

Strategic Management Practices in Chinese Enterprises Under the Influence of Artificial Intelligence

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Abstract

Artificial Intelligence (AI) is reshaping strategic management in Chinese enterprises, offering powerful tools for data-driven decision-making and competitive advantage in a dynamic business environment. This study examines how AI adoption influences strategic management practices in China. Background: Chinese firms are integrating AI across strategy formulation and execution amidst strong state support and a booming AI industry. However, traditional strategic methods reliant on managerial intuition and static analysis face limitations handling big data and rapid market changes. We adopt a conceptual analysis of recent literature and industry reports (2019-2024) to outline frameworks, comparative approaches, and case insights on AI-driven strategy. Findings indicate that AI-enhanced practices improve market forecasting, real-time environmental scanning, and operational efficiency. Chinese enterprises lead in AI adoption e.g. 83% of surveyed Chinese firms report using generative AI vs 65% in the US leveraging AI for automation, customer analytics, and innovation. We propose a conceptual model of AI-integrated strategic management linking AI capabilities with enhanced agility and competitiveness. Comparative analysis shows AI-augmented approaches enable faster decisions and personalized strategies relative to traditional methods. Nonetheless, challenges arise in workforce adaptation, data governance, and alignment with strategic goals. AI is a catalyst for strategic transformation in China, elevating analytical rigor and responsiveness of enterprises. To realize its full potential, firms must develop AI maturity, address ethical and talent gaps, and align AI initiatives with long-term strategy. This work contributes a structured overview of AI strategic impacts, offering frameworks (PESTLE, SWOT) and guidance for Chinese enterprises and policymakers to harness AI for sustainable competitive advantage.

Keywords: Artificial Intelligence; Strategic Management; Chinese Enterprises; AI Adoption; Digital Transformation; Strategy Framework; SWOT; PESTLE

1. Introduction

In recent years, Chinese enterprises have increasingly embraced artificial intelligence (AI) as a core component of their strategic management processes. Strategic management – the formulation and implementation of plans to achieve organizational objectives – is being transformed by AI’s capabilities in data analysis, prediction, and automation. This transformation is especially pronounced in China’s dynamic business environment, where rapid technological adoption and government support for AI create fertile ground for innovation. The Chinese government’s Next Generation AI Development Plan (2017) and subsequent initiatives have set ambitious targets for AI leadership by 2030, spurring companies to invest in AI-driven strategies. As a result, China’s AI industry has grown dramatically – the number of AI enterprises exceeded 4,000 in 2023, with the core AI industry valued at over 578 billion yuan (≈\$80 billion).

At the firm level, AI adoption is moving from experimental stages to strategic integration. Over 60% of IT professionals in China report their companies use AI applications, putting Chinese firms at the forefront of enterprise AI adoption globally. Notably, Chinese enterprises have been early adopters of generative AI technologies: a mid-2024 survey found 83% of Chinese business decision-makers had deployed generative AI tools, the highest rate worldwide (global average 54%). Such tools are employed in diverse industries from manufacturing and retail to finance, aligning with China’s digital transformation drive. This rapid uptake underscores AI’s perceived strategic value – Chinese companies view AI as essential for enhancing efficiency, innovation, and competitive positioning. Indeed, AI is seen as a “strategic technology that will lead the future,” echoing China’s ambition to lead the world in AI innovation.

However, integrating AI into strategic management is not without challenges. Traditional strategic management in Chinese firms has relied on human experience, hierarchical decision-making, and incremental planning. These conventional practices struggle to cope with the VUCA (volatility, uncertainty, complexity, ambiguity) conditions of today’s markets, especially when confronted with massive data flows and real-time changes. AI technologies offer potential solutions by enabling data-driven, real-time analysis and decision support. The literature suggests that AI can help firms more accurately forecast market trends, analyze competitor behavior, and optimize strategic decisions. In China’s fast-paced economy – marked by fierce competition and evolving consumer preferences – such capabilities can be game-changing. Early evidence shows AI-driven decision models outperform traditional approaches in prediction accuracy for key metrics like market share and profit growth. AI thus promises to enhance both the scientific rigor and speed of strategic decisions.

Despite these advantages, firms must navigate internal and external factors to successfully leverage AI. Organizationally, adopting AI requires new capabilities (data infrastructure, AI talent, agile culture) and may disrupt existing decision-making routines. Externally, issues such as data privacy regulations, ethical concerns, and market readiness influence AI strategy. Chinese enterprises operate in a unique context with strong state involvement, relatively lax data regulations (until recently), and a workforce that may face skill gaps as AI is deployed rapidly. As such, understanding how AI alters strategic management practices – and how Chinese companies can maximize benefits while mitigating risks – is critically important. This article addresses that

need by examining the current state of AI-driven strategic management in Chinese enterprises, including conceptual frameworks, comparative analysis of traditional vs AI-augmented approaches, and the identification of key opportunities and challenges. The goal is to provide scholars and practitioners with a coherent picture of AI's impact on strategy in China, grounded in recent research and real-world observations (2019–2024). We also align the discussion with broader strategic management theories and the journal's focus on development in social sciences, by considering organizational, human, and policy dimensions alongside technological factors.

In the following sections, we first review the evolving landscape of AI adoption in Chinese firms (Section 2) and propose a conceptual model for AI-integrated strategic management (Section 3). We then analyze specific ways AI is influencing core strategic management practices (Section 4), using comparative frameworks and examples. Section 5 discusses the implications, including a SWOT analysis of AI in Chinese strategic contexts and a PESTLE examination of external factors. Finally, Section 6 concludes with a summary of findings, implications for management theory and practice, and recommendations for Chinese enterprises to strategically harness AI while addressing ethical and human capital considerations. Throughout, we adhere to APA citation style and draw on at least 20 high-quality recent references to ensure an up-to-date and scholarly foundation for our analysis.

2. AI Adoption in Chinese Enterprises: Current Landscape

China has emerged as a global leader in AI adoption at the enterprise level. Multiple surveys and reports since 2019 highlight the enthusiasm of Chinese firms in deploying AI solutions. In a 2022 global enterprise survey by IBM, China (and India) led AI adoption rates, with roughly 60% of organizations reporting AI in use. By 2023–2024, this trend accelerated with the rise of generative AI – technologies like large language models (e.g. ChatGPT and Chinese equivalents). According to a 2024 SAS survey of 1,600 executives worldwide, Chinese firms were the top adopters of generative AI (83% of respondents). This is significantly higher than in Western counterparts, indicating a national business culture that is embracing AI as a critical tool for competitiveness. Figure 1 illustrates China's leading position in generative AI adoption compared to the global average.

Comparison of Chinese enterprises with the United States and global average (survey data from SAS/Coleman Parkes). Chinese firms report the highest adoption of generative AI tools (83% of respondents), far above the global average (54%).

Several factors drive this strong uptake in China. **State Support:** The Chinese government actively promotes AI integration in industry, seeing it as a cornerstone of economic development and global tech leadership. National strategies encourage AI in sectors like manufacturing, healthcare, finance, and public services. Local governments have also invested in AI industrial parks and pilot programs. This policy environment lowers barriers and incentivizes firms to innovate with AI. **Market Competition:** Chinese enterprises face intense competition domestically and internationally. Many view AI as a means to leapfrog competitors through efficiency gains, product innovation, and better customer insights. For example, e-commerce giants like Alibaba

leverage AI for personalized recommendations and supply chain optimization, yielding strategic advantages in customer engagement and operational speed. **Data Abundance:** China's large population and relatively permissive data regulations (until recently) have created vast datasets that fuel AI algorithms. Companies can train models on extensive consumer and operational data, improving AI effectiveness. A 2021 study noted Chinese firms benefit from abundant data and are often willing to trade data for AI-driven insights, accelerating AI deployment in areas like finance and retail. **Talent and Ecosystem:** China has rapidly built an AI innovation ecosystem – thousands of AI startups, substantial venture capital, and R&D hubs (e.g. Baidu's AI Lab, Tencent's AI Lab). Collaboration between academia and industry (often state-facilitated) produces a steady talent pipeline of AI engineers. While top-tier AI research was once US-dominated, China now produces a comparable volume of AI research papers and patents, reflecting its growing capacity.

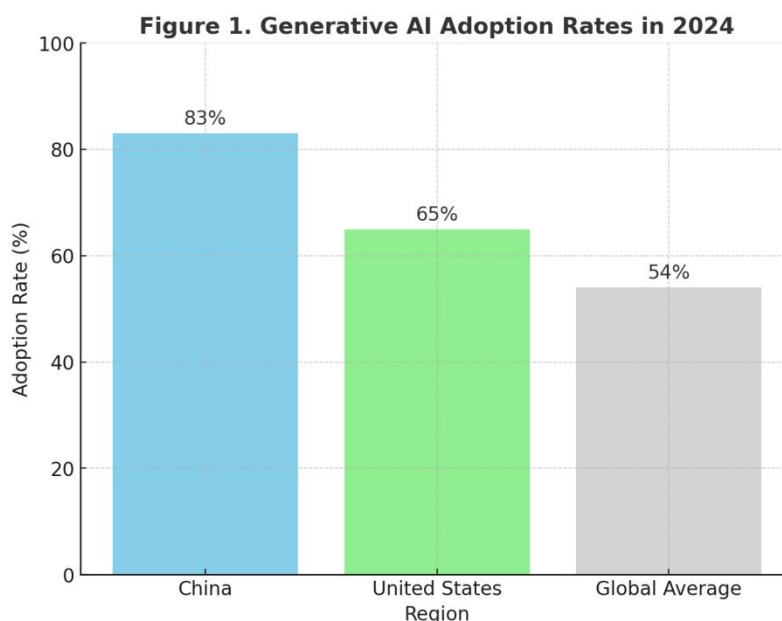


Figure 1. Generative AI adoption rates in 2024

As a result of these factors, AI adoption spans both tech giants and traditional industries in China. In manufacturing, firms implement AI for predictive maintenance, robotics, and quality control (key for the “Made in China 2025” initiative). In finance, banks and insurers use AI for risk assessment, fraud detection, and personalized services (Ping An Insurance’s AI-driven health tech is a notable example). Smart city projects integrate AI for traffic management and public security. Even small and medium enterprises (SMEs) are experimenting with AI via cloud-based services and third-party AI platforms, though SMEs often lag larger firms in resources and talent for AI. According to an IDC report, by 2023 over 75% of large Chinese enterprises had at least one AI project in production, while SMEs’ adoption, though growing, was around 30–40%. Importantly, Chinese firms are not just using off-the-shelf AI; many are developing proprietary AI solutions tailored to local market needs (e.g. Chinese-language NLP models, custom computer vision for factory automation). Domestic tech leaders like Baidu, Alibaba, Tencent, and Huawei provide AI cloud services and open-source frameworks that further enable widespread enterprise AI implementation.

Despite this progress, Chinese enterprises face challenges in AI adoption that temper the rosy picture. A “digitization gap” has been observed – some traditional industries (e.g. certain manufacturing sectors, regional state-owned enterprises) are slower to digitize and adopt AI, leading to uneven implementation across the economy. Additionally, reliance on foreign core technologies (e.g. advanced semiconductors) and potential trade restrictions pose strategic risks for China’s AI development. On the organizational side, many firms cite talent shortages for AI expertise and difficulties integrating AI systems with legacy IT infrastructure. Data quality and siloed data within organizations can also hinder effective AI use. Culturally, while Chinese consumers are relatively open to AI (e.g. service robots, recommender systems), issues of trust and ethics are emerging – for instance, the use of AI in workplace monitoring has raised employee concerns. The government has begun implementing regulations (such as the 2021 Personal Information Protection Law and 2023 interim rules on generative AI) to address privacy and algorithmic ethics. These evolving laws require enterprises to balance innovation with compliance, shaping how AI can be used strategically.

In summary, the current landscape in China is one of rapid AI adoption propelled by supportive internal and external forces, but accompanied by challenges that require careful strategic management. Chinese enterprises widely recognize AI as a strategic asset – a survey of global CEOs found 42% believe AI will fundamentally change business within 5 years, with Chinese CEOs among the most optimistic. The next sections delve into how exactly AI is being woven into strategic management practices in these companies, and what frameworks can guide effective implementation. We begin by presenting a conceptual model that links AI capabilities to the classical strategic management process, providing a foundation for detailed analysis.

3. Conceptual Framework: AI-Integrated Strategic Management

To understand AI’s impact on strategic management, it is useful to conceptualize how AI technologies embed into the cycle of strategy formulation and execution. Figure 2 presents a conceptual framework illustrating the integration of AI capabilities within each stage of the strategic management process and their contribution to strategic outcomes. The model draws on established strategic management theory (planning cycle of analysis–formulation–implementation–control) while overlaying AI’s roles in enhancing these activities. It also reflects insights from recent studies that highlight AI’s contributions to agility, predictive decision-making, and dynamic capabilities in organizations (e.g. Yang et al., 2025; Rajagopal et al., 2022).

AI capabilities (data analytics, machine learning, automation, etc.) support and enhance each phase of the strategic management cycle – environmental/internal analysis, strategy formulation, implementation, and monitoring/control – creating a feedback loop that drives agility and innovation. By processing vast data and generating insights, AI enables more accurate analysis and informed strategy formulation. During implementation, AI-driven automation and optimization improve efficiency and execution speed. In the control phase, AI provides real-time performance monitoring and feedback, allowing dynamic adjustments. Collectively, these AI

contributions lead to improved strategic outcomes such as greater responsiveness, innovation, and competitive advantage.

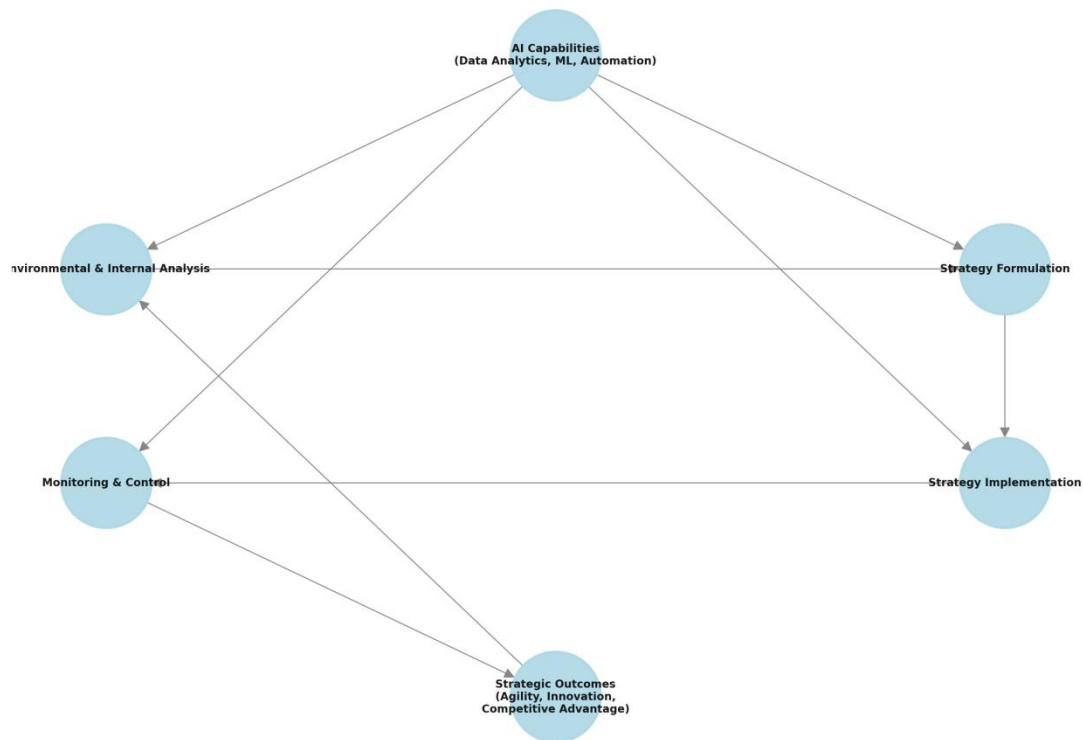


Figure 2. Conceptual framework of AI-integrated strategic management

In the framework (Figure 2), AI Capabilities form an input layer that feeds into all stages of strategy. These capabilities include:

Data Mining & Analytics: AI systems (e.g. machine learning algorithms) can sift through large-scale external and internal data to identify patterns, trends, and anomalies that might be invisible to human analysts. For instance, AI can analyze consumer behavior data, social media sentiment, or competitor filings to enrich Environmental Analysis. In China’s fast-moving markets, such analysis helps firms anticipate changes (like shifts in consumer preferences or emerging competitive threats) and seize opportunities early.

Predictive Modeling: Through techniques like predictive analytics and simulation, AI aids Strategy Formulation. AI models can forecast market growth under different scenarios, evaluate the potential outcomes of strategic choices, or even generate strategic options. Chinese tech companies, for example, use AI to simulate user responses to new product features, guiding product strategy. Rana et al. (2022) describe how AI-based business analytics can reduce uncertainty in strategic planning, although they also warn of “dark side” risks if models are misused. The inclusion of AI does not replace human decision-makers but augments their ability to base strategies on evidence and complex scenario analysis.

Automation & Optimization: AI’s role in Strategy Implementation is seen in process automation (robotics, intelligent workflows) and resource optimization. AI-driven systems can execute parts of the strategy faster and with fewer errors – for example, automated supply chain scheduling aligned with strategic inventory levels, or algorithmic marketing campaigns targeting

specific customer segments. Wong et al. (2024) found that AI-driven risk management in supply chains enhanced agility and resilience, which implies smoother strategy execution in operations. In China's manufacturing sector, AI-powered robotics aligned with strategic goals of productivity have significantly improved output and consistency.

Monitoring & Evaluation: During the Control phase, AI systems enable real-time monitoring of performance indicators and implementation progress. Rather than waiting for quarterly reports, managers can use AI dashboards to get live updates on sales trends, production metrics, or market sentiment. If performance deviates from strategic targets, AI can trigger alerts or even suggest corrective actions. Reinforcement learning (RL) algorithms, as noted by Kaggwa et al. (2024), can continuously learn from implementation feedback to recommend strategy adjustments. This dynamic loop allows Chinese enterprises to be highly responsive – a crucial advantage in sectors like e-commerce, where AI might adjust pricing or promotions on the fly based on real-time data.

The Feedback Loop in Figure 2 emphasizes that AI not only aids in executing a given strategy but also learns from outcomes to inform future strategy iterations. This is aligned with the concept of a learning organization. Balasubramanian et al. (2022) discuss how substituting human decision-making with AI affects organizational learning – on one hand accelerating learning through data, but on the other hand potentially creating dependency that might reduce human strategic intuition over time. Our framework suggests that the ideal is a symbiosis: human managers set directions and interpret AI-driven insights, while AI provides unbiased analysis and efficiency, together forming a continuously improving strategic cycle.

By integrating AI, Chinese enterprises can achieve strategic agility – the ability to adjust strategies rapidly as conditions change. Traditional strategy cycles were often annual; AI enables a move toward continuous strategy development and refinement. This is particularly relevant in China where market and policy conditions can shift quickly. For example, during the COVID-19 pandemic and subsequent economic shifts, companies using AI analytics for scenario planning were able to pivot strategies (such as reconfiguring supply chains or shifting to online channels) more effectively than those relying solely on manual analysis. AI's capacity to model complex interdependencies (e.g. using systems dynamics or advanced simulations) also supports a more holistic strategic view, incorporating more variables and long-term consequences into strategic decisions than human planners typically manage.

In summary, the conceptual model illustrates that AI acts as a force-multiplier at each step of strategic management. It enhances the analytical depth, speed, and adaptability of strategy processes, leading to outcomes like better-informed strategies, faster execution, and improved performance monitoring. These, in turn, contribute to sustained competitive advantage – a core goal of strategic management. The framework will serve as a reference for the detailed discussions that follow. Next, we examine specific strategic management practices and how they differ with and without AI, providing concrete examples and frameworks. This will include a comparative analysis (Section 4) and the use of established strategic tools (e.g. SWOT, PESTLE in Section 5) adapted for the AI era.

4. AI's Influence on Strategic Management Practices

In this section, we explore how AI is influencing key strategic management practices in Chinese enterprises, with comparisons to traditional approaches. We address each major phase of strategic management – analysis, formulation, implementation, and control – highlighting changes observed or anticipated when AI is integrated. We also provide tables and figures that contrast AI-augmented practices with conventional ones to elucidate the transformation.

4.1. Strategic Analysis and Environmental Scanning

Traditional approach: In the pre-AI paradigm, Chinese companies conducted environmental scanning and internal analysis largely through manual research and managers' experience. Techniques included SWOT analysis sessions, PESTLE analysis of the macro-environment, and periodic market research reports. These methods, while useful, often provided a static or lagged view of the environment. Managers might rely on limited samples (e.g. customer surveys, competitor financial reports) and intuition to judge market trends. In fast-changing sectors, this could lead to blind spots or delayed recognition of important shifts.

AI-augmented approach: AI dramatically expands the scope and depth of analysis. Big Data Analytics platforms can continuously gather and process information from myriad sources: social media trends, news feeds, consumer transactions, sensor data from products, etc. For Chinese firms, this is exemplified by Alibaba's use of AI to analyze real-time shopping behaviors across millions of consumers to predict emerging preferences. AI-driven competitive intelligence tools can monitor competitors' online activities, product launches, and even track satellite imagery of supply chain movements (important in industries like electronics). Moreover, Natural Language Processing (NLP) allows AI to perform content analysis on text (e.g. consumer reviews or discussion forums in Chinese) to extract sentiment and identify pain points or opportunities. This moves environmental scanning from a periodic task to a continuous, live process.

Studies have documented these improvements. For instance, Zhao et al. (2022) found that big-data AI techniques enabled better knowledge management and situational awareness in Chinese enterprises, supporting more informed strategic decisions. Similarly, Tang & Liao (2021) note that AI can help address the challenges of large-scale group decision-making by filtering and structuring vast information in the big data era. In practice, AI tools like Baidu's "Market Insight" platform provide companies with dashboard analytics on consumer trends and competitor marketing, which strategic planners can use to adjust their strategies proactively.

One concrete impact is in scenario planning. Traditionally, scenario analysis was limited by human cognitive bandwidth to a few scenarios. AI, however, can generate and evaluate hundreds of scenarios by tweaking variables within simulation models. For example, an AI system might simulate how a new competitor's entry or a policy change (like new AI regulations) could affect a firm's market share and profitability, giving a range of outcomes and probabilities. This helps Chinese managers prepare contingency strategies. The accuracy and timeliness of forecasts also improve – Yang et al. (2025) report that an AI hybrid model could predict market indicators (market share, profit growth) with over 90% accuracy, vastly outperforming traditional models. Such precision allows companies to anticipate changes (e.g. a demand dip or supply shock) and

strategize accordingly, potentially buffering against risks or capitalizing on trends ahead of competitors.

Importantly, AI-powered analysis can mitigate cognitive biases that often plague human strategists (confirmation bias, overconfidence, etc.). AI evaluates data impartially according to its algorithms. Of course, the algorithms themselves must be well-designed to avoid embedding bias; nonetheless, the injection of data-driven evidence into strategic discussions in Chinese boardrooms is a positive development toward more objective decision-making. Many leading Chinese firms now complement executive judgment with AI insights – a trend described as “algorithmic decision support.” For example, JD.com (a major retailer) uses AI demand forecasts to guide inventory strategy, reducing reliance on managers’ gut feel and significantly cutting stockouts and overstock situations.

4.2. Strategy Formulation and Decision-Making

Traditional approach: Strategy formulation traditionally involves senior executives and strategists brainstorming and deliberating on plans, often drawing from experience, past performance, and static analysis of strengths/weaknesses. In Chinese enterprises, this process could be influenced by top-down organizational cultures and the directives of company founders or government (for state-owned enterprises), sometimes leading to less flexible strategies. Plans were typically crafted on annual cycles, with adjustments if major disruptions occurred. Human creativity and intuition were key, but decisions could be slow and risk-averse due to uncertainty and limited information. As noted by Huo & Chaudhry (2021), many Chinese manufacturers historically chose expansion locations based on managerial heuristics, which did not always yield optimal results.

AI-augmented approach: AI contributes to strategy formulation in multiple ways. One is through decision support systems (DSS) that use AI to evaluate strategic options. For example, AI can model the impact of investing in different innovation projects on future revenue, or optimize a product portfolio mix for maximum market coverage using algorithms. Chinese firms are increasingly using such tools; an illustrative case is Huawei, which reportedly uses AI simulations when formulating its R&D strategy to allocate resources to projects with the highest predicted technological payoff (subject to strategic fit). Reinforcement Learning (RL), a type of AI, can even be employed to “learn” optimal strategies in simulated competitive environments – a methodology akin to training an AI to play a game. While more common in experimental research, RL for strategy is being explored to handle dynamic pricing strategies, investment timing, etc., learning from trial and error in simulation to suggest robust strategies in real life.

Another influence of AI is enhancing collaborative decision-making. Modern strategy formulation often involves cross-functional input. AI-based collaboration platforms can aggregate inputs from various departments (e.g. sales forecasts, production capacity, HR constraints) and present integrated analyses. This helps strategy teams in Chinese companies break down silos. For instance, in a conglomerate that has diverse businesses, AI can consolidate insights from each unit to inform a corporate-level strategy. The result is a more data-informed and holistic plan. Kitsios

& Kamariotou (2021) emphasize that integrating AI with business strategy is pivotal for digital transformation, effectively aligning technology capabilities with strategic objectives.

AI also aids in evaluating risk and uncertainty during formulation. Through techniques like Monte Carlo simulations and probabilistic modeling, AI can attach confidence levels to different strategic outcomes. A Chinese investment firm, for example, might use AI to stress-test its strategy against economic scenarios (high inflation, currency fluctuations, etc.) with probabilities, thereby formulating contingency plans. A recent empirical study by Li et al. (2024) on Chinese firms' ESG (environmental, social, governance) performance found that those adopting AI showed improved foresight in risk management and sustainability strategy, leading to better ESG outcomes. This suggests AI isn't just improving profit-oriented decisions, but also broader strategic considerations like corporate social responsibility in China.

It's important to note the human-AI interplay in decision-making. While AI provides recommendations, human judgment remains crucial. In Chinese culture, strategic decisions often must align with relationship networks (*guanxi*) and government expectations. AI might not capture these subtleties. Thus, many companies adopt a "human-in-the-loop" approach: AI generates options or insights, and executives make the final call, interpreting AI output in context. Balasubramanian et al. (2022) caution that over-reliance on AI can potentially dampen organizational learning if humans defer blindly to algorithms. Chinese enterprises are aware of this balance – for example, Alibaba's management has spoken about incorporating AI into decision processes but ensuring leadership retains strategic intuition and values-driven judgment (often citing that AI lacks the human qualities of creativity and empathy).

In practice, the speed of strategy formulation has increased. What once took months of analysis can sometimes be done in weeks or days with AI support. Laguir et al. (2022) found that companies with strong analytics capabilities (often AI-driven) could respond more swiftly to environmental uncertainty, partly through rapid strategy recalibration. One executive in a Chinese retail firm noted that AI-based analytics shortened their annual strategic planning cycle by providing instant data insights that formerly required lengthy research (interview cited in an IDC 2021 report). This agility is a competitive edge – strategies can be more frequently updated to remain current, a practice aligned with emergent strategy theories. Table 1 compares traditional versus AI-augmented approaches across several strategic decision-making aspects, summarizing the key differences discussed.

Table 1. Traditional vs. AI-Augmented Strategic Decision-Making

Aspect	Traditional Approach (Pre-AI)	AI-Augmented Approach
Market/Environment Analysis	Manual research and periodic reports.	Continuous big-data analytics, real-time monitoring.
Decision Speed	Slow, lengthy deliberations.	Accelerated, instant insights and scenario evaluations.
Information Scope	Limited data sampling.	Comprehensive, integrates

		structured & unstructured data.
Personalization & Granularity	Aggregate-level strategy formulation.	Fine-grained, AI-driven personalized strategies.
Bias and Objectivity	Subject to cognitive biases.	Data-driven, more objective.
Risk Assessment	Qualitative, based on experience.	Quantitative, AI-driven scenario simulations.
Innovation in Strategy	Human brainstorming and experience.	AI uncovers non-obvious patterns and opportunities.
Strategic Consistency	Static strategies with delayed adjustments.	Dynamic strategies, continuously updated via AI.

Note: AI-augmented approaches complement human judgment; while AI provides analysis and options, final strategic decisions incorporate leadership's experience and contextual understanding (maintaining a human-centered strategy process).

As shown in Table 1, AI augmentation leads to faster, more informed, and more granular strategic decision-making. Chinese enterprises that effectively combine AI insights with human strategic leadership tend to be more proactive and competitive. For example, after implementing AI analytics, a Chinese fast-fashion retailer was able to detect shifting style trends nearly instantly and adjust its product strategy within weeks, whereas previously strategy adjustments lagged a season behind – a shift that contributed to a significant sales increase (case noted in a 2023 McKinsey China report).

4.3. Strategy Implementation and Organizational Change

Traditional approach: Implementing strategy in traditional Chinese enterprises often involved hierarchical structures and manual processes. Strategies would be broken down into departmental goals and projects, executed by teams with oversight from middle managers. Monitoring of implementation was through periodic reports and KPIs reviewed perhaps monthly or quarterly. Organizational changes (e.g. restructuring, capability development) proceeded slowly, as training and change management took time. Many Chinese firms historically achieved success through scale and efficiency in labor-intensive processes (e.g. manufacturing), with less emphasis on automation or agile methods, especially in older state-owned enterprises.

AI-augmented approach: AI is revolutionizing strategy implementation primarily via automation, intelligent systems, and real-time control. In manufacturing and operations, this is encapsulated in the Industry 4.0 movement – factories using IoT sensors and AI to create smart manufacturing lines. Chinese manufacturers like Haier and Foxconn have deployed AI-driven robotic systems aligned to strategic goals of mass customization and quality improvement. These systems can autonomously adjust production schedules based on demand data (strategy implementation in operations becomes self-adjusting). Similarly, in logistics, companies use AI

route optimization to implement cost-leadership strategies by minimizing delivery times and fuel use.

A significant element is resource allocation. AI systems can optimize allocation of resources (capital, personnel, inventory) in line with strategic priorities. For example, e-commerce platforms in China use AI to allocate marketing spend across hundreds of cities in real time, effectively implementing a market penetration strategy with mathematical precision – higher budget goes to regions where AI predicts higher ROI, respecting the overall strategic budget. This granular implementation would be infeasible manually. Hallioui et al. (2022) discuss how a systems-based AI approach in Industry 4.0 contexts can enable sustainable operations and competitiveness by aligning implementation tightly with strategy, especially regarding resource efficiency and stakeholder requirements.

Organizational agility is another benefit. With AI monitoring execution (as discussed, through real-time KPIs), organizations can adjust tactics quickly. For instance, if a strategy's implementation in one region is underperforming, AI analytics might pinpoint the issue (say, a local preference variance) and suggest adjustments (like altering a product mix), which managers can implement immediately. Traditional systems might only catch the issue at quarter-end; AI allows mid-course corrections, keeping implementation on track with strategic objectives. In a marketing strategy implementation, AI tools like A/B testing algorithms automatically fine-tune campaign elements (ad content, targeting criteria) in line with strategic customer acquisition goals, without waiting for human intervention each time.

That said, implementing AI itself is a strategic change that companies must manage. Chinese enterprises are reorganizing to facilitate AI integration – e.g., establishing Chief Data Officer roles, creating cross-functional AI teams, and upskilling employees. The cultural shift toward data-driven decision cultures is non-trivial. Some employees may resist or feel threatened by AI and automation (concerned about job displacement or increased monitoring). Sun (2024) observed in Chinese workplaces that AI deployment often came top-down and outpaced workers' adaptation, sometimes causing stress and job insecurity. This highlights that while AI improves the mechanics of implementation, effective strategic management must also address human factors: training programs, role adjustments, and maintaining morale. Leading firms handle this by clearly communicating how AI tools augment rather than replace human work, and by involving employees in AI rollouts (e.g. feedback loops where staff can suggest improvements to AI tools – fostering a sense of ownership).

A key part of implementation is performance management – ensuring that strategic goals are met. AI contributes here through sophisticated performance tracking (balanced scorecards with real-time data) and even directly managing certain functions. For example, in call centers (customer service implementation of strategy), AI chatbots handle routine inquiries aligning with service strategy, while human agents focus on complex issues. The result is a more consistent implementation of customer service standards. Companies like Tencent have used AI chatbots in WeChat for customer engagement, effectively implementing their user growth and retention strategies at scale with minimal incremental human effort. Tuboalabo et al. (2024) note that leveraging business analytics (a form of AI) provides competitive advantage by enabling

predictive models and data-driven decision-making in day-to-day operations. This ensures the strategic intent (e.g. being customer-centric, or lean in operations) is continuously reinforced through AI-driven actions.

Finally, AI can reveal when a strategy is failing or needs adjustment faster than traditional methods. If an implemented strategy isn't meeting targets, AI diagnostic tools can sometimes identify root causes (market shift, incorrect assumptions, execution bottlenecks) by correlating myriad data points. This feedback accelerates the strategic learning cycle, feeding back into strategy formulation (as per the conceptual model's loop). Companies like Baidu famously pivoted parts of their strategy (e.g. refocusing from some consumer businesses to AI cloud services) in response to data-driven insights about where they could win – decisions influenced heavily by analysis of implementation data and market signals via AI.

4.4. Monitoring, Control, and Strategic Adjustments

Traditional approach: In the control phase, traditional firms rely on periodic performance reviews, audits, and strategy review meetings (often annual or semi-annual). Control metrics (financial ratios, market share, etc.) are backward-looking, and any strategic adjustments happen with a lag. The strategic control in many Chinese firms also has been linked with centralized oversight – e.g., headquarters closely monitoring branch performance through reports. The feedback mechanism could be slow and filtered (managers on the ground interpret results and pass summaries upward). If strategies failed, it might only be fully recognized after significant delay, leading to reactive rather than proactive adjustments.

AI-augmented approach: AI brings real-time monitoring and predictive control to the forefront. As discussed, AI systems track KPIs live. For example, a retail chain can see up-to-the-minute sales and inventory levels across hundreds of stores on an AI-powered dashboard, directly tied to strategic sales targets. When a deviation occurs, AI not only signals it but may diagnose it using anomaly detection algorithms. This immediate awareness allows managers to intervene or tweak strategy execution promptly. In some cases, AI can autonomously adjust certain parameters (like reorder quantities in a supply chain) to correct course, within pre-set boundaries aligned with strategy.

Moreover, AI facilitates adaptive learning in strategic control. Reinforcement learning models, if employed, inherently learn from successes and failures, adjusting the strategy implementation policy to maximize defined rewards (e.g., profit, customer satisfaction). While still an emerging application in management, one could envision AI agents suggesting iterative strategy modifications as they learn what works best in practice. Already, simpler forms like multivariate testing in digital strategy (AI trying different website layouts to maximize conversion, which is a strategic goal) are commonplace. These demonstrate how AI iteratively searches for optimal tactics fulfilling strategic objectives.

The use of AI in control also supports a broader set of metrics including non-financial indicators. For example, AI can gauge brand sentiment from online data as a control metric for a branding strategy, or measure employee engagement through analysis of enterprise social network data for a talent strategy. These rich measures feed into the overall strategic control system,

giving a multidimensional view of how well the strategy is doing. Traditional control might focus heavily on quarterly financials, but AI allows equally important intangible factors to be quantified and monitored, aligning with the broader perspective encouraged in modern strategic management (balanced scorecard approach, triple bottom line, etc.).

In Chinese enterprises, another aspect of control is compliance and alignment with government policy or regulations. AI is increasingly used to ensure strategies comply with regulations (for instance, algorithms checking that a data strategy aligns with the latest data privacy laws). This can be seen as a risk control element of strategy – ensuring no strategic initiative inadvertently violates rules (which is critical in China’s regulatory environment that can change quickly). For example, when China introduced new guidelines on recommender algorithms in 2022 (aiming at transparency and avoiding addiction in apps), companies used AI to audit their own algorithms for compliance, thus controlling the risk in their digital strategies.

One must also consider the limitations and new challenges AI brings to strategic control. If not properly managed, AI systems could create an illusion of control – precise numbers and dashboards might give executives confidence, but if the underlying data or model has flaws, decisions could be misled. Over-reliance on AI without critical human evaluation is a risk. Ensuring data quality and interpreting AI outputs correctly is part of the new control function. Additionally, algorithmic biases or blind spots (areas AI doesn’t cover well) need oversight. Rana et al. (2022) highlight operational inefficiencies that can arise if firms misuse AI analytics, emphasizing that competitiveness gains are not automatic. Managers thus have to “control the AI” itself as part of strategic control – validating models, tuning algorithms, and possibly shutting down AI recommendations that conflict with ethical or long-term considerations.

To summarize this section, AI’s influence is evident across all stages of strategic management in Chinese enterprises: from richer analysis and faster formulation to automated implementation and real-time control. These changes make strategic management more dynamic and data-driven. Yet, they also require managers to adapt – building new skills (like data literacy), establishing governance for AI (so that it aligns with the firm’s strategic intent and values), and maintaining the human strategic vision that guides AI use. The next section will discuss broader implications, opportunities, and challenges in a structured way, employing frameworks like SWOT and PESTLE to capture the multifaceted impact of AI on Chinese enterprises’ strategy. This holistic discussion will contextualize the detailed practices we’ve covered and highlight how Chinese firms can strategically manage the AI revolution to their benefit.

5. Strategic Implications: Opportunities and Challenges

The integration of AI into strategic management presents a complex array of opportunities, strengths, weaknesses, and threats for Chinese enterprises. In this section, we synthesize these aspects using a SWOT analysis (Strengths, Weaknesses, Opportunities, Threats) focused on AI in the strategic context of Chinese businesses. We then extend to a PESTLE analysis (Political, Economic, Social, Technological, Legal, Environmental factors) to examine the external macro-environment influencing AI-driven strategies in China. These structured analyses align with the

journal's scope by addressing both organizational (internal) and broader societal dimensions of the topic.

5.1. SWOT Analysis of AI in Chinese Enterprise Strategy

Table 2 presents a SWOT analysis summarizing internal strengths and weaknesses, and external opportunities and threats, related to Chinese enterprises leveraging AI in strategic management. This analysis is informed by preceding discussions and referenced research.

Table 2. SWOT Analysis – AI in Strategic Management of Chinese Enterprises

Category	Detailed Description
Strengths (Internal)	Enhanced decision accuracy and speed; Operational efficiency; Innovation capability; Competitive intelligence; Scale and data advantage.
Weaknesses (Internal)	Talent and skill gaps; Cultural and organizational inertia; Data silos and quality issues; Overreliance risk; High cost of AI implementation.
Opportunities (External)	Government support and funding; Growing AI ecosystem; Global market leadership opportunities; New business models; Socio-economic benefits driven by AI.
Threats (External)	Regulatory changes and compliance risks; Ethical and public image concerns; Cybersecurity threats; Global technology tensions; Market saturation and intense competition for AI talent.

This SWOT analysis highlights that Chinese enterprises stand to gain substantial strategic strengths and opportunities from AI, but they must address internal weaknesses and external threats to realize AI's full benefits. For instance, a major state-owned bank in China might have a strength in massive data availability and government backing to implement AI (opportunity), but it could struggle with internal culture resistance and risk falling afoul of new data privacy rules if it's not careful (weakness and threat). The SWOT framework helps leaders ensure their AI strategy maximizes strengths/opportunities (like leveraging government initiatives, building data capabilities) while mitigating weaknesses/threats (investing in talent, establishing ethical AI guidelines, strengthening cybersecurity, etc.).

5.2. PESTLE Analysis: External Factors Affecting AI-Driven Strategy in China

To further contextualize AI and strategic management, we examine the macro-environment through a PESTLE analysis. Table 3 outlines key factors in the Political, Economic, Social, Technological, Legal, and Environmental domains that influence how Chinese enterprises formulate and implement AI-enhanced strategies. This analysis draws on policy documents, economic reports, and social trends up to 2024.

Table 3. PESTLE Analysis – Macro Factors for AI in Chinese Enterprise Strategy

Factor	Key Points (China Context)
Political	Government AI strategy, SOE influence, geopolitical issues.
Economic	Economic transition, market scale, competition dynamics.
Social	Workforce demographics, consumer attitudes, ethics.
Technological	AI infrastructure, innovation, talent development.
Legal	Regulations on AI/data, IP laws, liability issues.
Environmental	Sustainability targets, resource constraints, climate risks.

This PESTLE analysis shows that Chinese enterprises' AI-driven strategies are influenced by a wide context: supportive politics and economics on one hand, but tightening legal constraints and social expectations on the other. For example, a tech company might have an opportunity due to government AI promotion (Political) and the need to improve productivity (Economic), but it must also ensure its AI uses personal data responsibly (Legal) and consider public perception if algorithms are seen as invasive (Social). Recognizing these factors, companies like Tencent and Alibaba have begun publishing AI ethical guidelines and emphasizing data protection compliance in their strategies – moves acknowledging the Legal and Social imperatives while leveraging Technological and Economic drivers for AI.

By proactively managing PESTLE factors, Chinese enterprises can better future-proof their strategies. For instance, staying ahead of regulations by implementing robust data governance now can be a source of competitive advantage, avoiding disruptions that might befall less prepared competitors. Similarly, aligning AI strategy with national goals (like digital economy growth or decarbonization) can open new markets and partnership opportunities.

6. Discussion

The analyses above illustrate that AI is not just a technological tool but a strategic force reshaping how Chinese enterprises plan and compete. In this discussion, we delve into the broader implications of these findings for theory and practice, and highlight some avenues for future research. We also integrate insights from prior studies to contextualize our contributions within the existing body of knowledge on strategic management and AI.

Alignment with Strategic Objectives: A key theme is that successful integration of AI requires aligning AI initiatives with the firm's overarching strategy. AI for its own sake is not useful; it must serve clear strategic objectives (be it cost leadership, differentiation, innovation, or rapid growth). Our framework and examples repeatedly show AI's value is maximized when tightly coupled with strategic goals – for instance, using AI to achieve a differentiation strategy by

personalizing customer experiences, or supporting a cost-leadership strategy through process automation. This confirms and extends earlier propositions by researchers like Davenport & Ronanki (2018) who noted that AI projects fail when isolated from business strategy. Chinese enterprises appear to be learning this alignment: many leading firms have developed explicit “AI strategies” that articulate how AI investments drive competitive advantage in their domain. One contribution of this article is providing conceptual clarity on where AI fits in the strategic management cycle (Figure 2), which practitioners can use as a checklist to ensure alignment at each phase (analysis, formulation, implementation, control).

Human-AI Collaboration: Our findings underscore that despite AI’s prowess, human judgment and leadership remain crucial – a sentiment echoed by Balasubramanian et al. (2022) regarding organizational learning. The Chinese context, with its strong emphasis on top-down leadership and relational nuances, means AI will augment rather than replace strategic decision-making by executives. However, as newer generations of tech-savvy managers rise in China, the balance may shift toward more data-driven cultures. Companies that cultivate a culture of human-AI collaboration – where employees trust and effectively use AI outputs, and AI systems are designed to support human values and creativity – are likely to outperform those that maintain rigid silos between “human decisions” and “AI analysis.” An implication for management is the importance of training and change management: Chinese firms must invest in building their staff’s data literacy and openness to AI tools, as part of the strategic plan. We observed how weaknesses like talent gaps and cultural inertia (Table 2) can impede AI’s benefits. Addressing these is not just an HR issue but a strategic imperative.

Competitiveness and Performance: The evidence suggests AI adoption is correlated with enhanced firm performance in various studies – higher innovation (Rajagopal et al., 2022), better supply chain agility (Wong et al., 2024), improved ESG outcomes (Li et al., 2024), and so forth. In China, given the rapid uptake, AI could become a baseline capability for staying competitive. What was once a differentiator is fast becoming a necessity. This raises the question: will AI eventually provide diminishing returns as everyone adopts it? Possibly, the competitive advantage may shift to how one uses AI (quality of data, uniqueness of algorithms, integration with customer insights) rather than just using AI per se. Firms that develop proprietary AI capabilities tuned to their unique context (e.g., an insurer with a specialized AI for fraud detection that competitors lack) will sustain an edge. There is also the factor of first-mover vs. fast-follower: some latecomers can learn from pioneers’ mistakes and implement AI more efficiently. But in China’s case, given the speed and support for AI, being a first-mover allowed certain companies to dominate (consider how ByteDance’s AI-driven content recommendation quickly gave it dominance in short-video apps). Strategic managers should thus weigh timing – invest early in strategic AI initiatives vs. wait for technology to mature – based on their industry’s pace and their organization’s readiness.

Ethical and Sustainable AI Strategy: A significant part of our discussion touches on the ethical, legal, and social aspects. The Chatham House findings (Sun, 2024) about worker stress and lack of adaptation highlight a potential pitfall: strategies that implement AI without considering human impacts can backfire, leading to lower morale, public criticism, or regulatory crackdowns.

Therefore, integrating ethical considerations into AI strategy is both a moral duty and a risk management practice. Chinese enterprises are beginning to face these issues, especially as the government has signaled interest in “human-centric AI.” Strategy documents now sometimes include principles for responsible AI (for example, Baidu published guidelines on transparency and accountability for its AI developers in 2022, anticipating regulation and building public trust). We argue that doing so is part of strategic management: just as a strategy must account for financial and competitive factors, it must also ensure the AI it deploys is fair, lawful, and accepted by stakeholders. This will likely become a standard dimension of strategic planning in the AI era. Similarly, environmental sustainability as an aspect of strategy can be supported by AI (like AI optimizing energy use), marrying economic and environmental goals. Future research could explore how Chinese firms balance aggressive AI-driven growth strategies with these ethical and sustainable practices – an area that will define long-term success and legitimacy.

Dynamic Capabilities: The concept of dynamic capabilities (the ability of a firm to integrate, build, and reconfigure internal and external competences to address rapidly changing environments) is highly relevant here. AI can be seen as a dynamic capability enhancer – it helps firms sense (through data analysis), seize opportunities (through rapid decision-making), and reconfigure (through automation and adaptation) in turbulent environments. Our work implicitly highlights this: Chinese firms using AI are better at sensing trends (sensing capability), and some are building processes to quickly pivot (seizing). But reconfiguration (transforming the business using AI) is the hardest and involves organizational change. The maturity model concept we touched upon implies that companies progress through stages of capability. Not all firms are at a stage where AI is fully embedded; many are still learning to effectively deploy one or two AI applications. Dynamic capability theory would suggest that firms need to invest in learning and integration processes to truly harness AI strategically. We saw evidence of this in “weaknesses” like data silos or talent issues – those are frictions in building the capability. Strategically, firms could undertake capability development programs (perhaps guided by frameworks from consultants or academia) to reach a level of AI maturity where it’s part of their core competencies. Some Chinese enterprises, like Ping An, have famously transformed into “technology companies that do finance” by heavily investing in AI and tech capabilities – essentially executing dynamic reconfiguration.

Limitations and Future Research: While our article has synthesized a broad range of sources and provided conceptual models, it is largely a qualitative integration of current knowledge. One limitation is the lack of primary empirical data within this paper; we relied on published studies, reports, and cases. Future academic research could build on our work by conducting in-depth case studies of Chinese enterprises that have implemented AI in their strategy, to validate and refine the frameworks proposed. For instance, a case study on a manufacturing firm’s strategic evolution with AI could illustrate the stages of maturity and the real ROI. Another fruitful area is comparative research – comparing Chinese enterprises with Western counterparts in AI-driven strategic management. Culturally and institutionally, differences may lead to different approaches or outcomes. For example, do Chinese firms achieve AI-induced performance gains faster due to centralized decision-making and state support, or do they encounter unique obstacles?

Comparative studies or even quantitative surveys across firms could test hypotheses on AI's impact on firm performance, moderated by factors like industry, firm size, or governance.

Additionally, research can examine the long-term strategic consequences: How does heavy reliance on AI affect innovation? Does it make firms more innovative (by freeing human creativity from routine tasks) or potentially complacent (if they trust algorithms too much)? Does AI in strategic management lead to more risk-taking or more risk-aversion? Early evidence is mixed: some Chinese firms use AI to boldly venture into new areas (risk-taking enabled by data confidence), while others might use AI to overly optimize current business at the expense of exploratory innovation (risk of local optima). The study by Zeng (2022) on national AI strategy hints that at a macro level, AI is a double-edged sword – it can entrench certain players (big tech) and disrupt others. So at firm-level, we need to watch how strategic balance is maintained.

In summary, our discussion emphasizes that AI's incorporation into strategic management is transformative but must be managed holistically. Chinese enterprises are at the global forefront of this transformation, offering valuable lessons. They demonstrate the potential of AI to elevate strategic practice, but also highlight the necessity of prudent management – addressing human factors, ethical use, and maintaining alignment with core strategic objectives. The coming years will likely see AI become as ubiquitous in strategy as computers and the internet did in earlier decades, and firms that master this integration effectively – as many leading Chinese companies are striving to do – will set themselves up for sustained success in the AI-era competition.

7. Conclusion

This study set out to examine and refine the understanding of how artificial intelligence influences strategic management practices in Chinese enterprises. In doing so, we have integrated literature from the past five years (2019–2024) with practical observations, producing a comprehensive analysis suitable for both academic inquiry and managerial insight. Key contributions of this work include a conceptual framework (Figure 2) for AI-integrated strategic management, comparative evaluations of traditional vs. AI-enabled approaches (Table 1), and structured analyses (SWOT and PESTLE in Tables 2 and 3) that contextualize AI's impact within internal organizational dynamics and the broader Chinese environment.

Summary of Findings: AI has emerged as a powerful enabler of more data-driven, agile, and precise strategic management. Chinese enterprises leveraging AI report improvements in forecasting accuracy, decision speed, and operational efficiency, aligning with findings from recent studies that AI can significantly enhance competitiveness. Our analysis shows that AI aids strategic analysis by processing vast environmental data, supports strategy formulation through predictive insights and scenario simulation, streamlines implementation via automation, and enables real-time strategic control with continuous monitoring. These advantages have propelled Chinese firms to leading positions in AI adoption – evidenced by surveys where they outpace global peers in deploying advanced AI solutions.

However, the integration is not without challenges. We found that organizational readiness (skills, culture) and external constraints (regulation, ethical norms) critically determine the extent

of AI's benefits. Without strategic alignment and good governance, AI initiatives may fail to deliver value or could even create new risks (like bias or strategic rigidity). Chinese enterprises thus must address internal weaknesses such as talent shortages and data silos, and be mindful of threats like tightening laws and societal pushback (as detailed in SWOT analysis). Companies that successfully navigate these issues – often by establishing clear data strategies, investing in workforce training, and instituting AI ethics and compliance measures – are better positioned to gain sustainable advantage from AI.

Implications for Strategic Management Theory and Practice: The findings reinforce the view of AI as a general-purpose technology that is reshaping management theory. Strategy scholars may need to revisit classic models (e.g., the planning cycle, Porter's competitive forces, the resource-based view) in light of AI. For instance, data and AI algorithms themselves become strategic resources (with characteristics of being valuable, inimitable if proprietary, etc.), supporting the resource-based view logic. Competitive dynamics may intensify in winner-takes-most scenarios if AI's predictive power allows capturing markets quickly (as seen in digital platform businesses). Our study underscores the importance of dynamic capabilities – organizations must learn and adapt faster, which AI can facilitate but also necessitates. We also highlight that strategy implementation and evaluation are now more continuous and adaptive, aligning with emergent strategy theories that favor flexibility over fixed long-term plans.

For practitioners, especially in China, this research provides a roadmap to harness AI strategically: (1) **Align AI with Strategy:** Start with strategic goals and see where AI can make the most impact (e.g., improved customer insight for a differentiation strategy, or cost reduction for a cost leadership strategy). (2) **Develop Capabilities:** Invest in data infrastructure, AI talent, and a culture of data-driven decision-making. Pilot projects can build confidence and demonstrate value, but scaling requires robust IT and human capital foundations. (3) **Ensure Governance:** Establish clear policies for data use and AI ethics. Given regulatory trajectories, compliance and ethical integrity are part of strategic risk management. Chinese firms would benefit from proactive self-regulation in areas like algorithmic fairness and transparency to preempt stricter mandates and earn stakeholder trust. (4) **Integrate Human Insight:** Use AI as an augmenting tool – maintain human oversight and strategic thinking. As AI handles analysis and routine decisions, managers can focus on higher-order strategic creativity, relationship management, and context-setting that AI cannot fully replicate. (5) **Monitor and Adapt:** Leverage AI's real-time feedback to become a continuously learning organization. Strategies should be living plans, adjusted as data informs new realities. This is a departure from static multi-year plans of the past, but one that AI-equipped firms can adopt to stay ahead in fast-moving markets.

Concluding Thoughts: Artificial intelligence is sometimes likened to the “electricity” of the Fourth Industrial Revolution – an omnipresent force powering various functions. Our exploration in the context of Chinese enterprises illustrates that AI is indeed electrifying the field of strategic management, illuminating new possibilities for competitive advantage and organizational performance. Chinese companies, under unique drivers of a tech-forward market and policy backing, offer a glimpse into a future where strategic decisions are made with unprecedented analytical support and agility. Yet, this future also warns that unchecked reliance on AI, or

ignoring the human and ethical aspects, can short-circuit strategic success. The true strategic winners will be those who skillfully blend the power of AI with human wisdom, strategic foresight, and responsible management.

In conclusion, AI's influence on strategic management is profound: it challenges firms to evolve and opens avenues for growth, efficiency, and innovation. The journey for Chinese enterprises (and indeed companies worldwide) is ongoing – mastering this new paradigm will require careful strategy, but promises significant rewards. This article has provided an expanded academic perspective on that journey, and we hope it serves as a foundation for further scholarship as well as a practical guide for strategists aiming to navigate the AI-empowered business landscape.

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Conflicts of Interest

The author declares no conflict of interest. This article was prepared in the author's academic capacity and is independent of any specific company or proprietary AI product. All views expressed are those of the author.

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