

Redesigning Assessments in Business Education: Addressing Generative AI's Impact on Academic Integrity

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Abstract: *Generative AI technologies, including ChatGPT, DALL·E, and others, are increasingly prevalent in tertiary business education. While these tools offer enhanced learning opportunities and aid creativity, they also introduce new challenges for assessment design, raising concerns about academic integrity, skill development, and learning outcomes. This paper examines the implications of generative AI on traditional assessment methods in tertiary business education and advocates for a reconsideration of assessment frameworks to ensure academic integrity and authenticity in student learning. Drawing from secondary data, studies, and educational reports, the paper offers a set of recommendations for rethinking assessment practices in light of the growing use of AI by students.*

Keywords: Generative AI, tertiary education, assessment design, academic integrity, business education

1. Introduction

In recent years, artificial intelligence (AI) has evolved rapidly, gaining prominence in many fields, including education. Generative AI, in particular, has revolutionized the ways students in tertiary business programs approach their coursework. These AI tools, capable of generating high-quality content, solving complex problems, and providing real-time feedback, offer significant potential to enhance student learning outcomes. However, their widespread use by students also poses substantial challenges, particularly in the area of assessment design.

Generative AI tools such as OpenAI's ChatGPT can assist students in drafting essays, creating business reports, and analyzing case studies. This trend compels educators to reconsider whether traditional assessments accurately capture the true level of student learning or merely reflect AI-generated outputs. Consequently, tertiary education systems must adapt by rethinking assessment designs to maintain academic rigor and fairness.

The purpose of this paper is to explore how the increasing use of generative AI by students in tertiary business education impacts traditional assessment methods and to propose alternative approaches that maintain academic integrity and foster critical thinking.

This paper investigates how the use of generative AI by students in business education impacts traditional assessment practices, and it proposes new approaches to assessment design that foster deeper learning, critical thinking, and a fair evaluation of students' knowledge and skills.

This study is significant as it addresses the urgent need for educators to adapt assessment practices to accommodate the widespread use of generative AI in business education, ensuring that students develop essential competencies and academic integrity is maintained.

Generative AI and Business Education: A Contextual Overview

Generative AI refers to technologies that can produce new content, such as text, images, code, and more, based on the data they are trained on. These tools are becoming popular among students, particularly in business education, where creating reports, developing marketing plans, and analyzing case studies are common tasks. Tools like ChatGPT, Jasper, and even visual AI generators like DALL·E allow students to complete projects faster and with greater sophistication than ever before [1].

According to a study by Gašević, D., Greiff, S., & Shaffer [2], the use of AI in education has surged, with over 35% of students in tertiary institutions admitting to using AI tools for academic purposes. This percentage is higher in business schools, where time-sensitive tasks such as market analysis, report generation, and business strategy formulation are prevalent. In such a context, AI becomes a tool not just for learning but also for task automation, raising questions about the role of human cognition in business education [3].

AI has transformed business education by empowering students to solve complex problems more efficiently. However, it also poses significant challenges, particularly around assessment, which traditionally relies on students' personal input and critical analysis. As AI increasingly integrates into the learning process, educators must rethink how to design assessments to ensure they accurately reflect the knowledge, skills, and competencies that students are expected to acquire [4].

2. The Impacts of Generative AI on Traditional Assessments

a) Academic Integrity at Risk

One of the primary concerns regarding the use of generative AI in education is the potential compromise of academic integrity. With AI's ability to generate coherent, high-quality responses that can sometimes surpass student capabilities, traditional assessment methods, such as essays and written

exams, are losing their ability to assess a student's true understanding and originality [5].

Research by Cotton, Gresty, and Joubert [1] highlights that students are increasingly using AI to generate entire assignments, without adequately citing the tools or disclosing their usage. This undermines the fundamental goal of education, which is to measure students' individual learning and critical thinking abilities. Furthermore, detecting AI-generated content can be difficult, especially if students modify the output or integrate AI assistance seamlessly into their work.

The consequences of this shift are profound. If assessments cannot distinguish between human-generated and AI-generated content, the credibility of academic qualifications may be compromised. For example, a student who graduates with a business degree based largely on AI assistance might struggle in real-world scenarios where quick, critical, and independent thinking is required. As AI advances, traditional assessments may no longer offer an accurate measure of a student's learning, requiring educators to consider alternative approaches that maintain academic integrity [6].

b) Skill Development Under Threat

Business education traditionally focuses on developing key competencies such as problem-solving, critical thinking, communication, and ethical decision-making. However, the widespread use of AI tools can lead to the erosion of these skills. When students rely on AI to complete tasks that would otherwise require critical engagement, they risk missing the opportunity to fully develop these essential competencies.

Park, Lee, and Kim [3] found that students who depend heavily on AI to complete assignments demonstrate lower levels of engagement with the material. This disengagement can result in underdeveloped cognitive and analytical skills, which are critical for long-term success in the business world. For instance, when students use AI to create marketing strategies or financial projections without fully understanding the underlying principles, they may fail to develop the deep knowledge required to succeed in a professional business environment [7].

In response, educators need to rethink assessments to prioritize the development of these competencies, ensuring that students not only complete tasks but also engage in the critical thinking processes that underpin them.

c) Challenges in Detecting AI Use

Another issue facing educators is the challenge of identifying when AI has been used in assessments. While plagiarism detection tools are commonly used in academia, AI-generated content does not fit neatly into these frameworks. AI-generated texts are often unique and do not necessarily violate conventional plagiarism rules. This makes it difficult for educators to distinguish between student-generated work and AI-assisted outputs [8].

Johnson and Kumar [4] argue that traditional plagiarism detection systems are ineffective at catching AI-generated content, which highlights the need for new tools and strategies to monitor academic honesty in an AI-driven educational

landscape. Some institutions are now exploring AI detection tools, but these are in their infancy and not yet widely adopted. In the interim, educators need to adjust their assessment practices to make it more difficult for students to submit AI-generated work without accountability [9].

3. Rethinking Assessment Design: A Framework for the Future

To address the challenges posed by generative AI, it is necessary to reconsider how assessments are designed and implemented in tertiary business education. Below are some proposed approaches to redesign assessments to maintain academic integrity and promote genuine skill development.

a) Process - Based Assessments

Rather than focusing solely on the final product, educators should consider designing process-based assessments that evaluate the stages of student work. This could include requiring students to submit drafts, outlines, and reflective journals documenting their research and writing process. By assessing the steps students take to complete their assignments, educators can better understand the depth of student engagement and the extent of their individual contributions [10].

For example, in a business marketing course, students could be required to document their decision-making process for developing a marketing plan, explaining how they arrived at each step. This would make it more difficult for students to rely solely on AI, as they would need to demonstrate their engagement with the material throughout the process [1].

b) Real - Time Assessments

Incorporating real-time assessments such as in-class exams, presentations, or time-constrained writing tasks can reduce the reliance on AI tools. These assessments require students to demonstrate their knowledge and skills in real-time, without the opportunity to use AI assistance. Additionally, real-time assessments can more accurately measure a student's ability to think critically under pressure, a key competency in business education [11].

According to a study by Gašević et al. [2], real-time assessments in business education have shown positive outcomes, particularly in developing students' critical thinking and decision-making skills. By balancing traditional take-home assignments with real-time assessments, educators can foster a more authentic evaluation of student abilities.

c) Project - Based and Collaborative Assessments

Collaborative projects and team-based assessments offer another effective solution to the challenges posed by generative AI. Group work naturally reduces the likelihood of AI overuse, as students must communicate, collaborate, and contribute meaningfully to a collective outcome. Additionally, project-based assessments that focus on real-world business problems encourage active participation and provide students with opportunities to apply their knowledge in practical contexts [12].

Research by Andrade and Du [9] found that collaborative learning not only helps mitigate the risk of academic dishonesty but also encourages deeper engagement with the material. In business education, where teamwork and collaboration are vital for success, incorporating more group - based assessments can foster the development of essential skills that AI cannot easily replicate.

d) Oral Examinations and Presentations

Oral assessments offer a direct way to evaluate a student's understanding of the material and reduce the possibility of AI reliance. By requiring students to orally defend their ideas, explain their reasoning, or present their projects, educators can ensure that students are engaged in the learning process and are able to articulate their thoughts without external assistance [13].

Oral exams also provide an opportunity for students to demonstrate their communication and presentation skills, both of which are critical for success in business careers. Moreover, requiring students to respond to spontaneous questions ensures that they have a deep understanding of the subject matter and can think critically on their feet [7].

4. Ethical Considerations in the Use of AI

The use of generative AI in education introduces significant ethical challenges that institutions and educators must address to maintain integrity, fairness, and transparency. As generative AI tools become commonplace, several key ethical considerations arise: academic honesty, accountability, transparency, and equity in access.

a) Academic Honesty and Integrity

At the heart of the ethical debate around AI in education is the risk to academic honesty. Generative AI enables students to produce high - quality, coherent text, code, or even complete projects with minimal input. Without disclosure, students can submit AI - generated work as their own, leading to a decline in the reliability of assessments and academic qualifications. This creates an ethical dilemma for both students and educators: should the use of AI in assessments be seen as a breach of academic honesty, or as a tool to be transparently integrated into learning [14]?

Institutions are beginning to develop policies that clarify AI's acceptable role in assessments. These guidelines encourage students to disclose AI assistance, attributing generated content appropriately and reinforcing the ethical importance of personal engagement with learning materials. By setting clear boundaries, institutions can foster an environment where AI is used responsibly, supporting academic integrity and fair assessment outcomes [15].

b) Accountability and Ownership of Work

Generative AI blurs traditional notions of authorship and accountability, particularly when students rely heavily on AI for content creation. In academic settings, students are typically assessed on their individual contributions, critical thinking, and originality. However, when AI plays a significant role in generating ideas or content, questions about authorship arise: To what extent is the work truly representative of the student's abilities and understanding [7]?

To address this issue, some educators advocate for requiring students to document their AI usage and to reflect on how AI influenced their work. This not only promotes ethical behaviour but also allows educators to better assess the extent of a student's personal engagement with the assignment. Additionally, including reflective tasks or process - based assessments can help ensure that students remain accountable for their learning journey [16].

c) Transparency in AI Usage

Transparency about AI usage in assignments is essential to fostering an ethical learning environment. Encouraging students to disclose when and how they used AI reinforces a culture of honesty, where students recognize the boundaries between their own ideas and those generated by AI. Transparency also allows educators to better understand the influence of AI on student outputs and to adjust their assessment criteria accordingly [17].

Many institutions are introducing AI usage statements as part of assignment submission requirements. These statements prompt students to specify which tools were used and for which parts of their work, ensuring a level of openness that supports ethical practices and accurate assessments. This approach also aligns with professional standards in business, where transparency is valued in decision - making and reporting [17].

d) Equity and Access to AI Tools

A significant ethical consideration in AI use is ensuring equitable access to AI tools among students. While some students may have access to advanced AI platforms and premium tools, others may lack the resources or technical skills to utilize these technologies effectively. This creates an ethical disparity in which some students are potentially advantaged by AI's capabilities, while others are left at a disadvantage [18].

Educational institutions can promote fairness by providing access to AI tools through university resources and offering training on their ethical use. Additionally, by developing consistent policies on AI usage that account for accessibility, educators can help ensure that all students have equal opportunities to engage with AI - enhanced learning. This reduces the risk of unequal advantages and reinforces a sense of community where AI's benefits are shared among all learners [17, 18].

e) Developing Ethical AI Literacy Among Students

Finally, ethical considerations in AI use extend to preparing students for responsible AI engagement beyond academia. In the business world, where AI is increasingly prevalent, graduates must understand the ethical implications of AI - driven decision - making, data privacy, and transparency. By integrating AI ethics into the curriculum, educators can help students develop the critical awareness needed to navigate AI's complexities responsibly [19].

Educators can encourage ethical AI literacy by creating assignments that require students to consider the ethical aspects of AI, such as the potential biases embedded in AI outputs or the social implications of AI - driven automation in the workforce. This broader understanding not only enhances

students' academic integrity but also prepares them to make ethical decisions in their professional lives [20].

5. Conclusion

The rise of generative AI in tertiary business education offers students valuable tools for productivity and creative exploration, yet it also challenges traditional assessment methods. With AI tools becoming more sophisticated and accessible, there are concerns about academic integrity, skill development, and authentic student engagement. These developments call for a proactive response from educators and institutions to uphold the purpose and credibility of assessments in this new landscape.

To address these challenges, rethinking assessment design is essential. Process-based assessments, real-time evaluations, collaborative projects, and oral examinations offer ways to maintain academic rigor and assess critical thinking effectively. These methods emphasize authentic engagement, allowing educators to gauge individual efforts and ensure students develop core competencies. Alongside transparent guidelines for AI use and equitable access, such assessments support students in building essential skills like teamwork, communication, and ethical decision-making—qualities that AI cannot replicate yet are critical for future business leaders.

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