

# Impact of Artificial Intelligence on Business Performance and Employment in India

**Karambir**

MBA (IT Management & Finance Management)

Independent Researcher

karamveer5006@gmail.com

**Abstract:** *Artificial Intelligence (AI) has become a game-changer, impacting business outcomes, productivity, and job dynamics in India. The rapid advancement of AI technologies like machine learning, robotic process automation (RPA), and generative AI has revolutionized how organizations operate in various industries, improving efficiency, innovation potential, and decision-making processes from 2020 to 2026. Concurrently, this technological shift has engendered some intricate labour market implications, such as concerns over job displacement, skill mismatch, and escalating labour market polarization. This paper critically analyses the double-edged sword effect of AI on the performance of business and employment in India through secondary data from the academic literature, policy documents, and Industry reports. The analysis reveals that the impact of AI on job creation is varied and industry-specific, while its potential for productivity gains and cost optimization is significant. The analysis suggests that AI has the potential to significantly drive productivity and cost reduction while also impacting employment in different ways across various industries. AI-powered and high-skilled jobs are growing at a much faster rate than routine, repetitive, and entry-level jobs, which are undergoing functional restructuring or contraction. The study finds that while India's transition to AI may result in the loss of some jobs, it is not a complete job replacement, rather it is a structural job transformation. It also underscores the importance of expedient policy actions to reskill, reform digital education, and establish an inclusive technological infrastructure for equitable sharing of the economic benefits of AI.*

**Keywords:** Artificial Intelligence, Business Performance, Employment, India, Automation, Productivity, Skill Displacement, Digital Transformation.