

**THE ROLE OF ARTIFICIAL INTELLIGENCE IN ENHANCING LEADERSHIP**  
**A STRATEGIC APPROACH FOR BUSINESS GROWTH AND INNOVATION**

by

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Of the Requirements for the Degree

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Organizational Development and Leadership

Capella University

Month & year of dean's approval

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## **Abstract**

The abstract will aim to give a brief and precise summary of the most important aspects of your capstone project. Abstract: Set in one block paragraph without preliminary indent. Discuss the following (not more than 400 words). Summary of research topic (1-5 sentences), a brief overview of what you are researching in your capstone research. Discuss why you needed to do the study and why it was necessary to do the capstone study. Enter your research questions in the wording you will use in your capstone sections. Research methodology (1-2 sentences). Overview of the research methodology of the study. Population and sample (1-2 sentences). Elaborate on the population and sample, including demographic data on your participants at a high level. Should secondary data have been used? Explain the data set. Data analysis (1-2 sentences) will give a brief summary of your data analysis. Findings (1-3 sentences): a brief overview of what you have found in your research and conclusion(s). Explain how your project will be put into practice and what you produced.

Guidelines on how to prepare a good Abstract. (a) The abstract is representative of your work. Your abstract will be checked by researchers to make sure that your manuscript is worth reading and is appropriate to their literature review. Your abstract will be examined by those in your field, who will come to know more about the nature and quality of your doctoral work.

Therefore, the abstract is an account of your work at the doctoral level. (b) There are further guidelines for developing an abstract as per section 3.3 of the APA Publication Manual, 7th

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Note: If the Abstract runs onto a second page, change the page number of the Dedication to 4.

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## **Acknowledgments**

This is an acknowledgments page that is optional. The acknowledgements are not like the dedication, but they have identified people who have helped you in your scholarly work associated with the advanced doctoral manuscript or have played a role in your academic practice as it applies to the research of the advanced doctoral manuscript. This could include a mentor and committee members, an advisor, online or colloquium faculty, and other support individuals within Capella and other organizations. In case you had any financial aid in the form of fellowships, grants, or any other organizational assistance, mention it here. The admissions are also suitable when it comes to appreciating statistical workers, transcriptions, people who have given permission to use an instrument, and so on.

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## **SECTION 1. PROJECT DESCRIPTION**

### **Overview of the Project**

Artificial intelligence (AI) changes business leadership by improving decision-making, increasing efficiency, and innovation. Watson et al. (2021) indicate that two-thirds of executives think that AI will be of considerable significance to leadership strategies by 2025. According to Matli (2024), 75% of leadership teams will apply AI-driven insights to enhance decision-making and strategic plans by 2025. Nonetheless, with the fast introduction of AI, a high number of leaders face difficulties when it comes to adapting AI without losing their leadership style (Iyelolu et al., 2024). The project will discuss the potential of AI to enhance transformational leadership to make sure that the insights provided by AI are complementary to human decision-making. The study will offer practical recommendations to business executives to successfully integrate AI into the management style without losing trust, inspiration, and creativity in the business.

Innovation, flexibility, and employee engagement are some of the things that leadership is essential for in contemporary businesses. Nguyen et al. (2020) reported that transformational leaders in companies were significantly more successful in achieving higher financial outcomes (34% higher) as compared to traditional leadership styles. In addition, AI-based leadership solutions have enhanced the productivity of digitally advanced companies by 40% (Taguimdje et al., 2020). Although it has its advantages, the survey conducted by PriceWaterhouseCoopers (2022) revealed that 70 out of 100 business leaders were not ready to handle AI-driven changes, which is why they tend to resist and fail to implement them. This project will accommodate the concerns by considering the relationship between AI and leadership so that AI can augment leaders instead of taking over the role in decision-making.

The gap that is presented in this study regarding AI is the difference between its potential in the field of leadership and its actual implementation. Not all organizations are concerned with the potential of supporting leadership strategies, but with AI automation (Rowinski, 2024). Although AI has become more adopted in business by 270% in 2019-2023, 25 percent of companies have been able to use AI in strengthening leadership (Watson et al., 2021). This type of misalignment brings about inefficiencies, uncertainty, and a lack of trust, with leaders being unable to strike a balance between AI-driven information and human intuition (Matli, 2024). This study could fill this gap by pinpointing the main challenges and suggesting an AI-supported model of leadership to enable organizations to apply AI without eliminating all the necessary human qualities of a leader.

The literature mostly concentrates on AI substituting tedious activities but not on improving leadership decision-making. A study conducted by O'Regan and Lehmann (2020) revealed that firms that mostly adopt AI on the basis of automation experience reduced employee morale and an increment of 15% in resistance to change. Conversely, companies implementing AI in leadership systems have an engagement rate that is 20% greater and a stronger strategic response (O'Regan and Lehmann, 2020). This project intends to come up with themes that can be used by business leaders to integrate the use of AI in a way that promotes leadership. As AI is expected to add up to \$15.7 trillion to the state economy by 2030, companies have to adjust to the new form of leadership (PricewaterhouseCoopers, 2022). This study has the potential to offer a roadmap towards AI-aided leadership, which would mean that leaders should utilize AI to boost their decision-making, innovation, and organizational performance as opposed to reducing human leadership abilities.

## **Problem Statement and Purpose**

### **Problem Statement**

The overall business issue is that even as AI continues to be used in business processes, most organizations do not capitalize on AI to make their leadership more effective to create inefficiencies, change resistance, and missed innovation opportunities (Brock, 2020). Iyelolu et al. (2024) disclosed that seven out of ten executives face problems executing AI to serve leadership roles, thereby developing insufficient decisions and labor distrust towards the firms. Organizations lacking the integration of AI and leadership strategies are reported to have a 20-per cent longer process of innovation than those that have succeeded in integrating AI and leadership (Gartner, 2024). Lack of AI-based leadership leads to an organizational standstill, a loss of competitiveness, and a lack of confidence in the decision-making processes.

The precise business issue is that the U.S. business leaders within the retail sector are incapable of adapting to market shifts to integrate AI efficiently into the large business decision-making processes have led to ineffective AI implementation and labour disengagement (Alawamleh et al., 2024). The constraint in terms of finances does not allow the leaders to utilize the AI to influence the decision-making process within the retail business, which has a negative effect on the performance of the organization (Alawamleh et al., 2024). The higher implementation costs are a potential barriers that hinder retail business leaders from using AI in their business operations (Yrjölä et al., 2024). Therefore, the overstated cost of higher investments, which highlights the issue of insufficiency of AI implementation in the retail sector and influences the organization's performance. Also, the inability to incorporate AI is due to the inability to have the leaders and technology advisors of retail businesses collaborate with each other, which also denies the leaders the opportunity to enhance the strategic decision-making process, which

subsequently affects the performance of the organization (Lu et al., 2023). Thus, the reasons that prevent the leaders from implementing AI in business work in the retail industry are the underlying reasons, i.e., increased initial expenses, financial limitations, and/or absence of cooperation, which have a negative impact on the performance of the organization. (Lu et al., 2023).

### **Alignment with the Program**

his capstone project is being done in line with the specialization of organizational leadership and development of the Capella University doctorate in business administration (DBA). In the process of the DBA specialization, practitioners concentrate on studying leadership principles, strategic decisions, and contemporary business practices to ensure organizational success (O'Regan and Lehmann, 2020). The project will seek to discover the U.S retail leaders' views on AI integration to optimize the decision-making process that makes the organization more successful. The current project will consider a qualitative inquiry that will assist in building the themes into the retail leaders' opinions on the AI application in the sphere of business activities. Discovering the thoughts of the U.S leaders in the retail industry would promote the use of AI and optimize the performance of the organization.

The research enriches the DBA specialization by exploring the retail industry business leaders' perspectives on how the integration of AI helps in improving the strategic decision-making process and improve organization performance. The project matched the DBA specialization and gave an in-depth understanding of the perceptions of the U.S healthcare leaders in the retail sector to take advantage of the use of AI to improve the performance of an organization.

## **Purpose Statement**

The next qualitative research will seek to explore what the U.S. leaders in the retail industry have gone through when adopting AI into the decision-making process to be successful in the adoption of AI and improvement of the level of employee engagement. In the proposed study, semi-structured interviews with the business executives at the top level will be conducted; the latter will have first-hand experience of AI-based leadership practices. As Bankins and Formosa (2023) point out, the introduction of AI in an organization helped the leaders to make strategic decisions and improve business performance and productivity. In this research, the authors will concentrate on the perceptions of the retail industry business leaders on AI-induced changes to enhance organizational performance. This project will involve real-life cases to come up with future leadership models using AI to enhance leadership performance via intelligent management of technology-human decision-making systems. The results of the research will lead to effective recommendations that can be proposed to companies wishing to implement AI leadership models among employees with employee trust and flexibility within the organizations.

## **Gap in Practice**

The practice gap is that leaders of the retail industry in the U.S. fail to implement AI leadership strategies properly, which results in not only the inability to implement AI but also poor leadership performance (Brock, 2020). A lack of AI integration could impact the strategic decision-making process and impact the organization's performance. Such absence of AI technology use demonstrated that it is challenging for leaders to make strategic decisions by the leaders (Alawamleh et al., 2024). Hence, the ideal scenario is to integrate the AI technology into the business to fuel the decision-making process, organizational innovation, and to increase employee engagement. Introducing systematic AI systems in leadership would allow businesses

to benefit from the use of AI to make data-driven decisions and uphold ethical leadership and human intuition (Rowinski, 2024). The issue of the leadership gap should be addressed to make sure that AI remains an enhancement tool, rather than a disruptive one.

Those gaps in leadership are caused by the absence of competence among the majority of executives who cannot be supported with the corresponding frameworks and ways to introduce AI into the decision-making process and keep the people-centered leadership (Nguyen et al., 2020). These constraints, including a lack of resources and knowledge, make the implementation of AI a challenge for the leaders. The findings can be used by the practitioners to attain the desired state since the organization adopts AI in the decision-making processes, which assist in coming up with strategic decisions and enhance the organization's operational effectiveness. The desired state will be achieved by leveraging the AI along with the human resources that help the leaders to make strategic decisions and improve overall performance and productivity (Kunal & Bansal, 2023). Thus, introducing AI into the business environment enhances the ability of the leader to create strategic decisions and an innovation-friendly culture, thereby increasing organizational growth and success within the market. Thus, the business leaders will use the AI-based decisions to make strategic decisions, improving organizational performance.

## **Theoretical Framework**

### **Project Context**

#### **Historical Background and Current Trends**

#### **Synthesis of the Scholarly Literature**

**Synthesis of the Practitioner Literature**

**Alignment of the Project With the Literature and Discipline**

## **SECTION 2. PROCESS**

**Project Questions**

**Project Design/Method**

**Stakeholders, Participants, and Target Audience**

**Role of the Researcher**

**Project Study Protocol**

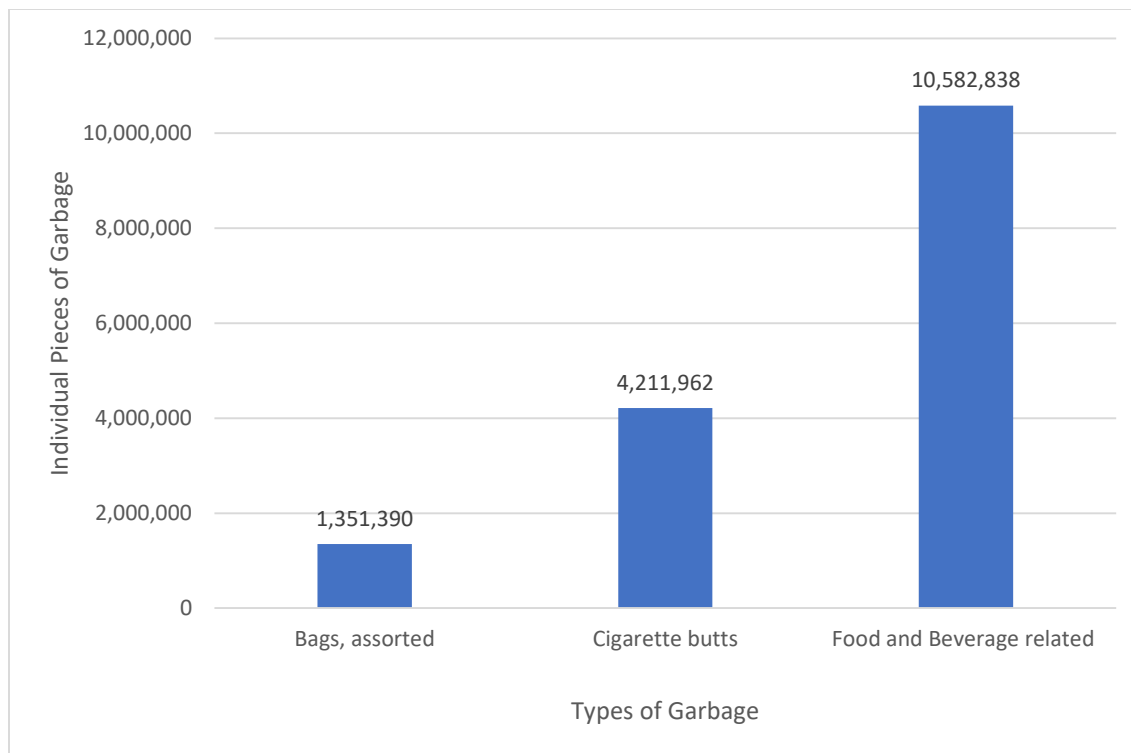
**Sample**

**Data Collection**

**Ethical Considerations**

**Data Analysis**

**Figure 1**  
*Types of Garbage*



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**Table 1**  
*Demographic Information*

| Participant | Age   | Sex    | Position | Years in position |
|-------------|-------|--------|----------|-------------------|
| P1          | 25-30 | Male   | Chairman | 10-15             |
| P2          | 41-45 | Female | CEO      | 6-10              |

*Note.* Potential participants under age 16 were omitted from the sample. Only essential notes need to be included. See [Table setup \(apa.org\)](https://academicwriter-apa-org.library.capella.edu/learn/browse/QG-44?group=All&view=list&term=tables&sort=asc) and <https://academicwriter-apa-org.library.capella.edu/learn/browse/QG-44?group=All&view=list&term=tables&sort=asc>. The [Doctoral Publications Guidebook](#) also addresses tables and figures.

## **SECTION 3. FINDINGS AND APPLICATION**

**Relevant Outcomes and Findings**

**Application and Benefits**

**Implications**

**Recommendations for Policy**

**Recommendations for Practice**

**Recommendations for Future Work**

**Conclusion**

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