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THE IMPACT OF ARTIFICIAL INTELLIGENCE ON BUSINESS PRODUCTIVITY AND THE LABOR MARKET IN 2025

Artificial intelligence those days has evolved from a supporting digital tool into a driver of economics transformation that reshapes the foundations of business productivity, organizations structures, and labour market dynamics. The rapid expansion of generative AI, intelligent automation systems, and advanced predictive analytics has accelerated the pace of innovation, enabling companies to operate with unprecedented efficiency and strategic clarity [1, p. 3; 2, p. 5]. The rapid growth of generative AI has boosted innovative activity, allowing companies to operate with unprecedented efficiency and strategic clarity.

According to recent global surveys by McKinsey, around 70–78% of organisations already use AI in at least one business function, and this number continues to grow every year [1, p. 4; 5, p. 2]. Some sectors report even higher levels of adoption, approaching 90%, which shows how quickly AI has moved from optional to almost essential [4, p. 10; 12, p. 1]. The productivity impact of AI is observed in both large enterprises and smaller organisations. AI tools enable automation of routine and data-intensive tasks, reduce processing time, and support evidence-based managerial decisions. These effects can translate into measurable productivity gains for organisations, reducing manual workload and allowing employees to focus on higher-level analytical and creative activities. AI adoption also contributes to strategic agility, enabling businesses to respond to market changes more swiftly and with greater intelligence.

A practical example of AI's benefits can be seen in education-related business environments. Working at an English language school, I have firsthand experience with AI as a productivity booster. When preparing communication materials such as newsletters or announcements, AI tools help generate well-structured, polished content efficiently. Instead of spending extensive time drafting texts, we use AI to suggest engaging wording, appropriate tone, and error-free structure. This not only improves the quality of communication but also saves time and accelerates work processes, demonstrating how AI is valuable not only in corporate but also in small business contexts.

AI's influence extends to the labour market as well. While automation can reduce the demand for purely routine roles, it simultaneously creates demand for new skill sets and hybrid professions [4, p. 11; 10, p. 2]. Organisations that successfully leverage AI increasingly require employees capable of working with data, managing AI systems, and interpreting analytical outputs, pointing to a shift toward more advanced, technology-aligned competencies.

At the same time, research also highlights an interesting challenge. Although many companies already use AI, far fewer manage to apply it in a way that transforms the entire organisation. Many remain at the early, experimental stage, and only some succeed in fully integrating AI into strategic decision-making. This gap demonstrates that technology alone is not enough — companies need the right training, culture, and data infrastructure to make AI truly effective [8, p. 2; 3, p. 12].

The influence of artificial intelligence in 2025 is both practical and profound. It speeds up work, improves accuracy, strengthens decision-making, and opens space for new types of jobs. For both businesses and employees, the key is not to resist these changes but to learn how to use AI thoughtfully and responsibly. When approached this way, AI becomes not a threat, but a powerful tool for development.

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