

## The Impact of Artificial Intelligence Applications on the Future of Strategic Management and Achieving Sustainable Competitive Advantage

Shaiban Nayyef Shakir Al Aloosi<sup>1\*</sup>

<sup>1</sup>College of Administration and Economics, Department of Business Administration, Iraq

**\*Corresponding Author:** Shaiban Nayyef Shakir Al Aloosi  
College of Administration and Economics, Department of Business Administration, Iraq

### Article History

Received: 09.02.2025

Accepted: 17.03.2025

Published: 18.03.2025

**Abstract:** Today, artificial intelligence (AI) applications have gained international attention due to their ability to address complex problems. This study aims to explore the relationship between AI applications, the future of strategic management, and the achievement of sustainable competitive advantage, as well as how organizations can leverage these technologies to enhance their competitive positioning. This research was descriptive-analytical, and the findings are summarized in the following key findings. Another important conclusion from the research is that AI applications rank among the most important tools used in strategic management, as they provide innovative and efficient solutions to help manage data, improve the strategic decision-making process and present quicker solutions with higher accuracy. Furthermore, artificial intelligence can be a force behind strategic management and the establishment of a sustainable competitive advantage for businesses. As such, the research suggests the organizations develop holistic approaches to building AI into their workplaces in a way that promotes excellence and sustainability.

**Keywords:** Artificial Intelligence, Strategic Management, Sustainable Competitive Advantage.

## INTRODUCTION

With the arrival of the third millennium and Fourth Industrial Revolution, nations and societies have changed into marching to the tempo of quick technological current changes. As a result of this change, artificial intelligence (AI) is emerging, which has been widely used based on its effective contribution to the labor market, bringing increased productivity and stimulating global competitiveness in various fields. AI revolution was reacted back by this humanity's desire for progress and development and focused on to serve the increasing demand of completing a task in more speedy and effective way. AI is among the latest global innovations, attracting significant attention due to its exceptional ability to simulate human cognitive functions and perform them with high efficiency. In reality, AI-driven systems have proven to be valuable assets in assisting individuals with their tasks and decision-making processes, ultimately streamlining workflows and overcoming challenges that employees encounter. This not only saves time and effort but also enhances quality levels by transforming employee expertise into actionable procedures that can be professionally applied. AI achieves this by recording, organizing, and utilizing expertise in a way that is easily accessible and efficiently implemented in the future (Ibrahim, 2022: 1066). Given the rapid technological advancements and continuous innovations in the field of AI, it has become imperative for organizations to adopt these technologies to gain a sustainable competitive advantage. AI applications are among the most influential tools in strategic management, offering innovative and efficient solutions for data analysis and strategic decision-making with greater speed and accuracy.

### First: Research Problem

Today, artificial intelligence (AI) applications have gained significant international attention due to their remarkable ability to address complex problems. These technologies are no longer a futuristic vision or mere speculation; rather, they have become a tangible reality, extensively integrated across various fields, including management sciences. AI brings new techniques that are utilized more efficiently, create opportunities for better decisions, and show how it

**Copyright © 2025 The Author(s):** This is an open-access article distributed under the terms of the Creative Commons Attribution 4.0 International License (CC BY-NC 4.0) which permits unrestricted use, distribution, and reproduction in any medium for non-commercial use provided the original author and source are credited.

**CITATION:** Shaiban Nayyef Shakir Al Aloosi (2025). The Impact of Artificial Intelligence Applications on the Future of Strategic Management and Achieving Sustainable Competitive Advantage. *South Asian Res J Bus Manag*, 7(2), 130-138. 130

directs the strategies of business like never before. This change has greatly affected management sciences and has opened up the new era under which human-machine interactions can take an essential role in reaching organizational goals that are complex in nature and have huge importance. The incorporation of AI into strategic management could enhance strategic decision-making and planning processes. By leveraging big data analysis and predictive modeling, AI helps predict future trends, enhancing decision-making processes, allowing organizations to devise optimal plans to achieve their desired goals. Organizations can also use AI to help analyze market data, access competitors, predict next industry trends, and project changes that might come, thus allowing organizations to create adaptive strategies and avoid possible risks. Against this background, strategic management represents one of the highly impacted areas due to the applications of AI. In the pursuit of sustainable competitive advantage, it is more important than ever to be able to analyze huge data sets, look ahead to future trends and make intelligent strategic decisions. Against this background, the research issue is that it wants to know how AI technologies can help companies to improve their strategic performance, and so achieve sustainable competitive advantage. In addition, the study is aiming to look at problems and opportunities AI brings along with it into strategic management field.

### Research Questions

This study aims to answer a central research question, along with several sub-questions, as follows:

#### Main Research Question:

- What is the impact of artificial intelligence (AI) applications on the future of strategic management and the achievement of sustainable competitive advantage?

#### Sub-questions:

- How do AI applications influence the strategic management of companies?
- In what ways can AI applications help companies achieve a sustainable competitive advantage?
- How can AI assist companies in improving strategic decision-making processes?
- What is the relationship between AI applications, strategic management, and sustainable competitive advantage?

#### Third: Research Objectives

This study aims to explore the relationship between artificial intelligence (AI) applications, the future of strategic management, and the achievement of sustainable competitive advantage, as well as how organizations can leverage these technologies to enhance their competitive positioning.

#### To achieve this goal, the research seeks to:

- Determine the impact of AI on companies' strategic performance.
- Explore how AI can be utilized to achieve sustainable competitive advantage.
- Analyze the factors influencing the effectiveness of AI applications in strategic management.
- Identify the nature of the relationship between AI applications, strategic management, and sustainable competitive advantage.

#### Fourth: Research Significance

Artificial intelligence (AI) technology has recently become a building block in the area of knowledge management and the processes needed to keep the social and economic activity channels within the organizations running. Organizations have increasingly been linked with properly managing information technology with an ability to exploit opportunities for growth, survival, and staying competitive. Therefore, it must become a priority for organizations to pursue methods through which they can leverage and incorporate AI technologies due to their nature as a technological advancement in the realm of computers, informatics and digital transformation, especially amidst ubiquitous adoption across multiple industry sectors. Therefore AI applications, in this sense, are effective tools for economic growth, particularly through sustainable actions and also a means of attaining sustainable development goals. The purpose of AI is not to replace humans but to assist them in performing tasks more intelligently. AI technologies can relieve humans from repetitive tasks, enhancing efficiency, and have demonstrated a strong capability in fostering competitive advantages (Aeeqa, 2025: 2). The use of AI in strategic management significantly contributes to enhancing decision-making processes and improving organizations' strategic performance. From this perspective, the significance of this research stems from the importance of the topic itself and its contribution to understanding the role of AI in shaping the future of strategic management. Additionally, it provides valuable insights for organizations on how to adapt to this transformation and achieve a sustainable competitive advantage.

The scientific and practical significance of the research is reflected in the following aspects:

#### 1- Scientific Significance

- The research contributes to expanding the academic knowledge base regarding AI applications and their impact on strategic management.

- It enriches the scientific literature by providing new insights that can be valuable for both researchers and practitioners, helping them understand the effect of AI applications on achieving excellence.

## 2- Practical Significance

- The study can help organizations understand how AI applications influence strategic performance improvement.
- It provides effective strategies for AI adoption, assisting companies in achieving a sustainable competitive advantage, thereby enhancing their ability to survive and excel in a rapidly evolving business environment.

## Fifth: Research Methodology

This study adopts the descriptive-analytical approach, relying on literature reviews and previous studies from articles, books, and scientific research related to the topic of the impact of AI applications on the future of strategic management and the achievement of sustainable competitive advantage. This approach helps in building a strong research framework, enabling the extraction of findings and recommendations that can assist organizations and decision-makers in effectively leveraging AI technologies to achieve sustainable competitive advantage.

## Sixth: Research Terminology

### Definition of Artificial Intelligence (AI):

AI has been defined by Minsky (2010) as a science aimed at creating systems capable of performing tasks that require intelligence when executed by humans, using machines and software. It is also viewed as "the ability of a machine to perform tasks that require human intelligence, such as logical reasoning, learning, and creativity" (Al-Fakhri, 2018: 120).

### Concept of Strategic Management:

Strategic management is defined as "the approach through which an organization allocates its resources and organizes its key efforts to achieve its objectives." (Sultin, 2007: 17).

### Definition of Competitive Advantage:

A competitive advantage represents a goal that an organization strives to achieve by optimally utilizing its available resources, whether tangible or intangible, enabling it to stand out in the market. This distinction allows the organization to grow and sustain its position in the competitive environment (Aeeqa, 2025: 8).

## Seventh: Research Plan

To achieve the **research objective**, the study is structured as follows:

- Chapter One: The Conceptual Framework of the Research.
- Chapter Two: The Relationship Between AI Applications, Strategic Management, and Sustainable Competitive Advantage.

## Chapter One: The Conceptual Framework of the Research

Contemporary organizations today face numerous challenges, among which globalization and technological advancements stand out as key drivers of change. One of the most significant technological developments is artificial intelligence (AI), which has revolutionized the business environment by introducing a qualitative shift in operational processes. AI is considered a branch of computer sciences emerging from the modern technological revolution, focusing on enabling machines to think like humans. These computational programs possess unique characteristics that allow them to simulate human cognitive abilities and intelligence, making them an extension of human thought (Belghazia, 2024:4). These AI-driven technologies have successfully permeated all sectors (Al-Azzam, 2020:472), significantly influencing the role of management in executing its core functions.

## Section One: Fundamentals of Artificial Intelligence

### First: The Concept of Artificial Intelligence

Artificial intelligence (AI) is defined as "a set of behaviors and characteristics exhibited by computer programs that enable them to simulate human cognitive abilities and thinking patterns. Among the most significant features of AI is its ability to infer, learn, and respond to situations that were not explicitly programmed into the machine." (Ahmed, 2022:17). AI can also be described as "software built on a knowledge base composed of symbols that a computer relies on to perform assigned tasks. Based on these symbols, the system can generate results for the user." It is worth noting that there is no universally agreed-upon definition of AI among researchers and academics. AI is a field that mimics human intelligence and cognitive abilities, leading some to refer to it as the "oil of the digital era" due to its capability to simulate human intelligence and autonomously make decisions that produce meaningful impacts (Aeeqa, 2025: 5).

### Second: The Importance of Artificial Intelligence

Artificial intelligence (AI) plays a crucial role in enhancing efficiency, increasing productivity, and delivering improved services across various industries and sectors. It facilitates collaboration and communication among employees

through intelligent training platforms, offering real-time guidance and performance data analysis to improve individual efficiency and continuous development. AI can also be leveraged to analyze data and provide strategic insights for skill development and achieving organizational goals. Additionally, AI contributes to bridging the digital divide by fostering an inclusive technological environment. AI is one of the most transformative technologies driving organizations toward operational excellence, making it a key outcome of the Fourth Industrial Revolution. Its applications span multiple sectors, including industrial, military, economic, medical, and educational fields, making it an integral part of both scientific and practical life. Given its continuous improvement and evolution, it is undeniable that AI has become an indispensable force in modern society. The scope of AI applications is vast and continuously expanding, as machines are now capable of performing cognitive functions, leading to significant improvements in efficiency and productivity (Tashtoush, 2022). AI's significance is further emphasized by its autonomous and objective capabilities, allowing it to solve complex problems and process large amounts of data in record time. Some experts argue that AI's importance lies in its ability to reshape societal thought structures, influencing various aspects of life. Its applications have proven to be highly effective in enhancing efficiency, boosting productivity, and delivering superior services across different industries. As a result, AI technologies are considered powerful tools that add substantial value across multiple domains. Given the rapid transformations in the global financial landscape, adopting AI technologies has become a critical necessity for organizations to navigate these changes effectively (Haifaa, 2023:3).

### **Third: Objectives of Artificial Intelligence**

The use of artificial intelligence (AI) aims to simulate human intelligence through advanced software to solve non-routine problems or train systems to handle them. AI applications achieve multiple objectives (Arqoub, 2023: 4), including:

- Processing information in a way similar to human problem-solving, utilizing parallel processing capabilities to execute multiple tasks simultaneously, which closely resembles the human cognitive approach (Al-Ghamdi & Jadwa, 2024: 174).
- Assisting in solving complex problems and making logical and structured decisions that align with human thinking patterns.
- Enhancing fundamental relationships within organizations, leading to improved productivity and ensuring sustainability in a dynamic market.
- Enabling machines and devices to process data in a manner that mirrors human cognition, allowing systems to understand and interpret human thought processes.
- Helping organizations achieve sustainable competitive advantage by providing innovative tools and technologies that enhance performance and enable faster, more effective decision-making.

### **Fourth: Advantages and Disadvantages of AI Applications**

#### **Advantages of AI Applications**

According to (Al-Najjar 2010:170), artificial intelligence contributes to several advantages, including:

- Solving problems even in the absence of complete information, with the ability to think and perceive.
- Acquiring and applying knowledge, as AI systems can understand, learn, and gain experience from past events.
- Utilizing previous knowledge in new situations, allowing AI to apply trial-and-error approaches to discover solutions.
- Providing valuable information and supporting decision-making through data-driven insights.

#### **Disadvantages of AI Applications**

Despite the numerous benefits of AI applications across various fields, some drawbacks have been noted, as highlighted by (Zainab Ali & Nihad Ali, 2020:15):

- High costs, as AI systems require advanced infrastructure, the latest hardware and software, and continuous updates to remain effective and human-like in executing tasks.
- Limited self-learning and improvement capabilities, as AI systems lack the natural ability to adapt and evolve autonomously like humans.
- Inability to deeply understand concepts and contexts in the same way as humans, which can limit their interpretation and problem-solving skills in complex, unstructured scenarios.

### **Section Two: Strategic Management**

Strategic management serves as the guiding compass for a company, determining the correct course of action to achieve long-term success. It is regarded as a structured effort aimed at making strategic decisions, developing systems, and formulating plans to ensure the desired profitability while also fulfilling the needs of target customers. Strategic management represents the pinnacle of managerial thought and practice. The following section outlines its theoretical framework:

### **First: The Concept of Strategic Management**

Strategic management is defined as "an integrated system of processes related to analyzing both the internal and external environment, formulating appropriate strategies, and implementing them to help an organization achieve distinction and maximize its performance across various business activities." (Yassin, 1998:15). It is a process that involves designing, executing, and evaluating strategies that enable an organization to achieve its objectives effectively (Sultin, 2007: 17).

### **Second: The Importance of Strategic Management**

Strategic management holds a prestigious position in contemporary administrative thought, as it deals with all decisions related to the present and future of an organization. It establishes the organization's relationship with its internal and external environments in the long term, in addition to defining how to interact with competitors and determining the methods of dealing with all stakeholders, including customers and suppliers. Consequently, it formulates strategies and plans that enable the organization to achieve excellence and address competition. The importance of strategic management can be outlined in the following points: (Abdul Bari & Jarradat, 2014: 78–79).

- Directs the organization toward identifying opportunities and setting priorities for their utilization.
- Enhances awareness and practices contributing to achieving the organization's vision and objectives.
- Establishes a long-term, medium-term, and short-term strategic orientation within the organization.
- Analyzing the internal and external environments in which the organization operates enables management to anticipate opportunities and challenges.
- Assists in improving the quality of strategic decision-making by fostering interaction among team members.
- Provides a practical approach to problem-solving and managing overlaps in organizational activities.

Based on this, reliance on strategic management has become a necessity rather than a luxury. When implemented effectively, it enhances the performance of organizations both in the present and the future. Therefore, global business organizations widely adopt strategic management as a modern administrative approach to achieving excellence and innovation.

### **Third: Objectives of Strategic Management**

Strategic management is a structured discipline with well-defined steps and stages agreed upon in administrative thought. It represents an effort to realign the organization's direction, making it more adaptable to external environmental changes. This necessitates continuous monitoring and evaluation of external events to assess the magnitude, strength, and direction of change. The key objectives of strategic management can be summarized as follows (Al-Titi, 2013: 51–52).

- Internally preparing the organization by making adjustments to its organizational structure, procedures, rules, regulations, and workforce in a manner that enhances its ability to interact efficiently and effectively with the external environment.
- Establishing priorities and relative importance by setting long-term goals, annual objectives, and policies, followed by allocating resources based on these priorities.
- Enhancing the effectiveness and efficiency of decision-making, coordination, and control, as well as detecting and correcting deviations through clearly defined strategic objectives.
- Achieving excellence, such as maintaining high-quality standards or strengthening market leadership.

### **Third Requirement: Sustainable Competitive Advantage for Companies**

In the modern era, characterized by technological advancements that have transformed the world into a global village, national borders and trade barriers have been diminished, opening international markets. This has intensified competition among companies across all sectors, making it essential for businesses to explore innovative methods to achieve a competitive advantage. One such method is artificial intelligence, which can assist companies in data analysis and provide strategic insights on improving performance and achieving objectives. As competition standards and mechanisms among companies in the business environment continue to evolve, gaining a competitive advantage alone is no longer sufficient to ensure the sustainability and survival of companies in the marketplace. This has necessitated the need for businesses to focus on sustaining their competitive advantage to facilitate growth, expansion, and long-term competitiveness in the market (Hanna, 2022: 481). Therefore, clarifying the concept and significance of competitive advantage is crucial.

### **First: The Concept of Sustainable Competitive Advantage**

The concept of competitive advantage refers to "a skill, technology, or resource that enables an organization to deliver unique value and benefits to its customers, distinguishing it from competitors and providing superior advantages over other market players" (Al-Salmi, 2001). Based on this definition, competitive advantage represents the added value an organization can offer its customers that differentiates it from competitors within the same industry. Sustainability, in this context, refers to the duration or period during which an organization maintains its advantage by effectively utilizing



and preserving its resources (Al-Tablawi, 2022 :14). A competitive advantage is achieved when an organization provides products that meet customer needs and expectations in a way that enhances customer satisfaction and loyalty.

To achieve a sustainable competitive advantage, an organization must rely on various strategic approaches. Some view the concept of sustainable competitive advantage as "all the processes, activities, and innovations undertaken by a company to establish a unique competitive position that differentiates it from other companies, maintain this position for the longest possible period, and further enhance it by keeping pace with current and future market developments and changes" (Al-Gharbawi *et al.*, 2021: 36). Others define sustainable competitive advantage in terms of a company's ability to leverage its resources, capabilities, and strengths to implement innovative activities and strategies that add value for customers by offering products and services that set it apart from competitors.

### **Second: The Importance of Sustainable Competitive Advantage**

Sustainable competitive advantage is crucial for companies and organizations, enabling them to survive and thrive in a rapidly evolving business environment. The significance of sustainable competitive advantage can be summarized as follows (Hanna, 2022: 489):

- Enhancing the company's ability to enter new markets.
- Improving the company's competitive position.
- Increasing the company's capacity to meet customer needs and desires while creating value for customers by offering unique products and services that differentiate it from competitors.
- Boosting sales volume, thereby increasing profits.
- Strengthening the company's capabilities in continuous innovation and creativity.
- Achieving a high level of customer satisfaction and loyalty.

### **Third: Sources of Sustainable Competitive Advantage**

- **Technology and Innovation:** This involves leveraging technology within organizations to continuously seek the best services and products, which enhances the organization's internal capabilities and ultimately leads to achieving excellence.
- **Utilization of Human Resources:** For this, it focuses on the human capital in the organization because human resources represent one of the most necessary and valuable assets that can think and innovate. This helps improve the organization's services or products to make them viable and sustainable in the business.

From the above writing, it appears that sustainable competitive advantage is the superiority in performance of a company over its competitor in the long term. So, a sustainable advantage is not just a short term benefit, it is one that provides a firm with a distinctive competence so firm can preserve its market leadership in the long run.

## **Chapter Two: The Relationship Between Artificial Intelligence Applications, Strategic Management, and Sustainable Competitive Advantage**

Artificial intelligence (AI) has emerged as one of the most powerful technologies today making a profound and far-reaching impact on the business ecosystem. AI refers to the ability of machines to have human-like objectives and accomplish tasks. Thus, artificial intelligence has been infiltrated in many fields as a very effective tool with additional value in many aspects of life. In multiple sectors, it is essential in increasing efficiency, bettering productivity, and providing improved services.

So the AI Technologies have become an immediate need, and this has been accepted because of its achievements and technological applicability. It is not to say AI should not have a role in driving forward society, especially when considering the fact that it can process a considerable amount of information and take that into account in informing decisions at an institutional level. Thereby AI has a deep societal influence on many layers with a lot of positive impacts which are beyond the quantifiable frontier.

### **First Requirement: The Impact of Artificial Intelligence Applications on the Future of Strategic Management**

AI is now being used widely in management to support and improve the performance of institutions and administrations. They process large datasets, automate specific tasks, and optimize customer interactions, allowing organizations to capture market trends, discover new opportunities and obstacles, and make more informed and quicker decisions relying on verified data. This is one of the key factors that leads to the market differentiation that makes AI technologies the need of the hour in workplaces. With the ongoing advancement of these technologies, further progress and reliance on AI in business environments are expected (Al-Ruqeiba, 2024:105). Additionally, integrating AI into administrative processes can assist organizations in risk analysis, predicting potential management outcomes, improving project planning, and optimizing resource utilization. Thus, AI applications are closely and strongly linked to strategic management, playing a crucial role in enhancing the efficiency and effectiveness of administrative processes and strengthening companies' competitive capabilities through the following aspects: (Al-Mulla, 2022).

- **Data Collection and Analysis:** AI applications enable companies to rapidly and efficiently collect and analyze vast amounts of data. These analyses help in understanding market trends, customer behavior, and guiding strategic decisions.
- **Enhancing Strategic Decision-Making:** By leveraging AI technologies to gather and analyze big data, strategic management can make more accurate and effective decisions, strengthening the company's competitive advantage.
- **Strategic Planning and Forecasting – Improving Decision-Making:** Utilizing data-driven analytics allows strategic management to make more precise and effective decisions, enhancing the company's competitive ability.
- **Data Analysis and Trend Prediction:** AI technologies facilitate accurate future forecasting based on historical data and existing patterns. These forecasts assist companies in formulating effective strategic plans for the future.

Based on this, AI applications help explore new innovation opportunities by analyzing data and identifying emerging patterns. Companies can leverage these opportunities to develop innovative products and services.

AI applications are heavily impacting the future of strategic management as they improve decision making processes and increase corporate competitiveness. Such technologies allow companies to quickly and efficiently collect and analyze data, leading to accurate and effective strategic plans. Moreover, AI facilitates operational efficiency, tailors customer experiences, and fuels innovation, providing organizations with a sustained competitive capacity to remain at the forefront of a transforming business landscape. This is why use AI is a pivotal element in providing the disciplines of success and permanence of the corporate.

## **Second Requirement: The Role of Artificial Intelligence Applications in Achieving Sustainable Competitive Advantage**

AI-powered applications contribute extensively to improve the efficiency of the business processes and the allocation of resources. AI is a transformative force affecting all kinds of institutions at all levels of society with many benefits, as they can analyze vast amounts of data and use them in their policies. This, in turn, is a step towards sustainable competitive advantage. Thus, the importance of AI in guaranteeing quality and sustainability can be summarized as follows:

### **1- The Impact of Artificial Intelligence on Business Efficiency**

With its capability to allocate resources effectively, AI increases business efficiency. It introduces simplified operational tasks that otherwise would put an inordinate cost burden on companies through evolved technologies of AI, and thus enhances production while lowering idle time. AI uses algorithms to carry out big data analysis and thereby help people make decisions. Meanwhile, it finds faults in supply chains. This enables firms to make well-informed tweaks which improve their general performance. Additionally, AI-driven automation simplifies handling repetitive tasks, enhancing operational efficiency. By reducing manual workload and minimizing human error, AI enables organizations to optimize their processes, ultimately contributing to sustained competitive advantage.

### **2- Simplifying Processes Using Artificial Intelligence**

Artificial intelligence is an integrated tool that helps streamline business operations, enhancing accuracy across various processes. By automating routine tasks, AI reduces the likelihood of human errors, minimizes deviations, and ensures more precise operations execution (Aifa, 2025: 22). As a result, AI contributes to improving the quality and performance of companies' services. From this perspective, AI is considered one of the most transformative innovations, with experts predicting that its adoption at the corporate level will drive significant institutional growth. This is due to its ability to increase productivity and reduce costs (David H. Autor, 2022:177). Moreover, AI can enhance a company's competitive advantage by improving product quality, optimizing efficiency, enhancing customer experience, and refining marketing and customer engagement strategies (Saad, 2024:1741).

### **3- Enhancing Customer Experience**

By leveraging AI applications, companies can analyze customer-related data to enhance their experience and increase satisfaction. This, in turn, fosters customer loyalty and expands the company's market share.

### **4- Cost Reduction**

Cost efficiency is one of the most effective strategies for achieving business excellence, provided that service or product quality is not compromised. The use of AI technologies in business operations streamlines processes and saves costs by providing advanced and efficient solutions to organizational problems. This contributes to improved institutional performance. We can conclude from the above that implementing AI technologies provides several competitive advantages to organizations in various fields, such as improved work productivity, better customer satisfaction, reduced costs and overall town market focus. These techs play a significant role in creating a sustainable competitive advantage for companies.

Today, artificial intelligence is more than just a theory. It is a powerful tool that can help companies to optimize their operations and make better strategic decisions. This presents companies with an opportunity at the golden moment: Phase II of digital transformation. By adopting and effectively putting them to use, companies can lead their respective markets into the future and carve out new paths.

## CONCLUSION

The deployment of AI applications is a form of advanced decision support rationalization that shows how strategic management can obtain a sustainable competitive advantage for companies. By analyzing data, engineers can make better business intelligence decisions to improve performance and innovation while enhancing customer experience, enabling businesses to thrive in a constantly changing business context. Hence, organisations need to develop effective strategies to realize the efficient production of AI technologies to attain their strategic goals. Advantage of these systems depends on the level of investment & understanding, which also should focus on investment in AI technologies simultaneously.

### First: Findings

1. Artificial Intelligence based Applications are one of the most potent tools of the strategic management that are delivering innovative and efficient solutions to data analytics, enabling faster and more accurate strategic decision making.
2. AI plays a significant role in improving efficiency, productivity, and service quality across a wide range of industries, what makes it a powerful and invaluable tool in many areas of business and life.
3. As an effective analytical tool, it helps in enhanced strategic planning and decision making, and predicting future events by studying big data, thus backing organizations' informed choices.
4. As a sailing guide for enterprises, its role is to ensure that they will soon sail in right direction with their objectives matched.
5. Strategic management holds a prestigious position in contemporary administrative thought. It deals with all decisions concerning the present and future of an organization and builds through time its relationship to internal and external environments.
6. Commerce and industry experience tells us that sustainable competitive advantage is now the most important thing in life. Only by possessing such an advantage can companies and organizations survive the thriving dynamic environment of change we see today.
7. Accorded over time, a sustainable competitive advantage represents a firm's capability to outperform its market rivals in the long-run.
8. AI solution optimizes business performance and improves operational efficiency, which ensures a more effective and productive system.
9. Innovative organizations strive for a long-lasting competitive advantage. Integrating AI into their operations allows increased efficiency and enables agile responses to changes in their respective markets.

### Second: Recommendations

- To achieve excellence and sustainability, organizations must take holistic strategic approaches to embedding artificial intelligence in their environment. This covers using AI applications to make better-informed decisions, improve their operations, and cement their competitive edge.
- AI training institutions should work on not only human resources but also technology infrastructure to implement AI systems effectively. Organizations must also look for ethical risks associated with AI applications where responsible and transparent use happens with proper consideration of ethical and regulatory inspection.

## REFERENCES

- Ibrahim, Mohamed Fathy Mohamed. (2022). The Legislative Regulation of Artificial Intelligence Applications. Journal of Legal and Economic Research, Issue 81.
- Saad, Soha Al-Maghawari Johari. (2024). AI Support for Competitive Advantages and Its Impact on the Labor Market and Energy (Comparative Study). Journal of Legal and Economic Studies, Vol. 10, Issue 2.
- Al-Mulla, Rasha Mohamed Sa'em. (2022). The Role of AI in Improving Administrative Decision-Making Processes in Educational Institutions in Jordan. Unpublished Master's Thesis, Middle East University, Jordan.
- Al-Gharbawi, Hazem Salman, Raed Wanteeshon, and Russel. (2021). Adopting the Green Value Chain to Achieve Sustainable Competitive Advantage. Journal of Accounting and Financial Studies, Issue 2, Vol. 4.
- Al-Ruqeiba, Abdullah bin Ahmed. (2024). The Role of AI in Improving Administrative Efficiency. Journal of Educational and Human Sciences.
- Hanna, Yustina Rizq Suleiman. (2022). The Impact of Marketing Intelligence on the Sustainable Competitive Advantage of Airlines. The International Journal of Heritage, Tourism, and Hospitality, Vol. 16, Issue 1.



- Al-Tablawi, Osama Sayed Ahmed. (2022). The Role of Strategic Leadership in Enhancing Sustainable Competitive Advantage. *Scientific Journal, Faculty of Commerce, Issue 75*.
- Al-Salmi, Ali. (2001). *Reflections on Contemporary Management*. Dar Ghareeb Publishing and Distribution, Cairo.
- Abdul Bari, Ibrahim Darra, and Jaradat, Nasser Mahmoud Saud. (2014). *Strategic Management in the 21st Century: Theory and Application*. Dar Wael Publishing, 1st Edition, Jordan.
- Yassin, Saad Ghaleb. (1998). *Strategic Management*. Al-Yazouri Scientific Publishing, Riyadh, Saudi Arabia.
- Al-Titi, Khidr Musbah Ismail. (2013). *Strategic Management*. Dar Al-Hamed Publishing and Distribution, 1st Edition, Jordan.
- Zainab Ali and Nihad Ali. (2020) *The Impact of AI Technology Implementation in Achieving Competitive Advantage*. University of Babylon – College of Management and Economics.
- Al-Najjar, Faiza Jumaa. (2010). *Management Information Systems from an Administrative Perspective*. Dar Al-Hamed Publishing and Distribution, 2nd Edition, Amman, Jordan.
- Al-Ghamdi, Ghalia Abdullah, and Ihab Mustafa Jadu. (2024). The Reality of Using AI-Based Applications in Education from the Perspective of Arab College Students. *Journal of AI and Information Security, Vol. 2, Issue 3*.
- Arqoub, Khadija. (2023). The Importance of AI in Industrial Institutions. Paper presented at the 1st International Conference, November 7-8, 2023, at the University of August 20, 1955, Skikda.
- Aifa, Nariman. (2025). The Role of AI in Achieving Competitive Advantage in Economic Institutions. *Journal of Management and Entrepreneurship, Vol. 4, Issue 2*.
- Tashtush, Hael Abdul Mola. (2022). The Impact of AI on Human Resources in Business Organizations. *Journal of Arab Studies and Research*.
- Al-Azzam, Noura Mohamed Abdullah. (2020). The Role of AI in Enhancing Administrative System Efficiency in Human Resources Management. *Educational Journal – Sohag University, Issue 84, Part 1*.
- Al-Ruqeiba, Abdullah bin Ahmed. (2024). The Role of AI in Enhancing Administrative Efficiency. *Journal of Educational and Human Sciences, Issue 40*.
- Mohamed, Asmaa Azmi Abdel Hamid. (2020). The Impact of AI Administrative Applications on the Competitive Advantage of Business Organizations: A Case Study on Commercial Bank Branches. *The Scientific Journal for Financial and Commercial Studies and Research, Vol. 1, Issue 1*.
- Al-Fakhri, Abdullah. (2018). *The Psychology of Intelligence*. Academic Book Center, Amman, Jordan.
- Saltin, Souma Ali. (2007). *Strategic Management and Its Impact on Enhancing Business Organizations' Performance*. Unpublished Master's Thesis, Tishreen University, Faculty of Economics.
- Belgaziya, Omar, and Bouzaneet, Kenza. (2024). AI Applications in Startups: Field Studies and Leading Experiences. National On-Site Conference – Zian Ashour University, Djelfa, Faculty of Economic, Commercial, and Management Sciences.
- Ahmed, Rasha Mohamed Sa'em. (2022). *Administrative Applications of AI in Decision-Making Processes*. Middle East University.
- Minsky, M. (2010). *The Emotions of Machine of Commonsense, Artificial Intelligence and the Future of the Human Mind*. Barcelona: Random House Mondadori, Pp. 295-315.
- Haifaa, I. F. (2023). Artificial Intelligence: Myth or Not?, *IQ VERSUS AL, Vol: 22*.
- David H. Autor, David A. Mindell, Elisabeth Reynolds. (2022). *The Work of the Future: Building Better Jobs in an Age of Intelligent Machines*. MIT Press, p. 177.