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Empowering Leadership: The Role of AI in Enhancing Strategic Decision-Making, Organizational Processes, and Emotional Intelligence

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Abstract

In an era of rapid technological disruption and organizational uncertainty, the rise of Artificial Intelligence (AI) presents both opportunities and challenges for leadership. This thesis explores the impact of emerging AI-driven tools on leadership, with a focus on strategic decision-making, organizational processes, and emotional intelligence. Using a qualitative research design based on semi-structured interviews with four senior leaders from various European industries, the study finds that AI tools augment leadership by enhancing decision-making efficiency, streamlining organizational operations, and requiring a balanced integration of emotional intelligence and ethical oversight to enable effective human-AI collaboration. The research contributes to leadership theory by proposing and validating a conceptual framework for AI-powered leadership, outlining the competencies and organizational conditions necessary for the successful integration of AI. The findings underscore the importance of leaders developing both technical fluency and human-centric capabilities to remain effective in an increasingly AI-augmented environment.

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1. Introduction

This chapter provides an overview of the research background, research question, objectives, and significance of this study, laying the foundation for an in-depth exploration of the role of Artificial Intelligence (AI) in leadership.

1.1. Background

We are living in a time of unprecedented change. Since the COVID-19 outbreak and the rise in geopolitical tensions, leadership teams have faced growing uncertainties and disruptions. These challenges include the rapid emergence of transformative technologies such as Artificial General Intelligence (AGI), the ongoing energy transition, and a global workforce demanding greater autonomy, flexibility, empowerment, and mobility (Sternfels et al., 2024). In the past, the tools we used were passive, such as a shovel to dig a hole or an email system to share information. However, with AI, we have entered a new era where our tools are actively interacting with us in ways that change how we perceive and engage with the world. Instead of waiting to be used, AI tools are continuously listening, analyzing, learning, and predicting what we want or need (Hougaard & Carter, 2024). The human brain's processes inspire the algorithms and neural networks of AI, empowering machines to learn, adapt, and make decisions in ways previously thought exclusive to humans (Berkeley Executive, 2023). The effects of these disruptions are both compounding and interconnected, leaving leaders with less time to respond effectively (Sternfels et al., 2024). However, the advent of AI also requires leaders to balance technological advantages with ethical and security considerations. This balance is crucial, especially in regions like Europe, where regulatory frameworks, such as the EU AI Act, aim to promote innovation while ensuring the responsible deployment of AI (Assis, 2024).

The world has been evolving rapidly, with ChatGPT being publicly released on November 30, 2022, largely as a technology demonstration. Two months later, it had already attracted an estimated 100 million active users, making it the fastest-growing consumer application in history (Hu, 2023). With the development of robust and capable Large Language Models (LLMs) by Anthropic, Cohere, Google, Meta, Mistral, OpenAI, DeepSeek, and others, we have entered a new era in information technology. McKinsey research estimates the long-term AI opportunity at $4.4 trillion in added productivity

growth potential from corporate use cases (Chui et al., 2023). As Sam Altman, CEO of OpenAI, said in an interview, "[AI] is more like the industrial revolution than the internet revolution. There are huge known unknowns of how this is going to play out" (Altman, 2025). This was his answer to a well-considered statement of his interviewee Adam Grant, saying that what "[he is] hearing right now from a lot of founders and CEOs is the reverse [from the Internet revolution], which is everybody believes that AI is game-changing and nobody has a clue what it means for leadership, for work, for organizations, for products and services. They are all in the dark" (Grant, 2025). Additionally, Silicon Valley pioneer Reid Hoffman states that AI has the potential to be as transformative as the steam engine was to the 19th-century Industrial Revolution (Hoffman, 2024).

This highlights the explicit challenges faced by today's leaders. Examining the topics discussed at the latest World Economic Forum (WEF) in January 2025 in Davos, we gain a sense that AI is becoming increasingly involved and is developing to a stage where its impact should not be overlooked. Sam Altman said, "Our latest model feels smarter than me in almost every way," (Altman, 2025). This is an impact that, of course, targets every single organization in the world. Therefore, the questions arising about AI from every industry, organization, and individual within the workforce are becoming increasingly sophisticated. As organizations explore how AGI can unlock business value, improve efficiency, and drive innovation, leaders face increasing pressure to integrate these technologies into their leadership processes. This is particularly crucial for C-level executives, who are responsible for shaping corporate strategies and determining how AI is deployed within their organizations. Therefore, AI adoption raises complex questions regarding its implications for leadership effectiveness, decision-making autonomy, and the balance between human intuition and algorithmic recommendations (Deloitte, 2024a). In light of these challenges, McKinsey & Company raises a well-founded question: "How can organizations develop leaders equipped to navigate this complexity and build a leadership factory to shape the next generation?" (McKinsey & Company, 2025). Addressing this question requires a deeper understanding of AI's role in leadership and its potential to either enhance or hinder its functions. Integrating AI into organizational processes is transforming how leaders approach decision-making, strategy development,

and team management. However, according to Hougaard et al. (2024), the future of leadership is AI-enabled, not AI-dominated (Hougaard et al., 2024). Some leaders might already be using it in a very advanced way, and some, like Sam Altman, state, "use it for things like helping process all of this email or helping summarize this documentary" (Altman, 2025). The formulated matrix in Figure 1 illustrates that we can observe strategizing and decision-making at the intersection of high leverage from AI and high leverage from being human. This shows that there is no doubt that AI has and will continue to transform our work and our lives. In the not-so-distant future, most of us will spend our days interacting with various systems and tools that will guide our decisions and actions. Leaders who fail to understand this fact and are unable to leverage AI will be left behind (Hougaard et al., 2024). Yet, the extent to which leaders effectively leverage AI while maintaining their critical and emotional intelligence remains unexplored. This thesis project work is grounded in this thought.

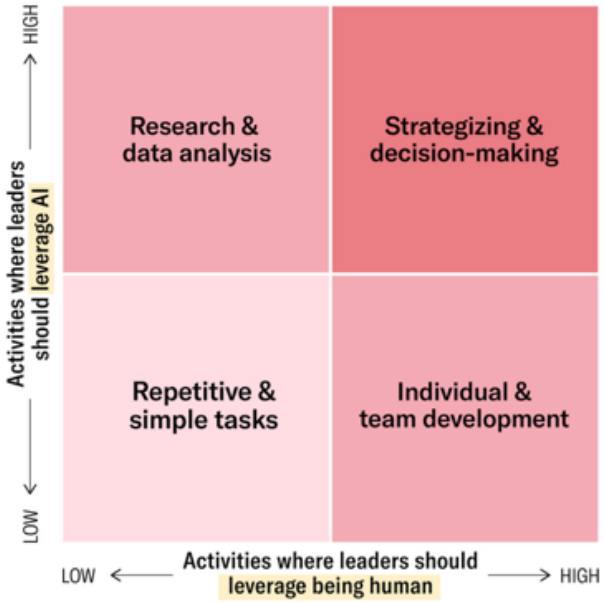

Figure 1 AI vs. Human: A Matrix of Leadership Activities (Hougaard et al., 2024)

1.2. Research Objective and Research Question

The rise of AI, particularly AGI, is transforming how organizations and leaders operate, make decisions, and stay human. While AI presents opportunities to enhance leadership, it also raises concerns about trust, ethics, and the balance between automation and human emotional intelligence. This research explores how AI is transforming leadership by enhancing or hindering its functions. It examines how leaders integrate AI tools into their processes, the challenges associated with adopting AI, and the implications for competencies such as critical thinking and adaptability. Additionally, the study looks at the dynamics of trust between leaders and AI, including concerns about reliability and ethics. To conduct this investigation, the existing literature on leadership theories and AI applications was reviewed, and semi-structured interviews were conducted to gather

qualitative insights from leaders. Given the rapid development of AI, it is crucial to explore how this technology impacts leadership execution and decision-making, the challenges leaders face, and the relationship between AI insights and human leadership qualities. This study question guides this study: ***"How do emerging AI-driven tools impact leadership, with a focus on decision-making, organizational processes, and emotional intelligence?"*** By addressing this question, the study aims to provide insights into leveraging AI to empower leaders by ultimately shaping future leadership models.

1.3. Expected Contribution

While existing research has examined the influence of AI on business operations and automation, a significant gap remains in understanding how AI is reshaping leadership, particularly in terms of strategic decision-making, organizational processes, and the competencies leaders need to effectively leverage AI-driven insights. Much of the current discourse frames AI primarily as a technical tool, overlooking its potential as a strategic enabler within leadership frameworks. This thesis helps to fill that gap by investigating how leaders across various industries adopt and utilize AI tools in their leadership processes, the challenges they encounter in doing so, and the evolving role of human-centered competencies, such as emotional intelligence, ethical reasoning, and adaptability. By examining how leaders strike a balance between technological advancements and these core leadership qualities, the study deepens our understanding of AI's role in shaping contemporary leadership models. In doing so, this research offers three key contributions: It extends existing leadership theories by integrating insights into how AI alters cognitive workloads, decision-making autonomy, and leadership styles. It provides actionable insights for leaders and organizations aiming to integrate AI while maintaining ethical, trustworthy, and emotionally intelligent leadership practices. Using a qualitative approach based on semi-structured interviews, the study offers a nuanced and real-world understanding of how leaders experience AI adoption across various sectors. The findings aim to inform both academia and practice, guiding organizations in developing leadership strategies that are not only technologically forward-looking but also deeply human-centric.

1.4. Delimitations

This thesis examines how leaders, especially C-level executives, incorporate AI into their leadership practices. It explores the opportunities and challenges they face, as well as the balance between AI, human intuition, and emotional intelligence in leadership practices, including strategic decision-making. The study is limited in scope to AI applications in strategic leadership rather than technical or operational functions. While it draws insights from leaders across various industries, it does not conduct in-depth, sector-specific analyses. Additionally, data collection is geographically limited in terms of leaders accessible within the research timeline and network, which may result in regional variations not being fully captured. Given the rapid evolution of AI, this thesis reflects the insights gained during the research period but acknowledges that new developments may emerge beyond its completion. These delimitations ensure a focused and manageable research scope while providing valuable insights into AI's evolving role in leadership.

1.5. Disposition

This thesis is structured to provide a logical progression from defining the research problem to presenting findings and drawing conclusions. Chapter 1 introduces the study by outlining the background, research problem, objectives, and the central research question. It also presents the delimitations and the overall structure of the thesis. Chapter 2 presents a literature review that examines existing research on AI in leadership, strategic decision-making, and the interplay between AI, human intuition, and emotional intelligence, while also providing a conceptual framework. Chapter 3 explains the methodology, detailing the research design, data collection approach (through semi-structured interviews), participant selection, ethical considerations, and data collection procedures. Chapter 4 presents the research findings, summarizing insights from the conducted interviews and highlighting emerging themes. Chapter 5 offers an in-depth analysis of these findings, linking them to the literature review and theoretical framework to provide a comprehensive understanding of AI's impact on leadership. Chapter 6 concludes the thesis by summarizing key insights, outlining theoretical and practical implications for leaders, showing limitations, and suggesting directions for future research. This structured approach ensures clarity and coherence, allowing the reader to follow the research journey from problem identification to meaningful conclusions.

2. Literature Review

This chapter presents a literature review that examines existing research on AI in leadership, strategic decision-making, and the interaction between AI, human intuition, and emotional intelligence.

2.1. Introduction to AI and Leadership

To provide the necessary context for the research topic, this chapter presents explanations of artificial intelligence and leadership concepts.

2.1.1. Artificial Intelligence Explained

The concept of AI has undergone significant evolution over the past fifty years. AI refers to the simulation of human intelligence by machines, particularly computer systems (Konar, 2018). Researchers classify AI in various ways, with two common frameworks being cognitive ability-based and technological capability-based classifications. One classification focuses on AI's mental abilities, identifying four primary types: reactive AI, limited-memory AI, theory-of-mind AI, and self-aware AI. Currently, limited-memory AI is the most prevalent, found in virtual assistants, chatbots, and self-driving vehicles, where it learns from historical data to recognize patterns and inform decisions (Hassani et al., 2020; Shah, 2023). Another classification categorizes AI by technological capability into Artificial Narrow Intelligence (ANI), Artificial General Intelligence (AGI), and Artificial Superintelligence (ASI). ANI systems are designed to perform specific tasks efficiently, often surpassing human abilities (Kuusi & Heinonen, 2022; Rawat et al., 2023). AGI refers to machines capable of learning and understanding a broad range of intellectual tasks (Goertzel, 2014), while ASI aims to exceed human cognitive capacity (Hassani et al., 2020). AI is widely applied in fields such as complex calculations, language translation, facial recognition, and financial market prediction. Innovations like OpenAI's text-to-video model, Sora, highlight AI's creative potential. However, despite AI's ability to process vast amounts of data, it struggles with deep conceptual understanding and ethical reasoning due to a lack of intentionality and responsibility (De Cremer & Narayanan, 2023; Mitchell, 2021; Nath & Sahu, 2020). AI also faces challenges in interpreting linguistic nuances and making moral decisions, necessitating human oversight to address complex real-world problems (Shah, 2023). AI's rapid evolution continues to impact industries such as medicine, entertainment, and

commerce (Ajami & Karimi, 2023). Leveraging neuroscience-inspired reinforcement learning, AI mimics human cognitive functions to perform increasingly complex tasks. As AGI development progresses, AI's ability to learn and adapt will further complement human capabilities, enhancing problem-solving and innovation (Coulson-Thomas, 2023). The widespread integration of AI into various aspects of life has a profound impact on both personal and professional domains (Meske et al., 2022; Shah, 2023).

2.1.2. The Concept of Leadership

Leadership is a multifaceted field of research. In a narrower sense, leadership and responsibility are linked, with leaders being accountable for various aspects of a company and its employees. Leadership encompasses information distribution, qualification, and communication, with styles varying across management levels. Leadership contributes to value creation by developing effective strategies, setting clear objectives, and fostering environments that support the achievement of goals. It also involves direction and control through communication (Peifer et al., 2022). Leadership approaches can be task-oriented, employee-oriented, or a balance of both, depending on situational demands. Successful leadership integrates both orientations (Hettl, 2013). It is an ongoing process involving four essential elements (Figure 2): the leader itself, leadership behavior, influence on employees, and leadership success. Leaders act with specific behaviors to achieve their goals, with their values shaping their approach (Frost & Sandrock, 2019).

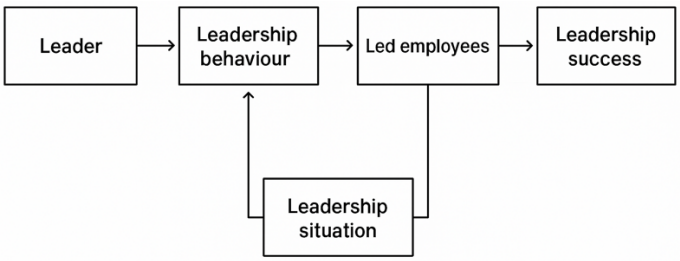

Figure 2 Framework Model of Leadership (Nerdinger et al., 2011)

Traditional research in leadership has found that behaviors such as charismatic influence and building strong relationships are crucial for effective leadership. Leadership continues to evolve in response to global market complexities, diverse workplace structures, and an increasing focus on sustainability and ethics (Hategan & Hategan, 2021; Homan et al., 2020; Sarwar et al., 2020; Shah, 2023). Effective leaders provide direction, foster innovation, and cultivate inclusivity while navigating uncertainty

(Alblooshi et al., 2021; Aslam, 2019; Koçak, 2019; Uhl-Bien, 2021). Leadership involves setting a clear vision, making informed decisions, and fostering collaboration to drive success (Nauman et al., 2022). It extends beyond formal roles, encompassing the ability to guide and motivate others in diverse contexts (Salas-Vallina et al., 2020; Shah, 2023). Leadership differs from management, which includes tasks such as planning, budgeting, staffing, and problem-solving. While management is often associated with formal authority, leadership is more closely tied to personal attributes (Eriksson & Djoweini, 2020). As AI increasingly handles predictive tasks, leaders must develop judgment-based skills to remain valuable, including ethical decision-making, emotional intelligence, and creativity, to identify new opportunities (Agrawal et al., 2017). Effective leadership, encompassing motivation, management, inspiration, compensation, and analytical skills, enhances employee satisfaction, productivity, and profitability (Shafiu et al., 2020). A leader's ability to foster creativity and innovation while encouraging employees to challenge their value systems plays a crucial role in organizational success (Thillaivasan & Wickramasinghe, 2020). Traditional leadership theories, such as transformational and transactional leadership, have long guided effective leadership practices. Transformational leadership emphasizes inspiring and motivating followers to achieve exceptional outcomes, whereas transactional leadership focuses on structured roles and performance-based rewards (Abu Hasanein & Abu Naser, 2017). However, the digital age necessitates reevaluating these approaches, as leaders must now navigate complex digital ecosystems and leverage new technologies to drive organizational success (Al-Bayed & Abu-Naser, 2018). The rise of digital technologies has led to a shift in leadership from hierarchical management to more flexible and adaptive styles. Leaders must be tech-savvy, innovative, and capable of managing both technological and human resources effectively (Al-Borno & Abu-Naser, 2023). This transformation underscores the necessity for a leadership paradigm that integrates technological advancements with traditional leadership principles (Al-Bayed et al., 2024).

2.2. AI's Influence on Leadership

The following subchapters examine how leadership is evolving, the emergence of AI-powered leadership styles, the crucial role of leaders in driving AI adoption, and how AI is currently influencing leadership practices across various industries (Eriksson & Djoweini, 2020; Peifer et al., 2022; Shields, 2024).

2.2.1. Change of Leadership

The rapid rise of AI technologies is reshaping the core dynamics of leadership. No longer limited to supporting operational efficiency, AI is evolving into a strategic enabler, transforming how leaders make decisions, guide teams, and foster innovation (Aziz et al., 2024; Cavusoglu, 2024). This shift requires redefining leadership roles, moving beyond traditional models toward a more adaptive, human-centered approach that leverages AI's capabilities while maintaining the strengths of human leadership (Jarrahi, 2018; Singh, 2023), such as creativity, emotional intelligence, and strategic vision, qualities that AI cannot replicate (Eriksson & Djoweini, 2020; Peifer et al., 2022). While AI optimizes data-driven tasks, human leaders remain essential for fostering innovation, inspiring teams, and guiding organizations through complex transformations (Eriksson & Djoweini, 2020; Madhavi & Bhatt, 2024; Shields, 2024). Traditional leadership models are being replaced by more collaborative, servant-style approaches in AI-augmented environments. Coaching, situational, transformational, and adaptive leadership styles enable leaders to balance AI's analytical strengths with human-centered qualities, such as empathy and ethical judgment (Eriksson & Djoweini, 2020; Ethan & Roy, 2024; Singh, 2023). This shift encourages leaders to act as 'shapers' of human-AI interaction, guiding integration while mitigating risks such as overreliance on technology (Peifer et al., 2022). Furthermore, empowerment, inclusivity, and continuous learning take center stage, enabling leaders to build cross-functional, agile teams capable of responding to rapid technological change and uncertainty (Ali, 2023; Sarkis & Pallotta, 2020). Transformational leaders, characterized by visionary guidance and empathetic communication, cultivate employee engagement and innovation. Adaptive leaders, on the other hand, demonstrate flexibility and resilience in adjusting their strategies to evolving technological and organizational contexts (Ethan & Roy, 2024; Jeffrey & Eric, 2024). Strategic leadership in the digital age requires foresight, agility, and the ability to transform challenges into opportunities. Data-driven insights help leaders identify patterns, assess risks, and make informed decisions that position the organization for success (Ali, 2023). This approach extends beyond internal leadership, fostering external collaboration and forming alliances with AI experts and technology providers, which accelerates AI adoption and strengthens the organization's competitive advantage (Nayak & Subhadarshini, 2024; Watson et al., 2021). As AI becomes increasingly embedded in

all aspects of business, leaders must be prepared to adapt continuously to this evolving landscape, fostering human-AI collaboration to achieve long-term success (Xiong, 2023) while ensuring that AI integration enhances both organizational performance and the ethical well-being of employees (Paudel, 2024; Shakilla & Saputro, 2024). Fostering a culture of continuous improvement, psychological safety, and innovation enables organizations to succeed in an AI-driven future. Ultimately, leaders who embrace AI as a collaborative force, blending human intuition with AI-driven insights, will be best equipped to drive long-term success and societal advancement (Nayak & Subhadarshini, 2024; Shields, 2024).

2.2.2. AI-Powered Leadership

AI-powered leadership enables enhanced decision-making, efficiency, and collaboration, but its success depends on leaders' ability to integrate AI thoughtfully while maintaining ethical oversight and emotional intelligence (Madhavi & Bhatt, 2024; Ressem, 2023). AI-powered leadership represents a paradigm shift where technology amplifies leaders' strategic capabilities, enabling faster decision-making, fostering innovation, and enhancing human-AI collaboration (Cavusoglu, 2024). While definitions of AI-powered leadership vary, a consensus emerges around leveraging AI to support data-driven decisions, improve efficiency, and adapt to organizational change, all while maintaining human autonomy (Aziz et al., 2024). The most effective leadership in AI-augmented environments stems from a balanced partnership between human insight and AI's analytical power. Long-term success depends on cultivating human-AI collaboration rather than seeking immediate returns, highlighting the complementary nature of AI and human intuition (Jarrahi, 2018; Singh, 2023). Leaders must therefore approach AI with a strategic and patient mindset, prioritizing sustained value creation over short-term gains (Jarrahi, 2018; Ressem, 2023). Navigating the complexities of AI adoption requires leaders to strike a balance between technological advancement and human-centric values. This includes addressing ethical considerations, workforce reskilling, and the interplay between human creativity and machine efficiency (Ressem, 2023; Singh, 2023). Leaders don't need deep technical expertise, but they must understand how AI aligns with business goals, ensuring its implementation drives strategic outcomes without overestimating AI's capabilities (Al-Bayed et al., 2024; Ressem, 2023). A strategic approach to AI implementation is crucial. This involves selecting AI tools that align with

the organization's strengths and fostering an environment where AI complements knowledge workers rather than replacing them, promoting collaboration and sustainable performance gains (Al-Bayed et al., 2024; Jarrahi, 2018; Singh, 2023). By positioning AI as an enabler rather than a replacement, leaders can maximize its benefits while maintaining the human touch that is essential to effective leadership (Cavusoglu, 2024; Madhavi & Bhatt, 2024).

2.2.3. The Leader as a Prerequisite

Leaders play a pivotal role in the successful implementation of AI, acting as essential architects of digital strategy. Their responsibilities extend beyond facilitation, and they must recognize AI's broader organizational implications, set a clear strategic direction, and cultivate an environment conducive to technology adoption to ensure long-term value creation (Bevilacqua et al., 2025; Gyanamurthy & Radhanath, 2023). Effective leaders align AI initiatives with business objectives, fostering innovation and guiding their teams through technological disruptions. Top management commitment remains crucial, as their influence over organizational culture, resource allocation, and strategic priorities directly impacts the success of AI adoption. While middle managers and other stakeholders provide operational support, the leadership of top executives is indispensable for overcoming resistance and navigating AI-driven transformation (Bevilacqua et al., 2025; Mulongo, 2024). Visionary leadership, characterized by empowering employees, promoting innovation, and anticipating AI-driven market shifts, is vital for fostering agile, resilient organizations that capitalize on emerging technologies (Gyanamurthy & Radhanath, 2023; Jeffrey & Eric, 2024). Leaders who create an environment of psychological safety and continuous learning enable their teams to embrace AI as a transformative force rather than a disruptive threat (Jeffrey & Eric, 2024; Madhavi & Bhatt, 2024). Furthermore, leaders must stay informed about evolving AI capabilities and equip their teams to adapt to rapid technological advancements. This ongoing development ensures leaders remain capable of balancing strategic foresight with human-centered leadership values, ensuring AI adoption supports both organizational performance and employee well-being (Jeffrey & Eric, 2024; Mulongo, 2024).

2.2.4. Who is Taking Control?

The vision of human-AI symbiosis emphasizes areas where AI can augment, rather than replace, human decision-making. While AI handles routine tasks, humans excel at big-picture thinking due to their intuitive capabilities (Jarrahi, 2018; Meuffels & Tuoma, 2024). AI-based systems can support leaders by automating codifiable tasks, allowing focus on more meaningful decisions. However, the strategic value of AI depends on an organization's capabilities and its willingness to utilize it effectively (Keding, 2021). AI-augmented leadership, where human oversight is maintained, proves to be most effective. This balance combines AI's analytical strengths with human intuition (Celestin & Vanitha, 2020). Over time, both AI and humans can learn and improve their decision-making skills through collaboration (Jarrahi, 2018). It's crucial to maintain a balance between leveraging AI's strengths and preserving human leadership qualities (Quaquebeke & Gerpott, 2023). AI should be viewed as a tool to support, not replace, human decision-making, especially in strategic decisions where managers still desire control (Marocco et al., 2024). Leaders must understand both human and AI functions, prioritizing human values amid AI integration (Madhavi & Bhatt, 2024; Thomas, 2024; Xiong, 2023).

2.2.5. Current Usage

AI adoption across industries is accelerating, reshaping strategic decision-making processes and enhancing organizational performance. Research highlights a high adoption rate of both AI and cloud computing technologies, with organizations leveraging these tools to boost decision speed, accuracy, and effectiveness, particularly in the technology and finance sectors (Carl & Bruce, 2023). Study insights demonstrate AI's transformative potential, aligning with the theory that AI augments human decision-making capabilities rather than replacing them entirely (Shah, 2023). Furthermore, AI is recognized and not perceived as a threat to executive roles, but rather as a supplementary tool that enhances decision-making (Chaturvedi & Dasgupta, 2024; Torre et al., 2019). Surveys indicate that leaders are open to collaborating with AI, provided they feel that decisions remain grounded in human input and oversight (Haesevoets et al., 2021). Despite AI's growing prevalence, the adoption of AGI for leadership purposes remains in its early stages (Shields, 2024).

2.3. Benefits of AI-Powered Leadership

The integration of AI into leadership offers a multitude of benefits, enhancing operational efficiency, empowering strategic decision-making, fostering leadership development, and driving innovation and collaboration. The literature emphasizes that AI should be seen as an enabler, augmenting human leadership rather than replacing it to ensure a balanced, human-centric approach (Shah, 2023; Shakilla & Saputro, 2024).

2.3.1. Operational and Strategic Benefits

AI plays a transformative role in streamlining leadership tasks by improving decision-making accuracy, enhancing productivity, and optimizing operational processes (Al-Bayed et al., 2024; Hidayah et al., 2023). Studies show that AI integration leads to faster, more precise decisions by leveraging advanced data analytics and predictive modeling, reducing administrative burdens, and allowing leaders to focus on strategic priorities (Al-Bayed et al., 2024; M. Alkahlout et al., 2021; Pacione & Teixeira, 2023). Research highlights a strong correlation between AI integration and improved decision-making accuracy, supporting the idea that AI enhances rational decision-making by providing timely, precise information (Celestin & Vanitha, 2020; Eriksson & Djoweini, 2020). This aligns with findings that emphasize AI's ability to improve decision-making speed and accuracy (M. A. Alkahlout et al., 2021). AI-driven automation supports operational efficiency by accelerating routine processes, enabling organizations to improve performance while reducing costs (Gangwar et al., 2024; Hidayah et al., 2023). Additionally, AI functions as an advisory tool, helping leaders with data analysis and resource optimization, particularly during crises (Beirouty, 2019; Kourkoumelis et al., 2024). Moreover, AI's predictive capabilities enhance leaders' ability to manage risks and seize opportunities in real-time. AI-enabled management information systems (MIS) provide leaders with rapid insights into market trends, customer behavior, and operational performance, supporting faster, more effective responses to changing business conditions (Carl & Bruce, 2023; Celestin & Vanitha, 2020; D. S. W. Nguyen & Shaik, 2024). This contributes to greater agility, adaptability, and resilience, giving organizations a competitive advantage in volatile markets (Areo, 2024; Kourkoumelis et al., 2024; Meuffels & Tuoma, 2024; Qwaider et al., 2024; Roongta & Roongta, 2024; Samara et al., 2024). This AI-driven analytical enablement empowers organizations to forecast market shifts, identify emerging opportunities, and proactively manage risks, positioning AI not

just as an operational tool but as a strategic enabler (Judijanto et al., 2022; Kaggwa et al., 2024; Thomas, 2024). AGI offers further strategic advantages by redefining how leaders discover and implement new strategies, shifting the role of the strategist, and unlocking novel ways to achieve a competitive advantage (Doshi et al., 2025). AI supports long-term strategic planning by enhancing resource allocation, improving profitability, and optimizing business performance (Aziz et al., 2024; Hidayah et al., 2023; Jack & Nathan, 2023). This is illustrated in Figure 3, which shows how AI enhances human capabilities in terms of uncertainty, complexity, and equivocality.

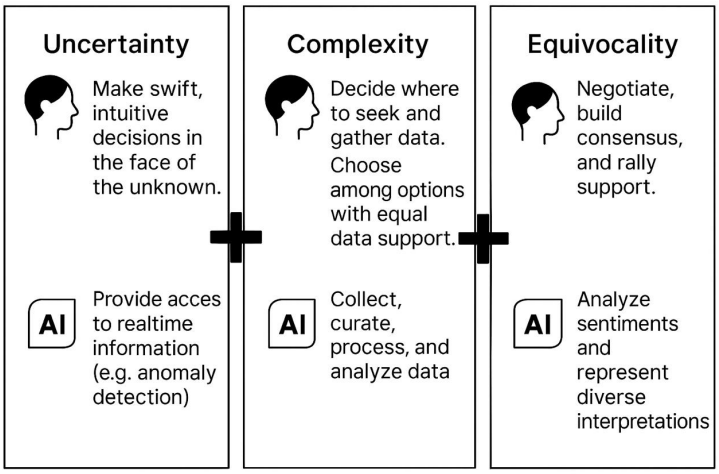

Figure 3 Complementarity of Humans and AI in Decision-Making (Jarrahi, 2018)

2.3.2. Leadership Development Benefits

AI supports leadership growth by acting as a personal development tool, fostering continuous improvement, and enhancing leadership competencies. Organizations can implement AI-driven training programs that adapt to individual learning needs in real-time, promoting an ongoing culture of skill development (Mulongo, 2024). AI-powered simulations enable leaders to practice decision-making in realistic environments, receive immediate feedback, and track their progress, thereby strengthening both analytical and interpersonal skills (Mulongo, 2024; Ressem, 2023). Additionally, AI contributes to the development of emotional intelligence (EI), a crucial leadership trait. By analyzing communication patterns, team dynamics, and performance metrics, AI can provide tailored recommendations to help leaders improve empathy, adaptability, and relationship management (Ressem, 2023; Vivek & Krupskyi, 2024). This personalized coaching approach equips leaders with the human-centered skills necessary to balance data-driven

decisions with emotional and ethical considerations, key elements in AI-enhanced leadership environments (Shah, 2023; Shakilla & Saputro, 2024).

2.3.3. Innovation and Team Collaboration

AI fosters innovation and strengthens collaboration by automating routine tasks, allowing leaders and teams to prioritize strategic, creative, and problem-solving activities (Frimpong & Wolfs, 2024; Hamadaqa et al., 2024). AI-powered collaboration tools improve knowledge sharing, enhance cross-functional teamwork, and promote a more agile organizational structure, essential components for thriving in dynamic environments (D. S. W. Nguyen & Shaik, 2024; Nyoto et al., 2024). Moreover, AI supports innovation by providing real-time insights and generating predictive models that enable faster, data-informed decision-making across diverse teams (Areo, 2024; Carl & Bruce, 2023). This fosters a culture of continuous innovation, empowering leaders to explore new opportunities and adapt to evolving market demands (Bannikov et al., 2024; Ghorbani Asiabar et al., 2024; Roongta & Roongta, 2024; Thomas, 2024). By streamlining administrative tasks and enhancing team dynamics, AI positions leaders to cultivate an environment where employees are encouraged to experiment, collaborate, and drive organizational growth (Judijanto & Krisnawati, 2022; Kaggwa et al., 2024).

2.4. Challenges & Barriers to AI Leadership

Leaders face a complex set of challenges when integrating AI into leadership, spanning strategic transformation, skills development, cultural adaptation, and human-AI collaboration (Peifer et al., 2022). These challenges are compounded by ethical dilemmas, trust issues, and the influence of external factors, such as regulatory environments and societal expectations, which compound these challenges (Marocco et al., 2024; Shah, 2023).

2.4.1. Trust, Accountability, and Human-AI Collaboration

Trust remains a pivotal challenge in AI-powered leadership. Leaders must build appropriate trust in AI systems while maintaining human oversight (Ma et al., 2023). Research highlights that managers' willingness to adopt AI depends on their trust in the technology, which is influenced by AI's transparency, reliability, and ethical considerations (Jack & Nathan, 2023; Marocco et al., 2024). However, trust varies

depending on decision type, where managers are more likely to trust AI in operational decisions (e.g., marketing strategies) than in human-centric decisions, such as HR management (Tuncer, 2022). Leaders must balance AI's analytical strengths with human judgment to prevent overreliance and maintain credibility (Bevilacqua et al., 2025; Qwaider et al., 2024). Trust, shaped by both technical characteristics and managerial perceptions, becomes a critical mediator in the adoption of AI (Marocco et al., 2024).

2.4.2. Ethical and Legal Challenges

AI adoption raises serious ethical and legal concerns, including bias, transparency, and privacy (Alsheibani et al., 2020; Frimpong & Wolfs, 2024). Algorithmic bias remains a widely recognized issue, with AI-intensive environments reporting higher levels of concern about bias and data privacy (Celestin & Vanitha, 2020; Qwaider et al., 2024). Ethical challenges extend to ensuring that AI systems are accountable, particularly when AI decisions impact employees or customers (Pacione & Teixeira, 2023; Shah, 2023). Moreover, societal inequalities and the potential destruction of human agency demand cautious oversight (Farid, 2024; Shah, 2023). Leaders must address these issues while promoting equitable, human-centered AI deployment (Matli, 2024; Samara et al., 2024). External factors, such as government regulations and professional associations, further shape AI adoption and create additional compliance pressure (Marocco et al., 2024).

2.4.3. Skills, Leadership Competencies, and Technological Dependency

The rise of AI exposes gaps in leadership skills and digital literacy. Leaders must continuously adapt, developing AI literacy and strategic thinking to oversee AI integration effectively (Al-Bayed et al., 2024; Shakilla & Saputro, 2024). However, many organizations face a lack of direction from leadership, creating a disconnect between AI’s promised value and its actual benefits (Alsheibani et al., 2020). Managers' attitudes toward AI adoption are indirectly shaped by performance expectations, effort requirements, and the availability of supportive resources, all of which influence organizational readiness (Cao et al., 2021). Without upskilling and leadership development, an over-reliance on AI risks diminishing human competencies, such as creative problem-solving and strategic judgment (Pacione & Teixeira, 2023; Ressem, 2023).

2.4.4. Organizational Culture and Change Resistance

AI adoption often disrupts traditional organizational cultures, triggering resistance to change (Thillaivasan & Wickramasinghe, 2020). Employees may fear job displacement, skill obsolescence, and cultural shifts that undermine familiar structures (Ali, 2023). Leaders must proactively communicate AI's value, promoting a culture of adaptability and continuous improvement to reduce resistance (Judijanto & Krisnawati, 2022). Moreover, organizational readiness is shaped by external factors, such as regulatory guidance and social acceptance of AI technologies (Marocco et al., 2024). Leaders must address employee reskilling, cultural adaptation, and ethical considerations to ensure the successful integration of AI (Pacione & Teixeira, 2023; Thillaivasan & Wickramasinghe, 2020).

2.4.5. Long-Term Risks and Unintended Consequences

Long-term challenges include the potential misalignment between AI's predicted value and actual outcomes (Alsheibani et al., 2020). Leaders must ensure that AI technologies align with core business strategies and strike a balance between innovation and risk management (Bevilacqua et al., 2025). Data security, privacy, and the ethical use of AI will remain a top concern as data becomes the backbone of modern organizations (Pacione & Teixeira, 2023; Thillaivasan & Wickramasinghe, 2020). Additionally, societal impacts such as increased inequality, loss of human oversight, and data misuse underscore the importance of responsible AI leadership (Pacione & Teixeira, 2023; Ressem, 2023). Leaders must remain vigilant in addressing these risks, ensuring that AI serves as an enabler and not a disruptor of long-term organizational and societal well-being (Farid, 2024; Matli, 2024).

2.5. Requirements and Needs for Successful AI Leadership

To successfully integrate AI into leadership, organizations must develop essential competencies, infrastructure, and cultural readiness while addressing strategic, ethical, and regulatory needs in the age of AI. These requirements encompass leadership capabilities, organizational structures, workforce development, ethical considerations, cultural transformation, governance, and security, all aimed at balancing technological innovation with human-centered values (Attah et al., 2023; Peifer et al., 2022; Shah, 2023).

2.5.1. Leadership Competencies and Mindset

Leaders must act as strategic shapers, setting objectives and visions while navigating digital transformation (Peifer et al., 2022). The evolving leadership landscape demands a blend of social competencies, strategic foresight, and technological literacy to foster innovation and drive sustainable growth (Attah et al., 2023; Frimpong & Wolfs, 2024). Critical competencies include adaptability, ethical decision-making, digital fluency, and innovation, positioning leaders to guide organizations through AI adoption (Bradley & Roy, 2023; Nayak & Subhadarshini, 2024). Leaders must proactively integrate AI to promote innovation at all organizational levels, while balancing emerging technologies with human-centered values (Nayak & Subhadarshini, 2024). Ethical oversight of AI and fostering collaboration across human-machine ecosystems are increasingly vital (Frimpong & Wolfs, 2024). Additionally, continuous leadership development is essential for navigating the evolving landscape of AI. Targeted training programs are necessary to equip leaders with AI-related competencies, bridging skill gaps and fostering adaptability (Abu-Naser et al., 2022; Al-Bayed et al., 2024; M. A. Alkahlout et al., 2021). Upskilling initiatives should include both technical AI knowledge and ethical considerations to ensure responsible and informed decisions (Aziz et al., 2024; Qwaider et al., 2024). Leaders must cultivate human-centric capabilities, such as empathy and creativity, to complement AI's analytical strengths (Celestin & Vanitha, 2020; Vivek & Krupskyi, 2024).

2.5.2. Organizational Infrastructure and Technology Readiness

Successful AI integration requires robust infrastructure, including reliable data systems, effective cybersecurity measures, and scalable technology solutions (Bannikov et al., 2024). Organizations must clearly define AI-related goals, ensure high-quality data, and select appropriate tools, while continuously monitoring and improving their systems to remain agile (Bannikov et al., 2024). Companies must also evaluate the risks associated with AI implementation, factoring in costs, human resource readiness, and infrastructure capabilities (Hidayah et al., 2023). Risk assessments and strategy development are crucial to ensuring that AI adoption delivers sustained value (Kourkoumelis et al., 2024). Data privacy and security are paramount for the sustainable integration of AI. Businesses must adopt robust governance frameworks that incorporate encryption, access controls, and regular audits to safeguard sensitive information (Hamadaqa et al., 2024; Samara et al.,

2024). Compliance with data protection regulations is crucial, as breaches can damage a company's reputation and operational stability (Pawar & Dhumal, 2024). Strategic investments in AI capabilities, particularly in data processing and predictive analytics, are essential for competitiveness (Ghorbani Asiabar et al., 2024). However, challenges such as data sovereignty, regulatory compliance, and algorithmic errors remain key barriers (Carl & Bruce, 2023; Hidayah et al., 2023).

2.5.3. Workforce Skills and Continuous Learning

For AI to succeed, leaders must foster a culture of continuous learning. Employees must adapt to evolving AI capabilities while honing human-centric skills, such as intuition, emotional intelligence, and holistic thinking (Jarrahi, 2018; Kourkoumelis et al., 2024). A balanced human-AI partnership requires AI literacy alongside human competencies such as creativity and strategic vision (Singh, 2023; Vivek & Krupskyi, 2024). Trust and transparency in AI decision processes are critical, and emotional intelligence remains essential for managing human-AI interactions empathetically (Chaturvedi & Dasgupta, 2024). Training programs should emphasize reflective thinking and bias awareness, enabling decision-makers to recognize and counteract cognitive biases (Carter & Liu, 2025). Leadership development must also prioritize adaptability, ensuring leaders stay updated on emerging AI technologies and their strategic applications (Shah, 2023; Xiong, 2023). To mitigate resistance, organizations must prioritize transparency in AI systems, provide targeted training, and involve employees in the design process. This fosters trust and ensures that AI augments leadership rather than disrupts it (Brink et al., 2024; Qwaider et al., 2024).

2.5.4. Ethical and Regulatory Compliance and AI Governance Guidelines

AI implementation must prioritize transparency, accountability, and ethical decision-making to mitigate unintended consequences and build trust (Nguyen et al., 2024). Leaders must ensure compliance with data privacy regulations while fostering the ethical use of AI, aligned with organizational values (Bannikov et al., 2024). Human leadership remains crucial, as AI lacks empathy, requiring leaders to balance AI insights with human values (Kourkoumelis et al., 2024). Responsible AI deployment requires continuous oversight to prevent bias, safeguard data, and promote fairness (Attah et al., 2023; Frimpong & Wolfs, 2024). Effective regulation is crucial for striking a balance between

innovation and responsible AI use. Unregulated growth may lead to bias, privacy violations, and workforce displacement (Randriamiary, 2023). Regulatory frameworks must target core challenges, ensuring that AI-human collaboration remains productive (Celestin & Vanitha, 2020). Organizations should establish AI ethics committees composed of interdisciplinary experts to guide the responsible integration of AI, mitigate bias, and ensure transparency (Al-Bayed et al., 2024; Samara et al., 2024). Organizations must establish clear AI policies and governance frameworks to navigate the complexities of AI effectively. Without transparency in data handling, companies risk losing managerial trust (Meuffels & Tuoma, 2024). Proactive mechanisms to assess AI risks, including algorithmic bias, are necessary to ensure that AI serves as an enabler rather than a disruptor (Cao et al., 2021).

2.5.5. Change Management and Cultural Readiness

Cultural transformation is vital to the adoption of AI. Leaders must align organizational goals with individual motivations, offering skill development and recognition to foster psychological safety (Jack & Nathan, 2023). Job redesign, training, and proactive support are essential for an adaptive, innovation-driven culture (Bradley & Roy, 2023). Leaders must foster a culture of experimentation, collaboration, and education, which are key ingredients for AI-powered innovation (Kaggwa et al., 2024; Nayak & Subhadarshini, 2024). Organizations must embrace change, encouraging risk-taking and empowering employees to explore new ideas responsibly (Bradley & Roy, 2023; Qwaider et al., 2024). Moreover, leaders must prioritize transparency and stakeholder participation to build an AI-ready culture rooted in trust (Cavusoglu, 2024; Peifer et al., 2022). Cultivating human-AI collaboration, balancing innovation with compliance, and creating knowledge-sharing ecosystems are essential for sustainable integration (Ghorbani Asiabar et al., 2024; Kaggwa et al., 2024).

2.6. Outlook and Limitations of AI in Leadership

The integration of artificial intelligence into leadership practices presents both transformative opportunities and inherent limitations. As organizations navigate this evolving landscape, strategic implementation must strike a balance between technological capabilities and the irreplaceable qualities of human leadership.

2.6.1. AI's Limitations in Leadership

Despite its advancements, AI faces constraints in replicating the nuanced aspects of leadership. Human leaders rely on intuition, contextual understanding, and emotional intelligence, qualities that AI cannot emulate (Xiong, 2023). For example, AI may struggle with ethical dilemmas, cultural adaptability, or motivating teams during times of crisis. Over-reliance on AI also risks algorithmic biases or detachment from social nuances, underscoring the need for leaders to evaluate AI-generated recommendations critically (Matli, 2024).

2.6.2. Future Trajectories

Looking ahead, leadership will increasingly embrace a collaborative human-AI model. AI's role will expand in areas like real-time data analysis and routine automation, freeing leaders to focus on innovation, stakeholder engagement, and long-term strategy (Shah, 2023). Emerging roles, such as Chief AI Officers, may bridge the gap between technical and ethical governance, ensuring the responsible use of AI (Frimpong & Wolfs, 2024). However, sustained success will demand continuous adaptation: leaders must cultivate agility, upskill their teams, and foster cultures of experimentation to harness the full potential of AI (Farid, 2024; Mulongo, 2024).

2.7. Conceptual Framework of AI-Powered Leadership

The conceptual framework (Figure 4) presented in this chapter synthesizes the key themes explored throughout the literature review, offering a cohesive model for understanding the integration of AI into leadership practices (Shah, 2023; Eriksson & Djoweini, 2020). At its core, the framework emphasizes the symbiotic relationship between AI's analytical capabilities and the uniquely human qualities of leadership (Jarrahi, 2018), while acknowledging the organizational and ethical foundations necessary for successful implementation (Peifer et al., 2022; Al-Bayed et al., 2024).

AI enhances leadership by providing data-driven insights (Celestin & Vanitha, 2020), automating routine tasks (Hidayah et al., 2023), and supporting complex decision-making processes (Ghorbani Asiabar et al., 2024). Through predictive analytics and real-time data processing, AI enables leaders to identify patterns, assess risks, and respond to dynamic environments with greater speed and accuracy (Carl & Bruce, 2023; M. A. Alkahlout et

al., 2021). However, AI's role remains advisory rather than authoritative (Marocco et al., 2024), as human leaders retain responsibility for contextual interpretation, ethical judgment, and strategic vision (De Cremer & Narayanan, 2023; Xiong, 2023). Emotional intelligence, creativity, and the ability to inspire teams are distinctly human traits that AI cannot replicate (Madhavi & Bhatt, 2024; Singh, 2023), underscoring the importance of maintaining a balanced partnership between technology and human intuition (Jarrahi, 2018).

Organizational readiness plays a pivotal role in this integration. A robust infrastructure, encompassing reliable data systems, cybersecurity measures, and scalable AI tools, forms the backbone of effective AI adoption (Bannikov et al., 2024; Hamadaqa et al., 2024). Equally critical is fostering a culture of trust, continuous learning, and adaptability (Mulongo, 2024; Qwaider et al., 2024), where employees and leaders alike are empowered to collaborate with AI rather than resist it (Brink et al., 2024). Governance frameworks, including transparent policies and ethical oversight mechanisms (Samara et al., 2024; Attah et al., 2023), ensure that AI deployment aligns with organizational values and societal expectations (Shah, 2023; Frimpong & Wolfs, 2024).

Challenges such as trust deficits (Ma et al., 2023), skill gaps (Alsheibani et al., 2020), and ethical dilemmas (Pacione & Teixeira, 2023) must be navigated carefully. Leaders must cultivate appropriate levels of trust in AI systems (Tuncer, 2022), ensuring transparency in algorithmic processes while preserving human oversight in morally ambiguous or high-stakes decisions (Matli, 2024; Farid, 2024). Upskilling initiatives are essential for bridging technological literacy gaps (Shakilla & Saputro, 2024; Vivek & Krupskyi, 2024), enabling leaders to harness AI's potential without overreliance (Ressem, 2023). Ethical considerations, ranging from bias mitigation to data privacy (Celestin & Vanitha, 2020; Qwaider et al., 2024), necessitate proactive leadership to prevent unintended consequences and maintain long-term credibility (Pawar & Dhumal, 2024).

The framework visually represents this interplay through a dynamic model where AI and human leadership intersect within an ecosystem of organizational support and ethical boundaries (Nayak & Subhadarshini, 2024; Cavusoglu, 2024). AI addresses uncertainty and complexity through data and automation (Jarrahi, 2018), while human leaders provide clarity in equivocal, value-driven scenarios (Xiong, 2023). Feedback loops

between AI-generated insights and human judgment create a cycle of continuous improvement (Gyanamurthy & Radhanath, 2023), refining both technological applications and leadership practices (Jeffrey & Eric, 2024).

Ultimately, the framework suggests that the most effective leadership in the AI era emerges from collaboration rather than substitution (Aziz et al., 2024; Singh, 2023). By leveraging AI's strengths in analysis and efficiency while preserving human strengths in empathy, ethics, and vision (Eriksson & Djoweini, 2020; Peifer et al., 2022), organizations can achieve a competitive edge (Roongta & Roongta, 2024). This model not only guides practical implementation but also invites further research into the evolving dynamics of human-AI leadership collaboration (Shah, 2023; Doshi et al., 2025).

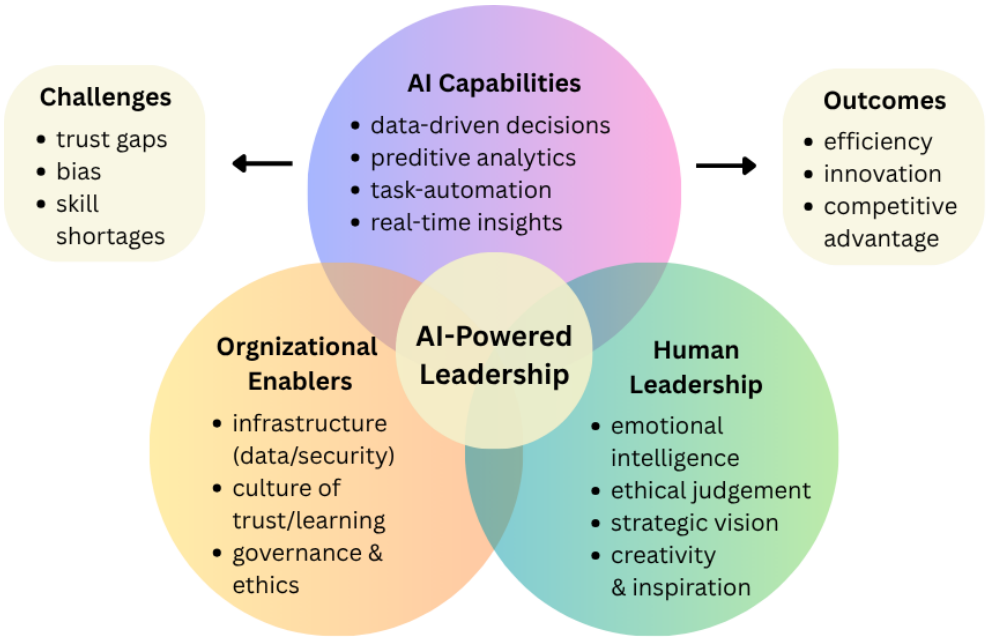

Figure 4 Conceptual Framework of AI-Powered Leadership

3. Methodology

The methodology chapter outlines the research design, strategies, and techniques employed to address the research questions and achieve the study's objectives. This chapter provides a detailed justification for the qualitative research approach and discusses the procedures for data collection and analysis. Additionally, ethical considerations and potential limitations are addressed to establish the study's rigor and credibility. By transparently presenting the methodological framework, this chapter lays the foundation for the interpretation and discussion of results in the following sections.

3.1. Research Design

This study employed a qualitative research approach to investigate the role of AI in facilitating leadership. Qualitative methods are ideal for exploring emergent, context-dependent phenomena, such as the role of AI in leadership, where predefined variables may not capture leaders' adaptive processes. Given that AI's impact on leadership and strategy is still evolving, qualitative inquiry provides the flexibility to uncover emergent themes and insights that might be overlooked in more structured research approaches.

3.1.1. Justification for Semi-Structured Interviews

This study employed semi-structured interviews as the primary data collection method to collect rich and nuanced data. Semi-structured interviews strike a balance between structure and flexibility, enabling researchers to delve deeper into participants' responses while maintaining consistency across interviews (Olenik, 2021). Semi-structured interviews were chosen to capture leaders' nuanced, evolving perspectives on AI, a technology where organizational applications and ethical dilemmas are often context-specific. The semi-structured approach ensured that key topics were covered while giving participants the freedom to elaborate on relevant issues. As Olenik (2021) notes, this adaptability enhances understanding by permitting interviewers to explore unanticipated but significant insights. This was particularly relevant when engaging with high-level leaders, whose diverse experiences and perspectives may not fit into rigid frameworks.

3.1.2. Interview Guide Development

The reliability and rigor of semi-structured interviews largely depend on the careful development of the interview guide. To ensure methodological robustness, this study

followed the five-phase framework proposed by Kallio et al. (2016) for developing semi-structured interview guides. The five phases include identifying the prerequisites for using semi-structured interviews, retrieving and using previous knowledge to inform question design, and formulating a preliminary interview guide based on theoretical insight. Finally, pilot testing the guide to refine question clarity and effectiveness, and presenting the finalized interview guide for data collection (Appendix A) represent the last phases of the framework. By adhering to this structured approach, the study enhanced the objectivity and trustworthiness of its qualitative data collection. The systematic development of the interview guide ensured that all relevant aspects of AI-driven leadership were addressed, while allowing for flexibility to capture unexpected insights. To further ensure rigor, the interview guide was pilot tested with one senior leader (unrelated to the final sample), resulting in minor refinements to question phrasing and flow. This step confirmed the guide's clarity and relevance to the research objectives.

3.1.3. Limitations of the Study

While the sample size of four participants may appear limited, it aligns with qualitative research traditions that prioritize depth over breadth. Given the complexity and emergent nature of AI in leadership, in-depth interviews with strategically positioned, highly knowledgeable individuals allow for rich, context-specific insights. Thematic saturation was reached within this sample, indicating sufficient coverage of relevant themes. Moreover, purposive sampling ensured that each participant brought a unique perspective from a distinct industry and national context, thereby enhancing the diversity and credibility of the findings despite the limited number of participants. Yet, it limits the generalizability of the findings to broader leadership populations, specific industries, and cultures, since the European focus may not account for geopolitical differences in AI adoption (e.g., stricter EU regulations vs. US tech-driven approaches). These limitations, however, present opportunities for future research to expand sample diversity and facilitate cross-regional comparisons.

3.2. Sampling Strategy

This study employed a purposive sampling approach to ensure that participants had relevant expertise in leadership positions. The target group contains high-level leaders, including C-level executives, business owners, and managing directors from across

Europe, who are directly involved in strategic decision-making processes within their organizations. These individuals are selected due to their strategic oversight in their position, regardless of their practical experience with AI applications in business contexts.

3.2.1. Sample Characteristics

Finally, four semi-structured interviews were conducted. Thematic saturation was achieved after four interviews, as no new themes emerged in the final two interviews. This indicates that the number of interviews enables sufficient data collection to reach thematic saturation while maintaining a manageable scope for in-depth analysis. Furthermore, the interviewee's high-level executive roles result in a smaller sample size. Finally, the sample size aligns with qualitative research standards, where the depth of insight is prioritized over the generalizability of findings on a large scale. The study encompassed multiple industries and nationalities to capture a comprehensive perspective on AI-driven leadership. The industries include Retail, Technology, Software, and Fashion. By analyzing multiple sectors, the research aimed to identify commonalities and industry-specific nuances in the adoption of AI for organizational leadership. The countries include Sweden, Germany, and The Netherlands to keep a broad focus on Europe. The interviewees are identified by the letters S, L, B, and R (Table 1).

Interviewee	**Industry**	**Country**	**Position**
S	Retail	The Netherlands	*Founder / CEO*
L	Technology	Sweden	*Technology Executive*
B	Software	Germany	*Founder / CEO*
R	Fashion	Germany	*Senior Advisor to CEO*

Table 1 Participants Demographics

3.2.2. Recruitment Strategy

The participants were recruited through the researcher's professional network, leveraging industry connections and referrals to facilitate the recruitment process. This approach ensured access to relevant leaders while maintaining trust and credibility in the participant engagement process. Potential interviewees were contacted via email or LinkedIn with

an invitation outlining the study's objectives, participation requirements, and confidentiality assurances. By employing a purposive sampling strategy with targeted recruitment, this study ensured that data collection was focused on individuals with the requisite expertise to provide meaningful insights into AI-enhanced leadership.

3.3. Data Collection

All interviews were conducted online using Microsoft Teams. This approach allowed for flexibility in scheduling while ensuring accessibility for participants across different locations. Each interview lasted between 37 and 59 minutes.

3.3.1. Interview Guide and Key Themes

A structured interview guide has been developed based on the framework proposed by Kallio et al. (2016). The guide ensures consistency across interviews while allowing for flexibility in exploring emergent themes. Key topics covered in the interviews include the participant's role in leadership and strategic decision-making within their organization, their experience with AI-driven tools and technologies, perceived benefits and challenges of AI integration in leadership, the impact of AI on managerial autonomy and decision-making quality, future expectations regarding AI's role in strategic management and leadership. The complete interview guide is provided in Appendix A for reference.

3.3.2. Ethical Considerations and Data Protection

To uphold ethical research standards, the research was conducted in accordance with the principles of informed consent, confidentiality, and data protection compliance. All participant data are anonymized, ensuring that responses cannot be traced back to individuals. Identifiable information is not included in the final report. The study adheres to relevant data protection regulations by securely storing interview data on encrypted drives and limiting access to the author only.

3.3.3. Recording and Transcription

Interviews were recorded with the explicit consent of participants to ensure accuracy in data collection. The recordings were transcribed using the automated transcription feature built into Microsoft Teams. To maintain data quality, transcripts were manually reviewed before analysis. Once transcriptions were finalized, recordings were securely stored and deleted after the study's completion to protect participants' privacy. By following these

data collection procedures, this study ensured the reliability and ethical integrity of the research process, facilitating an in-depth exploration of AI's role in leadership.

3.4. Data Analysis

Thematic analysis was employed to analyze the interview data systematically. This method facilitated the identification, organization, and interpretation of patterns and themes emerging from the qualitative data. The process of the analysis followed the six-phase framework established by Braun and Clarke (2006). First, the researcher familiarized themselves with the data by reviewing transcripts, taking initial notes, and gaining an overall understanding of the responses. In the second step, the most relevant text segments were highlighted. Afterward, codes directly addressing the research question, such as "leadership support", "AI as a coach", and "integration challenge", were manually assigned to each of these quotes. Next, themes were generated based on the codes, achieved by grouping related codes into these themes. These themes were then refined and validated based on their coherence and relevance to the research question, ultimately articulating the meaning and significance of each theme clearly, such as "AI as a Decision-Making Support Tool" being explained with: "AI supports tactical, operational, and increasingly strategic decisions by providing structured insights, speeding up research, and acting as a "copilot." However, human judgment remains central, with AI augmenting rather than replacing decision-making." Ultimately, the report synthesizes the findings into a structured narrative, accompanied by supporting quotes from participants. To enhance reliability, codes and themes were reviewed and validated by an independent researcher, reducing potential bias in interpretation and ensuring accuracy. Discrepancies were resolved through discussion until consensus was reached. By applying thematic analysis, this study ensured a rigorous and structured approach to interpreting the qualitative data, allowing for meaningful insights into the role of AI in leadership.

4. Findings

This chapter presents key insights from qualitative interviews that explore how AI is transforming decision-making, organizational structures, and leadership dynamics. The findings are organized into five thematic sections arising from the interview data that capture both the opportunities and challenges of AI adoption in business contexts. The chapter synthesizes perspectives from diverse interviewees to present both the strategic value of AI and the practical considerations for its implementation, offering a grounded understanding of this technological transformation.

4.1. AI as a Decision-Making Support Tool

"AI will make strategy a more continuous process—maybe not daily, but at least quarterly or monthly—because you can adapt faster to internal and external changes."
"Best use of AI is for support tasks ("low-hanging fruit")."
"We use some AI tools to get the right insights out of the company data—like seeing which metric is influencing which KPI."
"There's data inspired, data informed, and data-driven... The most stuff will be inspired or informed instead of driven."

Table 2 Representative Quotes for AI as a Decision-Making Support Tool

The findings indicate that AI primarily serves as a decision-making support tool rather than an autonomous decision-maker. Interviewees highlighted its role in enhancing efficiency, speeding up processes, and providing structured insights while emphasizing that human judgment remains essential.

Interviewee S: "AI will enhance decision-making at strategic, tactical, and operational levels by connecting data much faster."

Overall, the impact of AI varies across strategic, tactical, and operational decision-making. While Interviewee S noted that AI could make strategy "a more continuous process" by enabling faster adaptation to change, they also observed that strategic decisions remain less frequent. Interviewee B supported this view, stating that AI accelerates idea generation in marketing, sales, and process improvements. At the same time, Interviewee R emphasized AI's ability to uncover hidden relationships in data, enabling more profound insights.

Interviewee S: "AI is a support system. It can assist decision-making, but cannot independently make decisions."

Several interviewees described AI as a supportive assistant rather than a replacement for human decision-making. Interviewee B compared AI to a "copilot" and even a "coach", helping them explore options when uncertain. Similarly, Interviewee R viewed AI as a tool that provides inspiration, information, or guidance but does not make final decisions. Interviewee S reinforced this by stating that AI acts as a "support system" but cannot make independent decisions.

Interviewee R: "My perspective: it's a support system. Nobody wants to have a black box... nobody trusts the AI stuff."

The need for transparent processes when using AI was a recurring theme. Some organizations have already integrated AI into structured workflows, and Interviewee L mentioned that AI is automating travel expense approvals while allowing for human overrides. Meanwhile, Interviewee B and Interviewee R described using AI to summarize information, generate options, and accelerate research.

Interviewee B: "I summarize information using AI, sometimes adding company context to generate viable options."

AI's role is most pronounced in operational tasks, where automation is already in place. However, Interviewee S noted limitations in strategic decision-making due to insufficient data. Despite this, AI aids strategic discussions by providing multiple options, and Interviewee S explained that they now ask AI for three options and then choose among them, making information more accessible.

Interviewee S: "We don't yet use AI heavily for strategic decisions internally because we lack large amounts of employee, client, and operational data."

Overall, AI serves as a valuable decision-making aid, enhancing speed and efficiency at both tactical and operational levels while supporting, but not replacing, strategic decisions. Its effectiveness depends on structured implementation, human oversight, and

high-quality data. As organizations refine their AI integration, its role as a copilot, coach, and analytical tool is expected to grow.

4.2. AI-Driven Efficiency and Organizational Change

"AI will likely replace operational tasks and shift more decision-making towards the tactical level."
"In our company of 12 people, we use AI extensively: for hiring, coding, onboarding, and customer support—managed by just two people and thousands of AI bots."
"Middle management may be replaced by AI, while boards will use AI as a tool."
"AI helps a lot to reduce the amount of time."

Table 3 Representative Quotes for AI-Driven Efficiency and Organizational Change

The implementation of AI technologies is fundamentally transforming organizational structures and workflows, creating significant efficiency gains while reshaping traditional business operations. This section examines how AI drives operational automation, accelerates leaders' processes, and potentially reconfigures organizational hierarchies. Findings reveal a clear trend toward AI assuming responsibility for routine operational tasks. As Interviewee S notes, AI will likely replace operational tasks and shift more decision-making towards the tactical level. This transformation is already evident in some organizations, with Interviewee S describing a lean 12-person company that leverages "thousands of AI bots" to manage hiring, coding, onboarding, and customer support operations. The automation of administrative functions allows employees to concentrate on higher-value activities, as Interviewee S explains that administrative tasks will be taken over by AI, thereby freeing up more time for the actual leadership process. The efficiency gains from this automation are substantial. Interviewee S emphasized that AI enables the skipping of a significant amount of manual work. This shift is not merely about replacing human labor but about reallocating human capital to more strategic functions, creating what Interviewee L describes as a situation where leadership teams gain more time for employee interactions as AI handles decisions.

Interviewee S: "Administrative tasks will be handled by AI, allowing the tactical layer to focus more on decision-making."

The research demonstrates AI's profound impact on the speed and quality of organizational decision-making. Interviewee L observes that AI accelerates leadership processes and decision-making, a sentiment echoed by Interviewee B, who notes that AI

enhances decision-making by facilitating faster idea generation. The comparative advantage of AI-assisted research is particularly notable, as Interviewee B states, it's quicker to get initial ideas from AI than to search manually. Beyond mere speed, AI enhances the depth of analysis possible in decision-making processes. Interviewee R highlights how AI reduces time and increases the depth of insight, while also noting that cloud tools already access internal data, and AI makes it more accessible. This combination of speed and enhanced visibility creates new possibilities for data-driven decision-making at all organizational levels.

Interviewee S: "AI could become a 'leadership co-host' or 'AI CXO buddy,' helping technical founders or leaders lacking business skills."

The most profound implications emerge when examining AI's potential to reshape organizational structures. The findings suggest a possible flattening of hierarchies, with Interviewee L predicting that AI may replace middle management, while boards will use AI as a tool. This transformation extends to the highest levels of leadership, where Interviewee S envisions AI becoming a "leadership co-host" or "AI CXO buddy". The normalization of AI in daily operations is already underway, as evidenced by Interviewee B's comment: "I've been making decisions with AI help since I started working". This suggests a generational shift in how younger leaders perceive and utilize AI tools in their professional lives.

Interviewee L: "Leadership teams gain more time for employee interactions as AI handles decisions."

The findings present a compelling picture of AI as a catalyst for organizational transformation. By automating routine tasks, AI enables companies to operate with unprecedented efficiency, freeing human leaders to focus on strategic and interpersonal aspects of the business. The technology is not merely changing how work gets done, but potentially redefining organizational structures themselves, with implications for middle management roles and executive decision-making processes. As organizations continue to integrate AI solutions, they appear to be moving toward hybrid operational models where human judgment is augmented by AI capabilities, creating what might be termed "augmented organizations". This transition promises significant competitive advantages

for early adopters who can effectively navigate the cultural and structural changes required for successful AI implementation.

4.3. Human Oversight and Ethical Challenges

"Sensitive data should not be uploaded to public AI platforms; it's safer to deploy AI models locally on secured clusters."
"Important to have humans review AI decisions, especially for high-stakes outcomes."
"Boards need physical humans for legal reasons; AI can't fully replace them."
"I'm responsible at the end of the day; I must live with the decisions."

Table 4 Representative Quotes for Human Oversight and Ethical Challenges

The findings reveal significant concerns regarding the implementation of AI, particularly in terms of ethical considerations, data security, and the indispensable role of human judgment. This section examines the key challenges organizations face in maintaining proper oversight of AI systems while addressing emerging ethical dilemmas.

Interviewee S: "To use AI effectively, you need a clear process and guidelines; otherwise, AI output could be random or misleading."

A strong consensus emerged among interviewees about the limitations of AI and the continued need for human supervision. As Interviewee S emphasized, AI is a support system. It can assist decision-making, but it cannot make decisions independently. This sentiment was reinforced by Interviewee L's description of their workflow, which involves AI making initial decisions, followed by human checkpoints. Several participants emphasized that ultimate responsibility lies with human actors, with Interviewee B stating unequivocally that he is ultimately responsible for his decisions and that he must live with the consequences of those decisions. The research uncovered various models of human-AI collaboration. Interviewee L proposed the concept of an "AI High Court," systems that monitor AI decision-making, while noting that it is essential to have humans review AI decisions, especially for high-stakes outcomes. Legal considerations also factor into this oversight, as Interviewee L pointed out that boards need physical humans for legal reasons, as AI can't fully replace them.

Interviewee L: "Leadership should include systems that monitor AI decision-making, could be an AI-High-Court."

Participants identified various ethical challenges related to the deployment of AI. Interviewee L highlighted several key issues, such as AI bias, differing international regulations, and moral concerns, noting that it's impossible to train AI to comply with all countries' rules and ethics. Trust emerged as a major barrier, with Interviewee R observing that people distrust AI due to concerns about bias, and that AI results are often rejected because of a lack of trust. Data security and privacy concerns were particularly significant. Interviewee S warned that sensitive data should not be uploaded to public AI platforms, asserting that it is safer to deploy AI models locally on secure clusters, a concern echoed by Interviewee B, who noted that they try not to expose too many company secrets to AI either. Interviewee R revealed that only about 60% of company data is shared with AI tools, indicating significant data withholding due to security concerns.

Interviewee S: "I would be very conscious in selecting AI models, especially when using client data, and ensure deployment is secure."

The findings demonstrate varied approaches to risk assessment in AI adoption. Interviewee L noted that risk tolerance depends on outcome value (small mistakes vs. critical errors), suggesting organizations employ different standards for different use cases. Implementation challenges extend beyond technical issues, with Interviewee R reporting that staff struggle with AI usage due to low digital literacy. Several interviewees emphasized the importance of proper implementation frameworks. Interviewee S cautioned that to use AI effectively, one needs a straightforward process and guidelines. Otherwise, AI output could be random or misleading. This aligns with Interviewee S's observation that many people are unsure about AI because they see it as unsafe or unreliable.

Interviewee R: "The biggest challenge is literacy or the empowerment of the people. They are currently struggling with using Excel, and now they need to use AI."

The research revealed interesting dynamics in how leaders balance AI recommendations with their judgment. Interviewee B described situations where, if intuition contradicts AI advice, intuition is trusted. Practical concerns were also noted, with Interviewee B simply stating that AI sometimes gives wrong answers. Trust in AI systems appears to be

conditional and evolving. As Interviewee R pointed out, trust grows when AI's reasoning is understandable, suggesting that explainability is crucial for the broader adoption of AI. This aligns with Interviewee B's perspective that one cannot rely entirely on AI. One still needs to understand the context oneself.

Interviewee B: "Now, there is the thought behind why it provides such a result. And that could help us to get more trust in the result of AI."

The findings present a complex picture of AI implementation where enthusiasm for efficiency gains is tempered by significant ethical concerns and the recognition of AI's current limitations. Organizations are developing hybrid decision-making models that leverage AI's analytical capabilities while maintaining crucial human oversight. Successful leadership implementation depends on several key factors, including robust governance frameworks, attention to data security, measures to build trust in AI systems, and clear protocols for human intervention. As AI systems become more sophisticated, the challenge for organizations will be to maintain appropriate safeguards while maximizing the benefits of this technology.

4.4. Leadership and Mindset Shift

"Big companies might use AI board challengers or assistants that listen during meetings and propose next steps."
"Future leadership will be more pragmatic, less political, and organizations will become significantly leaner."
"Leaders must have an adaptive mindset, like when switching from horse to car."
"Good AI can help a weak board make better decisions."

Table 5 Representative Quotes for Leadership and Mindset Shift

The integration of AI is reshaping leadership paradigms, demanding new mindsets, skills, and organizational structures. This section examines how AI is transforming leadership roles and the cultural shifts necessary for successful AI adoption.

Interviewee S: "AI-driven companies will not be 'winner-takes-all'— it's about who responds fastest and adapts best."

The findings show that AI is emerging as a transformative tool for leadership, acting as both a challenger and an enabler. Interviewee S described how AI radically altered their

strategic approach: “AI challenged my investor pitch deck by suggesting a completely new structure, dramatically changing the negotiation perspective.” Some envision AI taking on formal leadership support roles, such as an “AI CXO buddy” for executives lacking specific skills or as AI board challengers that propose next steps during meetings. The acceleration of leaders’ decision-making is already evident, as Interviewee S notes, that ChatGPT was used to create the entire concept of a company, including the name, in just three weeks. This rapid ideation capability suggests a future where AI-driven companies compete on agility, as it’s about who responds fastest and adapts best.

Interviewee R: “The middle management is always the translator from top management to employees... I’m not sure if AI could do that.”

As AI assumes more analytical and operational tasks, leadership priorities are shifting toward human-centric skills. Interviewee L observed that leadership teams gain more time for employee interactions as AI handles decisions, while Interviewee R emphasized that AI can't replace human-centric communication in middle management. However, generational and knowledge gaps pose significant challenges to adoption. Interviewee L noted knowledge gaps among older strategic leaders create adoption barriers, suggesting that success examples help convince reluctant leaders. The mindset shift required is profound. Interviewee L compared it to “switching from horse to car”, while Interviewee R urged leaders to embrace trial and error and innovation.

Interviewee R: “The mindset is very important—to try something. It's totally fine to fail and to try stuff in a very short period.”

The findings suggest a future of leaner, more pragmatic organizations. Interviewee S predicted that future leadership will be more practical, less political, and organizations will become significantly leaner. However, Interviewee S cautioned against an AI-first approach, advising not to focus solely on AI but to improve processes first, then integrate AI smartly. A human-centered implementation approach was widely endorsed, with Interviewee S advising to start with understanding people’s pain points in processes, then dreaming about how AI can solve them. Board-level AI literacy emerged as a critical gap. Interviewee R noted that mid-sized company boards lack AI/tech officers, while Interviewee L suggested that good AI can help a weak board make better decisions. For

skill development, organizations often prefer external experts for AI education, focusing on training and developing specific skills.

Interviewee L: "Leaders should play with AI, stay curious, build networks, and treat it as an ongoing journey."

Successful AI adoption requires leaders to develop new competencies and attitudes, such as hands-on experimentation, a general technical understanding of AGI and LLM, balanced reliance combined with expertise in the field, and a cultural vision that a company's dream should be to have people better at their jobs than oneself, including those enhanced by AI. The ultimate mindset shift may be normalization, where Interviewee R argued AI should be expected and not exceptional.

Interviewee R: "There's already the slogan 'innovate or die'... It will be something like 'use AI or die'."

AI is not just transforming what leaders do, but redefining leadership itself. The most effective future leaders will be those who can leverage AI as a strategic partner while maintaining human judgment, fostering organizational agility and continuous improvement, bridging the AI knowledge gap at all levels, and maintaining focus on human elements while automating processes. This transition requires viewing AI adoption not as a technology implementation challenge, but as a leadership evolution, one that demands curiosity, adaptability, and a willingness to rethink traditional organizational structures. The organizations that thrive will be those whose leaders can harness AI's potential while cultivating the uniquely human skills that remain irreplaceable.

4.5. Future Potential and Adoption Barriers

"Accept that AI will be part of your life because tech is developing so quickly."
"Ego can be a barrier: accepting that AI might do parts of your job better."
"There could be agents that replace roles like my current role—someone who advises and provides a summary to the CEO."
"Cultural change is a bigger hurdle than AI tech."

Table 6 Representative Quotes for Future Potential and Adoption Barriers

The findings reveal both significant opportunities and substantial challenges in AI adoption, highlighting the tension between the technology's transformative potential and the organizational, cultural, and technical barriers to its implementation. This section examines key perspectives on AI's future trajectory and the challenges that organizations must overcome to harness its benefits fully.

Interviewee R: "The Chief AI Officer will be merged into the CEO role... a specific topic needs to be pushed from the CEO."

AI is expected to have its most immediate impact on tactical operations. Interviewee S noted that AI will most positively impact tactical jobs by enabling them to perform more tasks, suggesting a shift in job roles rather than outright replacement. However, expectations about AGI remain measured, with Interviewee S estimating that ASI will still take about fifty years to develop. The real competitive advantage lies not in simply adopting AI, but in how it is integrated. Interviewee S emphasized that the real advantage is not just having data, but combining data, LLMs, and organizational processes. This aligns with the recommendation to first build around people, then processes, then technology, and finally data, rather than the other way around, to avoid creating solutions that nobody understands. Some interviewees envisioned profound organizational changes, with Interviewee R suggesting that specific advisory roles could be replaced by AI agents and speculating that the Chief AI Officer may evolve into the CEO role. However, concerns were raised about potential strategic uniformity across firms as AI systems converge on similar solutions.

Interviewee R: "You always need to explain the process of thoughts behind your decision or your recommendation... and be transparent with your bias."

Adopting AI in leadership and its decision-making processes faces several key barriers, as revealed by the interviews conducted. One of the primary challenges lies in technological limitations and the quality of the data. Interviewee L described current AI systems as comparable to "a baby," highlighting their early-stage development and inherent immaturity. These systems, as Interviewee B emphasized, do not honestly reason but rather predict outcomes based on common patterns in data. As such, the quality of data becomes critically essential. Poor data inevitably leads to poor decisions, as "garbage

in, garbage out," as Interviewee L appropriately stated. Security and privacy concerns also emerged as a significant hurdle. Interviewee S signaled against uploading sensitive information to public AI platforms, instead recommending the use of locally deployed systems on secure computing clusters to safeguard data integrity. Human and cultural factors present another layer of resistance. Interviewee R observed that cultural change can create a greater challenge than the technological development itself. Psychological barriers, including professional ego, were also noted, especially when individuals feel threatened by AI outperforming them in specific tasks. Furthermore, generational divides complicate adoption, with Interviewee L pointing out that older strategic leaders tend to be slower in embracing these technologies. Practical implementation difficulties further complicate the adoption process. According to Interviewee S, AI tools are still just tools and must be thoughtfully integrated into existing systems rather than being viewed as standalone solutions. Skepticism persists among many who regard AI as potentially unsafe or unreliable.

Interviewee S: "A barrier is that AI tools are still just technology and need to be integrated carefully into decision-making processes."

Despite these challenges, several strategies can foster the successful adoption of AI. A common theme across interviews was the importance of gradual, process-first integration. Interviewee S suggested that organizations should first focus on improving their processes and only then integrate AI in an innovative, measured way. Demonstrating tangible success cases also plays a persuasive role. Interviewee L noted that showcasing effective AI use can help overcome reluctance among leaders. Building diverse, cross-generational teams emerged as another practical approach. Interviewee L recommended including both younger and older talents in AI project teams to bridge knowledge gaps and promote mutual learning. Furthermore, Interviewee R emphasized the need for balanced implementation strategies, such as using multiple LLMs to avoid over-reliance on a single tool and to provide strategic flexibility. Equally important is transparent communication, particularly around explaining the rationale behind AI-assisted decisions to foster trust and understanding. Finally, a fundamental shift in mindset is essential. Interviewee B encouraged professionals to accept the inevitability of AI's growing role, noting that technological advancement is progressing rapidly and that resisting this

change is not a viable long-term strategy. Embracing this evolution, rather than fearing it, is key to unlocking AI's full potential in strategic contexts.

Interviewee B: "Accept that AI will be part of your life because tech is developing so quickly."

The future of AI in organizations presents a paradox of immense potential constrained by significant adoption challenges. While the technology promises to enhance tactical operations and potentially reshape organizational structures, its successful implementation requires careful attention to data quality and system integration, a willingness to adapt processes before implementing AI solutions, overcoming cultural resistance through education and demonstrated success, and maintaining human oversight while leveraging AI's analytical capabilities. The organizations most likely to thrive will be those that view AI adoption as an ongoing organizational transformation rather than a simple technology implementation. As Interviewee L observed, AI currently sharpens decision-making if data and training are correct, highlighting that the technology's value ultimately depends on the quality of its human-designed inputs and processes. The path forward requires striking a balance between enthusiasm for AI's capabilities and a pragmatic understanding of its limitations, ensuring that technological adoption serves human and organizational needs rather than dictating them.

5. Analysis

The purpose of this chapter is to conduct an in-depth analysis of the empirical findings presented in Chapter 4, systematically linking them to the theoretical framework established in Chapter 2. By examining the interplay between AI and leadership through the lens of existing literature, this analysis seeks to validate the conceptual framework of AI-powered leadership (Figure 4). Furthermore, identify tensions between theory and practice, particularly in areas such as human-AI collaboration, ethical oversight, and organizational change, and derive actionable insights for leaders navigating the adoption of AI. The analysis is structured around the five key themes emerging from the interview data. Each theme is analyzed in the AI-powered leadership framework, which posits a symbiotic relationship between AI's analytical capabilities (e.g., data-driven decisions, task automation) and human leadership qualities (e.g., emotional intelligence, ethical judgment).

5.1. AI as a Decision-Making Augmentation Tool

The integration of AI into leadership and strategic decision-making represents a fundamental shift in how organizations process information and formulate actions. The literature highlights AI's role in enhancing decision-making through advanced data analysis. Propositional modeling and real-time insights (Al-Bayed et al., 2024; Celestin & Vanitha, 2020). AI serves as a powerful tool for reducing uncertainty, particularly in complex and equivocal scenarios, by providing structured insights that complement human intuition (Jarrahi, 2018). However, empirical findings reveal that AI's function remains primarily supportive rather than autonomous. Interviewees consistently described AI as a "copilot" or a "coach", emphasizing its role in generating options and accelerating research rather than making final judgments. As noted by Interviewee S, "AI is a support system. It can assist decision-making, but cannot independently make decisions".

A key theme emerging from both the literature and interviews is the necessity of structured processes when leveraging AI. While AI enhances efficiency by rapidly connecting data, its effectiveness depends on clear guidelines to prevent misleading or random outputs. Interviewee B highlighted a practical application: "I summarize information using AI, sometimes adding company context to generate viable options".

This aligns with the literature's assertion that AI augments human decision-making by improving speed and accuracy but does not replace contextual understanding (Eriksson & Djoweini, 2020). The empirical data further supports the idea that AI's impact varies across decision-making levels, stronger in tactical and operational domains but limited in strategic decisions due to insufficient data. Human oversight remains indispensable, particularly in high-stakes scenarios. Interviewee B stressed, "I'm responsible at the end of the day; I must live with the decisions", reinforcing the literature's emphasis on human accountability in AI-augmented environments (Peifer et al., 2022). Trust in AI is conditional, as Interviewee R noted: "Nobody wants to have a black box... nobody trusts the AI stuff". This skepticism aligns with documented challenges in algorithmic transparency and bias (Marocco et al., 2024). The synthesis of these perspectives suggests that while AI significantly enhances decision-making efficiency, its role is most effective when embedded within a framework that prioritizes human judgment, structured processes, and ethical oversight.

The interplay between AI's analytical capabilities and human intuition creates a dynamic where technology accelerates decision-making while leaders retain responsibility for interpretation and ethical considerations. As the literature posits, AI excels in handling uncertainty and complexity, but human leaders provide clarity in equivocal, value-driven scenarios (Jarrahi, 2018). This balance is critical for organizations seeking to harness AI's potential without undermining human agency. The empirical findings reinforce this notion, demonstrating that AI serves best as an augmentation tool, enhancing, rather than replacing, the nuanced judgment of leaders.

5.2. AI-Driven Organizational Transformation

The widespread integration of AI into organizational structures is reshaping traditional workflows, hierarchies, and operational models. The literature highlights AI's capacity to automate routine tasks, streamline processes, and enhance efficiency, fundamentally altering how businesses allocate human capital (Al-Bayed et al., 2024; Gangwar et al., 2024). Empirical findings validate this shift, revealing a trend toward leaner organizations where AI assumes responsibility for administrative and operational functions. As Interviewee S observed, "AI will likely replace operational tasks and shift more decision-making towards the tactical level". This transformation is already evident in some

companies, with Interviewee S describing a twelve-person firm that relies on “thousands of AI bots” to manage hiring, coding, and customer support. The automation of manual tasks enables human leaders to focus on higher-value activities, creating a redistribution of labor within organizations. Interviewee S noted, “Administrative tasks will be handled by AI, allowing the tactical layer to focus more on decision-making”. This aligns with the literature’s assertion that AI-driven efficiency gains are not merely about replacing human labor but about redefining roles to emphasize strategic and interpersonal skills (Eriksson & Djoweini, 2020).

The empirical data further illustrates how AI accelerates processes, with Interviewee L stating, “AI speeds up processes and decision-making”, while Interviewee B emphasized its role in faster idea generation. However, this shift also raises questions about the future of middle management. Interviewee L predicted, “AI may replace middle management, while boards will use AI as a tool”, suggesting a potential flattening of organizational hierarchies. Despite these efficiencies, the transition to AI-augmented operations presents challenges. The literature highlights the importance of organizational readiness, emphasizing that successful AI adoption necessitates robust infrastructure, high-quality data, and cultural adaptability (Bannikov et al., 2024). Empirical findings reveal resistance stemming from generational gaps in technological literacy, as Interviewee L pointed out: “Knowledge gaps among older strategic leaders create adoption barriers”. Additionally, concerns about job displacement and the erosion of traditional roles persist, with Interviewee R noting, “Cultural change is a bigger hurdle than AI tech”. These observations align with scholarly warnings about the need for proactive change management to mitigate workforce anxieties and ensure smooth integration (Thillaivasan & Wickramasinghe, 2020).

The synthesis of literature and interview data suggests that AI’s organizational impact extends beyond operational efficiency to redefine leadership itself. Interviewee S envisioned AI as a “leadership co-host” or “AI CXO buddy”, assisting executives in areas where they lack expertise. This reflects the broader theoretical shift toward adaptive, hybrid leadership models that blend AI’s analytical strengths with human creativity and emotional intelligence (Ethan & Roy, 2024). However, the empirical evidence also cautions against over-reliance on AI, as Interviewee B asserted, “You can't rely

completely on AI; you still need to know the context yourself". Ultimately, AI-driven organizational transformation presents both opportunities and challenges. While the technology enables unprecedented efficiency and agility, its successful implementation hinges on striking a balance between automation and human oversight, addressing cultural resistance, and fostering continuous education. The literature and findings collectively affirm that organizations must approach AI integration as a strategic evolution, one that redefines workflows while preserving the irreplaceable value of human judgment and adaptability.

5.3. Human Oversight and Ethical Challenges in AI Integration

The implementation of AI in organizational leadership processes raises critical questions about human oversight and ethical considerations. The literature emphasizes that while AI enhances analytical capabilities, it lacks the nuanced understanding required for complex ethical judgments (Xiong, 2023; Matli, 2024). This limitation necessitates robust human supervision mechanisms, as evidenced by Interviewee L's assertion that it remains "important to have humans review AI decisions, especially for high-stakes outcomes". The empirical data reveals a consistent theme of human responsibility, with Interviewee B stating unequivocally, "I'm responsible at the end of the day; I must live with the decisions", reinforcing the theoretical position that accountability cannot be delegated to algorithmic systems (Peifer et al., 2022). Trust emerges as a pivotal factor in human-AI collaboration, with the literature identifying transparency and reliability as key determinants of managerial adoption (Jack & Nathan, 2023). The interview data provides concrete examples of this dynamic, as Interviewee R observed that understanding AI's reasoning process helps build trust in its outputs: "Now there is the thought behind why it provides such a result. And that could help us to get more trust in the result of AI." However, significant barriers persist, particularly regarding data security, with Interviewee S warning against using public platforms for sensitive information: "Sensitive data should not be uploaded to public AI platforms; it's safer to deploy AI models locally on secured clusters". Ethical concerns surrounding the implementation of AI manifest in multiple dimensions, as both scholarly research and practitioner experiences reveal.

The literature highlights algorithmic bias as a persistent challenge (Celestin & Vanitha, 2020), a concern echoed by Interviewee L, who identified "AI bias, differing international regulations, and ethical concerns" as major hurdles to implementation. The transnational nature of business operations compounds these issues, as Interviewee L noted the impossibility of training AI systems to accommodate the diverse rules and ethical standards of all countries. These findings align with theoretical warnings about the limitations of AI in navigating complex cultural and ethical landscapes (Marocco et al., 2024). The empirical data reveals organizational strategies for mitigating these risks, including the implementation of governance structures. Interviewee L proposed the concept of an "AI High Court" to monitor algorithmic decision-making, reflecting the literature's emphasis on institutional safeguards (Al-Bayed et al., 2024). Practical challenges in implementation are nevertheless significant, as Interviewee R highlighted the fundamental skills gap: "The biggest challenge is literacy or the empowerment of the people. They are currently struggling with using Excel, and now they need to use AI". This observation underscores the literature's identification of digital literacy as a prerequisite for effective AI adoption (Shakilla & Saputro, 2024).

Human intuition continues to play a critical role in balancing AI recommendations, as demonstrated by Interviewee B's approach: "If my intuition contradicts AI advice, I trust my intuition". This aligns with theoretical frameworks that position AI as a complement to, rather than replacement for, human judgment (Jarrahi, 2018). The limitations of current AI systems are readily apparent to practitioners, as Interviewee B notes, "AI has limitations; it doesn't reason, it predicts based on common patterns", reinforcing scholarly concerns about the technology's inability to engage in genuine conceptual understanding (Shah, 2023). The synthesis of literature and empirical findings suggests that successful AI integration requires a multi-faceted approach to governance. Organizations must develop clear protocols for human oversight while addressing practical implementation barriers through training and infrastructure development. The enduring need for human judgment in ethical leadership and its decision-making, particularly in situations where AI systems might produce "wrong answers" or encounter novel scenarios beyond their training data, confirms the literature's assertion that human leadership remains indispensable in the age of AI (Quaquebeke & Gerpott, 2023). These insights collectively underscore the importance of maintaining human agency in organizational decision-

making processes augmented by artificial intelligence. A recurring tension highlighted in the interviews revolves around the balance between AI-generated insights and human judgment. While AI supports faster, data-informed decision-making, participants consistently emphasized the irreplaceable role of intuition, ethical reasoning, and emotional intelligence in complex or ambiguous situations. This is especially critical in high-stakes decisions involving people, values, or reputational risk. Leaders expressed concern about over-reliance on AI, especially when outputs lack transparency or context. These findings align with recent scholarship that cautions against the potential for excessive automation to inadvertently erode leadership accountability or compromise the quality of moral deliberation. As such, the role of the leader is evolving not into a passive overseer of AI, but into a critical interpreter and integrator of both machine insights and human values.

5.4. Leadership Evolution in the AI Era

The beginning of AI is causing a fundamental transformation in leadership paradigms, necessitating new competencies and adaptive approaches. The literature documents a shift from traditional hierarchical models toward more flexible, collaborative styles that leverage AI's analytical capabilities while preserving essential human leadership qualities (Ethan & Roy, 2024; Nayak & Subhadarshini, 2024). This transition is evident in the empirical data, where Interviewee S envisioned AI assuming formal advisory roles as a "CXO buddy" for executives, particularly those lacking specific business skills. Such developments reflect the theoretical proposition that AI will increasingly serve as a strategic partner to leaders rather than merely a productivity tool (Shields, 2024). A critical dimension of this evolution involves the changing temporal dynamics of leadership decision-making. The literature emphasizes how AI accelerates strategic processes by enabling real-time data analysis (Ghorbani Asiabar et al., 2024), a phenomenon observed empirically in cases such as Interviewee S's experience: "We used ChatGPT to create the entire concept of a company, including the name, in just three weeks." This compression of decision cycles aligns with theoretical predictions about AI-driven organizational agility (Aziz et al., 2024), as noted by Interviewee S, who states that competitive advantage will increasingly belong to those who "respond fastest and adapt best".

The redistribution of leadership focus represents another significant transformation documented in both literature and practice. As AI assumes responsibility for analytical and operational tasks, human leaders can devote greater attention to interpersonal and strategic dimensions (Madhavi & Bhatt, 2024). Interviewee L observed this shift firsthand: “Leadership teams gain more time for employee interactions as AI handles decisions”. However, the empirical data reveal persistent challenges in middle management roles, where human qualities remain indispensable. As Interviewee R explained, “the middle management is always the translator from top management to employees... I'm not sure if AI could do that”, reinforcing the literature's identification of emotional intelligence and communication as enduring human strengths (Vivek & Krupskyi, 2024). Generational disparities in technology adoption emerge as a significant barrier to this leadership evolution. The literature identifies digital literacy gaps as a critical challenge (Al-Bayed et al., 2024), a concern echoed by Interviewee L's observation about “knowledge gaps among older strategic leaders”. These disparities necessitate targeted development approaches, with Interviewee R emphasizing the importance of “general technical understanding of AGI and LLM” for contemporary leaders. The empirical findings suggest that successful adaptation requires what Interviewee R described as continuous “play” with AI technologies, maintaining curiosity, and treating competency development as “an ongoing journey”.

Mindset transformation emerges as the most profound requirement for leadership in the AI era. The literature advocates for growth-oriented attitudes that embrace experimentation and tolerate failure (Bradley & Roy, 2023), a perspective embodied by Interviewee R's recommendation to “iterate and fail fast”. Interviewee B identified ego as a particular barrier, noting the challenge of “accepting that AI might do parts of your job better”. This aligns with theoretical warnings about resistance to technological displacement (Thillaivasan & Wickramasinghe, 2020) and underscores the need for cultural shifts within organizations. The future leadership landscape, as envisioned by both scholars and practitioners, is likely to feature leaner, more adaptable organizational structures. Interviewee S predicted “future leadership will be more pragmatic, less political, and organizations will become significantly leaner”, reflecting the literature's projection of flatter hierarchies in AI-augmented enterprises (Singh, 2023). However, Interviewee S cautioned against technology-centric approaches, advising to “focus on

improving your processes first, then integrate AI smartly", a perspective that resonates with scholarly warnings about solutionism in digital transformation (Jarrahi, 2018). The synthesis of theoretical and empirical insights reveals leadership in the AI era as a dynamic interplay between technological capabilities and human competencies. While AI enables unprecedented analytical power and operational efficiency, effective leadership will continue to demand uniquely human qualities, such as strategic vision, ethical judgment, and the ability to inspire and motivate teams (Shah, 2023). The organizations most likely to thrive will be those whose leaders can harness AI's potential while cultivating these enduring human strengths, creating a symbiotic relationship between technological and human capabilities that drives sustainable organizational success.

5.5. Future Potential and Adoption Barriers of AI in Leadership

The trajectory of AI in organizational leadership presents both transformative opportunities and significant implementation challenges. The literature projects AI's expanding role in strategic decision-making, with particular emphasis on its capacity to enhance real-time data analysis and predictive modeling (Shah, 2023; Doshi et al., 2025). However, empirical findings temper this optimism with practical constraints, as Interviewee S estimated that "Super AGI will still take about fifty years to develop", suggesting a more gradual evolution than some theoretical predictions anticipate. This discrepancy between current capabilities and future potential underscores the need for balanced expectations regarding AI's leadership applications. The competitive landscape of AI adoption reveals critical differentiators in implementation strategies. While the literature emphasizes data quality as a foundational requirement for effective AI systems (Bannikov et al., 2024), the interview data suggests that competitive advantage lies less in data possession than in integration capabilities. As Interviewee S observed, "the real advantage is not just having data, but how you combine data, LLMs, and your processes". This insight aligns with theoretical frameworks that position AI as an organizational enabler rather than a standalone solution (Jarrahi, 2018), reinforcing Interviewee S's recommendation to structure implementation around "people, then process, then technology, and finally data" rather than pursuing technology-driven approaches that risk creating "solutions nobody understands". Persistent adoption barriers are clear in both scholarly research and practitioner experiences. The literature identifies cultural resistance as a significant impediment to the successful integration of AI (Ali, 2023), a

finding substantiated by Interviewee R's assertion that “cultural change is a bigger hurdle than AI technology”. Psychological barriers similarly constrain adoption, with Interviewee B identifying executive ego as a particular challenge in “accepting that AI might do parts of your job better”. These human factors worsen the technical limitations noted in both domains, including the current systems' inability to engage in genuine reasoning and their dependence on high-quality training data.

The evolving leadership structure in AI-augmented organizations presents both opportunities and uncertainties. The literature anticipates emerging roles, such as Chief AI Officers, to bridge the technical and strategic domains (Frimpong & Wolfs, 2024), while empirical data suggest alternative trajectories. Interviewee R predicted that “the Chief AI Officer will be merged into the CEO role”, indicating that AI governance may become an integral part of the executive’s responsibilities rather than a specialized function. This evolution reflects broader shifts in leadership competencies, where technical literacy becomes increasingly central to strategic decision-making (Al-Bayed et al., 2024). Implementation strategies that emerge from the synthesis of literature and empirical findings emphasize gradual, human-centric approaches. Interviewee S's advice to “focus on improving your processes first, then integrate AI smartly” echoes scholarly recommendations for process-oriented digital transformation (Jarrahi, 2018). The demonstrated value of pilot programs is evident in Interviewee L's observation that “success examples help convince reluctant leaders”, which supports theoretical arguments for iterative implementation frameworks (Attah et al., 2023). These approaches address the skills gap identified by both domains, particularly the digital literacy challenges noted by Interviewee R and the generational adoption barriers observed by Interviewee L.

Ethical considerations and transparency requirements emerge as enduring concerns in both scholarly and practitioner perspectives. The literature emphasizes explainability as a critical factor in building managerial trust (Marocco et al., 2024), a requirement articulated by Interviewee R: “You always need to explain the process behind your thoughts and decisions and be transparent about your biases”. This alignment between theoretical principles and practical experience suggests that the deployment of ethical AI will remain a persistent challenge, requiring ongoing attention as the technology evolves.

The future of AI in leadership appears destined for normalization rather than revolution. Interviewee R's prediction that corporate mantras will shift from “innovate or die” to “use AI or die” suggests an inevitable incorporation of AI tools into standard leadership practice. However, this normalization depends on overcoming current limitations through technological advances, organizational learning, and cultural adaptation. The literature and empirical data converge on the understanding that AI's ultimate value in leadership will be determined not by its standalone capabilities but by how effectively organizations can integrate these tools with human judgment, ethical frameworks, and strategic vision (Shah, 2023; Nayak & Subhadarshini, 2024). This analysis reveals AI's leadership applications as fundamentally dualistic, offering transformative potential while demanding careful implementation. The organizations most likely to succeed will be those that approach AI adoption as a strategic evolution rather than a technological fix, balancing enthusiasm for AI's capabilities with pragmatic attention to its limitations and requirements. As both literature and practice suggest, the future of leadership lies not in choosing between human or artificial intelligence, but in cultivating their optimal combination.

6. Conclusion

The integration of AI-driven tools into organizational leadership marks a paradigm shift in how strategic decisions are formulated, analyzed, and executed. AI-driven tools today fundamentally reshape strategic decision-making by augmenting leaders' analytical capabilities, accelerating processes, and reducing operational burdens. However, their impact is constrained by inherent limitations, namely, a lack of ethical reasoning, contextual awareness, and emotional intelligence, which preserve the centrality of human judgment. The most effective leaders will be those who harness AI's computational power while cultivating the distinctly human skills of intuition, empathy, and ethical stewardship. In this symbiotic relationship, AI does not replace leadership. Instead, it redefines it, demanding a new equilibrium between technological proficiency and human wisdom. Organizations that strike this balance will thrive in an era where the fusion of artificial and human intelligence becomes the cornerstone of strategic success. This thesis has explored the multifaceted impact of AI on leadership, drawing upon theoretical frameworks and empirical insights to answer the central research question: ***"How do emerging AI-driven tools impact leadership, with a focus on decision-making, organizational processes, and emotional intelligence?"*** The findings reveal that emerging AI-driven tools enhance leadership by augmenting strategic decision-making, streamlining organizational processes, and necessitating a balanced integration of human emotional intelligence and ethical judgment to ensure effective human-AI collaboration.

6.1. Managerial Implications

For organizational leaders, the rise of AI presents both opportunities and imperatives. AI-driven tools significantly enhance strategic decision-making by processing vast datasets, identifying patterns, and generating predictive insights at speeds unattainable by humans alone (Al-Bayed et al., 2024; Ghorbani Asiabar et al., 2024). Interviewees encapsulated this advantage, noting that AI connects data much faster, enabling leaders to respond to dynamic markets with unprecedented agility. However, this efficiency gain is not without warnings. Leaders must cultivate a nuanced understanding of AI's limitations, particularly its inability to replicate human intuition, ethical reasoning, or contextual adaptability (Xiong, 2023). The empirical data underscores the importance of structured AI integration. Interviewees warned that without clear guidelines, AI outputs risk being

random or misleading, emphasizing the need for governance frameworks that define AI's role as a decision-support tool rather than an autonomous actor in leadership. Middle managers face a dual challenge: leveraging AI for operational efficiency while preserving their irreplaceable role as translators of strategic vision. Organizations must invest in upskilling initiatives to bridge digital literacy gaps and foster cultures where AI augments, rather than threatens, human expertise. Ethical leadership remains paramount. Concerns about data security, algorithmic bias, and accountability demand proactive measures, such as localized AI deployments for sensitive data and interdisciplinary ethics committees. The managerial mandate is clear: AI adoption must be deliberate, transparent, and anchored in human oversight to ensure that technological advancements align with organizational values and long-term goals.

6.2. Theoretical Implications

This research contributes to leadership and AI scholarship by challenging binary narratives of human-versus-machine superiority. The findings align with Jarrahi's (2018), who posits that AI excels in managing uncertainty and complexity, while humans are better equipped to navigate ambiguous, value-driven scenarios. The interviewees reinforced this symbiosis, asserting that if intuition contradicts AI advice, trust should lie with intuition, thereby highlighting the enduring relevance of human judgment. The study also advances the discourse on AI-powered leadership styles (Madhavi & Bhatt, 2024). Traditional leadership theories, such as transformational and servant leadership, must now account for AI's role in redistributing cognitive labor. For instance, AI's ability to automate administrative tasks enables leaders to focus on the inspirational and ethical dimensions of their roles, aligning with Uhl-Bien's (2021) emphasis on adaptive leadership in complex environments. Furthermore, the research identifies trust as a critical mediator in AI adoption (Marocco et al., 2024). Interviewees observed that trust grows when AI's reasoning is "understandable," underscoring the need for theoretical models that incorporate transparency as a determinant of technological acceptance. Future frameworks must also address the sociotechnical dynamics of AI integration, particularly the cultural and generational barriers that hinder the equitable adoption of AI.

6.3. Limitations and Future Research

While this study offers valuable insights into how AI is shaping strategic leadership, several limitations should be acknowledged. The empirical data primarily capture early-stage adoption, reflecting how organizations are still navigating AI's potential rather than its mature integration. Longitudinal research would be beneficial to examine how AI influences leadership hierarchies and decision-making practices over time. Additionally, three priority areas for future inquiry emerge from this research. First, the development of Explainable AI (XAI) tools warrants deeper exploration. Interviewees call for transparency with bias, highlighting the importance of interpretability in building trust. Second, its European focus may limit the generalizability of findings to other global or cultural contexts. Therefore, cross-cultural studies could examine how regional ethical standards and regulatory norms shape AI governance, as noted by Interviewees' concern about adapting AI across jurisdictions. Third, its theoretical and practical implications for leadership demand ongoing observation, particularly regarding autonomy, oversight, and accountability. Nevertheless, this research provides a crucial foundation for understanding how strategic leaders currently engage with AI and the conditions necessary for responsible and effective integration of AI.

6.4. Final Reflections

As AI continues its relentless advance into organizational life, this study offers both reassurance and challenge to leaders. The reassurance lies in the enduring value of quintessentially human capabilities, ethical reasoning, contextual understanding, and creative vision. The challenge lies in the urgent need to evolve leadership practices for a new era of human-machine collaboration. The most successful leaders will be those who embrace what might be called "augmented wisdom", the challenging combination of AI's analytical power with human judgment's nuance and depth. As interviewees presciently observed, AI won't replace leaders, but leaders who use AI will replace those who don't. This research provides the conceptual tools and practical guidance to navigate that transition successfully. In closing, the study confirms that while AI may transform how we lead, it cannot alter the fundamental human endeavor of creating value, meaning, and sustainable success in organizations. The future belongs to leaders who can harness AI's capabilities while preserving and enhancing these timeless leadership imperatives.

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Appendix

A. Interview Guide

Introduction (2 min)

- Brief introduction of the study and its purpose
- Confidentiality and consent confirmation

Main Interview Questions (30 min)

A. Background and AI Usage (5 min)

1. Can you briefly describe your role and responsibilities in your organization?
2. Do you currently use AI-driven tools in strategic decision-making?

YES	NO
How do you currently use AI-driven tools in strategic decision-making?	Why hasn't AI been integrated into strategic decision-making in your organization?

B. AI's Influence on Leadership and Decision-Making (11 min)

1. How has AI changed the way you and your organization make strategic decisions?
2. In what ways has AI improved or challenged your leadership decision-making process? E.g.?
3. Do you perceive AI as a support system or a decision-making authority in your role?
4. How do you balance AI-driven insights with human intuition, emotional intelligence, and experience in decision-making?

1. What are your thoughts on AI-driven decision-making in leadership?
2. Do you see AI as an opportunity or a challenge for leaders? Why?
3. How do you currently balance intuition, emotional intelligence, and data in strategic decision-making?

C. Challenges and Organizational Resistance (8 min)

1. What challenges or barriers have you encountered when integrating AI into strategic decision-making?
2. What skills or mindset shifts do leaders need to successfully integrate AI into their decision-making processes?

1. What (are your perceptions of) challenges or concerns prevent AI adoption in your organization?
2. What skills or mindset shifts do you think leaders need to effectively integrate AI into decision-making?

D. Future Perspectives and Recommendations (6 min)

1. Do you see AI as a complement or a potential replacement for certain leadership functions?
2. How do you see AI evolving in leadership and decision-making in the next 5 years?
3. What advice would you give other leaders regarding AI's role in strategy and leadership?

1. Under what circumstances would you consider adopting AI for decision-making in your role?
2. How do you see AI shaping leadership and management in the next 5 years?

Conclusion (3 min)

- Ask if the interviewee has anything to add
- Thank them for their time and participation

B. Interviewee B

Theme	Codes	Quotes
AI as a Decision-Making Support Tool	Idea Generation	I use AI tools to get a general idea for marketing, sales, and improving processes.
	Contextual AI Use	I summarize information using AI, sometimes adding company context to generate viable options.
	Copilot Concept	I use AI when I'm unsure; it's like a copilot.
	AI as a Coach	AI acts almost as a coach.

AI-Driven Efficiency and Organizational Change	Decision Speed	AI improves decision time by making idea generation faster.
	Efficiency in Research	It's faster to get initial ideas from AI than searching manually.
	AI-Native Experience	I've been making decisions with AI help since I started working.
Human Oversight and Ethical Challenge	Data Caution	We try not to expose too many company secrets to AI.
	Decision Responsibility	I'm responsible for my decisions.
	Intuition Over AI	If my intuition contradicts AI advice, I trust my intuition.
	Data-Driven Work	My work is based on numbers and analytics, not subjective design.
	Personal Accountability	I'm responsible at the end of the day; I must live with the decisions.
	AI Errors	AI sometimes just gives wrong answers.
Leadership and Mindset Shift	Need for Human Judgment	You can't rely completely on AI; you still need to know the context yourself.
	Growth Mindset	A company's dream should be having people better at their jobs than you were.
Future Potential and Adoption Barriers	AI Reasoning Limits	AI has limitations; it doesn’t reason, it predicts based on common patterns.
	Openness Variability	Openness towards AI depends on who you're working with.
	Ego Barrier	Ego can be a barrier: accepting that AI might do parts of your job better.
	AI Acceptance	Accept that AI will be part of your life because tech is developing so quickly.

C. Interviewee L

Theme	**Codes**	**Quotes**
AI as a Decision-Making Support Tool	AI Applications	AI is used for evaluating companies, in CRM systems, and for creating value.
	Sector Variability	In HR, AI can automate decisions; elsewhere manual work still dominates.
	AI Supervision Mechanisms	Travel expenses are AI-approved; humans can override decisions if necessary.
	Support Roles	Best use of AI is for support tasks ("low-hanging fruit").

AI-Driven Efficiency and Organizational Change	Process Speed	AI speeds up processes and decision-making.
	Organizational Changes	Middle management may be replaced by AI, while boards will use AI as a tool.
Human Oversight and Ethical Challenges	Human-AI Interaction	AI makes initial decisions, followed by human checkpoints.
	Bias and Ethics	Challenges include AI bias, differing international regulations, and ethical concerns.
	Regulation Complexity	Impossible to train AI for all country's rules and ethics.
	Human Safeguards	Important to have humans review AI decisions, especially for high-stakes outcomes.
	AI Governance	Leadership should include systems that monitor AI decision-making ("AI High Court").
	Risk Management	Risk tolerance depends on outcome value (small mistakes vs. critical errors).
	Legal Constraints	Boards need physical humans for legal reasons; AI can't fully replace them.
	Data Security	Be careful with data leaks and security in AI projects.
Leadership and Mindset Shift	Leadership Focus Shift	Leadership teams gain more time for employee interactions as AI handles decisions.
	Demonstrating Value	Success examples help convince reluctant leaders to adopt AI.
	Adaptability	Leaders must have an adaptive mindset, like when switching from horse to car.
	Decision Quality	Good AI can help a weak board make better decisions.
	Lifelong Learning	Leaders should play with AI, stay curious, build networks, and treat it as an ongoing journey.
Future Potential and Adoption Barriers	Resistance to Change	Knowledge gaps among older strategic leaders create adoption barriers.
	Early-Stage AI	AI is still immature — "like a baby."
	Data Quality Dependency	AI sharpens decision-making if data and training are correct.
	Data Integrity	Wrong data leads to poor AI decisions — garbage in, garbage out.
	Diverse Talent	AI project teams should include both young and old talents.

D. Interviewee S

Theme	Codes	Quotes
AI as Decision-Making	Decision Strategy	AI will make strategy a more continuous process—maybe not daily, but at least quarterly or monthly—because you can adapt faster to internal and external changes.
	Decision Enhancement	AI will enhance decision-making at strategic, tactical, and operational levels by connecting data much faster.
	Decision Frequency	Strategic decision-making will become less frequent; AI will mainly impact tactical and operational decision-making.
	Data Limitation	We don't yet use AI heavily for strategic decisions internally because we lack large amounts of employee, client, and operational data.
	Decision-Making Flow	We now make decisions by asking AI for three options and then choosing among them—making information much more accessible.
	Decision Assistant	AI is a support system. It can assist decision-making but cannot independently make decisions.
AI-Driven Efficiency and Organizational Change	Task Replacement	AI will likely replace operational tasks and shift more decision-making towards the tactical level.
	AI Adoption in Small Organization	In our company of 12 people, we use AI extensively: for hiring, coding, onboarding, and customer support—managed by just two people and thousands of AI bots.
	Admin Automation	Administrative tasks will be handled by AI, allowing the tactical layer to focus more on decision-making.
	Tool Support	Embedding AI is like embedding Big Data years ago—it's just another tool to support processes.
	Manual Work Elimination	AI allows you to skip a lot of manual work.
Human Oversight and Ethical Challenges	Coding Automation	For hiring, candidates first undergo assessment and interviews with AI before meeting human reviewers.
	Tool Support	Developers instruct and review AI, while AI handles most coding tasks. This is not necessarily strategic work, but part of a continuous decision-making flow.
	Process Requirement	To use AI effectively, you need a clear process and guidelines; otherwise, AI output could be random or misleading.

	Data Security	Sensitive data should not be uploaded to public AI platforms; it's safer to deploy AI models locally on secured clusters.
	Secure Selection	I would be very conscious in selecting AI models, especially when using client data, and ensure deployment is secure.
Leadership and Mindset Shift	Creative Support	We used ChatGPT to create the entire concept of a company purchase, including the name, in just three weeks.
	Innovative Support	AI challenged my investor pitch deck by suggesting a completely new structure, changing the negotiation perspective dramatically.
	Leadership Support	AI could become a "leadership co-host" or "AI CXO buddy," helping technical founders or leaders lacking business skills.
	Board Support	Big companies might use AI board challengers or assistants that listen during meetings and propose next steps.
	Leadership Change	Future leadership will be more pragmatic, less political, and organizations will become significantly leaner.
	Adaptation Speed	AI-driven companies will not be "winner-takes-all"—it's about who responds fastest and adapts best.
	Pain Points	Start with understanding people's pain points in processes, then dream about how AI can solve them.
Future Potential and Adoption Barriers	Integration Challenge	A barrier is that AI tools are still just technology and need to be integrated carefully into decision-making processes.
	Trust Issue	Many people are unsure about AI because they see it as unsafe or unreliable.
	Tactical Impact	AI will most positively impact tactical jobs by enabling them to perform more tasks.
	AGI Development	Super AGI (Artificial General Intelligence) will still take about 50 years to develop.
	Process First	Don't focus only on AI—focus on improving your processes first, then integrate AI smartly.
	Combination Advantage	The real advantage is not just having data, but how you combine data, LLMs, and your processes.
	Process Focus	Build around people → process → technology → data, not the other way around. Otherwise, you create solutions nobody understands.

E. Interviewee R

Theme	Codes	Quotes
AI as a Decision-Making Support Tool	AI in LLM Research	We use large language moel to gather or research the right stuff.
	Data Insight with AI	We use some AI tools to get the right insights out of the company data—like seeing which metric is influencing which KPI.
	Deep Decision Access	You can dig into the third level instead of the second... so you can analyse all different kinds of categories and the amount of time for different ticket topics
	Support System, Not Decider	My perspective: it's a support system. Nobody wants to have a black box... nobody trusts the AI stuff.
	Data-Inspired/Driven Scale	Explains AI's varying influence: inspired, informed, driven.
AI-Driven Efficiency and Organizational Change	Efficiency Driver	AI reduces time and increases depth of insight.
	LLM Risks Are Already Present	Cloud tools already access internal data—AI just makes it visible.
Human Oversight and Ethical Challenges	Literacy Challenge	The biggest challenge is literacy or the empowerment of the people. They are currently struggling with using Excel and now they need to use AI.
	AI Trust & Bias	Nobody is really trusting into AI stuff
	Trust Through Transparency	There’s data inspired, data informed, and data-driven... The most stuff will be inspired or informed instead of driven.
	AI Distrust Consequences	AI results often rejected due to lack of trust.
	Selective Data Sharing	Percentage would be something like 60%. I think the gold nuggets will never be pushed into the AI systems.
Leadership and Mindset Shift	Prompting Training Needed	Promoting AI usage involves training and prompting skills.
	External Training Preferred	External experts are preferred for AI education.
	Skills for AI Leadership	Leaders must understand how AI and LLMs function.
	Mindset: Iterate and Fail Fast	The mindset is very important—to try something. It's totally fine to fail and to try stuff in a very short time period.

	Middle Management Irreplaceable	The middle management is always the translator from top management to employees... I'm not sure if AI could do that.
	AI as Standard Tool	AI should be expected, not exceptional—"AI or die" mindset.
Future Potential and Adoption Barriers	Leadership Tech Gap	Mid-sized company boards lack AI/tech officers.
	Copycat Strategies Risk	AI may lead to strategic uniformity across firms.
	Multi-AI Use Recommended	You should use two or three large language models... Use the right model for the right question.
	Explainability is Key	You always need to explain the "why" behind AI-assisted decisions.
	Agent Support Possible	There could be agents that replace roles like my current role—someone who advises and provides a summary to the CEO.
	AI Officer Role Evolution	The Chief AI Officer will be merged into the CEO role... a specific topic needs to be pushed from the CEO.
	Culture Slower Than Tech	There will be a barrier of not going further due to culture needing to change. Culture is slower than the technical development.