

Role of Leaders' Artificial Intelligence (AI)-driven Capability in Business Model Innovation: Evidence from Resource-poor Environments

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ABSTRACT

Organisational leaders face growing challenges in meeting stakeholder demands with traditional capabilities in a continuously evolving Artificial Intelligence (AI)-driven landscape. This study takes an initial step to empirically investigate and present findings on leaders' AI-driven capabilities and their influence on business model innovation through the mediating role of leaders' agility. Data were collected through a web-based survey of 419 full-time employees in Bangladesh's financial services industry. The results reveal that AI-driven capabilities significantly impact business model innovation and leaders' agility in resource-poor environments. Additionally, leaders' agility partially mediates the relationship between AI-driven capability and business model innovation. These findings contribute to the dynamic managerial capability (DMC) theory and offer insights into modern leadership practices in AI-driven organisations operating in a resource-poor environment.

Keywords: leaders' AI-driven capability, business model innovation, leaders' agility