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The Impact of Artificial Intelligence-Driven Decision Making on Organizational Performance in Emerging Markets

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Introduction

Decision-making powered by Artificial Intelligence (AI) has become one of the disruptive elements of the modern organization, inherently redefining the decision-making process of strategic, tactical, and operational choices and their implementation. AI-driven decision-making is the application of high-level computing methods like machine learning, predictive analytics, natural language processing, and intelligent automation to assist or even fully automate managerial decisions. These applications help organizations to predict the demand, allocate resources efficiently, evaluate risks, improve service delivery, and create personalized strategies with speed and precision that is beyond the capabilities of traditional decision-support systems (Amiri et al., 2025). Consequently, AI has been progressively put at the forefront of organizational competitiveness and sustainability.

In this discussion, organizational performance is viewed as a multidimensional concept where it involves financial (including revenue growth, profitability and return on assets), operational efficiency, innovation capacity, customer satisfaction and competitive positioning in general. Recent research highlights that AIs can also be used to improve performance and quality of decisions, in addition to alleviating uncertainty and becoming responsive to environmental changes in real-time (Hughes et al., 2023; Grimaldi et al., 2025). But these effects do not have the same magnitude and direction in various institutional and economic conditions.

The emerging markets, such as the Middle East, Latin America, Africa, and South Asia, are distinct in their economic, technological, and organizational aspects that define the use of AI and its success. Such economies are usually typified by great volumes of economic fluctuation, institutional unpredictability, insufficient digital infrastructure, information lack, abilities deficit, and regulatory laxities. Simultaneously, they show a

fast-growing mobile technology, digital, and e-government development with the chance of technological leapfrogging (Abou-Moghli and Shatem, 2024; Fischer-Abaigar et al., 2024). This is a two-sidedness that places emerging markets as an environment of high potential and high risk in terms of AI-driven decision-making.

In this case, AI has a great potential to reduce the disparity in productivity, increase the efficiency of the public and private sector, and to increase governance and service delivery. According to the evidence of healthcare, telecommunications, public administration, and ICT sectors, it is possible to enhance agility, resilience, and accuracy of decisions using AI-enabled systems even in conditions of uncertainty (Almeida et al., 2026; Chairuddin et al., 2026). As an illustration, AI-based healthcare information systems have been demonstrated to aid clinical and managerial decision-making resulting in improved resource utilization and quality of services (Amiri et al., 2025). Equally, AI-based e-governance programs have the potential to improve transparency, accountability, and citizen satisfaction of developing economies (Abou-Moghli and Shatem, 2024).

Even with these likely advantages, the deployment of AI-based decision-making in new markets is not quite uniform and uncontested. The realization of the full value of AI is usually limited by organizational resistance to change, ineffective data governance structures, ethical issues, and safety issues, misalignment of technology and strategic leadership (Atoum et al., 2024; Butlewski, 2026). Poorly developed or unresponsibly managed AI systems, in certain instances, can solidify existing inequalities, increase biases, or generate new types of organizational risk, especially where there is weak institutional regulation over them.

The main issue of the research is that, although AI-based decision-making has proven to have a positive influence on the organizational performance in the developed economies, its influence in the emerging markets is under-explored and empirically dispersed. According to existing research, the results are rather mixed, and the benefits are often dependent on the mediating organizational variables, including the productivity of employees, the level of digital skills, leadership capacity, organizational agility, and change management practices (Al-Hamli and Al-Marhdi, 2024; Hughes et al., 2023). This literature gap restricts theoretical knowledge and practical advice to organizations that face the volatile and resource-constrained environments.

This paper, therefore, analyzes the impact of the AI-based decision-making on organizational performance in the new markets with specific focus on the mediating factors of performance in terms of productivity, agility, and organizational capabilities. This study will attempt to create a more distincted assessment of when and how AI can produce performance outcomes by aggregating evidence on the topic across sector-specific studies, such as healthcare, ICT, public administration, and engineering-intensive industries (Amiri et al., 2025; Atoum et al., 2024).

Moreover, the research study provides the most important obstacles to successful AI implementation and suggests both strategic and managerial solutions that can improve positive performance and reduce risks.

The research questions of the study are as follows:

·What is the relationship between AI-driven decision-making and the quality of decisions and the performance of organizations in new markets?

·What are the mediating variables that affect the relationship between AI and performance? (Employee productivity, organizational agility, change management, etc.).

·What are the obstacles to the successful application of AI in emerging economies, and what can be done to overcome these obstacles?

Answering these questions, the paper is expected to add to the existing literature on AI and organizational performance, providing context-specific information that can be used by the policymakers, managers, and scholars who might be interested in the topic of technology-driven change in the emerging markets.

1. Theoretical Framework and Literature Review.

The connection between artificial intelligence (AI)-based decision making and organizational performance has gained growing academic interest, especially as organizations enter the periods of uncertainty, digital disruption, and competition. In an attempt to understand the role of AI in generating sustained performance benefits, and in particular in the emerging markets, this research relies on three complementary theoretical perspectives: the Resource-Based View (RBV), Dynamic Capabilities theory, and the Technology–Organization-Environment (TOE) framework. Collectively, these views allow developing a very strong base to comprehend the potential role of AI in value creation as well as the contextual aspect of its use and results.

The relationship between AI-driven decision-making and organizational performance has received growing academic attention, particularly in contexts characterized by volatility, digital transformation, and intense competition. The study uses three theoretical perspectives, which include the Resource-Based View (RBV) theory and Dynamic Capabilities Theory and Technology-Organization-Environment (TOE) Framework, to explain how AI creates lasting performance benefits for emerging market companies.

1.1 Resource-Based View (RBV) and AI-based Decision-Making.

The Resource-Based View assumes that organizations can obtain a lasting competitive advantage by obtaining and implementing the valuable, rare, inimitable, and non-substitutable (VRIN) resources. In this context, AI-based decision-making systems can be theorized as strategic resources, which can provide better organizational performance by increasing information processing performance, decision accuracy, and strategic foresight (Grimaldi et al., 2025). Compared to generic IT resources, AI capabilities, when entrenched in organizational practices, information infrastructure, and knowledge of management, are hard to imitate by rivals.

Recent publications underline that AI-based decision systems are not only beneficial in terms of automation, but also in terms of how they will convert data into information that can be acted upon. Grimaldi et al. (2025) state that entrepreneurship guided by data should be based on AI-driven decision-making to discover opportunities, make optimal resource utilization, and become more innovative. Whereas resource constraints and institutional uncertainty are common in emerging markets, AI may be a leverage mechanism to ameliorate shortfalls on capital, infrastructure, or market transparency. Nonetheless, the RBV also states that the presence of AI technologies is not a sure-footed factor to increase the performance level, but instead the competitive advantage is conditional on complementary human capacities, organizational culture, and strategic alignment.

According to the RBV, organizations achieve sustainable competitive advantage through their development and implementation of resources which possess value and rarity and inimitability and non-substitutability (VRIN) attributes (Barney, 1991). AI-based decision-making systems function as strategic resources which empower organizations to improve their information processing abilities and achieve better decision-making results and stronger prediction capabilities and advanced strategic planning skills (Grimaldi et al., 2025). The RBV demonstrates through empirical research in developing countries that AI capabilities deliver major performance advantages to companies particularly in data-intensive industries like e-commerce, by enhancing their competitive strength and boosting their operational productivity (Chen et al., 2022).

1.2 The Dynamic Capabilities Theory amid Changing and unstable environments.

The Dynamic Capabilities theory is a theory which expands the RBV as it focuses on the capacity of an organization to combine, develop and redesign internal and external competences in accordance with the fast-evolving environment. This point of view is especially applicable to new markets, which can be described by volatility, regulatory unpredictability, and external shocks.

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The use of AI in decision-making is a solution that improves dynamic capabilities by increasing the strengths of three fundamental processes: detecting the presence of opportunity and threats, leveraging opportunities by responding in time, and changing organizational structures and organizational processes (Almeida et al., 2026).

Empirical data indicate that AI-assisted analytics and decision support technology can enhance the agility of organizations, as organizations can respond to changes in the environment more quickly and create more adaptive strategic plans. In their study, Almeida et al. (2026) show that data-driven innovation and digital decision systems played a critical role in improving organizational resilience and agility in post-COVID public hospitals in Brazil. Even though the study is focusing on the health sector, the findings can be generalized to other organizational settings in the developing economies where there are the same constraints and uncertainties. Artificial intelligence-based decision-making is therefore a facilitator of dynamic capabilities, where organizations can constantly align their strategies and operations in turbulent markets.

Dynamic Capabilities Theory extends RBV by showing that organizations need to detect emerging possibilities and dangers and then implement immediate solutions while they adapt their resources and operational systems to handle unstable conditions (Teece et al., 1997; Almeida et al., 2026). The decision support systems which operate through AI function as fundamental technologies that support organizations to implement their processes of sensing and seizing and transforming because they provide organizations with the ability to perform analytics in real time and create simulation scenarios and execute dynamic strategic plans. Research consistently demonstrates that firms actively investing in AI technologies achieve measurable increases in labor productivity, with particularly pronounced effects in SMEs and service sectors — both highly represented in emerging markets (Damioli et al., 2021).

1.3 Technology-Organization-Environment (TOE) Framework.

Whereas RBV and Dynamic Capabilities describe the creation of value by AI, the Technology-Organization-Environment (TOE) describes the reasons and the process through which organizations adopt AI in the first place. TOE framework assumes that there are three interconnected dimensions that determine technology adoption: technological preparedness (e.g. data availability, infrastructure), organizational aspects (e.g. leadership support, skills, culture) and environmental factors (e.g. regulation, competition, institutional pressure). This model applies in particular to small and medium-sized businesses (SMEs) and state-owned institutions in developing countries, where the barriers to adoption can be quite high.
Empirical research on the emerging economies has repeatedly indicated that the impact of organizational and environmental factors on the translation of the AI-based decision-making into performance improvements is decisive.

Indicatively, Al-Hamli and Al-Marhdi (2024) establish that information technology and AI implementation in the Yemeni telecommunications companies had statistically significant positive effects on strategic performance, mainly through the enhancement of resource distribution and planning in the situation of political and economic instability. On the same note, Abou-Moghli and Shatem (2024) determine that the use of AI to improve e-governance services in Jordanian ICT organizations reinforced the implementation of the strategy and the quality of decisions, which underscores the significance of institutional support and leadership commitment.

The TOE framework demonstrates that organizations need three interrelated contexts to achieve successful technology implementation which generates positive operational outcomes. The first context requires organizations to establish their technological readiness through available infrastructure and reliable data. The second context needs organizations to develop their operational capabilities through executive management support and employee expertise and organizational values. The third context requires organizations to deal with environmental pressures which include regulatory requirements and market competition and institutional dynamics. (Tornatzky & Fleischer, 1990) This viewpoint holds particular relevance for developing nations because their inadequate infrastructure and incomplete regulatory framework and missing institutional structures create barriers to achieving AI advantages. (Abou-Moghli & Shatem, 2024; Ade-Ibijola & Okonkwo, 2023; Al-Hamli & Al-Marhdi, 2024).

1.4 Improvement in Performance and Productivity.

- Chen et al. (2022) — in terms of the RBV approach, the overall firm performance in e-commerce is improved significantly due to AI capabilities.
- Damioli et al. (2021) — AI patenting firms are more productive in terms of labor, and the effects are more pronounced in SMEs and service sectors.
- Al Naqbi et al. (2024) — Generative AI tech results in high productivity in the workplace through the automation of tasks and cognitive benefits in various industries.
- Ekuma (2024) — Systematic review demonstrates that AI and automation transform the current human resources development practices, which result in better employee performance and company outcomes.
- Amiri et al. (2025) — AI-based healthcare information systems enhance the efficiency of the operations, resource distribution, and quality of care.
- Almeida et al. (2026) — DSS-based decision-making enhanced agility and resilience of post-COVID Brazilian state-owned hospitals.
- Al-Hamli and Al-Marhdi (2024) — IT/AI implementation resulted in better strategic performance of Yemeni telecommunication companies even in the face of extreme instability.
- Abou-Moghli and Shatem (2024) — e-governance in Jordan with the help of AI improved the consistency of decisions and their strategic directions.

1.5 Employment and Workforce Effects.

- Abuselidze and Mamaladze (2021), Cp — Comparative pre- and during-pandemic analysis AI increases the rate of displacement of routine jobs, and creates new skills demanded.
- Acypreste and Paraná (2022) — The systematic review finds that AI is likely to destroy more jobs than it will generate in the developing economies in the short-to-medium term.
- Braganza et al. (2021) — adoption of AI has consequences on psychological contracts, employee engagement, and trust, which might become negative without adequate management.

1.6 Intermediating Mechanisms and Requirement Barriers.

- Atoum et al. (2024) — Technology adoption has a strong mediating role on performance through strategic leadership and effective change management in higher education.
- Butlewski (2026) — Demands the introduction of human-centered and realistic AI integration as the means of protecting the well-being of employees and guaranteeing sustainable results.
- Ade-Ibijola and Okonkwo (2023) — In the African contexts, the key limitations are infrastructure inadequacies, absence of skilled personnel, poor data ecosystem, ethical threats, and absence of AI policy frameworks.
- Ahmed et al. (2020) — Knowledge sharing and employee engagement turned out to be important mediating factors of performance in digital transitions caused by the crisis.

1.7 Methodological Advancements

The recent approach to the methodological literature offers strict principles of investigating complicated mediation patterns in this field:

Becker et al. (2023), Benitez et al. (2020), Cheung et al. (2023), Chin et al. (2010) — Becker et al., Benitez et al., Cheung et al., and Chin provide the state-of-the-art suggestions in terms of Partial Least Squares Structural Equation Modeling (PLS-SEM), which is most appropriate in the current research of the emerging market with many mediators.

1.8 AI-Based Decision-Making and Organization Performance: Overview Evidence

The wider literature offers a lot of information about the fact that AI-based decisions result in better organizational performance through the factors of speed, consistency, and prediction reliability. The cognitive bias is minimized by AI, and

a vast amount of data is processed in real time, and insights are produced that aid proactive decision-making, as opposed to reactive decision-making. Empirical research indicates that companies that use AI-based decision aids can attain efficiency and revenue increase of between 10 percent and 25 percent especially in data-centric industries (Amiri et al., 2025).

Amiri et al. (2025) demonstrate that AI-informed choices make healthcare information systems more efficient regarding operational processes, resource distribution, and service quality. Even though these results are placed in the frame of healthcare, the underlying processes, which are predictive analytics, automation, and decision support, can be applied to organizational settings like logistics, manufacturing, education, and the public administration. Furthermore, AI assists in knowledge generation and innovation by helping organizations to detect patterns, experiment with new business models, and take advantage of business opportunities (Grimaldi et al., 2025).

1.9 Evidence of Emerging Market and Sector Studies.

The potential and sophistication of AI-based decision-making is emphasized in emerging markets by empirical evidence. Sector-specific research demonstrates that, leadership quality, change management, and organizational readiness usually mediate performance gains. Atoum et al. (2024) observe that in institutions of higher education, which are prevalent types of organizations in emerging economies, strategic leadership and quality change management are highly mediating factors that can determine how technology is adopted and how it is related to organizational performance. This indicates that those decisions that are made by AI are best applied when they are incorporated into conducive systems of governance and leadership.

This is also supported by studies conducted in the public sector. Chairuddin et al. (2026) show that AI applications in university governance, e.g., prediction mapping and performance analytics, help to increase transparency and strategic planning. Similarly, Fischer-Abaigar et al. (2024) claim that AI-based decision toolkits can address the governance gap in the situation with the institutional void on the condition of the existence of ethical principles and capacity-building systems. These results highlight the sensitivity of AI results in the new economies.

1.10 Mediating Mechanisms: Productivity, Agility, and Human-Centered Integration

A growing body of literature suggests that AI-driven decision-making rarely affects organizational performance directly; instead, its impact is mediated by intermediate organizational capabilities. Two of the most frequently cited mediators are employee productivity and organizational agility. AI automates routine and repetitive tasks, freeing employees to focus on strategic, creative, and problem-solving activities.

This reallocation of human effort enhances productivity and decision quality, particularly in resource-constrained environments such as emerging market SMEs.

Organizational agility represents another critical mediating mechanism. AI enables real-time monitoring, scenario analysis, and rapid decision cycles, which are essential for organizations operating in volatile markets. However, recent studies caution that without a human-centered approach, AI adoption may lead to resistance, skill obsolescence, or ethical concerns. Butlewski (2026) emphasizes the importance of non-utopian, human-centered AI frameworks that balance efficiency gains with worker well-being and safety, ensuring sustainable integration rather than short-term performance improvements.

1.11 Research Gaps and Conceptual Implications

Despite increasing scholarly interest, the existing literature contains essential research gaps. Researchers have not sufficiently studied how AI technologies affect decision-making processes in emerging market small and medium enterprises because they lack complete longitudinal data about these technologies, which includes various sector-specific risks that need more research (Hughes et al., 2023). The current research studies concentrate on adoption results instead of evaluating decision-making effectiveness and operational success factors. The research needs integrated frameworks which connect strategic organizational environmental elements according to the study's proposed approach.

The research creates an all-encompassing theoretical model which combines RBV Dynamic Capabilities and TOE framework to investigate the effects of AI-driven decision-making on organizational performance in emerging markets while showing the pathways that connect these two elements and the constraints that exist in each specific situation.

The research shows that established economies experience direct performance improvements through AI-based decision making according to multiple studies which include Chen et al. 2022 Damioli et al. 2021 and Al Naqbi et al. 2024. The research from emerging markets shows inconsistent results which depend on specific contextual factors and the readiness of organizations to implement changes through their leadership and change management and digital skills and their organizational infrastructure and their ethical and regulatory development (Abuselidze & Mamaladze 2021 Acypreste & Paraná 2022 Ade-Ibijola & Okonkwo 2023 Ekuma 2024 Atoum et al. 2024). Research studies which focus on specific sectors face challenges because they need to establish direct pathways for their analysis while testing their mediation processes.

The present study delivers its contribution through its process of combining dispersed research findings to develop an integrated RBV–Dynamic Capabilities–TOE framework which specifically serves the needs of emerging-market research. The study focuses on understanding how employee productivity and organizational agility and change management practices connect with each other while the study identifies specific obstacles which exist within the particular context. The study development generates new theoretical insights which help managers and policymakers while advancing research for future studies.

3. Methodology

This is a conceptual/review paper using secondary sources: academic databases, journals (e.g., Problems and Perspectives in Management, Government Information Quarterly), and reports. The sources examine emerging and developing contexts which include Jordan Yemen Brazil and the various reviews of these two countries. The study combines both qualitative and quantitative results to examine mediation effects which were studied through PLS-SEM methods in comparable research. The study depends on existing information as its main source of data although the researchers suggest that subsequent research should use empirical methods through surveying participants in Egypt.

4. The Benefits of AI-based Decision Making in the Emerging Markets.

Decision-making in the realm of artificial intelligence (AI) has become a strong source of organizational performance in new markets where uncertainty, volatility, and resource limitations increase the demand of accurate and timely decisions. Among the most obvious and apparent positive effects of AI, one can distinguish the improvement of the quality and efficiency of decisions. AI systems can quickly process significant and diverse databases, and companies can make forecasts, risk evaluation, and strategic options in real-time. Such capabilities greatly decrease the decision latency and enhance accuracy in uncertain market environments. As Amiri et al. (2025) prove, AI-based analytics can lead to better predictive accuracy and more accurate decisions because it reduces the cognitive bias in people and increases their predictive effectiveness. Despite their scope of study being on healthcare information systems, the decision-making rationale can be applied to organizational setting in emerging economies.

These findings are supported by empirical evidence of Middle Eastern regions. IT- and AI-based decision systems improved the responsiveness of the strategic decisions and maximized the allocation of resources in Yemeni telecommunications companies amidst political instability and economic uncertainty (Al-Hamli and Al-Marhdi, 2024). In a similar fashion, Abou-Moghli and Shatem (2024) determine that e-governance and ICT solutions in Jordan were enhanced by AI and positively affected the level of

strategic alignment and decision consistency by introducing real-time performance indicators to managerial operations. These examples demonstrate the importance of AI-driven decisions in the situation when a delay or inaccurate decision can have disproportionately bad outcomes.

Another important performance aspect that can be affected by AI-driven decision making is operational gains. Mechanization of repetitive and regular operations will lower the costs of operation, lessen wastage, and increase the uniformity of the process. Predictive decision tools are useful in manufacturing and logistics-oriented emerging economies to optimise supply chain, inventory control and preventive maintenance. The use of such applications enhances productivity and ability to withstand disruptions in supply and infrastructure constraints. Based on the experience of developing market SMEs, AI-assisted systems of operational decisions have led to efficiency and revenue growth in the event of adoption with commitment and managerial readiness to adopt digital technologies (Hughes et al., 2023).

In addition to efficiency, AI-based decision-making enhances innovation and competitiveness due to the opportunity to develop new business models and entrepreneurship. Innovation in other sectors of fintech and agri-technology is supported by AI in emerging markets where information-driven insights can enable organisations to access low-served markets and become more inclusive. According to Grimaldi et al. (2025), data-driven entrepreneurship facilitated by AI analytics can enable organizations to detect new opportunities, test new value propositions, and expand innovations faster. Consequently, the decisions made through AI are seen as a source of competitive difference but not as a cost-cutting tool.

Notably, organizational capabilities tend to mediate the positive effects of AI on the performance of an organization. The productivity of employees is boosted by the automation of routine tasks, which ensures that human resources are not occupied with these routine tasks, thus are able to engage in strategic, analytical, and creative tasks. Another important mediator is organizational agility. It is demonstrated by Almeida et al. (2026) that data-driven decision-making facilitated agility and resilience of Brazilian publicly funded hospitals in the post-COVID era, allowing the rapid response to the crisis and adaptive resource distribution. Strategic leadership and change management in higher education institutions enhance the performance advantages of adopting technology and focus on the importance of having governance structures to actualize the value of AI (Atoum et al., 2024). Furthermore, AI-assisted university governance trends including predictive mapping and performance analytics are also factors in administrative innovation and strategic planning (Chairuddin et al., 2026).

Lastly, the need of human-centered AI integration is emphasized in recent literature. The use of ergonomics would synchronize AI-driven decision systems to match the

capabilities of the workforce, improving the welfare of the employees and making sure that the performance is sustainable (Butlewski, 2026). These advantages are further enhanced by public sector efforts that offer AI-based decision toolset to enhance transparency and coherence in situations of governmental void (Fischer-Abaigar et al., 2024).

5. Issues and Problems of AI-Based Decision-Making.

Although having such a great advantage, AI-based decision-making in new markets is associated with various challenges and risks that can limit its usefulness or even increase existing inequalities. One of significant barriers is the lack of digital infrastructure and low quality of data. The systems of AI systems are founded upon precise, prompt and thorough data, and numerous developing economies have incoherent information systems and poor data regulation. There is empirical evidence that in Yemen and Jordan there is a lack of data and infrastructure that decreases the predictability value and strategic usefulness of AI-based decision systems (Al-Hamli and Al-Marhdi, 2024; Abou-Moghli and Shatem, 2024).

There are also skill gap and resistance to AI in the organization. Making quality decisions based on AI should be accompanied by digital literacy, analytical skills, and readiness to change within an organization. In most organizations in an emerging market, the employees might not have the skill required to process the output of AI or feel threatened by AI with regard to their employment. Research in the higher education field has shown that without effective leadership and well-organized change management, introducing technology in terms of its performance improvement is not likely to have significant effects (Atoum et al., 2024).

There is also a great risk of a threat of ethical and regulatory problems. The decisions made by AI can be biased, especially when it comes to the diverse population, and can bring up the issues of data privacy and transparency. The low regulatory levels in new markets make it more likely that AI will be abused or, at best, advantage only some people. Amiri et al. (2025) note that the decision systems based on AI need to include ethical safeguards, whereas Fischer-Abaigar et al. (2024) state that the decision toolkits applied to the realm of the public sector should be extended to cover the governance and regulatory gaps.

The issue of cost and lack of fairness in adoption are other challenges. The high cost of implementation and maintenance makes AI less accessible to SMEs the high introduction and maintenance costs are limiting AI adoption to large organizations and increasing the digital divide. When it comes to volatile environments, the mismatched AI investments can result in greater organizational risk, instead of better performance (Hughes et al., 2023). The wider structural obstacles such as system integration of legacy systems and shortage of talents also make AI integration in emerging economies even more complex.

6. Discussion and Recommendations.

The created evidence shows that AI-based decision-making may contribute to the substantial improvement of organizational performance in emerging markets provided it is mediated by the organizational readiness factors, including productivity, leadership, and quality of governance. Experimental experience of Yemen telecommunications companies and Brazilian state hospitals shows that the context-specific and adaptable strategies of AI implementation can ease the volatility and institutional barriers (Al-Hamli and Al-Marhdi, 2024; Almeida et al., 2026). Nonetheless, AI advantages cannot happen automatically and must be consciously strategically aligned.

At the organizational level, managers ought to consider pilot implementations in the high impact areas including predictive analytics, resource allocation and operational planning. Trust, skills, and long-term value creation can be increased by investing in hybrid human-AI decision models and constant training programs (Butlewski, 2026). A robust leadership and change management is still needed to insert AI-informed decisions into organizational practices (Atoum et al., 2024).

Governments should invest in data governance structures, digital infrastructure, and education at the policy level to facilitate inclusive adoption of AI. Incentives and ethical provisions to SMEs, decision toolkits at the public sector can lessen the barriers to adoption and decrease risks as evidenced by governance-oriented interventions in the emerging settings (Fischer-Abaigar et al., 2024; Chairuddin et al., 2026).

Future studies need to go beyond conceptual and cross-sectional research through the use of longitudinal and sector-based empirical research designs. The opportunities available in the context of the Egyptian ICT and the public service organizations are promising to test mediation models and analyze the long-term performance effects of AI-based decision-making, especially through ethical and human-centered lenses.

7. Conclusion

The impact of AI-driven decision-making on the performance of organizations in new markets can be substantial and can lead to greater organizational efficiency, innovation, and agility. The given advantages are most vivid with the mediation of the employee productivity, the efficiency of the leadership, and the proper governance framework. Nevertheless, limitations related to infrastructural issues, shortage of skills, ethical and regulatory issues remain to limit the actualization of the full potential of AI. The adoption of AI-based decisions should therefore be strategic, human-centered, as well as context-sensitive to allow AI-based decisions to positively impact inclusive growth and sustainable competitiveness. The lack of response to these challenges will potentially increase the pre-existing performance and digital disparities within and between the emerging economies.

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