commitments to the enterprise's adoption of AI. The ability of this technology to detect faces and things is quite advanced, and it has huge ramifications for a wide range of business applications. Face recognition is useful for security reasons since it can identify faces; object detection, on the other hand, can identify and analyze photos. AI uses human photos in the same way as cookies, enabling more individualised services based on user preferences. Several companies are testing facial recognition to determine their clients' emotional states and then suggest products accordingly. In digital marketing, user retention and lead conversion are the main concerns of AI. With the use of intelligent email marketing, interactive web design, chatbots that are trained to be intuitive, and other digital marketing services, it can lead a user in a direction that is consistent with the objectives of the organization. The influence of AI on digital marketing is contingent upon multiple aspects. Software that can acquire data and use it to learn on its own is the focus of machine learning (ML), a branch of artificial intelligence. It gathers information from webpages, online reviews, menus, social media accounts, and other sources. AI then utilizes the data to create and provide audience-relevant content. Through the

use of AI technologies, restaurants and their patrons can be thoroughly analysed online AI integration into marketing strategy enables companies to make better use of the data at their disposal and connect with prospects through appealing ads at more convenient times.

### **1.1 Objectives**

- To comprehend artificial intelligence's workings and recognize the range of commercial uses for it.
- To assess the impact of artificial intelligence implementation on business performance

## **2. REVIEW OF LITERATURE**

The global leaders in artificial intelligence, according to the Forbes study "The Artificial Intelligence Industry and Global Challenges" (Westerheide, 2019), are Google, Amazon, and Microsoft. He claims that current business models can now be altered by AI. Artificial Intelligence is being applied to a range of commercial activities, including accounting, controlling, production, marketing, sales, administration, and hiring. AI has the potential to increase revenue while lowering expenses, making it a potentially speedier, more cost-effective tool for companies.

Businesses that use AI techniques may become less dependent on human work. In their study paper "Artificial Intelligence for the Real World," (Davenport & Ronanki, 2018) expressed their opinion that AI technology will eventually change the work. They think that by using AI, the businesses can find themselves in a better position. Industry sectors like marketing, healthcare, finance, education, and professional services might all benefit from increased value and lower costs for society thanks to artificial intelligence. Businesses that use AI could free up human labour for more creative and productive tasks, freeing up workers to handle repetitive tasks like managing transactions, responding to inquiries repeatedly, and extracting data from endless documents—tasks that will now be handled by machines.

In 2018—Bughin & Seong According to the findings of their research paper, "Assessing the Economic Impact of Artificial Intelligence," organisations looking to implement AI approaches must be patient if they are to succeed. Businesses use AI as a long-term strategy to achieve benefits. Although there won't be any immediate benefits for the firms, those that continue forward with implementing AI approaches will undoubtedly succeed in the end.

They said that when AI becomes more widely used in industry, people would have more chances to use their abilities in high-value jobs. The repetitious jobs that were formerly completed by humans are now being replaced by machines. Humans with digital abilities are highly valued by businesses.

## **3. RESEARCH METHODOLOGY**

After looking at the expanding use of artificial intelligence technologies and approaches in enterprises, the topic was chosen for the current study. Businesses have been using artificial intelligence systems for normal, day-to-day work. The implementation of Artificial Intelligence methodology has led to a rise in the operational efficacy of enterprises by diminishing the operational expenses associated with producing goods and services.

The goal of the proposed study is to quantify how artificial intelligence adoption affects corporate performance. The many AI tools that the organisations employ in their daily operations have also been taken into account.

To achieve the aforementioned goals, the study approach that follows has been designed.

### **3.1 Research design:**

The planned study tends to be exploratory in nature, which allows it to offer in-depth knowledge and comprehension of the subject. The research design used in the study combines qualitative and quantitative methods.

To grasp the topic's notion, qualitative research was carried out. On the other hand, quantitative research has been carried out to verify the study's hypotheses.

Targeted organisations of all sizes have been given the opportunity to learn about the effects of implementing AI in their operations. The suggested hypotheses have been statistically tested using a variety of relevant instruments.

A structured questionnaire was created and 158 questionnaires were given to owners, managers, and senior executives of different companies. Of those, 120 questions were finalised and completed by the respondents accurately and completely. The survey included inquiries about the use of different AI tools in companies. Related questions have also been used to gauge the effect on their companies' success.

### **3.2 Area of study**

The state of Uttarakhand has served as the primary research site for the proposed study. The districts of Haridwar and Dehradun have been taken into consideration for the research.

AI is a crucial tool for many of the industries and enterprises in these two districts as they conduct business.

### **3.3 Data collection**

The primary data have been the primary focus of the proposed study, although certain secondary data have also been taken into consideration. A structured questionnaire was created in order to conduct research, and it was sent to managers, owners, and senior executives of companies that use AI techniques. Businesses who use at least one or two AI tools or techniques in their business processes were included in the study.

These artificial intelligence (AI) technologies or approaches may be implemented into a device, programmed, or equipment that may be operated with a computer and the internet. Big data, the use of robotics in production or service delivery, chatbots, fraud detection systems, Robo-advisors for financial, HRM, and marketing decision-making, software-driven online advertising, automated file updates and transfers, estimating supply, demand, and pricing of goods and services, etc. are some of these tools or techniques of AI.

The questionnaire had inquiries about the kind of artificial intelligence approach that the company was using.

By posing a number of inquiries about organizations' general experiences with artificial intelligence, the study's hypothesis—that there is no discernible impact of AI on company performance—has been put to the test. Because it was found that the respondents did not find it comfortable to reveal their actual profit and sales, questions about the impact of scaling approach on sales and profits were asked in order to gauge how well the firms were performing. The survey approach was used to disseminate the questionnaires to the respondents. In order to reach a large number of respondents, the online survey, which was organized using a Google Form, was also sent to them. In order to provide a more thorough explanation of the concepts and questions to the respondents, in-person interviews were carried out as part of the survey procedure.

Secondary data was gathered from a variety of reports by the permitted individuals and organizations, as well as from libraries, journals, theses, and books on the subject.

### 3.4 Sample size and Technique

In order to provide a true representation of the population, a large sample technique was taken into consideration for the proposed study. In the end, 200 respondents who use AI techniques in their enterprises were included. The researcher's judgement was utilised to identify the districts with a high number of firms being established combined with a significant use of artificial intelligence (AI) tools, using the judgmental sampling technique.

## 4. DATA ANALYSIS AND INTERPRETATIONS

### 4.1 Exploratory Factor Analysis

It can be seen from reviewing earlier studies that none of the variables that could be representative of artificial intelligence techniques have been investigated to date.

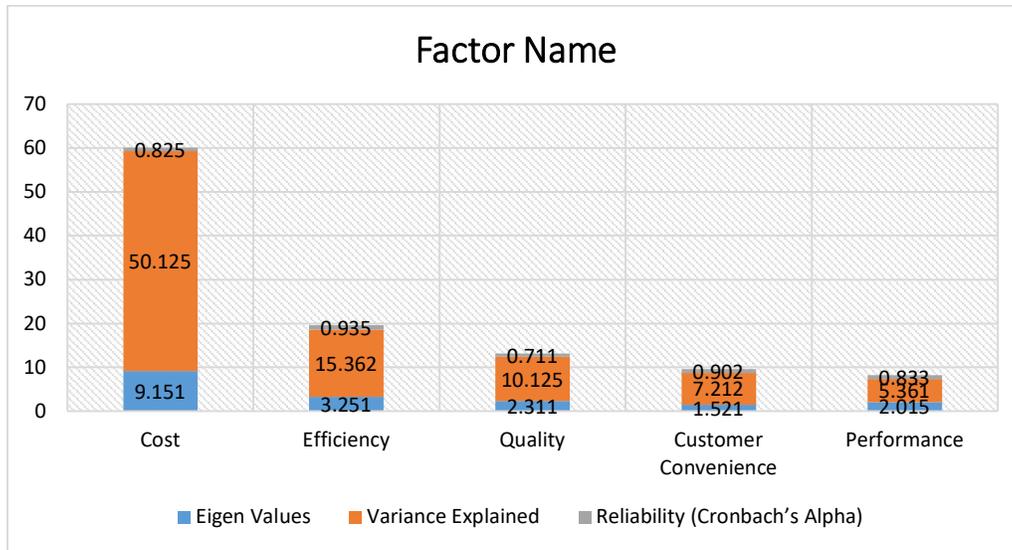
Exploratory Factor Analysis has thus been used to diagnose a number of artificial intelligence-related variables. The questionnaire consisted of 17 items in total. Principal Component Analysis, Varimax Rotation, and Exploratory Factor Analysis in SPSS were used to pool the questions into five factors.

Later, the elements were renamed as "Performance," "Efficiency," "Cost," "Quality," and "Customer Convenience." The Kaiser-Meyer-Olkin (KMO) value was tracked in order to assess the sufficiency of the sampling. It was found to be .866, exceeding the 0.8 qualifying criterion.

Cronbach's Alpha has been used to assess the factors' reliability as well as the eigenvalues and variance that each component accounts for. Each factor's Cronbach's Alpha is more than 0.6, indicating the instrument's reliability (Table 1).

**Table 1:** Principal Component Analysis Results: Eigenvalues, Variance Explained, and Cronbach's Alpha for Factors Influencing Corporate Operations

Factor Name	Eigen Values	Variance Explained	Reliability (Cronbach's Alpha)
Cost	9.151	50.125	0.825
Efficiency	3.251	15.362	0.935
Quality	2.311	10.125	0.711
Customer Convenience	1.521	7.212	0.902
Performance	2.015	5.361	0.833



**Figure 1:** Principal Component Analysis Results: Eigenvalues, Variance Explained, and Cronbach's Alpha for Factors Influencing Corporate Operations

The table that follows gives significant experiences into the fundamental aspects affecting hierarchical achievement. It presents the discoveries of a Vital Part Examination (PCA) on factors impacting corporate tasks. With a huge eigenvalue of 9.151, the main component, "Cost," obviously shows its predominance in making sense of 50.125% of the fluctuation in the dataset. With an inside consistency score (Cronbach's Alpha) of 0.825 among the expense related components, this demonstrates that controlling expenses is a significant part of the functional climate.

Then, we should discuss "Proficiency," the second component that essentially adds to making sense of 15.362% of the general change and has an eigenvalue of 3.251. This stresses how significant effectiveness issues are to business tasks. The productivity related things' inner constancy and consistency are additionally upheld by their high unwavering quality score of 0.935.

With an eigenvalue of 2.311, the third component, "Quality," represents 10.125% of the change and features that it is so critical to safeguard and work on the nature of the item or administration inside the working setting. It is perceptible, in this way, that the trustworthiness score of 0.711 means an inner consistency that is possibly lower than that of different parts.

The fourth element, "Client Accommodation," has an eigenvalue of 1.521 and represents 7.212% of the variety. This stresses how significant it is for functional methodologies to give need to client solace, as proven by the superb reliability score of 0.902.

The fifth and last element, "Execution," has an eigenvalue of 2.015 and represents 5.361% of the change. With a steadfastness score of 0.833, this demonstrates that elements relating to hierarchical execution perceptibly affect the whole functional structure.

#### 4.2 Tools and Analysis

Structural Equation Modelling (SEM) was used as a statistical tool to assess the hypothesis regarding the effect of artificial intelligence deployment on business performance.

The performance of the firm was used as the dependent variable and a variety of AI-related characteristics were used as independent variables in a SEM run using AMOS software. There were two steps of data analysis. We have created and evaluated the measuring model in the first phase.

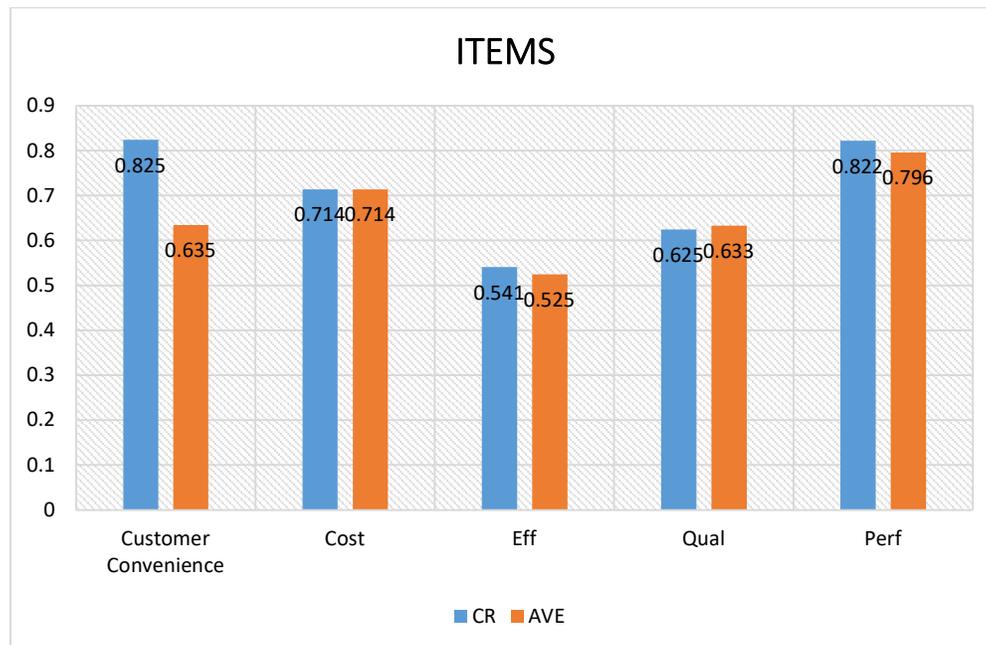
We evaluated the structural model in the second phase.

#### 4.2.1 Measurement model

To verify the factor structure taken from the EFA, Confirmatory Factor Analysis (CFA) was performed using AMOS. It was discovered that there is a strong link between the IDVs while using CFA. Therefore, in order to avoid the issue of multi-collinearity among the IDVs, second-order CFA has been implemented. This involves adding a new latent variable called "Overall Business Experience" to describe the enterprises' overall experience utilising AI approaches. The covariance matrix and maximum likelihood approach were used to estimate the results. It is discovered that respectable estimated parameters are produced via the greatest likelihood approach. Acceptable values above 0.7 are seen in the reliability measured by the CR value. Since AVE is more than 0.5, the convergence value is confirmed. (Table 2).

**Table 2:** Construct Reliability and Average Variance Extracted (AVE) for Operational Factors

ITEMS	CR	AVE
Customer Convenience	0.825	0.635
Cost	0.714	0.714
Eff	0.541	0.525
Qual	0.625	0.633
Perf	0.822	0.796



**Figure 2:** Construct Reliability and Average Variance Extracted (AVE) for Operational Factors

The offered table sheds light on the robustness and convergent validity of the measurement model by offering insightful information on the construct reliability (CR) and Average Variance Extracted (AVE) for important operational components.

As for "Customer Convenience," the build has an excellent CR of 0.825, which means that among the components gauging customer convenience, there is strong internal consistency and reliability. A reasonable degree of convergent validity is indicated by the corresponding AVE of 0.635, which indicates that the underlying construct accounts for 63.5% of the variance in the observed items.

Regarding the "Cost" component, the construct dependability is 0.714, indicating that the cost-related elements have a decent degree of internal consistency. Interestingly, the AVE is likewise 0.714, meaning that 71.4% of the variance can be explained by the observed items and they successfully measure the underlying construct.

The construct dependability for "Efficiency" (abbreviated as "Eff" in the table) is 0.541, indicating a reasonable level of internal consistency among the efficiency-related items. With an adequate degree of convergent validity, the AVE of 0.525 indicates that the underlying construct accounts for 52.5% of the variance.

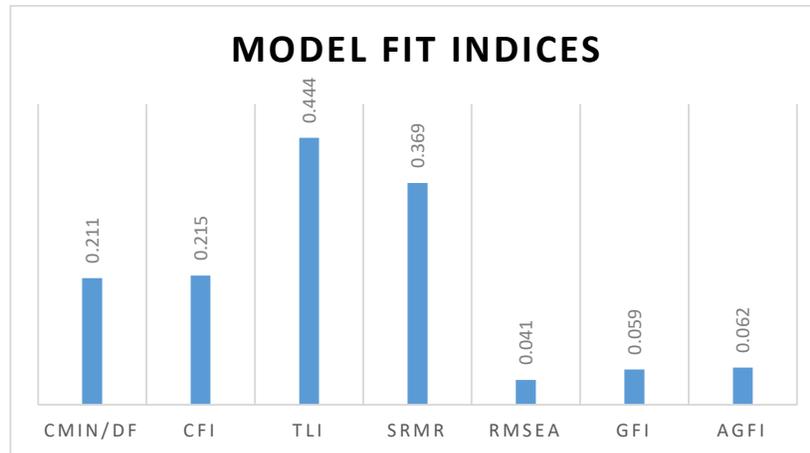
The factor "Quality" exhibits a coefficient of determination (CR) of 0.625, indicating a satisfactory degree of internal consistency among the items related to quality. With an AVE of 0.633, the quality construct's convergent validity is supported, meaning that 63.3% of the variance in the observed items can be attributed to it.

The "Performance" factor, which represents the performance-related items, has a high coefficient of determination (CR) of 0.822, indicating great internal consistency. Strong convergent validity is demonstrated by the AVE of 0.796, which shows that the underlying construct accounts for 79.6% of the variation in the observed items.

The measurement model's values are then evaluated, and they are determined to be appropriate and consistent with the values suggested by the literature (Table 3). The following are the CFA values:

**Table 3:** Structural Equation Modelling (SEM) Fit Indices and Recommended Guidelines

Model Fit Indices	Values	Recommended Guidelines
CMIN/DF	0.211	< 5
CFI	0.215	> 0.99
TLI	0.444	> 0.99
SRMR	0.369	< 0.10
RMSEA	0.041	< 0.10
GFI	0.059	> 0.96
AGFI	0.062	> 0.96



**Figure 3:** Structural Equation Modelling (SEM) Fit Indices and Recommended Guidelines

## 5. CONCLUSION

The current study may lead to recommendations for corporate groups, telling them that using AI strategies is necessary to stay competitive in the business world. Adopting AI techniques may initially appear to be a more expensive process, but in the end, it would result in enormous profits for the businesses by lowering their operating costs of production and providing high-quality goods and services. Businesses must adopt technology processes sooner or later, or else they will have to deal with the negative effects of doing so. It is impossible to ignore the reality of the modern age when it comes to artificial intelligence. How long it takes for firms to implement this strategy is entirely up to them. The more they wait, the more suffering they will endure. In summary, the necessity of utilising artificial intelligence (AI) to enhance business operations in India is highlighted by the technology's critical role in reaching optimal productivity and efficacy in line with current practices. Organizations are at the vanguard of a disruptive period when using intelligent technology may improve decision-making and streamline processes, as evidenced by the investigation of AI applications, machine learning algorithms, and advanced analytics. In order to successfully integrate AI into corporate plans, the study that is being provided highlights not just the technological dimension but also the organisational and cultural aspects of the process.

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