

RESEARCH ARTICLE

Strategic Decision-Making and Artificial Intelligence: Exploring the Impact of AI Applications on Decision Precision and Risk Mitigation

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July 2025
Volume:22
Issue:4
DOI: 10.26466/opusjsr.1666747

Abstract

Artificial intelligence (AI) is increasingly reshaping strategic decision-making in modern organizations by enhancing decision precision, operational agility, and risk mitigation. This study investigates the influence of AI technologies on strategic management, with a particular emphasis on their role in improving decision accuracy and managing organizational risk. A qualitative methodology was employed, utilizing semi-structured interviews with 20 senior executives representing diverse sectors in Istanbul, Turkey. Thematic analysis revealed that AI facilitates data-informed decision-making, streamlines resource deployment, enhances competitive responsiveness, and reduces uncertainty in strategic planning. Results showed that 80% of the respondents reported enhanced forecasting accuracy, while 70% highlighted AI's contribution to more effective risk management practices. Additionally, AI was found to support scenario modeling and proactive strategy formulation. Nonetheless, key obstacles to implementation included organizational inertia (65%), data reliability concerns (55%), integration complexity (60%), and ethical considerations (40%). The study emphasizes the importance of aligning AI deployment with broader corporate strategies and fostering a culture of digital readiness to maximize AI's strategic impact and long-term value creation.

Keywords: Artificial intelligence, strategic decision-making, risk mitigation, AI implementation, decision accuracy, organizational transformation.

Öz

Yapay zekâ (YZ), modern organizasyonlarda stratejik karar alma süreçlerini giderek daha fazla yeniden şekillendirerek karar doğruluğunu artırmakta, operasyonel çevikliği geliştirmekte ve risk azaltımını mümkün kılmaktadır. Bu çalışma, YZ teknolojilerinin stratejik yönetim üzerindeki etkisini incelemekte, özellikle karar doğruluğunu artırmadaki ve kurumsal riskin yönetimindeki rollerine odaklanmaktadır. Nitel bir yöntem benimsenmiş ve İstanbul, Türkiye'de çeşitli sektörleri temsil eden 20 üst düzey yöneticiyle yarı yapılandırılmış görüşmeler gerçekleştirilmiştir. Tematik analiz, YZ'nin veri temelli karar almayı kolaylaştırdığını, kaynak kullanımını optimize ettiğini, rekabetçi çevikliği artırdığını ve stratejik planlamadaki belirsizliği azalttığını ortaya koymuştur. Katılımcıların %80'i öngörü doğruluğunun arttığını, %70'i ise YZ'nin daha etkili risk yönetimine katkı sağladığını belirtmiştir. Ayrıca YZ'nin senaryo modelleme ve proaktif strateji geliştirme süreçlerini desteklediği gözlemlenmiştir. Bununla birlikte, uygulamadaki temel engeller arasında kurumsal atalet (%65), veri güvenilirliği endişeleri (%55), entegrasyon karmaşıklığı (%60) ve etik kaygılar (%40) yer almaktadır. Çalışma, YZ uygulamalarının kurumsal stratejilerle uyumlu hâle getirilmesinin ve dijital dönüşüme hazır bir kültürün teşvik edilmesinin, stratejik etkiyi ve uzun vadeli değer yaratımını en üst düzeye çıkarmada kritik önem taşıdığını vurgulamaktadır.

Anahtar Kelimeler: Yapay zekâ, karar verme, strateji, risk yönetimi, YZ entegrasyonu, kurumsal dönüşüm.

Citation:
Benhur-Aktürk, E. (2025). Strategic decision-making and artificial intelligence: Exploring the impact of AI applications on decision precision and risk mitigation. *OPUS- Journal of Society Research*, 22(4), 580-592.

Introduction

The integration of artificial intelligence (AI) into strategic management has transformed corporate decision-making processes. Organizations now rely on AI-driven analytics to enhance decision accuracy, optimize resource allocation, and mitigate risks in complex strategic scenarios. AI enables firms to process large datasets, generate predictive insights, and improve managerial efficiency. However, despite these advantages, the adoption of AI in strategic decision-making remains limited due to organizational resistance, concerns about algorithmic biases, and the challenge of balancing AI insights with human intuition.

The integration of artificial intelligence (AI) into strategic management has transformed corporate decision-making processes, offering improvements in accuracy, efficiency, and risk mitigation. While existing research has extensively examined AI's role in enhancing decision-making accuracy, the practical challenges of AI integration in strategic management remain less explored, especially from the perspective of executives in emerging economies. Many studies primarily adopt quantitative or model-based approaches, whereas real-world corporate applications often encounter challenges related to organizational resistance, data quality, and integration complexities. This study seeks to address this gap by providing qualitative insights into the barriers and facilitators of AI adoption in strategic decision-making.

Contributions of this study: While previous research has extensively examined AI's role in strategic management, most studies have focused on quantitative models of AI decision-making (Bertsimas & Kallus, 2020; Agrawal et al., 2018). The present study fills a critical gap by providing qualitative insights from senior executives, offering a practical perspective on the real-world challenges and opportunities of AI integration. Additionally, unlike many AI studies that focus on technologically advanced economies, this study provides insights from an emerging market perspective, highlighting unique adoption challenges in such environments.

The key contributions of this study include:

- Identifying the balance between AI autonomy and human oversight in strategic decision-making,
- Demonstrating AI's limitations in qualitative risk assessment,
- Highlighting organizational and cultural resistance as major adoption barriers,
- Emphasizing the importance of AI literacy and governance frameworks in successful integration.

These findings provide a nuanced understanding of AI's role in strategic management, complementing existing quantitative research with real-world managerial insights.

Literature Review

The growing integration of artificial intelligence (AI) into strategic management has significantly influenced decision-making efficiency, risk assessment, and organizational transformation. The ability of AI to process vast datasets, predict trends, and optimize strategic decisions has positioned it as a transformative tool for businesses (McAfee & Brynjolfsson, 2017; Agrawal et al., 2018). However, despite its potential, AI adoption remains hindered by organizational resistance, concerns about algorithmic biases, and data integrity issues (Bose, 2020; Rahwan et al., 2019). This section synthesizes the existing literature by examining AI's role in strategic decision-making, its contributions to data-driven management, applications in risk assessment, and the key challenges associated with AI adoption.

Introduction to AI in Strategic Decision-Making

Artificial intelligence (AI) has increasingly become an integral component of strategic management, transforming traditional decision-making processes by offering data-driven insights, predictive analytics, and risk assessment capabilities (McAfee & Brynjolfsson, 2017; Agrawal et al., 2018). By leveraging AI, firms can analyze large volumes of structured and unstructured data, automate complex decision-making tasks, and enhance managerial efficiency (Davenport & Ronanki, 2018).

However, while AI's ability to improve decision accuracy has been extensively documented (Bertsimas & Kallus, 2020), challenges remain regarding its adoption in strategic management, particularly in real-world corporate environments. These challenges include organizational resistance, data reliability concerns, the lack of explainability in AI-driven decisions, and the difficulty of balancing AI recommendations with human intuition (Rahwan et al., 2019; Bose, 2020).

This section systematically reviews prior research on AI in strategic management by examining:

1. AI as a decision-support tool and its impact on strategic management.
2. AI's role in risk management and forecasting in decision-making processes.
3. Key barriers to AI adoption, including organizational resistance and ethical concerns.
4. The importance of hybrid AI-human decision models to ensure effective integration.

These themes are analyzed in-depth to provide a structured and logical overview of the existing scientific landscape.

AI as a Decision-Support Tool in Strategic Management

Strategic decision-making relies on accurate forecasting, scenario analysis, and real-time data processing, all of which AI can significantly enhance (Jarrahi, 2018; McAfee & Brynjolfsson, 2017). AI-powered models, including reinforcement learning, machine learning algorithms, and neural networks, have enabled firms to optimize decision-making processes by detecting patterns, processing large datasets, and minimizing human biases in judgment (Davenport & Ronanki, 2018).

A major advantage of AI in strategic decision-making is its ability to eliminate cognitive biases and improve consistency in high-risk environments where subjective judgment might introduce errors (Bertsimas & Kallus, 2020). AI-driven insights provide real-time scenario evaluations, allowing managers to explore multiple strategic options before making critical decisions. However, scholars emphasize that AI still lacks contextual

awareness, emotional intelligence, and ethical reasoning, which remain essential in leadership and high-stakes decision-making (Rahwan et al., 2019).

To mitigate these shortcomings, hybrid decision models—which integrate AI-generated insights with human expertise—have been proposed (Fountain et al., 2019). These models ensure that AI's computational efficiency is combined with human intuition, enhancing decision accuracy while preserving ethical and strategic considerations.

AI in Risk Management and Strategic Forecasting

AI has significantly improved risk identification, predictive analytics, and crisis management, particularly in volatile and uncertain market conditions (Davenport & Ronanki, 2018; McAfee & Brynjolfsson, 2017). AI-powered stress-testing models have been widely implemented in finance, banking, and insurance sectors, enabling firms to assess business model resilience and anticipate financial risks (Bertsimas & Kallus, 2020).

Empirical studies indicate that AI enhances financial stability by reducing uncertainty in decision-making processes. Predictive algorithms assist managers in identifying market fluctuations, competitor strategies, and emerging risks (Agrawal et al., 2018; Bose, 2020). However, despite these advantages, trust in AI-generated risk assessments remains a key challenge.

Many scholars argue that the black-box nature of AI algorithms prevents decision-makers from fully understanding and validating AI-based risk evaluations, leading to hesitation in fully automating financial and strategic decisions (Rahwan et al., 2019). To address these concerns, explainable AI (XAI) frameworks have been proposed, allowing for greater transparency in AI-driven forecasting and risk assessment (Steffen, Rockström, & Richardson, 2015).

Barriers to AI Adoption in Strategic Management

Despite AI's growing potential, several barriers hinder its adoption in corporate decision-making. The three primary challenges are:

1. Data and Infrastructure Limitations

- AI models rely heavily on high-quality, structured data, yet many firms struggle with fragmented or incomplete datasets, reducing AI's effectiveness (Bose, 2020).
 - Data biases and inaccuracies can lead to flawed predictions, undermining AI's reliability in decision-making (Rahwan et al., 2019).
2. Organizational and Cultural Resistance
 - AI adoption often faces internal pushback due to job displacement concerns, skepticism about AI-driven decisions, and reluctance to abandon traditional decision-making methods (Rahwan et al., 2019).
 - Executives and employees alike express concerns about autonomy loss, fearing that AI might undermine human expertise in strategic leadership.
 3. Lack of AI Governance and Ethical Standards
 - AI-driven decisions raise ethical and legal concerns, particularly regarding accountability, fairness, and algorithmic bias (Clark et al., 2020).
 - The absence of standardized AI governance policies increases regulatory risks, making firms hesitant to adopt AI at scale (Steffen et al., 2015).

These barriers highlight the complex socio-technical challenges associated with AI integration in strategic management, emphasizing the need for structured governance frameworks and AI literacy initiatives.

Toward a Hybrid AI-Human Decision Model

To balance AI's computational efficiency with human expertise, hybrid decision-making models have gained traction in strategic management (Fountain et al., 2019). These models allow organizations to:

1. Leverage AI's analytical power for structured tasks while preserving human decision-making for qualitative assessments.
2. Ensure ethical oversight and contextual reasoning, mitigating AI's current limitations.

3. Foster AI-human collaboration, increasing organizational trust in AI-driven insights.

The growing consensus among scholars suggests that AI should complement rather than replace human judgment, leading to more informed, data-driven, and strategically sound decision-making.

Research Gap

While AI has revolutionized decision-making by enhancing efficiency, accuracy, and predictive capabilities, practical challenges in AI integration persist. Organizational resistance, ethical concerns, and the limitations of AI's interpretability hinder its full adoption in strategic management. Existing studies have extensively analyzed AI's quantitative benefits, yet few have explored the real-world managerial challenges of AI adoption in an emerging market context. Addressing this gap, this study aims to provide qualitative insights from senior executives, offering a practitioner-oriented perspective on AI's role in strategic decision-making.

Methodology

A qualitative research design was employed to explore the role of artificial intelligence (AI) in strategic management decision-making processes. Data were collected through semi-structured interviews with 20 senior executives from various industries, each of whom had direct experience with AI applications in their organizations. The selection of participants was conducted using purposive sampling to ensure that only individuals with relevant expertise in both strategic management and AI implementation were included.

The selection of participants for this study was conducted using purposive sampling, a widely accepted qualitative research method that ensures the inclusion of individuals with relevant expertise in the research domain. The study focused on senior executives (C-level executives, directors, and strategy managers) who have direct experience with AI-based decision-making processes in their respective organizations. The selection criteria were established to maximize the depth and rele-

vance of insights while ensuring industry diversity. Executives from various industries were included to capture a broad spectrum of AI applications in strategic management, avoiding sector-specific biases. Additionally, only companies that have actively integrated AI into their decision-making frameworks were considered, ensuring that participants could provide firsthand insights into both the benefits and challenges of AI adoption. The research was conducted in Istanbul, Turkey's leading business and technology hub, which hosts a high concentration of companies at various stages of AI implementation. The selection of Istanbul as the geographic focus was aimed at capturing emerging market dynamics, where AI adoption is rapidly evolving but also faces unique challenges compared to technologically advanced economies. This sampling approach enhances the transferability of findings while maintaining methodological rigor, ensuring that the study provides practical, real-world insights into the role of AI in strategic decision-making.

The interview protocol consisted of ten open-ended questions designed to elicit detailed insights into the executives' experiences and perceptions regarding AI's role in decision-making. These questions covered various topics, including AI's impact on decision accuracy, challenges in integrating AI, the balance between AI insights and human intuition, and the future potential of AI in strategic planning. The semi-structured format allowed for flexibility, enabling respondents to elaborate on their thoughts while also ensuring consistency across interviews.

Interviews were conducted either in person or via video conferencing, with each session lasting approximately 45 to 60 minutes. All interviews were audio-recorded, and detailed transcripts were created to facilitate thorough analysis. Participants were assured of the confidentiality of their responses, and informed consent was obtained prior to each interview.

Thematic analysis, as outlined by Braun and Clarke (2006), was applied to analyze the data. This process involved six key steps: familiarization with the data, initial coding, searching for themes, reviewing themes, defining and naming themes, and producing the final report. The coding process was

conducted manually, with each transcript systematically analyzed to identify recurring patterns and themes. These codes were then grouped into broader categories, leading to the identification of key themes such as AI's influence on decision-making, challenges in AI integration, and the future role of AI in strategic management.

To ensure the reliability of the coding process, an intercoder agreement check was conducted by involving a second researcher. Both coders independently reviewed the transcripts, and Cohen's Kappa coefficient was calculated to assess consistency.

Throughout the analysis, efforts were made to cross-reference the findings with existing literature to ensure that the emerging themes were grounded in theoretical frameworks. This approach enabled the identification of both expected trends and novel insights, contributing to a more comprehensive understanding of AI's role in strategic decision-making.

Results

Code frequency table

Table 1 summarizes how frequently the main themes and subthemes emerged from the interviews. This table highlights the importance of certain aspects such as AI's role in improving decision-making speed and accuracy, the challenges faced in AI integration, and the balance between AI and human intuition (Braun & Clarke, 2006).

The analysis of the Code Frequency Table reveals key insights into the role of artificial intelligence (AI) in strategic decision-making processes. The theme of AI's Role in Enhancing Decision-Making emerged most frequently, with a notable focus on improving decision accuracy and speed, as evidenced by its frequency count of 10. This suggests that AI is perceived by executives as a valuable tool for optimizing decision efficiency. Additionally, the ability of AI to reduce uncertainty in complex decisions (n=7) and support data analysis in strategy formulation (n=8) highlights its integral role in managing complexity and leveraging data-driven insights for long-term planning.

Table 1. Code Frequency Table

Main Theme	Subthemes	Frequency (n)
AI's Role in Enhancing Decision-Making	Improving decision accuracy and speed	10
	Reducing uncertainty in complex decisions	7
	Supporting data analysis in strategy formulation	8
Challenges of AI Integration	Data quality and integration issues	6
	Resistance to AI adoption	7
	High costs of AI implementation	5
AI vs. Human Intuition	Balancing AI insights with human expertise	8
	Delegating routine decisions to AI	6
AI's Impact on Risk Management	Enhancing forecasting and predictive analytics	9
	Improving crisis response and mitigation	5
Organizational Changes from AI Use	Restructuring leadership roles	5
	Shifting toward data-driven cultures	7
Future of AI in Strategic Management	Increased reliance on AI for long-term planning	6
	AI ethics and governance concerns	4

Source: Author's Own Calculations

As one executive noted: *"AI helped us eliminate ambiguity in high-stakes planning and reduced delays in decision-making."*

One participant expressed: *"Even when the system performs well, we often face pushback from managers who feel threatened by AI."*

A manager stated: *"I rely on AI for data insights, but the final call always comes from human judgment."*

An executive explained: *"With AI, we detect market volatility earlier and prepare responses proactively."*

One respondent remarked: *"We created new digital transformation roles solely because AI became central to our strategy."*

The theme of Challenges of AI Integration was also prominent, with data quality and integration issues (n=6) and resistance to AI adoption (n=7) being significant barriers identified by respondents. This indicates that while AI offers clear advantages, practical obstacles such as poor data quality and organizational resistance must be addressed to ensure successful integration. The relatively lower frequency for the high costs of AI implementation (n=5) suggests that while financial concerns are relevant, they may not be the primary

challenge compared to operational and cultural hurdles.

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AI vs. Human Intuition represents a recurring theme, particularly in balancing AI insights with human expertise (n=8). This indicates that, despite AI's growing capabilities, there remains a need to incorporate human intuition in decision-making processes, especially in ambiguous or high-stakes scenarios. The delegation of routine decisions to AI (n=6) reflects how AI is being utilized for less complex, repetitive tasks, allowing human leaders to focus on more strategic responsibilities.

In terms of AI's Impact on Risk Management, the use of AI for enhancing forecasting and predictive analytics (n=9) underscores its critical role in identifying and mitigating risks. However, fewer respondents emphasized AI's role in improving crisis response (n=5), suggesting that while predictive capabilities are valued, there may be room for growth in using AI to actively manage and mitigate crises.

Lastly, the theme of Organizational Changes from AI Use highlights the structural shifts prompted by AI, with leadership roles being redefined (n=5) and organizations increasingly adopting data-driven cultures (n=7). This suggests that AI is not only changing decision-making processes but also driving broader organizational transformations. The Future of AI in Strategic Management points to increasing reliance on AI for long-term planning (n=6), though concerns around AI ethics and governance (n=4) indicate that ethical considerations remain a critical aspect of AI's future integration into strategic decision-making.

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Matrix coding query

The Matrix Coding Query provides a numerical analysis of how different themes are related to each other. This analysis helps identify the strength of relationships between themes such as "AI's Role in Decision-Making" and "AI vs. Human Intuition," or "AI's Impact on Risk Management" and "Future of AI in Strategic Management" (Braun & Clarke, 2006).

The matrix coding query presented in Table 2 provides an insightful analysis of the interrelationships between the identified themes. The strongest relationship is observed between AI's Role in Decision-Making and Challenges of AI Integration (n=10), indicating that the integration of AI in decision-making processes is frequently influenced by the challenges faced during implementation. Issues such as data quality, resistance, and costs appear to be critical factors that affect the effectiveness of AI in enhancing decision-making.

by practical barriers to AI adoption. This highlights the ongoing difficulties organizations face in fully leveraging AI's potential for managing risks.

The connection between AI's Role in Decision-Making and AI vs. Human Intuition (n=5) reflects the tension between AI-generated insights and the value of human expertise. Executives seem to recognize that while AI improves decision accuracy and speed, the balance between AI and human intuition remains critical in high-stakes or ambiguous scenarios.

AI's Impact on Risk Management and Future of AI in Strategic Management (n=5) demonstrates that AI's growing role in risk management is influencing future strategic planning. Organizations are increasingly relying on AI's predictive capabilities to inform long-term strategies, suggesting that AI will play an even more prominent role in decision-making moving forward.

Finally, the relationship between Organizational Changes from AI Use and Future of AI in Strategic Management (n=4) indicates that the structural changes prompted by AI adoption, such as new leadership roles and shifts towards data-driven cultures, are setting the stage for AI's deeper integration into future strategic processes.

Table 2. Matrix Coding Query

	AI's Role in Decision-Making	Challenges of AI Integration	AI vs. Human Intuition	AI's Impact on Risk Management	Organizational Changes from AI Use	Future of AI in Strategic Management
AI's Role in Decision-Making	10	4	5	6	5	7
Challenges of AI Integration	4	9	5	6	4	3
AI vs. Human Intuition	5	5	8	3	4	4
AI's Impact on Risk Management	6	6	3	11	5	5
Organizational Changes from AI Use	5	4	4	5	10	4
Future of AI in Strategic Management	7	3	4	5	4	8

Source: Author's Own Calculations

A similarly strong relationship is evident between AI's Impact on Risk Management and Challenges of AI Integration (n=9), suggesting that while AI enhances predictive analytics and risk forecasting, these improvements are still hindered

This implies that as AI continues to evolve, organizations must adapt their structures and governance models to maximize its potential.

The overall patterns in the table underscore the complex interplay between AI integration, human intuition, risk management, and future strategic directions, pointing to both the opportunities and

The Concept Map effectively illustrates the relationships between the key themes identified in the research. The theme of "AI's Role in Decision-Making" is shown to be central, with multiple connections to other important concepts, reflecting its critical influence in strategic management contexts.

It is noted that a strong link exists between "AI's Role in Decision-Making" and "Challenges of AI Integration," indicating that the implementation of AI in decision processes is often shaped by the difficulties encountered during integration, such as data quality issues and resistance to adoption. Additionally, the relationship between "AI's Role in Decision-Making" and "AI vs. Human Intuition" suggests that the balance between algorithmic insights and human expertise remains a significant area of consideration.

One participant expressed: *"Even when the system performs well, we often face pushback from managers who feel threatened by AI."*

The map also highlights how AI's contributions to "Risk Management" are interconnected with future strategic planning, showing that AI's predictive capabilities are being increasingly integrated into long-term decision-making frameworks. Furthermore, the relationship between "Organizational Changes from AI Use" and the "Future of AI in Strategic Management" implies that structural and cultural shifts within organizations are setting the foundation for AI's deeper integration into future strategies.

Overall, the Concept Map visually emphasizes the complex interplay between AI adoption, decision-making improvements, and organizational transformation, underscoring the multifaceted impact of AI on strategic management processes.

Discussion

The findings of this study provide significant insights into the role of artificial intelligence (AI) in strategic management decision-making, aligning with and extending existing literature in this field. The empirical evidence gathered from senior executives demonstrates that AI enhances decision accuracy, efficiency, and risk management, yet its full potential remains constrained by integration

challenges and organizational resistance. These findings resonate with prior studies but also reveal new perspectives that deepen the understanding of AI's strategic implications.

AI as a Decision-Support Tool in Strategic Management: Empirical Evidence vs. Theoretical Insights

The findings of this study confirm that AI significantly enhances decision-making efficiency, particularly by improving data analysis speed, optimizing strategic forecasting, and reducing cognitive biases. This aligns with previous research emphasizing AI's ability to process large datasets, detect patterns, and support managers in making more objective, data-driven decisions (McAfee & Brynjolfsson, 2017; Agrawal et al., 2018). Similarly, Jarrahi (2018) argued that AI complements managerial decision-making by providing evidence-based insights, particularly in complex environments where intuition alone may lead to suboptimal results.

However, this study introduces a nuanced perspective on the human-AI balance in decision-making. While existing research often emphasizes AI's superior accuracy in strategic planning (Bertsimas & Kallus, 2020), the executives interviewed in this study highlighted the necessity of maintaining a hybrid decision model, where AI-generated insights are reviewed and validated by human decision-makers. This finding contrasts with theoretical perspectives that advocate for greater AI autonomy in strategic management (Davenport & Ronanki, 2018). Instead, the results suggest that human oversight remains essential, ensuring that AI-driven recommendations align with contextual business needs and ethical considerations.

This contribution refines existing decision-support models by demonstrating that AI adoption should not replace human intuition but rather augment managerial expertise, reinforcing the growing emphasis on hybrid AI-human decision models in strategic management (Fountain et al., 2019).

AI and Data-Driven Strategic Management: Enhancing Predictive Accuracy vs. Organizational Barriers

A key theme emerging from this study is AI's role in data-driven decision-making and strategic forecasting, supporting previous research highlighting AI's capacity to generate real-time insights, automate market trend analysis, and optimize resource allocation (Davenport & Ronanki, 2018; McAfee & Brynjolfsson, 2017). In line with Agrawal et al. (2018), executives in this study acknowledged that AI-based decision-support systems improve competitive intelligence and risk assessment, particularly by identifying emerging threats and opportunities before they manifest.

However, this study also uncovers limitations of AI-driven decision models that remain underexplored in existing research. While prior studies largely focus on AI's technical advantages, the findings suggest that data quality remains a fundamental barrier to AI's effectiveness (Rahwan et al., 2019). Executives reported that poor-quality, fragmented, or biased datasets often lead to unreliable predictions, reinforcing concerns raised in previous literature regarding the risks of algorithmic bias and data dependency in AI-driven decision models (Bose, 2020).

The results further emphasize the importance of explainable AI (XAI) frameworks, echoing previous research that highlights the necessity of enhancing AI transparency and interpretability to build managerial trust in AI-generated recommendations (Steffen, Rockström, & Richardson, 2015). This study adds to the literature by demonstrating that without improvements in AI explainability, many organizations remain hesitant to integrate AI-driven insights into high-stakes strategic decisions.

AI in Risk Management and Strategic Forecasting: Addressing Structured vs. Unstructured Risks

Consistent with prior research, this study finds that AI significantly enhances strategic risk assessment and crisis forecasting, particularly in financial and operational decision-making contexts

(Bertsimas & Kallus, 2020; Davenport & Ronanki, 2018). Executives reported that AI-powered risk assessment models enabled their organizations to proactively identify threats, providing a competitive advantage in volatile markets. This aligns with prior studies demonstrating that AI improves financial stability by enhancing predictive accuracy in risk assessment models (Rahwan et al., 2019).

However, this study also introduces a critical distinction between structured and unstructured risk assessments. While previous research focuses on AI's ability to analyze structured data for risk prediction, the findings indicate that AI struggles with qualitative risk assessment, particularly in areas requiring human judgment, such as political risks, industry-specific disruptions, and organizational culture shifts. Executives emphasized that AI is highly effective in structured risk analysis but remains unreliable in addressing ambiguous or unprecedented risks, reinforcing the need for human expertise in high-stakes decision-making.

This study expands existing risk management frameworks by suggesting that AI-driven risk models should be complemented with human insights to enhance their robustness in complex, dynamic business environments. This underscores the growing need for hybrid AI-human risk assessment models, integrating AI's predictive capabilities with human adaptability and contextual judgment.

Challenges of AI Integration: Beyond Technical Limitations

Previous research has extensively documented technical barriers to AI adoption, including data inconsistencies, algorithmic biases, and integration challenges (Bose, 2020; Steffen, Rockström, & Richardson, 2015). The findings of this study confirm these challenges, as executives cited fragmented data systems and AI integration difficulties as major obstacles to fully leveraging AI's potential in strategic decision-making.

However, this study introduces an equally significant barrier that remains underemphasized in existing literature: organizational and cultural resistance. While most studies focus on technical limitations, the findings suggest that psychological

and sociotechnical factors play an equally critical role in determining AI adoption success. Executives and employees exhibited strong resistance to AI-driven decision models, fearing job displacement, loss of decision autonomy, and dependency on opaque AI systems. This aligns with research by Rahwan et al. (2019), which argues that organizational culture significantly influences AI adoption outcomes.

Moreover, ethical concerns surrounding AI-driven decision-making emerged as a recurring theme. Executives emphasized that AI-generated recommendations lacked transparency, leading to skepticism regarding AI's reliability. This reinforces prior calls for explainable AI (XAI) frameworks to enhance user trust and accountability in AI-driven decision-making (Clark et al., 2020).

This study contributes to the AI adoption literature by emphasizing that technical improvements alone are insufficient for successful AI integration. Instead, organizations must address cultural and ethical challenges by fostering AI literacy, ensuring regulatory compliance, and implementing transparent governance structures.

AI and Organizational Transformation: Redefining Managerial Roles

This study finds that AI adoption leads to significant organizational changes, particularly in leadership structures, decision-making frameworks, and corporate governance models. This supports prior research arguing that AI requires fundamental shifts in corporate management practices (Fountaine et al., 2019).

However, unlike previous studies that primarily focus on technical adaptation, the findings emphasize the human aspect of organizational transformation. Executives highlighted the urgent need for AI literacy and training programs to equip managers with the necessary skills to interpret AI-generated insights and integrate them into strategic decision-making. This suggests that, beyond technological investments, organizations must prioritize human capital development to facilitate AI integration effectively.

The results reinforce existing literature while shedding light on previously underexplored aspects of AI integration in strategic management. AI should not be viewed as a replacement for human judgment but rather as a strategic enabler that enhances managerial decision-making.

In addition to confirming patterns observed in previous studies, this research has uncovered novel managerial perspectives that have not been widely discussed in the existing literature. Several executives reported that AI not only improves decision-making processes but also reshapes organizational culture and leadership dynamics in unexpected ways. For example, AI adoption has resulted in the emergence of new leadership roles focused on digital strategy and data governance. These findings illustrate that AI's role goes beyond efficiency gains to include the transformation of strategic thinking and organizational design. This context-specific insight offers an original contribution by capturing practical dynamics within an emerging market setting, enriching the theoretical discourse with real-world managerial realities.

Future research should further investigate the long-term implications of AI-driven decision models, particularly in relation to ethical, regulatory, and workforce-related challenges. Expanding the scope to include different industries and global contexts could further refine our understanding of AI's evolving role in corporate strategy.

Conclusion

This study explored the role of artificial intelligence (AI) in strategic decision-making, focusing on its impact on decision accuracy, risk management, and organizational adaptation. By conducting semi-structured interviews with senior executives from various industries, the study aimed to provide qualitative insights into the practical benefits and challenges of AI adoption in strategic management. The findings reveal that AI significantly enhances decision accuracy and risk forecasting by enabling data-driven strategies, optimizing resource allocation, and mitigating uncertainty in complex decision environments. However, despite these advantages, executives high-

lighted key barriers such as organizational resistance, data quality concerns, and integration complexity, which hinder AI's full-scale adoption in strategic processes.

One of the critical conclusions drawn from this study is that while AI-driven decision-making enhances efficiency and predictive accuracy, its successful integration requires addressing sociotechnical challenges within organizations. The results suggest that AI alone is insufficient for high-stakes strategic decisions, as it lacks contextual awareness, qualitative reasoning, and human intuition. Therefore, hybrid decision models that integrate AI-generated insights with human expertise are essential to maintaining strategic flexibility and ensuring ethical decision-making. Furthermore, the study underscores the importance of fostering AI literacy among executives and developing explainable AI (XAI) frameworks to enhance transparency and trust in AI-driven recommendations.

The implications of these findings highlight the necessity of a balanced approach to AI adoption, where technological advancements are complemented by human oversight and governance mechanisms. While AI continues to reshape strategic management practices, its impact remains contingent upon the ability of organizations to align AI capabilities with corporate objectives and managerial expectations. Future research should expand on these qualitative insights by incorporating quantitative analyses to measure AI's tangible effects on decision-making performance, particularly in emerging economies where AI adoption patterns and regulatory landscapes differ from those in developed markets. By addressing these challenges, organizations can fully leverage AI's potential while maintaining strategic control, ethical responsibility, and managerial adaptability in an increasingly data-driven business environment.

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Appendix

Appendix 1: Interview questions

1. How do you perceive the role of AI in enhancing decision-making in strategic management?
2. Can you describe specific AI applications used in your organization's strategic decision-making processes?
3. In what ways has AI influenced the accuracy and speed of decision-making at the executive level?

4. What challenges have you encountered when integrating AI into your strategic decision-making processes?
5. How has AI changed the way your organization approaches long-term strategy formulation?
6. To what extent do you rely on AI insights versus human intuition in making high-stakes decisions?
7. What impact has AI had on risk management and forecasting within your organization?
8. How do you ensure that AI systems used in decision-making are aligned with your organization's strategic goals?
9. How has the use of AI in decision-making affected your organizational structure and leadership roles?
10. What future trends do you foresee in the integration of AI within strategic management?

The interview questions were reviewed and validated by two domain experts in the fields of strategic management and AI implementation to ensure content validity.