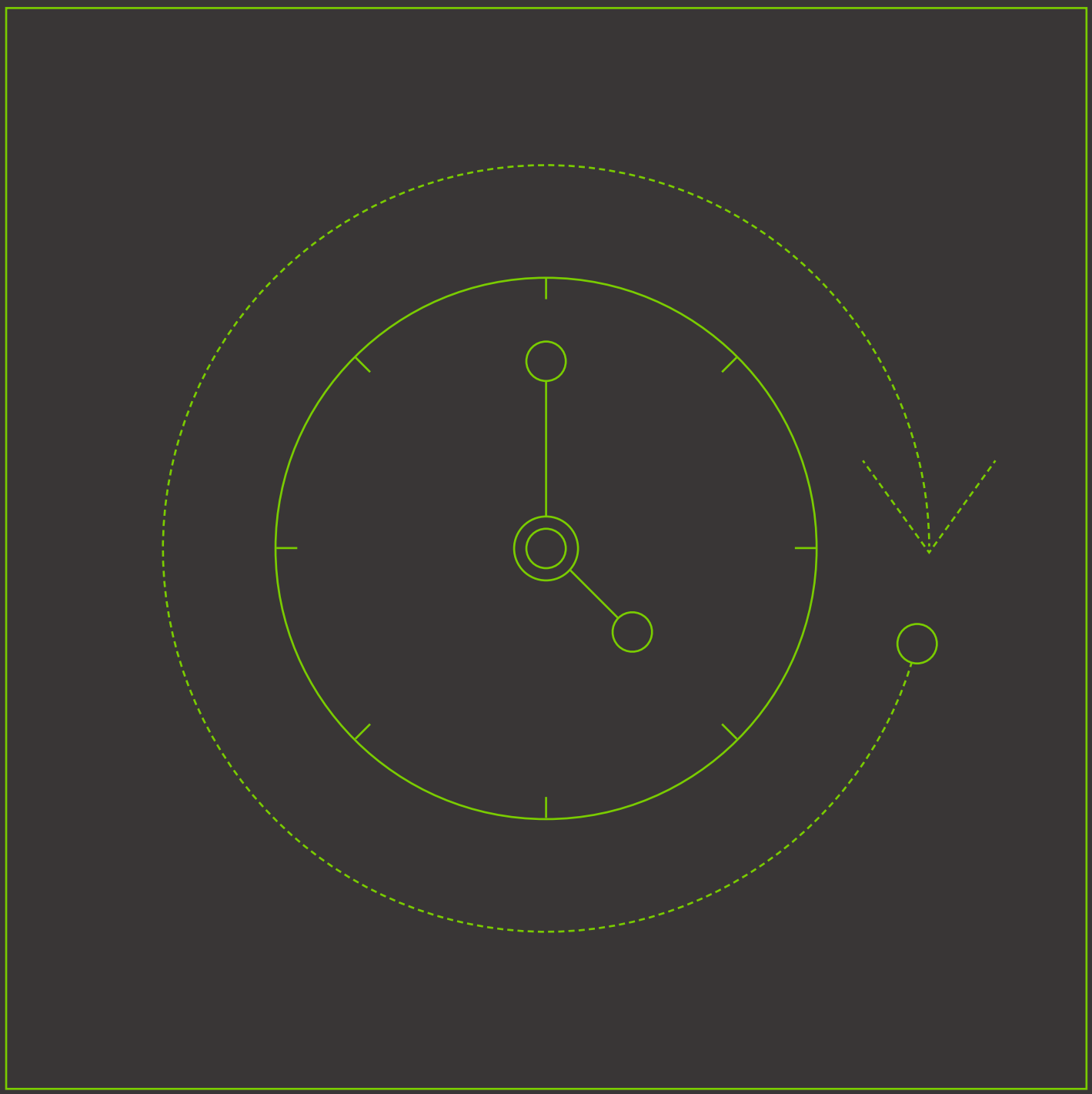
AI in Business Education Spotlight Series

Graduate Management Admission Council™

AI in Business Education

Current Practices and Future Potential



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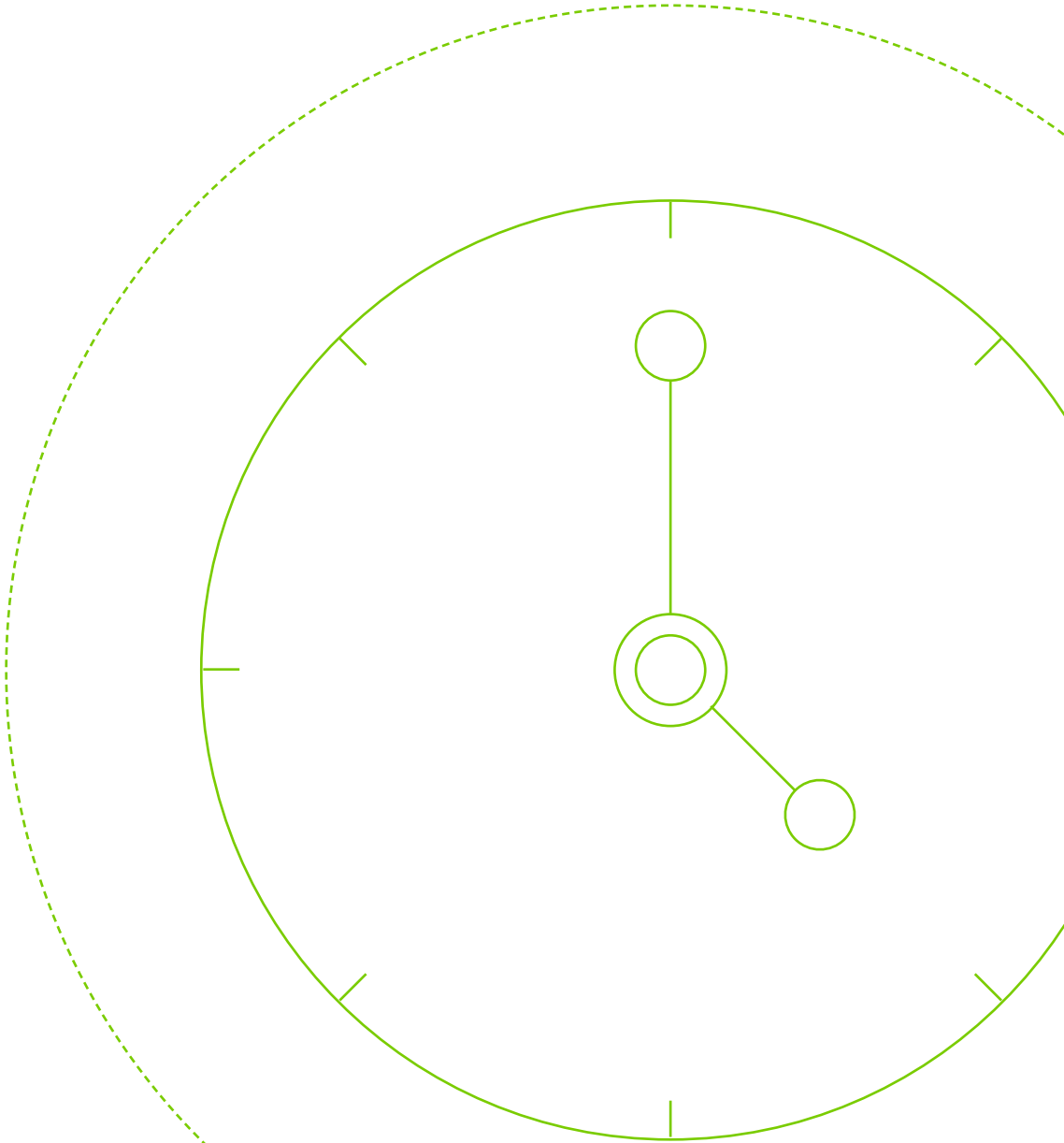
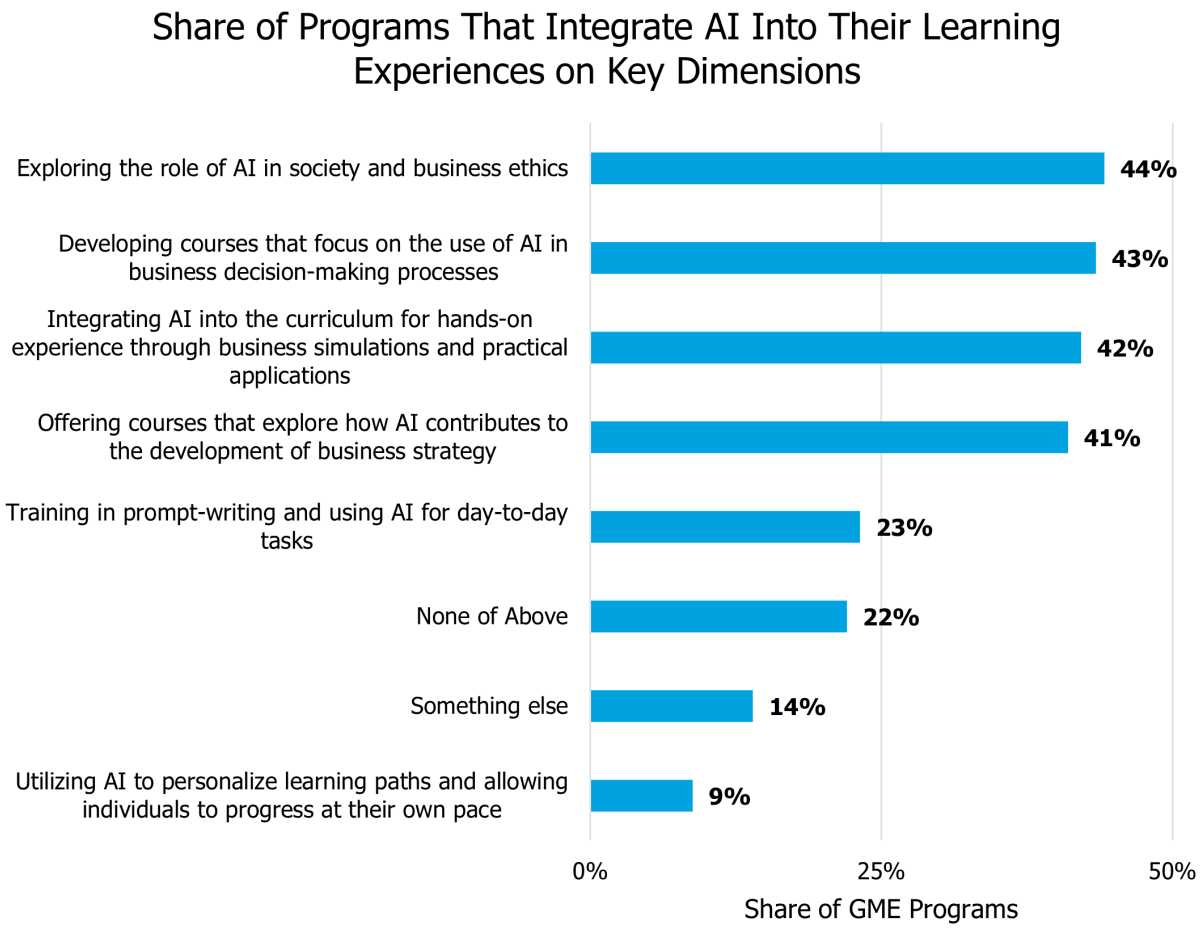


Introducton

In November 2022, OpenAI released the first publicly accessible version of ChatGPT.[1] Since then, generative artificial intelligence (GenAI) has become a commonly used technology on campuses by students, faculty, and administrators. In GMAC's latest 2024 Application Trends Survey, 78 percent of schools reported incorporating artificial intelligence (AI) into their learning experiences in some way (Figure 1).[2]

Figure 1: Nearly eight in 10 business schools had integrated AI into the learning experience of their students by the summer of 2024.
Schools were most focused on coursework related to ethics and AI usage for decision-making and business strategy, particularly in hands-on scenarios.



Source: GMAC Application Trends Survey 2024

[1] Wiggers, Kyle, Cody Corrall, Alyssa Stringer, and Kate Park. "ChatGPT: Everything you need to know about the AI-powered chatbot." TechCrunch, May 23, 2025. https://techcrunch.com/2025/05/23/chatgpt-everything-to-know-about-the-ai-chatbot/.

[2] Walker, Andrew. "Application Trends Survey – 2024 Report." Graduate Management Admissions Council, October 2024. https://www.gmac.com/market-intelligence-and-research/market-research/application-trends-survey.

At the same time, an Inside Higher Ed (IHE) 2024 survey of chief technology officers (CTO) at higher education institutions in North America reported that only 29 percent of schools have clear guidelines for using AI in teaching and learning.[3] And in a wide-ranging study of bachelor's, master's, and doctoral student AI usage across 16 different countries, the Digital Education Council (DEC) reported that 86 percent of students already claim to use AI in their studies—with 54 percent using AI at least weekly and nearly one-quarter using it daily.[4]

A growing number of reports and studies are being published pointing to similar trends of prevalent use of GenAI tools by students. This research also indicates that more programs and schools are teaching AI-related concepts, but relatively few have comprehensive policies governing AI use on campus—and there is a significant gap between institutions that have deployed custom AI tools versus institutions still relying on publicly available models.

To dig deeper into how business schools are approaching AI, GMAC interviewed stakeholders at institutions in North America, Europe, and Asia to discover and showcase innovative solutions and strategies for deploying AI in a business school environment. From these interviews, a series of six case studies were published in 2024 on the GMAC AI Hub.[5]

The following paper makes use of the data and information collected during the interview and research process for this project. In addition, data is drawn from GMAC's survey series as well as external sources to offer a more complete view of how business schools are approaching AI today, what challenges and best practices they have encountered, and what the future may hold for institutions looking to level up their AI integration.

[3] Flaherty, Colleen and Doug Lederman. "2024 Survey of Campus Chief Technology/Information Officers." Inside Higher Ed, November 2024. https://www.insidehighered.com/reports/2024/10/14/2024-survey-campus-chief-technologyinformation-officers.

[4] Rong, Hui and Charlene Chun. "Digital Education Council Global AI Student Survey 2024: AI or Not AI: What Students Want." Digital Education Council, 2024. https://www.digitaleducationcouncil.com/form/global-ai-student-survey-2024.

[5] "AI in Graduate Management Education." Graduate Management Admissions Council. https://www.gmac.com/market-intelligence-and-research/gmac-research/ai-in-graduate-management-education.

Key findings

1. Rapid evolution and strategic urgency

Generative AI adoption in higher education is advancing faster than many institutions expected. Schools face increasing pressure to move quickly from reactive, ad-hoc responses towards coherent, institution-wide strategies and policies. Early experiences demonstrate the necessity of clearly articulated AI strategies and structured governance.

2. Bridging the gap between ambition and implementation

Although enthusiasm for GenAI's potential exists among institutional leaders, there remains a considerable gap in actual preparedness, adoption, and effective use at the operational level. Institutions must prioritize clear, realistic goals, provide faculty support structures, and allocate suitable resources

3. Personalization at scale

AI's greatest potential on campus lies in delivering personalized learning at scale. However, deployments so far have not addressed fully customized learning journeys. As AI capabilities expand, institutions will need to increasingly differentiate themselves based on their ability to offer meaningful personalization.

4. Faculty support and student expectations

Despite substantial adoption of GenAI by students, faculty remain cautious and often lack adequate institutional support, resources, and guidance. A structured approach is essential, incorporating communication, training programs for all stakeholders, and ongoing support to address faculty concerns and student expectations.

5. Market consolidation with Big Tech

The entry of major technology providers (e.g., OpenAI's ChatGPT Edu and Google Workspace's LearnLM) signals a significant new development, making AI more accessible and scalable. However, custom institutional solutions remain important to niche applications and high-quality interactions. Institutions will have a growing choice of commercially available commercial tools to choose from before deciding to invest in expensive custom-built solutions.

"We are moving beyond initial reactions of fear and defensiveness toward greater acceptance and thoughtful exploration of AI's potential. But recent surveys show nearly all students are already using AI—though not necessarily in a way that is best for them—and many educators' views remain outdated, anchored to early experiences with ChatGPT. Leading universities recognize this shift and are now focused less on restricting AI and more on integrating it effectively into learning through policies, tools, training, and pedagogical frameworks like our PAIR (Problem, AI, Interaction, Reflection) model. Institutions positioned for success will move beyond debating whether AI should be used and instead concentrate on determining when and how it makes strategic, pedagogical, and ethical sense to leverage AI's benefits in terms of cost efficiency and scale; personalization and access; and creativity and innovation."

Oguz Acar
Chair in Marketing and Head of Generative AI
King's Business School, King's College London

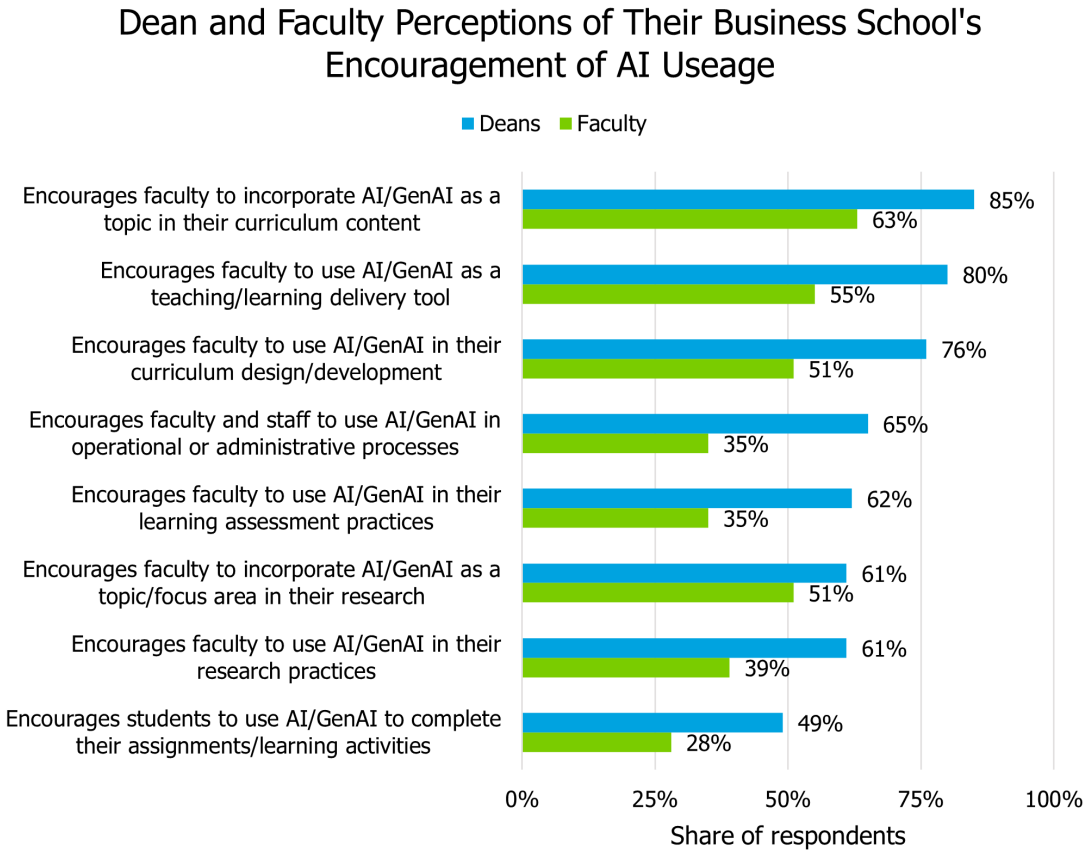
Key market trends

A variety of studies have confirmed that AI adoption within higher education institutions has dramatically accelerated since the launch of ChatGPT, exceeding initial projections and going against the variety of early measures put in place to restrict use. Many institutions have adopted a stance where GenAI, rather than being resisted, can and should be integrated into the higher education experience in order to improve teaching and learning outcomes, support students with self-learning, and improve institutional operational efficiency. However, within this broader trend, there are considerable variations in development. This section on key market trends examines the latest research about disparities in higher education's AI aspirations and operations; the magnitude of student enthusiasm; and barriers to AI adoption.

Ambition is outpacing ability to deliver.

In October 2024, AACSB carried out two broad surveys exploring generative AI adoption and proficiency among business school deans and faculty.[6] The feedback showed that deans are significantly more optimistic than their faculty about the adoption and acceptance of GenAI by their community. For example, 85 percent of deans reported that their business school encourages faculty to incorporate AI into course curricula—22 points more than responding faculty (Figure 2). Likewise, 80 percent of deans reported that their business school encourages faculty to use AI as a teaching/learning delivery tool compared to just over half of faculty.

Figure 2: Deans tend to be more optimistic than faculty across multiple dimensions of how their business school encourages AI usage.
The encouragement of AI usage in operational or administrative practices has the largest gap in perception between deans and faculty.



Source: GenAI Adoption in Business Schools: Deans and Faculty Respond, AACSB 2025

[6] "GenAI Adoption in Business Schools: Deans and Faculty Respond." AACSB, February 2025. https://www.aacsb.edu/insights/reports/2025/genai-adoption-in-business-schools-deans-and-faculty-respond.

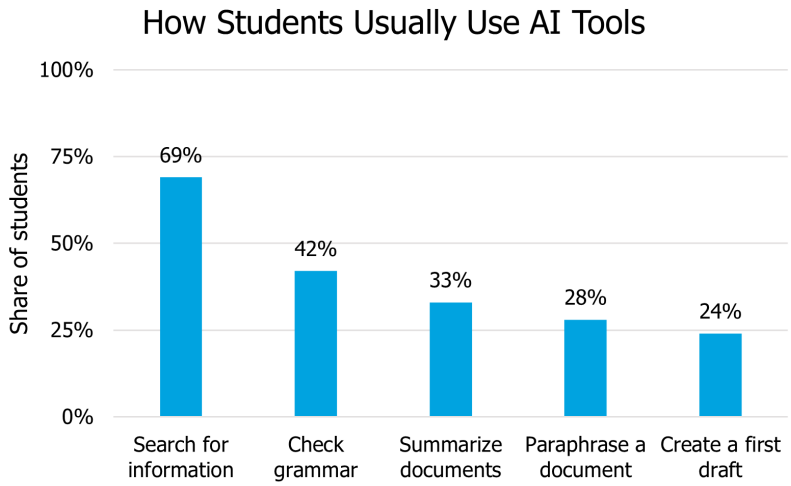
Supporting this mismatch in ambitions, the IHE 2024 survey of CTOs found that while 46 percent of university CTOs are very or extremely enthusiastic about AI's potential to boost their institutions' capabilities, only 24 percent felt that investing in AI is a high priority or essential for their institution.[7] In addition, only about one-third of CTOs felt that their institution is prepared to handle the rise of AI—and only 10 percent felt that the higher education industry more broadly is prepared for the rise of AI. These results indicate that while leaders of institutions recognize the importance of AI, their ambition is not necessarily backed up by operationalization.

Student adoption is leading the way.

A variety of studies have documented high levels of GenAI use by students. The DEC's survey of bachelor's, master's, and doctoral students showed that 88 percent of students already use GenAI in their studies.[8] Importantly, students report outsourcing a broad range of critical skills to AI, from research and note-taking to initial drafting and structuring of assignments (Figure 3). Their most frequently used tools were ChatGPT (66 percent), Grammarly (25 percent) and Microsoft Copilot (25 percent).

And yet, students still report feeling unprepared to leverage AI tools, with 58 percent of DEC survey respondents signalling they have insufficient AI knowledge and skills and just under half feeling inadequately prepared for an AI-enabled workplace. Given that GMAC's annual Corporate Recruiters Survey finds that AI skills will be much more important to employers' hiring decisions in the next five years, it is critical that business schools work to build their students' preparedness and confidence in AI capabilities.[9]

Figure 3: More than two-thirds of higher education students use AI to search for information.
Just under one-quarter of students use AI to write a first draft of their work.



Source: Digital Education Council Global AI Student Survey 2024

In addition to students' high AI usage rates, the DEC also reported a significant proportion of students dissatisfied with their university's AI integration, with 80 percent saying AI in their university has not fully met their expectations. Fifty-seven percent expect their universities to increase their use in teaching and learning, and 72 percent want their universities to offer more courses on AI literacy. Among graduate business students specifically, the GMAC Prospective Student Survey finds increasing interest in AI in their studies. Forty-six percent of graduate management education (GME) candidates cited knowledge of how to use AI tools as essential to their ideal GME curriculum—up from 40 percent in 2023 and 29 percent in 2022.[10]

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[7] Flaherty and Lederman. "2024 Survey of Campus Chief Technology/Information Officers."

[8] Rong, Hui and Charlene Chun. "Digital Education Council Global AI Student Survey 2024: AI or Not AI: What Students Want." Digital Education Council, 2024. https://www.digitaleducationcouncil.com/form/global-ai-student-survey-2024.

[9] Walker, Andrew. "Corporate Recruiters Survey – 2024 Report." Graduate Management Admission Council, June 2024. https://www.gmac.com/market-intelligence-and-research/market-research/corporate-recruiters-survey.

[10] Walker, Andrew. "GMAC Prospective Students Survey – 2025 Report." Graduate Management Admission Council, April 2025. https://www.gmac.com/market-intelligence-and-research/market-research/gmac-prospective-students-survey.

Barriers and resistance to GenAI may stand in the way.

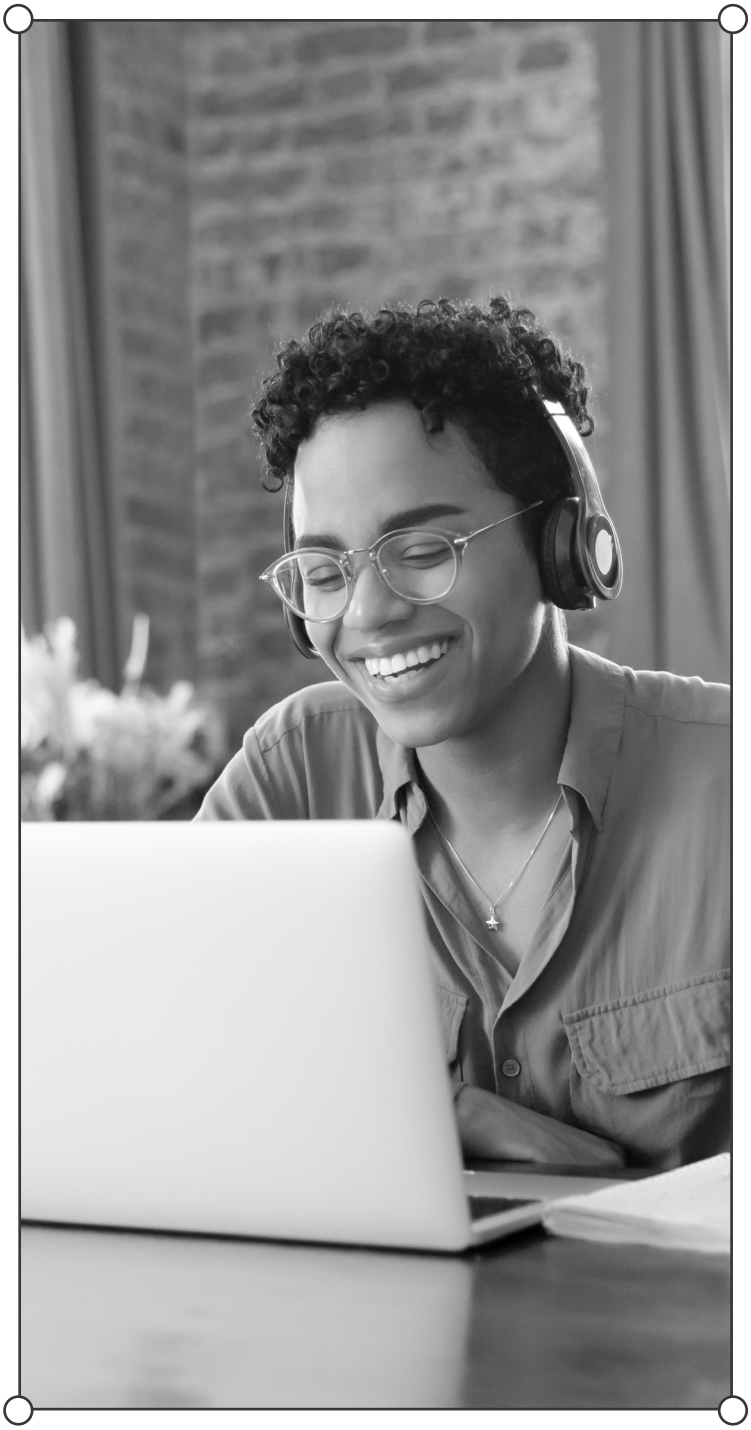
With general institutional ambition as well as student enthusiasm for the integration of AI into the academic experiences of business schools and higher education institutions more broadly, what factors are standing in the way?

Most institutions lack a comprehensive AI strategy.

The broader trend emerging shows institutions adopting GenAI on an ad hoc basis or considering individual use cases rather than implementing a comprehensive institutional strategy. The IHE CTO survey showed that only 35 percent of institutions have specific goals for digital transformation (including AI) and 50 percent prioritize individual use cases over broad institutional deployment and strategy.[11] This is confirmed by the AACSB survey of deans, which found only 47 percent of respondents reported having explicit AI policies, with many indicating their existing policies lack clarity or practical applicability.[12]

Most institutions lack a comprehensive AI usage policy

A key problem with policies deployed by schools is the lack of completeness and consistency. While several studies show that between 40 and 60 percent of schools already have a published AI policy, many of the policies fail to address the full range of use cases. For example, GMAC's recent Application Trends Survey shows that only 13 percent of schools explicitly embrace or prohibit the use of AI in applications, while 63 percent have no policy on AI use in admissions. The remaining quarter of respondents indicated their policies were situational or specific to individual faculty members, reinforcing the ad hoc nature of AI strategies and policies.[13]



[11] Flaherty and Lederman. "2024 Survey of Campus Chief Technology/Information Officers."

[12] "GenAI Adoption in Business Schools: Deans and Faculty Respond." AACSB.

[13] Walker. "Application Trends Survey – 2024 Report."

Most institutions lack the resources, training, and support to facilitate AI integration.

Faculty are often cited as one of the key groups resistant to the adoption of GenAI, as demonstrated by the AACSB survey of faculty that found respondents showed significantly more skepticism toward institutions' deployment and encouragement of GenAI compared to deans.[14] The same survey shows that while only one-quarter of faculty either frequently or very frequently use GenAI in teaching, about two-thirds believe that GenAI would have a positive impact on teaching efficiency and that it would positively impact course quality.[15] According to the responding faculty—86 percent of whom see themselves using AI in the future—the key barriers to achieving these benefits are not inherent resistances to GenAI, but rather time constraints, lack of strategy and guidance, and limited access to tools and support. The issue of resource constraints presented by faculty is mirrored in a survey of 408 university administrators in North America conducted by the education technology (EdTech) provider Ellucian in October 2024. The survey found that 44 percent of respondents cited a limited understanding of AI as a key institutional barrier. Forty-one percent cited cost.[16]

Most institutions lack confidence in the ethics, academic integrity, and data privacy of GenAI.

Despite the rapidly growing use of GenAI among students, administrators, and faculty, some of the most cited concerns about GenAI include privacy and data security. Sixty-one percent of students in the DEC survey and 59 percent of administrators in the Ellucian survey cited concerns about privacy and data security.[17] Likewise, both deans and faculty who responded to the AACSB survey cited concerns about ethics and academic integrity as one of the top three challenges with business school adoption of AI.[18]

Despite these emerging trends in the mismatch of institutional ambition to operationalization of AI policies—evidenced by the ad hoc strategies, policies, and resources at many higher education institutions—some business schools have found success in their AI integrations. The following section consolidates challenges and solutions from six case studies, revealing lessons learned that can help business school leaders and practitioners advance their own AI aspirations.

"At Mannheim Business School we are taking a responsible approach to AI, using it to enhance efficiency, analytics, and forecasting, while safeguarding trust and educational integrity. There needs to be a balanced approach to using AI in education, ensuring that students develop critical thinking and still engage with the learning process. Our focus is on using AI to enhance back-office efficiency and predictive analytics rather than replacing human interaction, for example using AI to support predictive modeling in admissions and enrollments."

Kai Stenzel
Chief Marketing Officer
Mannheim Business School

[14] "GenAI Adoption in Business Schools: Deans and Faculty Respond." AACSB.

[15] Rong and Chun. "Digital Education Council Global AI Student Survey 2024."

[16] "AI in Higher Education: Understanding the Present and Shaping the Future." Ellucian, October 2024. https://lp.ellucian.com/ai-innovation-survey.html.

[17] Rong and Chun. "Digital Education Council Global AI Student Survey 2024."
"AI in Higher Education: Understanding the Present and Shaping the Future." Ellucian.

[18] "GenAI Adoption in Business Schools: Deans and Faculty Respond." AACSB.

GMAC case studies

A little more than a year after the public launch of ChatGPT, a number of early movers in the business school community were already developing unique GenAI use cases and deploying custom solutions for their institutions. Deployments focused most frequently on the personalization of individual learning experiences and personalized support, followed by efficiency tools to support faculty in curriculum development. By documenting several of these schools' journeys, we aim to show the key strategic decisions made, hurdles that needed to be overcome, and challenges faced. This section summarizes each case study and identifies key lessons learned to help business schools anticipate common challenges—and implement common solutions.

Summary of case studies

IMD Business School

IMD, a leading business school in Switzerland, developed a bespoke "Expert-AI" generative pre-trained transformer (GPT) that was trained on course materials, classroom transcripts, faculty publications, and research databases. Initially piloted in executive education, the tool offers personalized, interactive learning beyond traditional classroom constraints with a cross-institutional steering committee that ensured ethical use, transparency, GDPR compliance, and sustainability.[19] Following successful trials, IMD scaled the GPT to their MBA and EMBA programs, maintaining iterative refinements and ongoing faculty and student support to maximize educational impact.

Read the full IMD case study.

IE University

IE University integrated AI through an innovative "Artificial Intelligence Tutor," combining multiple large language models (LLM) to proactively enhance personalized learning. The tool analyses course materials and anticipates student learning needs, providing customized summaries, explanations, and visual aids within their Learning Management System (LMS). The initial deployment targeted large-scale, online executive education programs. IE addressed key challenges including hallucinations, copyright compliance, faculty training, and LMS integration, with the aim of cultivating future-ready professionals through enhanced, interactive educational experiences.

Read the full IE case study.

[19] Wolford, Ben. "What is GDPR, the EU's new data protection law?" GDPR.EU. https://gdpr.eu/what-is-gdpr/.

ESMT Berlin

ESMT Berlin implemented AI via a custom-built LMS plug-in using OpenAI's GPT, creating distinct interfaces for students and faculty. The student interface provides personalized learning support, real-world scenarios, and assignment feedback, while maintaining academic integrity. The faculty interface focuses on supporting course design, identifying overlaps and redundancies, and enhancing teaching efficiency. Initially piloted with their online Global MBA, ESMT plans future expansion into in-person programs and associated administrative functions, while continuously developing staff engagement methods and AI literacy training.

Read the full ESMT case study.

MIT Sloan

MIT Sloan established an AI Hub as a central resource for integrating generative AI into teaching and learning, which became a key component of their Peer Learning Program. The program was designed to encourage faculty to collaboratively explore AI tools, enhance classroom efficiency, and teach students productive AI use. Practical applications piloted within the program included teaching and faculty assistants ("TA bots") and case study generation. Sloan provided key resources, including an expert support team, discretionary funding, and training and development with the ultimate goal of continuous innovation, clear policy frameworks, and responsible AI usage within curricula.

Read the full MIT Sloan case study.

Gies College of Business, University of Illinois

The University of Illinois and Gies College of Business established a decentralized "Generative AI Solutions Hub" to foster campus-wide experimentation with diverse GenAI tools. Key developments include two AI teaching assistant platforms, AristAI and Illinois Chat, enabling easy, secure creation of custom AI assistants from course materials. Emphasizing flexibility and user feedback, the university encourages innovation across teaching, learning, and operations, expanding initiatives into multilingual avatars, personalized assessments, and leveraging AI for scalable and affordable global education delivery.

Read the full Gies case study.

Nanyang Business School

Nanyang Technological University's Nanyang Business School implemented an innovative GenAI curriculum redesign, embedding AI within assignments to develop students' higher-order thinking skills. Students co-developed GenAI prompts, discussed varied AI-generated outputs collaboratively, and individually analyzed outcomes. Piloted across 600 students, the initiative emphasized critical evaluation of AI responses and pedagogical transformation. Challenges included resource limitations, effective prompt design, and student adaptation. The school has future plans to scale advanced GenAI tools institution-wide with the goal of enhancing education, productivity, and administrative efficiency through customized AI solutions.

Read the full Nanyang case study.

Key lessons learned

1. Create a comprehensive strategy.

Key lesson: *Establish a framework and strategy for broad, institution-wide participation in selection and deployment of AI use cases.*

A key theme in all six of the successful use cases was the establishment of an institutional strategy for exploring GenAI deployments. Different schools adopted a variety of a variety of strategies; however, the definition of clear institutional goals and frameworks was a key element.

- At **IMD in Switzerland**, a cross-institutional steering committee was established to ensure ethical, sustainable, and transparent AI integration, introducing "guiding principles" for AI projects and assessing potential use cases for viable investment and deployment. By creating a central strategy and framework, resources were able to be directed efficiently to suitable projects.
- **MIT Sloan**, while adopting a grassroots approach to exploring potential use cases, still established a central AI hub with a core facilitation team and a structured peer-learning program. In addition, MIT Sloan conducted a series of AI townhall meetings for faculty to ensure clear communication of strategy and sharing of knowledge.
- At **IE University**, the institution developed a broad institution-level strategy committing to an explicit aim of producing an "Augmented Educational Ecosystem," integrating AI into all programs to enhance teaching, learning, and professional outcomes with a dedicated expert central team responsible for GenAI developments and deployment.

2. Leverage both bottom-up and top-down approaches.

Key lesson: *Decentralized experimentation brings many benefits such as speed, innovation, and competition; however, without central strategy and oversight, opportunities to scale and share knowledge will be missed.*

A key differentiating factor between the successful use cases was the decision to follow a structured, centralized decision-making process or to allow for a more entrepreneurial, grassroots approach with management support and guidance. Both strategies have demonstrated successful use cases but with some important differences.

- **IMD** and **IE University** both developed a strong central strategy and oversight committee to review ideas, discuss opportunities, and manage resources. In both cases, transparent communication and engagement with stakeholders was key to both generating innovative ideas and maintaining project buy-in. Centralized decision-making allowed for significant institutional resources to be applied to specific projects and ensure a professional and rapid rollout of GenAI use cases. Centralized oversight also allowed for close control over sensitive topics such as data protection, cyber security, and ethical use of AI.
- **MIT Sloan** and **Gies College of Business** both opted for a strategy of fostering experimentation and exploration of GenAI use cases, allowing for multiple ideas to evolve simultaneously. The strategy allowed faculty to become champions of their own innovations, initiating dozens of simultaneous use cases in experimental pilot projects with limited budgets. The institutions focused resources on fostering a collaborative environment and supporting and monitoring initiatives in their early stages. Successful innovations were presented to a wider group of stakeholders before decisions were made on where to invest resources for further development. This strategy reduced the risk of project failure through low-cost piloting and by testing future stakeholder demand. The strategy also had the added benefit of producing multiple competing approaches to similar use cases while maintaining a high level of engagement from GenAI enthusiasts in faculty.

3. Start small, iterate, and scale through pilot projects.

Key lesson: *Test multiple ideas simultaneously in small-scale, low-cost scenarios to identify high potential opportunities for scaling.*

A popular and successful strategy deployed was the principle of testing a concept or use case in a small, contained pilot group before investing further in a more robust institution-wide deployment. This was particularly effective in institutions where budget concerns made the cost of experimentation prohibitive or where the range of different use cases being considered risked overwhelming the limited capacity of the technical team.

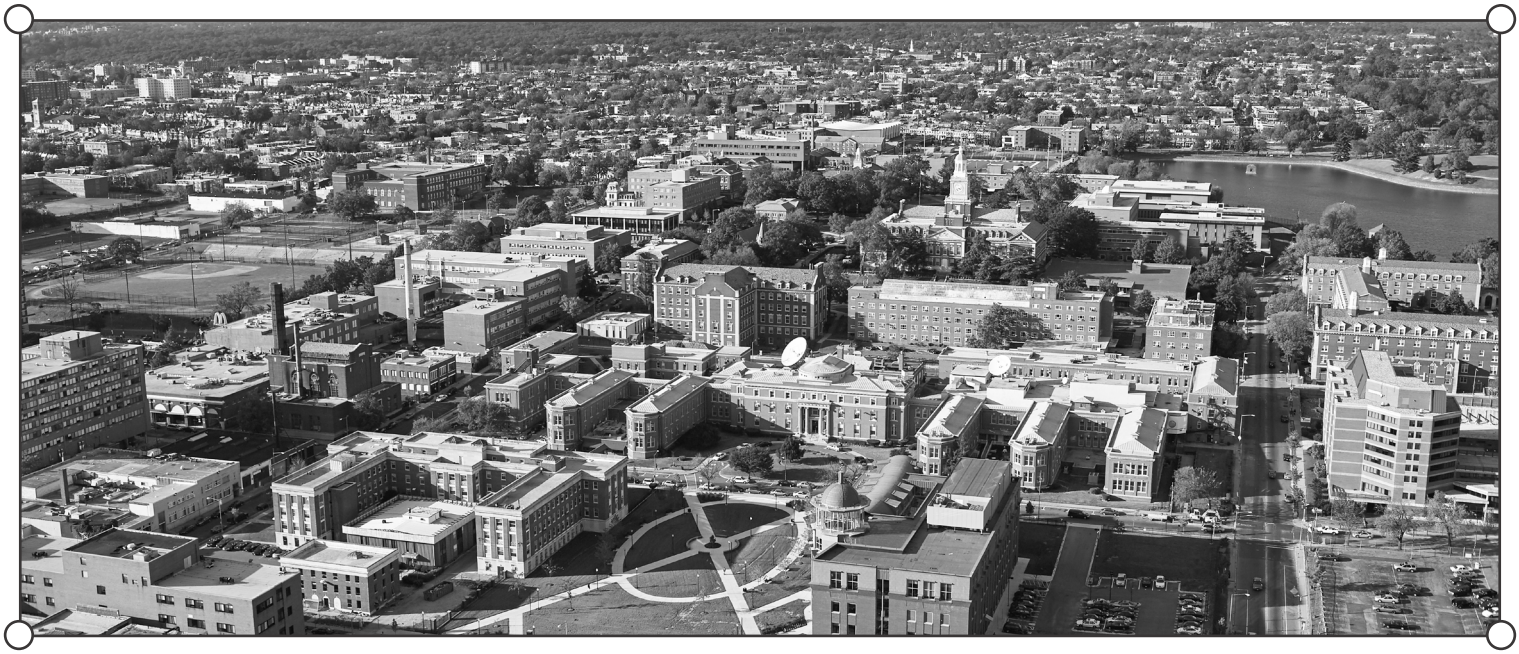
- The team at **ESMT Berlin** initially deployed a pilot version of their AI support tool within the online Global MBA, before refining the specific LLMs in use and scaling up for a broader deployment.
- **MIT Sloan's** strategy emphasized iterative experimentation with 20 volunteer faculty over a limited time frame before investing in and developing successful approaches. The strategy enabled the institution on a relatively limited budget to test over 40 different potential AI use cases before focusing on five key initiatives for further development, all within an initial six-month period.
- **Gies College of Business** followed a similar grassroots strategy of fostering a decentralized, entrepreneurial approach to encourage supported innovation and experimentation while monitoring and evaluating competing AI tools and identifying successful initiatives for further investment and institution-wide scaling.

4. Allocate technical resources.

Key lesson: *Ensure sustainable technical resource planning by aligning GenAI initiatives with available capacity and investing in internal capability development, even if incrementally.*

All institutions interviewed stated technical resources and expertise as a limiting factor, particularly among smaller standalone business schools or business schools operating relatively independently from their parent university. The deployment of advanced custom AI solutions requires dedicated expertise, time, and financial resource allocation to ensure projects continue to function beyond the initial pilot. This is especially critical given the rapid evolution of GenAI and the tools available.

- **ESMT Berlin**, as a relatively small institution without a large dedicated technical team or external developers, faced significant resource restraints when launching its custom GPT solution. The institution therefore adopted a cautious, iterative approach to development, allocating existing staff time progressively and focusing on incremental deployments. This allowed ESMT Berlin to allocate necessary resources based on the success and demand of the project, avoiding over-commitment to unproven innovations. Encouraging internal upskilling of technical support staff and peer learning maximized existing in-house capabilities.



5. Personalization is a core benefit.

Key lesson: *Take advantage of student demand by making personalization of learning support a priority for GenAI deployments.*

Personalization is cited as one of the top priorities by many institutions in their exploration of GenAI. The Digital Education Council reports that personalized, 24/7 support is by far the most wished for GenAI service by students, with 63 percent of survey respondents citing AI support chatbots as the most important factor when ensuring a satisfying experience using AI in universities.[20] The GMAC Prospective Students Survey finds that among candidates considering graduate management education specifically, 45 percent of AI-interested candidates want programs to utilize AI for personalized learning paths.[21]

- While almost all case studies cover a different element of personalized support though means of a chat interface, **IE University** stands out for its "AI Tutor" approach to providing proactively tailored learning experiences, adjusting to individual student's needs.
- **Nanyang Business School** implemented personalized GenAI curriculum redesign, involving students in designing custom prompting for case studies and enabling tailored learning outcomes through individual student analysis.

6. Improve GenAI reliability and reduce hallucinations.

Key lesson: *Prioritize content oversight and data control to mitigate GenAI hallucinations and maintain student trust.*

Despite advancements in GenAI models, hallucinations—outputs that seem plausible but are factually incorrect or partially fictitious—remain a significant issue of any GenAI tool, particularly with student-facing solutions both for administrative support and teaching and learning assistance. For example, roughly half of students surveyed by the Digital Education Council cited the trustworthiness of AI-generated content as one of their top concerns with their university's use of AI.[22] Those institutions piloting student-facing chat tools all cited challenges with hallucination management as one of their key obstacles to successful deployment.

- As part of their deployment of a custom-built "AI Tutor," which was designed to proactively summarize large quantities of study materials before anticipating individual students' needs, **IE University** took several deliberate steps to minimize hallucinations. The institution implemented a rigorous content control strategy that involved careful curation and oversight of material used to train the model. The institution also restricted content to internally authored, faculty-produced content that was controlled by a designated content team, ensuring that all AI-generated responses aligned with academic standards.

[20] Rong and Chun. "Digital Education Council Global AI Student Survey 2024."

[21] Walker. "GMAC Prospective Students Survey – 2025 Report."

[22] Rong and Chun. "Digital Education Council Global AI Student Survey 2024."

7. Address legal and copyright concerns.

Key lesson: *Proactively manage intellectual property and data privacy to ensure GenAI deployments comply with legal and ethical standards.*

Deploying GenAI tools for teaching and learning purposes poses a variety of intellectual property and copyright risks due to the scale of study materials used in class.

- This was a particular concern for institutions like **IMD**, **Gies**, and **IE University**, where AI tutors and teaching assistants required access to a full range of study materials in order to support students with their learning journeys. In each case, strict internal policies and compliance mechanisms were developed to curate training data and remove infringements to data protection and copyright.
- **IMD** trained their "Expert AI" not just on study materials but also on transcripts of classroom discussions, materials authored by faculty, and thousands of articles in the IMD research database. IMD limited the available articles to only those where IMD owned copyright and carefully managed and removed personally identifiable information from classroom transcripts to ensure full GDPR compliance.

8. Promote critical thinking and ethical AI use.

Key lesson: *GenAI use is expanding unchecked amongst students. Teaching methods and assessments need to actively evolve to account for this.*

The Digital Education Council found more than 80 percent of faculty had concerns about students' ability to critically evaluate outputs and worry students will become too reliant on GenAI.[23] In our case studies, all institutions cited concerns about ethical use of GenAI and developed a range of policies for guidance, training, and support of both faculty and students.

- **Nanyang Business School** was unique among our case studies for deliberately designing coursework enabling students to critically assess AI-generated outputs and biases, explicitly integrating ethical AI usage into the curriculum. By involving students into the design of prompt variations for case studies, the project targeted the development and assessment of higher order critical thinking skills.

9. Faculty engagement and widespread AI literacy are critical.

Key lesson: *Faculty require early support, training, and communication to become active stakeholders. Without faculty buy-in, GenAI deployments risk failing due to lack of integration.*

Early and transparent communication with faculty and other key stakeholders was a common element across all successful AI deployments. Each institution developed communication and consultation channels to both inform faculty of developments and to source ideas for new GenAI-powered innovations on campus. This was closely connected to training and support mechanisms for faculty, administrators, and students, which often included some form of an AI information sharing hub.

- **MIT Sloan's** peer-to-peer program was designed to spur exploration of and innovation with GenAI among a supported group of faculty volunteers. The program is one part of a three-pronged strategy, which also includes regular townhalls to motivate faculty involvement and disseminate experience, ideas, and strategic direction. The third element is the establishment of a comprehensive AI Hub for teaching and learning, which provides updates on trends and tools, training support, how-to guides, and policy and ethics.
- **ESMT Berlin** established a virtual AI community to harness the interest of AI enthusiasts and counter some of the doubters. In addition, "supercharge" courses for both staff and students were developed to support faculty and demystify some of the questions surrounding GenAI.

[23] Rong, Hui and Charlene Chun. "Digital Education Council Global AI Faculty Survey 2025: AI Meets Academia: What Faculty Think." Digital Education Council, 2025. https://www.digitaleducationcouncil.com/post/digital-education-council-global-ai-faculty-survey.

10. Consider integration across multiple LMS platforms.

Key lesson: *Decide if your GenAI tool's user interface will be viewed within an existing learning management system or be accessed in a standalone web page or application.*

Several larger institutions interviewed faced the additional complexity of integrating with multiple LMS platforms used for different departments or types of study. This was particularly relevant for institutions offering large online programs with dedicated LMS platforms for online and on-campus students. For each deployment, institutions were faced with a decision of maintaining a standalone interface to avoid the complexity of integration—thus targeting and customizing for only the most suitable LMS platform—or developing an LMS-agnostic architecture and allowing AI tools to integrate flexibly.

- After initial testing of ESMT Berlin's student-facing and faculty-facing GPTs with queries based on uploaded course storyboards and transcripts, they were connected to ESMT's learning management system via API, which allowed for seamless integration with course materials. This process involved a meticulous feedback loop and the creation of standardized system prompts to ensure accuracy and context.

"AI will revolutionize higher education by enabling personalized learning pathways, adaptive assessments, and intelligent tutoring systems that meet students where they are. At AristAI, we envision a future where AI complements human expertise—empowering educators to focus on mentorship while leveraging data-driven insights to close equity gaps and scale innovation. Ethical, collaborative AI integration isn't just a tool; it's a catalyst for creating inclusive, dynamic learning ecosystems that prepare students for an ever-evolving world."

Tony Zhang
Founder of AristAI
Gies College of Business

Future AI developments: 2025 and beyond

The early period of GenAI was characterized by largely uncontrolled use of publicly accessible LLMs by students and institutional unpreparedness. By the end of 2023 and throughout 2024, early movers were already responding with rapidly deployable custom-built multimodal GenAI solutions, with a growing number of institutions publishing policies and guidelines for ethical and safe use of GenAI on campus. This period has also been characterized by the rapid growth in commercial AI agents for education along with the limited integration of AI tools by EdTech providers into the existing technological ecosystem. Higher education is now witnessing a substantial new entry and investment in the education space by major technology companies, led by solutions like OpenAI's ChatGPT Edu licenses and Google's LearnLM.

"At Oxford Saïd, our faculty's cutting-edge AI research is shaping the future of business. Through strategic investments and our AI & Machine Learning Competency Centre, we empower leaders with advanced tools, research funding, and enterprise-level security. In addition, the university is rolling out ChatGPT Edu to 3,000 academics and staff. Faculty will regularly come together to share novel use cases focused on removing admin burden and using the tools as a super-assistant for a wide range of tasks. This collaboration strengthens AI capabilities across our community, ensuring students and faculty stay ahead in an AI-driven world."

Patti Brown
Associate Dean, MBA and Executive Degree Programs
Saïd Business School

Education-specific enterprise licenses

A key evolution in the democratization of AI for universities comes in the form of campus education licenses provided most prominently by OpenAI and Google. Where universities have been unable to commit resources to custom AI deployments or have been unable to integrate ready-made agents, campus licenses provide a safe and controlled space for faculty and students to experiment with the latest premium AI models while protecting personal data and intellectual property.

OpenAI has positioned its launch of ChatGPT Edu as part of a long-term vision to enable every student and educator to access and responsibly use AI, with the intent of making it a core part of a modern university experience and helping campuses become "AI native." The aim is to support universities with embedding AI in teaching, learning, research, and administration while remaining affordable and easy to deploy.

OpenAI asserts that a key advantage of deploying a ChatGPT Edu license is the ability of universities to create custom GPTs from university specific content such as LMS or student records system within a FERPA and GDPR compliant environment.[24] The recent adoption of ChatGPT Edu by prominent institutions like the California State University system with 500,000 students, the University of Oxford's recent partnership with OpenAI for research and ChatGPT Edu, and the recent adoption by IE University show that institutions recognize the benefit of broad institutional access to GenAI.

"OpenAI's long-term vision is to enable every student and educator to access and responsibly use AI, making it as foundational as an email account or internet connection on campus. We see ChatGPT Edu evolving into a core part of the modern university experience—supporting personalized learning, enhancing research, streamlining operations, and expanding access to institutional knowledge. The ultimate goal is to help campuses become "AI Native"—places where AI is embedded in teaching, advising, and administration to empower learners and educators alike."

Leah Belsky
VP of Education
OpenAI

Similarly, Google offers an educational environment within Google Workspace. This allows staff and students to upload documents and resources to a secure and protected environment and make use of a suite of AI tools. This includes LearnLM, which was launched mid-2024 as part of the Google Workspace environment and is powered by Gemini, Google's multimodal LLM. Google asserts that LearnLM is specifically designed to optimize learning experiences—adhering to pedagogical best practices and not just providing an answer. Universities would also have access to Google's NotebookLM, a research and study assistant that allows for the creation of custom chatbots, audio summaries, and podcasts based on a specific set of materials. While these tools don't integrate with external data sources and learning management systems, many schools already have an education license for Google Workspace. Ultimately, Google says its aim is to transform education through integrated support within everyday tools used by students and educators.

"Since its earliest days, Google has been helping people discover and understand the world around them. Now, through advances in generative AI, we're partnering with hundreds of universities all over the world to transform how people teach and learn with AI. University teachers are using Google AI tools, such as NotebookLM and Gemini, to save time and create more engaging lesson plans or administer exams, and students are able to brainstorm ideas or prepare for exams with innovative AI features designed to suit their personal learning styles. We're committed to creating products and features that meet people where they are on their learning journey—not only surfacing the information they need, but also by equipping them with the knowledge to understand how they got there.

As the next generation of students prepares to enter the workforce, it's never been a more crucial time for universities to help foster AI literacy and empower young people to feel confident navigating these tools to unlock more creativity and new ways to learn."

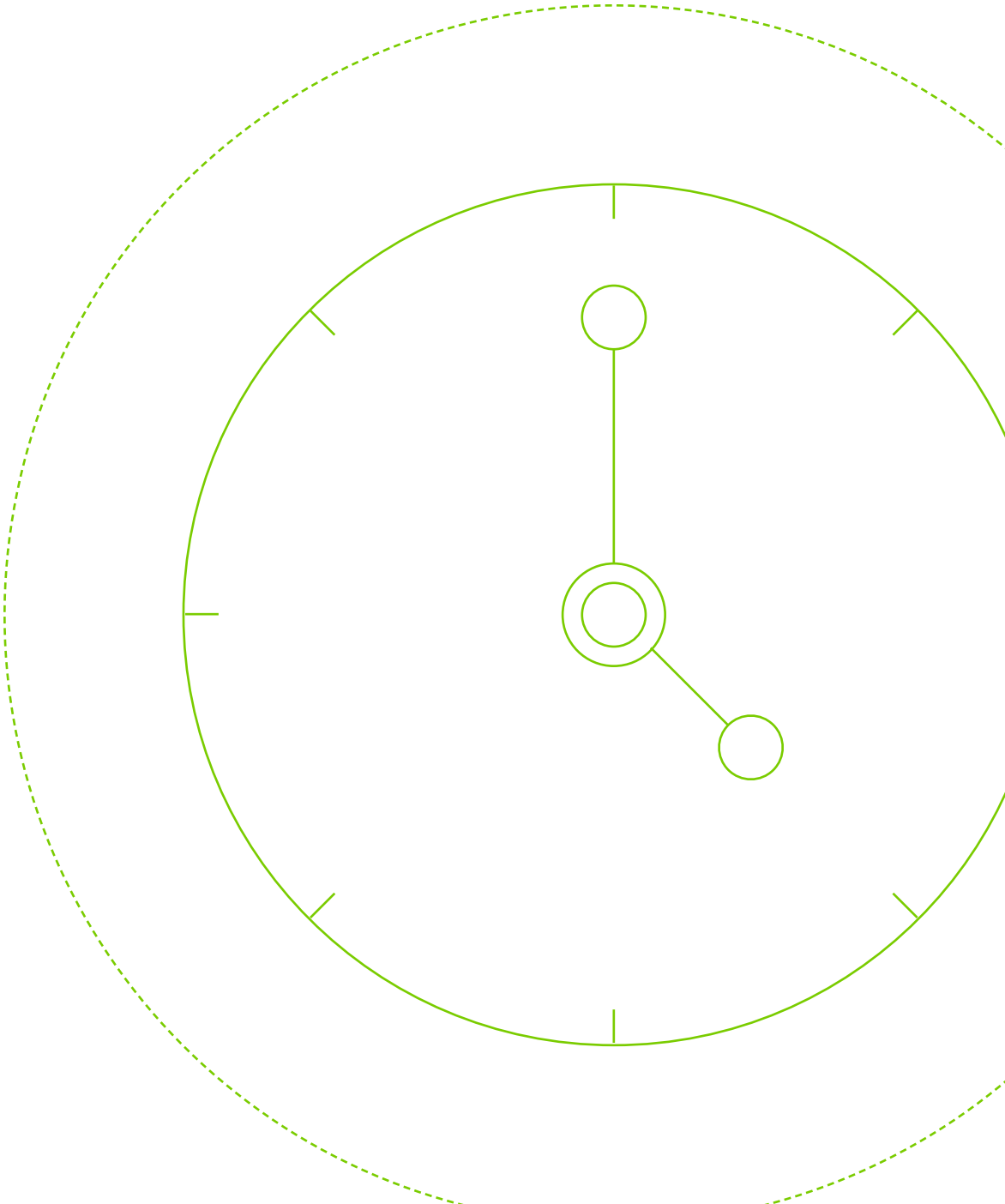
Eleonora Simeone
Higher Education Specialist
Google

[24] "What is FERPA?" U.S. Department of Education. https://studentprivacy.ed.gov/faq/what-ferpa.

Custom models, commercial agents, or enterprise licenses

Google and OpenAI's education licenses are bringing down the barriers for institutions to bring GenAI on campus and develop custom use cases, ensuring more students and institutions have access to AI-assisted teaching and learning. However, custom-developed deployments will still have an important role to play, especially as multi-modal deployments provide a significant improvement in customized experience and hallucination control. There is a growing role as well for commercially developed AI agents that plug in to existing campus ecosystems and perform specific tasks.

The market is changing rapidly, and as some existing tools become obsolete while underlying LLMs improve, there will continue to be demand for secure, customized, multimodal tools. Many institutions are likely to either opt for the limited customization offered within education licenses or purchase commercially deployed agents that fulfill a niche function with a clear return on investment. Custom-built deployments are likely to remain the domain of larger institutions able to maintain a consistent investment in expert staff and system upgrades.



Conclusion

The full impact of GenAI on the education sector is yet to be felt. As models continue to improve and users become more proficient at integrating AI into their daily lives, AI will evolve into an integrated companion for many students, faculty, and staff. It is important that universities adjust their infrastructure, policies, and learning methodologies to account for these changes. At the same time, as leading institutions continue to develop custom AI solutions for campus problems, the availability of education licenses from AI providers like OpenAI and Google will democratize AI access for all institutions, promoting innovation across the industry. In addition, the EdTech industry will continue its rapid growth of niche, off-the-shelf tools that allow institutions to build an ecosystem of AI-powered tools on campus without substantial development costs or risk of failure.

A significant area of growth will be the proliferation of intelligent agents—personalized assistants capable of handling academic, administrative, and personal tasks. These agents are already evolving from basic conversational interfaces to advanced interactive assistants capable of complex problem-solving and proactive support. Institutions have the possibility to harness these tools to improve administrative efficiencies, research potential, and student support—but also must develop ethical frameworks and safeguard critical thinking.

Ultimately, the opportunity presented by GenAI is vast—offering the potential to transform how institutions teach, support, and engage their students. While there are risks that must be managed with care, the early successes showcased in this paper suggest that with thoughtful strategy, collaboration, and ethical oversight, GenAI can be a powerful force for enhancing educational quality, accessibility, and innovation across the business school landscape.

"The arrival of AI has encouraged us to experiment, innovate, and collaborate with new partners. It has raised questions of fairness, ethics, and the risk of overreliance among some students, that will need us to remain vigilant and keep innovating. I see AI having a central role in business school activities in the coming years, but it is not something to fear. We are being forced to innovate and experiment, which is a good thing. Our faculty and students and alumni will all need to have foundational knowledge, analytical skills, and critical thinking capacities to work with AI, and we aim to support that. I hope the possibilities to speed up production of materials and automate some processes allow us to further reinforce the human skills that will become even more important."

Mark Smith
Dean of Programs
EMLyon Business School

Graduate Management Admission Council™

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