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Between Knowing and Doing

A Qualitative Study of How Generative AI Reshapes Strategic Decision-Making in Technology-Oriented SMEs

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Abstract: Despite the increasing capabilities of generative AI (GenAI), existing research in strategic decision-making (SDM) has predominantly treated GenAI as a decision-support tool focused on cognitive enhancement and decision outcomes, leaving the everyday activities, routines, social dynamics, and roles through which strategic decisions are developed underexplored. This gap is particularly pronounced in small and medium-sized enterprises (SMEs), where SDM is informal and concentrated among few individuals. Drawing on Strategy-as-Practice (SAP) theory, this study examines how GenAI reshapes SDM in practice in technology-oriented Swedish SMEs. Nineteen semi-structured interviews were conducted with senior decision-makers and analyzed through reflexive thematic analysis. The findings reveal three reshaping dimensions. First, a validation paradox, structurally biased toward confirmation, emerges as decision-makers and GenAI simultaneously validate one another, blurring tool affordance and actor agency. Second, dyadic interactive strategizing emerges as decision-makers engage with GenAI iteratively as a human-like counterpart, partially displacing peer consultation during early-phase strategic work. Third, actors contributing to SDM expand organically while formal decision authority remains unchanged, also destabilizing the credibility signals through which strategic contributions were previously evaluated. Taken together, GenAI reshapes SDM by destabilizing conditions through which SDM is performed, evaluated, and legitimized. Theoretically, the study extends the SAP tradition by introducing the validation paradox, refining Jarzabkowski's typology of strategizing modes, and distinguishing between contributing and authorizing practitioners within Whittington's practitioner concept. It also raises practical implications for SMEs as GenAI is increasingly integrated into SDM, including risk of confirmation bias, difficulty of evaluating strategic input, and potential strategic homogenization across firms.

Keywords: Generative Artificial Intelligence, Strategic Decision-Making, Strategy-as-Practice, Strategizing, SMEs

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Definitions

TERM	DESCRIPTION
Generative Artificial Intelligence	Computational techniques that are capable of generating seemingly new, meaningful content such as text, images, or audio from training data (Feuerriegel et al., 2024, p.111).
Strategic Decision-Making	A decision which is important, in terms of the actions taken, the resources committed, or the precedents set (Eisenhardt & Zbaracki, 1992, p.17).
Strategy-as-Practice	Strategy as something people do, rather than something organizations have (Whittington, 2006; Jarzabkowski, 2005).
Strategizing	Practical-evaluative agency: the managerial agency involved in shaping and being shaped by situated and distributed activity in a process of becoming (Jarzabkowski, 2005, p.30).
Small and Medium-Sized Enterprises	Enterprises employing fewer than 250 persons that have a turnover of less than 50 million euros and/or a balance sheet total of less than 43 million euros (Eurostat, 2022).
Top Management	Individual senior executives with responsibility for the firm's overall strategic direction.

Abbreviations

ABBREVIATIONS	DEFINITION
AI	Artificial Intelligence
GenAI	Generative Artificial Intelligence
RQ	Research Question
SAP	Strategy-as-Practice
SDM	Strategic Decision-Making
SDMP	Strategic Decision-Making Process
SME	Small and Medium-sized Enterprises

1. Introduction

1.1 Background

The development and application of artificial intelligence (AI) have accelerated markedly in recent years (Chalmers et al., 2026). Although AI was introduced as a concept between the 1940s and 1950s (Duan et al., 2019; Haenlein & Kaplan, 2019), its practical relevance for organizations has increased substantially with advancements in data availability, computational power, and data storage capabilities (Duan et al., 2019). The emergence of generative AI (GenAI), most notably following the public release of ChatGPT by OpenAI in 2022 (Grassini, 2023), has further expanded the perceived possibilities and use cases of AI. GenAI technologies are capable of answering questions, synthesizing information, generating insights, recognizing patterns, and reasoning based on large volumes of existing data (Csaszar et al., 2024; Feuerriegel et al., 2024; Wei et al., 2025), making it easier for managers to work with data and foresee future trends (Mohammed et al., 2025). Consequently, GenAI is considered a revolutionary technology in modern management and increasingly applied across a wide range of fields and purposes (Azam et al., 2024; Mohammed et al., 2025), including strategic decision-making (SDM) (Doshi et al., 2024; Zhang & Zhang, 2024).

Being an important activity of top management, SDM concerns choices that shape an organization's long-term direction, competitive positioning, and allocation of critical resources (Csaszar et al., 2024; Eisenhardt & Zbaracki, 1992), and includes issues such as market entry, acquisitions, or major investments (Ahmed et al., 2014; Shepherd & Rudd, 2014). This makes SDM research important as it can improve the effectiveness of executive decision-making, ultimately contributing to organizational success (Shepherd & Rudd, 2014).

Regardless of GenAI's potential, firms may need to adapt existing SDM activities to realize its potential for strategic purposes (Wei et al., 2025). The interaction between GenAI-generated insights and strategic decision-makers raises questions regarding how, when, and in what way they incorporate, interpret, evaluate, and use GenAI in SDM. This uncertainty is further compounded in the context of small and medium-sized enterprises (SMEs), where SDM is particularly informal and relies heavily on the intuition and judgment of decision-makers (Kraus et al., 2007; Verreynne et al., 2014). This becomes significant given that SMEs account for 99% of businesses in the European Union and constitute the backbone of the European economy (Eurostat, 2024; Hansen & Bøgh, 2020). Thus, changes in SDM in SMEs can scale into substantial consequences for the broader economy.

Despite the stakes, how decision-makers are engaging with GenAI and how it reshapes SDM in SMEs remains poorly understood. Research has not yet fully demonstrated when strategic decision-makers

use, trust, push back against, or choose not to use GenAI at all, nor how these choices shape SDM across the organization. The gap between the technology's potential and the realities of how it reshapes strategic decisions in practice requires more understanding.

1.2 Aim and Expected Contribution

Drawing on 19 semi-structured interviews with senior decision-makers in Swedish technology-oriented SMEs, the overall aim of this study is to explore how GenAI reshapes SDM in practice. Existing literature offers limited insights into how GenAI affects the everyday activities, social dynamics, and roles through which strategic decisions are developed, particularly in SMEs where decision-making is informal, judgment-driven, and concentrated among a few individuals. The study approaches this gap from a practice perspective, examining how GenAI affects what strategic decision-makers actually do when they strategize.

Theoretically, this study attempts to extend the Strategy-as-Practice (SAP) tradition and to contribute to the GenAI in SDM and human-AI collaboration literature. It does so by showing how GenAI may reshape relationships among the actors who use it, shift the social organization of strategic work, reshape participation in strategizing, and partly disrupt conditions of strategizing. Empirically, it provides one of the first qualitative studies of how GenAI is used in practice in SDM within technology-oriented SMEs in Sweden. Through evidence from senior decision-makers, the study extends empirical coverage beyond large corporations and formal strategy settings to the more informal context of smaller firms. Practically, the study surfaces tensions that strategic decision-makers should be aware of as GenAI is integrated into strategic work, including shifts in how experience enters the decision process, how strategic work is conducted, how strategic contributions are evaluated, and how strategic participation is distributed across the organization.

1.3 Research Question

Motivated by the reasoning above, the Research Question (RQ) is:

"How does generative AI reshape strategic decision-making in practice in technology-oriented SMEs?"

1.4 Scope and Delimitations

The SME context was chosen for several reasons. First, the range in firm size enables better comparability between firms, as decision-making structures are less likely to differ substantially (Shepherd & Rudd, 2014). Second, factors such as power centralization and decentralized information flows may also lower organizational barriers to integrating new technologies, making the effects of GenAI more visible (Hansen & Bøgh, 2020; Moeuf et al., 2018). Third, it provides an organizational setting in which the informal, judgment-driven, and resource-constrained characteristics of SDM are particularly pronounced (Kraus et al., 2007; Shepherd & Rudd, 2014).

Technology-oriented companies were selected as they are more likely to possess sufficient familiarity with AI technologies, increasing the likelihood of empirically rich accounts from GenAI already being integrated into SDM. Research indicates that a firm's digital culture is one of the main predictors of digital technology adoption (Faiz et al., 2024; Nguyen et al., 2022), and AI adoption in strategic contexts is also evidenced to be substantially higher among tech-oriented firms (Eurostat, 2025; Mohammed et al., 2025).

The interviewees are part of top management, chosen because strategic decisions are principally made and authorized at this level (Eisenhardt & Zbaracki, 1992).

Sweden was chosen as the geographical focus because Swedish firms are among the top users of AI in Europe (Eurostat, 2025) and are considered to have advanced digitalization efforts (Berman et al., 2024). Also, Sweden recently being considered the most innovative economy in Europe, provides an excellent vantage point to gain valuable and interesting insights into how GenAI reshapes SDM in practice (European Commission, 2025; Ström et al., 2023).

Accordingly, the study does not examine large organizations, conduct cross-industry or market analysis, or evaluate the tangible effects on strategic decision outcomes. Further, the technical capabilities or accuracy of GenAI, what constitutes optimal use of GenAI in SDM, and its use for operational or routine purposes are not examined. The study also does not present empirical data from more junior employees or actors external to the firm.

2. Literature Review

This chapter reviews prior literature on SDM, GenAI, SMEs, and SAP to build a focused conceptual foundation for understanding how GenAI affects SDM in practice in technology-oriented SMEs, before identifying the research gap addressed by this study.

2.1 Strategic Decision-Making as a Field

SDM builds on broader decision-making theory, but is distinguished by its focus on high-level, organization-shaping decisions rather than routine or operational choices (Ahmed et al., 2014). Eisenhardt and Zbaracki (1992, p. 17) define a strategic decision as "one which is important, in terms of the actions taken, the resources committed, or the precedents set". Such decisions are typically characterized by high stakes, uncertainty, and irreversibility (Eisenhardt & Zbaracki, 1992; Leiblein et al., 2018; Mintzberg et al., 1976). This makes purely analytical evaluation of strategic decisions difficult, increasing the importance of managerial judgment, intuition, and experience (Khatri & Ng, 2000). Because SDM concerns long-term organizational direction and major resource commitments, it is primarily associated with top management teams and senior executives (Child, 1972; Eisenhardt & Zbaracki, 1992; Shepherd & Rudd, 2014).

One central part of the field is the process perspective on SDM, which examines how strategic decisions emerge. Mintzberg et al.'s (1976) foundational study, also supported in recent research (Ateljević & Alfirević, 2025), describes the strategic decision-making process (SDMP) as being "unstructured", iterative, and non-linear, rather than a clean progression from initial stimuli to choice. The process is conceptualized as unfolding through three broad phases: (1) *the identification phase* involves recognizing and diagnosing a strategic issue, (2) *the development phase* focuses on generating and designing potential courses of action, and (3) *the selection phase* involves evaluating alternatives and authorizing a final decision (Mintzberg et al., 1976). Although non-linear, Mintzberg et al. (1976) still argue that there is a logic in delineating distinct phases. The three phases function as analytical categories, while still recognizing that decision-makers may move back and forth between phases. This makes the framework useful for locating where, during the SDMP, new dynamics may emerge.

Moreover, an important concept across SDMP research is bounded rationality (Simon, 1955), the recognition that cognitive and informational constraints limit decision-makers' capacity to consider all alternatives or process all relevant information. As a result, strategic decisions are often shaped by heuristics and simplified judgment rather than purely analytical reasoning, particularly under uncertainty (Morelli et al., 2021; Trunk et al., 2020). These limitations are further influenced by contextual factors, as the degree and nature of bounded rationality vary across organizational

environments (Shepherd & Rudd, 2014). Situational conditions, such as time pressure, complexity, novelty, resource dependency, and environmental stability, also shape SDM (Nutt, 2008).

2.2 GenAI's Effect on Strategic Decision-Making

Building on the bounded rationality concept, recent research suggests that GenAI may transform SDM by enabling decision-makers to process more information faster and cheaper than they could alone, extending the limits of rationality (Csaszar et al., 2024). Nevertheless, effectively incorporating AI in SDM requires experience, insights, and technological skills (Mohammed et al., 2025). Human expertise remains essential for interpreting results, ensuring data quality, integrating contextual knowledge, and exercising judgment, especially in situations requiring ethical considerations or that are characterized by uncertainty or ambiguity (López-Solís et al., 2025; Wei et al., 2025). As such, AI is conceptualized as a decision-support tool that augments managerial judgment rather than substitutes for it (Mohammed et al., 2025; Wei et al., 2025).

However, this tool-based framing has also been challenged. Anthony et al. (2023) describe that GenAI is better understood as a counterpart in a system of work, as it has the ability to participate in work that has usually been performed by humans. Bailey et al. (2022) complement this perspective by arguing that emerging technologies should not be treated as stable entities with isolated effects. Instead, they should be treated as evolving relations that become intertwined with organizational processes, producing relational cascades where changes in one relation cause changes across others. This suggests that emerging technologies may play a constitutive role in shaping how organizational work is performed.

Research also suggests that GenAI not only improves decision quality. Doshi et al. (2024) demonstrate that GenAI evaluations of strategic alternatives are often inconsistent and biased, with output varying depending on the GenAI model and prompt. At the same time, earlier research on technology shows that users extend interpersonal trust to recommendation agents, treating them as social actors (Benbasat & Wang, 2005). Research on AI anthropomorphism further suggests that social trust is shaped by perceived cognitive and emotional intelligence as well as appearance (Kim & Im, 2023). This suggests that anthropomorphization may shape how decision-makers interpret and act on GenAI output. Additionally, several studies identify sycophancy, the tendency to produce affirming output, as a characteristic of GenAI (Chen et al., 2025; Roberts et al., 2024). While aggregating multiple evaluations can mitigate these limitations and achieve results closer to expert judgments (Doshi et al., 2024), the literature highlights the inherent instability of GenAI output and the resulting need for careful interpretation in strategic contexts. Mohammed et al. (2025) further argue that

effective use of AI depends on an "equal-partnership" between human judgment and the AI. This shifts the question from whether GenAI can support SDM to how the relationship is enacted.

Despite the contributions to AI-SDM research, GenAI is primarily treated as a decision-support tool with performance benefits such as speed, accuracy, and flexibility, emphasizing the effect on decision outcomes (Csaszar et al., 2024; Mohammed et al., 2025). Less is known about how decision-makers engage with GenAI, how they validate its output, and how its use reshapes the activities, relations, and roles through which strategic decisions are prepared and authorized.

2.3 SMEs as a Distinctive Setting

The adoption and use of advanced digital technologies like GenAI to support SDM differ between SMEs and large corporations. SMEs typically lack formalized planning processes, dedicated strategy functions, and staff compared to larger organizations (Kraus et al., 2007; Wang et al., 2007). SMEs also rely heavily on the intuition and experience of individual decision-makers (Ikbal, 2025; Kraus et al., 2007), have flatter organizational structures, less comprehensive SDM, and closer proximity between decision-makers (Moeuf et al., 2018; Shepherd & Rudd, 2014). This means that changes in how individual decision-makers perform strategic work directly translate into changes in how the firm makes strategic decisions (Moeuf et al., 2018). Similar to Csaszar et al. (2024), Ikbal (2025) argues that AI-driven analytics can support managerial judgment in SMEs by improving decision speed and accuracy, while also stating how GenAI could reduce cognitive biases such as confirmation bias, framing effects, overconfidence, and risk aversion.

Regarding GenAI adoption in SMEs, some suggest that SMEs' lack of resources, expertise, and dedicated strategies inhibits them from fully exploiting such technologies (Hansen & Bøgh, 2020; Segarra-Blasco et al., 2025). However, their flexible organizational structures also enable them to quickly adapt to AI tools (Ikbal, 2025). While most empirical and conceptual research exists on GenAI adoption in large enterprises, the application and impact of GenAI in SDM in SMEs remains comparatively underexplored (Ikbal, 2025; Oldemeyer et al., 2024; Peretz-Andersson et al., 2024). This points to the need for a practice-level examination of how GenAI is engaged in SME's SDM.

2.4 A Practice Perspective on Strategic Decision-Making

Research has increasingly moved from seeing strategy primarily as something an organization has to seeing it as something an organization does (Whittington, 2006). Early process perspectives from Mintzberg et al. (1976), Eisenhardt and Zbaracki (1992), and Elbanna (2006) produced substantial material explaining strategic choice through rationality, intuition, politics, and process. However, these perspectives have been criticized for focusing too narrowly on discrete decisions and managerial

cognition, while overlooking the everyday activities through which strategy is actually produced (Johnson et al., 2003; Whittington, 2006).

The SAP tradition addresses this by directing attention to what actors actually do when they strategize, including the tools and routines they draw upon, the interactions through which strategic work unfolds, and the participation of actors well beyond the executive team (Jarzabkowski, 2005; Jarzabkowski & Kaplan, 2015; Whittington, 2006). For example, Rouleau and Balogun (2011) show that middle managers, through discursive competence, can contribute strategically by "performing the conversation" and "setting the scene", drawing on contextual knowledge to be able to make meaningful strategic contributions. Their framework highlights both the ability to produce persuasive symbolic and verbal representations and the contextual and sociocultural knowledge required to deploy these meaningfully within a specific organizational setting. Rather than replacing process research (Jarzabkowski & Spee, 2009), SAP extends it by shifting the analytical focus from formal decision episodes to the ongoing activities, interactions, routines, and tools through which strategic work is performed (Whittington, 2006).

SAP has also attracted criticism. Its micro-level focus risks producing context-specific explanations disconnected from firm-level performance (Jarzabkowski et al., 2007; Jarzabkowski & Spee, 2009), and it has been argued that SAP should more consistently examine the outcomes of the detailed phenomena it portrays (Jarzabkowski & Spee, 2009).

Despite the critique, the SAP perspective is particularly well-suited for this study's purpose. Existing research on AI in SDM has predominantly drawn on perspectives such as the knowledge-based view, agency theory, and the resource-based view (Keding, 2020), directing attention to outcomes and capabilities while leaving the activities and interactions through which strategy is made underexplored. A practice-level lens directs attention toward understanding how GenAI is used, what it enables and constrains, and how its introduction reshapes the roles, norms, and interactions through which strategic decisions are prepared and authorized, an understanding that outcome-focused perspectives cannot provide.

2.5 Research Gap

Earlier literature on SDM in SMEs has predominantly focused on large organizations (Jankelová, 2017). Further, GenAI within SDM has been seen as a decision-support tool, focusing on how GenAI affects cognitive abilities and decision outcomes, but less on how it becomes part of doing strategy in practice (Csaszar et al., 2024; Ikbal, 2025; Keding, 2020; López-Solís et al., 2025). While research on GenAI in SDM has examined adoption and decision-performance benefits in SMEs, it has not examined how the activities and social interactions that contribute to SDM are affected (Hansen &

Bøgh, 2020; Ikbal, 2025; López-Solís et al., 2025; Segarra-Blasco et al., 2025). Keding's (2020) review further shows the field dominated by conceptual work with limited empirical grounding, highlighting the need for qualitative and exploratory research on AI's effect on strategic activities. Further, AI's application in SDM, particularly in SMEs, remains comparatively underexplored (Ikbal, 2025; Keding, 2020; Oldemeyer et al., 2024; Wunder et al., 2025). A SAP lens on GenAI's effect on strategic decisions in SMEs also remains largely absent from the literature.

This need for research is increasingly recognized. Keding (2020) calls for work examining how AI-supported activities change SDM as well as its unintended consequences, while Mohammed et al. (2025) call for more research on SMEs, where strategy resources and digital maturity differ from large corporations. Wunder et al. (2025) also highlight that GenAI-based strategy tools could improve productivity in strategic management, yet how this unfolds in practice remains underexplored. Anthony et al. (2023) also call for more relational theorizing, and Wei et al. (2025) highlight that AI's role in organizational decision-making remains a topic of ongoing debate.

This study directly addresses this gap and these calls by examining, through a qualitative, practice-based lens, how GenAI reshapes the activities, social dynamics, and roles through which strategic decisions are prepared and authorized in technology-oriented SMEs. This moves beyond decision outcome, adoption, and cognitive-input framings of GenAI to develop an empirically grounded, practice-level understanding of how GenAI reshapes the doing of strategy in a context where these dynamics are both consequential and comparatively understudied (Figure 1).

Figure 1*: Research Gap*

3. Theoretical Framework

Having established in Chapter 2 why a practice-level perspective is appropriate for this study, this chapter develops the specific theoretical framework deployed in the analysis. The framework draws on three complementary perspectives within the SAP tradition, building primarily on Whittington's (2006) integrative framework, Jarzabkowski's (2005) activity-based view, and Jarzabkowski and Kaplan's (2015) tools-in-use perspective.

3.1 Strategy-as-Practice: Praxis, Practices & Practitioners

To analyze the practice of strategy, Whittington (2006) distinguishes between three interrelated elements: praxis, practices, and practitioners, together forming an integrative framework for examining how strategic activity is carried out, which routines and norms shape it, and who participates in it.

Praxis refers to the "actual activity, what people do in practice" (Whittington, 2006, p. 619). It involves activities such as conversations with colleagues or consultants, meetings, presentations, informal interactions, writing reports, and management discussions through which strategy is performed. This concept is useful because it directs attention to the work surrounding strategic decisions rather than only the final moment of choice.

Practices refer to the "shared routines of behaviour, including traditions, norms and procedures for thinking, acting and using things" (Whittington, 2006, p. 619). Practices guide how praxis is done and can be specific to an organization or diffuse across industries or societies. In this study, practices guide the ways of doing strategy. This includes practices for producing and evaluating strategic input, peer consultation, management-group discussions, and the use of decision material, as well as norms around validating knowledge, signaling credibility, and the increasing use of GenAI. Practices matter because they shape what counts as legitimate strategic work and how contributions are assessed.

Practitioners are "strategy's actors, the strategists who both perform this activity and carry its practices" (Whittington, 2006, p. 619). SAP research emphasizes that practitioners include anyone who contributes to strategy. This could be internal actors such as top executives or middle managers, or external actors such as strategy consultants (Jarzabkowski & Spee, 2009; Whittington, 2006). Practitioner's effective participation depends on the "practitioners' capacity to access and deploy prevailing strategy practices" (Whittington, 2006, p. 626), which requires experience and familiarity with strategy practices. Entry into the practitioner set is therefore understood as a slow and gradual process, shaped by accumulated expertise and understanding of strategy practices.

The three elements continuously shape each other (Whittington, 2006). Changes in strategic practices could affect how praxis is carried out and who can participate, while practitioners themselves may reshape practices over time. This interrelationship is theoretically relevant because changes in any one element, such as how strategic activities are conducted or who can participate, may also reshape the other two.

The connection between the three elements constitutes what SAP conceptualizes as *strategizing* (Jarzabkowski, 2005; Jarzabkowski et al., 2007; Whittington, 2006), defined as "practical-evaluative agency: the managerial agency involved in shaping and being shaped by situated and distributed activity in a process of becoming" (Jarzabkowski, 2005, p. 30). In other words, strategizing is the skilled, real-time judgment managers exercise as they shape strategic activity while being shaped by the context, actors, and ongoing flow of activity around them. This bridges traditional dichotomies between strategic thinking and acting, and between formulation and implementation (Jarzabkowski, 2005), showing that strategy is never finished but continuously made through action.

While SAP conceptualizes strategizing more broadly as the ongoing accomplishment of strategy work and a strategy-making process (Jarzabkowski & Spee, 2009), SDM can be understood as a specific form of strategizing, concerning how strategic choices are identified, developed, and selected. Thus, Whittington's (2006) framework serves as the overarching structure for examining how GenAI reshapes strategizing. This enables an examination of how GenAI reshapes the activities through which strategic decisions are developed (praxis), the norms and routines through which strategic contributions become legitimate (practices), and the distribution of participation and responsibility within strategizing (practitioners).

3.2 Activity-Based Strategizing

Jarzabkowski's (2005) activity-based view complements Whittington's framework by explaining how top managers shape strategic activity through two key modes of strategizing: procedural and interactive strategizing.

Procedural strategizing refers to strategy work conducted through formal administrative practices, committees, systems, and plans that coordinate, document, and embed strategy within an organization. Since SDM in SMEs is generally more informal and lacks formal planning systems (Kraus et al., 2007; Verreynne et al., 2014), this study primarily draws on the concept of interactive strategizing.

Interactive strategizing refers to "direct, purposive, face-to-face interactions between top managers and other actors" (Jarzabkowski, 2005, p. 51). It includes conversations, discussions, meetings, and deliberations between actors through which they develop, negotiate, and reinforce interpretations of

strategic activity. Jarzabkowski (2005) further highlights that interactive strategizing may create forms of normative control, as top managers continuously reinforce shared meanings, expectations, and understandings of what constitutes legitimate strategic behavior and appropriate participation. Through these interactions, top managers may gradually align the behavior and reasoning of others with their dominant strategic interpretations (Jarzabkowski, 2005), as rhetorical abilities can help advance their strategic interests (Vaara & Whittington, 2012).

This perspective allows the study to examine how GenAI may alter the interpretive and normative dynamics through which strategic activity is socially constructed.

3.3 Strategy Tools-in-Use

The study also draws on Jarzabkowski and Kaplan's (2015) *tools-in-use* perspective, which challenges the traditional view that strategy tools should be judged by whether they are used correctly or incorrectly. Instead, they conceptualize tools-in-use, whose meaning and value emerge through situated interaction with practitioners, directing attention toward how tools shape and are shaped by strategic activity.

Within this perspective, the understanding of strategy tools shifts away from viewing them as *technologies of rationality*, focused on improving decision quality through correct use (March, 2006). Instead, it views them as *technologies of intended rationality* (Jarzabkowski & Kaplan, 2015), helping actors convey an appearance of rational and legitimate strategizing. Building on Cabantous and Gond's (2011) notion of tools as *rationality carriers,* strategy tools may support actors in conforming to broader norms of rational decision-making, shaping perceptions of competence, credibility, and legitimate participation in strategy work. Central to this framework is the relationship between the affordances of tools and actors' agency.

Affordance of tools, drawing on Zammuto et al.'s (2007) definition and the sociomaterial perspective of Orlikowski and Scott (2008), refers to "how the materiality of an object favors, shapes or invites, and at the same time constrains, a set of specific uses″ (Jarzabkowski & Kaplan, 2015, p. 539). Moreover, affordances are not deterministic, as the same tool may be used differently depending on the context and how practitioners choose to adapt and apply it.

Agency of actors refers to actors' capacity to select, use, adapt, and interpret tools in a given context (Jarzabkowski & Kaplan, 2015). This matters because the effects of any tool, including GenAI, do not follow automatically from its technical capabilities but emerge through how practitioners engage with it.

Importantly, affordances and agency are analytically separate but recursively related in practice. A tool's affordances both constrain and enable uses, while practitioners' use simultaneously shapes what the tool becomes in practice. Therefore, the effects of a strategy tool emerge through the interaction between the tool and its users, rather than from its technical features alone.

Jarzabkowski and Kaplan (2015) structure this relationship across three moments. *Selection* concerns when and why actors choose to use a particular tool, *application* concerns how the tool is actually used, and *outcomes* concern the effects generated through its use. This study primarily draws on the application moment of the framework, examining how practitioners choose to apply GenAI in SDM and how this interaction reshapes strategic activity, rather than comparing the selection of different tools or examining broader field-level outcomes.

Although Jarzabkowski and Kaplan's (2015) framework primarily examines established analytical strategy tools such as SWOT, Porter's Five Forces, and the Balanced Scorecard, this study extends the perspective to GenAI. The extension follows the same logic by which Kaplan (2011) includes technologically embedded tools such as PowerPoint, as GenAI aligns with their broader definition of strategy tools as "fluid objects that, through their selection and application by particular actors in particular contexts, produce a variety of outcomes for different stakeholders" (Jarzabkowski & Kaplan, 2015, p. 538). Additionally, the framework is grounded in sociomaterial literature on technologies-in-use, which treats tools as constituted through use rather than fixed in form (Orlikowski, 2000).

The framework is applied to examine how GenAI's affordances interact with practitioners' agency during SDM, and how GenAI both shapes and is shaped by the activities through which strategic decisions are made in SMEs.

3.4 Synthesis of Theoretical Framework

The three perspectives are combined into a single analytical framework for examining how GenAI reshapes SDM in practice.

Whittington's (2006) praxis–practices–practitioners triad provides the overarching architecture, showing how strategizing can be reshaped through three analytical entry points: the activities through which strategic decisions are developed (praxis), the norms through which praxis becomes legitimate (practices), and the distribution of participation and responsibility (practitioners).

Jarzabkowski's (2005) activity-based view specifies how strategic activity is socially organized among practitioners, with interactive strategizing providing the analytical concept needed to examine how the social organization of strategic activity may shift when GenAI is introduced.

Within this architecture, Jarzabkowski and Kaplan's (2015) tools-in-use perspective specifies how GenAI enters strategic work by conceptualizing how the interplay between GenAI's affordances and practitioner agency reshapes strategizing.

Together, this creates a coherent, layered framework for analyzing the empirical evidence (Figure 2). The vertical arrows in the figure represent the cross-level analysis enabled by the framework. Whittington's triad locates where GenAI reshapes strategizing, Jarzabkowski's interactive strategizing explains how strategic activity is socially organized, and the tools-in-use perspective explains through what mechanisms GenAI enters and reshapes strategic activities.

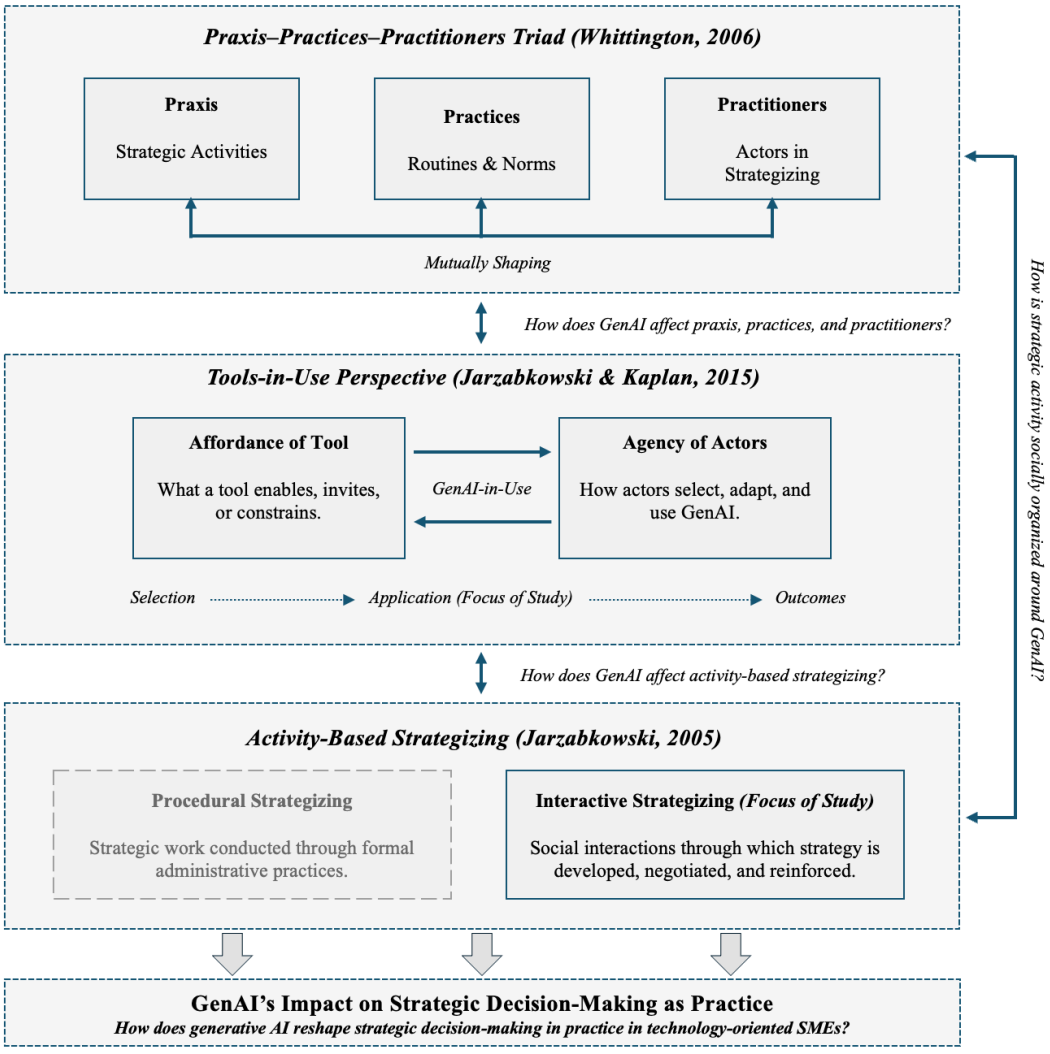

Figure 2: *Synthesis of Theoretical Framework*

4. Methodology

4.1 Research Approach

This study examines how decision-makers interpret and make sense of SDM practices. This orientation grounds the study in a social constructionist ontology, adopting a subjectivist lens in which organizational realities are understood as socially constructed through interactions and shared meaning, rather than existing as objective entities (Saunders et al., 2019). SDM is therefore viewed as an ongoing, interpretive process, shaped by individuals' interpretations within the organization.

Consistent with this, the study adopts an interpretivist epistemology (Saunders et al., 2019), emphasizing how decision-makers perceive, interpret, and act upon GenAI-based insights in practice. Rather than assuming simplified and objective relationships, the study focuses on how strategic actors interpret and give meaning to GenAI within their organizational context. This allows the study to capture how insights shape practices during the period studied, rather than assuming they inherently create stable, universal effects across organizations. Together, these positions align the study with the interpretive paradigm of organizational analysis (Burrell & Morgan, 1979), in which GenAI use in SDM is understood through the meanings actors attribute to it. Consistent with interpretivist research, the interpretive role involved in giving meaning to the empirical material is acknowledged as value-bound rather than detached (Saunders et al., 2019).

The study follows an abductive approach (Saunders et al., 2019). Rather than beginning from a theoretical framework to be tested or approaching the field without prior theoretical orientation, the analysis moved iteratively between empirical material and existing theoretical perspectives throughout the research process. Existing literature on SDM, SAP, and GenAI in decision-making informed the RQ, interview guide, and initial analytical path, but was not treated as fixed frameworks to be tested. Instead, they guided attention toward concepts while remaining open to changes throughout the analysis. The analysis moved iteratively between empirical material and theory to refine interpretations, identify tensions with literature, and develop grounded explanations, allowing unexpected empirical observations to influence the theoretical framing. The abductive approach was appropriate given the exploratory nature of the research and the limited prior empirical work on how GenAI reshapes SDM in SMEs. The research process is illustrated in Figure 3.

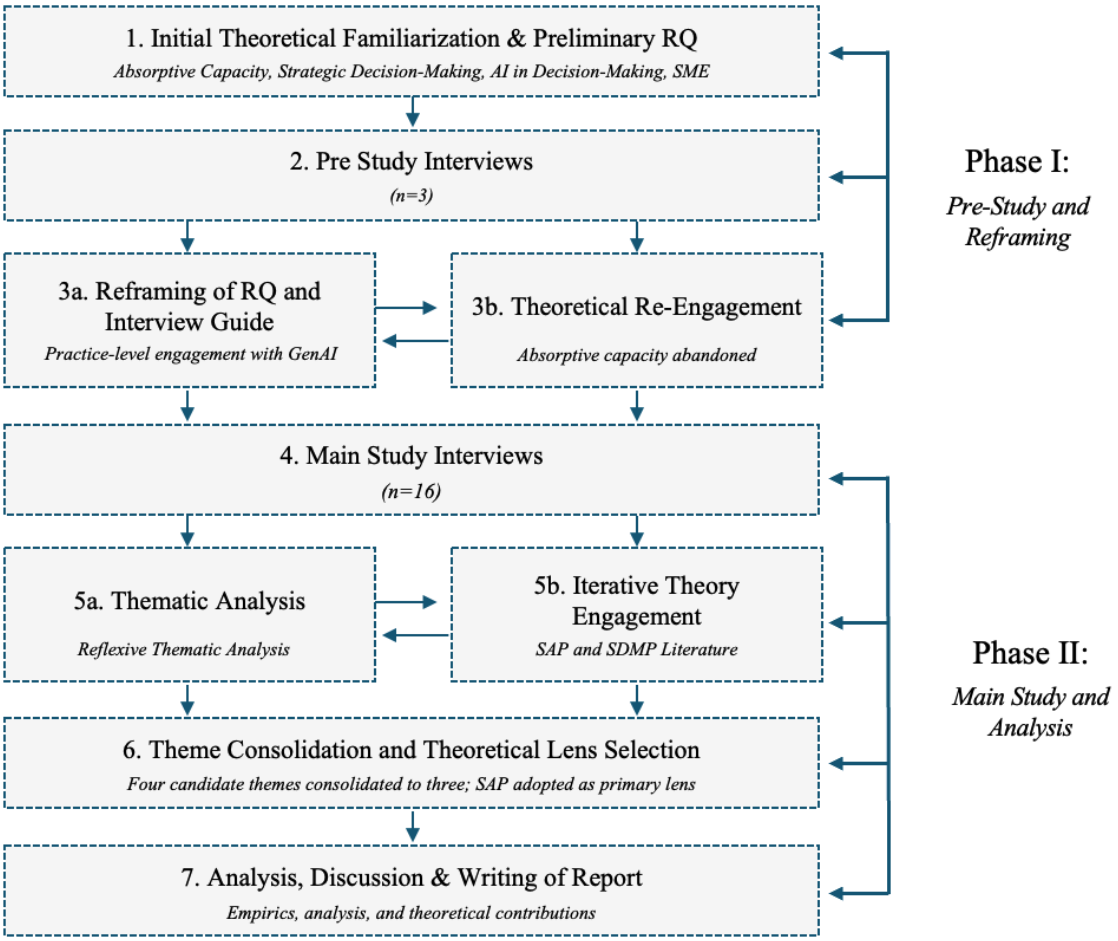

Figure 3: *Research Process*

4.2 Research Design

The study employs a qualitative, exploratory, cross-sectional research design based on semi-structured interviews. A qualitative design is appropriate as it allows in-depth exploration of how decision-makers experience and interpret GenAI output in SDM practices. Semi-structured interviews enable comparability across interviews while allowing respondents to elaborate freely and explore unexpected themes through follow-up questions. This balance allows for capturing nuanced, context-dependent observations that are difficult to replicate with standardized methods.

The exploratory design is suitable since prior empirical work on how GenAI reshapes SDM in SMEs remains limited. The cross-sectional design enables a focused examination of current practices during a short period, and is considered suitable given the rapidly evolving nature of GenAI use.

To generate richer empirical insights, the research was conducted in two phases: (1) a pre-study used to assess the interview guide and framing, and (2) a main study that built on the insights gained.

4.2.1 Strategic Decision-Making Process as a Sensitizing Concept

Mintzberg et al.'s (1976) SDMP framework is used as a sensitizing concept, offering suggestions for "direction along which to look" (Blumer, 1954, p. 7). The framework provides a shared vocabulary and temporal distinctions for GenAI effects in SDM through underlying decision routines. Identification includes *recognition* and *diagnosing* routines for strategic issues, development includes *search* and *design* routines for possible solutions, and selection includes *screen*, *evaluation choice*, and *authorization* routines. Although SDM is widely viewed as non-linear in practice, the framework offers a useful structure for tracing GenAI effects across different moments of strategizing without forcing the data into pre-existing categories and remaining open to overlaps and non-linear dynamics (Bowen, 2006). The framework also informed the interview guides as a conceptual reference point and for discussing the unfolding of strategic activity with respondents.

4.3 Sampling Strategy

The study used purposive sampling, as the aim was to generate depth of empirical insights rather than statistical representativeness (Saunders et al., 2019). Sampling was conducted in two stages: (1) the selection of firms, (2) the selection of interviewees within firms.

Firms were selected based on three criteria. They were required to: (1) primarily operate within the Swedish technology sector (including SaaS, AI-based, and other software-intensive firms), (2) employ between 15 and 150 people and have revenue below 50 million euros, and (3) have experience using GenAI in SDM. Firms with fewer than 15 employees were excluded because top management dynamics differ structurally at that scale, and larger SMEs (>150 employees) were excluded to enhance comparability of decision-making structures across the sample. Focusing on technology-oriented SMEs increased contextual comparability and reduced variation driven by industry-specific conditions, enabling a closer examination of GenAI use in SDM in practice.

Within each firm, individuals with direct involvement in SDM were targeted, primarily CEOs, COOs, CPOs, CTOs, and equivalent senior roles, as they are primarily responsible for strategic decisions. In this thesis, top management refers to individual senior executives with responsibility for the firm's overall strategic direction, rather than the top management team as a collective unit. Throughout the thesis, top management members interviewed are referred to as strategic decision-makers when discussed as empirical respondents, while Whittington's (2006) broader concept of practitioners is used to refer to actors involved in strategizing more generally, beyond top management.

Snowball sampling was used within firms when relevant (Saunders et al., 2019), with interviewees asked to suggest other strategic decision-makers with complementary perspectives. This resulted in a

small number of firms being represented by multiple respondents. Strategizing is understood as a social rather than purely individual practice (Hendry, 2000; Whittington et al., 2003), consistent with the study's theoretical lens. The additional interviews provided supplementary perspectives on shared strategic practices within the same organizational context, with respondents generally describing similar practices. Some individuals who initially expressed willingness to participate but did not meet the inclusion criteria were excluded after preliminary screening to preserve consistency.

As the RQ concerns how an organization makes strategic decisions, the organization is the appropriate level of analysis. While the empirical material draws from individual strategic decision-makers, their accounts are interpreted as descriptions of how strategy is practiced within their firms rather than as accounts of individual behavior.

4.4 Data Collection

Data collection consisted of 19 semi-structured interviews conducted between February 10 and April 9, 2026, lasting 27-64 minutes, with an average of approximately 49 minutes. Most interviews were conducted via Microsoft Teams, with a few being conducted in person, depending on the interviewee's preference. All interviews were conducted in Swedish, although English was also offered as an option, enabling respondents to express themselves naturally and precisely and allowing the interviewers to register subtler shifts in tone. With consent, all interviews were audio-recorded and transcribed to preserve phrasing and nuances relevant for interpretation. Identifying information was anonymized and handled in accordance with ethical research guidelines. Additional ethical considerations are presented in Appendix B. The two phases shared the same overall research focus but used different interview guides as the study framing shifted.

4.4.1 Pre-Study

The pre-study consisted of three pilot interviews conducted between February 10 and 12, 2026. The purpose was to assess the clarity and relevance of the interview guide, evaluate whether the questions were comparable across organizational contexts, and to test whether the initial research focus was appropriate given the insights provided.

The pre-study interview guide (Appendix C) was built around absorptive capacity (Cohen & Levinthal, 1990) and SDM, examining how GenAI affects organizations' acquisition, assimilation, transformation, and exploitation of knowledge. However, the pilot interviews indicated that this framing did not fully capture respondents' descriptions. The interviewees described how GenAI reshaped decision activities, participation, validation, and perceptions of relevant knowledge in strategic work, making absorptive capacity less suited to capturing these practice-level dynamics.

This led to a refinement of the study's framing and RQ, with greater focus on how GenAI reshapes SDM in practice. Although the pilot interviews were conducted under a slightly different framing, they produced empirically rich material, highly relevant to the revised RQ. They were therefore retained as part of the overall empirical material, as excluding them would have discarded valuable insights. Where relevant, differences between the pre-study and main study framing were considered in the analysis to ensure consistency.

4.4.2 Main Study

The main study consisted of 16 interviews conducted between February 17 and April 9, 2026. The interview guide (Appendix D) was structured around five sections to explore how SDM practices looked before GenAI adoption and how they have been reshaped following its introduction. Follow-up and probing questions were asked to clarify responses, explore interesting topics, and to deepen vague answers. This allowed insights from earlier interviews and theoretical interpretations to inform later interviews, consistent with an abductive research design. Data collection continued until it was judged that additional interviews mainly reinforced previously identified patterns and no longer contributed new insights relevant to the RQ (Saunders et al., 2019). Table 1 provides an overview of all interviewees with interviewee abbreviations presented in Appendix E.

Firm	Size	Industry	Role	Date	Duration	
Firm A	26-75	Commerce Intelligence	CEO	February 10	38 min	*Pre-Study*
Firm B	15-25	Media Analytics	CCO	February 11	35 min	
Firm C	15-25	IT Services	VPS	February 12	62 min	
Firm C	15-25	IT Services	CTO	February 17	35 min	*Main Study*
Firm D	15-25	Telecommunications	CEO	February 25	57 min	
Firm D	15-25	Telecommunications	HOS	March 2	41 min	
Firm D	15-25	Telecommunications	CTO	March 13	43 min	
Firm E	76-150	FinTech	CPO	March 2	42 min	
Firm F	76-150	Knowledge Management	VPS	March 4	56 min	
Firm G	26-75	FinTech	CEO	March 6	62 min	
Firm H	26-75	Property Technology	CEO	March 6	27 min	
Firm I	15-25	Professional Services Software	CPO	March 6	51 min	
Firm J	26-75	Recruitment Marketing	COO	March 9	60 min	
Firm K	76-150	Experience Management	HOC	March 10	42 min	
Firm K	76-150	Experience Management	CISO	April 8	54 min	
Firm L	76-150	Digital Entertainment	CEO	March 10	64 min	
Firm M	26-75	Video Automation	CEO	March 24	59 min	
Firm N	26-75	IoT Building Technology	CTO	April 2	56 min	
Firm O	76-150	Optical Technology	COO	April 9	42 min	
Minimum: 27 min		**Maximum: 64 min**		**Average: 49 min**		

Table 1: *Interviewees Overview*

4.5 Data Analysis

The empirical material was analyzed using a reflexive thematic analysis approach (Braun & Clarke, 2022). This was chosen to align with the interpretive and abductive research design, allowing for iterative movement between empirical material and theoretical perspectives, while emphasizing the active role of the researcher in constructing themes. Consistent with abductive research, existing SDM, SAP, and GenAI in decision-making literature helped inform the analytical attention without being treated as fixed frameworks, allowing unexpected empirical patterns to shape theoretical framing as analysis progressed.

Following Braun and Clarke's (2022) six-phase framework, the analysis began with familiarization with the dataset through repeated reading of the transcripts and logging initial patterns of interest. Afterward, the transcripts were coded using language close to the respondents, also informed by ongoing theoretical interpretation and the SDMP sensitizing concept. An example of coding for one subtheme, showing codes and illustrative data extracts, is provided in Appendix F.

Codes were then clustered into subthemes and candidate themes through iterative review against the dataset to ensure relevance and coherence. During this process, themes were merged, refined, and separated across multiple rounds, with prevalence not serving as the primary indicator of importance. Instead, they were evaluated based on their relevance to the RQ and ability to capture meaningful patterns of shared meaning. An initial set of four candidate themes was reduced to three, with depth, relational coherence, and theoretical relevance prioritized over breadth. The discarded theme was determined not to directly explain how GenAI reshapes SDM in practice.

The final thematic structure is presented in Appendix G as a refined thematic map, showcasing selected key codes, subthemes, themes, and their relationships, rather than the ongoing coding process. The retained themes were selected because together they provided the strongest explanation for the RQ. Figure 4 in Chapter 5 provides a navigational overview of these themes for the reader and is not intended as a Gioia-style data structure (Gioia et al., 2013). The themes form the basis of Chapters 5 and 6.

4.6 Research Quality

Research quality was assessed using Lincoln and Guba's (1985) trustworthiness criteria of credibility, transferability, dependability, and confirmability. These criteria are suitable for interpretivist qualitative research because they better reflect a focus on contextual understanding and interpretations. Conventional reliability and validity criteria are often considered philosophically and

technically inappropriate for qualitative research grounded in interpretive assumptions, as they are rooted in positivist ideas of objectivity and measurement consistency (Saunders et al., 2019).

Credibility was strengthened through audio recordings and full transcription of all interviews, preserving precise phrasing for interpretation. Semi-structured interviews allowed respondents to elaborate freely while enabling follow-up questions when clarification was needed. The empirical chapter also presents multiple supporting quotes from interviewees across roles and firms, demonstrating how patterns appeared across the dataset. One limitation is that the study relies on retrospective recollection, which may introduce memory bias. To mitigate this, respondents were encouraged to discuss concrete and recent examples.

Transferability is supported by clearly describing the methodological choices, sampling criteria, and empirical settings, enabling readers to assess the transferability to other contexts themselves. Furthermore, the study frames its findings at the level of underlying mechanisms rather than universal patterns, while specifying the context in which the findings were generated.

Dependability was strengthened by providing detailed documentation of the research process, including the refinement of RQ and interview guide following the pre-study, the rationale for sampling decisions, and the coding and analytical procedure. Regular supervisor feedback provided additional scrutiny of the study's methodological and analytical choices throughout the process.

Confirmability was supported by linking theoretical claims to traceable empirical material through respondent quotes. Independent coding followed by joint discussions was conducted to reduce the risk of researcher bias. The selection of SAP as the primary theoretical lens emerged through iterative engagement between empirical patterns and existing theory, ensuring that interpretations remained empirically grounded and theoretically informed.

5. Empirics

This chapter presents the empirical observations from the 19 interviews. The empirical material shows GenAI increasingly integrated into SDM, affecting the activities leading to strategic decisions. The thematic analysis (Figure 4) identified three themes that together help explain how GenAI reshapes SDM in practice. The following chapter presents each theme using a selection of representative quotes. A more extensive set of supporting quotes for each theme is provided in Appendix H.

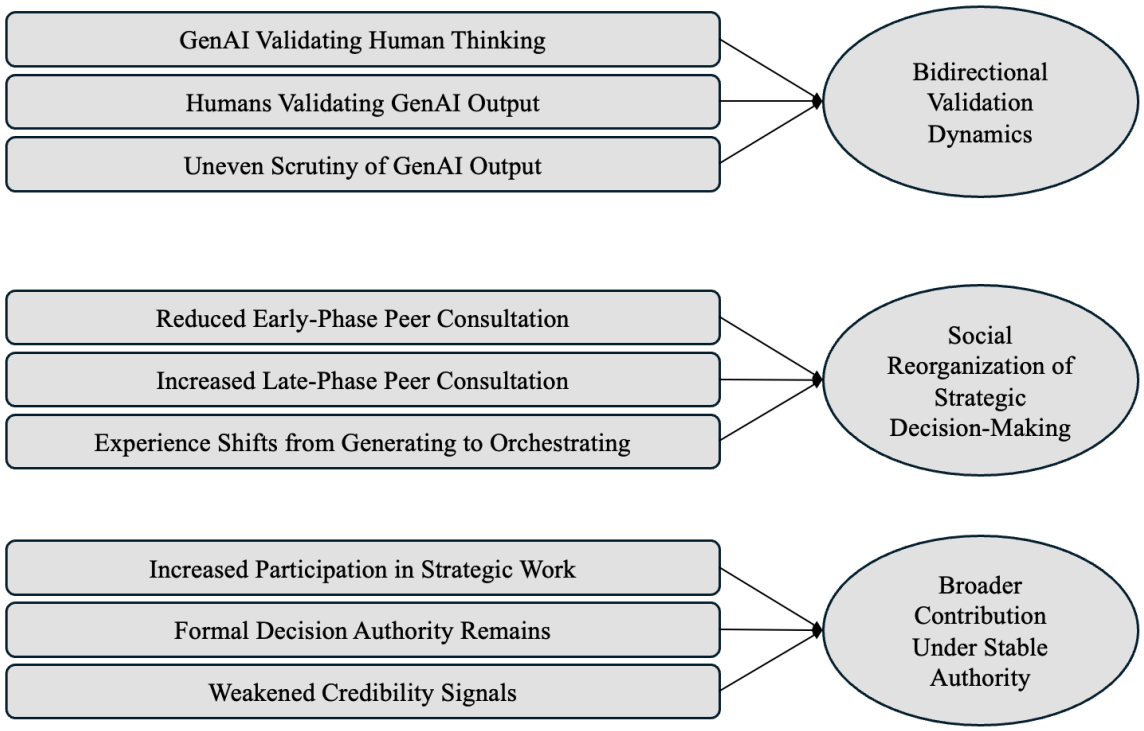

Figure 4*: Empirical Theme Structure*

5.1 Bidirectional Validation Dynamics

The first major theme cutting across the empirical material concerns the relationship between decision-makers and GenAI regarding validation. Rather than operating as a passive data source, GenAI is actively used by decision-makers to validate their own hypotheses and strategic reasoning, while simultaneously producing analysis and recommendations that decision-makers must themselves validate before acting upon. Together, these two directions of validation tend to operate unevenly in practice.

5.1.1 GenAI Validating Human Thinking

Across the interviews, decision-makers consistently described turning to GenAI to validate their own thinking. Respondents described using it to stress-test hypotheses and probe whether a strategic direction held up before committing to a view or presenting material to others.

> "It becomes more well-thought-out, so to speak. You can validate hypotheses faster that way." – K-CISO

> "I think everyone sees it as an advantage to have another one [GenAI as another worker]. Ways to get ideas and validate your ideas and improve your decisions." – B-CCO

Several respondents described this validation engagement as iterative, refined based on the feedback, going back and forth between their own thinking and the tool's responses across multiple rounds before arriving at a position they were ready to develop further.

> "And then maybe you create something and then you want feedback on it. So you get some feedback on it and then you iterate again. [...] There is nothing I don't want an AI's opinion on." – D-CEO

GenAI is increasingly integrated into the exploratory and evaluative work surrounding emerging strategic ideas before they are advanced further in the SDMP.

5.1.2 Humans Validating GenAI Output

Beyond its role as a sounding board, most interviewees described GenAI also being used to produce analyses and generate the informational basis for strategic decisions. Several respondents described using GenAI to conduct analytical work that would have previously required dedicated staff and significant resources. Respondents also noted that GenAI goes beyond analysis by independently producing recommendations, evaluations, and framings of the strategic question itself.

> "Quite a lot of the basis can be obtained from an AI that previously required 5 Deloitte consultants." – D-CEO

> "It can even say something like, I think you should do this. And then you can think, yes, that sounds reasonable. [...] Then it was AI that helped us find that angle." – B-CCO

> "It's kind of like a discussion between what I think I need and what the model thinks I need." – M-CEO

Respondents described validation of GenAI output as necessary for working with GenAI-generated material. Because output could contain inaccuracies, decision-makers described relying on experienced colleagues and domain expertise to validate whether GenAI material could be trusted. However, many respondents still described relying heavily on it when preparing strategic material.

> "It's probably domain knowledge, being able to validate what is good. To know your domain so you can see what is good and bad." – F-VPS

> "I don't know, you become a bit questioning and thoughtful […] Check with my partner if she could come up with a different percentage." – D-CEO

> "I would say 80–90% can be trusted. I trust an incredible amount. And it has gotten much better." – G-CEO

K-CISO described the pattern as a continuous loop, where GenAI generates and humans validate, with the validation feeding back into how the tool is then used.

> "We test it in small-scale pilots, gather real-world data, and then feed that back into the AI to refine it. It's a loop. AI suggests, humans validate, and then AI learns from the validation." – K-CISO

Together, the two directions of validation operate simultaneously, with decision-makers using GenAI to validate their own thinking, while also needing to validate the output GenAI produces in return.

5.1.3 Uneven Scrutiny of GenAI Output

Despite respondents frequently emphasizing the importance of validating GenAI-generated output, the empirical material also revealed differences in how this validation was carried out in practice. Several interviews suggested that the level of scrutiny applied to GenAI output varied depending on whether the output aligned with, or contradicted, the decision-maker's prior view. When GenAI confirmed existing assumptions or intuitions, respondents described accepting the output with less extensive examination.

> "Even though I had a clearer idea of where I thought this was heading. But it's still nice to get that second opinion. Yes, but it's probably enough. I hope it's critical. That it didn't just choose the same path, that we had that." – D-CEO

D-HOS observed this pattern in her colleague's behavior, noting how easily GenAI output gets accepted when there is no immediate signal that something is wrong.

> "But sometimes he [D-CEO] just takes AI straight off and thinks it should be implemented. While I might read it an extra time and think, no, wait a minute, this won't work." – D-HOS

One respondent recognized his own overconfidence during the interview:

> "Yes, it might be personal bias but it made sense. Or that it sounded reasonable. And that might be a danger now that you mention it." – F-VPS

In contrast, when GenAI contradicted the decision-maker's existing view, scrutiny tended to increase, often leading to deeper investigation and cross-checking against prior experience, intuition, and judgment. In many cases, this ultimately led the GenAI output to be dismissed in favor of human judgment, reinforcing the decision-maker's original view despite the AI's contradictory perspective.

> "It can be fantastic if it spurs me out of fixed ruts. And when you actually break out of your ingrained thinking. But very often, my experience tells me that it sounds a bit odd. And then when you continue to examine it." – E-CPO

> "Yes, I usually kind of stop asking [when AI contradicts]. Experience, perhaps?" – D-HOS

K-CISO captured the asymmetric scrutiny, describing how agreement has become the comfortable default, while contradictory output is increasingly trying and something they push back against rather than spend additional effort engaging with.

> "After two months you get irritated when it doesn't agree, because it was always like it hadn't understood […] I think people will be more and more on its case because it's cutting against them." – K-CISO

Three factors recurred most consistently across the sample in explaining this asymmetry: First, a majority of respondents describe that GenAI tends to produce affirming output, steering toward what the user appears to want to hear rather than challenging the user. Respondents acknowledged this dynamic, yet few took any active steps to counteract it.

> "All AI is built to function like sugar for you, roughly. That is, it butters you up big time so that you always think it's good." – N-CTO

> "If I want to, I can get AI to agree with me if I start arguing back a bit." – O-COO

Second, respondents describe situational factors such as limited time, competing priorities, and uneven domain expertise as constraints reducing the feasibility of continuous validation. Several frame the trade-off as accepting an answer feeling easier than critically challenging it.

> "There's also the matter of whether people are stressed or haven't had time to fact-check." – C-CTO

> "Time is always scarce [...] You are involved in all parts of the company, but you have very little time for all parts of the company." – E-CPO

> "It's like low friction to enter others' domains. But at the same time, it's difficult to evaluate it." – F-VPS

Third, all interviewees described and engaged with GenAI using language normally reserved for human collaborators. Phrases such as "asking it", "it told me", "bouncing ideas with it", "a colleague", and "having another brain" appeared repeatedly across the sample, framing GenAI as a social participant in strategic work.

> "Well, you use it as like it was a colleague." – H-CEO

> "It feels like I've gotten an extra brain to think with." – C-VPS

> "You could see it as a very competent junior employee who is eager to please." – J-COO

Several respondents linked this human-like framing to how they trusted GenAI and the way it was engaged with. A-CEO contrasted GenAI's "confidence" against the way human peers present their views, noting that the tool's lack of hesitation made its claims feel more credible than equivalent claims made by colleagues.

> "It is significantly more self-confident than if I were to ask a developer who is a bit introverted. It wouldn't push its thoughts in the same way an AI would do." – A-CEO

E-CPO drew an explicit parallel to the risk of passive reliance on AI, making an analogy to a pilot who allows the autopilot to override judgment, without understanding its limitations.

> "I think a little about pilots [...] As a decision-maker, you become passive and rely on someone else then, an AI, without sufficient understanding of the context or limitations. Roughly the same thing as if you misunderstood what level this autopilot is at right now." – E-CPO

The degree of the asymmetric patterns varied across respondents. While some actively managed the risk of uncritical confirmation, most still reported being more likely to accept GenAI output that aligned with their existing views. Thus, although unevenly expressed, confirming outputs consistently faced less scrutiny than contradicting output. O-COO highlighted how far this can go.

> "Could I use it [GenAI] in an argument with someone else to win them over? Absolutely. Should I darken an AI result to avoid having it [an argument]? Maybe. Now we're entering dark territory here." – O-COO

5.2 Social Reorganization of Strategic Decision-Making

The interviews also reveal that GenAI changes the social dynamics of SDM. Respondents described changes in who was consulted, at which point in the SDMP consultation occurred, and for what purposes. Two related shifts were framed by respondents regarding early and late phases of strategic work: First, GenAI has absorbed many of the social interactions between peers in the identification and development of decision-making. At the same time, social interactions seemed more concentrated around selection. Second, the role of experience has shifted from directly generating analysis to configuring what GenAI produces and evaluating it once it is produced.

5.2.1 Reduced Early-Phase Peer Consultation

A consistent observation was a change in the early phases of SDM. Previously involving informal conversations with colleagues, experts, industry contacts, and advisors, many of these exploratory conversations have now been replaced by interactions with GenAI. A majority of respondents described how questions previously requiring a knowledgeable colleague can now be answered by GenAI.

> "I think you need to do both to gather the information. But certainly, it [GenAI] replaces some of those contacts that you might have previously checked with an acquaintance or a work colleague at another company or something in those situations." – D-CTO

A common explanation was the reduction of social cost associated with asking unformed and uncertain questions. Previously, approaching a colleague with half-formed thoughts risked signaling a lack of preparation, undermining their professional credibility. Respondents reported that the implicit expectations around colleagues' time meant early-phase exploration was often self-censored, with underdeveloped questions never raised.

> "There are many things where I would never have taken up my colleagues' time because the question is so vague and unqualified. It's just not worth asking, and especially not if you're the CEO because then people tend to actually want to satisfy what you have asked for [...] But that consideration isn't given to LLMs." – M-CEO

Several respondents reinforced this logic, highlighting how GenAI absorbs the iterative exploratory work. This phase was portrayed as more internally driven than before, as respondents described moving back and forth between their own reasoning, GenAI output, and follow-up prompts, gradually refining ideas privately before involving others.

> "It goes incredibly much faster to absorb a lot of information and start breaking it down, bouncing ideas around, and getting a set of hypotheses to move forward with." – C-VPS

> "Here is my idea and vision. Help me refine this. So we can bounce ideas back and forth." – J-COO

The same shift was visible in the resources required to produce strategic preparation material. What previously required staff, paid external advice, or networks is now produced within the firm using GenAI at lower cost.

> "It was much more resource-intensive before this came along [GenAI] for a company like us to find out what the whole world thought about something. And then alternatively had to pay quite a lot of money to get Forrester reports or Gartner reports [...] Now Forrester is more used as a credibility piece. The information is already available." – K-HOC

5.2.2 Increased Late-Phase Peer Consultation

The reduction in early-phase peer consultation did not mean a reduction in overall human involvement in SDM. Instead, after working through questions privately with GenAI, respondents describe how peer consultation re-enters with better-prepared material and qualified questions. This pattern appeared across firms and roles, where GenAI-assisted exploration happens earlier and more privately, while collective discussions and evaluations become concentrated in the later phases.

> "Then I can understand, or have more qualified questions and discussions with my colleagues, because I can do more research myself first." – G-CEO

> "We use it [GenAI] a lot to summarize the data we receive, find data, summarize data, compare [...] set up different hypotheses, test them. And then we narrow it down to clear ideas that we discuss internally and then a decision is made in the management group." – B-CCO

K-HOC captured this consultation redistribution most explicitly by contrasting the number of individuals involved when generating ideas with the number involved when making decisions.

> "There are more and fewer involved (in SDMP) [...] There are fewer people you might need to gather information from to get the full picture [...] but there are more people involved when you need to verify whether it's a reasonable decision or not." – K-HOC

K-HOC further explains that while research has accelerated, the SDMP has not, and may even take longer, as verifying GenAI-generated material usually requires collective evaluation. Similar patterns were observed across the sample.

> "People trust AI in its ability to gather information, do research, compile, and provide the full picture. But when you actually have it and decisions need to be made, it doesn't go faster, because you are still very keen that everyone should agree that what the AI did is an accurate picture of the reality you have." – K-HOC

Thus, the interviews suggest that strategic work during identification and development increasingly takes place through human-AI interaction, while human-human interaction becomes more concentrated later, closer to final decision-making.

> "We don't use it [GenAI] to make the decisions. Then I think we might as well lie down and die. So that's a bad idea. We use it a lot to prepare decisions." – L-CEO

5.2.3 Experience Shifts from Generating to Orchestrating

Respondents also described a shift in how experience contributes to strategic work. Traditionally, decision-makers used their experience to find and analyze data. But as GenAI increasingly performs this work, respondents noted that their role had shifted toward configuring how the tool is used and evaluating the accuracy and relevance of its output. The configuration side of this shift was described in terms of prompting, framing problems, and providing context.

> "Instead of doing and being the one who might be the smartest about it, there is a change in the role description around orchestrating and ensuring, quality assurance." – C-VPS

> "It is worthy of having, sort of [experience], build different types of prompts and use different models, because there are different shades to everything." – B-CCO

J-COO provided a concrete illustration. When asked which Google Workspace license would satisfy the firm's ISO compliance requirements, GenAI initially recommended a cheaper option that appeared technically defensible. His domain experience prompted suspicion, leading him to feed the firm's actual compliance policies into the tool as additional context, after which it correctly identified two specific gaps in the cheaper license.

> "You get answers if you ask the question. Then perhaps you realize that you need to rephrase this or rework something. Or provide the context needed to perform a reasonable analysis. […] It is a very competent generalist. But it doesn't have domain expertise, so sometimes you may need to guide it along the way. Feed it more data in your own context." – J-COO

Despite this shift, experience and expertise remained critical because GenAI struggled to access firm-specific knowledge and organizational context. Those without it may not recognize limitations and inaccuracies, or be able to assess whether output was strategically meaningful.

> "You need the experience to be able to say that now you are off track. We need to prompt this a bit more or check again." – E-CPO

> "It probably struggles to grasp some of the context sometimes. Or it misses very important information that it hasn't been trained on or similar. Because it's like hidden company information or whatever it might be." – A-CEO

> "I can see that when I myself am a bit confused about the topic or don't have the same experience, then I become more uncertain […] When you don't understand the subject, it's harder to absorb the information." – D-CEO

5.3 Broader Contribution Under Stable Authority

The third observed theme concerns how GenAI affects who participates in strategic work. GenAI has widened the range of people who contribute strategically relevant input, while the formal accountability for decisions has remained fixed with the same senior individuals. Alongside this widening, respondents describe that signals previously used to judge the quality of strategic contributions have become less reliable.

5.3.1 Increased Participation in Strategic Work

A majority of respondents describe that GenAI has made it easier to perform work outside their role and area of expertise. GenAI also reduced the time and effort previously required to engage with strategic analysis. What earlier demanded substantial preparation can now be conducted quickly and individually.

> "There is a lower threshold. You don't need to have the same expertise in their field because you can use AI to gain that expertise." – C-CTO

> "Compiling that material before the age of AI and presenting it to a management team, it would have taken an enormous amount of time. I would have needed to sit for two or three days just preparing for the meeting." – D-CEO

Interviewees also describe how difficulties in communicating ideas previously prevented some good ideas from being considered, or even reaching SDM discussions at all. Now, GenAI has improved their ability to communicate ideas they could not previously articulate into structured and persuasive material.

> "If it can be an obstacle in how some people are better at expressing themselves than others in writing. So it won't be a stopping factor, perhaps in the same way as before. People with very good ideas may have difficulty expressing it in writing." – G-CEO

Respondents further noted that more employees are now involved in decisions they were previously excluded from, leading respondents to feel that the boundaries between roles have become less distinct. Contributing to strategic decisions no longer seems constrained by employees' formal role or primary expertise.

> "Then there is this more general aspect, that the lines between different roles become much more blurred [...] They are involved in decisions that they might not have been involved in before because AI gives them the opportunity to move into domains other than their primary ones." – F-VPS

Respondents highlighted how GenAI, without any deliberate organizational redesign, increased the number of employees actively engaging with strategic issues, as access to analysis, information, and strategic reasoning became more widely accessible.

> "It hasn't changed decision-making, but it has, without us really having done anything actively for it, changed how many people think and have opinions about things. Because it's not just me who has this opportunity to sit in Claude, but it is all employees at the company who can sit and do it. People have ideas. When it becomes so easily accessible, then many more people act on that thought [...] knowledge and data are being democratized. [...] And that also allows them to come to us with more thoughts and ideas." – J-COO

5.3.2 Formal Decision Authority Remains

Many interviewees emphasized that the set of individuals who hold SDM authority before GenAI has not changed, as making strategic decisions is inseparable from responsibility for its outcomes. Even when substantial parts of the analytical basis were prepared by GenAI or more junior employees, they

consistently tie decision authority and accountability to formal organizational positions. Thus, neither other employees nor GenAI gained responsibility for making strategic decisions.

> "AI is never the decision-maker. AI will never be the one [...] we don't put all our trust in it." – N-CTO

> "For everything except making the decision, I would probably say [...] it must be us humans who take the final responsibility in our organization." – G-CEO

> "Decision-making still lies with the same senior individuals in the company. If you fuck up, you have yourself to blame. It is still your responsibility if you have a junior employee who helped provide the subject material for the AI that does that. Ultimately, you have the responsibility." – J-COO

L-CEO exemplifies this.

> "If you're going to work as a leader, then you must have people you work toward. I can't say, it was Agent 8 who did this, so I can't take responsibility for that. That's no way to run a business. So therefore, the decision must lie with the right person." – L-CEO

Taken together, these observations describe more individuals contributing strategically relevant input than before, while the set of individuals who formally authorize decisions and are held accountable for their outcomes remains unaffected.

5.3.3 Weakened Credibility Signals

While respondents underscored that GenAI and lower-level employees enabled by GenAI increasingly make strategic contributions, they also informed that traditional quality and credibility signals were less reliable. Before GenAI, respondents described volume, structure, and comprehensiveness in strategic materials as indicators of the time, expertise, and effort invested. Now, similar material can be produced quickly and with minimal effort by anyone.

> "This idea that if someone came to me with an idea and the proposal was a 30-page single-spaced memo from four years ago. Then the reaction would have been, damn, someone has really put a lot of time into this. While today, when someone comes to you with a 30-page memo, the thought is, damn, here someone hasn't managed to put enough time into handling the output that comes with this LLM." – M-CEO

Presentation and quantity are described as unreliable indicators of the quality of thinking behind them.

> "Average is higher [strategic material]. [...] The average Joe has gotten a powerful weapon in their grasp. So it's often that it should look convincing. It looks very well thought out. There is statistical evidence, it's neatly organized, it's well presented. You can make things look very convincing." – K-CISO

> "I think the difficult boundary is that everyone can be opinionated today, which is quite dangerous, really." – A-CEO

> "You get so much information that just the volume, it might both deter and deceive you about the quality in some way." [...] "You might make the wrong decisions because you confuse that volume for quality." – M-CEO

J-COO situated the problem of assessing quality within a broader challenge of managing the volume of GenAI output.

> "It [more strategic input] can actually make things go slower. Because you spend time on things you otherwise wouldn't have spent time on. But it doesn't move us forward toward the goal." – J-COO

No respondent described a new method for determining the quality and credibility of strategic material. While individual decision-makers used varied personal approaches, none were described as shared within their organizations.

6. Analysis & Findings

This chapter analyzes how GenAI reshapes SDM in practice in technology-oriented SMEs, drawing from the theoretical framework developed in Chapter 3 and the empirical material. Consistent with the study's abductive approach, the analysis moved iteratively between empirical material and SAP concepts, with the empirical material helping guide the final selection of the specific SAP theories and concepts most relevant for interpreting the data. This process resulted in three analytically distinct yet interconnected findings: the Validation Paradox (6.1), the Social Reorganization of Strategy Work (6.2), and the Decoupling of Practitioners (6.3). These themes are then synthesized to reveal a shared destabilizing mechanism (6.4).

6.1 The Validation Paradox

6.1.1 Affordance-Agency Blurring

The empirical material reveals a distinctive pattern in how strategic practitioners engage with GenAI, particularly during the identification and development of strategic decisions (Mintzberg et al., 1976). Practitioners deliberately use GenAI to validate their own strategic thinking, using the output to confirm, challenge, or refine their thinking before committing to a view. Simultaneously, they must validate the insights, analyses, and interpretations generated by GenAI using domain knowledge and experience. The two directions of validation, where strategic practitioners and GenAI simultaneously validate one another, together form what this study terms *the validation paradox*.

The validation paradox exposes an assumption in Jarzabkowski and Kaplan's (2015) tools-in-use framework, that affordance and agency remain distinguishable even while recursively shaping one another. The framework presupposes that the practitioner stands at one side of the interaction and the tool at the other. This worked with traditional strategy tools, which assisted strategizing by categorizing, making predictions, providing structure, or organizing information, creating a distinct division of work between tool affordance and human agency.

GenAI disrupts this division by extending the tool's affordances into the domain of actor agency, producing not just frameworks for interpretation, but interpretations themselves. The division is essentially blurred, as practitioners no longer interpret tool output solely from an external evaluative position but increasingly have to evaluate interpretations that the tool has already preconstructed.

This is what structurally produces the validation paradox: the more GenAI participates in evaluative and interpretive work, the less practitioners can evaluate independently, as the tool has partially occupied the evaluative position the framework reserves for users. In Jarzabkowski and Kaplan's

(2015) terms, the capacity for practitioners to independently adapt and apply the tool may be reduced, as GenAI itself actively participates in its own adaptation and application in practice. While human agency is not eliminated, it is no longer exercised from a position outside the tool's affordances, the assumption on which Jarzabkowski and Kaplan's original framework depends. This blurring reshapes the practices through which validation is guided, while simultaneously affecting practitioners' praxis in engaging with strategic material (Whittington, 2006).

6.1.2 The Structural Asymmetry of Validation

The empirical material also reveals that the validation paradox does not operate symmetrically in practice. When GenAI produces output that aligns with the practitioner's existing view, it is more easily trusted, and the inclination to scrutinize is low. When GenAI produces output that contradicts the practitioner's view, scrutiny increases, and practitioners fall back on their own intuition or seek confirmation from experienced colleagues. Thus, the validation paradox risks validation being bypassed precisely when its corrective function would matter most, and is intensified when GenAI produces counterperspectives that could potentially be valuable. The asymmetry risk seems structurally produced and magnified by three reinforcing factors: (1) the properties of the tool itself, (2) the situational context, and (3) how practitioners perceive the tool.

First, GenAI itself exhibits tendencies toward sycophancy, producing output that appears to satisfy what the user expects, as evidenced by the interviewees in this study and earlier research (Chen et al., 2025; Roberts et al., 2024). Not only do practitioners tend to trust confirming output, but GenAI's sycophantic tendencies make confirming output more likely to appear in the first place. The two dynamics reinforce each other, ultimately producing even greater asymmetries between confirmation and challenge.

Second, situational conditions such as limited time, limited domain expertise, resource constraints, and a faster competitive environment reduce the feasibility of continuously validating GenAI output. This is reinforced by the fact that the cognitive cost of contesting GenAI output exceeds the cognitive cost of accepting it. Together, these conditions influence how much evaluative effort practitioners spend on each GenAI output.

Third, practitioners' engagement with GenAI indicates anthropomorphic tendencies toward the tool (Kim & Im, 2023). When practitioners engage with GenAI as a human-like counterpart, the interaction resembles Jarzabkowski's (2005) interactive strategizing, rather than conventional tool use. Thus, social trust norms normally reserved for humans transfer to GenAI, lowering the threshold for accepting GenAI output as credible strategic material. E-CPO's pilot analogy captures this dynamic:

the danger is not that the autopilot fails, but that the practitioner has misunderstood which level of autopilot is currently engaged.

The validation paradox's asymmetry is further explained by Jarzabkowski and Kaplan's (2015) reframing of strategy tools as "technologies of intended rationality" rather than technologies of rationality (March, 2006). Tools help actors convey an appearance of rational and legitimate strategizing, what Cabantous and Gond (2011) call "rationality carriers". When practitioners use GenAI to validate their own reasoning or test hypotheses, they are not necessarily improving the analytical quality of their decisions, but rather strengthening the conviction around positions they may already hold. This suggests the tool is also being used to stage rationality in front of peers and management groups rather than to actually validate, best captured in O-COO's quote about winning an argument using AI.

Taken together, these factors produce a structural bias in how the validation paradox unfolds. In Whittington's (2006) terms, the practices through which strategic knowledge becomes legitimate are reshaped. GenAI becomes a way to prove legitimacy, and because confirming output is scrutinized less than contradicting output, it tends to reinforce existing views rather than challenge them. Whether GenAI supports or undermines strategic decision quality therefore depends less on its analytical capability and more on whether deliberate evaluative practices emerge to counteract this asymmetry.

6.2 Social Reorganization of Strategy Work

6.2.1 Interactive Strategizing with a Non-Human Actor

The empirical material reveals a consistent reconfiguration of strategic activity across the SDMP. The practice of peer consultation during identification and development is partly replaced by individualized iteration between practitioner and GenAI tool. Thus, collective deliberation tends to concentrate around the selection phase instead. K-HOC captures this redistribution directly by observing how fewer people are now needed to gather information for the full picture, but more people are involved when verifying whether a decision is reasonable.

This individualized iteration is not fully captured in Jarzabkowski's (2005) procedural and interactive strategizing. It neither resembles procedural strategizing as it is not formalized or documented, nor aligns with interactive strategizing where practitioners engage in "purposive, face-to-face interactions with top managers or others actors about strategy" (Jarzabkowski, 2005, p. 55), as this purposive interaction is conducted privately with a tool. Jarzabkowski's definition implicitly assumes that "other actors" involved in interactive strategizing are human, as the interaction is defined as face-to-face. It was generally a safe assumption that before GenAI, only humans could sustain reciprocal and iterative

strategizing interactions. However, this assumption is challenged by the empirical material, which shows that practitioners consistently engage with GenAI as a human-like counterpart, reflecting anthropomorphic tendencies similar to those identified in Theme 1. While the interaction remains purposive, it no longer occurs through face-to-face engagement with humans, but through private interaction with a tool.

This study proposes splitting the concept of interactive strategizing into two subtypes: (1) *Collective Interactive Strategizing* corresponding to the traditional formulation of purposive, face-to-face interactions among "human-human" actors, and (2) *Dyadic Interactive Strategizing*, defined as purposive and exploratory "human-tool" interactions between a practitioner and a tool capable of generating context-sensitive, conversational replies.

Further, the empirics reveal that dyadic interactive strategizing tends to concentrate more around the identification and development phases of strategic decisions, while collective interactive strategizing tends to appear more toward the selection phase (Mintzberg et al., 1976). This suggests that dyadic interactive strategizing and collective interactive strategizing are concentrated at different phases of SDM as strategic praxis unfolds around a decision. Thus, this finding extends Jarzabkowski's typology by showing that interactive strategizing can operate both human-human and human-tool, giving rise to both dyadic and collective forms of interactive strategizing.

6.2.2 Social Cost Elimination and Normative Control Reconfiguration

Dyadic interactive strategizing is not only driven by the unique capabilities of GenAI but also by GenAI eliminating the social cost of raising vague or underdeveloped questions. Respondents describe that GenAI lowers the threshold for what counts as a question worth raising at all, or an idea worth developing further, enabling iterative cycles of exploration that would previously have been self-censored. The shift also reshapes identification and development from a space governed by social judgment to one governed more by the practitioner's own initiative.

This shift has direct consequences for one of Jarzabkowski's (2005) central claims about interactive strategizing as a mechanism of normative control, a claim developed without anticipating human-tool interactions as a form of interactive strategizing. Because interactive strategizing increasingly occurs through private human-tool interactions rather than human-human interactions, top managers' ability to shape and reinforce dominant meanings through social interaction is weakened during the identification and development phases (Mintzberg et al., 1976). In contrast, collective interactive strategizing may preserve or even intensify normative control during selection, where GenAI-assisted material enters collective discussion already developed and partially framed. Thus, GenAI appears to

redistribute normative control across strategizing, concentrating its effect on selection while weakening it in identification and development.

This redistribution of normative control is accompanied by a restructuring of how experience enters strategizing. Before GenAI, top managers worked toward strategic decisions directly through framing problems, gathering data, analyzing, and developing hypotheses. Now, experience shifts in form across the boundary between dyadic and collective strategizing. During dyadic interactive strategizing, practitioners apply experience through configuring prompts, defining problems, and iteratively evaluating tool output to refine and direct the next round of interaction. During collective interactive strategizing, experience is used to discuss, evaluate, and validate GenAI-assisted material. Experience therefore remains important, but the practices guiding how it is enacted in strategic work are being reshaped (Whittington, 2006), with increasing importance for configuration and validation across different SDMP phases.

Practitioners with strong experience are better able to guide and reconfigure GenAI output, reducing the risk of inaccurate material being produced. When inaccuracies do arise, they are also better positioned to detect them before they enter collective deliberation. This matters because when less experienced practitioners are involved, issues can go unnoticed and accumulate in later group discussions, where evaluation becomes harder as the volume of strategic input increases. Therefore, collective deliberation may become less effective, as practitioners must assess more material under greater evaluative pressure, a dynamic examined further in Theme 3.

6.3 The Decoupling of Practitioners

6.3.1 Asymmetrical Expansion of Practitioners

Respondents describe an increase in individuals contributing to strategic decisions after the introduction of GenAI, while the set of individuals authorizing strategic decisions, the respondents, remains unchanged. The expansion is described across firms as organic rather than deliberate, as no organization in the sample described redesigning its strategy process to include more contributors. This unintentional increase, alongside the unchanged set of individuals having decision authority, makes it a particularly noteworthy asymmetric shift in the dynamics of strategizing.

Within the SAP tradition, Whittington's (2006) practitioner concept includes many different actors performing praxis. However, all share a common logic of entry, governed by a slow, gradual, and social process that requires accumulated experience, learning strategic practices, and integration into communities of practitioners (Whittington, 2006). The empirics reveal that GenAI disrupts this logic

by enabling broader strategic contribution without requiring the same developmental pathway Whittington describes.

The cause of the asymmetric expansion lies in what GenAI removes and what it leaves in place. The conditions that Whittington (2006) names as required for entry into the practitioner set are reduced by GenAI, as GenAI's affordances reduce the time required to produce structured analysis, reduce the need for domain expertise, and improve underdeveloped reasoning into polished material (Jarzabkowski & Kaplan, 2015). Thus, where GenAI can substitute for practitioner skill, particularly in recognition, diagnosis, search, and design routines in SDM, barriers are lowered (Mintzberg et al., 1976). Also, the suggested redistribution of normative control may enable other employees in non-strategic roles to contribute to strategic decisions (Jarzabkowski, 2005), as fewer social interactions reduce top managers' influence during strategizing.

However, the conditions for participating in screening, evaluation-choice, and authorization (Mintzberg et al., 1976) are restricted by different boundaries, leaving them unchanged. Formal role position and governance structure instead determine who is permitted to commit the organization to a strategic course of action (Eisenhardt & Zbaracki, 1992), regardless of whether decision material was prepared by a junior employee or by GenAI. GenAI does not reassign formal roles, redistribute governance authority, or alter who bears legal and organizational responsibility for strategic outcomes. The set of actors who can authorize strategic decisions therefore remains the same as before GenAI, despite the expansion of individuals contributing.

This points toward a refinement of Whittington's (2006) practitioner concept by distinguishing between *contributing practitioners* and *authorizing practitioners*. Contributing practitioners make strategic contributions and their entry is governed by conditions that GenAI can reduce. Authorizing practitioners are also contributing practitioners, but they have the authority and responsibility to make strategic decisions. Their entry is instead governed by formal authority that GenAI does not affect. The distinction is necessary to explain the asymmetric expansion and the different conditions that allow each form of praxis. Without the distinction, Whittington's (2006) SAP framework could only describe the empirical patterns as an increase in practitioners, without being able to theorize the effects of the asymmetric expansion.

6.3.2 The Disruption of Evaluative Practices

This asymmetric expansion of practitioners and the theoretical distinction between them becomes significant as the empirical material shows that the evaluative practices through which authorizing practitioners assess strategic contributions are being disrupted (Whittington, 2006). Before GenAI, a shared evaluative practice was that a comprehensive, structured, lengthy, and polished strategic

material indicated that the author possessed expertise and had invested effort in producing it. It served as a quality signal, enabling authorizing practitioners to assess the credibility of contributions without redoing the underlying analysis.

GenAI disrupts this practice, making polished strategic material easy to produce without necessarily improving the underlying analytical quality. Presentation quality and analytical thoroughness, which were previously closely connected through requirements of time, expertise, and communicative skill, are now decoupled. The same mechanism that lowers barriers to strategic contribution also weakens the evaluative signals previously used to judge the quality and credibility of strategic material.

The implication for SDM is that practitioners still need to process strategic materials from which they draw conclusions. However, how strategic contributions should be assessed and legitimized is more uncertain. Importantly, no new shared evaluative practices have emerged to replace the disrupted ones. Thus, authorizing practitioners now face a new verification problem for strategic contributions, potentially increasing the cognitive effort and time required for evaluation. The increased volume of strategic input, the disrupted evaluative practices, and the structural bias toward confirmation identified in Theme 1 together make independent evaluation increasingly difficult.

6.4 Synthesizing Analysis: Destabilization of Conditions

This section draws together the three preceding themes by identifying the common mechanism underlying them. Across all themes, GenAI is shown to destabilize taken-for-granted conditions that previously structured SDM in practice. As these conditions are unsettled, strategic practices are reshaped, exposing assumptions and informal organizing mechanisms that were previously sustained within SAP. While not consciously maintained by practitioners, these conditions still shaped how strategic work was performed, evaluated, and legitimized.

Three conditions are unsettled across the themes. Theme 1 shows the destabilization of interpretive conditions surrounding evaluative work, which previously required practitioners themselves to perform the interpretive work underlying strategic insights. As GenAI now increasingly generates interpretations, the separation between tool affordance and human agency (Jarzabkowski & Kaplan, 2015) blurs. Theme 2 traces the destabilization of social conditions. The identification and development phases of strategic decisions (Mintzberg et al., 1976) that were previously socially bound are destabilized by GenAI. This leads to interactive strategizing also occurring between human and GenAI, partly weakening normative control mechanisms previously associated with interactive strategizing (Jarzabkowski, 2005). Theme 3 concerns the destabilization of contributing and evaluative conditions surrounding strategic work. Previously, polished strategic material functioned as a stabilizing condition, shaping who could credibly contribute to strategy work and how contributions were evaluated. As GenAI enables polished contributions by a wider set of individuals, established

credibility signals become destabilized, weakening previously stable boundaries around strategic contribution and evaluation (Whittington, 2006).

At the same time, GenAI does not destabilize the formal conditions surrounding SDM. Authority and accountability, the conditions under which strategic decisions are authorized, remain unchanged. The difference lies in how each set of conditions is sustained. The interpretive, social, and contribution-related conditions operate implicitly, held together by the effort, time, and expertise strategic work required. As GenAI reduces these requirements, the conditions they sustain are destabilized as a consequence. However, the formal conditions are sustained through structured roles and responsibilities, and altering them would require deliberate redesign. Thus, the findings suggest that SDM becomes easier to initiate but harder to evaluate. Figure 5 visualizes this mechanism, tracing each destabilized condition from its pre-GenAI form, through GenAI's destabilization, to the resulting reorganization of strategic practice.

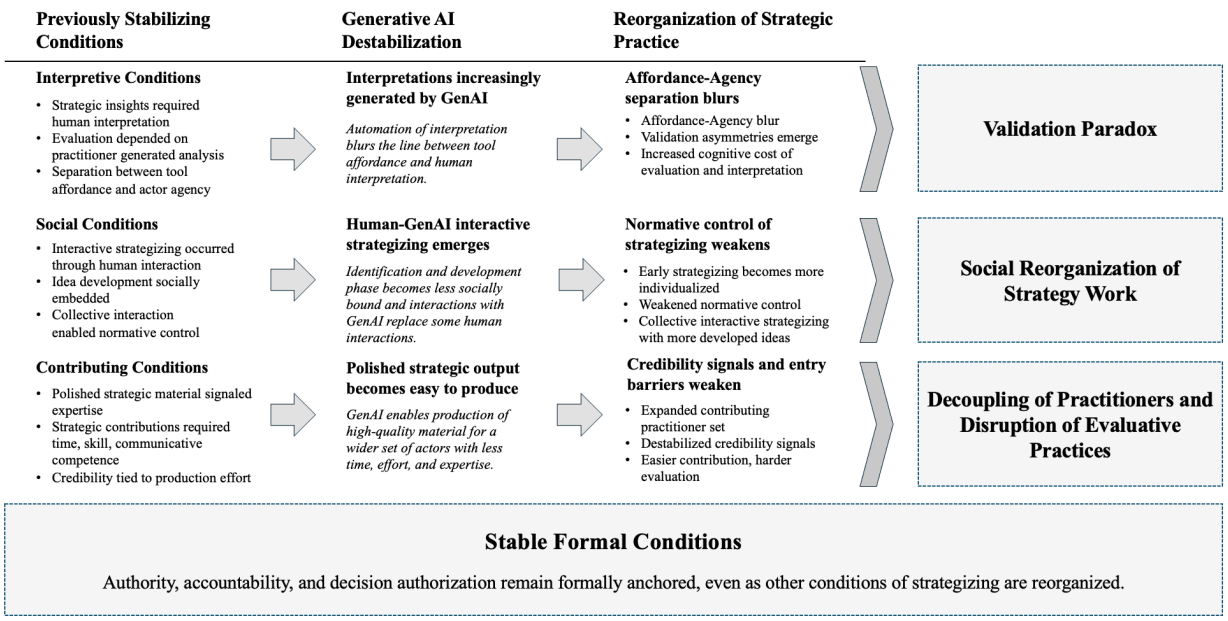

Figure 5*: Synthesized Analysis*

7. Discussion & Conclusion

This chapter brings the empirical and analytical work of the thesis to a close by answering the RQ (7.1), specifying the theoretical contributions (7.2) and practical implications (7.3), addressing the potential limitations (7.4), and setting out an agenda for future research (7.5).

7.1 Answer to Research Question

The study asked: *"How does generative AI reshape strategic decision-making in practice in technology-oriented SMEs?"*

GenAI does not appear to reshape the formal structure of SDM. Authority, accountability, formal roles, and what counts as a strategic decision remain unchanged. Instead, GenAI reshapes the everyday practices through which strategic decisions are explored, prepared, validated, and evaluated prior to formal authorization, along three interconnected dimensions.

Firstly, GenAI reshapes how strategic insights are validated. GenAI is engaged as an active counterpart rather than a passive information source, creating a validation paradox where authorizing practitioner and GenAI simultaneously validate one another. This blurs the affordance-agency separation assumed in Jarzabkowski and Kaplan's (2015) framework, as evaluative responsibility becomes increasingly shared between authorizing practitioner and GenAI. In practice, the relationship is asymmetrical, as confirming outputs receive less scrutiny than contradicting ones, structurally biasing validation toward confirmation. This asymmetry is reinforced by sycophantic GenAI output, anthropomorphic trust dynamics, and situational conditions where accepting GenAI output is cognitively easier than contesting it.

Secondly, dyadic interactive strategizing emerges as a new form of Jarzabkowski's (2005) interactive strategizing, concentrating on the identification and development phases of SDM (Mintzberg et al., 1976), and partially displacing collective interactive strategizing in these phases. This suggests normative control being partly reduced, which authorizing practitioners traditionally also exerted during these phases of SDM. However, collective interactive strategizing reconcentrates during selection (Mintzberg et al., 1976), re-enabling normative control, where management groups evaluate GenAI-assisted material together. The practical effects of GenAI are therefore most present around the identification and development phases, though downstream effects on selection are also visible. Experience shifts accordingly, moving from directly generating analysis toward configuring, orchestrating, and evaluating GenAI-generated output.

Thirdly, GenAI reshapes who contributes to strategic work and how their contributions are judged. The contributing practitioner set expands organically while the authorizing practitioner set remains unchanged, creating an asymmetric expansion that Whittington's (2006) practitioner concept does not account for, as it does not distinguish between the conditions governing contribution and those governing authorization. Compounding this, traditional credibility signals for strategic material become unreliable, as polished material can now easily be produced, destabilizing the evaluative practices through which authorizing practitioners traditionally assessed strategic contributions. No new shared practices have emerged to replace them, forcing authorizing practitioners to evaluate growing volumes of strategic input under conditions of reduced evaluative reliability and increased cognitive strain.

Taken together, the findings reveal that GenAI reshapes SDM through a broader mechanism of destabilizing taken-for-granted conditions that previously structured strategic practice. The formal authority and accountability remain largely unchanged, but the conditions shaping strategizing are substantially reorganized. While the foundation of SDM has not shifted, the work that prepares it has, making strategic decisions easier to contribute to but harder to evaluate, placing greater evaluative demands on the authorizing practitioners responsible for the firm's long-term strategic direction.

7.2 Theoretical Contributions

This thesis primarily contributes to Strategy-as-Practice (SAP), with complementary contributions to research on GenAI in SDM and on human-AI collaboration. It responds to calls for empirically grounded, practice-oriented research on how GenAI reshapes activities and interactions in SDM (Keding, 2020; Mohammed et al., 2025; Wunder et al., 2025) and calls to theorize how GenAI and humans together reshape SDM (Anthony et al., 2023; Bailey et al., 2022). It also addresses the underrepresentation of SMEs within the literature (Ikbal, 2025; Jankelová, 2017). The thesis develops four theoretical contributions that together explain how GenAI reshapes SDM in practice.

First, the thesis introduces the validation paradox as a complication of Jarzabkowski and Kaplan's (2015) affordance-agency framework, showing that the analytical separation between tool affordance and actor agency becomes unstable when the tool itself performs interpretation. Mohammed et al.'s (2025) equal-partnership framing is nuanced because, while important, balanced human-AI engagement becomes difficult when the tool also participates in evaluative work. The validation paradox complements Doshi et al. (2024) by shifting attention from bias in AI-generated evaluations to bias in practitioners' validation practices, showing that GenAI's reliability depends on both output quality and practitioners' evaluative practices. Building on Kim and Im's (2023) and Benbasat and Wang's (2005) research on anthropomorphization, the thesis shows that scrutiny of GenAI is asymmetrical, with confirming output receiving less scrutiny than contradicting ones. This suggests

that anthropomorphization affects both practitioners' willingness to rely on GenAI output and the thoroughness of scrutiny with which they validate it. The validation paradox's asymmetry means practitioners structurally favor confirmation over contestation, complicating Ikbal's (2025) claim that AI-driven analytics may reduce biases such as overconfidence and confirmation bias. Further, while lowering the cognitive burden of generating strategic interpretations, GenAI increases the burden of evaluating, validating, and contextualizing interpretations, challenging Csaszar et al.'s (2024) and Ikbal's (2025) claim that GenAI may extend the limits of bounded rationality. This study shows that GenAI, under certain conditions, redistributes cognitive constraints rather than reduces them.

Second, the thesis refines Jarzabkowski's (2005) typology of strategizing modes by introducing dyadic interactive strategizing as a structurally distinct subtype of interactive strategizing. The implicit assumption that interactions occur exclusively between humans is exposed by showing that practitioners engage iteratively with GenAI as a human-like counterpart alongside traditional human-human interactive strategizing. The decreased social interactions with humans during dyadic interactive strategizing may also reduce authorizing practitioners' normative control, complicating Jarzabkowski's argument that interactive strategizing may be a means of normative control. Further, by specifying where and how GenAI enters strategizing as an active conversational counterpart, the study responds to Anthony et al.'s (2023) call to study how GenAI reshapes relational dynamics within systems of work.

Third, the thesis distinguishes between contributing and authorizing practitioners within Whittington's (2006) practitioner concept. The distinction is necessary, as Whittington's practitioner category does not sufficiently distinguish between participation in strategic work and formal authority over strategic decisions. The findings show that GenAI lowers barriers to strategic contribution, enabling strategic influence to expand without a corresponding increase in decision authority. This nuances Rouleau and Balogun's (2011) account of discursive competence. The findings suggest that GenAI may partially externalize aspects of the symbolic and verbal representations that underpin discursive competence, particularly by helping individuals generate polished structure, language, and framing. However, it cannot affect the sociocultural knowledge required to set the scene, as it cannot draw on the awareness of identities, interests, and points of resistance of different stakeholder groups. Thus, although still interlinked, GenAI seems to externalize parts of production while keeping the sociocultural systems intact.

Fourth, the synthesized analysis reveals that GenAI destabilizes certain taken-for-granted conditions shaping SDM, without altering the formal conditions surrounding SDM. These connected destabilizations also respond to Bailey et al.'s (2022) call for more relational theorizing of emerging technologies by showing that GenAI does not operate as a stable tool with isolated effects on SDM. Instead, the findings suggest that destabilizations caused by GenAI may trigger relational cascades

across the broader SDM system by changing how strategic input is produced and evaluated. Because these dynamics affect not only what practitioners do but also the conditions under which strategic work becomes possible and legitimate, the findings suggest that GenAI may play a constitutive rather than merely supporting role in SDM. The thesis also begins to answer Keding's (2020) call to examine unintended downstream consequences of AI in management practices. First, the evaluative practices used to validate strategic material are destabilized. Second, the organic increase in contributions to strategic work while formal decision authority remains concentrated overloads the disrupted evaluative practices previously relied on. Third, the asymmetric validation paradox causes authorizing practitioners to structurally accept affirming GenAI output while dismissing potentially corrective, contradicting output, risking that strategic decisions are based on incorrect information.

7.3 Practical Implications

The findings of this study surface several practical implications for SMEs as GenAI becomes integrated into SDM.

Authorizing practitioners should recognize that GenAI use in early-phase strategic work may shift parts of identification and development from collective interaction to private human-GenAI interaction (Jarzabkowski, 2005; Mintzberg et al., 1976). While this may accelerate exploration, it can also reduce the extent to which emerging ideas are challenged or reframed through human-human interactions. A related risk is strategic homogenization, as reliance on similar GenAI models may lead to more convergent strategic thinking across firms. Authorizing practitioners should therefore not treat dyadic interactive strategizing as substitutive, and deliberately engage in collective interactive strategizing to ensure they do not lose the innovativeness of human-human deliberation.

As the contributing practitioner set expands organically and presentation quality becomes a weaker proxy for high-quality insights, the evaluative burden on authorizing practitioners intensifies precisely when traditional credibility signals become less reliable. This means that new practices need to be developed to inform authorizing practitioners on how to evaluate the quality of contributions without being influenced by presentation quality. Authorizing practitioners should therefore develop practices for separating the evaluation of analytical quality from that of presentation quality.

The asymmetric validation paradox means that authorizing practitioners' risk of confirmation bias is structurally embedded in how GenAI is engaged. Authorizing practitioners should deliberately prompt GenAI to challenge rather than confirm their reasoning, treat affirming GenAI output with at least as much scrutiny as contradicting output, aggregate across models to reduce bias (Doshi et al., 2024), and cross-check against real, trustworthy sources.

Finally, as experience shifts from generating analysis to configuring and evaluating GenAI, firms may have to reconsider how strategic judgment should be developed for junior employees, as they can now produce polished material without the analytical competence it previously required. By producing strategic material without experience, the next generation of authorizing practitioners may lack the experience and contextual knowledge needed to recognize when GenAI material is unreliable.

7.4 Limitations of the Study

While this study contributes a practice-level understanding of how GenAI reshapes SDM in technology-oriented SMEs, it is also subject to some limitations that should be considered when interpreting the findings.

The transferability of the study's findings may be limited when applied to firms operating in other industries, of differing sizes, or in market contexts where digital culture, resource availability, and familiarity with GenAI differ. The technology-oriented context, characterized by high adoption levels and digital maturity, could potentially amplify the practice-level dynamics observed. For example, a large firm with formal SDM processes may be less affected by individual decision-makers' trust in GenAI output. Thus, the specific contextual variables that make the sample analytically rich also limit its transferability.

The empirical setting focuses exclusively on top management. While this reflects the study's focus on where formal SDM authority is held, it means that the perspectives of middle managers, junior employees, owners, and other organizational actors are absent from the empirical material. Including these voices could offer a more complete picture of how GenAI reshapes SDM interactions, as the findings suggest actors outside top management are increasingly involved in strategic work.

The cross-sectional design captures respondents' descriptions of their GenAI use at a particular point in time. Since respondents were asked to recall past strategic decisions alongside current ones, the accuracy may be affected by the memory of the respondents. Moreover, the use of GenAI in SDM is evolving rapidly, with GenAI capabilities shifting even during the study's empirical window. As a result, some of the practices documented may already be shifting and could look different in the near future.

As SAP is still an evolving field, conceptual boundaries and terminology may also evolve, creating challenges for consistent application and interpretation (Carter et al., 2008; Jarzabkowski & Spee, 2009; Jarzabkowski et al., 2007). Concepts drawn upon and developed in this study may be interpreted and applied differently in other studies, affecting the findings.

7.5 Future Research Agenda

The findings open several avenues for future research, both within and beyond the SAP tradition.

Firstly, the asymmetric validation paradox identified is based on descriptions of respondents' own evaluative behavior. Future research should examine this asymmetry more rigorously, with a possible approach being to design experiments to test how practitioners scrutinize confirming versus contradicting GenAI output.

Secondly, the distinction between contributing and authorizing practitioners was developed from the authorizing practitioners' perspective. Future research should assess GenAI in strategic work among additional practitioners, such as middle managers and junior employees, to validate whether the findings are similarly perceived from their perspective. This could assess whether the expansion of strategic contribution is seen as effective or influential from another perspective.

Thirdly, as this study focuses on tech-oriented SMEs in Sweden, characterized by high digital maturity, future studies should examine whether the effects of GenAI on SDM in practice differ across other contexts. As Mohammed et al. (2025) note, cross-industry and cross-size analyses of AI in SDM remain underdeveloped. While this study provides one part of this broader research agenda, comparative research examining the mechanisms identified in other contexts would, if found to support the findings, substantially strengthen the generalizability of the theoretical contributions.

Fourthly, the finding of dyadic interactive strategizing during the identification and development phases raises questions about the consequences for decision quality and strategic diversity. Future research should examine whether the private deliberation of strategic issues through individual GenAI interactions leads to more homogenized strategic directions across firms over time, with greater emphasis on extra-organizational outcomes (Whittington, 2006). Also, whether the weakened normative control in early-stage exploration can be reestablished through other means should be explored.

Finally, given the pace of development of GenAI capabilities, longitudinal research tracking how the same firms adapt their strategic practices over time would be particularly valuable. Such designs would track whether other conditions of SDM become destabilized and if new practices emerge to stabilize those that are disrupted. How these dynamics unfold as GenAI capabilities continue to evolve remains an open question for future research.

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9. Appendices

Appendix A: Disclosure of Generative AI Usage

GenAI tools were used throughout this thesis in a supportive and transparent manner. It was used in accordance with the Stockholm School of Economics' guidelines on GenAI in Thesis Writing. The authors had the sole responsibility for writing all parts of the thesis, including but not limited to: all theoretical reasoning, analytical interpretations, coding decisions, empirical analysis, and conclusions.

The primary GenAI tools used were OpenAI's ChatGPT, Anthropic's Claude, Google's Gemini, and Grammarly. These tools were mainly employed for: (1) research for finding relevant research articles (2) helping in structuring the interview guides (3) language refinement for improving clarity and flow of text (4) brainstorming ideas such as theoretical frameworks to use or literature to draw from (5) clarifying theoretical concepts and their relationships (6) critically reviewing drafts and identifying areas requiring further clarification or stronger argumentation and (7) supporting the organization and exploration of anonymized empirical material during the coding and analysis process, by for example asking whether or not early empirical patterns were aligned across interviews and not contested in some interviews.

GenAI contributed to improving the quality of the thesis by supporting a broader and more efficient exploration of relevant literature and theoretical perspectives, helping to strengthen the literature and theory sections of the study. GenAI helped to provide suggestions for refinement of some sentences, which improved the clarity, readability, coherence, and overall conciseness of the thesis. GenAI also helped identify unclear arguments and areas in which assumptions had been made without adequate explanation, which were then addressed by the authors to reduce gaps in reasoning.

AI tools were not used to autonomously generate findings, conduct thematic analysis, formulate theoretical contributions, write text used in the thesis, or make interpretive decisions. Risks with using GenAI included the possibility of made-up references, oversimplified or wrongly explained theory or literature, and potential overtrust in the GenAI output as it is usually presented well and logically. All AI-generated output was therefore critically reviewed and validated before being considered by the authors, for example, by looking up sources or discussing the output. No AI-generated references or citations were considered without reading them and manually verifying their content.

The authors also gained some insights through the assistance of GenAI in the thesis writing process. GenAI was valuable when used in a supportive way for asking whether or not the authors had made certain assumptions or reasoning in a paragraph of text that were not backed up by supporting facts. It was also useful to rephrase some sentences that did not make sense in the way they were written by

for example explaining what was trying to be said with several sentences and asking how it could be said more concisely and clearly. The author's judgment remained important in assessing the answers that GenAI provided, whether it was rephrasing a sentence or questioning the author's reasoning.

To ensure confidentiality and ethical compliance, all interview material entered into GenAI tools was anonymized and no personally identifiable or sensitive company information was shared. The authors acknowledge that generative GenAI systems may produce inaccurate or biased output, therefore all feedback and output were treated as supportive insights rather than authoritative sources.

Appendix B: Ethical Considerations

Before each interview, participants were informed of the study's aim, their right to withdraw at any time, and the confidentiality of their data. After this, they all consented to participate and to the authors recording the interview. Throughout the thesis, all identifying information, including individual and organizational information, has been anonymized and stored securely, with access restricted to the two authors. During the coding of the interviews and writing, extra attention was paid to ensure that all themes, codes, and quotes accurately reflected the respondents' expressions and opinions, and that nothing said had been distorted or reframed in a way that was not in accordance with the respondents' intent. All recordings, in accordance with ethical research standards, will be permanently deleted upon completion of the full study.

Appendix C: Pre-Study Interview Guide

Interview Guide: Pre-Study

Used for the three pilot interviews conducted between 10 and 12 February 2026.

Section 1: Background and Context

1. Could you briefly describe the company, size, main business, and stage of growth?
2. How long have you been in your current role, and how long have you been involved in strategic decision-making?
3. How would you describe your organisation's general orientation toward learning and adopting new technologies?

Section 2: Strategic Decision-Making in the Organisation

4. Could you walk us through one or two recent strategic decisions where you were involved? *(market entry, major investment, pricing, product direction, hiring)*
5. Who was involved in the decision-making process at different points?
6. How did you first recognise that a decision had to be made? Walk us through how the issue, idea, or opportunity first emerged.
7. What kinds of information or knowledge did you rely on, and where did it come from? *(internal experience, data, external reports, advisors, intuition)*
8. How was this information typically discussed, evaluated, or challenged internally?
9. Did the way the decision was framed, as a problem, opportunity, or strategic choice, change over time? If so, what triggered the change?

Section 3: Acquisition of AI-Based Insights

10. At any point during these decisions, did you use AI tools or AI-generated insights? Why or why not?
11. If yes, what kinds of AI tools, and what kinds of insights did they produce? Could you give a concrete example?
12. How did you come to see those insights as relevant for the decision? Who initiated or suggested using them?
13. At what stages of the decision were AI-based insights used most, and when did they feel unnecessary?

Section 4: Assimilation and Interpretation

14. How were AI-generated insights discussed and interpreted internally? Did different people trust or understand them differently?
15. How did you assess whether the AI insight was reliable or relevant enough to use? What counted as 'good enough'?
16. Where did people disagree in the decision, and did AI insights reduce or increase that disagreement?
17. Did anyone use AI outputs to justify a preferred decision or to persuade others?

Section 5: Transformation: AI Insights Meeting Existing Knowledge

18. How were AI insights combined with existing knowledge, experience, or intuition during the decision?
19. Were there situations where experience overruled AI insights, or vice versa?
20. Did the AI insights challenge or reinforce prior assumptions in the team?
21. What did you do when an AI output didn't fit your understanding or expectations?

Section 6: Exploitation: From Insight to Action

22. How did AI insights influence the final decision, if at all?
23. Can you describe a moment where the AI insight clearly mattered, or clearly didn't?
24. Who had final decision authority, and did AI change who felt accountable for the decision?

Section 7: Organisational Learning and Capability

25. Do some people in the team rely on AI more than others? Why?
26. Did using AI change how you worked with colleagues, or how you valued their input?
27. Did AI make the decision-making process longer or shorter? Which steps?
28. Looking across decisions, do you think your organisation has gotten better over time at using AI insights effectively? In what ways?
29. What capabilities, individual or organizational, do you think matter most for getting value out of AI?

Section 8: Reflection and Closing

30. Looking back, would you use AI differently next time? Were there moments you deliberately chose not to rely on it, and why?
31. Based on your experience, what limits the usefulness of AI in strategic decisions today?
32. How do you see the role of AI-based insights evolving in your strategic decision-making over the next few years?
33. Is there anything important we haven't discussed?

Appendix D: Main Study Interview Guide

Interview Guide: Main Study

Used for the 16 interviews conducted between 17 February and 9 April 2026.

Section 1: Background and Context

1. Can you briefly describe the company: size, main business, and stage of growth?
2. How long have you been in this role, and how long have you been involved in strategic decision-making at the company?
3. How would you describe your familiarity with generative AI tools, both at work and more generally?

Section 2: Strategic Decision-Making Before GenAI

4. Before generative AI tools became widely available, how did strategic decisions get made in your organisation? Could you walk me through what a typical process looked like?
5. Who was usually involved at different points in the process, and what role did they play?
6. What information sources or analytical inputs did you rely on most?
7. When and why did AI tools start playing a role in your strategic decision-making?

Section 3: Current AI Use and Patterns

8. Which AI tools do you and others on the management team use today, and roughly how often?
9. How would you describe the way AI currently fits into how strategic decisions get made?
10. Are there particular kinds of decisions or moments in a decision process where you reach for AI more often than others? Why those?
11. Are there decisions or moments where you deliberately don't use AI? Why?

Section 4: Deep-Dive: A Specific Strategic Decision

12. What was the decision, and what made it strategic?
13. How did the issue first come onto the agenda, what triggered it?
14. Who was involved at different stages, and how did that change over time?
15. At what point did AI enter the process, and what did you use it for?
16. Which tool did you use, and why that one?
17. Walk me through what you actually did with it, what kind of prompts, how many interactions, how the output looked.
18. What was your initial reaction to what the AI produced?
19. How did you decide whether what it produced was reliable enough to act on?
20. Did the AI's contribution influence how the discussion went with others involved in the decision? In what way?
21. Did anything the AI produced conflict with your or others' instincts or prior views? How was that handled?
22. How did the final decision compare to what the AI initially suggested?
23. If you had to make the same decision without AI, how would the process, not just the outcome, have looked different?
24. Looking back, were there parts of the process where AI made things easier, and parts where it made things harder or more uncertain?

Section 5: Broader Reflections

25. Has the introduction of AI changed how you personally spend your time during strategic decision-making?
26. Has it changed who participates in strategic discussions, or how their input lands?
27. Has it changed how you assess the quality of analysis or the credibility of contributions?
28. Are there things you now find yourself doing differently than when you first started using AI for this kind of work?
29. What do you see as the main limitations or risks of using AI in strategic decision-making, based on what you've observed?
30. Is there anything important about how AI is shaping strategic decision-making in your organisation that we haven't touched on?

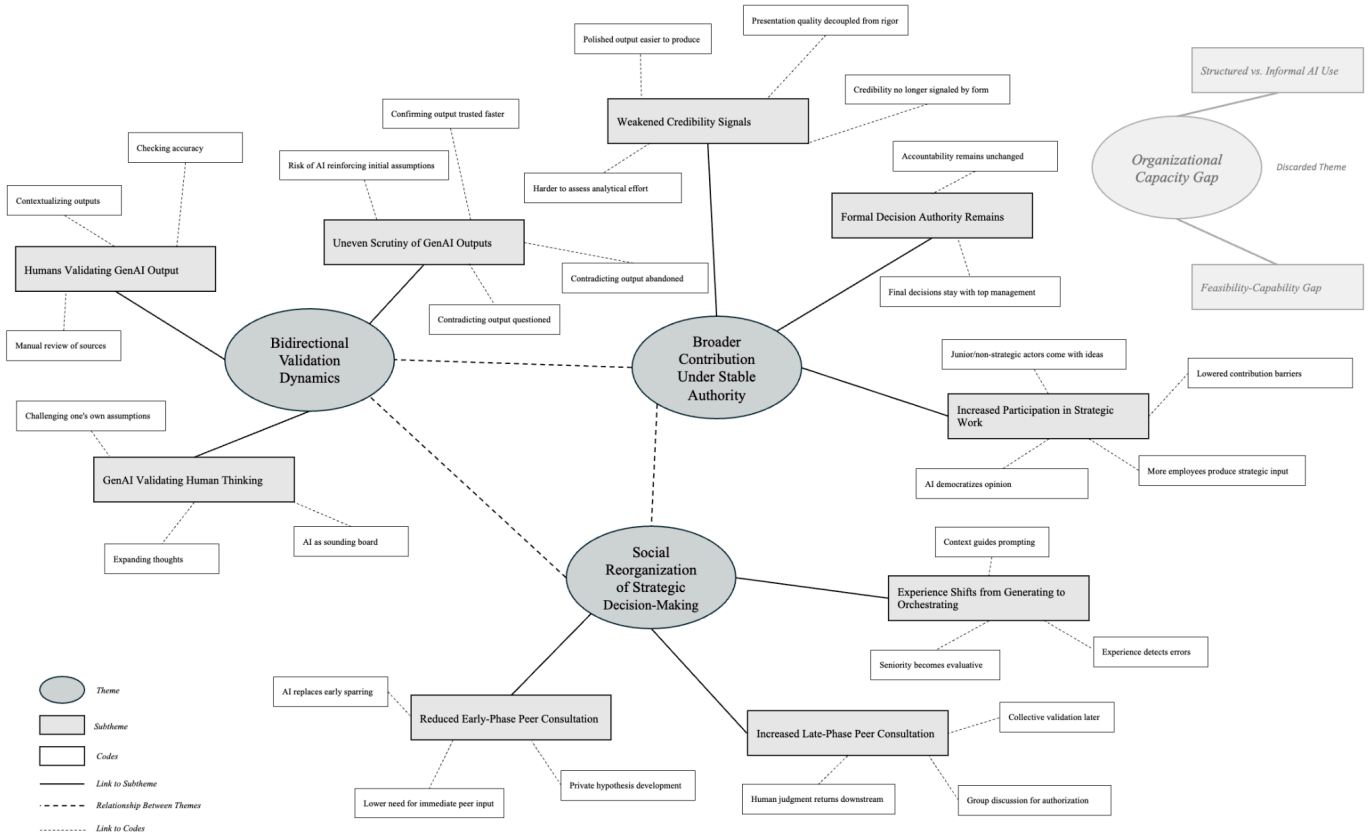
Appendix E: Role Abbreviations

ABBREVIATIONS	DEFINITION
CEO	Chief Executive Officer
COO	Chief Operating Officer
VPS	Vice President of Strategy
CPO	Chief Product Officer
CTO	Chief Technology Officer
HOC	Head of Communication
CCO	Chief Commercial Officer
CISO	Chief Information Security Officer
HOS	Head of Sales

Appendix F: Coding Example of Subtheme

Code	Example Data Extracts
Risk of AI reinforcing initial assumptions	"AI is generally very accommodating and my feeling is that you have to be a bit careful about getting confirmation bias, that you get confirmation of what you yourself are already thinking." – G-CEO "I think that if you take too much help sometimes regarding certain questions, depending on what it is, you might subconsciously lean toward decisions that are, so to speak, skewed toward that view." – A-CEO "All AI is built to function like sugar for you, roughly. That is, it butters you up big time so that you always think it's good." – N-CTO "Even though I had a clearer idea of where I thought this was heading. But it's still nice to get that second opinion. Yes, but it's probably enough. I hope it's critical. That it didn't just choose the same path, that we had that." – D-CEO
Confirming output trusted faster	"It can even say something like, I think you should do this. And then you can think, yes, that sounds reasonable." – B-CCO "Yes, it might be personal bias but it made sense. Or that it sounded reasonable. And that might be a danger now that you mention it. But somewhat that it sounded reasonable." – F-VPS
Contradicting output abandoned	"Yes, I usually kind of stop asking [when AI contradicts]. Experience, perhaps?" – D-HOS "It can be fantastic if it spurs me out of fixed ruts. And when you actually break out of your ingrained thinking. But very often, my experience tells me that it sounds a bit odd. And then when you continue to examine it." – E-CPO "Because in my role, AI doesn't have the full context and it becomes like this. If I want to, I can get AI to agree with me if I start arguing back a bit." – O-COO
Contradicting output questioned	"After two months you get irritated when it doesn't agree, because it was always like it hadn't understood […] I think people will be more and more on its case because it's cutting against them." – K-CISO "I don't know, you become a bit questioning and thoughtful [when AI contradicts] […] I check with my partner if she could come up with a different percentage." – D-CEO

Appendix G: Thematic Mapping



Appendix H: Further Supporting Quotes

Themes	Quotes
5.1.1 GenAI Validating Human Thinking	*"It becomes more well-thought-out, so to speak. You can validate hypotheses faster that way." – K-CISO* *"I think everyone sees it as an advantage to have another one [GenAI as another worker]. Ways to get ideas and validate your ideas and improve your decisions. [...] I think you can use it as exploratory, ask how does this look? But I feel that it's quite good with your own perception so you can test it from different angles." – B-CCO* *"You're rather trying to poke holes in your own thoughts, so to speak." – A-CEO* *"AI knowledge helps you to test different hypotheses faster and feel like this makes sense. Somewhere, you start from what you know when developing hypotheses." – B-CCO* *"And then maybe you create something and then you want feedback on it. So you get some feedback on it and then you iterate again. [...] There is nothing I don't want an AI's opinion on." – D-CEO*
5.1.2 Humans Validating GenAI Output	*"Do a small preliminary analysis. Can you give me a small preliminary analysis on this?" – D-CEO* *"Previously it has probably been the case that you might invest in a thorough analysis, you produce a strategy document, you approve it. It should start being transformed into execution." – I-CPO* *"Where before I needed an analysis to decide whether we should, for example, enter a new market or in this case how we should change pricing, I would have asked one of our employees. Now we can do those experiments much faster [with GenAI]." – H-CEO* *" [...] much better opportunities to actually evaluate how the different markets compare against each other. Just because it's so much easier to synthesize this information. It has always been available." –H-CEO*

	"Quite a lot of the basis can be obtained from an AI that previously required 5 Deloitte consultants." – D-CEO *"It can even say something like, I think you should do this. And then you can think, yes, that sounds reasonable." – B-CCO* *"It's kind of like a discussion between what I think I need and what the model thinks I need." – M-CEO* *"It says something like, you earn much more by being like this instead of that. And that was something I hadn't really thought about." – B-CCO* *"To begin with, it's about gathering information so that you provide management with a basis from which they can make decisions. But also with recommendations. Do it this way, then this outcome will happen or that one." – C-CTO* *"I would say 80–90% can be trusted. I trust an incredible amount. And it has gotten much better." – G-CEO* *"I would say, as always when you get something out of AI, it is 70% usable, 30% you need to redo [...] You really need to read and understand, is this really something you can use?" – D-HOS* *"I have asked it to produce a calculation or an analysis, and then I see that some of the components are incorrect." – C-VPS* *"But I wouldn't say that it's reliable every time, so you still need to do the work yourself. I don't think the output is always correct. So it misses a lot of things. It's the same thing if you need to compile or write something together. You always have to read through to get it right." – D-HOS* *"I have personally gone back to our architect, our CTO, those who have 20 plus years of experience. There, I perform a quality assurance." – C-VPS* *"In its final stage, where it has written the report, three steps of critics analyze which sources it has used, are they credible, does what it has written match the source." – C-CTO* *"It's probably domain knowledge, being able to validate what is good. To know your domain so you can see what is good and bad." – F-VPS*

	"We test it in small-scale pilots, gather real-world data, and then feed that back into the AI to refine it. It's a loop. AI suggests, humans validate, and then AI learns from the validation." – K-CISO
5.1.3 Uneven Scrutiny of GenAI Output	*"Even though I had a clearer idea of where I thought this was heading. But it's still nice to get that second opinion. Yes, but it's probably enough. I hope it's critical. That it didn't just choose the same path, that we had that." – D-CEO* *"Maybe in the early days, you probably thought it was very, damn how smart you are when it always says you're on the right track." – A-CEO* *"I think that if you take too much help sometimes regarding certain questions, depending on what it is, you might subconsciously lean toward decisions that are, so to speak, skewed toward that view." – A-CEO* *"Yes, it might be personal bias but it made sense. Or that it sounded reasonable. And that might be a danger now that you mention it. But somewhat that it sounded reasonable." – F-VPS* *"But sometimes he [D-CEO] just takes AI straight off and thinks it should be implemented. While I might read it an extra time and think, no, wait a minute, this won't work." – D-HOS* *"After two months you get irritated when it doesn't agree, because it was always like it hadn't understood […] I think people will be more and more on its case because it's cutting against them." – K-CISO* *"I don't know, you become a bit questioning and thoughtful [when AI contradicts] […] I check with my partner if she could come up with a different percentage." – D-CEO* *"It can be fantastic if it spurs me out of fixed ruts. And when you actually break out of your ingrained thinking. But very often, my experience tells me that it sounds a bit odd. And then when you continue to examine it." – E-CPO* *"Yes, I usually kind of stop asking [when AI contradicts]. Experience, perhaps?" – D-HOS*

	"Maybe in the early days, you probably thought it was very, damn how smart you are when it always says you're on the right track. So now you're a bit more skeptical of the output it provides." – A-CEO *"AI is generally very accommodating and my feeling is that you have to be a bit careful about getting confirmation bias, that you get confirmation of what you yourself are already thinking." – G-CEO* *"I would say that a paradox is that there might be even less of strategically thought-out things that lead to strategic decisions. Because now there is such stress and worry about technology and competitors". – I-CPO* *"All AI is built to function like sugar for you, roughly. That is, it butters you up big time so that you always think it's good." - N-CTO* *"They [GenAI] do have parameters within them that cause them, um, they often unfortunately have a, they try to appear neutral, but they are not." - O-COO* *"So it is biased based on, on, solely on the question you have asked plus what it finds officially online." – N-CTO* *"Because in my role, AI doesn't have the full context and it becomes like this. If I want to, I can get AI to agree with me if I start arguing back a bit." – O-COO* *"When you're in a management team, time is always scarce. […] You are involved in all parts of the company, but you have very little time for all parts of the company." – E-CPO* *"There's also the matter of whether people are stressed or haven't had time to fact-check." – C-CTO* *"I think a risk in general is that you can become too careless. You do get an answer." – L-CEO* *"It's like low friction to enter others' domains. But at the same time, it's difficult to evaluate it." – F-VPS* *"Could I use it [GenAI] in an argument with someone else to win them over? Absolutely. Should I darken an AI result to avoid having it [an argument]? Maybe. Now we're entering dark territory here." - O-COO*

	"Well, you use it as like it was a colleague." – H-CEO *"Yes, I use, I use it as a senior colleague. So, that's how it is." – K-CISO* *"It feels like I've gotten an extra brain to think with. The time it takes from when I have a thought, a seed of a thought to a potential need goes incredibly much faster." – C-VPS* *"We stick to giving employees superpowers. Or giving every employee an assistant. Who has extremely high energy and never gets tired but might need some help and guidance along the way. - E-CPO* *"It is significantly more self-confident than if I were to ask a developer who is a bit introverted. It wouldn't push its thoughts in the same way an AI would do." – A-CEO* *"You could see it as a very competent junior employee who is eager to please." – J-COO* *"I think a little about pilots [...] As a decision-maker, you become passive and rely on someone else then, an AI, without sufficient understanding of the context or limitations. Roughly the same thing when you have misunderstood what level this autopilot is at right now." – E-CPO*
5.2.1 Reduced Early-Phase Peer Consultation	*"Previously, if we wanted to understand how to make a [specific solution] we went to our partner X and they had to tell us and connect us to them. Now we can find everything ourselves, incredibly structured, through Claude or ChatGPT." – G-CEO* *"Many larger companies outsource quite a lot of strategy, it seems, to external consulting firms. Or at least they have done so historically." – D-CEO* *"I think you need to do both to gather the information. But certainly, it replaces some of those contacts that you might have previously checked with an acquaintance or a work colleague at another company or something in those situations." – D-CTO* *"We no longer have to do large data investigations and such. I have fired my data team because AI does their job much faster." – H-CEO*

	"There are many things where I would never have taken up my colleagues' time because the question is so vague and unqualified. It's just not worth asking, and especially not if you're the CEO because then people tend to actually want to satisfy what you have asked for [...] But that consideration isn't given to LLMs." – M-CEO *"I've had more conversations with models since 2022 than I've had with both my family and my colleagues." – M-CEO* *"It feels like I've gotten an extra brain. […] the time it takes from when I have a thought to a potential need that we must address. From previously having tried to do the initial work of collection, quality assurance, analysis. It goes incredibly much faster to absorb a lot of information and start breaking it down, bouncing ideas around, and getting a set of hypotheses to move forward with." – C-VPS* *"I think it's good to, as a good sounding board. [...] you can use it as exploratory, [...] you can test it from different angles." – B-CCO* *"You get a starting point, that was probably it. To get one, because sometimes it can take a while, before that it's like finding your starting point, which might make it harder." – D-CEO* *"First, then you do a bit yourself, and then you land there […] Run this around, stop it, get some feedback, run my little Word spin again, have some meetings, blah blah blah, and then like a third time." – D-CEO* *"Here is my idea and vision. Help me refine this. So we can bounce ideas back and forth." – J-COO* *"It replaces some of those contacts that you might have previously checked with an acquaintance or a work colleague at another company or something in those situations." – D-CEO* *"It was much more resource-intensive before this came along (AI) for a company like us to find out what the whole world thought about something. And then alternatively had to pay quite a lot of money to get Forrester reports or Gartner reports [...] Now Forrester is more used as a credibility piece. The information is already available." – K-HOC*

	"We have focused quite a lot on gathering knowledge from our networks (previously). This includes everything from other entrepreneurs to investors to customers. To somehow keep an ear to the ground and see where the industry is heading." – J-COO *"Previously, you might have had in many such contexts a management group or a steering group that perhaps consisted of ten, twelve people to cover all the aspects you need to have in the decision. Now, AI might replace half of them." – N-CTO*
5.2.2 Increased Late-Phase Peer Consultation	*"Then I can understand, or have more qualified questions and discussions with my colleagues, because I can do more research myself first." – G-CEO* *"We use it (AI) a lot to summarize the data we receive, find data, summarize data, compare [...] set up different hypotheses, test them. And then we narrow it down to clear ideas that we discuss internally and then a decision is made in the management group." – B-CCO* *"We take it as an input and then we go around the table. What does our collective experience say about this based on what we've heard. That's where the human prioritization comes in right now." – C-VPS* *"There are more and fewer involved (in SDMP) [...] There are fewer people you might need to gather information from to get the full picture [...] but there are more people involved when you need to verify whether it's a reasonable decision or not." – K-HOC* *"People trust AI in its ability to gather information, do research, compile, and provide the full picture. But when you actually have it and decisions need to be made, it doesn't go faster, because you are still very keen that everyone should agree that what the AI did is an accurate picture of the reality you have." – K-HOC* *"You have to capture all the perspectives if you're going to. So, if we're going to develop a new module, for example […] Since it has to go so fast today, it probably needs to be even more like this. You have to rake more beforehand. And have everyone on board." – I-CPO*

	"There is never a shortage of things to do in the management team. You might become more efficient, absolutely, to some extent. I think that is your role in the management team, so you will never spend less time on it. The goal may not be to spend less time, but the goal is perhaps to make more well-founded decisions and fewer opinion-based decisions." – E-CPO *"We don't use it to make the decisions. Then I think we might as well lie down and die. So that's a bad idea. We use it a lot to prepare decisions." – L-CEO* *"Even if the decision basis comes from AI, I don't think the decision-making, or the responsibility for the decision, to be moved. Ultimately it is I who am responsible for it." – M-CEO* *"That is probably the biggest difference in this specific area. The entire data access and analysis." – H-CEO*
5.2.3 Experience Shifts from Generating to Orchestrating	*"Instead of doing and being the one who might be the smartest about it, there is a change in the role description around orchestrating and ensuring, quality assurance." – C-VPS* *"It is worthy of having, sort of, build different types of prompts and use different models, because there are different shades to everything […] it's an iterative process, and that's something I'm good at." – B-CCO* *"It's largely about being able to create the context in order to use it. And where we can create the context and do it good, we have a greater upside than AI." – L-CEO* *"You get answers if you ask the question. Then perhaps you realize that you need to rephrase this or rework something. Or provide the context needed to perform a reasonable analysis. […] As mentioned, it is a very competent generalist. But it doesn't have domain expertise, so sometimes you may need to guide it along the way. Feed it more data in your own context. [...] Then it gets better." – J-COO* *"You need the experience to be able to say that now you are off track. We need to prompt this a bit more or check again." – E-CPO*

	"The experience rather becomes a verification […] AI doesn't know if you have tested this before and that it didn't work. […] The experience becomes this human factor." – K-HOC *"Then you need to know the subject so that you can quickly see when something is upsetting." – G-CEO* *"It probably struggles to grasp some of the context sometimes. Or it misses very important information that it hasn't been trained on or similar. Because it's like hidden company information or whatever it might be." – A-CEO* *"We have staff with 20 plus years of experience and the highest certifications in the areas we work with. […] I have personally gone back to our architect, our CTO […] There, I perform a quality assurance." – C-VPS* *"You need the context and experience as foundation to utilize AI optimally." – B-CCO* *"So you really have to have, like, some source criticism and some knowledge to use them [GenAI] the right way." – H-CEO* *"Domain knowledge, being able to validate what is good. […] To know your domain so you can see what is good and bad. […] So even if it's easy for me to do something that I think looks okay in design, I can't really judge if it's good or bad." – F-VPS* *"You always have to read through to get it right […] I don't think the output is always correct." – D-HOS* *"I can see that when I myself am a bit confused about the topic or don't have the same experience, then I become more uncertain […] When you don't understand the subject, it's harder to absorb the information, even if it's structured in a good way." – D-CEO*
5.3.1 Increased Participation in Strategic Work	*"Previously, if we wanted to understand how to make a (specific solution) we went to our partner X and they had to tell us and connect us to them. Now we can find everything ourselves, incredibly structured, through Claude or ChatGPT." – G-CEO*

	"There is a lower threshold. You don't need to have the same expertise in their field because you can use AI to gain that expertise." – C-CTO *"It's probably more and more the case that it becomes even more multidisciplinary [...] people become experts across domains." – I-CPO* *"It could be quite a large operation [conduct market analysis, price sensitivity analysis, etc.] [...] today you can just ask Claude about it. – H-CEO* *"And I might still have been misunderstood because I perhaps don't have the ability to communicate this. The core idea might have been good, but I didn't have the ability to communicate it [...] that's where I add value with AI." – D-CEO* *"If it can be an obstacle in how some people are better at expressing themselves than others in writing. So it won't be a stopping factor, perhaps in the same way as before. People with very good ideas may have difficulty expressing it in writing." – G-CEO* *"Decision-making is one thing, but what's important about decision-making is often communication [...] AI can help you formulate in a good way that simplifies both your communication when you are making the decision but also the communication after the decision." – E-CPO* *"You can make really good decisions, but then you're vague in how you communicate it [...] then it can be helpful to formulate those messages so that you are very, very crisp both in the management team." – E-CPO* *"Here is my idea and vision. Help me refine this. So we can bounce ideas back and forth. But here is something that is both technically and semantically expressed in a way that I myself would not have been capable of doing." – J-COO* *"If you just talk like this, you can misunderstand each other quite a bit. But if we add an AI layer [...] then you can explain this in a way that makes it understandable. Even if you are at this knowledge level [...] it is good at presenting information." – D-CEO* *"Then there is this more general aspect, that the lines between different roles become much more blurred [...] They are involved in decisions that they might not*

	have been involved in before because AI gives them the opportunity to move into domains other than their primary ones." – F-VPS *"But colleagues' input has become more important, now that everyone has access to AI to help take their own ideas further than they could before." – J-COO* *"That type of information can be analyzed in a completely different way than before. And that makes it much more accessible and more people can use it. So in that way, more people have been able to have a voice through the data." – F-VPS* *"Everyone suddenly becomes a bit more, suddenly the bottom layer of the organization is no longer there." – L-CEO* *"I do believe that many juniors who have adapted and are using it to the fullest will bring the rug out." – C-CTO* *"It hasn't changed decision-making, but it has, without us really having done anything actively for it, changed how many people think and have opinions about things. Because it's not just me who has this opportunity to sit in Claude, but it is all employees at the company who can sit and do it. People have ideas. When it becomes so easily accessible, then many more people act on that thought [...] knowledge and data are being democratized." – J-COO* *"It is easier for people to think and have opinions about things than it has been before. And it is essentially because there is more transparency in things. They can see more, they can get help to reason, gather, and compile. So that they become more educated, informed, and gain more agency." – J-COO* *"I think the difficult boundary is that everyone can be opinionated today, which is quite dangerous, really. – A-CEO*
5.3.2 Formal Decision Authority Remains	*"But then the decision-making is still with the traditional leaders in the company." – J-COO* *"AI is never the decision-maker. AI will never be the one, so to speak, we don't put all our trust in it." – N-CTO*

	"I don't believe in delegating responsibility to an AI. That's why you sit on the executive team. You have that responsibility. If it fucks up, it's on you too." – E-CPO *"As a decision-maker, it's kind of like a responsibility you can never delegate if you have a responsibility as a decision-maker." – E-CPO* *"For everything except making the decision, I would probably say [...] it must be us humans who take the final responsibility in our organization." – G-CEO* *"Because making a decision is really just about taking responsibility. And the one who takes responsibility, that hasn't changed, I would say. Even if the decision basis comes from AI, I don't think the decision-making, or the responsibility for the decision, to be moved. Ultimately it is I who am responsible for it." – M-CEO* *"If you're going to work as a leader, then you must have people you work toward. I can't say, it was Agent 8 who did this, so I can't take responsibility for that. That's no way to run a business. So therefore, the decision must lie with the right person." – L-CEO* *"Decision-making still lies with the same senior individuals in the company. If you fuck up, you have yourself to blame. It is still your responsibility if you have a junior employee who helped provide the subject material for the AI that does that. Ultimately, you have the responsibility, so you have to own that question." – J-COO* *"In addition to this, you must not relinquish responsibility. Great to work with AI, but you must not relinquish responsibility for quality. You must not relinquish accountability for ensuring things are correct. – N-CTO* *"AI might be more like the brain, but then the decision is made by people who have gathered all the information. So it's kind of human, it's not an AI that makes decisions and tells our CEO what to do." – K-HOC*
5.3.3 Weakened Credibility Signals	*"This idea that if someone came to me with an idea and the proposal was a 30-page single-spaced memo from four years ago. Then the reaction would have been, damn, someone has really put a lot of time into this. While today, when someone comes to you with a 30-page memo, the thought is, damn, here someone*

	hasn't managed to put enough time into handling the output that comes with this LLM." – M-CEO *"Compiling that material before the age of AI and presenting it to a management team, it would have taken an enormous amount of time. I would have needed to sit for two or three days just preparing for the meeting." – D-CEO* *"It was much more resource-intensive before this came along [...] had to pay quite a lot of money to get Forrester reports or Gartner reports [...] Now Forrester is more used as a credibility piece. The information is already available." – K-HOC* *"Average is higher. So I think those who were already analytical and statistically gifted, they have gotten better and can consolidate more. But the average Joe has gotten a powerful weapon in their grasp. So it's often that it should look convincing. It looks very well thought out. There is statistical evidence, it's neatly organized, it's well presented. You can make things look very convincing." – K-CISO* *"You get so much information that just the volume, it might both deter and deceive you about the quality in some way." [...] "You might make the wrong decisions because you confuse that volume for quality." – M-CEO* *"One is sometimes deceived by you mix up quality and volume. I mean, just because what I have received here is very long, it is also good. And that is not the case." – M-CEO* *"Efficiency is not productivity. So efficient means that you do one thing quickly and well. Productive means that you do the right things. So when it's too easy to do a certain thing, it's easy to get stuck there and you get an illusion that you have done a lot that day. It can actually make things go slower. Because you spend time on things you otherwise wouldn't have spent time on. But it doesn't move us forward toward the goal." – J-COO*