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Impact Of Artificial Intelligence On Entrepreneurial Decision-Making In Emerging Asian Markets: An Integrative Conceptual Review

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Abstract

The influence of artificial intelligence on entrepreneurship is shaping how businesses make decisions concerning opportunity recognition, risk assessment, and allocation of resources. While the changing influence of artificial intelligence on entrepreneurship is receiving increased attention, studies remain compartmentalised even though the field of entrepreneurship is primarily focusing on advanced economies. There is inadequate understanding of how institutional complexity, resource constraints, and regulatory varying economies influence the use of technology in entrepreneurship within emerging Asia. To address this imbalance in the field, the current study aims to develop a conceptual understanding of how artificial intelligence affects entrepreneurial decision-making within the context of emerging Asia. To this end, the current study adopts a structured conceptual literature review approach to analyse the 74 articles obtained from the Scopus database that were previously peer-reviewed. This study aims to integrate the findings within the entrepreneurship, information systems, and management literature to synthesise the findings to recognise the key patterns and the pertinent theories that exist on the adoption of artificial intelligence and the decision-making processes that are undergone. The study thus develops an interdisciplinary conceptual framework that seeks to synthesise the drivers of the adoption of artificial intelligence, the capabilities of AI, the domains of entrepreneurial decision-making, the contextual moderators, the cognitive mediation, the ethical and regulatory governance. What the framework shows is that artificial intelligence is a support system to assist the entrepreneur in decision-making processes which aids in entrepreneurship rather than creating a new system that takes over the decision-making processes of the entrepreneur, while the organisation, cognition, and the environment in which the functions.

Key words: *Entrepreneurship, information systems, artificial intelligence, entrepreneurial decision-making,* AI capabilities.

1. Introduction

In recent years, the global diffusion of innovation, especially artificial intelligence (AI), has revolutionised the field of entrepreneurship, particularly the ways in which entrepreneurs acquire knowledge, resolve ambiguity, and understand and respond to competitive strategies in ultra-competitive markets (Felin & Holweg, 2024; Weiser & von Krogh, 2023). Access to state-of-the-art predictive technologies, machine learning, and generative AI has enhanced the cognitive and analytical capabilities of entrepreneurs, facilitating more effective and systematic identification of opportunities, improved evaluation of risks, and more efficient allocation of resources (Geddam, Hussian, et al., 2025; López-Solís et al., 2025; Marchena Sekli & Portuguez-Castro, 2025; Nguyen et al., 2025). Existing literature suggests that AI does not replace the entrepreneurs' judgments, but rather acts as a support mechanism and energy to the deeply bounded rationality of human beings by processing enormous amounts of structured and unstructured data (beyond rational limits) (Felin & Holweg, 2024; Weiser & von Krogh, 2023; Yang et al., 2025). Therefore, the phenomenon of AI-Ability has been extensively studied in the field of entrepreneurship, as well as in integrated fields of study like information and systems, and strategic management (Chen & Zhang, 2024; Jiang, 2023; Tseng, 2025).

The importance of studying the impact of AI on entrepreneurial decision-making is also amplified in the case of the emerging Asian economies where entrepreneurship is fundamental to the economic growth of the region, the diffusion of innovations, and the creation of employment opportunities (Hiremath et al., 2025; Hossain et al., 2025; Khan et al., 2024). The Asian region is home to an exceedingly higher number of micro, small, and medium enterprises (MSMEs) as well as start-ups, most of which operate with a higher degree of institutional voids, resource constraints, and fast-changing markets making the quality of their decisions pivotal to their survival and growth (Boonmee et al., 2025; Iqbal & Abdul Rahim, 2025; Lupiyoadi et al., 2025). The literature has demonstrated that the performance of such entrepreneurial ventures can be greatly mediated by the application of AI in these contexts through the acceleration and improved sophistication of decisions, and the agility and accuracy of strategies (Kristanti et al., 2025; Nakajima, 2025; Riansyah & Bethany, 2024). However, literature also shows that the application and use of AI, particularly in entrepreneurship, is

very disparate across and within countries and it is dictated by the availability of infrastructure, the disposition of the leaders, and the capability of the organisation (Brahmi et al., 2024; Jufri & Hadiwibowo, 2025; Pathak & Bansal, 2024).

Previous studies exploring the intersectionality of AI and entrepreneurship have largely centred on the institutions AI and entrepreneurship partnerships may be built on. Advancing hypotheses and theories on the AI and entrepreneurship linkage is an evolving undertaking. Given the limited theoretical and empirical groundwork on the intersections of AI and entrepreneurship in Asia and focusing on the type of institutions in Asia and the particular context of emerging Asian economies, the hypothesis asserts that different AI predictive capabilities across Asia will have a meaningful impact on tech-fuelled entrepreneurship. And however limited, research in the Asian context shows that the drivers of AI adoption and entrepreneurship in Asia are not only underpinned by the type of networks actors in the entrepreneurship ecosystem are plugged into, but also by the size of the networks. The cultural and regulatory environments of Asian economies, as well as AI's impact on entrepreneurial decision-making, pass the realms of the drives of the type of networks and of the size, suggesting a larger macro-structure that mediates AI's impact on entrepreneurial decision-making. It suggests that on the one hand, the expected impact drives the formation of networks, and on the other hand, networks act as a facilitator to unlock the expected impact. The regulatory and ethical implications concerning AI, entrepreneurship, and the emerging Asian region have been captured, creating a fertile context to explore the AI and entrepreneurship conundrum.

The research on AI-powered entrepreneurship in the developing Asian markets is still very incomplete and underdeveloped (Li et al., 2025; López-Solís et al., 2025; Satone et al., 2025). The available works tend to focus on particular relationships, such as the adoption of AI, the performance outputs, and the ethics, that explain entrepreneurial decision-making in silos (Maheshwari & Samantaray, 2025; Mokoena, 2025; Obaid & Shaker, 2025). Specifically, fewer works discuss how AI interacts with the opaque variables like cognitive biases and the ethical–regulatory governance to determine the outcomes of the decisions in the Asian emerging markets (Ahmad et al., 2020; Wang et al., 2018; Yang et al., 2025). The improvement of the theories and the understanding of AI as a decision-making technology that is complex, and contextually grounded, rather than as a deterministic tool is needed in order to fill this gap (Felin & Holweg, 2024; Lytras & Şerban, 2025; Weiser & von Krogh, 2023).

Considering this, the study is intend this conceptual paper to achieve two objectives.

1. to integrate and synthesise various streams of literature into one coherent conceptual framework that explains the interrelations of drivers of AI adoption, AI capabilities, and the domains of decision-making to arrive at certain entrepreneurial outcomes, particularly in developing Asian economies
2. to contribute to the advancement of the theory by developing a set of propositions that explain the contextual/passive moderators, the cognition processes as interveners, and the ethical and regulatory governance frameworks that structure, orchestrate, and shape AI-enabled entrepreneurial decision-making.

This is a starting point for further empirical work and policy research in the Asian context (Hossain et al., 2025; Kittipanya-ngam et al., 2025; Weiser & von Krogh, 2023).

2. Methodology

A structured conceptual literature review approach was employed to assess the impact of artificial intelligence on business entrepreneurial decision-making within Emerging Asia. We identified and reviewed 74 peer-reviewed articles on the subject of artificial intelligence entrepreneurial decision-making in Emerging Asia. The Scopus database was chosen because of the extensive high-quality coverage of journals in entrepreneurship and management, information systems, and technology. The search employed different keyword combinations with artificial intelligence, entrepreneurship, decision-making in the emerging Asia, and was limited to English publications. The articles were screened for relevance according to the explicit focus on the adoption of AI, AI-driven decision-making, and the entrepreneurial outcomes from the perspective of the emerging and developing Asia. After selection, the articles were schemed through and were subjected to a critical analysis and synthesis, in which all articles were compared to one another in order to uncover common themes, theoretical underpinnings, and empirical patterns of the articles. The review concentrated on interpretative synthesis as opposed to simple aggregation of findings in order to enrich understanding of the issues and build propositions on the integration of AI adoption drivers, AI capabilities, contextual moderators, cognitive mediation, and ethical–regulatory governance on the outcomes of entrepreneurial decision-making. The approach taken was in line with previous conceptual and theory-building research and fits the need of the field in which empirical evidence is underdeveloped.

3. Analysis and Interpretation:

3.1. The Adoption of Artificial Intelligence Technology within Asia's Emerging Entrepreneurs

In Asia's emerging markets, the adoption of diverse branches of artificial intelligence technology by entrepreneurs is influenced by the integration of organisational factors, situational environments, and people dimensions in the business, rather than the technology itself (Hiremath et al., 2025; Syalum et al., 2025). One of the key factors is the difference in adoption strategy and logic by micro, small, and medium enterprises (MSMEs) and new business formation. While new business formation tends to look for performance goals, ease of utilisation, and the potential for the system to grow in a scalable manner, MSMEs are more inclined to adopt artificial intelligence technology in sectors where there is facilitation of supporting conditions such as infrastructure, institutions, and artificial intelligence systems that are perceived to have a high level of intelligence (Iqbal & Abdul Rahim, 2025; Lupiyoadi et al., 2025).

The impact of cross-country studies reflects the particularity of the adoption of AI. With respect to the case of China and India, the focus is on the competitive innovation ecosystems, the availability of data, and how these factors fuel the adoption of AI (Chen & Zhang, 2024; Pathak & Bansal, 2024; Yuan et al., 2025). Conversely, in the case of Bangladesh, Thailand, and other countries in Southeast Asia, the analyses focus on the lack of skills, high costs, and lack of regulations as major impediments to the successful adoption of AI (Boonmee et al., 2025; Khan et al., 2024; Vongurai, 2025). For these reasons, we hypothesise that the adoption of AI in the Asian emerging economies is not explained by a unitary adoption model; rather, it points to a system of technological, organisational, and environmental interplay. It is the degree to which the organisational culture promotes innovation and leadership that serves as pivotal factors determining whether the adoption of AI improves the entrepreneurial decision-making process (Brahmi et al., 2024; Jufri & Hadiwibowo, 2025).

3.2. Impact of AI on Entrepreneurial Decision-Making Spheres

a. Opportunity Recognition

Significant scholarship positions AI, and more recently, generative AI, as game-changers for entrepreneurial opportunity recognition. AI analyses large volumes of market, buyer, and contextual data, thus diminishing information asymmetry and enabling entrepreneurs to detect and discern emerging trends and potential business opportunities (Li et al., 2025; Nguyen et al., 2025). Additionally, generative AI facilitates creative problem-solving that surpasses traditional analytics by recombining data in novel fashions, thereby enhancing entrepreneurial alertness and strategic imagination (Marchena Sekli & Portuguez-Castro, 2025; Tseng, 2025).

Yet, the literature offers caution regarding the perception of AI opportunity recognition as wholly objective and autonomous. The value of AI insights is contingent on the quality of the data, contextual relevance, and the entrepreneur's ability to discern (López-Solís et al., 2025; Weiser & von Krogh, 2023). In emerging Asian nations, where informal institutions, cultural nuances, and market volatility have a heightened influence, human discretion remains crucial in assessing AI opportunities and operationalising them into entrepreneurial action (Geddam, Gowda, et al., 2025; Hiremath et al., 2025; Yang et al., 2025).

According to the available literature, AI-based predictive analytics tools enrich risk forecasting, risk scenario assessment, risk forecasting, and risk anticipation, in particular, the operational and financial risk forecasting, scenario forecasting, risk scenario assessment, risk forecasting, and risk anticipation (Mokoena, 2025; Obaid & Shaker, 2025). Machine learning tools possess the ability to predict distress, assess credit risk, and monitor real-time performance of an investment, providing decision support to the entrepreneur (Kristanti et al., 2025; Mishra & Shekhawat, 2021).

However, the literature mentions the disadvantages regarding algorithmic bias, data opacity, and the predictive models' reliance on historical data (Maheshwari & Samantaray, 2025; Verma et al., 2025). AI systems run the risk of reinforcing cognitive biases and growing overconfidence by offering deterministic forecasts. This is why, in the literature, the combination of received risk assessment from AI algorithms and risk assessment from experiences is considered important, particularly in emerging markets which suffer from high levels of uncertainty and institutional voids (Amoako et al., 2021; Weiser & von Krogh, 2023).

b. Allocation of Resources

Increased operational efficiency, better utilisation of financial and human capital, and better strategic management (Ines et al., 2024; Riansyah & Bethany, 2024) show how far AI is reshaping the entrepreneurial allocation of resources. Predictive analytics and AI-based decision-support systems enable entrepreneurs to recognise gaps in efficiency, predict changes in the requirements of the resources available, and adjust the allocation of resources to keep pace with changes in market conditions (Jiang, 2023; Nakajima, 2025).

However, the literature emphasises that these benefits are conditional on the organisation's degree of assimilation and preparedness. Firms with no data assimilation, low employee capability, and lack of balanced strategic alignment are more likely to suffer from AI investments (Pathak & Bansal, 2025;

Sánchez et al., 2025). This indicates that the allocation of resources with the support of AI must be situated in the more complex systems of the organisation and strategic design to result in more substantial improvements in performance.

3.3. Contextual and Cultural Moderators of AI Effectiveness

One vital observation in the literature is the impact of contextual and cultural factors in moderating the relationship between the adoption of AIs and outcome in entrepreneurial decision-making. The differences in technological capabilities, regulatory frameworks, and market development in the Asian economies lead to uneven influence of AIs (Chen & Zhang, 2024; Dunan et al., 2025). Advanced decision-making in digital ecosystems with positive policy frameworks tend to have more benefits in decision-making, while in digital poor environments, decision-making is more constrained and resource poor (Hiremath et al., 2025; Hossain et al., 2025).

The impact of cognitive factors is critical in decision-making with the support of AI. Research indicates that biases such as anchoring, overconfidence, and decision fatigue still remain to shape the entrepreneurial decision-making even in the presence of AI (Ahmad et al., 2020; Verma et al., 2025; Yang et al., 2025). AI is expected to reduce the biases, but more biases can be introduced with the algorithms and training data (Wang et al., 2018). Enhancing AI literacy and cognitive awareness is very important to the adaptive range of entrepreneurs in emerging Asian economies. to the adaptive range of entrepreneurs in emerging Asian economies (Lytras & Şerban, 2025; Satone et al., 2025).

3.4. Ethical and Regulatory Aspects of Decision-Making Using AI

When it comes to AI being adopted and utilised in business making processes, there are ethical and regulatory limitations surrounding it. In developing Asian countries, there is a lack of data protection, there is a danger of digital erosion, and bias in AI is common. This is because there is a lack of comprehensive regulations focused on technology in these states (de Siles, 2025; Thanyawatpornkul, 2024). In various studies, there is a lack of trust in AI systems, prompting to consider the potential of such technology in business, because of inconsistent regulatory systems (Kulothungan & Gupta, 2025; Rahadian et al., 2024).

The risk of ignoring most of the proposals of complete, open, and interactive systems to the end user will result in a great loss (Kittipanya-ngam et al., 2025; Weiser & von Krogh, 2023). In business, ethical use of AI isn't simply a requirement; it also contributes to fostering systems of trust, and hence, to the ethical employment of AI systems, greater emphasis is placed on the need for regulation that maintains an equilibrium. This will be in favour of responsible use of AI in business for developing Asian countries (Hossain et al., 2025; Sánchez et al., 2025).

3.5. Integrative Interpretation

On balance, the available literature suggests that AI facilitates enhancing the degree of opportunity identification, risk mitigation, and efficient resource distribution within entrepreneurial ecosystems of emerging countries in Asia (Li et al., 2025; López-Solís et al., 2025). However, the effects of AI on the entrepreneurial ecosystem in these emerging countries in Asia are moderated by enterprise attributes, situational factors, cognitive distortions, and ethical-regulatory frameworks. Most importantly, the attention of the body of available literature indicates that AI systems, rather than replacing decision-making in entrepreneurship, complement the decision-making process under conditions of uncertainty and ambiguity (Felin & Holweg, 2024; Weiser & von Krogh, 2023).

These conclusions lead us to propose the emergence of a hybrid decision-making paradigm, whereby AI acts as a decision-support system of advanced capabilities that operates within the boundaries of human judgment and situational awareness. This observation highlights the necessity of contextually responsive, ethically situated, and human-centred approaches toward the adoption of AI in entrepreneurial ecosystems in emerging economies of Asia.

4. Propositions Development

Based on the critical analysis of previous works, the study advances to proposes how artificial intelligence (AI) will impact entrepreneurial decision-making within the context of emerging Asian markets in seven propositions.

P1: The Drivers of Differentiated AI Adoption

The drivers behind the adoption of AI are markedly distinct among MSMEs and emerging Asian market startups. MSMEs are primarily influenced by the enabling conditions and the perceived intelligence of AI systems, while startups lean toward performance expectancy and the perceived ease of use.

This proposition corroborates previous studies concerning how organisational size, the existence of resource constraints, and the specific organisational strategy influence the rationale for the adoption of AI (Hiremath et al., 2025; Iqbal & Abdul Rahim, 2025; Lupiyoadi et al., 2025).

P2: AI and the Recognition of Opportunities

There is a positive influence of the adoption of AI on the recognition of entrepreneurial opportunities through the ability to decrease information

asymmetry and improve the ability to sense a market. However, the degree of effectiveness of the opportunities that are generated by AI highly depends on the entrepreneurs' contextualised interpretation and decision-making.

The ability to generate text by AI supports the recognition of opportunities, the solving of problems that are highly divided, and the need to rationalise by the human actors to maintain contextual relevance especially within the emerging volatile markets (Li et al., 2025; López-Solís et al., 2025; Nguyen et al., 2025).

P3: AI-Enabled Risk Assessment

AI predicts risks early and accurately, and enhances entrepreneurial risk assessment, but there is a danger of becoming too reliant on the algorithms, as this can distort the understanding of risk and reinforce cognitive biases.

Despite AI's improvements regarding analysis, the need for hybrid approaches is important as algorithms can mistakenly provide insight and lack a sufficient understanding of the subject (Kristanti et al., 2025; Mokoena, 2025; Verma et al., 2025).

P4: AI and Resource Allocation Efficiency

Provided the organisation has the necessary preconditions, the adoption of AI streamlines entrepreneurial resource allocation by utilising data for optimisation and providing real-time decision assistance.

When the necessary performance improvements occur for AI-assisted resource allocation, it is evident that the organisation has adequate data, proficient employees, and cohesive strategic alignment (Ines et al., 2024; Pathak & Bansal, 2025; Riansyah & Bethany, 2024).

P5: Contextual Moderation of AI Effectiveness

In the context of emerging Asian economies, the technological context, the regulatory environment, the ecosystem in terms of market stability/instability, and the ethos and values of the society all shape the level and outcomes plural of decision-making in entrepreneurship and the use of AI.

The differences between the economies of Asia justify the differences in the effects of AI, and this calls for the use of tailored context-based frameworks (Chen & Zhang, 2024; Hiremath et al., 2025; Hossain et al., 2025).

P6. Cognitive Biases and Human – AI Interaction.

Cognitive biases mediate the relationship between the adoption of AI technologies and the quality of decisions made by entrepreneurs, while AI can either mitigate or strengthen these biases depending on the AI literacy and interpretative skills of the entrepreneurs.

AI may enhance the quality of decisions made by entrepreneurs; however, it can also produce biases resulting from overconfidence in the decisions made by the AI or in the AI's design (Ahmad et al., 2020; Wang et al., 2018; Yang et al., 2025).

P7. Ethical and Regulatory Constraints

Inasmuch as AI ethics and regulations enhance trust, strengthen transparency and responsible use of AI, they enhance the effectiveness of AI-enhanced entrepreneurial decision-making.

Weak or fragmented regulations can diminish trust in AI systems, whereas human-centric and explainable AI governance promotes sustainable entrepreneurship (Kittipanya-ngam et al., 2025; Kulothungan & Gupta, 2025; Thanyawatpornkul, 2024).

The relations and the effects discussed in the propositions are conceptualized and presented as a framework for AI-Enabled Entrepreneurial Decision-Making in Emerging Asian Markets as given below figure 1

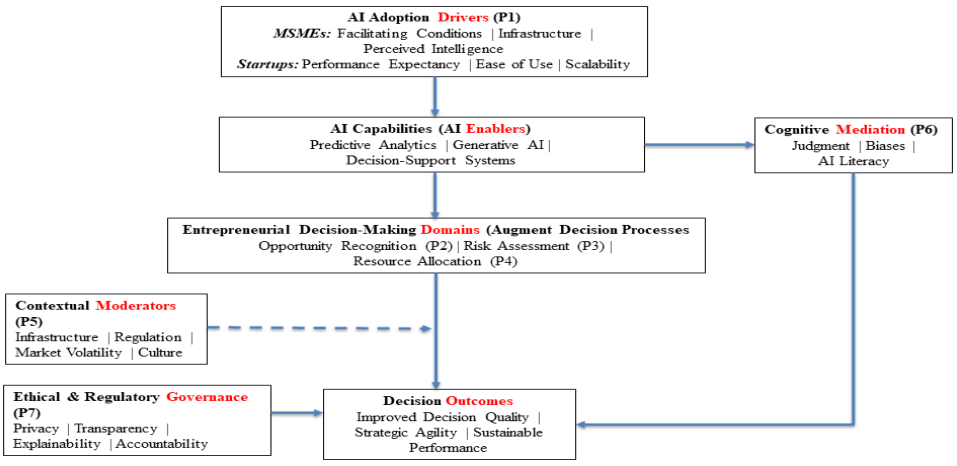

Figure 1: *Conceptual Framework: AI-Enabled Entrepreneurial Decision-Making in Emerging Asian Markets*;
Source: *Author*

The relations and the effects presented as figure 1 has been tabulated as below table 1

Table 1: *Conceptual Framework Development;* **Source***: Author*

From	To	Arrow Type	Effect
Adoption Drivers	AI Capabilities	Solid ↓	Enables
AI Capabilities	Decision-Making Domains	Solid ↓	Augments
Decision-Making Domains	Outcomes	Solid ↓	Leads to
Contextual Moderators	AI → Decision link	Dashed →	Moderates
AI Capabilities	Cognitive Mediation	Solid →	Shapes
Cognitive Mediation	Outcomes	Solid →	Mediates
Governance	AI Capabilities	Solid ↑	Guides
Governance	Decision Domains	Solid ↑	Ensures Trust

5. Discussion: Integrating Results into Existing Theory

This research contributes to the body of knowledge concerning entrepreneurship and artificial intelligence by integrating the ways in which AI affects entrepreneurial decision-making in developing Asian economies and by embedding these findings in relevant theories. The analysis illustrates how AI's incorporation into entrepreneurship exceeds the simple adoption of technology to fundamentally alter how opportunities are perceived; how risks are assessed, and how resources are distributed. Above all, the results highlight that AI-automated decision-making depends on an organization's structure, situational environment, and the thinking patterns of people, rather than being universally deterministic.

5.1. Extending Technology Adoption Theories

Considerable attention has been given to traditional technology adoption theories, mainly the Technology Acceptance Model (TAM), the Unified Theory of Acceptance and Use of Technology (UTAUT), and the Technology–Organization–Environment (TOE) framework, which emphasise potential usefulness, ease of use, and environmental readiness as strong predictors of technology adoption. The present study advances the models to include AI adoption in entrepreneurial settings in developing Asian countries, where it is influenced by additional factors such as perception of AI systems' intelligence, leadership commitment, and ethics (Hiremath et al., 2025; Iqbal & Abdul Rahim, 2025; Lupiyoadi et al., 2025). The adoption drivers' differentiation observed across MSMEs and startups within the same sector has been the basis of the argument against many adoption models' embedded assumptions of homogeneity and therefore has called for sector-definition-sensitive extensions of these theories.

In addition, the impact of infrastructural readiness and regulatory environments is in sync with the environmental dimension of the TOE framework. However, the findings to this effect suggest these factors are uneven across the developing economies of Asia (Chen & Zhang, 2024; Hossain et al., 2025). The findings support the argument and adoption theories' assumptions, frameworks, and models, as developed in advanced economies, require contextual recalibration when applied to emerging markets that are defined by regulatory fragmentation and institutional voids.

5.2. The Role of AI in Augmented Decision-Making as an Assistant

The theory of bounded rationality states that entrepreneurs face rationality limitations when it comes to measuring and analysing data. AI assists entrepreneurs in minimising rationality limitations by enhancing data and analytical capabilities (Felin & Holweg, 2024). Within the rationality limitations argue AI systems do not reduce the uncertainty entrepreneurs face but transform it in a more informative and analytic manner (Mokoena, 2025; Obaid & Shaker, 2025).

The hybrid model of human and AI systems that allows for augmented decision-making (not replacement) by AI systems further verifies the findings (López-Solís et al., 2025; Weiser & von Krogh, 2023). This is especially true in some of the emerging Asian countries in the region where the high uncertainty and informality requires sufficient human interpretation that goes beyond AI output. This is the reason why the theory of decision-making should consider AI to amplify and boost human cognitive capabilities.

5.3. The Recognition of Opportunities and Entrepreneurship Alertness

According to the theory of entrepreneurial alertness, the findings suggest that AI, particularly generative AI, increases the ability of entrepreneurs to recognise opportunities by fostering novel pattern recognition and reducing information asymmetry (Li et al., 2025; Nguyen et al., 2025). Generative AI not only promotes the recognition of opportunities through greater efficiency, but also allows the creative recombination of information, thus transcending traditional definitions of alertness beyond the human mind

(Marchena Sekli & Portuguez-Castro, 2025; Tseng, 2025).

AI-integrated opportunities do, however, require human contextualisation to determine feasibility and market relevance, especially in the dynamically emerging market (Hiremath et al., 2025; Yang et al., 2025). This finding refines entrepreneurial alertness theory by underscoring the interdependence of machine-generated insights and human sense-making.

5.4. Risk Assessment, Behavioural Decision Theory, and Cognitive Bias

This research has implications for behavioural decision theory in that it shows how AIs both lessen and exacerbate cognitive biases in entrepreneurial decision making. On the one hand, AI-powered analysis lessens the heuristic reliance by offering predictive and scenario analytics (Kristanti et al., 2025; Mishra & Shekhawat, 2021). On the other hand, the possible biases of overconfidence and automation could be exacerbated by heuristic reliance, especially in the case of entrepreneurial AI illiteracy or lack of critical interpretative skills (Maheshwari & Samantaray, 2025; Verma et al., 2025).

This evidence builds upon the research surrounding cognitive overconfidence and decision bias in the realm of management by showing that AI does not diminish cognitive biases, but that there is a working relationship that must be considered (Ahmad et al., 2020; Wang et al., 2018). This demonstrates the necessity for relevance of cognitive and behavioural aspects to be included in the theories of AI adoption and decision making.

5.5. Institutional and Contextual Approaches to Emerging Markets.

Based on institutional theory, the impact of entrepreneurial AI on the economy is moderated by the regulatory and infrastructure conditions, and the volatility of the market. Fragmented governance and institutional voids in the emerging economies of Asia moderate and constrain the impacts of the adoption of AI and the scale of AI decision systems. On the other hand, a positive policy and digital ecosystem environment mitigates risk and builds trust, thus enhancing the positive impact of AI on strategic development (Kulothungan & Gupta, 2025).

These considerations inform the theory of entrepreneurship in emerging markets in that they show the potential of digital innovations, particularly in relation to other dimensions of the institutional context, to produce varied outcomes. The findings suggest that AI-enabled entrepreneurship is inextricably linked to the socio-political and regulatory context within which enterprises operate.

5.6. Trust, Ethical Governance, and Human-Centred AI.

The findings contribute to the literature on governance and Ethical AI by placing transparency, explainability, and accountability as central to entrepreneurial decision-making adopted by AI. Where ethical governance is weak, trust and the use of AI systems decline, while human-centred, explainable frameworks of AI systems arrest the decline and promote trust and sustainability (de Siles, 2025; Kittipanya-ngam et al., 2025; Weiser & von Krogh, 2023).

This perspective expands ethical governance theory by situating ethical considerations as more than mere compliance but as key drivers for the improvement of entrepreneurial decisions and the sustainability of the ecosystem. Given the prevalent trust deficits and regulatory uncertainties that characterise emerging Asian markets, the ethical governance of AI becomes central to the entrepreneurial value of AI.

5.7. Summary of the Contribution to Theory

This study attempts to provide a multi-theoretical explanation of AI-empowered entrepreneurial decision-making by proposing a unique integration of technology adoption theory, bounded rationality, entrepreneurial alertness, and behavioural decision theory as well as institutional theory. The discussion furthers the argument that the impact of AI, particularly in the context of entrepreneurship, is ultimately relational to human cognition, organisational preparedness, and the institutional context. In this way, the study opens the door for more empirical investigations in the context of emerging Asian economies to address this theory.

6. Conclusion

This conceptual paper has consolidated the area of artificial intelligence-enabled entrepreneurship by merging disparate streams of literature to conceptualise the impact of AI on the decision-making of entrepreneurs in developing Asian economies. By reconceptualising AI as a decision-support system rather than as a standalone decision-maker, this paper adds credibility to the claim that AI positively influences entrepreneurship by increasing the analytical capabilities of the entrepreneurs, while the contextual information and decisions remain in the hands of the entrepreneurs (López-Solís et al., 2025; Nguyen et al., 2025; Yang et al., 2025). The framework contributes to the current theories of technology adoption and decision-making by arguing that the impact of AI on entrepreneurship is determined by the equilibrium of the factors influencing its adoption, the organisational framework, and the contextual factors, especially in settings with high institutional ambiguity and

complexity (Chen & Zhang, 2024; Hiremath et al., 2025; Hossain et al., 2025).

This paper's most important theoretical contribution is the fusion of cognitive mediation and contextual moderation into the study of AI-enabled entrepreneurial decision-making through the lens of bounded rationality and entrepreneurial alertness and the behaviour decision-making theory (Ahmad et al., 2020; Felin & Holweg, 2024; Wang et al., 2018). The study results show that while AI enhances the ability to identify an opportunity, measure a risk, and allocate resources, it also interacts with the entrepreneurs' cognitive dissonance, AI literacy, and judgement resulting in outcomes that are, more often than not, both of poor quality and not contextually appropriate (Maheshwari & Samantaray, 2025; Verma et al., 2025; Yang et al., 2025). The study's incorporation of ethical and regulatory governance into the framework of the debate of responsible and human-centred AI is particularly noteworthy in that the debate is anchored in the properties of transparency, explainability, and accountability that are most important in conjunction with trust to endure and stabilise the entrepreneurial ecosystem value of AI (de Siles, 2025; Kittipanya-ngam et al., 2025; Weiser & von Krogh, 2023).

This research is built upon by offering more empirical and theoretical additions. Consider carrying out further research by empirically testing the suggestions put forward in this work, disseminating it to more than one country in Asia, across varying subsectors, and differentiating by the scale of the business to evaluate the framework's generalisability and boundary conditions. If there is a longitudinal research design, it would be much beneficial to analyse the evolution of entrepreneurs' encounters with AI, in a context of organisational capabilities, policy frameworks, and AI education that progresses through time (Nakajima, 2025; Riansyah & Bethany, 2024; Satone et al., 2025). Comparative research across different regions, analysing how the lack of institutions, cultures, and governance systems, provide for a different framework of AI decision-making in emerging, as well as advanced, economies. Lastly, it is much better to untangle the complexities around trust, legitimacy, and accountability that are predicated on AI and are incorporated into decision-making on the entrepreneurial side, and support the idea of ethical and explainable AI that strengthens the sustainable and inclusive entrepreneurial development, particularly on the emerging Asian economies.

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