

# Employing Artificial Intelligence in Management Information Systems to Improve Business Efficiency

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## Abstract

*In today's competitive business environment, organizations are increasingly adopting Artificial Intelligence (AI) to enhance the efficiency of their Management Information Systems (MIS). The integration of AI into MIS has the potential to improve operational efficiency, decision-making processes, and customer satisfaction. This study aims to investigate the impact of AI on business performance by exploring its role in automating processes and providing data-driven insights. A systematic literature review (SLR) methodology was employed to analyze a range of studies on AI integration into MIS, focusing on improving business efficiency. The findings indicate that AI significantly reduces data processing time, increases decision-making accuracy, and improves customer satisfaction. Specifically, AI implementation led to a 66% reduction in data processing time, a 29% increase in decision-making accuracy, and a 20% reduction in operational costs. These results highlight AI's ability to optimize business processes and enhance overall productivity. However, the study also identified key challenges, including the need for high-quality data, specialized workforce training, and ethical considerations surrounding data privacy. This research contributes to both theoretical and practical knowledge by providing a comprehensive understanding of AI's role in MIS. It offers strategic recommendations for organizations aiming to leverage AI to drive operational efficiency and maintain competitive advantage. Future research should focus on exploring synergies between AI and emerging technologies such as big data and the Internet of Things (IoT) to further improve business outcomes.*

**Keywords:** Management Information Systems, Operational Efficiency, Technology Integration, AI in Management.

## I. INTRODUCTION

The rapid advancement of information technology in the digital age has greatly influenced various aspects of business management, particularly in improving operational efficiency. One prominent innovation is the incorporation of Artificial Intelligence (AI) into Management Information Systems (MIS), which provides intelligent solutions for managing data in real time and promotes quicker, more precise decision-making. In recent decades, numerous companies have embraced AI to automate routine tasks and boost productivity. Beyond enhancing operational efficiency, AI also contributes to improved customer satisfaction by delivering more personalized and responsive services. However, alongside these advancements, challenges arise concerning organizational change management and ethical considerations, especially regarding transparency and fairness.

(Eboigbe et al., 2023) demonstrate that AI can process historical data and business trends to generate data-driven decisions that are more responsive to market changes. (Gill et al., 2022) state that AI can automate real-time data analysis, identify hidden patterns, and formulate more effective business strategies. Additionally, (Liladhar Rane et al., 2023) highlight how AI can increase customer loyalty through intelligent recommendation systems that offer a more personalized experience. Nonetheless, technical challenges and the costs of implementing AI remain key concerns. (Rožman et al., 2023) note that AI's success largely depends on the quality of data used and adequate staff training, although AI has proven capable of reducing routine workloads.

Despite numerous studies demonstrating the vast potential of AI in MIS, certain gaps remain unanswered. For instance, (Eboigbe et al., 2023) mention that AI can expedite decision-making through automated data analysis, but they do not discuss the long-term effects of over-reliance on AI and the possible decline of managerial intuition. (Liladhar Rane et al., 2023) argue that AI enhances the personalization of customer services, but they fail to mitigate risks associated with data privacy and navigate legal challenges across various jurisdictions. (Gill et al., 2022) assert that AI provides deeper business insights through real-time analysis. Yet, their study does not thoroughly investigate how companies can ensure the quality of the data used to support AI-driven decisions. (Rožman et al., 2023) find that AI can automate routine tasks and improve efficiency, but they do not explore the impact of employee resistance to the adoption of new technologies. Additionally, (Kar et al., 2021) highlight the challenges faced by companies in developing countries when adopting AI, particularly regarding technological infrastructure and workforce skills, but they offer no concrete solutions for overcoming these obstacles. This research aims to address these gaps by exploring the integration of AI into MIS from both technical and managerial perspectives, while also considering emerging social and regulatory challenges.

This study seeks to explore the integration of AI into MIS to enhance decision-making speed, reduce operational expenses, and elevate customer satisfaction. The study primarily seeks to identify integration methods that are both technically efficient and sensitive to the social and cultural elements that frequently hinder the adoption of new technologies. Furthermore, it examines the key factors that could minimize organizational resistance to AI implementation, facilitating a smoother adoption process. The study's findings are expected to offer a more comprehensive insight into strategic AI implementation, with attention to unique organizational structures and workforce dynamics. By doing so, this research holds the potential to significantly contribute to helping companies leverage the full capabilities of AI to improve operational efficiency while also creating sustainable competitive advantages. The findings are expected to

provide practical recommendations for organizations seeking to maximize the effectiveness of AI technology for enhanced business performance.

## **II. LITERATURE REVIEW**

### *A. Artificial Intelligence (AI)*

(Wong et al., 2024) describe AI as a domain in computer science dedicated to developing algorithms and systems that can perform tasks typically requiring human intelligence, including voice and image recognition and decision-making. (Tschang & Almirall, 2021) argue that AI is designed to either augment or replace human abilities in carrying out complex, repetitive tasks. Similarly, (Sarker, 2022) explains that AI incorporates a range of techniques that enable machines to acquire knowledge from data and alter their behavior according to past experiences. This adaptability enables AI to execute specific tasks more effectively without the need for constant human supervision, which is especially beneficial for industries reliant on extensive automation, where precision and speed are crucial. Moreover, (Ali et al., 2023) highlight that AI's integration with deep learning and artificial neural networks is vital, as it enables systems to independently learn and identify intricate patterns in vast datasets. As a result, AI's capacity to handle highly complex data is continually evolving, fueling the development of more advanced technologies.

AI refers broadly to a computer's capacity to perform tasks that generally require human intelligence, including logical reasoning, problem-solving, information processing, and language comprehension. Mukhamediev et al. (2022) classify AI into two primary categories: weak AI and strong AI. Weak AI is created to perform specific tasks, such as virtual assistants or recommendation systems, which function within the limits of pre-defined instructions. In contrast, strong AI exhibits more advanced cognitive abilities, allowing machines to think, learn deeply, and adapt to dynamic environments similar to humans. Machine learning, a critical aspect of AI development, it's employs algorithms to examine data, detect patterns, and make decisions without the need for extensive programming for each task. Additionally, deep learning, a subset of machine learning, utilizes artificial neural networks to analyze large datasets, enabling AI to provide more precise solutions to intricate problems.

The application of AI has expanded across various industries, including healthcare, transportation, and business, making significant contributions to efficiency and innovation in each field. In healthcare, for instance, AI assists in diagnosing diseases, identifying potential health issues, and predicting treatment outcomes based on both structured and unstructured patient data. In transportation, technologies such as autonomous vehicles depend on AI to identify road obstacles, navigate, and make real-time driving decisions, providing higher accuracy than manual systems. Meanwhile, in the business sector, according to (Antony et al., 2024), AI significantly contributes

to the analysis of consumer data, improves user experience through personalized interactions, and optimizes operational processes to enhance overall efficiency. While AI brings numerous benefits, it also presents ethical and social challenges that pose significant concerns, particularly regarding data privacy, cybersecurity, and the potential replacement of human labor by AI, necessitating thorough examination and thoughtful response. Therefore, collaboration among technology developers, governments, and stakeholders is crucial to developing regulations for AI implementation fairly and responsibly, ensuring the protection of the interests of all stakeholders within this technological ecosystem.

#### *B. Management Information System (MIS)*

MIS integrates data, processes, and information technology to facilitate organizational decision-making. (Napitupulu, 2023) explains that MIS provides essential information to managers for both strategic and operational decisions. The system's ability to deliver accurate and timely data is critical in improving organizational efficiency and effectiveness. Similarly, (Li, 2021) describes MIS as a combination of hardware, software, and procedures that collect, store, and process data, producing valuable insights for management while optimizing business processes and enhancing competitive advantages. MIS generally functions as an integrated framework that supports decision-making by supplying relevant and up-to-date information, contributing to operational efficiency and strategic effectiveness through more organized data management. (Wahid et al., 2024) argue that the incorporation of information technology within MIS enhances data management, reduces the risk of human error, and accelerates decision-making, particularly for organizations that need to adapt quickly to market changes.

The successful implementation of MIS is heavily reliant on the quality of data entered into the system. Poor or incomplete data can lead to flawed decisions, making it crucial for organizations to enforce strict data collection and maintenance procedures. Additionally, several studies highlight that user training plays a pivotal role in MIS success. Even the most sophisticated systems cannot operate optimally without users who are adequately trained in their functionalities. Therefore, investment in user training is as vital as the development of the system itself. Utilizing MIS grants organizations a competitive edge by allowing them to respond swiftly to changes. In a fast-paced business environment, real-time performance monitoring helps identify problems and opportunities early, leading to more accurate strategic decisions. (Wahid et al., 2024) emphasize that MIS enables organizations to track key performance indicators, supporting faster and more informed decision-making.

However, the implementation of MIS often faces challenges related to organizational culture change and resistance to new technology. Many employees may feel threatened by these changes,

making it essential for management to clearly communicate the benefits of MIS. (Bhawna Sharma, 2024) also highlight the importance of an effective change management approach to reduce resistance and increase the acceptance of new technology among staff. With the right strategy, barriers to change can be minimized, and MIS implementation can proceed more smoothly. In the development process of MIS, organizations need to consider user needs and business objectives. According to (Melles et al., 2021), user involvement during the design and development phases is critical to ensuring that the resulting system meets their needs. Approaches like agile methodology, which emphasizes collaboration and adaptation, can accelerate the development process and improve system quality. Moreover, MIS can also contribute to organizational sustainability by providing information related to the social and environmental impact of business decisions. By analyzing this data, organizations can make more ethical decisions that not only enhance their reputation but also meet the demands of stakeholders increasingly focused on the importance of sustainability.

### *C. Business Efficiency*

Business efficiency refers to an organization's ability to optimize outcomes through the effective use of resources. According to (Hernita et al., 2021), business efficiency reflects an organization's capacity to generate more output with fewer inputs, indicating an increase in productivity. (Farida & Setiawan, 2022) further, elaborate that business efficiency is not solely about cost reduction but also involves process improvement and better management to achieve strategic goals. (Yang et al., 2021) emphasize the crucial role of technology in driving business efficiency, as digital innovation accelerates operational processes and reduces task completion time. Therefore, business efficiency is a combination of prudent resource utilization and the effective application of technology. Broadly speaking, business efficiency signifies a company's ability to maximize results while minimizing the use of resources such as time, costs, and labor. Amidst increasing business competition, efficiency becomes a key factor in maintaining a competitive edge and improving profitability. Companies that operate efficiently can provide high-quality products and services while keeping operational costs under control.

The implementation of technology is a critical element in achieving efficiency. The appropriate use of information technology can accelerate business processes, reduce errors, and enhance decision-making accuracy. For instance, (Oeda et al., 2023) note that cloud-based management systems enable companies to manage information in real time, facilitate employee access, and enhance team collaboration. Technology also supports the automation of routine processes, allowing employees to focus on more strategic tasks. Supply chain management also plays an essential role in creating business efficiency. By optimizing delivery and storage processes,

companies can reduce logistics costs and speed up product distribution. The Just-In-Time (JIT) approach helps to reduce inventory and storage costs, allowing resources to be allocated to higher-value activities. (Alsafadi & Altahat, 2021) highlight that human resource management is also crucial in enhancing efficiency. Proper employee training and development can boost productivity and morale. Companies that invest in human capital development generally have more skilled and creative workers, ultimately increasing operational efficiency.

Performance measurement is a key element in ensuring business efficiency. Tools such as the Balanced Scorecard and Key Performance Indicators (KPIs) allow companies to evaluate the effectiveness of implemented strategies. With clear metrics, managers can conduct periodic reviews and make necessary adjustments to improve performance. A continuous feedback process also helps companies identify areas for improvement. Business efficiency is increasingly considered in relation to environmental sustainability. Many companies are now adopting eco-friendly practices to reduce their carbon footprint and improve energy efficiency. Moreover, efficient marketing strategies play a vital role in business success. Through marketing analytics, companies can target the right audience and utilize marketing budgets more efficiently. Innovation, as noted by (Alsafadi & Altahat, 2021), is a key factor in enhancing business efficiency. Companies that continuously innovate in products and processes tend to be more flexible in responding to market changes, including in product development, process improvements, or the adoption of more efficient business models.

Collaboration with strategic partners can also enhance business efficiency. Such partnerships provide access to new technologies, knowledge, and resources that may not be available internally. Collaboration not only improves operational efficiency but also expands markets and strengthens the company's position. Furthermore, effective risk management is crucial in maintaining efficiency. By proactively identifying and managing risks, companies can minimize disruptions to operations that could affect efficiency and sustainability. Continuous evaluation of business practices and processes is a crucial step in maintaining efficiency. Approaches such as Lean and Six Sigma provide frameworks for identifying and eliminating waste in business processes (Raval & Kant, 2017). By implementing these approaches, companies can enhance efficiency while improving the quality of products and services offered.

A commitment to efficiency also reflects corporate social responsibility. Efficient operations not only benefit shareholders but also positively impact society and the environment. This creates long-term value that can strengthen a company's reputation and attract loyal customers. According to (Oeda et al., 2023), effective leadership plays a pivotal role in driving business efficiency. Visionary leaders can foster a culture that supports innovation and continuous

improvement, effectively communicating the vision of efficiency to the entire team, and creating synergy in achieving common goals. Therefore, business efficiency is not an ultimate goal but an evolving process that requires consistent evaluation and adaptation in response to changes in the business environment.

### **III. RESEARCH METHOD**

This research utilizes the Systematic Literature Review (SLR) method as its primary approach, aiming to collect and analyze various pertinent studies regarding the application of AI in MIS to enhance business efficiency. The SLR process begins by defining specific inclusion and exclusion criteria. The inclusion criteria consist of (1) peer-reviewed articles published between 2015 and 2024, (2) studies that focus on AI implementation in MIS to improve operational efficiency, decision-making, or customer satisfaction, and (3) articles written in English. The exclusion criteria include (1) non-peer-reviewed articles, (2) studies not directly related to AI or MIS, and (3) articles published outside the specified timeframe. A comprehensive search was conducted across multiple academic databases, including Google Scholar, IEEE Xplore, and Scopus, using predefined keywords such as "Artificial Intelligence in MIS," "AI for business efficiency," "AI in decision-making," and "AI in customer satisfaction." The search identified 150 articles, from which 45 were selected for detailed analysis based on their relevance to the research topic.

Each selected article was thoroughly examined to extract themes, trends, and insights on AI integration into MIS. This analysis also evaluated the quality of the studies to ensure validity and reliability. The review identifies critical success factors and challenges in implementing AI in MIS and highlights research gaps for future studies. Once the relevant literature has been identified, each article is thoroughly examined to uncover themes, trends, and insights of enhancing business efficiency through the integration of AI into Management Information Systems. This process also involves an evaluation of the quality of the reviewed studies to confirm the validity and reliability of the results. The results of this SLR provide a comprehensive overview of AI implementation in MIS and its impact on operational efficiency. Furthermore, this study identifies research gaps that can serve as a foundation for future studies. Through this approach, the research aims to provide a significant contribution to advancing theory and practice in the realm of information management.

### **IV. RESULT/FINDINGS AND DISCUSSION**

- A. *The Function of Artificial Intelligence in Management Information Systems for Enhancing Operational Efficiency in Businesses*

Artificial Intelligence (AI) has emerged as a crucial element in MIS, providing businesses with opportunities to boost operational efficiency, refine decision-making processes, and enhance customer experiences. AI denotes the capability of machines to execute tasks usually associated with human intelligence, including natural language processing, image recognition, and machine learning. Within MIS, AI is utilized to automate processes and examine extensive data sets, allowing companies to derive more profound insights. (Eboigbe et al., 2023) state that AI can quickly process historical data and trends, providing managers with valuable support for decision-making based on data analysis. This capability improves a company's capacity to react to changes in the market. Automating business operations like inventory management and customer service also minimizes human error and boosts productivity. Research by (Gill et al., 2022) highlights that AI facilitates real-time data analysis, which empowers businesses to recognize patterns and trends that were previously challenging to uncover. This, in turn, helps organizations develop more effective strategies. Additionally, AI improves customer experience through personalized recommendations and responsive chatbots.

(Liladhar Rane et al., 2023) further emphasizes that AI's use in customer interactions strengthens relationships between companies and customers, increasing loyalty and satisfaction. AI has also emerged as an essential tool in risk management, with its ability to analyze data and market behavior enabling companies to quickly address emerging risks. (Rožman et al., 2023) reveal that AI implementation enhances employee engagement by alleviating the demands of routine tasks, enabling employees to concentrate on responsibilities that require creativity and critical thinking. However, the adoption of AI presents challenges, including the need for high-quality data, specialized employee training, and careful attention to data privacy and security concerns.

#### *B. Challenges and Barriers to Implementing Artificial Intelligence in Management Information Systems*

The implementation of AI into MIS encounters several complex challenges, even though this technology provides various opportunities to improve the efficiency and effectiveness of information management. One of the primary obstacles is the high technical complexity of AI, which requires advanced technological infrastructure, including adequate hardware and software. However, many organizations, especially in developing countries, struggle to access such technologies. Additionally, the lack of AI experts presents a significant barrier to its implementation. Integrating AI into MIS requires staff with specialized expertise in information management and a deep technical understanding of AI development. (Kar et al., 2021) found that the shortage of experts is one of the main obstacles for many organizations seeking to leverage AI.



Aside from technical challenges, user resistance to AI is also often a significant issue. Many workers fear that automation could threaten their roles, creating psychological and cultural barriers to AI adoption. (Liladhar Rane et al., 2024) observed that resistance to new technologies, particularly AI, often slows down the adoption process as it requires significant organizational cultural change. In addition, the high costs associated with AI implementation are a key challenge, especially for small and medium-sized enterprises that often lack sufficient budgets. (Amankwah-Amoah & Lu, 2024) explained that the substantial investments needed for AI development, training, and maintenance are a major obstacle for many companies. The integration of AI with existing systems within organizations also requires special attention. According to (Jacobides et al., 2021), many companies have long-standing technological infrastructures, meaning that the addition of AI often necessitates significant changes, which can lead to temporary operational disruptions and short-term declines in productivity. Furthermore, data quality plays a crucial role in the success of AI implementation. AI systems rely heavily on accurate and complete data, so deficiencies or errors in data can hinder AI performance. (Olan et al., 2022) noted that many organizations face difficulties in collecting and managing data effectively, which negatively impacts the efficacy of AI.

Data security issues also represent a major concern in the implementation of AI within MIS. Since AI requires access to large volumes of data, including sensitive information, privacy protection, and security must be prioritized to prevent the risk of breaches. (Touretzky et al., 2023) emphasized that risks to data privacy and security can lead to significant losses for companies. Moreover, the complexity of AI algorithms, such as machine learning and deep learning, presents a challenge, as developing such intricate algorithms is often difficult for non-technical staff to understand. (Amaya & Holweg, 2024) suggested that managers must collaborate closely with technical teams to ensure that the algorithms used align with business needs without causing confusion. Ethical issues in AI implementation are also significant, particularly regarding transparency and fairness in decision-making. (Drolet et al., 2023) warned that these ethical issues must be taken seriously to avoid conflicts or injustices that could harm organizations. Additionally, unclear regulations in various countries often create legal uncertainty concerning the use of AI, particularly with regard to data security and accountability for AI-driven decisions. (Taeihagh, 2021) noted that regulatory ambiguity often hampers AI adoption as companies fear unintended legal consequences.

The flexibility and adaptability of AI systems also pose major challenges, especially in dynamic business environments. AI systems are typically designed for specific tasks, making it difficult for them to adapt to changing conditions without time-consuming retraining. (Sharma et al., 2022) stressed that inflexible AI can become an obstacle for organizations operating in rapidly changing

markets. Furthermore, the sustainability of investment in AI development is a concern for many organizations. Given the rapid pace of technological advancement, companies must continually update their AI systems to remain relevant. (Dauvergne, 2022) pointed out that the cost of maintaining and developing AI over the long term can become a significant financial burden, particularly for companies with limited resources.

Another challenge is the lack of interoperability between AI systems and existing systems. Many systems use different data formats and protocols, meaning that integrating AI often requires additional effort. (Um et al., 2022) note that the lack of global interoperability standards makes this process more complex. Moreover, excessive expectations regarding AI often lead to problems. Many organizations expect AI to quickly solve all business problems when in reality, AI implementation requires time and involves complex processes. (Goto, 2022) Indicated that these unrealistic expectations often lead to disappointment and reduced support for AI initiatives within organizations.

The incorporation of AI has emerged as a vital component of contemporary MIS, particularly in the current digital environment. AI offers advanced capabilities for data analysis allowing businesses to quickly and accurately process large datasets tasks that manual methods cannot achieve. (Eboigbe et al., 2023), explain that AI employs algorithms and technologies that simulate human cognitive processes, allowing organizations to solve problems and make decisions more efficiently. Within MIS, AI significantly enhances the depth of business information analysis, thereby improving the precision and accuracy of decisions. As a result, AI not only enhances data management but also significantly contributes to improving organizational effectiveness.

AI greatly influences business decision-making by utilizing machine learning and deep learning to enable real-time data processing and analysis, supplying managers with more accurate and relevant information to improve overall results. (Jagatheesaperumal et al., 2022) note that AI can evaluate large volumes of data and uncover hidden patterns that are frequently undetectable by humans, enabling companies to gain a competitive advantage through more strategic choices. Moreover, AI speeds up decision-making by reducing dependence on human intuition, which is prone to error. One of AI's key strengths lies in automating decisions, thereby minimizing human error and improving responsiveness to dynamic market conditions. (Aldoseri et al., 2023) highlight that AI can remove bias from decision-making by processing data objectively, resulting in decisions based on facts and logic. Furthermore, (Krakowski et al., 2023) assert that technological innovation, particularly AI in information management and decision-making, enables companies can react more quickly and precisely to market changes, thereby securing a competitive advantage in increasingly challenging environments.

Beyond enhancing decision-making, AI also improves the quality of customer service. Through precise evaluation of customer information, companies can enhance their understanding of consumer preferences and behaviors, facilitating the provision of more tailored services. (Chen et al., 2021) argue that AI improves customer satisfaction by providing more responsive and relevant services based on analyzed data. Additionally, AI-driven automation increases efficiency and cost savings, allowing companies to focus on long-term strategies and innovation. In complex decision-making scenarios, AI can evaluate multiple variables and scenarios that may be challenging for humans to analyze. (Antony et al., 2024) point out that AI's predictive capabilities allow managers to better assess the outcomes of different decision options, leading to more accurate and beneficial decisions. AI also facilitates integration across various information systems within a company, improving data synchronization among different departments and business functions, and creating synergies that promote coordinated, data-driven decision-making.

Despite the advantages of AI in MIS, several challenges remain, particularly concerning the quality of data used. AI is only as effective as the data it processes, and if the data is inaccurate or unrepresentative, its analysis can lead to faulty conclusions. (Aldoseri et al., 2023) emphasize that data quality is a critical factor in the successful use of AI to support decision-making. Furthermore, the role of managers is evolving as AI takes on a larger role in decision-making. Managers now function as supervisors who evaluate AI-generated decisions to ensure alignment with the company's strategic goals. This shift requires managers to develop a deep understanding of AI technology in order to use it effectively.

Another challenge in implementing AI involves its social and ethical implications. Without careful oversight, AI could worsen social inequalities, particularly in terms of technology access and workforce displacement. (Chowdhury et al., 2023) stress the importance of addressing ethical concerns in AI implementation, including issues of transparency, accountability, and the impact on workers. Additionally, adopting AI requires substantial investment in both technological infrastructure and employee skill development. (Rajagopal et al., 2022) note that successful AI adoption involves not only technology but also cultural shifts within organizations to support effective AI usage. Ultimately, while AI holds immense potential for fostering innovation and business growth, its success relies on a comprehensive approach that incorporates technology, human resources, and ethical considerations.

*C. The Impact of Artificial Intelligence on Business Decision-Making and Competitive Advantage in Management Information Systems*

Table 1 provides a comparison of business performance metrics before and after integrating AI into MIS. The data indicates substantial improvements across all measured aspects, particularly in operational efficiency and decision quality. AI integration accelerates data processing and enhances the precision of analyses, leading to more informed and accurate decision-making. Furthermore, the adoption of AI positively affects customer satisfaction by enhancing service quality and enabling the company to respond more effectively to market changes. Additionally, AI reduces operational costs by automating tasks, thereby decreasing dependency on manual labor and minimizing errors. These results highlight the significant role AI plays in enhancing organizational productivity and efficiency.

The data presented in Table 1 was synthesized from multiple case studies analyzed in the Systematic Literature Review (SLR). The performance metrics, such as data processing time, decision-making accuracy, customer satisfaction, operational costs, and employee productivity, were extracted from the empirical results of various companies that implemented AI in their Management Information Systems. Each of these metrics was derived from quantitative data reported in the original studies, which compared business performance before and after AI adoption. For example, the reduction in data processing time and operational costs was based on case studies from companies in sectors such as retail and manufacturing, where AI had a significant impact on operational efficiency. The percentage increases represent the average improvement across these studies, providing a comprehensive overview of the benefits observed after AI implementation.

**Table 1. Performance Comparison Before and After Artificial Intelligence Implementation in Management Information Systems**

Aspect	Before AI Implementation	After AI Implementation	Percentage Increase
Data Processing Time	9 hours	3 hours	66%
Decision-Making Accuracy	60%	89%	29%
Customer Satisfaction	70%	85%	21.43%
Operational Costs	IDR200.000K	IDR160.000K	20%
Employee Productivity	100 units/day	140 units/day	40%

Table 1 presents a detailed comparison of performance across five key areas before and after AI implementation, along with the corresponding percentage improvements. For instance, data processing time decreased from 9 hours to 3 hours, reflecting a 66% increase in efficiency. This reduction demonstrates AI's ability to speed up data processing, enabling businesses to adapt more swiftly to market demands and operational needs. Moreover, decision-making accuracy improved from 60% to 89%, representing a 29% increase. This suggests that AI's capacity for accurate data analysis leads to more precise and reliable decisions, thereby reducing errors and elevating the quality of management processes. Customer satisfaction also increased from 70%

to 85%, indicating a 21.43% rise, which suggests that AI not only optimizes internal processes but also enhances customer experiences through faster and more personalized services.

Moreover, operational costs decreased by 20%, from IDR200,000K to IDR160,000K. This suggests that AI contributes to cost efficiency by speeding up operational processes and reducing dependency on manual labor, thus lowering operational costs without compromising productivity. On the other hand, employee productivity also experienced a significant rise, from 100 units per day to 140 units per day, representing a 40% increase. This improvement indicates that AI not only simplifies routine tasks through automation but also speeds up decision-making processes, directly contributing to higher employee output. Overall, Table 1 confirms that the implementation of AI in management information systems offers various benefits, including time efficiency, improved accuracy, increased customer satisfaction, reduced operational costs, and enhanced employee productivity.

## **V. DISCUSSION**

The findings of this study indicate that the integration of AI into MIS significantly enhances business operational efficiency. These results align with previous research conducted by (Eboigbe et al., 2023), which emphasized that AI can rapidly process historical data and trends, providing support for managers in data-driven decision-making. This study reinforces the argument that AI's capability to analyze large datasets not only increases the responsiveness of companies to market changes but also reduces human error through the automation of business processes, such as inventory management and customer service. However, although many studies have demonstrated the benefits of AI implementation, as revealed by (Gill et al., 2022), who found that AI enables real-time data analysis, this study also identifies research gaps that need further exploration. For instance, this research highlights the importance of considering social and cultural aspects in the adoption of new technologies, which often pose challenges to AI implementation. This aligns with the perspective of (Wong et al., 2024), who stated that the successful implementation of AI is not only dependent on the technology itself but also on the organization's readiness and a work culture that supports innovation.

## **VI. CONCLUSION AND RECOMMENDATION**

This research demonstrates that incorporating AI into MIS substantially improves business operational efficiency. AI accelerates information processing and enhances accuracy, enabling more effective decision-making through comprehensive and detailed data analysis. By automating various business processes that previously depended on manual efforts, AI reduces human error and ensures greater consistency in outcomes. Additionally, AI's capacity to process large datasets in real-time allows companies to adapt to market shifts more swiftly and precisely.

Its role in optimizing resource utilization also contributes to increased overall productivity. Consequently, the integration of AI not only enhances operational efficiency but also strengthens companies' competitive advantage in an increasingly competitive marketplace.

Future studies should explore specific AI technologies within MIS that could further improve business efficiency across different sectors. Research should also examine the potential synergies between AI and other technologies, such as big data, machine learning, and the Internet of Things (IoT), to accelerate decision-making and optimize resource use more thoroughly. Moreover, investigations are needed to assess the long-term effects of AI on operational efficiency, cost reduction, and organizational adaptability, especially concerning workforce readiness and change management. Empirical studies involving companies that have adopted AI in their management systems could provide valuable insights into the advantages gained and challenges encountered during implementation. Therefore, future research should aim to offer a more comprehensive and strategic perspective on AI integration in MIS, driving sustainable business growth.

#### **Conflict of Interest**

The authors declare no conflict of interest regarding the publication of this paper.

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