# AI-ENABLED KNOWLEDGE AND TASK AUTOMATION: A FRAMEWORK FOR ENHANCING EMPLOYEE ADAPTIVE PERFORMANCE THROUGH ORGANIZATIONAL AGILITY IN THE RETAIL INDUSTRY

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**ABSTRACT**

*Artificial Intelligence (AI) technologies are being quickly integrated into the retail sector to improve staff flexibility and expedite operations in response to changing market needs. This study examines how work automation and AI-driven information accessibility might enhance employee adaptable performance through organizational agility. The study highlights how AI technologies promote real-time decision-making, eliminate repetitive processes, and empower staff to successfully adapt to changing situations. It is based on the Dynamic Capabilities Theory. Survey information from 163 individuals at various hierarchical levels was examined using a structural equation modeling technique. The results show that job automation and AI-driven information accessibility improve organizational agility, which in turn greatly increases worker flexibility. In addition to streamlining processes, AI systems give staff members useful information that encourages innovation and problem-solving skills.The report emphasizes how crucial organizational agility is strategically as a mediator in converting AI efficiency into better worker performance. To stay competitive in a changing industry, retail managers are urged to give AI-driven innovations top priority. Policymakers, business executives, and tech developers may use this research's practical findings to improve worker performance and organizational resilience by utilizing AI technologies.The article offers useful advice for legislators and retail executives, highlighting the necessity of making calculated investments in staff development, AI tools, and agility-driven operational frameworks. Workflows are streamlined by AI technologies, but their effectiveness relies on the organizational flexibility that permits a smooth integration into regular operations.*

***Keywords***: *Artificial Intelligence, AI-Driven Knowledge, AI-Enhanced Task Automation, Organizational Agility, Employee Adaptive Performance, Dynamic Capabilities Theory*

## INTRODUCTION

Now a days the retail industry is fastly turning to Artificial Intelligence (AI) to enhance the operational efficiency and support their workers to adapt new challenges. AI technologies, like as processed for getting knowledge and automating tasks, are now reshaping traditional business operational models. With the help of these technologies retailers are rresponding more effectively to the rapidly changing demands of customer and market trends. Retailers also facing challenges, such as continously changing customer preferences, high competition, and the need for highly fast, data-driven decisions. In this environment, adopting AI is not just a choice but also a strategic necessity for retail industry survival (Marquis et al., 2024). Tools like AI-

powered decision-support analysis and forecast based predictive analytics have speed up the efficiency of major key areas of retail industry such as inventory management and production planning, customer engagement and encouragement, and workflow efficiency, offering crucial insights by strengthen organizational agility and resilience in unforeseen markets trends (Adenekan et al., 2024).

Dynamic Capabilities Theory gives a support framework for understanding this change. It highlights an organization's ability to sense and response to new opportunities and reconfigure its resources and processes accordingly. In the context of AI, this theory suggests us that retail organizations must be continuously adapt and innovate by adding AI tools that enhance both organizational agility and workforce adaptability. This allows them to sense and respond proactively to latest market changes (Teece, 2007). The theory also hhighlights the importance of organizations distinctive processes that support them to stay competitive in fast-evolving market trends by engaging internal assets like knowledge and technology (Teece et al., 1997).

This study highlight the role of automation in task and AI driven knowledge and further organization agility in enhancing the adoptability of employee. From AI driven knowledge employees are getting real time data which supporting in faster and more efficient decision making along with improving the task performance. Especially in the context of retail industry where need to respond more quickly according to the market trends. (Chemnad & Othman, 2024). Moreover automation in task reduces the routine workload and task repetitions that allowing the employees to boost their performance (Adenekan et al., 2024).

Organizational Agility serves as a key mediator in this process that is converting AI-driven efficiencies into desire outcomes that enhance workforce adaptability. By enhancing the agility, organizations can support employees to integrate AI tools effectively into their routines, helping them to excel in speedily changing retail environments (Rožman et al., 2023).Linking of AI into retail operations presents emerging opportunities for enhancing employee performance and organizational agility. This AI systems not only support routine operations but also provide valuable insights to the employees to make better decisions, and tackle complex

challenges (Gao & Segumpan, 2024). AI not only foster the operational efficiency but also support in continuous learning and innovation that enable employees to achieve goals in the era of rapid technological change (Ibrahimi & Benchekroun, 2023).

This research supporting to the strategic approaches for effectively implementing AI technologies, with a focus on organizational agility as a important enabler of workforce adaptability. Retail organizations can foster innovation and resilience with the help of AI (Ononiwu et al., 2024). The findings will be helpful for retail leaders, policymakers, and technology developers, by offering practical insights for optimizing workforce performance in an AI-driven economy era.

Despite the significant progress in AI technologies and digital transformation. Additionally, there is still an essential knowledge gap, how organizational agility influences the relationship between AI tools and employee performance. Much of the current research focuses either on AI's operational benefits or its impact on customer-facing roles, often overlooking its potential to enhance workforce adaptability and innovation, especially in the retail sector (Rožman et al., 2023). Additionally, the interaction between AI-driven knowledge accessibility, task automation, and agility in boosting adaptability remains underexplored (Basir, 2023).Dynamic Capabilities Theory (Teece, 2007) addresses this gap by emphasizing how organizations must continually adjust their processes and resources in response to technological advancements. The gap in existing research lies in understanding how organizational agility, as a dynamic capability, mediates the relationship between AI tools and employee performance. (Kumi et al., 2024).

The primary objectives of this study are to:

1. Evaluate how AI-driven knowledge accessibility affects employee adaptability, focusing on the role of real-time data in decision-making and adaptability

2. Examine the impact of AI-powered task automation on fostering employee adaptability by reducing the time spent on repetitive tasks and enabling more strategic engagement

3. Investigate the mediating influence of organizational agility in translating AI-driven efficiencies into improved employee performance and adaptability

This research seeks to answer the following questions:

1. How does AI-enhanced knowledge accessibility affect employee adaptability in retail environments?
2. How does AI-driven task automation contribute to workforce adaptability and overall performance?
3. In what ways does organizational agility mediate the relationship between AI tools and employee performance in retail operations?

**Literature Review:**

**1: AI-Driven Knowledge Accessibility & Employee Adaptive Performance:**

The term "AI-driven knowledge accessibility" describes how artificial intelligence tools are used to promote decision-making and knowledge sharing within an organization by helping real-time access to data, insights, and material. AI improves employee's capacity to learn and apply knowledge by effectively collecting, forming, and allocating relevant data, which leads to more refined and rapid replies to work requirements (Shollo, A., & Galliers, R. D. (2016). The term "Employee adaptive performance" is potential of an individual to adapt to new activities, roles, or settings in response to changing workloads. In AI-driven workplaces, where workers must learn new skills and adapt new processes, this flexibility is important for employee (Pulakos, E. D., et al, 2000).An artificial Intelligence is a group of information and communication technologies that create human knowledge accessibility to achieving their goals, improving their employment, increasing productivity of organization, and stimulating the economy (Arakpogun et al., 2021). Artificial intelligence is the study of building machines with analytical functions similar to those of humans. It can do things that are considered "smart." Through AI-driven knowledge employee is capable of processing huge volumes of data in a variety of ways. AI-Knowledge aspires employee to perform human-like functions including pattern recognition, judgment, and decision-making (Chukwuka & Igweh, 2024). Additionally, AI-driven knowledge are becoming recognized as facilitators rather than threats to human labor, despite concerns about job loss. AI-driven knowledge frees up employees valuable Intellectual capital by automating routine and repetitive operations, allowing individuals all of to focus on higher-value work requiring

creativity, critical thinking, and problem-solving skills. (Gupta, Aakriti, and Naresh Kumar, 2021). AI-knowleledge accessibility provides a view, applying the resource-based view to companies and discovering that innovation and the ability to absorb mediate the positive and major impact of AI-knowledge on firm performance & workers adaptive performance (Wijayati et al. 2022). Switched the emphasis that how AI knowledge affects an employee performance in retail sector increase their engagement with their routine task, showing beneficial outcomes that are tempered by change leadership (Malik et al., 2022). As, Artificial Intelligence powered employee, because they has a lot of promise to maximize operational effectiveness. AI driven knowledge help them to save downtime, optimize resource allocation, and streamline workflows by automating repetitive processes (Ahmed, S. Fakruddin Ali et al. 2021). With the passage of time, Artificial intelligence (AI) has become a significant innovation accelerator in many retail industries in the current dynamic technology environment. Employees are being significantly impacted by artificial intelligence (Chukwuka & Igweh 2024). Additionally, three fundamentals that are most likely to convince employees adaptive performance to support the organizational agenda are described objective, self determination, and flexibility of the performance development process (Olan et al. (2022); Olan et al. (2019). Dynamic capability Theory support our findings that AI-driven knowledge becoming more recognized day by day, if employee adapt AI-driven knowledge they can automating their common and repetitive routine tasks effectively, these AI technologies not only assist with daily tasks but also help employees to solve difficult problems and make smart decisions  (Teece, 2007).According to study, Artificial intelligence (AI) knowledge acessibility are becoming more common in the workplace to improve employee performance because they can help people enhance their skill set, which in turn leads to increased job satisfaction, proficiency, and effectiveness (Malik et al., 2020). Before analyzing how AI impacts on employee adaptive performance, it is essential to understand that the strategic approach used by businesses & organizations to effectively manage and utilize their workforce. The processes it covers include hiring, onboarding, training and development, performance management, compensation and benefits, employee relations, and workforce

planning. Organizational goal is to maximize employees performance, as essential resources in order to increase business productivity and competitiveness (Krishna, 2023). As, AI driven knowledge help the employees in many ways automating their routine task, help them to take sensible decisions, streamline workflows etc. So, on the base of above discussion, we can hypothesize that AI-driven knowledge accessibility positively influences employee adaptive performance.

**H1: AI-driven knowledge accessibility positively influences employee adaptive performance.**

## 2: AI-enhanced task automation and Employee adaptive performance:

The use of AI technologies to automate repetitive, routine operations inside an organization is known as AI-enhanced task automation. Employees may concentrate on higher-order, adaptable employments that call for creativity and problem-solving skills by using AI to automate these kinds of tasks, which eventually improves both individual and organizational productivity (Halivaara, M, 2023). Today's business environment is extremely challenging and demanding because it requires a deep comprehension of knowledge, learning new things is important, and competitive products and services are becoming available on the market quickly than previously thought.(Tortorella et al., 2023) Given the numerous economic upheavals we are seeing, including the introduction of COVID-19, conflicts, rising energy costs, etc., this motivates enterprises to develop their offer quickly under trying circumstances (Penco et al., 2022). It uses digital technology to simulate human communication, allowing employee to streamline procedures, reduce errors, and save millions of dollars (Aguirre & Rodriguez, 2017). By doing away with time-bound, rule-based exercises that span several apps without affecting the systems, it will boost productivity and lower employee error (IEEE Corporate Advisory Group, 2017). AI enables automated systems to create and learn, handle vast volumes of unstructured data, and interpret variations in natural language. This capability enables automation systems to carry out operations beyond the scope of basic automation (Madakam, Holmukhe, & Jaiswal, 2019). Theoretically, AI-digitization, and technology are frequently required to significantly alter how employee's creativity and performance are improved by task automation.

However, according to Teece's (2007) Dynamic Capabilities Theory, a business will continue to be successful and competitive until it finds a process that works and alters its culture to support artificial intelligence. The company's growth, development, and profitability will always be enhanced by an engaging organizational culture that supports intense learning, creativity, quick change adaptability, and the holistic development of employees (Hooi & Chan, 2022). Employees, procedures, and technology are the main focuses of digitization. Making significant adjustments to employees perspectives on innovation is frequently required. However, An organization will remain successful and competitive unless it finds a formula that works and changes the culture that supports AI. (Dhamija & Bag, 2020; Tortorella et al., 2023). In conclusion, teams can foster a culture of learning through AI-supported training, which encourages adaptation and ongoing development. Employees are more likely to feel inspired and dedicated to the success of their team when they are actively involved in continuing education and development (Kambur & Yildirim, 2023). Effective teams have a big influence on employee engagement, encouraging a feeling of achievement and contentment at work. Additionally, when teams succeed and reach their objectives, Employees become more involved and dedicated to their jobs (Arslan et al., 2022). Given the discussion above, we acknowledge that task automation boosted by AI has a favorable effect on employee adaptable performance.

**H2: AI-enhanced task automation positively impacts employee adaptive performance.**

## 3: Mediating role of Organizational Agility between AI-driven knowledge accessibility and Employee adaptive performance:

Agility in an organization refers to its ability to react swiftly and efficiently to changes in both its internal and external contexts. It moderates the impact of AI by allowing businesses to benefit from the insights and efficiency offered by AI tools, which in turn improves employees adaptive performance ( Xu, M., Zhang, et, al, 2024) According to Teece's (2007) Dynamic Capabilities Theory, companies must constantly improve their capacity to adjust to new technology. Since organizational agility promotes worker flexibility in a dynamic environment, AI plays a key role in helping employees integrate AI into their daily work and supporting it for

decision-making (Teece, 2007). In recent decades, the topic of digital transformation has gained controversy among scholars and professionals. Because it impacts the entire organization and its business procedures, it is therefore because of its multidisciplinary nature (Verhoef et al., 2021). Artificial Intelligence (AI) is being rapidly how businesses function and make choices implemented as a result of recent technical developments, completely changing (Alenzi 2023). Additionally, the ability to recognize and take advantage of market opportunities presented by digital technologies is associated with organizatonal agility (Verhoef et al., 2021). By utilizing internal resources like technology and expertise, the theory also emphasizes the significance of unique organizational procedures that help businesses remain competitive in rapidly changing market trends (Teece et al., 1997). Traditional market actors in the media sector, particularly those offering services related to television, have also faced challenges from shifting consumer behavior, technological innovation, and the rise of video streaming services (Alsin, 2018). According to recent studies, further research is required to determine how AI might be applied to predict and adjust to future developments in addition to streamlining operations (Arias et al., 2023), And enhance employee satisfaction and the effectiveness of a company's business operations and operational divisions (Anshari et al., 2023). However, adopting new technology alone is not enough to achieve organizational agility through digital transformation. In order to enhance agility, it calls for a comprehensive strategy that involves re-arranging organizational structures, procedures, and cultures (Verhoef et al., 2021).

Thus, the positive and significant influence of AI-driven knowledge on firm performance and employee performance is mediated by organizational agility. Organizational agility is the ability of an organization to react to changes in its internal and external contexts in a timely and efficient manner. By empowering enterprises to leverage the insights and efficiency offered by AI-Driven tools, it buffers the impact of AI and improves employee adaptive performance.

**H3: Organizational agility mediates the relationship between AI-driven knowledge accessibility and employee adaptive performance.**

## 4: Mediating role of Organizational agility between AI-enhanced task automation and employee adaptive performance:

The theory of dynamic capabilities offers a framework for comprehending this shift. It demonstrates an organization's capacity to recognize and seize new possibilities and adjust its procedures and resources appropriately. According to this notion, retail firms should constantly innovate and adapt by implementing AI solutions that improve workforce and organizational adaptability. This enables them to detect and react to recent market developments in a proactive manner (Teece, 2007). Financial firms can gain a competitive edge over their rivals by investing in "machine learning solutions," which can help organization automate processes, increase efficiency and accuracy, reduce costs due to fewer Employee involvement, and improve satisfaction due to faster resolution times (Belhaj & hachaïchi, 2021). AI and other developing technologies are used to foster this adaptability. According to this study, organizational agility is "the capacity to recognize and quickly adjust to both internal and external changes in order to achieve relevant outcomes in a productive and economical manner." (Shafiabady et al., 2023).According to Bharadiya et al. (2023), artificial intelligence is driving a revolution in the business sector, the economy, and society at large by changing the relationships and dynamics between stakeholders and individuals. AI enhances, not replaces, employee creativity and intelligence. Even while AI can process and analyze vast amounts of data quickly, it has trouble with simple tasks. As a result, employee may receive recommendations from AI software that are synthetic. This allows AI to help predict the results of various actions and streamline the decision-making process (Bharadiyaet al., 2023). Therefore, an agile organizational culture can assist the transformation processes brought about by digital transformation, which may make restructuring or the adoption of new management concepts easier (Hartl, E., & Hess, T. 2017). Automation, or artificial intelligence, will also help employer by assisting with or doing away with repetitive jobs. It will increase productivity, reduce mistakes, and provide more flexibility in the services (Wamba-Taguimdje et al., 2020). Employees, procedures, and technology are the main focuses of digitization. Making significant adjustments to employees perspectives on innovation is frequently required. However, a business will be

prosperous and competitive, after finding an effective method and successfully changing the culture that supports AI(Dhamija & Bag, 2020; Tortorella et al., 2023).

AI-enhanced task automation and employee adaptable performance are strongly linked to organizational agility, which in turn improves employee happiness and the efficiency of a business's operations.

**H4: Organizational agility mediates the relationship between AI-enhanced task automation and employee adaptive performance.**

## 5: AI-driven knowledge and organizational agility:

By using artificial intelligence tools employee can enhance decision-making ability and knowledge sharing ability within an organization by helping actual data sharing, visions, and evidence is known as "AI-driven knowledge accessibility" (Shollo, A., & Galliers, R. D. (2016). "Organizational agility" is the ability of an organization to react to changes in its internal and external circumstances in appropriate and effective manner. It regulates the impact of AI by allowing businesses to benefit from the insights and efficiency offered by AI-driven tools, which in turn improves employees adaptive performance (Teece, D. J., Peteraf, M., & Leih, S. (2016). In today's dynamic corporate environment, the ideas of artificial intelligence (AI) and organizational agility have become essential elements of success. Businesses that use AI technologies, encourage organizational agility, and welcome change will have an advantage while negotiating the complex dynamics of the contemporary marketplace (Wijayati et al., 2022). Through enhancing operational efficiency, improving product development cycles, and giving predictive capabilities, artificial intelligence can help organizations accomplish new levels of organizational agility. (Dabbous et al., 2022). Through an analysis of how AI-technologies improve organizational agility, organizations may strategically coordinate their adoption efforts with programs that promote organizational agility, encouraging a comprehensive strategy for AI-driven knowledge (Peeters et al., 2022; Papadopoulos et al., 2020; Klein & Todesco, 2021). By Implementation of artificial intelligence (AI) and organizational agility are necessary for any organization, regardless of size, for growth (Wijayati et al., 2022; Hughes et al., 2019). The Artificial

intelligence (AI) performance can impact employees job satisfaction, performance, and service, all of which influence the organizational agility of the company (Wamba, 2022). With the combination of organizational agility with artificial intelligence helps businesses to operate more efficiently and adaptably in complex and unpredictable business situations. For companies looking to fully realize the potential of AI-driven knowledge change, it is essential to recognize the connection between organizational agility and Artificial Intelligence (Ajgaonkar et al., 2021; Wamba-Taguimdje et al., 2020). Dynamic capability theory also emphasize that the firm must have develop agility and adapt new AI-technologies on regular basis. AI-driven knowledge accessibility plays a vital role in building organizational agility, driving innovation, and ensuring that a firm may accept changes which will become a success factor for organization in future (Teece, 2007) .AI-driven knowledge and organizational agility have a major and favorable impact on overall performance of retail industry, Companies responses to the several factors that influence their decision to adopt an agile business model vary. The firms internal and external environments, as well as their strategic aims, are the source of these characteristics. Internally, a business may look for organizational agility to boost productivity, better manage and use human resources, or promote an innovative and continuous development culture (Attar & Abdul-Kareem, 2020; Denning, 2016; Martinez-Sanchez & Vicente-Oliva, 2023). The first one, AI technologies effects on business performance, as well as how organizational and customer agility mediate these effects. The report illustrates how using artificial intelligence will have a big impact on organizational agility in the future. (Wamba, 2022). Artificial intelligence (AI) is one of the developing technologies that fosters organizational agility. The ability to perceive and swiftly adapt to external and internal changes to achieve relevant outcomes in a productive and cost-effective manner defines organizational agility is important for business (Shafiabady et al., 2023). According to the Theory, organizational agility basically includes not only anticipating possible changes in the environment or implementing internal modifications, but also converting these changes into routine practices that are smoothly implemented in the retail Industry everyday operations (Carroll et al.,

2023). There is a significant research gap regarding the relationship between organizational agility and artificial intelligence. The absence of generally accepted frameworks that fully describe how integrating Artificial Intelligence might improve organizational agility makes this gap clear (Wamba, 2022). As AI-driven knowledge accessibility will help the organizations in many ways it may provide real-time data, automate procedures, and increase their productivity which is necessary elements of an agile workplace. So, based on the discussion above we can say that AI-driven knowledge accessibility has positive impact on organizational agility.

**H5: AI-driven knowledge accessibility has a positive impact on organizational agility.**

## 6: AI-enhanced task automation and organizational agility:

Adoption of AI-technologies to automate routine task, repetitive work within an organization is known as "AI-enhanced task automation". Employees may concentrate on higher-level, flexible jobs, creativity and problem-solving skills by using AI-tools to automate these kinds of tasks, which eventually improves both individual and organizational productivity (Brynjolfsson, E., & McAfee, A. 2017). The ability of an organization to respond appropriately and effectively to changes in its internal and external conditions is known as "Organizational agility." By enabling companies to take advantage of the insights and efficiency provided by AI-driven solutions, it controls the impact of AI-task automation tools and enhances employee's adaptive performance (Teece, D. J., Peteraf, M., & Leih, S. (2016). Acceptance of artificial intelligence (AI) and organizational agility are essential for any business, regardless of size, to succeed (Wijayati et al., 2022; Hughes et al., 2019). Employee performance, job engagement, and service can all be improved by AI-task automation, which in turn shapes the agility of the company (Wamba, 2022). In today's dynamic corporate environment, the ideas of AI-task automation and organizational agility have become key success factors, businesses that use AI technologies, encourage organizational agility, and welcome change will have an advantage while negotiating the difficulties of the contemporary market (Wijayati et al., 2022). By Using AI-task automation tools, Organizations can react quickly to changes in the market, client needs, and new opportunities which can increase

their productivity, if the organization is agile in nature it can easily compete with market (Petermann et al., 2021).Dynamic capability theory also say that AI-enhance task automation which help the organization. AI can automate repetitive tasks, such as data entry, scheduling, and responding to basic customer inquiries and if the organization is agile, it can react quickly to changes & easily adapt new technologies (Teece, 2007). AI-enhanced task automation may significantly boost an organization's agility by facilitating more efficient resource allocation, faster and more precise making decisions, and improved customer responsiveness (Wijayati et al., 2022). By increasing operational efficiency in retail sector speeding up product development cycles, and allowing predictive capabilities, the integration of AI-knowledge & tools into business tasks can help firms to achieve new levels of organizational agility (Dabbous et al., 2022). Through an analysis of how the use AI-task automation tools & technologies enhance & improve organizational agility, organizations may consistently plan out their adoption strategy with different programs that prioritize organizational agility, promoting a comprehensive strategy for retail industry (Peeters et al., 2022; Papadopoulos et al., 2020; Klein & Todesco, 2021). Although small organizations may recognize the value of AI-task automation and organizational agility, they usually struggle to allocate the required funds and get beyond operational obstacles in order to fully implement these game-changing strategies (Hansen & Bøgh, 2021; Papadopoulos et al., 2020). By adopting, new technology it is essential for organizations to increase their agility since it makes these advantages possible through AI-task automation tools. AI tools and platforms may automate processes, offer real-time data, and improve their productivity and all essential elements of an agile workplace (Liu et al., 2023). Also, Organizations can further improve their agility. This will enable them to adapt to new AI-task automation technologies more quickly, provide better customer experiences, in retail industry and come up with more creative solutions, all of which will support future success and market sustainability.(Bresciani et al., 2021). According to research, AI increases information openness, giving more flexibility to employees, more free time, and a better work-life balance. This promotes commitment, teamwork, job advancement, and general satisfaction. By supporting creativity and decision-making, AI-

task automation raises workforce intelligence. Enhancing production of work and allowing employee to prioritize customer interaction and innovation, it supports crucial management duties, resolves functional difficulties, and simplifies procedures (Malik et al., 2021; Mer, 2023). With the help of AI-task automation organization will improve their repetitive task, which helps organizations to improve employee satisfaction, boost productivity, and optimize daily operations. AI analyze data, finds configurations, and makes judgments. AI is capable of task automation including natural language generation, object identification, voice interpretation, and prediction. Considering the conversation above, we hypothesize that AI-enhanced task automation positively influences organizational agility.

**H6: AI-enhanced task automation positively influences organizational agility.**

## 7: Organizational agility and Employee adaptive performance:

Organizational agility is the ability of an organization to react to changes in its both internal and external environment in the quickest possible way. By enable businesses to benefit from the insights and efficiency offered by AI tools, it moderates the impact of AI and improves employee flexibility (Teece, D. J., Peteraf, M., & Leih, S. (2016). The ability to adapt to new responsibilities, jobs, or settings in response to changing work demands is known as employee adaptive performance. In AI-driven workplaces, where workers must learn new skills and adapt to developing processes, this flexibility is necessary (Pulakos, E. D., 2000). Over time, these complementing strategies develop an organizational perspective that is more prepared to deal with environmental change and interferences. This flexibility thus makes it possible for higher-level government organizations to seize strategic chances to create value. Employees improved operational efficiency, cost savings, and constituent approval of state, and federal political organizations have all been directly associated by researchers with increased organizational agility (Wamba 2022). Public administration scholarship has been paying more and more attention to the idea of organizational agility, which is the capacity to quickly adapt operations by organizational employees, procedures, and strategy in response to new circumstances (Stiel 2023). In order to effectively meet consumer demands for

outstanding products and services, an agile company can be identified by the smooth integration of AI techniques, human resources, and modern technology adapted by employees (Fournier et al., 2023). According to Dynamic Capabilities Theory employee adabtibility is very important for every sector if employee accept new technologies or techniques it will give positive response to attain success, growth and productivity of business, which help to increase organizational agility (Teece, 2007). AI tools enables businesses to use existing knowledge in the form of protocols and procedures, which expedites decision-making and saves time. Additionally, it makes it possible for businesses & employees to grow from their mistakes and learn from them, which increases organizational agility (Jayampathi et al., 2022). With the help of Organizational agility, the capacity of businesses to forecast and react rapidly to changes in the market, is essential for attaining excellent financial success depends upon employee adaptive performance (Peeters, T.et al., 2022). A lot of companies are using agile project management techniques due to the quick growth of artificial intelligence technology, and analytics are essential for project cost and schedule forecasting. The three components of artificial intelligence, agility, and analytics are revolutionizing 21st-century project management techniques (Gupta, S., 2022). In addition to offering common technology platforms for smooth information sharing, powerful analytical systems naturally promote more flexible and learner structures for employee by converting real-time data into useful information. These studies illustrate the ways in which advanced digital capabilities can foster organizational agility in the retail sector and provide the ability to quickly adjust policy and service delivery in response to shifting employees input and constituency expectations. Because businesses must adjust policy, resource planning, and service programming in response to community feedback and changing constituent expectations, this kind of employee adaptability is essential (Holford 2020). With the help of organizational agile project management, individuals can collaborate together to accomplish a shared objective and function as a strong and effective team (Ciric Lalic, D.et al. 2022). The term "organization agility" describes a company's capacity to successfully adapt to dynamic, ever-changing contexts, reduce risks, and maximize possibilities presented by new circumstances &

opportunities for employees (Aldiabat, 2022). Organizational agility offer a structure for accepting the dynamic character of AI- initiatives, and AI-technologies enhance process of decision-making by enabling automation and data-driven understanding. The advantages of joining these two domains include the possibility of higher project success rates, better competitive advantage, and improved employee efficiency. Employees may respond more effectively to shifting market dynamics, make data-informed decisions, and accomplish project goals with

increased efficiency and creativity by adapting AI-Technologies & agility (Gren, L.; Ralph, P., 2023). Employee are very important for every organization if they respond positively and have acceptable nature they will adapt new things easily which will give competitive advantage in performance of firm & employee both. In regard to the conversation above, we contend that organizational agility positively impacts employee's adaptive performance.

**H7: Organizational agility positively impacts employee adaptive performance.**

**Figure 1: Conceptual Framework**
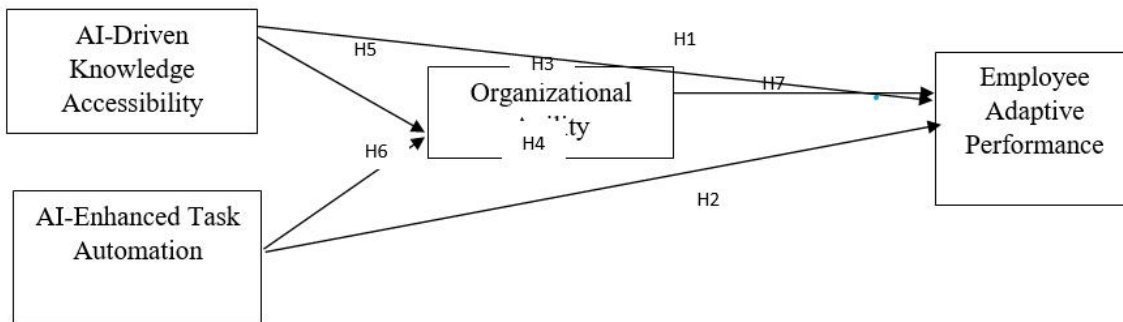


## Methodology

This research uses a Likert scale approach to collect responses from a range of demographic groups in order to guarantee a thorough grasp of the function that AI-driven knowledge accessibility and AI boost task automation play. People from a range of age groups make up the response pool, however the majority (65 participants) are between the ages of 25 and 34, followed by those under 25 (55 participants). Younger professionals, who are perhaps more involved with AI technology in their work, are prominent in this distribution. A small but useful view on seniority and experience in adjusting to AI-driven workflows is offered by the participation of older age groups, since just two participants were 55 years of age or older.

Senior Managers/Executives (40), Junior Employees (55), and Mid-Level Managers (68) are among the organizational roles covered. The influence of AI on staff flexibility, operational efficiency, and decision-making is captured by this equitable representation across hierarchical levels. The biggest group is made up of mid-level managers, which is indicative of their crucial role in integrating AI tools and encouraging organizational agility.The Likert scale design was used because it is effective in capturing complicated views on topics like organizational agility and AI-driven adaptation. It ranges from

strong agreement to dissent. This methodology fits nicely with other studies that highlight how younger and mid-career individuals may embrace technological change and foster innovation in their workplaces (Teece, 2007).

## Sample Size:

To determine the appropriate sample size for this study, the formula for sample size calculation was utilized:

$$Size = Z^2 * p * (1-p) / E^2$$

Where:

- Z: The Z-value for a 95% confidence level (Z=1.96).
- p: The proportion of the population expected to exhibit the studied attribute (p=0.5).
- EEE: The margin of error (E=0.08).

In order to guarantee sufficient statistical power and trust in the results, a minimum sample size of **150 participants** is determined using these factors. With **163 individuals**, the study surpassed this criterion, giving the analysis more dependability and strength. This sample size ensures the validity and generalizability of the results across professional and demographic categories by reflecting a varied pool of respondents.

This method emphasizes the significance of a statistically sound sample size for generating

reliable and useful insights, which is in line with best practices in quantitative research (Krejcie & Morgan, 1970).

## Descriptive Analysis

Higher mean ratings and lower variability as compared to AI-driven knowledge (ADK) demonstrate that respondents typically see AI-enhanced task automation (AETA) and employee adaptability (EA) more favorably, according to descriptive analysis. This constancy emphasizes how important these elements are in promoting Organization agility (OA).

**Table 1: Descriptive Analysis**

| Name | Mean | Standard deviation |
|---|---|---|
| ADK1 | 3.393 | 0.747 |
| ADK2 | 2.728 | 1.231 |
| ADK3 | 2.369 | 0.987 |
| ADK4 | 2.482 | 1.086 |
| ADK5 | 2.488 | 1.215 |
| AETA1 | 3.638 | 0.854 |
| AETA2 | 3.687 | 1.028 |
| AETA3 | 3.718 | 0.958 |
| AETA4 | 3.43 | 0.776 |
| AETA5 | 3.544 | 1.009 |
| OA1 | 3.468 | 0.985 |
| OA2 | 3.506 | 1.024 |
| OA3 | 3.273 | 0.85 |
| OA4 | 3.254 | 0.886 |
| OA5 | 3.452 | 0.821 |
| EA1 | 3.403 | 0.679 |
| EA2 | 3.306 | 1.033 |
| EA3 | 3.059 | 0.885 |
| EA4 | 3.365 | 0.774 |
| EA5 | 3.646 | 0.604 |

## Correlation Matrix

A thorough grasp of the connections between the study's latent variables is offered by the correlation matrix. The moderately positive correlation of **0.49** between AI-enhanced task automation (AETA) and AI-driven knowledge accessibility (ADK) indicates a related but separate connection. Likewise, there is a

**Structural Equation Modeling**

substantial link between ADK and employee adaptability (EA), with a greater correlation of **0.611**. The crucial role that organizational agility (OA) plays in connecting AI-driven processes and adaptability is seen in its modest correlation with both AETA **(0.627)** and EA **(0.575).** Every correlation value is below the 0.85 cutoff, indicating that there are no multicollinearity problems. This guarantees the uniqueness of the constructs and is consistent with best standards in structural equation modeling. Through the establishment of linkages without insinuating causality, this stage enhances the validity of the model.

**Table 2: Correlation Matrix**

| | ADK | AETA | EA | OA |
|---|---|---|---|---|
| ADK | 1 | | | |
| AETA | 0.49 | 1 | | |
| EA | 0.611 | 0.588 | 1 | |
| OA | 0.565 | 0.627 | 0.575 | 1 |

The model demonstrates that AI-driven Technology Adoption (AETA) and AI-driven Knowledge Accessibility (ADK) significantly enhance Organizational Agility (OA), which in turn drives Employee Adaptability (EA). AETA has a strong direct impact on OA (0.586) and a moderate effect on EA (0.258), while ADK moderately influences OA (0.360) and has a weaker direct link to EA (0.151). OA serves as a critical mediator, with a strong positive effect on EA (0.575), showing that agile organizations empower employees to adapt to change. These findings emphasize the importance of adopting AI technologies to foster corporate agility, enabling organizations to thrive in dynamic environments and promoting employee flexibility.

**Table 3: Path Coefficients**

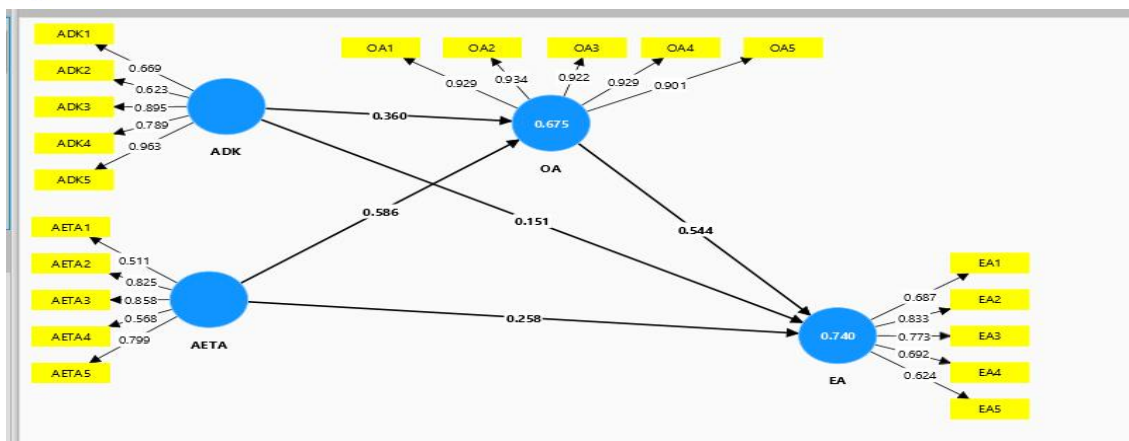| Path Coefficients | | | | |
|---|---|---|---|---|
| | AAT | ADK | EA | OA |
| AETA | | | 0.258 | 0.586 |
| ADK | | | 0.151 | 0.360 |
| EA | | | | |
| OA | | | 0.575 | |

Figure 2: Structural Equation Model of the phenomenon

The **Indirect Path** analysis underscores the mediating role of organizational agility (OA). (AETA) indirectly affects EA through OA with a coefficient of **0.318**, and (ADK) indirectly influences EA via OA with a coefficient of **0.196**. These results confirm the mediating effect of organizational agility in translating AI-driven efficiencies into enhanced employee adaptability, demonstrating the interconnectedness of these constructs within the framework.

**Table 4: Indirect Path**

| Indirect Path | | | | |
|---|---|---|---|---|
| | **AAT** | **ADK** | **EA** | **OA** |
| **AETA** | | | 0.318 | |
| **ADK** | | | 0.196 | |
| **EA** | | | | |
| **OA** | | | | |

**Confirmatory Factor Analysis**
**Reliability and Validity Analysis**
The reliability and validity analysis confirms strong internal consistency across constructs. Cronbach's alpha values range from **0.846 (EA)** to **0.9 (OA)**, indicating reliable measurement scales. Composite reliability values range from **0.844 to 0.899**, exceeding the recommended threshold of 0.7, further supporting the constructs' reliability. The average variance extracted **(AVE)** values, ranging from **0.529 (EA)** to **0.643 (OA)**, confirm adequate convergent validity, ensuring that the constructs capture the intended concepts accurately.

**Table 5: Reliability and Validity Analysis**

| | Cronbach's alpha | Composite reliability | Average variance extracted (AVE) |
|---|---|---|---|
| **AETA** | 0.881 | 0.879 | 0.601 |
| **ADK** | 0.894 | 0.895 | 0.633 |
| **EA** | 0.846 | 0.844 | 0.529 |
| **OA** | 0.9 | 0.899 | 0.643 |

We used the Heterotrait-Monotrait Ratio (HTMT) and the Fornell-Larcker Criterion (FLC) to evaluate discriminant validity. The HTMT made sure that connections between constructs stayed below the 0.85 threshold, validating their uniqueness, while the FLC verified that each construct shares more variation with its own indicators than with other constructs.

The Heterotrait-Monotrait Ratio (HTMT) analysis demonstrates strong discriminant validity among the constructs, with all HTMT values remaining below the conservative threshold of 0.85. For instance, the HTMT value between (ADK) and (EA) is 0.619, reflecting a distinct relationship while maintaining discriminant validity. Similarly, the HTMT value between (OA) and (AETA) is 0.606, further validating the structural independence of the constructs in the model (Henseler et al., 2015).

**Table 6: Heterotrait- Monotrait Ratio (HTMT)**

|  | AETA | ADK | EA | OA |
|---|---|---|---|---|
| AETA |  |  |  |  |
| ADK | 0.49 |  |  |  |
| EA | 0.584 | 0.619 |  |  |
| OA | 0.606 | 0.564 | 0.565 |  |

The **Fornell-Larcker Criterion** further confirms discriminant validity, as the square roots of the Average Variance Extracted (AVE) values (diagonal elements) are higher than the correlations between constructs. For example, **AETA** shows a square root AVE of 0.776, which is greater than its correlations with **ADK** (0.49), **EA** (0.588), and **OA** (0.627). This indicates that each construct shares more variance with its indicators than with other constructs, ensuring the constructs' uniqueness in measuring their intended dimensions (Fornell & Larcker, 1981).

**Table 7: Fornell Larker Criterion**

|  | AETA | ADK | EA | OA |
|---|---|---|---|---|
| AETA | 0.776 |  |  |  |
| ADK | 0.49 | 0.795 |  |  |
| EA | 0.588 | 0.611 | 0.728 |  |
| OA | 0.627 | 0.565 | 0.575 | 0.802 |

The **Cross-Loadings** analysis supports indicator reliability, as each item loads more strongly on its associated construct than on others. For instance AETA2, AETA3, and AETA5 exhibit high loadings on **(AETA)** (0.87, 0.877, and 0.887, respectively) compared to other constructs like ADK and EA. Similarly, ADK5 loads highly on **(ADK)** (0.966) and maintains lower loadings on non-associated constructs, such as AETA and OA. This robust indicator alignment reinforces the validity of the measurement model, ensuring its precision in capturing the targeted variables (Fornell & Larcker, 1981).

**Table 8: Cross Loadings**

|  | AAT | ADK | EA | OA |
|---|---|---|---|---|
| AETA1 | 0.517 | 0.419 | 0.307 | 0.324 |
| AETA2 | 0.87 | 0.408 | 0.505 | 0.545 |
| AETA3 | 0.877 | 0.403 | 0.554 | 0.55 |
| AETA4 | 0.653 | 0.277 | 0.39 | 0.41 |
| AETA5 | 0.887 | 0.413 | 0.486 | 0.557 |
| ADK1 | 0.428 | 0.766 | 0.35 | 0.433 |
| ADK2 | 0.223 | 0.684 | 0.391 | 0.386 |
| ADK3 | 0.441 | 0.809 | 0.572 | 0.457 |
| ADK4 | 0.316 | 0.722 | 0.516 | 0.408 |
| ADK5 | 0.501 | 0.966 | 0.584 | 0.546 |
| EA1 | 0.437 | 0.473 | 0.613 | 0.353 |
| EA2 | 0.554 | 0.453 | 0.926 | 0.533 |
| EA3 | 0.419 | 0.501 | 0.823 | 0.473 |
| EA4 | 0.327 | 0.422 | 0.686 | 0.395 |
| EA5 | 0.401 | 0.401 | 0.515 | 0.296 |
| OA1 | 0.646 | 0.423 | 0.493 | 0.89 |
| OA2 | 0.643 | 0.496 | 0.492 | 0.927 |
| OA3 | 0.381 | 0.426 | 0.486 | 0.726 |
| OA4 | 0.395 | 0.503 | 0.477 | 0.773 |
| OA5 | 0.398 | 0.425 | 0.353 | 0.665 |

This analysis aligns with the Dynamic Capabilities Theory, emphasizing the role of organizational agility as a mediator in leveraging AI-driven tools to improve adaptability and overall performance (Teece, 2007).

**Estimates of structural equation model of phenomenon**

The table presents the path coefficients and their significance in the model. **AI-driven Knowledge Accessibility (ADK)** has a weak positive impact on **Employee Adaptability (EA)** (**0.151**, p = 0.01) but a strong, significant influence on **Organizational Agility (OA)** (**0.36**, p < 0.001). Similarly, **AI-driven Technology Adoption (AETA)** has a moderate effect on EA (**0.258**, p =

0.01) and a strong, significant effect on OA (**0.586**, p < 0.001). Finally, **OA** strongly enhances **EA** (**0.544**, p = 0.004). The high t-statistics and low p-values for most paths

confirm that these relationships are statistically significant, highlighting the critical role of AI technologies in fostering agility and adaptability.

**Table 9: Structural equation model of phenomenon**

|  | Original sample (O) | Sample mean (M) | Standard deviation (STDEV) | T statistics (|O/STDEV|) | P values |
|---|---|---|---|---|---|
| ADK -> EA | 0.151 | 0.152 | 0.107 | 1.41 | 0.01 |
| ADK -> OA | 0.36 | 0.361 | 0.072 | 5.005 | 0 |
| AETA -> EA | 0.258 | 0.255 | 0.159 | 1.622 | 0.01 |
| AETA -> OA | 0.586 | 0.587 | 0.086 | 6.845 | 0 |
| OA -> EA | 0.544 | 0.549 | 0.188 | 2.89 | 0.004 |

**Structural Equation Model (R Square)**

The **R-square** and **R-square adjusted** values indicate the proportion of variance explained by the independent variables for each dependent variable. For organizational agility (OA), the R-square value is **0.481**, meaning 48.1% of its variance is explained by the predictors, with an adjusted value of **0.474**, accounting for model complexity. For employee adaptability (EA), the R-square value is **0.331**, showing that 33.1% of its variance is explained, with an adjusted value of **0.327**. These values reflect a moderate explanatory power for the model, supporting its validity.

**Table 10: Structural Equation Model (R Square)**

|  | R-square | R-square adjusted |
|---|---|---|
| **EA** | 0.331 | 0.327 |
| **OA** | 0.481 | 0.474 |

**Model Fitness**

The model fit indices indicate an acceptable alignment between the structural equation model and the observed data. The SRMR values are **0.087** for the saturated model and **0.113** for the estimated model, both within acceptable thresholds, reflecting low residuals. The squared Euclidean distances (**d_ULS** and **d_G**) show minimal discrepancies, with **d_ULS** values at 1.5 and 2.6, **d_G** values at **1.02** and **1.082** for the saturated and estimated models,

respectively. The chi-square values, **819.151** for the saturated model and **848.219** for the estimated model, suggest minor deviations, which are typical for large sample sizes. Lastly, the NFI values, **0.683** and **0.672**, indicate moderate fit, highlighting the model's capability to explain the variance in the data. Overall, the model demonstrates a reasonable fit for analyzing the relationships between AI-driven tools, organizational agility, and employee adaptability (Hu & Bentler, 1999).

**Table 10: Model Fit**

|  | Saturated model | Estimated model |
|---|---|---|
| **SRMR** | 0.087 | 0.113 |
| **d_ULS** | 1.577 | 2.676 |
| **d_G** | 1.02 | 1.082 |
| **Chi-square** | 819.151 | 848.219 |
| **NFI** | 0.683 | 0.672 |

To assess the links between constructs, the technique in this work uses structural equation modeling (SEM) with SmartPLS. Important studies include discriminant validity using HTMT and the Fornell-Larcker Criterion, path coefficients for direct causal effects, and correlation matrices to evaluate variable connections. The validity and dependability of the model are guaranteed, providing solid

insights on AI-powered tools, organizational flexibility, and worker adaptability.

Reliability and relevance are guaranteed by the questionnaire's reliance on validated constructs from reputable literature. Marquis and Oladoyinbo's (2024) AI-driven knowledge accessibility measurements, which centered on user perceptions and new developments in AI, were modified. Sadegh-Zadeh et al. (2023) provided the items for AI-enhanced task automation, which focused on participation in AI-supported activities. Zhang et al. (2024), who focused on digital transformation in SMEs, served as the foundation for organizational agility structures. Charbonnier-Voirin and Roussel (2012) provided guidance for employee adaptive performance items, which provide a reliable scale to assess personal flexibility in changing circumstances. This thorough integration demonstrates how well the paper bases its technique on accepted research.

## Discussion:

In the contribution, the study results provide valuable insights that AI-driven knowledge and AI-Enhance task automation increasing Employee Adaptive Performance through Organizational Agility. Our study found that the younger employees in retail industry are probably more involved in their jobs by using AI technology, shows how most respondents say that task automation boosted by using AI-driven knowledge, the relationship between AI-enhanced task automation and AI-driven knowledge accessibility is rather beneficial for retail industry. Although, it suggests that businesses are more likely to execute AI-Driven knowledge to enhance their productivity and improve the performance of their employees, with the use of these AI-technology, retailers are better able to adapt to the quickly shifting market trends and client needs. Our study reveals that AI-driven knowledge also shows a positive relationship with Organizational Agility. While, this study provides helpful details about the uptake and effects of (AI) technologies and (OA), in retail industry, because AI technologies are developing so quickly, retail companies must keep up with the most recent developments and trends. In addition, to helping with everyday duties, in retail industries these AI knowledge provide employees with useful information that enables them to solve complex issues and make better decisions. Also, with the help of our study results retail managers, elected officials, and technology developers will get useful findings as they provide useful advice on how to maximize employee's performance in an AI-driven economy. In the current dynamic digital environment, artificial intelligence (AI) has emerged as a major innovation facilitator across retail industries. Artificial intelligence is having a big impact on employee adaptive performance. AI enables task automated systems to create and learn, handle huge amounts of data that is unorganized, and analyze variations in spoken language. Because of this capability, automation systems are capable of carrying out major tasks that are exceed the scope of basic task automation. As, result shows the organizational Agility is linked to the capacity to identify and capitalize on market opportunities caused by digital technologies. Thus, an agile organizational culture can support the transformation processes brought about by digital transformation, which can make it easier to transform or implement new management ideas. In the result of our findings, ideas of (OA) and (AI) have become key components of success in today's dynamic business world. Companies that accept change, promote organizational agility, and use AI technologies will have an advantage while managing the complex workings of the modern economy. Similarly, AI-driven knowledge enhance employee performance, job engagement, and service can all be impacted by AI-task automation, which in turn shapes the organizational agility. So, we can say that these results illustrate how important both AI-powered technologies are for improving organizations agility, which in turn promotes employee adaptability. Therefore, in order to improve organizational agility and employee flexibility, retail industries need to constantly innovate and adapt by implementing AI-driven knowledge & use AI-tools for improve their performance. At the end of above discussion, we conclude that our study shows an accurate fit for examining the connections between organizational agility, employee's adaptability, AI-enhance task automation and AI-driven knowledge. The results showed that all the seven hypothesis were supported, results are presented in above methodology section.

## Theoretical & Practical Implication:

The Findings from this study have significant consequences for academics scholars and

professionals both. According to the findings, our contribution is that Artificial Intelligence has shown itself to be a useful tool for assisting retailers in creating more profitable businesses. Retailers may improve customer experience, save expenses, increase operational efficiency, and optimize operations by utilizing AI technology tools and data-driven analytics. The retail industry in Pakistan is still developing, and most of them scattered and undeveloped. By using AI-based technologies and services to retail industry purchasing can make the better experience for customers (Pillai et al., 2020). For Example, during our research we have find that Imtiaz Super Market a retail industry in Pakistan has purchased the following AI-Driven applications Amazon EC2 for Application Hosting and Computing Services in 2023, Tidio Live Chat for Chatbots and Conversational AI in 2021, SAP S/4 HANA for ERP Financial in 2021 and the related IT decision-makers and key stakeholders. We have been analyzing Imtiaz Super Market revenues, have grown by using these AI-driven tools. Another Practical example, Dynamics 365 from Microsoft has been used by Systems Limited to digitally enable Khaadi Clothing, Pakistan's fastest-growing company and premier retail brand. Khaadi Clothing is well-positioned to expand its international operations and provide its customers worldwide with a truly world-class shopping experience thanks to this cutting-edge ERP solution, which will allow Khaadi Clothing to offer improved services characterized by faster order fulfillment, easier checkouts, and a personalized online shopping experience.Retailers should give priority to supporting their business growth in order to correct the unsustainable evolution of the current dynamic shopping process and give full focus on both the purchasing and post-purchase phases. Additionally, the report suggests implementing AI-based services and technological applications gradually. Along with offering consumers with advanced & best technology (Shankar et al., 2021). Retailers can use dynamic capabilities to continuously modify their logistics systems by using AI-tools to create and maintain cost-effective and service-oriented systems and anticipate external change and prevent organizational Agility. Retailers can use several AI-Driven tools & Applications to provide consumers with innovative technology services and trained their employees through trainings employees will compete with AI-Driven economy. As, automated purchase phases and

electronic payment methods create centralized customer data management which is beneficial for organization and customer as well. Overall, we suggest new retail companies should focus on the AI development by focusing on training of organizational employees.

**Limitation & Future Direction:**
Our work has limitations and suggest areas for future research. The first limitation of our study is that it was limited to company name in the retail sector in the Pakistan, which restricts the scope of our research. In light of this, we propose that future studies expand our conceptual framework in the international retail sector. Thus, capability view, and knowledge-based view would offer a more thorough method for implementing AI as a dynamic capability, which is a significant theoretical and practical advancement. Future research might explore the effects of other disruptive information technologies on the retail industry and analyze the conceptual model proposed in this study using a qualitative approach. As is clear, artificial intelligence (AI) has been regarded as the most disruptive technology and has had a major impact on enhancing employee adaptive performance through organizational agility in the Retail Industry. The industry must embrace and adjust to new developing technology because it is highly dynamic and ever-changing. To acknowledge the value of informed and competent individuals as intangible resources and capabilities, retailer must also broaden their conception of resources. In order to bridge this gap, Dynamic Capabilities Theory high spot the need for businesses to continuously modify their resources and procedures in response to technology breakthroughs. The area of research that needs improvement is how organizational agility, as a dynamic capability, mediates the interaction between employee performance and AI tools.

**Conclusion:**
This study examines AI automation task as a dynamic tool for the retail industry, highlighting the significance of modern information system-based technologies. The influence of AI adoption on Employee performance was conceived and tested in this study, along with the ways in which organizational agility mediated this relationship. The results indicate that, with varying degrees of intensity (e.g., stronger effects on organizational agility), AI absorption is a significant predictor

of employee performance, organizational agility. Large volumes of data can be analyzed by AI to provide insightful information that helps organization make better decisions. Furthermore, this research investigates how AI-based automation affects organizational processes, tackling issues with skill needs, change management, and ethical considerations. According to this hypothesis, in the context of artificial intelligence, retail sector should constantly develop and adapt by implementing AI solutions that improve employer and organizational Agility. This enables them to detect and react to recent market developments in a proactive manner. Overall the hypothesis obtained positive result in this study.

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