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A Framework for Building Resilience with Adaptive Leadership and AI Readiness in Contemporary South Asian Organizations

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Abstract

While AI is often viewed as a strategic resource for improving efficiency and competitiveness, its outcomes remain uneven across organizations. Limited conceptual clarity remains regarding how artificial intelligence adoption contributes to organizational resilience, particularly in turbulent South Asian contexts. This paper argues that the missing link lies in AI readiness, conceptualized as a multidimensional capability that reflects the extent to which organizations and their employees are prepared to adopt, use, and adapt to AI technologies. Based on an integrative review, the study draws on the Resource-Based View, dynamic capabilities theory, and leadership perspectives to develop a conceptual framework that positions AI readiness as a mediating mechanism between leadership and organizational resilience. Leadership is conceptualized as an enabling force that shapes organizational conditions and supports capability development, while AI readiness facilitates the translation of technological potential into adaptive capacity. Organizational resilience is viewed as a dynamic capability involving anticipation, coping, and adaptation under disruption. The study further situates this framework within the context of South Asian economies characterized by institutional volatility, resource constraints, and uneven digital maturity. It argues that under such conditions, leadership-enabled AI readiness becomes particularly critical for sustaining organizational performance. The paper contributes to theory by integrating leadership, AI readiness, and resilience within a capability-based framework and offers practical insights for organizations seeking to navigate technological change in turbulent environments.

Keywords: Artificial Intelligence, Leadership, Organizational Resilience, South Asia, Technology Readiness

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Introduction

South Asian economies continue to operate under conditions of persistent turbulence shaped by economic volatility, institutional uncertainty, and uneven technological development. Organizations in these contexts are required to respond to rapid changes in markets, policy environments, and global disruptions while managing internal constraints. Firms in emerging and mid-range economies often function within fragmented institutional environments, which heighten uncertainty and require continuous adaptation rather than one-time strategic responses (Hoskisson et al., 2013; Malik & Terzidis, 2025; Rashed et al., 2025). As a result, the ability to adjust, reconfigure, and sustain operations under pressure has become a central concern for both scholars and practitioners.

Concurrently, the increasing adoption of artificial intelligence has transformed how organizations approach decision-making and value creation. Advances in digital technologies have reshaped business models and operational processes, positioning technology as a core strategic resource rather than a supporting tool (Bharadwaj et al., 2013; Matt et al., 2015). AI technologies are widely associated with improvements in efficiency, innovation, and data-driven decision-making (Bughin et al., 2018; Ransbotham et al., 2017). In broader terms, digital transformation is now understood as an organizational phenomenon that affects structures, capabilities, and ways of working rather than simply technological change (Vial, 2019). In both public and private sector settings, AI has also been linked to improved governance and institutional performance (Sharma et al., 2020).

Despite these expectations, the outcomes of AI adoption remain uneven across organizations. While some firms are able to use AI to enhance adaptability and performance, others fail to achieve similar benefits even after making comparable investments. This variation suggests that the presence of advanced technology alone does not guarantee effective organizational outcomes. In particular, the assumption that AI adoption directly leads to organizational resilience is increasingly questioned. Organizational resilience, understood as the capability to anticipate disruptions, cope with adverse events, and adapt over time while sustaining core functions, depends on a broader set of internal capabilities rather than on technology alone (Annarelli & Nonino, 2016; Duchek, 2020). This indicates that the relationship between AI adoption and resilience is neither direct nor automatic.

This gap between technological adoption and organizational outcomes raises an important issue. If AI itself does not ensure resilience, what enables organizations to translate technological potential into adaptive capability? Existing research has addressed this question mainly through studies on digital strategies, innovation processes, and structural transformation (Bharadwaj et al., 2013; Matt et al., 2015; Vial, 2019). However, there is limited attention to the internal conditions that determine whether organizations are prepared to engage with AI, despite evidence of leadership, knowledge, human resource, financial, and employee engagement gaps in Bangladesh's textile and garment industry (Hossain et al., 2024). In uncertain South Asian environments, this preparedness becomes particularly important because organizations must manage institutional and resource constraints while continuously adapting their use of AI (Hossain et al., 2024; Rashed et al., 2025).

The missing link can be understood through the concept of AI readiness, a multidimensional capability reflecting the extent to which organizations and their employees are prepared to adopt, use, and adapt to AI technologies. AI readiness goes beyond technical competence and includes psychological orientations toward technology, behavioral willingness to use it, and organizational conditions that support implementation and adaptation (Hossain et al., 2024; Lokuge et al., 2019; Parasuraman, 2000; Venkatesh et al., 2012). Without such readiness, the benefits of AI adoption are unlikely to materialize in meaningful ways. In this sense, AI readiness functions as a critical mechanism that connects technological investment with organizational outcomes.

Simultaneously, the development of AI readiness does not occur in isolation. Leadership plays a central role in shaping how organizations respond to technological change, especially under conditions of uncertainty and disruption. Adaptive leaders support sensemaking, learning, and adjustment by shaping how employees interpret new technologies and respond to uncertainty (Heifetz & Laurie, 1997; Uhl-Bien et al., 2007). In turbulent contexts such as those observed in South Asian economies, this role becomes even more important, as organizations must continuously adjust to both internal and external pressures (Hoskisson et al., 2013; Rashed et al., 2025). Despite this, the role of leadership in enabling AI readiness as a pathway to organizational resilience has not been sufficiently conceptualized.

In response to this gap, this study proposes a conceptual framework linking leadership, AI readiness, and organizational resilience. It argues that leadership does not directly produce resilience. Instead, leadership enables the development of AI readiness, which in turn functions as a capability that supports organizational adaptation under unstable conditions (Annarelli & Nonino, 2016; Duchek, 2020). Accordingly, the framework is intended to apply across manufacturing and service organizations undertaking AI-enabled transformation in turbulent South Asian settings.

Despite the growing body of research on artificial intelligence and digital transformation, there remains limited conceptual clarity regarding how organizations translate AI adoption into resilience, particularly in turbulent emerging economy contexts. Existing studies have primarily focused on technological adoption, digital strategy, and performance outcomes, often treating technology as a direct driver of organizational effectiveness (Bharadwaj et al., 2013; Bughin et al., 2018; Vial, 2019). However, outcomes are increasingly shown to depend on internal organizational conditions such as capabilities, structures, and alignment rather than on technology alone (Lokuge et al., 2019; Sharma et al., 2020). At the same time, resilience research has emphasized adaptive capability but has not sufficiently integrated technological readiness as a mechanism through which such capability is developed (Annarelli & Nonino, 2016; Duchek, 2020). More importantly, existing research has not adequately explained how adaptive leadership develops AI readiness as the capability through which AI adoption may support organizational resilience in turbulent South Asian settings. Addressing this gap, this study develops a conceptual framework that explains how leadership shapes AI readiness and how this capability contributes to organizational resilience in South Asian environments.

Overall, the study makes three contributions. First, it introduces AI readiness as a key mechanism linking AI adoption to organizational resilience. Second, it highlights the enabling role of leadership in shaping this capability. Third, it situates these relationships within the context of

contemporary South Asian economies, where adaptive capacity is especially critical (Malik & Terzidis, 2025; Rashed et al., 2025).

Research Design

This study adopts a conceptual research design grounded in an integrative review approach. The purpose of this design is not to test relationships empirically, but to develop a theoretically informed framework that explains how leadership enables AI readiness as a pathway to organizational resilience in uncertain business environments. In line with the nature of conceptual research, the study focuses on synthesizing existing knowledge across multiple domains rather than generating new primary data.

An integrative review is appropriate for this study because the relevant literature is dispersed across several fields, including digital transformation, artificial intelligence, leadership, and organizational resilience. Previous studies have highlighted that such fragmentation often limits the development of coherent explanations that connect technological change with organizational outcomes (Sharma et al., 2020; Vial, 2019). By bringing together these different strands of research, the present study seeks to identify underlying patterns and develop a unified conceptual understanding.

The approach taken in this paper is consistent with prior review-based and theory-building studies. For example, research on organizational resilience has frequently relied on conceptual synthesis to clarify definitions, identify dimensions, and propose capability-based explanations (Annarelli & Nonino, 2016; Duchek, 2020). Similarly, studies on artificial intelligence and digital transformation have emphasized the need for integrative frameworks that connect technological developments with organizational processes and outcomes (Sharma et al., 2020; Yesuf & Fields, 2025).

Relevant literature was identified through Google Scholar and major publisher databases using combinations of the terms “artificial intelligence,” “AI readiness,” “digital transformation,” “adaptive leadership,” “organizational resilience,” “emerging economies,” and “South Asia.” The review covered literature published between 1984 and 2026, combining foundational theoretical work with recent studies on AI readiness, digital transformation, leadership, and organizational resilience. Full texts were retrieved primarily through ScienceDirect, SpringerLink, Wiley Online Library, Emerald Insight, SAGE Journals, Taylor & Francis Online, IEEE Xplore, and JSTOR. Studies were included when they directly addressed AI and digital transformation, leadership under uncertainty, organizational resilience, or the capability-based relationships connecting these areas. Studies concerned only with technical AI performance, consumer adoption outside organizational settings, or issues unrelated to organizational capability development were excluded. Evidence from South Asian and comparable emerging-economy settings was prioritized for contextual interpretation, while broader international literature was retained for theoretical development.

The analysis follows a thematic synthesis approach. First, key concepts and definitions related to adaptive leadership, AI readiness, and organizational resilience are identified and examined. Second, recurring links among leadership, capability development, technological adaptation, and resilience are compared across the selected studies and interpreted through the resource-

based view, dynamic capabilities, and leadership research. Third, these insights are used to develop a conceptual framework that specifies the role of AI readiness as a mediating mechanism between leadership and organizational resilience. This process reflects the type of theory-building approach commonly used in conceptual studies within management research (Annarelli & Nonino, 2016; Duchek, 2020). Overall, this design supports the development of the proposed framework.

Theoretical Foundations

Resource-Based View

The Resource-Based View offers a useful lens for understanding how internal organizational capabilities contribute to performance and adaptation. The central argument of this perspective is that firms differ in terms of the resources and capabilities they possess, and these differences explain variations in competitive advantage (Barney, 1991; Wernerfelt, 1984). Resources that are valuable, rare, and difficult to imitate can enable organizations to achieve sustained performance advantages over time (Barney, 1991). Building on this logic, subsequent work has clarified the conditions under which resources can generate competitive outcomes, emphasizing the importance of heterogeneity and immobility of resources across firms (Peteraf, 1993).

Over time, the Resource-Based View has evolved to recognize that it is not only the possession of resources that matters, but also the ability of organizations to deploy and develop these resources effectively. Later contributions have extended the theory to consider how firms renew and reconfigure their resource bases in response to changing environments (Barney et al., 2011). This shift highlights that resources must be actively managed and aligned with environmental demands.

Within this perspective, AI readiness can be understood as a strategic organizational capability. It reflects not only the availability of technological infrastructure but also the extent to which employees and organizational systems are prepared to engage with AI. From a Resource-Based View standpoint, such readiness represents an internal capability that can differentiate organizations in their ability to leverage technology effectively. Importantly, this indicates that the benefits of AI adoption are not derived from technology itself, but from how organizations develop and utilize their internal capabilities.

Dynamic Compatibilities Theory

While the Resource-Based View explains how internal resources contribute to advantages, it is less explicit about how organizations adapt to rapidly changing environments. Dynamic Capabilities Theory addresses this limitation by focusing on the processes through which firms integrate, build, and reconfigure their resources in response to environmental change (Teece et al., 1997). In turbulent contexts, organizations must continuously adjust their capabilities to remain effective.

Dynamic capabilities are often described as higher-order capabilities that enable firms to sense opportunities and threats, seize them, and transform their resource base accordingly (Teece,

2007). This perspective emphasizes that competitive advantage depends not only on existing resources but also on the ability to renew and adapt those resources over time. Empirical and conceptual studies have further clarified that dynamic capabilities are identifiable organizational processes, such as routines related to learning, integration, and reconfiguration (Eisenhardt & Martin, 2000).

Subsequent work has expanded this view by linking dynamic capabilities to entrepreneurship and innovation, highlighting how organizations respond to uncertainty by developing new competencies and adjusting existing ones (Zahra et al., 2006). In the context of digital transformation, dynamic capabilities have been associated with the ability to manage technological change and integrate digital technologies into organizational processes (Mikalef & Pateli, 2017). More recent studies also emphasize that digital transformation itself can be understood as an ongoing process of capability development and strategic renewal rather than a one-time change (Warner & Wäger, 2019).

From this perspective, AI readiness can be conceptualized as a dynamic capability. It enables organizations to adapt to technological change by developing the necessary skills, structures, and processes required to use AI effectively. In unstable environments, such readiness supports continuous adjustment and learning, which are essential for maintaining organizational resilience. Therefore, AI readiness is not simply a static condition but an evolving capability that reflects the organization's ability to respond to both technological and environmental changes.

Leadership Perspective

While the Resource-Based View and Dynamic Capabilities Theory explain the importance of capabilities and adaptation, they do not fully address how such capabilities are developed within organizations. Leadership perspectives provide insight into this process by focusing on how leaders mobilize individuals and guide organizational responses to change.

Adaptive leadership emphasizes the role of leaders in helping organizations navigate complex and uncertain environments. Rather than providing direct solutions, leaders are expected to facilitate learning, encourage problem-solving, and support employees in adjusting to new conditions (Heifetz & Laurie, 1997). This perspective is particularly relevant in situations where challenges are not clearly defined and require collective interpretation and adaptation.

In addition, complexity-based views of leadership highlight that organizations operate as dynamic systems where outcomes emerge from interactions among individuals and structures (Uhl-Bien et al., 2007). From this viewpoint, leadership is not limited to formal authority but involves enabling conditions that support learning, innovation, and adaptation across the organization. Leaders play a key role in shaping how employees interpret change, respond to uncertainty, and develop new capabilities.

In the context of AI adoption, leadership becomes critical because technological change introduces uncertainty, ambiguity, and new learning demands. Employees may face challenges in understanding and applying AI tools, and their responses to such challenges are influenced by how leaders frame and manage the transition. Leadership therefore acts as an enabling

mechanism that supports the development of AI readiness by fostering a learning-oriented environment and guiding employees through the process of adaptation.

Integrative Perspective

The Resource-Based View explains why internal capabilities such as AI readiness are important for organizational performance. Dynamic Capabilities Theory extends this understanding by emphasizing the need for continuous adaptation in turbulent environments. Leadership perspectives then explain how these capabilities are developed and mobilized within organizations.

This integration allows the study to position AI readiness as a capability that is both strategically valuable and dynamically developed, while leadership is understood as the force that enables its formation. In turn, this capability supports organizational resilience by allowing firms to respond effectively to ongoing disruptions. The key constructs and their theoretical grounding are summarized in Table 1.

Table 01. Summary of key constructs and theoretical grounding

Construct	Definition	Key Theoretical Basis	Key References
AI Readiness	The extent to which an organization and its members are prepared to adopt, use, and adapt to artificial intelligence through aligned psychological orientation, behavioral acceptance, and organizational structures	Technology readiness; Technology acceptance; Organizational capability perspective; Digital transformation	Arechavala-Vargas et al. (2025); Khan et al. (2024); Lokuge et al. (2019); Parasuraman (2000); Sarkambayeva et al. (2026); Venkatesh et al. (2012); Yesuf and Fields (2025)
Organizational Resilience	The capability of an organization to anticipate disruptions, cope with adverse events, and adapt over time while sustaining its core functions and performance	Dynamic capability perspective; Resilience theory; Crisis and adaptation literature	Annarelli and Nonino (2016); Bhamra et al. (2011); Duchek (2020); Lengnick-Hall et al. (2011); Ortiz-de-Mandojana and Bansal (2015); Pettit et al. (2010); Williams et al. (2017)
Adaptive Leadership	The process through which leaders create conditions that support learning, adaptation, and capability development	Adaptive leadership; Complexity leadership; Digital	Heifetz and Laurie (1997); Lokuge et al. (2019); Sebastian et al. (2017); Uhl-Bien et al. (2007); Westerman et al. (2014)

	in uncertain and complex environments	transformation leadership

AI Readiness, Leadership, and Organizational Resilience: A Conceptual Framework

Leadership and the Development of AI Readiness

AI readiness does not emerge automatically from the introduction of new technologies. It is shaped by how organizations interpret, manage, and respond to technological change. Leadership plays a central role in this process. Adaptive leadership perspectives suggest that leaders help individuals make sense of uncertainty, support learning, and guide organizations through complex change rather than offering predefined solutions (Heifetz & Laurie, 1997). This is particularly relevant in AI contexts where employees often face ambiguity regarding new systems and processes. At the individual level, readiness is shaped by psychological orientations toward technology (Parasuraman, 2000), while actual use depends on perceptions of usefulness, ease of use, and facilitating conditions (Venkatesh et al., 2012).

From a broader organizational perspective, leadership can be understood as an enabling function that creates the conditions necessary for adaptation. Uhl-Bien et al. (2007) argue that leadership supports interaction, learning, and innovation within complex systems. In digital transformation settings, this role becomes more pronounced. Leaders are responsible for aligning technological initiatives with organizational strategy, culture, and structure (Westerman et al., 2014). Without such alignment, technological investments may remain underutilized.

Empirical evidence supports this view. Sebastian et al. (2017) show that organizations undergoing digital transformation require continuous leadership involvement to redesign processes and integrate technologies effectively. Similarly, organizational readiness for digital innovation depends on how structures, processes, and resources are coordinated, which are shaped by managerial decisions (Lokuge et al., 2019). These insights indicate that leadership influences whether employees develop the willingness, understanding, and capability to engage with AI. Therefore, leadership can be seen as a key driver of AI readiness by shaping organizational conditions, guiding employee responses, and supporting capability development.

Proposition 1: Leadership positively shapes organizational AI readiness.

AI Readiness and Organizational Resilience

AI readiness contributes to organizational resilience by enabling firms to respond more effectively to technological and environmental changes. From a dynamic capability perspective, organizations must continuously integrate and reconfigure their capabilities in order to remain effective in changing environments (Teece et al., 1997; Teece, 2007). Digital transformation research reinforces this idea by emphasizing that capability development is an ongoing process rather than a one-time adjustment (Vial, 2019; Warner & Wäger, 2019).

Organizational resilience itself is widely understood as a capability involving anticipation, coping, and adaptation (Duchek, 2020). Earlier studies highlight that resilience includes preparedness and response capacity (Bhamra et al., 2011) as well as the ability to maintain

functioning under disruption (Pettit et al., 2010). More recent work shows that resilience is built through learning, adaptability, and resourcefulness (Annarelli & Nonino, 2016; Lengnick-Hall et al., 2011). Organizations must combine short-term responses with longer-term adaptation in order to remain effective (Williams et al., 2017), while sustainable practices help maintain performance under changing conditions (Ortiz-de-Mandojana & Bansal, 2015).

Within this context, AI readiness functions as a capability that supports adaptation. Organizations that are prepared to engage with AI can use technology to improve coordination, decision-making, and responsiveness. Empirical evidence shows that digitalization enhances resilience by improving flexibility and information flow (Pal et al., 2024). Similarly, business model transformation and innovation capabilities help organizations manage disruption more effectively (Magnani et al., 2024; Salam et al., 2026). These findings suggest that readiness to engage with AI strengthens an organization's ability to adapt and sustain operations.

Proposition 2: Organizational AI readiness positively contributes to organizational resilience.

AI Readiness as a Mediating Capability

The relationship between leadership and organizational resilience can be better understood through a capability-based perspective. The Resource-Based View suggests that organizational outcomes depend on internal capabilities rather than external conditions alone (Barney, 1991). These capabilities must be effectively configured and deployed to generate value (Peteraf, 1993). Later developments in this perspective emphasize that capabilities require continuous renewal in response to environmental change (Barney et al., 2011).

Dynamic capabilities theory extends this argument by focusing on how organizations reconfigure resources and capabilities to respond to uncertainty (Eisenhardt & Martin, 2000; Zahra et al., 2006). In digital contexts, capabilities often influence outcomes indirectly rather than directly. For example, IT-enabled capabilities improve performance through intermediate mechanisms such as improved processes and coordination (Mikalef & Pateli, 2017). This suggests that leadership does not directly produce resilience but operates through capability development.

In this study, AI readiness is conceptualized as the mediating capability that connects leadership and resilience. Leadership shapes the conditions under which readiness develops, while readiness enables organizations to translate technological potential into adaptive capacity. Without such readiness, the effects of leadership on resilience are likely to be limited.

Proposition 3: AI readiness mediates the relationship between leadership and organizational resilience.

Positioning within South Asian Literature

Existing literature on artificial intelligence highlights both the opportunities and limitations of technological adoption. Organizations invest in AI expecting improvements in efficiency and competitiveness (Bughin et al., 2018; Ransbotham et al., 2017). However, these studies also indicate that outcomes depend on organizational conditions such as skills, culture, and strategic

alignment rather than on technology alone. Research on AI and governance further emphasizes that the effective use of AI requires alignment between technological systems and organizational processes (Sharma et al., 2020). Similarly, structured integration of AI into business processes is necessary for achieving sustainable transformation (Sarkambayeva et al., 2026). These insights reinforce the argument that internal readiness plays a critical role in determining whether organizations can translate AI adoption into meaningful outcomes.

Within this broader discussion, the present study contributes by positioning AI readiness as a central organizational capability that links leadership and resilience. Rather than assuming a direct relationship between AI adoption and organizational outcomes, the framework highlights the mediating role of readiness in shaping adaptive capacity. Importantly, the relevance of this mechanism becomes more pronounced in South Asian contexts, where organizations operate under conditions of institutional instability, resource constraints, and uneven digital maturity. Under such conditions, leadership-enabled AI readiness becomes particularly important for enabling organizations to respond to disruption and sustain performance. Accordingly, the South Asian context is best understood as a boundary condition that strengthens the applicability of the proposed framework rather than as a separate causal relationship.

The proposed relationships and their theoretical basis are summarized in Table 2.

Table 02. Summary of propositions and supporting theoretical arguments

Proposition	Relationship	Theoretical Rationale	Key References
P1	Adaptive Leadership and AI Readiness	Leadership shapes how organizations interpret and respond to technological change by enabling learning, reducing uncertainty, and aligning structures and processes to support capability development	Heifetz and Laurie (1997); Lokuge et al. (2019); Sebastian et al. (2017); Uhl-Bien et al. (2007); Vial (2019); Westerman et al. (2014)
P2	AI Readiness and Organizational Resilience	AI readiness enables organizations to adapt to disruption by supporting learning, coordination, and flexible response, thereby strengthening resilience as an adaptive capability	Duchek (2020); Magnani et al. (2024); Pal et al. (2024); Salam et al. (2026); Teece (2007); Teece et al. (1997); Vial (2019); Warner and Wäger (2019); Williams et al. (2017)
P3	Mediation of AI Readiness between Adaptive Leadership and Resilience	Leadership influences resilience indirectly through capability development, where AI readiness acts as a mediating mechanism that translates internal	Barney (1991); Barney et al. (2011); Duchek (2020); Eisenhardt and Martin (2000); Mikalef and Pateli (2017); Peteraf (1993); Zahra et al. (2006)

		conditions into adaptive outcomes	
Contextual Relevance (South Asia)	Applicability in contemporary South Asian contexts	Institutional volatility, resource constraints, and uneven digital maturity increase the importance of leadership-enabled AI readiness for resilience	Arechavala-Vargas et al. (2025); Díaz-Arancibia et al. (2024); Hoskisson et al. (2013); Khan et al. (2024); Malik and Terzidis (2025); Omoush et al. (2023); Rashed et al. (2025)

Figure 1 summarizes the relationships discussed above.

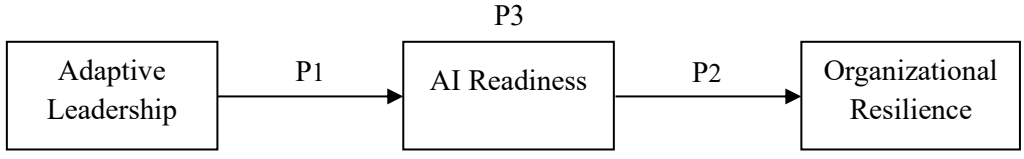


Figure 01. Conceptual framework linking leadership, AI readiness, and organizational resilience in South Asian contexts

South Asian Contextualization

The proposed framework is particularly relevant to manufacturing and service organizations operating within South Asian economies. Organizations in these environments operate under conditions of institutional volatility, economic uncertainty, and regulatory fragmentation. Firms in emerging and mid-range economies often function within evolving institutional systems that create continuous pressure for adaptation and strategic flexibility (Hoskisson et al., 2013). Recent work further shows that such turbulence is persistent rather than episodic, requiring organizations to respond to ongoing instability rather than isolated disruptions (Malik & Terzidis, 2025; Rashed et al., 2025).

In parallel, South Asian economies are experiencing rapid yet uneven digital transformation. While some organizations are able to adopt advanced technologies, others face constraints related to infrastructure, skills, and institutional support. Research indicates that digital transformation in developing contexts is often shaped by capability gaps and uneven access to technological resources (Díaz-Arancibia et al., 2024). This uneven digital maturity affects organizations differently across manufacturing, construction, hospitality, supply-chain, and SME settings, where technological adoption often depends on organizational preparedness and internal capabilities (Hossain et al., 2024; Khan et al., 2024; Omoush et al., 2023; Pal et al., 2024; Salam et al., 2026).

Empirical studies further highlight that organizations in such contexts face challenges in translating AI adoption into performance improvements. For example, firms often struggle with knowledge integration and capability development, which limits the effectiveness of AI implementation (Khan et al., 2024). Similarly, evidence from emerging economies suggests that

technological adoption produces value only when supported by organizational preparedness and internal capability development (Arechavala-Vargas et al., 2025). These findings reinforce the importance of AI readiness as a mechanism that determines whether organizations can convert technological investment into meaningful outcomes.

Resource constraints also play a significant role in shaping organizational responses. Firms operating under limited resources must prioritize flexibility and efficient use of capabilities in order to manage uncertainty. Research shows that organizations in such environments rely on adaptive approaches to cope with instability and maintain operations (Omoush et al., 2023). This further emphasizes the importance of internal capabilities that support learning, coordination, and adjustment.

From a theoretical perspective, these conditions align with the concept of dynamic capabilities, which highlights the need for organizations to sense changes, seize opportunities, and reconfigure resources in response to environmental pressures (Teece, 2007). Similarly, resilience can be understood as a capability that enables organizations to anticipate, cope with, and adapt to disruptions over time (Duchek, 2020). In uncertain environments such as those found in South Asia, these capabilities become particularly important.

Overall, the available evidence suggests that technology-adoption explanations alone are insufficient for understanding how South Asian organizations convert AI investment into organizational resilience (Hossain et al., 2024; Khan et al., 2024; Rashed et al., 2025). Instead, organizations must develop internal capabilities that allow them to adapt under pressure. AI readiness, supported by effective leadership, becomes a critical mechanism through which organizations can translate technological change into resilience.

Implications

Theoretical Implications

This study contributes to theory by integrating leadership, AI readiness, and organizational resilience within a capability-based framework. From a Resource-Based View perspective, it reinforces the idea that organizational outcomes depend on internal capabilities rather than external conditions alone (Barney, 1991). By positioning AI readiness as a central capability, the study extends this view to contemporary technological contexts, showing that the value of AI lies in how organizations prepare to use it.

The study also contributes to dynamic capabilities theory by highlighting AI readiness as a mechanism through which organizations sense, adapt, and transform in response to technological and environmental change (Teece, 2007). In doing so, it connects digital transformation with capability renewal and adaptation. Furthermore, by linking AI readiness to resilience, the study aligns with the view of resilience as a dynamic capability involving anticipation, coping, and adaptation (Duchek, 2020).

In addition, the study contributes to the leadership literature by clarifying the role of leadership in capability development. Adaptive leadership perspectives emphasize guiding learning and managing uncertainty (Heifetz & Laurie, 1997), while complexity-based views highlight

enabling conditions for adaptation (Uhl-Bien et al., 2007). By integrating these perspectives, the framework theoretically explains how leadership contributes to resilience indirectly through the development of AI readiness.

Managerial Implications

The proposed framework offers several implications for managers. First, organizations should not treat AI adoption as a purely technical initiative. Instead, they should focus on building readiness by aligning strategy, processes, and employee capabilities (Westerman et al., 2014). This includes investing in training, creating supportive environments, and ensuring that AI initiatives are integrated into core operations.

Second, managers should recognize that digital transformation is an ongoing process that requires continuous adjustment rather than one-time change. Organizations that successfully navigate transformation actively redesign structures and coordination mechanisms to support new technologies (Sebastian et al., 2017). This highlights the importance of sustained managerial involvement in capability development.

Third, managers should focus on developing organizational readiness as a capability. This involves aligning resources, processes, and structures to support innovation and technology use (Lokuge et al., 2019). Concurrently, managers should foster learning and adaptability among employees, as these are key components of resilience (Lengnick-Hall et al., 2011).

Finally, in resource-constrained environments, managers must adopt flexible approaches to manage uncertainty and prioritize capability development. Organizations that rely on adaptive strategies are better able to cope with instability and maintain performance (Omoush et al., 2023). This suggests that managerial focus should shift from acquiring technology to developing the capability to use it effectively.

Policy Implications

The proposed framework also offers implications for policymakers, particularly in South Asian contexts. First, policies related to AI and digital transformation should emphasize capability development rather than focusing solely on technological infrastructure. Effective use of AI requires alignment between technology, organizational processes, and institutional frameworks (Sharma et al., 2020).

Second, policymakers should consider the institutional conditions that shape organizational behavior in emerging economies. Firms operating in such environments face structural constraints and uncertainty, which influence their ability to adopt and use new technologies (Hoskisson et al., 2013). Policies that reduce uncertainty and support capability development can therefore enhance organizational outcomes.

Finally, given the persistent turbulence in South Asian economies, policy frameworks should support long-term adaptability and resilience rather than short-term technological adoption (Rashed et al., 2025). This includes investing in skills, strengthening institutional support, and promoting environments that encourage learning and innovation. Overall, the implications

highlight that both organizational and policy-level interventions should focus on building capabilities that enable effective engagement with AI in turbulent contexts.

Conclusion and Future Directions

This study set out to explain why artificial intelligence adoption does not automatically lead to organizational resilience, particularly in contemporary South Asian contexts. The central argument advanced is that AI readiness functions as the critical mechanism linking leadership and resilience. Rather than treating technology as a direct source of adaptive capacity, the study emphasizes the role of internal capabilities that enable organizations to engage with technological change in a meaningful way.

Drawing on capability-based perspectives, the study argues that resilience depends on the ability of organizations to continuously adapt and reconfigure their resources in response to environmental pressures (Teece, 2007). In this process, AI readiness emerges as a dynamic capability that supports learning, adjustment, and transformation. This is consistent with the view that resilience involves ongoing processes of anticipation, coping, and adaptation rather than static responses to disruption (Duchek, 2020). In emerging economy contexts characterized by institutional instability and resource constraints, these capabilities become particularly important for sustaining organizational performance (Hoskisson et al., 2013).

Leadership does not directly produce resilience but shapes the conditions under which AI readiness develops, thereby influencing how organizations translate technological potential into adaptive outcomes. This provides a more refined understanding of the indirect pathways through which leadership contributes to organizational effectiveness in technologically dynamic environments.

Future research can extend this framework in several ways. First, empirical studies are needed to test the proposed relationships between leadership, AI readiness, and organizational resilience across different sectors and organizational settings. Second, there is scope to develop and validate measurement scales for AI readiness that capture its psychological, behavioral, and organizational dimensions. Third, comparative studies across emerging economies may provide deeper insights into how contextual factors influence capability development and adaptation processes. Such research would strengthen the theoretical and practical understanding of how organizations build resilience through capability development in unstable environments. Overall, this study contributes by offering a capability-based explanation of how organizations can build resilience through leadership-enabled AI readiness, while also opening avenues for future research in this evolving area.

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