

The Impact of Strategic Use of Generative Artificial Intelligence on Firm Performance

Mahmood Fawzi HAMEED¹

DOI: 10.24818/mer/2026.02-02

ABSTRACT

This study investigates the impact of the strategic use of generative artificial intelligence on firm performance from a strategic management perspective. As organisations increasingly operate in dynamic and uncertain environments, generative AI has emerged as a critical tool with the potential to support strategic decision-making and enhance organisational outcomes. Drawing on strategic management and digital transformation literature, this study argues that generative AI creates value not merely through technological adoption, but through its purposeful and strategic integration into organisational processes. Using a quantitative research design, data were collected from managerial-level respondents across firms operating in management- and economics-related sectors. The proposed research model was tested using partial least squares structural equation modelling (PLS-SEM). The empirical results indicate that the strategic use of generative artificial intelligence has a positive and statistically significant effect on firm performance. These findings suggest that organisations that align generative AI initiatives with their strategic objectives are better positioned to improve decision quality, enhance responsiveness to environmental changes, and achieve superior performance outcomes. The study contributes to the strategic management literature by extending existing research on artificial intelligence beyond operational efficiency and highlighting the strategic value of generative AI. It also provides practical insights for managers seeking to leverage advanced digital technologies as strategic resources in order to achieve sustainable performance advantages.

KEYWORDS: Generative Artificial Intelligence; Strategic Management; Firm Performance; Digital Transformation; Decision-Making

JEL CLASSIFICATION: O33, M15, L25

1. INTRODUCTION

In recent years, organisations have increasingly operated in highly dynamic and uncertain environments characterised by rapid technological change, intensifying competition, and continuous digital disruption. Within this context, strategic management scholars have emphasised the importance of leveraging advanced technologies not merely as operational tools, but as strategic resources capable of reshaping organisational capabilities and long-term performance. Among these technologies, generative artificial intelligence (Generative AI) has emerged as a transformative innovation with profound implications for strategic decision-making and value creation (Raisch & Krakowski, 2021).

From a strategic management perspective, generative AI extends beyond traditional automation by enabling organisations to generate new knowledge, support strategic analysis, and enhance managerial judgment. When integrated strategically, generative AI can

¹ Tikrit University, Iraq, e-mail: mahmood.hameed23@tu.edu.iq

strengthen firms' sensing and decision-making capabilities, allowing managers to respond more effectively to environmental complexity and uncertainty. Prior research suggests that digital technologies create performance benefits only when aligned with organisational strategy and supported by appropriate managerial capabilities (Teece, Peteraf, & Leih 2016; Vial, 2019).

Despite the growing interest in artificial intelligence, existing empirical research has primarily focused on operational efficiency, process optimisation, or technological adoption outcomes, often overlooking the strategic mechanisms through which AI contributes to firm performance. Moreover, the majority of studies have examined traditional forms of AI, leaving generative AI relatively underexplored in strategic management research. This gap is particularly evident in emerging and transitional economies, where firms face heightened uncertainty and resource constraints, making strategic alignment of advanced technologies even more critical (Mikalef & Gupta, 2021).

Recent contributions in *Management and Economics Review* highlight the increasing relevance of digitalisation and advanced analytics in shaping strategic outcomes. Studies published in the journal emphasise that digital maturity and advanced technological integration can enhance competitive advantage only when embedded within coherent strategic frameworks and supported by organisational adaptability (Laouar, 2025). Similarly, research within the journal underscores the importance of strategic decision-making and risk-aware management practices in navigating digital transformation (Verdeş, 2025).

Firm performance, a central outcome in strategic management research, reflects an organisation's ability to achieve superior financial and competitive results relative to its rivals. While prior studies acknowledge the potential of AI to enhance performance, empirical findings remain mixed, suggesting that technology alone is insufficient to guarantee success. This inconsistency points to the need for a deeper understanding of how strategic use of generative AI contributes to performance outcomes within specific organisational and institutional contexts.

Consequently, this study aims to investigate the impact of the strategic use of generative artificial intelligence on firm performance. By grounding the analysis in strategic management theory and drawing on recent insights from digital transformation research, this study seeks to contribute to the growing body of literature by clarifying the strategic value of generative AI. In doing so, it extends existing research by integrating high-impact international studies with emerging evidence from *Management and Economics Review*, thereby offering both theoretical and practical insights for managers and scholars.

2. LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

2.1 Strategic Use of Generative Artificial Intelligence

The strategic management literature increasingly recognises advanced digital technologies as critical enablers of long-term competitive advantage when they are embedded within organisational strategy. Unlike traditional forms of automation, generative artificial intelligence enables organisations to create novel content, generate strategic insights, and support complex managerial decision-making. From a strategic perspective, the value of generative AI lies not in the technology itself, but in how it is purposefully deployed to support strategic goals and organisational capabilities.

Recent research emphasises that artificial intelligence contributes to firm performance only when it is aligned with strategic intent and integrated into decision-making processes (Teece et al., 2016). Generative AI, in particular, enhances firms' ability to analyse unstructured data, explore strategic alternatives, and improve managerial judgment under uncertainty. This positions generative AI as a strategic resource that supports dynamic capabilities, rather than a purely operational tool (Raisch & Krakowski, 2021).

Empirical evidence from digital transformation research further suggests that organisations deriving value from advanced technologies tend to adopt a strategic orientation toward digitalisation, emphasising long-term value creation rather than short-term efficiency gains (Vial, 2019). Accordingly, firms that strategically utilise generative AI are expected to achieve superior performance outcomes by improving strategic analysis, responsiveness, and competitive positioning.

Hypothesis 1 (H1):

The strategic use of generative artificial intelligence has a positive effect on firm performance.

2.2 Firm Performance in Strategic Management Research

Firm performance remains a central construct in strategic management research, reflecting an organisation's ability to achieve desired financial and competitive outcomes relative to competitors. Prior studies highlight that performance is influenced not only by external market conditions, but also by firms' internal strategic choices and capability development. In this regard, advanced digital technologies are increasingly viewed as strategic enablers of superior performance when effectively leveraged.

Although artificial intelligence has been widely associated with efficiency improvements, empirical findings on its impact on performance remain inconsistent. Some studies report positive effects, while others find limited or context-dependent outcomes. These mixed results suggest that technology adoption alone does not guarantee performance improvements, reinforcing the importance of strategic integration and organisational alignment (Mikalef & Gupta, 2021).

Research published in *Management and Economics Review* similarly indicates that digital technologies enhance performance only when embedded within coherent strategic frameworks. Studies focusing on digital maturity and digitalisation emphasise that strategic orientation and managerial capabilities play a decisive role in transforming technological investments into competitive advantage (Laouar, 2025).

2.3 Strategic Use of Generative AI

The strategic management literature increasingly recognises advanced digital technologies as critical enablers of long-term competitive advantage when they are embedded within organisational strategy. Unlike traditional forms of automation, generative artificial intelligence enables organisations to create novel content, generate strategic insights, and support complex managerial decision-making. From a strategic perspective, the value of generative AI lies not in the technology itself, but in how it is purposefully deployed to support strategic goals and organisational capabilities.

Recent research emphasises that artificial intelligence contributes to firm performance only when it is aligned with strategic intent and integrated into decision-making processes (Teece

et al., 2016). Generative AI, in particular, enhances firms' ability to analyse unstructured data, explore strategic alternatives, and improve managerial judgment under uncertainty. This positions generative AI as a strategic resource that supports dynamic capabilities, rather than a purely operational tool (Raisch & Krakowski, 2021).

Furthermore, recent evidence suggests that the strategic value of generative AI extends beyond efficiency to the reshaping of business models. Brynjolfsson et al. (2023) highlight that generative AI tools act as a catalyst for productivity in complex cognitive tasks, allowing organisations to accelerate innovation and bridge the gap between strategic planning and execution. Furthermore, Dwivedi et al. (2023) argue that integrating these technologies into an organisation's strategic vision enhances "digital resilience," as generative capabilities enable managers to anticipate future market scenarios with higher precision. This reinforces the premise that the strategic utilisation of such technology is directly linked to superior financial performance and competitive positioning.

Empirical evidence from digital transformation research further suggests that organisations deriving value from advanced technologies tend to adopt a strategic orientation toward digitalisation, emphasising long-term value creation rather than short-term efficiency gains (Vial, 2019). Consequently, firms that strategically utilise generative AI are expected to achieve superior performance outcomes by improving strategic analysis, responsiveness, and competitive positioning.

Hypothesis 1 (H1): The strategic use of generative artificial intelligence has a positive effect on firm performance.

2.4 Generative Artificial Intelligence and Firm Performance

The relationship between generative AI and firm performance can be explained through the lens of dynamic capabilities theory. By supporting knowledge creation, strategic experimentation, and scenario analysis, generative AI strengthens firms' abilities to sense opportunities and threats in volatile environments. This enhanced strategic awareness allows firms to make more informed decisions and allocate resources more effectively.

Moreover, generative AI enables managers to reduce cognitive overload and improve decision quality by synthesising complex information into actionable insights. Such capabilities are particularly valuable in uncertain and rapidly changing environments, where timely and informed strategic decisions are critical to maintaining competitive advantage. Consequently, firms that strategically deploy generative AI are better positioned to achieve superior performance outcomes compared to firms that adopt AI in an ad hoc or operational manner.

Building on these arguments, this study posits that generative AI, when used strategically, contributes directly to firm performance by enhancing strategic decision-making and organisational effectiveness.

Hypothesis 2 (H2):

The strategic use of generative artificial intelligence is positively associated with firm performance.

2.5 Research Gap and Conceptual Positioning

Despite the growing interest in artificial intelligence, limited empirical research has examined generative AI from a strategic management perspective. Existing studies often focus on technical adoption or operational outcomes, neglecting the strategic role of generative AI in shaping firm performance. Furthermore, evidence from emerging and transitional economies

remains scarce, despite the heightened relevance of strategic decision-making under uncertainty in such contexts.

By focusing on the strategic use of generative artificial intelligence, this study addresses an important gap in the literature and responds directly to recent calls for research that integrates advanced technologies with strategic management theory. In doing so, the study aligns closely with the thematic priorities of the *Management and Economics Review*, which emphasise strategic decision-making, digitalisation, and performance outcomes.

3. METHODOLOGY

3.1 Research Design

This study adopts a quantitative research design to examine the impact of the strategic use of generative artificial intelligence on firm performance. A cross-sectional survey approach was employed, as it is widely used in strategic management research to test theoretical relationships and examine organisational phenomena at a specific point in time. This design is appropriate for assessing managerial perceptions regarding strategic technology use and its performance implications.

3.2 Population and Sample

The target population of the study consists of firms operating in management- and economics-related sectors, including services, manufacturing, finance, and technology-based organisations. The unit of analysis is the firm, while the unit of observation is managerial-level employees who are directly involved in strategic decision-making processes, such as managers, department heads, and senior executives.

Data were collected using a structured questionnaire distributed electronically. A non-probability purposive sampling technique was applied to ensure that respondents possessed adequate knowledge of strategic practices and technological initiatives within their organisations. A total of **220 valid responses** were retained for analysis after excluding incomplete or inconsistent questionnaires.

Table 1. Sample Characteristics

Variable	Category	Frequency	Percentage
Gender	Male	152	69.1%
	Female	68	30.9%
Age	Below 30	54	24.5%
	30–39	91	41.4%
	40–49	53	24.1%
	50 and above	22	10.0%
Position	Supervisor	46	20.9%
	Manager	92	41.8%
	Head of Department	57	25.9%
	Senior Executive	25	11.4%

Source: author

Table 1 presents the demographic profile of the respondents. The sample is dominated by managerial and supervisory staff, indicating that respondents are well-positioned to provide

informed insights into strategic decision-making and technology use. The diversity in age and positions supports the reliability and representativeness of the collected data.

3.3 Data Collection Procedure

The questionnaire was administered online to facilitate access to respondents across different organisations and sectors. Participation was voluntary, and respondents were assured of anonymity and confidentiality. To reduce common method bias, respondents were informed that there were no right or wrong answers, and the questions were designed to be clear, concise, and neutral.

3.4 Measurement of Variables

All constructs were measured using multi-item reflective scales adapted from prior validated studies in strategic management and digital transformation literature. The responses were recorded on a five-point Likert scale ranging from 1 (“strongly disagree”) to 5 (“strongly agree”).

Table 2. Measurement of Constructs

Construct	Code	Sample Item	Source
Strategic Use of Generative AI	GA	Our organisation strategically uses generative AI to support managerial decision-making.	Adapted
Firm Performance	FP	Our firm’s performance is superior to that of key competitors.	Adapted

Source: author

Table 2 summarises the main constructs and their measurement approach. The items were adapted to fit the context of generative AI while maintaining conceptual consistency with established strategic management scales. This approach enhances content validity while minimising the risk of construct misalignment.

3.5 Reliability and Validity Assessment

To ensure the quality of the measurement model, reliability and validity were assessed using standard criteria. Internal consistency reliability was evaluated using Cronbach’s alpha and composite reliability (CR), while convergent validity was assessed using the average variance extracted (AVE).

Table 3. Reliability and Convergent Validity

Construct	Cronbach’s Alpha	CR	AVE
Strategic Use of Generative AI	0.87	0.91	0.66
Firm Performance	0.89	0.92	0.62

Source: author

As shown in Table 3, all constructs exhibit satisfactory reliability, with Cronbach’s alpha and CR values exceeding the recommended threshold of 0.70. The AVE values are above 0.50, confirming adequate convergent validity and indicating that the indicators sufficiently represent their respective constructs.

3.6 Data Analysis Technique

The proposed research model was tested using partial least squares structural equation modelling (PLS-SEM). This technique is suitable for predictive research models and complex relationships, particularly when the research objective is theory development rather than theory confirmation. PLS-SEM is also appropriate for analysing models with relatively small to medium sample sizes and does not impose strict distributional assumptions.

4. RESULTS

4.1 Assessment of the Structural Model

After establishing the reliability and validity of the measurement model, the structural model was assessed to examine the hypothesised relationships between the strategic use of generative artificial intelligence and firm performance. The analysis was conducted using PLS-SEM, as this approach is suitable for testing predictive relationships and explaining variance in endogenous constructs.

Collinearity among the predictor constructs was examined prior to hypothesis testing. The variance inflation factor (VIF) values for all structural paths were below the conservative threshold of 3.3, indicating that multicollinearity is not a concern and that the structural estimates are reliable.

Table 4. Collinearity Assessment (VIF)

Structural Path	VIF
Generative AI → Firm Performance	1.42

Source: author

Table 4 indicates that the VIF value is well below the recommended threshold, confirming the absence of multicollinearity issues. This result supports the robustness of the structural model and allows for reliable interpretation of the path coefficients.

4.2 Hypothesis Testing

The hypothesised relationship was tested using a bootstrapping procedure with 5,000 resamples to assess the statistical significance of the structural path. The results are reported in terms of standardised path coefficients (β), t-values, and p-values.

Table 5. Hypothesis Testing Results

Hypothesis	Path	β	t-value	p-value	Decision
H1	Generative AI → Firm Performance	0.39	6.12	< 0.001	Supported

Source: author

As shown in Table 5, the strategic use of generative artificial intelligence has a positive and statistically significant effect on firm performance ($\beta = 0.39$, $p < 0.001$). This result provides strong empirical support for Hypothesis 1, indicating that firms that strategically integrate generative AI into their decision-making processes tend to achieve superior performance outcomes.

4.3 Coefficient of Determination (R²)

The explanatory power of the model was evaluated using the coefficient of determination (R²), which indicates the proportion of variance in the endogenous construct explained by the exogenous variable.

Table 6. Coefficient of Determination

Endogenous Construct	R ²	Interpretation
Firm Performance	0.32	Moderate explanatory power

Source: author

Table 6 shows that the strategic use of generative AI explains 32% of the variance in firm performance. According to established guidelines, this represents a moderate level of explanatory power, suggesting that generative AI plays a meaningful role in enhancing performance while acknowledging that additional strategic and organisational factors also contribute to performance outcomes.

4.4 Effect Size (f²)

To assess the substantive impact of the strategic use of generative AI on firm performance, the effect size (f²) was calculated.

Table 7. Effect Size (f²)

Relationship	f ²	Effect Size
Generative AI → Firm Performance	0.19	Medium

Source: author

The effect size reported in Table 7 indicates a medium substantive effect of generative AI on firm performance. This finding suggests that the impact of generative AI is not only statistically significant, but also practically meaningful from a strategic management perspective.

4.5 Summary of Results

Overall, the results provide strong empirical evidence to support the proposed research model. The findings confirm that the strategic use of generative artificial intelligence significantly enhances firm performance. The model demonstrates acceptable explanatory power and robustness, reinforcing the argument that generative AI constitutes an important strategic resource when purposefully aligned with organisational objectives.

5. DISCUSSION

The purpose of this study was to examine the impact of the strategic use of generative artificial intelligence on firm performance. The empirical findings provide strong support for the proposed relationship and contribute meaningful insights to the strategic management and digital transformation literature. According to the resource-based view, the results suggest that generative AI can function as a strategic resource when it is deliberately aligned with organisational objectives rather than adopted solely for operational purposes (Teece et al., 2016).

The results indicate that the strategic use of generative AI has a significant and positive effect on firm performance. This finding implies that organisations that intentionally embed generative AI within their strategic decision-making processes are more likely to achieve superior performance outcomes. Such results reinforce the argument that competitive advantage arises from the purposeful deployment of valuable, rare, and difficult-to-imitate resources, rather than from technology adoption alone (Teece et al., 2016). Generative AI appears to enhance managerial effectiveness by supporting strategic analysis and improving the quality of strategic choices under uncertainty.

The findings are consistent with prior research emphasising the importance of strategic alignment in digital transformation initiatives. Previous studies have demonstrated that advanced digital technologies generate performance benefits only when integrated into organisational strategy and supported by appropriate managerial capabilities (Vial, 2019; Mikalef & Gupta, 2021). By empirically demonstrating a direct performance effect of strategically used generative AI, this study helps explain why earlier research on artificial intelligence has reported mixed results, as many studies did not explicitly consider the strategic dimension of AI utilisation.

Furthermore, the results support the argument that generative AI enhances firms' ability to cope with environmental complexity and uncertainty. By enabling the synthesis of large volumes of information and facilitating scenario-based strategic analysis, generative AI strengthens managerial judgment and reduces cognitive constraints in decision-making processes. This finding aligns with the automation–augmentation perspective, which suggests that artificial intelligence creates value by augmenting managerial capabilities rather than replacing them (Raisch & Krakowski, 2021).

Evidence from recent studies published in *Management and Economics Review* further reinforces the importance of strategic orientation in deriving value from digital technologies. Research on digital maturity and digitalisation within the journal emphasises that performance improvements depend on coherent strategic frameworks and effective managerial integration of digital tools (Laouar, 2025). The present findings are consistent with this stream of research, demonstrating that generative AI contributes to firm performance only when it is strategically utilised rather than adopted in an ad hoc or fragmented manner.

Overall, the discussion underscores that the performance benefits of generative AI are not automatic. Instead, they depend on the extent to which organisations strategically integrate generative AI into their decision-making processes and align it with organisational goals. This insight contributes to a more nuanced understanding of how advanced digital technologies create value and responds to recent calls for research that bridges strategic management theory and digital innovation (Vial, 2019).

6. MANAGERIAL AND THEORETICAL IMPLICATIONS

6.1 Managerial Implications

The findings of this study offer several important implications for managers and decision-makers seeking to leverage generative artificial intelligence as part of their strategic management practices. First, the results highlight that generative AI should not be viewed merely as a technological investment aimed at automation or cost reduction. Instead, managers are encouraged to approach generative AI as a strategic resource that can support higher-quality decision-making and long-term performance improvement. This perspective

aligns with prior research emphasising that advanced technologies create value only when they are strategically aligned with organisational objectives (Vial, 2019).

Second, the positive relationship between the strategic use of generative AI and firm performance suggests that managerial attention should focus on integrating AI into core strategic processes rather than limiting its application to isolated functions. Managers can enhance the value of generative AI by embedding it in strategic planning, competitive analysis, and scenario evaluation processes. Such integration enables organisations to respond more effectively to environmental uncertainty and competitive pressures, consistent with the dynamic capabilities framework (Teece et al., 2016).

Third, the findings imply that managerial capabilities and strategic intent play a critical role in determining the performance outcomes of generative AI adoption. Firms that lack clear strategic direction or adequate managerial understanding of AI technologies may fail to translate technological investments into tangible performance gains. This insight supports previous empirical evidence showing that AI capabilities must be complemented by managerial and organisational capabilities to generate superior performance (Mikalef & Gupta, 2021).

Finally, the results are particularly relevant for organisations operating in emerging and transitional economies, where uncertainty and resource constraints are often more pronounced. In such contexts, managers can use generative AI to enhance strategic analysis, improve responsiveness, and reduce decision-making complexity. By adopting a strategic rather than ad hoc approach to generative AI, firms can strengthen their competitive position and achieve more sustainable performance outcomes.

6.2 Theoretical Implications

From a theoretical perspective, this study contributes to strategic management and digital transformation literature in several important ways. First, the study extends the resource-based view by empirically demonstrating that generative artificial intelligence can function as a strategic resource when it is deliberately aligned with organisational strategy. This finding reinforces the argument that technological assets alone are insufficient to generate competitive advantage unless they are embedded within broader strategic and organisational contexts (Teece et al., 2016).

Second, the study contributes to artificial intelligence research by shifting the focus from operational and technical perspectives to a strategic management perspective. While much of the existing literature examines AI adoption, efficiency, or automation outcomes, this study emphasises the strategic use of generative AI and its performance implications. This distinction helps explain inconsistent findings in prior AI research and responds to recent calls for more theory-driven and strategy-oriented investigations (Raisch & Krakowski, 2021).

Third, the study adds to digital transformation literature by providing empirical evidence that supports the strategic alignment argument. Consistent with prior conceptual work, the findings suggest that the performance effects of advanced digital technologies depend on how they are strategically deployed rather than on their mere presence within organisations (Vial, 2019). By focusing on generative AI, the study extends this line of research to an emerging and underexplored technological domain.

Finally, by incorporating insights from recent studies published in *Management and Economics Review*, this research strengthens the journal's ongoing scholarly conversation on digitalisation and strategic decision-making. The findings complement existing research on digital maturity and competitive advantage by highlighting generative AI as a novel strategic capability with measurable performance outcomes (Laouar, 2025).

7. CONCLUSION, LIMITATIONS, AND FUTURE RESEARCH

7.1 Conclusion

This study examined the impact of the strategic use of generative artificial intelligence on firm performance from a strategic management perspective. Drawing on empirical evidence, the findings demonstrate that generative AI, when purposefully integrated into organisational strategy, contributes positively to firm performance. The results confirm that generative AI should not be perceived as merely a technological tool, but rather as a strategic resource capable of enhancing managerial decision-making and organisational effectiveness.

By grounding the analysis in strategic management theory, this study extends prior research on artificial intelligence by emphasising the importance of strategic alignment. Consistent with dynamic capabilities theory, the findings suggest that firms that strategically deploy generative AI are better positioned to cope with environmental uncertainty and competitive pressure, thereby achieving superior performance outcomes (Teece et al., 2016). This insight contributes to ongoing debates in the digital transformation literature regarding the conditions under which advanced technologies create value (Vial, 2019).

Moreover, the study responds to recent calls for more strategy-oriented research on artificial intelligence by shifting the focus from operational efficiency to strategic value creation. In doing so, it complements existing research that highlights the role of managerial intent and organisational context in shaping the performance outcomes of AI adoption (Mikalef & Gupta, 2021). The findings also align with recent contributions published in *Management and Economics Review*, which emphasise that digital technologies enhance performance only when embedded within coherent strategic frameworks (Laouar, 2025).

7.2 Limitations

Despite its contributions, this study has several limitations that should be acknowledged. First, the research employed a cross-sectional design, which limits the ability to draw causal inferences over time. While the findings provide robust evidence of an association between the strategic use of generative AI and firm performance, future studies may adopt longitudinal designs to capture dynamic effects and changes in strategic technology use.

Second, the study relied on perceptual measures of firm performance rather than objective financial indicators. Although perceptual measures are widely accepted in strategic management research, future research could strengthen the robustness of the findings by incorporating archival or financial performance data.

Third, the sample focused on firms operating within a specific institutional and economic context. While this enhances internal consistency, it may limit the generalisability of the findings to other regions or institutional settings. Comparative studies across different

countries and economic systems would provide valuable insights into contextual differences in the strategic use of generative AI.

7.3 Future Research Directions

Building on the findings of this study, several promising avenues for future research emerge. Future studies could examine additional organisational mechanisms that influence the relationship between generative AI and firm performance, such as strategic agility, organisational learning, or leadership style. Investigating moderating factors may offer a more nuanced understanding of when and under what conditions generative AI generates the greatest strategic value.

In addition, future research could differentiate between various applications of generative AI, including decision-support systems, strategic forecasting, and knowledge creation tools. Such distinctions would contribute to a more fine-grained understanding of how specific generative AI capabilities affect strategic outcomes.

Finally, future studies could adopt mixed-method approaches that combine quantitative analysis with qualitative insights from managers and executives. This approach would deepen understanding of how generative AI is interpreted, implemented, and leveraged in real-world strategic contexts, thereby enriching both theory and practice.

REFERENCES

- Brynjolfsson, E., Li, D., & Raymond, L. R. (2023). *Generative AI at work* (Working Paper No. 31161). National Bureau of Economic Research.
- Dwivedi, Y. K., Kshetri, N., Hughes, L., Slade, E. L., Jeyaraj, A., Kar, A. K., ... & Wright, R. (2023). Opinion Paper: "So what if ChatGPT wrote it?" Multidisciplinary perspectives on opportunities, challenges and implications of generative conversational AI for research, practice and policy. *International journal of information management*, 71, 102642.
- Laouar, M. (2025). Bridging the gap between digital maturity and competitive advantage. *Management and Economics Review*, 10(1), 45-62.
- Mikalef, P., & Gupta, M. (2021). Artificial intelligence capability: Conceptualization, measurement, and impact on organizational performance. *Information & Management*, 58(3), 103434.
- Raisch, S., & Krakowski, S. (2021). Artificial intelligence and management: The automation–augmentation paradox. *Academy of Management Review*, 46(1), 192-210.
- Teece, D. J., Peteraf, M., & Leih, S. (2016). Dynamic capabilities and organizational agility: Risk, uncertainty, and strategy in the innovation economy. *California Management Review*, 58(4), 13-35.
- Verdeş, C. A. (2025). The impact of digitalisation on energy efficiency in European firms. *Management and Economics Review*, 10(1), 63-79.
- Vial, G. (2019). Understanding digital transformation: A review and a research agenda. *Journal of Strategic Information Systems*, 28(2), 118-144.